ETHOS Investment Management

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Our Approach to ESG Integration at Ethos

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Summary:
Environmental, Social & Governance (ESG) assets are expected to make up half of the global assets by 2025.[1] In our view, current ESG practices pose a number of problems including poor and non-material data, siloed ESG teams, and misunderstanding of what ESG terms really mean. We believe ESG integration can add to long-term returns and reduce long-term risks in a portfolio, but only when it is implemented correctly. Our experience has shown that a process that integrates ESG from the ground up, with an investment process that systematically evaluates metrics that are material to a company, and constructively engages with investee companies leading to positive stock re-ratings, can be a powerful contributor to long-term returns within a portfolio.

Introduction:

When we created Ethos Investment Management LP, we wanted to build a fund that fully integrated ESG the right way for long-term value creation and sustainability for clients. Since 2005, I've been investing in companies using frameworks to identify high-quality businesses and management teams, and during my five years at APG Asset Management (Netherlands largest pension fund and a global leader in ESG investing[2] where I ran the $1B Emerging Markets Small and Midcap Fund), I developed a robust approach to ESG that I feel not only reduces long-term risks but also augments long-term returns. Utilized correctly, ESG is a valuable tool for improved company analysis and company engagement, which allows us to better analyze a company's culture or "ethos". This has been proven to be a strong predictor of long-term company earnings and stock returns.[3]

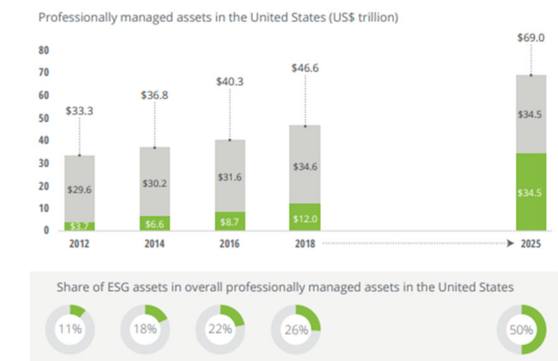
As investors, we believe we have a responsibility to care about the impact of our investment choices. Through deep ESG integration and engagement, we seek to partner with our portfolio companies to enhance shareholder returns. Strong ESG metrics are key in driving sustainability and therefore, the long-term sustainable earnings growth and returns of a business.

The ESG Opportunity:

The investment industry is in the midst of a monumental shift, as more investors recognize ESG Integration as a driver of long-term returns and more clients demand that a portfolio's social and environmental impact be considered alongside returns.

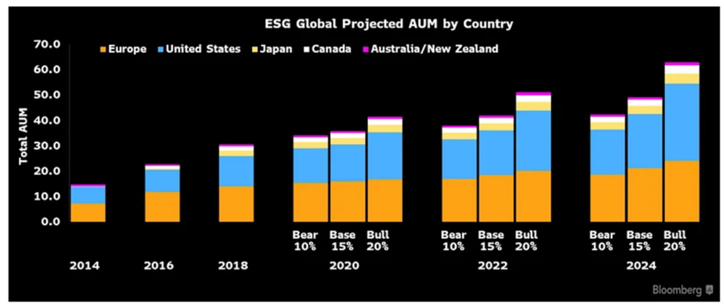
A recent market study by Deloitte estimated that by 2025, ESG-mandated assets will make up half of all managed assets in the United States, or $34.5 trillion (see figure 1), up nearly 3x compared to $12 trillion today.[4] Similarly, Bloomberg Intelligence estimates that worldwide ESG assets will more than double to reach $53 trillion by 2025.[5] Additionally, Bloomberg Intelligence expects ESG assets to become more sophisticated, as exclusionary screening based on religious or other criteria which make up the majority of ESG assets today, will shift to more specific ESG integrated themes of sustainability tailored to a client's demand.

Figure 1: ESG-Mandated assets could make up half of all managed assets in the US by 2025 (Deloitte)



Source: US SIF Foundation data through 2018; Deloitte Center for Financial Services analysis through 2025.

