



# ▶ Sustainable Investing Review 2021 ◀

At a tipping point



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# Foreword



The world is becoming more aware of the pressing issues we face, from economic and social inequalities to the catastrophic effects of climate change. While the pandemic has heightened these issues, it has given us the chance to pause and reassess our priorities.

With growing awareness of these global problems, investors recognise they have a responsibility to make a difference. This is a key finding in our Sustainable Investing Review 2021. Now into its fourth year, this annual investor survey shows that sustainable investing is at a 'tipping point'.

At 81 per cent of the total group surveyed, interest in sustainable investing is at an all-time high, as investors look beyond returns to positive impact, no longer seeing the two as mutually exclusive. They want to use their wealth to help solve the pressing challenges faced by the world. From improving access to healthcare and clean drinking water, to promoting economic inclusion for women and addressing climate change, investors are on the lookout for opportunities to make a difference.

Overwhelmingly, investors we spoke to – right across the wealth spectrum – are either intending to or already invest in sustainable investment solutions. We also found that the allocation of sustainable investments in investor portfolios is on the rise: 13 per cent of investors already have more than 25 per cent of total investments channelled into sustainable solutions, compared to just 2 per cent in 2020.

These trends are encouraging. The next step will be seizing this fundamental shift in attitudes to make sustainable investing a more mainstream investment option.

For some investors, apprehension still prevails: Will I need to sacrifice returns for impact? How can I measure the impact my wealth is making on the causes I support? Is it risky? Should I donate instead? As wealth advisors, we have a responsibility to provide the information investors need to answer these questions.

There is increasing evidence that companies with higher ESG standards are more likely to perform better in the long term, with relatively lower risk to their outlook. For an investor, this stronger governance means that they can obtain the same return with less risk, along with positive impact on the environment and society.

When it comes to measuring impact, the financial sector is working together to develop industry standards that will make this easier. And while philanthropy is helpful, sustainable investments go further in offering scale and long-term benefits.

Our Sustainable Investments Classification framework, supported by data from leading ESG and corporate governance research and analytics firms, Morningstar and Sustainalytics, helps us have more informed conversations with our clients and address some of their apprehensions.

We want to be the world's most sustainable and responsible bank and are committed to helping our clients make a positive impact on society and the environment with their investments. The United Nation's Sustainable Development Goals, which aim to tackle pressing global challenges, currently face an annual funding gap of USD2.5 trillion. There is a massive opportunity to channel private capital through sustainable investments to help bridge this gap.

We hope the insights from this research will provide a better understanding of how we can ramp up sustainable investing and offer investors the advice and access they need to progress in their sustainable investing journeys.

**Marc Van de Walle**  
Global Head, Wealth Management  
Standard Chartered Bank

# Executive summary

Standard Chartered's Sustainable Investing Review 2021 explores the attitudes and actions of investors regarding sustainable investment solutions.

Featuring key insights from over 2,000 investors across the wealth spectrum, the report looks at the adoption of sustainable investment solutions and barriers to even more widespread adoption.

Investors want to create wealth and also do good with it

#### The responsibility of wealth

72 per cent of investors believe they have a responsibility to make the world a better place

#### Dual priorities for wealth

75 per cent believe it is possible to do good and make money at the same time

## Sustainable investing is at a tipping point to mass adoption

The four stages of the adoption cycle

### Awareness

82%

of investors know what sustainable investing is

### Interest

81%

show interest in sustainable investing, with only two per cent showing no interest at all

### Intention

40%

have not yet invested in sustainable solutions, but plan to in the future. One fifth (20 per cent) of investors intending to have invested over 20 per cent of their portfolio in sustainable solutions over the next three years

### Adoption

61%

have already invested in sustainable investments compared to 54 per cent in 2020

## Investor apprehensions are holding them back

Despite good progress along the adoption cycle, half (51 per cent) of investors have some lingering apprehensions

- **Transparency of the impact of sustainable investing:** 69 per cent need more numerical evidence of the impact being achieved from sustainable investments
- **The shock of the new:** 51 per cent feel sustainable investing is simply too new
- **The direct donation alternative:** 43 per cent believe donations can achieve a more immediate social outcome

## Building momentum in sustainable investing

Investor apprehensions can be addressed with more personalised advice and consultation with financial experts

- **74 per cent** would be more comfortable with sustainable investment if they received professional guidance
- **63 per cent** feel they would be better equipped to make better decisions after consulting a professional finance advisor
- **46 per cent** feel they don't know enough about sustainable investment





# Introduction

## The tipping point: an opportunity to build momentum

Sustainable investing, when incorporated into a well-defined, long-term investment plan, can be a powerful tool to address some of the world's most pressing challenges from climate change to social justice, while allowing investors to achieve their personal financial goals.

Investments qualify as sustainable when they are placed in businesses, funds or other financial instruments that meet dual objectives of generating financial returns while also making a positive impact. Sustainable investing creates not only long-term opportunities for real change in society but has been shown to also create long-term opportunities for financial gain. Sustainable investments are gathering momentum, with a range of options available, including mutual funds, exchange traded funds and bonds.

Standard Chartered surveyed more than 2,000 investors across the wealth spectrum from Mainland China, Taiwan, Hong Kong, Singapore, India, UAE and UK, to gauge the adoption of sustainable investment solutions in key markets and uncover the potential reasons for why some investors are holding back.

We found that awareness of, interest in, and willingness to invest in sustainable solutions indicate that the investment industry is at a tipping point. The next step is widespread adoption. As sustainable investing becomes more mainstream, returns on investment and the wider benefits to society that sustainable investing brings will provide further impetus to the market. Financial advisors have a crucial role to play in helping investors overcome their remaining apprehensions, to deliver the full benefits of sustainable investing to individuals and the global economy.

Our survey revealed that 13 per cent of investors already have more than a quarter of their total investments channelled into sustainable solutions, compared to just 2 per cent in 2020.

