

# UK RESPONSIBLE INVESTING STUDY SUMMARY REPORT

Research in Finance's UK Responsible Investing Study (UKRIS) is an annual study which aims to understand awareness of and demand for responsible investing (RI) solutions.

The findings provide valuable insight to investment managers on focal points of the responsible investing landscape and how it is evolving.



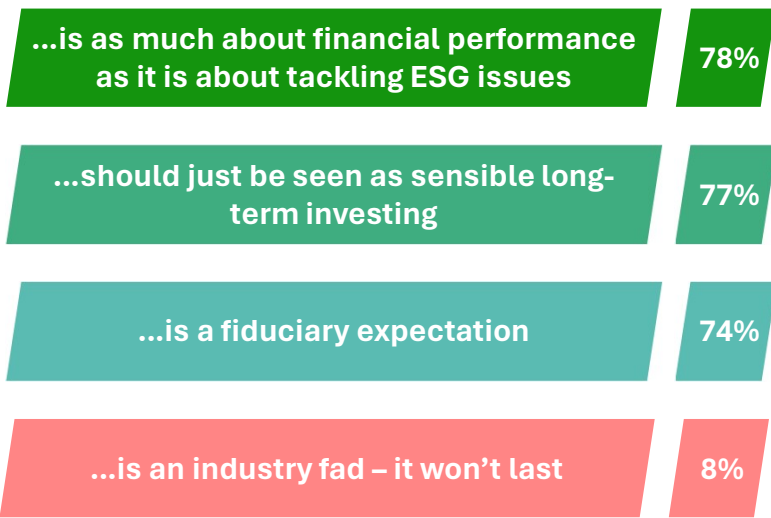
# RESPONSIBLE INVESTING TRENDS



**RESPONSIBLE INVESTING IS SEEN AS AN INTEGRATED PART OF THE INVESTMENT MARKET – IT IS HERE TO STAY BUT MUST PERFORM**

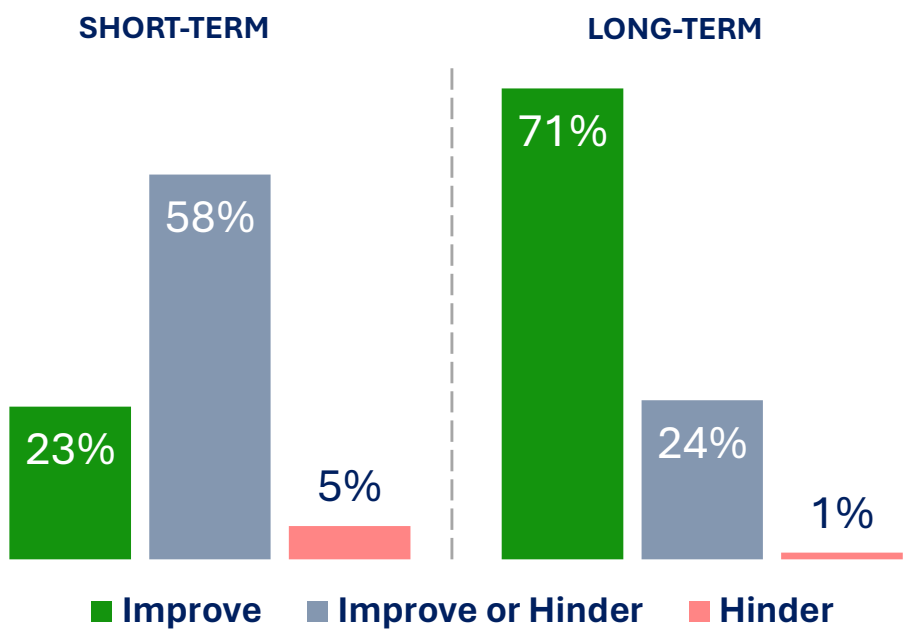
## VIEWES ON RESPONSIBLE INVESTING

Percentage of those who agree that responsible investing...



