

# Financing sustainability: Asia Pacific embraces the ESG challenge

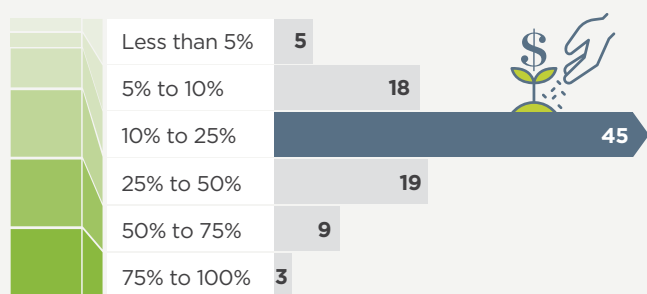
How do investors and issuers in Asia Pacific's sustainable finance market view the present market opportunities and constraints to future growth?

Between September and October 2019 The Economist Intelligence Unit surveyed 161 investors in Asia Pacific and 154 issuers and potential issuers globally to find out.

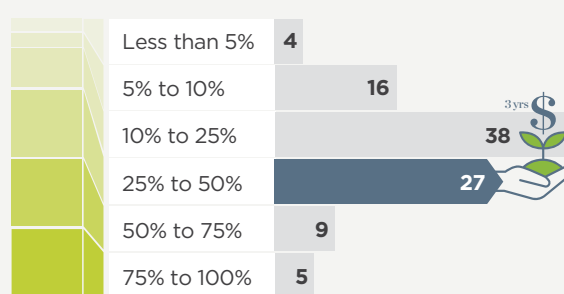
## Investors are bullish

68% of investors plan to **increase their allocation of funds in sustainable investments** over the next twelve months.

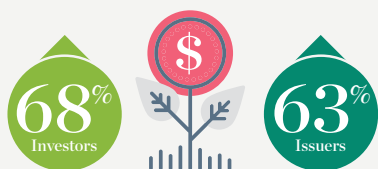
% APAC AUM allocated to sustainable investments at present (All respondents)



Expected % APAC AUM allocated to sustainable investments in three years' time (All respondents)



## Sustainability is good business



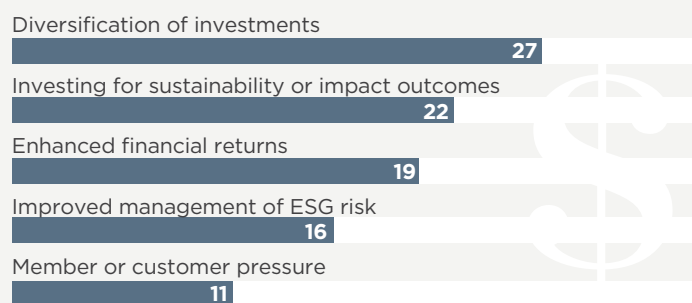
68% of investors and 63% of issuers say their sustainable investments and financings **perform better** than traditional equivalents.



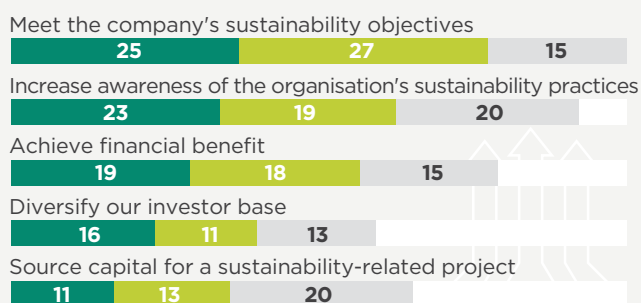
However, 26.1% of investors still cited a **lack of financial benefit** as the single biggest obstacle to their firm investing in sustainable finance