This is supported by trends within the sustainable investing market. For example, [according to data from investment research company Morningstar](#), flows into European ESG ETFs (exchange-traded funds) totalled EUR27 billion in the first quarter of 2021, which was more than four times the flows recorded for the same period in 2020 and represented 51 per cent of overall European fund flows.

The Covid-19 pandemic demonstrated the resilience of ESG solutions in terms of performance. In the first year of the pandemic, large funds with ESG characteristics outperformed the broader market, [according to a report published in April 2021 by analysts S&P Global](#). S&P's analysis included 26 ESG exchange-traded funds and mutual funds with more than USD250 million in assets under management. From March 5, 2020, to March 5, 2021, 19 of the funds grew between 27.3-55 per cent, outpacing the S&P 500 index's 27.1 per cent rise.

At Standard Chartered we believe driving greater adoption of sustainable investments creates benefits on two levels – the potential for society in helping to solve the most pressing challenges faced, and for investors in terms of risk management, long-term financial return and portfolio diversification.

It is now crucial to promote more sustainable practices concerning supply chain management, labour policies, environmental impacts, as we tackle pressing global challenges. This requires significant funding and investment. For example, the UN Sustainable Development Goals (SDGs) currently face an annual funding gap of USD2.54 trillion. There is an opportunity for the investment community to play a pivotal role in closing this gap, alongside governments and businesses.

Along with significant positive impact on society and the environment, sustainable investments also provide a range of financially focused opportunities for investors. For example, the opportunity to achieve returns from taking a thematic approach to investment by capitalising on trends such as the energy transition or the circular economy.

To assess the momentum around sustainable investment adoption, our research explored a four-stage adoption cycle:

**Awareness** – Investors demonstrate knowledge of sustainable investment solutions and some understanding of their purpose and benefits

**Interest** – Investors find sustainable investments are appealing, with enough interest to research and discuss options in more detail

**Intention** – Investors at this stage intend to invest, have enough knowledge and are at peak interest in sustainable investment solutions, but have not placed any money yet

**Adoption** – Investors place their funds in a sustainable investment option, once they overcome their barriers

Our research shows high levels of awareness, interest, intent and growing adoption of sustainable investment solutions.

Trends across the adoption cycle



**Awareness**

Investors are highly aware of sustainable investments and related concepts

Do you know what sustainable investing is?

82%



**Interest**

High levels of interest in sustainable investment driven by a 'do good while making money' attitude

In general, how interested in sustainable investing are you?

81%



**Intention**

A sense of the responsibility to do good with wealth is driving increased intention to invest in sustainable solutions

I intend to invest sustainably, but not yet.

40%



**Adoption**

An increasing number of investors are adopting sustainable solutions, across a range of causes

Have you ever invested in a sustainable investment?

61%





# Stage 1: Awareness

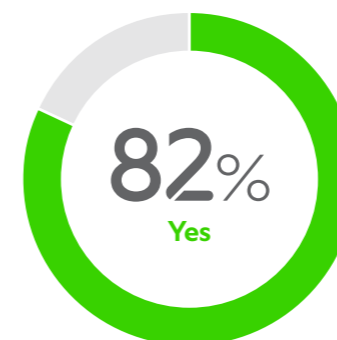
Awareness of sustainable investing is high

Investors continued to show high levels of knowledge about sustainable investments. Overall the majority of investors (82 per cent) are aware of sustainable investments.

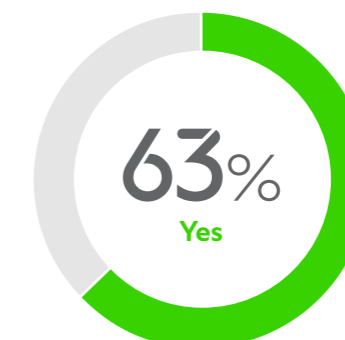
In addition, 63 per cent of investors are familiar with the [UN Sustainable Development Goals \(SDGs\)](#), which set out to improve health and education, reduce inequality, and spur economic growth while tackling climate change and working to preserve oceans and forests, by 2023.

More than half (57 per cent) are aware of the [UN Principles for Responsible Investment](#), a set of six principles developed by investors that offer a menu of possible actions investors can take to incorporate ESG issues into investment practice.

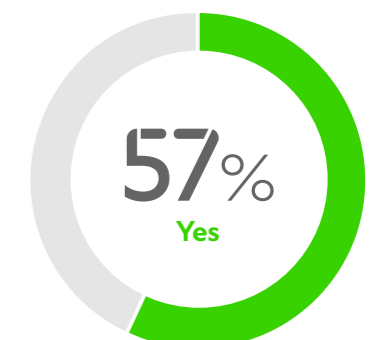
Do you know what sustainable investing is?



Are you familiar with the UN Sustainable Development Goals (SDGs)?



Are you familiar with the UN Principles for Responsible Investment (PRI)?



However, with 46 per cent of investors surveyed believing they do not know enough about sustainable investing, boosting levels of knowledge and experience in sustainable investing among investors could further ramp up adoption.



