

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) SURVEY

CFA Institute
June 2015



CFA Institute

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ABOUT THE SURVEY

Background & Purpose

The purpose of this survey is to better understand the perceptions of CFA Institute membership concerning ESG issues and ESG data, as well as how members use such information in their investing processes.

Methodology

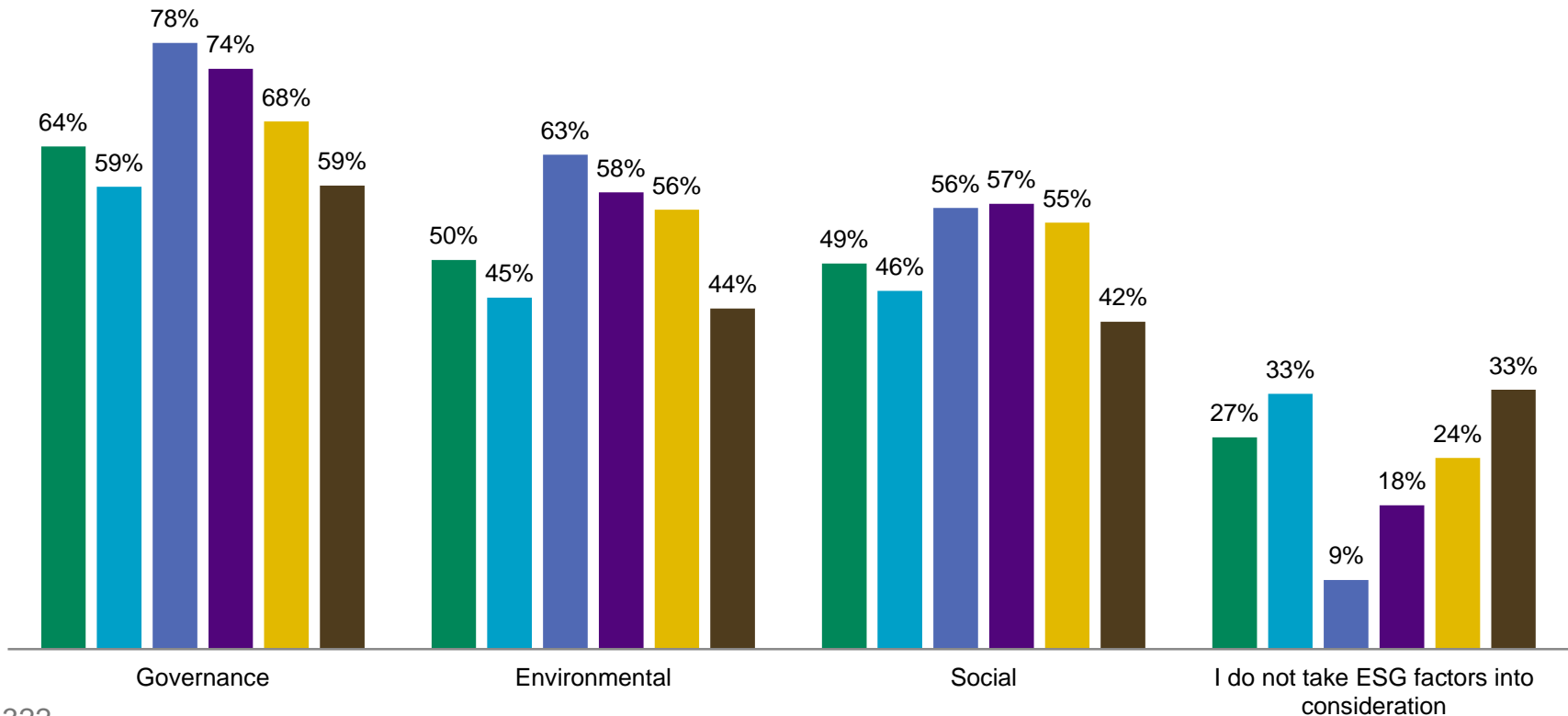
On 26 May 2015, 44,131 CFA Institute members that are portfolio managers and research analysts were invited via email to participate in an online survey. The survey closed on 5 June 2015. 1,325 valid responses were received, for a response rate of 3% and a margin of error of $\pm 2.7\%$.

SURVEY RESULTS

73% OF SURVEY RESPONDENTS TAKE ESG ISSUES INTO ACCOUNT IN THEIR INVESTMENT ANALYSIS AND DECISIONS, WITH GOVERNANCE BEING THE MOST COMMON.

Which, if any, of the following ESG issues do you take into account in your investment analysis or decisions?

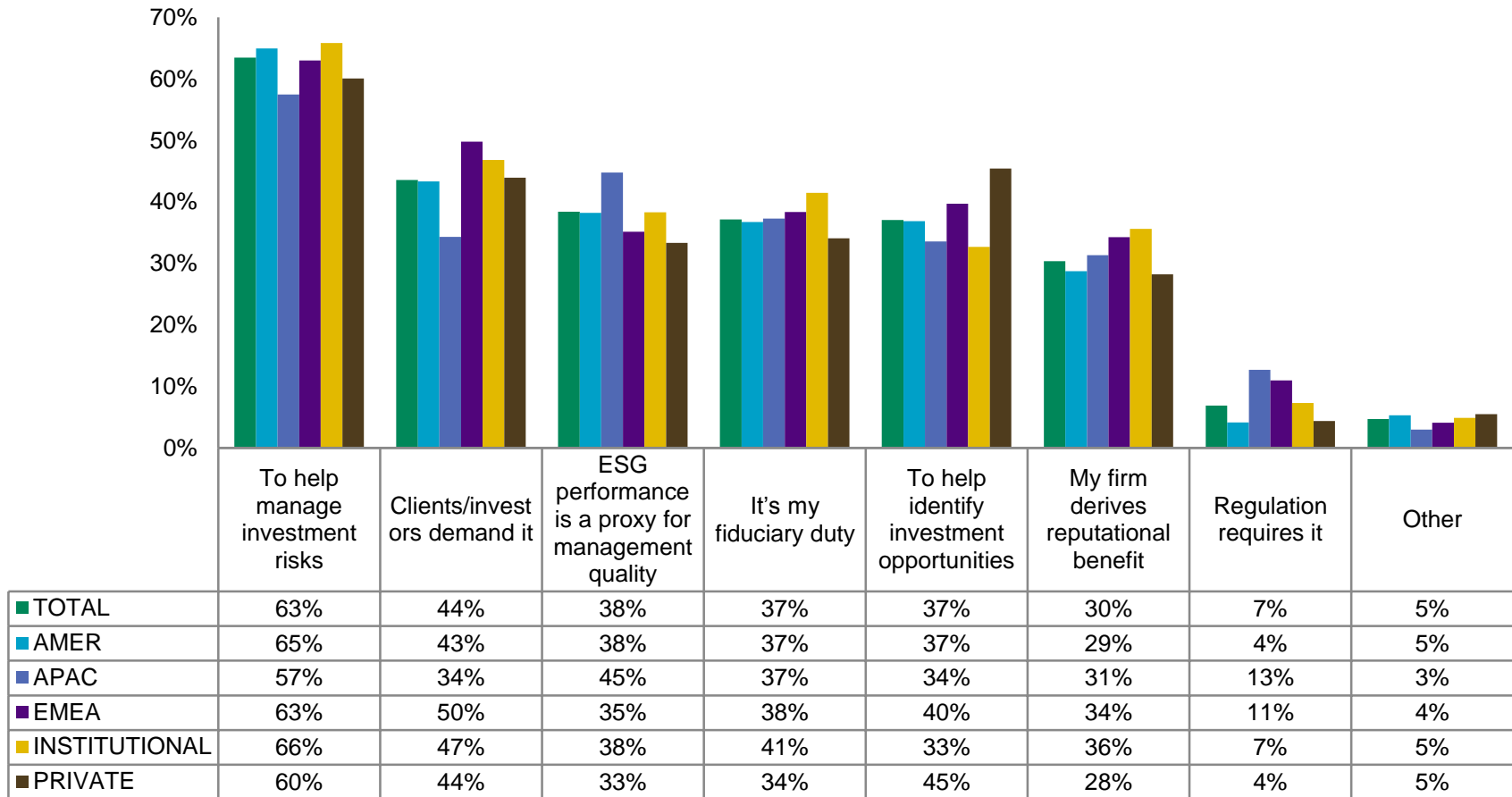
■ TOTAL ■ AMER ■ APAC ■ EMEA ■ INSTITUTIONAL ■ PRIVATE



