

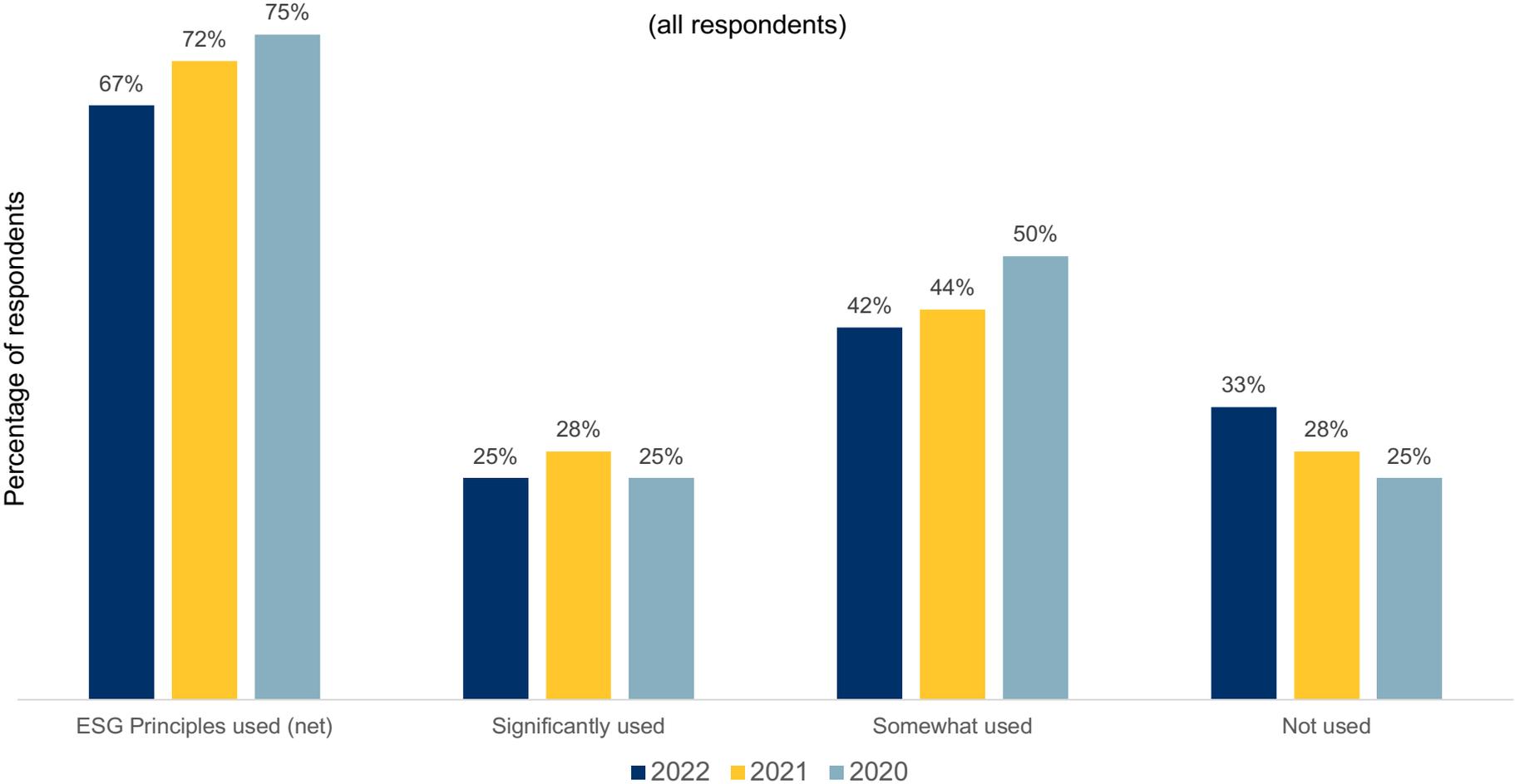
RBC Global Asset Management

2022 Key Findings

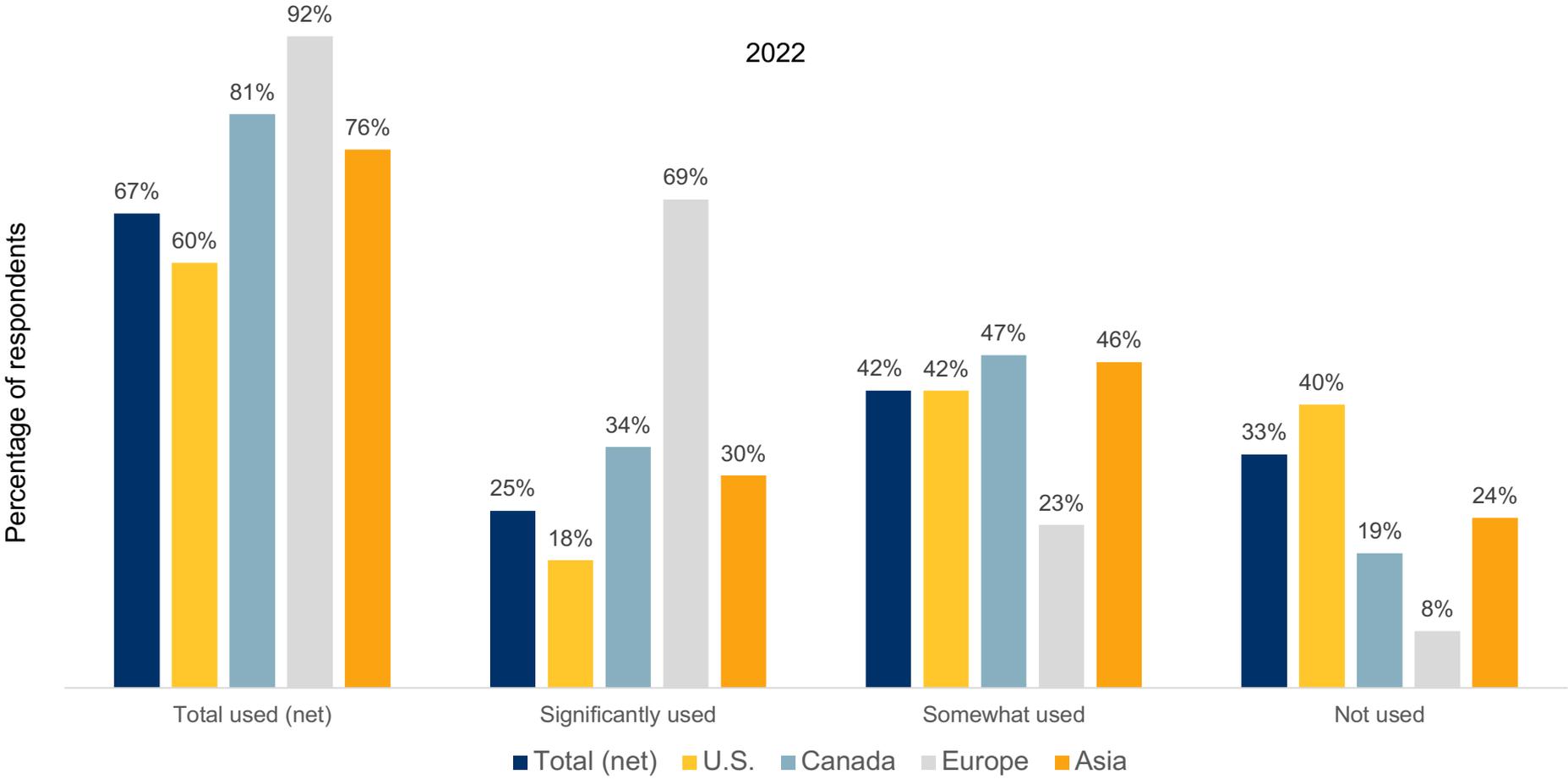
Responsible
Investment Survey 2022



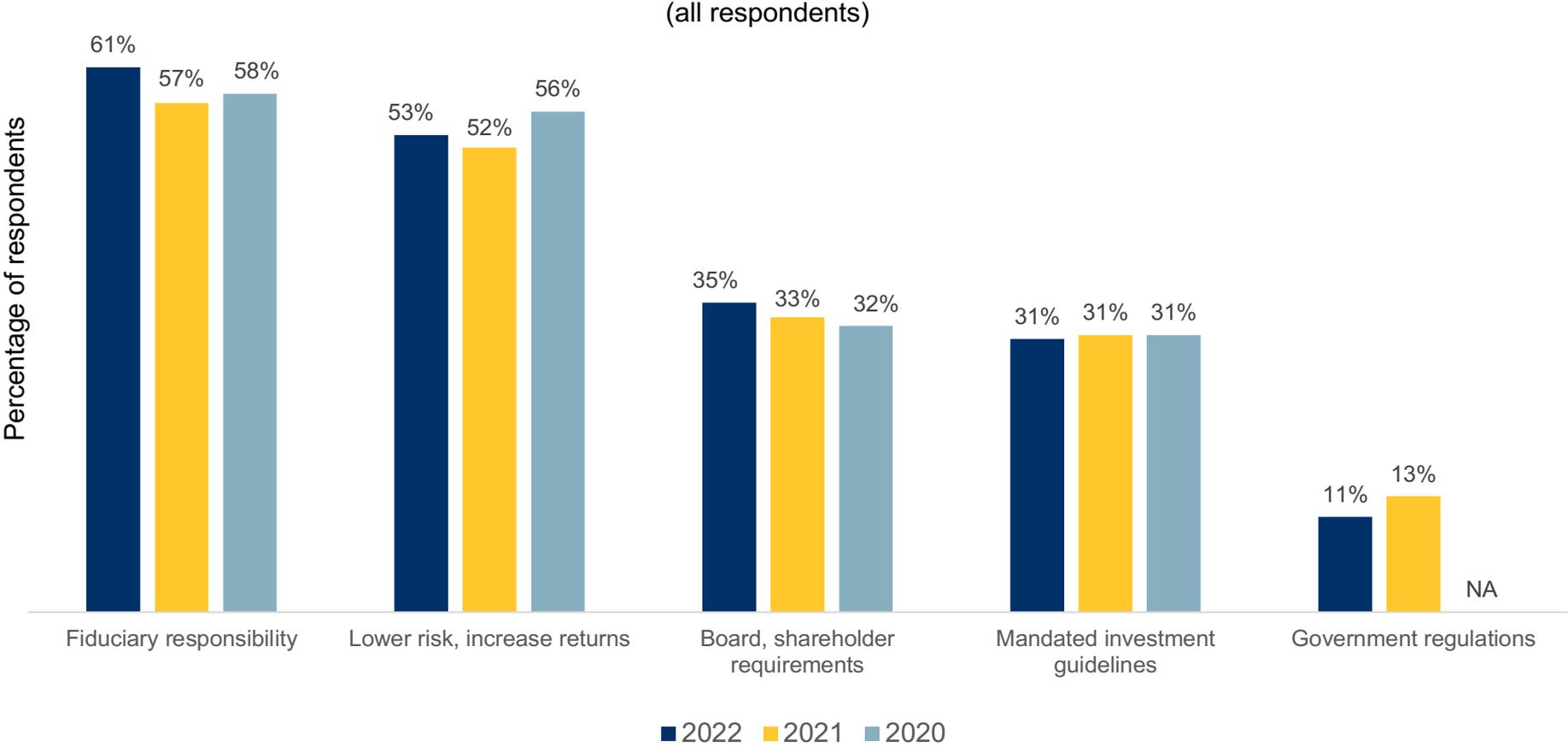
To what extent are ESG principles used as part of your investment approach and decision making?



