

Sustainable investment

PART
03



BNP PARIBAS
WEALTH MANAGEMENT

In association with

AON



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Welcome

to the 2020 Global Entrepreneur report from BNP Paribas Wealth Management



Vincent Lecomte

For the last six years, we have looked at how Elite Entrepreneurs influence the world's economies. This year we took a deep dive into what Elite Entrepreneurs think about sustainable investments and whether their actions actually matched their thinking.

I am very encouraged by our findings. Almost half of Elite Entrepreneurs already have sustainable investments. 70% described themselves as 'impact seekers' who will increase their sustainable investments. On average, these impact seekers want to quadruple their financial commitments! Elite Entrepreneurs clearly want to use their wealth to leave a positive mark on society. This is really good news.

What does this mean for us at BNP Paribas Wealth Management? We must design solutions that facilitate impact ambitions of our clients while offering the possibility of financial returns.

We recently launched our new, game-changing sustainability rating methodology across all asset classes, putting us at the forefront of the private banking industry. Thanks to this methodology, our clients can compare the level of sustainability of the investments we recommend. And our clients are walking the talk; their sustainable investments with us have grown by 50% every year since 2011.

We provide entrepreneurs with tailored solutions to meet their very specific needs, across both their personal and professional activities. We draw on the wide expertise of the BNP Paribas Group, be it our corporate and institutional banking, our retail banks, our asset management or our real estate business.

More than ever, we are in lock-step with our clients, building a sustainable and harmonious future together.

#PositiveBanking

A handwritten signature in black ink, appearing to read 'V. Lecomte', written over a thin horizontal line.

Vincent Lecomte
CEO BNP Paribas Wealth Management

Contributors

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BNP Paribas Wealth Management



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Tasha Vashisht

Head of Thought Leadership, Aon Client Insight

Word from the editor

Welcome to the **2020 Global Entrepreneur Report** from BNP Paribas Wealth Management.

Over the course of six years, we have surveyed nearly 15,000 high net worth and ultra-high net worth entrepreneurs across the world.

Since 2015, we have made it our mission to understand the impact of global entrepreneurship by researching some of the world's most successful business owners. This year, we have gathered feedback from 1,132 entrepreneurs across 19 different countries, spanning the US, Europe, the Gulf Cooperation Council and Asia.

In Part 3 of the report, we reflect their appetites and perceptions of sustainable investing, including their belief that action against climate change is the most important of the 17 United Nations Sustainable Development Goals (UNSDGs). Indeed, environment-related UNSDGs populate three of their top five priorities and there is enthusiasm to increase their allocations to sustainable investments over time.

Although our insights find that there is no consensus on the most effective way to approach global challenges or to measure their success, they demonstrate how important it is to seek expert advice to maximise the impact sought. Entrepreneurs are telling us that they want the industry to step up to its role in influencing their choices here. This starts with more accessible information and client education on sustainable investment opportunities. It also requires product innovation, with many seeking access to a wider range of sustainable investments.

Our research study was conducted in Q4 2019, before the humanitarian impact of the deadly Covid-19 pandemic was felt across the world and prior to the global economic crisis that followed it.

One unintended consequence of the pandemic was the immediate and significant impact on carbon emissions as planes stopped flying, factories stopped producing and economic activity ground to a halt. While it is fact that emissions have fallen in 2020, it is likely to be a temporary blip rather than a prolonged reduction that could be meaningful to achieving climate action goals. Having witnessed the unprecedented challenges of this wholly-unanticipated crisis, sustainable investors should now be more cognisant, not less, of some of the predicted impacts of climate change on the global economy and move to build resilience in their businesses and portfolios against these risks.

We hope you enjoy the 2020 Global Entrepreneur Report mini-series and would like to thank this year's participants for their enriching contributions.



Tasha Vashisht

Head of Thought Leadership,
Aon Client Insight

Research methodology & sampling

TOTAL SAMPLE
1,132

The research program was undertaken by Aon Client Insight between September and October 2019. The audience of participants were high net worth and ultra-high net worth investors that own (or used to own) businesses.

The research methodology involved a mixed online and telephone survey programme with 1,132 participants spanning 19 countries.

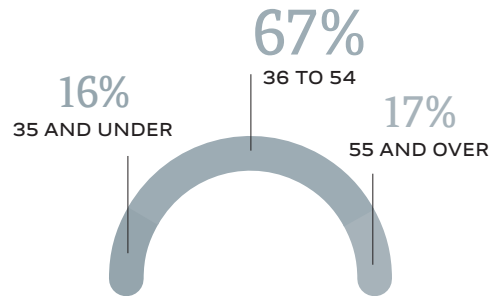
ON AVERAGE

 **USD16.1 M**
AVERAGE INVESTABLE ASSETS

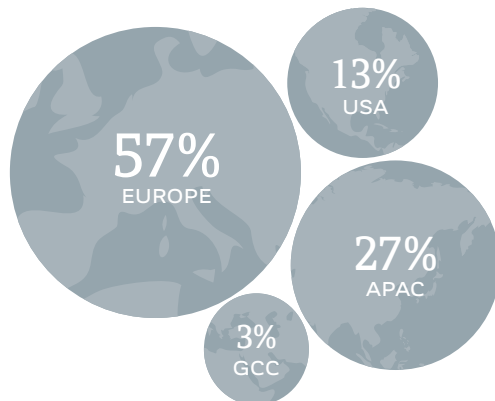
 **USD18.2 BN**
TOTAL INVESTABLE ASSETS

 **USD104.5 M**
AVERAGE TURNOVER
OF PRIMARY COMPANY

AGE

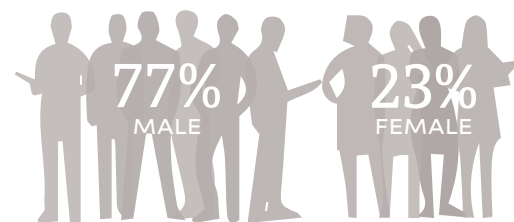


REGIONS



Countries covered in sample: Belgium, China, France, Germany, Gulf Cooperation Council (GCC), Hong Kong, India, Indonesia, Italy, Luxembourg, The Netherlands, Poland, Singapore, Spain, Switzerland, Taiwan, Turkey, United Kingdom and the United States.

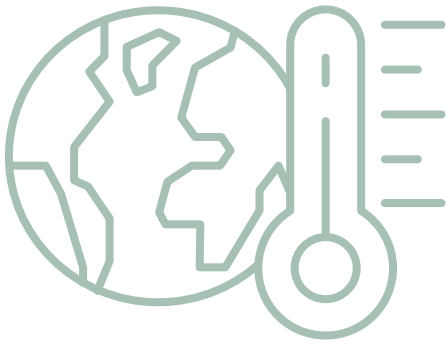
GENDER



Throughout this report, we use the following definitions:

- **'Millennipreneur':** Entrepreneur aged 35 or younger.
- **'Boomerpreneur':** Entrepreneur aged 55 or older.
- **'Serialpreneur':** Entrepreneur who has started at least four companies.
- **'Ultrapreneur':** Entrepreneur with investable assets valued at USD25 million or more.

Key findings



Climate change action is now the number one United Nations Sustainable Development Goal (UNSDG)

Globally, 33% of entrepreneurs choose climate action as a top five UNSDG from a list of 17 sustainable themes. This issue is important to every generation, with Baby Boomers (42%) even more likely than Millennials (37%) to feel this way. Of the UNSDGs, climate change action is the priority in Europe; in the US, access to affordable clean energy; in Asia, promoting inclusive growth.

Entrepreneurial interest in sustainable investing is strongest in Europe

84% of European business owners say they either already have exposure to these investments or would like to one day (compared to 82% in Asia and 77% in the US). There are distinct approaches to impact – European and Asian entrepreneurs tend to focus on global initiatives, while 59% in the US are seeking impact at a national scale.



Female entrepreneurs say reducing the carbon footprint is the best measure of success

Female entrepreneurs are significantly more likely than men to care about this one metric of success, above all else (54% compared to 41% of men). 47% of Boomerpreneurs –over the age of 55 – say reducing the use of non-biodegradable materials such as plastic is their most important KPI, the only generation to focus on this more than reducing carbon emissions.



90% of entrepreneurs admit they see barriers to investing sustainably

A mix of factors have resulted in low allocations to sustainable investments. Those in Europe and Asia are most likely to doubt their own understanding, while there is a perceived lack of specialist advice in the Gulf Cooperation Council. Ultrapreneurs – with more than USD25 million in liquid assets – are most concerned about the complexity of these investments.

