

How environmental, social, and governance (ESG) issues influence consumers and investors

Findings from the ESG Investor Sentiment Study

ONLY 15%
OF PEOPLE KNOW
WHAT ESG IS AND
WHAT IT STANDS FOR

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) INVESTING IS MORE THAN JUST A TREND.

As more consumers place emphasis on different aspects of ESG investing, this investment principle is likely here to stay. In December 2018, Allianz Life Insurance Company of North America conducted a national survey of 1,000 respondents ages 18 years or older to find out how consumers feel about ESG topics, and what the future of ESG investing may hold.

ESG issues are a set of criteria for an organization that socially conscious investors use to determine whether they want to invest in or do business with that company. THESE CRITERIA MAY INCLUDE:



ENVIRONMENTAL

Natural resource conservation

Carbon footprint/impact on climate change

Sustainability initiatives

Proper waste disposal/recycling efforts

Investments in renewable energy

Opposition to deforestation



SOCIAL

Safe working conditions for employees

Animal welfare/testing

Improved access to education

Racial equality issues

LGBTQ+ equality issues

Gender equality issues

Charitable contributions/donations

Impact of product/service on people's well-being

Health insurance offered to their employees

Involvement in reducing poverty



GOVERNANCE

Wages provided to their employees

Transparency in their business practices

Donations to PACs/political candidates

Level of executive compensation

If/how they allow stockholders to vote on issues

Number of women on their board of directors

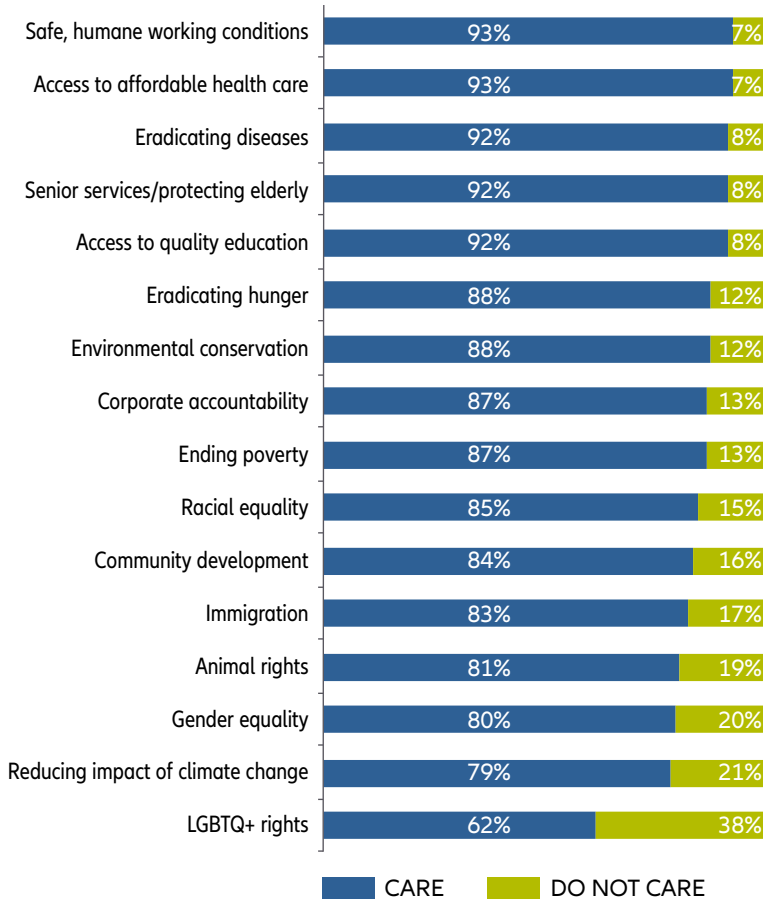
Number of minorities on their board of directors

Allianz Life Insurance Company of North America
Allianz Life Insurance Company of New York

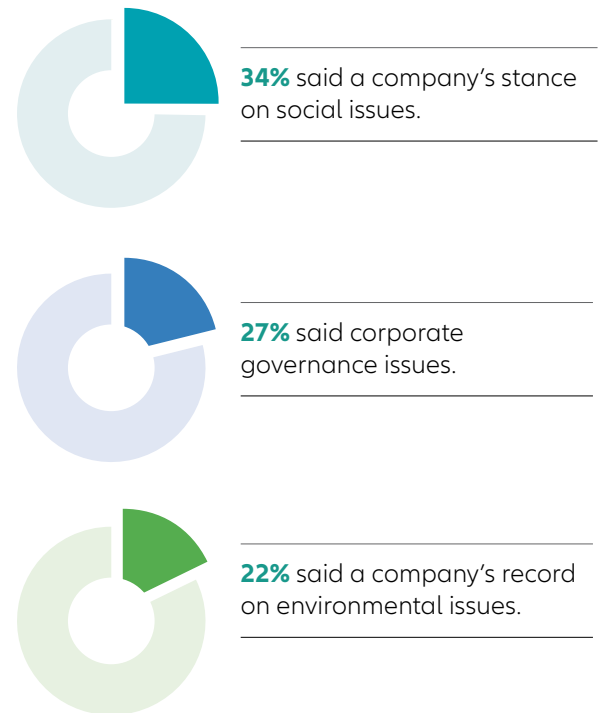


SOCIAL AND GOVERNANCE ISSUES ARE AS IMPORTANT AS ENVIRONMENTAL CONCERNS WHEN PEOPLE DECIDE WHETHER OR NOT TO INVEST IN OR DO BUSINESS WITH A COMPANY.

