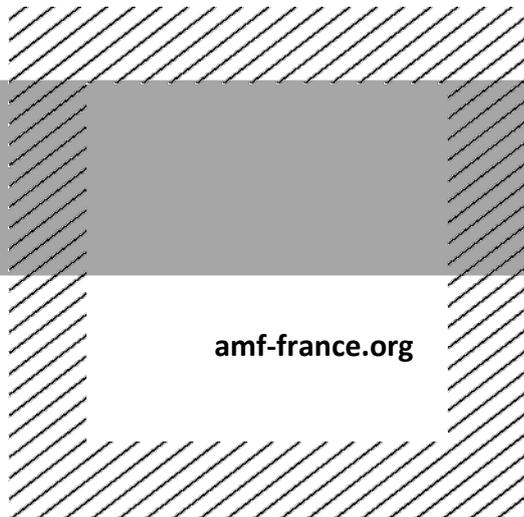


SEPTEMBER 2021

**INTERNATIONAL OVERVIEW OF
RESPONSIBLE INVESTMENT
COMMUNICATIONS PRACTICES**

Review of practices regarding responsible
investment funds proposed to retail investors



amf-france.org

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This study was conducted by the Retail Investor Relations and Protection Directorate. It is based on sources that are considered to be reliable but whose comprehensiveness and accuracy cannot be guaranteed.

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International overview of responsible investment communications practices

SUMMARY

As sustainable investment products develop, and studies show that retail investors are quite interested in this meaningful type of savings but also feel a great need for educational support, it appeared worthwhile to draw up an overview of the financial products proposed to the general public outside France, in Europe and beyond, and to analyse how the most active institutions communicate about their responsible offerings.

This overview provides a non-exhaustive review of the responsible investment (RI) offerings proposed to private individuals in various European and third countries, as well as of the communications practices of banks regarding these investments. This study is mainly based on various qualitative sources, as well as on observations made between 2020 and the start of 2021 regarding banks' websites (about 80).

Given that the responsible investment sector is changing very rapidly, both in terms of offer and of regulatory control, it is essential for retail investors to have knowledge and information on the subject, so that they can make informed investment choices. The purpose of this overview is to provide a review and to emphasise certain educational and intelligible initiatives by distributors of financial products.

Firstly, a brief presentation of the review of responsible investment in the markets studied reveals disparities between these markets, both in terms of the assets under management in responsible investment and the most frequently proposed investment strategies. Certain markets, particularly in the European Economic Area, are more targeting retail investors, whereas in other countries the offer is above all aimed at institutional investors.

Next, the observations made concerning the various websites are presented and analysed. Depending on the institution, the responsible investment offerings are presented differently and accompanied by different amounts of information. Finally, a few examples of communications initiatives, seen as attractive, are provided as an illustration of an educational and intelligible approach.

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1. INTRODUCTION

1.1. PURPOSE OF THE OVERVIEW

The purpose of this overview is to provide a non-exhaustive review of the main responsible investment (RI) offerings proposed to private individuals in various European and third countries, and the communications practices of banks regarding these investments. This qualitative study is based in particular on a review of over 80 public websites of banks (i.e. excluding user areas accessible only to customers).

The global responsible investment sector, which has been developing for about twenty years, is gradually opening up to retail investors. Although growth was initially driven by institutional demand, retail investors are showing an increasing interest in this type of investment, encouraged by a bigger product offering. However, a large number of them still lack knowledge about ESG criteria and responsible or “sustainable” investments.

This is the case in France in particular. For instance, a study conducted by OpinionWay for the AMF in 2021, “French People and Responsible Investments”,¹ shows that 76% of French people see the impact of responsible financial investments on the environment as an important issue. Furthermore, 58% of respondents would be willing to accept a lower return to favour a responsible investment. Moreover, for more than one in two French people, responsible investments have become more attractive since the crisis linked to the coronavirus epidemic.

However, half of French people (48%) are unable to differentiate responsible investments from conventional investments spontaneously. Similarly, most French people cannot describe the advantages and disadvantages of these investments. In total, only 33% of the people questioned said they had a positive image of these investments.

In March 2021 the European Commission adopted six amending Delegated Acts on fiduciary duties, investment and insurance advice, which should apply from **August 2022**. These include in particular the obligation to take into consideration the client’s ESG preferences when providing investment advice, in order to assess the suitability of an investment for the client. These new provisions, which constitute one of the key proposals of the Action Plan on Sustainable Finance published by the European Commission in spring 2018, aim to encourage demand by retail investors who are increasingly sensitive to environmental and social issues, by enabling them to access investment products corresponding to these preferences. They also oblige distributors to review their product ranges and to train the professionals concerned by ESG issues.

Firstly, this overview briefly presents various national markets for responsible investment, followed by their regulatory framework. The analysis shows disparities between the countries studied in the investment proposals made to retail investors in each of these markets. The overview then analyses the responsible fund offerings available in the public areas of banks’ websites, as well as the advertising provided for these products, in order to determine the promotional practices of responsible funds in different countries. Finally, several examples of attractive initiatives are shown as an illustration of both an educational and comprehensible approach.

¹ https://www.amf-france.org/sites/default/files/private/2021-09/the-french-and-responsible-investment-products-july-2021_1.pdf

1.2. KEY CONCEPTS AND METHODOLOGY OF THE OVERVIEW

As the notion of responsible investment (RI) or sustainable investment is fluid, its definition may vary from one player to another. It is in fact mainly based on non-financial aspects which are by nature difficult to quantify. The UN Principles for Responsible Investment, a network of institutional investors that promotes RI and is supported by the UN, defines responsible investment as “a strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions”. It is a broad concept that includes different types of investment, including socially responsible investment (SRI).²

For this overview, we have adopted the universal concept of responsible investment, which is used in many countries, including outside the European Economic Area (EEA), i.e. without any distinction between SRI and other RI funds.

