

Current ESG integration trends in infrastructure investment

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AT A GLANCE

Launched in April 2006 at the NYSE, the Principles for Responsible Investment has:

2

UN PARTNERS:

UNEP FINANCE INITIATIVE
UN GLOBAL COMPACT



1260

SIGNATORIES:

ASSET OWNERS,
INVESTMENT
MANAGERS
AND SERVICE
PROVIDERS



45

US\$ TRILLION:

ASSETS UNDER
MANAGEMENT



6

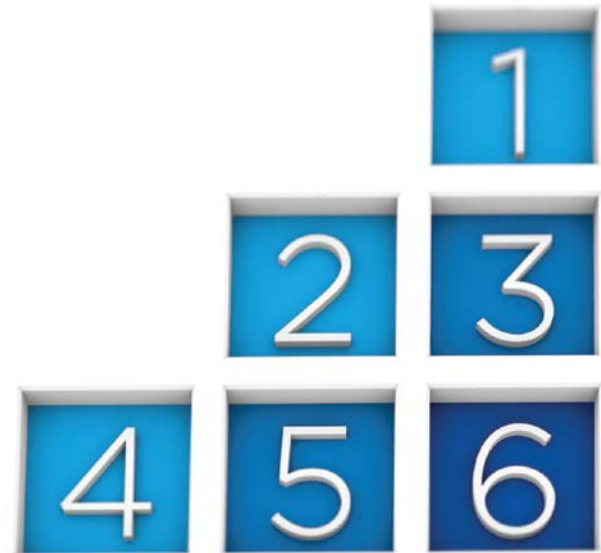
PRINCIPLES:

RECOGNISING THE
MATERIALITY OF
ENVIRONMENTAL,
SOCIAL AND
CORPORATE
GOVERNANCE ISSUES



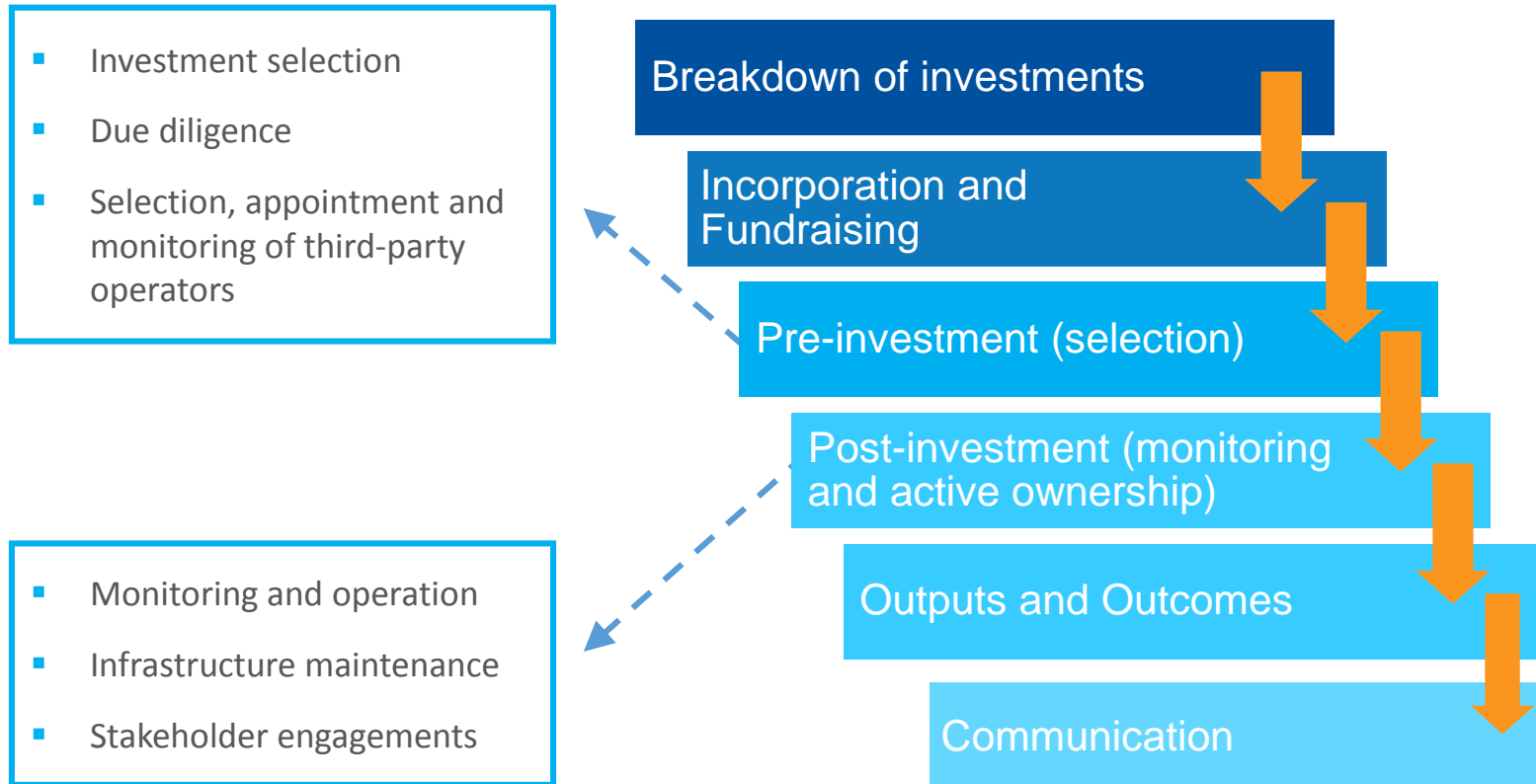
PRI Reporting Framework

1. Incorporate ESG issues into investment analysis and decision-making processes
2. Be active owners and incorporate ESG issues into our ownership policies and practices
3. Seek appropriate disclosure on ESG issues by the entities in which we invest
4. Promote acceptance and implementation of the Principles within the investment industry
5. Work together to enhance our effectiveness in implementing the Principles
6. Report on our activities and progress towards implementing the Principles



Direct – Infrastructure module structure

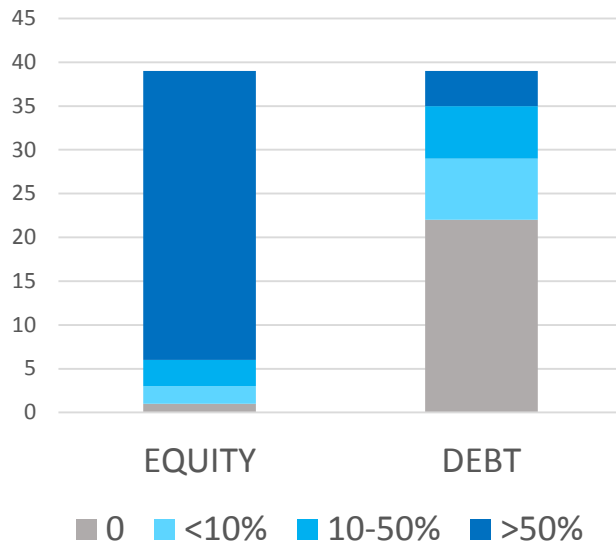
Pathways through the module



Breakdown of investments

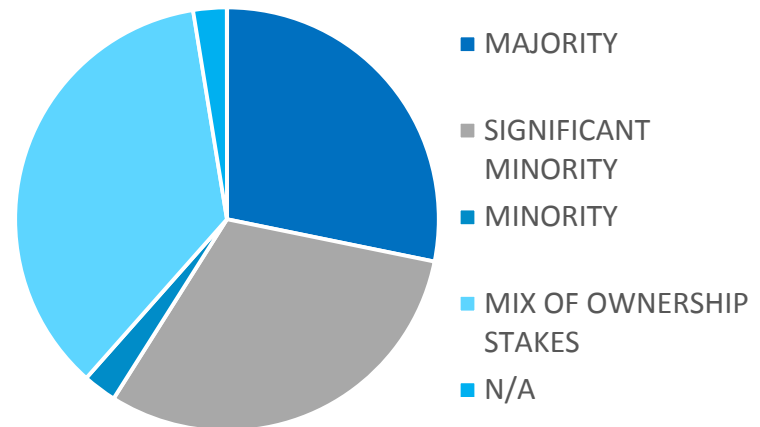
Breakdown of internally managed infrastructure investments