Figure 2: ESG Global Projections of AUM by Country (Bloomberg Intelligence)



Source: GSIA, Bloomberg Intelligence

This presents a massive opportunity for ESG funds that can meet investors' ESG requirements and benefit from rising asset flows and the positive re-rating effect of companies that are proven to be ESG leaders.

The ESG Problem:

One problem with the enormous shift of ESG into the asset management industry is that ESG means a lot of things to different people. In general, ESG data today is poor and often non-material, the comparability between ESG products is low, the definitions and ratings of what constitutes ESG is hazy, and as a result, there is a growing backlash against new ESG products. A recent event highlighted growing concerns as Tariq Fancy, former head of Sustainable Investing at Blackrock, wrote a series of whistleblower articles calling the current state of ESG industry research "a dangerous placebo", "greenwashing" and a "dangerous mirage".[6] I believe Tariq's articles brought up many valid criticisms of the state of the ESG industry today.

Regulators have also recognized the problem. In January 2022, the SEC formed an official ESG task force which they stated will take a direct aim at the industry's "greenwashing issues" and will focus on clarifying ESG definitions and scrutinizing statements made by investment houses related to ESG. Likewise in Europe, the European Commission, in March 2021, established reporting obligations for ESG funds that would be classified into Article 8, which focuses on funds that integrate ESG features into their investment process, and Article 9, which focuses on Impact funds to better regulate the disclosure of ESG reporting. We applaud the recent regulatory efforts to make ESG disclosures more standardized and clearer. At the same time, we believe there is still much more that is to be done to integrate ESG properly.

The main problems with ESG integration into investment products today are that:

- ESG Data and Classifications are often superficial, unreliable, and non-material. ESG Ratings rely on 3rd party agencies that tend to focus on disclosures, policy statements, and non-material factors which significantly skew ratings among agencies. Tesla, for example, scores high at one rating agency (A-rated at MSCI) and low on others (rated 28/100 at S&P Global and 28.5 Medium Risk by

Sustainalytics as of 12/31/2021)[7] as they weigh factors differently and tend to focus more on disclosure checklists rather than true impact and materiality within their ratings.

- "ESG" "Sustainability" "Green" & "Impact" and other ESG terms are often misunderstood by the investment community and used interchangeably even though they mean vastly different things. This often leads to client frustration when outcomes don't match their intentions.
- ESG teams and Investment teams are often siloed and run separately within organizations, with each having different incentives and goals. Oftentimes, ESG teams are not incentivized based on portfolio performance but rather ESG targets and this leads to ESG not being truly integrated and oftentimes at conflict with PMs, which may build resentment over time.
- Crude ESG filters or investing in ESG themes may actually reduce long-term returns for clients if they are not coupled with sound investment fundamentals and investment due diligence. The decline of Chinese solar companies, the low returns of wind turbines, and speculative Korean biotech companies going bankrupt are all examples of good intentions gone bad when not coupled with sound industry fundamentals.

Our Approach to ESG Integration:

At Ethos Investment Management LP, we built our fund from the ground up that integrates ESG into each step of the investment process and builds on my experience from working at some of the leading funds globally that focus on Quality and ESG investing. The goal is to have "Ethos" in the shareholder list be seen as a stamp of approval for the company's high-quality and strong ESG practices. I hope to leave a legacy of what best-in-class ESG integration should look like. At present, I believe we have a significant first-mover advantage. We offer a fund that uses the ESG lens to help augment our investment process through our long-term ownership approach, where we run concentrated portfolios with extensive due diligence on each company that we invest in. This active, concentrated portfolio approach allows us to 1) more robustly analyze qualitative aspects of the company including company cultures and governance, and 2) engage with investee companies to help improve these material ratios and hence unlock value in the stock's re-rating.

