

Capital Group is one of the world's largest investment managers with USD 2.6 trillion in assets (December 31, 2021). Capital Group commissioned a second annual ESG Global Study to gather global investor perspectives on ESG.

About the ESG Study

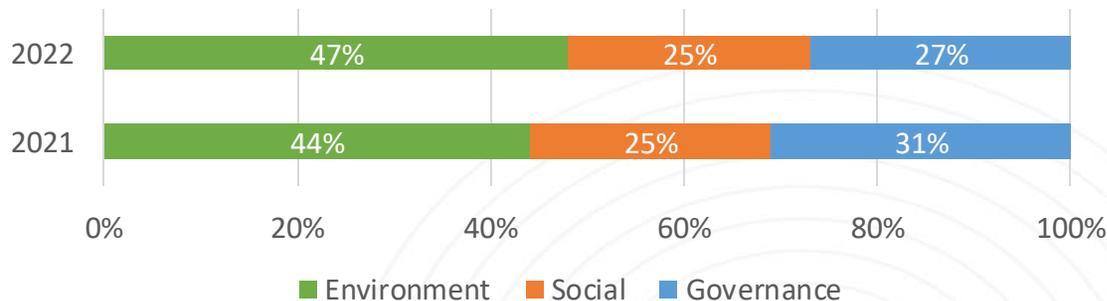
The study sample included **1,130 global investors** (565 global institutional investors and 565 global wholesale investors) including investors who have adopted ESG (89%) and have not adopted ESG (11%). Investors were based in 19 countries and regions from Europe (50%), Asia-Pacific (32%), and North America (18%), and collectively manage assets worth **USD 32.1 trillion**. The study was conducted via an extensive online survey by CoreData Research between February and March 2022.

Growth of ESG Adoption

The study shows continued momentum towards ESG. Approx. 26% of the global investors said that ESG is **central to their investment approach**. The number of non-adopters and those “on the sidelines” declined from 16% in 2021 to 11% in 2022, resulting in 89% of the investors surveyed using ESG to some degree in their investment approach. Importantly, 61% of the investors surveyed noted a **strong conviction in ESG**, with only 13% agreeing with the statement that “ESG is a passing fad that will eventually go out of fashion”.

There is a **bias towards active strategies** when investing in ESG. Nearly two-thirds (63%) of global investors prefer active funds to integrate ESG. This preference shows that investors see active ownership as key to engaging with and influencing the activities of portfolio companies.

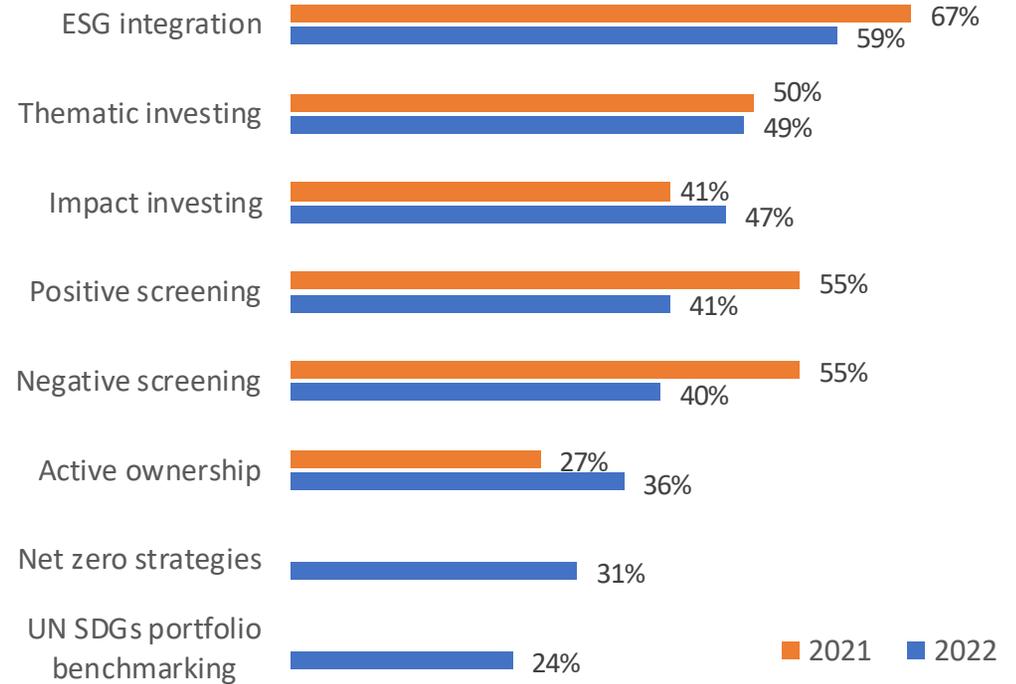
Investor Focus (Global)



According to the Study, climate change concerns are at the top of investor minds, with **Environment component** of ESG, garnering the highest mind-share.

Strategies to Implement ESG

Investors use several strategies to implement ESG, as shown on the graph to the right. **ESG integration** remains the most widely used strategy, cited by 59% global investors.



ESG Adoption Barriers

40% of the investors cited lack of robust ESG data as the #1 barrier to adoption of ESG. Worries about sacrificing return was noted as the second-biggest barrier (35% vs. 49% in 2021). Falling concerns about performance align with the finding that respondents see investment returns and sustainable impact as mutually beneficial. Concerns over greenwashing was the third-biggest adoption barrier.

What ZMH Can Do for You

Our Proprietary ESG Engagement Dashboard™ allows you to leverage technology and data to optimize your shareholder interactions.

Know what could be asked during an engagement

Stay up to date on investor's ESG priorities

Access to 1000+ case studies & detailed analysis

Understand how investors will vote on your ballot

Gain access to 7M NPX voting records & governance policies

Contact information & key players at each firm

CONTACT US TO SCHEDULE A DEMO

info@zmhadvisors.com | <https://zmhadvisors.com>