

RBC Global Asset Management

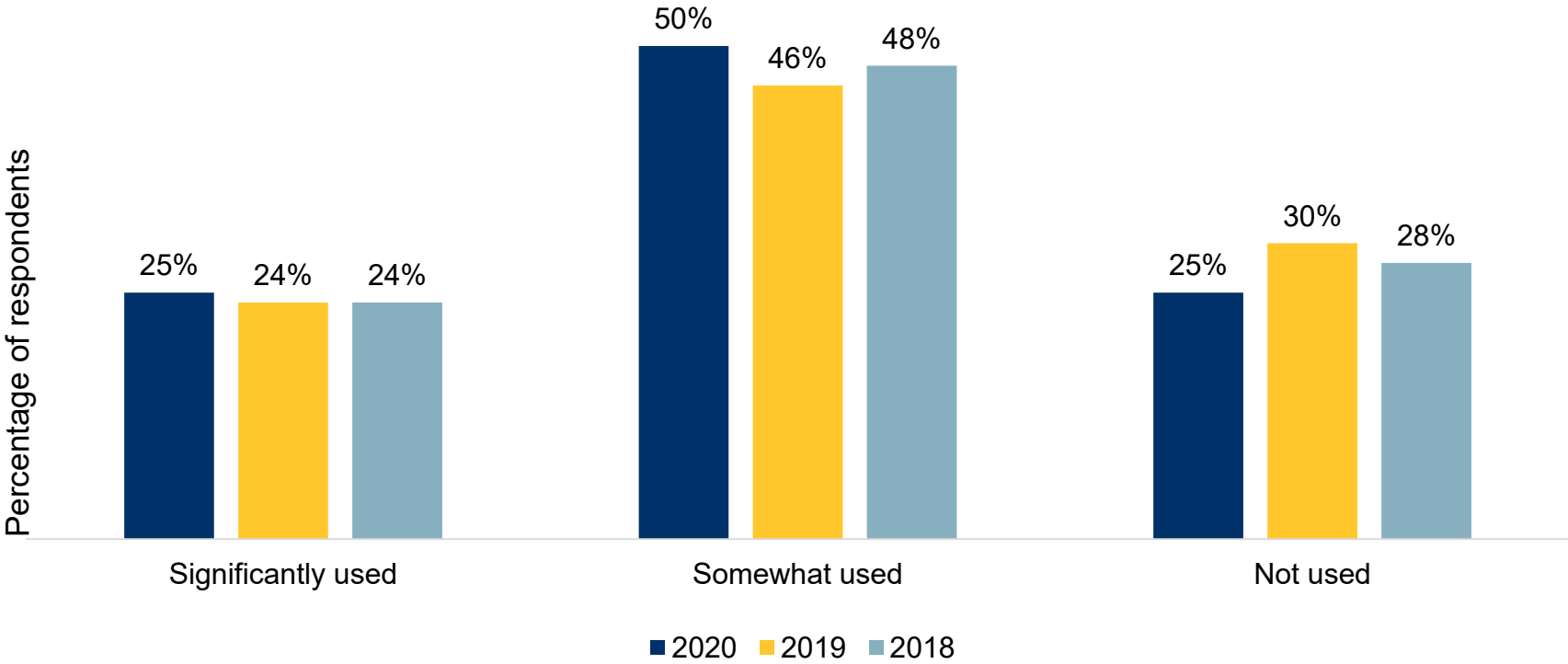
2020 Responsible Investment Survey Key Findings

2020  Responsible
Investment Survey

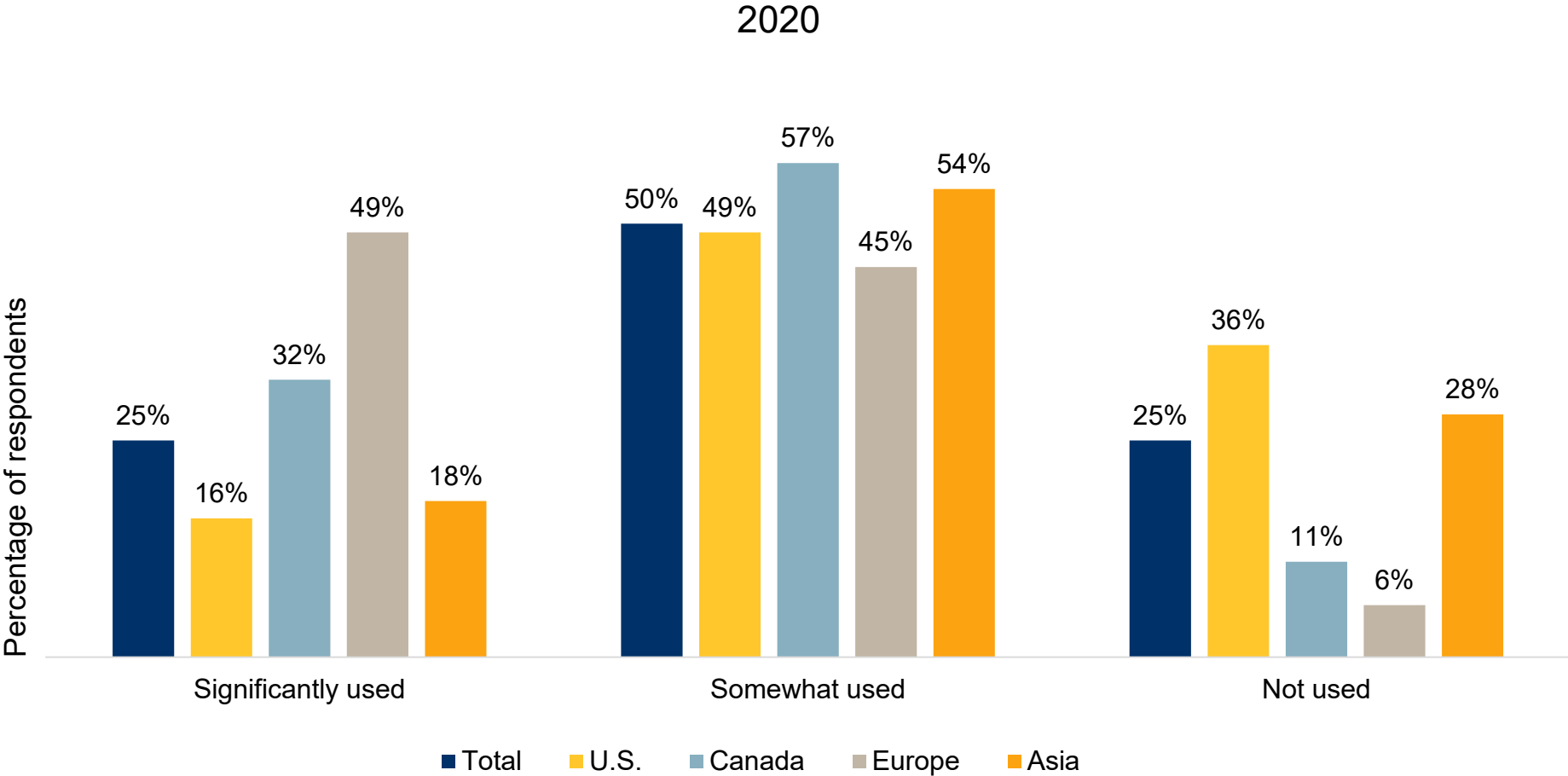


To what extent are ESG principles used as part of your investment approach and decision making?

(all respondents)

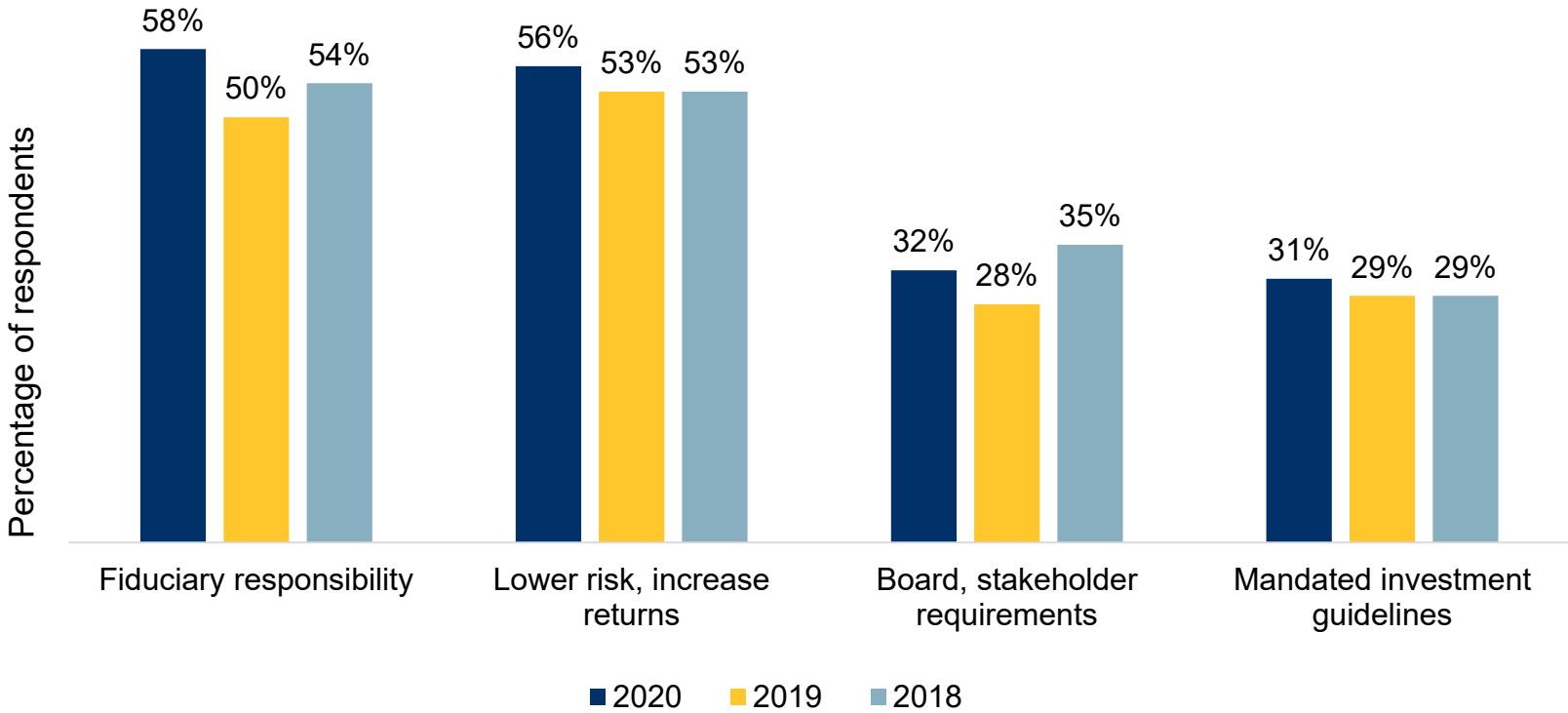


To what extent are ESG principles used as part of your investment approach and decision making?



What are your reason(s) for incorporating ESG in your investment approach?

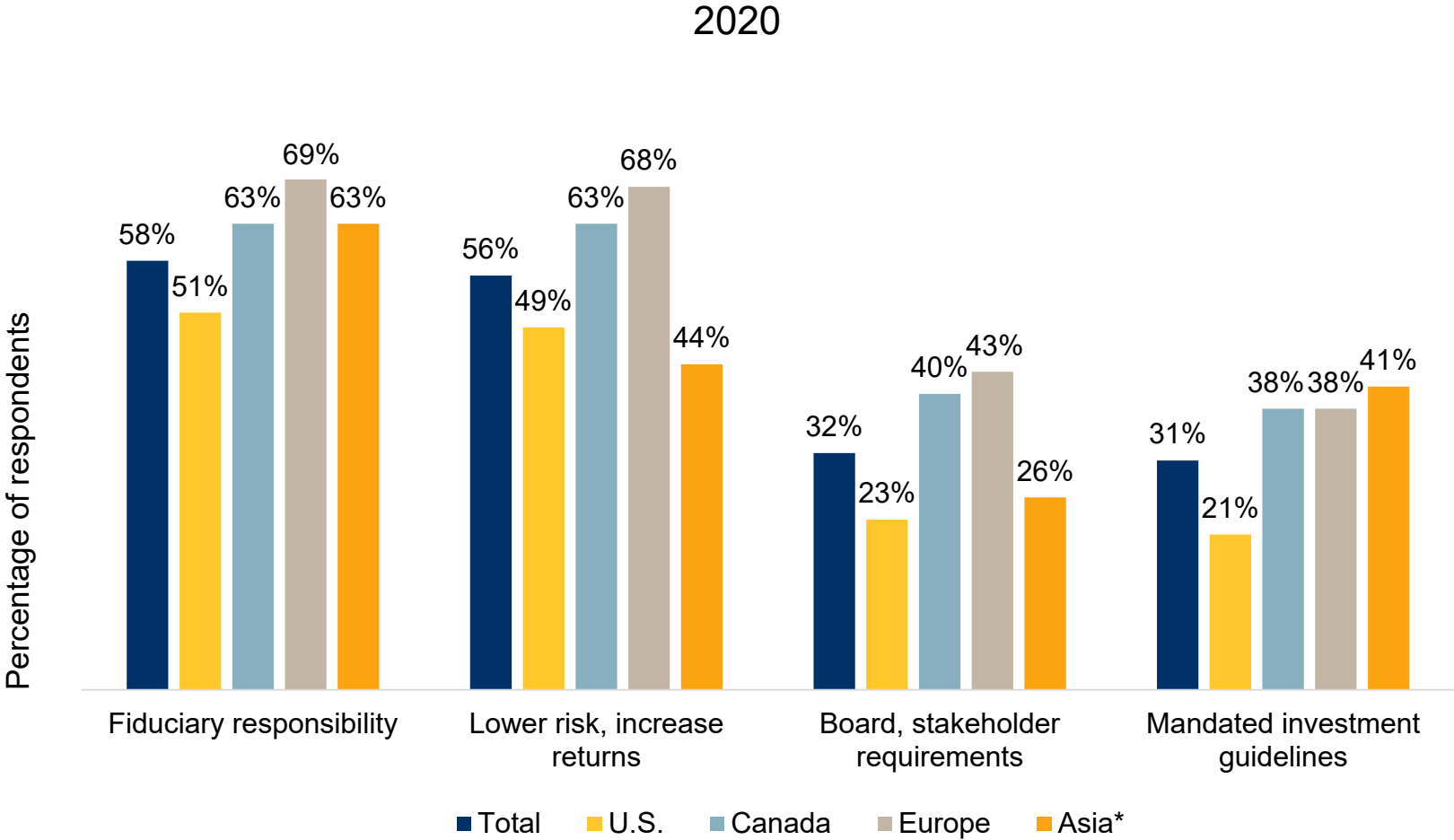
(all respondents)



Respondents were able to select more than one answer



What are your reason(s) for incorporating ESG in your investment approach?

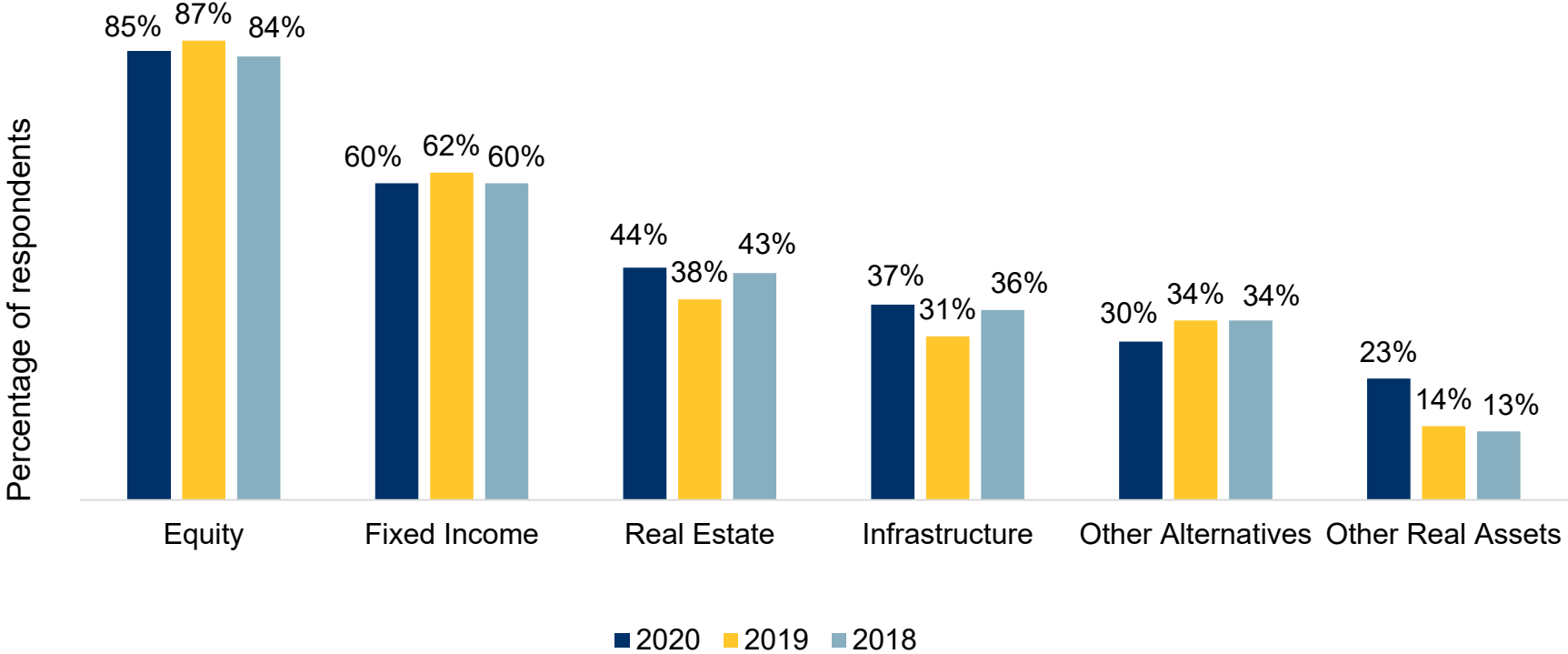


*Sample size not statistically significant.
 Respondents were able to select more than one answer



For which asset classes do you incorporate ESG factors into the portfolio management process?

(all respondents)

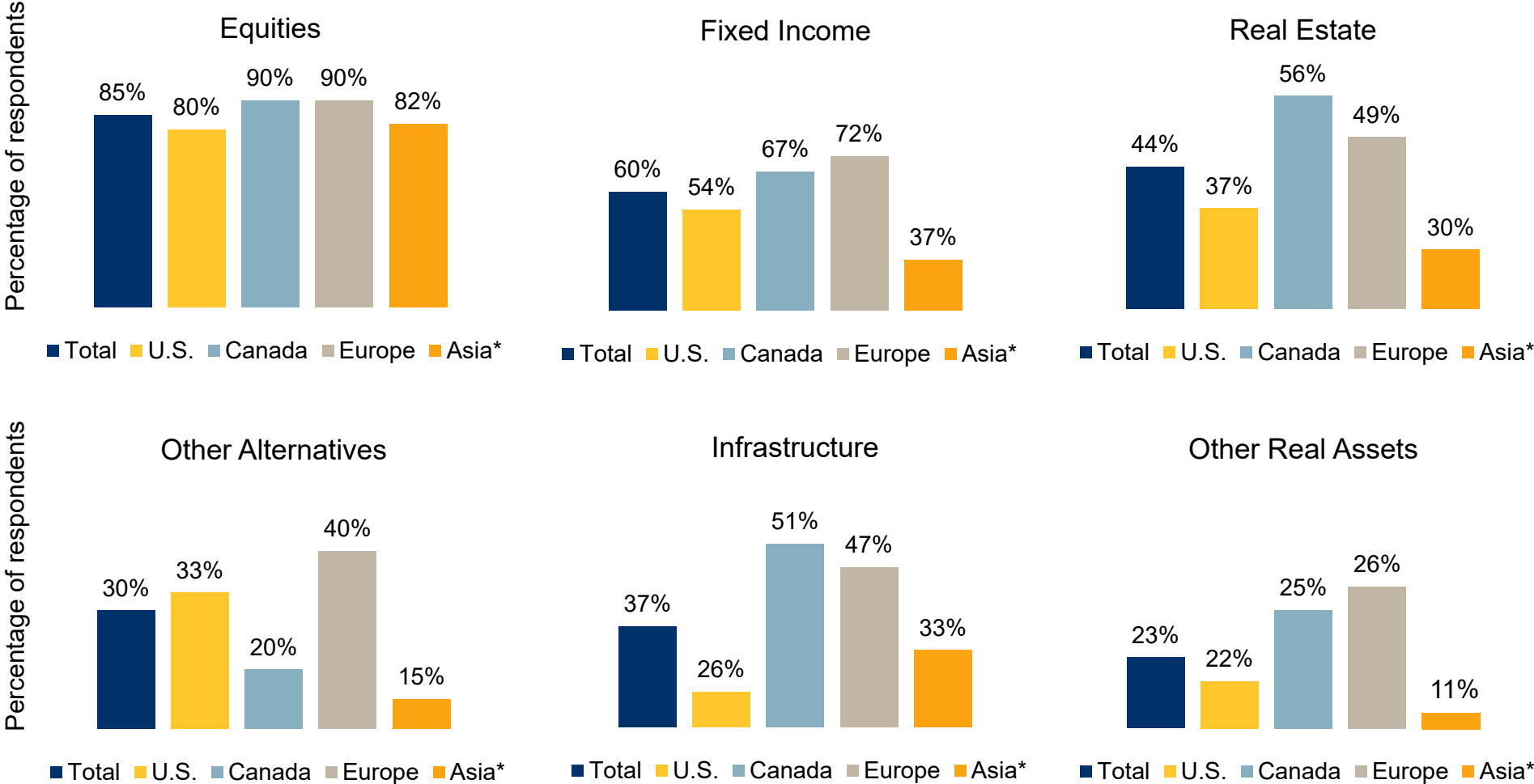


Respondents were able to select more than one answer



For which asset classes do you incorporate ESG factors into the portfolio management process?

2020

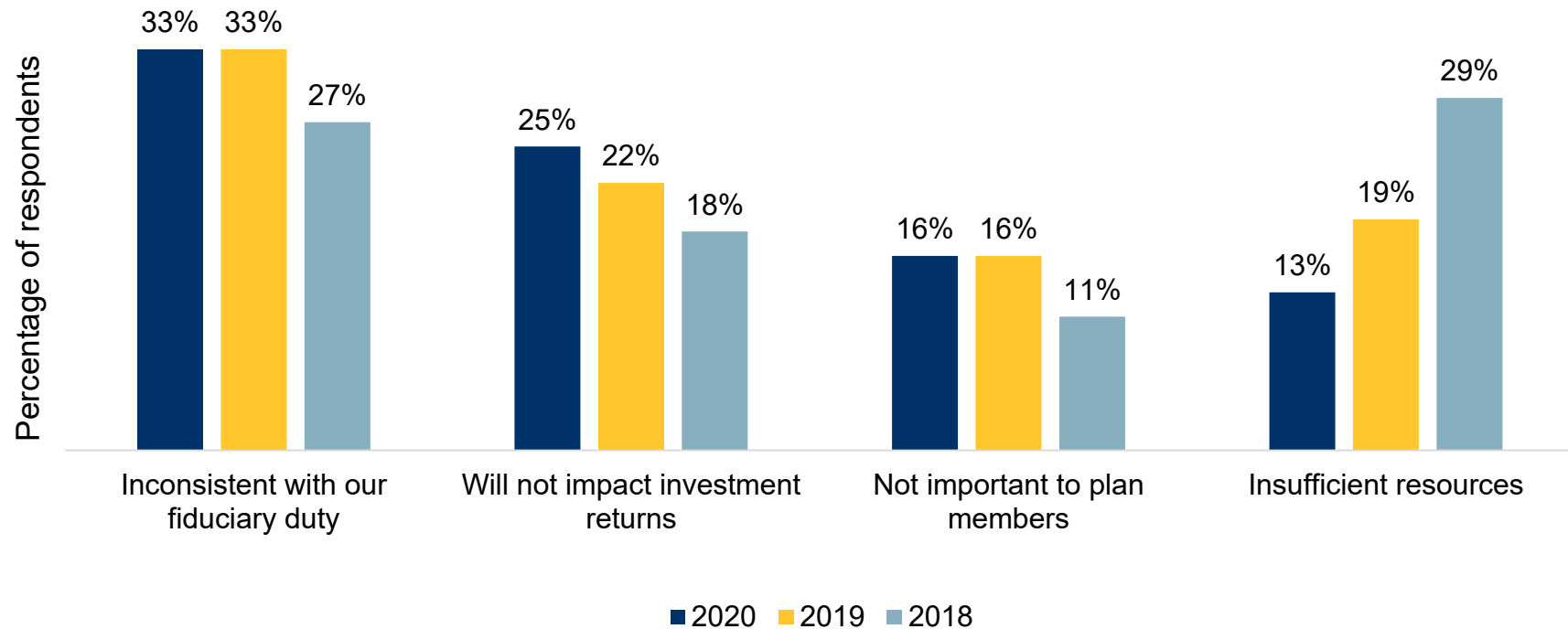


*Sample size not statistically significant
 Respondents were able to select more than one answer



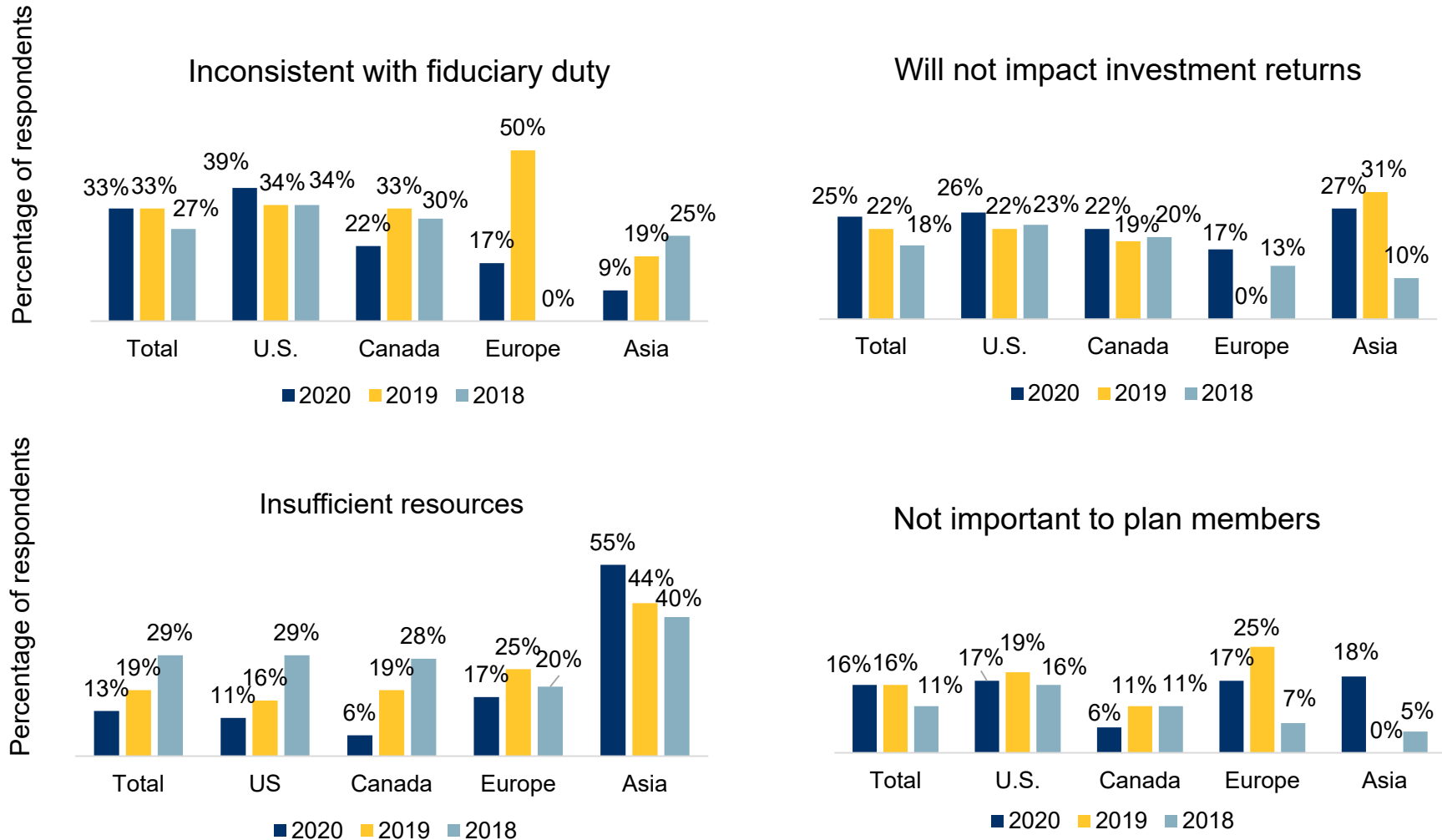
What are your reason(s) for NOT incorporating ESG factors in your investment approach?

