

Session 2: The ESG backlash – how should responsible investors respond?

2025 Frontier Advisors Annual Conference

Chair



Joey Alcock

Head of Responsible
Investment,
Frontier Advisors

Presenters



Angela Emslie

Chair,
Frontier Advisors



Estelle Parker

Co-Chief Executive
Officer, Responsible
Investment Association
of Australasia (RIAA)



Chris Nicholson

Head of Research,
Strive Asset Management

Agenda

The ESG backlash
– how should
responsible
investors respond?



ESG timeline



‘Anti-woke capitalism’ and drivers of the ESG backlash



Panel discussion

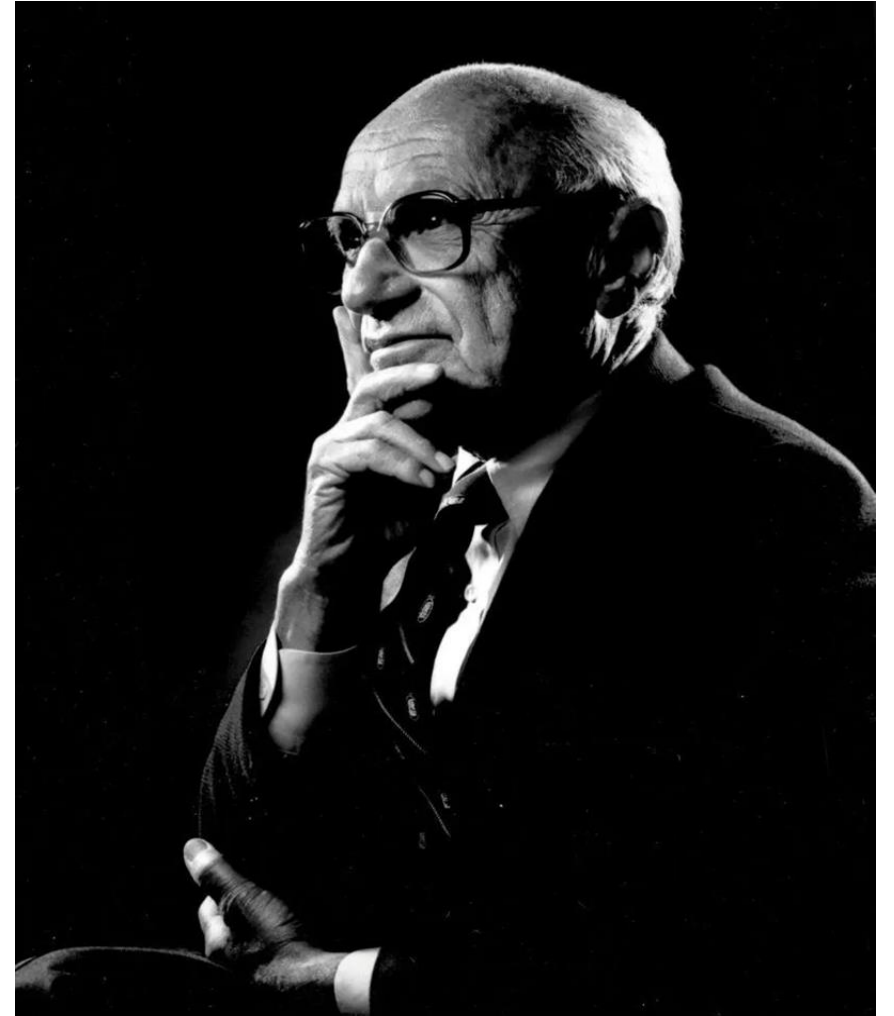


Questions

Shareholder Primacy - A Friedman Doctrine (1970)

