



November 2022

2022 Future Focus Survey

ESG and sustainable investing trends in Europe
Supplementary Chart Pack

For Institutional / Wholesale / Professional Clients and Qualified Investors only—Not for retail use or distribution

J.P.Morgan
ASSET MANAGEMENT

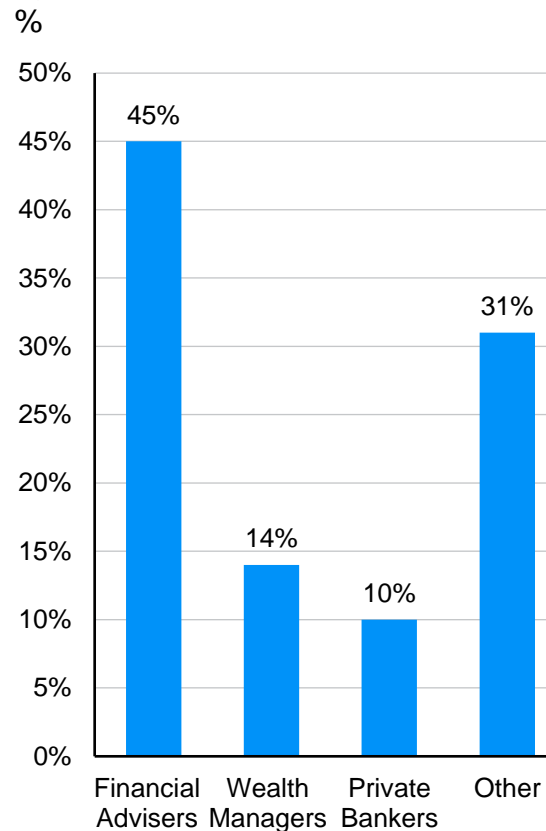
Sample and methodology

J.P. Morgan Asset Management conducted a survey among 1,000 professional investors across Europe. The research explored the current ESG investment landscape and the evolution of ESG investing over the next five years.

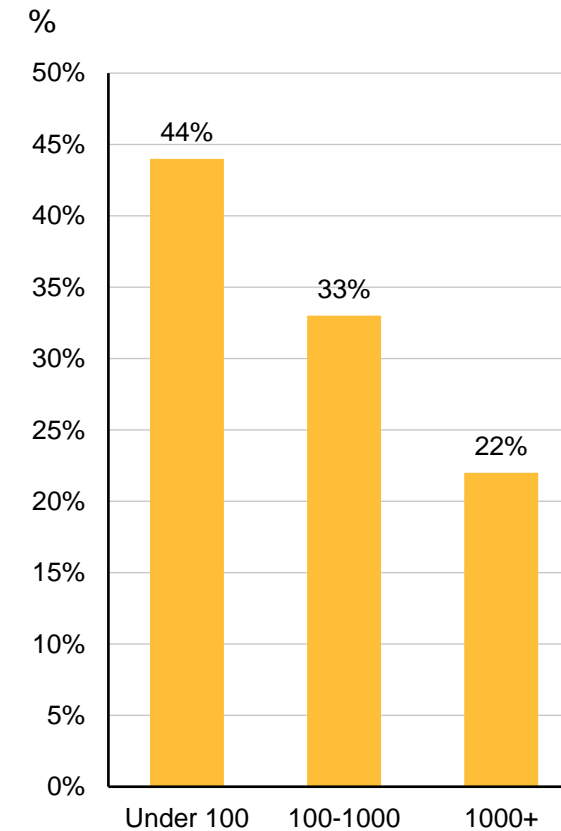
- UK: N= 200
- Germany: N= 200
- France N=100
- Italy N= 300
- Spain N=100
- Sweden: N = 50
- Finland: N= 50



Type of professional investor



Business size



Fieldwork conducted: 23 March – 6 May 2022

Key headlines

ESG investing is established in Europe

With ESG allocations above 20% in many European markets, flows are expected to slow but remain positive.

Thematic and impact set for strong growth

Investors are moving towards strategies that enable them to reflect ESG views positively, rather than through exclusions.