(all respondents)



2020 selections for 'still evaluating - 3%' and 'other - 16%' options not shown in chart above.

What are your reason(s) for NOT incorporating ESG factors in your investment approach?



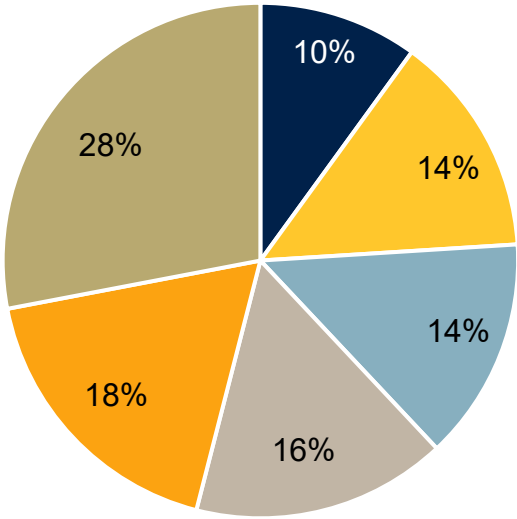
Respondents were able to select more than one answer

Note: A zero percent indicates the percentage was statistically insignificant to report or no data

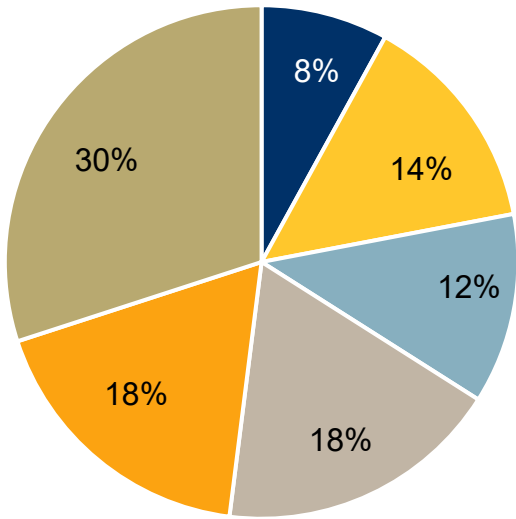
Of your portfolio that falls under the umbrella of responsible investing, what percent is actively managed (versus passively managed or index-based)?

(all respondents)

2019



2020



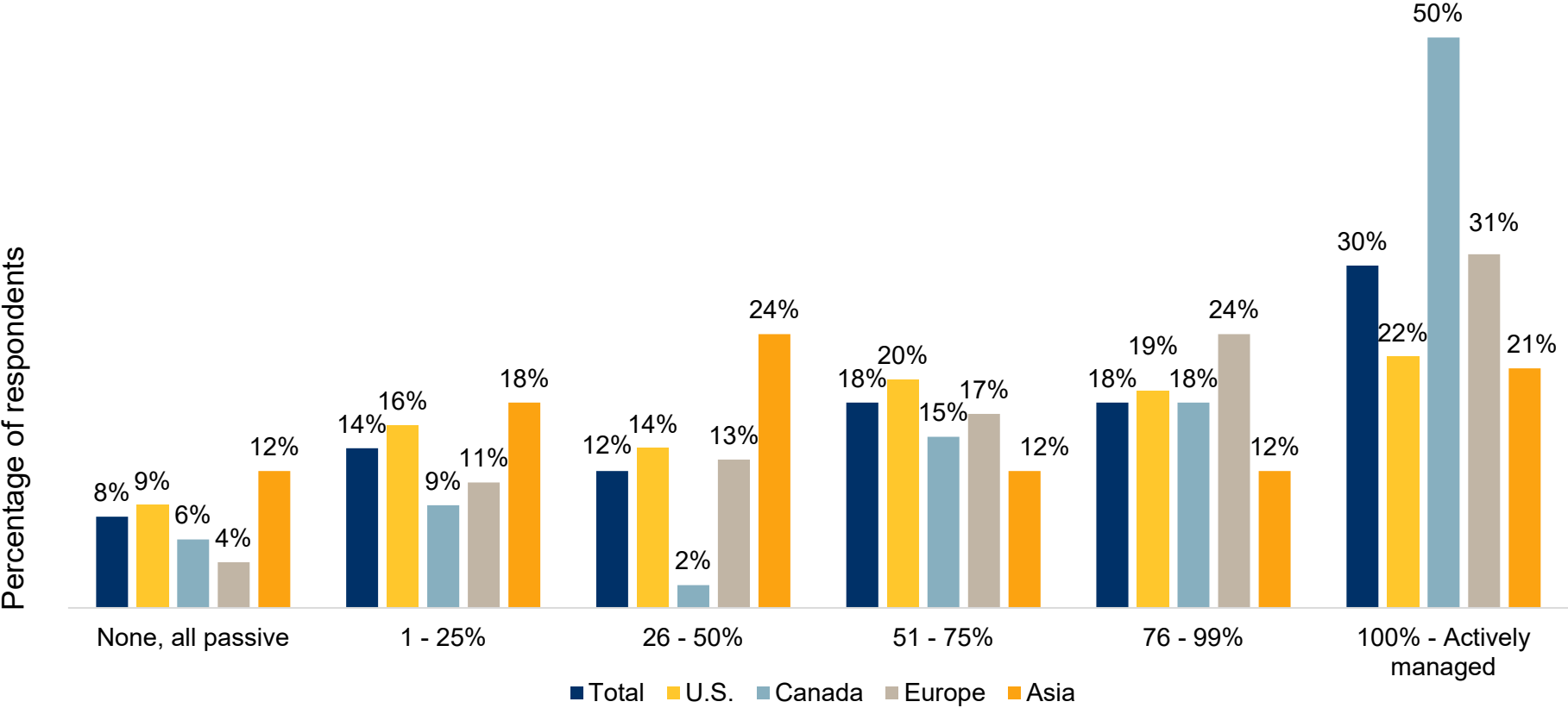
- 0% – it is all passive
- 1 – 25%
- 26 – 50%
- 51 – 75%
- 76 – 99%
- 100% – the entire portfolio is actively managed

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- 26 – 50%
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- 76 – 99%
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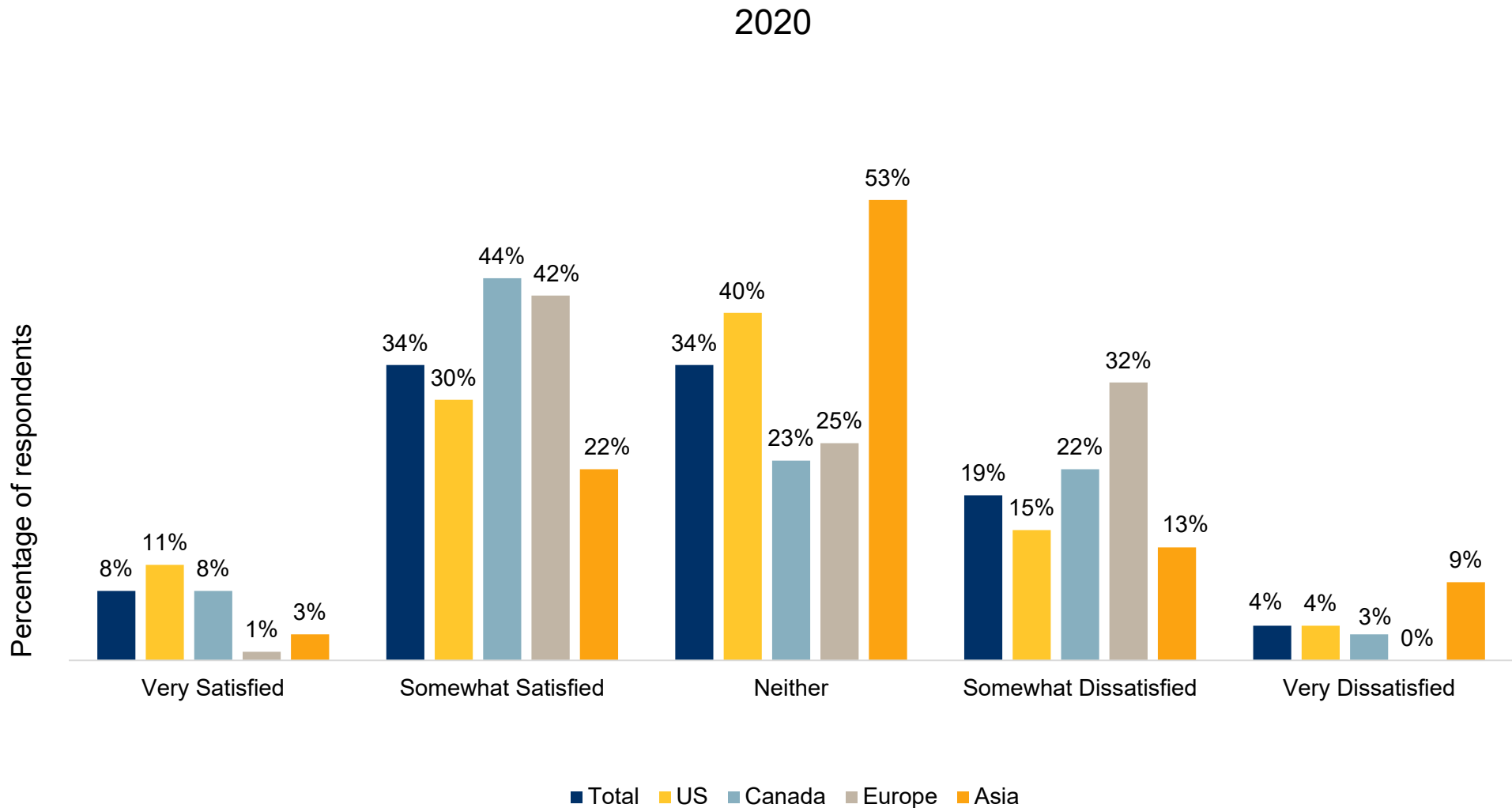


Of your portfolio that falls under the umbrella of responsible investing, what percent is actively managed (versus passively managed or index-based)?

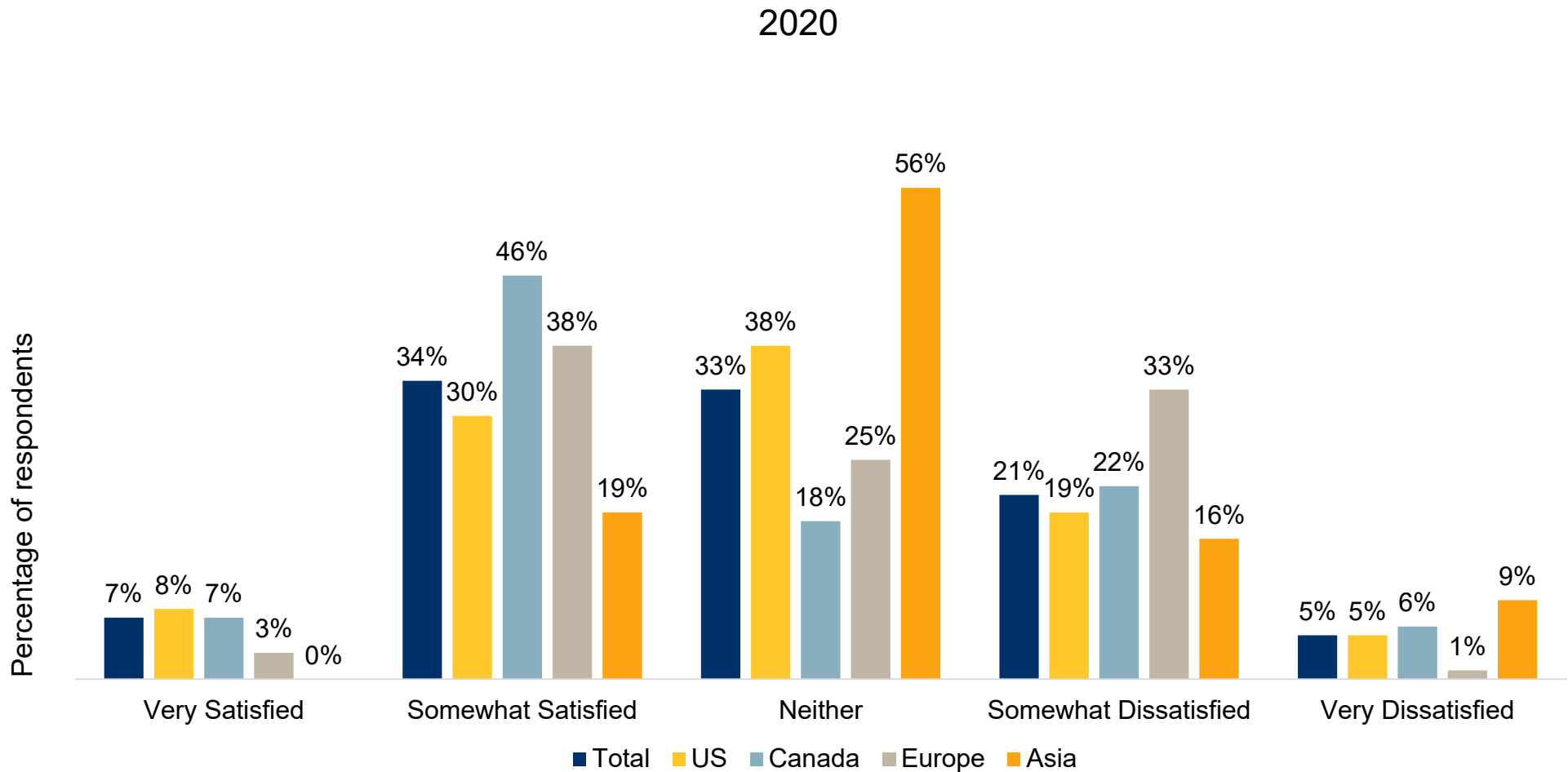
2020



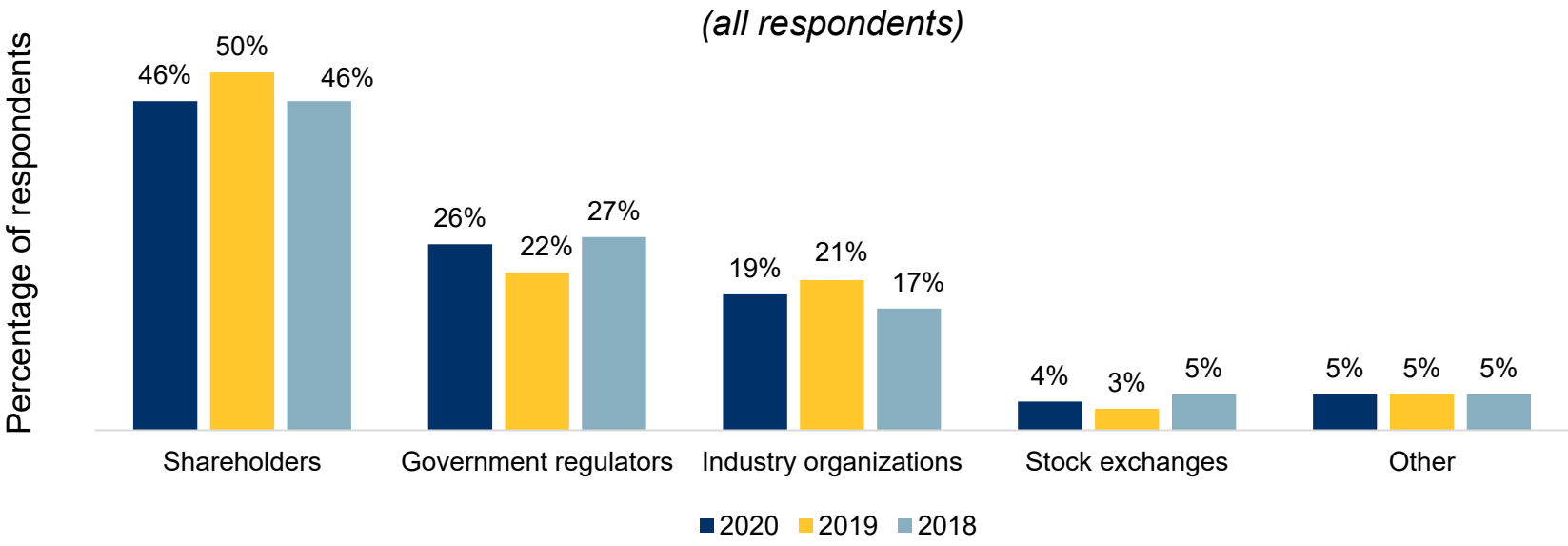
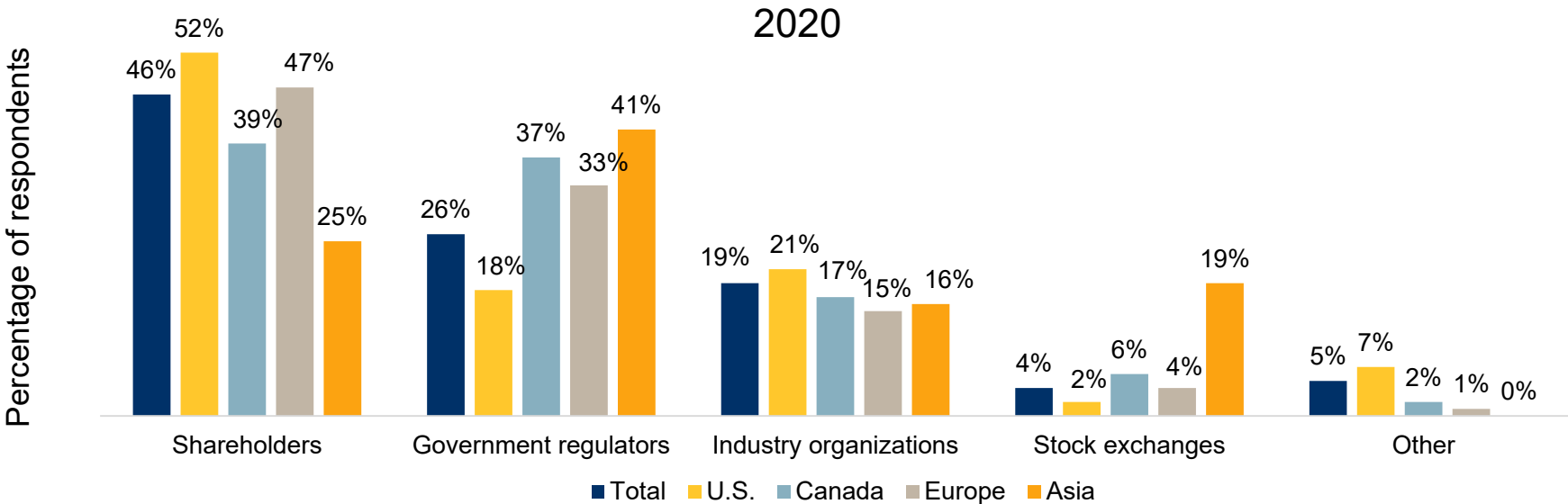
How satisfied are you with the current AMOUNT of ESG-related disclosure provided by issuers?



How satisfied are you with the current QUALITY of ESG-related disclosure provided by issuers?

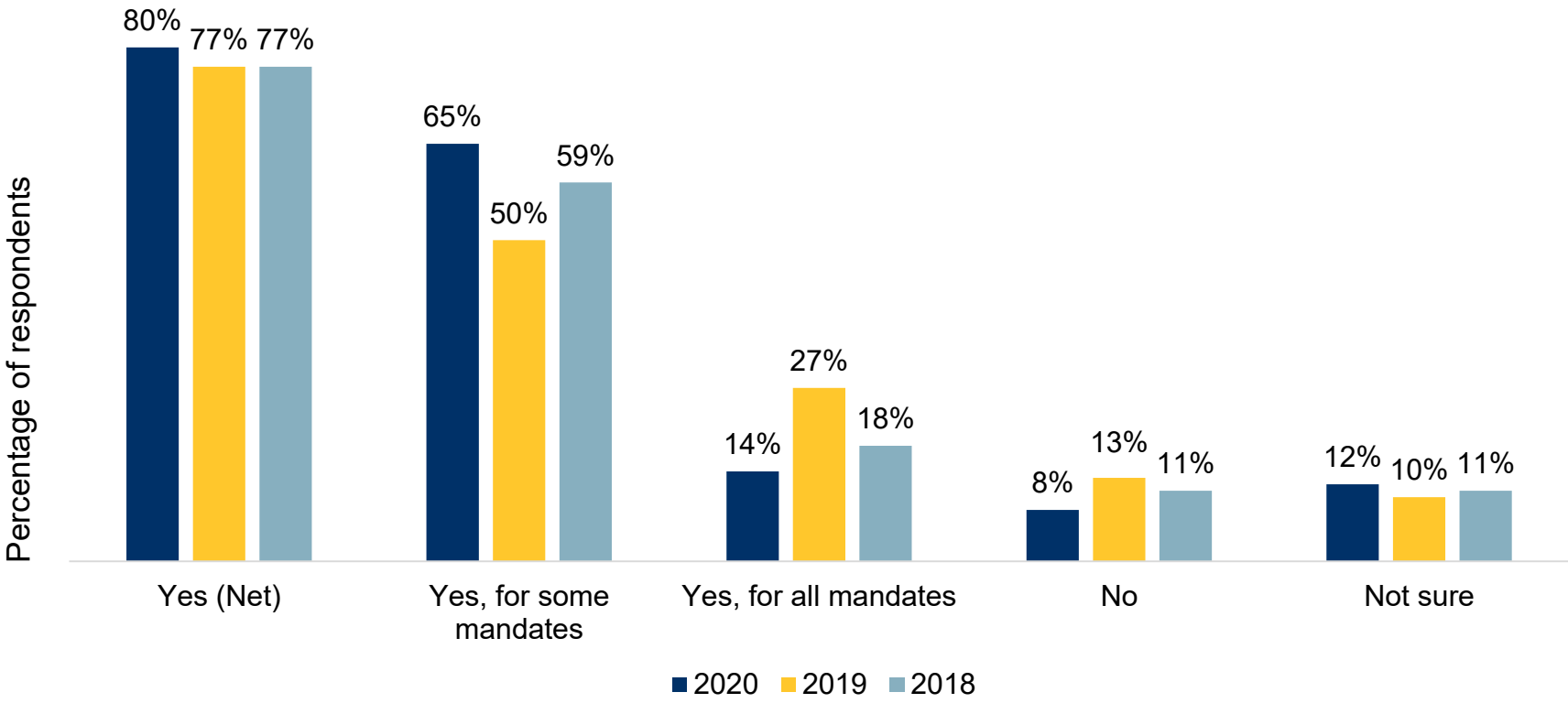


In your opinion, who should take the lead in influencing companies to provide better ESG-related information?



