

Robert Brooke Zevin Associates
Pioneers in Socially Responsible Investing



Emerging Markets - Current Trends

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About Robert Brooke Zevin Associates

- **Global SRI investors with \$250m AUM in equity and balanced products**
- **Emotion removed from investing by using econometric analysis to model asset allocation**
- **Performance has been achieved without taking large risks – this stems from our investment philosophy of trying to achieving excess returns by trying to avoid losses.**

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SIRAN/EIRIS paper

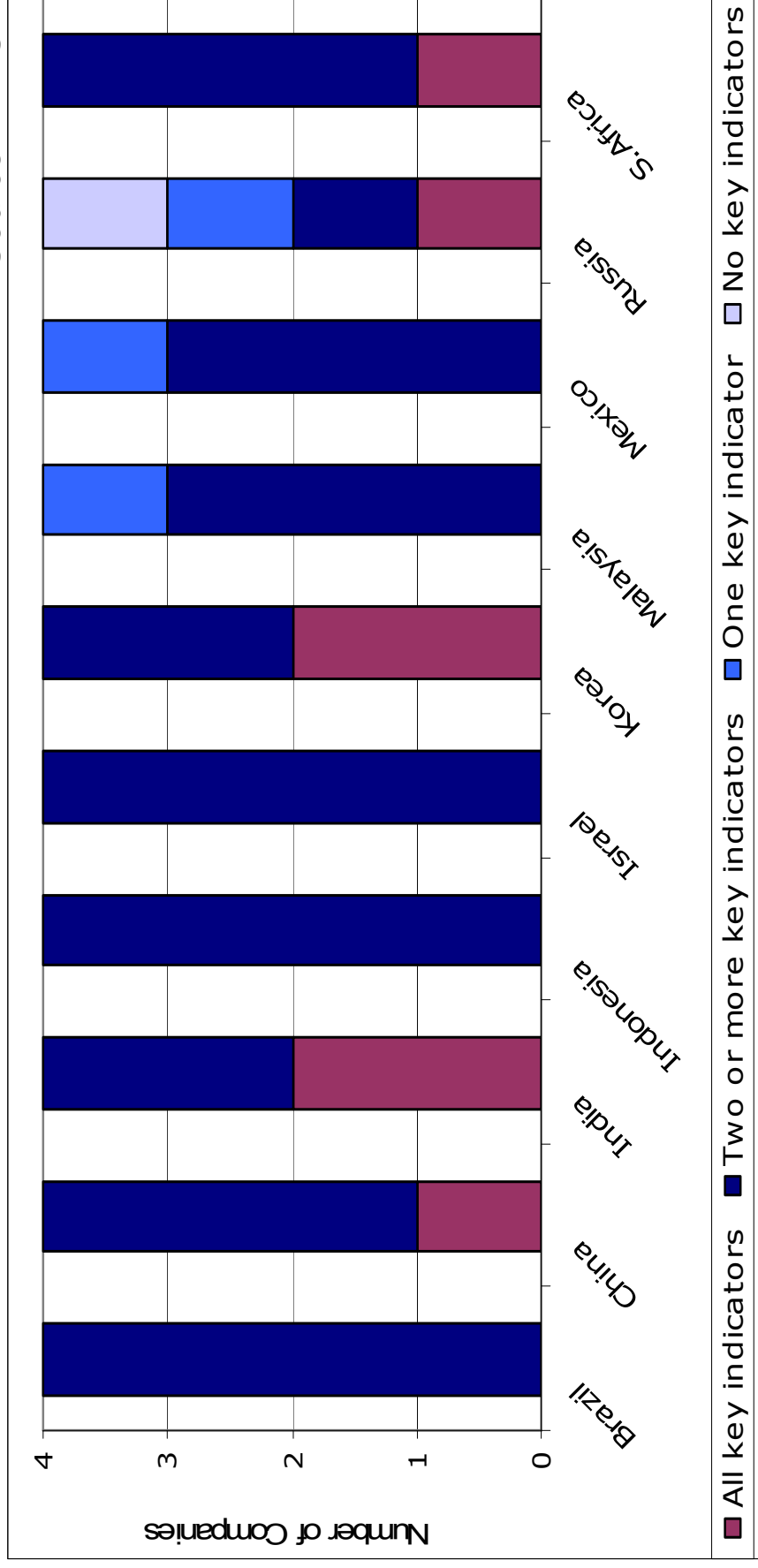
- **analyzed CSR trends in 40 large Emerging Market companies**
- **Particularly weak** • **Bribery**
- **human rights**
- **supply chain labor standards**
- **Korean lessons**

