

# The 10<sup>th</sup> Cross Straits Pension Forum

## INNO PENSION 革新·養老



**Chair (主持人): Ms. Vivian Tang**, Head of Distribution, North Asia, First State Investments  
(首域投資北亞洲區銷售業務主管 鄧穎兒女士)

**Panelists (與談人):**

**Taiwan (台灣): Professor Ming-Hua Hsieh**, Dept. of Risk Management and Insurance, National Chengchi University and Member of Pension Fund Association  
(台灣退休基金協會會員/政大風險管理與保險系 謝明華教授)

**Hong Kong (香港):**

**Ms. Ginni Wong**, Head (Supervision) at Mandatory Provident Fund Schemes Authority

(強制性公積金計劃管理局監理部主管 黃燕妮女士)

**Mr. Pat Woo**, Partner, Business Reporting and Sustainability, KPMG  
(畢馬威商業報告和企業可持續發展服務合夥人 吳柏年先生)

## Session 3: Pension Governance & ESG

## 場次3：養老金治理與ESG

# Pension Governance & ESG: The 3 Pillars of ESG

**Broadly, ESG can be categorised into the following buckets**



## Environmental

- Air quality and pollution
- Climate change
- Energy use
- Sustainability
- Waste and conservation
- Water



## Social

- Community initiatives
- Diversity & equal opportunity
- Employee engagement
- Health & safety
- Labour & working conditions
- Supply chain



## Governance

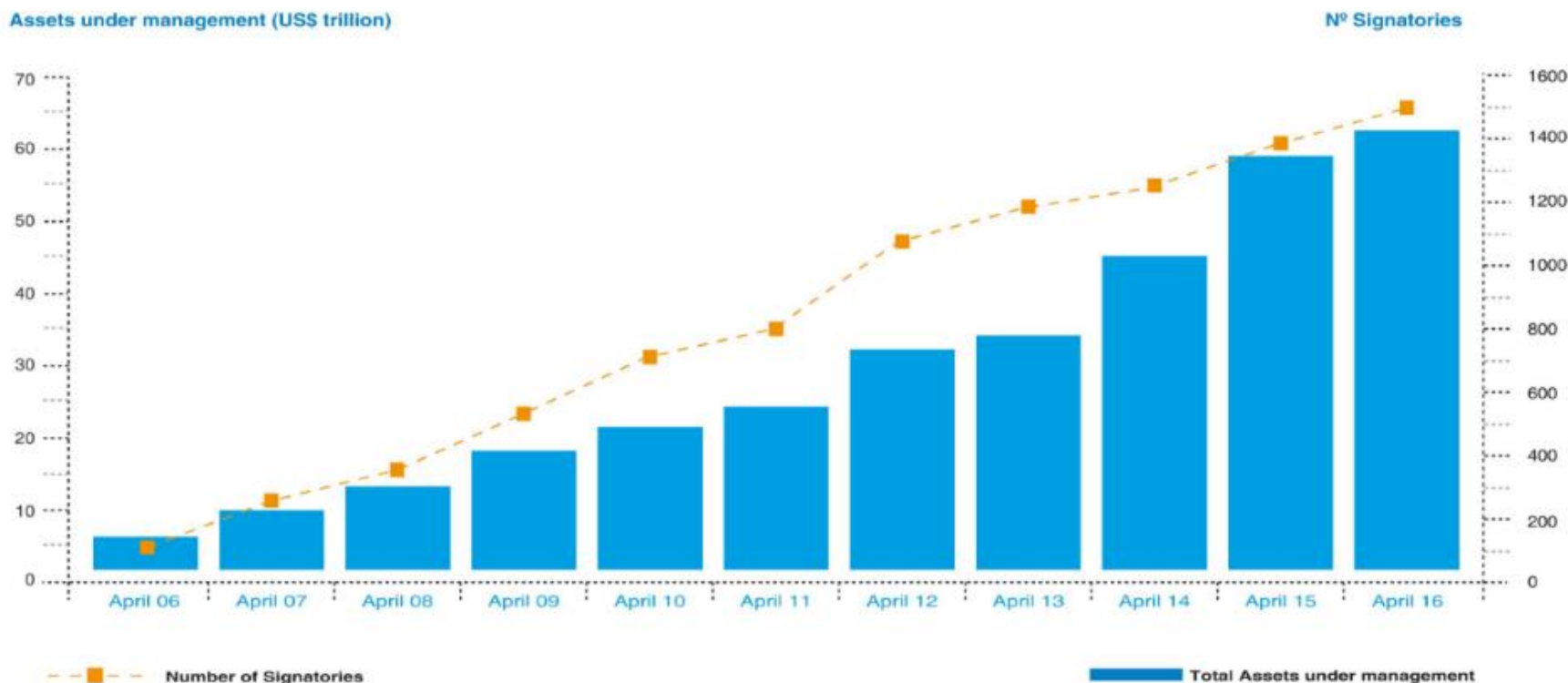
- Accountability & audit
- Board of directors
- Effective communications
- Management functions
- Remuneration
- Risk management

**Responsible Investment** is an approach to investing that aims to incorporate Environmental, Social and Governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns.”

