

# ESG Funds and Sustainable Investment in Taiwan

# Contents

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1. Overview of TDCC ESG fund platform
2. Overview of Taiwan's ESG fund development
3. Taiwan Sustainable Investment Survey (English version)
4. Taiwan Sustainability Ratings, Index derivative and financial product

## 1. Overview of TDCC ESG fund platform

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# ESG Section at Fund Clear Website



## Background

To promote alignment among existing global ESG frameworks, TDCC established ESG section at Fund Clear Website



### Improve Financial Literacy

Assist investors to get ESG information more easily and promote sustainable investment



### One-stop Portal

Investors can access to information of approved onshore and offshore ESG funds via single portal

## TDCC Fund Clear Website



# 29 ESG funds are reviewed and listed on the TDCC website



## Website Development

Number of ESG Funds Listed at Fund Clear Website (as of 2022.05.31)

Onshore Funds

21

Offshore Funds

8

Source: TDCC

9 Billion USD  
3<sup>rd</sup> in Asia

FUNDCLEAR 基金資訊觀測站

回首頁

境內基金資訊公告平台

市場資訊 基金總覽 績效與風險 機構查詢 基金淨值 基金文件 投資資訊 ESG基金專區 公告訊息 交易平台 下載專區

基金查詢

環境、社會及治理基金專區(ESG基金專區)

注意事項

1. 投信公司事業發行環境、社會及治理相關主題基金，依金管會110年7月2日金管證投字第1100362463號函規定，於基金公開說明書充分揭露與永續相關重要發行資訊。
2. 基金列表所連結之公開說明書係投信公司依相關規定進行公告之文件，投資人於申請前，應詳閱基金公開說明書，若對列表上的產品有任何問題，請逕洽各投信公司。
3. 基金列表所連結公開說明書所載資料，若有虛偽不實或錯誤，概由投信事業負責，任何人從事廣告及營業活動，不得藉金管會對該基金之核准或申報生效，作為證實申(報)事項或誤導投資人認為主管機關已保證基金表現之宣傳。

投信事業

基金名稱

關鍵字查詢

全部

全部

請輸入基金名稱或基金代碼

送出查詢

共21檔

基金名稱	基金成立日期	投資策略類型	投資比例配置	發行資訊	公開說明書 (註1)	投信定期報告 (註2)
匯豐ESG永續多元資產組合基金	20211027	負面排除篩選 正面/同業較優者 國際規範 ESG整合投資分析 影響力投資 其他	ESG子基金之總金額不得低於本基金淨資產價值之百分之六十，以基金淨資產價值之百分之七十為配置目標	連續	連續	連續
元大臺灣ESG永續ETF基金	20190815	負面排除篩選 正面/同業較優者 國際規範 ESG整合投資分析	本基金投資於標的指數成分證券(即持有符合ESG相關投資重點之標的)之總金額不低於本基金淨資產價值之80%(含)。因標的指數篩選成分原則已涵蓋ESG評鑑標準，尚能確保本基金資產整體運用符合永續投資目標。	連續	連續	連續