Client demand is driving increased allocations

End client demand is the number one reason why European professionals are choosing ESG investments.

Use of active and passive ETFs set to jump

Professional investors expect to increase their use of both active and passive ETFs to access ESG investments.

Social factors are gaining in importance

The environment remains the top ESG priority for European investors, but social factors matter most to a significant share.

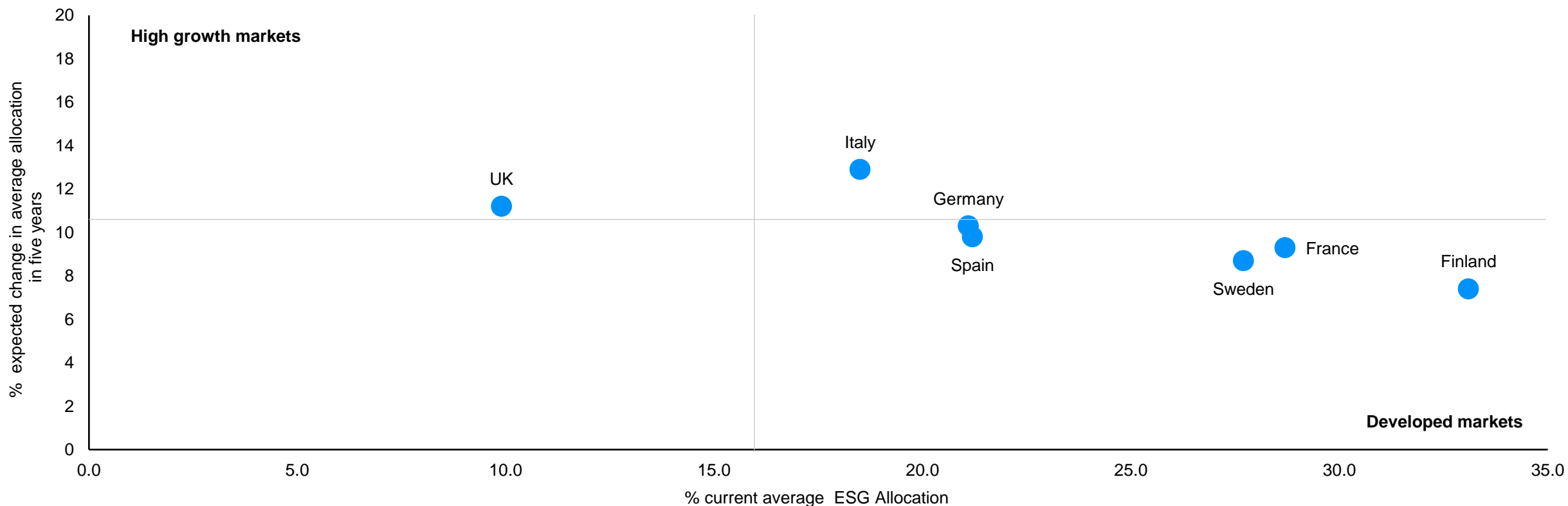
Shift towards alternatives and multi-asset

Equities continue to dominate a relatively stable ESG landscape, but a shift towards alternative and multi-asset approaches is expected.

Proportion of overall assets allocated to ESG strategies¹

What proportion of your overall assets under management/administration is allocated to ESG strategies currently, and in five years' time?