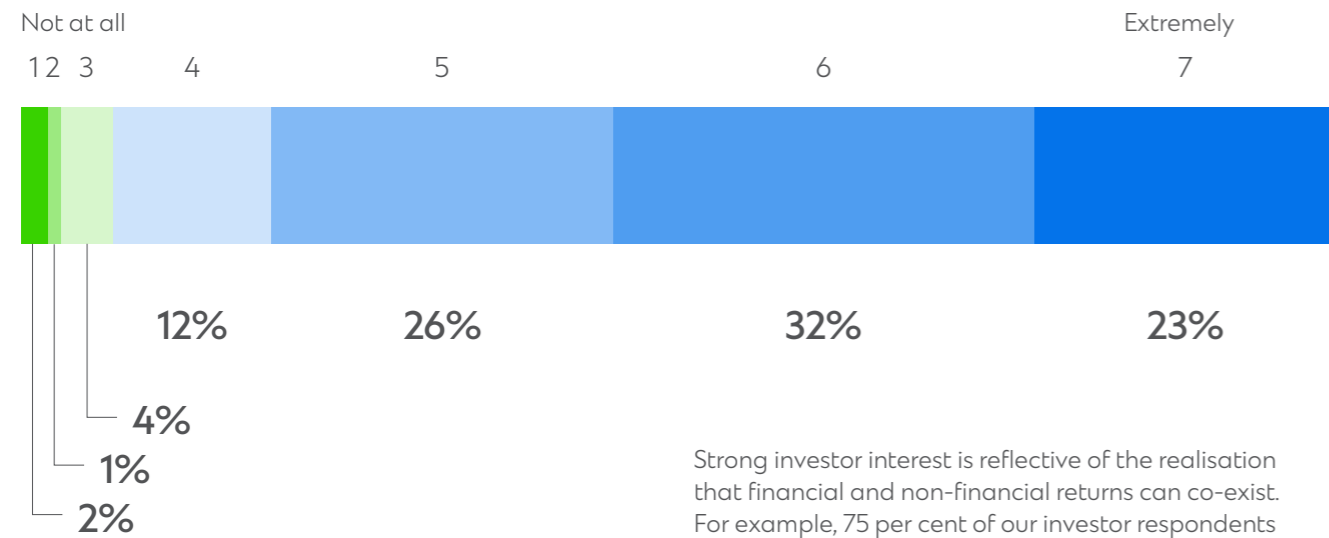
# Stage 2: Interest

Investors are highly interested in the ability to make impact along with financial gains

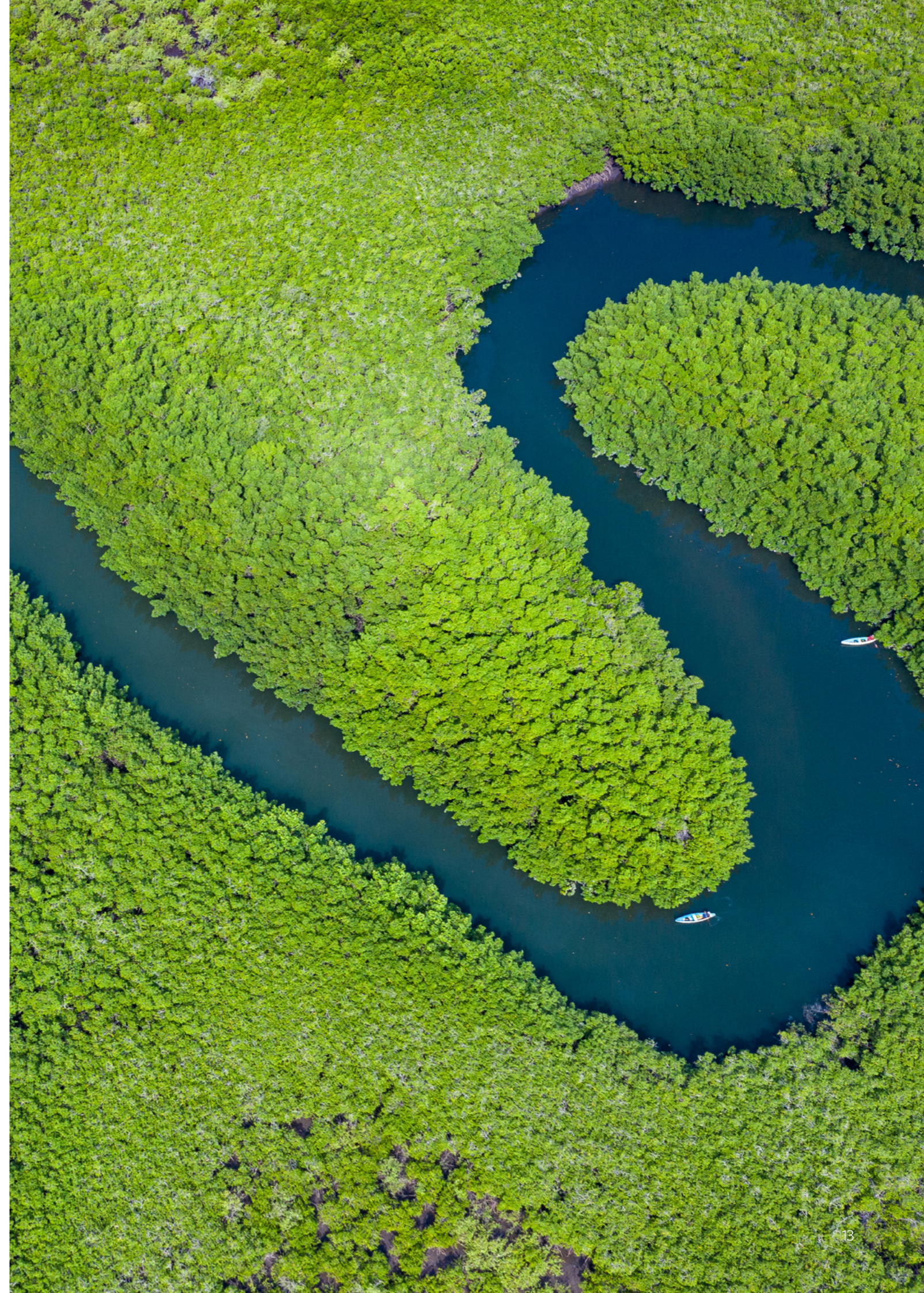
Investors displayed a consistent level of interest in sustainable investing compared to 2020, with an overwhelming majority (81 per cent) saying they are interested in the concept. Almost a quarter (23 per cent) are 'extremely interested', up from 16 per cent the year before.