# Driving Pension Governance & ESG: Opportunities & Challenges

## A decade of Responsible Investment

The PRI has grown consistently since it began in 2006:



Unless otherwise stated, information presented is as of 30 April 2016.

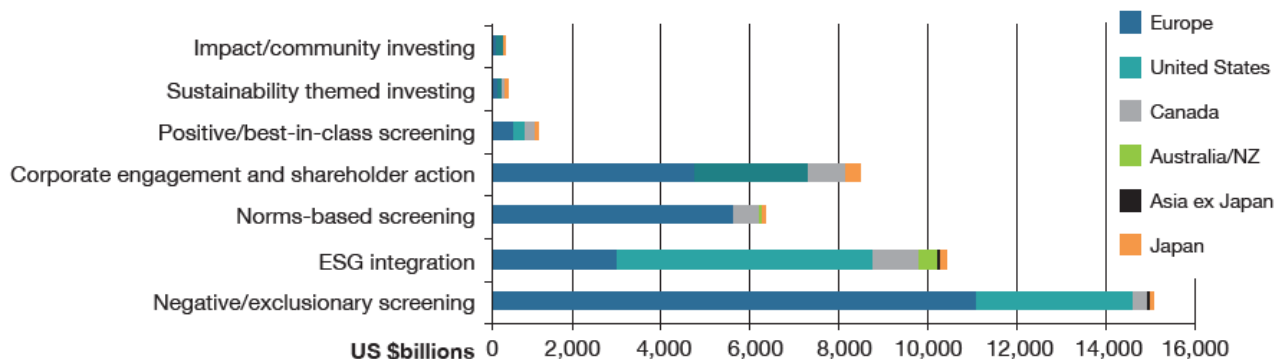
# Driving Pension Governance & ESG: Opportunities & Challenges

## Growth in Sustainable Investment Market

Region	2014	2016	Growth over period	Compound Annual Growth Rate
Europe	\$ 10,775	\$ 12,040	11.7%	5.7%
United States	\$ 6,572	\$ 8,723	32.7%	15.2%
Canada	\$ 729	\$ 1,086	49.0%	22.0%
Australia/New Zealand	\$ 148	\$ 516	247.5%	86.4%
Asia ex Japan	\$ 45	\$ 52	15.7%	7.6%
Japan	\$ 7	\$ 474	6689.6%	724.0%
<b>Total</b>	<b>\$ 18,276</b>	<b>\$ 22,890</b>	<b>25.2%</b>	<b>11.9%</b>