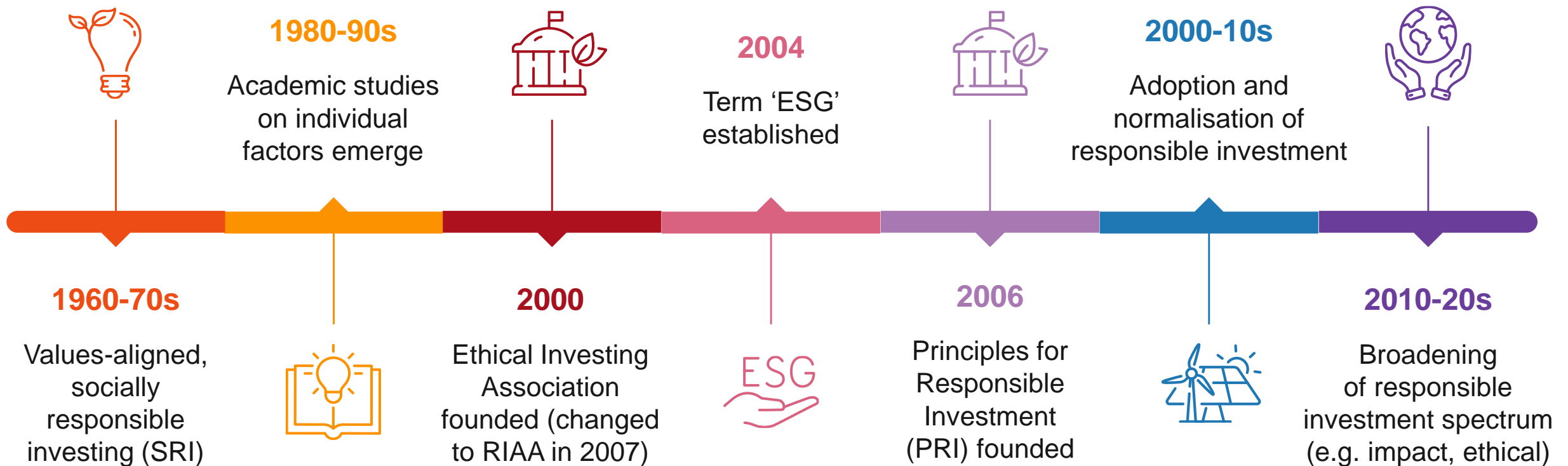
‘The social responsibility of a business is to increase its profits’

- Businesses should only act to **maximise profits** to shareholders.
- Only shareholders should decide to pursue social responsibility.