Methodological note

The sources of the figures used to draw up this overview, presented in the first part, are the following reports:

- [2020 Global Sustainable Investment Review](#) by the *Global Sustainable Investment Alliance*, August 2021;
- [Recommendations on Sustainability-Related Practices, Policies, Procedures and Disclosure in Asset Management](#), OICV-IOSCO, 2021.

The approaches applied in this overview include therefore:

- Best-in-class;
- Sustainability themed investing;
- Norms-based screening;
- ESG integration;
- Corporate engagement & shareholder action;
- Negative/exclusionary screening;
- Impact investing.

This list is not exhaustive or fixed, and each strategy may cover very different realities and practices. Moreover, the strategies mentioned above can be applied jointly, and other approaches can be used (best effort, best in universe etc.). Finally, a new classification of the market is taking shape in Europe, based on the definitions proposed by the EU Sustainable Finance Disclosure Regulation (SFDR) which distinguishes products that promote environmental and/or social characteristics (so-called “Article 8 products”) from products which have sustainable investment as their objective (so-called “Article 9 products”). Once again, the interpretation of these definitions and their relation to the responsible investment strategies listed above, may differ from one player to another.

The second and third parts of this study look at public websites, i.e. websites accessible to anyone and not just the banks’ customers. They describe how they communicate, their position regarding RI, and

² Definition of SRI by Novethic (<https://www.novethic.fr/lexique/detail/isr.html>): Socially Responsible Investment (SRI) involves including environmental, social, and governance (ESG) criteria in financial management in a systematic and traceable manner. SRI favours a responsible economy by encouraging asset management companies (AMCs) to take into consideration non-financial criteria when choosing securities for their financial assets. It also involves “applying the principles of sustainable development to investment”. These financial investments attempt to reconcile economic performance with their social and environmental impact by financing companies that contribute to sustainable development.

whether or not they highlight a specific RI product. The point of view adopted is one of communication to retail investors.

Methodological note

For this overview about 80 websites were visited (3 to 10 websites per country according to the information available on them) and about thirty RI product presentation pages were examined (i.e. 2 products per country on average).

This analysis therefore provides a review of the practices of banks, excluding other types of institutions such as asset management companies and insurance companies. In many countries, banks are in fact important contacts and distributors for retail investors, particularly for those who are inexperienced in financial investments.

The products concerned are funds presented as responsible by the banks that distribute them. Their inclusion in the overview in no way means that the AMF has assessed their responsible nature.

The following markets were studied in this overview:

- Countries in the European Economic Area: Germany; Austria; Belgium; Denmark; Spain; Finland; Ireland; Italy; Poland; Norway; Sweden;
- Third countries: Australia; Canada; United States; Hong Kong; Japan; New Zealand; United Kingdom.

Although France is included in the comparative graphs in the first part, in order to underline certain disparities or similarities with the other markets studied, France was not analysed and is therefore not included in this overview. For more information on the French market, please read the report on non-financial approaches to collective management published by the AMF in December 2020.

2. GENERAL CHARACTERISTICS OF RESPONSIBLE INVESTMENT MARKETS

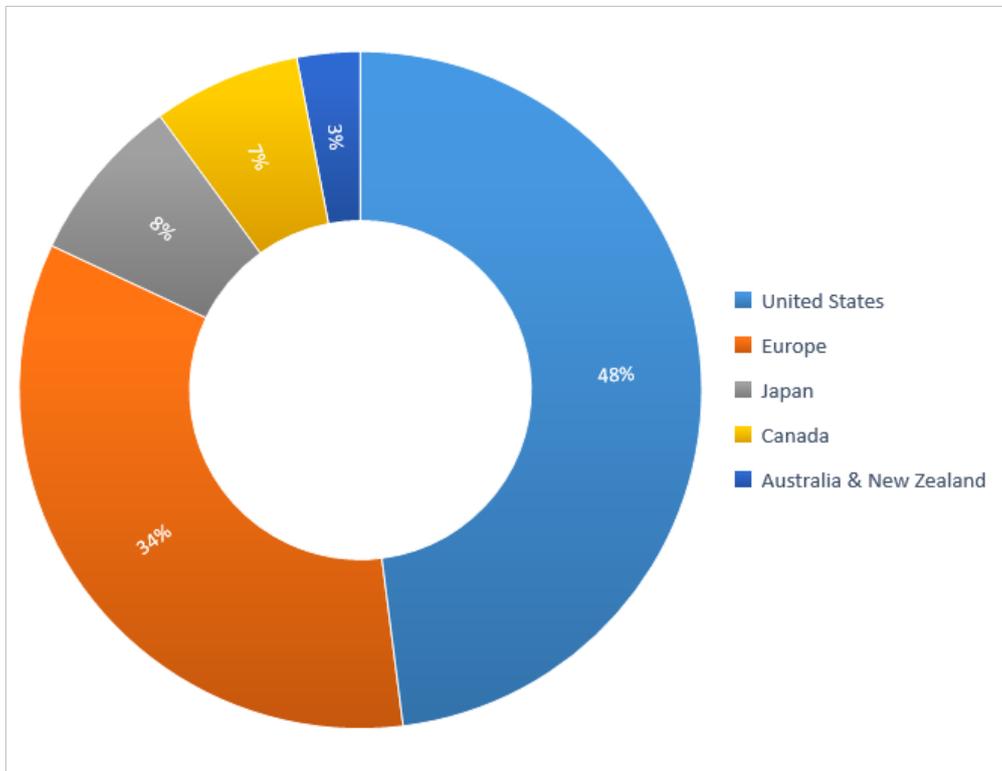
2.1. AN OFFERING PRESENT IN ALL COUNTRIES BUT WITH REAL DISPARITIES

A study of the markets selected for this overview shows that they are at very different stages of development. A presentation is provided below according to the type of maturity of the markets, mainly based on qualitative information (Novethic and Eurosif publications, research papers, publications by regulators).