Source : Fundclear

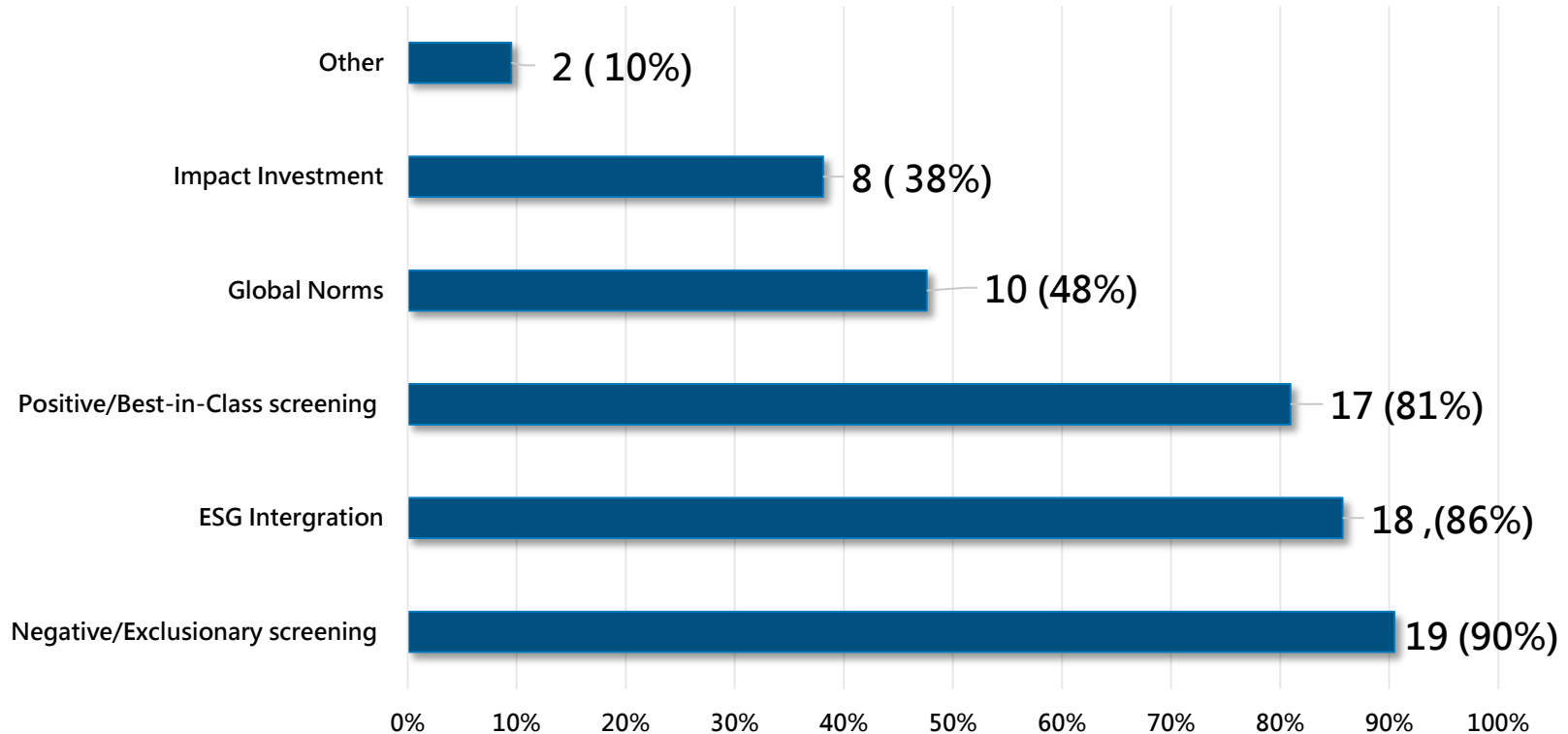
## 2. Overview of Taiwan's ESG fund development

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# 21 Domestic fund investment strategies



## Types of domestic ESG fund investment strategies



# 8 Offshore ESG Funds



## Offshore ESG Funds List

Fund Name	Fund Size (billion USD)	Funding Effective Date
AXA World Funds - ACT Clean Economy	0.29	2022/5/12
NN (L) Global Sustainable Equity	1.85	2022/5/10
NN (L) Health & Well-being	0.25	2022/5/10
Pictet-Nutrition	1.37	2022/5/5
Fidelity Funds - Global Demographics Fund	1.58	2021/5/24
Fidelity Funds - Global Health Care Fund	2	2016/9/1
Fidelity Funds - Global Dividend Plus Fund	0.15	2016/9/1
Invesco Sustainable Global High Income Fund	0.23	2006/7/25



# Principles of Supervision and Inspection of Disclosure of ESG Funds

The investor notice shall specify the following matters:	Content
(1) Investment objectives and measurement standards	Explain the main sustainable investment priorities and objectives of ESG offshore funds, and the relevance of the ESG standards or principles adopted to the investment priorities. An offshore fund shall set one or more sustainable investment objectives, and specify the evaluation indicators to measure the achievement of the sustainable investment objectives.
(2) Investment strategies and methods	Explain the types of investment strategies adopted by offshore fund institutions to achieve sustainable investment objectives, the specific methods for incorporating ESG factors into the investment process, the process of considering ESG-related factors, and the evaluation methods for measuring these factors.
(3) Investment ratio allocation	The offshore fund holds the minimum investment ratio of ESG-related investment targets to the fund's net asset value, and explains how to ensure that the overall use of fund assets will not cause significant damage to the sustainable investment objective.

# Principles of Supervision and Inspection of Disclosure of Offshore Funds

The investor notice shall specify the following matters:	Content
(4) Performance indicators for reference	If the offshore fund has set an ESG performance indicator (Benchmark), it should explain the characteristics of the indicator and whether the indicator is consistent with the ESG investment focus of the ESG fund.
(5) Exclusion Policy	Explain whether there are exclusion policies and types of exclusions for investments in ESG offshore funds.
(6) Risk warning	Risk descriptions related to ESG investment priorities of offshore funds.
(7) Participation in due diligence and governance	Explain the due diligence policies and implementation methods applicable to ESG offshore funds.