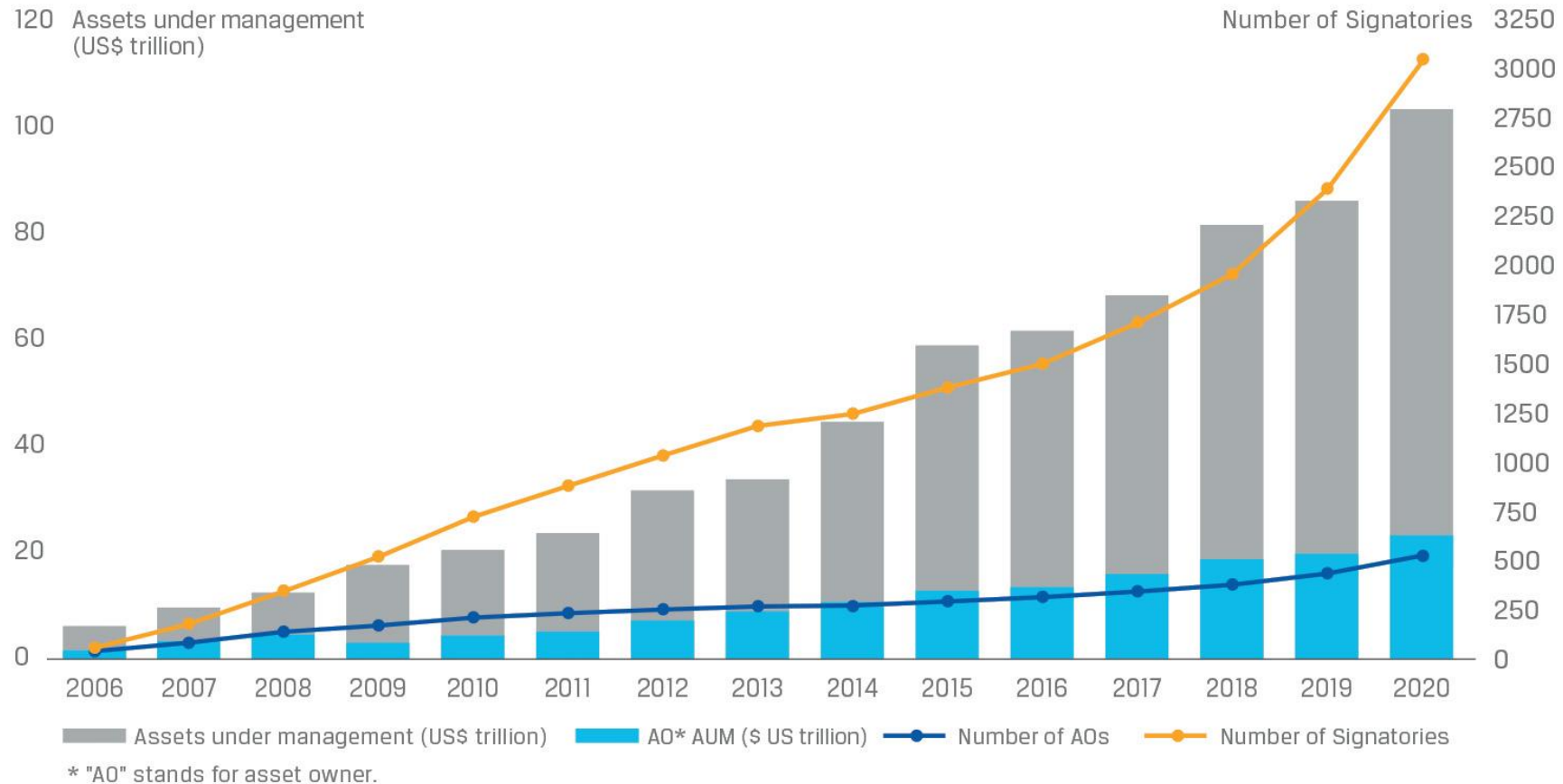
ESG timeline

Significant evolution over time



ESG as part of mainstream investing (2004-)

Principles for Responsible Investment (PRI) signatories



Business Roundtable commits to stakeholders (2019)

Statement on the purpose of a corporation


‘Delivering value to our **customers**’

‘Investing in our **employees**’

‘Dealing fairly and ethically with our **suppliers**’

‘Supporting the **communities** in which we work’

‘Generating **long-term value** for **shareholders**, who provide the capital that allows companies to invest, grow and innovate’



Tim Cook
Apple



Doug McMillon
Walmart, Inc.



Jamie Dimon
JPMorgan
Chase & Co.



Laurence D. Fink
BlackRock, Inc.



Darren W. Woods
Exxon Mobil
Corporation



Jeffrey P. Bezos
Amazon

ESG backlash (2020-)

Definition: opposing the use of ESG in business and investing

US municipals direct managers to focus solely on 'financial performance'

ESG collectives targeted through anti-trust lawsuits (NZAMI, CA100+ etc.)

