

Retail Investors' Views of ESG



GLOBESCAN
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Views of Retail Investors

Retail investors* show strong and growing interest in ESG

- Thirty-nine percent of retail investors around the world say they have invested with ESG in mind and another 39 percent say they have considered it. Shareholders in Asian markets (especially China, Thailand, and Vietnam) are most likely to have already bought or sold shares because of the company's social and environmental responsibility approach.
- Investment based on ESG considerations has increased over the past two decades in the G7 markets, where 37 percent now say they have bought or sold shares based on ESG – up from 24 percent in 2003. Half of American retail investors (51%) now say ESG has influenced their investments, up 25 points compared to 2003. Forty-seven percent of French investors have invested with ESG in mind (up from 28% in 2003), as well as 44 percent of Italian investors (up from 34% in 2003).
- Eight in ten retail investors globally (82%) say that they are interested in investing in companies that are socially and environmentally responsible, and 72 percent want to avoid any industry that contributes to climate change. Seventy percent of investors also agree that the more socially and environmentally responsible investments are, the higher the financial returns are for investors.
- However, despite 74 percent of investors claiming to have heard a lot about ESG investment options, nearly one in three say that they lack the information required to guide and evaluate their investments in socially and environmentally responsible companies. Compared to younger generations, Baby Boomers are less informed about investments in companies that are socially and environmentally responsible, are less likely to believe such companies could deliver higher financial returns and are less interested in investing in responsible companies than others.

*Retail investors are those that own shares directly, own shares indirectly through a mutual fund, pension plan or other retirement fund, or own shares both directly and indirectly.

Retail investors* prioritize treatment of workers when evaluating ESG for investing

- Sixty-two percent of global investors say it is “very important” for the companies that they invest in to provide fair pay and safe working conditions, making treatment of workers a key ESG priority for most investors. Over half of global investors also say it is “very important” for companies they invest in to make only safe and healthy products and to reduce environmental impact.
- Addressing climate change, reducing poverty, and having a diverse workforce and management team are somewhat lower ESG priorities for retail investors, but more than eight in ten still find it at least “somewhat important” for companies that they invest in to engage in each of these areas.

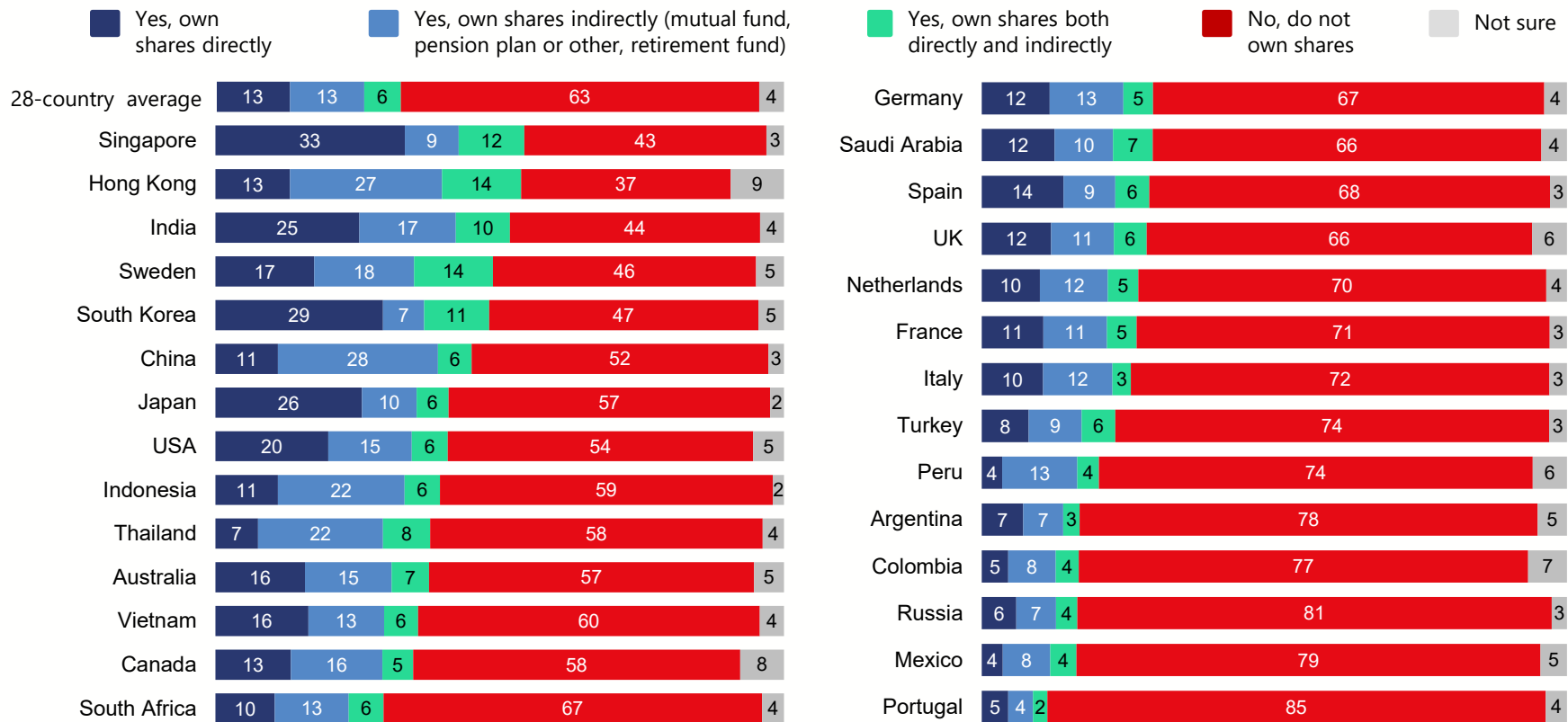
Most retail investors* have increased or plan to increase their ESG investments