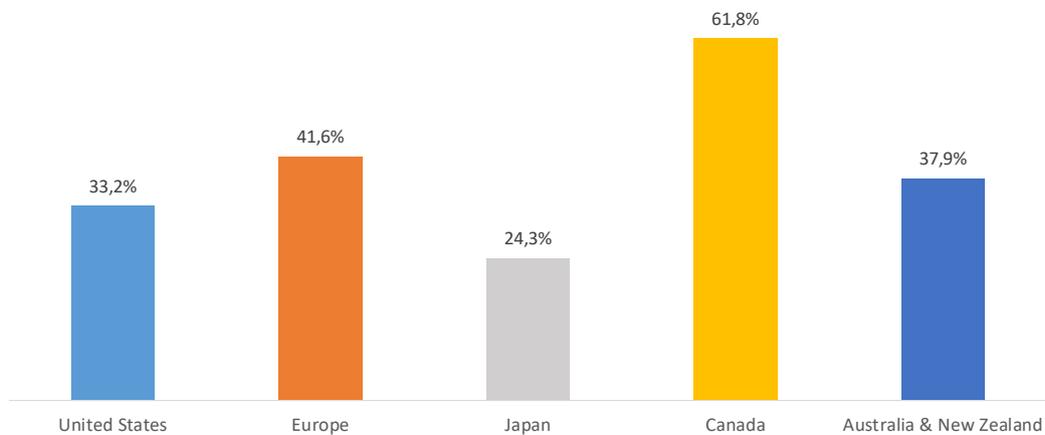
In some countries, they are still niche products that remain very limited in number and are aimed at institutional investors. Although some markets have gone beyond that stage, while remaining very much in the minority compared with the traditional offering in the asset management sector, most of the countries analysed now have significant amounts of assets under management (AUM) in responsible products.

Among these, a distinction is made between two stages of development. Some markets are above all accessible to institutional investors, whereas others already have lots of offerings available to private individuals, in certain cases encouraged by the development of public and private labels.

Graph No. 1: Breakdown of global assets under management in responsible investments at 31/12/2019



Graph No. 2: Proportion of AUM in responsible investments compared with total AUM per zone at 31/12/2019



Graphs 1 and 2 are based on data from the [2020 Global Sustainable Investment Review](#) by the *Global Sustainable Investment Alliance*, and aim to provide a global view of responsible investment in these zones. ***Since these regions do not use the same methods and definitions to recognise responsible investments, comparisons between the different zones above must be qualified.***³

Among the countries studied and according to our market research, there appear to be different types of maturity, with:

- Markets in the initial development phase: mainly Poland;
- Markets that are developing or developed but mainly aimed at institutional investors: this is the case of Hong Kong, Japan and New Zealand, as well as Spain and Italy;
- Markets that are developed and accessible to both institutional investors and private individuals: in particular Belgium, France, the United Kingdom, the Nordic countries, and to a lesser extent Germany, Austria, Ireland, Australia, Canada and the United States.

To date, most of the markets analysed therefore have a significant offering of responsible investments, in particular in European countries. Nevertheless, the review of responsible investment proposals highlighted **on banks' public websites** identifies three groups among the countries seen as "developed", with markets:

- Mainly aimed at institutional investors, with information on RI not very accessible to private individuals and a lack of offerings for them;
- Within which banks provide substantial communications on responsible investment, including for private individuals, without these communications resulting in a large range of funds being proposed to retail customers;
- Aimed at both professional and retail investors, with communications by banks targeting both populations and with a diversified retail offering.

Within the latter category, two approaches can be distinguished on the banks' websites: some banks offer responsible funds but without particularly emphasising them compared with conventional investments, while others clearly highlight the responsible aspect of these products.

2.2. DIVERSE USE OF RESPONSIBLE INVESTMENT STRATEGIES

Responsible investment corresponds to a set of investment strategies, frequently used together. In this overview, different approaches were reviewed in order to identify the ones that appeared to be the most common in the various regions.

Methodological note

The approaches mentioned in this overview correspond to the strategies analysed in the reports by the *Global Sustainable Investment Alliance*:

- ESG integration;

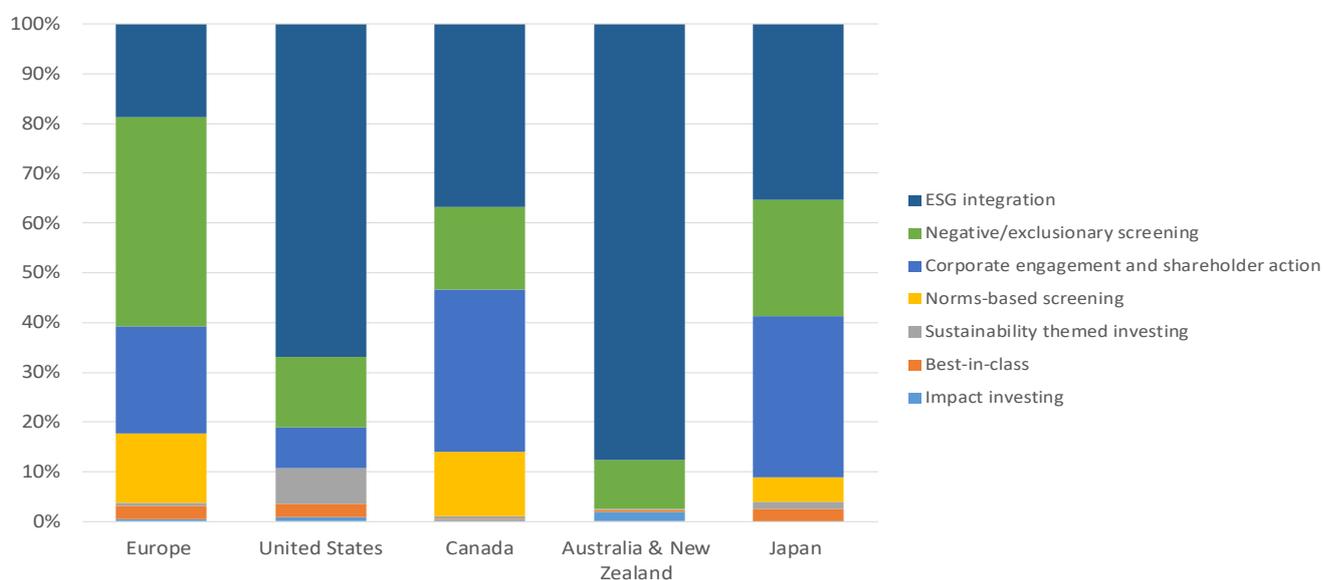
³ Extract from the *2020 Global Sustainable Investment Review (Global Sustainable Investment Alliance)*: "Europe reported a 13% decline in the growth of sustainable investment assets in 2018 to 2020 due to a changed measurement methodology from which European data is drawn for this year's report. This reflects a period of transition associated with revised definitions of sustainable investment that have become embedded into legislation in the European Union as part of the European Sustainable Finance Action Plan."