Base: n =1,000



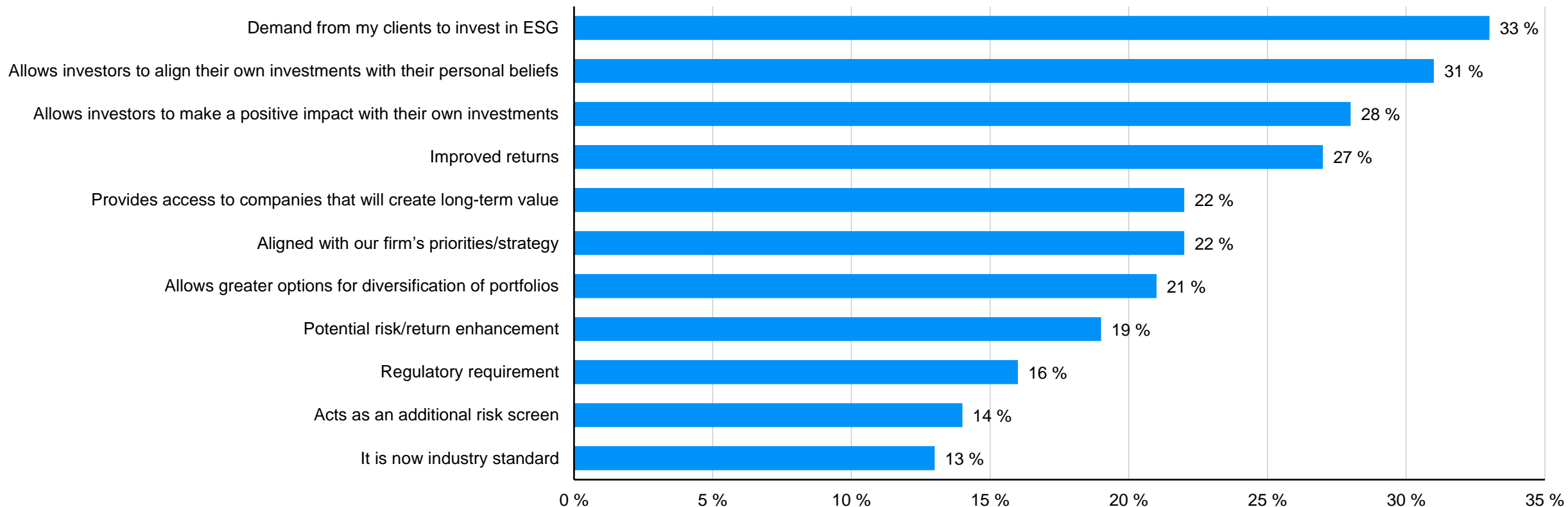
Key takeaway: Although Europe is already a developed ESG market, ESG allocations are expected to grow in the next five years

ESG strategies: 1) ESG integration: Integrating financially material ESG factors into their usual forms of analysis to identify risks and opportunities in different investment, but without changing the investment objective or constraining the universe of potential investments, 2) Exclusionary: Investing in line with their values by eliminating investments from their potential universe, according to specific guidelines. 3) Inclusionary/Best in class: Investing in companies / issuers that lead their peer groups in respect of sustainability performance. 4) Thematic: Investing where the theme has a focus on one or more of the UN's sustainable development goals 5) Impact: Approaching investing where the object is to reach specific positive outcomes or goals. Fieldwork conducted: 23 March – 6 May 2022

Most common reasons to make an ESG investment

What are the most common reasons to make an ESG investment for your clients' portfolios? Base: n = 1,000

