2013 SURVEY

ESG STRATEGIES OF EUROPEAN ASSET OWNERS

FROM THEORY TO PRACTICE

novethic

Caisse des Dépôts GROUP

From theory to practice

Novethic has questioned more than one hundred European asset owners, each year since 2008, on the integration of Environmental, Social and Governance (ESG) criteria into their asset management.

This survey, the only one of its kind, allows us to follow the evolution over time of their perception of responsible investment. How do they define it? What motivates them to put the corresponding policies in place? Are they primarily hoping to use their assets to fuel the shift to a more sustainable economy? Or are they mainly protecting their reputation? As long-term investors, do they necessarily take account of these ESG issues, especially those with an already patent impact on their portfolios?

These questions, asked routinely every year, make it possible to observe that although answers may differ from one country to the next, real trends are apparent that clearly demonstrate the emerging role of ESG analysis in risk management.

For the 2013 edition, Novethic has extended the survey's coverage by consulting over 160 financial institutions (insurers, pension funds or public institutions), whose weight and size give them a major role in the European economy: as a group, they represent assets worth over 5 trillion euros.

We have succeeded in fine-tuning our analysis by emphasising each country's distinctive features, the progresses made, but also the stumbling blocks that are delaying the further propagation of responsible investment. The latter is reaching a turning point, which could see it change from a best practice championed by a few players to a management model for all long-term investors. Novethic's survey makes it possible to identify the steps that must still be taken for this transformation to occur and to take us from theory to practice.

Enjoy the read!

Anne-Catherine HUSSON-TRAORE

Chief Executive Officer of Novethic

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ACRONYMS
AUM: Assets under management
ESG: Environmental, Social and Governance
PRI: Principles for Responsible Investment
PSI: Principles for Sustainable Insurance
RI: Responsible Investment

ABOUT THE SURVEY

METHODOLOGY

Novethic's survey was conducted across a representative sample of asset owners in **12 European countries** to assess the integration of Environmental, Social, and Governance (ESG) issues into their asset management. The survey was conducted between July and September 2013 via questionnaires sent by email and telephone calls to members of top management in charge of each institution's investment policy.

The targeted sample was narrowed down from the 2012 edition of the survey. This year, the survey focussed on long-term investors, including pension funds, insurance companies and public financial institutions, as well as other PRI signatories. Despite this sharper focus, the survey panel grew significantly in 2013 and the results contain more qualitative analysis.

Novethic conducted the survey in-house in 8 countries: **Belgium, Denmark, Finland, France, Luxembourg, Norway, Sweden** and the **United Kingdom**.

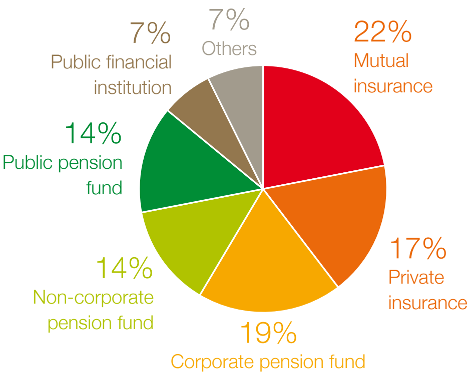
For the 4 other countries, the survey was carried out in partnership with:

- FNG, the German Sustainable Investment Forum, in **Germany** and **Austria**
- Novaster in **Spain**
- VBDO, the Dutch Association of Investors for Sustainable Development, in the **Netherlands**.

For the first time, German-speaking Swiss investors were also targeted, in partnership with FNG, but the surveyed investors were not sufficiently representative of the overall asset-owner landscape. As a result, an initial snapshot of RI in Switzerland is provided separately (page 38).

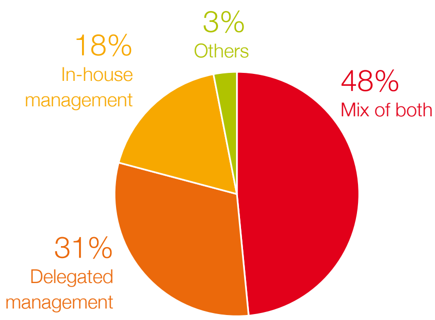
SURVEYED INVESTORS

165 European asset owners with more than **€5,000 billion AUM** responded to the survey. In line with the 2013 survey's target, the panel was mainly composed of corporate, private and public pension funds (47%), mutual and private insurance companies (39%), and public financial institutions (7%). This breakdown may differ from one country to the next.



TYPE OF MANAGEMENT

Few respondents manage all their assets internally. Almost half use both in-house asset managers and external asset management companies.



REPORT STRUCTURE

The first chapter of the report gives an analysis at a European level of asset owners' motivations, policies, organisation and investment strategies regarding RI. The second chapter presents in-depth results for the four countries with the largest number of respondents. The third and last chapter gives an overview of the results of the eight other countries.

Given the low number of asset owners in Luxembourg, country results have been included in the European analysis but are not discussed in detail. This is also the case for supranational organisations, such as the European Bank for Reconstruction and Development.

KEY RESULTS

AWARENESS OF ESG APPROACHES IS RISING

Asset owners increasingly understand what integrating ESG criteria in their investment practices means, even if they do not all apply RI policies. ESG integration is no longer seen as a purely ethical or reputational strategy. Responsible investors increasingly combine multiple RI strategies in order to put greater pressure on issuers.

Moreover, long-term risk management is set to become asset owners' principal motive to integrate ESG criteria into asset management. They recognise the potential materiality of ESG issues.

BUT ESG INTEGRATION IN PRACTICE IS RUNNING OUT OF STEAM

In the meantime, the implementation of RI policies is stagnating. Some strategies considered as commonplace, such as controversial weapons exclusions, are even declining. Furthermore, some asset owners are still out of play. Almost 15% of respondents clearly state that they have not planned to implement any RI strategy.

Most asset owners do not feel under pressure from their stakeholders. The majority of European investors, apart from those in Denmark and the Nordic countries, have never been criticised by NGOs, trade unions or the media for their investments.

RESPONSIBLE INVESTMENT POLICIES REMAIN ABSTRACT COMMITMENTS

Although RI policies are becoming common, they mostly remain skin-deep. They do not address critical issues on the impact of investments. Sector-specific ESG policies defining asset owners' positioning on sensitive sectors such as mining, nuclear power and palm oil are rare.

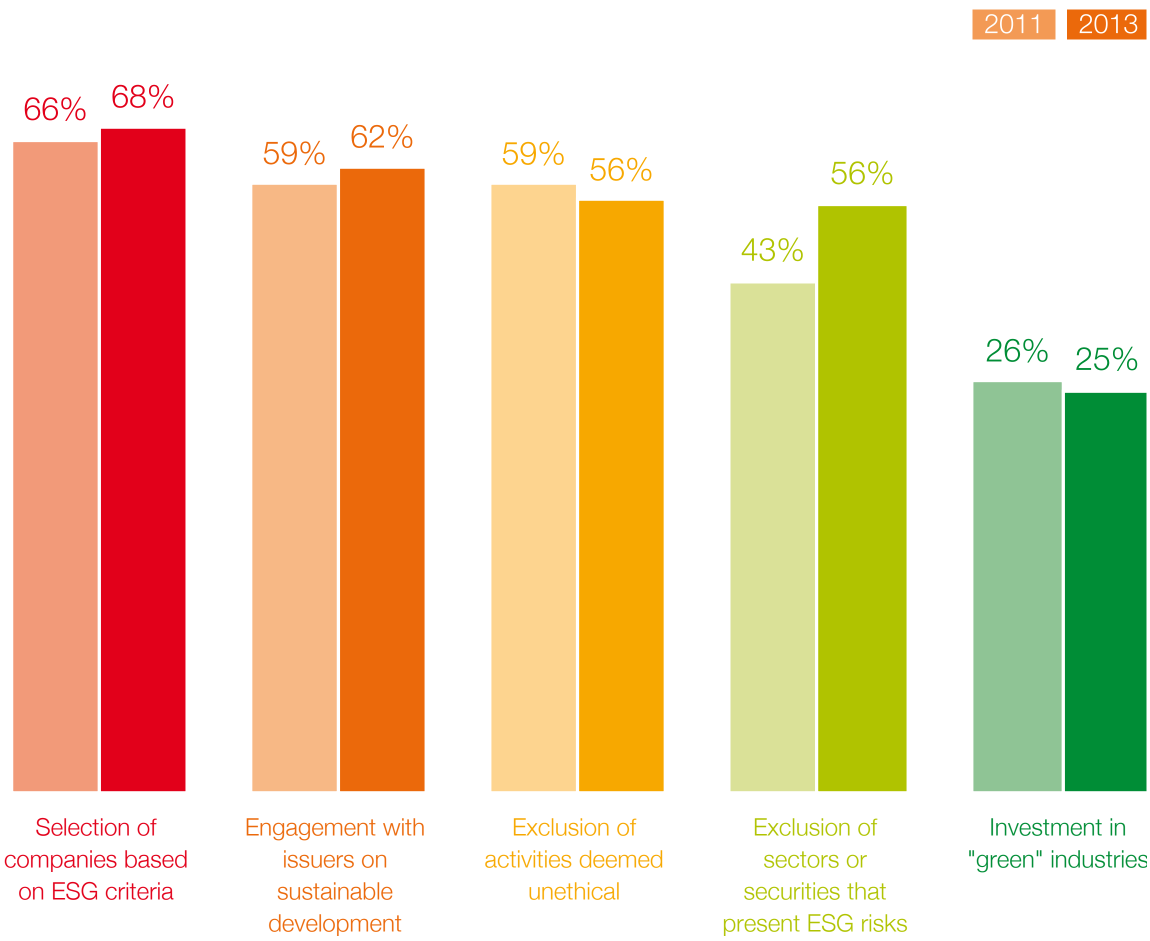
UK respondents in particular consider this as a barrier to further ESG integration, as they feel that asset owners need to communicate their ESG expectations more clearly to their asset managers.

NEW ASSET CLASSES, NEW OBSTACLES

There is still a long way to go before RI policies are implemented across all asset classes. Though most investors maintain that there are technical obstacles to adopting a RI strategy in their real estate or passive management portfolios, some pioneers have already completed this exercise in all asset classes, proof that it is possible.

DEFINITION

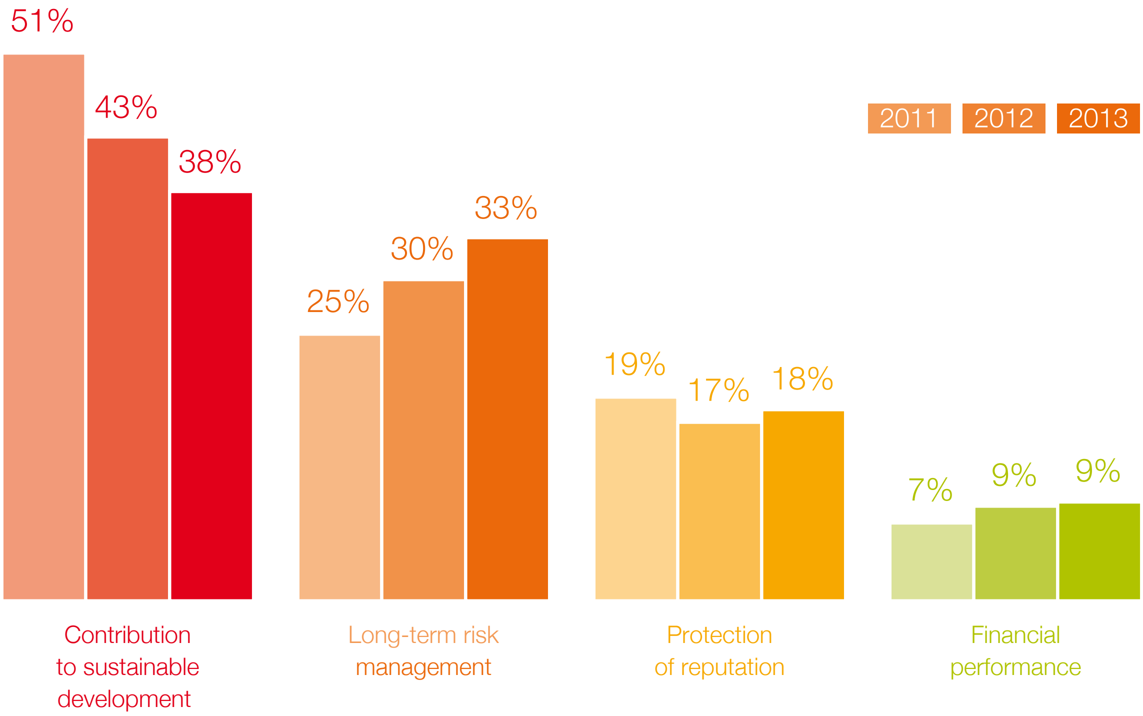
Since 2011, when respondents were last asked this question, the definition of the integration of ESG criteria into asset management has not changed much for asset owners. One exception is the exclusion of risky sectors or companies, which has gained significant acceptance across all countries. Ethical exclusions and green investments are less often associated to ESG. In other words, asset owners better understand what integrating ESG criteria means. It is also important to note that engaging with issuers to enhance their contribution to sustainable development now gathers more investors than exclusions based on purely ethical grounds. This is especially true for PRI signatories: 78% of them mentioned engagement compared with 51% of non-signatories.