N=1,322

THE MAIN REASON SURVEY RESPONDENTS TAKE ESG ISSUES INTO CONSIDERATION IN THEIR INVESTMENT ANALYSIS/DECISIONS ARE TO HELP MANAGE INVESTMENT RISKS.

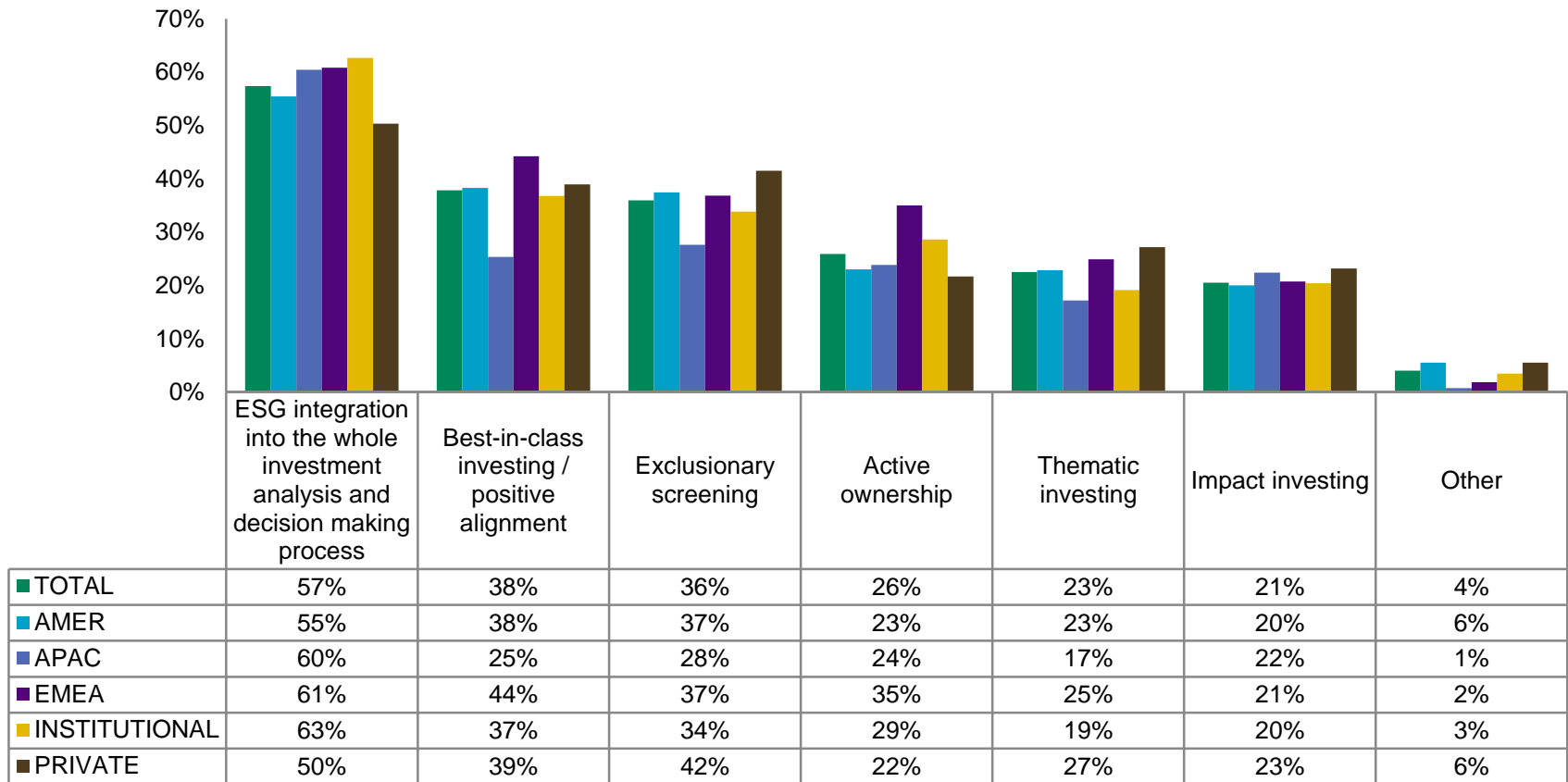
Why do you take ESG issues into consideration in your investment analysis/decisions?



N=955

57% OF THOSE CONSIDERING ESG ISSUES INTEGRATE THEM INTO THE WHOLE INVESTMENT ANALYSIS AND DECISION MAKING PROCESS.