Regional level



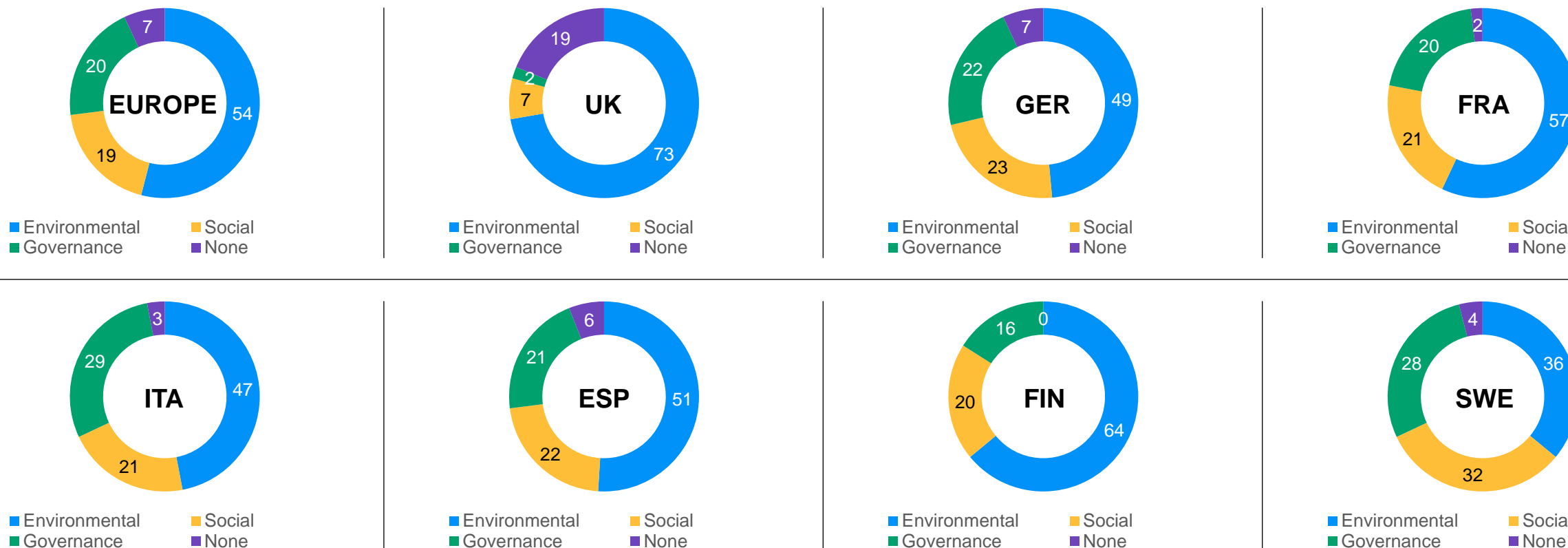
Key takeaway: Demand for ESG investing is being driven by clients looking to align their investments with their beliefs and values

ESG strategies: 1) ESG integration: Integrating financially material ESG factors into their usual forms of analysis to identify risks and opportunities in different investment, but without changing the investment objective or constraining the universe of potential investments, 2) Exclusionary: Investing in line with their values by eliminating investments from their potential universe, according to specific guidelines. 3) Inclusionary/Best in class: Investing in companies / issuers that lead their peer groups in respect of sustainability performance. 4) Thematic: Investing where the theme has a focus on one or more of the UN's sustainable development goals 5) Impact: Approaching investing where the object is to reach specific positive outcomes or goals. Fieldwork conducted: 23 March – 6 May 2022

The biggest ESG priorities for end clients

Which part of ESG is the biggest priority for your clients? ESG priorities for clients. Base: n = 1,000

Market level



Key takeaway: The environment is more important in the UK compared to other European markets, which tend to have a more diversified interest across ESG themes

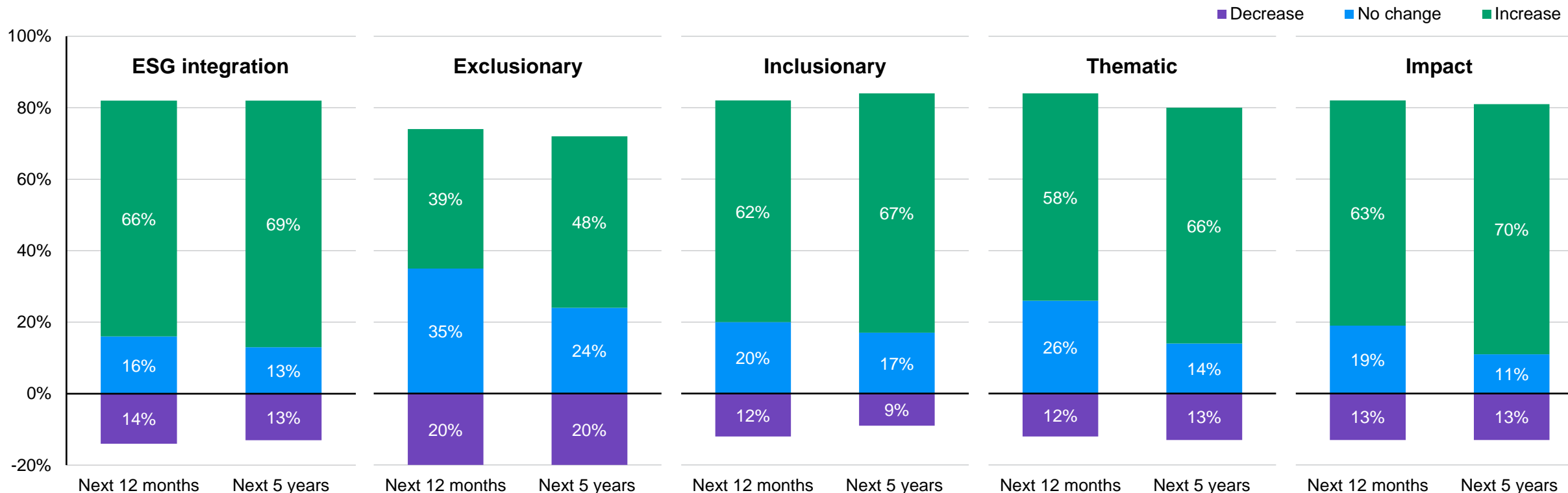
Fieldwork conducted: 23 March – 6 May 2022