INVESTORS' VIEWS ON RI

MAIN INCENTIVES

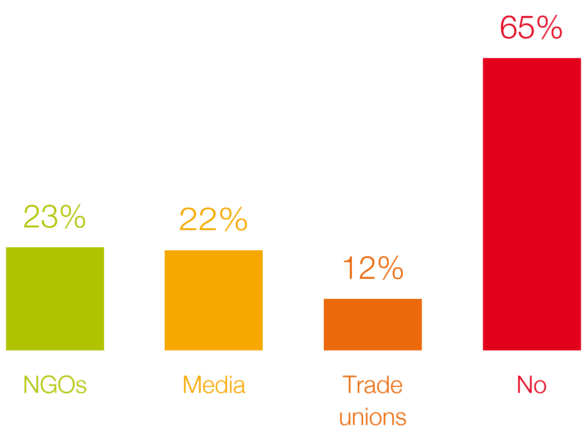
Asset owners' reasons for paying attention to ESG are gradually shifting from sustainability to financial concerns. In other words, ESG is rapidly becoming a mainstream issue rather than a niche exploited by a few pioneers. Indeed, long-term risk management has been a rising concern for asset owners over the past four years. In 2010, only 19% of them noted it as their main reason for integrating ESG criteria, compared with 33% in 2013. Dutch investors are far ahead of their European peers, with 70% of them listing long-term risk management as their main ESG concern. Playing a part in sustainable development is less and less the objective of asset owners across Europe, although investors in half of the surveyed countries continue to see it as a priority.



CRITICISM FROM STAKEHOLDERS

Investors are not used to being the targets of campaigns criticising the impact of their investments. Only one-third of the panel has already been in the spotlight because of the negative impact induced by their portfolios. NGOs, followed by the media, have started to recognise the influence investors have on company behaviour. In most countries, trade unions have yet to link their members' pensions to their demands.

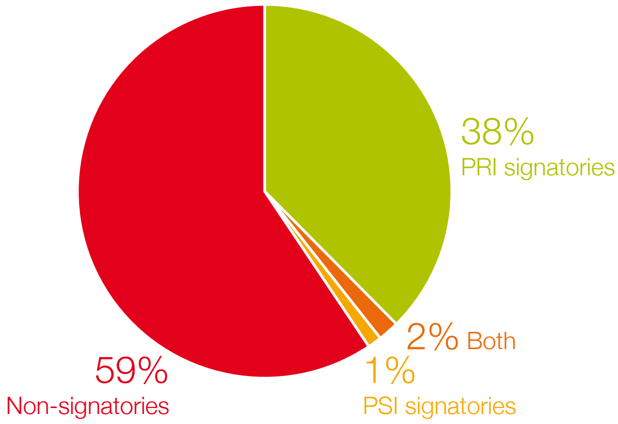
Naturally, the larger asset owners are more regularly targeted by stakeholder campaigns. For example, half the respondents with more than €20 billion AUM have already been criticised by NGOs for their investment decisions.



PRI AND PSI

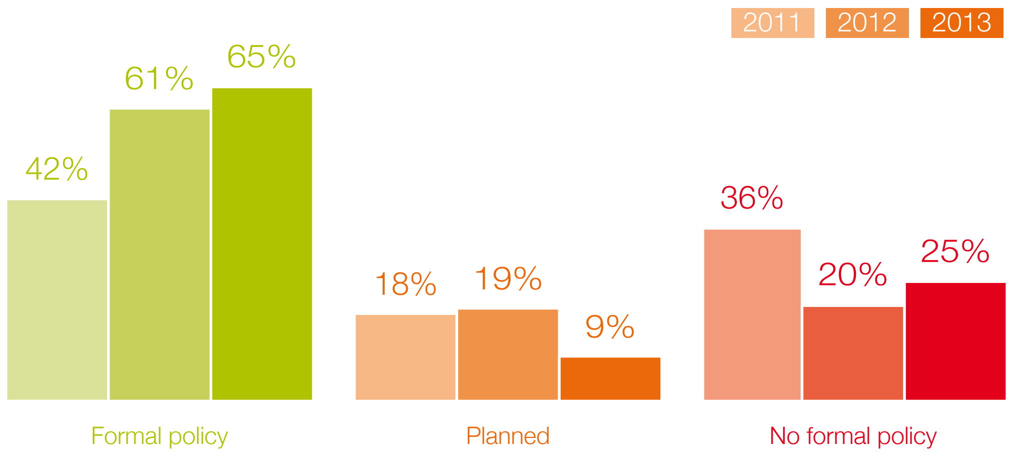
All asset owner signatories of the Principles for Responsible Investment (PRI) were contacted in the countries surveyed this year, and 45% of them responded to the survey. This explains the high proportion of PRI signatories, accounting for 39% of the surveyed investors. PRI signatories are mainly public or private pension funds. The PRI initiative is much less popular among insurance companies.

The Principles for Sustainable Insurance (PSI), launched in 2012, are a UN-backed initiative which aims to promote better management of ESG issues by providing dedicated tools for the insurance industry. Signatory companies commit to reporting on their progress in implementing the four Principles. The PSI have not yet gained wide support from the insurers responding to the survey: only five respondents have signed them, three of them Dutch.



FORMAL RI POLICIES

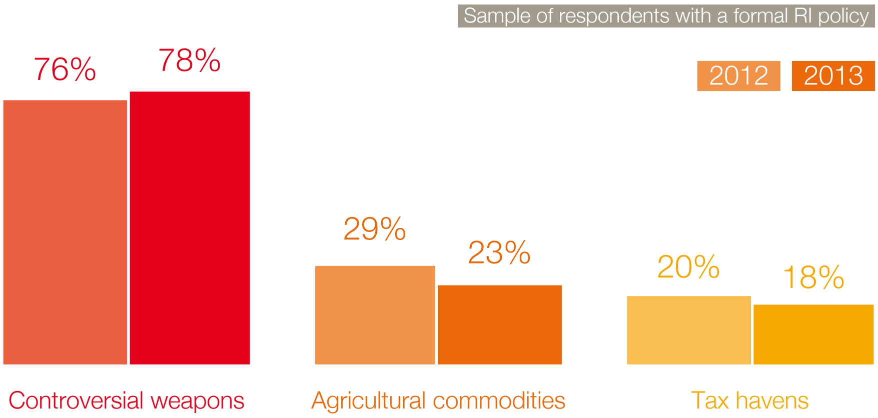
Asset owners continue to adopt responsible investment policies. In 2013, 65% of the sample claim to have adopted a policy or a charter explaining how ESG criteria are taken into account in their asset management. They were only 42% in 2011. The only fly in the ointment is that the expectations in 2012 proved to be too optimistic, with most of the 19% of respondents who had planned to adopt a RI policy last year not having done so yet. More worryingly, the proportion of respondents with no intention to adopt a formal RI policy is now 25%, suggesting that fewer new asset owners are continuing to discover the benefits of RI.



CONTROVERSIAL TOPICS

Investors with a formal RI policy were asked if it deals with three topical issues. Only controversial weapons, such as anti-personnel mines and cluster bombs, are clearly on asset owner agendas, partly because several European countries have banned investment in controversial weapons.

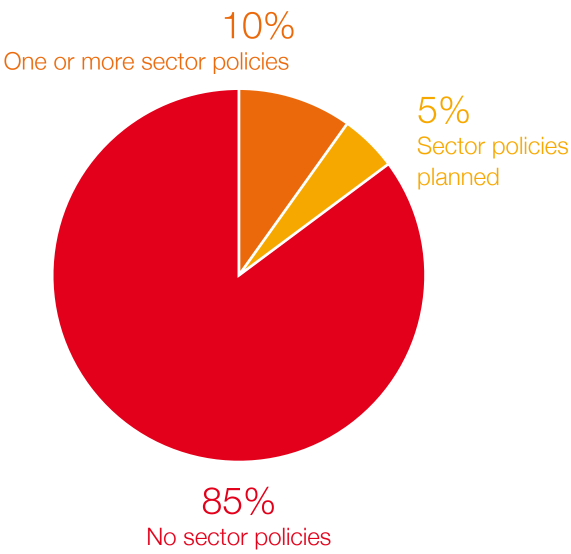
Agricultural commodities and tax havens are addressed even less often in RI policies than last year. This seems surprising, as tax havens and tax avoidance have clearly been on the political agenda for a few months and agricultural commodities have been a topical issue for years. Even in the Netherlands, where pension funds are used to being pressured on ESG issues by NGOs, 25% of the sample mention agricultural commodities in their RI policy and only 6% mention tax havens. To some extent, it appears that the debate on tax havens has moved on to the tax optimisation strategies of multinationals.



SECTOR-SPECIFIC ESG POLICIES

Sector-specific ESG policies are used by investors seeking to clearly circumscribe their approach to sensitive sectors or activities, including arms, coal, hydro-electric power, palm oil and paper pulp. Such policies should not be confused with sector-based exclusions. Investors adopting sector-specific policies do not completely exclude the sectors in question from their investments. Instead, they seek to invest in them carefully, avoiding major risks and averting criticism from NGOs or other stakeholders.

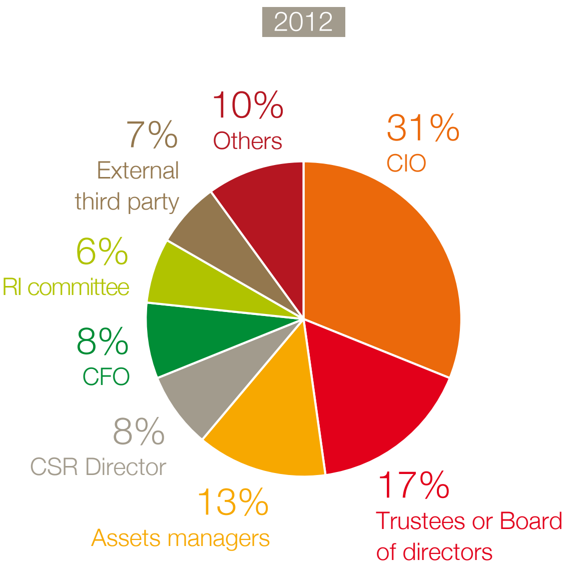
The survey results show that this is not a well-known practice. Only 10% of European investors have adopted this type of policy. Their sector-specific ESG policies mainly cover activities related to energy, agriculture, mining and infrastructure.

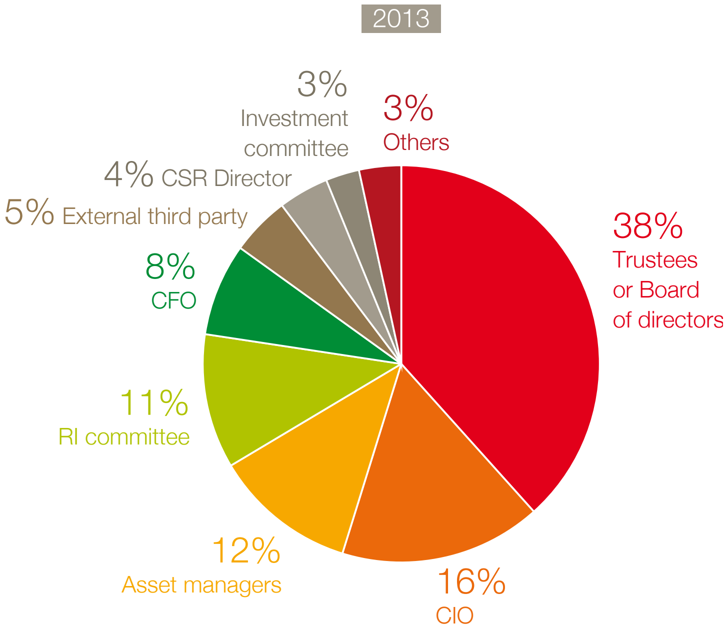


MANAGEMENT OF RI POLICIES

The role played by boards of directors in RI management has increased strongly over the past two years. Almost 40% of the sample now entrust the monitoring of responsible investment strategies to their boards. In 2012, this responsibility was most frequently handled by Chief Investment Officers.

This is an important development, as it is crucial that the implementation of RI strategies is overseen and supported at a high management level. However, 12% of respondents, many of them French or Spanish, still leave RI strategy management to their asset managers.

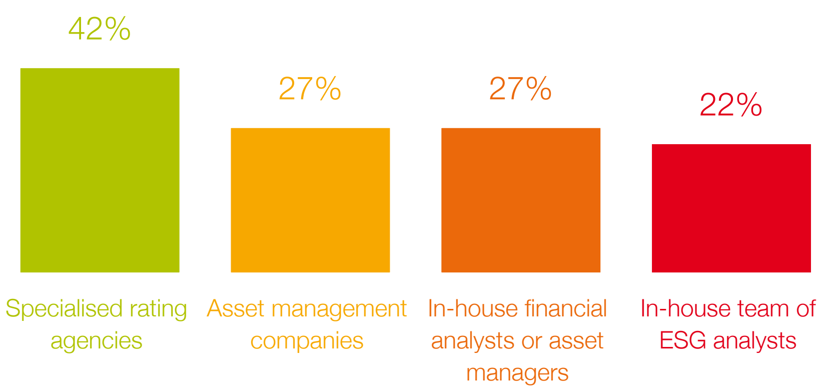




SOURCES OF ESG ANALYSIS

Specialised rating agencies are the main source of asset owners' ESG information. Over 40% of respondents use their services, and less than half of these rely entirely on them. Investors often reprocess the ESG analysis provided by agencies, or combine it with in-house analysis. But almost 30% of respondents do not dedicate specific resources to ESG analysis, leaving it either to their delegated asset managers or to their internal financial analysts.

The situation across Europe is highly contrasted. For example, 82% of German investors and 71% of Nordic investors use specialised rating agencies compared with just 13% in Spain.