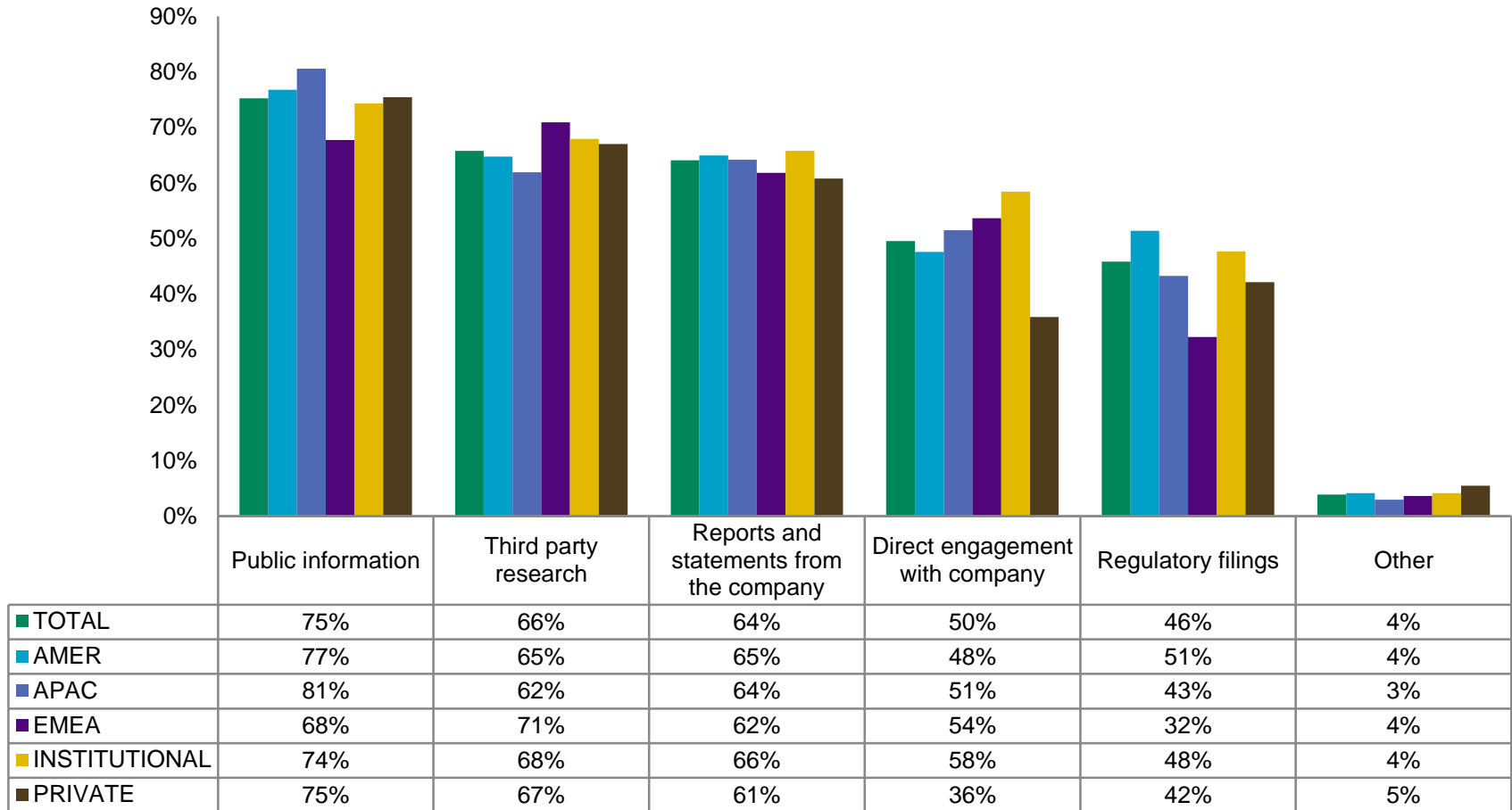
How do you take ESG issues into consideration in your investment analysis/decisions?



N=946

THE MAIN WAYS SURVEY RESPONDENTS GET ESG INFORMATION IS THROUGH PUBLIC INFORMATION, FOLLOWED BY THIRD PARTY RESEARCH.

How do you get ESG information/data?



N=953

SURVEY RESPONDENTS INDICATE THE MOST IMPORTANT ESG ISSUE IN THEIR INVESTMENT ANALYSIS/DECISIONS IS BOARD ACCOUNTABILITY, FOLLOWED BY HUMAN CAPITAL AND EXECUTIVE COMPENSATION.

Please rate the following ESG issues in terms of importance to your investment analysis/decisions on a scale of 1 to 5, where 1 is not important at all and 5 is very important.

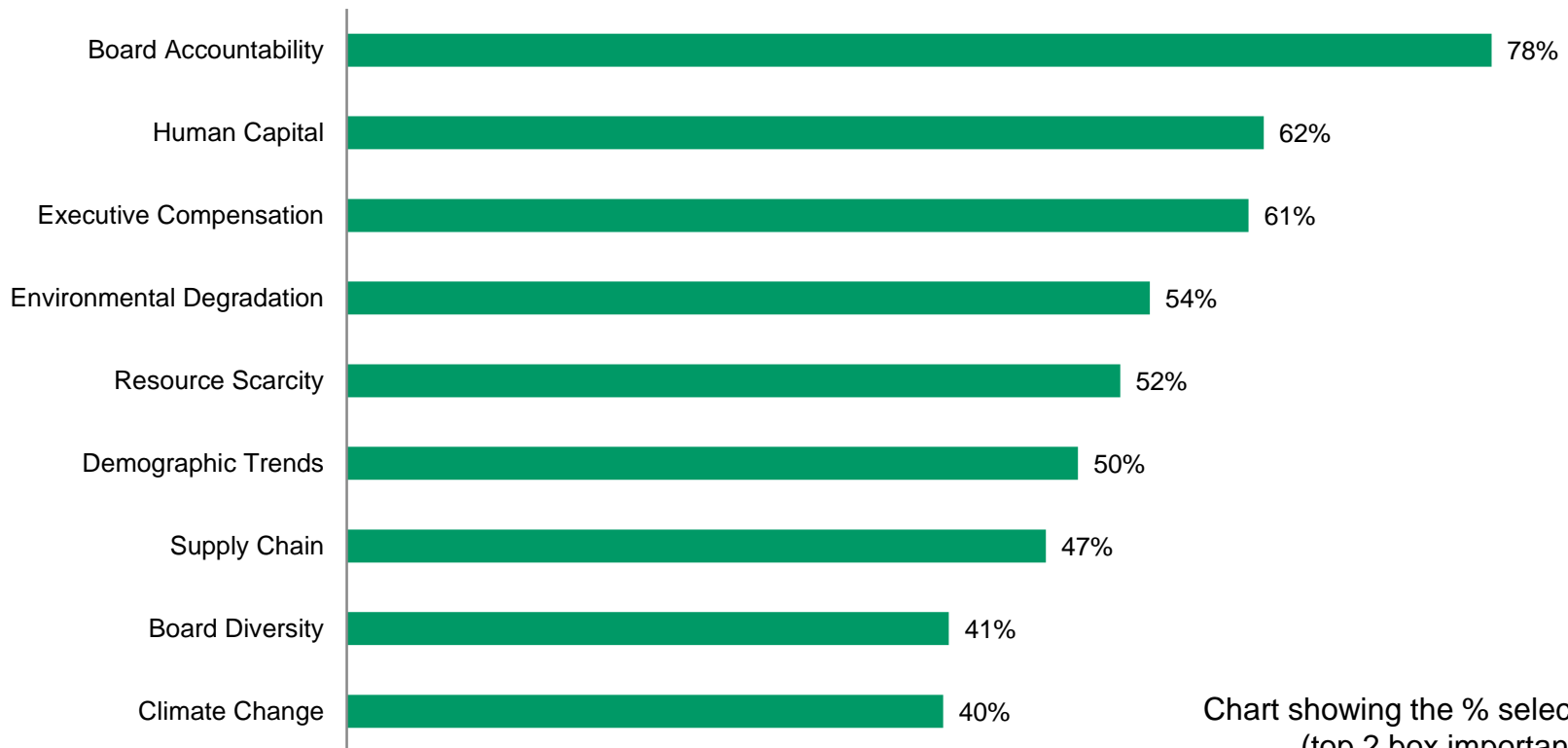
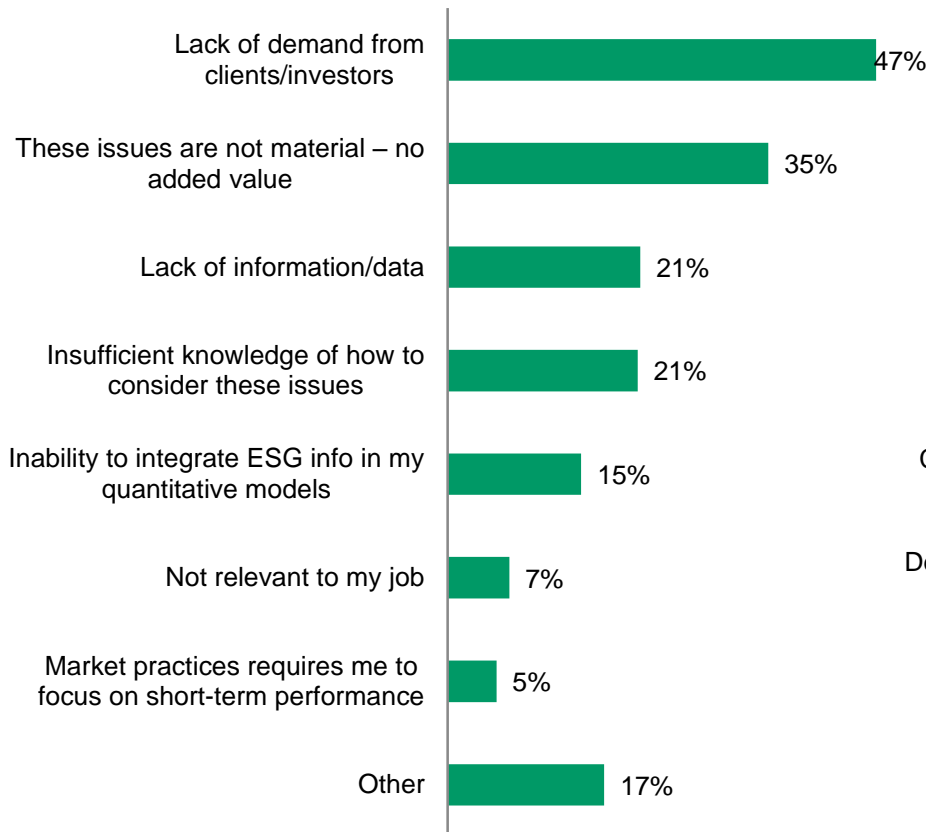