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



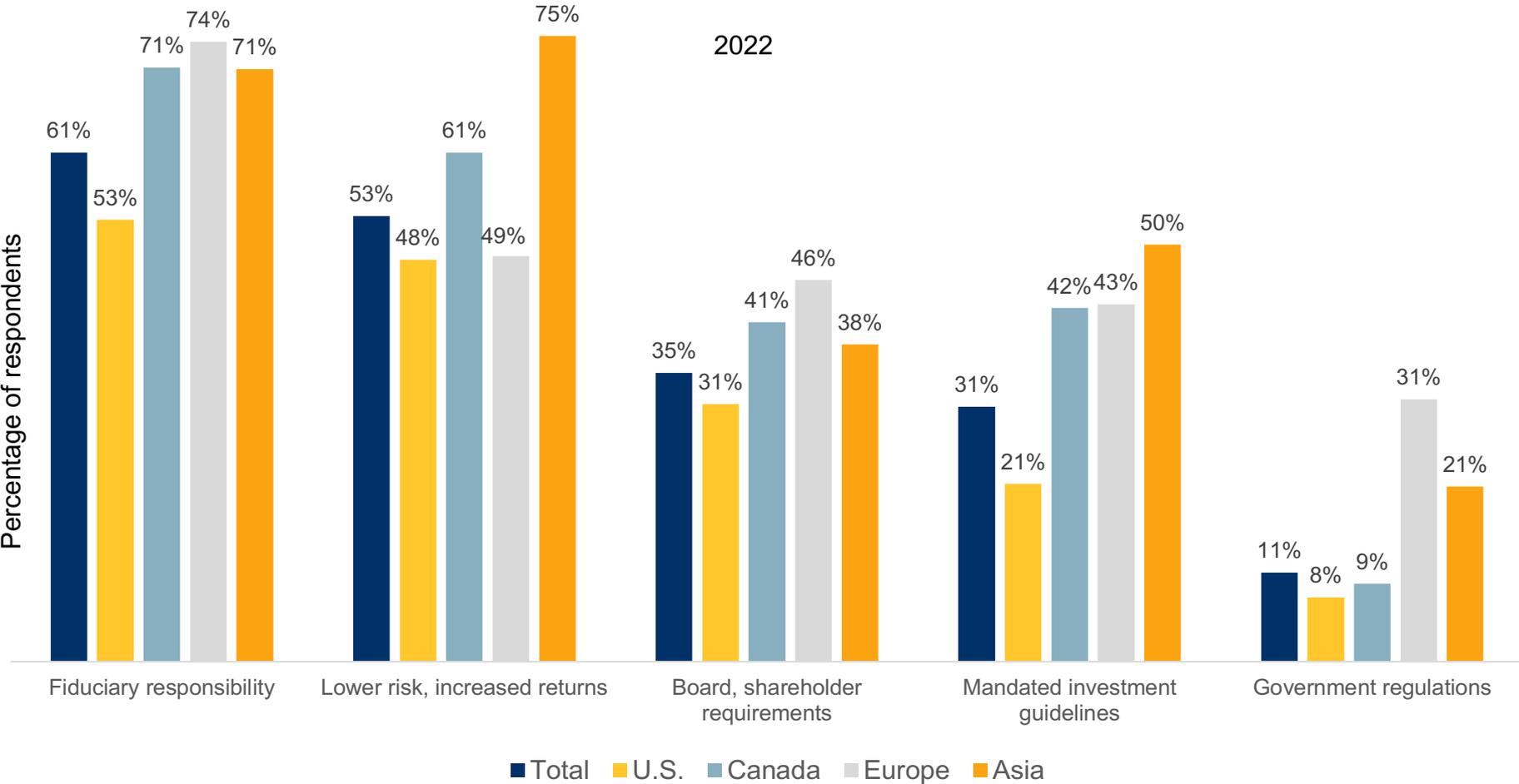
What are your reason(s) for incorporating ESG in your investment approach?



Government regulations was not a selection in 2020



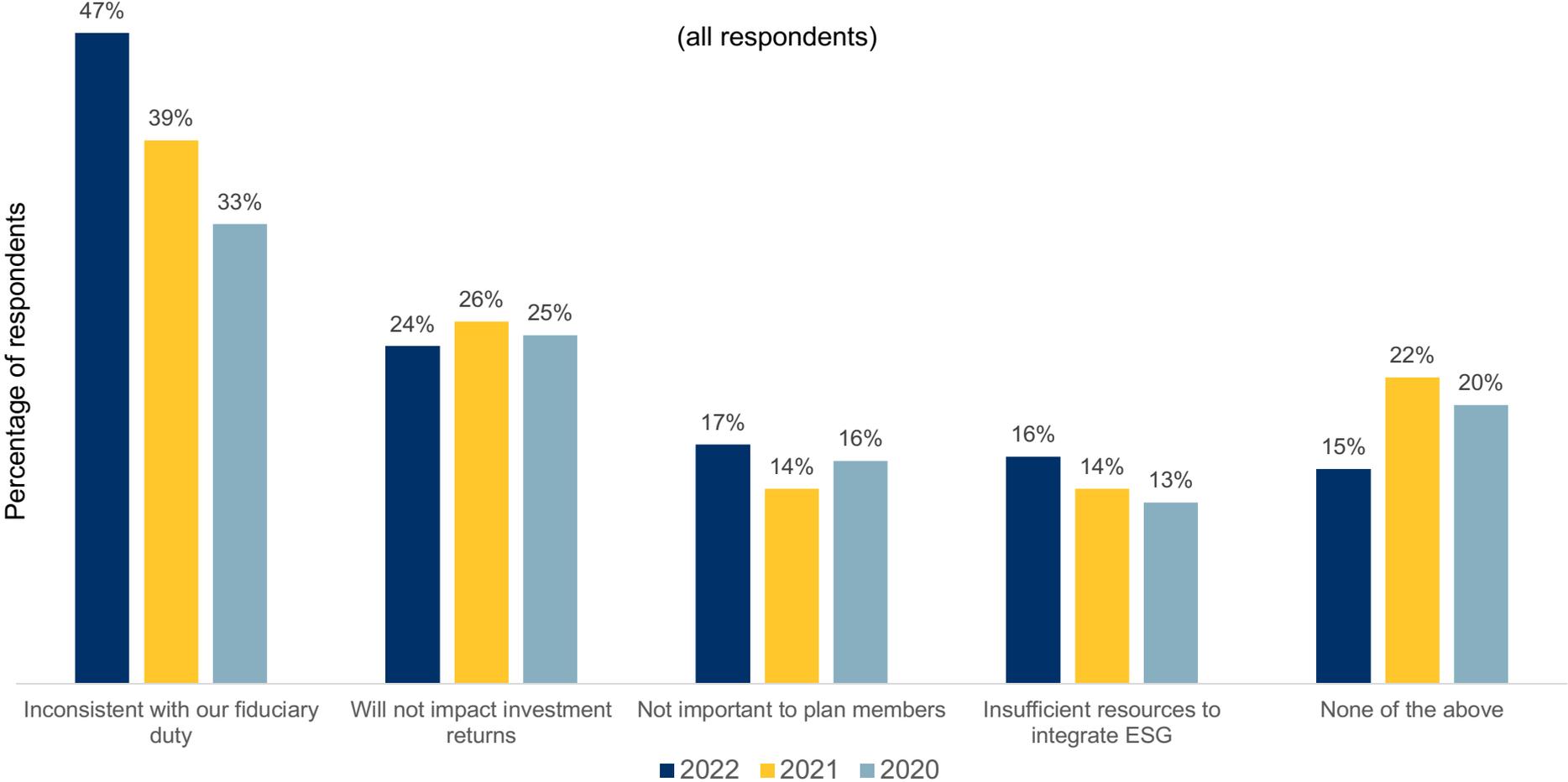
What are your reason(s) for incorporating ESG in your investment approach?