**MOST INSTITUTIONAL INVESTORS AGREE THAT RESPONSIBLE INVESTING (RI) IS AN EXPECTATION, SENSIBLE IN THE LONG-TERM AND MUST TACKLE ESG ISSUES ALONGSIDE FINANCIAL PERFORMANCE.**

## WHAT EFFECT ON PERFORMANCE IS RESPONSIBLE INVESTING MORE LIKELY TO HAVE?



**RESPONSIBLE INVESTING IS VIEWED AS MORE LIKELY TO IMPROVE PERFORMANCE IN THE LONG-TERM.**

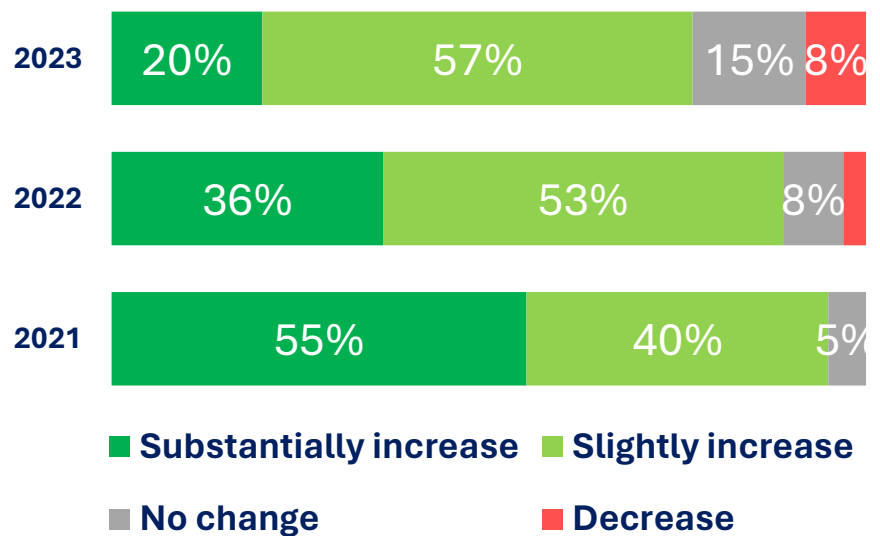
THUS, ALIGNING WITH THE VIEWS ABOVE, THAT RI SHOULD BE SEEN AS SENSIBLE LONG-TERM INVESTING.

# DEMAND AND FUTURE ALLOCATION

RESPONSIBLE INVESTING IS TRANSITIONING OUT OF ITS INFANCY STAGE AS DEMAND STARTS TO STEADY – HOWEVER ALLOCATIONS CONTINUE TO INCREASE

## DEMAND IN THE PAST 12 MONTHS (3 YEAR TREND)

DEMAND FOR RESPONSIBLE FUNDS INCREASED ACROSS 2023. WHILST OVER THREE QUARTERS OF INVESTORS REPORTED AN INCREASE IN DEMAND, THIS GROWTH IS SLOWER THAN THE HIGH ADOPTION RATES OF PREVIOUS YEARS.



