

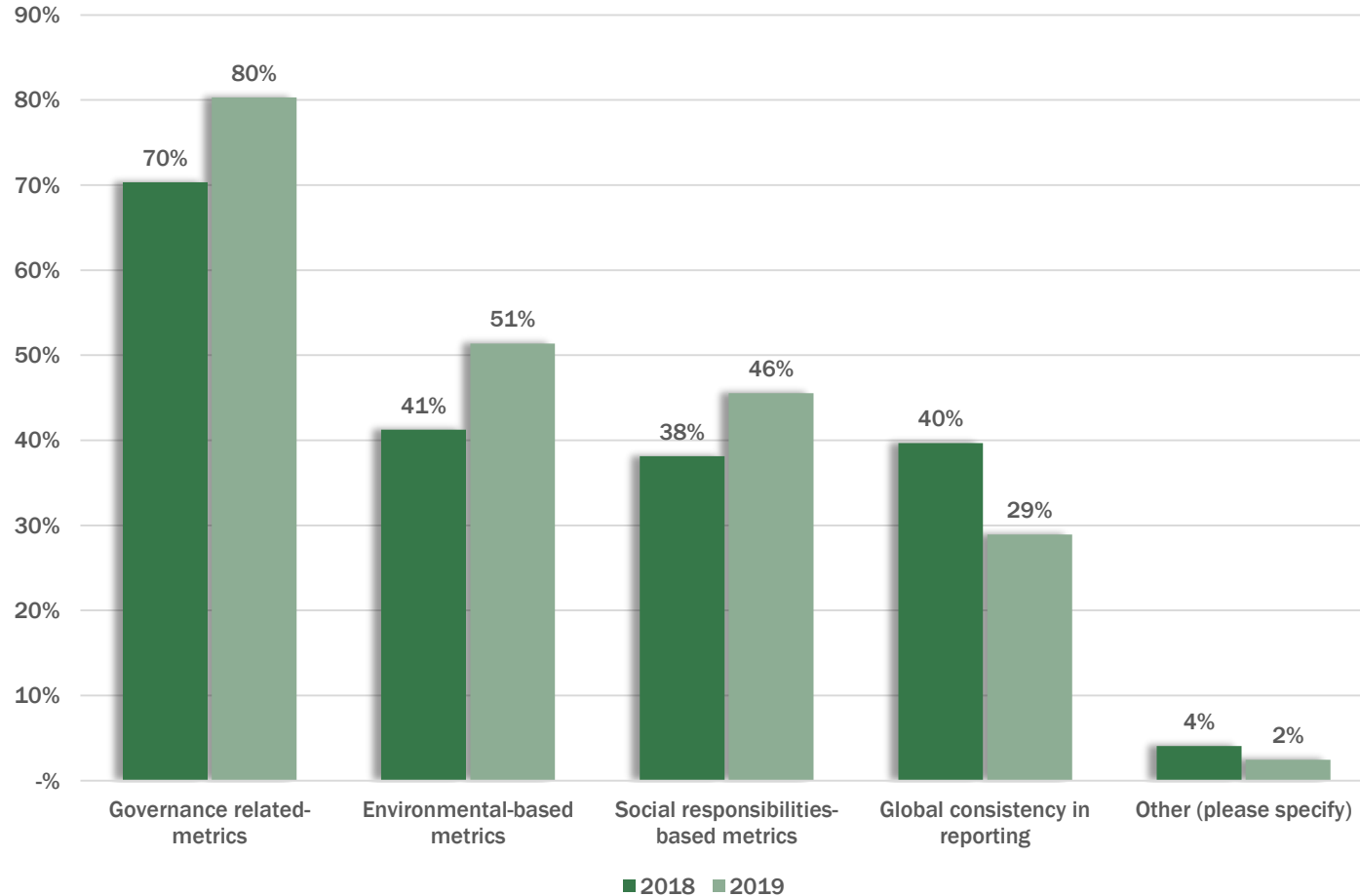
# **LATIN AMERICAN INVESTORS SEE INCREASING IMPORTANCE OF ESG/SRI METRICS**

**2019 Latin America Research Team Insights**

# LATIN AMERICAN INVESTORS SEE INCREASING IMPORTANCE OF ESG/SRI METRICS

As has been seen globally, ESG/SRI metrics appear to be gaining in influence for Latin American equities investors. Indeed, more investors are placing value on various facets of ESG/SRI investing and many investors expect that the influence over their investing decisions will continue growing in the future.

Over 300 investors in Latin American equities disclosed their insights on ESG/SRI metrics as part of *Institutional Investor's* 2019 Latin America Research Team survey.



