

A survey of attitudes towards Socially Responsible Investment (SRI)

ATTITUDES TOWARDS SOCIALLY RESPONSIBLE INVESTMENT IN EUROPE



Study on Socially Responsible
Investment (SRI) in Europe



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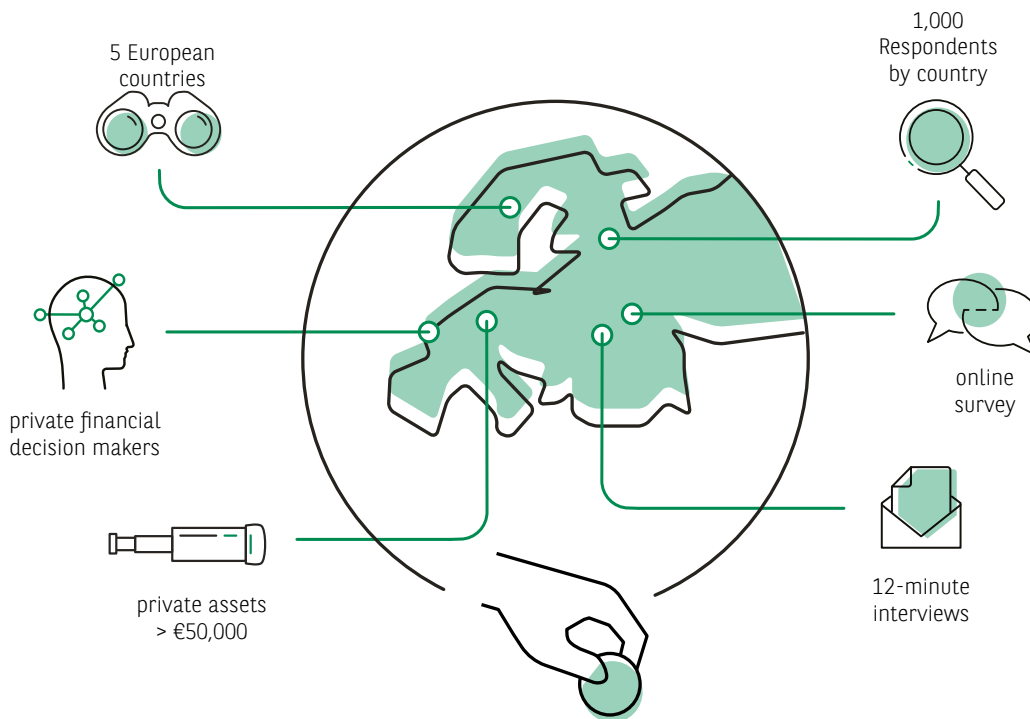
METHODOLOGY

FACTS AND FIGURES

Survey details

Renewable energy, e-mobility, fair trade – issues related to sustainability are more prevalent in public debate than ever before. But to what extent do people in Europe take social responsibility into account when it comes to their financial investments? Do they know what socially responsible investment means and what is their opinion of it? How do attitudes compare across Europe? These are the central questions underpinning this study.

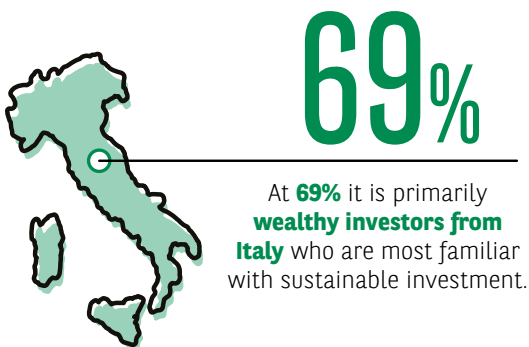
On our behalf, the market research institute Kantar TNS surveyed 1,000 people with at least €50,000 of private assets in Belgium, the Netherlands, France, Germany and Italy. All those surveyed were over 18 years of age and indicated that they make or influence financial decisions in their household. The survey took place at the same time as the UN Climate Change Conference of December 2018. It was around 12 minutes long and included questions on both sustainable investment and demographic factors.