- When asked about their future investment plans, 32 percent of investors in 28 countries surveyed say they have already increased their investments in socially and environmentally responsible companies, with another 44 percent planning to do so in the future.
- Asian shareholders (especially in China, South Korea, Thailand, and Vietnam) are most likely to have increased ESG investments or plan to do so, but as many as 47 percent of US investors also claim to have already increased their investments in socially and environmentally responsible companies.

*Retail investors are those that own shares directly, own shares indirectly through a mutual fund, pension plan or other retirement fund, or own shares both directly and indirectly.

Proportions of retail investors vary across countries surveyed

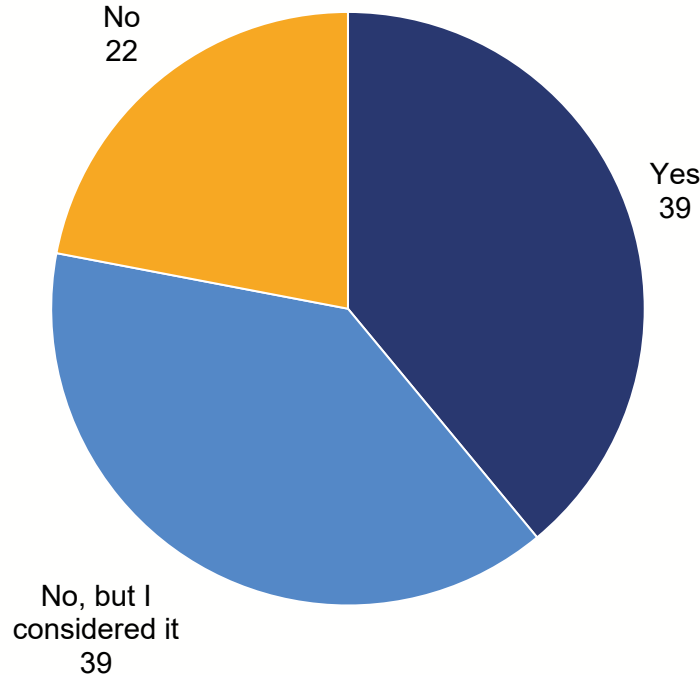
By Country, 2021



T16. Do you currently own shares in a company listed on a stock exchange, either directly or indirectly through a mutual fund, pension plan or other retirement fund?

Eight in ten retail investors say a company's demonstrated ESG performance has had or may have an influence on their investment decisions

Influence on Investment Decisions of Social/Environmental Responsibility, Retail Investors,*
Average of 28 Countries, 2021

