

ESG & Materiality

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The Rise of ESG in Asia:
Implications for
Companies and Investors



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The Business of a Better World

The Sustainability Maturity Curve

Where is your organization today?

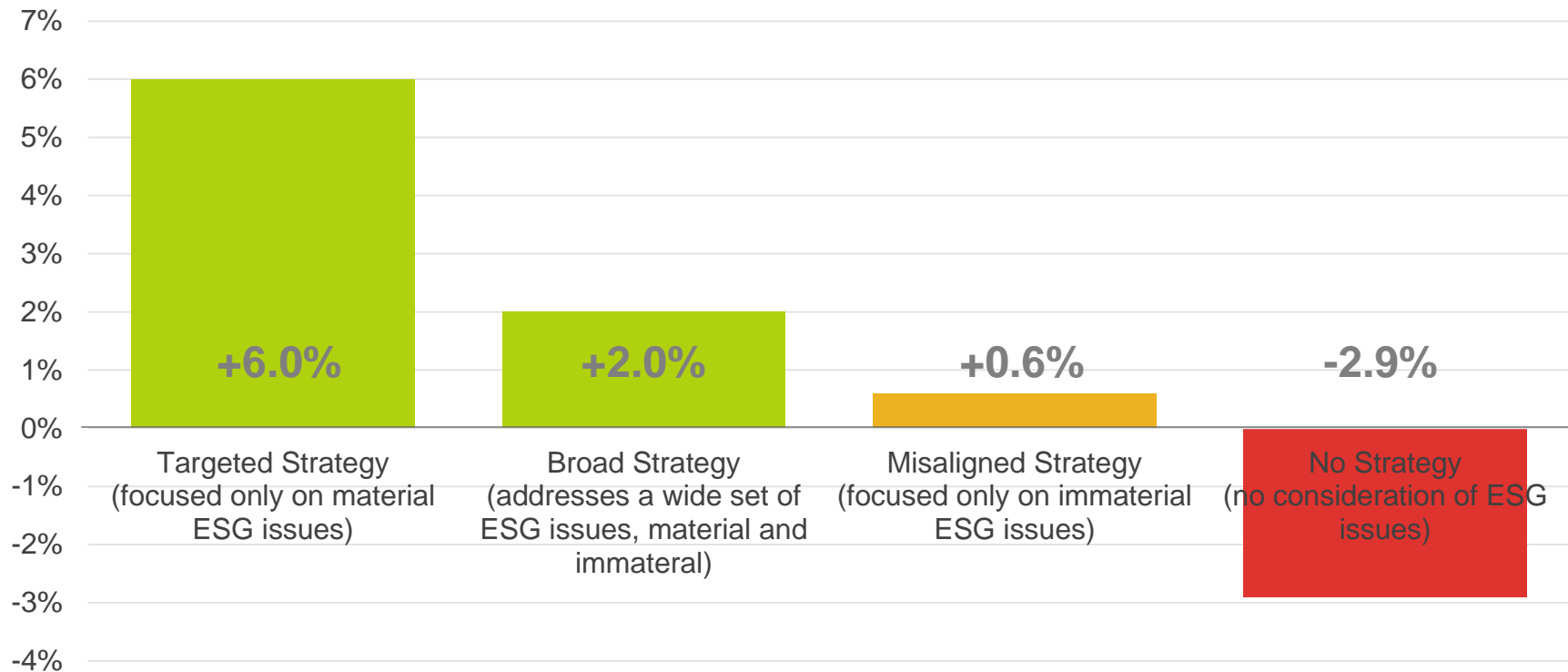
Where do you want to go?



A focus on materiality matters

The greatest returns are realized through a targeted strategy focused on material issues. A 2015 study from HBS using data from 1992-2012 across 45 industries in 6 sectors found that companies focused on SASB's material issues realized a 6% bump in annualized alpha. There was at minimum no negative impact on focusing on immaterial ESG issues. Conversely companies with no focus on ESG realized a 2.9% penalty.

Effect on financial returns of a focus on material ESG issues, annualized alpha



Source: Mozaffar Khan, George Serafeim, and Aaron Yoon, Corporate Sustainability: first evidence on materiality, Harvard Business School working paper, Mar 9, 2015

Thank you!



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