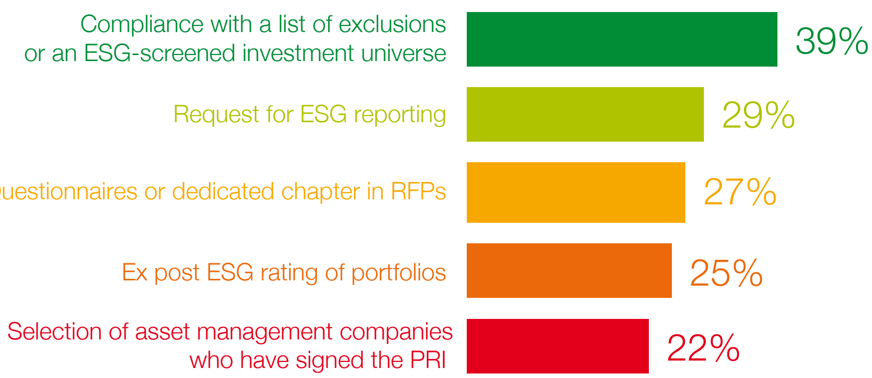


SUPERVISION OF ASSET MANAGERS

One in four respondents does not currently claim to use any particular monitoring method other than informal talks with asset managers. Furthermore, of the investors that supervise their RI policy implementation by managers, half rely on a single method.

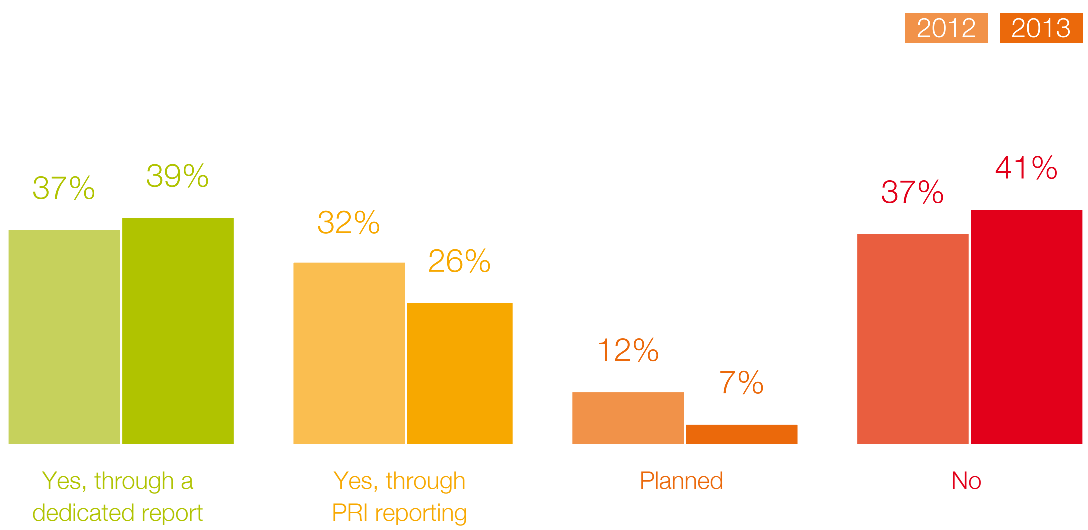
On the whole, European investors prefer defining ESG requirements up front. Compliance with a list of exclusions or an ESG-screened investment universe is the most frequent request of asset owners. ESG screening refers to the selection of the best performing issuers as identified by investors' ESG analysis. It is both the easiest and the most binding way to ensure that internal and external asset managers comply with a RI policy.

But again, from one country to the next, investors do not all use the same tools. Exclusion lists are most common in Belgium and the Netherlands. In the United Kingdom, most investors prefer to ask their asset managers for ESG reports.



REPORTING

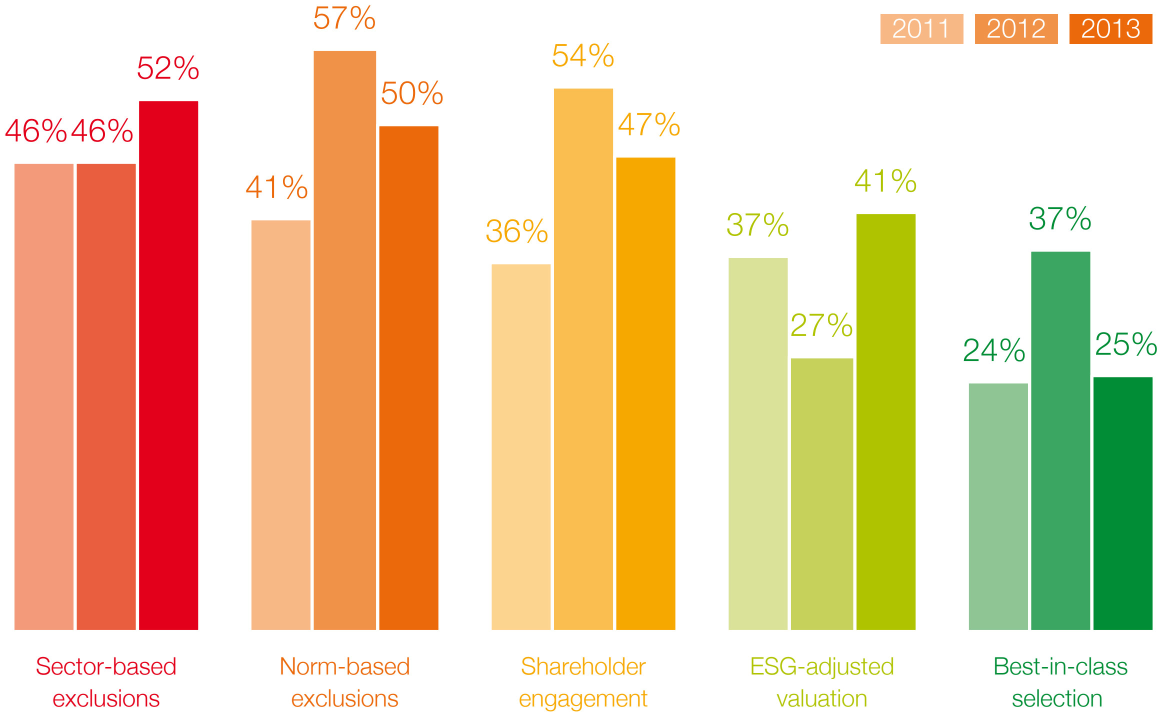
Although a growing number of asset owners claim to have adopted RI policies, not all of them report on the implementation of their policies yet. Nordic investors are by far the most accustomed to reporting on how they take ESG issues into account, while in other countries such as Austria and Belgium it is not a common practice. The current suspension of PRI reporting while the reporting framework is changed may explain why not all signatories claim to publish reports. It is interesting to note that almost 10% of the sample request an ESG report from their asset managers but do not report on ESG issues themselves.



USE OF ESG ANALYSIS

Sector-based and norm-based exclusions are now used by a greater proportion of investors than shareholder engagement. This reflects the broader survey panel in 2013, which contains more newcomers to responsible investment than in previous years. A high proportion of investors that are just starting to implement RI policies use exclusion lists. It will be interesting to see in the future if this trend is confirmed.

Of course, there are many differences between countries. Among UK respondents, for example, shareholder engagement (62%) is far more popular than sector-based (29%) or norm-based (10%) exclusions.

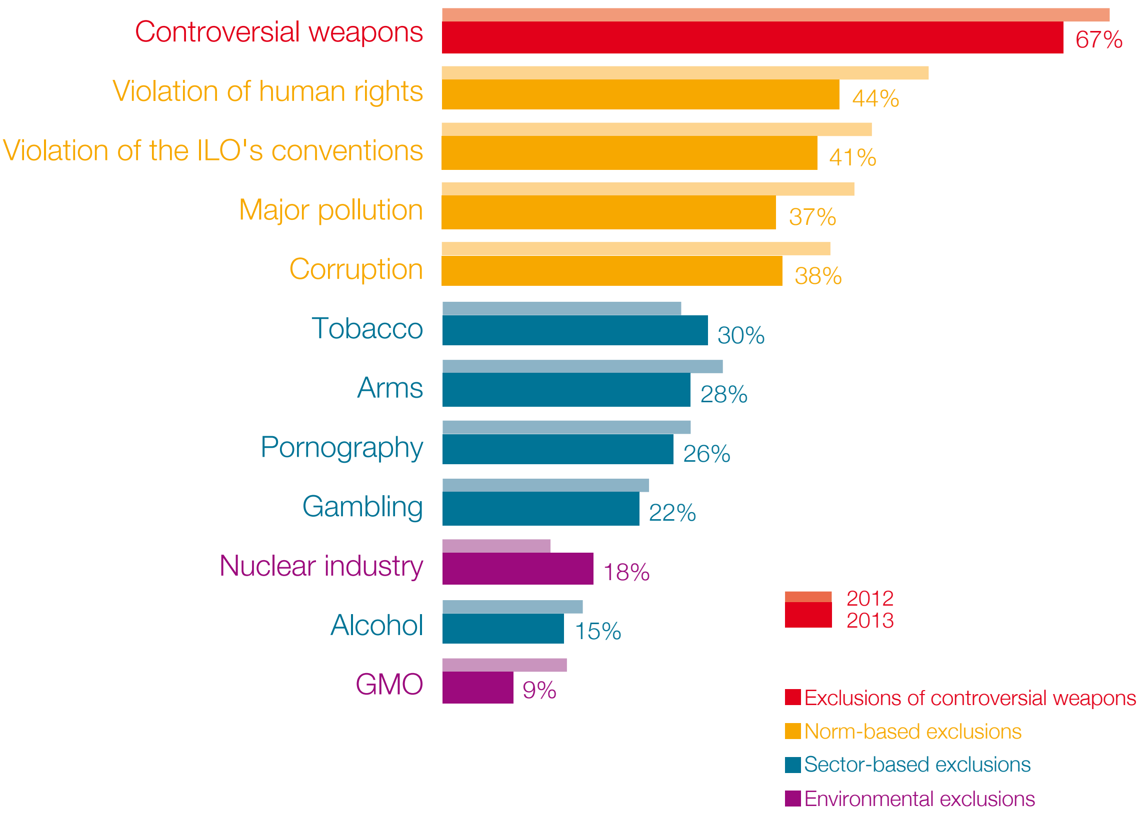


As there is no precise and commonly accepted definition of “ESG integration”, surveyed investors were asked if they integrate ESG criteria in issuers’ financial ratings or valuation. More than 40% of the sample claim to use this type of ESG-adjusted valuation.

The apparent rise in the use of best-in-class selection recorded in 2012 has not been confirmed in 2013. Even in France, a long-standing partisan of best-in-class selection, only one third of the respondents claim to use it, whereas 54% of them did in 2012.

These last two trends tie in with a gradual change in the underlying motivations of asset owners. ESG-adjusted valuation is usually more associated with long-term risk management, while best-in-class selection is often motivated by a desire to contribute to sustainable development.

PRINCIPAL EXCLUSIONS



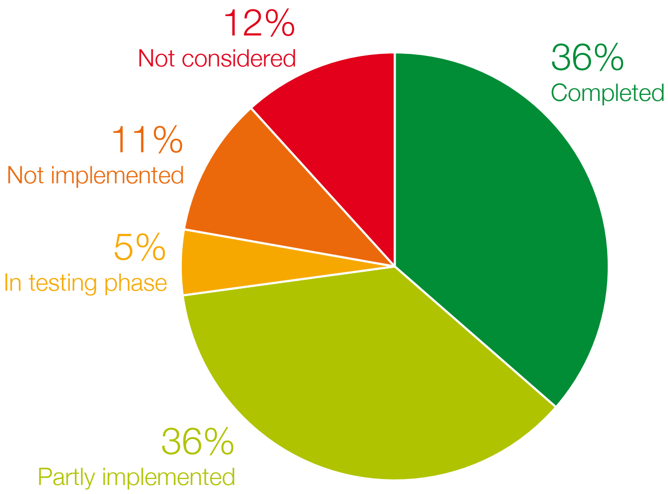
The exclusion of controversial weapons, such as anti-personnel mines and cluster bombs, has surprisingly fallen since last year. This is mainly due to the arrival of new respondents, some of whom are not yet familiar with responsible investment. Nonetheless, it shows that awareness still needs to be raised about this issue. Even in the three countries[1] surveyed where the law now prohibits investment in this type of weapons, only 93% of investors currently exclude them.

The proportion of respondents excluding companies involved in other norms violations has also fallen since last year. This is again due to the broader sample of respondents. Norm-based exclusions are most commonly used in Austria, Belgium, Denmark, the Nordic countries and Spain. Over half of the investors using them apply all four exclusions included in the survey, and some also specifically avoid issuers that employ child labour.

Apart from the tobacco and nuclear industries, all the sector-based exclusions are less applied than in 2012. But more than half of the sample (52%) now excludes at least one business sector from its investment universe, against 46% in 2012. The tobacco industry is now the most frequently excluded sector, just ahead of the arms and pornography industries. The tobacco industry is not only targeted for ethical reasons, as are pornography and gambling, but also for public health concerns. Interestingly, investors excluding the nuclear sector have significantly increased since 2012 and it will be interesting to see if this trend continues in the future.

1. Belgium, Luxembourg and the Netherlands.

EUROPEAN ANALYSIS
IMPLEMENTATION OF RI POLICIES



Investors were asked to self-assess the implementation of their RI policy. At first sight, investors are heading in the right direction. Almost three-quarters of them have started implementing a RI strategy at least in some asset classes. But two results make the situation less promising than it seems. First, it is surprising that 36% of investors consider that they have fully implemented their RI policies, even though some of their assets remain out of the scope. Second, 12% of respondents frankly state that they have not considered adopting RI policies, which demonstrates the inevitable limits of voluntary initiatives and codes in encouraging investors to integrate ESG criteria in asset management.