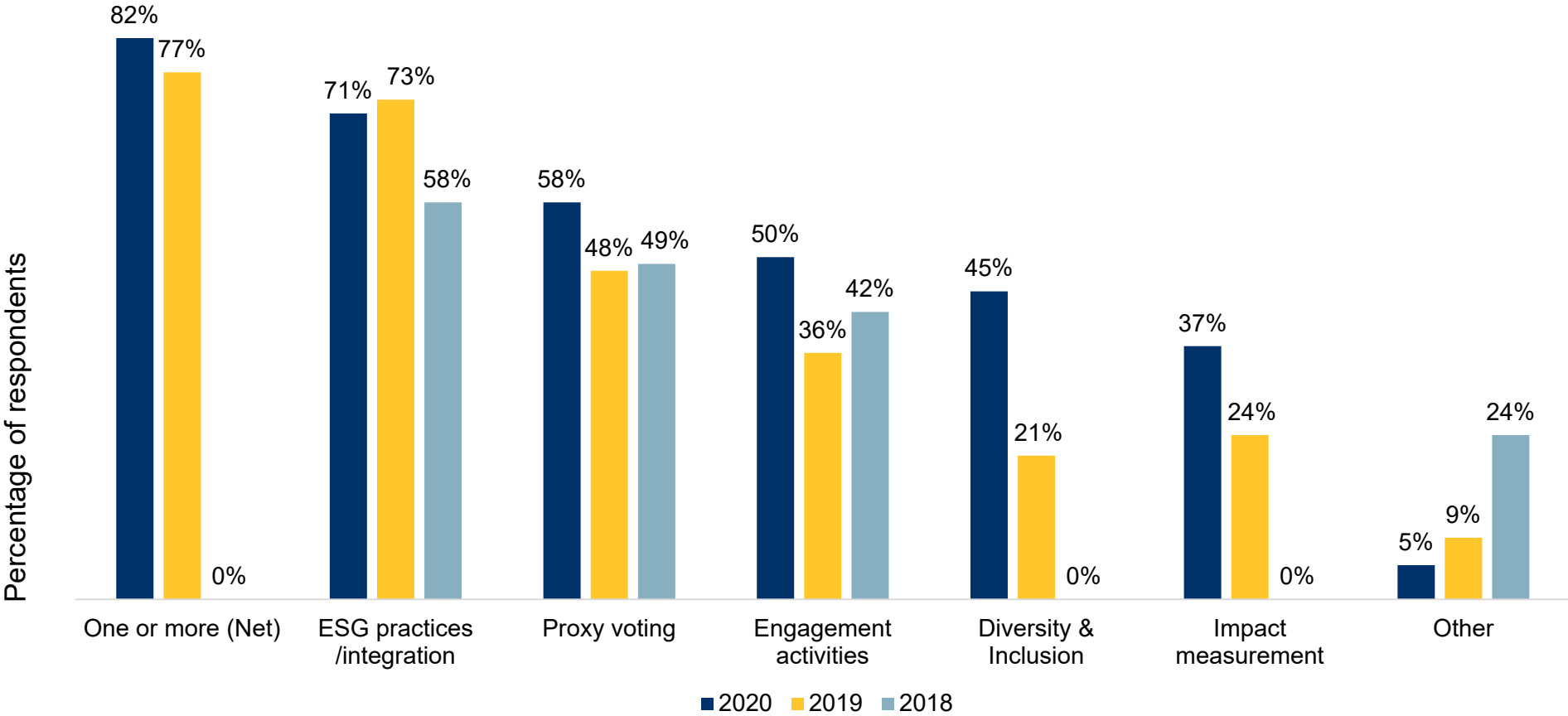
Do you employ managers who incorporate ESG factors into their portfolio management process?

Investment Consultants



Do you require your external managers to provide regular reporting on any of the following?

Investment Consultants



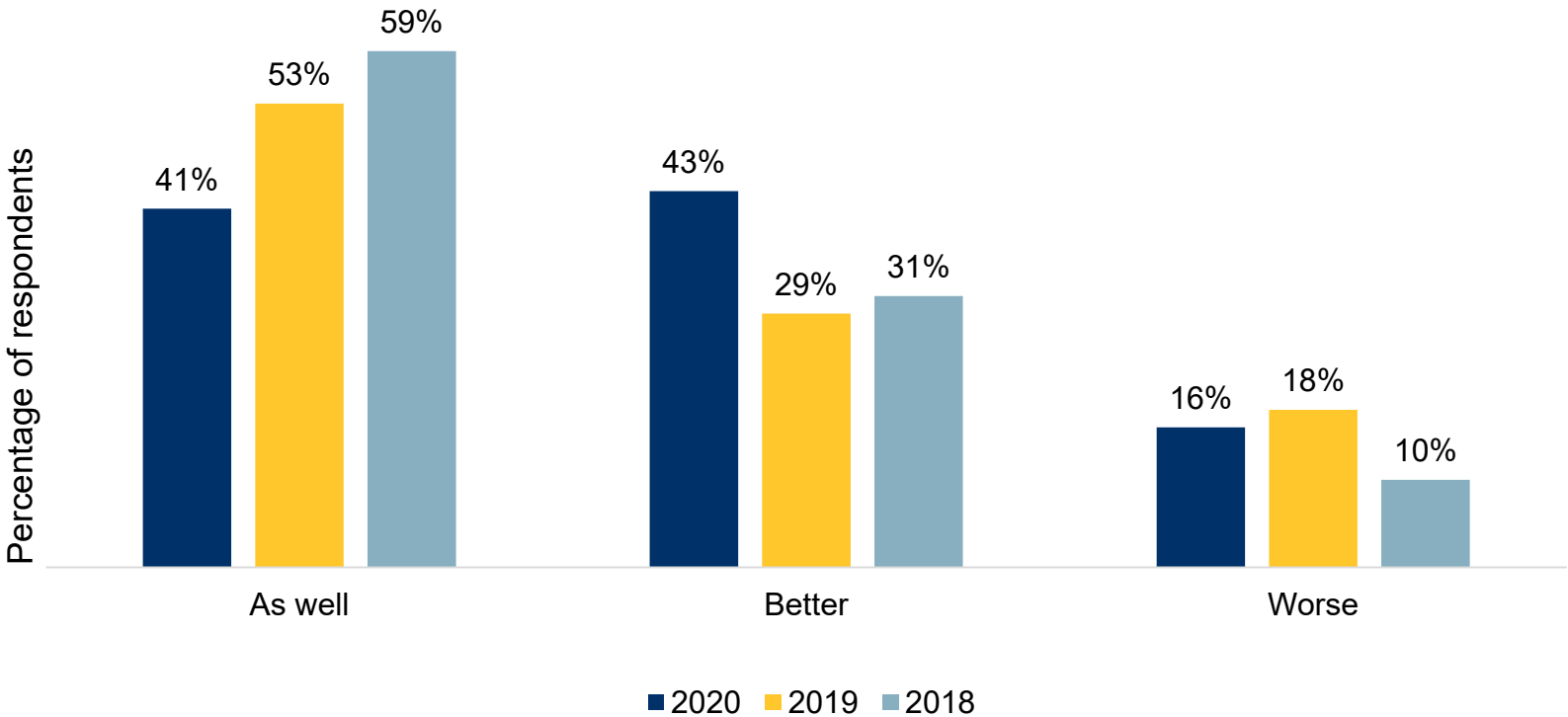
Respondents were able to select more than one answer

Note: A zero percent indicates the percentage was statistically insignificant to report or no data



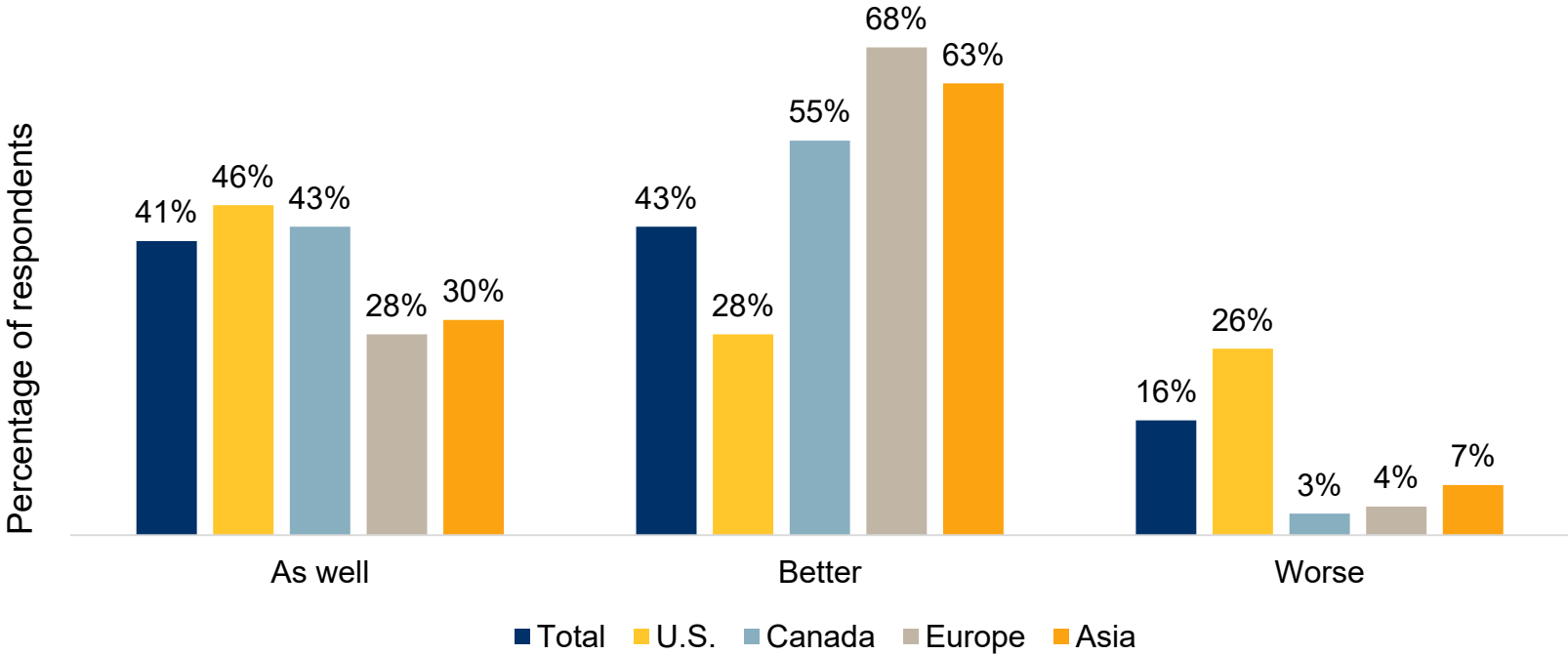
How do you believe ESG integrated portfolios are likely to perform relative to non-ESG integrated investments?

(all respondents)



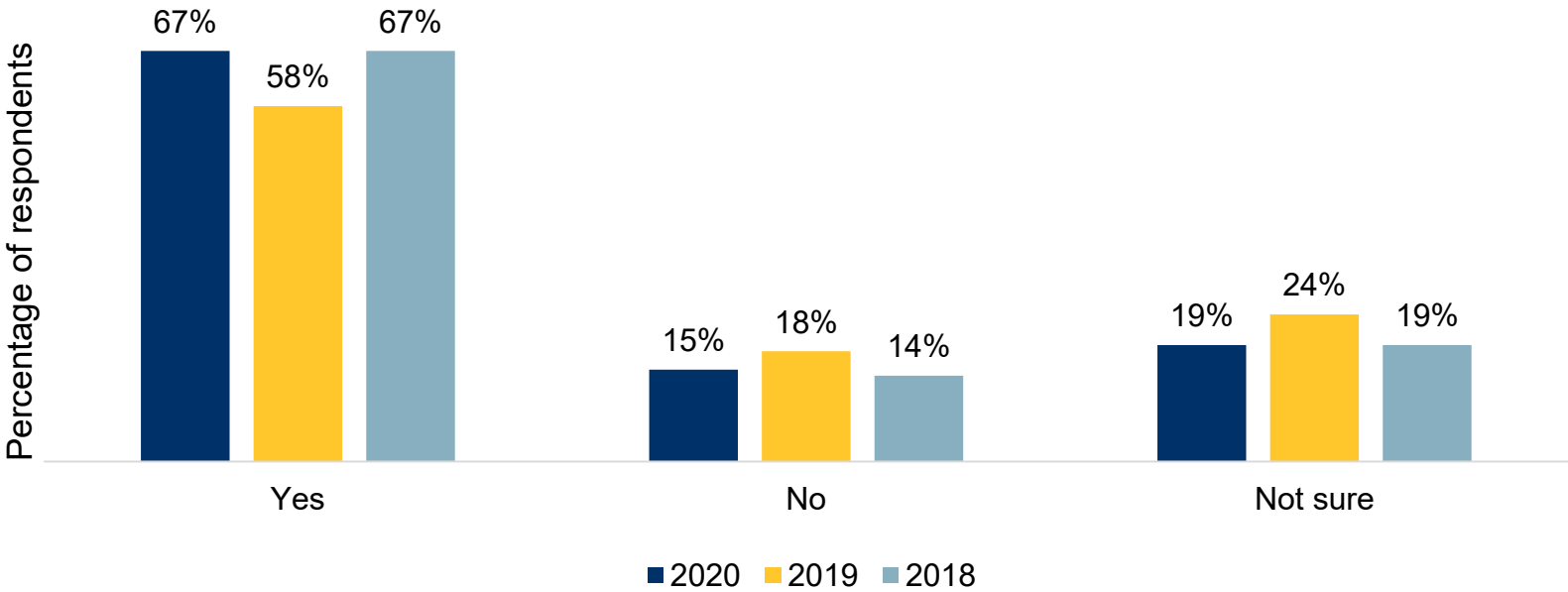
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2020



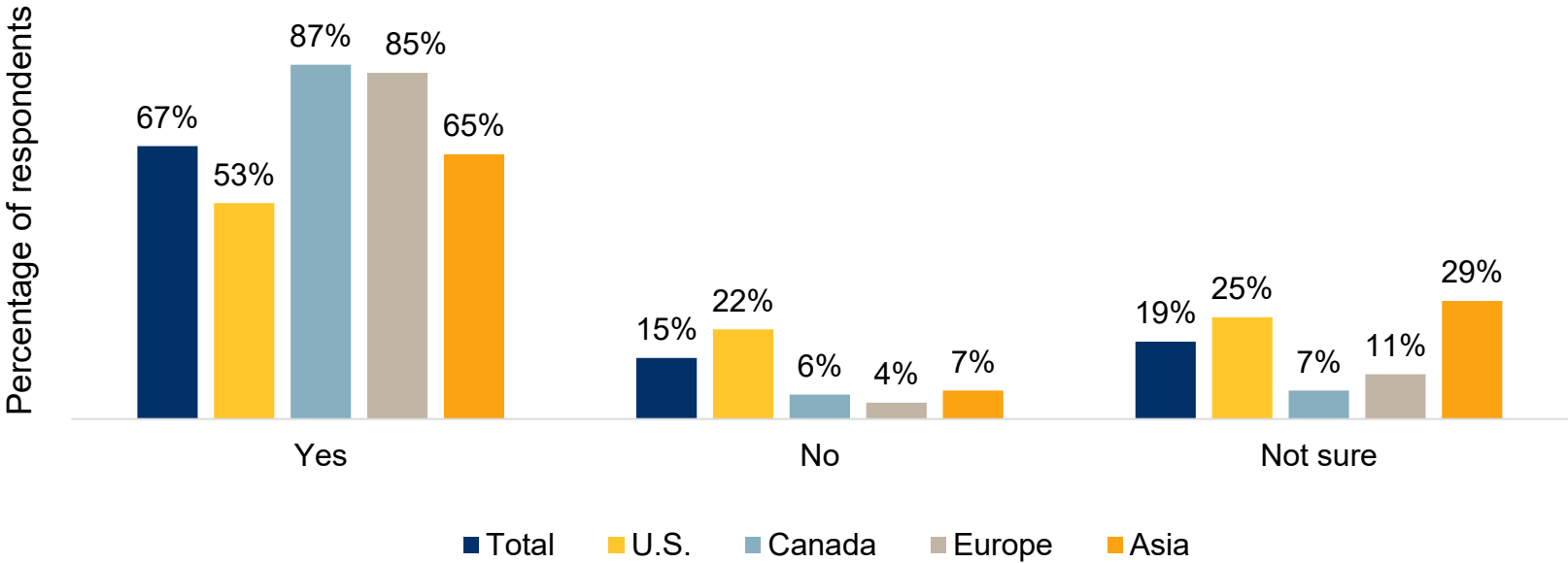
Do you believe that integrating ESG factors can help mitigate risk?

(all respondents)



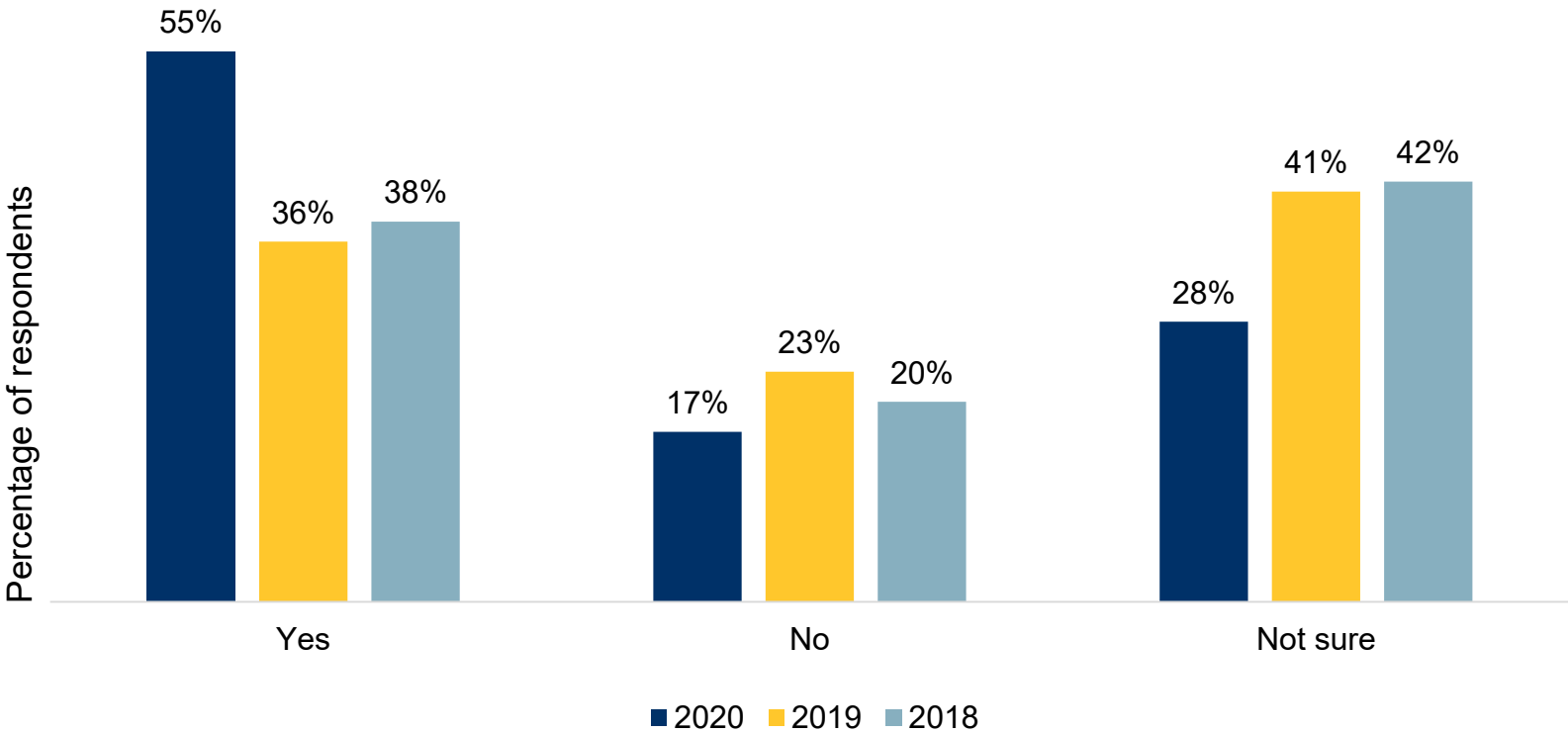
Do you believe that integrating ESG factors can help mitigate risk?

2020



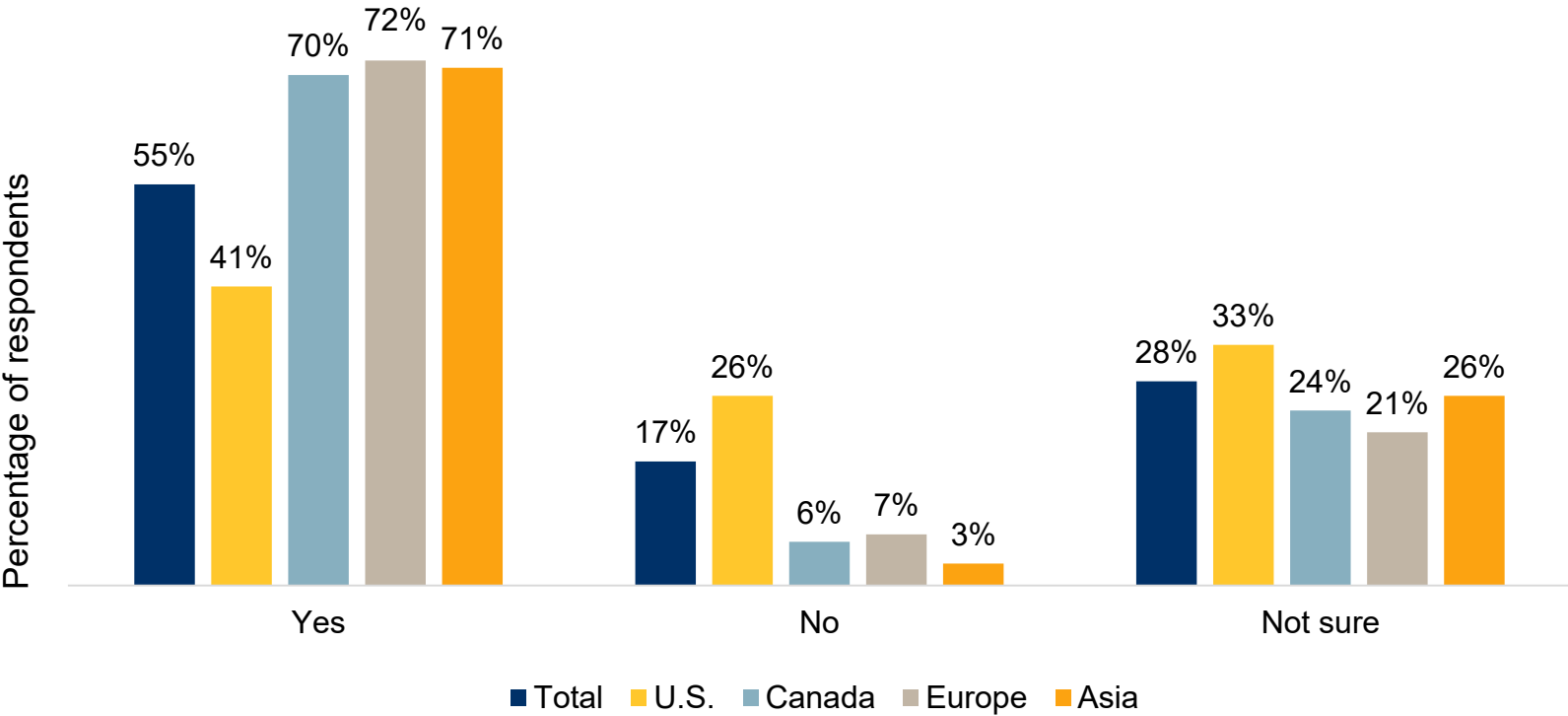
Do you believe that integrating ESG factors can help generate long-term sustainable alpha?

(all respondents)



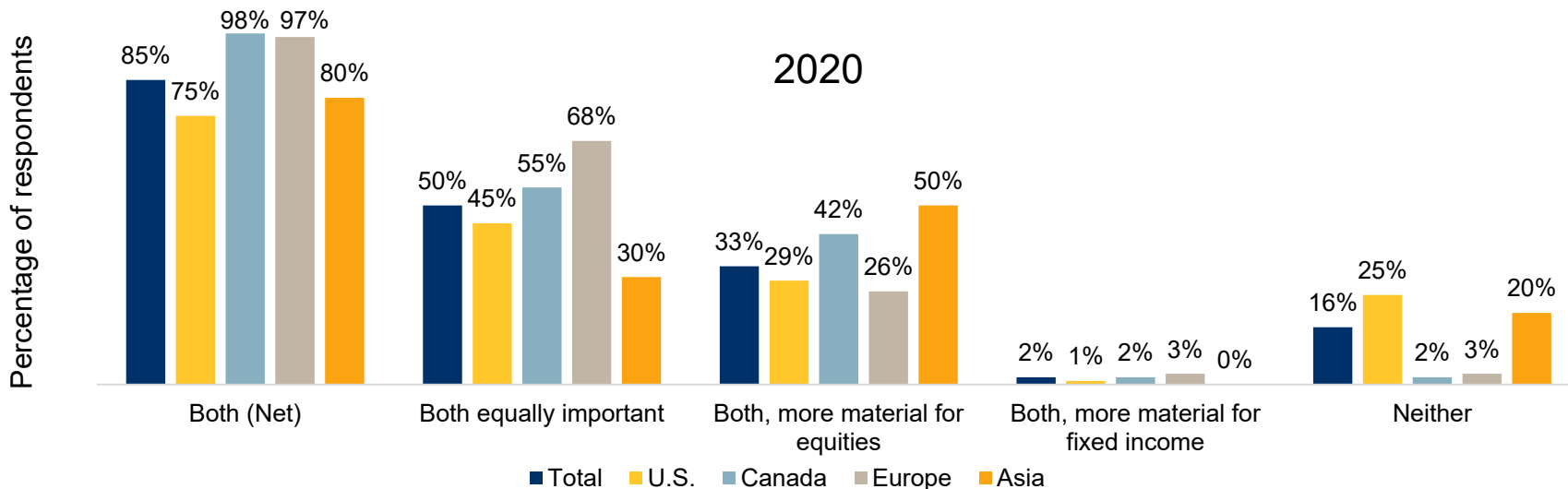
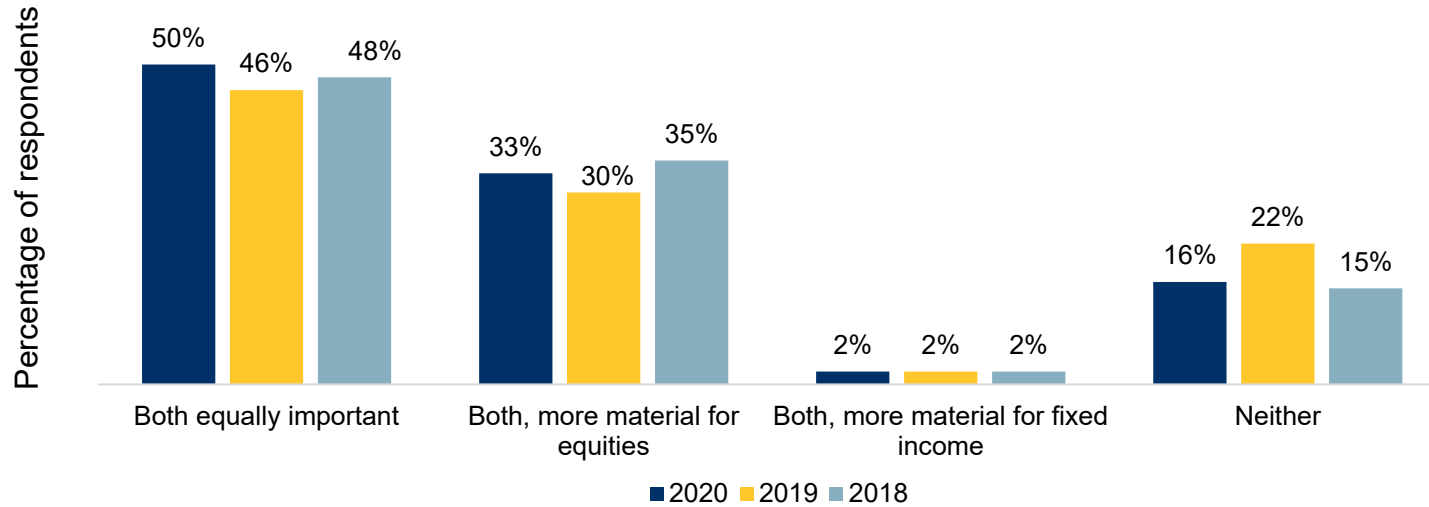
Do you believe that integrating ESG factors can help generate long-term sustainable alpha?