Government regulations was not a selection in 2020



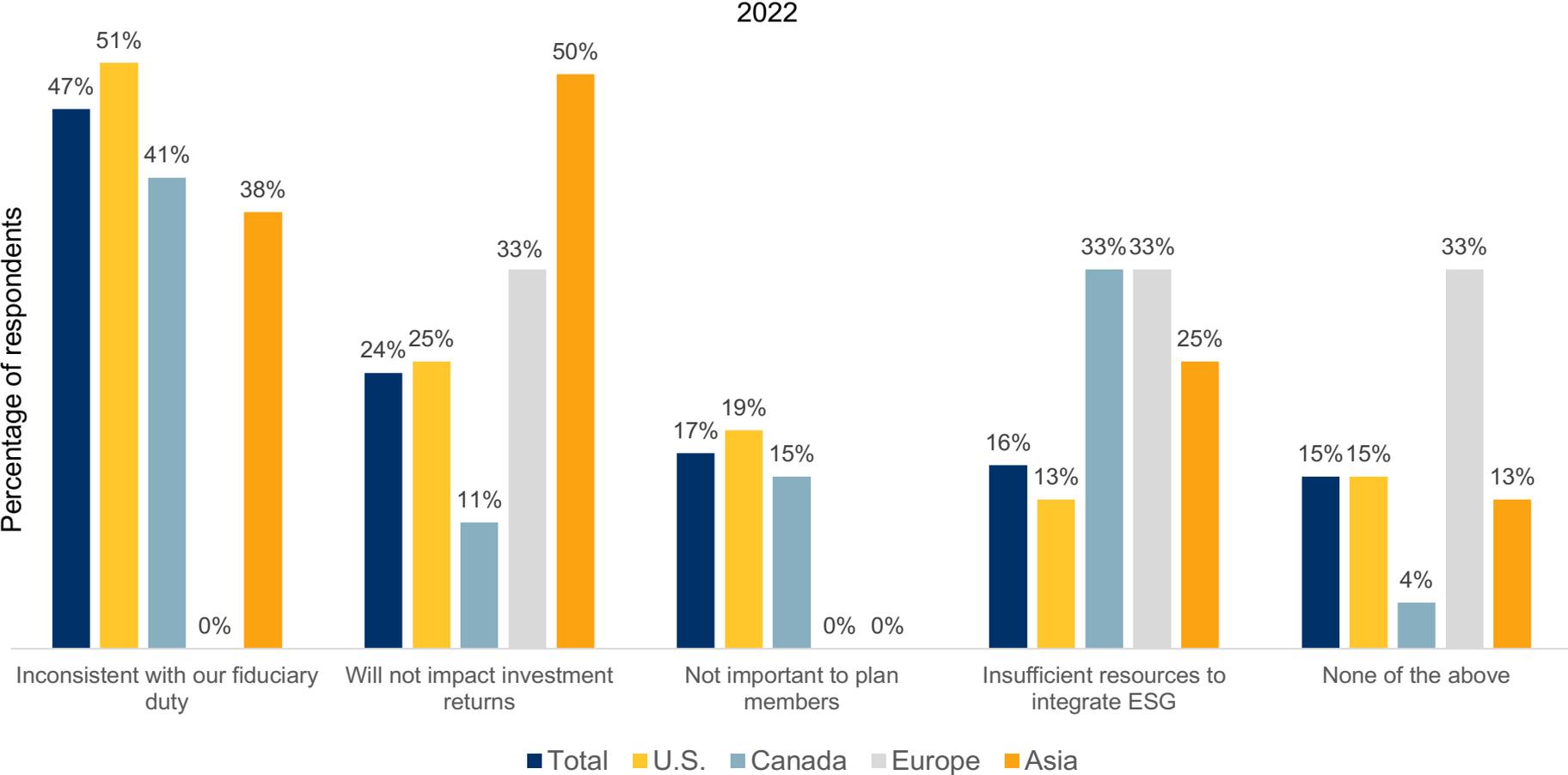
What are your reason(s) for NOT incorporating ESG factors in your investment approach?



Respondents were able to select more than one answer



What are your reasons for NOT incorporating ESG factors in your investment approach?

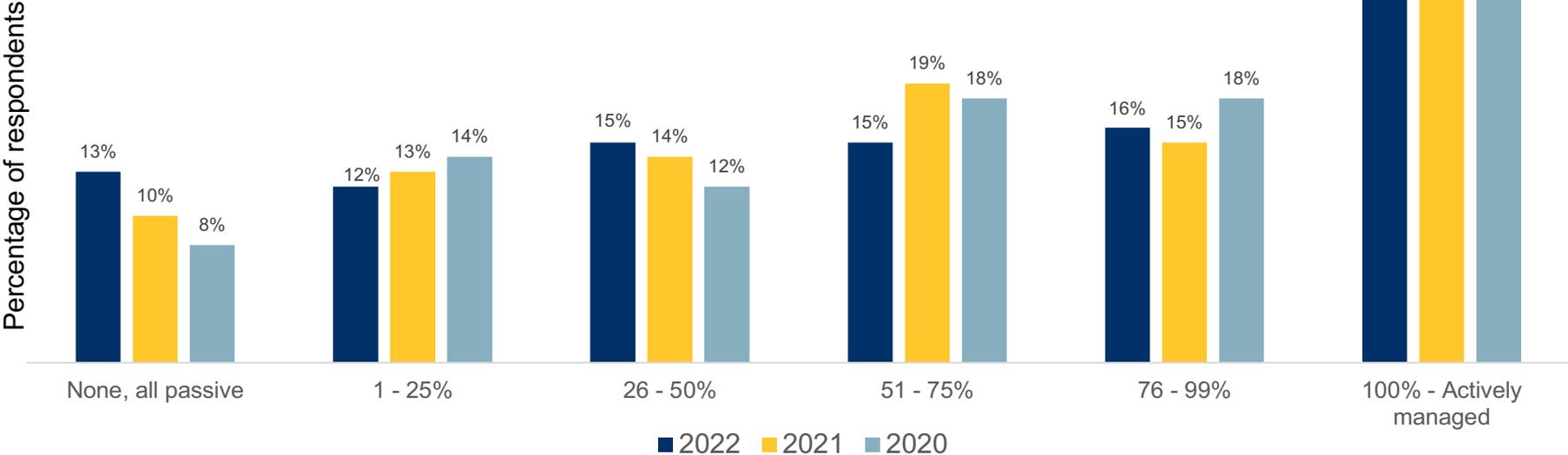


Government regulations was not a selection in 2020



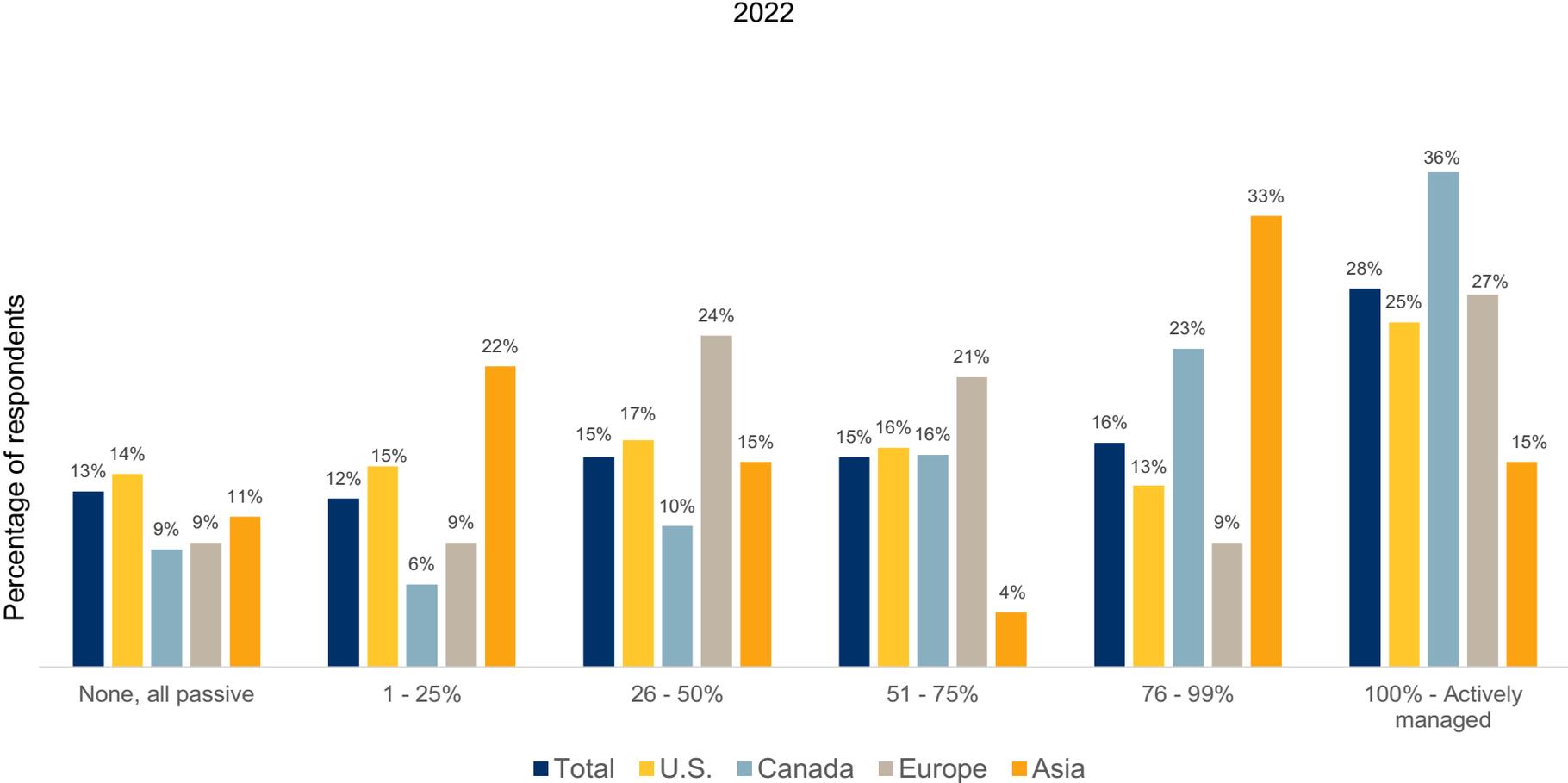
Of your portfolio that falls under the umbrella of responsible investing, what percent is actively managed (versus passively managed or index-based)?