Impact-Seekers⁽¹⁾ are prepared to quadruple their financial commitment to sustainable investments over time

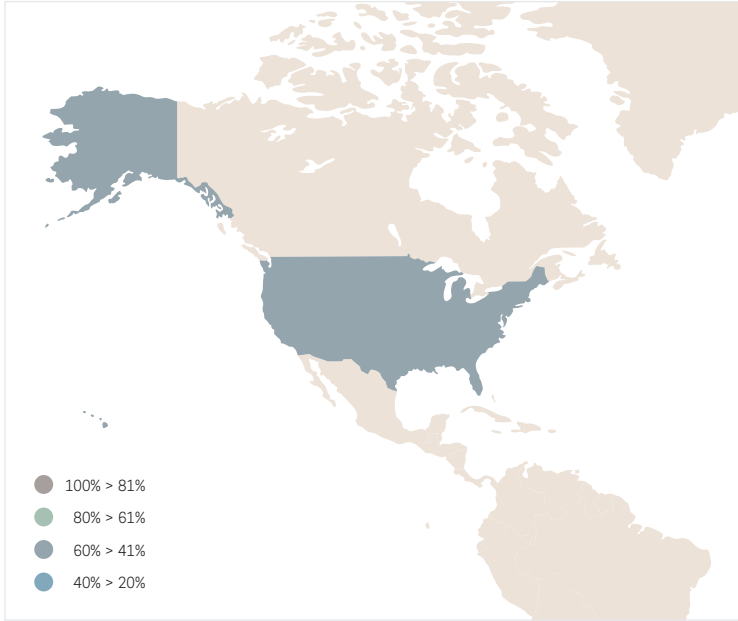
By next year, entrepreneurs who care about positive impact plan to increase average allocations to 16% of their total portfolio; Millennials go further and anticipate nearly a fifth (19%) of their wealth will be invested sustainably by 2021. Impact-Seekers want the industry to play its part and proactively discuss relevant opportunities, information and advice.

x4

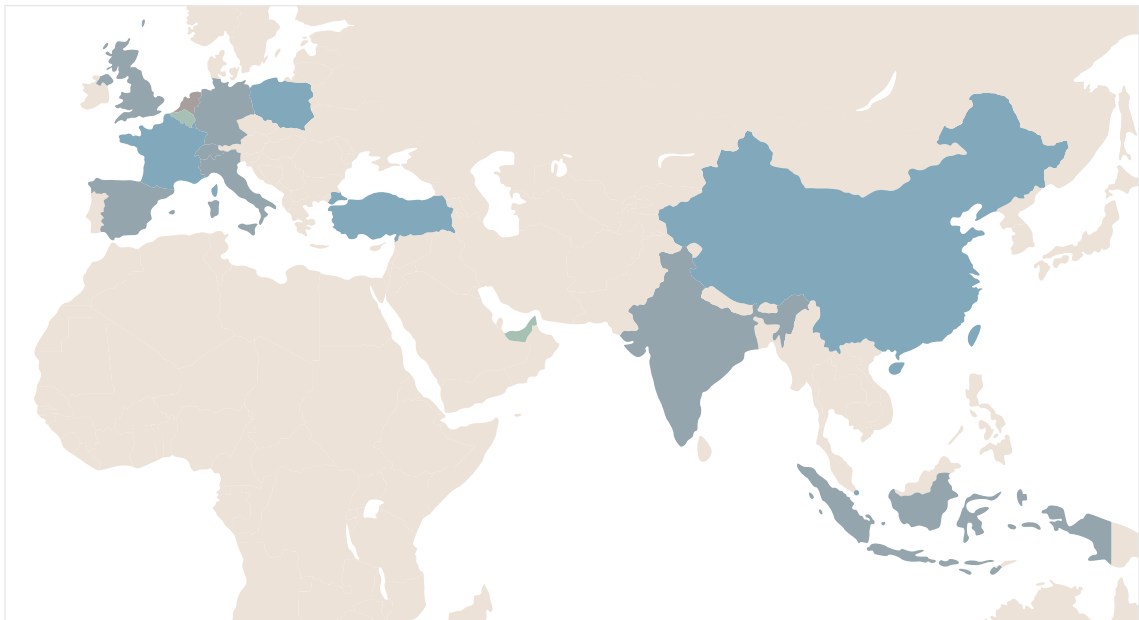
(1) In this report, we refer to 'Impact-Seekers' to denote investors who have said they plan to increase their sustainable investment allocations by 2021.

Spotlight on Sustainable Investment Hotspots

Sustainable Investment Hotspots



Country	Proportion of responsible investors
1 Netherlands	97%
2 Gulf Cooperation Council	73%
3 Belgium	68%
4 Switzerland	60%
5 Germany	53%
6 Italy	52%
7 United States	51%
8 Spain	48%
9 Indonesia	44%
10 India	41%
10 United Kingdom	41%
11 Singapore	40%
11 Turkey	40%
11 Taiwan	40%
12 Poland	38%
13 France	37%
14 China	36%
15 Luxembourg	35%
16 Hong Kong	31%



Global Entrepreneurs Most Important UNSDGs

1 No Poverty



Turkey	48%
Luxembourg	47%
Gulf Cooperation Council	41%

2 Zero Hunger



UK	35%
Gulf Cooperation Council	34%
Poland	33%

3 Good Health and Well-Being



Turkey	43%
Italy	39%
USA	35%

4 Quality Education



Italy	35%
Turkey	35%
Belgium	33%

5 Gender Equality



Switzerland	35%
Belgium	33%
India	26%

6 Clean Water and Sanitation



Indonesia	45%
Belgium	39%
Taiwan	36%

7 Affordable and Clean Energy



India	44%
Spain	39%
USA	39%

8 Decent Work and Economic Growth



Indonesia	48%
Italy	45%
Netherlands	44%

9 Industry, Innovation and Infrastructure



Luxembourg	47%
Switzerland	41%
Netherlands	41%

10 Reduce Inequality



Poland	40%
Luxembourg	40%
UK	35%

11 Sustainable Cities and Communities



Gulf Cooperation Council	41%
Belgium	36%
India	35%

12 Responsible Consumption and Production



Gulf Cooperation Council	44%
Poland	43%
Luxembourg	33%

13 Climate Action



Switzerland	44%
Spain	41%
Singapore	40%

14 Life Below Water



Poland	33%
Germany	33%
UK	32%

15 Life on Land



Luxembourg	47%
Indonesia	45%
Netherlands	44%

16 Peace and Justice Strong Institutions



Hong Kong	52%
Netherlands	44%
Belgium	36%

17 Partnerships to achieve the Goal



Poland	43%
China	42%
Netherlands	38%



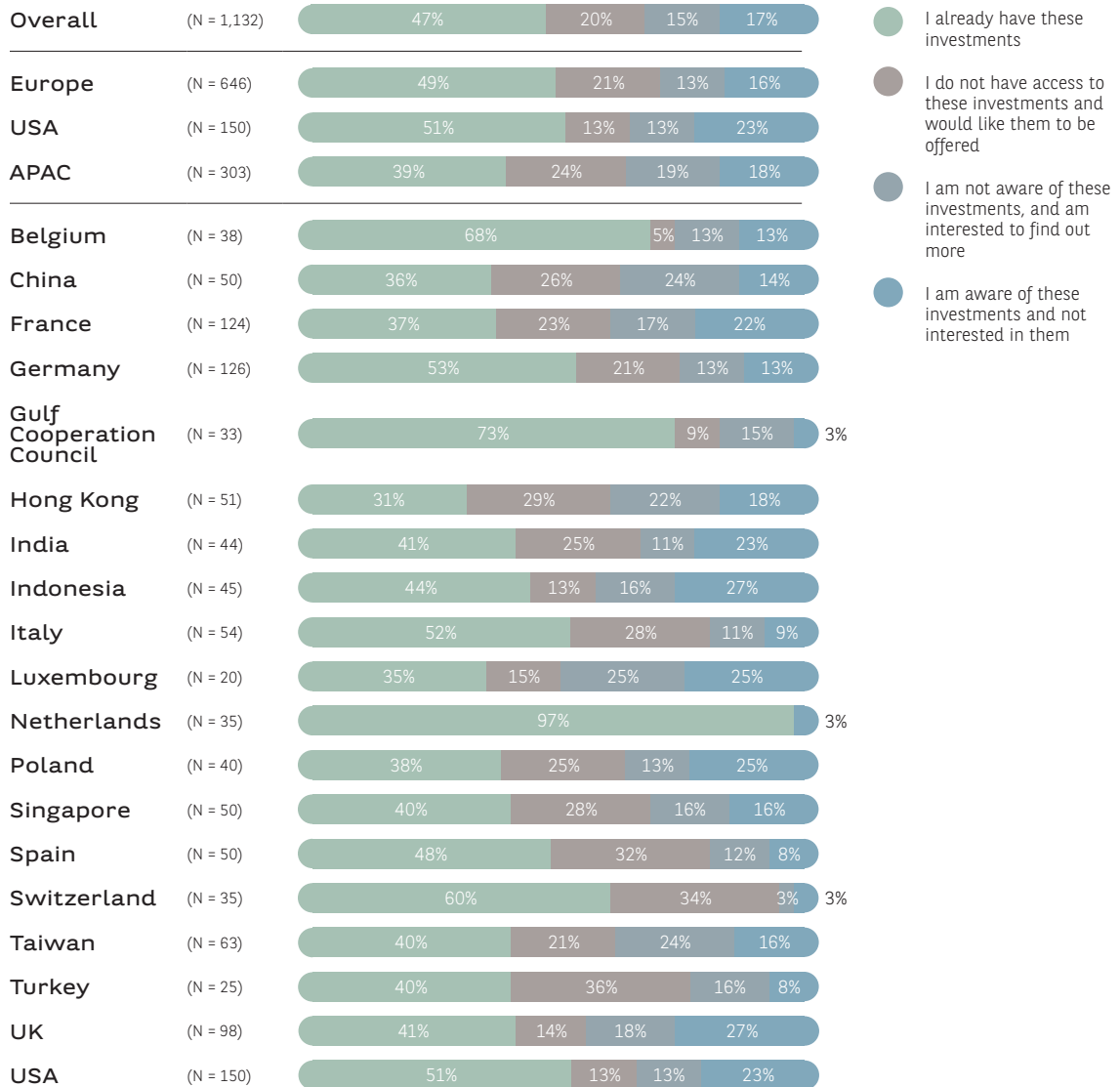


Impact

Two years of unprecedented growth



Which of the following best describes your current approach



[FIGURE 1] Hotspots for sustainable investing

N = 1,132 Source: 2020 BNP Paribas Global Entrepreneur Report

Due to rounding, percentages presented throughout this chart may not precisely reflect the absolute figures

Over the past two years, the market for sustainable investment has grown at the phenomenal rate of 34% to USD30.7 trillion.⁽¹⁾ Alongside pension funds, retail investors have played a major role in the accelerated adoption of these strategies, often provoked by growing alarm over climate change.