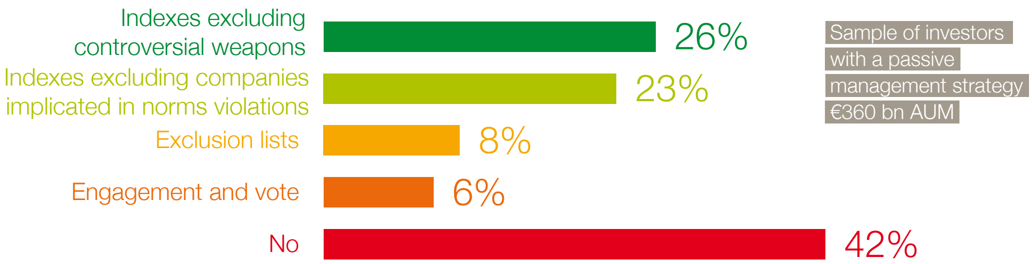
EUROPEAN ANALYSIS
STATE OF PROGRESS BY ASSET CLASS

This year, Novethic decided to focus on RI implementation in three areas: passive management, bonds and real estate. The results provide a unique overview of asset owners' progress in these areas.

PASSIVE MANAGEMENT

Half of the sample manages some of its assets passively, representing more than €360 billion AUM in total. This type of management aims to track an index. To that end, assets are invested in the same ratios as the target index, such as the MSCI World or the S&P Global. Investors do not traditionally apply their RI policy to this management strategy, mainly because excluding individual issuers from index funds is considered technically difficult. Until now, passive management has not been regularly discussed among the RI community.

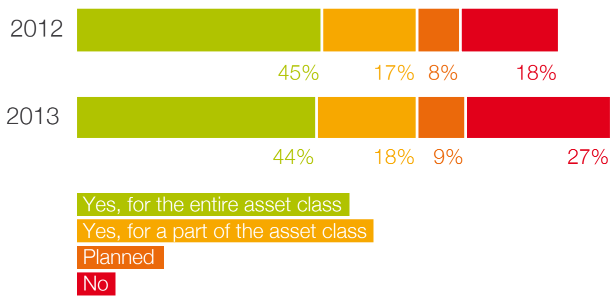
However, the survey results suggest that many investors have already succeeded in excluding the principal ESG risks from passively managed assets. 45% of the respondents using passive management claim to apply a RI strategy to the assets concerned. Many use indexes excluding controversial weapons and norms violations. 8%, most of them Dutch, even succeed in excluding companies from their passive management mandates without using ad hoc indexes, while some UK respondents mention that they practise engagement and voting for this type of fund.



STATE OF PROGRESS BY ASSET CLASS

CORPORATE BONDS

Equities are traditionally the first asset class to which asset owners apply ESG strategies. Consequently, it is interesting to see how many investors extend their RI policies to corporate bonds, the obvious next step, especially as bond markets have seen increasing investment from asset owners for a few years now. Nevertheless, no obvious progress has been made on this asset class since 2012. Respondents who planned to start applying RI policies to their corporate bond holdings in 2012 are still thinking about it. German investors stand out from the European average, with 76% of them saying that they fully integrate ESG issues into corporate bonds management.



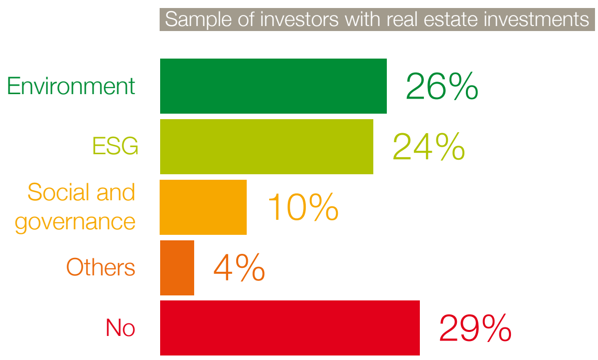
GREEN AND SOCIAL BONDS

The first climate bonds were issued in 2007 and 2008 by the European Investment Bank and the World Bank. Climate bonds consist in allocating funds to green technologies or to projects with a climate mitigation or adaptation objective. The growing amount of recent issues could increase investor interest in green bonds. But for now, only 13% of the survey respondents have ever subscribed to emissions such as green bonds, climate bonds and SRI bonds, or plan to do so. This shows that it is still a relatively new and niche market.

REAL ESTATE

Approximately one in three respondents is invested in real estate. Most of them are quite advanced on the integration of ESG criteria, with only 30% not considering the ESG impact of their property investments. Due to strong national and European regulations, the most examined issue is the environmental performance of buildings, including energy consumption, water distribution, and waste treatment. But one-third of the panel claims to go further by analysing social and governance criteria for existing buildings. Few investors (2%) exclude controversial tenants or pay attention to the property use (social housing, student accommodation, etc.).

Over and above these analysis-based methods, 20% of property investors set ambitious objectives when they acquire or renovate a building, only investing in certified buildings (LEED, BREEAM, DGNB, etc.) or those that could be certified following renovation.



BARRIERS TO FURTHER ESG INTEGRATION

Asset owners were asked which obstacles need to be removed to extend ESG integration in their asset management. Nearly 55% of the panel answered this optional question, citing a broad range of obstacles, including the cost of implementation, the short-termism of regulation, doubts regarding financial performance, and reluctant asset managers. Where clear trends were apparent, their answers were analysed as shown in the country focuses below.

■ Historical responsible investors continue to be very active but new entrants are rare ■ Best-in-class selection has fallen out of favour, as more investors are starting to integrate ESG criteria into their valuation of issuers ■ Investors consider that insufficient standardisation of ESG criteria is the main barrier to further ESG integration

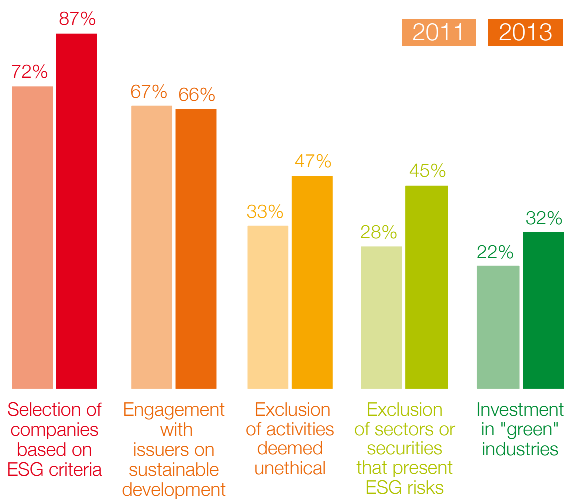
38 respondents
€1,887 billion AUM
63% of insurers
9 PRI signatories
42% have a formal RI policy

The French panel has grown again in 2013, and is now more representative. Traditional responsible investors include the country's major insurers, public institutions and pension funds, while many of the new respondents are smaller insurers and pension funds with a low involvement in RI. One in three respondents fully delegates its asset management, while very few manage all their assets in-house.

DEFINITION

An unusually high majority of French respondents, including all those with formal RI policies, consider that ESG integration involves selecting companies on the basis of ESG criteria. Many also mention engagement with issuers on sustainable development. French investors differ from their European peers as less than half currently include exclusions based on ethical considerations or on ESG risks in their definition.

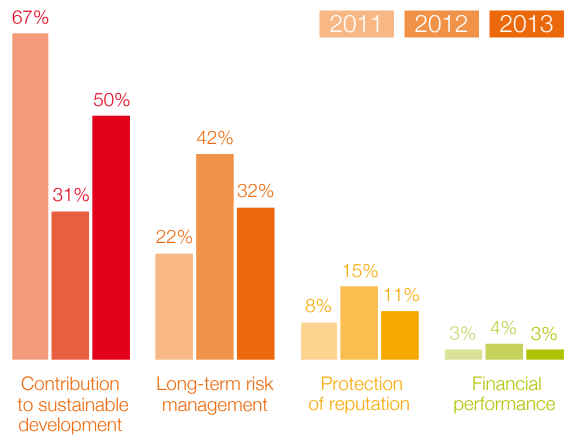
A French peculiarity is the unusually high proportion of investors with a policy (44%) who take a formal stance on tax havens.



MAIN INCENTIVES

Whereas French respondents in 2012 were more aware of the long-term risk dimension of ESG integration than their European peers, the trend does not seem to be continuing. In 2013, contributing to sustainable development is once again the most commonly cited reason for integrating ESG criteria, while, contrary to the rest of Europe, long-term risk management appears to be falling as a concern in France.

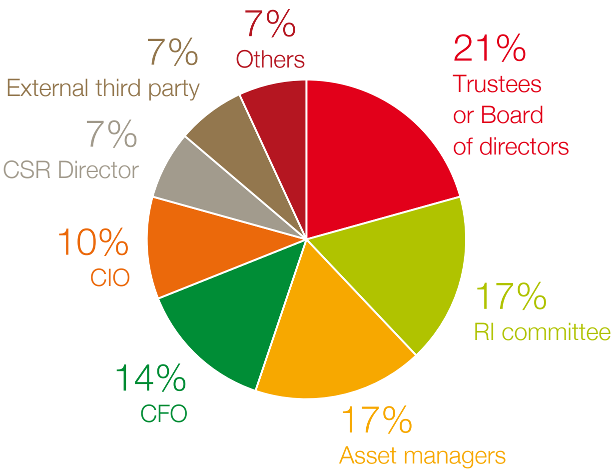
A full 92% of respondents say that they have never been targeted by campaigns criticising the impact of their investments, which may explain the low score on the protection of reputation. French investors still do not consider financial performance to be a major incentive.



MANAGEMENT OF RI POLICIES

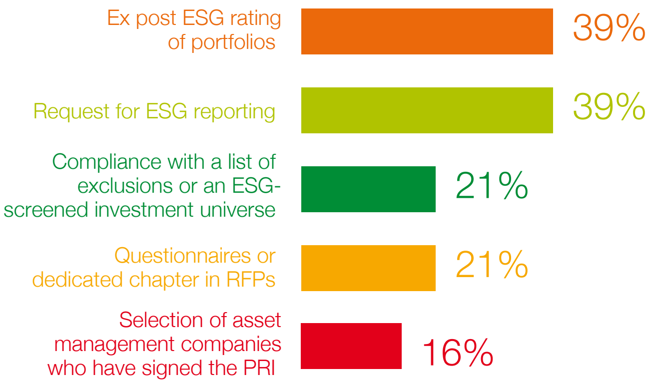
In 2012, the implementation of over half of respondents' responsible investment policies was led by the Chief Investment Officer. In 2013, the process is more often managed at board level, i.e. top management, but also by RI committees.

French asset owners still dedicate relatively few resources to ESG analysis, as many of them delegate their asset management and prefer to leave this task to their external managers (39%). Consequently, only 34% of respondents use the services of specialised rating agencies, while to date, 16% have recruited in-house ESG expertise.



SUPERVISION OF ASSET MANAGERS

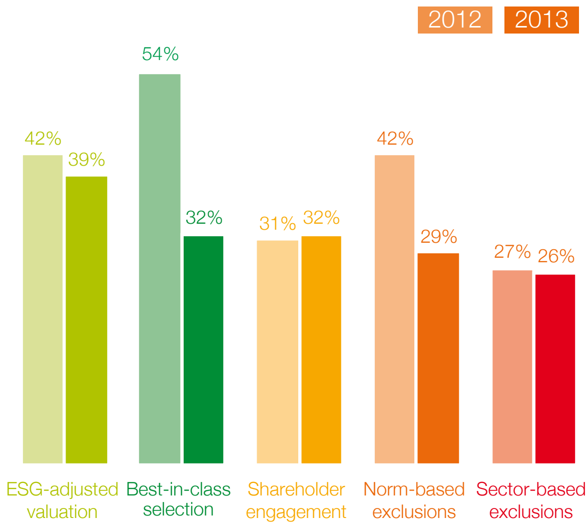
As many French investors delegate their asset management, they often supervise their managers' integration of ESG criteria by requesting ESG reporting from them, or by conducting ex post ESG ratings of their portfolios. Conversely, they are not very directive, rarely asking managers to comply with a list of exclusions or mentioning ESG in RFPs. Although many French asset managers have signed the PRI, this is usually not a specific request of asset owners.



USE OF ESG ANALYSIS

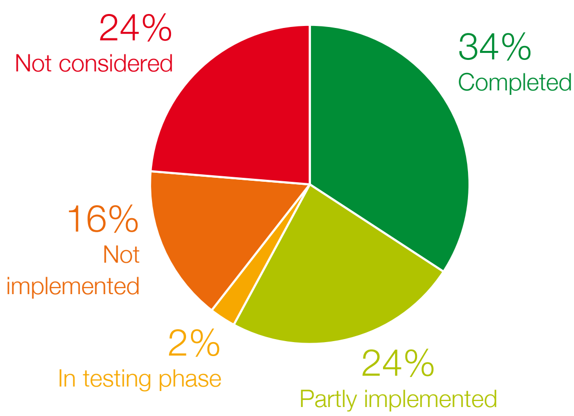
ESG practices vary widely between different respondents, most of whom use only one or two strategies. ESG-adjusted valuation is the most commonly used, and is often combined with engagement. Best-in-class selection is still used by a higher proportion of investors in France than in most other countries, but as in the rest of Europe it has fallen out of favour since 2012. Overall, French investors use fewer RI strategies than most of their European peers.

61% of French asset owners avoid investments in controversial weapons. Of the 29% that use norm-based exclusion, all exclude human rights violations and most also avoid violations of ILO conventions, major environmental damage and corruption. Sector-based exclusions are more heterogeneous, the most common exclusions being arms (13%), pornography (13%) and gambling (11%).