Encouragingly, there are very few investors not open to sustainable investments, with only 2 per cent not at all interested.

## In general, how interested in sustainable investing are you?



Strong investor interest is reflective of the realisation that financial and non-financial returns can co-exist. For example, 75 per cent of our investor respondents believe it is possible to do good and make money at the same time. Further, only 41 per cent believe that monetary returns alone is the best measure of the success of their investment.



# Stage 3: Intention

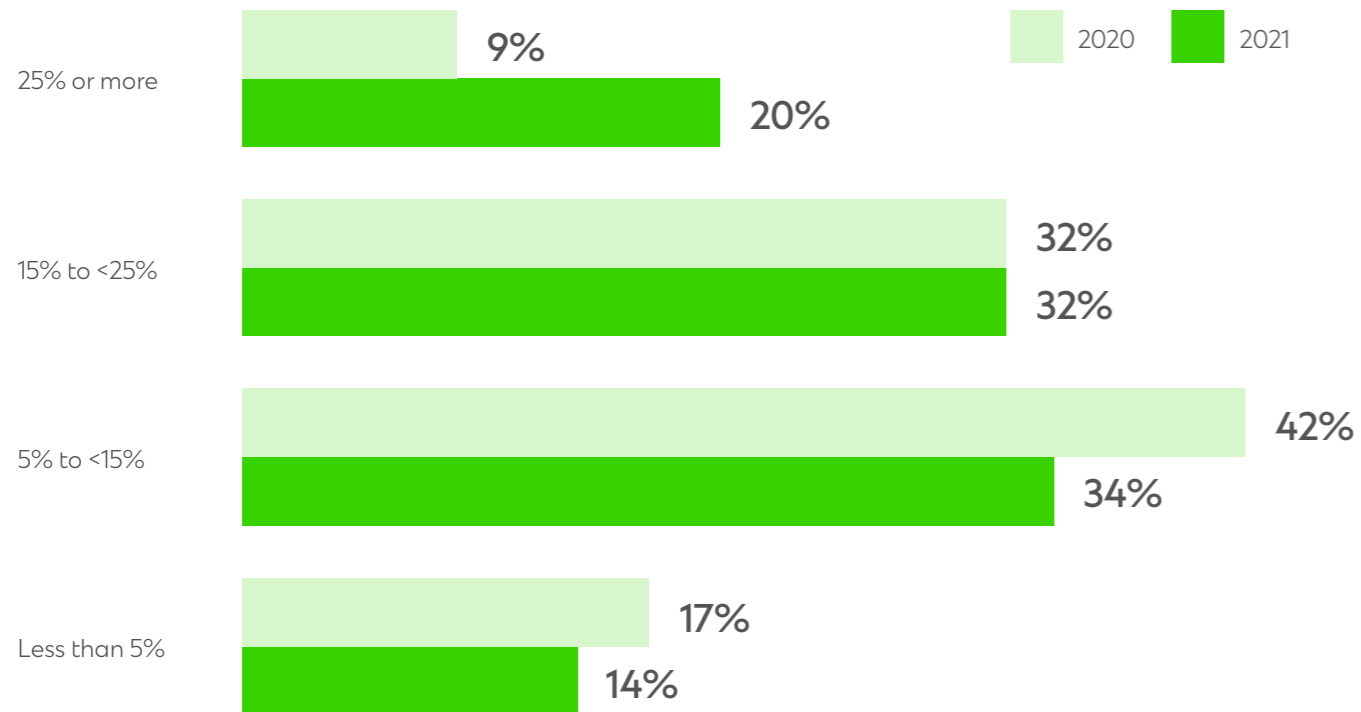
Increased intention to invest in sustainable solutions is driven by a sense of responsibility

Across the wealth spectrum, investors widely believe that they have a responsibility to do good with their wealth. Among the investors surveyed, 72 per cent agree they have a responsibility to help make the world a better place.

65 per cent of respondents believe it is important to create a positive legacy with their wealth and believe they can meet these responsibilities via the investment choices they make.

The increasing intent to do good is building corresponding momentum in the intent to invest in sustainable solutions. In 2020, just nine per cent of investors intended to invest more than a quarter of their total portfolios in sustainable investment solutions. By 2021, this had increased significantly to 20 per cent of investors.

What percentage of your total funds available for investment would you like to have invested in sustainable investments in the next 3 years?



Affluent investors have a growing sense of responsibility that is driving up their intent to invest in sustainable solutions

**68%** of investors intend to seek investments in organisations that demonstrate positive ESG practices

**72%** would prefer to invest in organisations that are not just ethical in how they conduct themselves but do additional good in the world

**70%** would prefer to avoid investing in organisations that have poor ESG practices

**76%** would prefer to avoid unethical investments



# Stage 4: Adoption

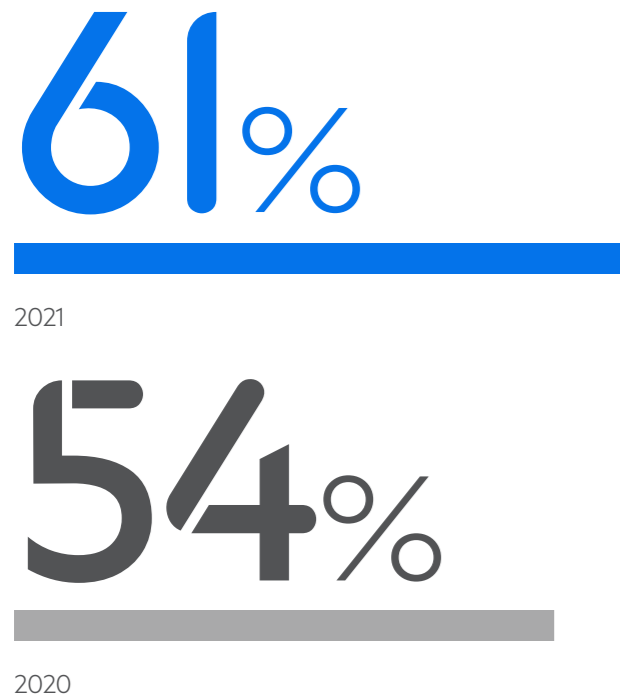
Intent is turning to action, with more investors adopting sustainable investment solutions

The high levels of awareness, interest and intention has resulted in continued growth in the number of investors taking the final step and adopting sustainable investing.

