

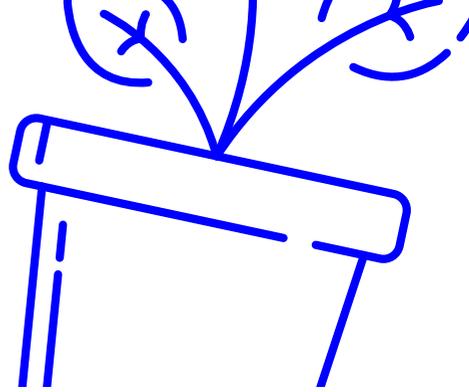
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**Can you tell your 'E'  
from your 'S' and 'G'?**



**Bank of  
Ireland**



## Can you tell your 'E' from your 'S' and 'G'?

The world is changing and investing is changing with it. More and more people are concerned about the social and environmental impacts of the choices they make, and naturally this extends to where they put their money. This is why investors are increasingly taking ESG factors into consideration when they are making investment decisions.

Investing in a sustainable way that take ESG factors into consideration is good for the environment and society and gives investors a sense of moral responsibility that it is the right thing to do.

### What is ESG?

ESG stands for Environmental, Social, and Governance. Let's break that down into its component parts.

**Environmental** factors include green building, smart growth, climate change, carbon clean technology, pollution, toxics, sustainable natural resources, agriculture, water use, and conservation.

**Social** factors include labour relations, workplace benefits, diversity and anti-bias issues, community development, tobacco and other harmful products, human rights, and executive compensation.

**Governance** factors covers board independence, anti-corruption policies, board diversity, executive compensation, and corporate political contributions.

In 2005, the United Nations established a body that developed the Principles for Responsible Investing ("PRI"). This sets out fundamental principles on how ESG could be incorporated into investment practices and behaviours in order to develop a more sustainable financial system. The network of signatories to the PRI work to put the Principles for Responsible Investment into practice.

## Bank of Ireland Life and ESG

Bank of Ireland, through its investment product provider Bank of Ireland Life, partners with the best fund managers, leveraging their expertise and knowledge in the ESG space. Bank of Ireland Life operates under three core beliefs when it comes to ESG investing:

- ▶ **1.** ESG factors can have a material impact on long-term risk and return outcomes and should be integrated into the investment process;
- ▶ **2.** Taking a broader and longer-term perspective on risk, including identifying sustainability themes and trends, is likely to lead to improved risk management and new investment opportunities;

- ▶ **3.** A sustainable investment approach that considers ESG risks and opportunities is in the best interests of customers.

Some people believe that ESG investments address social causes but to the detriment of investment returns. However, we believe that taking sustainable ESG factors into account as part of your decision-making has a positive effect on the risk and return profile of your investments and can also contribute to sustainable, longer term profits and investment returns while also helping society and the planet.

## Our Investment Partners

Bank of Ireland Life has partnered with investment companies who take an active approach to implementing responsible investing practices. Some examples include:

**State Street Global Advisors** are among those leading the charge on ESG and using their voice and vote to engage with companies on ESG matters. They bring over 30 years of expertise in ESG investing to their active and index equity strategies. As global ESG stewards, they have engaged over 600 companies to address climate-related issues since 2014. Almost 800 companies have answered their call to add a female director to their board.

**KBI Global Investments** has a long-standing commitment to responsible investment practices, dating back to the early 1980s when they worked

with clients to construct portfolios that excluded companies engaged in certain controversial activities. Since then they have strengthened their pledge to ESG factors with a particular focus on environmental issues.

**BNY Mellon** is at the forefront of ESG investing. In 2015 they made available a wide range of ESG factor data and insights to give their clients the knowledge they needed to make informed decisions on the ESG implications of their investments. BNY Mellon also has a Compliance Monitoring system which can screen and monitor investments based on social and ethical factors.

The above example, together with others that Bank of Ireland Life have partnered with, have all reached the highest possible rating under the UN PRI scale.

## ESG and the future

ESG, in many ways, is the future of investing. As more and more people become concerned with their impact on the world they are likely to turn to the ESG factors in their investments as a way to respond.

Although awareness of ESG factors is currently at relatively low levels, those who do know about ESG, and the impact it can have, consider it an important factor when they are making a financial decision.

Bank of Ireland, through our Responsible and Sustainable Business

Strategy, is committed to enhancing the financial wellbeing of our customers and support the green transition. That's why, through Bank of Ireland Life, we've made partnering with some of the world's biggest investment companies a cornerstone of our business. Together with our partners we aim to provide investors with educational and insightful information about the growing area that is ESG and how this can impact your investment decisions.

**For more information talk to your Bank of Ireland Advisor.**

**WARNING: Past performance is not a reliable guide to future performance.**

**WARNING: The value of your investment may go down as well as up.**

**WARNING: These funds may be affected by changes in currency exchange rates.**

**WARNING: If you invest in these funds you could lose some or all of the money you invest.**



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