(all respondents)

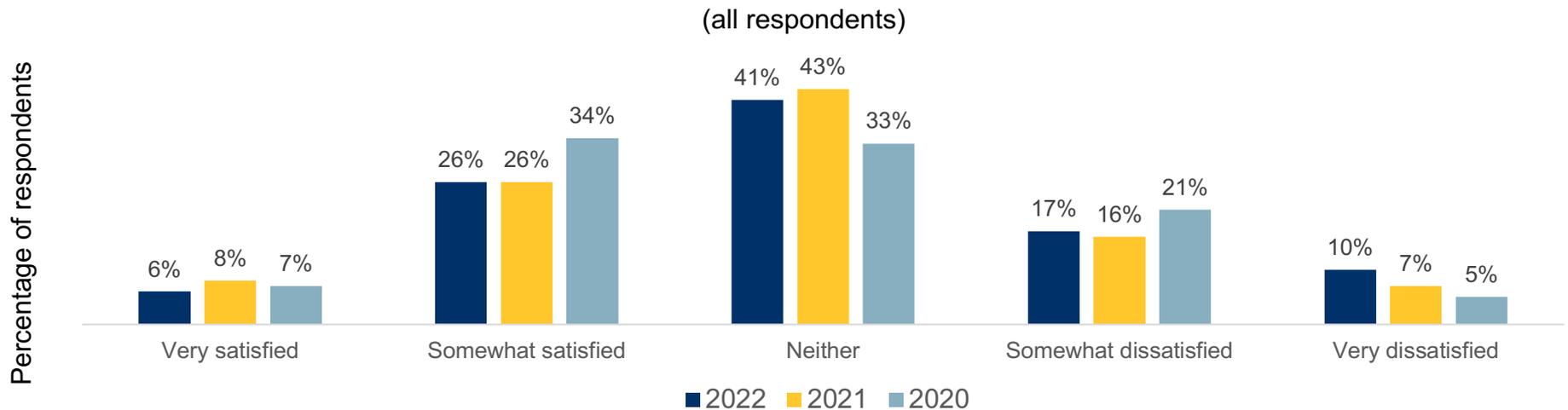
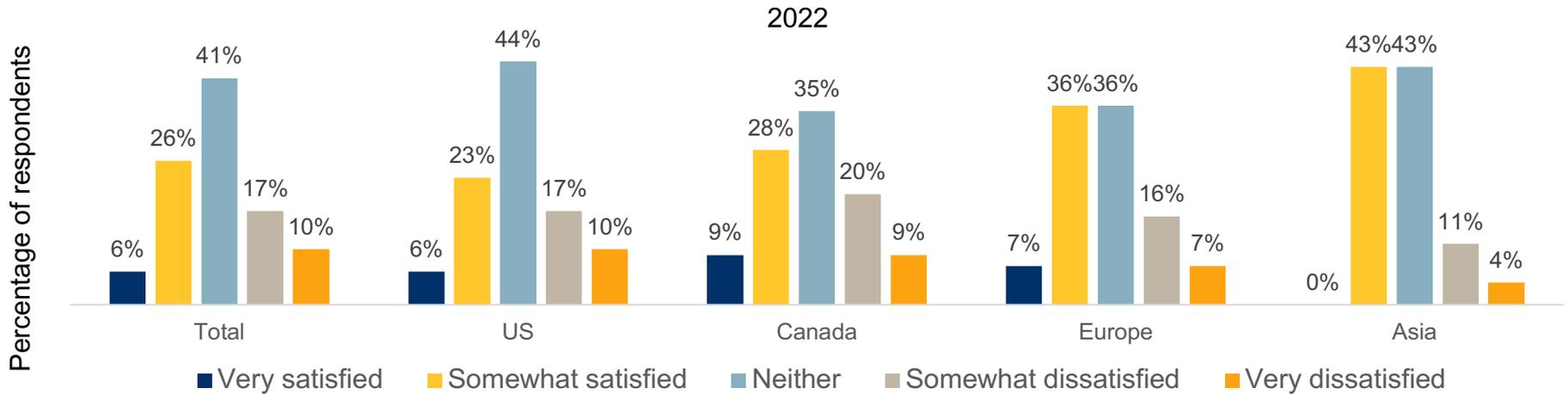


Of your portfolio that falls under the umbrella of responsible investing, what percent is actively managed (versus passively managed or index-based)?