39 responses



Level of ownership typically held in infrastructure investments

39 responses



Pre-investment (selection)

Impact of ESG issues on infrastructure investment selection process 32 responses

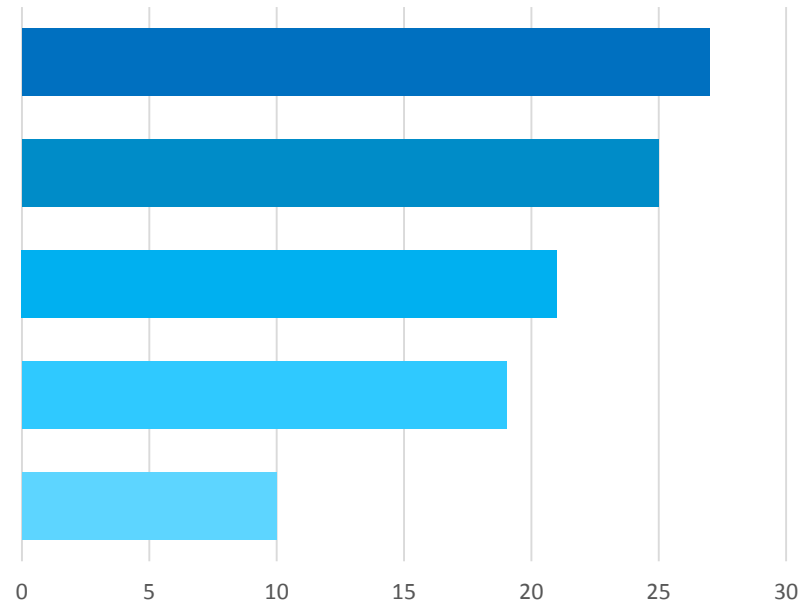
ESG issues helped identify **risks and/or opportunities** for value creation

ESG issues led to the **abandonment** of potential investments

ESG issues impacted the terms in the shareholder/purchase **agreements and/or lending covenants**

ESG issues impacted the investment in terms of **price** offered and/or paid

ESG issues were considered but did not have an impact on the investment selection process¹²

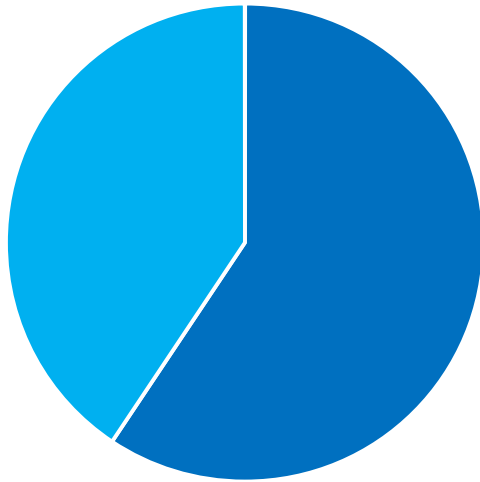


Outputs and outcomes

Measuring how approach to ESG issues has affected financial and/or ESG performance

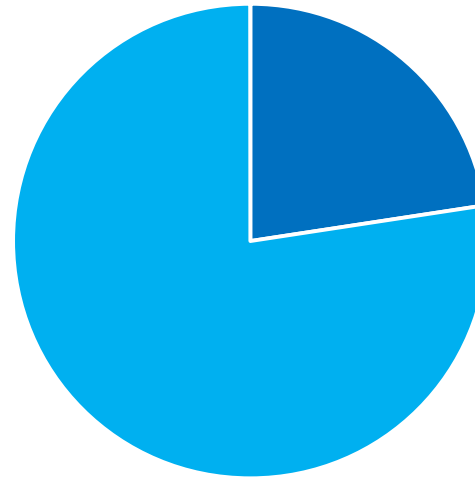
32 responses

ESG performance



- We measure changes in ESG performance
- We do not measure changes in ESG performance

Financial performance



- We measure how ESG issues affect financial performance
- We do not measure how ESG issues affect financial performance