Entrepreneurs pride themselves on being at the forefront of game-changing ideas that are worthy of investment, before they become mainstream. They apply the same approach to sustainable investing. **Nearly half (47%) of our entrepreneurial audience already have sustainable investments⁽²⁾**; a further third (36%) do not but are interested to find out more [Figure 1]. Our 'Impact-Seekers' are more likely to be female than male, and are particularly visible in Generation-X, aged between 36 and 54.

Tine Bourgeois is Head of Business Development and Philanthropy for BNP Paribas Fortis in Belgium. She says:



“Entrepreneurs are well-aware of the impact on sustainability of their business, and they see the risk in their own supply chains. Take the example of single-use plastic, the well-known images of marine pollution resulted in the death of that business. Many entrepreneurs will question whether there is the equivalent of the plastic straw somewhere in their operations that could pose a risk to their own growth potential if they don't anticipate adapting their strategy and changing consumer behaviours.”

She adds: “They transfer that approach of seeking to identify risks that are overlooked by traditional metrics to discussions on their investment portfolio, which is why so many want to understand non-financial indicators of their investments.”

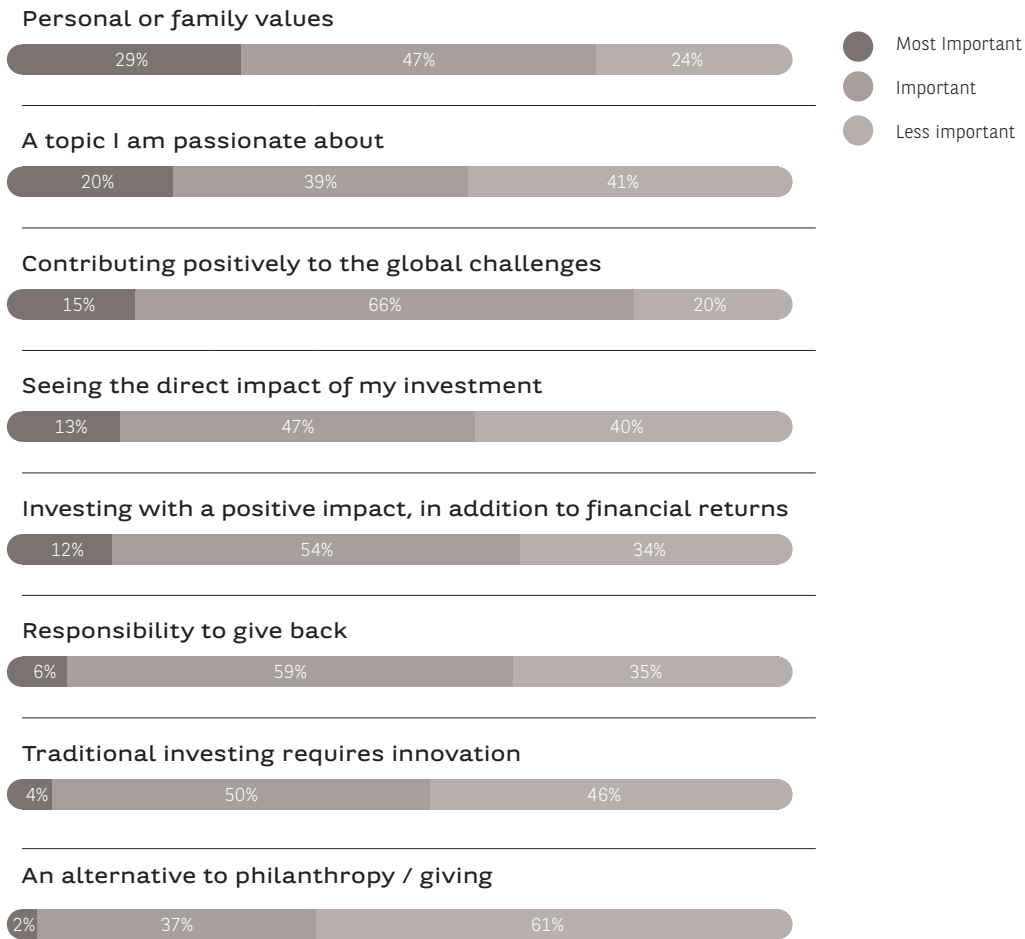
Data from the Global Sustainable Investment Alliance found that Europe is the biggest region for sustainable investors with \$14 trillion dedicated to these strategies. **We, too, find retail interest is strongest in Europe when accounting for potential interest and current exposure.**

(1) Global Sustainable Investment Alliance, 2018 *Global Sustainable Investment Review*.

(2) Definition: Sustainable investments take into consideration environmental, social and corporate governance criteria to generate a positive impact for society, in addition to financial returns.



What motivates your personal interest in investing some?



[FIGURE 2] **Sustainable investing speaks to personal and family values**

N = 937 Respondents were asked to rank their motivations in order of importance.

Source: 2020 BNP Paribas Global Entrepreneur Report

Due to rounding, percentages presented throughout this chart may not precisely reflect the absolute figures

The Netherlands, Belgium, Switzerland and Germany are “hot-spots” for current investors, while at least 40% in Turkey, Luxembourg, Spain and France would like one day to invest responsibly even though they do not have access to these investments.

The context in the United Kingdom is exceptional when compared to the European trend and more in line with the US. The UK has the highest proportion of entrepreneurs in Europe (27%) who say they have no interest in sustainable investing, despite being aware of them. At the same time, it has a committed minority of about 40% of entrepreneurs who actively seek impact. There is similar polarisation in the US, with more than half (51%) the entrepreneurial population convinced and nearly a quarter completely uninterested.

The phenomenal growth in interest and adoptions of these investments – with 70% more willing to invest than they were just 18 months ago – is about leadership at times of crisis. Entrepreneurs are obsessed with finding solutions to complex problems and **an important motivation for 81% of Impact-Seekers is playing their part in addressing global challenges** to the environment and society.

The primary reason entrepreneurs like these investments is because they **represent a way for them to use their wealth to embed their personal and family values** [Figure 2]. There is a strong emotional dimension to that decision that overrides other drivers, such as seeking an alternative to philanthropy, looking for tangible impact with these choices or even a passion for the topics themselves.

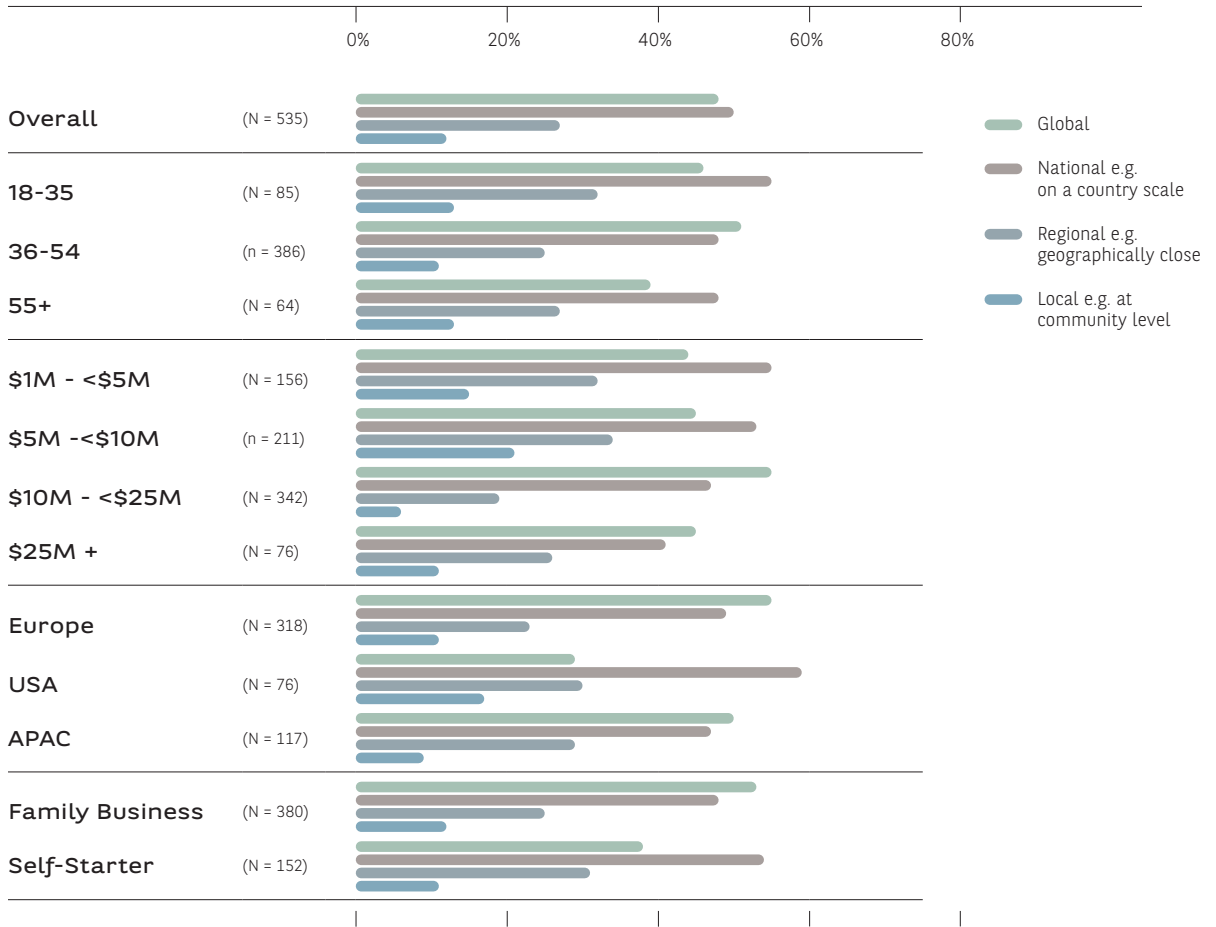
Ms Bourgeois agrees that values are a strong driver of interest in sustainability.