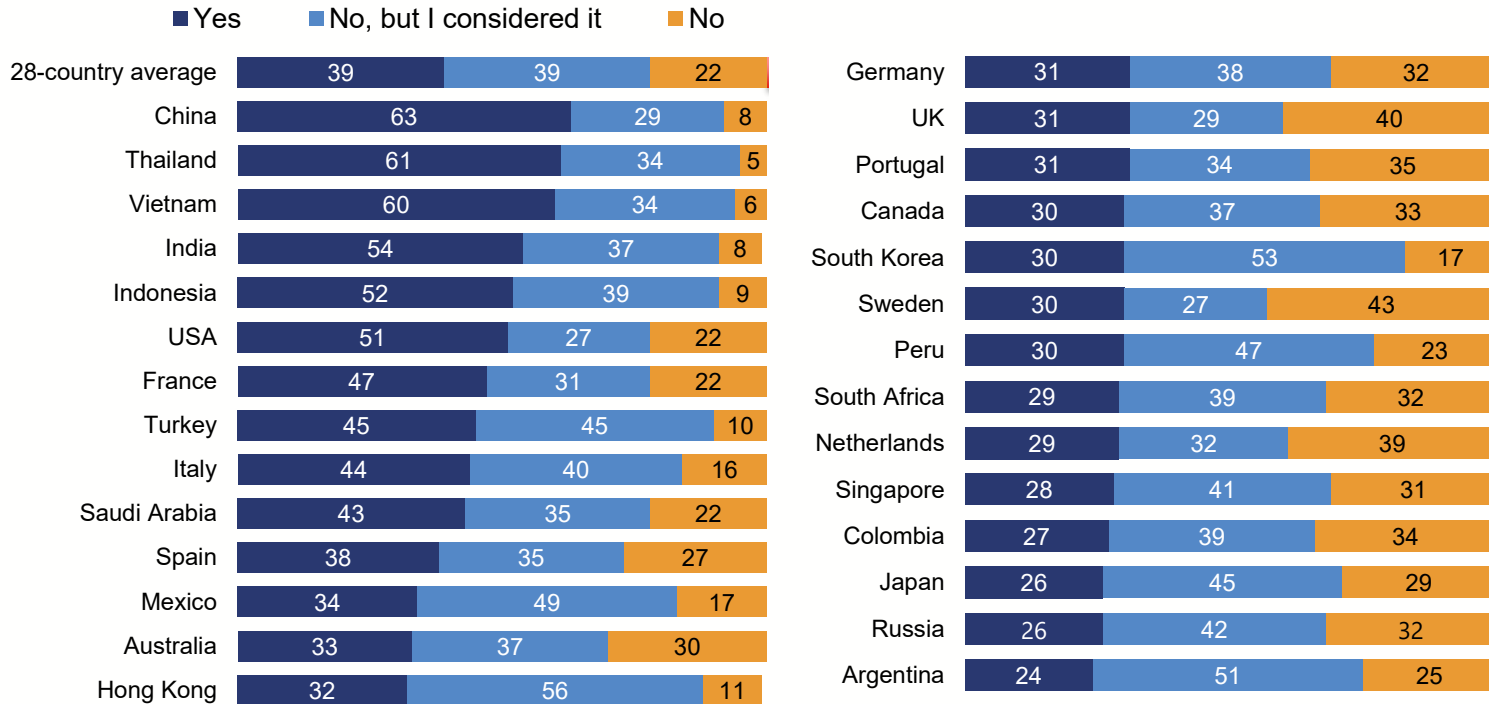


*Only asked to retail investors (n=9,192).

T17. Has a company's demonstrated social and environmental responsibility ever had an influence on your investment decisions? Have you either bought or sold its shares as a result?

Asian retail investors are most likely to say a company's demonstrated ESG performance influenced their investment decisions; Swedish, British, and Dutch are least likely

Influence on Investment Decisions of Social/Environmental Responsibility, Retail Investors,*
By Country, 2021

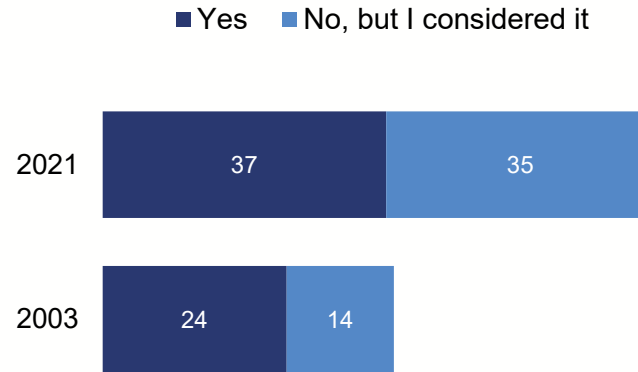


*Only asked to retail investors (n=9,192).

T17. Has a company's demonstrated social and environmental responsibility ever had an influence on your investment decisions? Have you either bought or sold its shares as a result?

Social and environmental considerations have become significantly more influential in the G7 markets over the past two decades

Influence on Investment Decisions of Social/Environmental Responsibility, Retail Investors,*
by G7 Countries, 2003–2021