"Woke, Inc." a 2021 NY Times bestseller by Vivek Ramaswamy

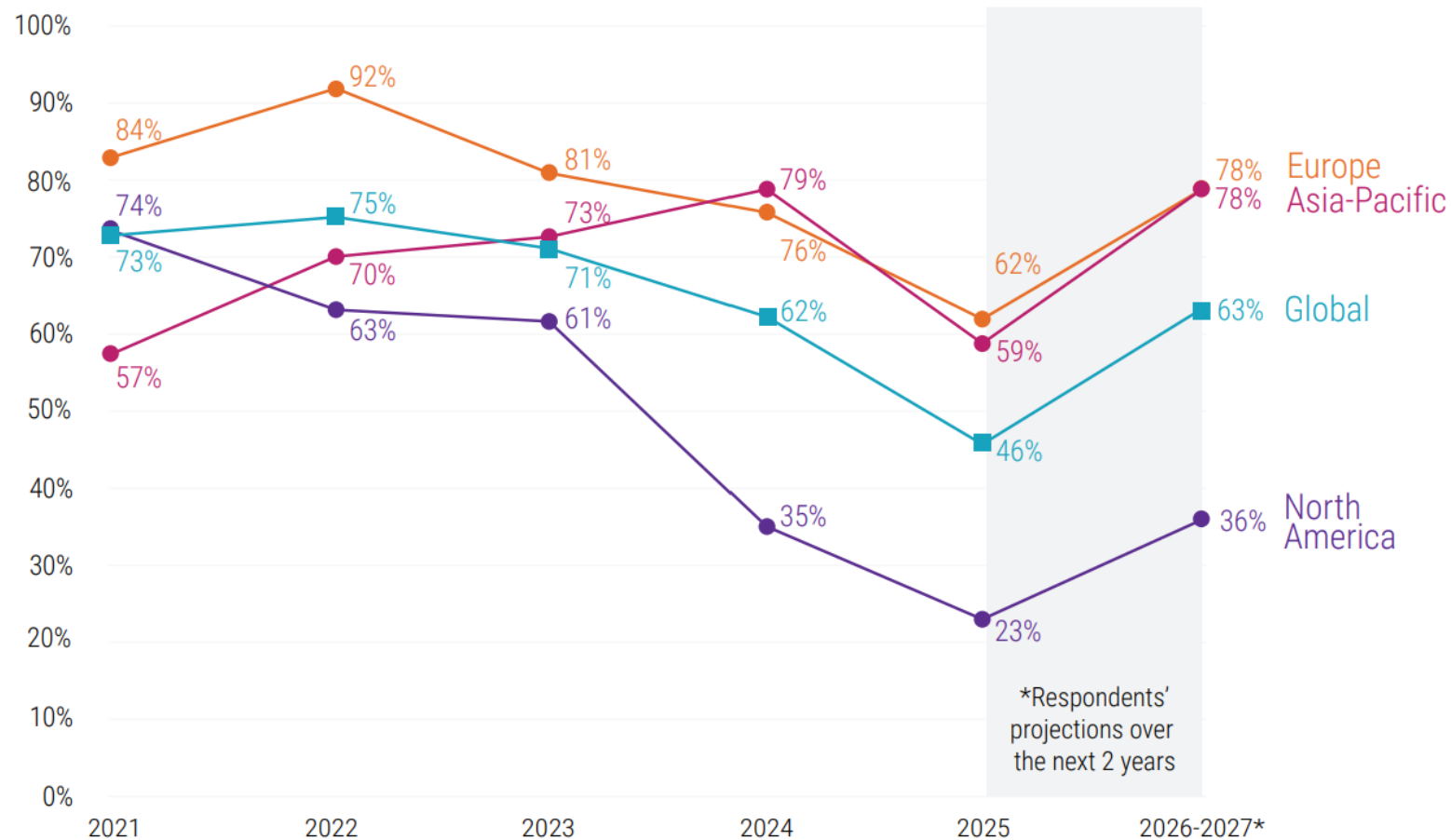
Increasing criticism of ESG ratings as a scam (e.g. Elon Musk)

Trump 2.0 policies - more headwinds to ESG



Investor resolve on ESG being tested?

Importance of climate change to investment policy (2025 Robeco survey)



When you are back in the office

Undertake an authentic ESG stock take



Is your responsible investment objective clear and robust?



Is everyone at your organisation on the same page?



Is your responsible investment objective achievable with given resourcing?

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