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We are often asked what we believe best-in-class ESG Integration should look like a fund investing in public equities. Some factors we believe proper ESG integration should include, and that we actively implement at Ethos, are:

- Clear and Material Metrics

  To implement ESG integration successfully one needs to begin to clear metrics that are both meaningful and material, and metrics that can be monitored over time and benchmarked against industry peers. The easiest metrics to compare are checklists of disclosures. For example, what percentage of total policies are disclosed on their websites, like a Data Privacy or Whistleblower policy. These are useful to see but tend to be boilerplate and less material to long-term returns. Few companies today disclose more material metrics, such as those suggested by SASB, which focus on material metrics such as employee retention, risk of material negative events, or management incentive KPIs that have a more direct impact on profits and cash flows, because those metrics are more difficult to obtain and monitor. But these are the types of metrics that are significantly more meaningful for investors. We believe ESG integration should consider material metrics that will impact profits, cash flows, and employee well-being as well as other stakeholders such as suppliers, customers, the environment, and local communities. In practice, this requires investors to do their own primary research rather than just rely on 3rd party ESG sources and develop a deep understanding of the company and the country in which they operate. We also believe that investment funds have the responsibility to report back clear and material ESG metrics back to clients regarding the underlying portfolio.

- <u>Inclusion not just Exclusion</u>
  As reported by Bloomberg Intelligence, most ESG assets today are invested in funds that integrate ESG through basic exclusion.[8] This means that ESG funds will just exclude certain industries with a broad brush such as excluding tobacco, weapons, or polluting industries such as Utilities or Oil Exploration from their portfolios. We believe ESG integration done robustly will dive deeper into governance, company cultures, environmental transitions, compensation, and diversity data, and that we can benefit from investing in companies that are ahead of the curve and best-in-class within their sector with regards to ESG factors. In short, we seek to invest in the top 5% of the investment universe with regards to ESG, rather than just exclude the bottom 20%

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- <u>Engagement</u>
  We believe we can have a profound impact on a company and even the business community at large through constructive engagement. When we help a well-meaning company improve their compensation structure, which in turn reduces employee turnover and leads to higher product innovation, or improve their diversity and board experience, or position their products to better align with UN-Sustainable Development Goals, we can have a positive and transformative impact on a company, its employees, and its impact on society. The positive by-product of these engagements is that the stock price may re-rate upwards, resulting in more wealth creation for the business owners and for minority shareholders. For each company we invest in, we present them with our proprietary ESG scorecards and bring their attention to where they rank high and where they rank low, which builds trust and gives them clear targets on where to improve. In my experience, this approach has proven to create long-term value for all involved.

- <u>Stewardship Priorities</u>
  Proxy voting is an important stewardship of investors, and we believe that we can have a shaping influence on a company's long-term trajectory through accepting or rejecting board proposals in our proxy voting. Therefore, we feel it is important to make an independent decision not just follow 3rd party recommendations. We believe shareholders should have clearly stated priorities and policies on how they plan to vote on ESG factors and make sure these are in line with clients' goals of long-term value creation.

- <u>Impact</u>
  UN-Sustainable Development Initiative sectors (SDGs), define businesses that have a positive impact on society, such as Healthcare or Clean Energy companies. We believe it is important for funds to be

able to quantify their impact, both the positive and negative impact on societies. As such, we measure the percentage exposure in our portfolio that has the majority of their revenue that would be defined under UN-Sustainable Development Initiatives, or "impact" companies. As seen below in Figure 4, currently 35% of the Ethos EM SMID Master Fund LP (the "Ethos Fund") would be classified as positive impact companies or SDGs, with a focus on healthcare, clean energy, employment and reducing income inequalities. We also make sure 100% of our companies don't have a negative impact on society. Specifically, we don't invest in companies that exploit workers. We don't invest in companies that create products that are addictive, such as alcohol, tobacco, or gambling. We don't invest in defense companies. We want to invest in businesses that make customers' lives and society better, which will reduce the risk of a company being punitively regulated or disrupted in the future and gives the stock a natural long-term tailwind.