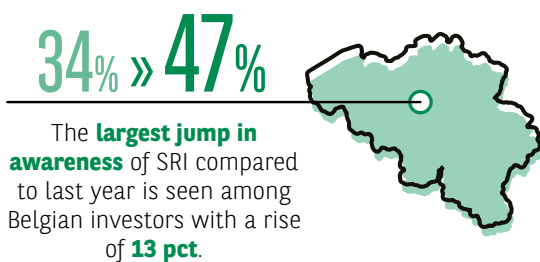
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AWARENESS AND OWNERSHIP OF SUSTAINABLE INVESTMENTS IN EUROPE



IN EUROPE THE ISSUE OF SUSTAINABILITY IS BECOMING INCREASINGLY IMPORTANT IN THE WORLD OF INVESTMENT.



SRI (Socially Responsible Investment) is based on sustainability and social responsibility. For example, sustainable investment funds take into account factors such as environmental aspects, fair working conditions and compliance with human rights.

In almost all European countries, awareness of sustainable investment is growing, in some places significantly. This suggests that the principles of sustainability are also gaining significance in the world of investment in Europe. The only exception is in the Netherlands, where a certain amount of groundwork is needed in order to anchor sustainable investment issues more firmly in the minds of potential investors.

Have you ever heard about “Socially Responsible Investment” in short SRI?

Overall, actual use of this form of investment has risen only slightly since last year, regardless of the level of awareness. It has not yet been possible to translate the potential of SRI into actual investment decisions on any great scale.

European comparison of awareness of SRI

	2018		2017
Italy:	69%	↑	60%
France:	56%	↑	47%
Belgium:	47%	↑	34%
Germany:	45%	↑	37%
Netherlands:	30%	↓	47%

Comparison of awareness/actual use of SRI

	Awareness	Actual use
Italy:	69%	7%
France:	56%	7%
Belgium:	47%	7%
Germany:	45%	5%
Netherlands:	30%	5%

POTENTIAL FOR SUSTAINABLE INVESTMENT IN EUROPE

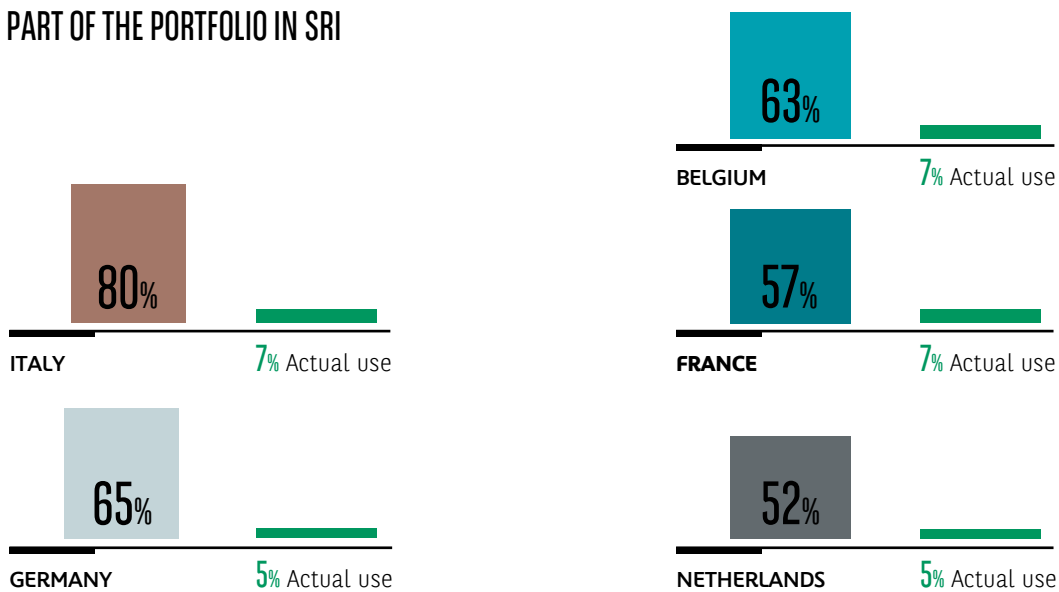
THE GROWTH IN SUSTAINABLE INVESTMENT IS STILL LOW BUT ACROSS EUROPE THERE IS NOW A BASIC WILLINGNESS TO INVEST SUSTAINABLY IN THE FUTURE.