- Negative/exclusionary screening;
- Corporate engagement & shareholder action;
- Norms-based screening;
- Sustainability themed investing;
- Best-in-class;
- Impact investing.

Use of these approaches in connection with this overview does not mean that the AMF defines these practices as actually responsible.

Graph No. 3 shows the use of these strategies by zone or country at the end of 2019 (source: [2020 Global Sustainable Investment Review](#)). The breakdown by European country was not available at that date.

Graph No. 3: Breakdown of the use of investment strategies at 31/12/2019



3. REGULATORY TRENDS

At different stages in the development of responsible investment, there are different levels of progress in the creation of a specific regulatory framework for this type of investment. The review of the markets concerned by this overview makes it possible to identify different levels of maturity and different scopes of the regulatory frameworks of these various countries.

Within the EU, the sustainable finance strategy of the European Commission comprises several key themes:

- The EU taxonomy establishing a common classification of economic activities seen as sustainable;
- The plan to introduce an EU Ecolabel for certain retail financial products;
- New obligations for companies to disclose both financial and non-financial information, in order to give investors the information they need to choose a sustainable investment, with the

Sustainable Finance Disclosure Regulation (SFDR), and the Corporate Sustainability Reporting Directive (CSRD), including the disclosure of information on sustainability risks;

- Taking into consideration investors' ESG preferences and integration of sustainability risks by financial players;
- New tools to develop sustainable investment products with the EU Climate Benchmarks Regulation and the Standard for European green bonds (EuGB).

Whether in the EU or in the rest of the world, the regulatory frameworks for sustainable finance are either recent or are under study. For instance, a recent report by the International Organization of Securities Commissions (IOSCO)⁴ presents the first initiatives and current lines of thought, showing the increasing concerns of regulators in many regions, particularly regarding the risks of green washing. It is therefore difficult to provide an exhaustive view of all of these regulations in the world.

By briefly presenting the main types of regulatory measures existing in mid-2021 in the countries studied (which did not include France), this document provides a brief review of these regulatory frameworks as well as of self-regulation initiatives by the private financial sector. More detailed presentations of the measures for investment products or asset management companies are available in the report by the IOSCO.

➤ ESG aspects taken into consideration by asset management companies

The regulatory measures concerning asset management companies include in particular:

- Consideration of environmental and/or social risks, which is the case in particular in Hong Kong, Japan, Australia, New Zealand and the EU;
- Disclosure of their ESG information, e.g. in New Zealand and Hong Kong;
- Control of products and publications to limit the risks of green washing: the names of the funds, which must be justified by a significant share of ESG investments (in Hong Kong in particular); presentation of non-financial investment objectives and the methods of calculation to measure the success of the objective (e.g. in the United Kingdom and in certain Canadian jurisdictions) etc. In July 2021 the British regulator, the FCA, published a set of guiding principles regarding the disclosure of ESG information and green washing,⁵ whereas the German regulator, BaFin, is currently conducting a consultation on a possible doctrine for ESG funds, defining minimum criteria.
- Restrictions on commercial documents: within the EU, these must not contradict the information included in companies' mandatory publications. In Sweden, transparency obligations apply to products for which the marketing material mentions the use of exclusion criteria.

➤ Labels to certify responsible funds (public and private initiatives)

Finally, public or private national or regional labels, certifying "green" or responsible funds, have been introduced in Europe, but are less common elsewhere. These labels are targeting above all retail investors, but may also be attractive for institutional investors.

⁴ For further information see [Recommendations on Sustainability-Related Practices, Policies, Procedures and Disclosure in Asset Management](#) (OICV-IOSCO)

⁵ <https://www.fca.org.uk/publication/correspondence/dear-chair-letter-authorised-esg-sustainable-investment-funds.pdf>

The following table lists the labels existing in the European countries and third countries studied.

Table No.1: Labels present in the different countries analysed⁶

Country	Label	Type of label	Governance
Belgium	<i>Label Towards Sustainability</i> 	Management and negative screening process	Central Labelling Agency
Austria	<i>Umweltzeichen Label</i> 	SRI/ESG management process with negative screening for climate	Austrian Federal Ministry for the Environment
Germany, Austria & Switzerland	<i>FNG Label</i> 	SRI/ESG management process with negative screening for climate	Committee of experts, under the auspices of the FNG (German-speaking forum for sustainable investment)
Nordic countries	<i>Nordic SWAN Ecolabel</i> 	SRI/ESG management process with negative screening for climate and green reporting	Nordic Ecolabelling Board, under the mandate of the Nordic governments
Australia & New Zealand	<i>RI Certification</i> 	SRI/ESG management process Financial adviser proposing responsible products	Responsible Investment Association Australasia

Of the zones studied outside Europe, only Australia and New Zealand have a label to certify both responsible products and the advisers competent in this field (Responsible Investment Certification). This label is awarded by the Responsible Investment Association Australasia, a private initiative comprising professionals in the financial sector (see below: “Private initiatives”).