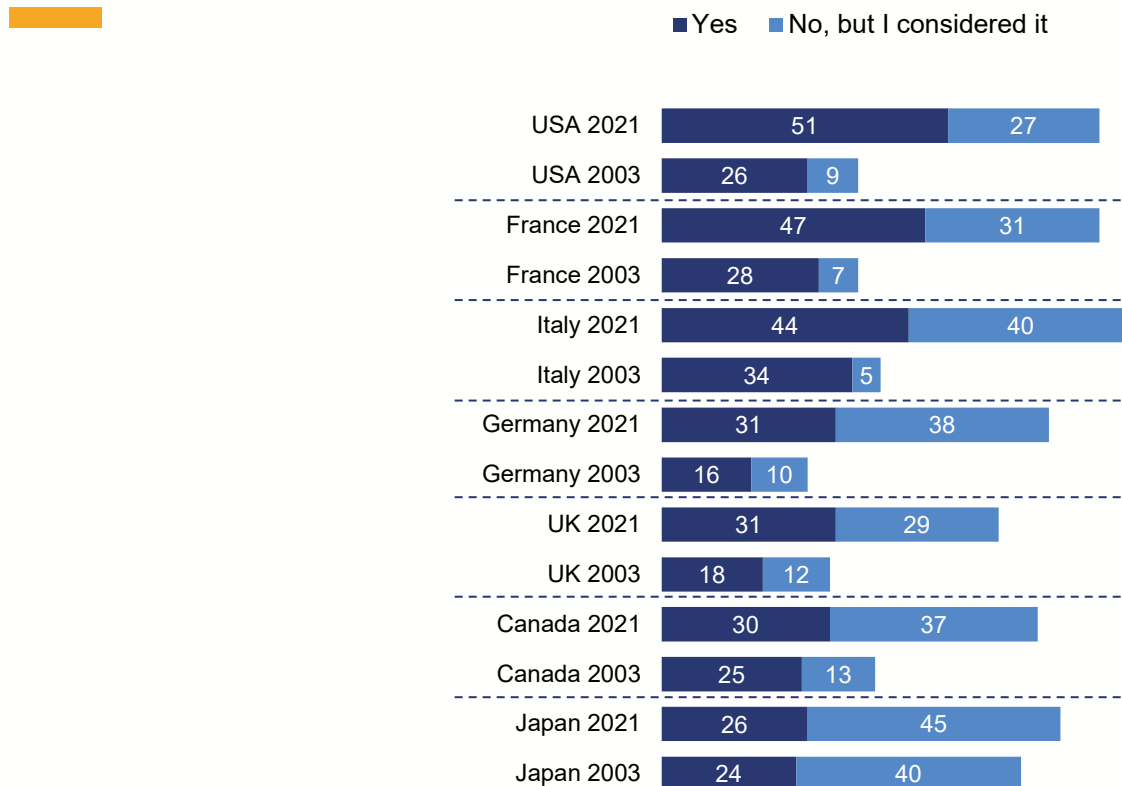
*Only asked to retail investors.

T17. Has a company's demonstrated social and environmental responsibility ever had an influence on your investment decisions?
9 Have you either bought or sold its shares as a result?



After a large increase, US retail investors have become the most influenced by ESG out of the G7 markets over the past two decades

Influence on Investment Decisions of Social/Environmental Responsibility, Retail Investors,*
by G7 Countries, 2003–2021



*Only asked to retail investors.

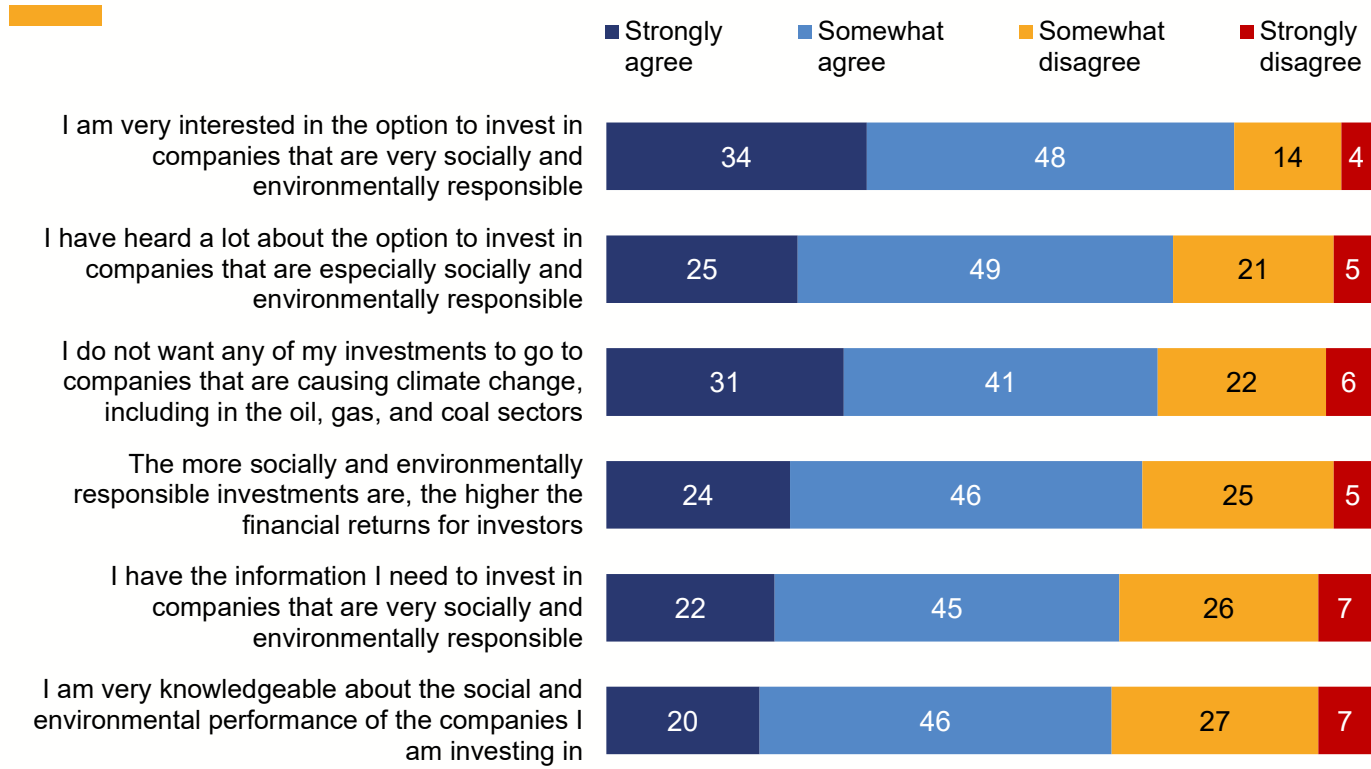
T17. Has a company's demonstrated social and environmental responsibility ever had an influence on your investment decisions?
10 Have you either bought or sold its shares as a result?