Chart showing the % selecting 4 or 5 (top 2 box importance)

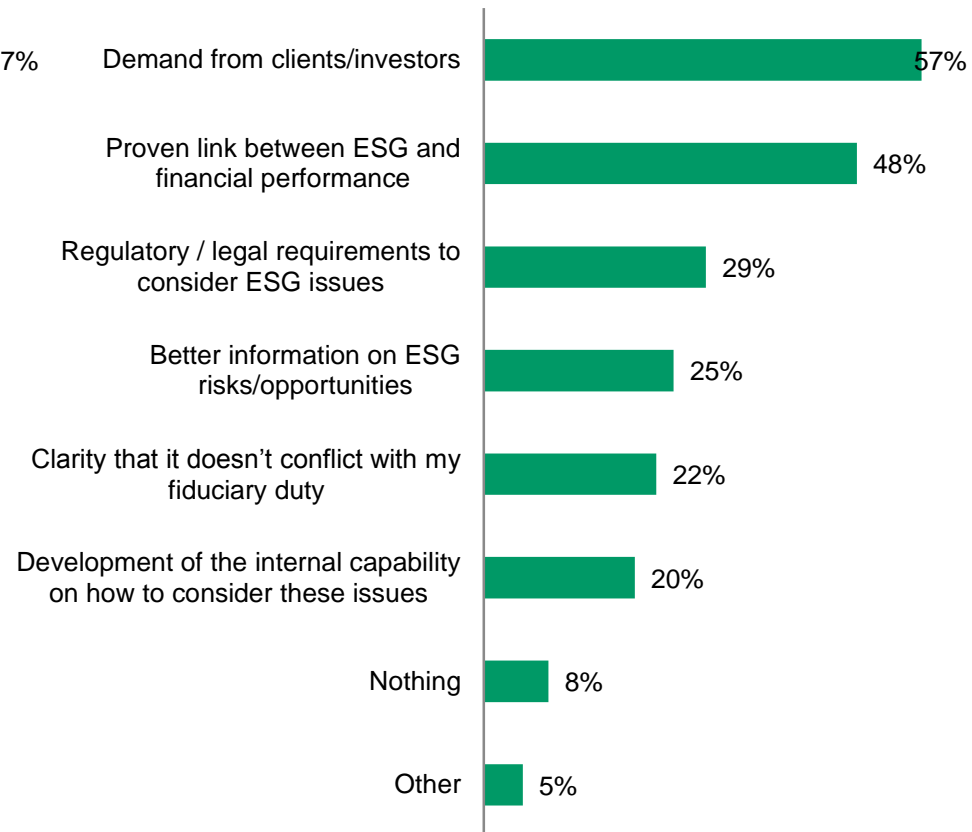
N=872-882 per item

OF THOSE NOT TAKING ESG FACTORS INTO CONSIDERATION, 47% SAY IT IS BECAUSE THEIR CLIENTS/INVESTORS DO NOT DEMAND IT.

Why do you not take any ESG issues into consideration in your investment analysis/decisions?



What, if anything, would cause you to begin considering ESG issues in your investment analysis/decisions?