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- Low Carbon Footprint
  Our focus on Quality businesses has led us to avoid businesses that have undifferentiated or commoditized products or that are highly cyclical or capital-intensive businesses. We also are mindful of the significant environmental challenges and disruptions to come, such as rising water levels, societies needing to reduce carbon footprints, and significant industry changes that will ensue. As a result, we believe the carbon footprints of investment portfolios should be monitored and investors should be aware of the direct and indirect environmental impacts of the companies they are invested in. We perform sensitivity tests for all the companies in the portfolio with regards to the Paris Agreement's commitment to not letting mean global temperatures rise above 2°C. Currently, the Ethos Fund has less than 1/5 the Carbon footprint equivalent to the MSCI EM SMID Index on a per dollar of Revenue basis.[9]

- Understanding a Company's Culture or Ethos
  I believe that the "S" in ESG, which focuses on company labor practices, company culture, diversity, and values, is fertile ground for generating alpha for investors. Company culture is something that is difficult to analyze and quantify from an outside perspective but is a strong leading indicator of long-term earnings growth and stock price performance.[10] We have developed a proprietary process and unique metrics to evaluate and monitor a company's culture and "S" factors, including investment in R&D and innovation, having a clear company mission, mapping college graduates from top universities, employee surveys, employee turnover, and equity compensation indicators, all of which help us evaluate how strong a company's culture is. This company culture analysis is embedded in our company ESG scorecards.

- ESG Integrated within the Investment Team
  One of the problems that Tariq Fancy from Blackrock highlighted in his whistleblower articles, is that ESG teams operate separately, away from the investment teams and the decision-making process. The two teams tend two operate in siloed departments, with different objectives and incentive structures. In my opinion, proper ESG integration means that ESG factors will be embedded into each step of the investment process, from portfolio philosophy to construction, to monitoring and

engagement, and communication with clients. This means that the portfolio managers and investment analysts should be the ESG experts themselves and lead the engagement efforts, which takes a major investment of time for employee training and dedication to ESG factors by the team.

- <u>Living Best ESG Practices Ourselves</u>
  We also believe in leading by example. That means maintaining best-in-class governance at Ethos Investment Management LP. We aim to be industry leaders in diversity, inclusion, building a strong company culture, and transparency. We also believe it is important to lead by example by reducing our carbon footprint and building a net-zero organization. We also believe that it is important to have a CSR policy, where employees are empowered to volunteer and donate to meaningful organizations. At Ethos, I am pledging 5% of my mgmt. company profits each year will be donated to education and poverty alleviation charities in developing countries because we believe we have a responsibility to make an impact for the good of the world.

As can be seen from the principles above, I don't believe properly implementing ESG successfully can be done by simply tweaking an existing investment portfolio or process. It takes a paradigm shift of building ESG into the investment process and changing the investment team's culture from the ground up, with a focus on materiality, engagement, and long-term ownership. We support ESG due diligence frameworks for investment managers, such as those recently created by PRI[11] and the CFA Institute[12], that will help allocators to better assess the quality of ESG integration of fund managers. We believe that proper ESG integration will take into account the nine overarching principles highlighted above.

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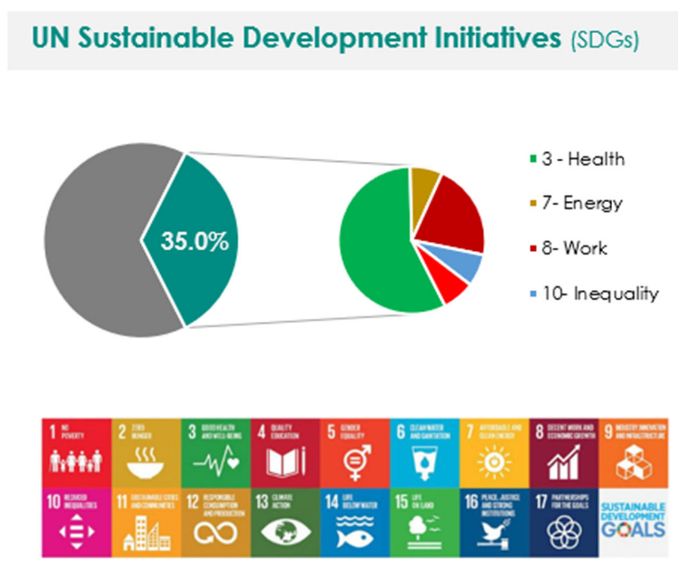
Figure 3: Selected ESG Metrics, Ethos EM SMID Master Fund LP, as of March 1, 2022

