ESG investing has established itself within the asset management industry, irrespective of the size of asset managers and investment products.

Environmental, Social and Governance - ESG Investing, once considered a niche approach and thought to be applied by dedicated players, took center stage in the asset management industry in 2019.

According to the latest figures published by the Global Sustainable Investment in 2018, sustainable investing assets amount to 30.68 billion dollars and have increased by 25% in the last two years.

### What drives ESG in the asset management industry?

Whether these are equities, fixed income, private equity, ETFs or hedge funds, investors consciously chose products which took Environmental, Social and Governance factors into consideration when making investment decisions.

This resulted in a surge of ESG integration across a broad spectrum of products, irrespective of their size or type of investment. Drivers include investor demand, developments around regulatory and policy frameworks in Sustainable Finance and increased public and political awareness around topics such as climate change.

Among the 123 LuxFLAG ESG Labelled products, which represent a total 59.53 billion euros of assets under management, 34% have a product size up to 100 million euros, 40% have a product size between 100 and 500 million euros, 15% have a product size between 500 million and 1 billion euros, 11% have a product size of more than 1 billion euros.

**GLOBAL SUSTAINABLE INVESTMENT ASSET GROWTH (2010-2018)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$ 1,017</td>
<td>$ 1,724</td>
<td>$ 1,976</td>
<td>$ 2,450</td>
<td>$ 3,075</td>
</tr>
<tr>
<td>Japan</td>
<td>$ 474</td>
<td>$ 534</td>
<td>$ 765</td>
<td>$ 1,086</td>
<td>$ 1,280</td>
</tr>
<tr>
<td>Canada</td>
<td>$ 1,086</td>
<td>$ 1,189</td>
<td>$ 1,280</td>
<td>$ 1,500</td>
<td>$ 1,699</td>
</tr>
<tr>
<td>Australia/New Zealand</td>
<td>$ 516</td>
<td>$ 596</td>
<td>$ 734</td>
<td>$ 803</td>
<td>$ 944</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$ 22,890</td>
<td>$ 30,683</td>
<td><strong>2016</strong></td>
<td><strong>2018</strong></td>
<td></td>
</tr>
</tbody>
</table>

**AuM of ESG Labelled funds (Euro)**

- **34%** 1 up to 100 Mil
- **40%** 100-500 Mil
- **15%** 1500 Mil -1 Bil
- **11%** +1 Bil

**Supplement 1**

- Smallest: 1.2 million Euro
- Largest: 4.7 billion Euro
- Average size: 484 million Euro

---

12, rue Erasme, L-1468 Luxembourg  
Tel: +352 22 30 26 - 1  
Fax: +352 22 30 93  
info@luxflag.org