2020



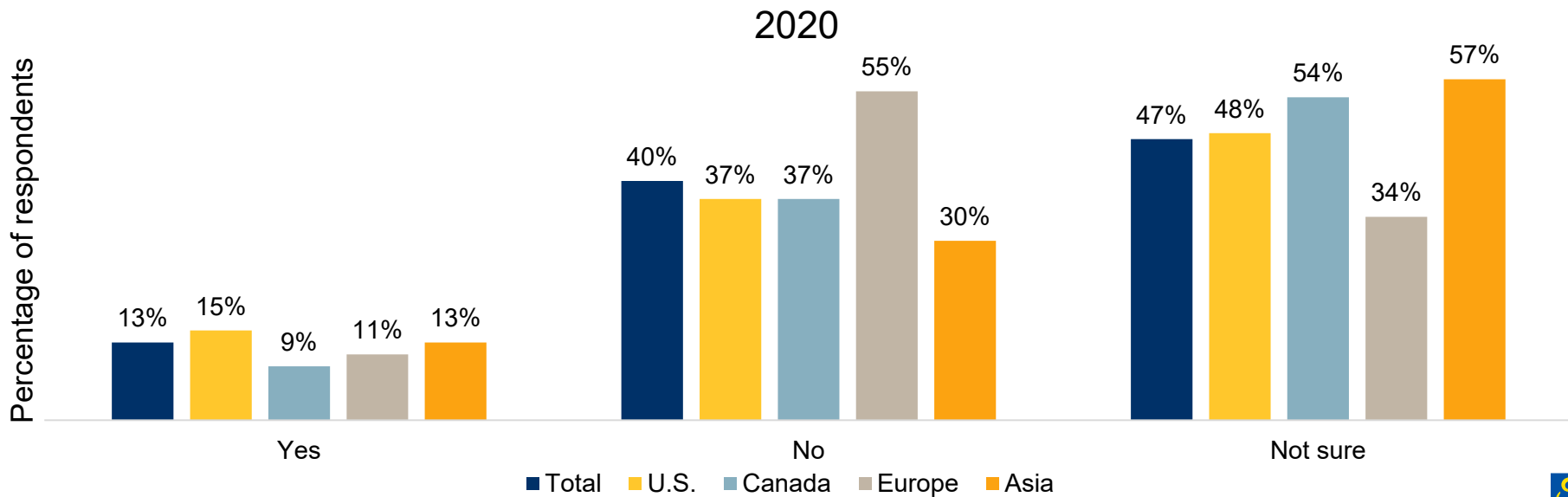
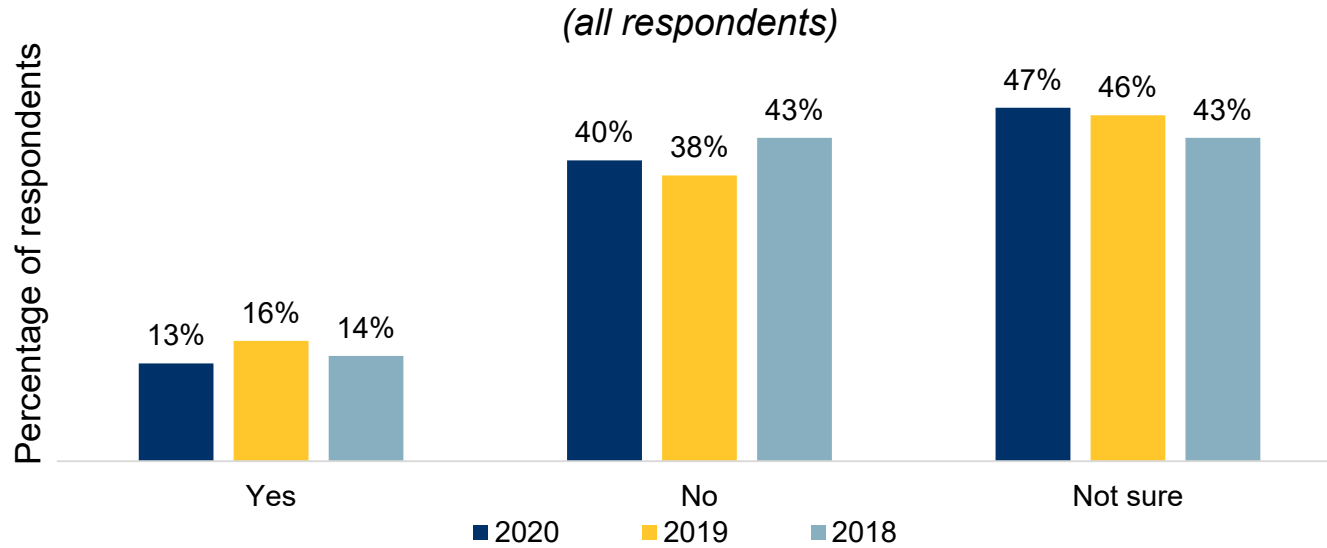
In your opinion, is ESG important to incorporate into both equity and fixed income strategies?

(all respondents)

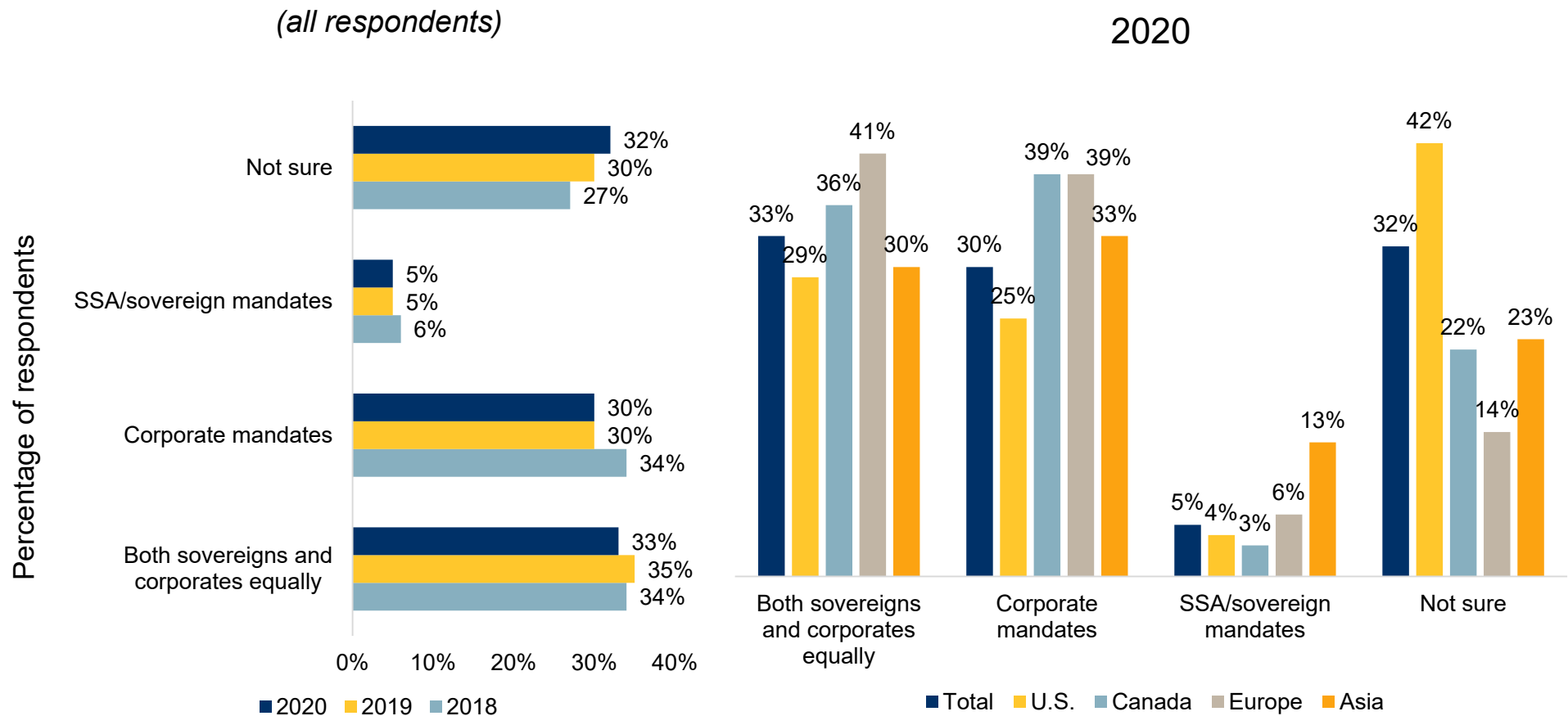


Note: A zero percent indicates the percentage was statistically insignificant to report or no data

In your opinion, are there sufficient fixed income product offerings that incorporate ESG factors?



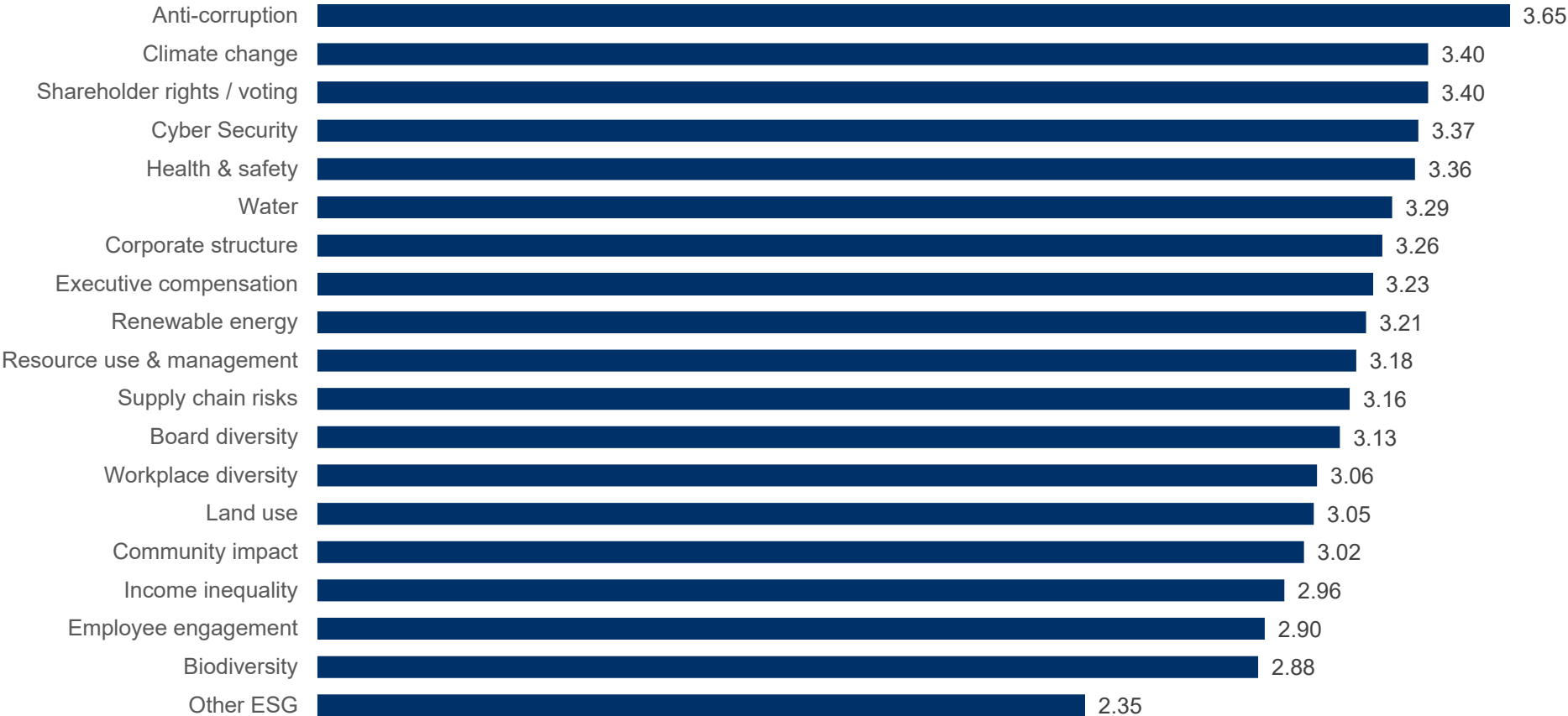
For what type of fixed income issuer are ESG issues the most material?



How concerned are you about the following ESG-related themes?

2020

Ranked on a scale of 0-5, 0 being not concerned, 5 being very concerned

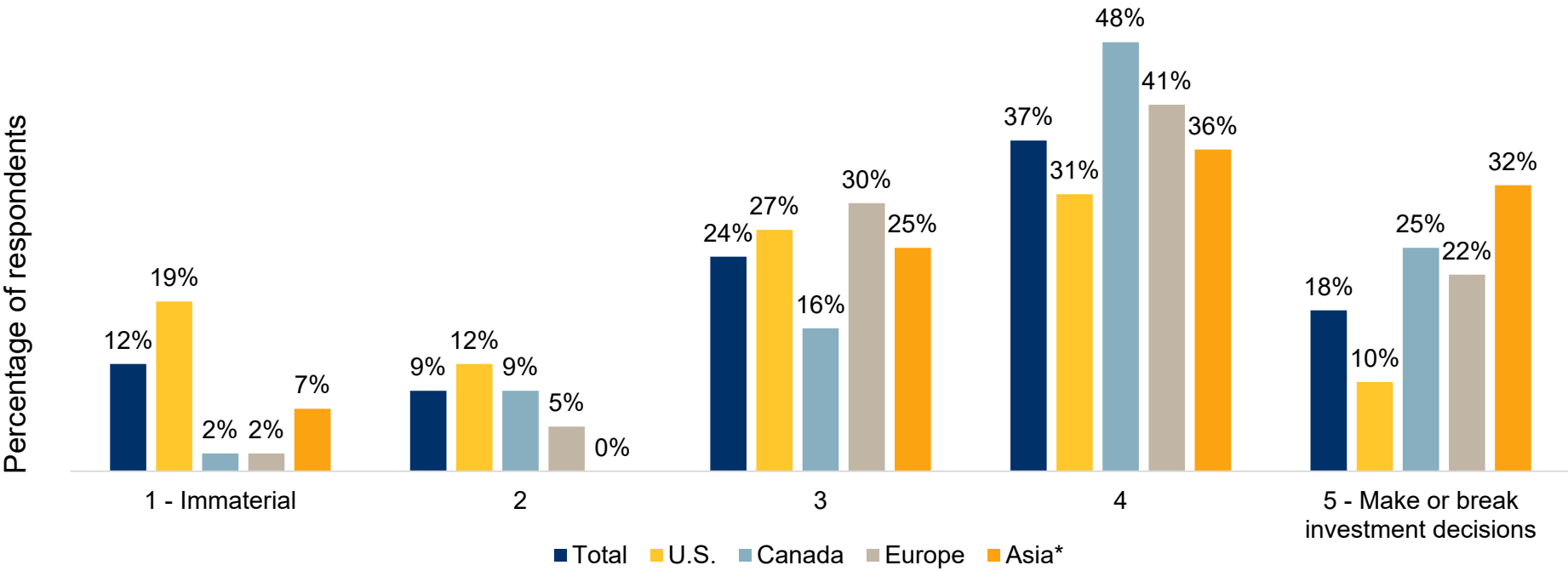


Data shown is summary of means for all respondents



How concerned are you about the following ESG-related themes?

Environmental – Climate change 2020



Ranked on a scale of 1-5, 1 being immaterial, 5 being make or break investment decision

*Sample size not statistically significant

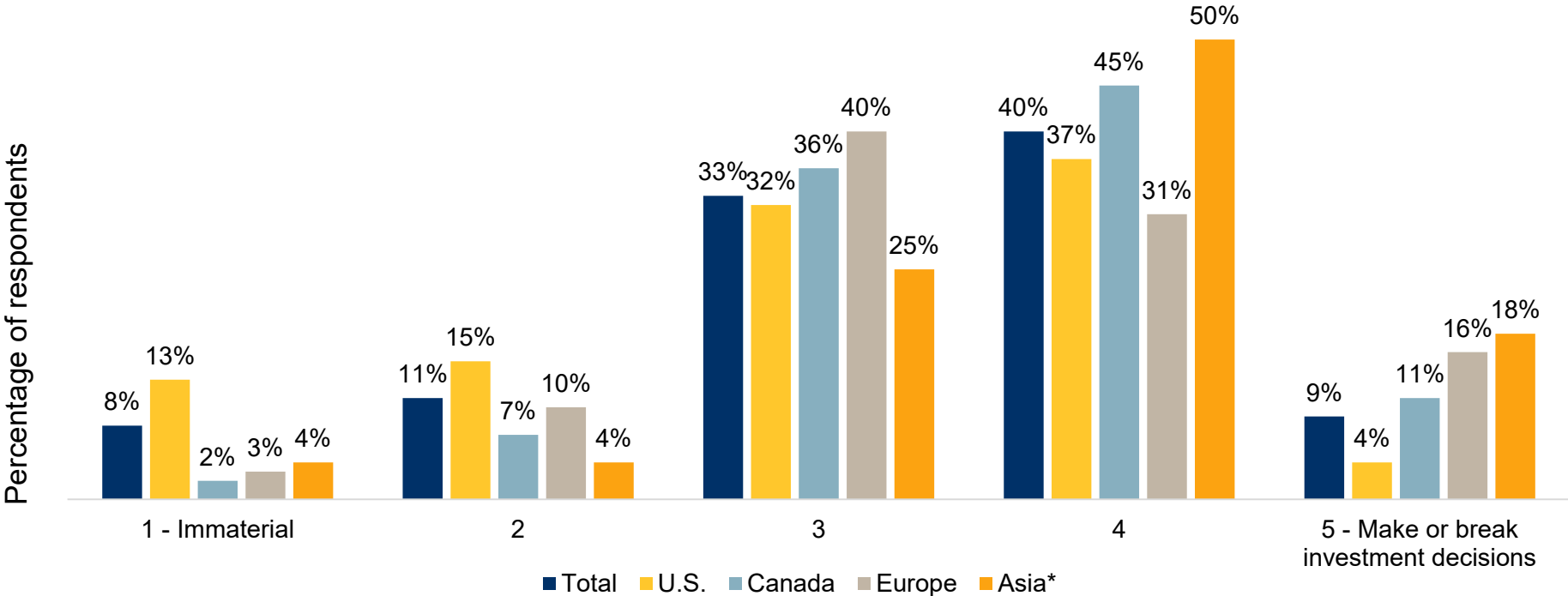
Note: A zero percent indicates the percentage was statistically insignificant to report or no data



How concerned are you about the following ESG-related themes?

Environmental – Water

2020



Ranked on a scale of 1-5, 1 being immaterial, 5 being make or break investment decision

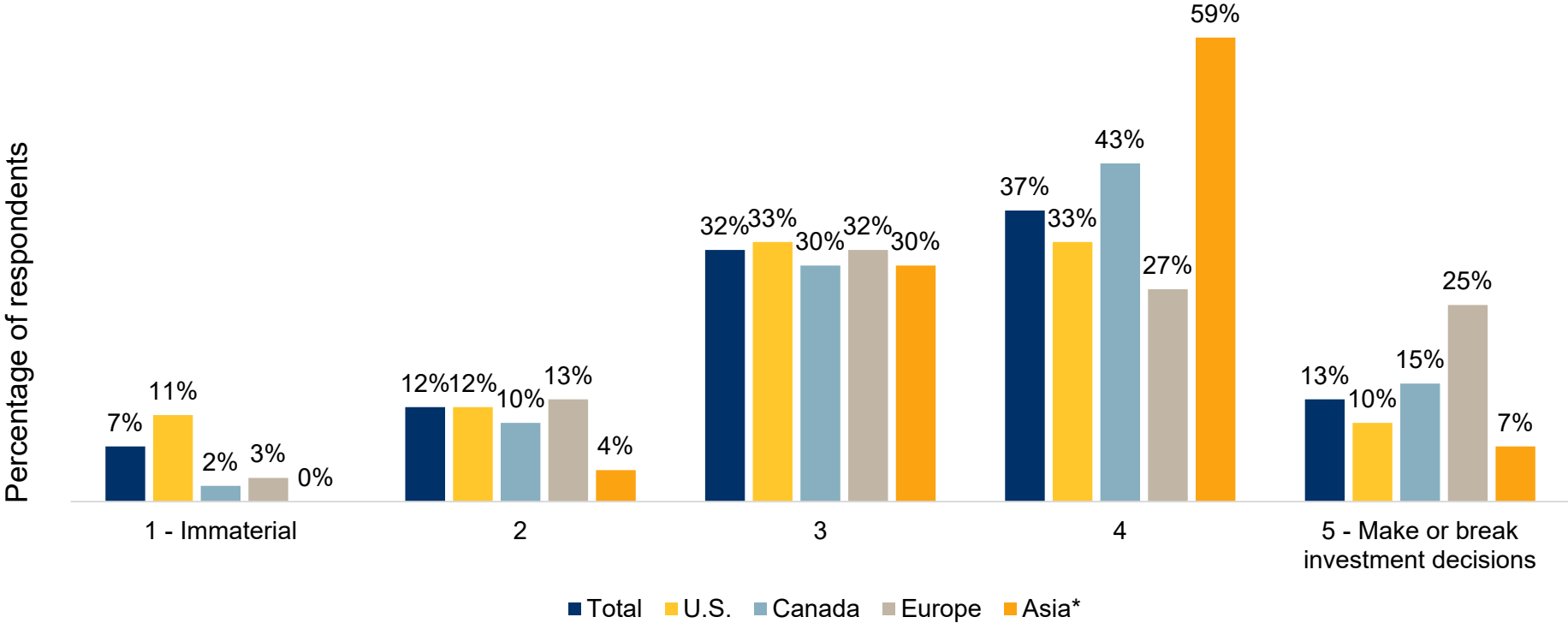
*Sample size not statistically significant



How concerned are you about the following ESG-related themes?

Social – Cybersecurity

2020



Ranked on a scale of 1-5, 1 being immaterial, 5 being make or break investment decision

*Sample size not statistically significant

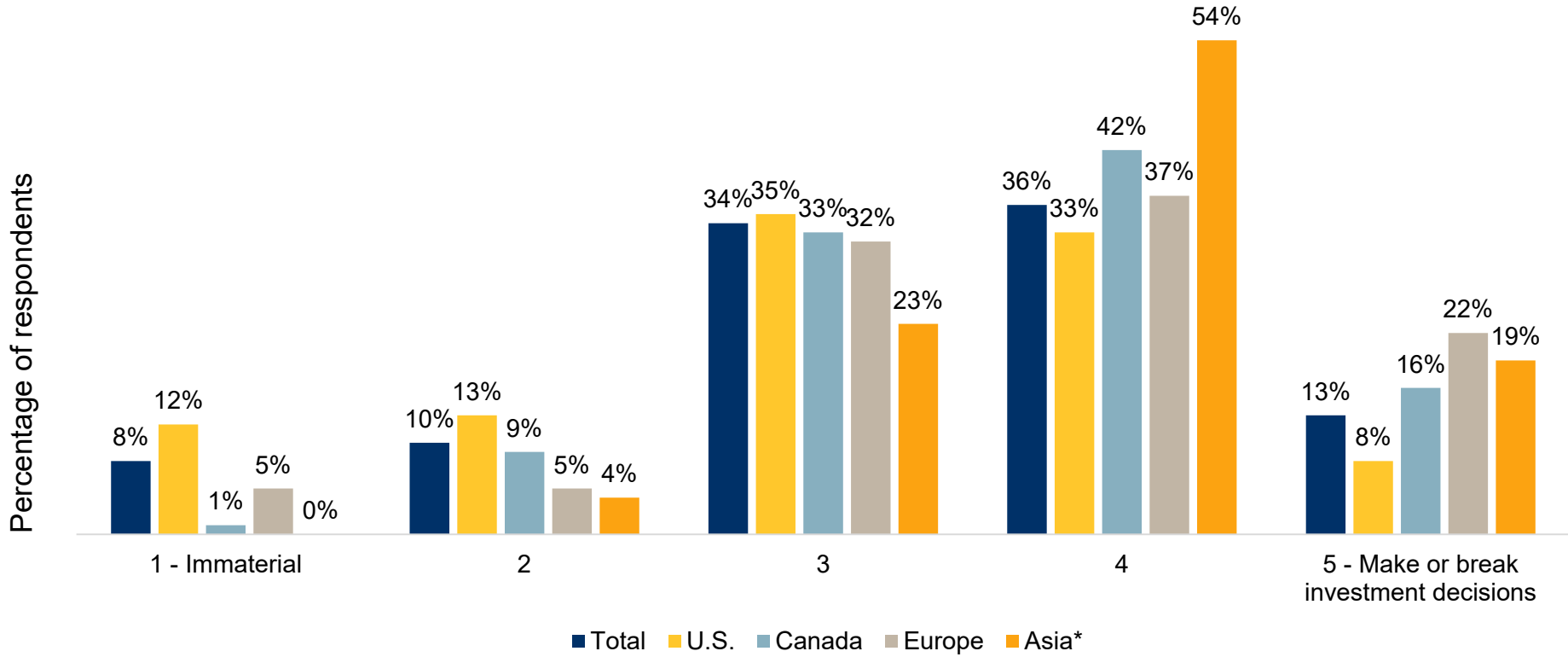
Note: A zero percent indicates the percentage was statistically insignificant to report or no data



How concerned are you about the following ESG-related themes?