## WHICH FACETS OF ESG/SRI INVESTING ARE MOST IMPORTANT?

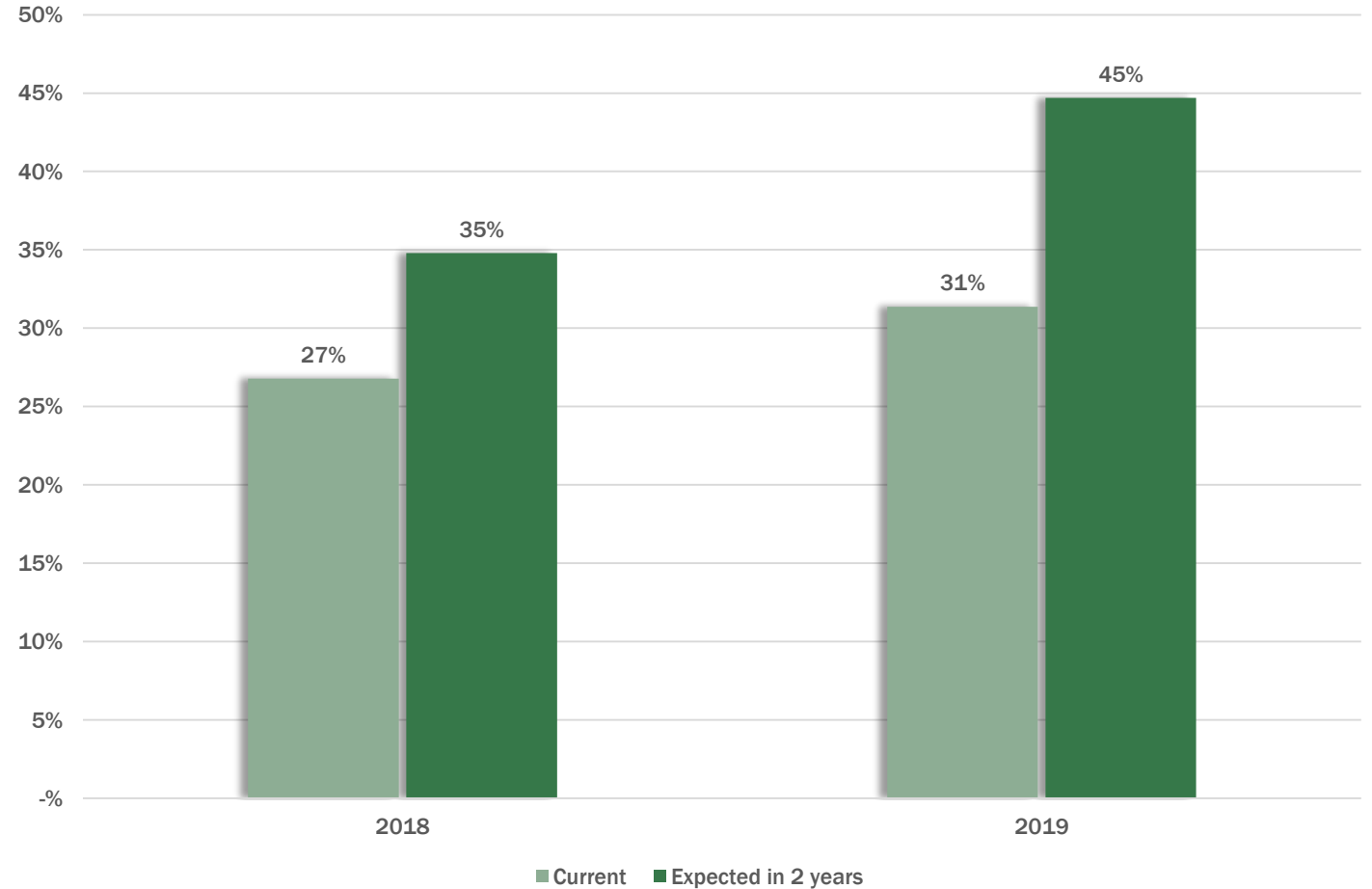
Governance related-metrics are valued by vast majority of investors.