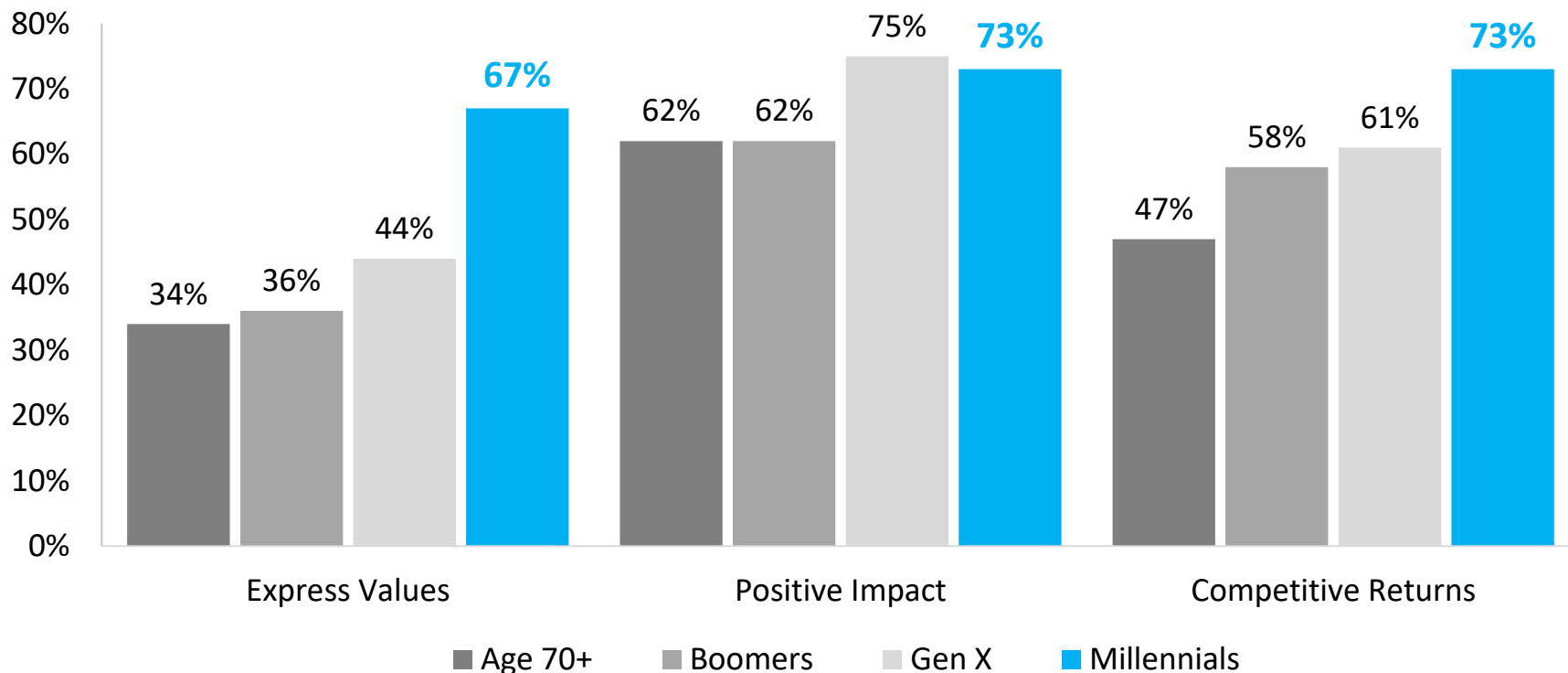
Note: Asset values are expressed in billions.  
Asia ex Japan 2014 assets are represented in US dollars based on the exchange rates at year-end 2013. All other 2014 assets, as well as all 2016 assets, are converted to US dollars based on exchange rates at year-end 2015.

Figure 2: SRI Assets by Strategy and Region



# Driving Pension Governance & ESG: Opportunities & Challenges

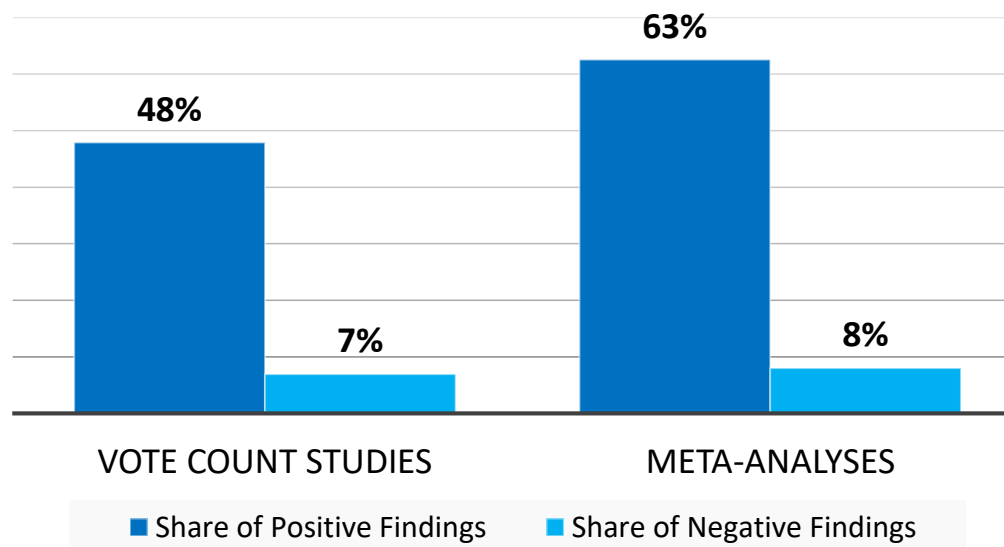
## Millennials seen as a key driver of demand



# Driving Pension Governance & ESG: Opportunities & Challenges

“...the study combines the findings of about 2200 individual studies....  
...by far the most exhaustive overview of academic research on this topic...”

## ESG and Financial Performance



“90% of studies find a non-negative ESG–Company Financial Performance relationship.  
More importantly, ***the large majority of studies report positive findings***”

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