## EXPECTED BEHAVIOUR REGARDING RESPONSIBLE FUNDS IN THE NEXT YEAR



**38%** INCREASE ALLOCATION



**52%** REMAIN INVESTED



**3%** DECREASE ALLOCATION



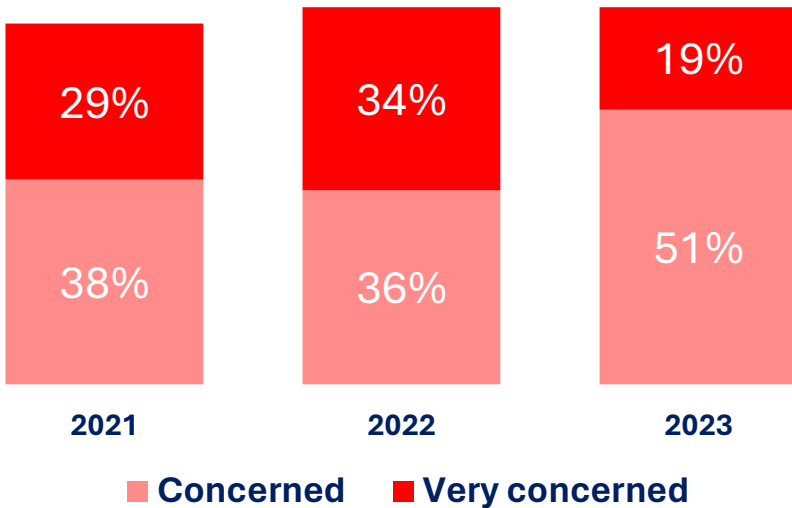
**8%** UNSURE

DESPITE SLOWER DEMAND RATES, ALMOST TWO FIFTHS OF INVESTORS PLAN TO INCREASE THEIR ALLOCATION OF RESPONSIBLE FUNDS IN THE NEXT YEAR.

ONLY A MINORITY ARE LOOKING TO DIVEST FROM THEIR RESPONSIBLE FUNDS.

## GREENWASHING CONCERNS CONTINUE TO PLAGUE THE INSTITUTIONAL MARKET

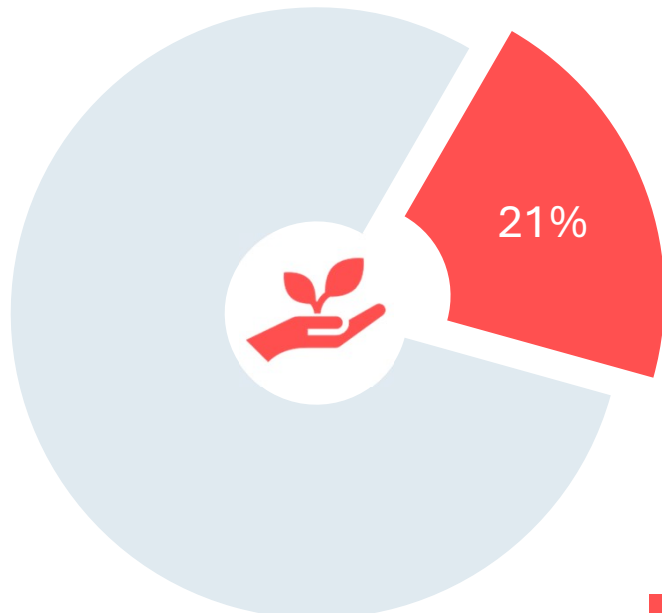
### THOSE WITH CONCERN ABOUT GREENWASHING



CONCERNS AROUND GREENWASHING REMAIN HIGH BUT ARE SOFTENING, AS FEWER ARE VERY CONCERNED THIS YEAR. THIS IS LIKELY LINKED TO THE PLANNED IMPROVEMENTS TO REGULATION FOR RESPONSIBLE INVESTING.

WHILST GREENWASHING CONCERNS ARE BEGINNING TO SOFTEN, ONE IN FIVE INSTITUTIONAL INVESTORS IDENTIFIED FIRMS WHICH THEY SUSPECTED WERE GREENWASHING THIS YEAR. A RATE THAT HAS NOT IMPROVED FROM LAST YEAR.