Social – Health & safety

2020



Ranked on a scale of 1-5, 1 being immaterial, 5 being make or break investment decision

*Sample size not statistically significant

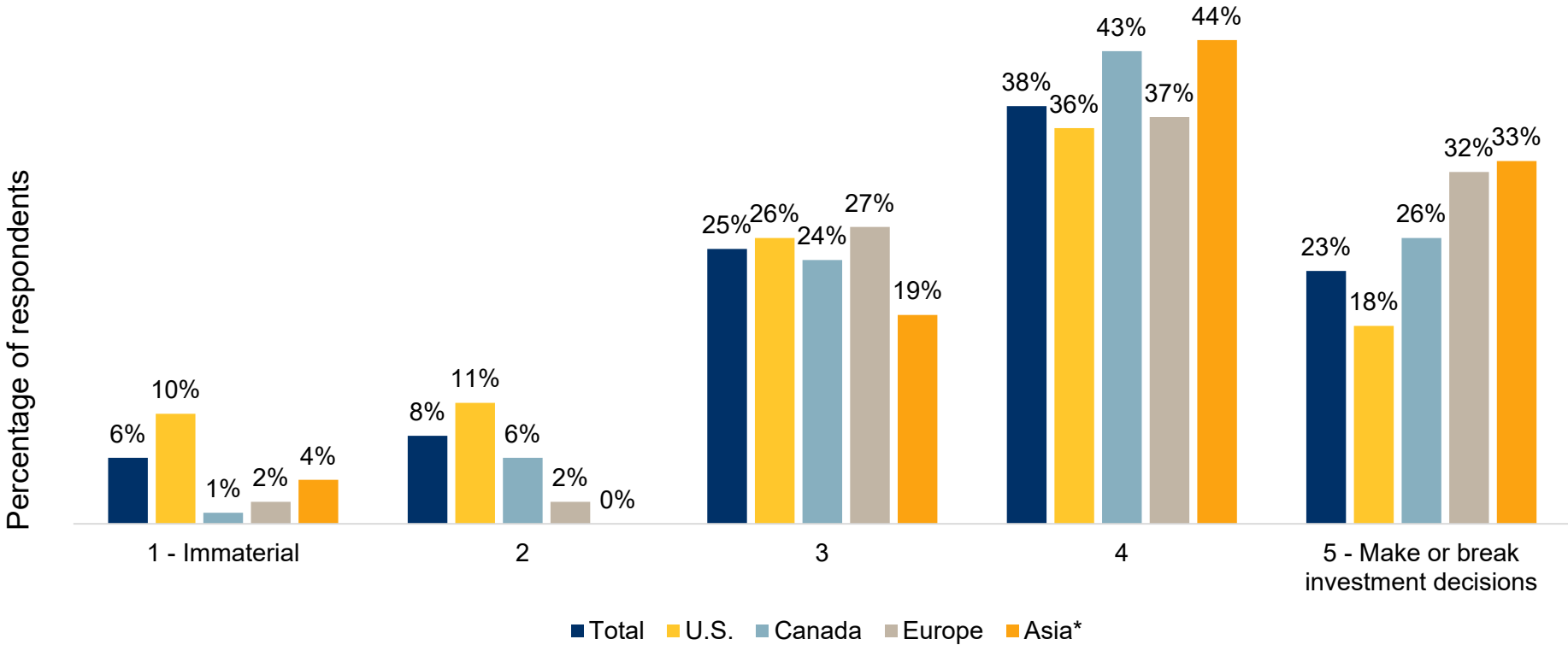
Note: A zero percent indicates the percentage was statistically insignificant to report or no data



How concerned are you about the following ESG-related themes?

Governance – Anti-corruption

2020



Ranked on a scale of 1-5, 1 being immaterial, 5 being make or break investment decision

*Sample size not statistically significant

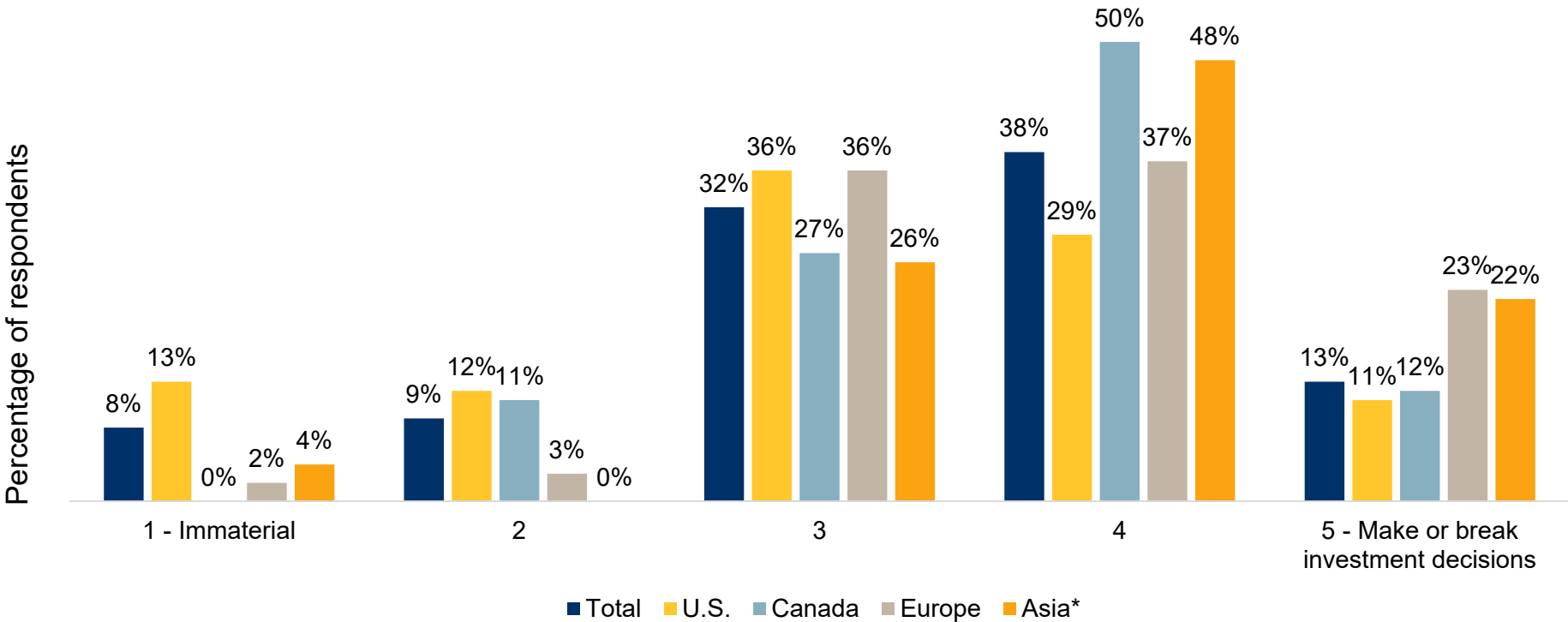
Note: A zero percent indicates the percentage was statistically insignificant to report or no data



How concerned are you about the following ESG-related themes?

Governance – Shareholder rights/voting

2020



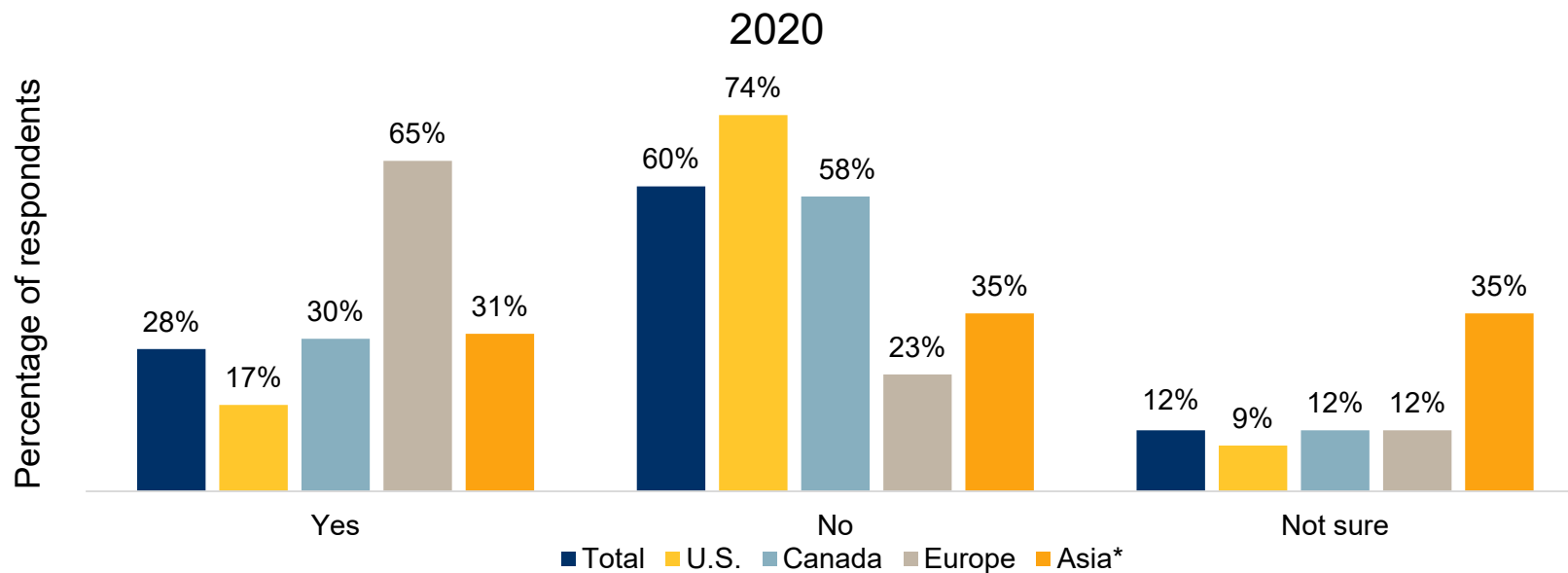
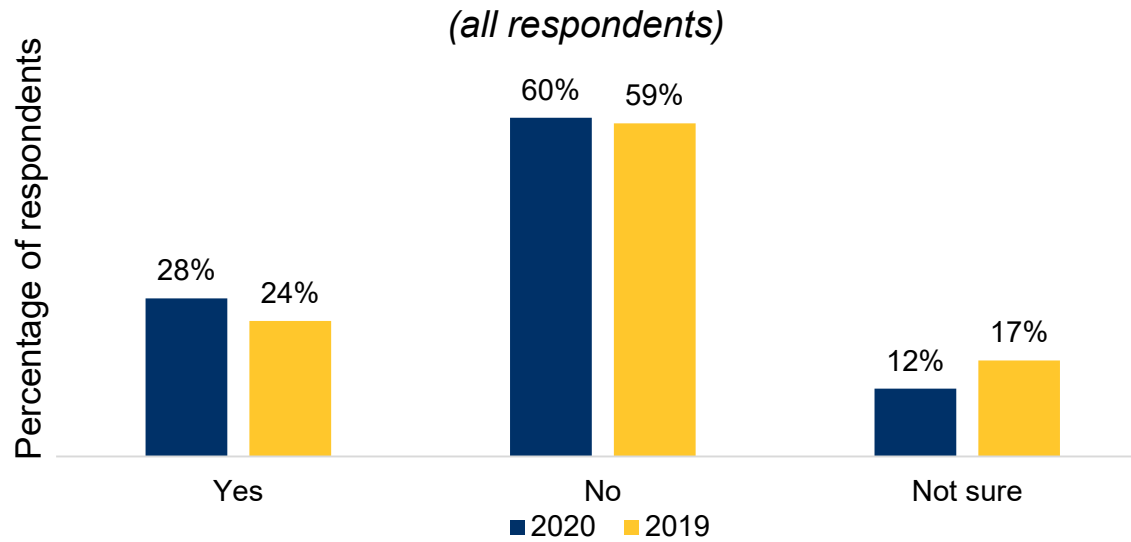
Ranked on a scale of 1-5, 1 being immaterial, 5 being make or break investment decision

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Does your investment policy address climate risk?

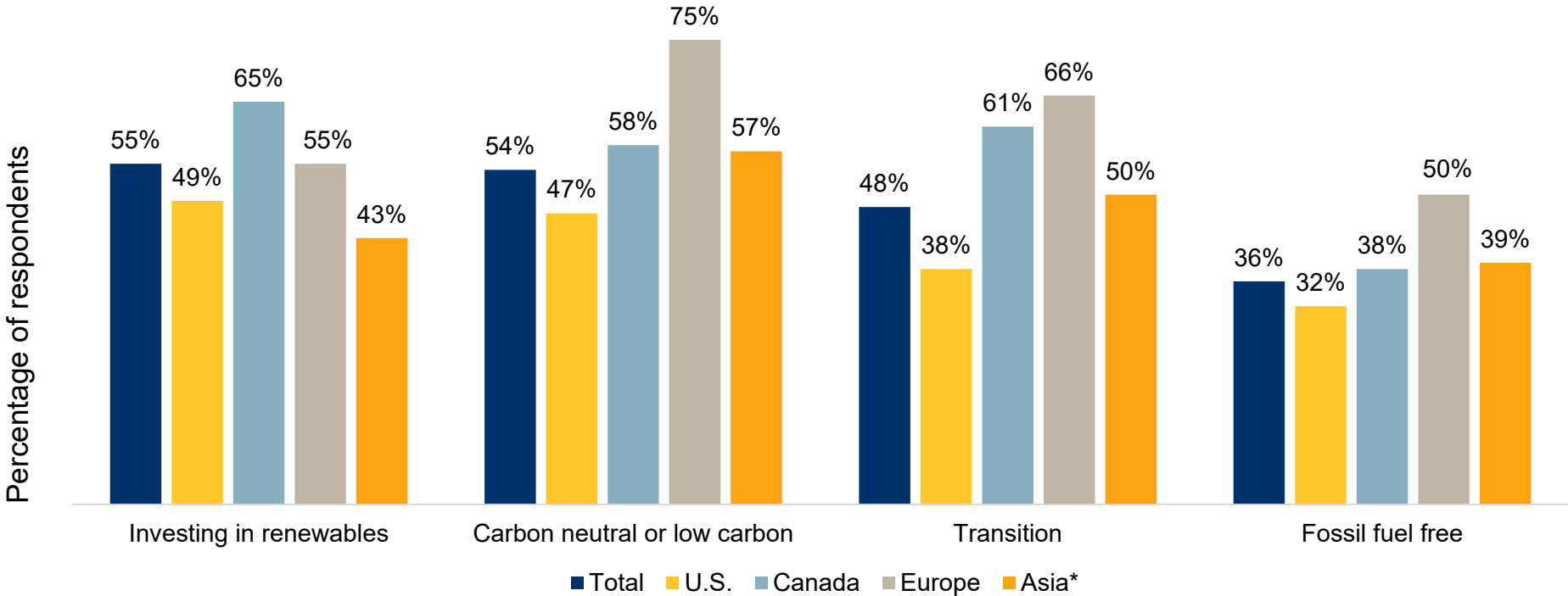


*Sample size not statistically significant

When thinking of climate-related strategies, which of the following are you interested in?

Strategies that are...

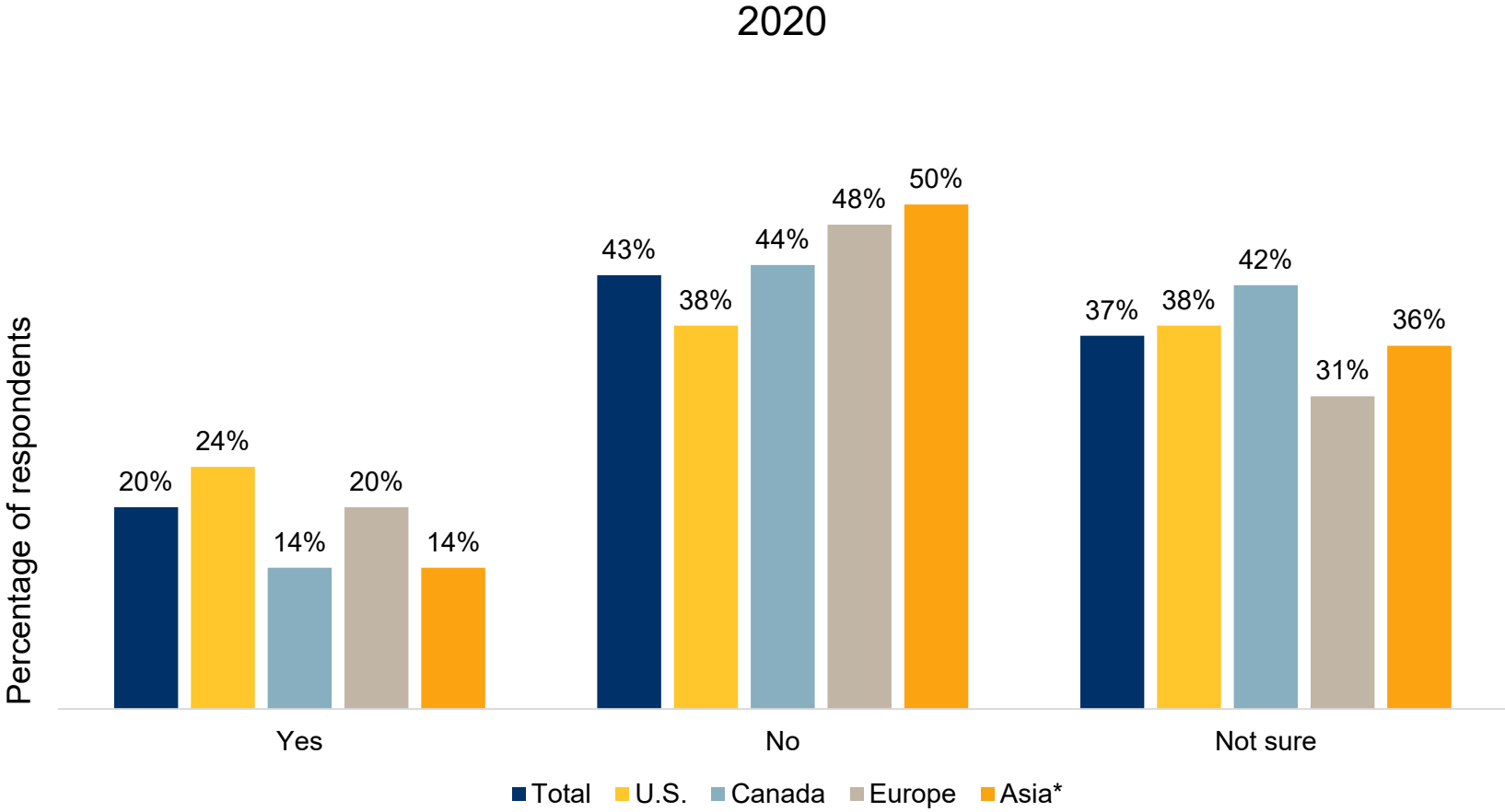
2020



*Sample size not statistically significant
 Respondents were able to select more than one answer



Do you think there are sufficient climate-related product offerings?

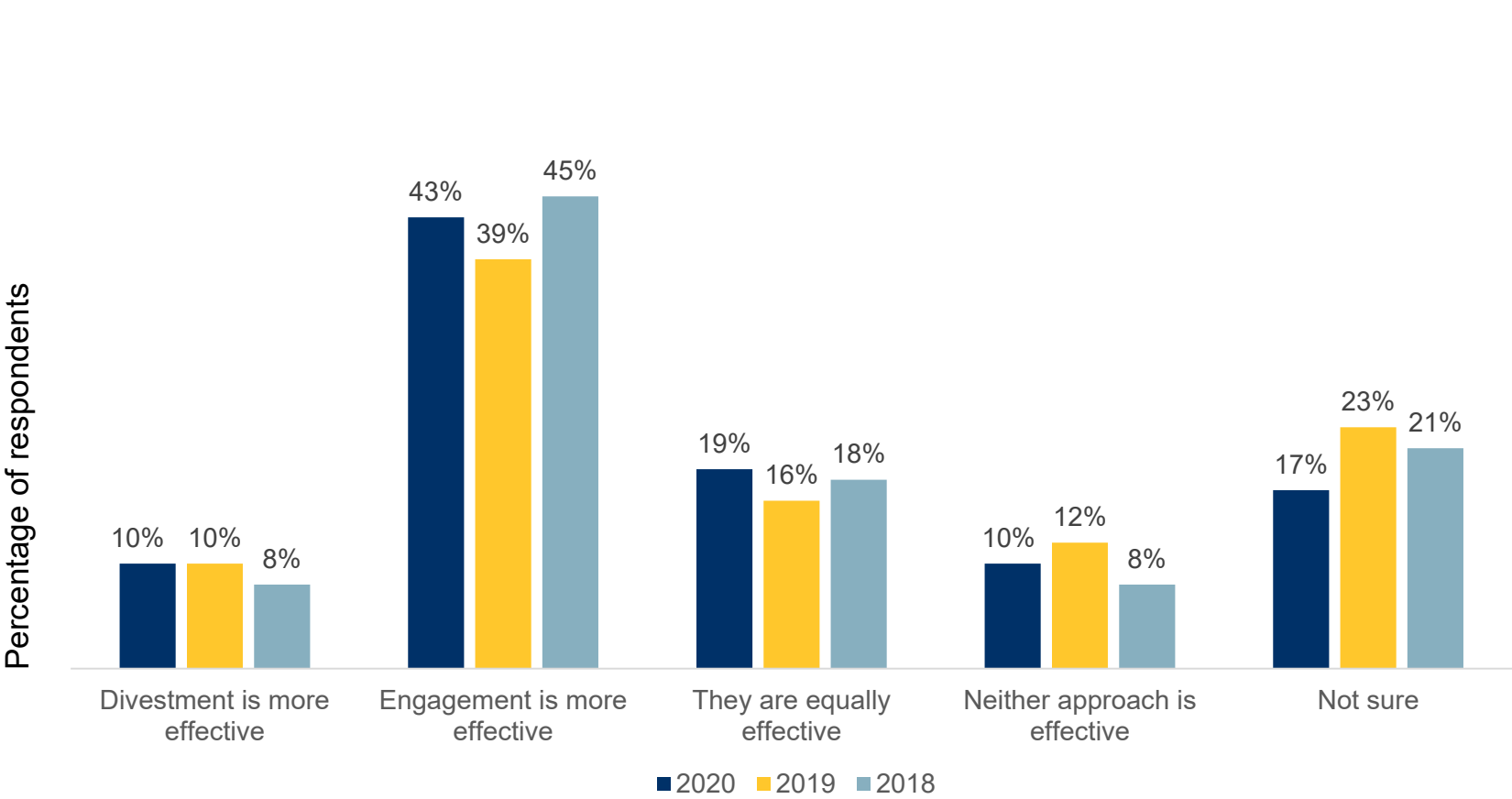


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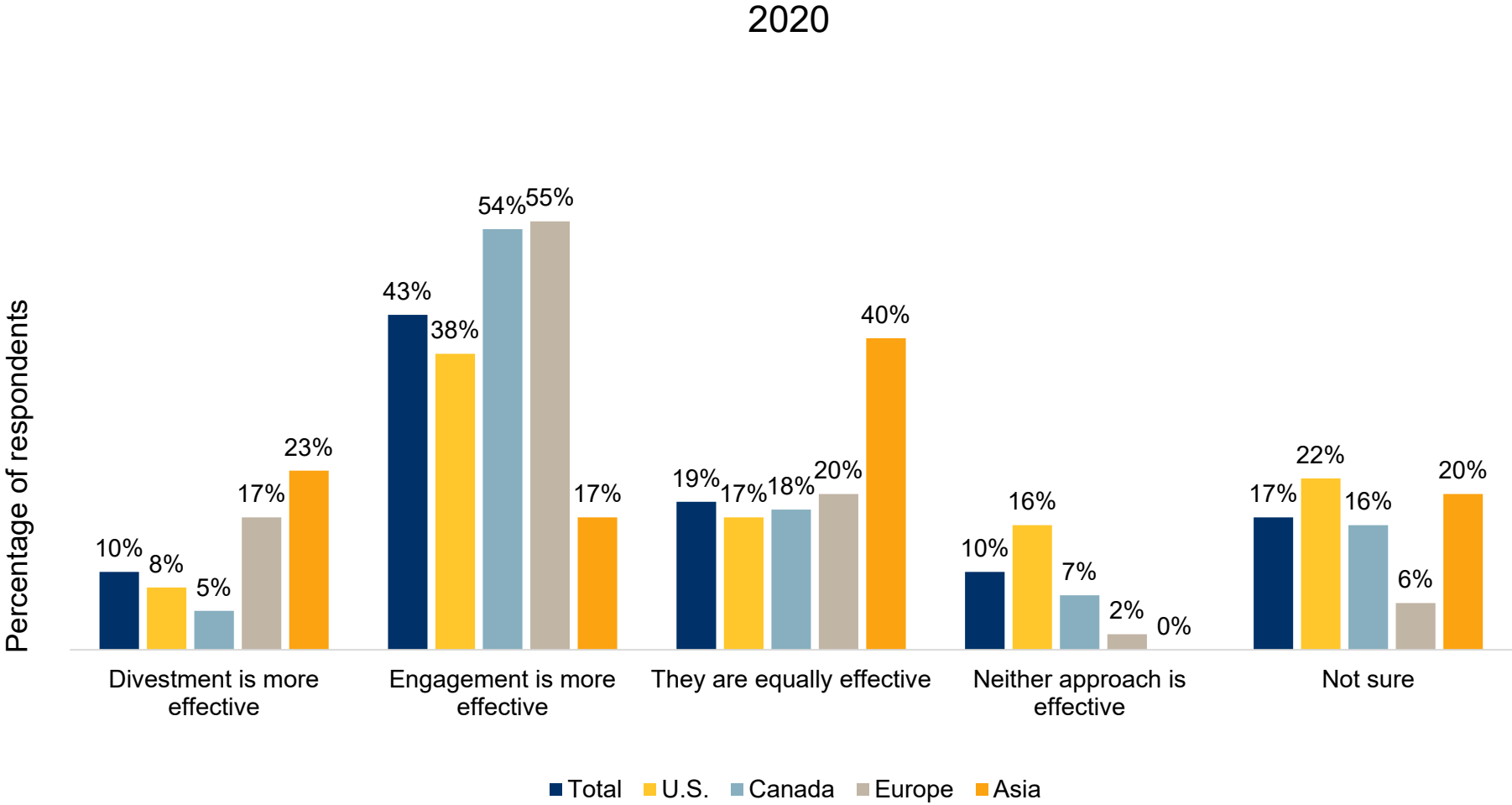
In the Fossil Fuel Free context, when thinking about ESG investing, do you consider divestment to be more effective than engagement?

(all respondents)



In the Fossil Fuel Free context, when thinking about ESG investing, do you consider divestment to be more effective than engagement?

