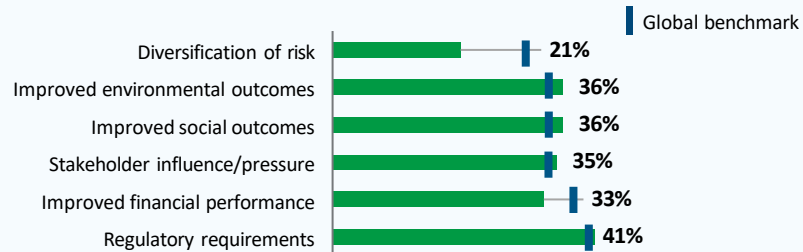
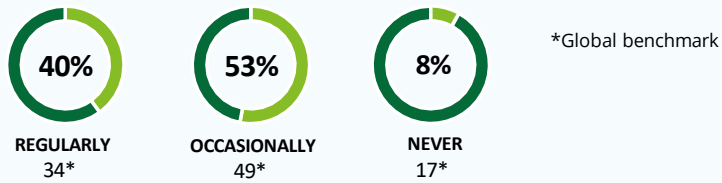


Deloitte and The Fletcher School surveyed over 1,000 institutional investors globally, including 78 from India, from January to December 2023

### Sustainable investing matters to Indian institutional investors

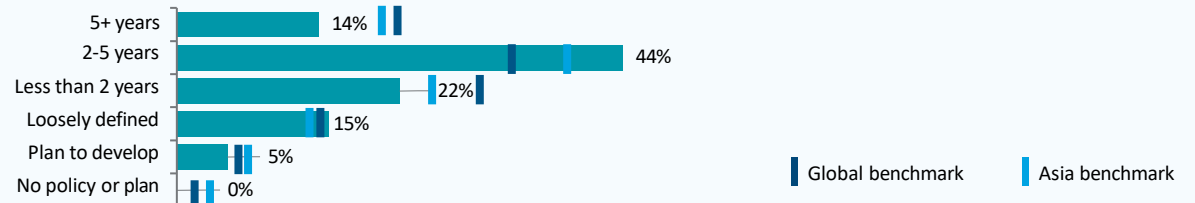
About 80 percent of Indian investors have sustainability policies in place, and more than 90 percent are seeking sustainability information as part of their due diligence process.

#### Frequency of seeking sustainability information



### Duration of ESG policy in place

About 14 percent of investors in India have had a sustainability policy in place for more than five years, and 58 percent have had a policy for over two years. Indian investors showcase a recently established sustainability policy compared with their Asian and global counterparts.



### Over the past 12 months, what were the key drivers behind your organisation's approach to ESG investment?

Regulatory requirements and improved social and environmental outcomes are among the top benefits Indian investors expect when incorporating sustainability factors into investment decisions. Although India's sustainability investment preferences closely align with global benchmarks, global investors focus more on improved financial performance and risk diversification than Indian investors do.

Meanwhile, India shows more emphasis on improved outcomes, likely due to the Corporate Social Responsibility (CSR) Act of 2014, which serves as a model by which businesses can enhance the ecosystems in which they operate. This indicates a well-rounded approach by Indian investors, balancing various sustainability factors with international trends.



### What is the level of regulatory influence for considering ESG strategies in investment decisions?

Investors are seeking information on sustainability-related risks that affect their portfolios. Over 55 percent of investors cite legal or regulatory influence to execute ESG strategies in investment decisions. This number is expected to increase due to the evolving nature of such frameworks



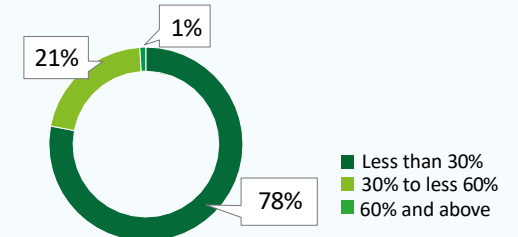
### What is the level of pressure from clients to consider ESG strategies in investment decisions?

The rising awareness of climate change, social issues and corporate governance standards is driving investors. Currently, almost 40 percent of investors feel some pressure from clients and asset managers to integrate ESG strategies in investment decisions; about 15 percent feel extensive pressure from client and asset managers to integrate ESG strategies.