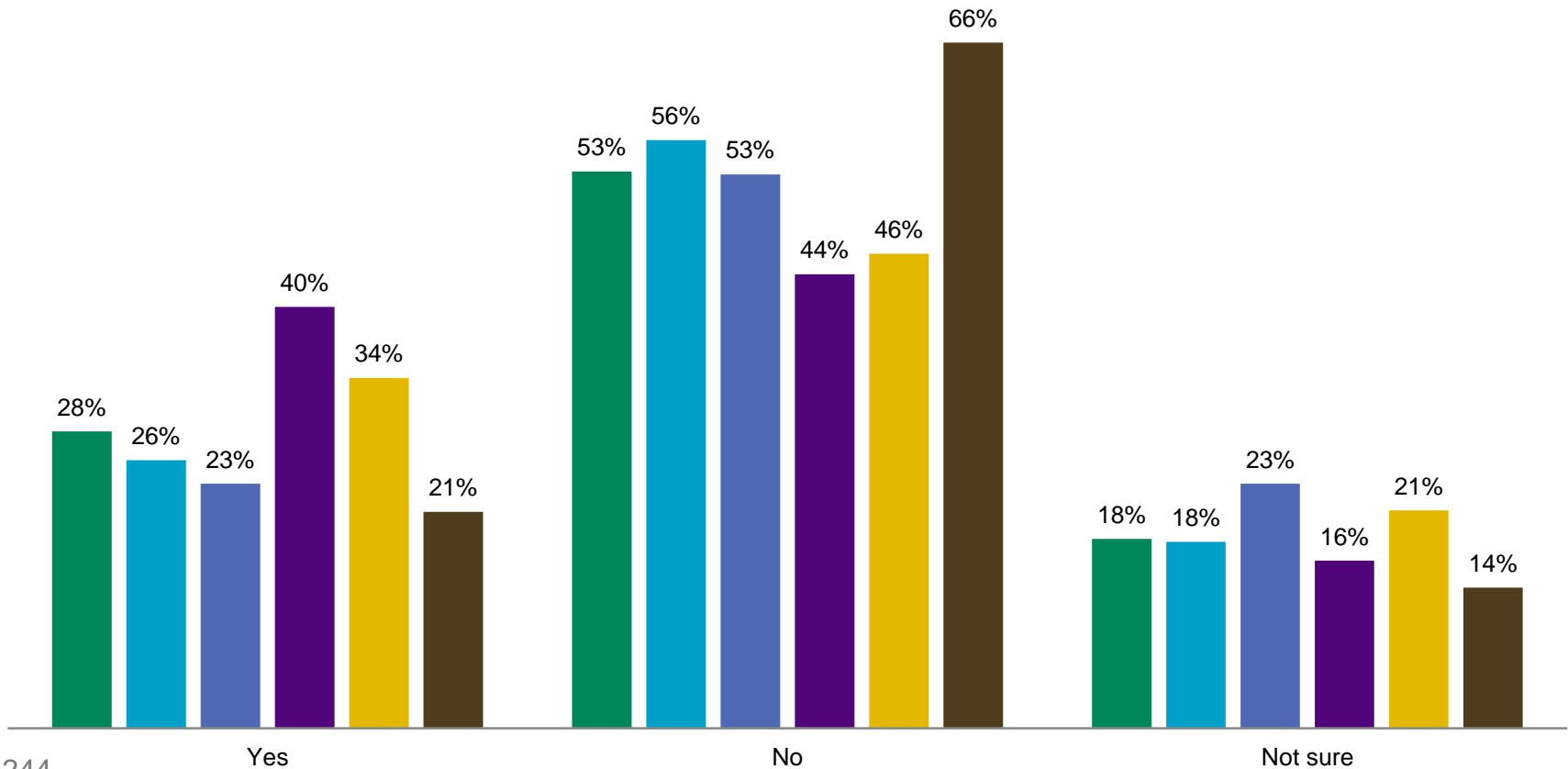


N=357

28% OF SURVEY RESPONDENTS INDICATE EMPLOYEES AT THEIR FIRM RECEIVE TRAINING ON CONSIDERING ESG ISSUES.

Do any employees at your firm receive training on how to consider ESG issues in investment analysis/decisions?

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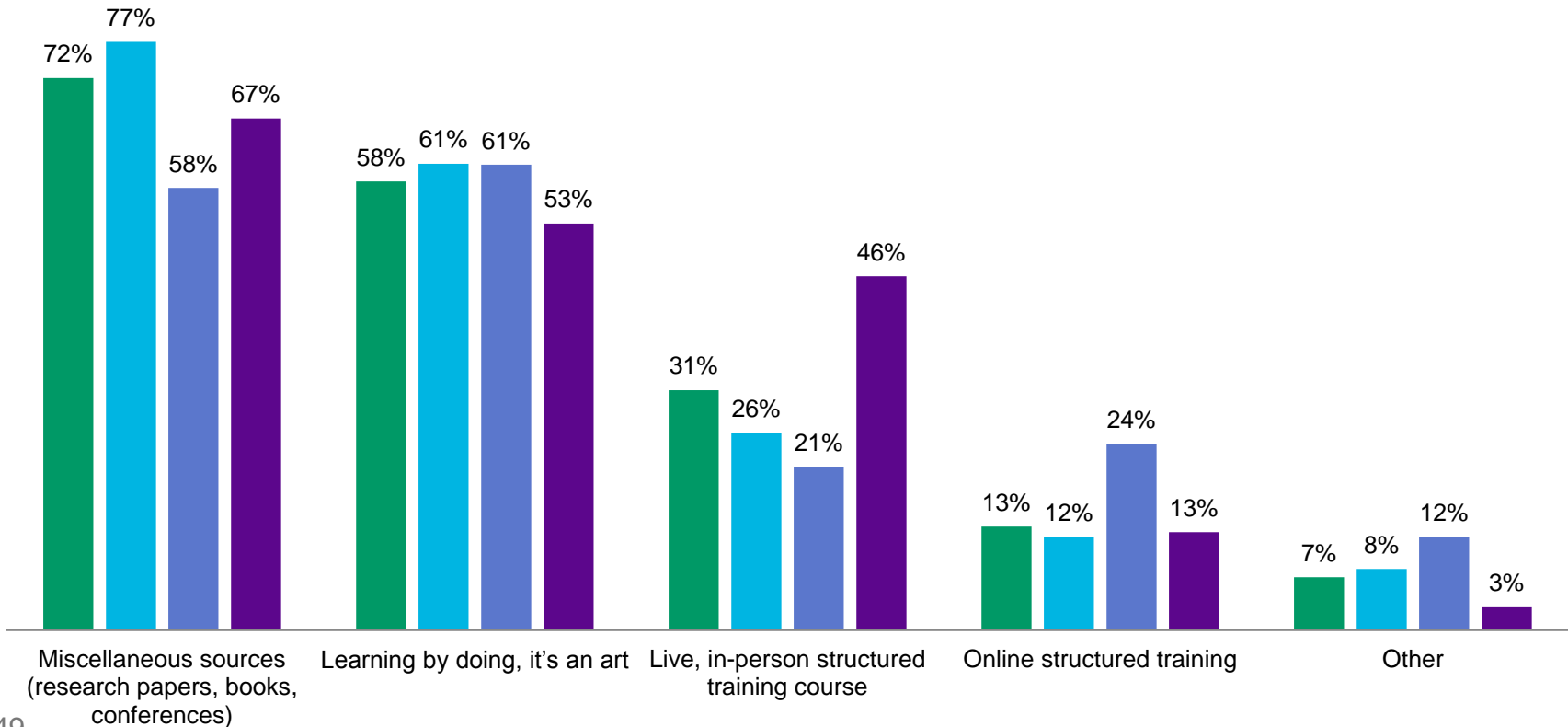


N=1,244

OF THOSE RECEIVING TRAINING, THE MOST COMMON WAYS ARE THROUGH MISCELLANEOUS SOURCES AND LEARNING BY DOING.

How do employees at your firm receive training on how to consider ESG issues in investment analysis/decisions?