### **3. Taiwan Sustainable Investment Survey**

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2021

**Taiwan Sustainable  
Investment Survey**

National Taipei University

# 2021 Taiwan Sustainable Investment Survey Overview



**國泰金控**

Cathay Financial Holdings



**國立臺北大學**

National Taipei University

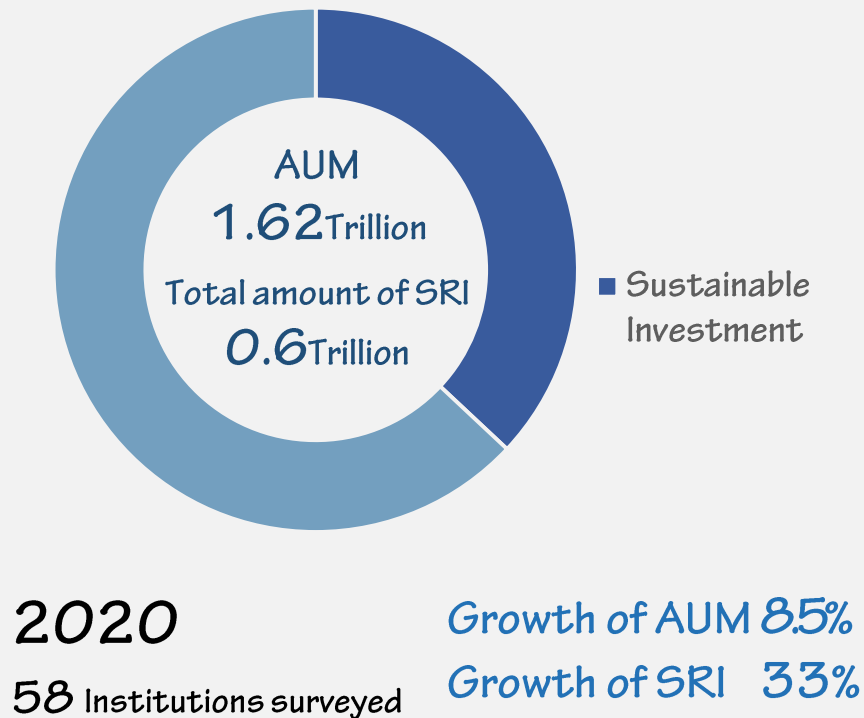
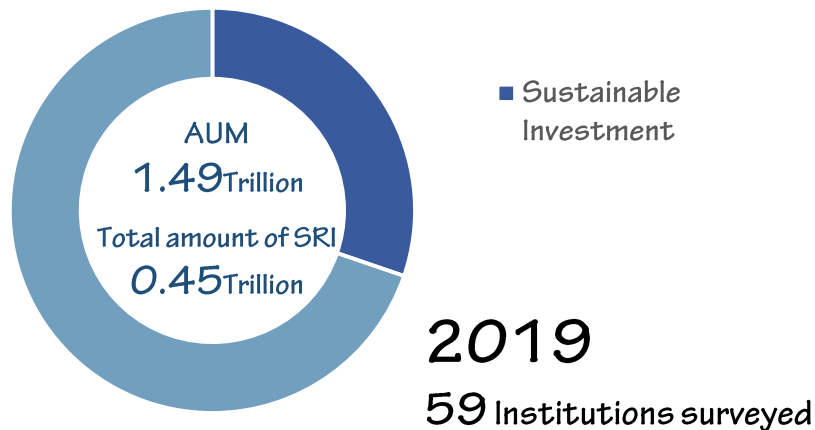
# 2021 Survey Summary

Institutions surveyed	AUM (USD)	Amount of sustainable investments	SRI / AUM	Percentage of institutions implementing SRI
58	1.62 Trillion	0.6 Trillion	37.0%	73%
Growth rate of SRI	Stewardship Principles compliance rate	Percentage of companies with SRI policies	PRI compliance rate	
33%	91%	61%	71%	
Most popular SRI methods		Major investment targets in SRI		Amount invested through enterprise engagement (USD)
NO.1 Negative/Exclusionary screening		NO.1 Foreign bonds		0.21 million
0.41 Trillion		0.28 Trillion		
NO.2 ESG Integration		NO.2 Taiwanese Stocks		Number of engagements
0.3 Trillion		0.09 Trillion		10,118

