



Responsible investing: the evolution of ownership

In 2017, RBC Global Asset Management (RBC GAM) reached out to over 400 institutional asset owners and consultants to find out how they think about Responsible Investing (RI). The result of our [2017 Responsible Investing Survey](#) revealed attitudes toward the integration of environmental, social and corporate governance (ESG) factors and RI in Europe, the U.S. and Canada.

Here are some interesting findings from respondents to the survey:

ESG IS A GLOBAL PHENOMENON

67%

of total (or global) respondents use ESG principles as part of their investment approach and decision making



25%

planned to increase their allocation to managers that incorporate ESG into their investment management process or ESG-based investment strategies over the next year

ESG ANALYSIS AS AN INVESTMENT TOOL

48%

consider ESG investments to be risk mitigators



24%

consider ESG investments to be alpha sources



CHANGING CORPORATE BEHAVIOUR

41%

said shareholders should take the lead through proxy voting to influence companies to provide better ESG-related information



MANAGER SELECTION

15%

of consultants said an asset manager's approach to ESG and stewardship was a primary criterion in manager selection



GENDER DIVERSITY



75%

believe gender diversity on corporate boards is important

43%

appear happy to let the market forces do the work of correcting imbalances

Conclusion

RI is now well established in institutional investor circles, but the survey highlighted persisting differences (sometimes significant) in how investors think about and act on RI, especially with respect to how well ESG-integrated investment approaches perform versus traditional investments approaches. Scepticism on this point appears to be inhibiting many institutional investors from adopting an ESG-integrated strategy (at least in some parts of the world). Still, the study showed that many investors plan to increase allocations to ESG strategies over the short-term, indicating an increase in the rate of global adoption overall.

More than anything, the survey showed that, while consultants and investors view RI strategies differently, both need more education about the value of using investment strategies that integrate ESG factors.

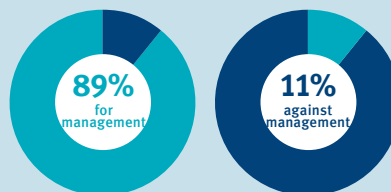
Our approach to responsible investing

At RBC GAM, we believe that being an active, engaged and responsible owner empowers us to enhance the long-term, sustainable performance of our portfolios. We recognise that the rights we have as a large, global investor come with the obligation to actively use those rights in a responsible way.

We are committed to incorporating ESG into our investment process and see it as an opportunity to identify relevant risks while uncovering sources of value for clients.

Proxy voting is a key part of RBC GAM's engagement process as it provides an important way for us to convey our views to boards and management. Our active approach to proxy voting:

32,283 2016 total proposals voted



As Canada's largest asset manager, our considerable scale uniquely positions us for a constructive dialogue with the boards and management of the companies in which we are invested."

Judy Cotte

For more information on responsible investing or to read the full 2017 RBC Global Asset Management Responsible Investing Survey, visit rbcgam.com/cgri

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