

Environmental, Social and Governance (ESG) Funds Management

29 October 2019, 14:30-16:00

Useful links and reports on related OECD work

- The OECD organised a Financial Roundtable in April 2019, back-to-back with the OECD Committee on Financial Markets (CMF), to discuss ESG investing in fund management industry, with the participation of industry stakeholders such as MSCI, BlackRock and BNP Paribas Asset Management. The discussions drew on a discussion note circulated by the OECD Secretariat on “ESG Investing and the Investment Fund Industry: Methodologies, performance and market issues”, circulated to CMF Delegates to facilitate the ESG discussion in the Financial Roundtable.
- Building on those discussions and new research, the OECD Secretariat is developing a draft new report on *ESG Investing: Practices, progress and challenges* (2020 forthcoming). This report will explore the developments of ESG investing, including terminology, various ESG stakeholders in the ESG financial ecosystem, and challenges in consistency and materiality of reporting. The report will include the Secretariat’s analysis of ESG data of equity issuers across Asia, Europe and North America, which seeks to determine factors that contribute to ESG performance relative to traditional equity indices. Preliminary, incomplete results suggest that progress has been made, despite outstanding challenges with ESG reporting consistency, materiality and relevance of scores, and the relative performance of ESG indices and funds.

Links to relevant non-OECD work

- [BNP Paribas Asset Management : Global Sustainability Strategy](#) : BNP Paribas launched its sustainability strategy in March 2019, The Strategy aims to mainstream sustainability into BNP’s investment practices by focusing on the energy transition, environmental sustainability and equality and inclusive growth.
- [MSCI ESG Indexes](#) : The MSCI ESG Indexes are designed to support common approaches to environmental, social and governance (ESG) investing, and help institutional investors more effectively benchmark to ESG investment performance as well as manage, measure and report on ESG mandates. MSCI’s ESG Indexes also provide institutional investors with transparency into ESG sustainability and values alignment, together with the ability to compare holdings.
- [Sustainalytics ESG Ratings and Research](#) : ESG ratings provided by Sustainalytics are designed to help investors identify and understand financially material ESG risks at the security and portfolio level. Further sustainability focused research and analysis by Sustainalytics is available [here](#).
- [BlackRock ESG Investing and Insights: Across BlackRock, investment teams are provided with data and insights to keep them well informed of sustainability considerations. BlackRock has integrated ESG considerations across its investment research, portfolio construction, and stewardship processes. The suite of ESG focused financial products and research by BlackRock investment Institute is available here.](#)