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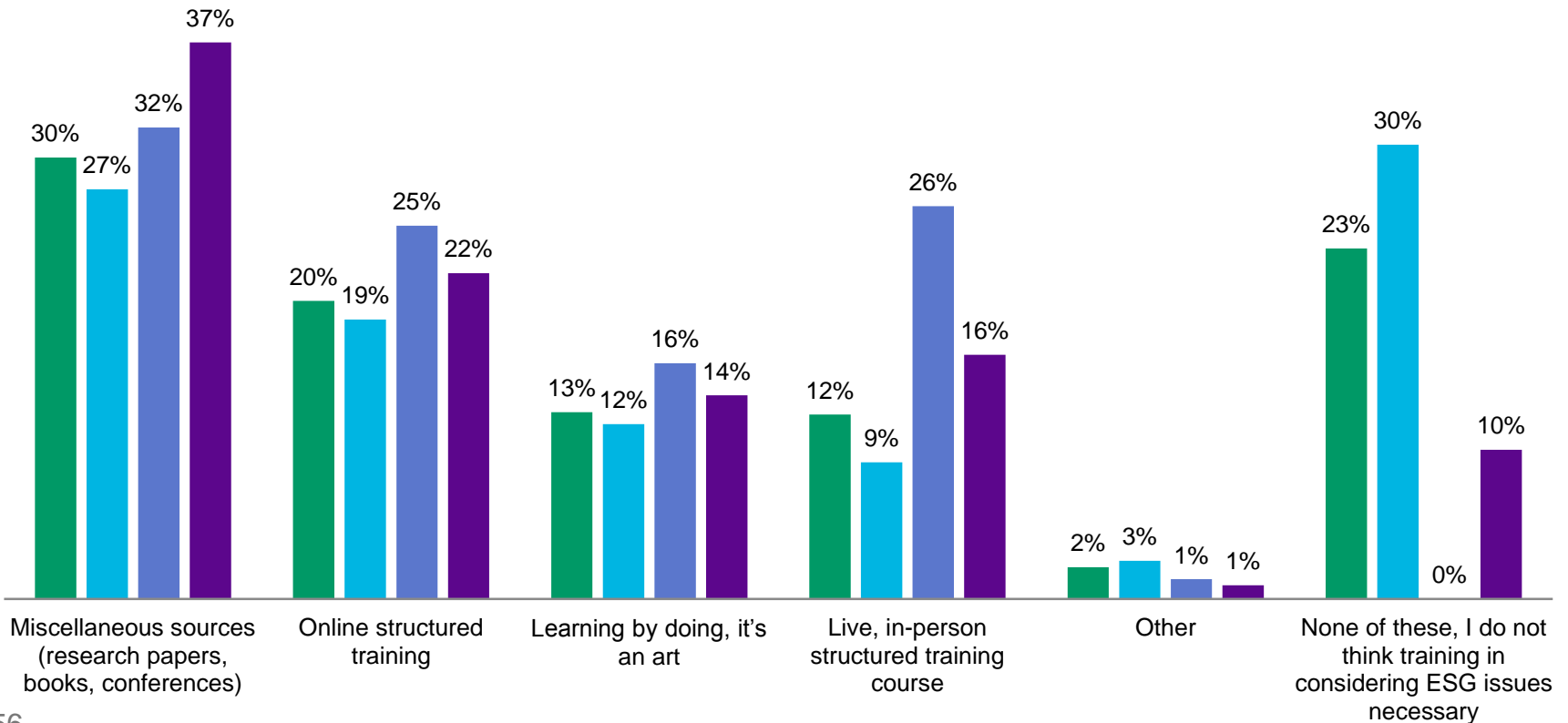


N=349

OF THOSE WHO INDICATE EMPLOYEES AT THEIR FIRM DO NOT RECEIVE TRAINING, 77% WOULD LIKE THEM TO – WITH MISCELLANEOUS SOURCES BEING THE MOST PREFERRED MODE, FOLLOWED BY ONLINE STRUCTURE TRAINING.

If you would like employees at your firm to receive training in considering ESG issues, what would be your preferred mode?

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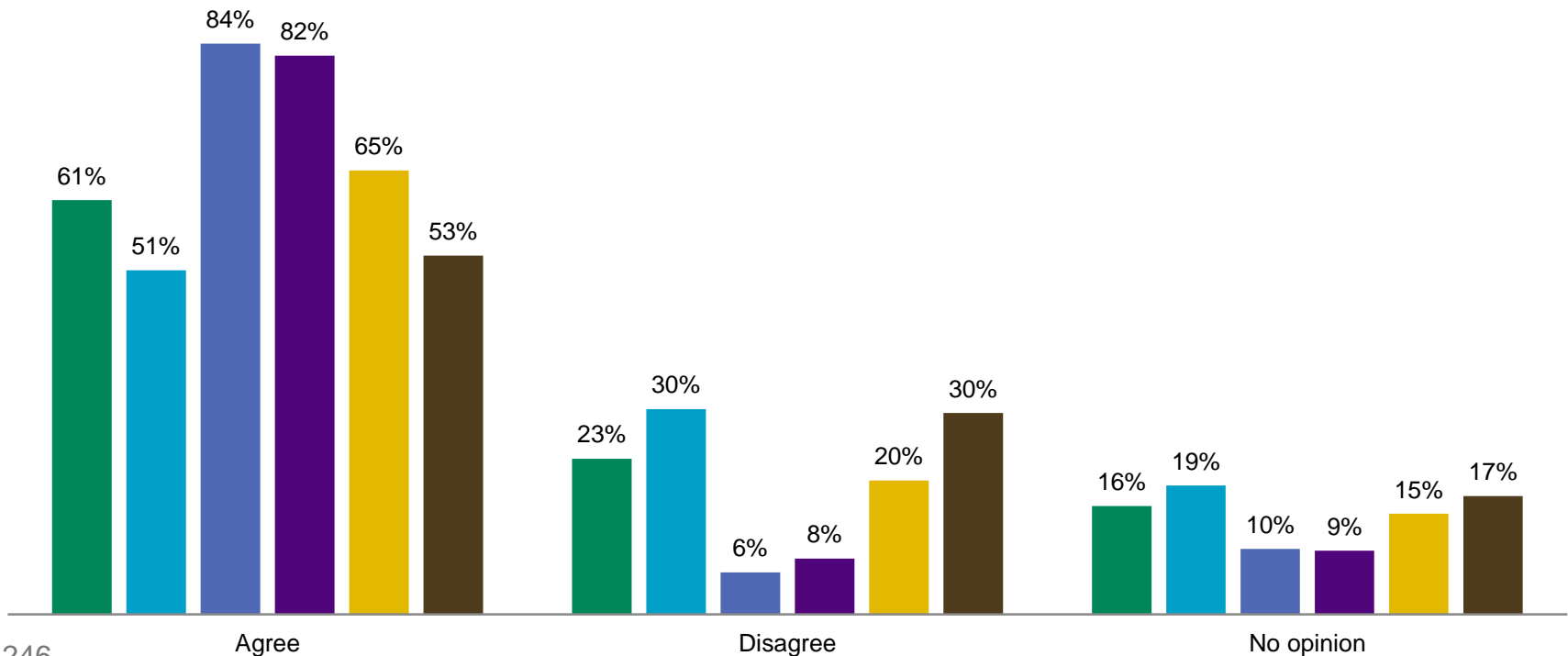


N=656

61% AGREE THAT PUBLIC COMPANIES SHOULD BE REQUIRED TO REPORT AT LEAST ANNUALLY ON A COHESIVE SET OF SUSTAINABILITY INDICATORS IN ACCORDANCE WITH THE MOST UP-TO-DATE REPORTING FRAMEWORK.