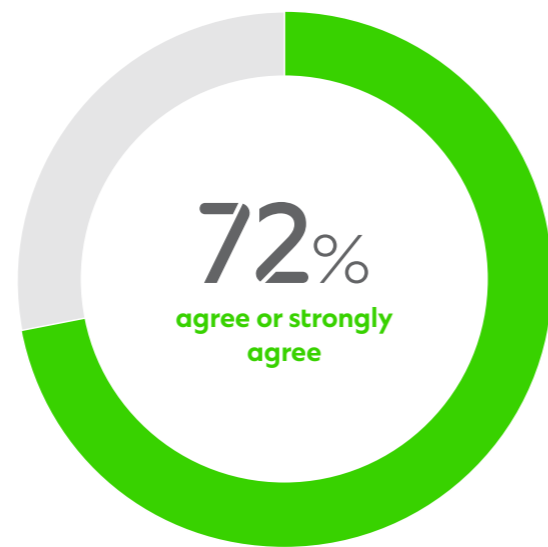
The growth in sustainable investing visible in the wider world is reflected in our survey: in 2020, 54 per cent of investors had already made an investment in a sustainable solution, in 2021 that figure has grown to 61 per cent of investors.

With sustainable approaches becoming a preference for investors – 72 per cent are preferring to invest in organisations that are not just ethical, but seek to do additional good in the world. We expect the number of investors who plan to adopt sustainable investments to further increase.

Have you ever invested in a sustainable investment? Per cent 'Yes'

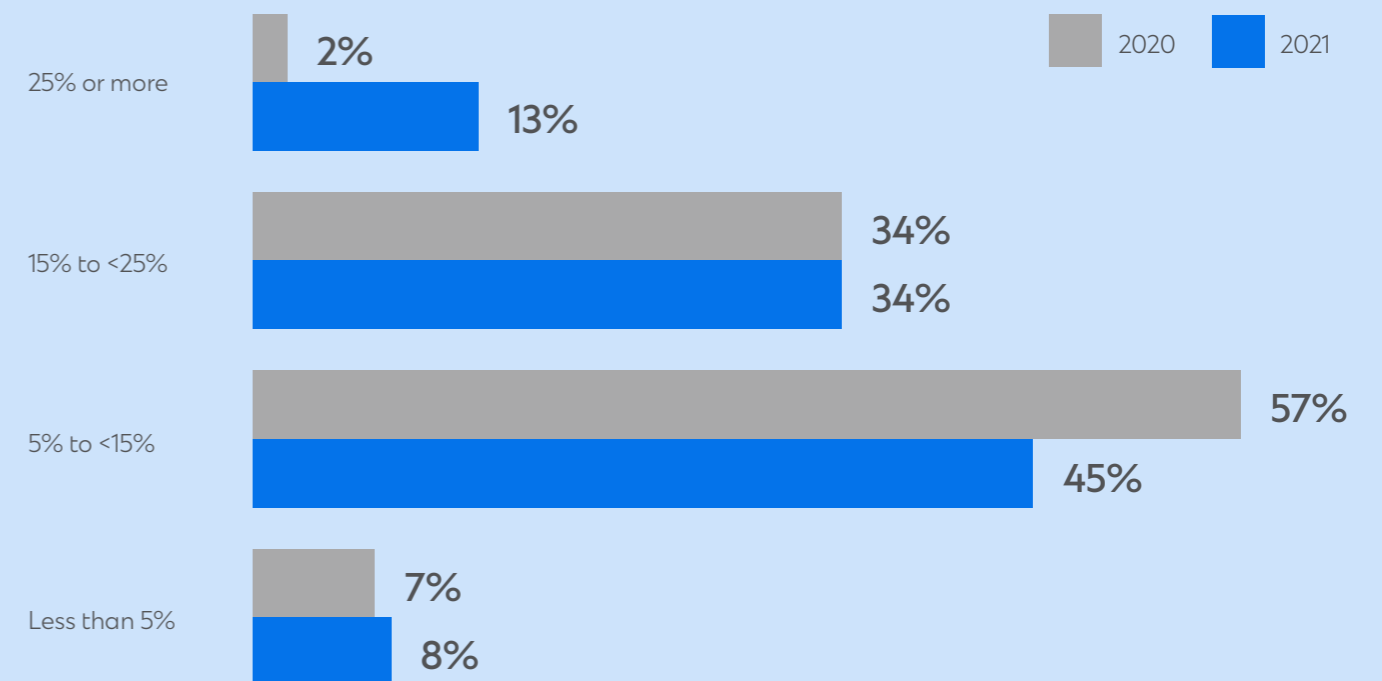


I would prefer to invest in organisations that are not just ethical but seek to do additional good in the world



The trend is already apparent, with 13 per cent committing a quarter or more of their total investment funds to sustainable solutions, compared to just two per cent in 2020.

What percentage of your total funds available for investment is currently invested in sustainable investment?



# Crossing the tipping point

Investor concerns holding back wider adoption of sustainable investments

Sustainable investing is making progress. However, investor concerns, while exhibiting a downward trend, still remain. More than half (51 per cent) of investors remain apprehensive about placing their funds in sustainable solutions, compared with 61 per cent in 2020.