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Board Practice

Source: EIRiS



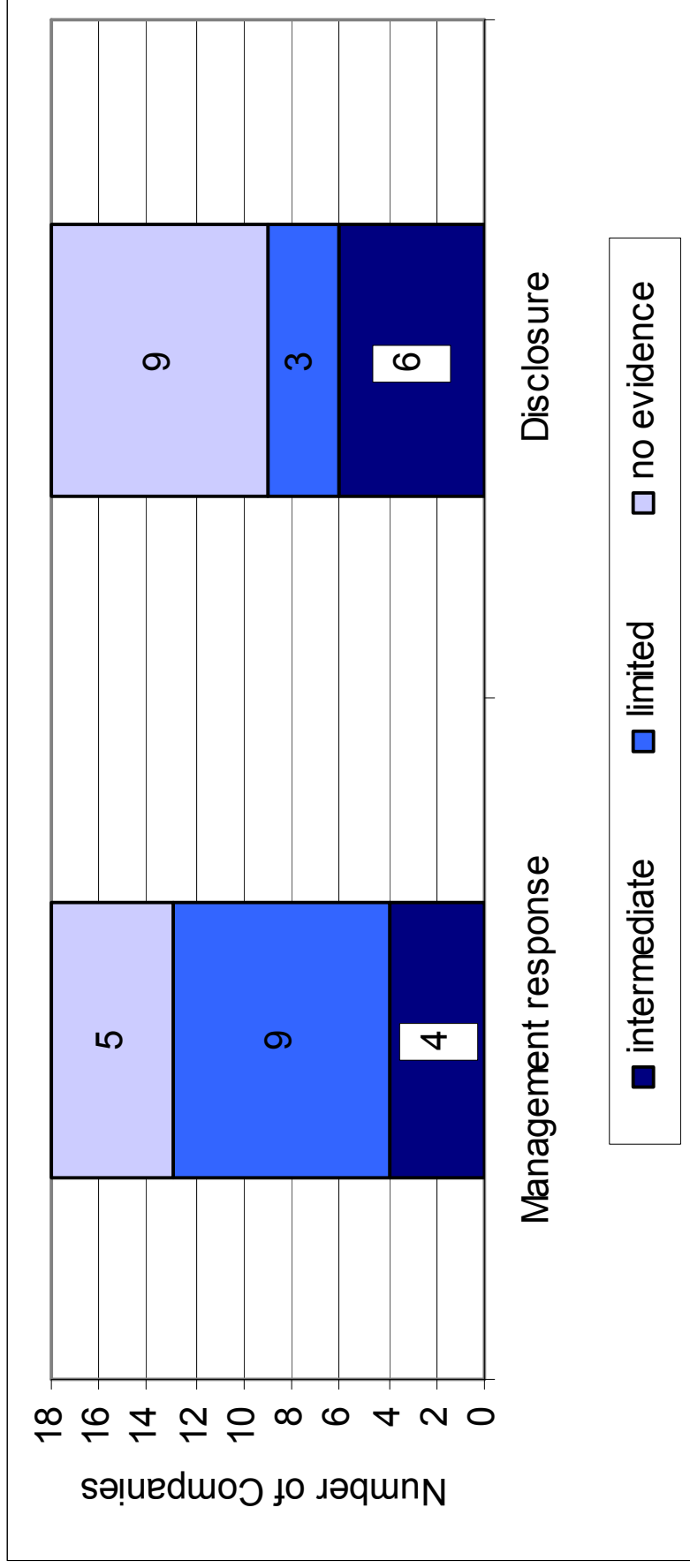
Country differences may show effects of national corporate governance codes and their enforcement