Selected ESG Metrics	Ethos EM SMID Cap
Governance Score	**8.1 / 10**
Independent Board %	47.4%
Audit Committee Independence	100%
MSCI ESG Rating	BBB
Social Score	**8.0 / 10**
Employee Turnover	11.3%
Women Employees	41.2%
R&D % of Sales	9.1%
Environmental Score	**8.4 / 10**
Fossil Fuels, Utilities, Mining %	0%
Sustainalytics Rating	43/100

Figure 4: SDG % of Ethos EM SMID Master Fund LP, as of March 1, 2022



ETHOS Investment Management

ESG Integrated Properly Adds Value:

One of the most common questions for investors who are considering embedding ESG into their portfolios is: Will this reduce my long-term returns? Backed by both my professional experience and also leading academic studies, the conclusion is clear that ESG integration done properly actually increases long-term returns while at the same time reducing portfolio risk. This seems to be especially true in emerging markets, where market inefficiencies can be greater.

A recent study by Principles for Responsible Investment (PRI) found that EM funds that used MSCI EM ESG Leaders Index from 2013-2019 increased annualized returns from 4.7% to 6.9% while reducing risk, greatly improving Sharpe ratios. An even greater impact was seen in China specifically, as the MSCI China Leaders Index increased the China Index return from 8.9% to 13.6% annualized in USD over the 7-year period.[13]

Figure 5: Performance Summary: Emerging Markets & China ESG Indices, MSCI, Data from June 28, 2013 to June 28, 2019

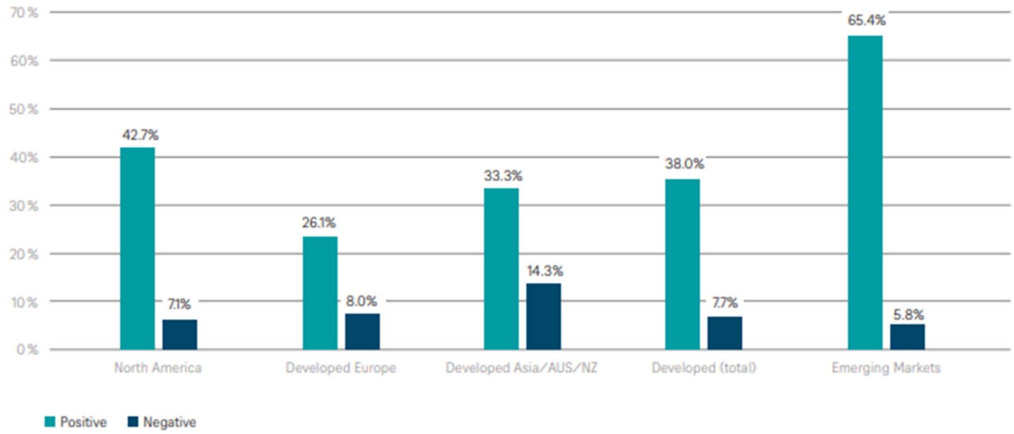
	Emerging markets			China		
	MSCI Emerging Markets Index	MSCI EM ESG Leaders Index	MSCI EM ESG Universal Index	MSCI China Index	MSCI China ESG Leaders Index	MSCI China ESG Universal Index
Return (%)	4.7	6.9	5.1	8.9	13.6	9.8
Risk (%)	15.2	14.8	15	20.3	21	20.4
Sharpe ratio	0.25	0.41	0.28	0.4	0.61	0.44

Note: All risk and return figures are annualized, based on gross daily index total returns in USD.