Despite the current low levels of SRI investment, the majority of wealthy investors from all countries studied are basically willing to allocate at least a small part of their portfolio to sustainable forms of investment – however, they have yet to take this step. Even among the more critical investors in the Netherlands, over half express such willingness.

Across Europe, sustainability has long since stopped being a niche topic for idealists and has started to play a role even in the context of personal investment. In theory, at least, a large percentage of wealthy investors can envisage investing sustainably and responsibly. 80% of Italian investors indicate that in future they want at least a small part of their portfolio to be SRI.

This offers a big opportunity to better anchor SRI in investors’ portfolios in the future.

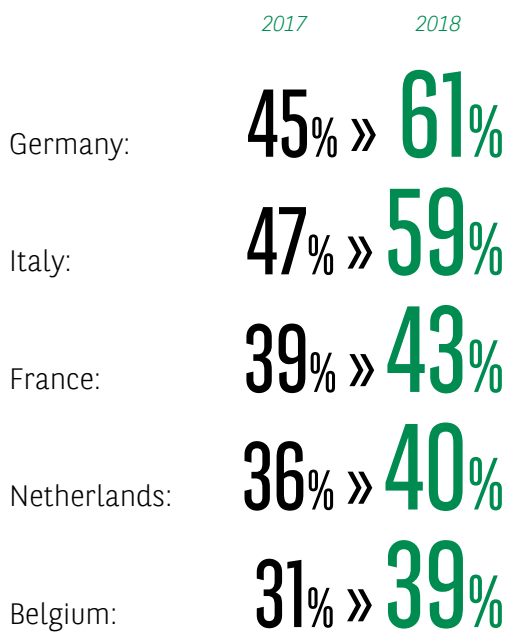
WILLINGNESS TO INVEST AT LEAST A SMALL PART OF THE PORTFOLIO IN SRI



Are you willing to invest a small part of your portfolio in “Socially Responsible Investment” in the near future?

OPENNESS TO ADDITIONAL INFORMATION ABOUT SRI

Positive assessment of the level of financial knowledge among investors



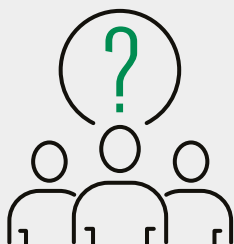
How would you state your overall knowledge or information level about your financial investments?

ACROSS EUROPE THERE IS A CLEAR INTEREST IN HAVING MORE INFORMATION ABOUT SUSTAINABLE INVESTMENT, ESPECIALLY IN ITALY AND GERMANY.

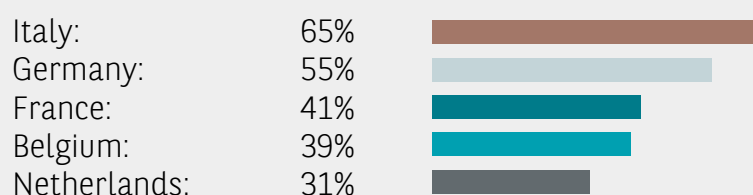
Investors across Europe and especially in Germany and Italy, are becoming more knowledgeable about their own personal investments. In addition, the interest they express in receiving more information about SRI shows a clear interest in the issue of sustainability. However, it also illustrates the fact that there is a need for more education to entrench this form of investment more firmly in the minds of investors. Almost two thirds of wealthy investors in Italy and just over half of those in Germany would like more information about sustainable investment. Investors in the Netherlands and Belgium are currently less open to the idea, with just under one in three investors in the Netherlands keen to find out more about SRI.

The reasons why investors are currently deciding against SRI are very similar throughout Europe. A lack of knowledge about this form of investment is a key factor hampering the willingness to invest.

The study clearly shows that more detailed information is needed to raise the profile of sustainable investment as an investment option.



Interested in information about SRI:



Are you interested in learning more about "Socially Responsible Investment (SRI)"?