2020

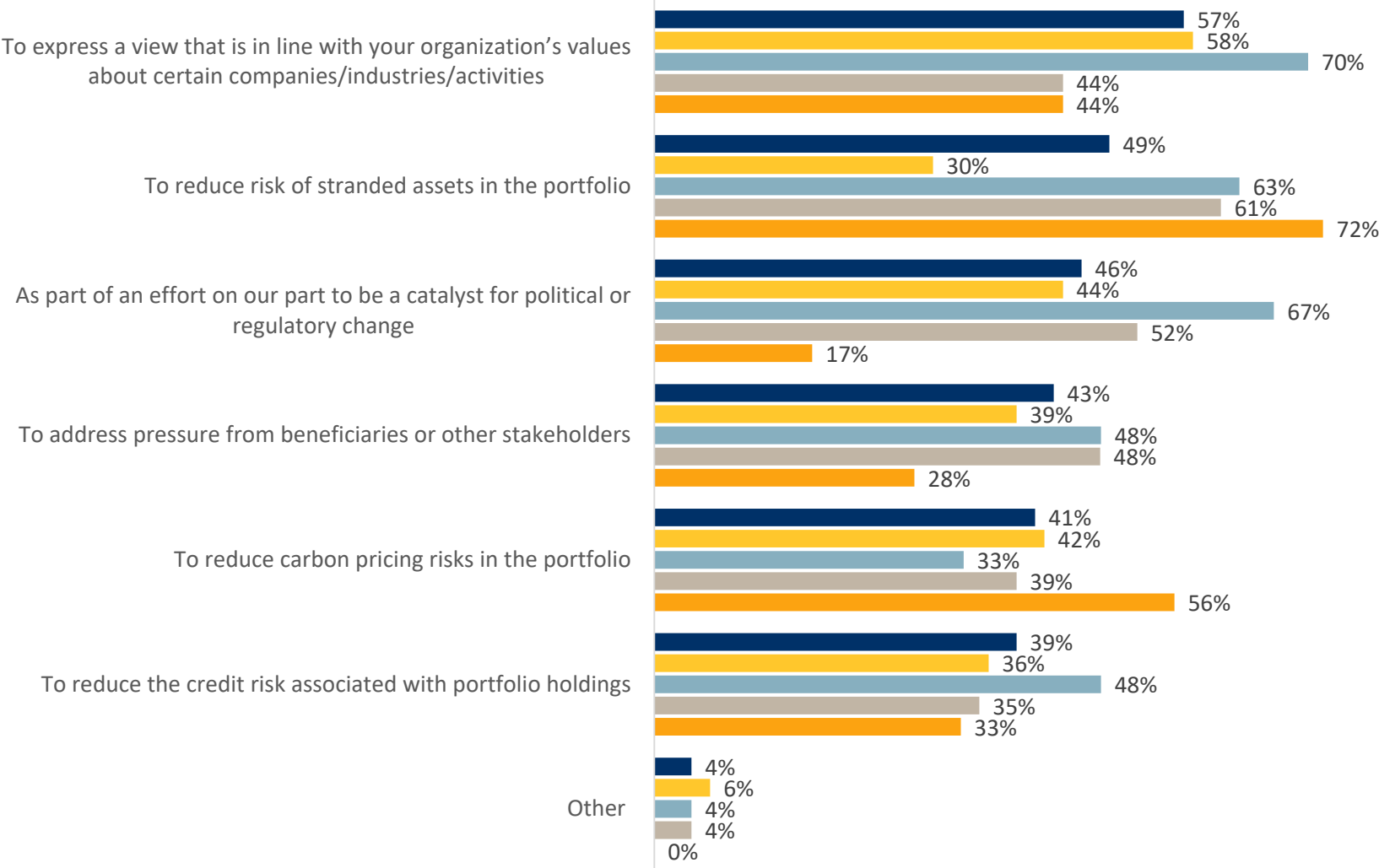


Note: A zero percent indicates the percentage was statistically insignificant to report or no data



In your opinion, for what purpose is divestment effective?

(all respondents)



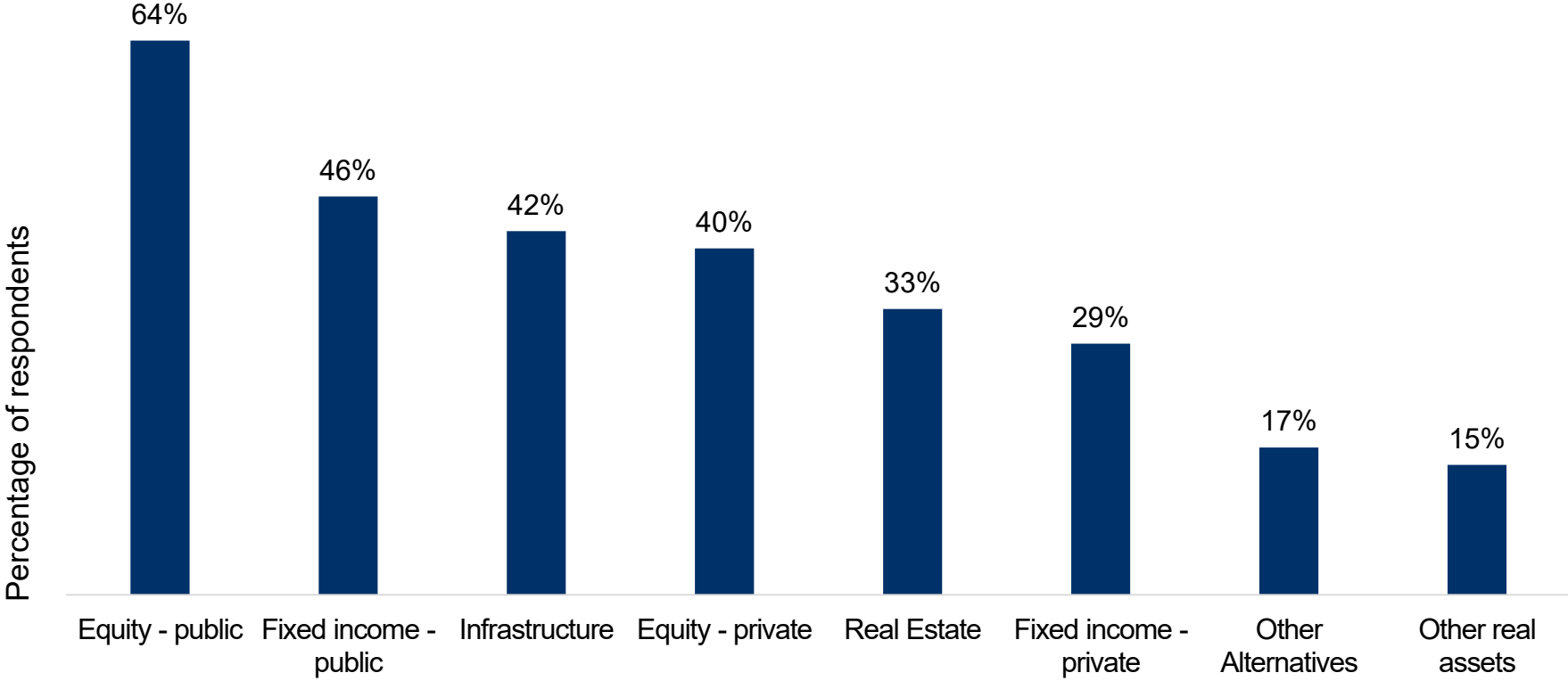
*Sample size not statistically significant.

■ Total ■ US ■ Canada ■ Europe ■ Asia*



When allocating funds to climate-related investing, which asset classes are you interested in?

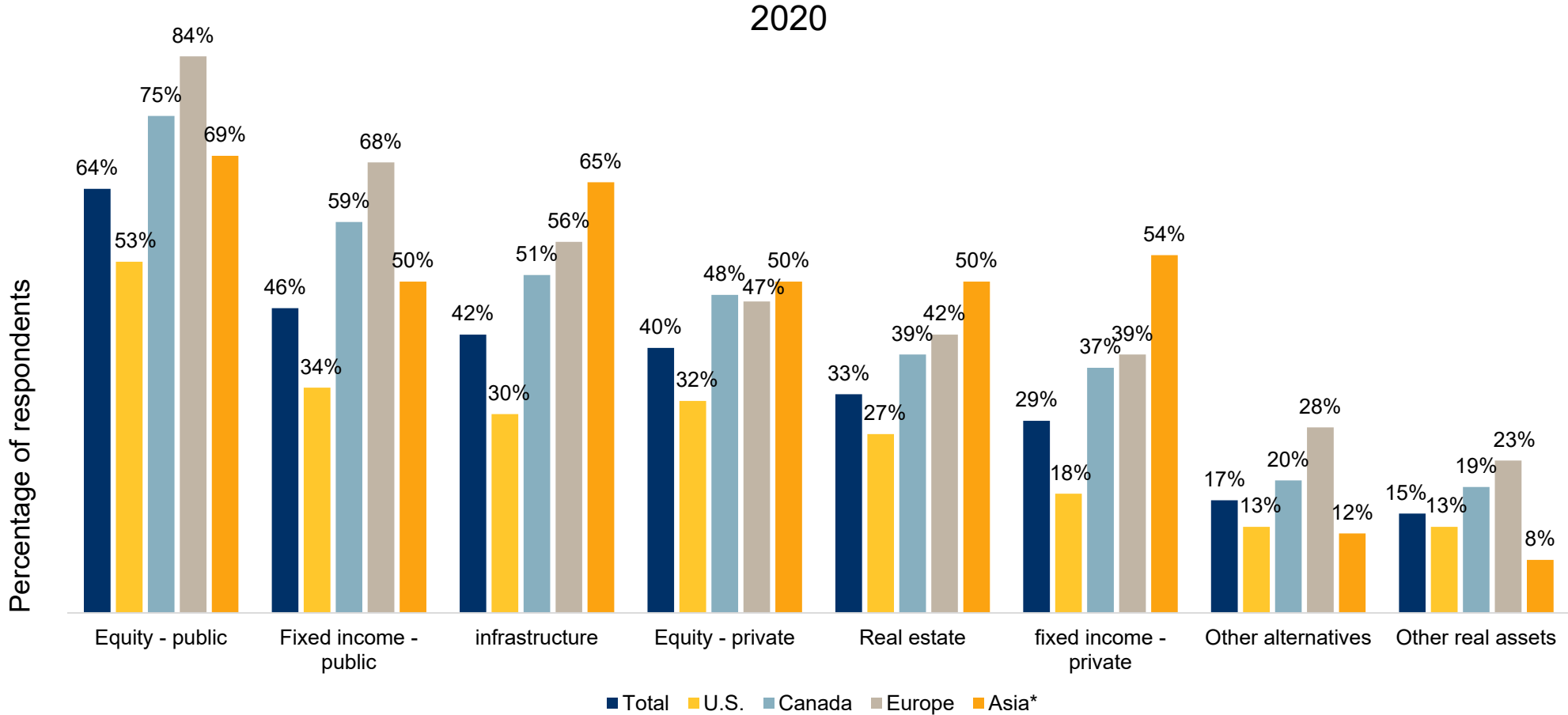
(all respondents)
2020



Respondents were able to select more than one answer



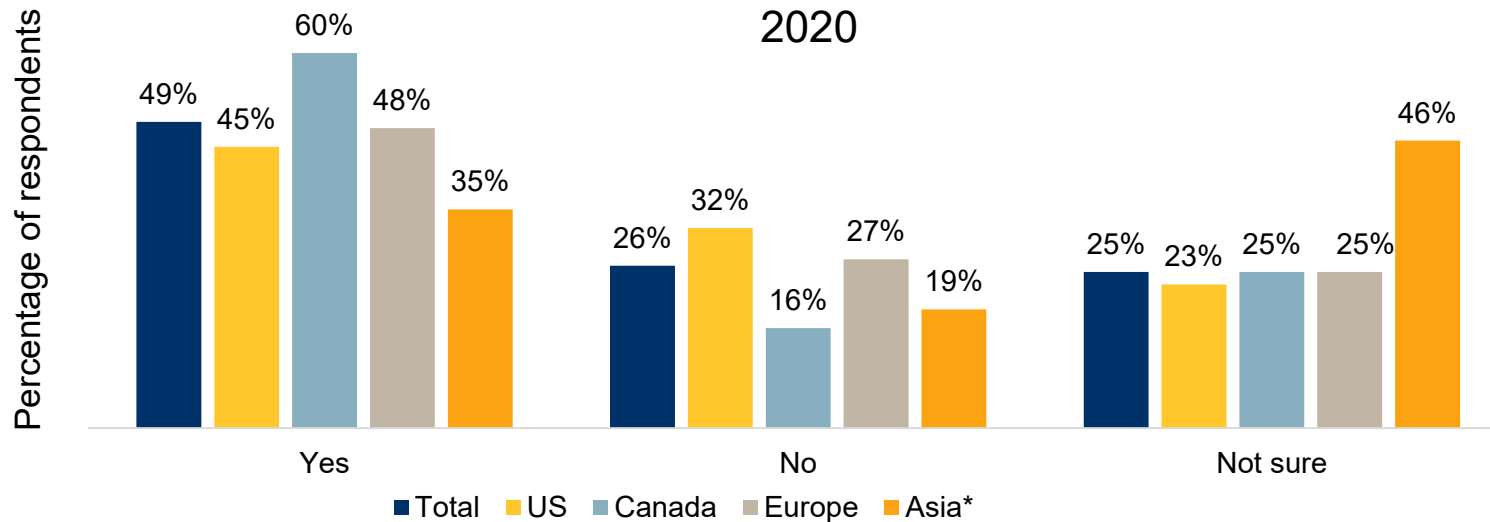
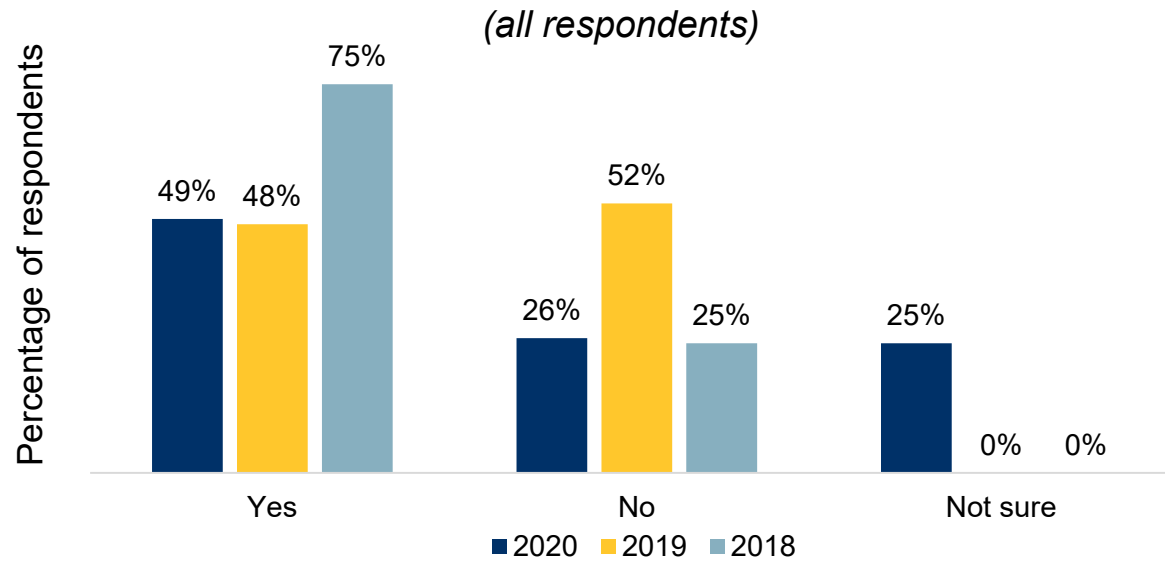
When allocating funds to climate-related investing, which asset classes are you interested in?



*Sample size not statistically significant
 Respondents were able to select more than one answer



In your opinion, should board gender diversity targets be adopted?

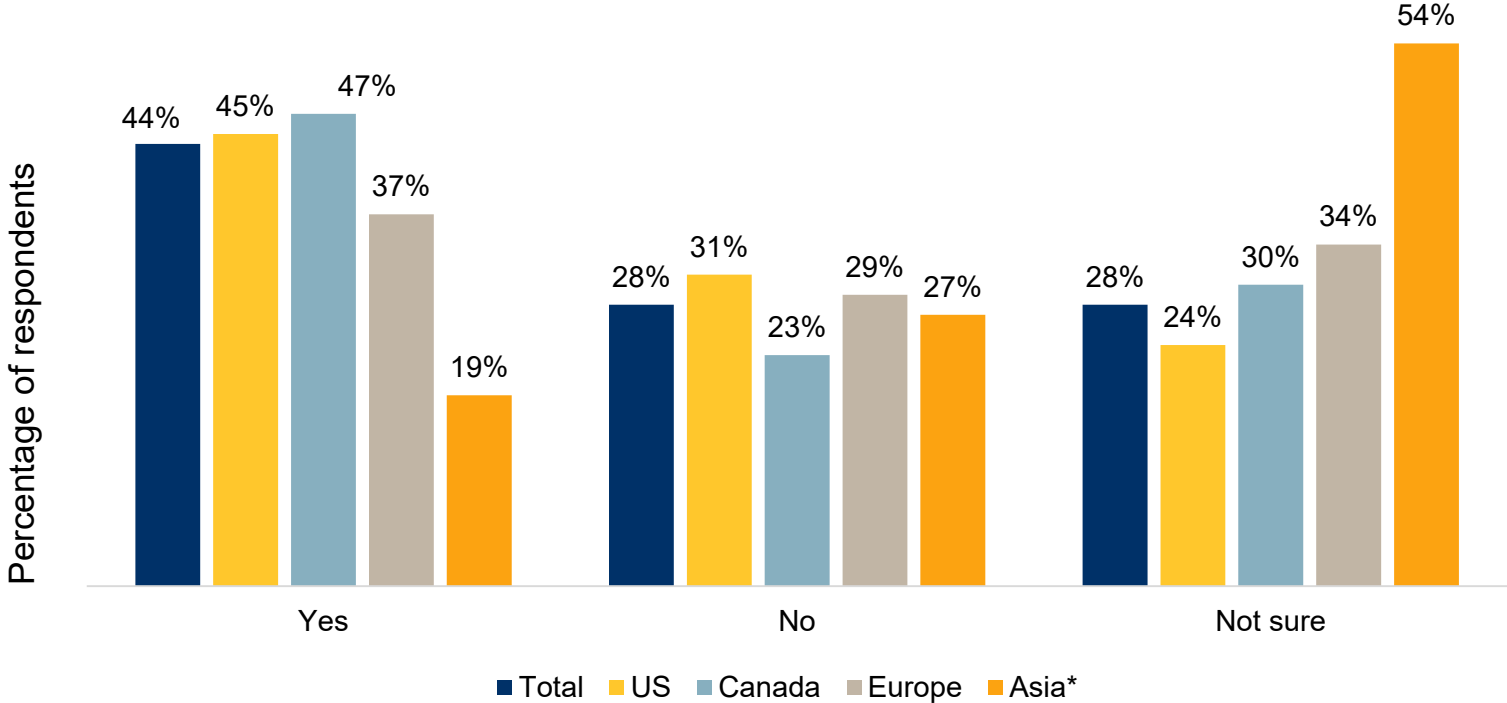


*Sample size not statistically significant

Note: A zero percent indicates the percentage was statistically insignificant to report or no data

In your opinion, should board minority diversity targets be adopted?

2020

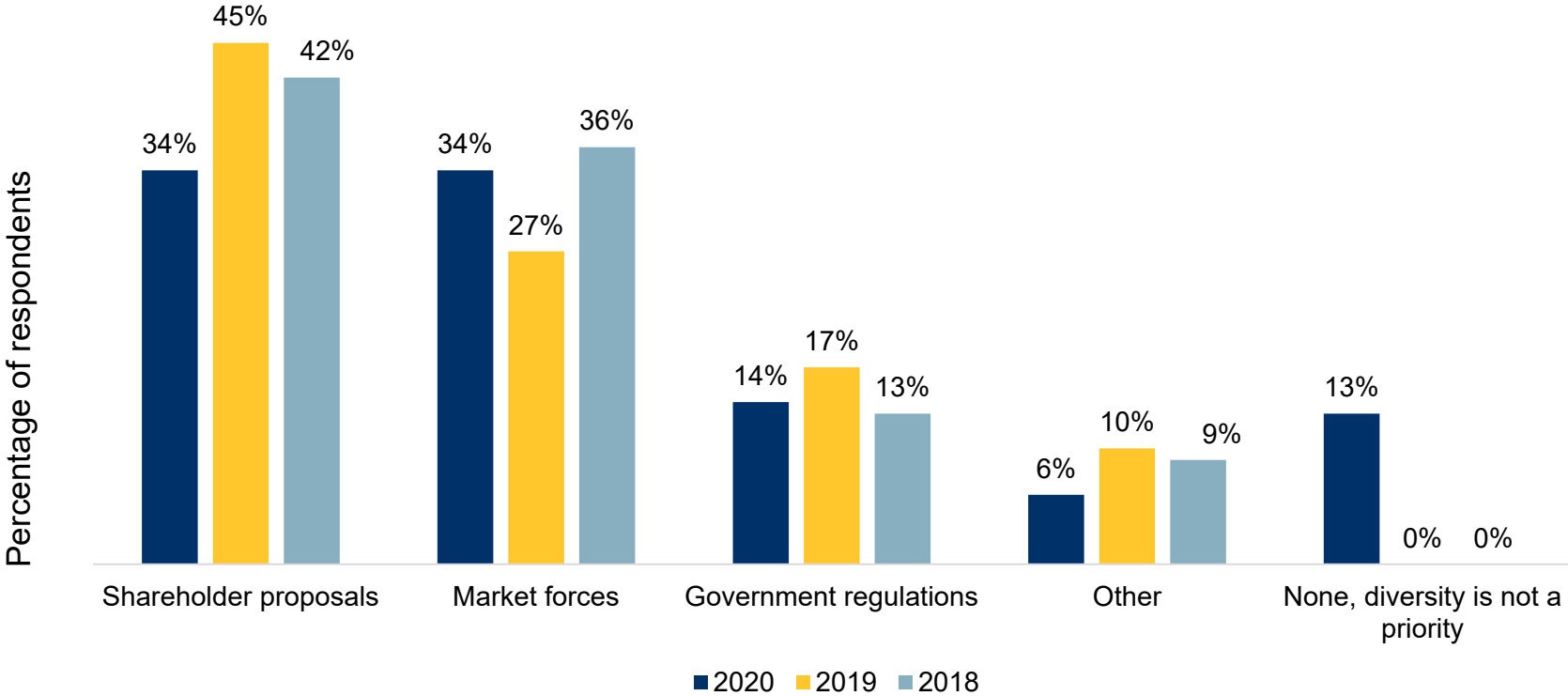


*Sample size not statistically significant



What is your preferred approach to have more diversity on corporate boards?

(all respondents)

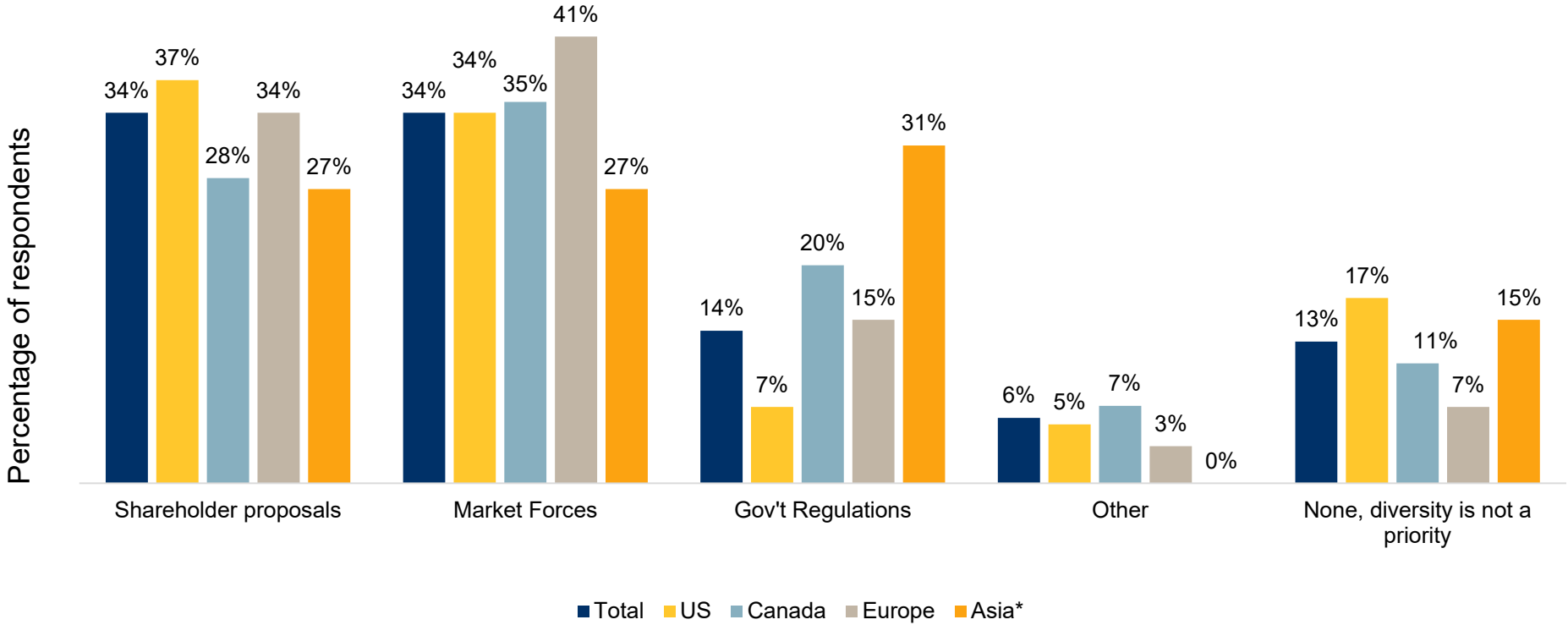


Note: A zero percent indicates the percentage was statistically insignificant to report or no data



What is your preferred approach to have more diversity on corporate boards?