Another extensive study was done by Friede, Bushche, and Bassen from the University of Hamburg and Deutsche Asset Management in 2015, the largest study of its kind which compiled data from over 2,000 academic studies published on ESG strategies since 1970. Among the many interesting takeaways, the overarching conclusion was that when a developed markets fund incorporated ESG integration, it increased returns 38% of the time and only 7.7% of the time detracted from returns (Figure 6). Even more significant was that the impact of ESG integration was even higher in Emerging Markets, which resulted in a positive outcome 65% of the time, and only 5.8% resulting in a negative impact on returns.[14] We believe ESG integration works so well in EM because of higher market inefficiencies, greater disparities of company governance and social standards, and more room for positive engagement efforts.

MSCI China ESG Leaders Index increased the China Index return from 8.9% to 13.6% annualized in USD over the 7-year period.[13]

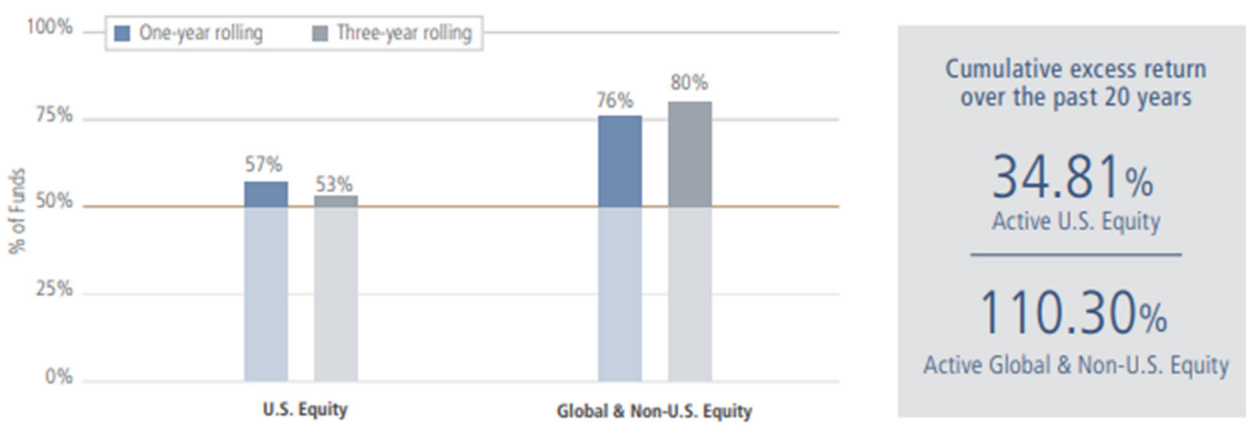
Figure 6: 65% of the time ESG Integration is a positive return contributor in EM (Friede, Bushche, and Bassen)



Source: Friede, Busch, Bassen (December 2015)

In addition, ESG integration seems to have the most pronounced positive impact for active strategies rather than passive strategies. Morningstar Research found that over rolling one- and three-year periods since 1999, Active ESG strategies beat their passive counterparts after fees more than 60% of the time across capitalizations and geographies. The success of active management was particularly pronounced in global and non-U.S. equity portfolios, as active outperformed passive at least 70% of the time (see Figure 7).

Figure 7: Active ESG Equity Investing Has Been More Successful Than Passive Over Market Cycles, Percentage of the Time which Active ESG Strategies have beaten passive ones after fees, Jan 1999 through Dec 2018



Source: Morningstar. Morningstar category net average annualized return covering 229 (rolling one-year returns) or 205 (rolling three-year returns) time periods (January 1999 through December 2018). Weighted averages are based on the number of socially conscious ETFs, passively managed open-end U.S.-domiciled funds and actively managed open-end U.S.-domiciled funds with one- or three-year track records as of December 31, 2018, including funds that have been liquidated. Performance is based on funds' oldest share class. Investing entails risks, including possible loss of principal. **Past performance is no guarantee of future results.**

Furthermore, the most powerful evidence to me of ESG's ability to add alpha to a portfolio is my own professional experience. For me, the effect of ESG Integration's positive effect on performance has been especially pronounced within small and midcap companies in emerging markets, where market inefficiencies may be higher, the additional ESG work done to understand metrics about compensation, governance, company culture, and environmental awareness are not so easily gleaned from basic ESG reports. We have been able to get a much deeper understanding of the company's ESG standards through our proprietary scoring models and deeper surveys. The ESG scorecards that we built from scratch at Ethos Investment

Management LP, honed from my previous experiences, have proven to be a key ingredient to strong returns and higher hit ratios within our investment portfolio.