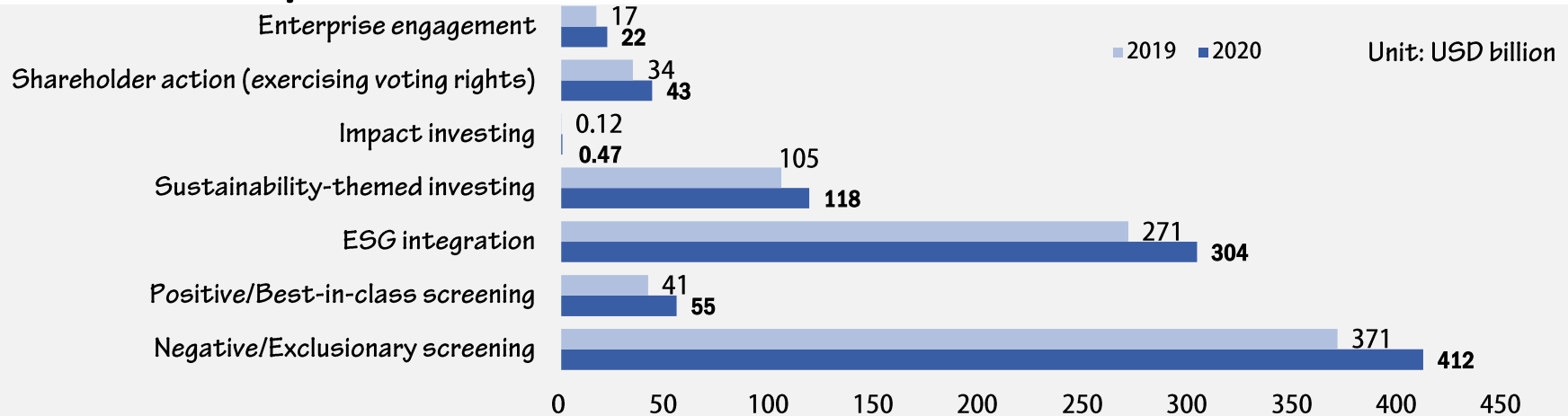
# The growth of SRI in Taiwan is fast and consistent with global trend

In Taiwan, the proportion of sustainable investment in AUM is **37%**

Close to the proportion of global sustainable investment in AUM **35.9%** that showed in the Global Sustainable Investment Review



# Active and positive investment methods are soaring



Note: There are more than one investment method of SRI, so the amount above is not equal to the total amount of SRI in Taiwan.

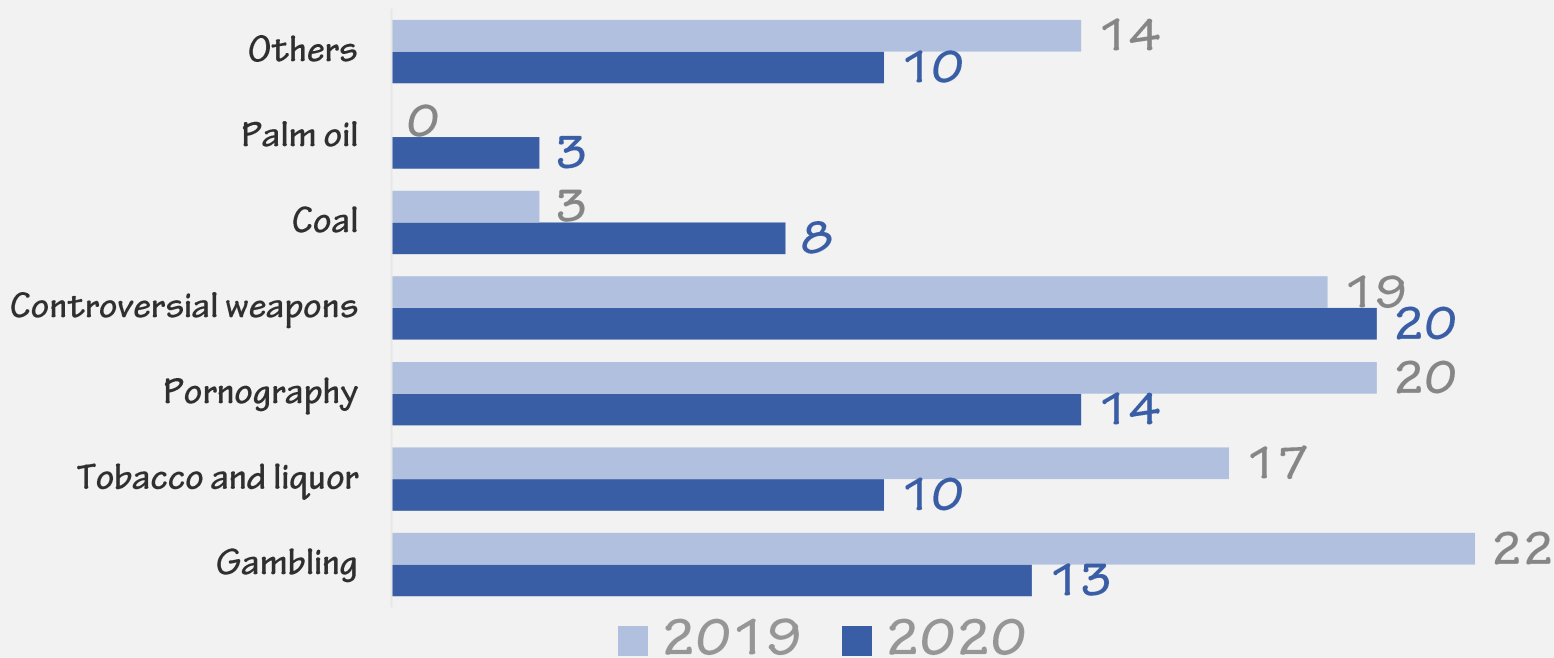
The amount of norms-based screening method is 0, so the chart is not included.