“Values are reflected in the themes entrepreneurs are interested in. Those personal values already determine how they do business, consume and live, and they don’t want only to make more money with their money. Entrepreneurs are on a search for doing good while doing business, and as investors that translates to finding a combination of investment returns and positive impact.”



You mentioned you already have sustainable investments. Which of the following best describes the geographic reach of these investments?



[FIGURE 3] Impact-seekers use distinct approaches to global challenges

N = 535 Source: 2020 BNP Paribas Global Entrepreneur Report

The rise of values-based investing is not exclusive to sustainability, but it does resonate strongly with entrepreneurs, who carefully apply their own ethos and values to the businesses they run and corporate cultures they foster. This trend only looks set to grow, with **41% of Millennials agreeing values are the top-ranked factor in their decision to invest sustainably.**

Kristin Nelson is Head of Sales, Strategy and Business Development in the wealth management arm of Bank of the West, a BNP Paribas subsidiary. She agrees:



“Climate change is top-of-mind for everybody right now. We’re seeing business owners networking with each other based on that common interest, which was not the case in the past. So, companies are looking to network and do business with other firms that have similar interests and values.”

Even though most Impact-Seekers are trying to use their wealth to address global challenges, they do not reach a consensus on how best to do this.

For instance, roughly half (50%) invest responsibly by targeting national initiatives while a similar proportion (48%) do this through global programmes. Some Impact-Seekers are seeking to make a difference close to home – regionally or locally to where they live [Figure 3]. Millennials are the most likely generation to think nationally or regionally, rather than globally.

These distinct approaches are visible across the world depending on the mind-set of the entrepreneurial investor. **Only in the US do Impact-Seekers show a strong and consistent preference for using their investments to target national initiatives (59%) as opposed to global ones (just 35%).** As we will discover, American entrepreneurs are most concerned about making economic growth more inclusive and sustainable, a challenge that may be most effectively addressed at a country-level.

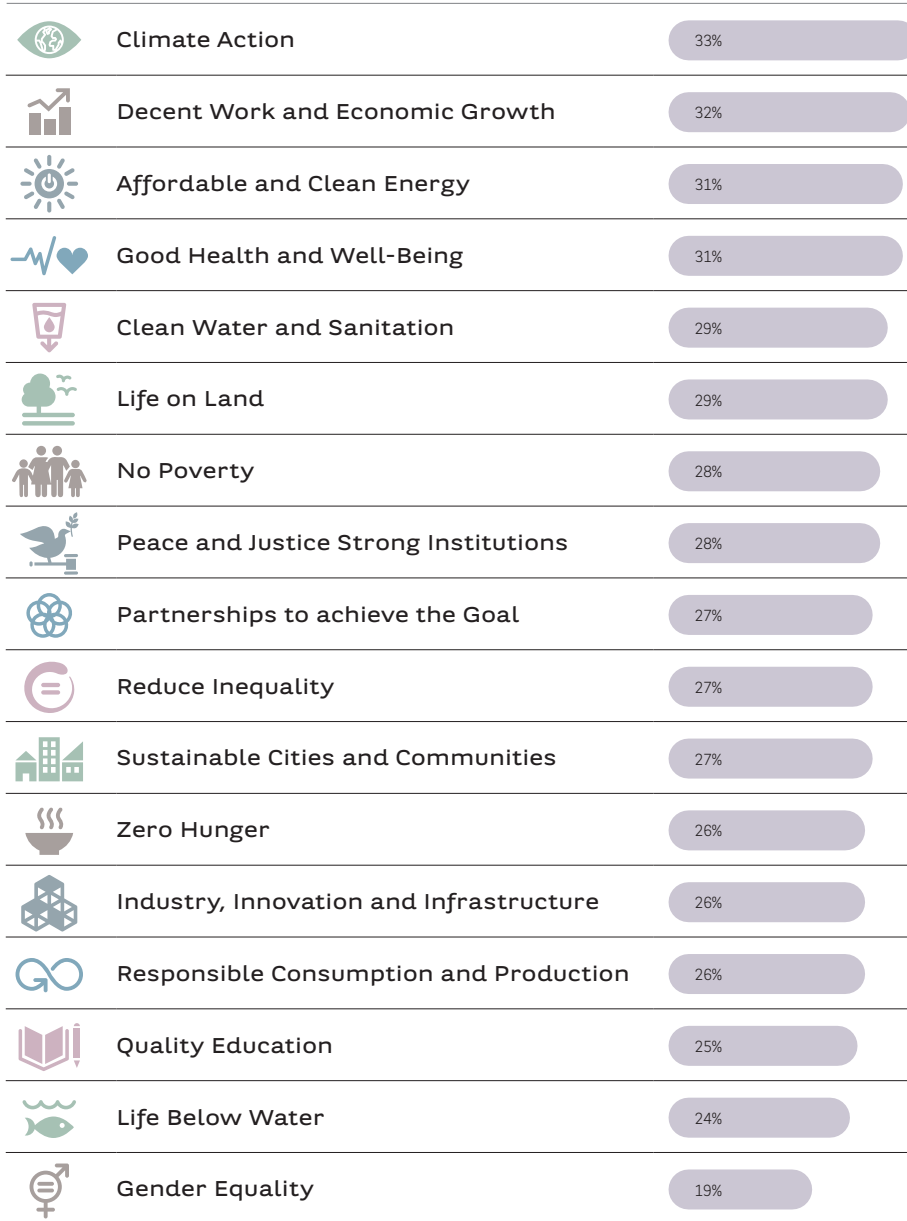


Reaching a crossroads on climate change





Which of the following United Nations Sustainable Development Goals is most important to you?



[FIGURE 4] **Climate change is considered the most important UNSDG**

Only asked to those who currently have sustainable investments or are interested in sustainable investments. Respondents were asked to choose up to five UNSDGs.

N = 937 Source: 2020 BNP Paribas Global Entrepreneur Report

Few entrepreneurs will have failed to notice the alarm bells on climate change, fast-approaching a deafening volume. Records are broken with each passing year since the 2015 Paris Agreement officially cemented government commitments to limit the increase in global temperatures. July 2019 marked the hottest month on record for global temperatures. France, Belgium, Germany, the Netherlands and Luxembourg all noted the hottest days in their national histories last summer.

Entrepreneurs who want to find solutions to this threat to the planet face complex professional choices. The BNP Paribas Cambridge University Program on Sustainable Leadership highlighted how many business leaders want to make their businesses more sustainable, which they are doing by re-evaluating their supply chains, production and delivery. However, to build a sustainable culture, they must also truly engage their wider organisations, from shareholders to staff.

The path forward on this challenge is more straightforward for them as investors. **Combating climate change is considered the top Sustainable Development Goal and priority above all else.** In fact, when they are asked to focus on the five UNSDGs they feel are most important, three of the five shortlisted by Elite Entrepreneurs around the world reference environmental concerns [Figure 4].