### What percent of your organisation's funds are ESG labelled?

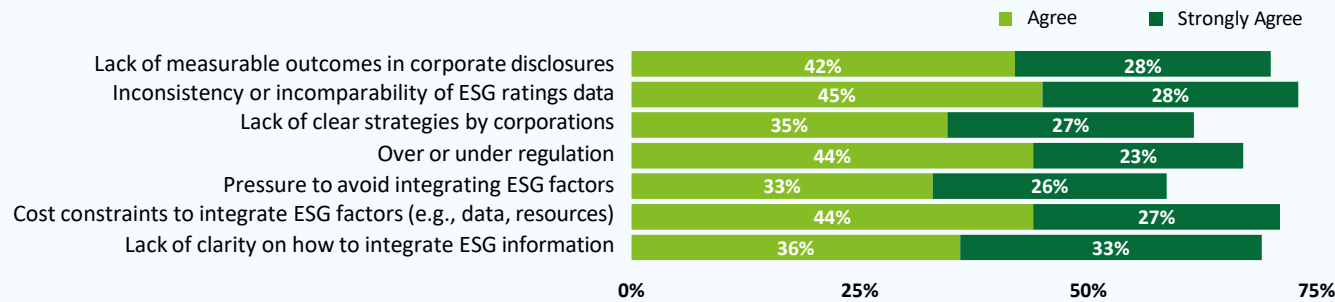
About 78 percent of institutional investors invest up to 30 percent of their funds to finance organisations that aim to achieve specific and measurable ESG objectives. About 1 percent invest more than 60 percent of their funds to invest in organisations that meet definitive ESG objectives. This is expected to increase due to rising regulations and awareness of climate change issues.



**Despite a growing focus on incorporating sustainability factors into investment decisions, Indian investors face multiple challenges with accessing trustworthy data.**

Which of the following inhibits your organisation’s ability to effectively implement ESG investment strategies?

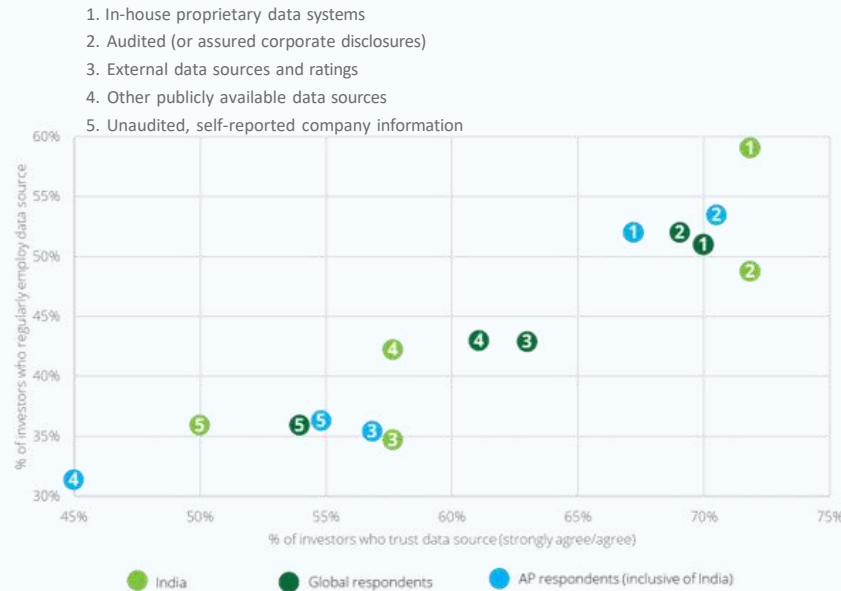
The inconsistency or incomparability of ESG rating data, cost constraints on integrating ESG data into investment decision models and lack of measurable outcomes in corporate disclosures reduce the trust factor of available sustainability data.



**How often does your organisation seek or use the following sources of ESG information?**

Indian investors are more likely to trust in-house proprietary data systems and audited (or assured) corporate disclosures when it comes to sustainability analysis. However, as compared to global investors, Indian investors are less likely to frequently rely on external data sources and ratings.

- Investing in better ESG data systems will soon be vital for decision-making, driven by regulations such as Business Responsibility and Sustainability Reporting (BRSR), Corporate Social Responsibility (CSR) and Extended Producer’s Responsibility (EPR).
- The introduction of international frameworks, such as the Corporate Sustainability Reporting Directive (CSRD), Global Reporting Index (GRI) and Non-Financial Reporting Directive (NFRD) likely further explains investors’ preference for reliable data sources, as demonstrated in the analysis.
- Organisations are turning to stronger data sources as investors prioritise credible ESG disclosures to accurately gauge risk and avoid greenwashing.



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Evolving Indian and international regulations aim to provide greater access to standardised sustainability data; but they will take time to come into effect.

Evolving Indian and international regulations aim to provide greater access to standardised sustainability data; but they will take time to come into effect.

- Strengthen sustainable governance capabilities** through greater coordination across the C-suite.
- Invest in sustainability measurement, reporting systems** and compliance solutions to enable more robust, high-quality disclosures.
- Corroborate sustainability disclosures with third-party assurance.** Investors trust assured disclosures almost as much as their own proprietary data.
- Lead with investor engagement to tell the sustainability story.** Engagement provides the opportunity to address issues and foster transparency and accountability.

**Let’s get started**



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## Defining Trust in our research

Trust is built through actions that demonstrate a **high degree of competence** and **positive intent**, which are further reflected through **capability, reliability, transparency, and humanity** – essential components to engendering trust.



Deloitte's Enterprise Trust framework highlights the importance of sustainability across the organization