Expected change in ESG strategy allocations

Which of the following ESG investment strategies are you likely to increase or decrease in allocation over the next 12 months and five years?

Base: n = 1,000

Regional Europe level



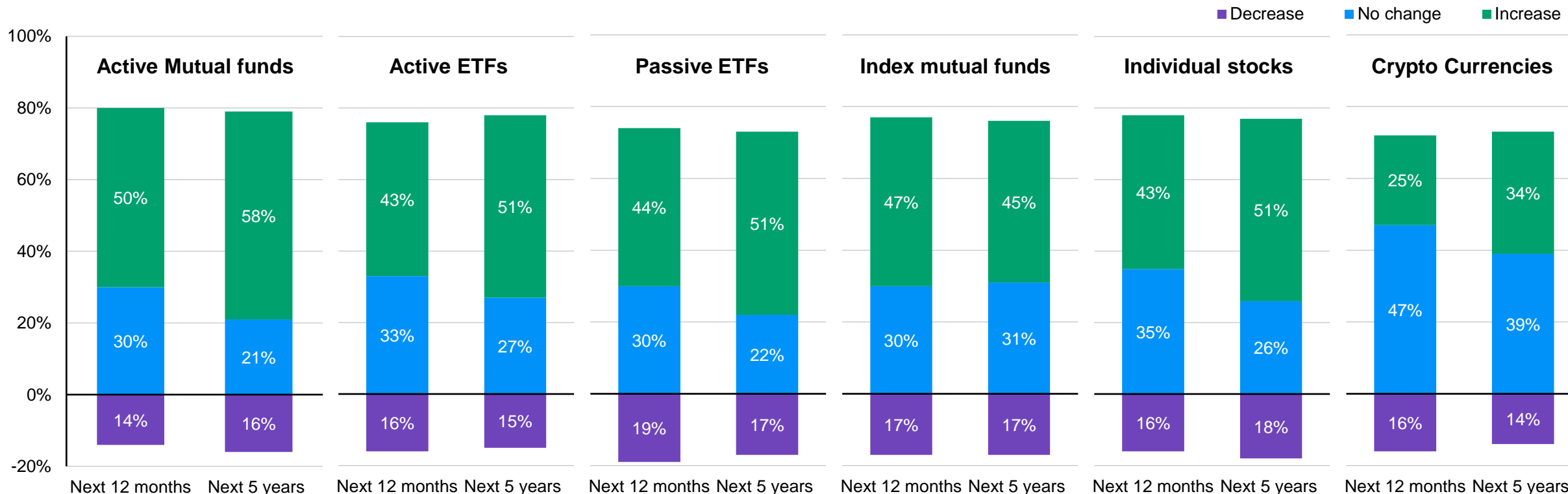
Key takeaway: Impact investing and ESG integration are expected to see the biggest increase in allocations over the next five years

