

## ESG Investment on the Upswing (III)

### The Development of ESG Strategies and Market

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#### Abstract:

Environmental, Social and Governance (ESG) has become a buzzword in the international investment circle, while in China the concept of green development, the overall layout of ecological civilization, as well as the citing of the goals in emission peak and carbon neutrality have all made ESG a catchphrase. Environmental, climate change and ecological factors including biodiversity are expected to be included in the framework of cooperate information disclosure and have impact on investment decision-making.

This is the third and the final part of a series of articles on ESG.

According to the investment strategies and ESG rating results, investment institutions design products to reduce risks and obtain alpha. Analysis on market empirical and investment models also proved that ESG is a useful financial indicator, and higher ESG rating can obtain higher return, so as to attract further more capital finally.

**Key words:** ESG investing, investment strategy, investment products, market development

#### Reference

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