THE ROLE OF BANK ADVISORS IN PROVIDING INFORMATION

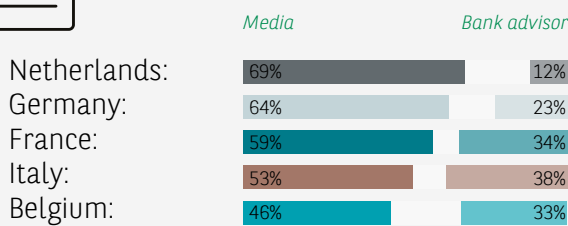
THE BANK ADVISER IS THE KEY FIGURE IN INVESTMENT DECISIONS. HOWEVER, PRIVATE INVESTORS ACROSS EUROPE HAVE ALWAYS GOT MOST OF THEIR INFORMATION FROM THE MEDIA.

A lack of information is an obstacle to more widespread sustainable investment. Yet private investors get a large percentage of their information from the media. The knowledge conveyed in this way is, however, clearly too general and insufficient to convince investors of the benefits of SRI.

The bank advisor is the best route, as investors trust their judgement: in all countries, the bank advisor occupies the key position of an expert and trustworthy contact partner, without whom the idea of sustainability would not be converted into an investment decision. Bank advisors can use information about the safety and profitability of the investment to fill gaps in knowledge about sustainable investment and answer detailed questions. However, this still happens in too few consultations. This circumstance is particularly evident in the Netherlands and Germany, while in France and Belgium around one third of wealthy investors have already been given information about sustainable investments by their bank advisors. Bank advisors in Italy speak even more frequently with their clients about SRI. Detailed consultations are the best way to ensure a greater spread of this form of investment.

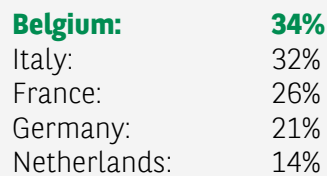


Source of information about SRI



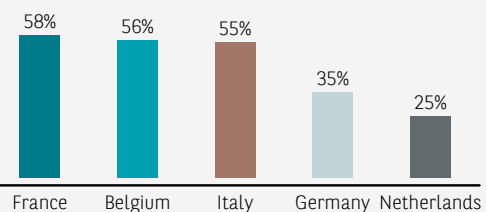
And how did you get in contact with SRI?
Where have you heard of SRI?

Recommendation of bank advisor to invest in SRI



Has your banking or financial advisor ever advised you to invest in "Socially Responsible Investment"?

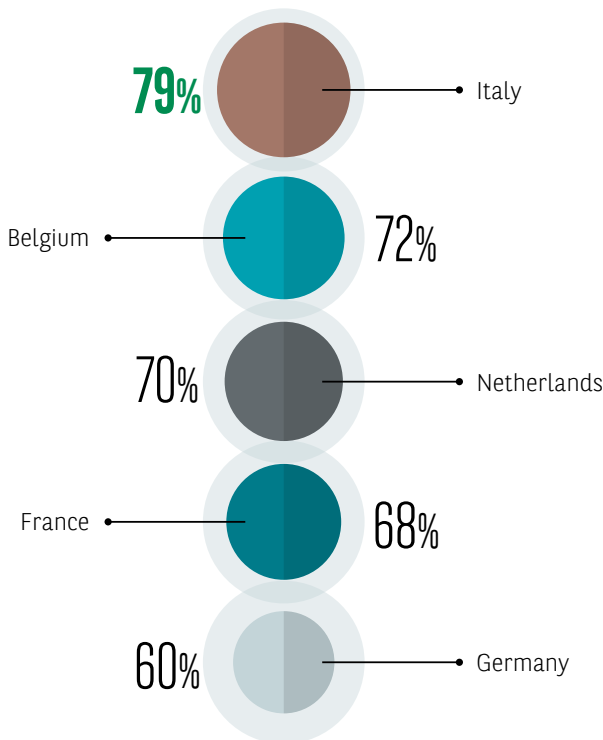
The bank advisor has the highest level of expertise to transfer knowledge about SRI throughout Europe



According to you, which source do you feel is most suitable to inform you about "Socially Responsible Investment"?

