

RESPONSIBLE INVESTING IN FINLAND – MARKET STUDY 2022 SUMMARY



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Responsible investment is perceived as beneficial by the Finsif members.

The role of responsible investment is growing in the respondent organisations' investment activities.

The integration of ESG into the remuneration policies of top management and investment professionals has increased.

EU sustainable finance regulation is the biggest challenge for responsible investment.

Thematic investments, impact investing and positive screening are clearly on the rise compared to previous years.

Societal, regulatory and stakeholder pressure continues to increase the need for investment organisations to develop responsible investment practices. The survey indicated a clear increase in the attention paid to and measures taken on ESG in organisations.

Finsif has grown from 18 founding members in 2010 to almost 90 member organisations today and continues to develop collaboration within the field of responsible investment in Finland. This market study was conducted among the members of Finsif with the aim to obtain an up-to-date view on the Finnish market.

Responsible investment is most often driven by the values of the organisation, the opportunity for better reputation management and sustainable development. The importance of regulation as a driver for responsible investment increased substantially compared to previous studies.

ESG integration is the most used responsible investment approach. Overall, the results indicate that responsible investment approaches have become more widespread in the respondent organisations. ESG integration is followed by negative screening. Thematic investments and positive screening increased the most among the approaches compared to the 2019 market study.

Verbal reporting to stakeholders and PRI reporting are the most common forms of reporting on responsible investment. Responsible investment is increasingly being reported through various channels by responsible organisations. The key topics reported include selected ESG metrics, carbon footprint, examples on ESG outcomes and impact, examples of thematic investments, as well as ESG scores of investee companies. These are followed by active ownership and engagement related information. Carbon handprint is reported by one fifth.

The increasing EU sustainable finance regulation and its practical implementation emerged as a new key challenge. Challenges related to comparability, quality and the lack of ESG data also remain key challenges for respondent organisations.

Biodiversity is the most important trend and focus area for responsible investment. Next to biodiversity, human rights and diversity seem to be an increasing trend in responsible investment, with the forthcoming EU regulation also contributing to this development.