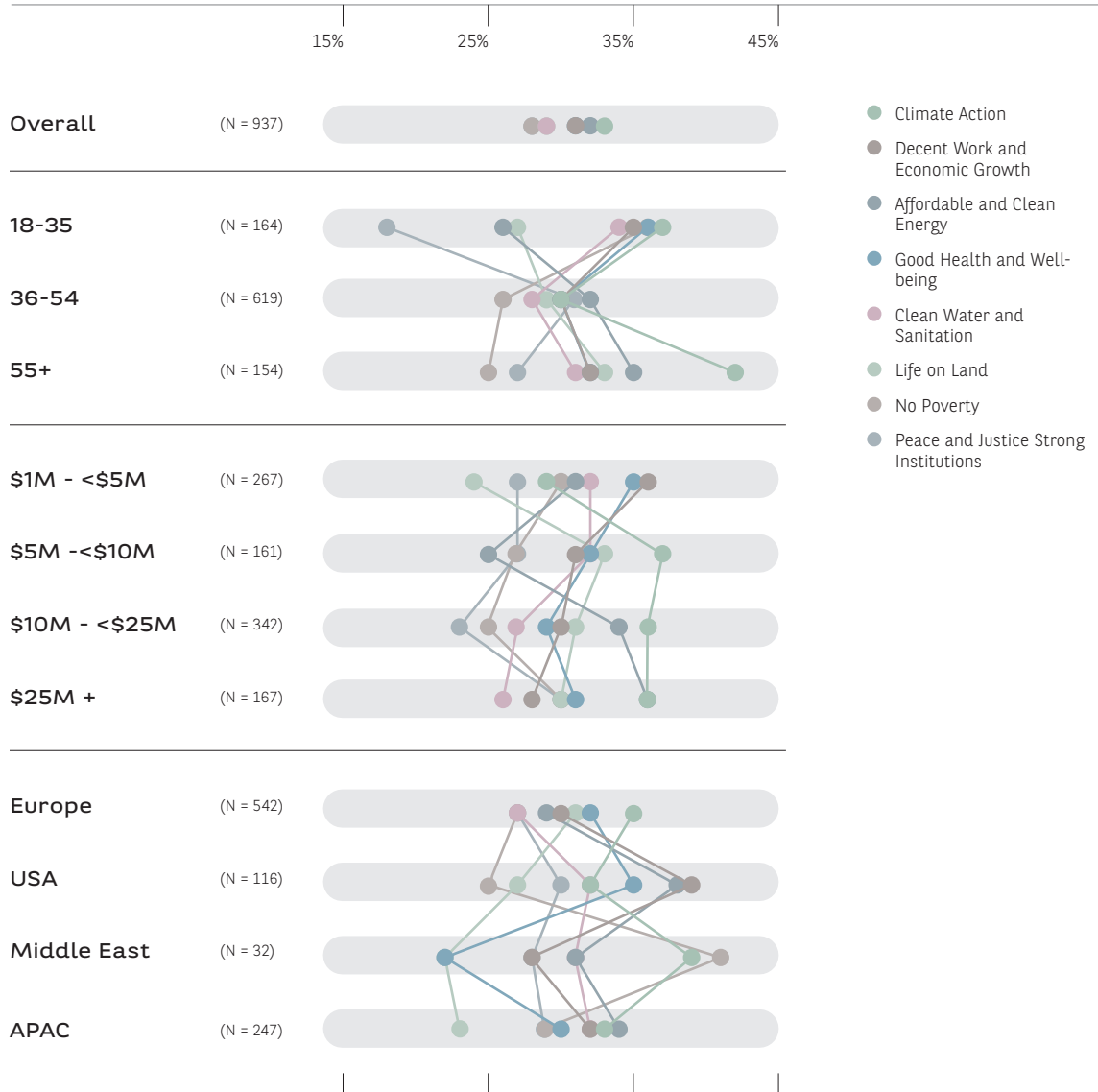
Eléonore Bedel is Global head of Sustainable Investment at BNP Paribas Wealth Management. Reacting to this insight, she comments:



“ This is what we see with our clients. Climate change is definitely a top three priority – but it is important to mention that all the UNSDGs are inter-connected and many are environment-related, so that many of their targets are linked. Other UNSDGs that we hear spontaneously mentioned relate to education, eliminating poverty and access to clean water.”



Which of the following United Nations Sustainable Development Goals is most important to you?



[FIGURE 5] Climate change is considered the most important UNSDG

Only asked to those who currently have sustainable investments or are interested in sustainable investments. Respondents were asked to choose up to five UNSDGs.

N = 937 Source: 2020 BNP Paribas Global Entrepreneur Report

We have reached a crossroads on climate change, where the cost of not acting could have a devastating impact on future generations. Interestingly, it is not just younger investors who appreciate the risks and potential consequences. Baby Boomers are the most likely of every generation to believe that action against climate change should be a top five UNSDG [Figure 5].

This entrepreneurial consensus on the importance of safeguarding the planet is visible in every region although there are some qualifying nuances. In the US, while business owners believe climate change action is important, **they are more eager to work towards goals such as making clean energy affordable and accessible (39%)**.

In both the US and Asia, where income inequality is a pervasive challenge, entrepreneurs say promoting inclusive growth is a top two priority (compared to Europe, where it ranks fourth).

At the same time, there is a risk of complacency. An indirect result of the shutdown of large swathes of the global economy during the Covid-19 pandemic has been a significant and temporary drop in carbon emissions as economic activity ground to a halt. This could flatter the progress made this year towards achieving carbon emissions targets.

Ms Bedel notes the risks of losing sight of climate change goals:



“As soon as economic activity starts up again, CO₂ emissions are likely to be back to their previous levels. There is a risk of complacency as entrepreneurs will have to arbitrate losses on their investments during the pandemic. Climate change could shift as a top priority, even though it should be more important than ever.”

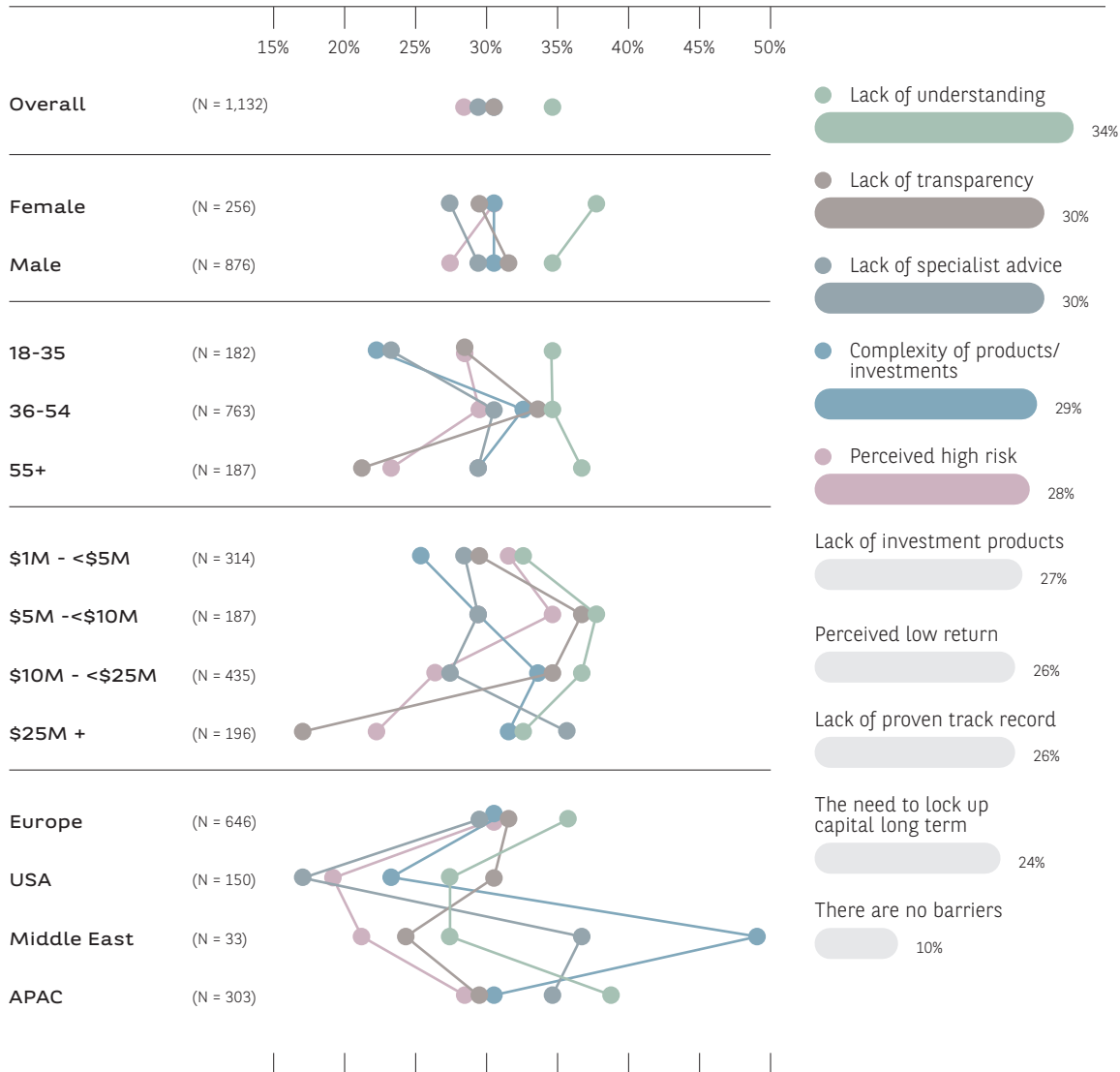




The long road ahead



Are there any reasons that prevent you from making sustainable investments?



[FIGURE 6] **90% agree there are barriers to investing responsibly**

Source: 2020 BNP Paribas Global Entrepreneur Report

In Part I of our study (released earlier in the year), we uncovered a widespread readiness to invest sustainably. Indeed, our research this year indicates that 70% of entrepreneurs globally are more willing to invest sustainably than they were 18 months ago, rising to 75% of Millennials.

That said, allocations have remained consistently low – just 4% of investable wealth – and have gradually declined over the time-horizon of our study.

The explanation for why so many entrepreneurs have been cautious about enhancing their involvement in the fast-growing sustainable investment sector may be found in their perceptions of the risk-return profile. **We uncovered that 22% of those who have these investments evaluate them as a “very risky” part of their portfolio.** Elite Entrepreneurs in Europe, the US and the Gulf Cooperation Council are more likely to feel this way than those in Asia.