Most retail investors prefer to invest in companies that are socially and environmentally responsible, but one in three lack knowledge or information



Investing in Companies That Are Socially and Environmentally Responsible, Retail Investors,*
Average of 28 Countries, 2021



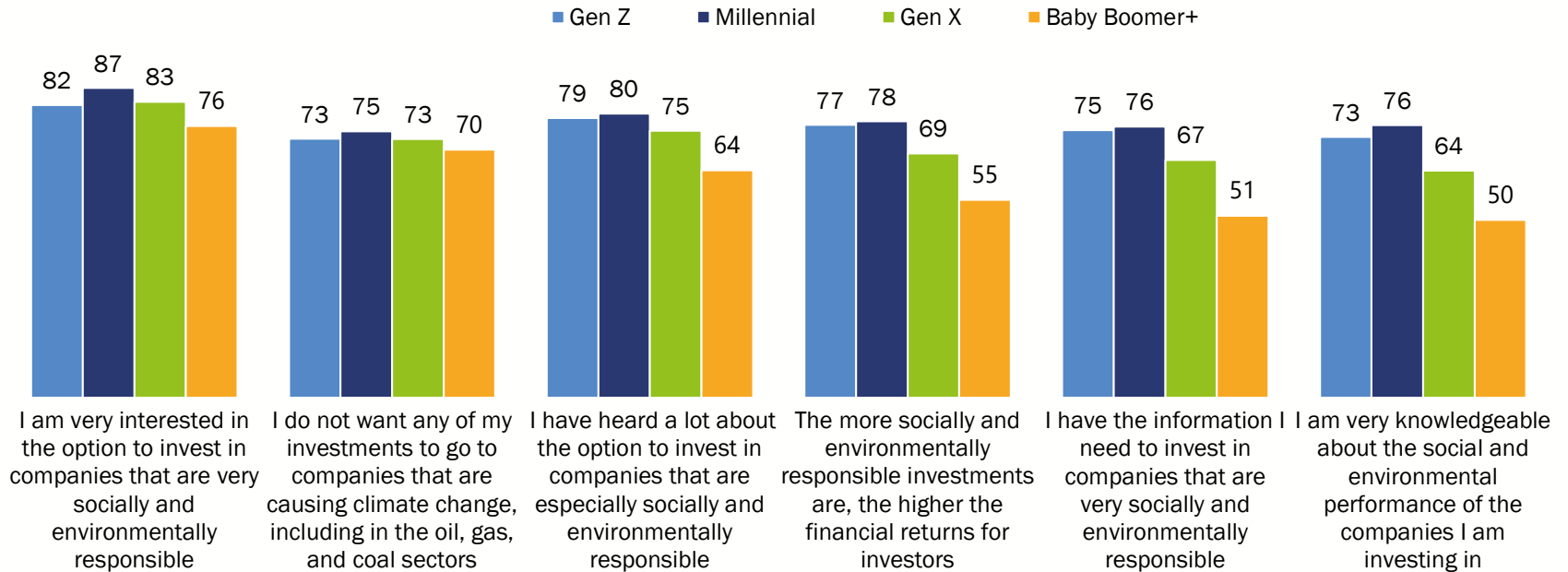
*Only asked to retail investors (n=9,192).

T18. Please indicate if you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of the following statements.



Older retail investors are less interested and less informed about ESG

Investing in Companies That Are Socially and Environmentally Responsible, "Strongly" and "Somewhat Agree," Retail Investors,* Average of 28 Countries, by Generation, 2021



*Only asked to retail investors (n=9,192).

