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Sustainable Investing Remains Resilient Despite Headwinds, Say BNP Paribas and Morgan Stanley

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Despite growing geopolitical tensions and economic uncertainty, sustainable investing continues to demonstrate remarkable resilience. Two recent surveys—from BNP Paribas and Morgan Stanley—reveal a clear, shared message from institutional and individual investors worldwide: ESG is not going away; it's evolving.

Institutional Investors: Quiet Commitment and Strategic Refinement

BNP Paribas' ESG Global Survey 2025, which covered 420 institutional investors managing nearly $34 trillion in assets, found that 87% are maintaining their sustainability objectives, even as some adopt a lower-profile approach. Nearly half of those maintaining ESG goals say they are now less vocal about their efforts, reflecting a shift toward "quiet commitment" in today's polarized landscape.

Regional differences stand out: 7% of respondents in the Americas are scaling back on ESG—compared to just 2% in EMEA and less than 1% in APAC. Still, 85% expect ESG progress to continue or accelerate through 2030, though 23% believe this will happen with less publicity.

Sustainable investing strategies are also maturing. Thematic investing—focusing on energy transition, biodiversity, and climate adaptation—is now used by 50% of respondents. Meanwhile, data and transparency challenges remain the top obstacle (58%), driving increased investment in ESG data, analytics, and in-house expertise.

A growing 70% of institutional investors now express concern over the overreliance on ESG ratings, which they fear could encourage surface-level compliance rather than real impact.

Individual Investors: Generational Momentum and Thematic Interest

Morgan Stanley's Sustainable Signals report, based on a survey of 1,765 active individual investors across North America, Europe, and APAC, echoes strong commitment at the individual level. 88% expressed interest in sustainable investing, with younger generations leading the charge—99% of Gen Z and 97% of Millennials showed strong ESG interest.

Key findings:

64% reported growing interest over the past year.

59% plan to increase ESG allocations in the next 12 months.

Top drivers include **belief in strong returns**, growing climate awareness, and **desire for value alignment.**

Energy transition remains a top priority globally, while regional themes vary: North American investors focus on healthcare innovation, while Europe and APAC prioritize battery storage, energy efficiency, and sustainable agriculture.

Financial advisors are central to ESG's future: 80% of investors globally, and an even higher 96% of Gen Z, say they're more likely to work with advisors who offer sustainable options.

Converging Trends: The Next Phase of ESG

Across both surveys, four key themes emerge:

Resilient Commitment

ESG investing is firmly embedded in investor strategy—despite louder political backlash.

Evolving Approaches

Investors are shifting from broad ESG labels to targeted, thematic, and impact-focused strategies.

Transparency Over Optics

There's a growing move toward in-house ESG data capabilities and away from one-size-fits-all ESG ratings.

Generational Drive

Gen Z and Millennials are reshaping investor expectations, ensuring ESG stays central to the investment conversation.

Conclusion: ESG Is Maturing, Not Retreating

Together, the BNP Paribas and Morgan Stanley reports reflect a global ESG landscape that is becoming **more intentional, data-driven, and impact-focused**. As institutions refine their strategies and individuals drive grassroots momentum, the future of sustainable investing lies not in its visibility—but in its growing depth and sophistication.