THE EFFECTS OF EVENTS SUCH AS THE UN CLIMATE CHANGE CONFERENCE

Awareness of UN Climate Change Conference



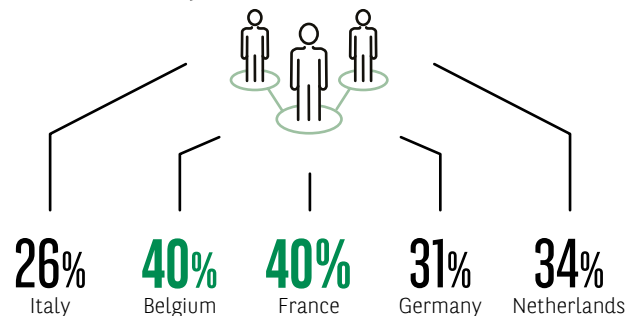
Are you paying attention to events related to climate change?

It will take time for habits or attitudes to change in terms of individual consumer habits. Events with a high public profile such as the UN Climate Change Conference are mostly perceived and are leading, especially in Belgium and France, to changing attitudes in terms of individual consumer behaviour. It is clear, however, that media reports alone are not enough to convince investors to actually invest in SRI. Translating the theory into actual financial investment is so far only happening very slowly. The example of Italy, on the other hand, shows that when the issue of sustainable investment is entrenched more deeply in the consciousness of investors, media reports also lead to a review of investment strategies. One in five investors in Italy reviewed their own investments as a result of press coverage of the UN Climate Change Conference. More focused media work by SRI experts in the context of such events could also help to increase the quality and depth of the information conveyed by the media concerning sustainable investment.

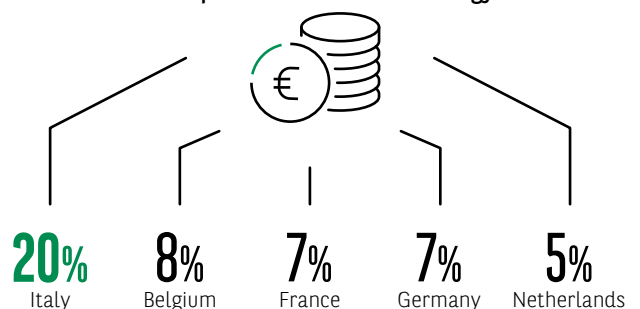
EVENTS RELATED TO SUSTAINABILITY TEND TO HAVE AN EFFECT ON CONSUMER BEHAVIOUR. HOWEVER, INVESTMENT BEHAVIOUR IS STILL TOO RARELY INFLUENCED BY SUCH EVENTS.

EVENTS LIKE THE UN CLIMATE CHANGE CONFERENCE HAVE...