IMPLEMENTATION OF RI POLICIES

Although 58% of French investors have yet to adopt a formal RI policy, the results show that 18% of them are in the process of implementing or testing a policy. Nevertheless, 40% have still not started doing so. A quarter of the panel remains impervious to RI, most of them small investors with modest resources. On the other hand, a large part of the 42% of French respondents who have a policy say that it is already fully implemented



REPORTING

More than half of investors do not currently publish RI reports, including most of those who have yet to adopt a formal RI policy. But the situation appears to be changing fast, as almost 40% of respondents now state that they publish reports, compared with 35% in 2012, and a further 3% plan to start doing so. Eight of the nine PRI signatories say they publish reports, although not all of them use the PRI reporting framework.

BARRIERS TO FURTHER ESG INTEGRATION

Almost 20% of respondents say that the lack of standardisation of ESG criteria at national or European level is the main obstacle to further ESG integration in asset management. Indeed, investors seem to be confused by the multiple criteria used by different extra-financial rating agencies and asset managers. They would like to have a clear definition of what ESG criteria are.

Obstacles cited by investors with a formal RI policy are linked to its further implementation. They want to deepen their analysis of companies, find out which criteria are the most relevant, and enhance ESG analysis of companies in emerging markets.

French investors are also working on the materiality of ESG integration and its impact on financial performance. More than 15% of respondents say that they would not hesitate to start using RI if its financial viability were proved.

COUNTRY FOCUS
NETHERLANDS

In partnership with VBDO

■ ESG strategies are well established in the Netherlands ■ Investors see ESG integration mainly as a way of managing long-term risks ■ Many respondents have been targeted by stakeholder campaigns criticising their investments' negative impacts ■ Their policies are often extensively applied to a number of asset classes, but not all currently publish RI reports

20 respondents
€349 billion AUM
60% of pension funds
6 PRI + **3** PSI signatories
84% have a formal RI policy

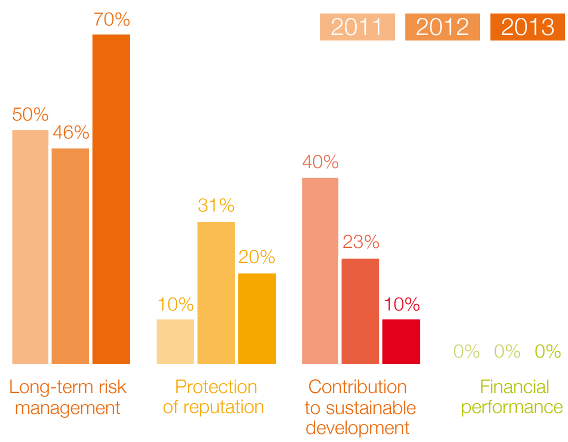
The Dutch survey panel delegates a high proportion of asset management to independent managers, as this recently became a legal obligation for Dutch pension funds. Nevertheless, this delegation does not appear to weaken the implementation of investors' RI policies, as it does in some other countries. An unusual feature of the RI landscape in the Netherlands is the high level of stakeholder engagement, especially from the country's strong NGO sector.

DEFINITION

As in previous years, Dutch investors remain quite divided on their definition of ESG integration. Excluding activities that are deemed unethical (75%) and using ESG criteria in investment selection (65%) remain common responses. An increasing number of respondents include engaging with issuers on sustainable development (70%) and avoiding sectors or securities with ESG risks (55%) in their definition.

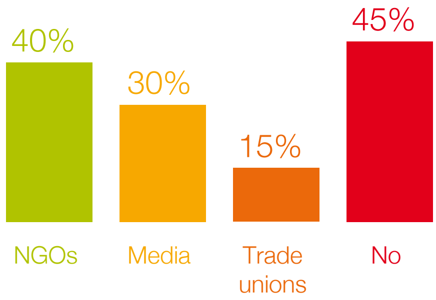
MAIN INCENTIVES

Dutch respondents lead the European trend by a long way, with 70% now identifying long-term risk management as their main reason for taking ESG criteria into account. One in five respondents sees RI primarily as a means to protect their reputation, which is higher than the European average. This may be due in part to the high number of stakeholder campaigns targeting Dutch investors. A few respondents are still mainly motivated by a desire to contribute to sustainable development.



CRITICISM FROM STAKEHOLDERS

55% of Dutch respondents have been the object of stakeholder campaigns criticising the negative impacts of their investments (compared with the European average of 35%). The country's strong NGO sector is particularly active in this area, having targeted 40% of respondents to date.



FORMAL RI POLICIES

As required by national law, Dutch RI policies systematically deal with controversial weapons (100%). Respondents are also taking an increasingly emphatic stance on agricultural commodities (25%). Moreover, Dutch investors are in the lead on the adoption of sector-specific policies on at-risk sectors, with 21% having already adopted one or more policies and a further 5% planning to do so in the next year. The most common sectors at issue are the extractives industry (15%), the paper/forestry industry (10%) and the food industry (10%).

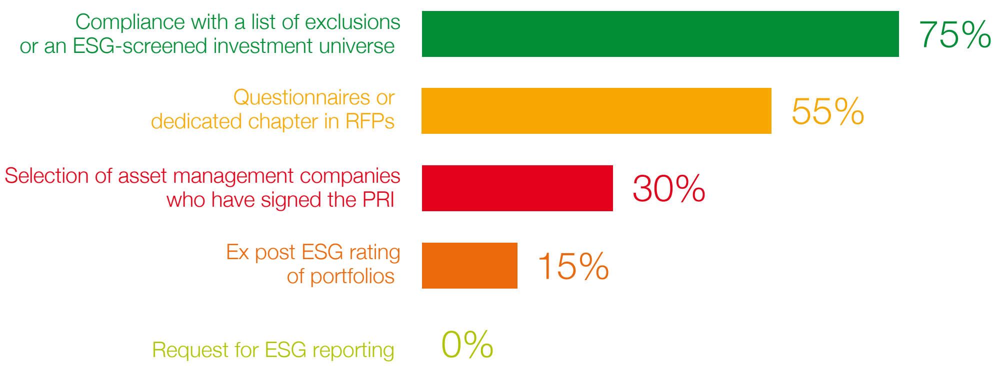
A large majority of Dutch respondents manage the implementation of their RI policy at board level (70%), while 20% leave this responsibility in the hands of their CIO or their asset managers. Only 5% delegate operational oversight to RI committees.

SOURCES OF ESG ANALYSIS

Specialised ESG agencies are used by half of Dutch respondents (45%), while many also rely on their external asset management providers for ESG analysis (35%). Since most respondents delegate their asset management, relatively few receive ESG analysis from in-house ESG analysts (25%) or in-house investment teams (20%).

SUPERVISION OF ASSET MANAGERS

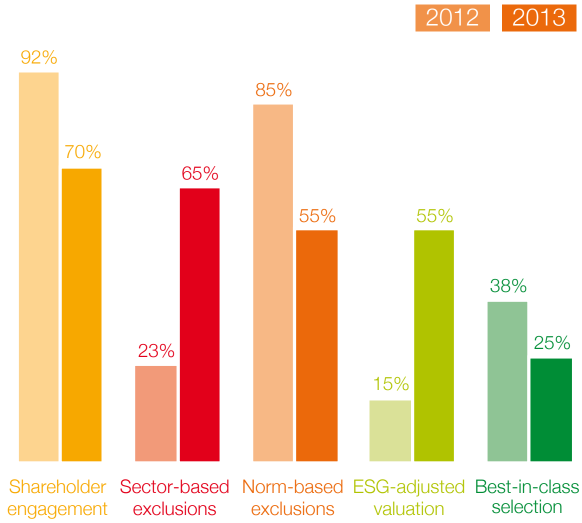
In terms of supervision, Dutch investors are the strictest in Europe. They show a strong preference for upstream supervision methods. A full 75% say they ask their asset managers to follow ESG-exclusion lists – although one in three only excludes investments in controversial weapons. 55% address ESG questions in RFPs (compared with 27% across Europe) and 30% say they choose PRI signatories for their delegated asset management (22% across Europe). Conversely, few respondents perform ex-post ESG ratings of their portfolios and none ask their managers to report on ESG performance.



USE OF ESG ANALYSIS

Dutch investors appear to be rapidly changing their approach to RI and are more likely to use a combination of ESG strategies than in the past. In previous years, shareholder engagement and norm-based exclusions were predominant. In 2013, although both are still commonly used, respondents often combine them with sector-based exclusions and ESG-adjusted valuation of issuers.

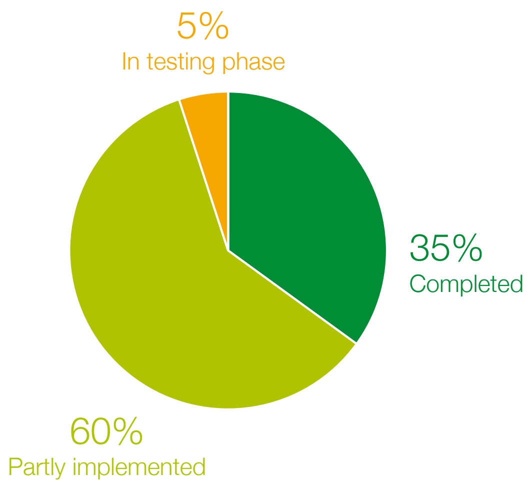
95% of respondents exclude investments in controversial weapons, which is a legal obligation under Dutch law. The most common sector-based exclusion applies to the tobacco industry (45%).



IMPLEMENTATION OF RI POLICIES

All Dutch respondents have already adopted a formal RI policy (85%) or are in the process of doing so (15%), making them unique in Europe. Nevertheless, 65% do not consider their policies to be fully implemented, while only 35% claim that their RI policy is fully applied to all asset classes.

For example, most Dutch respondents already apply their RI policy to their property investments (93%) and to some or all of their corporate bond holdings (85%). Furthermore, a majority of the respondents using passive management follow ESG-screened indexes (71%) or choose segregated mandates in order to apply their RI policies (29%).



REPORTING

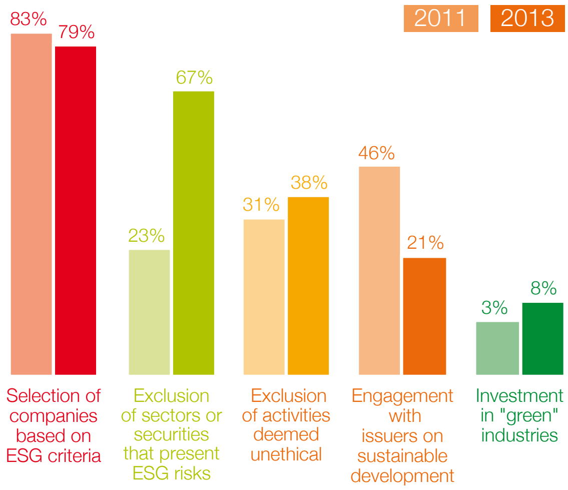
60% of Dutch respondents currently report on their RI practices, while 5% plan to start doing so in the next year. In this respect, the Netherlands differs notably from other countries in that only one in three PRI signatories claims to publish reports under the PRI. This may be a consequence of the current suspension of the PRI framework.

■ Investors are trying to catch up with their European peers on ESG integration ■ Protecting their reputation is becoming crucial ■ Formal RI policies are blossoming ■ But there is still room for improvement in RI implementation and reporting

24 respondents
€78 billion AUM
50% of insurers
7 PRI signatories
54% have adopted a formal RI policy

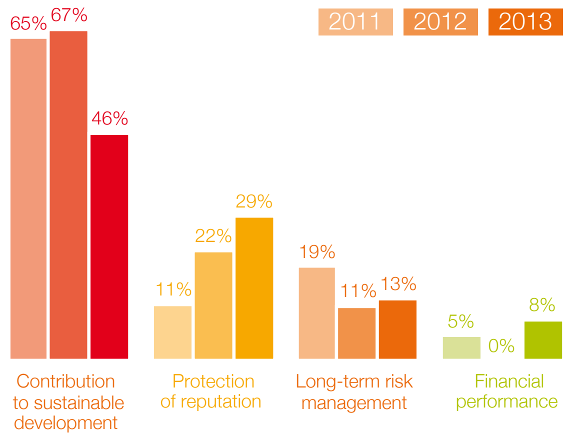
DEFINITION

The Spanish definition of integrating ESG criteria has changed considerably since 2011. Most of the Spanish respondents still consider that it first means selecting companies based on ESG criteria. But they cite the exclusion of sectors or securities because of ESG risks three times more often than in 2011, which is now far above the European average. Compared with their European peers, however, very few Spanish respondents still include engagement with issuers on sustainable development in their definition.



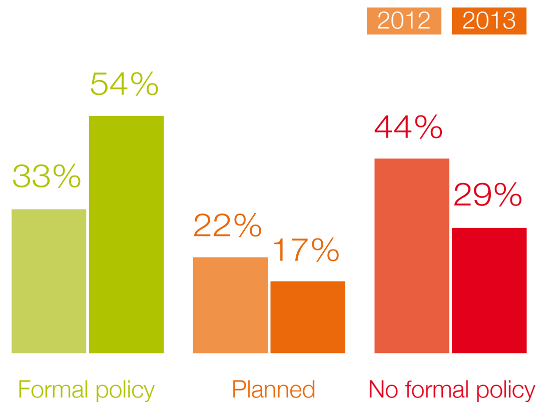
MAIN INCENTIVES

The desire to contribute to a more sustainable development model is still Spanish investors' principal incentive to integrate ESG criteria. But only 46% mention it, down 21% on 2012. Spanish respondents stand out from the European sample as they increasingly cite reputational risk as the key driver. Few respondents are aware of ESG's positive impact on long-term risk management and financial performance. Spanish asset owners are rarely criticised for their investments by stakeholders, except by trade unions (25%).