How apprehensive would you be about making a sustainable investment (Per cent 5-7 out of 7)

51%

2021

61%

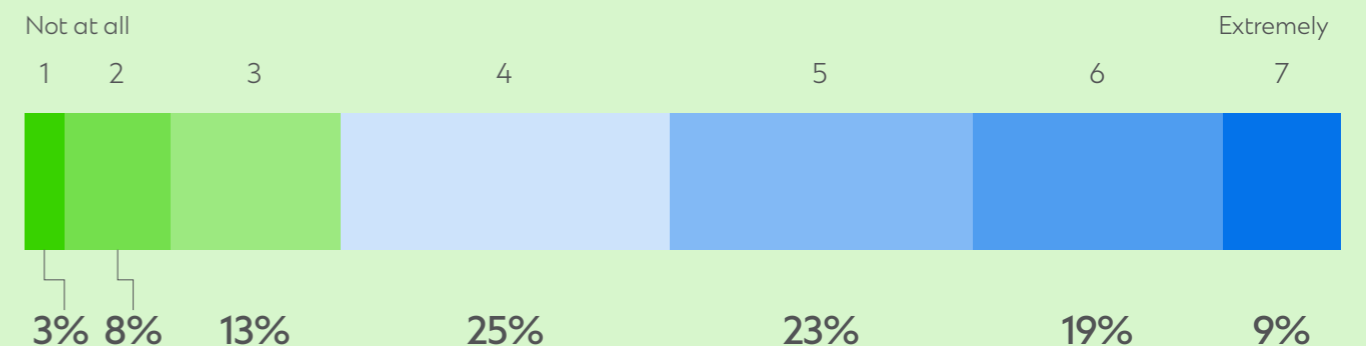
2020

Only three per cent of investors have no apprehensions at all when it comes to sustainable investing. This stems from increased familiarity with the world of sustainable investing, and the desire to balance doing good with further wealth generation – an ongoing process of normalisation. But clearly some doubts remain, preventing mass adoption.

There are several reasons why many investors remain apprehensive about placing funds in sustainable investment solutions: financial trade-offs, 'newness' of products, the alternative of direct donations, and a lack of transparency about the impact of social investing.



## How apprehensive would you be about making a sustainable investment?



# Investor apprehensions

## Financial trade-offs

When it comes to sustainable investments, some investors still hold that solutions that do good in the world come at the cost of investment returns. For example, almost half (47 per cent) of investors said they have concerns about the financial performance of sustainable investments.

## The shock of the new

Some levels of apprehension about sustainable investing are simply due to the approach being too new. While [socially responsible investing dates back to the early 1970s](#), it has evolved and accelerated during the past decade. For 53 per cent of investors we surveyed, sustainable investing is seen as simply 'too new', with 51 per cent feeling there are too few sustainable investment options currently available.

## The direct donation alternative

Some investors believe direct donations to causes and charities provide a greater reach and more positive and immediate social impact than sustainable investment.

Investors (32 per cent) said they would prefer to donate to charities, while 43 per cent feel donations can achieve a more immediate social outcome. Nearly half (49 per cent) view donations as a way to support a wider range of causes than they think are available via sustainable investment products.

## Transparency of the impact of social investing

Traditional investments provide defined, clear and numerical evidence of their return and benefit, albeit often only financial, to their investors. This information is provided by an industry of ratings agencies, analysts and consultancies that produce well-researched and established intelligence reports into financial products. In contrast, the development of effective measurements and ratings has been slow to take off in the world of sustainable investing. The inconsistent and patchy nature of data has created apprehension among investors about the actual impact of their investments. To increase adoption, investors need more standardised and clearly measurable outcomes.

### Investors need transparent, validated proof of the impact of their investments

69%

of investors demand more quantitative, numerical evidence of social impact achieved before they would invest

69%

would also need specific stories and real-life examples of social impacts in action before they could be convinced to invest

65%

would require independent, third-party validation of impacts

57%

of investors have concerns about the lack of clarity in reporting the social outcomes being achieved via sustainable investing





# Ramping up adoption – expert advice is key

74%

of investors say they would gain more comfort with sustainable investment if they received professional guidance

Most affluent individuals are experienced and successful investors, able to spot the next opportunity, often helped by the advice of professionals.

In the relatively new and different world of sustainable investing, professional guidance is invaluable – 74 per cent of investors say they would gain a heightened level of comfort with sustainable investment if they received professional guidance on their decisions.

Further, 63 per cent believe that they would be equipped to make better decisions after consulting a professional financial advisor and regardless of outcome, 68 per cent would feel better about the future performance of their investments if they used a professional investment service.

Investment advisors have a crucial role to play in the adoption of sustainable investing, largely because they are trusted by their clients to identify which of the increasingly large pool of options are the most suitable for their needs.

# Market Checkpoints



## Progress reports on the attitudes and actions on sustainable investing

Investor attitudes to legacy and responsibility differ in different markets, as do their attitudes and intent when it comes to sustainable investing solutions. To explore the situation in the markets included in our research, this report features a series of market checkpoints, providing a summary of the current state of play for sustainable investing in Mainland China, Taiwan, Hong Kong, Singapore, India, UAE and the United Kingdom.

|  | 2021   |                |        |           |           |       |     |      |
|--|--------|----------------|--------|-----------|-----------|-------|-----|------|
|  | Global | Mainland China | Taiwan | Hong Kong | Singapore | India | UAE | UK   |
| <b>Do you know what sustainable investing is?</b><br>Per cent Yes                                    | 82%    | 92%            | 74%    | 79%       | 71%       | 83%   | 88% | 100% |
| <b>In general, how interested in sustainable investing are you?</b><br>Per cent 5-7 out of 7         | 81%    | 92%            | 78%    | 73%       | 73%       | 85%   | 80% | 90%  |
| <b>I intend to invest sustainably, but not yet.</b><br>Per cent Agree + Strongly Agree               | 40%    | 33%            | 38%    | 43%       | 38%       | 41%   | 40% | 55%  |
| <b>Have you ever invested in a sustainable investment?</b><br>Per cent Yes                           | 61%    | 74%            | 57%    | 51%       | 46%       | 68%   | 57% | 94%  |
| <b>How apprehensive would you be about making a sustainable investment?</b><br>Per cent 5-7 out of 7 | 51%    | 31%            | 41%    | 45%       | 53%       | 71%   | 56% | 74%  |

## Mainland China

With positive attitudes and sentiments backed up with action, sustainable investments may already be at mass adoption for investors in China

There is a strong desire from investors in China to ensure that their wealth is contributing to funding organisations that intend to do good, and not to simply make a financial return.