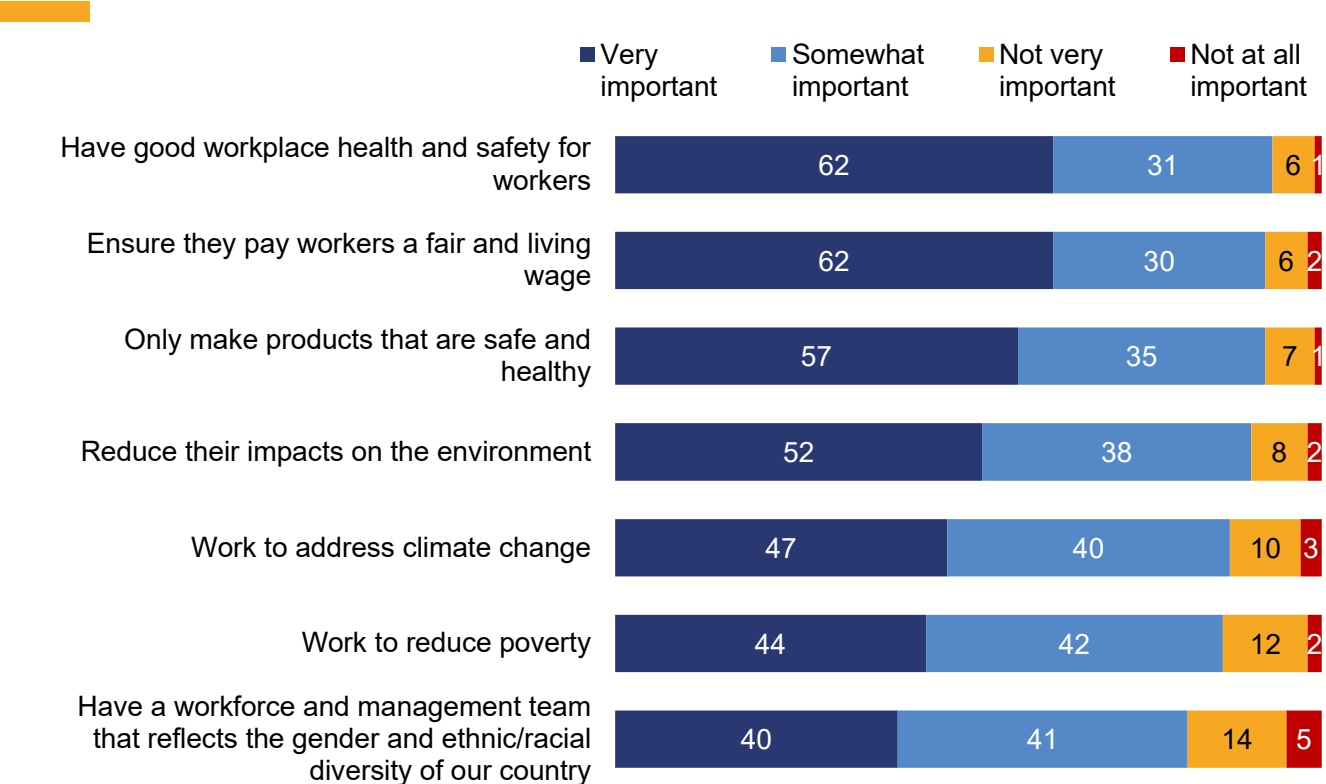
T18. Please indicate if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements.



Strong majorities of retail investors consider a range of corporate initiatives important when investing in companies, especially how employees are treated



Importance of Companies' Commitments When Investing, Shareholders*, Average of 28 Countries, 2021