- Negative/exclusionary screening was the most widely used approach for SRI.
- The active investment methods, such as positive selection, shareholder action, and enterprise engagement are growing substantially by 25%.
- According to GSIR 2020, **ESG integration was the most popular method internationally** that reached about 25 trillion USD, with 25% of growth, which was the first time over negative/exclusionary screening of 15 trillion in great extent.

# Increasing attention on coal and palm oil as a result of climate change

## Criteria for screening industries

Unit: Respondents of institutional investor

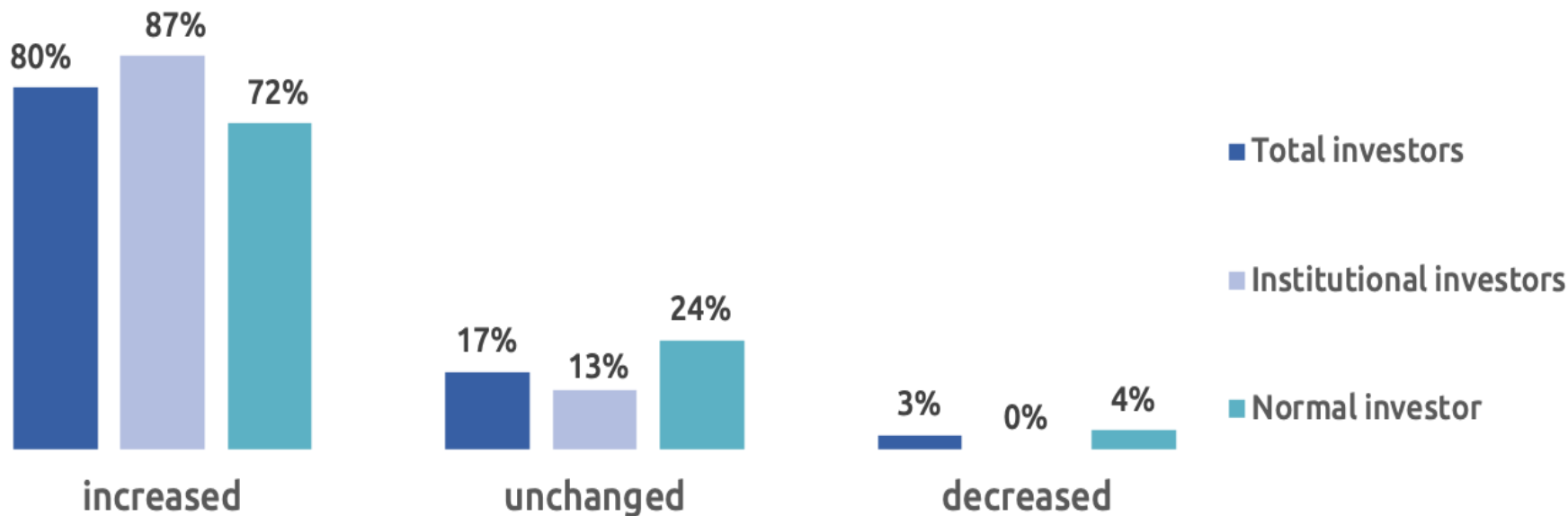


An increasing number of institutional investors exclude coal and palm oil from their investment