For example, 79 per cent of investors in China, compared to 68 per cent of investors across all markets, proactively seek investments in organisations with positive ESG practices, with 82 per cent, compared to 72 per cent in total, having a preference for organisations that are not just ethical, but seek to do additional good in the world.

Investors in China are focused on sustainability, with 81 per cent looking to invest in organisations with active sustainability agendas, compared to 70 per cent of the total group of investors surveyed.

Unsurprisingly, 92 per cent of investors in China are highly interested in the potential of sustainable investments.

Investors in China see sustainable investments as financially attractive, with 77 per cent believing they will outperform traditional investments in the long term, compared to 59 per cent of investors across all markets.

These attitudes and sentiments are being backed up with action, with 74 per cent of investors in China having already placed funds in sustainable investment solutions, compared to 61 per cent of all investors surveyed.

With only a third (31 per cent) of investors in China holding some apprehensions about sustainable investments, compared to half (51 per cent) of investors overall, the Chinese sustainable investment market appears to be very close to mass adoption.



## Taiwan

Despite little apprehension about sustainable investing, Taiwan's views on legacy and attitudes to investment risk appetite appear to stand in the way of more widespread adoption

Concerns about adopting sustainable investing in Taiwan relate to both attitudes to legacy, and the investment risk appetites of investors in this market.

For example, leaving a positive legacy is important to 44 per cent of investors in Taiwan, compared to 65 per cent of the total group of investors we surveyed. Similarly, 38 per cent of investors in Taiwan care about what future generations think of them, compared to over half (57 per cent) of the overall group.

The risk appetite of investors in Taiwan is also a concern. At 40 per cent, fewer investors in Taiwan are willing to take a greater financial risk for positive impact, compared to 53 per cent for the total group surveyed.

Investors in Taiwan are also less likely to want to lock up parts of their investment portfolios for longer periods in return for greater social benefits.

Investors in Taiwan appear more risk averse than other markets, with 38 per cent feeling they are prepared to take more investment risk than others, compared to half of the total group of investors.

Within the context of Taiwanese views on legacy and risk, it is therefore a market which is less likely to sell existing investments to move into more sustainable options (33 per cent in Taiwan compared to 48 per cent overall) and less likely to be encouraged to shift cash into sustainable investing options (48 per cent in Taiwan compared to 62 per cent overall).

However, Taiwan may be closer to a mass adoption tipping point compared to other markets, with less investors in Taiwan (41 per cent) feeling apprehensive about sustainable investing, compared to more than half (51 per cent) of the total sample of investors we asked.

Finding sustainable investing solutions that don't imply or involve greater investment risk, combined with changing views on what legacy means will therefore be key steps on the path to widespread adoption in the Taiwanese investment market.



## Hong Kong

Hong Kong is on a similar adoption path for sustainable investing as other markets, but is potentially being held up by differences in views on legacy and understanding of sustainable investing

The sentiment towards, and adoption rates of, sustainable investment solutions for investors in Hong Kong are similar to those in other markets we surveyed.

There are, however, less investors interested in sustainable investing (73 per cent compared to 81 per cent of the total group of investors) and less investment into sustainable solutions (51 per cent compared to 61 per cent of the total group of investors).

Investors have different attitudes to legacy and sustainability, compared to other markets. For example, fewer investors in Hong Kong, 56 per cent, would like to invest in organisations that actively pursue greater sustainability, compared to 70 per cent across the markets we surveyed.

What legacy means differs for some investors in Hong Kong, with 49 per cent feeling it is important to leave a positive legacy, compared to 65 per cent overall.

These differences mean that the Hong Kong market is close to, but still slightly behind reaching sustainable investment adoption compared to other markets.

54 per cent of investors in Hong Kong feel that they don't know enough about sustainable investing, compared to 46 per cent across all markets. Improving knowledge will be an important way to influence the attitude of investors in Hong Kong willing to sell existing investments to move into sustainable solutions, and encourage more to invest cash savings in sustainable options.



## Singapore

A drive to do good exists, but doubts about the real social and financial benefits inhibit sustainable investment adoption

Awareness of sustainable investing amongst investors in Singapore is the lowest of the seven markets surveyed, at 71 per cent compared to 82 per cent across all included markets.

Combined with lower interest levels (73 per cent) and intention to invest in sustainable investments (38 per cent) compared to other markets, it follows that just 46 per cent of investors in Singapore have actually made investments in sustainable solutions.

Low adoption rates do not appear to be due to the attitudes of investors in Singapore feeling they have a responsibility to make the world a better place (69 per cent believe this to be the case), or believing that it is possible to do good and make money at the same time (76 per cent).

Rather, apprehensions hindering the translation of desire to do good into actual investments appear to be a lack of supporting evidence on both the social and financial benefits of these solutions.

For example, 61 per cent of investors in Singapore feel that social impact is difficult to measure, compared with more than half (52 per cent) of investors across all the markets in our survey.

Connected to the difficulty of measuring success, investors in Singapore are also more likely to be concerned about the lack of clarity in how social outcomes are achieved and reported compared to investors in other markets.

56 per cent of investors in Singapore have concerns about the financial performance of sustainable investments, compared to 47 per cent across included markets.

Investors in Singapore also have doubts about long-term financial benefits, with just 47 per cent believing sustainable investments will outperform traditional investments over the long term, compared to 59 per cent across all included markets.