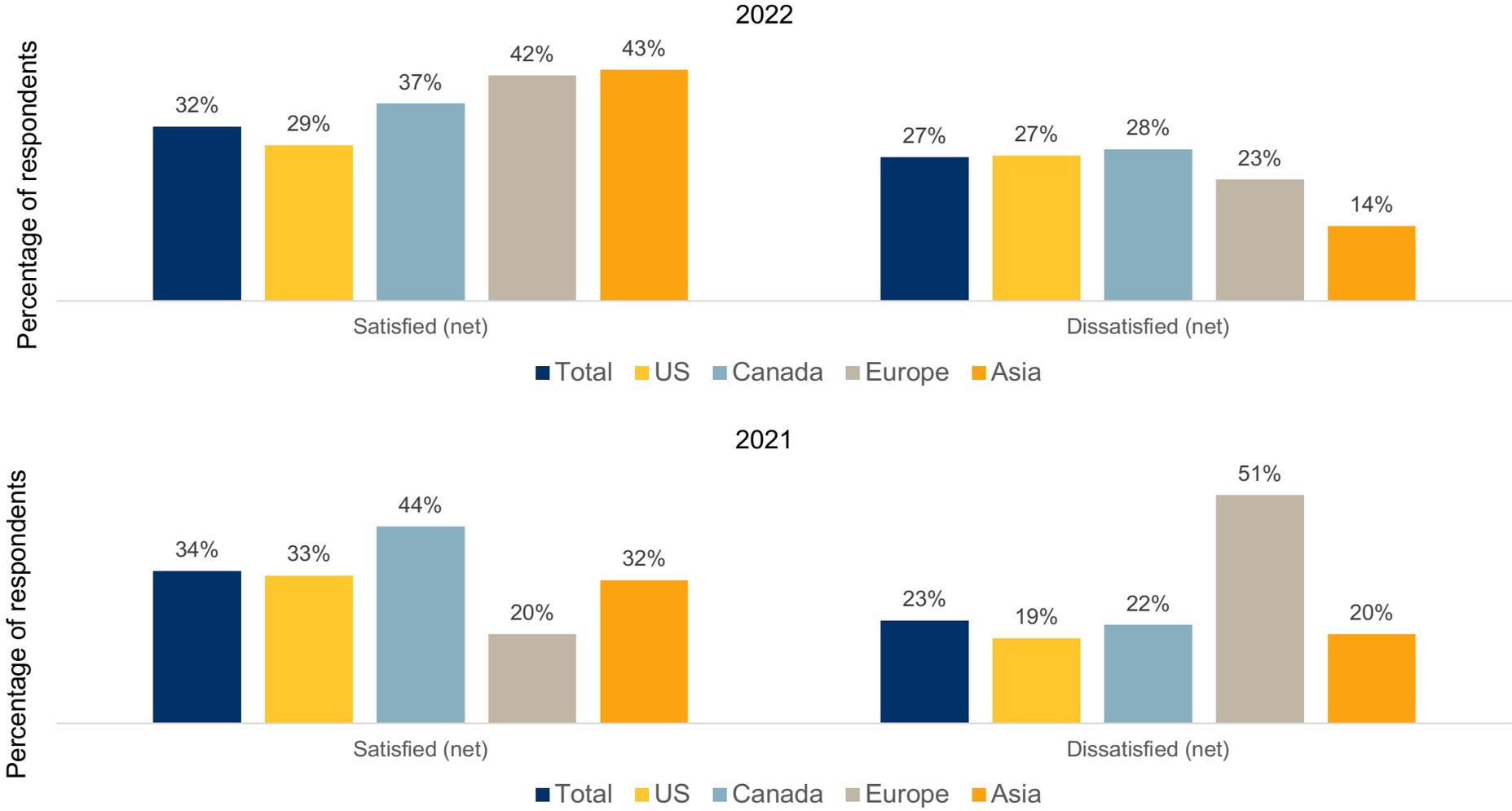
2022



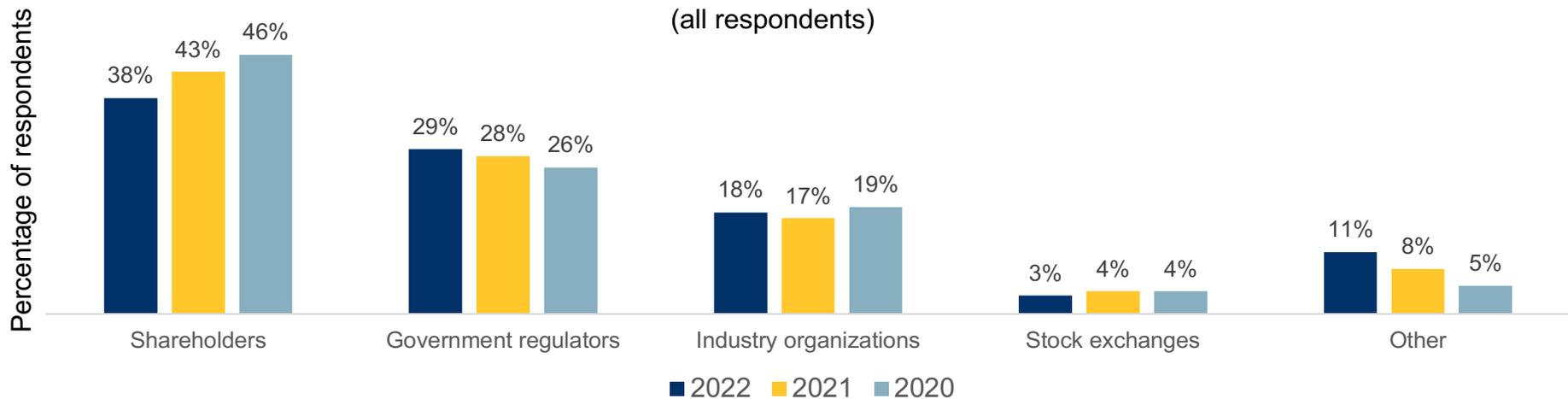
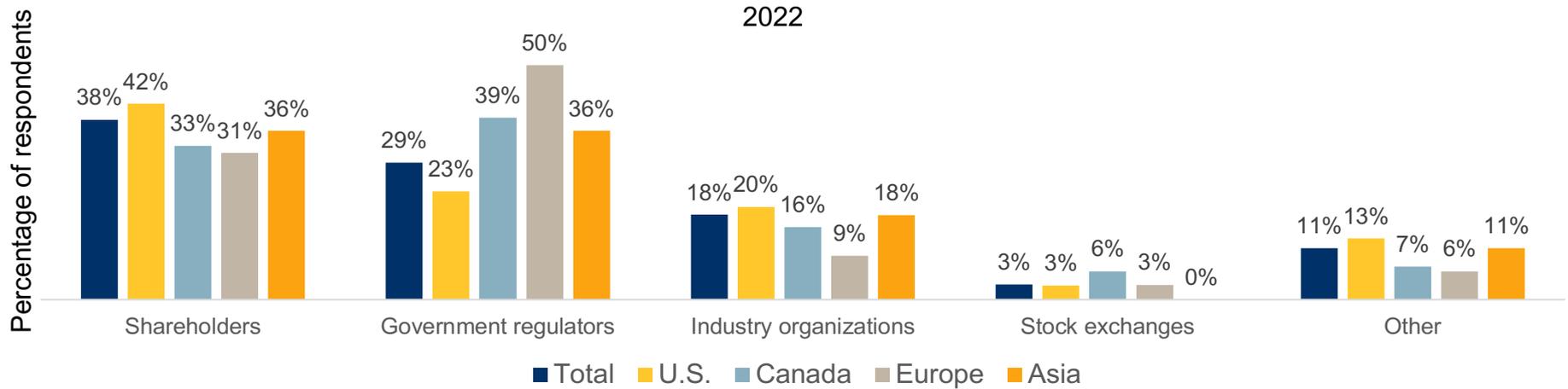
How satisfied are you with the current quality of ESG-related disclosure provided by issuers?



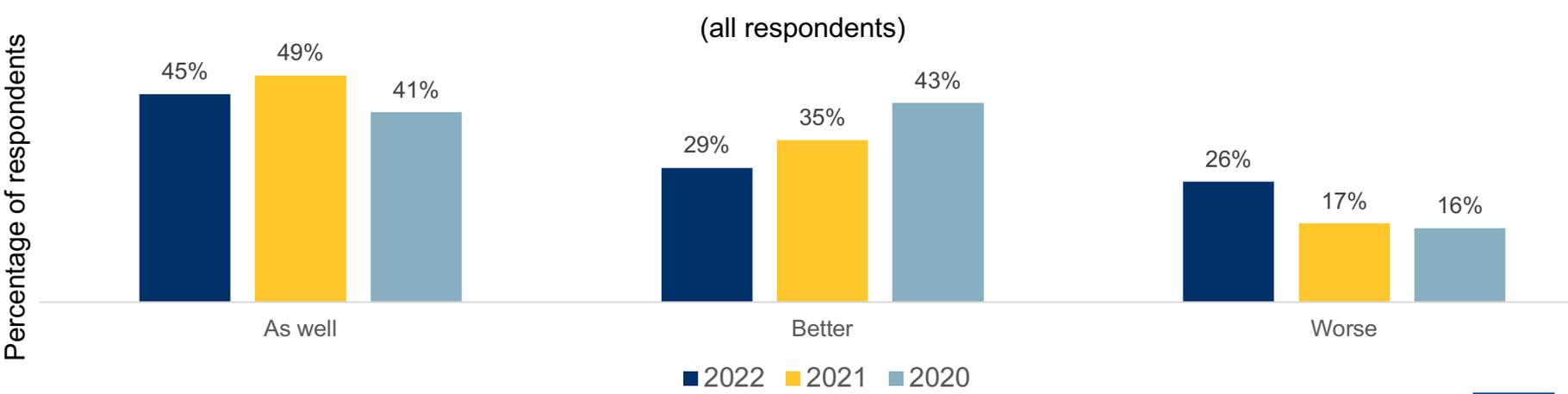
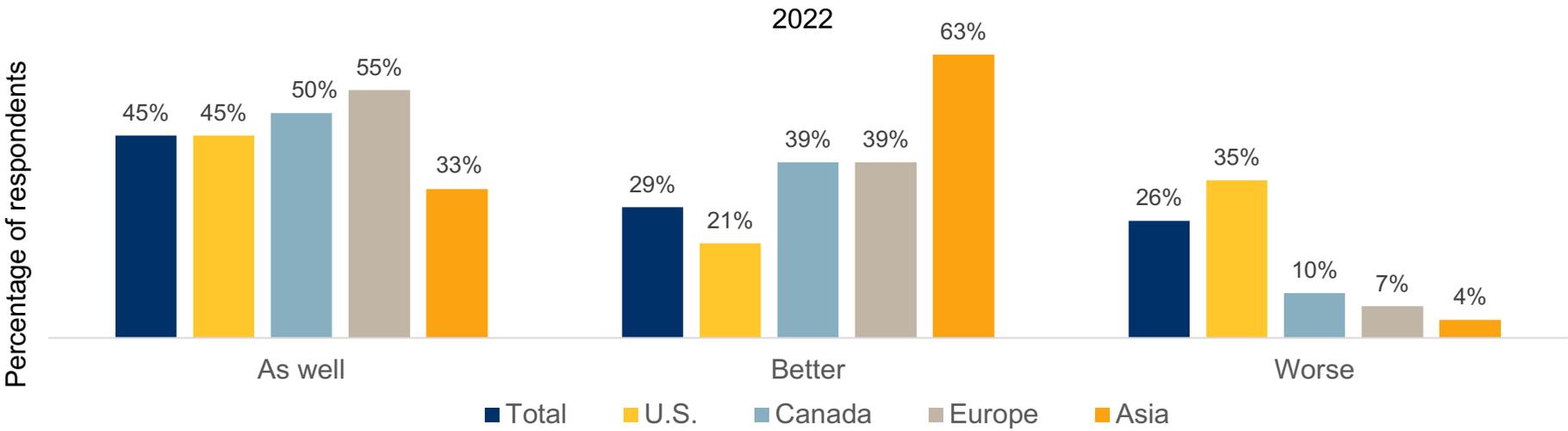
How satisfied are you with the current quality of ESG-related disclosure provided by issuers?



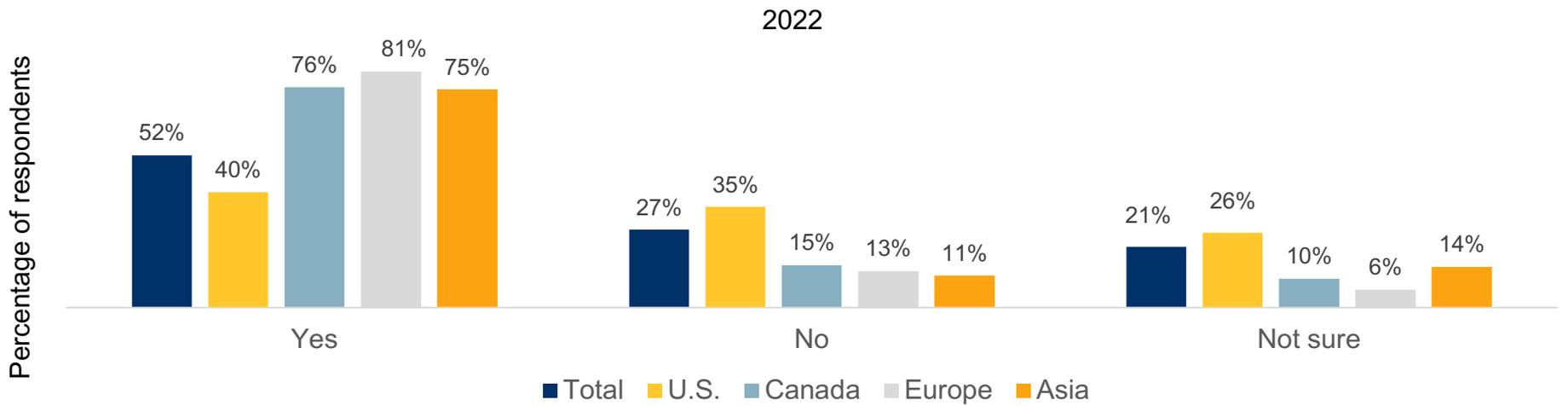
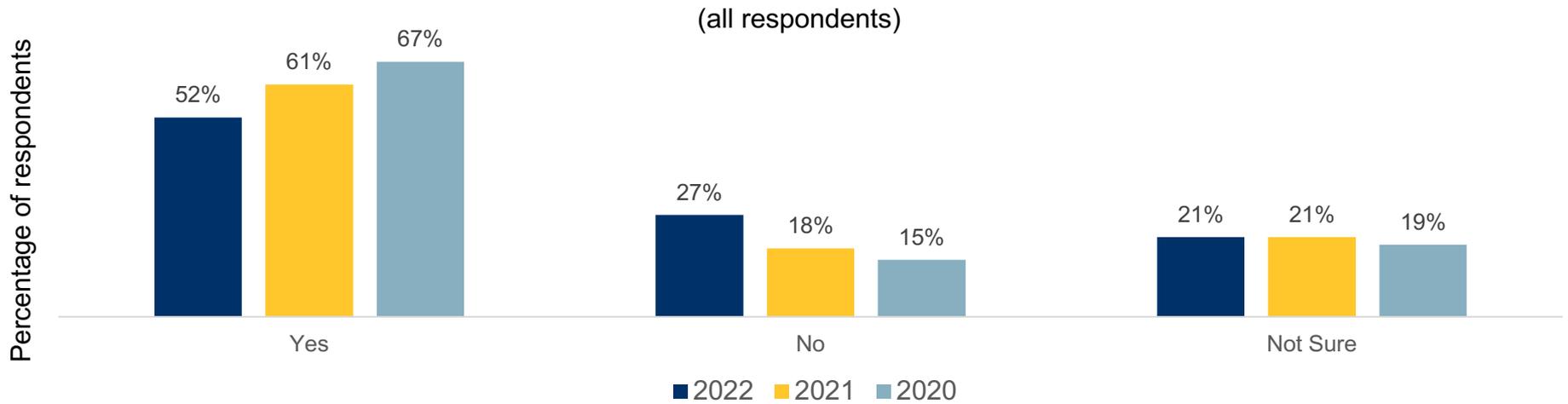
In your opinion, who should take the lead in influencing companies to provide better ESG-related information?