2020



*Sample size not statistically significant

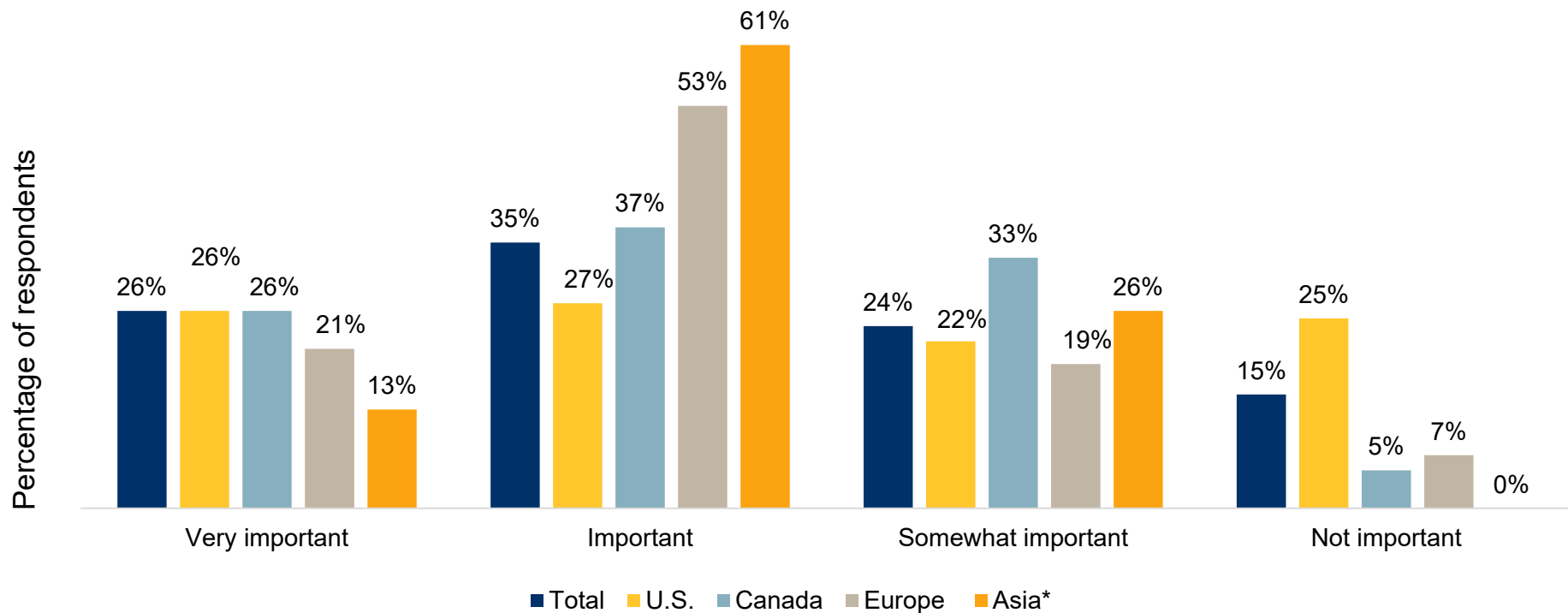
Note: A zero percent indicates the percentage was statistically insignificant to report or no data



As an investor, how important are each of the following for companies in which you are planning to invest?

Disclosure of diversity and inclusion policies

2020



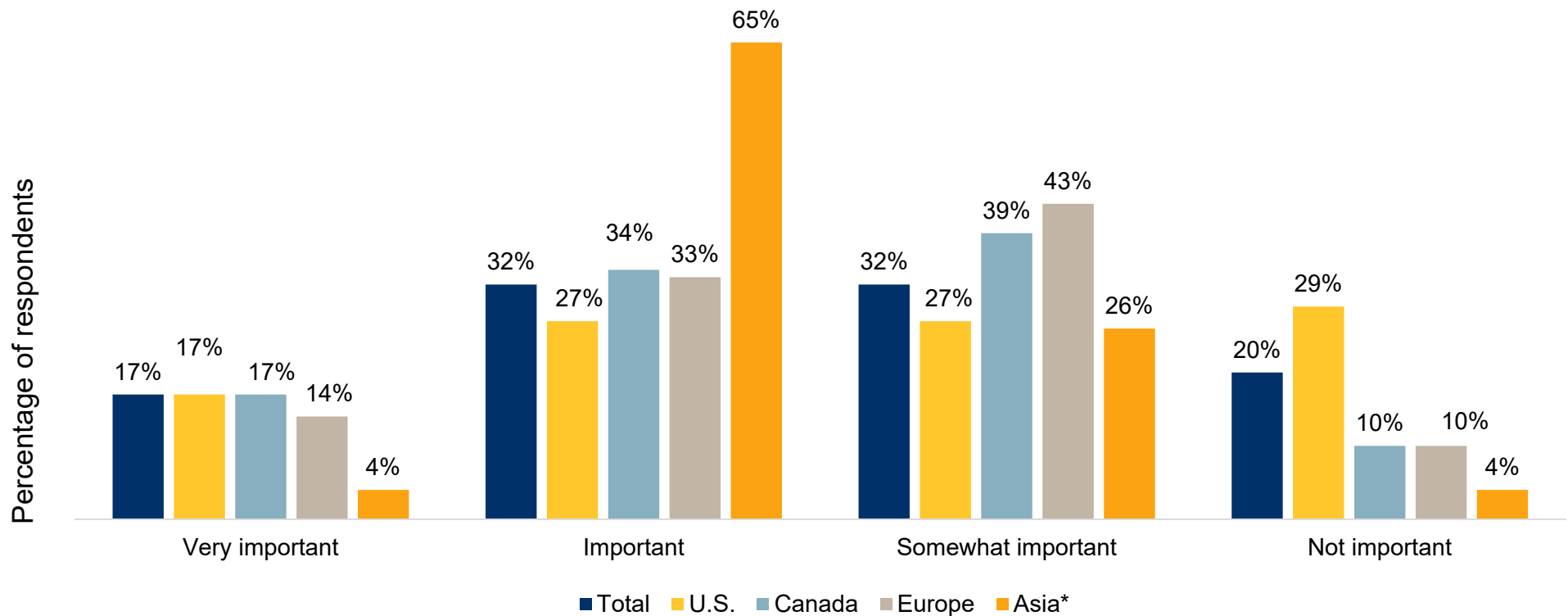
*Sample size not statistically significant

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As an investor, how important are each of the following for companies in which you are planning to invest?

Reports on racial pay gaps

2020

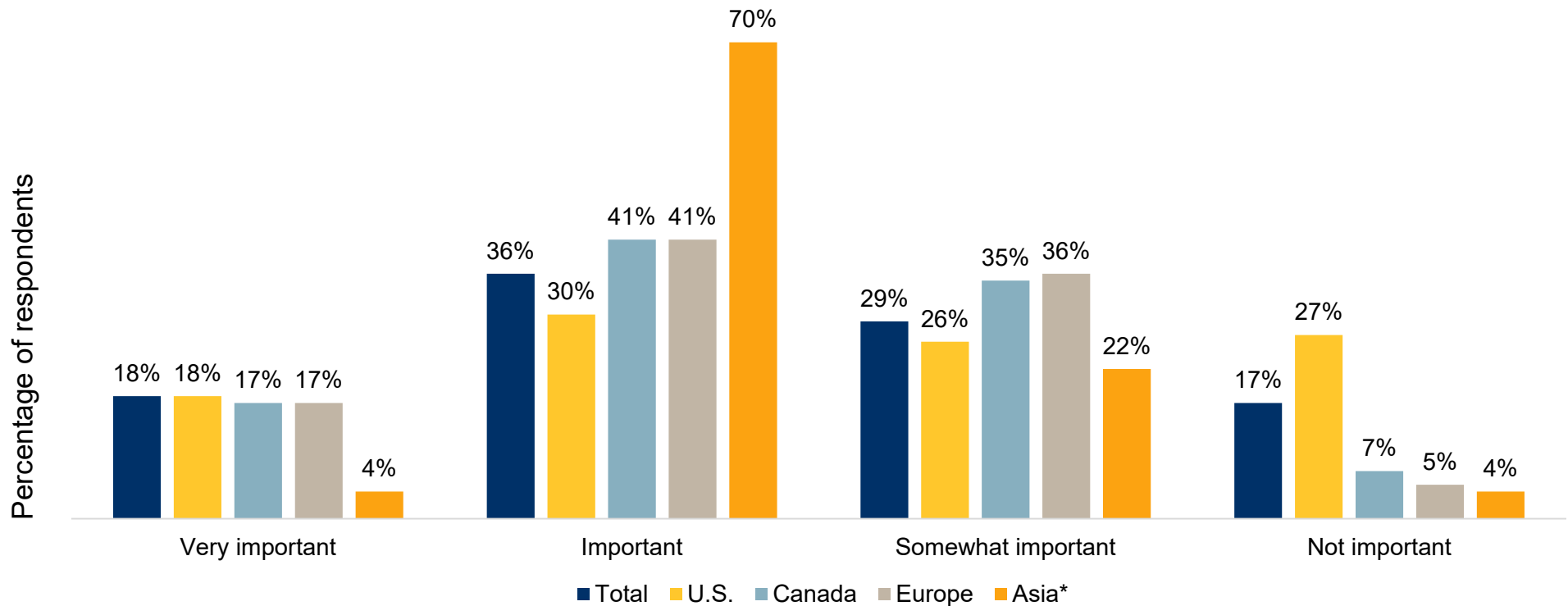


*Sample size not statistically significant

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Reports on gender pay gaps

2020

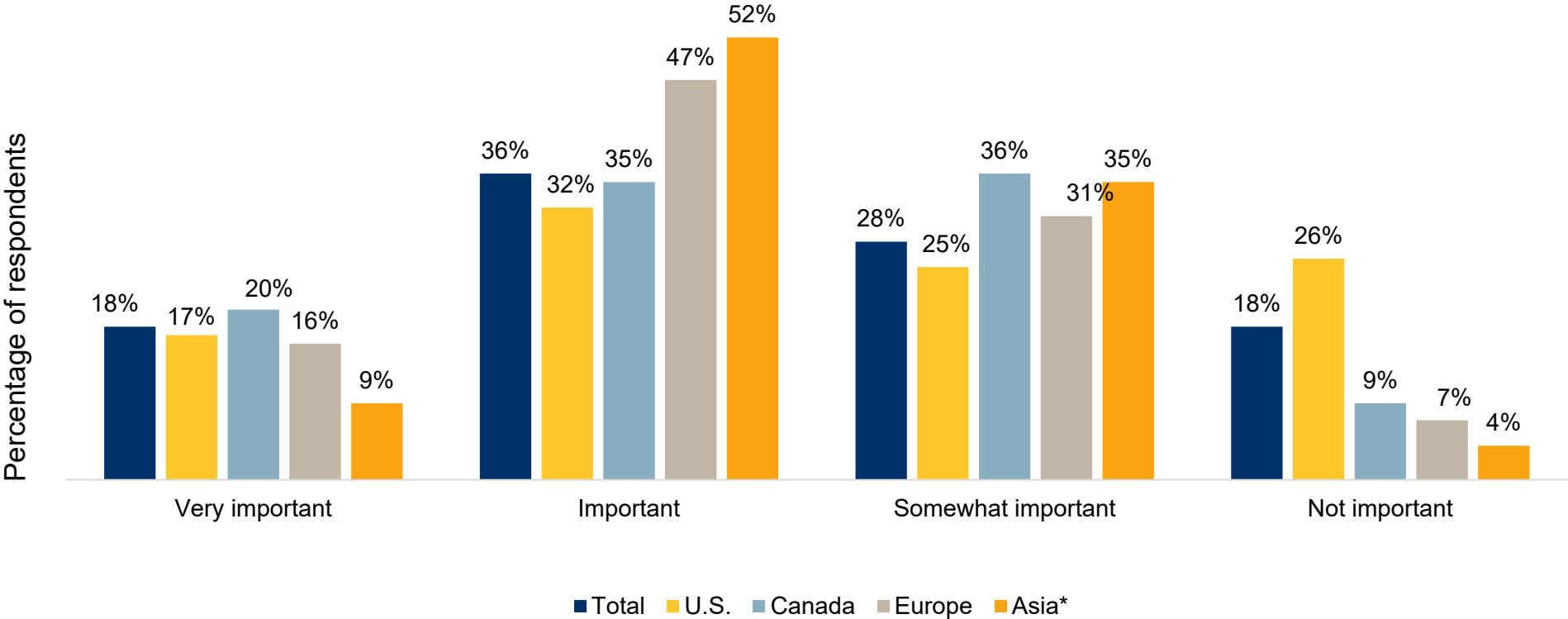


*Sample size not statistically significant

As an investor, how important are each of the following for companies in which you are planning to invest?

Diversity targets throughout the organization

2020



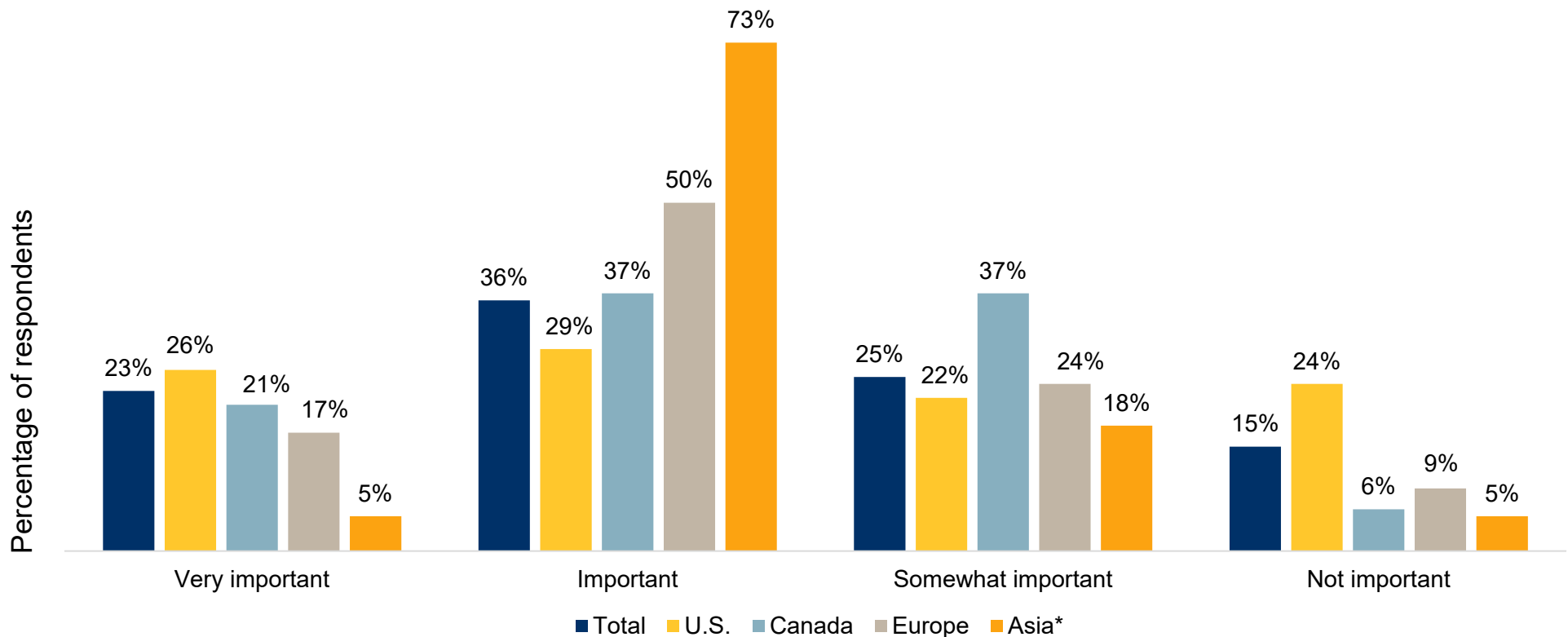
*Sample size not statistically significant



As an investor, how important are each of the following for companies in which you are planning to invest?

Disclosure of diversity metrics

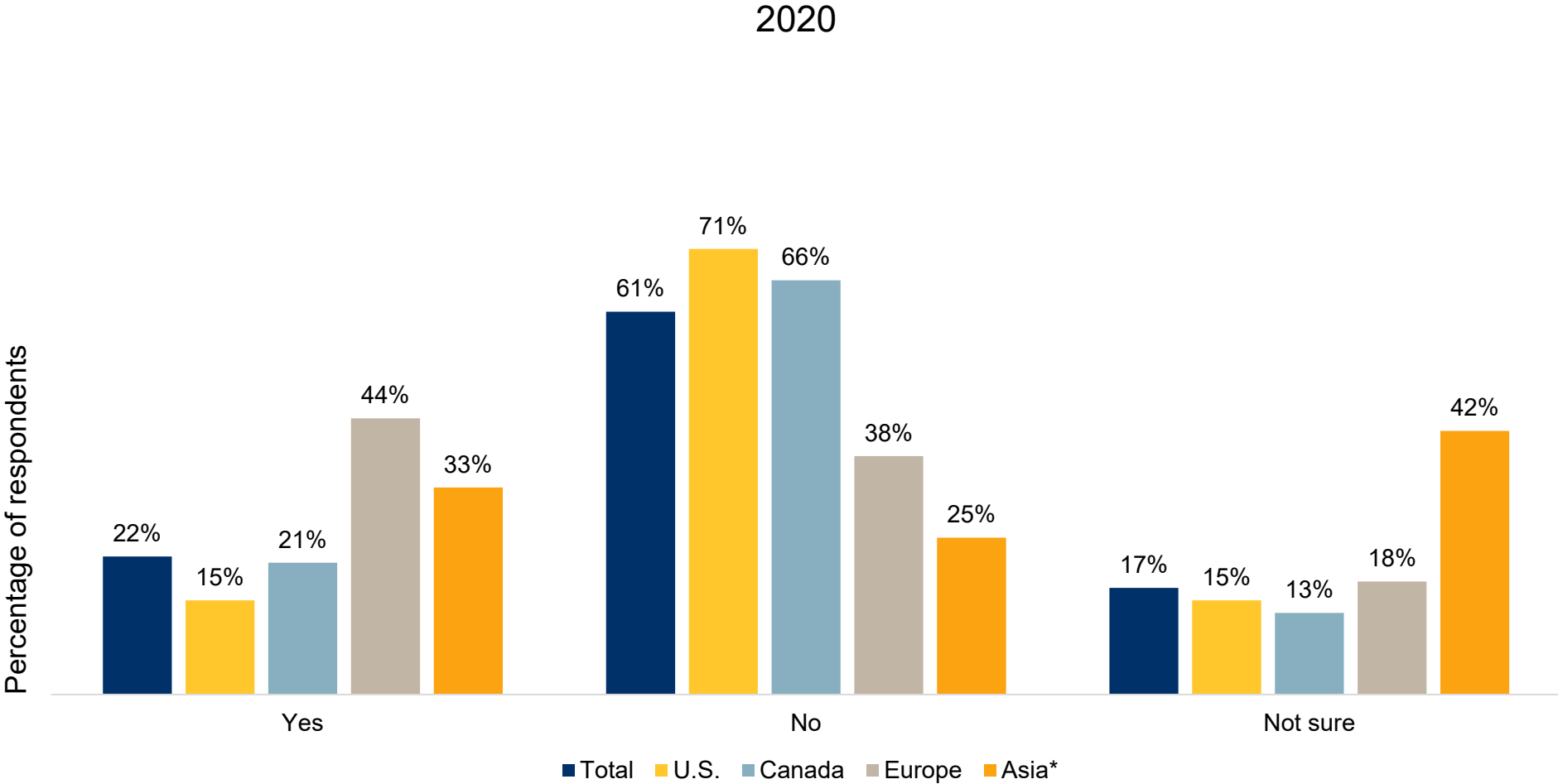
2020



*Sample size not statistically significant

Do you require your asset managers to apply negative Socially Responsible Investment (SRI) screens to your portfolio?

2020



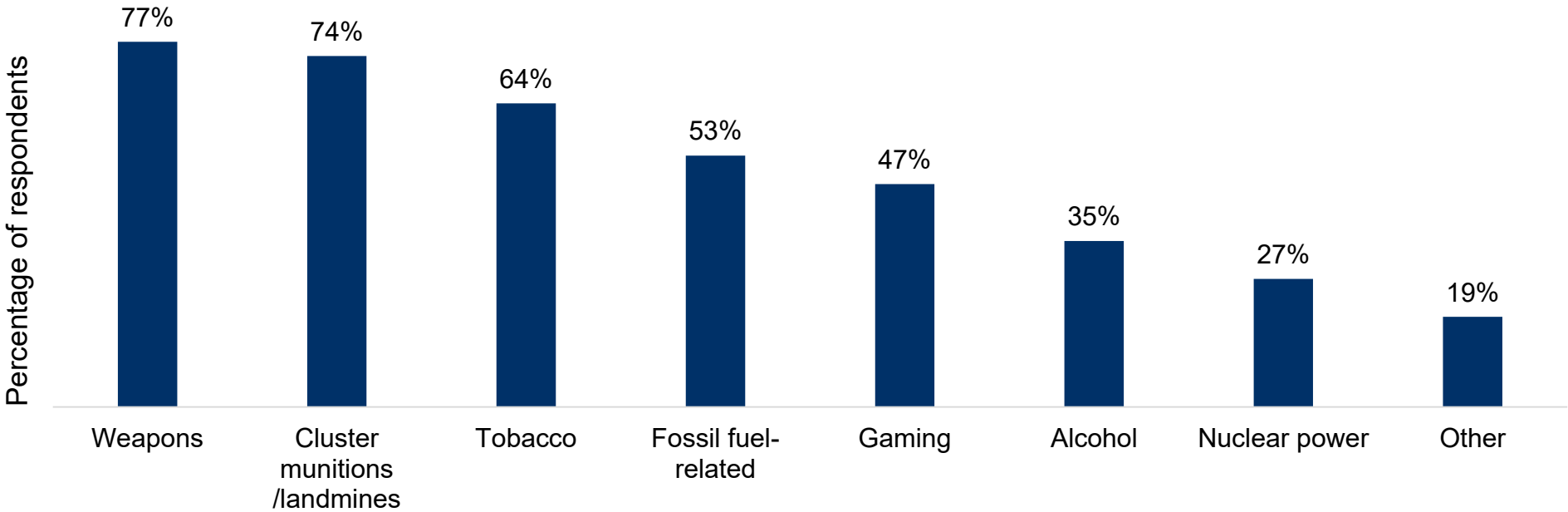
*Sample size not statistically significant



Do you require your asset managers to apply negative Socially Responsible Investment (SRI) screens to your portfolio?

(all respondents)
2020

If yes, which screens?



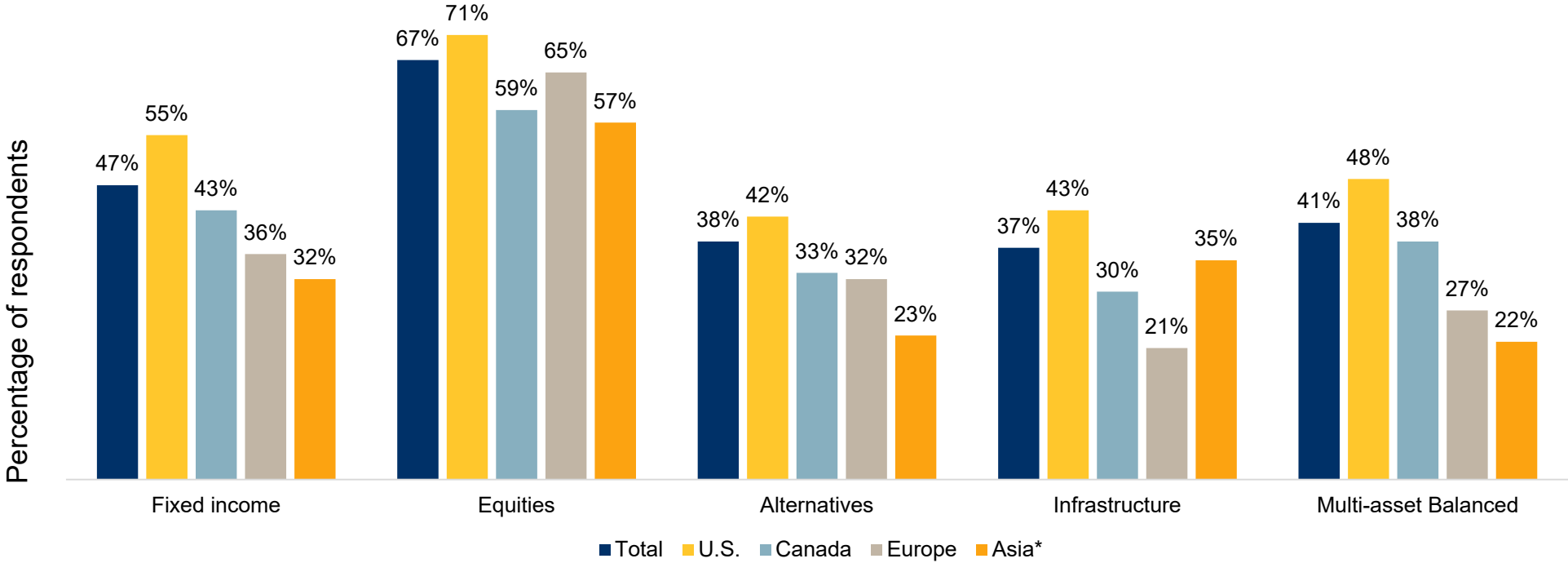
Respondents were able to select more than one answer



In your opinion, are there enough products with negative/positive screens in each of the following?

Summary table: Yes

2020



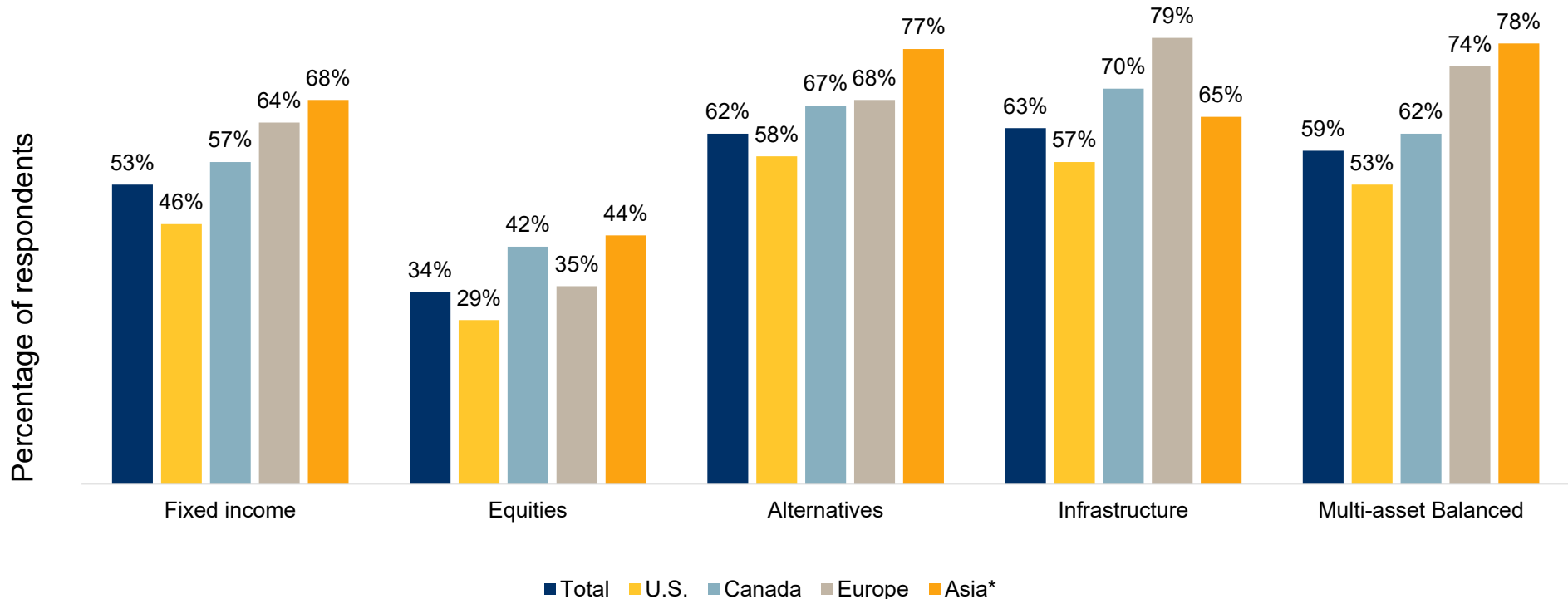
*Sample size not statistically significant
 Respondents were asked to select 'yes' or 'no' to each asset class. Findings here represent the 'yes' responses.