With strong beliefs in the need to do good and the role of money in creating change, sustainable investment in Singapore can become more widespread when providers can better evidence that social impact can co-exist with financial benefits.



## India

High levels of apprehension in India could be less about attitudes towards sustainable investing solutions, and more about a lack of suitable options

Across the sustainable investing life cycle of awareness, interest, intent, and finally adoption, investors in India almost mirror the attitudes and actions of the investors across all the markets we surveyed.

For example, 83 per cent awareness in India compares to 82 per cent overall, with interest levels at 85 per cent compared to 81 per cent. Further, intent is similar to the overall investor group we surveyed at 41 per cent compared to 40 per cent.

Adoption, or those in India who have actually invested in a sustainable investment solution, is slightly ahead of the overall group, at 68 per cent compared to 61 per cent.

However, 71 per cent of investors in India feel apprehensive about sustainable investments compared to 51 per cent overall, with 22 per cent feeling extremely apprehensive compared to just nine per cent overall.

Apprehensions do not appear to be driven by concerns about a social good versus financial return trade off, as 67 per cent of investors in India would take greater financial risks to gain social benefits, compared to 53 per cent of investors overall.

The apprehensions that need to be overcome in the minds of investors in India are related to the range of sustainable investment options available.

62 per cent of Indian respondents feel there is limited availability of sustainable investment options, compared to 51 per cent of the total investors surveyed.

India appears to be a market with demand going unmet. In fact, 60 per cent of investors in India would sell existing investments to move to more sustainable options, compared to 48 per cent of the total investors surveyed.

In India, accelerating the adoption of sustainable investing may simply be about meeting demand with a wider range of suitable solutions.



## UAE

While the UAE is at a similar stage of the adoption cycle to other countries, driving more adoption lies in being able to tell compelling stories about the legacies sustainable investing can help create

The current stage of the sustainable investment adoption cycle for the UAE is similar to that of the overall group with similar levels of awareness, interest, intent, and investments being made.

Apprehension rates, and views that sustainable investments can do good, and provide a financial return, are also similar. 56 per cent of investors in the UAE are apprehensive about sustainable investments compared to 51 per cent overall, with 78 per cent believing it is possible to do good and make money at the same time, compared to 75 per cent overall.

However, what may result in investors in the UAE overtaking other markets' levels of sustainable investing adoption might be related to stronger attitudes towards leaving a legacy.

There is a heightened desire to leave a positive legacy in the UAE compared to our overall group of investors, with 74 per cent of investors in the UAE feeling this is important compared to 65 per cent overall.

Further, perceptions of the next generation within UAE society have greater importance than in other markets. 74 per cent of investors in the UAE care about what future generations think of them, compared to 57 per cent of the total group of investors included in our research.

And with 70 per cent of investors in the UAE preferring investments with a good story, the key to wider adoption of sustainable investments may lie in creating compelling stories about the positive social and environmental outcomes for the next generation.



## The United Kingdom

While the majority of investors in the UK are already involved in sustainable investing, significant apprehension remains about how best to support causes that matter

Investors in the UK report very high levels of awareness about sustainable investing, with 100 per cent of respondents knowing about these solutions, compared to 82 per cent when looking at awareness across all markets.

High levels of awareness have translated into action for investors in the UK, with 94 per cent having already invested in sustainable solutions previously, compared to 61 per cent across all markets.

However, maintaining these strong levels of interest and investment may be more challenging, with 74 per cent apprehensive about sustainable investments compared to 51 per cent across all markets.

For example, investors in the UK prefer to donate directly to the causes they care about, rather than contribute via sustainable investments (56 per cent in the UK compared to 32 per cent of respondents across all markets). Furthermore, 65 per cent of investors in the UK believe direct donations have greater positive social impact than sustainable investing.

The causes sustainable investing solutions contribute to are perceived to be more limiting than direct contributions for 65 per cent of investors in the UK, compared to 49 per cent of investors across all markets surveyed.

Wider adoption in the UK may come from a realisation that selecting sustainable investment solutions doesn't mean that ongoing direct charitable donations can't continue – both can play a significant role in contributing to solving the most pressing problems faced by communities within the UK and beyond.





# Conclusion

As the global economy navigates a new normal following the Covid-19 pandemic, the idea of a more sustainable world economy is taking hold. Investors recognise that with wealth comes responsibility and are keen to do good with their funds while also making profit. They recognise the ability of sustainable investing to achieve their ambitions but are at varying stages of adoption and apprehension.

We see sustainable investing at a tipping point: financial institutions and advisors can be instrumental in providing investors with the information and access they need to progress in their sustainable investing journey.

By helping connect capital to avenues where it can make the most impact, while delivering financial returns, we can collectively build back better and create more prosperous societies.

## Methodology

Standard Chartered commissioned Agility Research & Strategy to conduct on-the-ground research between 20 May and 6 June 2021, and behavioural finance experts, Oxford Risk, to perform data analysis of the research findings.

Respondents in 2021 included 2,040 investors from a range of wealth profiles located in Mainland China, Taiwan, Hong Kong, Singapore, India, UAE and the United Kingdom.

The survey used robust behavioural and attitudinal techniques and was the same for each respondent, save for the order of statements, which were randomised to ensure academically reliable results.

Throughout the survey we asked respondents to consider the following definition of 'sustainable investments':

- Sustainable investing is investing capital in businesses, funds or other financial vehicles that actively seek to generate not only financial returns but also social and/or environmental benefits. Sustainable investing is distinct from charities or philanthropy in that it seeks to generate a financial return.
- Respondents in 2020 included 1,085 investors from the UK, UAE, Singapore, and Hong Kong.

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Standard Chartered commissioned specialised financial services client engagement consultancy, **Ideas and Action**, to draw key insights from the research and prepare the content for this report.

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