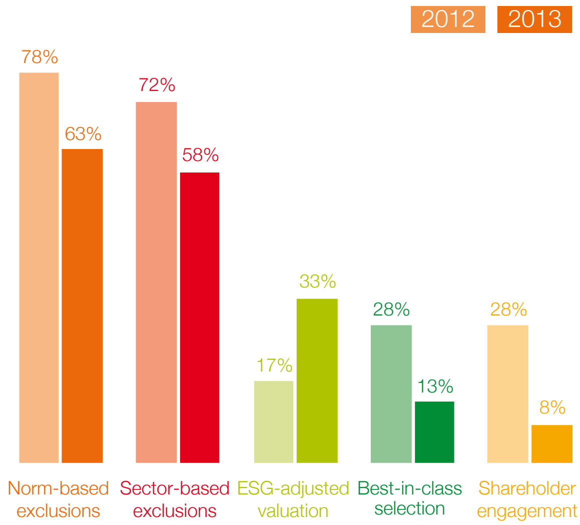
FORMAL RI POLICIES

More than half of the respondents now declare that they have adopted a formal responsible investment policy, which is 20% more than in 2012. A further 17% plan to do so in the coming year. Concerning the content of these policies, while in 2012 all policies specifically dealt with controversial weapons, only 69% still mention them in 2013. Agricultural commodities are not addressed anymore. Conversely, tax havens are an increasing concern for Spanish respondents, as 23% now have a policy on them.



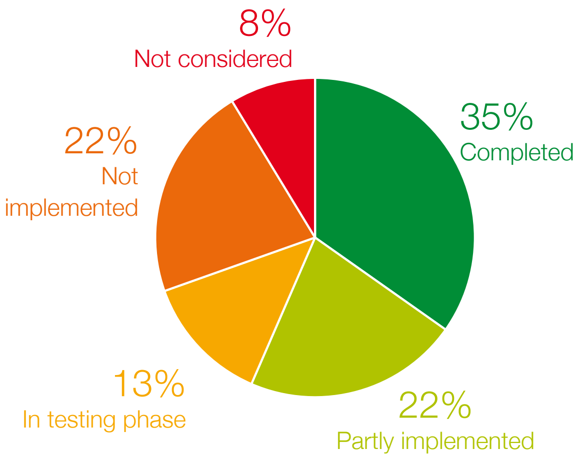
USE OF ESG ANALYSIS

Despite new investors adopting formal RI policies, most RI strategies are less deployed than last year. The integration of ESG criteria in issuers' ratings or valuation is the only one increasing in use. One in three Spanish respondents now uses this strategy. But they continue to favour norm-based and sector-based exclusions, mainly arms (42%) and tobacco (33%) for the second category. Engagement and best-in-class are used much less than in other countries. As a result, relatively few respondents dedicate resources to ESG analysis, which is mostly conducted by their in-house financial analysts.



IMPLEMENTATION OF RI POLICIES

Almost one quarter of the sample admits that their RI policies have yet to be implemented. Nevertheless, it seems that Spanish asset owners, often described as latecomers on responsible investment, want to catch up. One in three claims that the implementation of their RI policy is underway (35%) and the same proportion considers their policy to be fully implemented in all asset classes. Most RI policies are directed by the asset managers themselves, with relatively little supervision from the asset owners' top management.



REPORTING

Spanish investors are still far behind their peers on RI reporting, but the practice is rapidly gaining ground. Almost 30% of respondents publish ESG information through the PRI framework or through a dedicated report. Only 11% published RI reports in 2012.

COUNTRY FOCUS
UNITED KINGDOM

■ Investors consider ESG integration mainly from a risk management or financial performance perspective ■ Shareholder engagement is very popular, although more respondents now combine it with a variety of other methods ■ Progress can still be made on transparency, as not all respondents report on their RI practices and very few RI policies take a stance on controversial topics

21 respondents
€248 billion AUM
81% of pension funds
11 PRI signatories
68% have a formal RI policy

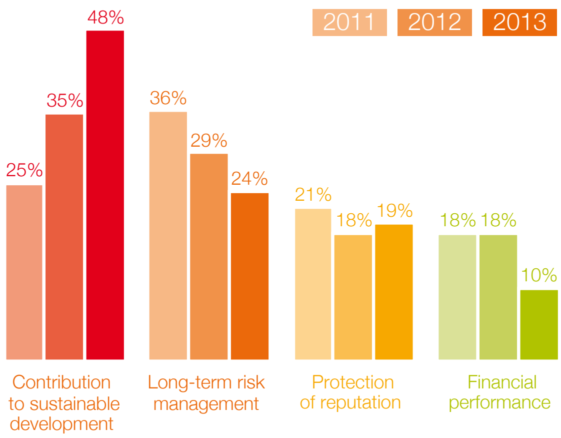
Many UK respondents delegate the majority of their asset management to external managers, probably due to the predominance of pension funds in the panel. This may affect the implementation of their RI policies, as UK investors appear to apply these more stringently to in-house asset management than to their external managers.

DEFINITION

A high majority of UK respondents (90%) agree that ESG integration involves engaging with issuers on sustainable development, but they remain divided on its other dimensions. One group associates the exclusion of investments considered unethical (38%) or risky from an ESG perspective (38%), while a bigger group now adds ESG-based selection of issuers (48%) and "green" investment (33%) to their definition.

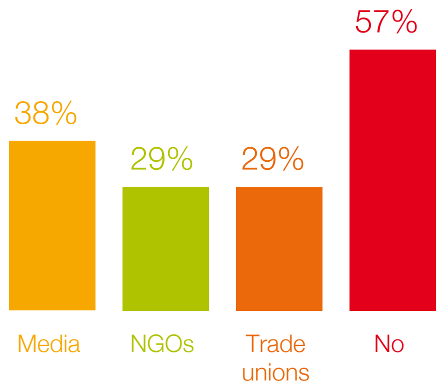
MAIN INCENTIVES

Almost half of UK respondents (48%) now cite long-term risk management as their principal grounds for incorporating ESG criteria into investment strategies, putting them ahead of the wider European trend (33%). Contributing to sustainable development (24%) has again fallen as a reason for using ESG analysis. As in previous years, one in five respondents (19%) lists financial performance as their main incentive. Only 10% still consider reputation to be the driving factor.



CRITICISM FROM STAKEHOLDERS

UK investors are targeted by stakeholder campaigns more regularly (43%) than their European peers (35%). Most of the investors targeted are already PRI signatories. In each case, they have been targeted by several society groups (the press, NGOs, trade unions and indigenous groups). Yet the concrete impact of these campaigns appears limited, with only 10% of respondents citing reputational risk as their main incentive for incorporating ESG considerations.

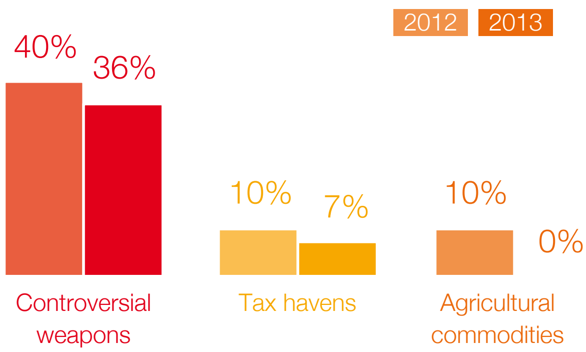


FORMAL RI POLICIES

More respondents have adopted formal RI policies since 2012, but very few of the remaining 33% are still planning to do so. 44% of UK investors confide the direction of their RI policy to their boards of directors or trustees. Another 28% delegate this role to their CSR directors, RI committees or to third-party RI experts. Consequently, fewer and fewer investors are placing this responsibility in the hands of their asset management and investment teams (28%).

CONTROVERSIAL TOPICS

A remarkably low proportion of UK respondents address controversial weapons in their RI policies (78% across Europe), and even fewer systematically exclude them from their investments (24%). Similarly, most policies do not take a stance on tax havens or investments in agricultural commodities. This lack of transparency is surprising considering the relatively high activism of stakeholders in the UK.

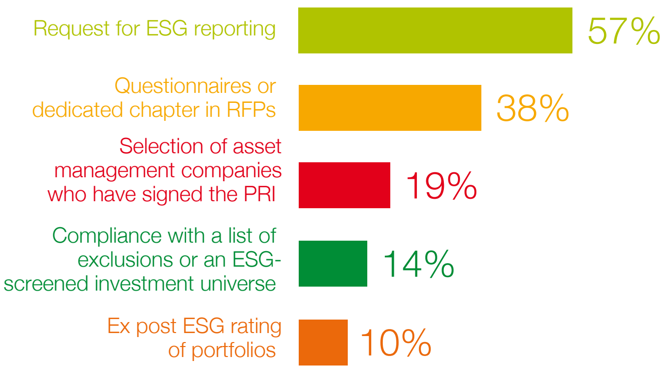


SOURCES OF ESG ANALYSIS

An unusually high proportion of UK investors (38%) ask their external managers to provide them with ESG analysis. This is due to the number of pension funds in the UK panel, which tend to delegate more of their asset management. More surprisingly, one in four UK respondents relies entirely on the ESG analysis of their in-house or external asset managers, while in-house ESG specialists (19%) and rating agencies (38%) are used less often than in other countries. Only one respondent uses both in-house and external ESG specialists (13% across Europe).

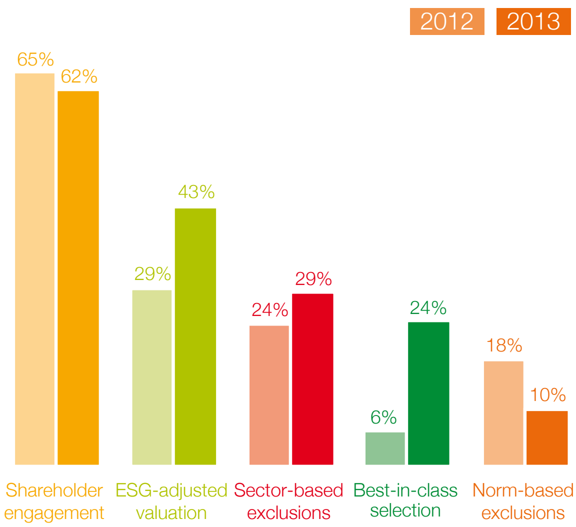
SUPERVISION OF ASSET MANAGERS

UK investors show a strong preference for ESG reporting, often combining it with the use of ESG-related questions in RFPs. By contrast, they make less use of exclusion lists and ex-post ESG ratings than most of their European counterparts. Although the panel includes many PRI signatories, few UK respondents expect their external managers to have signed the PRI. Finally, several respondents still see informal discussions with their asset managers as the best way to monitor their RI policy.



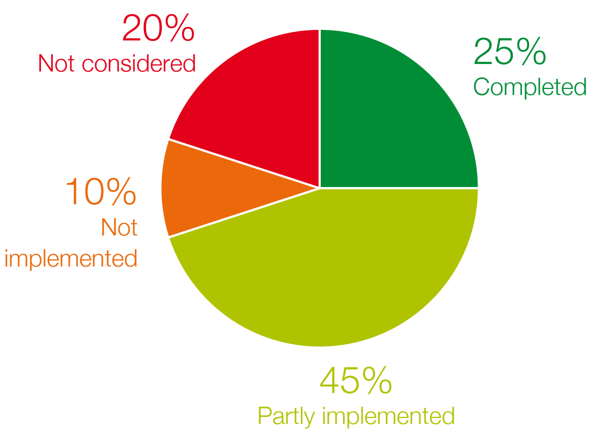
USE OF ESG ANALYSIS

Engagement continues to be popular in the UK, although it is still used by fewer investors than in some other countries. It is increasingly combined with the ESG-adjusted valuation of issuers and best-in-class selection, which was largely unheard of until recently and has suddenly risen to popularity. Relatively few UK respondents use sector-based or norm-based exclusions, but several claim to exclude certain issuers as part of their engagement policy, if these refuse to improve their ESG standards.



IMPLEMENTATION OF RI POLICIES

UK investors see more room for improvement than other European investors. Almost half (45%), including 8 PRI signatories, intend to extend the application of their RI policy to more asset classes. 20% of UK respondents have not considered implementing an RI policy, which is higher than in most countries surveyed.



PASSIVE MANAGEMENT

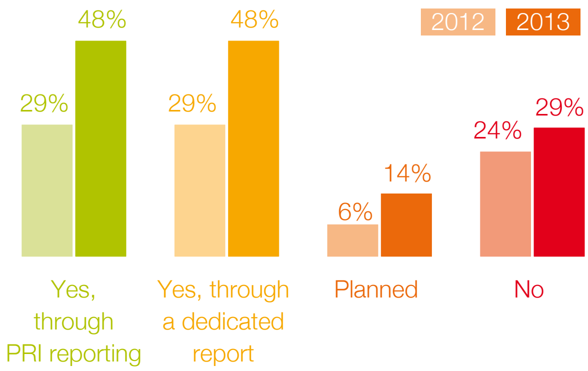
Although a majority of UK investors passively manage some of their assets (57%), only 42% of them apply their RI policies to these assets. Most claim to use shareholder engagement in passively managed portfolios. Only one respondent uses ESG-screened indexes.

