ESG Global Study 2022

Our second annual study captured views from over 1,100 professional investors from 19 markets around the globe on ESG issues.

ESG adoption is continuing to grow

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-adopters</th>
<th>Adopters</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>13%</td>
<td>32%</td>
</tr>
<tr>
<td>2022</td>
<td>10%</td>
<td>29%</td>
</tr>
</tbody>
</table>

Non-adoption: On the sidelines
Acceptance: Compliance
Conviction: ESG adopters have increased from 84% to 89%.

The E of ESG continues to dominate investor allocations

<table>
<thead>
<tr>
<th>Year</th>
<th>Environmental</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>44%</td>
<td>25%</td>
<td>31%</td>
</tr>
<tr>
<td>2022</td>
<td>47%</td>
<td>25%</td>
<td>27%</td>
</tr>
</tbody>
</table>

What percentage of your ESG focus is, or would be, allocated to these three segments (E, S & G)?

Meeting client needs and making a positive impact are key ESG drivers

<table>
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<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meet client needs</td>
<td>27%</td>
</tr>
<tr>
<td>Make an impact</td>
<td>25%</td>
</tr>
<tr>
<td>Improve performance</td>
<td>14%</td>
</tr>
<tr>
<td>Reputation</td>
<td>10%</td>
</tr>
</tbody>
</table>

What is the primary reason your organisation has adopted, or would adopt, ESG?

With active funds still the most popular route to access ESG investments

- Active funds: 63%
- Passive funds: 23%
- Hybrid instruments (Active exchange-traded funds, etc): 14%

What is your preferred approach to integrating ESG?

Despite 40%+ recognising social issues are being overlooked

- Agree: 41%
- Neither agree nor disagree: 38%
- Disagree: 21%

To what extent do you agree or disagree that social issues are being overlooked in the debate on climate change?

While accessing reliable and consistent ESG data remains a key challenge

Don't know: 1%
Acccessing ESG data: 25%
Measuring ESG performance: 24%
Management approach consistency: 21%
Transparency: 13%
Engagement: 9%
Regulatory pressure: 7%
Industry standards: 8%
Enhance risk management: 10%
ESG ratings' consistency: 6%

What is your number one challenge when implementing ESG investments?

Source: Capital Group, ESG Global Study 2022. Totals may not reconcile due to rounding.
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