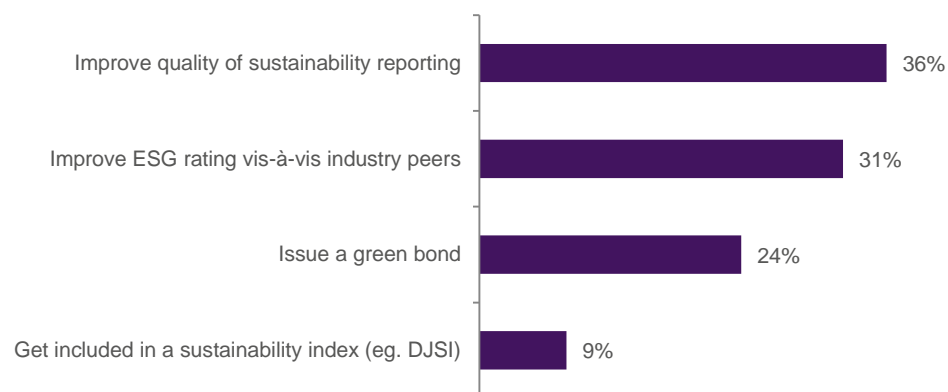


European investor views on Sustainable Finance

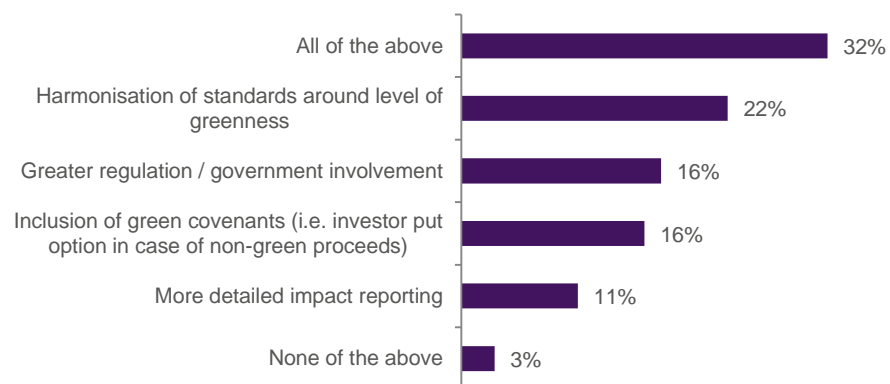
Key takeaways

- ✓ **Sustainability reporting is key and more important than green bonds:** When asked about actions companies should take to showcase their commitment to sustainability, 36% of investors suggested improving their reporting in this area. A close 2nd was for a company to seek to enhance its overall ESG rating (31% of responses) while a green bond issuance was suggested by only 24% of accounts
- ✓ **84% of investors actively incorporate sustainability into their investment decision:** The large majority of them employ an external agency for this, with MSCI and Sustainalytics the most popular. 17% of respondents purely rely on their internal models, being either large accounts or purely ethical funds
- ✓ **Further standardisation required:** When asked what would help the green bond asset class, most investors asked for "harmonisation of standards around level of greenness". Around half felt that greater regulation / government involvement and inclusion of green-specific covenants would also be beneficial

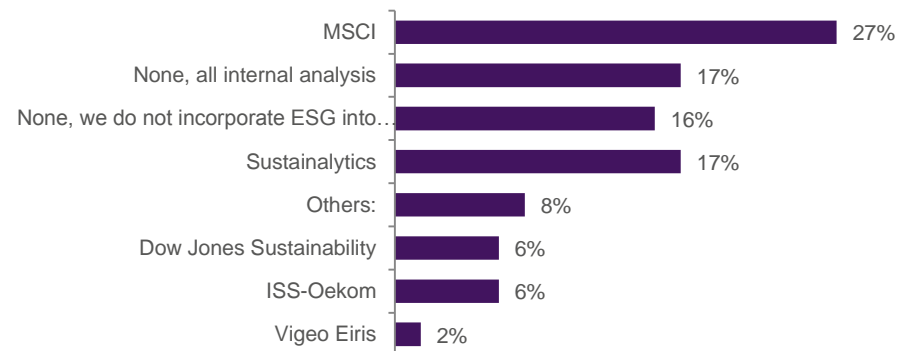
What actions best underscore a bond issuer's commitment to sustainability?



Which of the following developments do you think would be beneficial for the green bond asset class?



Which sustainability agencies do you rely on when assessing a bond issuer's environmental, social and Governance ("ESG") rating?



Source: NWM Credit Investor Survey Aug-Sep 2018. Data includes responses from 58 investors (both regular, light and dark green accounts) with a combined total of over €4 trillion of assets under management

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