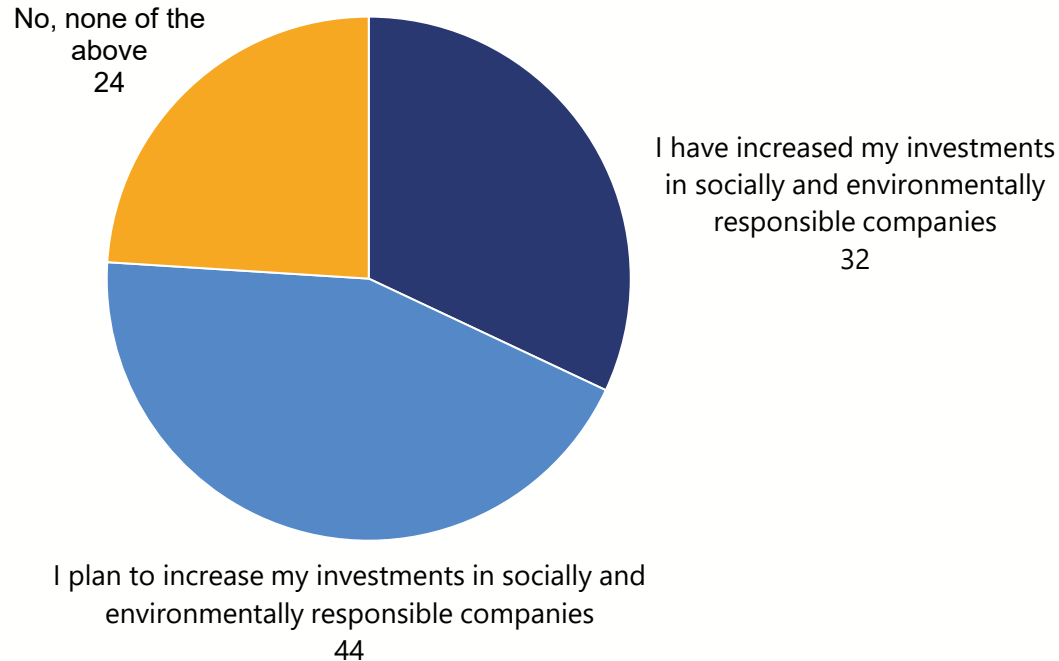


*Only asked to retail investors (n=9,192).



Most retail investors worldwide say they have increased or plan to increase their investments in socially and environmentally responsible companies

Increasing Investments in Socially and Environmentally Responsible Companies, Retail Investors,* Average of 28 Countries, 2021



*Only asked to retail investors ($n=9,192$).

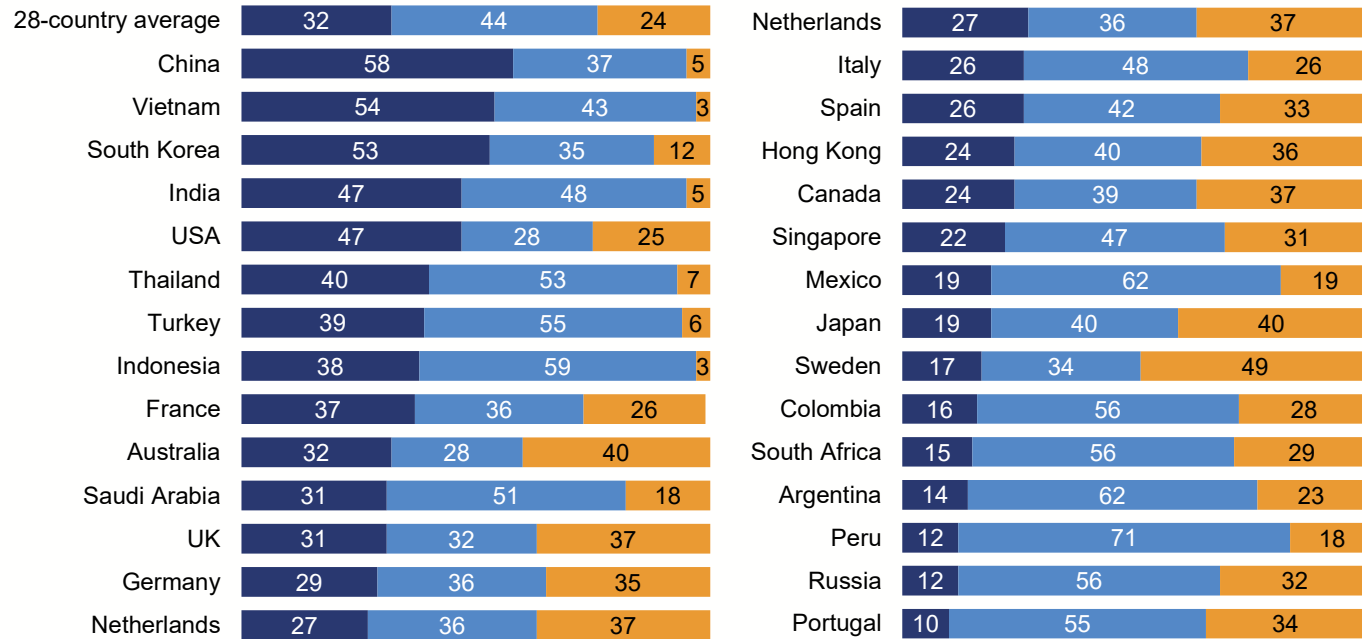
T20. Please indicate if you have done or are planning to increase your investments in socially and environmentally responsible companies.

Swedish, Australian, and Japanese investors are least likely to say they have increased or plan to increase their ESG investments; Asian investors are most likely



Increasing Investments in Socially and Environmentally Responsible Companies, Retail Investors*, by Country, 2021

■ I have increased my investments in socially and environmentally responsible companies
 ■ I plan to increase my investments in socially and environmentally responsible companies
 ■ No, none of the above



*Only asked to retail investors (n=9,192).