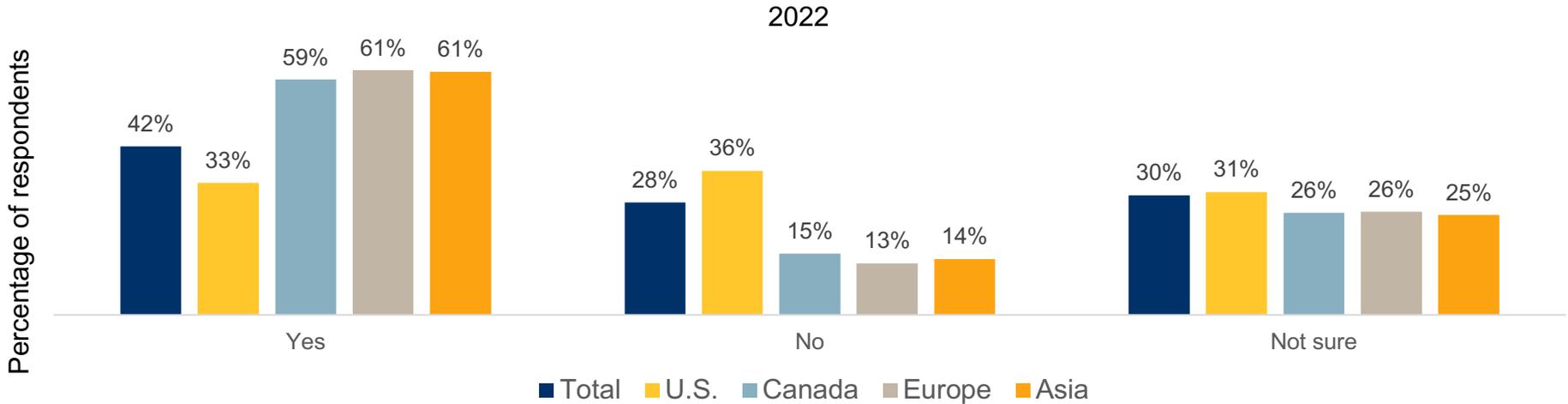
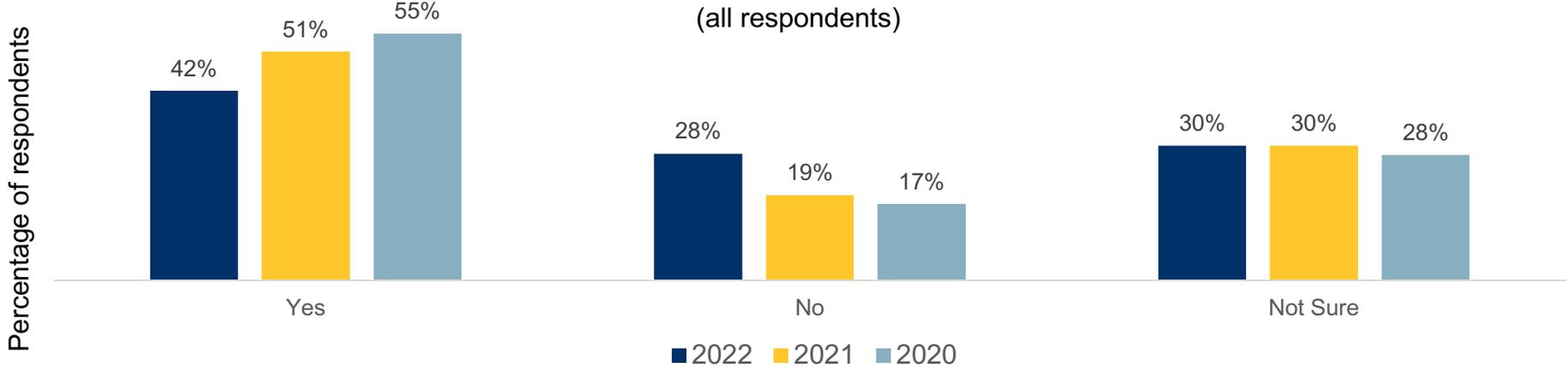
How do you believe ESG integrated portfolios are likely to perform relative to non-ESG integrated investments?



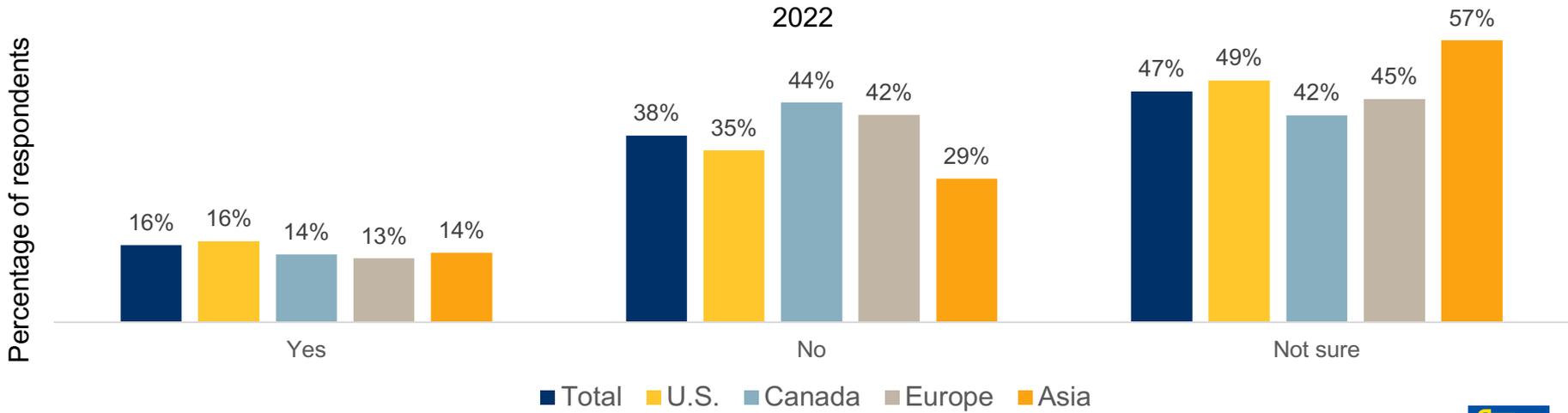
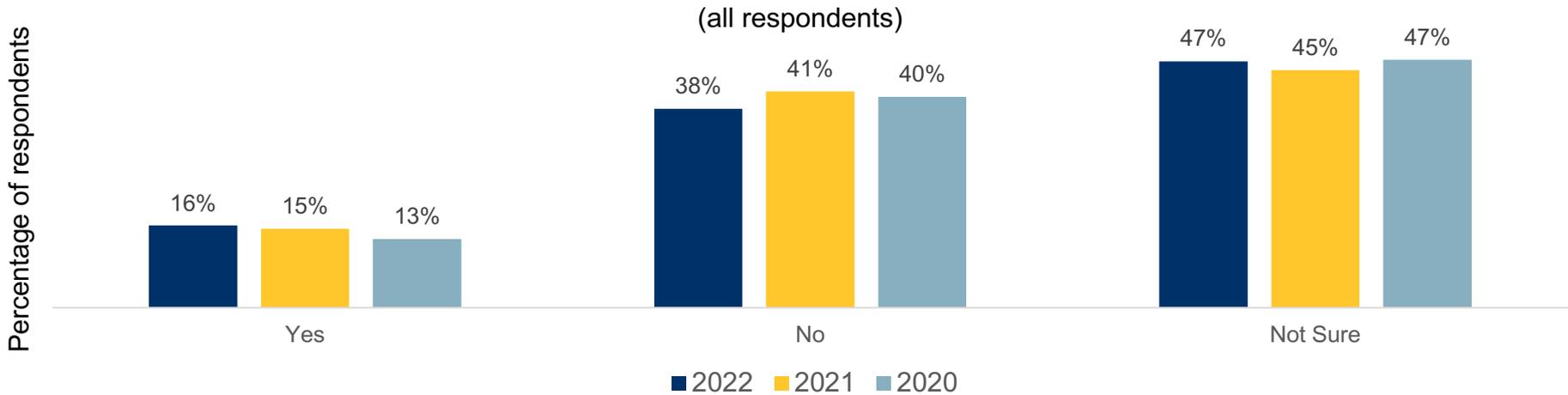
Do you believe that integrating ESG factors can help mitigate risk?