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ESG Engagement as a Return Enhancer

ESG Engagement is the second major lever that can be a return enhancer for portfolios. We have been able to engage with investee companies to help improve material ESG metrics and hence unlock value in the stock's re-rating. It is another reason that we find that active funds have an advantage over passive funds with regards to ESG Integration.

I am surprised at how positively ESG Engagement is received today. Most companies are being bombarded with requests for ESG questionnaires and questions, and so when we present to them our ESG Scorecards, it is often received positively and constructively. We find especially fertile ground for ESG Engagement within Emerging Market Small and Midcap companies that is a universe of thousands of family-run businesses who are well-intentioned but oftentimes just need support to reach global best practices. Some of the key points that we have found that leads to successful ESG Engagement are:

- Alignment. Companies need to know that we are on their side, that we have a long-term mentality, and that we have skin in the game as well through our stock ownership. We are not a hedge fund that could short their stock the next month. We are committed, long-term partners that take a business-owners approach to investing which perfectly aligns us with the company owners.
- Strong Reputation. Trust isn't built in a day. I've built a solid reputation within emerging market companies from my 17 years of experience as a trustworthy long-term investor. I have dozens of case studies of companies that have benefited greatly from my engagement efforts. Coming from APG Asset Management, a leader in global ESG investing, has proven to open many doors and built trust.
- Clear ESG Engagement Proposals. We've found that following up a meeting with a clear letter, that outlines our understanding of the company and presents them with clear, achievable targets helps companies act and also gives them a concrete document to circulate to the board and other stakeholders.
- Consultavist Approach. We have found more success in engagement through positive, constructive long-term engagement rather than angry, short-term activism. We call it a "consultavist" approach, which builds trust and long-term relationships and is especially important in emerging markets, where cultural and systemic sensitivities need to be respected and understood.
- Showing clear case studies of value creation. In our ESG Engagement, we are clear to highlight similar case studies of companies within their sector or country that have resulted in meaningful value creation. Our experience gives us a wealth of opportunities to draw upon. When companies can see the clear link between ESG improvements and wealth creation, they are more likely to act on our proposals.

We've had many successful engagement efforts with companies that have resulted in significant wealth creation. One example was the largest Consumer Credit Bureau in Korea. We first met the company in Seoul in April 2017 and after three months of due diligence invested in July 2017. The company rated highly within our quality framework due to:

- Dominant Market Position supported by high entry barriers and Network Effect moat
- High Profitability and Returns – ROIC of ~20%
- Strong growth –5-year EPS CAGR of 18%
- Undervalued – the stock was priced at 13x 1YF P/E and over 8% FCF yield, a 50% discount to global peers.

As part of our initial due diligence and following our initial investment, we conducted extensive engagement efforts with the company, including a trip to Seoul to meet with the CFO and then another trip to meet with the ownership family. We presented our ESG Scorecard and our main ideas for the improvement of ESG practices. Our main engagement targets were:

- Improve investor communications, including publishing annual reports in English and Annual Corporate Governance and ESG Report.
- Improve social standards within the company, including equity-linked compensation for management and clear KPIs for all employees to increase alignment and long-term incentives.
- Improve disclosure on sharing of resources and opportunities between related parties and CEO succession plans.
- Add 2 Independent Board of Directors to the Board.
- Increase dividend payout to at least 25%.

As a result of our engagement efforts, the company began to act on our proposals. They improved their disclosures, including publishing an English language Annual Report. They improved their labor standards, by adding clearly defined KPIs for employees, specific to each employee's responsibilities. They added two independent board members to their Board of Directors the following year. And they increased their dividend payout ratio to 25%. The changes were viewed positively by the market and the stock re-rated from 13x 1YF P/E to 22x 1YF P/E over the next year. The stock has more than tripled since we invested, resulting in increased wealth for the family owners and employees as well as strong performance for minority shareholders in the company.