In your opinion, are there enough products with negative/positive screens in each of the following?

Summary table: No

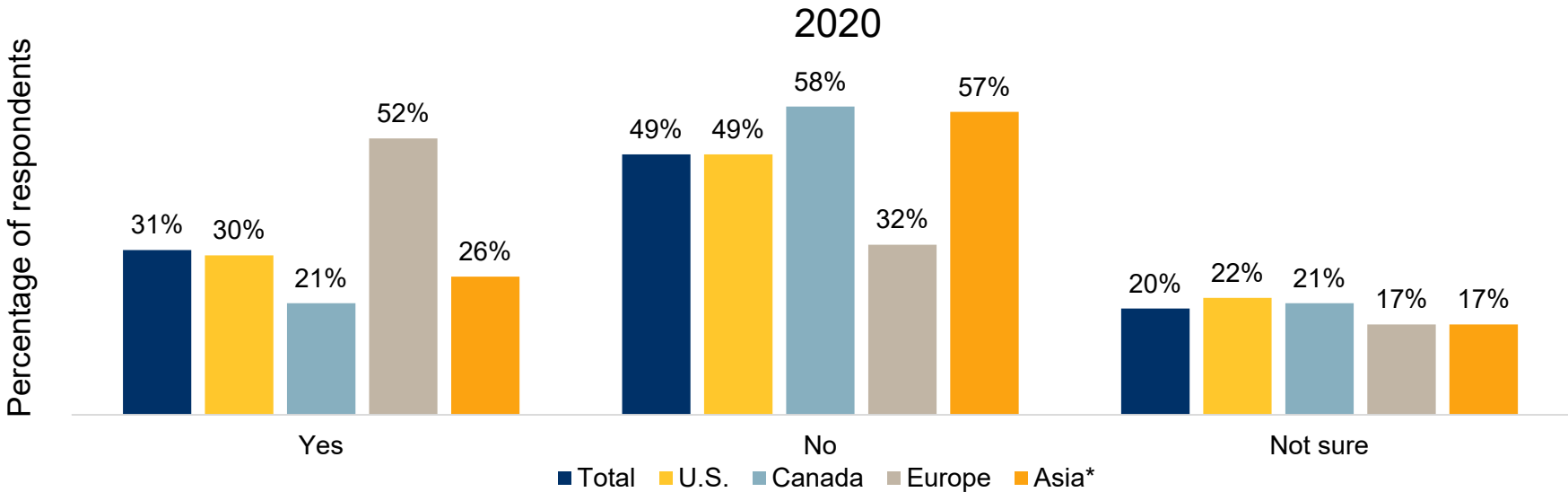
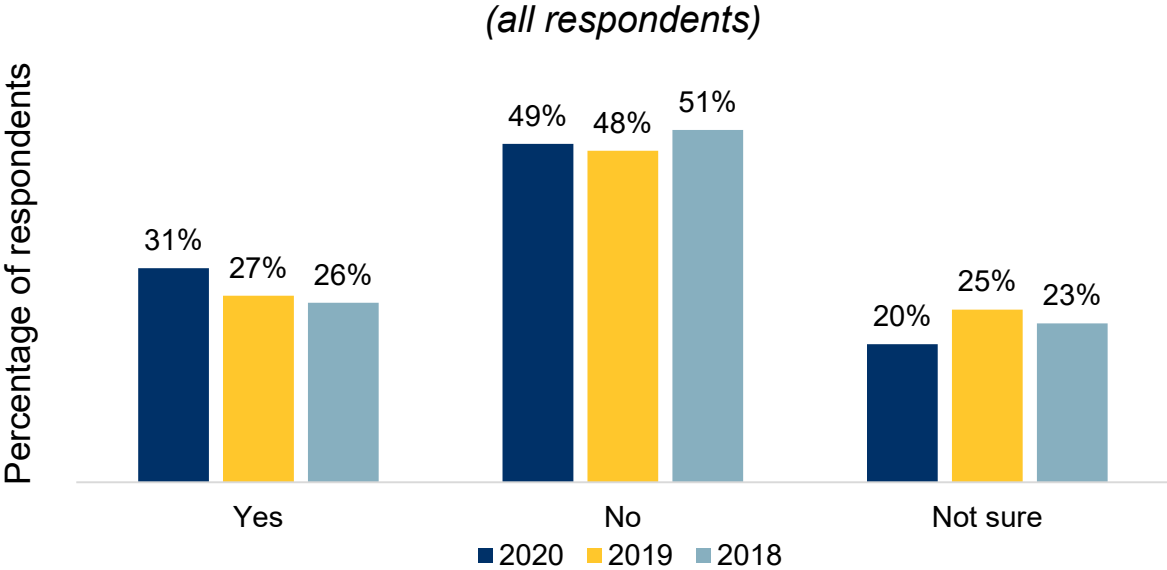
2020



*Sample size not statistically significant

Respondents were asked to select 'yes' or 'no' to each asset class. Findings here represent the 'no' responses.

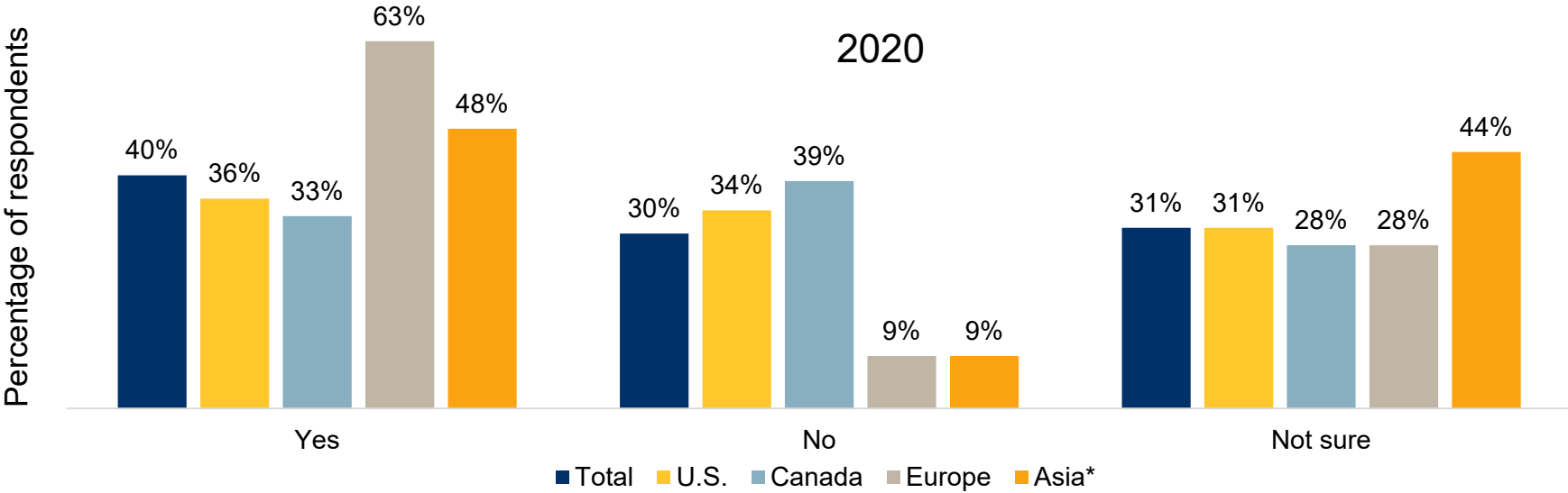
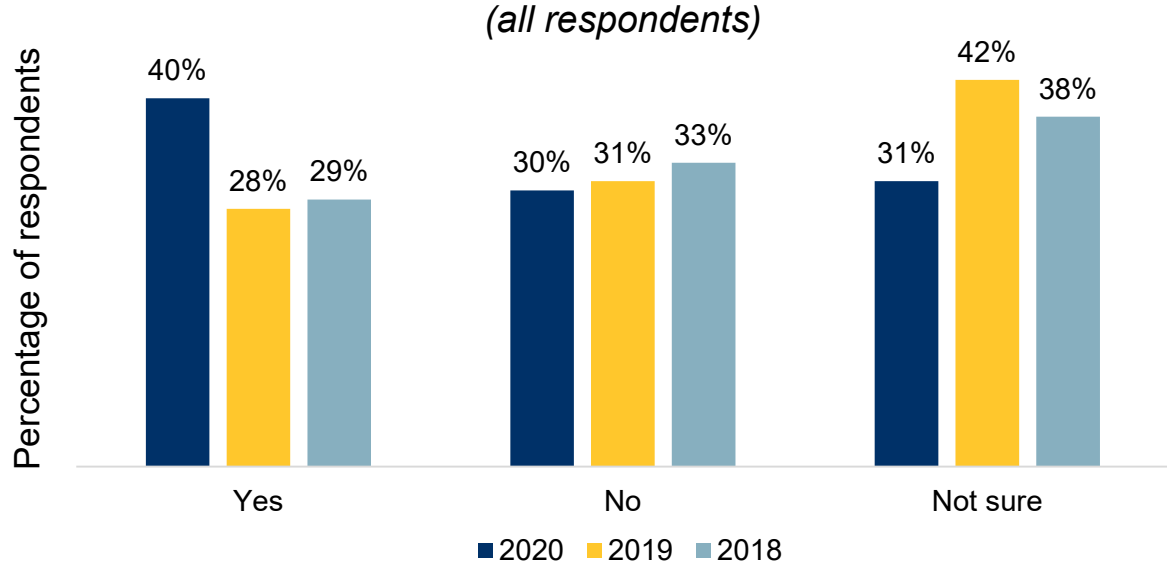
Do you currently hold any impact products in your/your organization's portfolio?



*Sample size not statistically significant



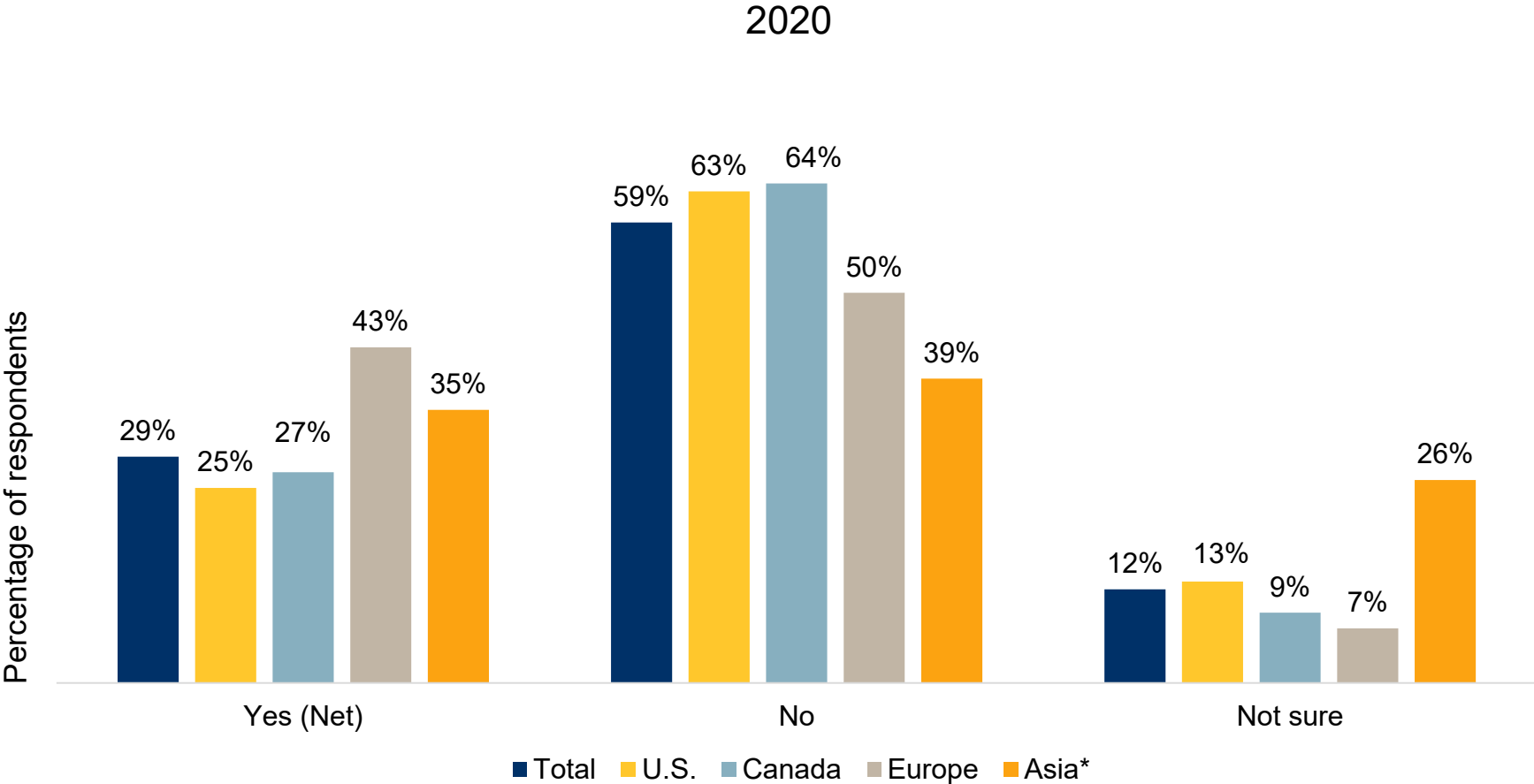
Do you expect to allocate funds to impact investing as opposed to ESG/SRI in the next 1-5 years?



*Sample size not statistically significant



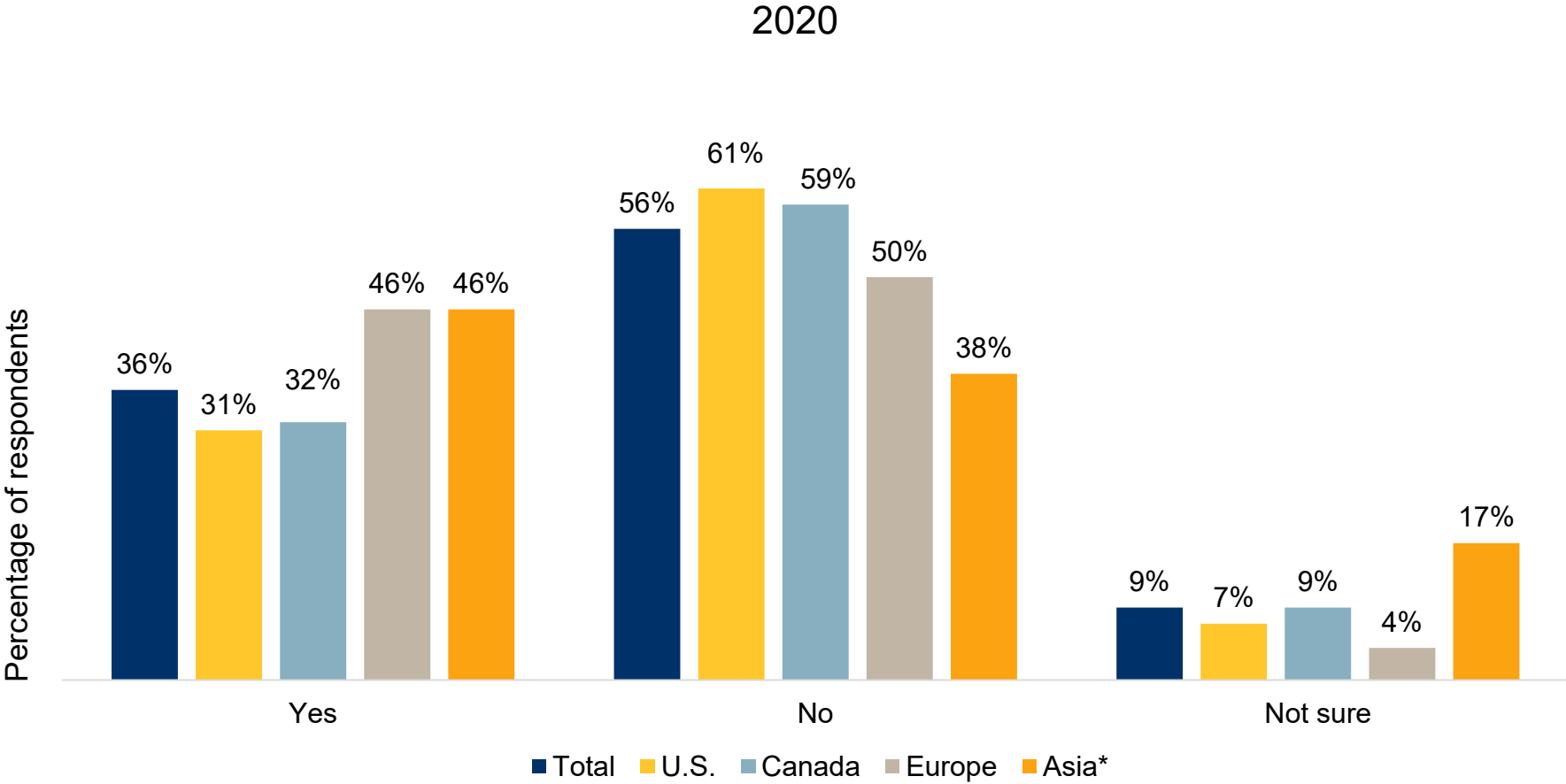
Has the importance you place on ESG considerations changed due to the COVID-19 pandemic?



*Sample size not statistically significant



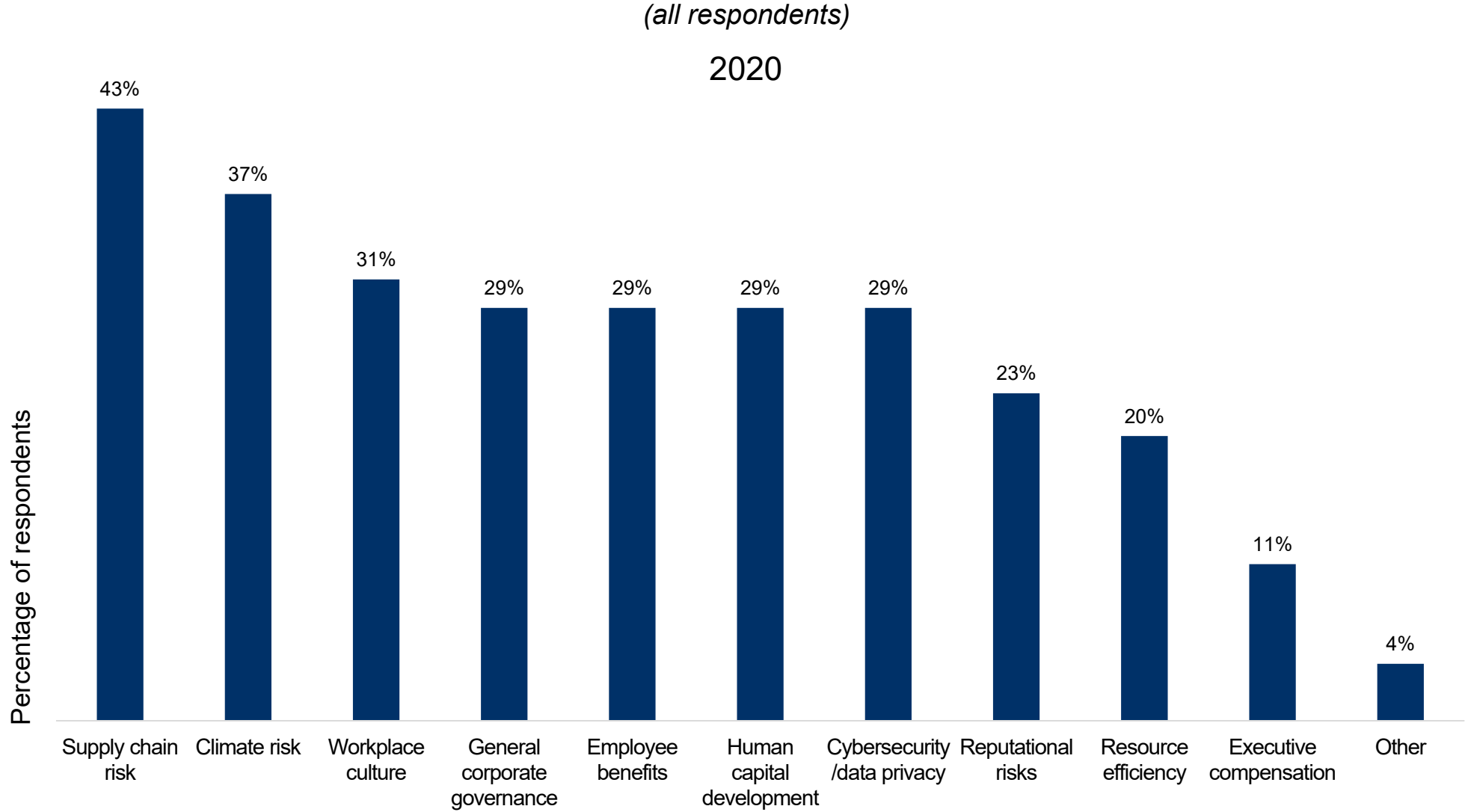
Has the COVID-19 pandemic made you pay closer attention to any specific ESG factors?



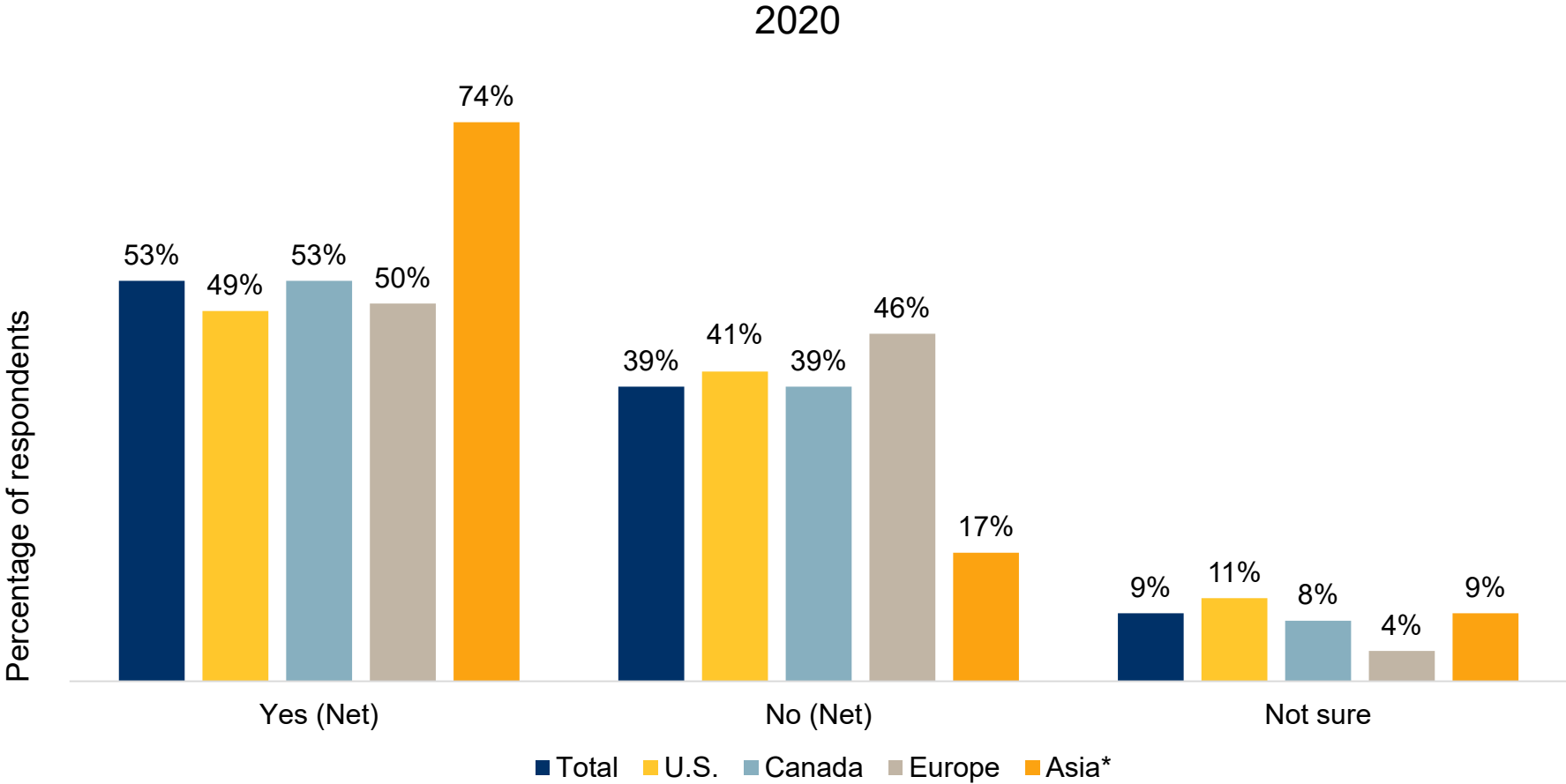
*Sample size not statistically significant



If yes, please select the top three factors you are more closely focusing on



Has the COVID-19 pandemic made you think companies should disclose more details about worker safety, employee health benefits, workplace culture and other 'social' factors in this current climate?



*Sample size not statistically significant



Methodology

- The objective of this study was to gauge institutional investors' views on ESG investing and outcomes.
- The sample sources used for this study were the P&I Research Advisory Panel, members selected from the *Pensions & Investments* databases, as well as a sample provided by RBC. Responses from all three sources were combined.
- By the closing date of the survey, 809 returns had been received, representing responses to both the email invitation and the open participation link.
- The base used is total answering for each question.
- The findings of this survey may be accepted as accurate, at a 95% confidence level, within a sampling tolerance of approximately +/- 3.4%.

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