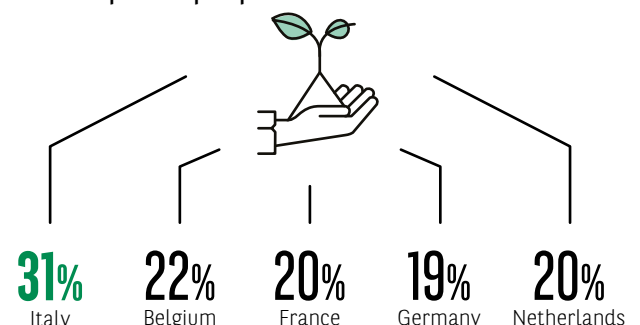
...an impact on actions as a consumer



...an impact on investment strategy



...an impact on perspectives on environmental issues



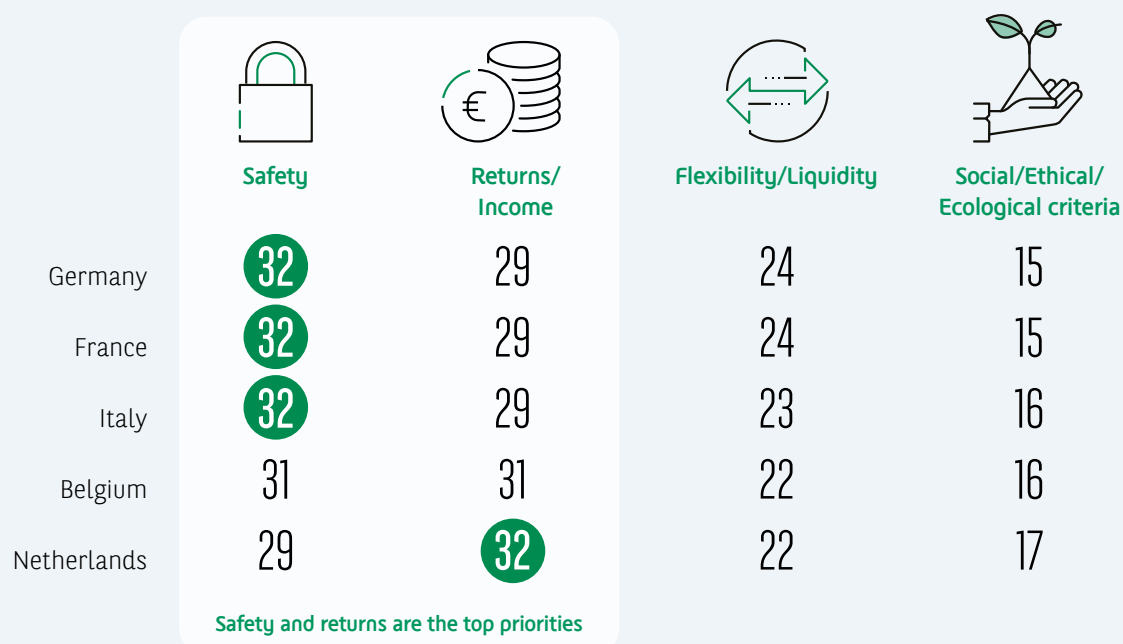
THE MOST IMPORTANT CRITERIA FOR INVESTMENT DECISIONS

WHEN MAKING A DECISION ABOUT AN INVESTMENT, EUROPEANS AGREE: SOCIAL, ETHICAL AND ENVIRONMENTAL CRITERIA CAN SUPPLEMENT CLASSIC INVESTMENT CRITERIA SUCH AS SAFETY AND PROFITABILITY.

In terms of the assessment of the key criteria for an investment decision, Europe is more united here than on almost any other point: safety and returns are the top priorities. Sustainability tends to be seen more as an additional argument. By implication, this means that if the opportunities for SRI to be profitable are communicated more forcefully and anchored in the public consciousness, there is a huge potential for sustainable investment.

Certificates for SRI could be a tool for increasing confidence in SRI and developing stronger arguments for credibility and profitability. In particular for investors from Italy and France, this would be a reliable instrument for increasing confidence. In the other countries in the study, too, the percentage of those in favour of a certificate is larger than the number of investors who see no added value in this approach.

MOST IMPORTANT CRITERIA FOR INVESTING MONEY (IN PERCENT)



In your opinion, what are the most important criteria for investing money?

Certification would be helpful in making investment decisions



Italy:	73%
France:	52%
Belgium:	45%
Germany:	42%
Netherlands:	36%

Would a certification label for "Socially Responsible Investment" help you in your choice?

When it comes to sustainable investment, the focus of wealthy investors across Europe is on environmental projects. Investments in the fields of food or social responsibility are less often seen as key areas of interest. Those who invest in SRI do so above all in order to make a positive contribution to the environment through their investment - and this attitude is particularly evident in wealthy investors from Italy.



INTEREST IN ISSUES OF SUSTAINABILITY (IN PERCENT)



Climate & Environment



Social



Food

Italy	36	15	12
Germany	30	11	9
France	26	17	11
Belgium	25	18	11
Netherlands	23	12	9

Environmental projects are key areas of interest

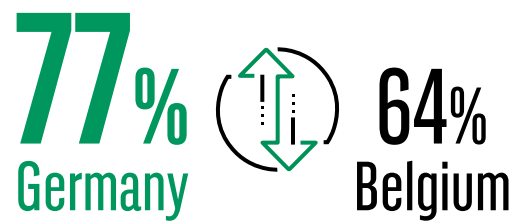
Which topic or content would be the one you are mainly interested in?

PERCEPTION OF SRI

BELIEF IN THE SUSTAINABLE IMPACT AND PROFITABILITY OF SRI IS NOT VERY PRONOUNCED IN EUROPE.