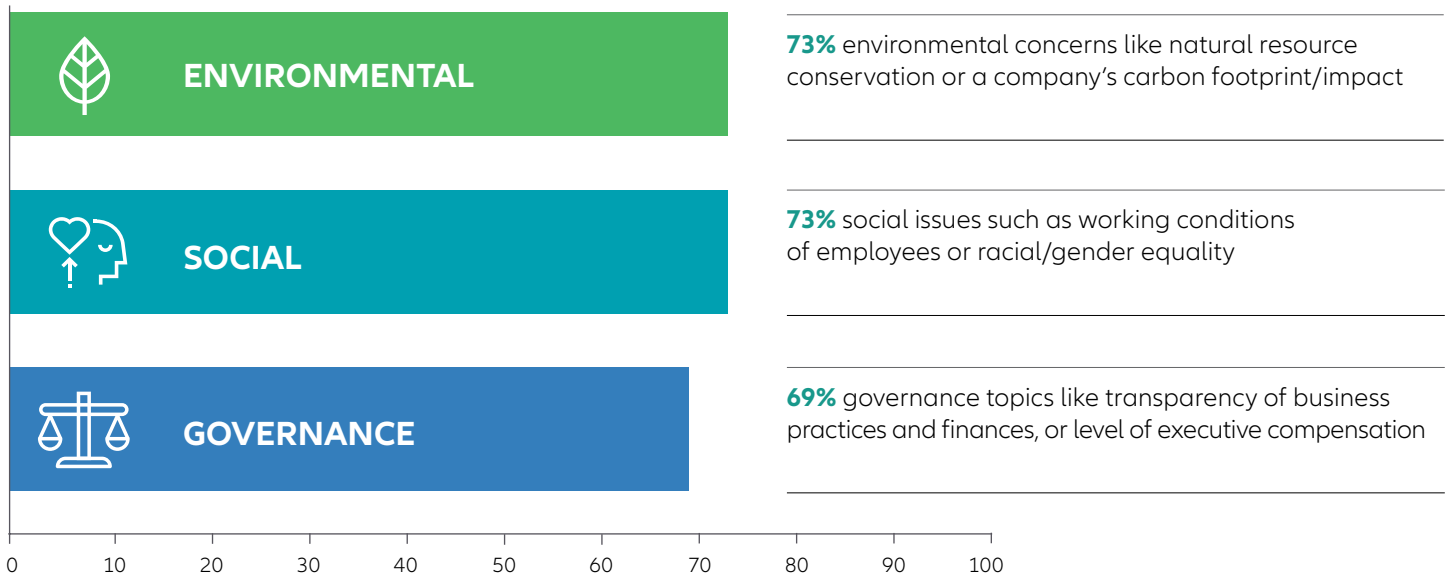
HOW MUCH DO PEOPLE PERSONALLY CARE ABOUT ESG ISSUES:



MOST IMPORTANT SINGLE FACTOR WHEN DECIDING TO DO BUSINESS WITH A COMPANY (I.E., PURCHASE GOODS OR SERVICES):