ESG strategies: 1) ESG integration: Integrating financially material ESG factors into their usual forms of analysis to identify risks and opportunities in different investment, but without changing the investment objective or constraining the universe of potential investments, 2) Exclusionary: Investing in line with their values by eliminating investments from their potential universe, according to specific guidelines. 3) Inclusionary/Best in class: Investing in companies / issuers that lead their peer groups in respect of sustainability performance. 4) Thematic: Investing where the theme has a focus on one or more of the UN's sustainable development goals 5) Impact: Approaching investing where the object is to reach specific positive outcomes or goals. Other options included: Investors do not take account of ESG factors when investing, Investors are getting to know more or not sure. Fieldwork conducted: 23 March – 6 May 2022

Expected change in investment vehicles used to access ESG

How is your allocation of ESG investments via the following investment vehicles likely to change over the next 12 months and five years?

Base: n = 1,000

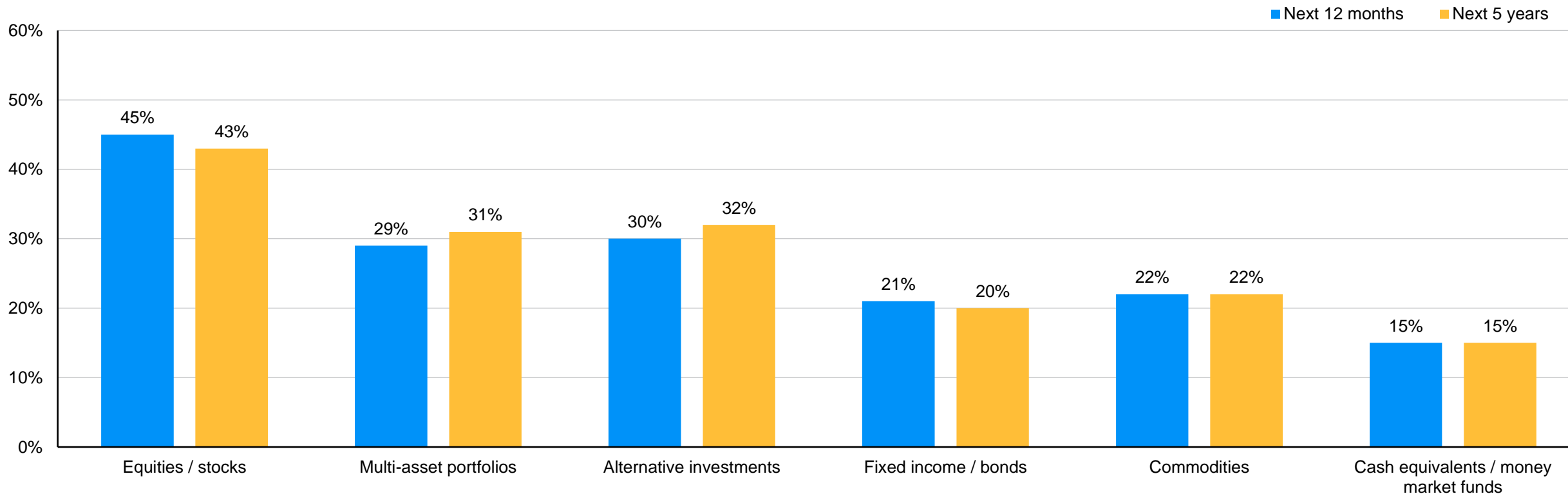


Key takeaway: Both active and passive ETFs are likely to see a jump in use, with 51% of professional investors expecting an increase in usage over the next five years

Options included increase, decrease, no change and not sure. Fieldwork conducted: 23 March – 6 May 2022

Change in asset class exposure to ESG

Which asset classes, in particular, do you think will give the greatest exposure to ESG investment opportunities over the next 12 months and five years? Please select up to two that apply. Base: n = 1,000



Key takeaway: The ESG landscape in Europe is likely to remain relatively stable, with equities dominating allocations, although there is likely to be a shift in interest towards multi-asset portfolios and alternative investments