### HAVE YOU IDENTIFIED ANY FIRMS/ MANAGERS THAT WOULD CLASSIFY AS GREENWASHING?



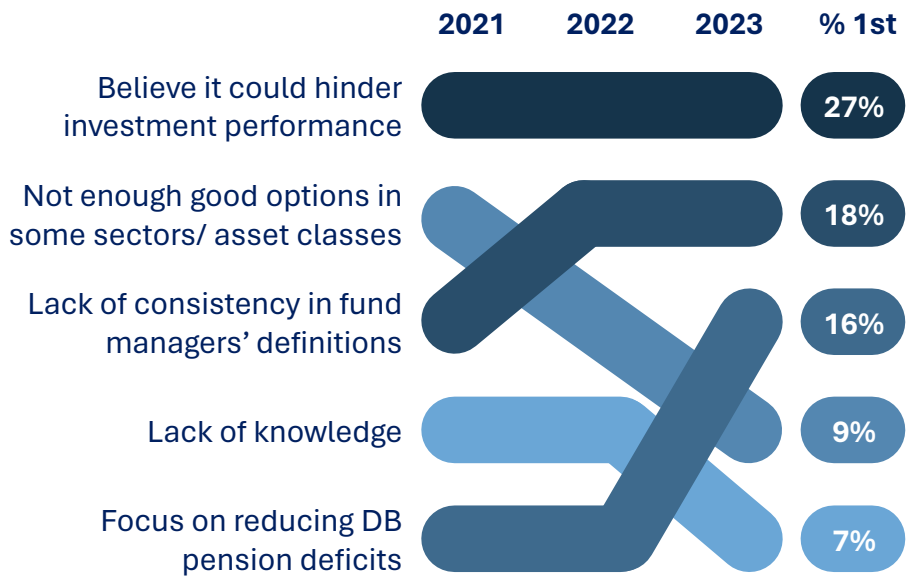
# RESPONSIBLE INVESTING BARRIERS AND LEADERS



## PERFORMANCE CONCERNS CONTINUE TO HOLD BACK RESPONSIBLE INVESTING – THE MATURING MARKET IS NOW PROVIDING BETTER OPTIONS ACROSS SECTORS AND ASSET CLASSES

**POOR PERFORMANCE, LACK OF CONSISTENCY IN DEFINITIONS AND FOCUSING ON REDUCING DB DEFICITS ARE THE KEY BARRIERS INSTITUTIONAL INVESTORS ARE FACING WHEN IT COMES TO RESPONSIBLE INVESTING.**

### BARRIERS TO ADOPTING RESPONSIBLE INVESTING – TOP 5 (OF 12)



### LEADING BRANDS: PERCEPTION OF ASSET MANAGERS RI CREDENTIALS



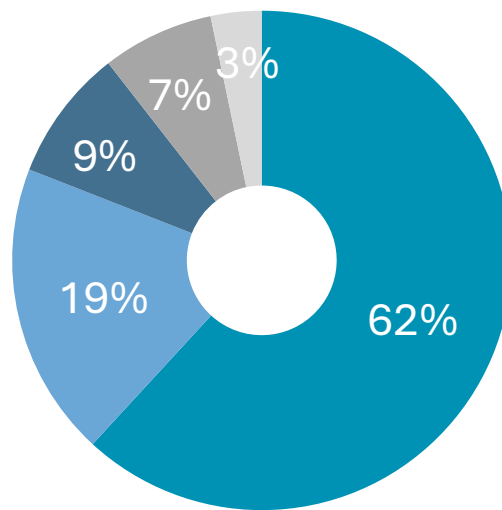
**LGIM RANKS TOP FOR THE 5<sup>TH</sup> YEAR IN A ROW – TWO THIRDS OF INSTITUTIONAL INVESTORS PERCEIVE LGIM AS THE LEADING BRAND FOR RESPONSIBLE INVESTING COMPARED TO PEERS.**