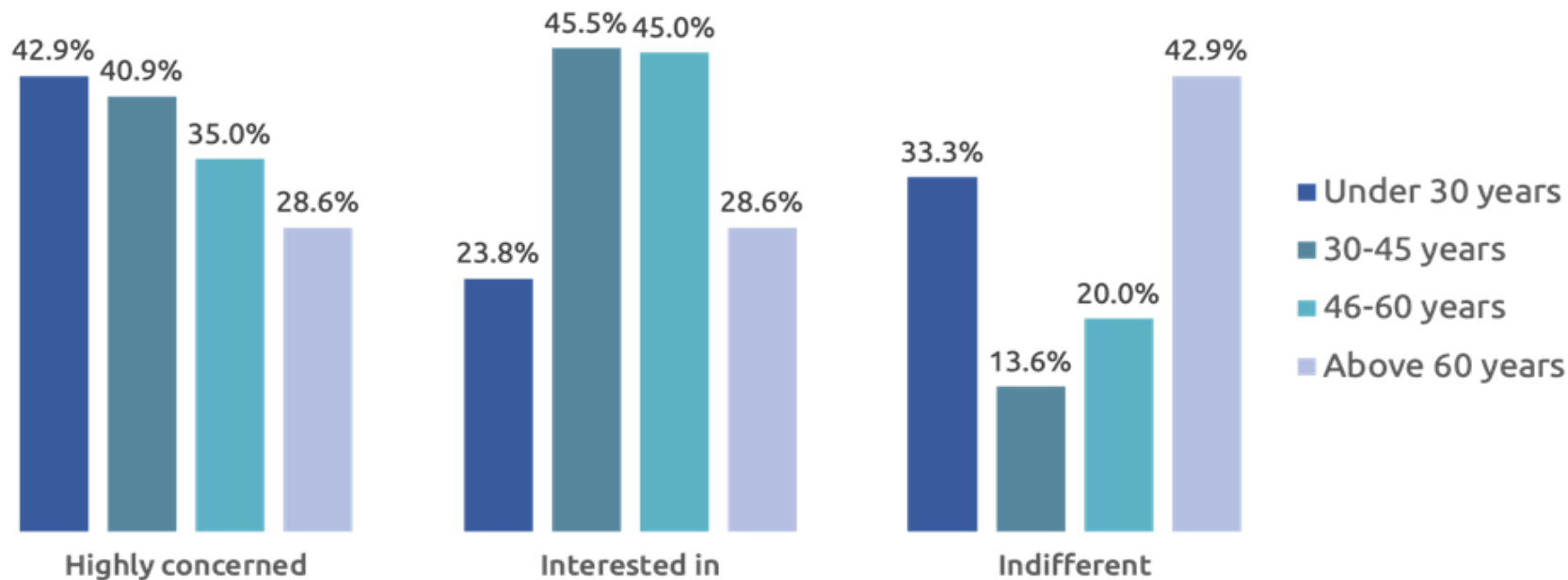
# An increase in institutional investors attention to ESG products

The level of attention paid by institutional investors to ESG-themed financial products increased by **around 90%**. The rate for Retail investors is more **70%**.



# An increase in retail investors attention on ESG products

Retail Investors **between 30 and 60 years old** attach greater importance to ESG products compared to other age groups.



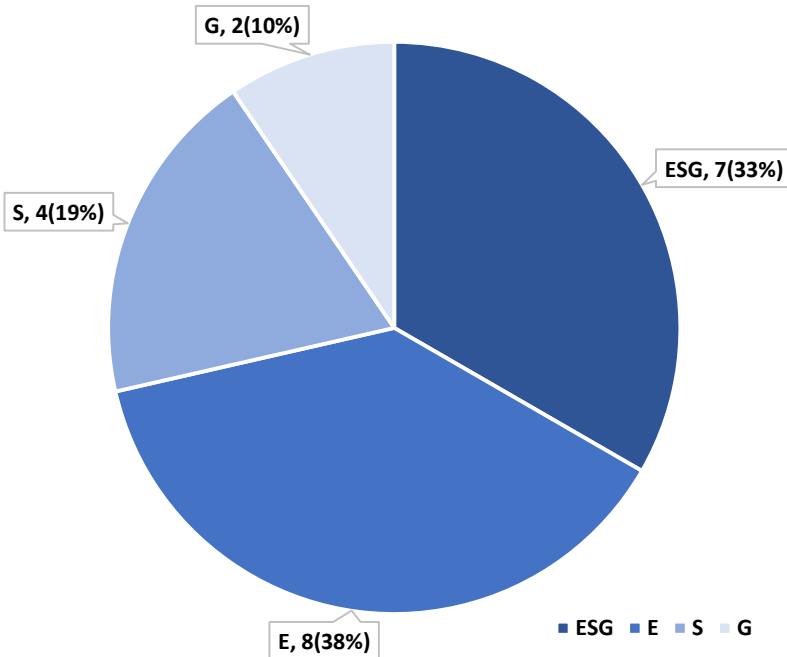
## **4. Taiwan Sustainability Ratings, ESG Index derivative and financial products**

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# Taiwan currently has 21 ESG indexes, of which eight are environmental

## Types of domestic ESG indexes

Among the domestic 8 E (environmental) indexes, three have been released ETN, ETF



