

My ESG – A Leadership Series

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In this series, brought to you by SIF Ireland, we ask leaders in the ESG and Responsible Investment space for their thoughts on the sector in Ireland and globally. Despite the COVID-19 pandemic, Peter Stapleton believes there are plenty of grounds for optimism.

SIF Ireland: How has the COVID-19 pandemic impacted on investor demand and the ESG agenda?

PS: “The COVID-19 pandemic initially had a huge impact on the funds and investment management industry. However, the industry has proved to be incredibly resilient and implemented business continuity plans to move thousands of workers onto a work from home basis. So, after the initial shock, managers immediately adapted to the new market environment and are now looking at the best investment opportunities for recovery.”

“Investors were demanding products which offered sustainable finance options prior to COVID-19 for a mixture of environment, social, governmental and ethical reasons. Many managers are reporting that ESG products have performed strongly relative to non-ESG products during the market downturn, so we expect to see investors add these relative performance metrics to their asset selection preferences.”

SIF Ireland: What is the outlook for the rest of 2020

PS: “It is far too early to tell and our clients have mixed perspectives on the market. However, the views around the ESG agenda are more uniform. We see continued interest in launching new funds with ESG objectives. In particular, the COVID-19 pandemic seems to be further widening the scope of strategies. To date, much of the focus has been on the “E” and environmental products but the impact of the pandemic to the wider public and different classes of society is likely to see growth in social impact funds.”

SIF Ireland: How optimistic are you about the agenda?

PS: “The European Commission is continuing to move forward with the completion of the Sustainable Action Plan, a renewed sustainable strategy and implementing the European Green Deal. This positions the EU as a global leader in the space and Ireland, which provides services to over €5 trillion in

investment fund assets, will be a key Member State. Much of the private capital in those funds will be increasingly allocated to ESG products and, as a result, I am very optimistic about the agenda. “

SIF Ireland: Can you tell us a bit about your organisation's future plans around ESG?

PS: “We are lucky to represent some of the world’s leading financial institutions and investment managers. We see strong growth in the area of ESG as they increasingly move into this space. This involves us taking a strong leadership role, further developing our expertise and focusing on how we can assist clients innovate in this space. We will continue to support our clients, the Irish Government and SIF Ireland in positioning Ireland as a centre of excellence for ESG funds. Finally, we continue to evolve our own business and work with our people to embrace the ESG agenda building on the work of our environmental committees, CSR and related internal initiatives.”