REAL ESTATE

In contrast, UK investors are more aware of the environmental concerns (67%) and the social and governance issues (56%) raised by their property investments than their European counterparts. One respondent has even hired an in-house sustainability manager for property assets, while another requests specific ESG reporting from its property managers.

REPORTING

RI reports are becoming increasingly popular in the UK. All PRI signatories claim to follow the PRI reporting requirements, and most of them also publish dedicated reports or plan to start doing so. In contrast, only 40% of non-signatories publish reports and none of the others plan to start in the next year.



BARRIERS TO FURTHER ESG INTEGRATION

External asset managers who drag their feet on ESG issues are identified as the main obstacle to RI by UK respondents (19%), who describe them as unaware of its added value or unwilling to engage with issuers on ESG issues. Several respondents feel that asset owners share the blame, as they need to learn to express their ESG expectations to managers more clearly (14%).

Other barriers cited by UK investors include insufficient demand from beneficiaries on responsible investment practices (14%), a need to reform the fiduciary obligations of asset owners (9%), and a lack of time and resources (9%). Two PRI signatories feel that the investment case of ESG integration is still insufficiently proven (9%).

AUSTRIA

In partnership with FNG

■ RI is still a fairly new topic in the Austrian investment landscape ■ But the investors surveyed already have an advanced understanding of ESG strategies ■ All respondents claim to integrate ESG issues into asset management	**9** respondents **€16** billion AUM **67%** of pension funds **1** PRI signatory **56%** have a formal RI policy

For the first time this year, the survey was expanded to cover Austria. The panel is mainly composed of pension funds, but insurance companies represent 80% of its assets under management. Austria counts only a few pension funds with more than €1 billion AUM.

DEFINITION

Austrian respondents' definition of ESG integration is progressive and multi-dimensional. Most of them agree that it includes avoiding investments considered risky from an ESG perspective (78%). Many also refer to the ESG-conscious selection of issuers (67%), the exclusion of activities seen as unethical (56%), and engagement with issuers on their contribution to sustainable development (56%). None of them think that it includes investing in "green" industries.

MAIN INCENTIVES

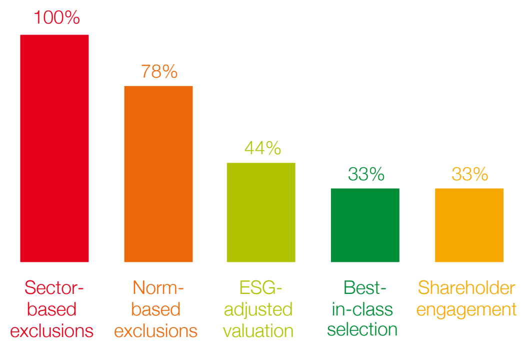
67% of Austrian respondents say their desire to contribute to sustainable development is the main reason for integrating ESG considerations into their investment strategy. Next in line is reputational risk (22%), while only one respondent gives ESG integration a financial or risk management dimension (11%).

SOURCES OF ESG ANALYSIS

Austrian respondents mostly receive their ESG analysis from their in-house investment teams (67%), while several have already hired in-house ESG experts. Relatively few use the services of specialised rating agencies (22%).

USE OF ESG ANALYSIS

Exclusion lists form the core of Austrian RI strategies. All respondents use sector-based exclusions, with the most common target being the arms industry (78%). All respondents also avoid investments in controversial weapons.



REPORTING

RI reporting is also still fairly uncommon in Austria, with only one in three respondents publishing reports on their ESG practices.

BELGIUM

- Two in three investors cite contributing to sustainable development as their principal incentive for using ESG criteria
- Investors mainly use norm-based and sector-based exclusions

6 respondents
€59 billion AUM
83% of insurers
No PRI signatory
50% have a formal RI policy

DEFINITION

Integrating ESG criteria in asset management means excluding activities deemed unethical for a large majority of respondents (83%), while most also give it other dimensions such as ESG-based selection (50%), engagement with issuers on sustainable development (50%) and the exclusion of risky investments (50%). The last two dimensions are mentioned by fewer investors than in 2011, which runs counter to the general European trend.

MAIN INCENTIVES

Contributing to sustainable development is the main reason to integrate ESG criteria into asset management for Belgian investors (67%). It is followed by the protection of reputation with 33%. None of the respondents cite financial performance or long-term risk management.

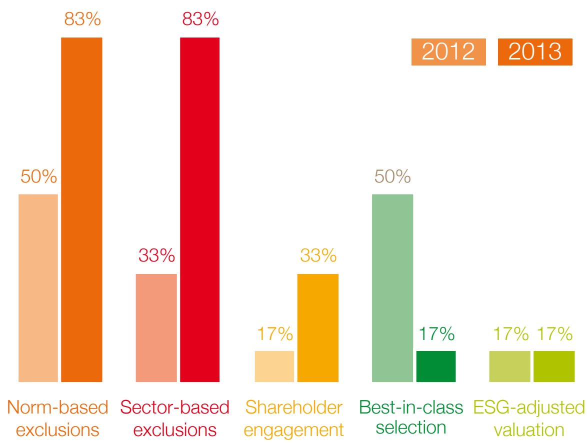
FORMAL RI POLICIES

Although only half the respondents have adopted a RI policy, they are catching up as another 17% plan to do so. RI policies are rarely overseen at board level. Concerning the supervision of asset managers, compliance with a list of exclusions is the first choice of the respondents (83%), who rarely use more far-reaching supervision methods.

USE OF ESG ANALYSIS

A large majority of investors in Belgium uses norm-based and sector-based exclusions. Best-in-class selection and ESG integration are rarely used.

All investors practising norm-based exclusion exclude controversial weapons, which is a legal requirement in Belgium. Exclusions related to corruption and violations of the ILO's fundamental conventions are applied by 67% of the investors. In terms of sectors and activities, arms are the most excluded, cited by 67% of respondents.



REPORTING

Only one respondent in six claims to publish reports on the integration of ESG criteria in its investments; the other five publish no report at all.

DENMARK

■ Owing to criticism from NGOs and media, reputational risk is the main incentive for integrating ESG criteria ■ Investors respond by using a strong combination of exclusion lists and shareholder engagement

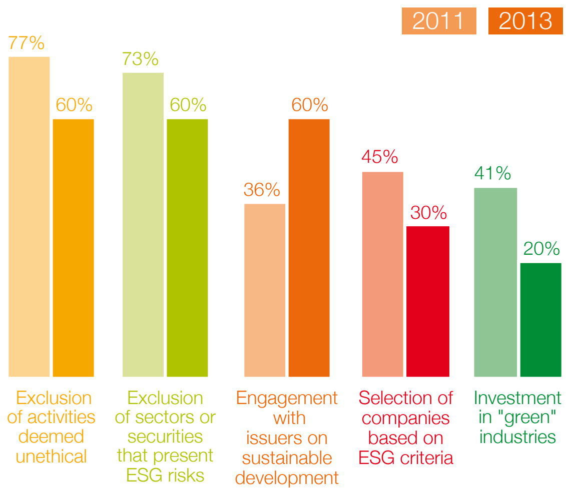
10 respondents
€318 billion AUM
80% of pension funds
8 PRI signatories
90% have a formal RI policy

Denmark is a country where RI is driven by big pension funds. Almost all of the surveyed pension funds are committed to RI, as all but one have adopted a formal RI policy and most have signed the PRI. Danish investors are very transparent about exclusion, and it is not unusual to find their exclusion lists on their websites.

DEFINITION

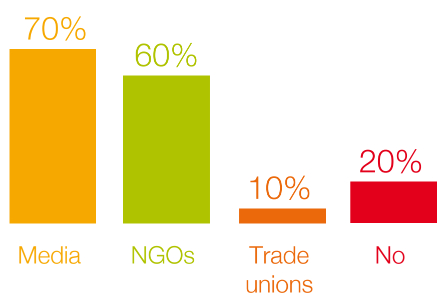
As in the other countries surveyed, Danish investors do not all agree on the definition of ESG integration, but they are unusual in that most do not think that it involves selecting companies based on ESG criteria. Otherwise, their views mostly reflect the answers of other European investors. More than half mention ethical exclusions, the exclusion of risky sectors and securities or engagement with issuers on sustainable development, which is much more mentioned than in 2011.

Finally, while the country is famous for investments in renewable energies, fewer and fewer respondents consider such "green" investments to be a part of ESG integration.



CRITICISM FROM STAKEHOLDERS

Denmark is one of the rare countries where investors are often targeted by campaigns criticising the impact of their investments on issues including human rights, employment and food prices. NGOs and the media seem to pay considerable attention to investors. It is also the only country where such campaigns have a clearly observable impact, as most targeted respondents cite the protection of their reputation as their main incentive for integrating ESG criteria into asset management.



DENMARK

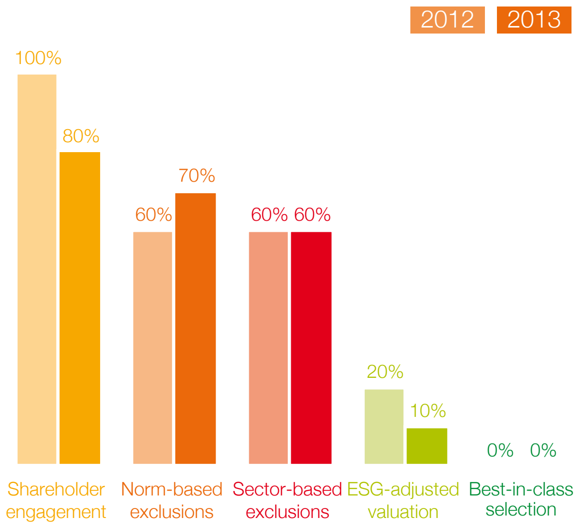
ORGANISATION AND MEANS

Danish RI policies are often led by dedicated SRI committees, a local speciality. The respondents receive more ESG analysis than their European peers. 60% use the services of ESG rating agencies, usually in combination with in-house ESG experts, while 70% also ask their in-house financial analysts or external asset managers to conduct ESG assessments. At the same time, Danish investors generally do not supervise the implementation of their RI policy.

USE OF ESG ANALYSIS

Almost all respondents mention shareholder engagement, norm-based exclusion and sector-based exclusion. This can be seen as a way for investors to have a stronger impact on companies during the engagement process. Danish investors also stand out from the European panel in that none of them use best-in-class selection. ESG-adjusted valuation is also rarely used.

Most investors exclude investments in controversial weapons (80%) and norm-based exclusion lists are very complete. The most common sectors excluded are tobacco and nuclear, both excluded by 40% of respondents, making Denmark the top country for nuclear exclusion in the panel.



REPORTING

70% of the respondents publish reports on the integration of ESG criteria into their investments, through PRI reporting, a dedicated report, or both. This is above the European average (52%).

GERMANY

In partnership with FNG

■ RI approaches are varied and most investors use several strategies ■ ESG-adjusted valuation is the fastest-growing RI strategy

17 respondents
€1,201 billion AUM
Diversified sample
10 PRI signatories
94% have a formal RI policy

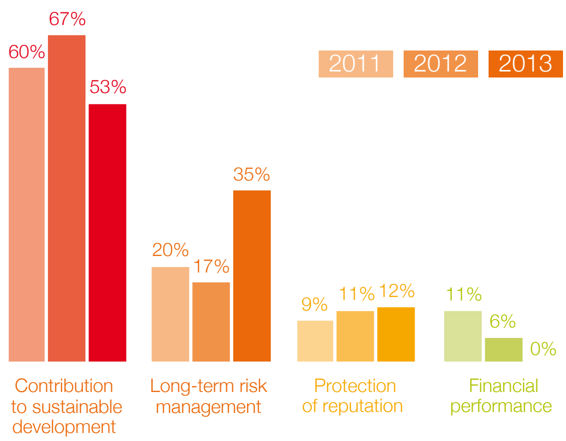
The German sample is divided up between insurers (37%), pension funds (27%) and public financial institutions (36%). Formal RI policies are common in Germany as 94% of the respondents say they have adopted one (the highest score in Europe).

DEFINITION

German investors see many dimensions to ESG integration. Most of them define it as including ESG-adjusted selection of issuers (76%) or ethical exclusions (76%). Over half add the exclusion of investments involving ESG risks to the definition.

MAIN INCENTIVES

Contributing to sustainable development is still considered by half the sample as the main incentive to integrate ESG issues. But long-term risk management is a growing issue for German investors as more than one in three now mentions it, putting them more in line with other European investors.



FORMAL RI POLICIES

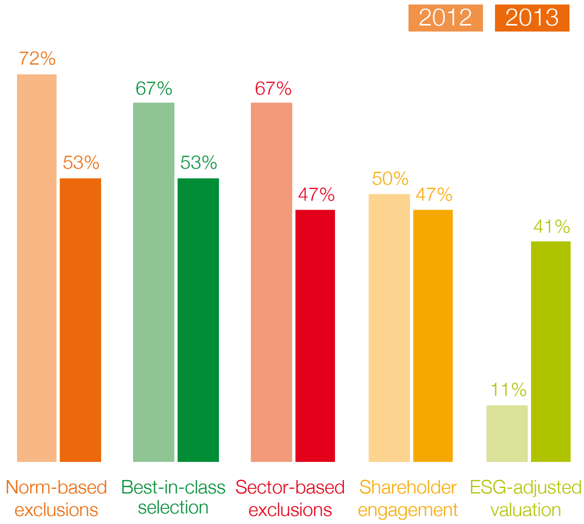
German investors rank number one in Europe on the adoption of RI policies. Policies also tend to be overseen by top management, such as the board of directors (53%), the CFO (17%) or the CIO (12%). 75% of RI policies deal with controversial weapons, and Germany and Austria are the only countries where over half the respondents address agricultural commodities in their RI policy (69% in Germany).