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Climate Change

Source: EIRiS



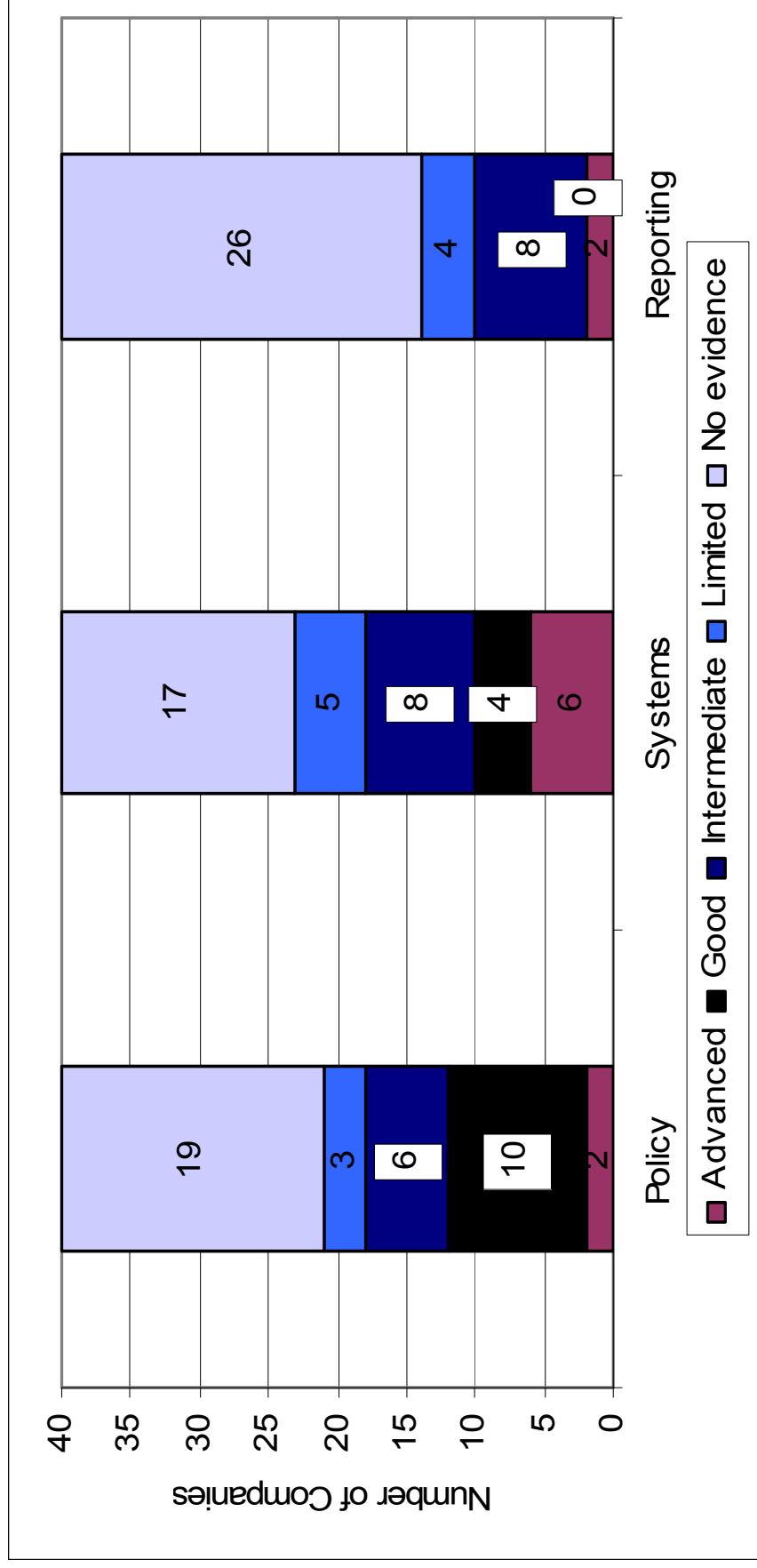
- Management response strongest in resource companies
- But 6 out of 12 resource companies had no evidence of disclosure

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Environmental management

Source: EIRiS



‘Advanced’ and ‘Good’ assessments more typically seen in developed country environmental leaders

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Conclusions of the SIRAN/EIRIS paper

- **Environmental scores relatively high**
- **Social areas especially weak**
- **Higher impact companies working towards ESG risk mitigation**
- **South African and Brazilian companies lead**