**THERE REMAINS A DEMAND FOR RESPONSIBLE INVESTING EVENTS, BUT THE WAY INVESTORS STAY INFORMED IS STARTING TO CHANGE**

## PREFERRED EVENT TYPE

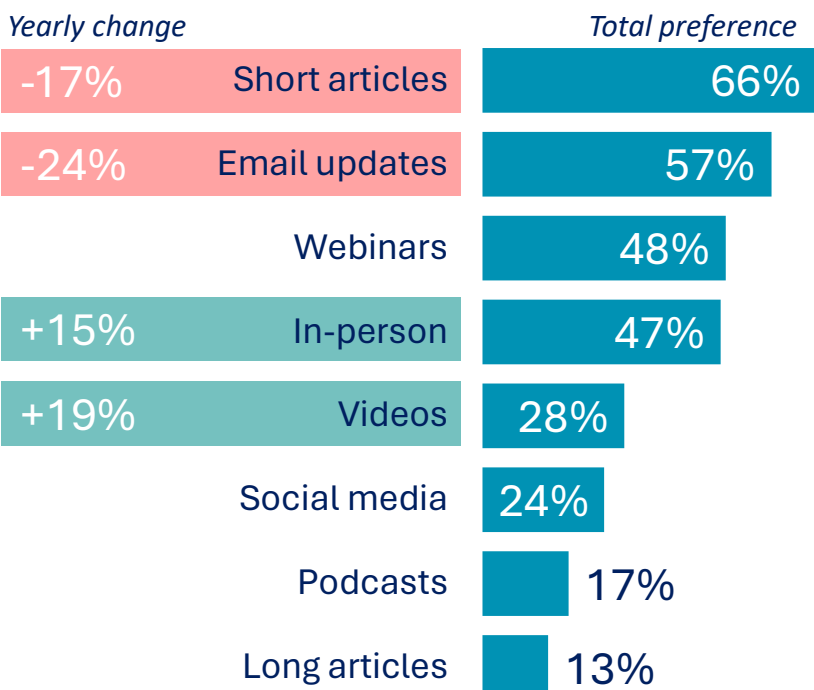
**90% OF INVESTORS WANT TO ATTEND RESPONSIBLE INVESTING EVENTS, WITH THE MAJORITY PREFERRING BOTH A MIX OF IN-PERSON AND VIRTUAL EVENTS.**

**THIS HAS NOT CHANGED POST-PANDEMIC.**



- In-person & virtual
- Virtual only
- In-person only
- Not interested
- Don't know

## PREFERRED COMMUNICATIONS METHOD



**SHORT ARTICLES AND EMAIL UPDATES REMAIN THE PREFERRED METHOD, WHILST IN-PERSON AND VIDEO FORMATS GROW IN FAVOURABILITY.**

**THOSE WHO PREFER SOCIAL MEDIA HAS DOUBLED IN THE LAST TWO YEARS.**

# CONCLUDING REMARKS



## Methodology

UKRIS is an annual research study launched in 2019, aimed at giving investment managers a view of what is important in the markets, how the responsible investing landscape is evolving over time, and how best to communicate with institutional investors on such an important and dynamic topic.

RiF's annual UKRIS survey of institutional investors takes place in the first quarter of each calendar year, and in the most recent wave surveyed 152 institutional investors.

## Charity donations and partners

£375 has been raised for charity from the UK Responsible Investing Study this year.

Thank you to those who completed the survey, for your kind donations and your continued support!

Partner charities:



## Contact us



Visit the RiF website:  
<https://researchinfinance.co.uk>



Via email:  
Sam Chitty, Senior Research Executive  
[samchitty@researchinfinance.co.uk](mailto:samchitty@researchinfinance.co.uk)

## Research

We sincerely hope you have found this summary report insightful, and that you will continue to take part in our UK Responsible Investing Study in future years.

## Share

If you have any friends, family or colleagues in the institutional investment industry who would be interested in taking part, please send them the link below, where they will be able to receive invites to surveys, in-depth interviews and online communities.

## Thank You

As a thank you for sharing your views, we always offer a reimbursement for your time – either as a voucher or charity donation – as well as summary findings at the end of the project. Participation is entirely voluntary, and you can unsubscribe from survey invites at any time.

<https://tinyurl.com/RiFPanel>