ESG indexes	Product
Taiwan Environmental Sustainability Index	-
Taiwan Environmental Sustainability 50 Index	-
Customized Environmental Sustainability Dividend + Index	-
TIP FactSet Taiwan Smart Mobility and Electric Vehicles Total Return Index	ETN
TIP Customized Taiwan Green Energy and Electric Vehicles Index	ETF
TIP FactSet Taiwan EV and Autonomous Tech Sustainability Index	-
TIP Customized Taiwan Electric Vehicles Supply Chain Representatives Total Return Index	ETN
TIP Customized Taiwan Smart Vehicles and Supplier Alliances Index	-

# NTPU CCS' s Vision and Mission

Center for Corporate Sustainability of NTPU **has been deeply involved in corporate sustainability teaching, research and practical application for more than 15 years.** In response to the global corporate sustainability trend, NTPU has established the "Center for Corporate Sustainability", which is dedicated to the industry-academia development of corporate sustainability. We have created the SEED rating system, and developed the Taiwan Sustainability Ratings model and other related modules such as **Taiwan Sustainability Ratings-Environmental Sustainability module** and **Taiwan Sustainability Ratings-SMEs module**.

- On May 27, 2016, we launched the first CSR index in Taiwan at the international conference of the Taiwan Finance Association.
- On Nov., 2019, Taiwan Sustainability Value Index (TWSVI) was calculated and maintained by S&P Global and was officially shown on S&P website, Reuters, and Bloomberg.
- In 2020, we partnered with Cathay Securities to publish ESG individual stock reports.
- From Oct. 2021, We have collaborated with Taiwan Index Plus Corporation to launch 4 indexes-Taiwan Environmental Sustainability Index, Taiwan Sustainability Value Index, Customized Environmental Sustainability Dividend+ Index, and Taiwan Environmental Sustainability 50 Index.