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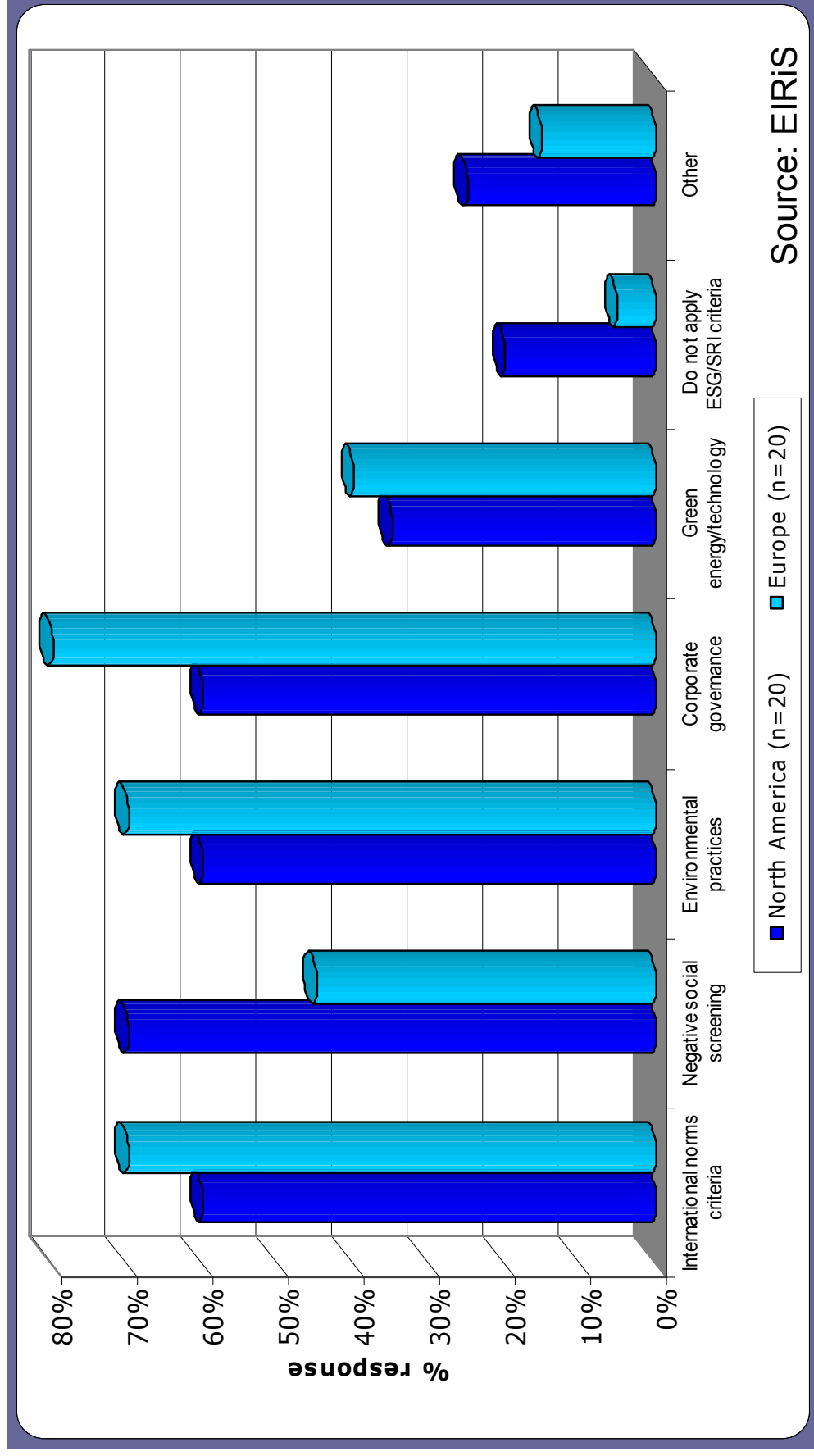
EMDP/EIRIS Investor Survey

- **analysed responsible investment in emerging markets**
- **67 respondents**
- **Representing over \$130bn**
- **55% asset managers**
- **43% from North America, 30% Europe ex-UK**

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ESG/SRI criteria utilized by region



Source: EIRIS

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Countries making the most progress towards ESG disclosure