GERMANY

USE OF ESG ANALYSIS

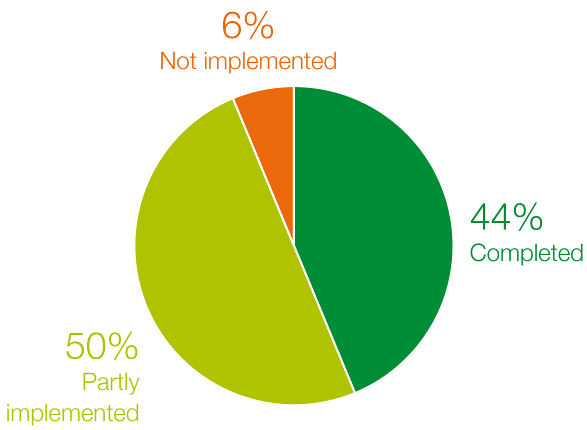
Almost all German respondents combine several strategies to implement their RI policies, although this is less common than in 2012. But they do not show a clear preference and all combinations can be found. The main difference compared with other countries is that over half the respondents still use best-in-class selection. The use of ESG criteria in issuer valuation has risen spectacularly in one year, most likely stemming from the increased attention paid by German asset owners to long-term risk management.

German investors devote more resources to ESG analysis than any other country. Above all, they are the top users of ESG information provided by specialised rating agencies (82%).



IMPLEMENTATION OF RI POLICIES

German investors seem to have made more progress on their RI policies than their European counterparts. Only 6% of them say that their RI policies has still to be implemented and none of them say that it has not been considered. Two in three respondents fully integrate ESG issues into corporate bond management. German investors also show a rare appetite for impact bonds, with over 30% of them having already subscribed to an impact bond issue.



NORDIC COUNTRIES
FINLAND, NORWAY, SWEDEN

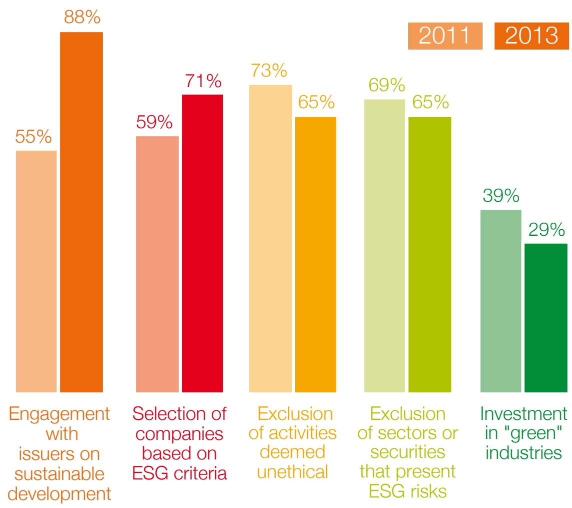
■ The definition of ESG is changing and getting closer to the views of other European investors ■ Financial performance and long-term risk management remain the main incentives for integrating ESG criteria ■ Combining engagement with other RI strategies is becoming the norm ■ Investors pay considerable attention to ESG in RFPs

17 respondents
€299 billion AUM
59% of pension funds
13 PRI signatories
82% have a formal RI policy

Investors from Finland, Norway and Sweden are grouped into one panel as their views on ESG integration and their RI strategies are often very similar. Any significant differences between the countries are underlined in the comments. In all three countries, ESG issues are highly integrated into asset owners' investment strategies. Delegated asset management is less common than in some other countries, and most respondents manage a majority of assets in-house.

DEFINITION

Nordic respondents see many facets to ESG integration. The major change in their definition is the greater importance attached to engagement with companies on ESG issues and the selection of companies based on ESG criteria. Nordic investors have long been known as fervent defenders of exclusion policies. Several major investors have indeed announced an evolution of their RI approach over the past two years, as the exclusion of issuers based on ethical or ESG concerns is no longer considered sufficient.



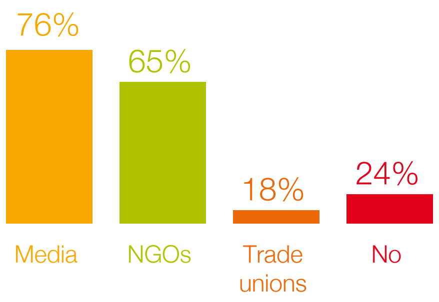
MAIN INCENTIVES

Nordic investors' vision of responsible investment has also changed when it comes to their principal incentives. In 2011, 27% of Nordic respondents cited the protection of their reputation as their main reason for using ESG strategies, but only 6% mention it in 2013. For the second year, financial performance (35%) and long-term risk management (35%) are the most common answers. A full 67% of investors in Finland cite long-term risk management as their principal reason.

NORDIC COUNTRIES
FINLAND, NORWAY, SWEDEN

CRITICISM FROM STAKEHOLDERS

Media and NGOs pay close attention to asset owners' investment decisions. Nordic investors are, together with their Danish peers, the most criticised by their stakeholders. 79% of investors have adopted a formal policy excluding investments in controversial weapons. Agricultural commodities and tax havens are hardly ever mentioned.



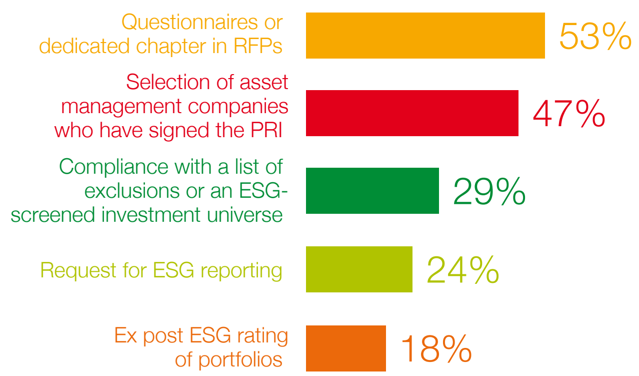
USE OF ESG ANALYSIS

Over half the respondents employ dedicated in-house analysts who conduct ESG assessments of issuers, and two in three use the services of specialised ESG rating agencies. Nordic investors also use more RI strategies than any of their European peers, usually combining two or three methods. Shareholder engagement (82%) is the most common, while most respondents also use sector-based (76%) or norm-based (71%) exclusions. ESG-adjusted valuation of issuers is also very common (65%), but best-in-class is rarely used (18%).

Norm-based exclusions are rather the same in the three countries. For sector-based exclusions, however, Norwegian investors stand out as many of them exclude tobacco (60%). In Finland and Sweden, investors more commonly apply ethical exclusions such as pornography, alcohol and gambling.

SUPERVISION OF ASSET MANAGERS

Together with the Dutch, Nordic investors use the strictest supervision methods to ensure that their in-house and external asset managers comply with their RI policies. Above all, more than half the respondents include specific ESG questions or chapters in their RFPs. Nordic respondents rely the most in Europe on the PRI, as 47% of them select their external asset managers among signatories.



Novethic would like to thank Finsif, the Finnish Sustainable Investment Forum, for its assistance in obtainning answers from Finnish investors.

For the first time in 2013, Novethic's survey has been extended to Swiss investors. The country is an important hub for responsible investment, and the responses of eight asset owners, four insurers and four pension funds, from the German-speaking region alone, make it possible to identify general trends but not to draw a representative picture of a Swiss panel.

GERMAN-SPEAKING SWITZERLAND

- **The Swiss respondents associate ESG integration with the exclusion** of sectors or companies presenting ESG risks (63%) more frequently than their European peers, while only a minority includes engagement with issuers on sustainability in their definition (38% versus 62% at European level).
- **Contributing to sustainable development and long-term risk management** are the main reasons cited by Swiss investors, each by one third, for adopting ESG criteria. None consider the protection of their reputation to be the main driver, while only one respondent refers to financial performance.
- **Two thirds of Swiss respondents have adopted formal RI policies,** which puts them in line with other European investors. They are also on the same level as other investors regarding controversial weapons. As in Germany and Austria, their policies also take a stance on agricultural commodities.
- **Relatively few resources are devoted to the implementation of Swiss RI policies,** and ESG analysis is mostly conducted by members of the investment teams rather than dedicated experts.
- **To implement their policies, half of the respondents ask their managers to respect a list of exclusions** or to conduct ex post ESG ratings of their portfolios. Most of the respondents combine several ESG strategies, and all but one apply sector-based exclusions. The nuclear industry appears to be among their favourite exclusions, as they mention it twice as often as their European peers.
- **It is interesting to note that all eight respondents do not consider their RI policy to be fully implemented yet,** with a third not having implemented it at all. This helps to explain why only one respondent currently reports on its ESG practices.

LIST OF SURVEYED INVESTORS

165 European asset owners responded to the 2013 survey, significantly more than in 2012. This list is not exhaustive, as some respondents preferred not to have their organisation's name disclosed.

Supranationals (2 respondents)
- European Bank for Reconstruction and Development (EBRD)

Austria (9 respondents)
- Bundespensionskasse
- fair-finance Vorsorgekasse AG
- Victoria-Volksbanken Vorsorgekasse AG

Belgium (6 respondents)
- ETHIAS
- Fédérale Assurance
- Integrale
- Pensioenfonds KBC

Denmark (10 respondents)
- Danske Bank
- ISP
- PBU
- Sampension A/S
- Tryg A/S

Finland (6 respondents)
- Central Church Fund of Finland
- Ilmarinen
- State Pension Fund (VER)
- Varma

France (38 respondents)
- AG2R La Mondiale
- AGEAS France
- Agence Nationale pour les Chèques-Vacances (ANCV)
- BNP Paribas Cardif
- Bpifrance
- Caisse de Prévoyance des Agents de la Sécurité Sociale et Assimilés (CAPSSA)
- Caisse des Dépôts
- Caisse Générale de Prévoyance des Caisses d'Épargne
- CARAC
- CNP Assurances
- Crédit Agricole Assurances
- Établissement de Retraite Additionnelle de la Fonction Publique (ERAFP)
- Fédérations AGIRC et ARRCO
- Fonds de Réserve pour les Retraites (FRR)
- Groupe Agrica
- Groupe AXA
- Groupe Macif
- Groupe Malakoff Médéric
- Humanis
- IRCANTEC
- MACSF
- MAIF
- Matmut
- MetLife France
- MMA
- Mutuelle de Poitiers Assurances
- Préfon
- REUNICA
- THELEM ASSURANCES
- Union des Caisses de France (UCF) du réseau Congés Intempéries BTP

Germany (17 respondents)
- Deutsche Bundesstiftung Umwelt
- Evangelische Kreditgenossenschaft eG
- KfW Bankengruppe
- MEAG
- MetallRente GmbH
- oeco capital Lebensversicherung AG
- Sparda-Bank München eG
- Sparkassen Pensionskasse AG
- Steyler Bank GmbH

Luxembourg (1 respondent)
- Fonds de compensation commun au régime général de pension (FDC)

Netherlands (20 respondents)
- AEGON
- Ahold Pensioenfonds
- ASR
- BPF Schilders
- Loyalis
- OWM CZ Groep
- Pensioenfonds Rabobank
- Pensioenfonds Vervoer
- Pensioenfonds voor de Architecten bureaus
- Pensioenfonds Zorg en Welzijn
- PNO Media
- SNS Reaal
- Stichting Pensioenfonds Gasunie
- Stichting Pensioenfonds Huisartsen
- Stichting Pensioenfonds IBM Nederland
- VGZ
- Zwitserleven

Norway (5 respondents)
- Folketrygdfondet (Norwegian Government Pension Fund)
- Gjensidige Forsikring
- KLP
- Storebrand

Spain (24 respondents)
- AEGON España
- Caja de Ingenieros
- Caser Pensiones E.G.F.P.
- Deutsche Zurich Pensiones E.G.F.P.
- Elkarkidetza EPSV
- Europopular Integral
- Fondo de Pensiones de la Administración del Estado
- GM Pensiones F.P.
- Hazia-Bbk, EPSV
- Hermandad Nacional de Arquitectos Superiores y Químicos, MPSPF
- Itzarri EPSV
- Lagun-Aro, EPSV
- Midat Cyclops FP
- Montepío Loreto, M.P.S.
- Pensions Caixa 30
- Previsión Social, Empleados del Grupo Endesa, Fondo de Pensiones
- REPSOL II
- Surne Mutua
- VidaCaixa

Sweden (6 respondents)
- AP1
- AP6
- Church of Sweden
- Folksam
- Swedfund International AB

United Kingdom (21 respondents)
- BBC Pensions trust
- Bedfordshire Pension Fund
- British Airways Pensions
- BT Pension Scheme
- CDC Group
- Church of England Pensions Board
- Lothian Pension Fund
- Merseyside Pension Fund
- National Employment Savings Trust (NEST)
- Royal London Group
- Strathclyde Pension Fund
- The Co-operative Pension Fund
- The Pensions Trust
- Unilever Pension Fund
- Universities Superannuation Scheme (USS)

2013 SURVEY

ESG STRATEGIES OF EUROPEAN ASSET OWNERS
FROM THEORY TO PRACTICE

A survey conducted by Novethic's research centre

Written by Aela Cozic, Aurelie de Barochez, Thiên-Minh Polodna and Alexander Russell, under the supervision of Dominique Blanc

Novethic, a part of the Caisse des Dépôts Group, is a French research centre on Responsible Investment. It is also a sustainability media expert. Founded in 2001, Novethic is the sole provider of statistics on the French SRI market, analysing the major trends and conducting more expansive studies on specific topics. Novethic's SRI and green fund labels provide a reliable reference point for responsible investment funds available on the European market. www.novethic.com