Do you agree or disagree that public companies should be required to report at least annually on a cohesive set of sustainability indicators in accordance with the most up-to-date reporting framework?

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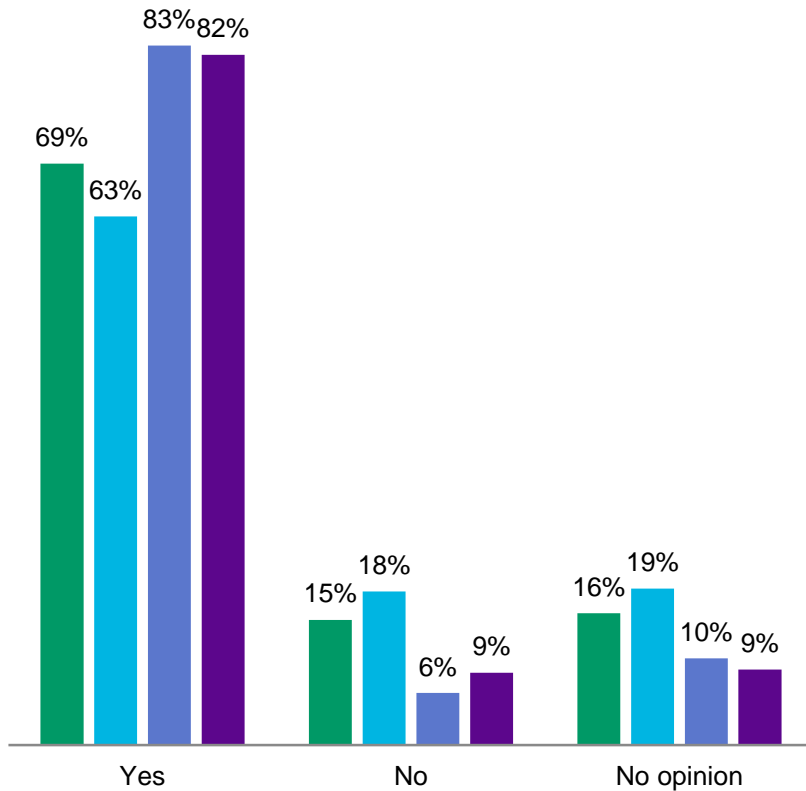


N=1,246

69% THINK IT IS IMPORTANT THAT ESG DISCLOSURES BE SUBJECT TO INDEPENDENT VERIFICATION.

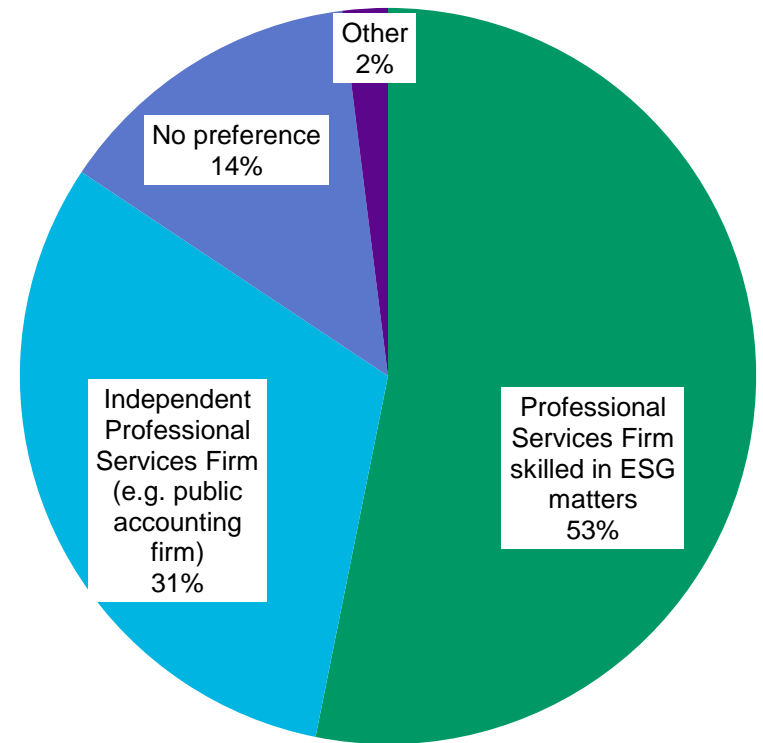
Do you think it is important that ESG disclosures be subject to some level of independent verification?

■ TOTAL ■ AMER ■ APAC ■ EMEA



N=1,247

Who do you think is best positioned to provide independent verification of ESG disclosures?