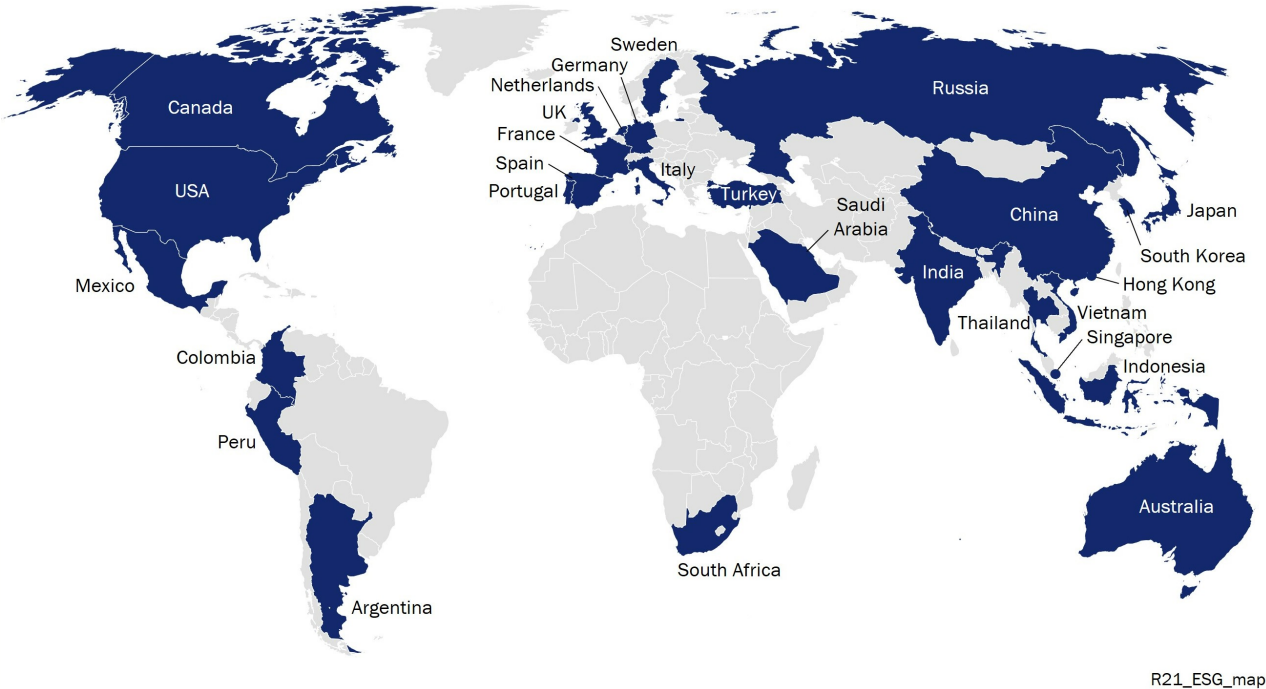
T20. Please indicate if you have done or are planning to increase your investments in socially and environmentally responsible companies.





Methodology and Research Design

Methodology Summary for Retail Investors Research



- Representative online samples of approximately 1,000 adults in each of 28 countries and territories (500 each in Hong Kong and Singapore) ($n=27,131$)
- Samples representative of online population, weighted to reflect general population census data
- Retail investors are those that own shares directly, own shares indirectly through a mutual fund, pension plan or other retirement fund, or own shares both directly and indirectly ($n=9,192$).
- Online surveying in June and July 2021
- Where historical data are shown, questions were asked using an in-person and telephone methodology before 2019.

Research Design

- The design of this online, 31-country study ($n=30,352$ unweighted) was led by GlobeScan's senior team and informed through consultation with participating design partner organizations. The survey design supports year-over-year tracking of emerging attitudes and consumer behavior in the area of healthy and sustainable living. We also benchmark the reputations of specific companies in this area and embed the ability to conduct multivariate analyses of the data.
- The survey was translated into native languages (fielded in English in India, Kenya, Nigeria, Singapore, and South Africa). All translations were proofread to ensure that the content was properly and completely translated with terminology suitable to the target audience and ensuring that the text flows smoothly and natural sounding in the target language.
- GlobeScan administered the 20-minute online survey to approximately 1,000 adults per country (500 each in Hong Kong and Singapore) in each of 31 countries and territories. Using stratified sampling from a non-probability online panel, samples are representative of the online population and weighted to the latest census data to be nationally representative. In some developing markets, the ability to weight to be nationally representative is limited by the extent of internet penetration (Kenya, Nigeria, and Saudi Arabia).
- Data collection took place in June and July 2021.
- Once the survey was closed, the data were downloaded, cleaned, and checked before final validation and dataset integration. This verified dataset was then used to generate statistical tables comparing results across different demographic, psychographic, and regional groupings. Multivariate analyses were conducted using SPSS software.
- Where historical data are shown, before 2019 questions were asked as part of GlobeScan's Radar research programme using in-person and telephone modes. As the research methodology was different, comparisons between current and previous results are indicative.



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