Returns is the second part of the equation. Ask them to indicate their beliefs around their performance over time and one conclusion is clear: **58% of entrepreneurs believe sustainable investments require the long-term sacrifice of returns.** Only 19% believe financial performance can be better over a five-year plus period. Naturally, these concerns are impacting portfolio decision-making.

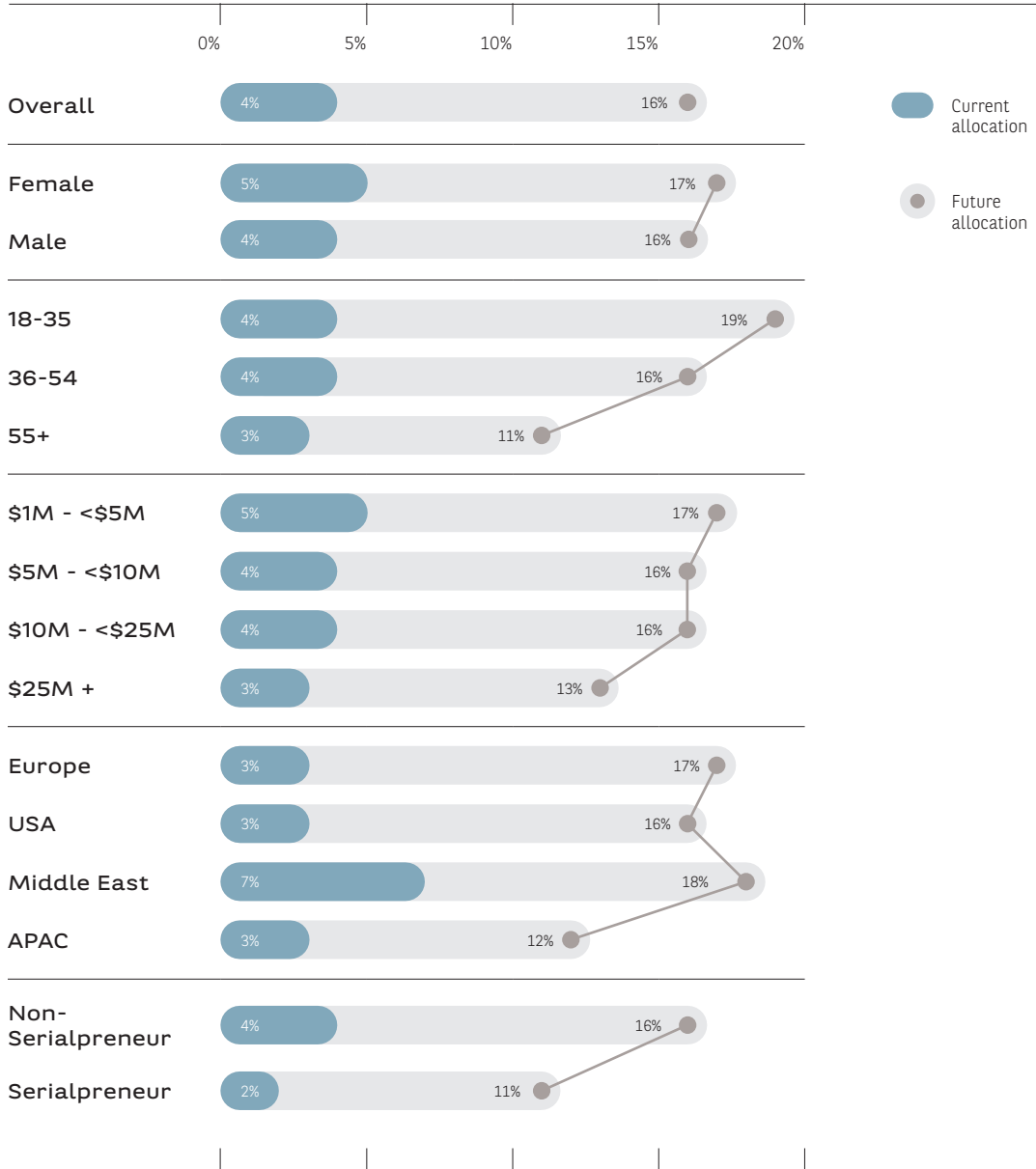
These investor concerns deserve to be taken seriously, and addressed head on, if we are to see a meaningful difference to allocations in the years to come.

One immediate challenge is that entrepreneurs in different regions perceive distinct barriers to increasing their financial commitment, so the investment industry cannot adopt a one-size-fits-all approach to remedies. In Europe, 35% of entrepreneurs are not confident that they really understand these opportunities [Figure 6]. This is even more so the case in Asia. Many feel they are high risk.

In the Gulf Cooperation Council, the problem is more intractable – nearly half (48%) feel the quality of specialist advice provided in the market is not up to scratch. In the US and Europe, business



You mentioned you are more willing to consider sustainable investments than 18 months ago.



[FIGURE 7] There is good growth potential for sustainable investments

Source: 2020 BNP Paribas Global Entrepreneur Report

owners say a lack of transparency is suppressing their commitment, perhaps intended to mean that they are not sure to what extent their investments truly are sustainable.

The sustainable investment sector could be transformed if allocations were to increase from the wealthiest members of society – whose net worth is more than USD25 million. **Yet, surprisingly, Ultrapreneurs invest just 3% of their wealth sustainably, even lower than the average.**

Ms Bedel comments on these insights.



“Clients are right to question the amount of impact embedded into product, that can be a barrier if there is a lack of transparency about it. Another barrier is a lack of product availability as they seek to have an impact in areas where there is no meaningful business model. An example might be investors who want to generate a return by giving young girls access to education in a remote area in Africa. This impact might be achieved through philanthropy, but there is no business model to invest in.”

“And then, of course, return will be dependent on the type of impact the investor is looking for, the geography of this impact, the liquidity of the financial instrument, etc.. Above all, investors need to define the level of impact and return they are expecting to see if and how both can match. That is why transparency and understanding of available impact tools are so important.”

There are some positive signs for the sector, with 68% of entrepreneurs saying they are intending to increase their allocations **in the short-term. In two years' time, committed Impact-Seekers would like to quadruple their financial commitment to represent 16% of their liquid assets [Figure 7].** Millennialpreneurs have even stronger ambitions to invest as much as a fifth of their investments responsibly by 2021.

We have been down this road before and know that willingness to do something is not the same as doing it. There are actions that the wealth management industry should take to solidify commitment, which could translate these positive intentions into higher allocations in the years ahead.

Pull-out box:

What does success look like for sustainable investors?

There is a division between the sexes on how to qualify the success of a sustainable investment, with **female business owners prioritising the environment and access to education** and male entrepreneurs focussing on a more diverse range of metrics, depending on their country of residence.

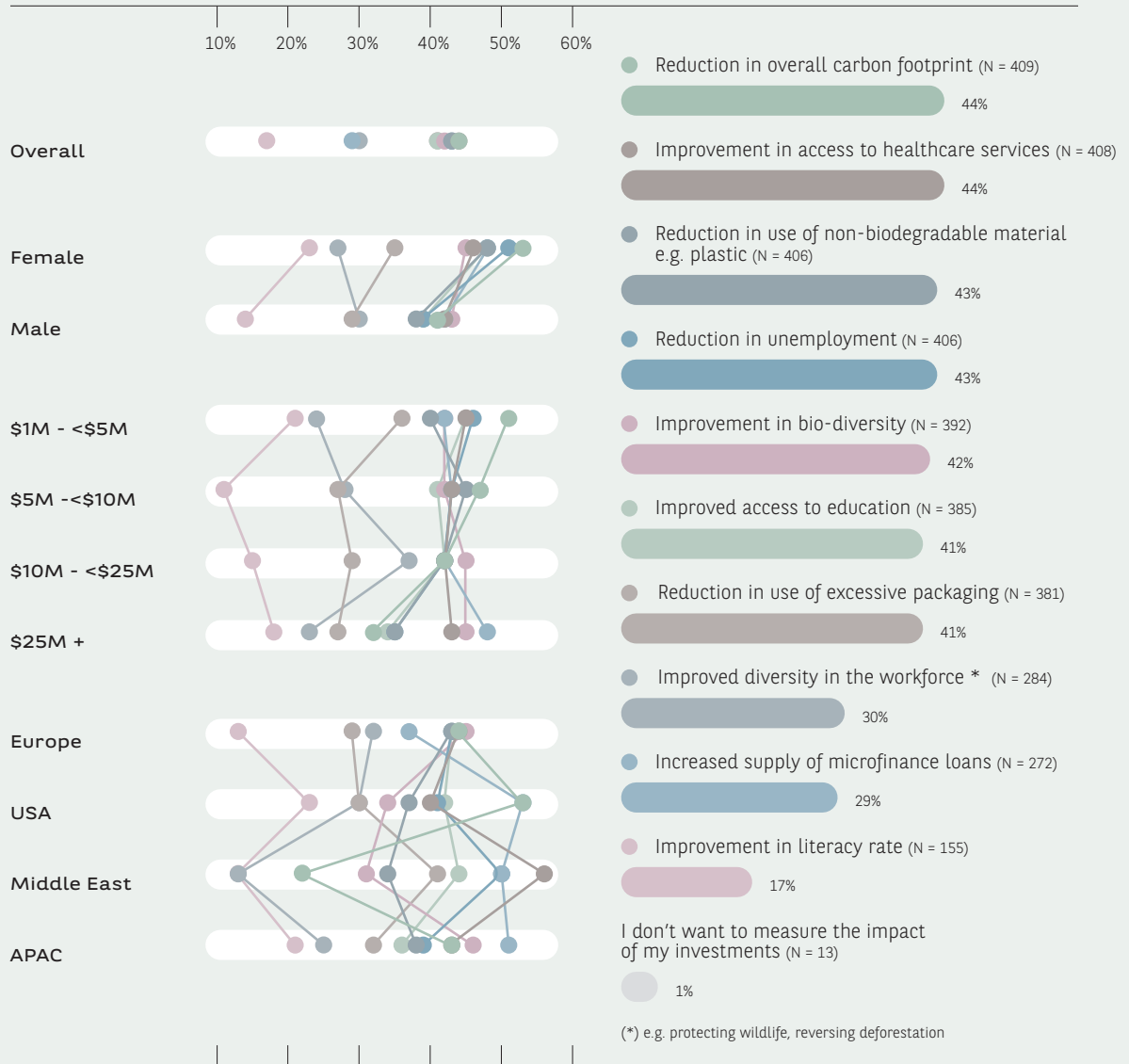
Generationally-speaking, there are some surprises. 47% of Boomerpreneurs –over the age of 55 – say reducing the use of non-biodegradable materials such as plastic is their most important KPI, the only generation to focus on this more than tackling carbon emissions.