Figure 8: Case Study of ESG Engagement, Korean Consumer Credit Bureau re-rated from 13x P/E to 22x P/E

Before Engagement, *as of June 30,2017*

	5yr ROE	P/E
Experian	23.2%	24.1x
Equifax	17.3%	28.2x
Transunion	9.3%	35.3x
Average	16.6%	29.2x
Investee Company	**16.0%**	**16.3x**

* P/E multiple as of June 30, 2017.
* Transunion ROE is for fiscal year ended 2016.

Holdings noted above are for illustrative purposes and should not be construed as a buy or sell recommendation. **Past performance is no guarantee of future results.**

We have had similarly successful efforts with other companies, including a medical devices company in China, a snacks business in Thailand, a food and beverage business in India, and a medical diagnostics company in Brazil, among others, all of which underwent significant re-rating gains. We've also been able to mitigate losses by avoiding investing in companies that react negatively to our engagement efforts, such as a Korean home improvement retailer, an Indian dairy business, and a Chinese automotive internet company, which we divested after seeing red flags through our engagement efforts, and then the stocks subsequently declined materially. We believe that being a cornerstone shareholder to companies and successfully engaging with them using a long-term partnership approach can be a meaningful lever to enhance returns and reduce risks for shareholders.

Conclusion

In summary, we strongly believe that ESG Integration can be a meaningful enhancement to long-term returns for public equity investors. An ESG lens allows us to 1) more robustly analyze qualitative aspects of the company including company cultures and governance, and 2) to engage with companies to help improve ESG factors and hence unlock value in the stock's re-rating. Studies have shown that proper ESG Integration adds to returns, especially in emerging markets and for actively managed funds. In the coming years, I expect ESG assets will continue to see asset flows and increased scrutiny, and I believe true ESG solutions such as Ethos will become increasingly valuable. However, our approach, characterized by active ownership and a focused, long-term approach with proprietary ESG research will not be easy to replicate. It has taken us years of to develop the right frameworks and processes and hone the ESG engagement methods that are embedded within the culture of our firm.

In short, we seek great returns through companies that do good. And we believe deep ESG Integration is a key tool for us in achieving our vision.

Sincerely,

James Fletcher
Founder and Chief Investment Officer

Figure 9: Summary of Ethos EM SMID Master Fund LP ESG Scorecard

ESG SCORECARD FOCUS AREAS	
Governance	• Capital Allocation • Integrity of Financials • Board of Directors • Ownership Structure • Management Track Record • Conflicts of Interest • Shareholder Rights
Social	• Company Culture • Employee Retention • Labor Rights • Supplier Oversight • Diversity • Transparency
Environmental	• Carbon Emissions • Waste Management • Community Impact

Sources:

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2 **https://www.institutionalinvestor.com/article/b14zpmm2krz43h/dutch-pension-manager-apg-puts-esg-practices-up-front**

3 **Edmans, Alex. (2011). "Does the Stock Market Fully Value Intangibles? Employee Satisfaction and Equity Prices," Journal of Financial Economics, Vol. 101, No. 3**

4 **https://www2.deloitte.com/us/en/insights/industry/financial-services/esg-investing-performance.html**

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6 **https://medium.com/@sosofancy/the-secret-diary-of-a-sustainable-investor-part-1-70b6987fa139**

7 **https://www.sustainable.com/companies/tesla**

8 **https://www.bloomberg.com/professional/blog/esg-assets-may-hit-53-trillion-by-2025-a-third-of-global-aum/**

9 **Source: Refinitiv, As of 1 March, 2022**

10 **Edmans, Alex. (2011). "Does the Stock Market Fully Value Intangibles? Employee Satisfaction and Equity Prices," Journal of Financial Economics, Vol. 101, No. 3**

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file:///C:/Users/james1/Downloads/ESG%20Study2015%20MappingGlobalLandscape.pdf**

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