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ESG & responsible  
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# Navigating the thicket of ESG metrics

In the vast pool of data, how can investors see the impact their money is making?



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## Alternative thinking: Why closed-ended vehicles are the perfect match for alternative assets

By Portfolio Adviser, 14 Oct 21

The popularity of alternative trusts stems from the stronger ESG focus and the suitability of their structure



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## How to improve investors' knowledge of sustainable investment

BY KIM WONNACOTT

OCTOBER 5, 2021 IN NEWS, SPONSORED

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## Why ESG Investing Thrives in Chaotic Times

Investors can't prevent the unexpected or the calamitous. But they can make investments that prosper amid uncertain and tumultuous times.

Jason Meklinsky | Oct 11, 2021

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Another COVID-19 variant; melting ice caps cause cities to sink below the water level; wars breaking out over diminishing supplies of potable water. Cyberattacks bankrupting global corporations and crippling governments. Corrupt autocrats plundering their countries for wealth and power.

They aren't just dystopian fantasies. Some are already occurring around the world. They'll likely only increase in the coming year and decade. Each could exert a monumental impact on our lives—and on markets. Yet the impact

Forbes

Nov 1, 2021, 01:00pm EDT | 163 views

## Hong Kong Backs Sustainable Development With ESG Focus

Financial Services Development Council of Hong Kong Brand Contributor

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Innovation

f Environmental, Social, and Governance (ESG), a framework for assessing and guiding how an organisation can contribute to sustainable development in these three areas, is a global

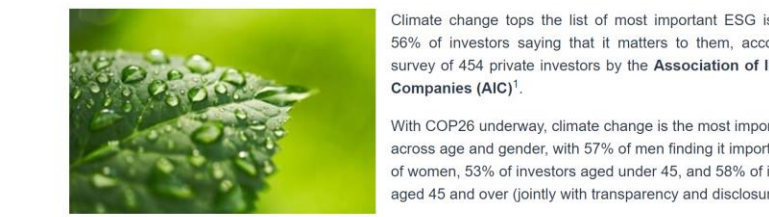
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## Climate change tops investors' ESG priorities as COP26 continue

3 November 2021

'E' of ESG is most important to investors as a whole.



Climate change tops the list of most important ESG is 56% of investors saying that it matters to them, according to a survey of 454 private investors by the Association of Investment Companies (AIC).

With COP26 underway, climate change is the most important across age and gender, with 57% of men finding it important, 53% of investors aged under 45, and 58% of investors aged 45 and over (jointly with transparency and disclosure).

It is followed by transparency and disclosure (51%), pollution and human rights (43%). There was some disparity between younger and older investors, with those aged over 45 finding transparency and disclosure more important than those under 45, and human rights ranking higher with younger respondents.

# What is ESG

Environmental, Social, Governance framework designed to outline risks and opportunities; each pillar according to the CFA Institute