Ultimately, broad success metrics may be of limited use to sustainable investors unless performance data can be customised to their requirements. **For instance, entrepreneurs may want to see how their wealth is helping to achieve national priorities (such as reducing carbon emissions)**. At the same time, they may also seek granular information at a regional or local level: for example, on improving healthcare access or increasing employment.

While complex to approach performance analysis this way, the tangible link shown between entrepreneurial wealth and values is surely a worthwhile investment.



You said you have assets allocated to sustainable investments (or would like to in the future). Beyond financial returns, how should the performance of these investments be measured?



[FIGURE 8] Reducing the carbon footprint is the number one measure of success

N = 937 Source: 2020 BNP Paribas Global Entrepreneur Report

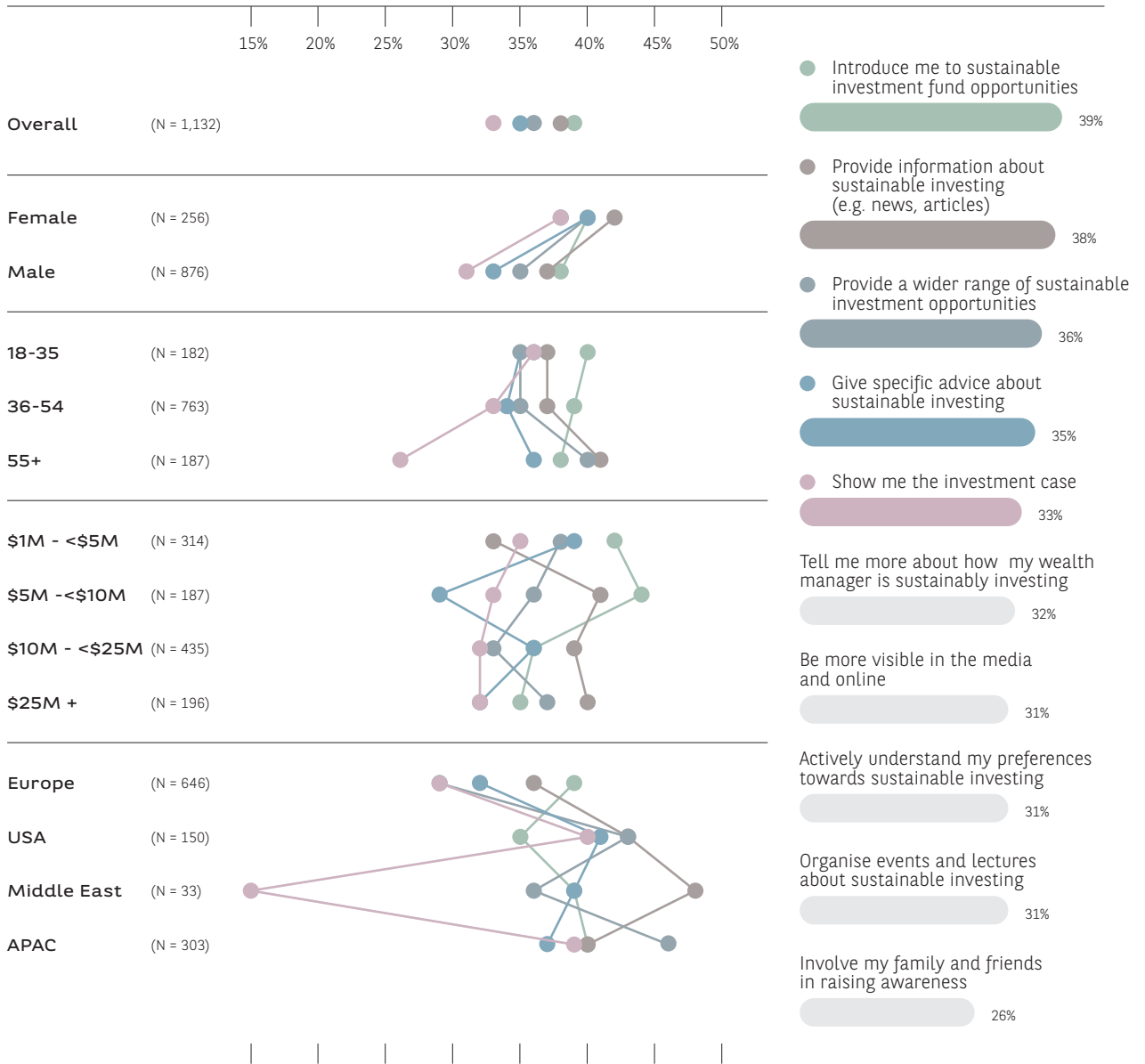




Finding the catalyst for change



What more could wealth managers do to support your learning and understanding around sustainable



[FIGURE 9] A healthy appetite to learn more about sustainable investing

N = 1,132 Source: 2020 BNP Paribas Global Entrepreneur Report

The wealth management industry has a major part to play in the conversion of entrepreneurial interest into actual allocations. Elite Entrepreneurs are signalling that they are readier than ever before to make a positive impact. At the same time, they are wary of taking portfolio decisions that they perceive to be risky or low-return in an uncertain market environment. Most feel that it is the responsibility of their primary wealth managers to spark change through proactive suggestions of products and information.

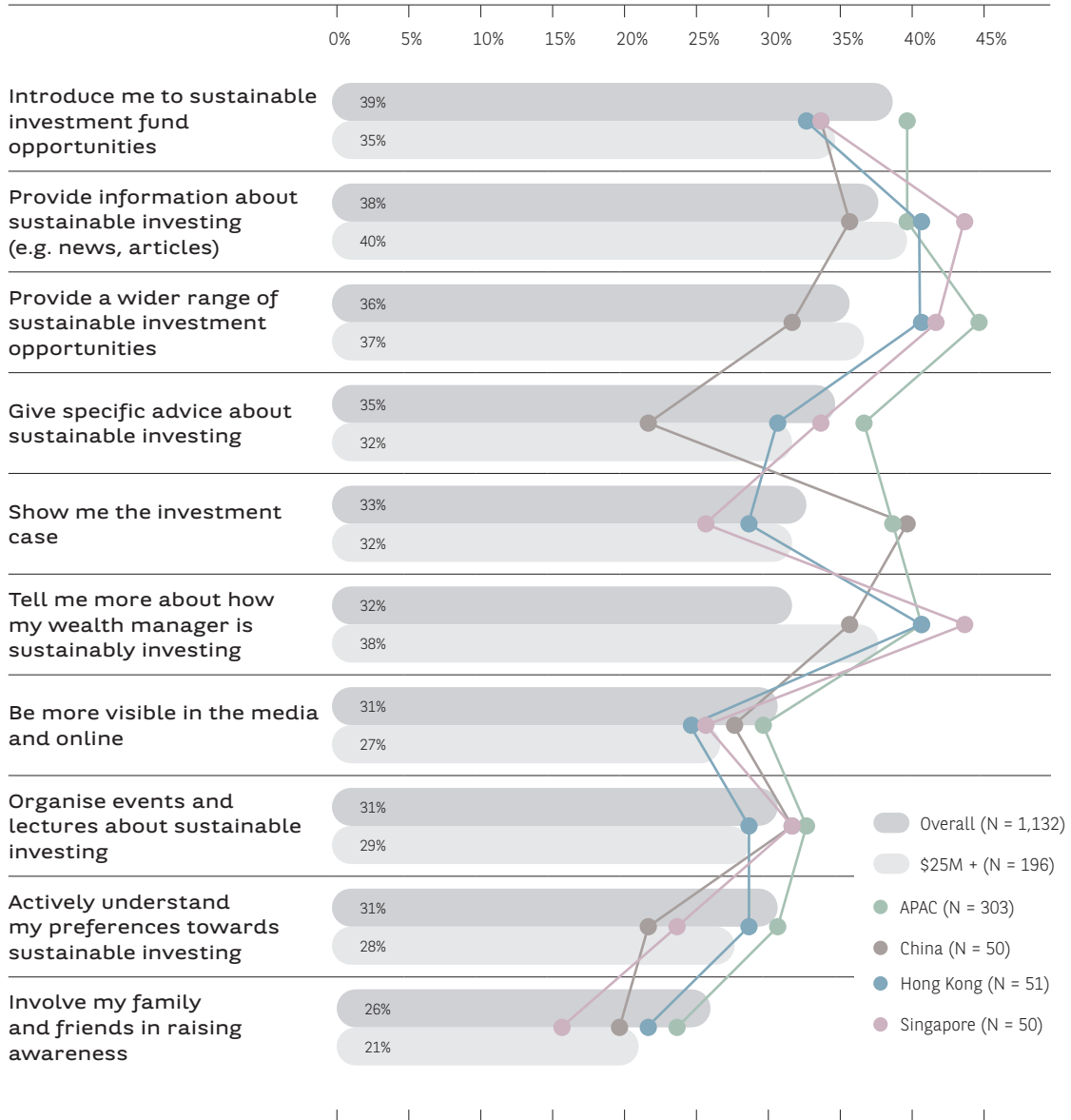
Firms that are committed to investing in responsible, well-governed companies must lead the way in showing that **not only is it possible to have a positive social impact, financial results can be superior as a result**. Discussing topics such as the investment process, product selection criteria and performance metrics in depth may require a shift in dynamics in some instances, but there is evidence that entrepreneurs want to hear more from their primary advisors on this topic.