➤ Other types of public initiatives

Several public initiatives exist in a less significant manner, depending on the RI market, including:

- Creation of working groups dedicated to green or sustainable finance within regulatory bodies or with their participation (in particular in the EU, United Kingdom, Australia, Canada and Japan);
- Creation of a sustainable finance observatory (e.g. in Italy).

➤ Private initiatives

Self-regulation initiatives exist in certain countries, in particular with the introduction of codes of conduct or private labels. These initiatives may be complementary to a set of public measures, or even precede regulatory advances in certain zones.

⁶ For further information on the European labels, see *Overview of European sustainable finance labels* by Novethic:
https://www.novethic.fr/fileadmin//user_upload/tx_ausynovethicetudes/pdf_complets/Novethic_Overview-European-Sustainable-Finance-Labels_June_2020.pdf

Examples of this type of private initiative are the Responsible Investment Certification in Australia and New Zealand, the Eurosif [European SRI Transparency Code](#), and the planned [ESG Disclosure Standards for Investment Products](#) of the Chartered Financial Analyst Institute.

4. COMMUNICATIONS PRACTICES REGARDING RESPONSIBLE INVESTMENT FUNDS FOR PRIVATE INDIVIDUALS

This overview of communications practices regarding responsible investment funds for private individuals is based on a review of banks' public websites. The public sections of these websites, which do not reflect the whole of their offering, provide a showcase for highlighting the services and products that the banks wish to promote.

The websites of the leading banks were taken into consideration in each of the countries studied (i.e. between 3 and 10 websites per market). These observations were made between 2020 and the beginning of 2021, and **do not provide an exhaustive review of the practices of various global banks**, but do make it possible to identify different communications practices.

4.1. OFFERINGS MORE OR LESS HIGHLIGHTED

The comparison of the websites of the banks studied reveals several types of practices:

- **Offerings aimed mainly at institutional investors, with information on RI not very accessible to private individuals and a lack of offerings for them**

Certain websites simply do not mention responsible investment. When they do, the information available on the bank's approach is generally presented in the institutional areas (particularly in the "About Us" section) or possibly on the pages dedicated to private banking. Numerous banks fall into this category, whether or not they propose a few responsible funds to retail investors, e.g. in Hong Kong, Australia and Ireland.

- **Funds available to retail investors but not greatly highlighted**

Other banks offer retail funds, but do not particularly emphasise them and do not provide specific communications concerning responsible investment. This is the case in particular of several Japanese, American, Canadian and New Zealand banks.

- **Substantial responsible investment communications, including to private individuals, without these communications resulting in a range of funds being proposed to retail customers**

Several banks have a considerable amount of publicity regarding responsible investment, without providing a list of the funds concerned, at least in the public section of their website. Instead, the retail investors interested are asked to contact one of the bank's advisers. This is the case in particular for certain banks in Italy and Belgium.

➤ **An offering aimed particularly at retail investors, with information on responsible investment and diversified retail funds**

Numerous banks highlight responsible investment as part of a more general sustainable finance strategy. These websites offer educational content for retail investors, regarding both the concepts of responsible investment and their own responsible investment strategy. The products available to private individuals are highlighted and clearly indicated within this content.

They offer lists of funds with sorting options according to whether certain investments are responsible or not (e.g. some banks in Italy), or specific lists of responsible products (German and Austrian banks in particular).

On the whole, the sales pitch is mainly based on the financial performance of the funds, even if their ESG aspect is frequently emphasised.

4.2. EXAMPLES OF EDUCATIONAL COMMUNICATION INITIATIVES

The following examples are provided only for their educational aspect. They in no way constitute an in-depth analysis of the coherence between the promotional messages, the images used and the responsible nature of the funds concerned. Moreover, since these funds are proposed on the websites of banks and intended for their local customers, AMF doctrine 2020-03 does not apply.

Finally, this panorama shows certain communications initiatives that are helping retail investors choose a responsible investment. The concepts that surround these products are complex, from the simple notion of responsible investment to certain characteristics of a specific fund.

Several points of attention could be emphasised to enable retail investors to have a better understanding. For example the investment strategies used and their implications could be clarified further. Indeed, some investors may be surprised to find securities from the fossil fuel industry in certain funds presented as responsible and managed using a best-in-class approach. Details could also be provided on the assessment of the non-financial performance of products, which may vary significantly depending on the methodology adopted.

These concepts therefore require very clear explanations by the banks so that retail investors can acquire sound knowledge and invest in an informed manner. Some banks also aim to offer a certain level of transparency when presenting their investment strategies.

➤ **Education on the notion of responsible investment**

Retail investors are not necessarily familiar with the notion of responsible investment, in particular investors who have little financial knowledge. It is therefore essential that they have clear and comprehensible educational content in order to understand this concept better.

Example of AMUNDI SGR's microsite on ESG in Italy: an area that offers articles, videos and even podcasts on the topic.

Image No. 1: Videos by AMUNDI SGR on responsible investment⁷

Il falsi miti sugli investimenti responsabili



Example of the MyESG questionnaire by the Canadian BANK OF MONTREAL, provided for users so that they can assess their “personality as regards responsible investment”:

Image No. 2: MyESG questionnaire by the BANK OF MONTREAL⁸

1 I often consider how my purchase choices positively impact the world.

1	2	3	4	5	6
Completely disagree	Mostly disagree	Somewhat disagree	Somewhat agree	Mostly agree	Completely agree

2 It is possible to measure the positive or negative impact a company's business, products or practices have on the world.

1	2	3	4	5	6
Completely disagree	Mostly disagree	Somewhat disagree	Somewhat agree	Mostly agree	Completely agree

3 Companies can have a positive impact on the world and also make a profit.

1	2	3	4	5	6
Completely disagree	Mostly disagree	Somewhat disagree	Somewhat agree	Mostly agree	Completely agree

4 Companies should be held accountable for good management and sustainable business practices such as fair labor, environmental practices, etc.