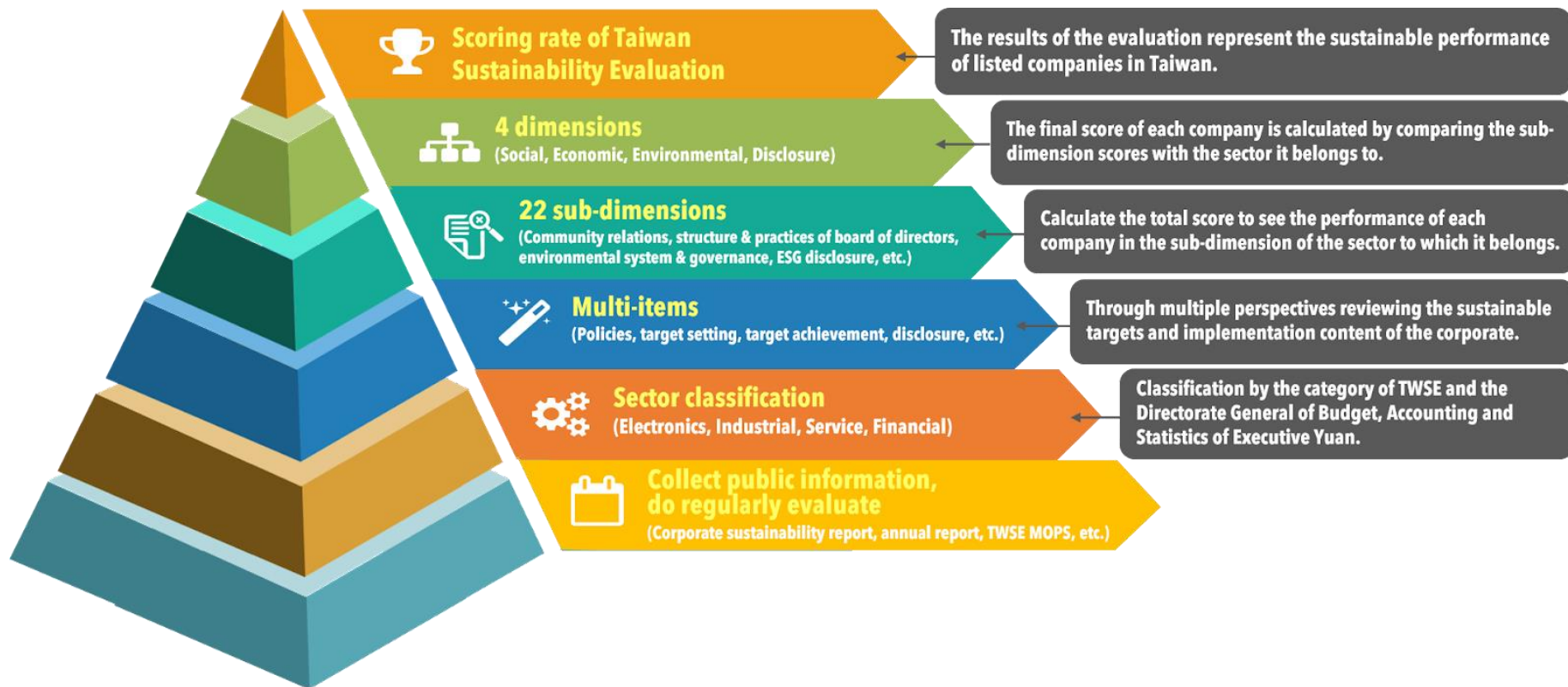
# Taiwan Sustainability Ratings

The Taiwan Sustainability Ratings system is in sync with the international sustainability performance assessment standard, and uses ESG dimensions to assess the performance of companies in the face of issues related to ESG risks and opportunities in the industry. The Taiwan Sustainability Ratings system examines whether an enterprise has set an appropriate sustainability vision and whether it has developed a corresponding strategy through the four dimensions (SEED) of society (S), economy (E), environment (E) and disclosure (D).

Planting a positive ESG SEED, we hope to influence Taiwan's capital market,  
and to make Taiwan a better place. We need your involvement!



# Structure of Taiwan Sustainability Ratings



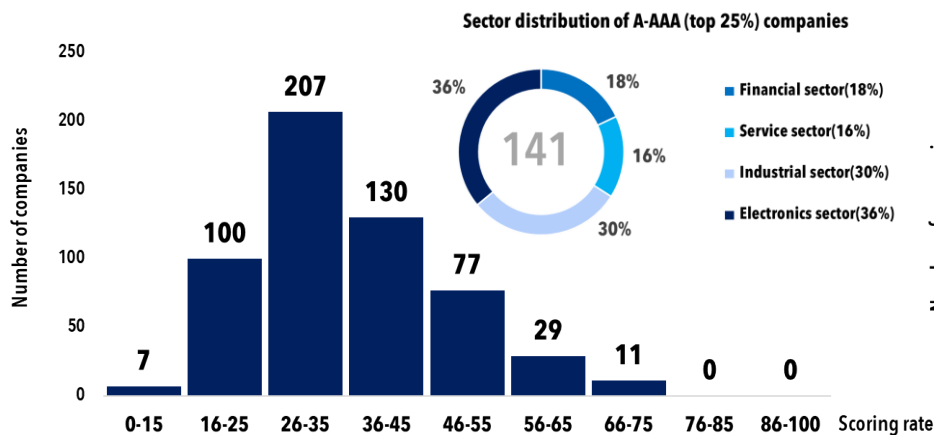
# A Good ESG Rating Requires Discernment

Since 2021, the Taiwan Sustainability Ratings system covers 500+ listed companies each year. Good discernment helps investors and financial Institutions determine which company has better ESG performance.

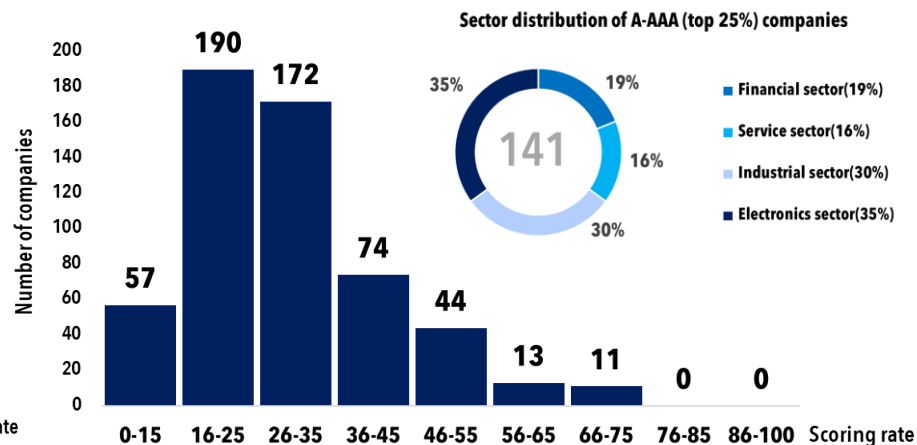
## Distribution Map of 561 Companies in

2021

The result of Taiwan Sustainability Ratings



The result of Environmental Sustainability modu





# Building ESG Indexes Based on Taiwan Sustainability Ratings

NTPU and Taiwan Index Plus have launched four ESG indexes. Commercialization is in processing.

Index	Launch date
Taiwan Environmental Sustainability Index	2021.10.18
Taiwan Sustainability Value Index	2022.01.03
Customized Environmental Sustainability Dividend+Index	2022.01.03
Taiwan Environmental Sustainability 50 Index	2022.01.17

Thank You for Your Attention.