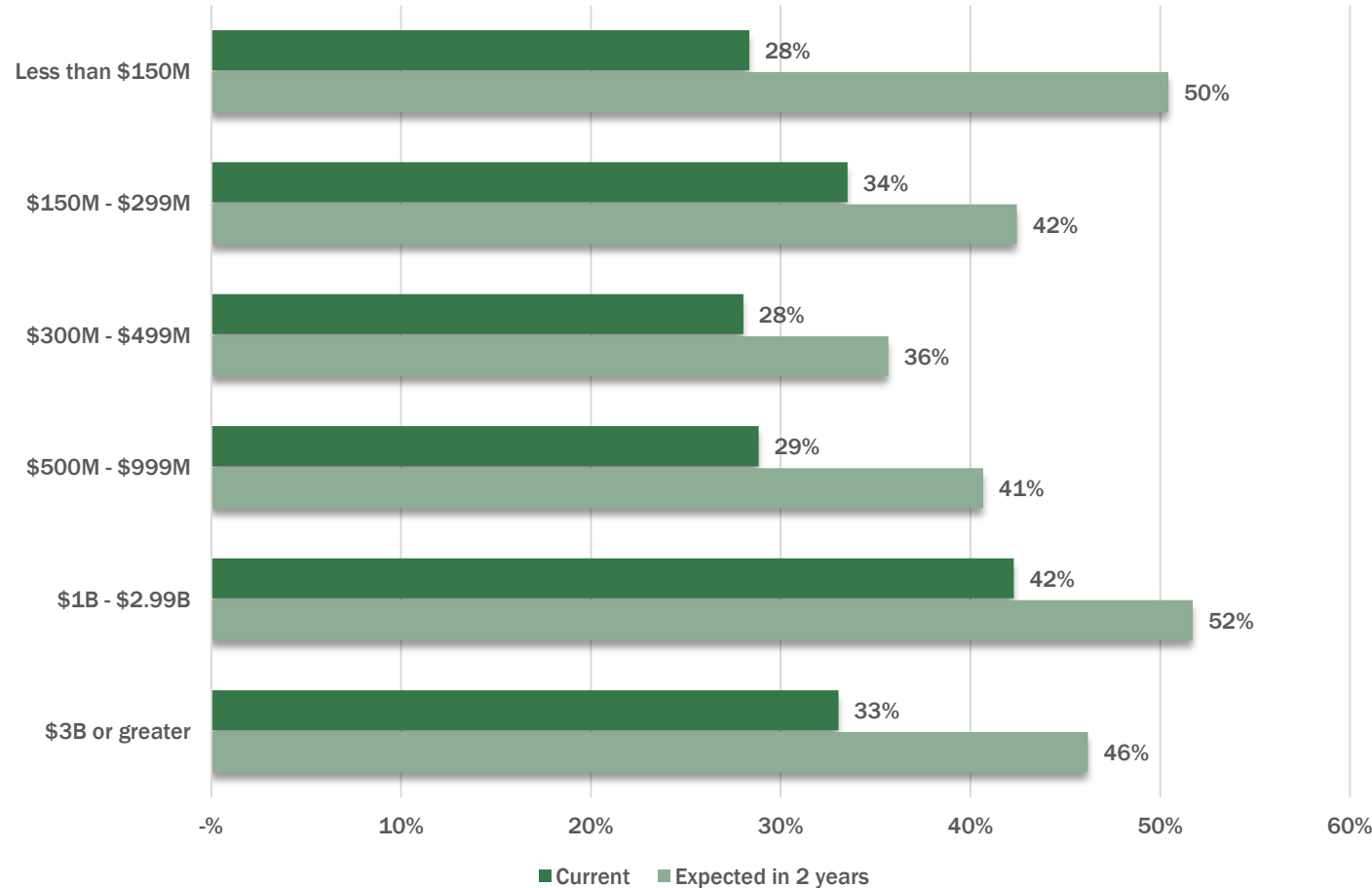
In 2019 more Latin American investors find governance related, environmental-based, and social responsibilities-based metrics to be important facets of ESG/SRI investing than in the previous year. Only global consistency in reporting saw a decrease in the investors who find it to be an important ESG/SRI investing facet. In fact, 11% fewer investors value this facet of ESG/SRI investing in 2019 over the previous year.

## HOW MUCH ARE ESG/SRI COMPONENTS INVOLVED IN INVESTING DECISIONS?

ESG/SRI components continue to grow in influence.

The percentage of investing decisions that involve ESG/SRI components has gone up from 27% to 31% as reported by Latin American investors. Responding investors expect this percentage to continue to increase significantly in the future. Indeed, investors in 2019 stated that they expect nearly half of their investing decisions to involve ESG/SRI components in the next two years.





## HOW DOES ESG/SRI INFLUENCE DIFFER ACROSS ASSET SIZES?

**ESG/SRI influence is not directly tied to firm asset size.**

**Current and expected involvement of ESG/SRI components in investing decisions does not appear to be directly correlated with firm assets under management. Indeed, while investors at firms with less than \$150 million in AUM currently report 28% of their investing decisions involve ESG/SRI components, they expect this to increase to 50% in the next two years – the second highest expectation.**

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