## Diversification and sustainability objectives key drivers

**Investors' response:** What factor is presently the main driver for your sustainable finance investments? (%)



**Issuers' response:** Main purpose of utilising or planning to utilise sustainable finance? (%)



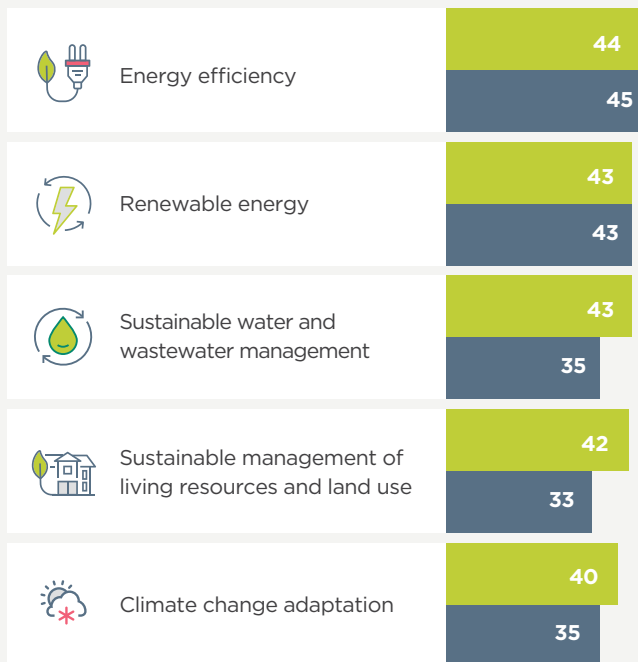
Rank 1 Rank 2 Rank 3

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## Renewables and energy efficiency lead the way

In Asia Pacific, 45% of issuers are financing or refinancing **energy efficiency projects** and 43% are financing **renewable energy** projects.

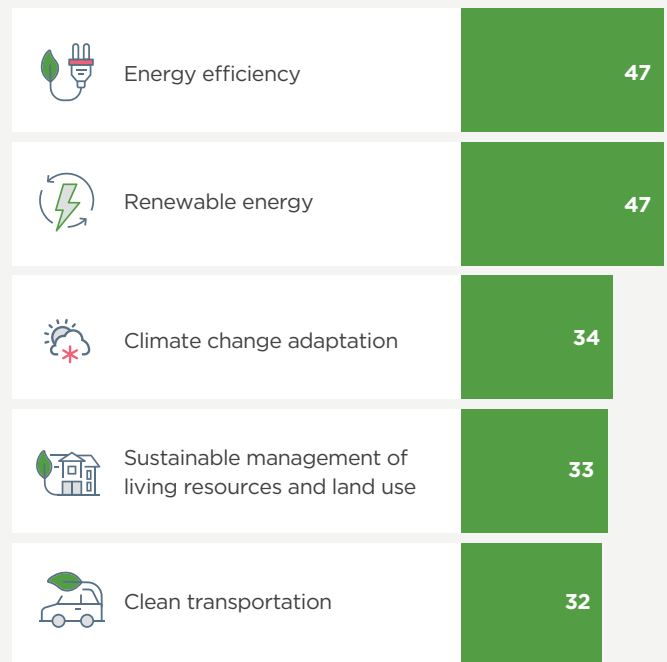
Asset categories companies are financing or refinancing through sustainable finance (%)



TOTAL APAC

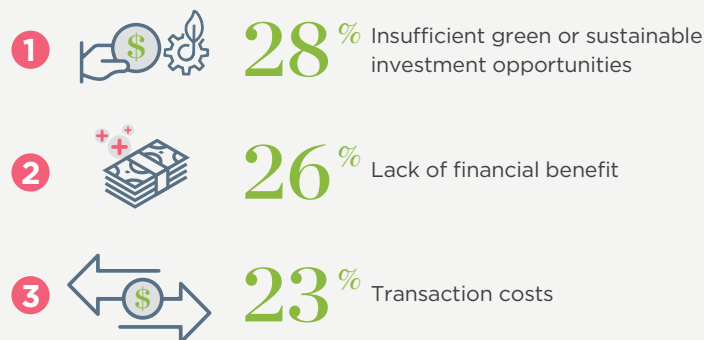
Government policy regionally and clear qualifying criteria make **energy the preferred asset category** for investors at present.

Sustainable asset categories investors are looking to invest in (%)

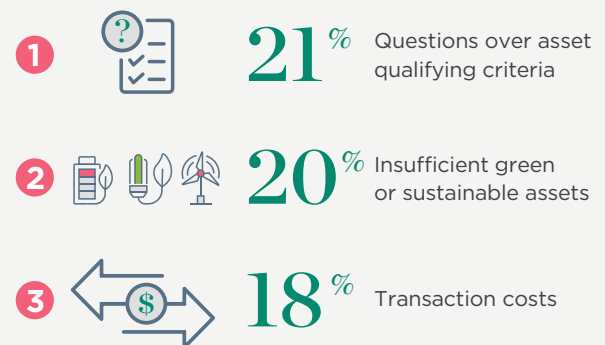


## Low supply and ambiguous asset definitions hinder growth

Biggest obstacles for investors



Biggest obstacles for issuers



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