1	2	3	4	5	6
Completely disagree	Mostly disagree	Somewhat disagree	Somewhat agree	Mostly agree	Completely agree

⁷ https://www.amundi.it/investitori_privati/Partner-Responsabile/Cosa-sono-gli-Investimenti-Responsabili

⁸ <https://bmoapps.com/myesg/default.aspx>

Images No. 3 and No. 4: examples of results of the MyESG questionnaire by the BANK OF MONTREAL

ESG Ready





This means you likely have strong ESG beliefs and behaviours. You believe it's possible for companies to be held accountable for good business practices and also have a positive impact on the world, just like you personally do. While your consumer purchase decisions reflect your values, you may not have incorporated your investment dollars for positive impact. More information might help you connect your portfolio and your beliefs.

ESG Pragmatic





This means ESG as a good investment choice is more important to you than investing in your beliefs. If it makes sense as a good investment choice given your specific financial goals, you're open to ESG investment options (and you may already own some). You likely need proof that an ESG investment will provide the right risk and return in order for you to invest.

At the same time, you also have **ESG Skeptical** tendencies, which underscores your need to understand how ESG investing can stand on its own risk and return merit, to support your financial goals.

➤ Information on banks' practices regarding responsible investment

Once the notion of responsible investment has been clarified, some websites complete this with more informative content, detailing the investment strategies favoured by the bank in the form of articles or computer graphics.

Example of AMUNDI SGR in Italy:

Image No. 5: Illustration of AMUNDI SGR's best-in-class strategy⁹

Integrazione ESG

"Best in class"

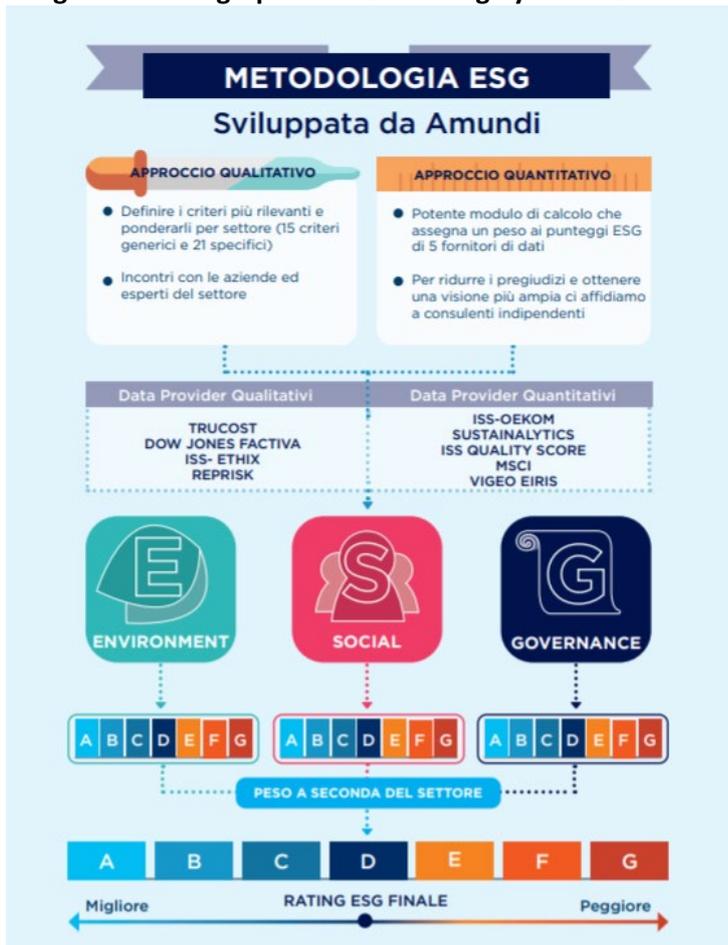
Amundi ha sviluppato un approccio unico e riconosciuto in termini di analisi responsabile, certificato da AFNOR dal 2013.

Selezioniamo le aziende con le migliori pratiche in base ai criteri ambientali, sociali e di governance secondo 36 fattori (15 generali e 21 settoriali) come il consumo di energia, i diritti dei lavoratori o le misure anticorruzione poiché tali aspetti incidono direttamente sulle performance finanziarie di un'azienda, sulla gestione dei rischi e rappresentano un driver fondamentale per la creazione di valore nel lungo termine.

Viene quindi assegnato un rating a ciascun emittente, da A a G. Grazie a un team di 24 specialisti dedicato all'investimento responsabile, abbiamo reali competenze per identificare le aziende che adottano le migliori pratiche."

[Scarica la brochure per saperne di più](#)

Image No. 6: infographics on ESG rating by AMUNDI SGR



[guide](#) by AMUNDI ITALIA on responsible investment⁹

Example of ANZ BANK NEW ZEALAND, with the provision of a list of companies excluded from the CIUs proposed:

Image No. 7: List of companies excluded from the CIUs proposed by ANZ BANK NEW ZEALAND¹⁰

Companies we don't invest in:

Cluster Munitions	Controversy & Global Norm Exclusions
<ul style="list-style-type: none"> Elbit Systems Ltd Hanwha Corporation Hanwha Aerospace Co. Ltd Larson & Toubro Ltd LIG NEX1 Co. Ltd Poongsan Corporation 	<ul style="list-style-type: none"> Acacia Mining <ul style="list-style-type: none"> Human Rights Concerns Corecivic Inc. <ul style="list-style-type: none"> Human Rights Concerns Energy Transfer Operating LP Energy Transfer Partners LP/ Regency Energy Finance Corp <ul style="list-style-type: none"> Impact on Local Communities Freeport-McMoran Inc. <ul style="list-style-type: none"> Toxic Emissions & Waste Labour Rights Human Rights Concerns GMK Noril'skiy Nikel (Norilsk Nickel) <ul style="list-style-type: none"> Toxic Emissions & Waste Impact on Local Communities Grupo Mexico SAB <ul style="list-style-type: none"> Labour Rights Impact on Local Communities JBS SA <ul style="list-style-type: none"> Bribery & Fraud Product Safety & Quality Supply Chain Management Jiangxi Copper <ul style="list-style-type: none"> Impact on Local Communities Midwest Connector Capital Co LLC Prosegur Cia. de Seguridad <ul style="list-style-type: none"> Labour Rights Southern Copper Corp (subsidiary of Grupo Mexico) <ul style="list-style-type: none"> Labour Rights Impact on Local Communities Southern Union Co The GEO Group <ul style="list-style-type: none"> Human Rights Concerns Tokyo Electric Power Company <ul style="list-style-type: none"> Impact on Local Communities Toxic Emissions & Waste Health & Safety Zijin Mining Group <ul style="list-style-type: none"> Human Rights Concerns
Anti-personnel mines	
<ul style="list-style-type: none"> Northrop Grumman National Presto Industries, Inc. 	
Other Controversial Weapons	
Nuclear Explosive Devices	
<ul style="list-style-type: none"> AECOM BWX Technologies Fluor Corporation General Dynamics Corp. Honeywell International Huntington Ingalls Industries Inc Jacobs Engineering Group Leidos Holdings, Inc Lockheed Martin Corp. Northrop Grumman Innovations Systems Serco Group 	

➤ Highlighting of responsible funds

Next, some websites provide a list of responsible investment funds in their public section so that retail investors can find out about them, whether or not they are already customers of the bank.

¹⁰ <https://www.anz.co.nz/personal/investing-kiwisaver/about-anz-investments/our-investment-approach/excluded-companies/>

Image No. 8: List of responsible funds provided by ERSTE GROUP for which it is possible to filter the responsible investments¹¹

Fund/Tranche name	Investment region	Risk profile description
ERSTE BOND EURO MÜNDELRENT	Austria	Medium
ERSTE ETHIK AKTIEN GLOBAL Retailtranche: EUR R01	Global	Medium
ERSTE ETHIK ANLEIHEN	Global	Medium
ERSTE GREEN INVEST Retailtranche: EUR R01	Global	Medium
ERSTE GREEN INVEST MIX Retailtranche: EUR R01	Global	Medium
ERSTE RESPONSIBLE BOND Retailtranche: EUR R01	Global	Medium
ERSTE RESPONSIBLE BOND EM CORPORATE Retailtranche: EUR R01	Global	Medium
ERSTE RESPONSIBLE BOND EURO CORPORATE Retailtranche: EUR R01	Global	Medium
ERSTE RESPONSIBLE BOND GLOBAL HIGH YIELD Retailtranche: EUR R01	Global	Medium
ERSTE RESPONSIBLE BOND GLOBAL IMPACT Retailtranche: EUR R01	Global	Medium
ERSTE RESPONSIBLE MICROFINANCE Retailtranche: EUR R01	Global	Low
ERSTE RESPONSIBLE RESERVE Retailtranche: EUR R01	Global	Low
ERSTE RESPONSIBLE STOCK AMERICA Retailtranche: EUR R01	Developed markets	Medium
ERSTE RESPONSIBLE STOCK AMERICA Retailtranche: USD R01	Developed markets	Medium
ERSTE RESPONSIBLE STOCK DIVIDEND EUR R01	Global	Medium
ERSTE RESPONSIBLE STOCK EUROPE Retailtranche: EUR R01	Europe	Medium
ERSTE RESPONSIBLE STOCK GLOBAL Retailtranche: EUR R01	Global	Medium
ERSTE WWF STOCK ENVIRONMENT Retailtranche: EUR R01	Global	Medium
YOU INVEST RESPONSIBLE balanced	Global	Medium

➤ Education on performance and non-financial reporting

Finally, banks that list the various responsible products available on their public website may specify the investment strategies applied or the non-financial performance expected from the fund.

¹¹ <https://www.erste-am.at/en/private-investors/our-funds/fund-search>

Example of the PERPETUAL ETHICAL SRI FUND distributed by the Australian bank NAB:

Image No. 9: Non-financial data and information on the reporting methods of the PERPETUAL ETHICAL SRI FUND¹²

CARBON FOOTPRINT AND INTENSITY

	CARBON EMISSIONS - NORMALISED (tons CO2e / \$M invested)	CARBON EMISSIONS - TOTAL (tons CO2e)	CARBON INTENSITY - REVENUE SHARE (tons CO2e / \$M sales)	CARBON INTENSITY - WEIGHTED AVERAGE (tons CO2e / \$M sales)
Fund ¹²	43.8	33,643	80.5	55.7
Benchmark ¹³	111.0	85,223	225.2	144.9

SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT

The following table represents measurement of the contribution and alignment of the Fund's top ten positions with the United Nations Sustainable Development Goals ("SDGs"), identifying whether issuers are acting responsibly, mitigating and remediating harm and supporting sustainable opportunities. See appendix for more information.