39% say they could do a better job of introducing them to sustainable investment fund opportunities [Figure 9]. **Millennipreneurs are the most likely of the different generations to feel they would benefit from knowing more about the products available to them.**

A regional view indicates different approaches will be required to be most effective. Improving product visibility will be key to attracting potential investors in Europe, particularly in Italy, the UK, Belgium and Spain. However, in the US, entrepreneurs are not sure these investments are mainstream: **43% would like access to a wider suite of products and to receive more information and updates in relation to these opportunities.**



What more could wealth managers do to support your learning and understanding around sustainable



[FIGURE 10] **Ultrapreneurs query whether their wealth firms are investing sustainably**

N = 1,132 Source: 2020 BNP Paribas Global Entrepreneur Report

In Asia, the picture looks different again. Entrepreneurs in this region are most eager to have access to a wider range of opportunities from their financial advisors, which 59% of business owners in India believe would be a positive step forward, and roughly half of those in Taiwan (50%) and Indonesia (47%). **Along with the US, Asian entrepreneurs are far more likely than their European counterparts to say a clearer investment case would re-frame this topic for them.**

Their wish-list is distinct. In China, a rigorous focus on demonstrating the track-record of these investments would land best. **In other parts of the region, Ultrapreneurs want their wealth managers to do more to explain how and why they are investing sustainably [Figure 10].** This could make a difference in both Hong Kong and Singapore, where Ultrapreneurs are most likely to scrutinise this information.

Ms Nelson provides her perspective from working with clients in the US:



“Education is very important and the missing piece here. If people feel hesitant, they often will start smaller until they get a better understanding before they go all in. I’ve seen a dramatic increase in the willingness to have the conversation, and that is translating, with time, into clients taking their first steps into investing sustainably.”



In conclusion

In Part 3 of this year's report, we have explored the entrepreneurial perspective on sustainable investing. Our survey was, however, conducted before the outset of the Coronavirus pandemic, so the report reflects the investor outlook from the close of 2019.

The devastating economic consequences of this pandemic are likely to be measured in years rather than months and there can be no doubt that many entrepreneurial ventures – especially young, capital-hungry businesses – will come under immense strain as funding becomes scarce. More established business leaders will also face difficult choices as they try to stabilise their firms and support valued staff while facing tough market conditions.

As we note in our report, many investors may feel they have to make difficult choices over how to invest in order to stem losses experienced as a consequence of the crisis. Now more than ever, it will be necessary to question the relevance of established business models to the new realities of the global economy. Entrepreneurs must indeed choose investments carefully, while remembering that non-financial metrics (such as environmental / social impact and governance) have an important role to play in understanding the post-Covid-19 economy because they provide a lens on longer-term resilience.

Finally, with widespread debate across many countries on how decarbonising the global economy could both generate employment and combat climate change, there are promising opportunities on the horizon for entrepreneurs willing to invest in a 'green recovery'.

By seeking feedback directly from these entrepreneurial investors, our purpose is to identify the actions and information that our industry must bring forward to make future growth sustainable.



Tasha Vashisht

Head of Thought Leadership,
Aon Client Insight

About us

BNP Paribas Wealth Management

In a world that is ever changing, entrepreneurs need to build their wealth strategy with a partner they trust.

Our experts create tailored solutions by drawing on our extensive network and specific expertise to help you build a bridge between your professional and personal wealth. We are here to advise you every step of the way. Backed by our global wealth management network, our business centers around the world and our Corporate and Investment Bank, you benefit from the services of a leading banking and financial institution.

With our support for entrepreneurs, your wealth has a voice. Let it be heard.

Our Wealth Management division with EUR359 billion of assets under management is a leading global private bank – number seven globally and number one in the Eurozone – with offices in three hubs in Europe, Asia and the USA and 7,000 professionals. Our knowledge of local investment climates and culture makes us the natural wealth management partner for clients wanting to manage, preserve and develop their wealth across borders over the long term. We have been recently recognized “Best Private Bank in the World”, “Best Private Bank in Europe”, “Best Private Bank in Hong Kong” and “Best Private in US West”.

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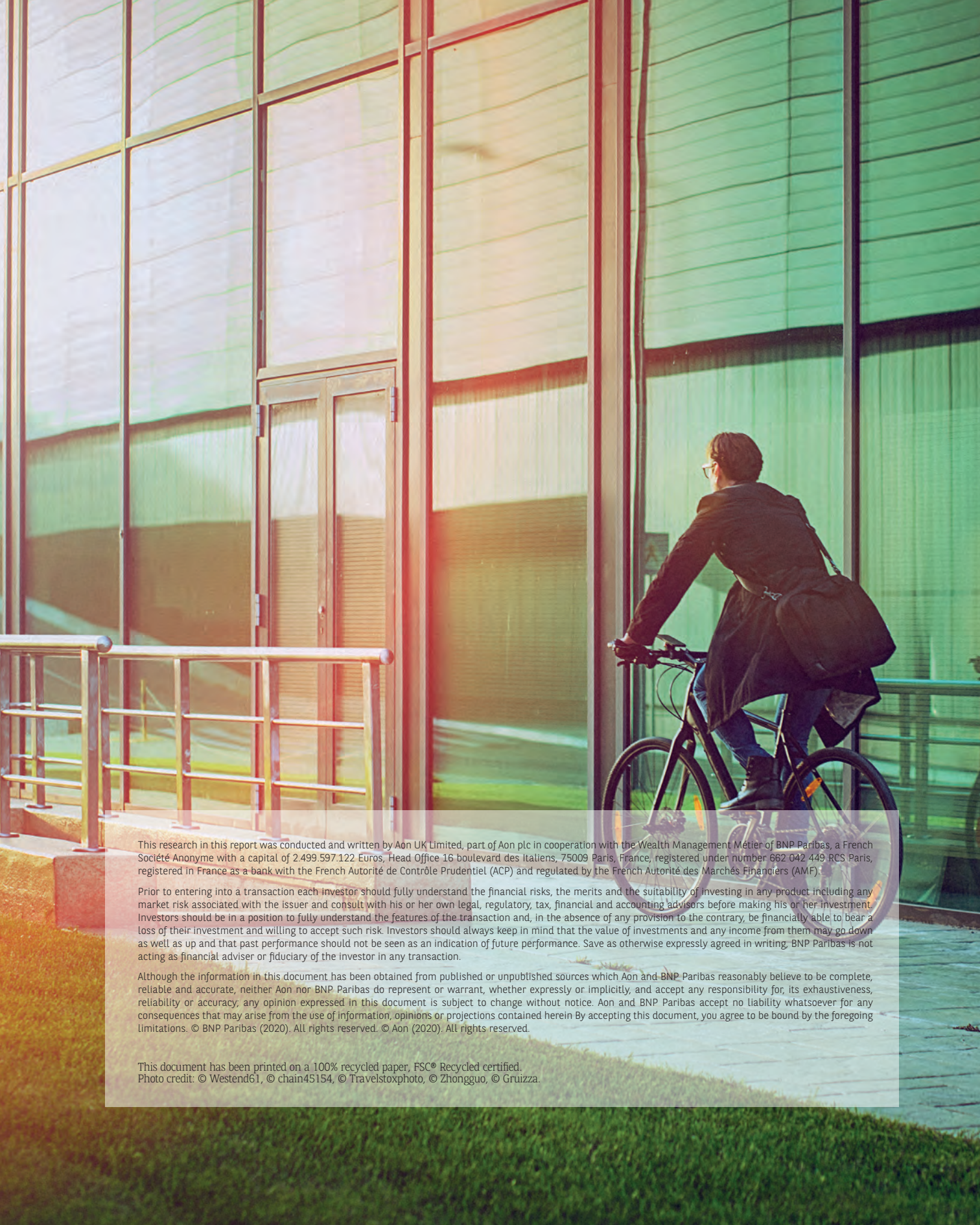
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