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



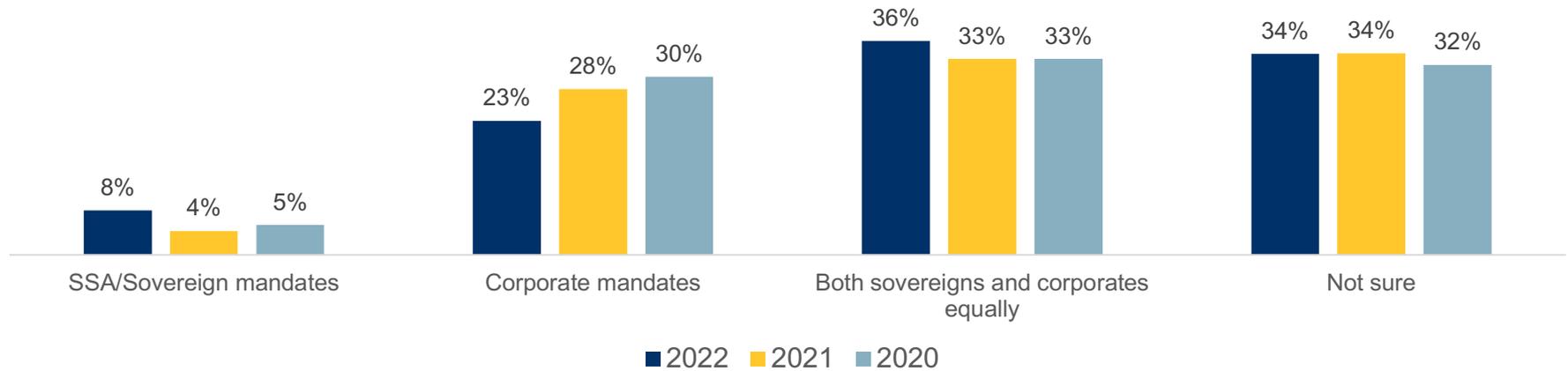
In your opinion, are there sufficient fixed income product offerings that incorporate ESG factors?



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

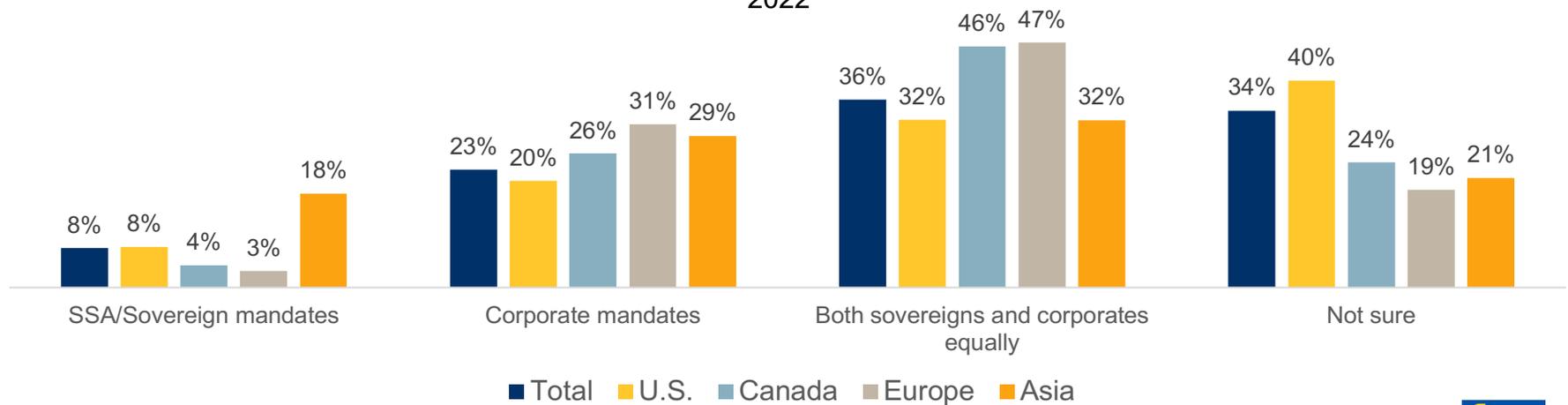
Percentage of respondents

(all respondents)