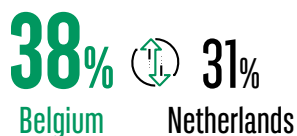
Investors in Europe agree on one thing: they need to be personally convinced of an investment. This represents a big area of opportunity for sustainable investment: to date only a relatively small percentage of wealthy private investors across Europe believes that SRI is actually having a positive impact on society or the environment. Furthermore, very few investors believe that SRI can provide similar returns to conventional forms of investment. In order to make actual changes to their investment strategy, investors need more in the way of knowledge and trust. The fundamental willingness to invest sustainably is, however, present, as one in every three or four investors already sees SRI as part of a balanced portfolio.

This trend can be seen in all countries, but there are two polar opposites in the way this is manifested: while wealthy investors from the Netherlands all too rarely have a clear picture of the characteristics and aims of SRI, private investors in Italy are the most convinced of the positive impact of SRI.

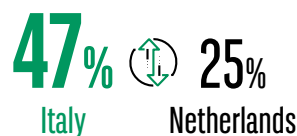


"I MUST BE CONVINCED BY THE TYPE OF INVESTMENT I TAKE"

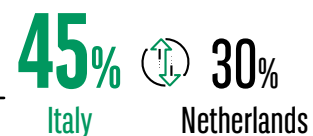
The highest and lowest percentage of countries surveyed in comparison



"My only concern is the financial return of my investment no matter how it is invested"



"SRI has a positive impact on society"



"I believe that the SRI approach, with sustainable investments managed by financial advisors, has a positive impact on the environmental issues"



"By now, SRI investments belong to a well balanced portfolio"



"SRI has returns equivalent to traditional investments"

Please state how much you agree to the following statements about "Socially Responsible Investment".

CONCLUSION

ITALIAN INVESTORS ARE PARTICULARLY OPEN TO SRI, THOSE IN THE NETHERLANDS PARTICULARLY SCEPTICAL. HOWEVER EVERYWHERE IT HOLDS TRUE THAT THE GAP BETWEEN A FUNDAMENTAL INTEREST IN SRI AND ACTUAL INVESTMENT OFFERS HUGE POTENTIAL.

For many people in Europe, sustainability already plays an important role. Awareness is rising and the willingness of investors to obtain more information about sustainable investments and to include them in their own portfolio is very much in evidence. This attitude is especially clear in Italy and Germany. Investors from the Netherlands, in contrast, tend to be more sceptical.

At the same time, the actual number of sustainable investments held throughout Europe has grown over last year, but only slightly.

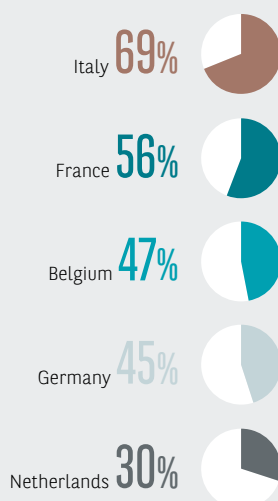
The study gives a clear indication of why sustainable investment is not yet a natural choice in the portfolio of European investors:

1. The basic openness of investors is not yet leading to actual investment
2. Investors want to be provided with more expert and in-depth information about SRI – preferably from their bank advisors
3. Investors want to be sure that sustainable investments are credible, safe and profitable

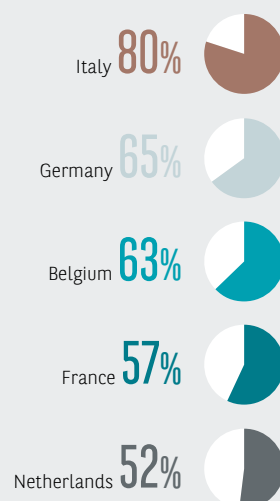
The growth prospects for SRI are huge if investors who are open to the idea are in future given appropriate information, in-depth advice and clear facts about the safety and potential returns of SRI.



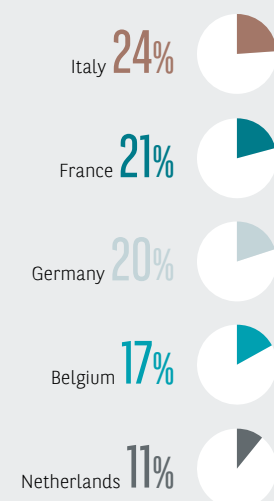
Knowledge of SRI



Willingness to invest at least a small part of the portfolio in SRI



Agreement with statement "SRI has returns equivalent to traditional investments"



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