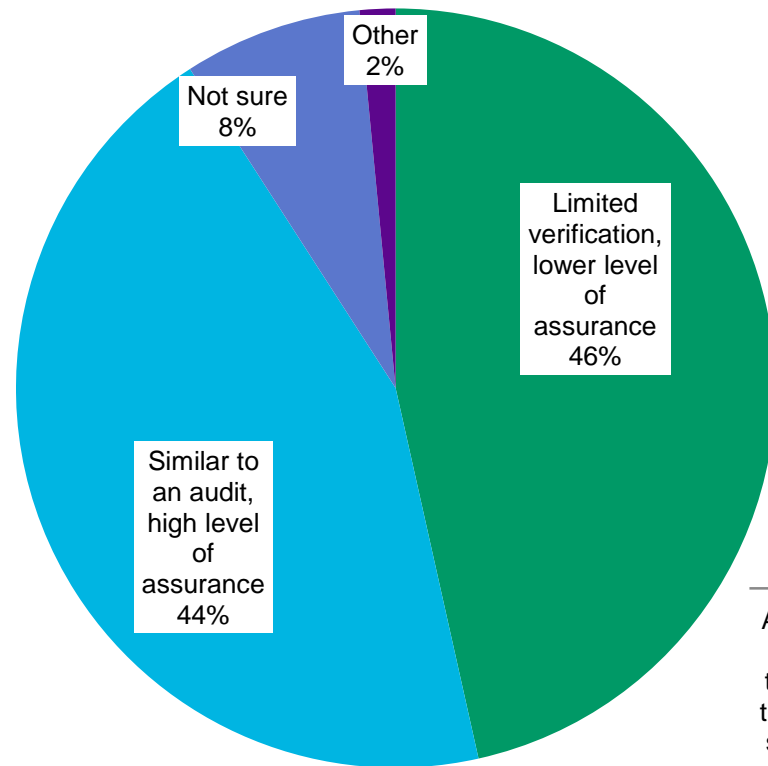


N=856

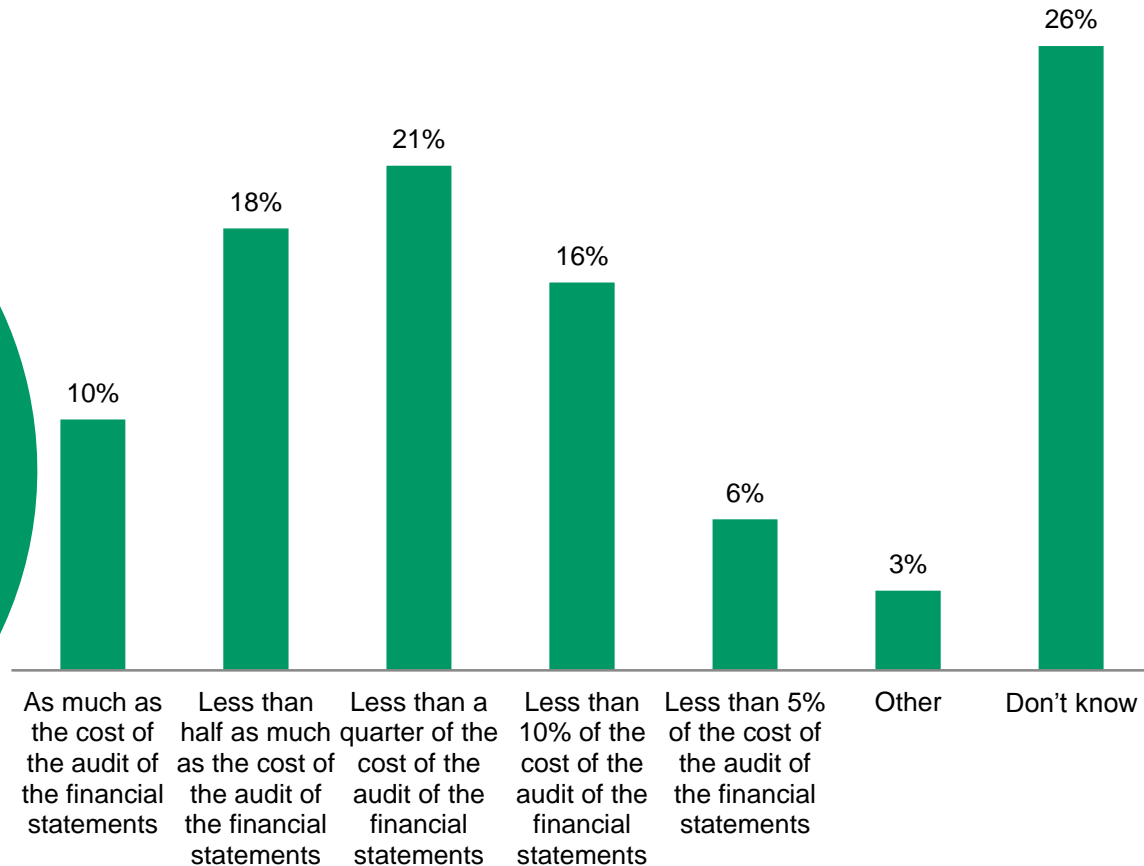
SURVEY RESPONDENTS ARE SPLIT ON WHAT LEVEL OF INDEPENDENT VERIFICATION IS NECESSARY.

What level of independent verification do you believe is necessary?

Which best represents your view on how much should be spent to obtain independent verification?

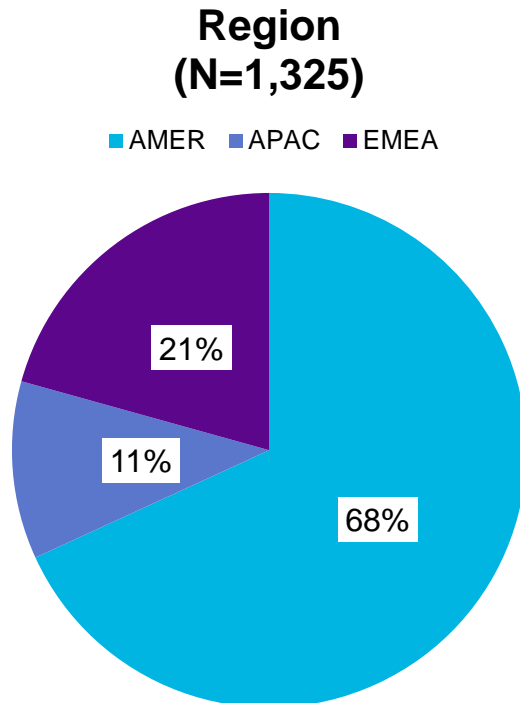


N=856



RESPONDENT PROFILE

GEOGRAPHIC DISTRIBUTION OF RESPONDENTS

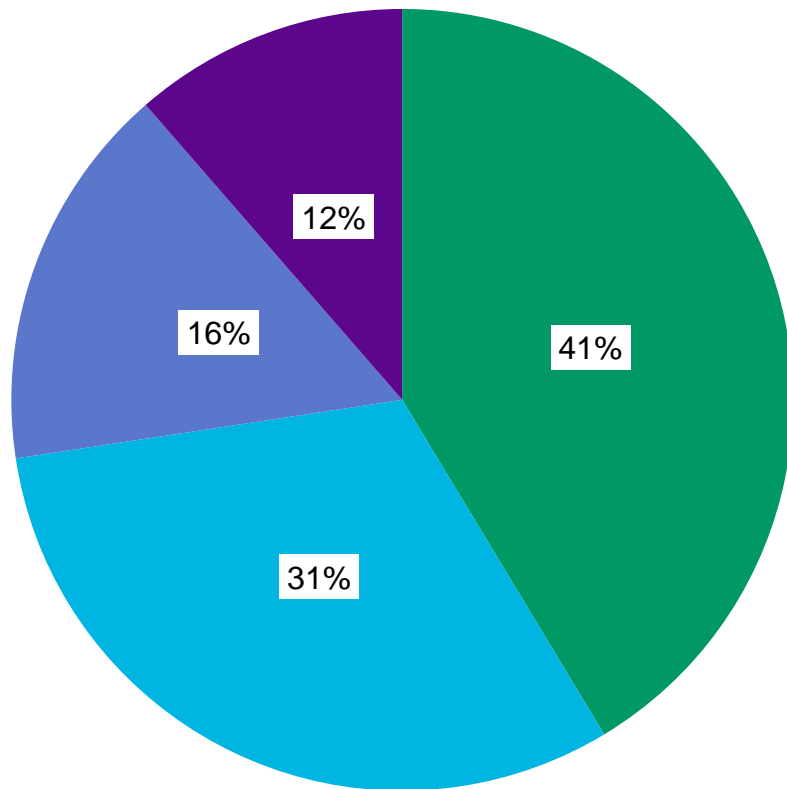


TOP RESPONDING MARKETS	N	%
USA	723	55%
CANADA	140	11%
UNITED KINGDOM	63	5%
GERMANY	34	3%
SWITZERLAND	32	2%
AUSTRALIA	31	2%
SOUTH AFRICA	24	2%
INDIA	21	2%
BRAZIL	19	1%
CHINA	19	1%
HONG KONG	16	1%
JAPAN	16	1%
FRANCE	15	1%
NETHERLANDS	12	1%
SINGAPORE	10	1%
VIET NAM	8	1%
IRELAND	7	1%
MALAYSIA	7	1%

PRIMARY ASSET BASE AND YEARS WITH THE CHARTER

Primary Asset Base (N=1,325)

■ Institutional ■ Private ■ Both ■ Not applicable



Years with the CFA Charter (N=1,325)