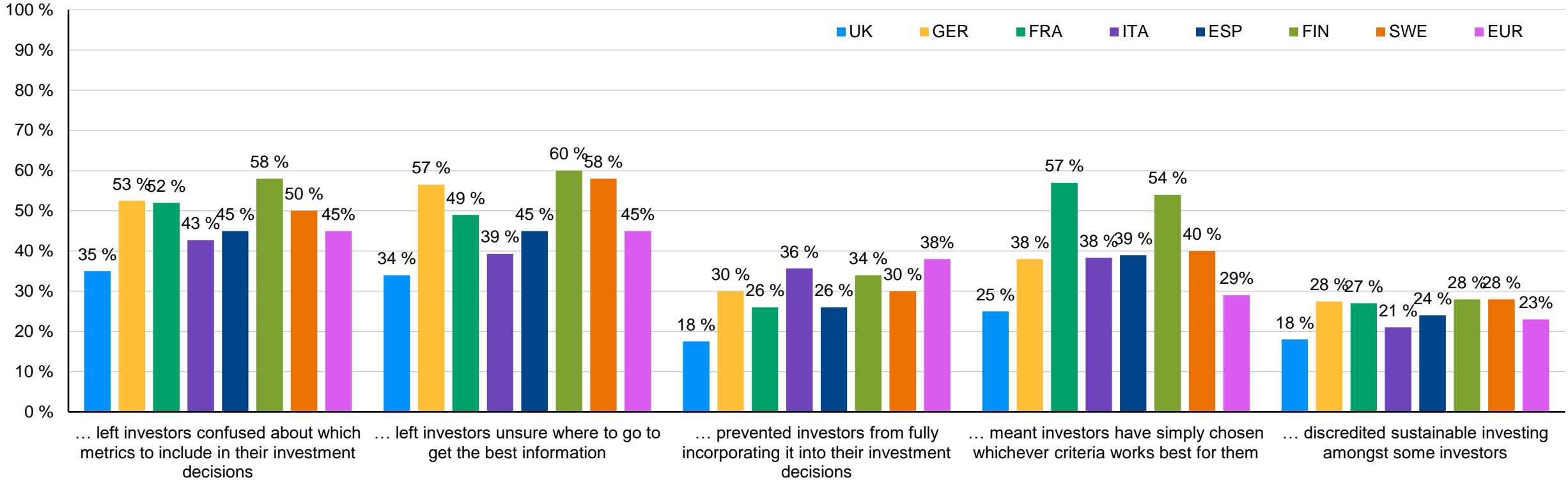
Fieldwork conducted: 23 March – 6 May 2022

Standardisation of ESG criteria

Which of the following statements applies to your market about ESG? Base: n = 1,000

Market level

Lack of standardisation on ESG criteria has...



Key takeaway: Lack of data standardisation is a concern across Europe, particularly in Finland, but less so in the UK

Fieldwork conducted: 23 March – 6 May 2022

Disclaimers

This is a marketing communication. The views contained herein are not to be taken as advice or a recommendation to buy or sell any investment or interest thereto. Reliance upon information in this material is at the sole discretion of the reader. Any research in this document has been obtained and may have been acted upon by J.P. Morgan Asset Management for its own purpose. The results of such research are being made available as additional information and do not necessarily reflect the views of J.P. Morgan Asset Management. Any forecasts, figures, opinions, statements of financial market trends or investment techniques and strategies expressed are, unless otherwise stated, J.P. Morgan Asset Management's own at the date of this document. They are considered to be reliable at the time of writing, may not necessarily be all inclusive and are not guaranteed as to accuracy. They may be subject to change without reference or notification to you. It should be noted that the value of investments and the income from them may fluctuate in accordance with market conditions and investors may not get back the full amount invested. Past performance and yield are not a reliable indicator of current and future results. There is no guarantee that any forecast made will come to pass. J.P. Morgan Asset Management is the brand name for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide. To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our EMEA Privacy Policy www.jpmorgan.com/emea-privacy-policy. This communication is issued in Europe (excluding UK) by JPMorgan Asset Management (Europe) S.à r.l., 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, R.C.S. Luxembourg B27900, corporate capital EUR 10.000.000. This communication is issued in the UK by JPMorgan Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority. Registered in England No. 01161446. Registered address: 25 Bank Street, Canary Wharf, London E14 5JP.

Material ID: 09mn221710141729