COMPANY	PORTFOLIO WEIGHT	SDG THEME ASSESSMENT ¹								CONTRIBUTION LEGEND
		Healthy Lives	Development Tools	Climate Change	Social Welfare	Human Capital	Business Ethics	Natural Capital	Governance	
NATIONAL AUSTRALIA BANK LIMITED	6.4%	Good	Good	Good	Excellent	Excellent	Good	Good	Good	<p>CONTRIBUTION LEGEND</p> <ul style="list-style-type: none"> ■ Excellent ■ Good ■ Neutral ■ Poor
ANZ BANK	6.3%	Good	Good	Good	Excellent	Excellent	Good	Good	Good	
ORORA LIMITED	5.6%	Good	Good	Good	Good	Good	Good	Good	Good	
AUB GROUP LTD	5.5%	Good	Good	Good	Good	Good	Good	Good	Good	
HT&E LIMITED	4.6%	Good	Good	Good	Good	Good	Good	Good	Good	
ASALEO CARE LTD	4.3%	Excellent	Good	Good	Good	Good	Good	Good	Good	
INSURANCE AUSTRALIA GROUP LIMITED	3.6%	Good	Good	Good	Good	Good	Good	Good	Good	
TELSTRA CORPORATION LIMITED	3.6%	Good	Good	Good	Excellent	Excellent	Good	Good	Good	
PREMIER INVESTMENTS LIMITED	3.4%	Good	Good	Good	Good	Good	Good	Good	Good	
FLETCHER BUILDING	3.4%	Good	Good	Good	Good	Good	Good	Good	Good	

Carbon Emissions – Normalised: Measure of a portfolio's contribution to climate change that enables comparisons with a benchmark or other portfolios, and over time, regardless of portfolio size. Calculated as total carbon emissions (see below), divided by the portfolio's market value.

Carbon Emissions – Total: Carbon emissions for which an equity portfolio is responsible – calculated as the sum of the proportion of carbon emissions of portfolio companies assigned to each investor, based on the investor's ownership share of each company.

Carbon Intensity – Revenue Share: Carbon efficiency of the portfolio - how efficient is the portfolio in terms of carbon emissions per unit of output (sales). Calculated as total carbon emissions (see above), divided by the sum of the proportion of the sales of portfolio companies assigned to each investor, based on the investor's ownership share of each company.

Carbon Intensity – Revenue Share: Carbon efficiency of the portfolio - how efficient is the portfolio in terms of carbon emissions per unit of output (sales). Calculated as total carbon emissions (see above), divided by the sum of the proportion of the sales of portfolio companies assigned to each investor, based on the investor's ownership share of each company.

¹² https://www.perpetual.com.au/~media/perpetual/pdf/resources/investor-forms-page-pdfs/perpetual-ethical-sri-fund/pl01548_3075_ethical_sri_impact_measurement_wl.ashx?la=en

Sustainable Development Goals Assessment Criteria⁶

EXCELLENT	The issuer makes an excellent contribution to the relevant theme, including major involvement in the production of sustainable goods or services.
GOOD	The issuer makes a good contribution to the relevant theme, including minor involvement in the production of sustainable goods or services.
NEUTRAL	The issuer's contribution to the relevant theme is neutral. The issuer is not involved in controversial activities that work against the achievement of the SDGs.
POOR	The issuer is involved in controversial activities that work against the achievement of the SDGs.

5. CONCLUSION

This overview of communications practices regarding responsible investment is not intended to provide an exhaustive review of the different global RI markets. However, it makes it possible to note their uneven development to date, in particular as regards the offerings highlighted on banks' public websites. Often, responsible financial products are still not greatly promoted among retail customers and prospects in numerous banks.

Given the rapid changes in responsible investment, it is necessary for retail investors to acquire sound knowledge in this field. This is particularly important given that financial intermediaries in the EU will soon have to take into consideration their preferences regarding sustainability. This presupposes that retail investors have knowledge and information on the subject.

The fourth part of this document, which provides concrete examples, reveals initiatives that make responsible investment more accessible to retail investors. By making educational tools available (infographics, videos, questionnaires etc.) several banks offer clear and succinct information to private individuals, that enable a better understanding of responsible investment and the issues involved. In addition to being a marketing tool, certain initiatives appear relevant and educational. The general implementation of this type of practice could be a lever for informing private individuals properly. For example, providing a list of companies excluded by the bank contributes to greater transparency. Another example, regarding information on non-financial performance, is to present the contribution of the various assets in a fund to sustainable development goals. In this case, there is a tension between the educational aim for retail investors, and the methodology, which may sometimes be complex, used to present the information.

The information resources proposed by banks in the reviewed examples, may therefore complete the initiatives by national regulators in favour of financial education, who endeavour to ensure better protection for retail investors by improving their knowledge of financial products. Indeed, rapid changes in the sector, both in terms of offer and of regulatory control, call for an increase in the number of educational initiatives for retail investors. This need of private individuals for financial education also makes it necessary for the financial advisers themselves to have a better understanding of responsible investment and the various existing or future offerings. That is the key issue for the training of advisers.

In addition, this work must be completed by initiatives by regulators intended to facilitate accessibility to this field. Regarding the financial education of retail investors, numerous regulators publish guides on

responsible investment and offer videos, webinars and podcasts on the subject. In France for instance, the AMF has produced several videos on this theme with the French National Consumers Institute (INC). The CNMV in Spain, the SEC in the United States, the AMF in Quebec and the SFC in Hong Kong also propose such kinds of initiatives.

In addition, the public authorities contribute to a better knowledge of these subjects via their regulatory initiatives. Within the EU, the SFDR provides greater transparency for the responsible investment sector. In particular, the players concerned will have to disclose information on the methods of assessment of ESG criteria, as well as on the adverse impacts on the sustainability of their investments. Another example is that of France, where in March 2020 the AMF published a policy on non-financial factors in communications. The aim of the AMF is in particular to ensure proportionality between the reality of the consideration of non-financial factors in investment management and the place reserved for them in the communication to investors.¹³ These measures are completed by other recommendations and requirements regarding the information disclosed. Several regulators have therefore put in place or are currently considering a regulatory framework for asset management, in order to limit the risk of greenwashing and increase the confidence of private individuals in responsible investments.¹⁴ Finally, through better education of financial intermediaries in these topics, retail investors are better informed and advised. In France for example, the AMF introduced in 2021 a new module to verify the knowledge of professionals in green and responsible finance to serve that purpose.

¹³ For further information see [Position - Recommandation DOC-2020-03 \(Informations to be provided by collective investment schemes incorporating non-financial approaches\)](#) of the AMF

¹⁴ For further information see [Recommendations on Sustainability-Related Practices, Policies, Procedures and Disclosure in Asset Management](#) (IOSCO)