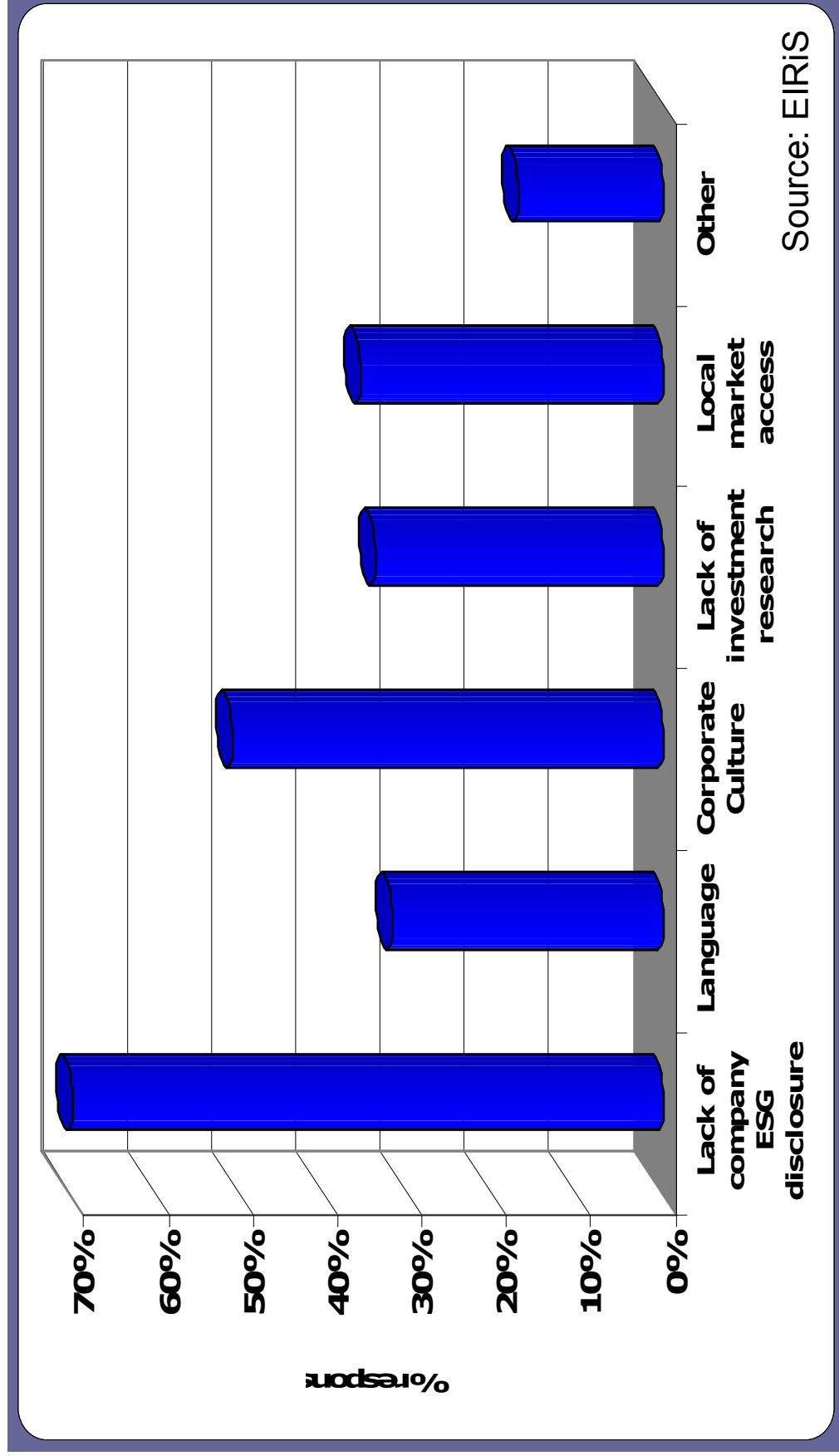
- 1. Brazil**
- 2. South Africa**
- 3. China**
- 4. South Korea**
- 5. India**

Source: EIRiS

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Key challenges to EM investing



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Moving forward.....

- **Poor ESG disclosure undermines investor confidence**
- **Communication needs to improve in both directions**
- **Companies need feedback on ESG efforts**
- **EMD Project coordinates and supports EM engagement**

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Any Questions?

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