



News release

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PwC Investor survey: ESG remains a top priority among global investors

- 79% of respondents consider the way a company manages ESG risks and opportunities to be an important factor in their investment decision making.
- 53% of investors say they are most confident ESG issues are being addressed if the CEO is accountable.
- 49% express willingness to divest from companies that aren't taking sufficient action on ESG issues.

5 November 2021 -- The latest research from PwC finds that Environmental, social and governance (ESG) has now become a make-or-break consideration for leading investors globally. Its impact is causing both investor and investee companies to rethink the risks of traditional business models, and the opportunities for more sustainable value creation in the future.

Conducted in September 2021, the [PwC 2021 Global Investor ESG Survey](#) captures views of 325 investors from around the world, primarily active asset managers and analysts with investment firms, investment banks or brokerage firms. PwC also performed 40 additional in-depth interviews with investors and analysts having more than a combined US \$11.6 trillion assets under management to shed more light on this topic.

A major takeaway is that investors are paying more attention to the ESG risks and opportunities faced by companies they invest in and are ready to take action. Supporting this sentiment are 79% of respondents who stated the way a company manages ESG risks and opportunities is an important factor in their investment decision-making and 49% who expressed willingness to divest from companies that are not taking sufficient action to address ESG issues.

More robust and trusted ESG reporting

According to the survey, investors use annual reports, sustainability reports, and investor presentations most frequently to understand how a company is addressing ESG issues. Our findings also indicate that investors increasingly want to hear more from companies about their ESG-related commitments with 83%



of investors surveyed said it is important that ESG reporting provide detailed information about progress toward ESG goals.

In the Vietnam context, the passing of the New Law on Environmental Protection which will take effect from 1 January 2022 sends a strong message about the country's ongoing commitment to green growth and sustainable development. The law also sets a framework for the [State Bank of Vietnam](#) to implement relevant policies to protect the environment through investment capital flows. Both regulatory and investor scrutiny have made reporting a necessary channel for businesses to advance their ESG agendas.

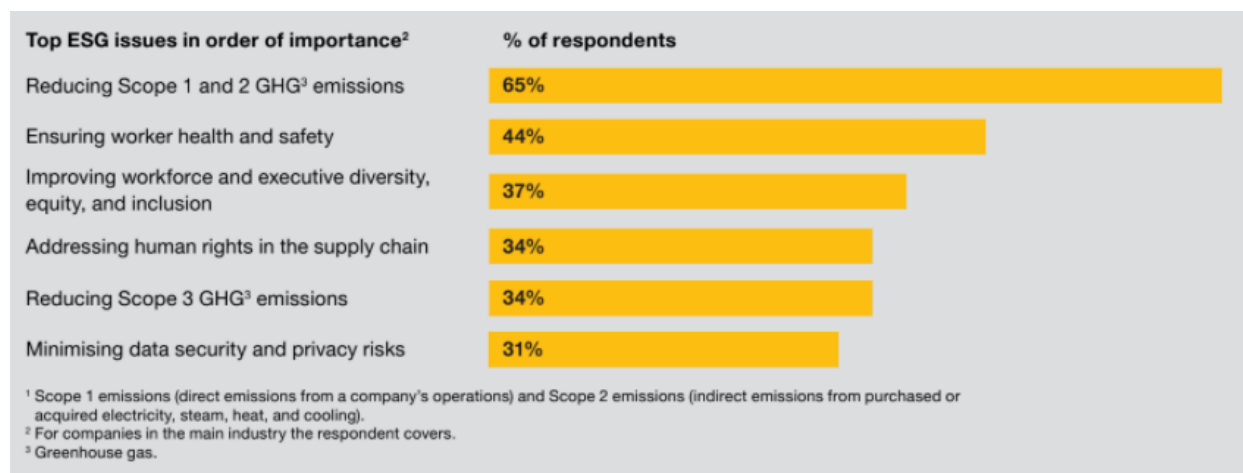
Besides volume, investors globally are also looking for quality in ESG reporting, as 79% of those surveyed said they place more trust in ESG information that has been assured and 75% think it's even better if these metrics are independently assured.

Nguyen Hoang Nam, Partner and Assurance ESG Lead, PwC Vietnam, shared his views: "Greater engagement with investors is critical, along with transparent, trustworthy reporting. Businesses today need to recognise the market-relevant information that ESG reporting increasingly provides. Companies in Vietnam and around the world now use the best of existing standards to respond to urgent investor demand. I do believe a unified globally aligned sustainability reporting standards will be available in the future as these will greatly help investors in their decision-making."

The ESG narrative

A high percentage of investors (82%) said ESG needs to be embedded in the corporate strategy, and by a wide margin (66%) respondents said they are most confident ESG issues are being addressed if someone in the C-suite is accountable. More than half of those respondents (53%) think it should be the CEO. That is why tone from the top is required to lead such a transformation in how companies tell their ESG "story".

However, the breadth of issues covered under ESG reporting can be challenging, particularly when reporting on climate issues. Our survey reveals that climate remains the leading ESG factor investors would want companies to prioritise. When asked, investors state that reducing Scope 1 (direct emissions from a company's operations) and Scope 2 emissions (indirect emissions from purchased or acquired electricity, steam, heat, and cooling) are the most desired issue. The other top 2 considerations are about ensuring worker health and safety (44%) and improving workforce and executive diversity, equity and inclusion (37%).



While most investors are likely to take action if companies are not doing enough to address ESG issues, many also recognise a company's action on ESG should not significantly impact their investment returns. The vast majority, 81%, said they would accept no more than one percentage point less in investment returns for pursuit of ESG goals; nearly half, (49%), were unwilling to accept any reduction in returns.

Commenting on this, **Bee Han Theng, Chairman and ESG Lead Partner, PwC Vietnam** said: "These results show how investors are simultaneously focused on short-term results as well as the longer-term societal issues that can create both risks and opportunities for their investments. While it is clear that investors expect ESG to be part of the business strategy, companies should proactively demonstrate commitment and communicate benefits of ESG activities to their investors with greater clarity and purpose."

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About the [survey](#)

In September 2021, PwC conducted an online survey with 325 investment professionals from 43 territories. We also conducted 40 in-depth interviews in 11 territories during September and October 2021 with investors and analysts having more than a combined US\$11.6 trillion assets under management. The respondents to the online survey were predominantly asset managers (53%) and analysts (34%).

About PwC Vietnam

At PwC Vietnam, our purpose is to build trust in society and solve important problems. We're a member of the PwC network of firms in 156 countries with over 295,000 people who are committed to delivering quality in assurance, advisory, tax, and legal services. This means that you get the benefits of leveraging our global network to effectively address and resolve your issues - when you need it.

PwC Vietnam established offices in Hanoi and HCMC in 1994. With strong industry knowledge, our team of more than 1,000 local and expatriate staff offers integrated services, bringing a breadth of skills and depth of resources to our clients wherever they do business, throughout Asia and across the world.



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