Press Release: 6th Sustainable and Responsible Investment Study 2014

– Under Embargo until Thursday, October 9, 14.00 CEST–

Double-digit growth of the European Sustainable and Responsible Investment (SRI) market signals change in investors' mindset

All responsible investment strategies have grown at double-digit rates between 2011 and 2013, faster than the broad European investment market. Growth rates range from +22.6% (Sustainability themed) to +132% (Impact investing). This compares to an estimated +21.7% for the broad European investment market.

October 9, 2014, Brussels – EUROSIF, the European Sustainable Investment Forum, today unveils the findings of its 6th Sustainable and Responsible Investment Study, first published in 2003. The Study highlights the scale of Sustainable and Responsible Investment practices and trends in Europe and across 13 European countries.

For the first time, the Study provides new detailed insights on Exclusions, European Impact investing and Environmental, Social and Governance (ESG) integration practices.

Exclusions go mainstream

Assets subject to exclusion criteria grew by 91% between 2011 and 2013 and cover an estimated 41% (€6.9 trillion) of European professionally managed assets. Exclusions cover more assets than any other SRI strategy and have the most consistent usage across Europe. Voluntary exclusions related to Cluster Munitions and Anti-Personnel Landmines (CM&APL) are most common. They cover about 30% (€5.0 trillion) of the European investment market. Other Exclusion assets, not related to CM & APL, cover about 23% (€4.0 trillion) of the market.

Engagement and voting makes significant progress

Assets subject to Engagement and voting policies have grown by 86% over the period to reach €3.3 trillion, versus €1.8 trillion in 2011. Half of that growth comes from the UK, with other key contributors being the Netherlands, Norway and Sweden; however, strong progress is recorded in all markets. Belgium (+94%), Italy (+193%) and Germany (+48%) also record impressive growth figures.

Impact investing is the fastest growing strategy

For the first time, the Study provides a growth figure for Impact investing, which was the fastest growing strategy in Europe, exhibiting +132% growth since 2011. It has grown to an estimated €20 billion market. Key markets for this strategy are the Netherlands and Switzerland, representing an estimated two thirds of European assets, followed by Italy, the United Kingdom and Germany. Microfinance represents an estimated 50 % of European Impact investing assets.

Forty percent of ESG integration assets follow structured investment processes

The Study sheds light on how the integration of non-financial factors into investment decisions is implemented. All forms of ESG integration have grown by 65% since 2011, making this one of the fastest growing strategies. Almost 40% of these assets are subject to investment processes incorporating non-financial criteria. Other Integration assets relate to situations where non-financial research is made available to mainstream investment teams.

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In commenting on these results, EUROSIF's Executive Director, Francois Passant, notes:

> *The continuous growth of SRI practices in Europe signals a positive change in attitudes toward stewardship and the materiality of Environmental, Social and Governance matters. Discussions are shifting from whether SRI makes sense or not from a financial return standpoint, to how its tangible impacts can be measured. Increasingly, investors and other industry stakeholders will push the market in this direction, bringing it to a new level of maturity.*

This study was made possible by the generous support of our sponsors: Edmond de Rothschild Asset Management, Generali Investments Europe, Inrate AG and Nordea Asset Management.

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Download the European SRI Study 2014 (PDF)

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About Eurosif:

Eurosif is the leading pan-European Sustainable and Responsible Investment (SRI) membership organisation whose mission is to promote sustainability through European financial markets. Eurosif works as a partnership of Europe-based national Sustainable Investment Forums (SIFs) with the direct support of over 65 Member Affiliate organisations drawn from the sustainable investment industry value chain. These Member Affiliates include institutional investors, asset managers, financial services, index providers and ESG research and analysis firms totalling over €1 trillion assets. Eurosif's indirect European network spans across over 500 Europe-based organisations. Eurosif is also a founding member of the Global Sustainable Investment Alliance, the alliance of the largest SIFs around the world. The main activities of Eurosif are public policy, research and creating platforms for nurturing sustainable investing best practices.
www.eurosif.org
http://www.gsi-alliance.org

Notes to the Editor:

1. Detailed definitions of each investment strategy covered are available in the study, which can be found here.

2. The Study primarily draws upon self-reported data from European asset managers and institutional investors based in 13 European markets.

3. The figures reported for Exclusions only include voluntary Exclusions. The Study does not take into account requirements mandated by law (for instance, Belgium, France and the Netherlands all have some form of ban on investments in Cluster Munitions and Anti-Personnel Landmines).

4. The Impact investing market figures reported only look at one source of funding to local social enterprises: funds invested into Impact investing projects (microfinance, community investing, social enterprises, etc.) by institutional investors like pension funds or insurers and asset managers, either directly or indirectly (via specialist asset managers). Diverse funding systems for social enterprises exist (e.g. philanthropy or public grants), but are not in the scope of the Study.