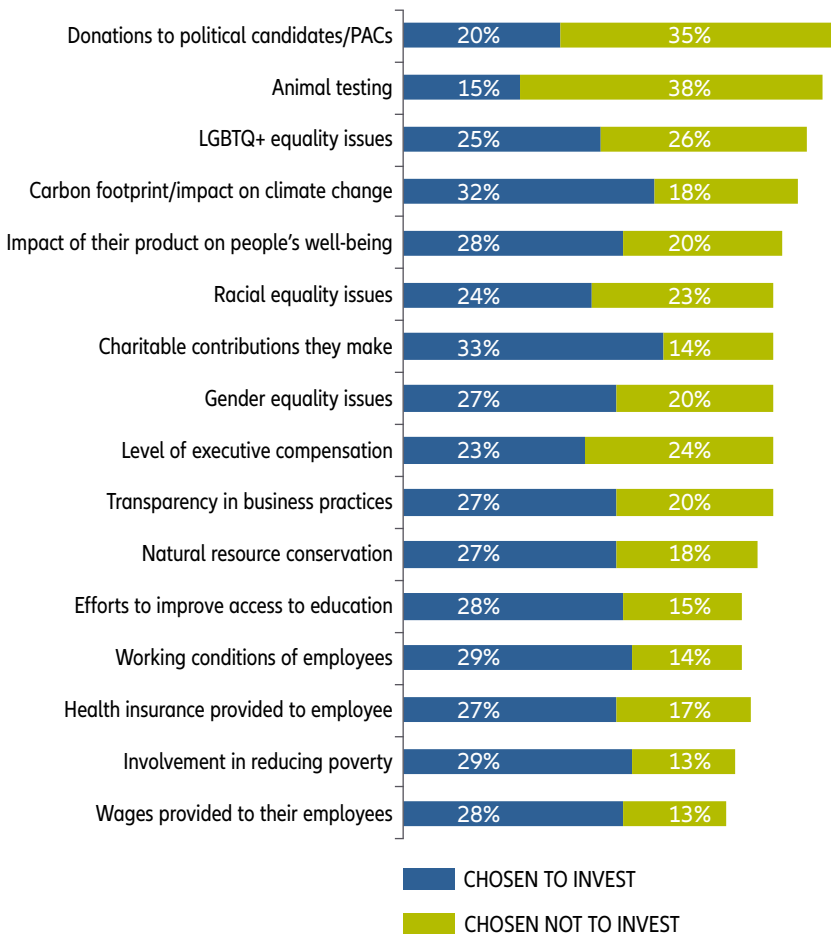


IMPORTANCE OF ISSUES WHEN MAKING A DECISION TO INVEST IN A COMPANY:



MOST INVESTORS CHOOSE TO REWARD COMPANIES FOR GOOD BEHAVIOR RATHER THAN PUNISH THEM FOR ISSUES WHERE THEIR BELIEFS DON'T ALIGN.

PEOPLE WHO HAVE INTENTIONALLY STOPPED INVESTING OR CHOSEN TO INVEST IN A COMPANY BECAUSE OF THEIR BUSINESS PRACTICES RELATED TO:



WHEN IT COMES TO INVESTMENTS, MOST COMPANIES AGREE THAT A FOCUS ON ESG MAKES GOOD FINANCIAL SENSE.

74% believe an ESG investment strategy is "not only one that you can feel good about, but one that makes long-term financial sense."

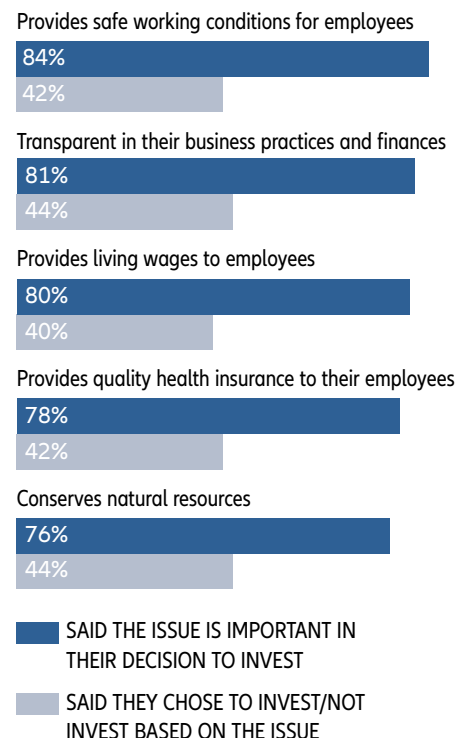
71% said they would stop investing in a company if it behaved in ways they consider unethical.

84% believe companies that focus on being a good corporate citizen have better long-term prospects than those that don't.

Nearly 80% said they "love the idea of investing in companies that care about the same issues" they do.

73% agree that "choosing this type of investment is a way for me to reward good companies."

A SIGNIFICANT GAP EXISTS BETWEEN WHAT PEOPLE SAY IS IMPORTANT AND HOW THEY ACTUALLY INVEST.



WHY DID YOU/WOULD YOU CHOOSE TO PARTICIPATE IN ESG INVESTING?



56% I want to support companies that support causes that I do



53% The best way to encourage companies to be good citizens is to invest in those that are



51% It makes me feel like I'd be using my money for good



39% It's just the right thing to do



31% This strategy adds diversification to a portfolio



12% ESG investments tend to outperform other investments



4% Some other reason

FOR ISSUES THAT ARE IMPORTANT TO YOU, HOW OFTEN DO YOU DO EACH OF THE FOLLOWING IN SUPPORT OF THESE ISSUES:

Stay up to date on news about these issues



Donate money to organizations supporting issues you care about



Decide which products or services you will buy based on these issues



Make investment decisions based on these issues



Volunteer time to organizations supporting issues you care about



■ DO THIS OFTEN ■ DON'T DO THIS OFTEN

Allianz Life Insurance Company of North America and Allianz Life Insurance Company of New York are affiliated companies.

For more information, visit www.allianzlife.com/ESG or www.allianzlife.com/new-york.

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