## Environmental

Conservation of the natural world

Climate change & carbon emissions

Air & water pollution

Biodiversity

Deforestation

Energy efficiency

Waste management

Water scarcity

## Social

Considerations of people & relationships

Customer satisfaction

Data protection & privacy

Gender & diversity

Employee engagement

Community relations

Human rights

Labour standards

## Governance

Standards for running a company

Board composition

Audit committee structure

Bribery & corruption

Executive compensation

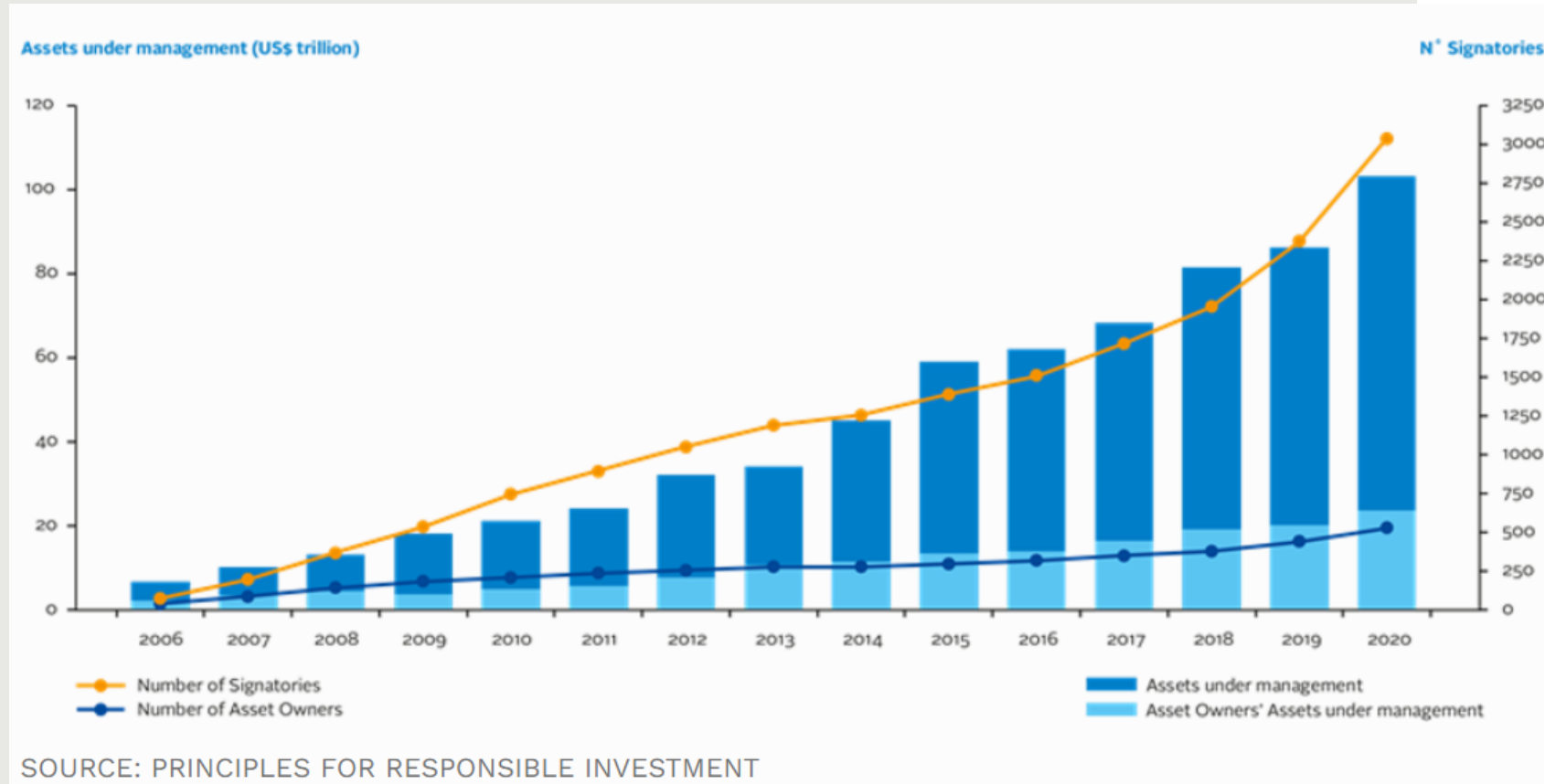
Lobbying

Political contributions

Whistle-blower schemes

# ESG growth over time

As of June 2019, there are 2450 signatories representing over \$80 trillion in AUM



# Why is ESG important

Overwhelming weight of industry research shows that strong ESG performance correlates with higher returns; McKinsey & Company example

	Strong ESG proposition
Top-line growth	<ul style="list-style-type: none"><li>▪ Attract B2B &amp; B2C customers with more sustainable products</li><li>▪ Achieve better access to resources through stronger community and government relations</li></ul>
Cost reductions	<ul style="list-style-type: none"><li>▪ Lower energy consumption</li><li>▪ Reduce water intake</li></ul>
Regulatory and legal interventions	<ul style="list-style-type: none"><li>▪ Achieve greater financial freedom through deregulation</li><li>▪ Earn subsidies &amp; government support</li></ul>
Productivity uplift	<ul style="list-style-type: none"><li>▪ Boost employee motivation</li><li>▪ Attract talent through greater social credibility</li></ul>
Investment and asset optimisation	<ul style="list-style-type: none"><li>▪ Avoid investment that may not pay off because of long-term environmental issues</li><li>▪ Enhance investment returns by better allocating capital for the long term</li></ul>

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## ESG at Albion Capital

# ESG for investment process

ESG is considered at every step of the investment process



Signatory of:



AlbionCapital

# Overview ESG at Albion

## Environmental

- Monitoring carbon footprint
- Net Zero carbon emissions strategy designed
- Biochar carbon removal offsets purchased
- Supporting local environmental action

## Social

- Unconscious Bias training for leadership team
- Future VC, a paid internship offered
- FairHQ, working with expert consultancy to establish diverse and inclusive practices
- Women in Leadership Series, video interview with women founders & CEOs across the portfolio

## Governance

- Updated ESG for investment process
- Regular ESG updates for VCT boards
- Actively promoting ESG within the industry



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Thank you