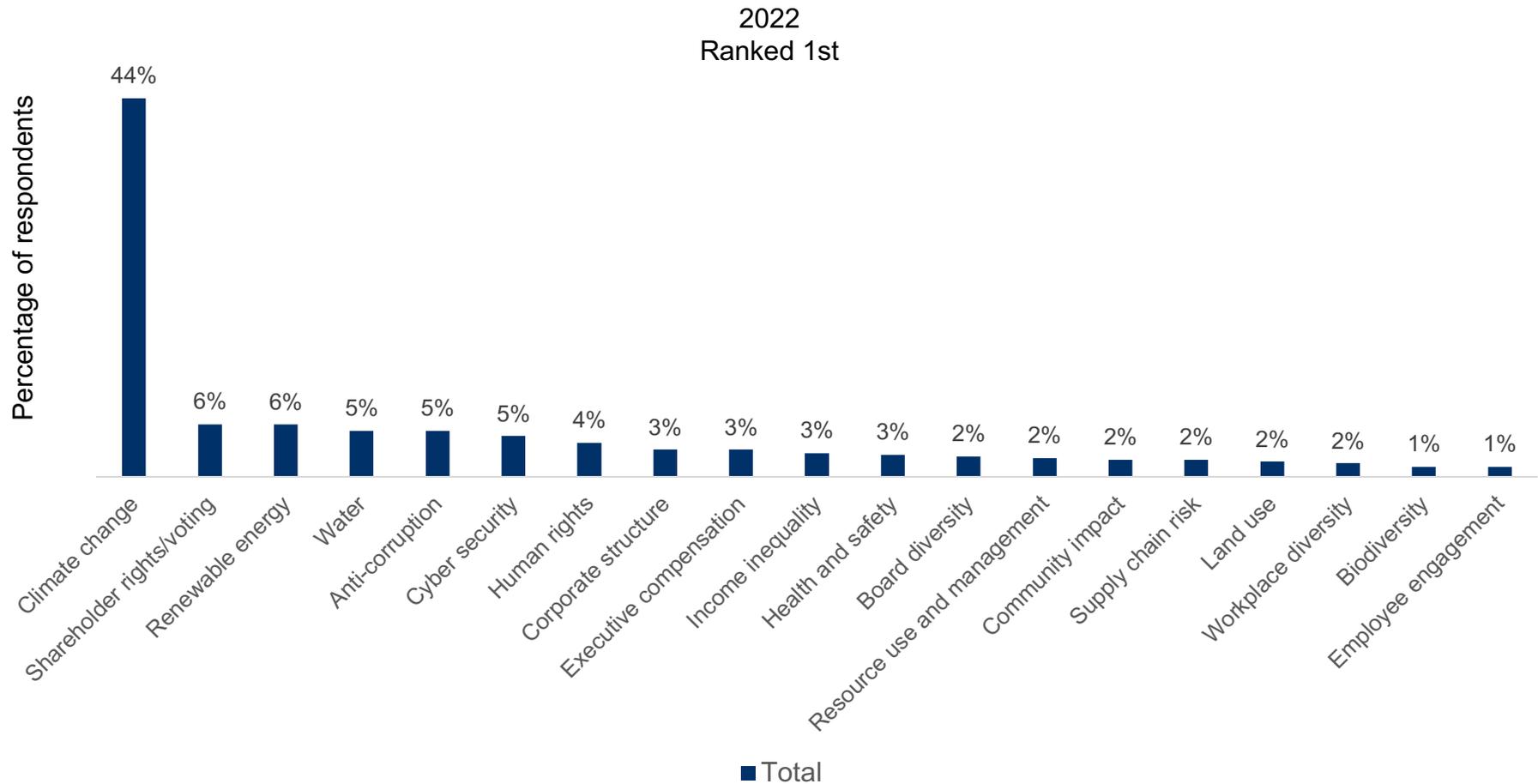


Percentage of respondents

2022

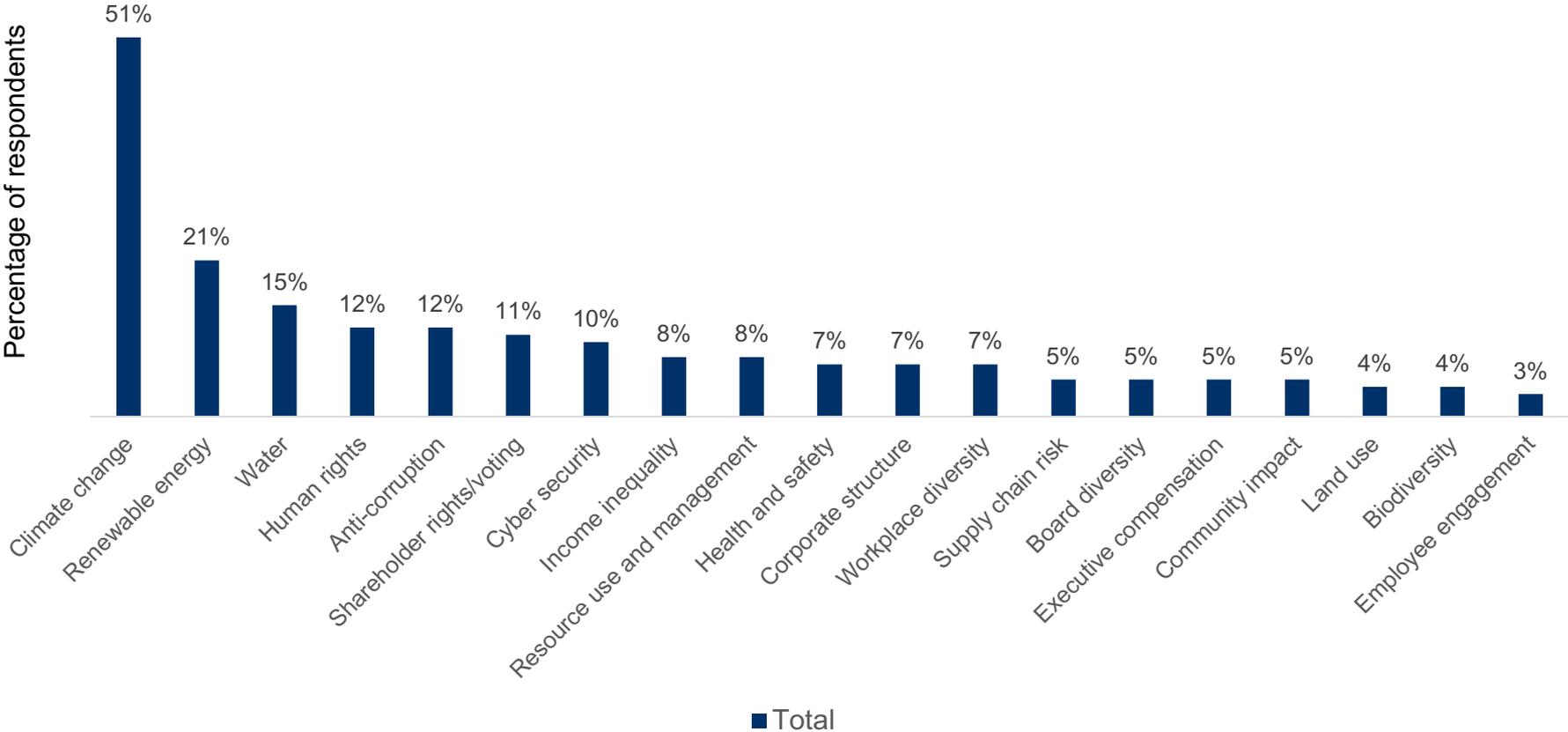


Please select the five ESG themes that concern you the most



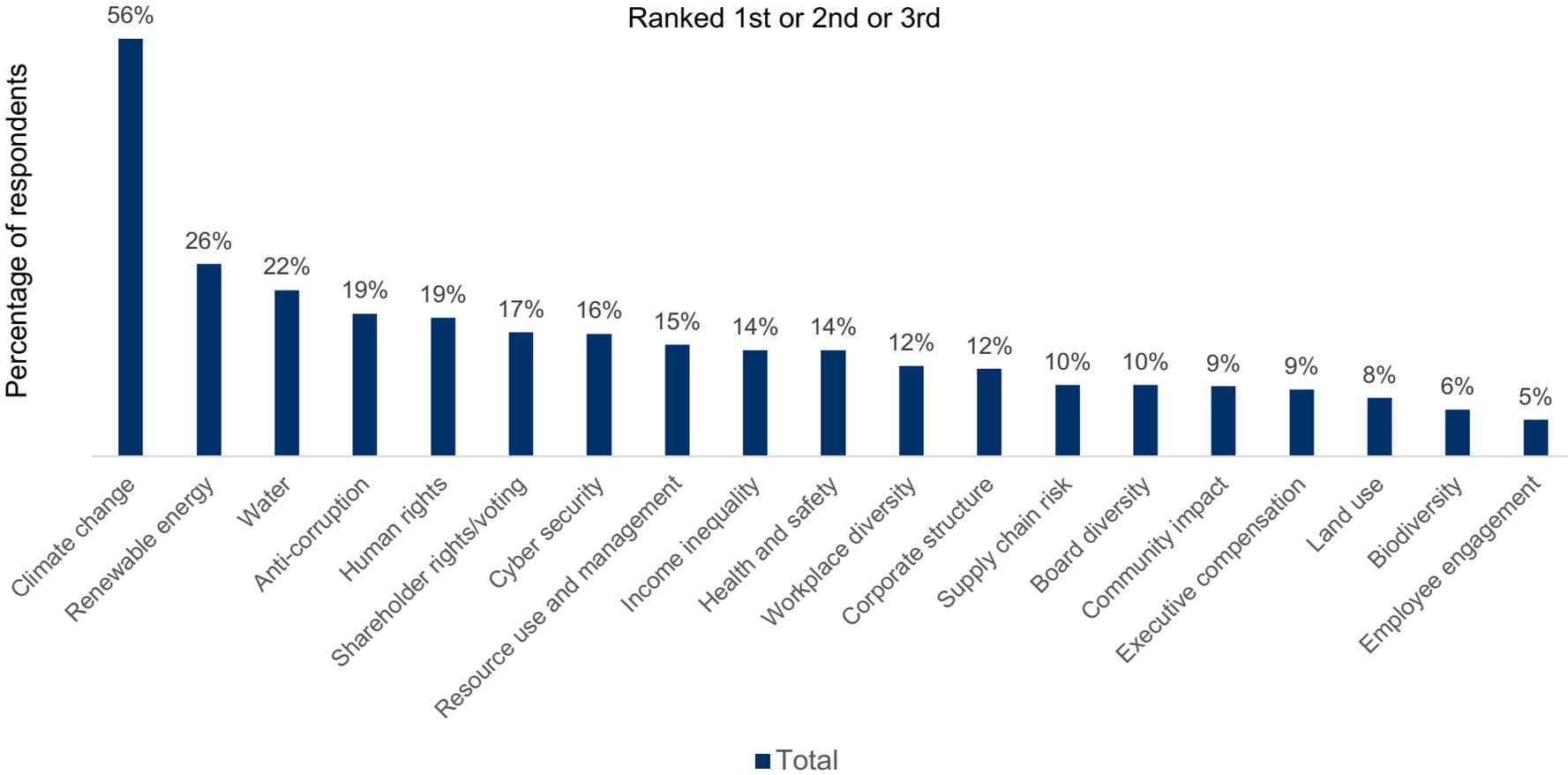
Please select the five ESG themes that concern you the most

2022
Ranked 1st or 2nd



Please select the five ESG themes that concern you the most

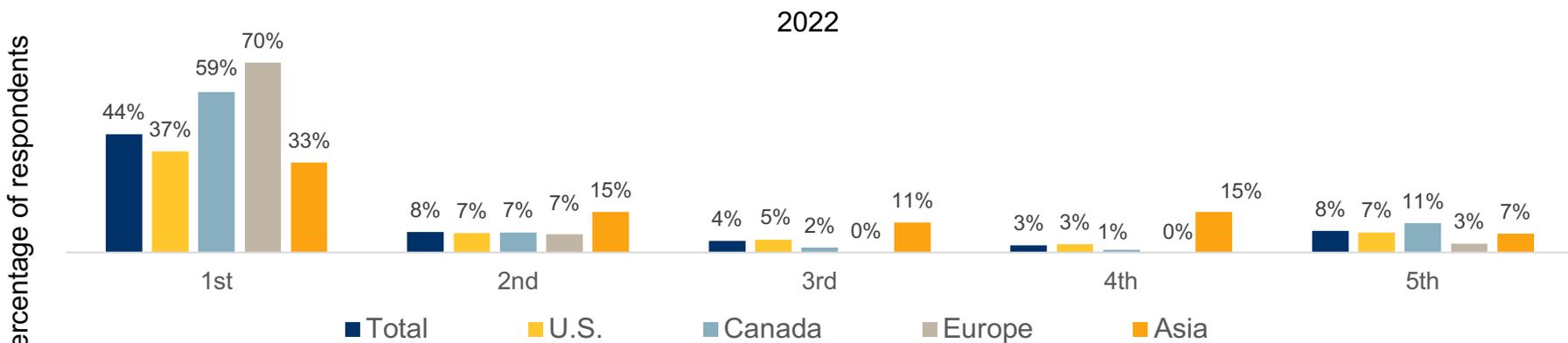
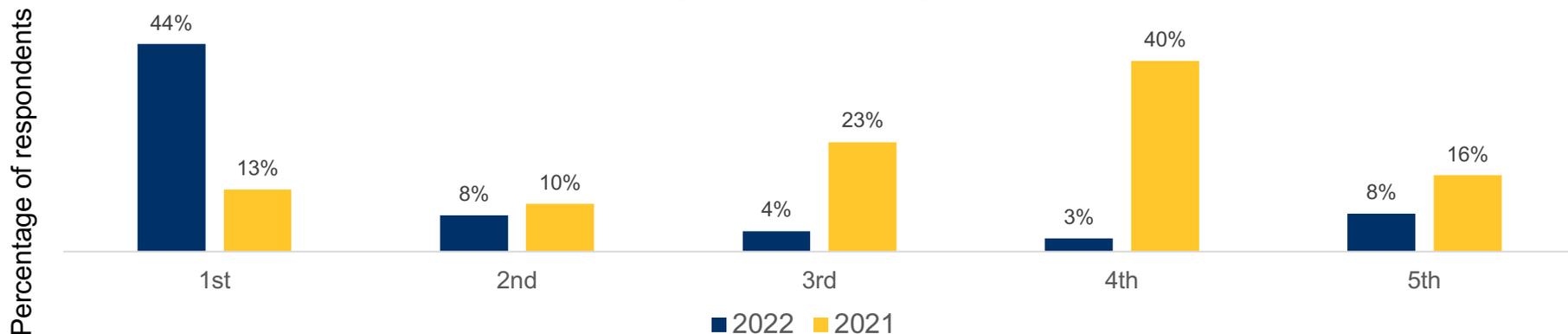
2022
Ranked 1st or 2nd or 3rd



Please select the five ESG themes that concern you the most

Environmental – Climate change

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

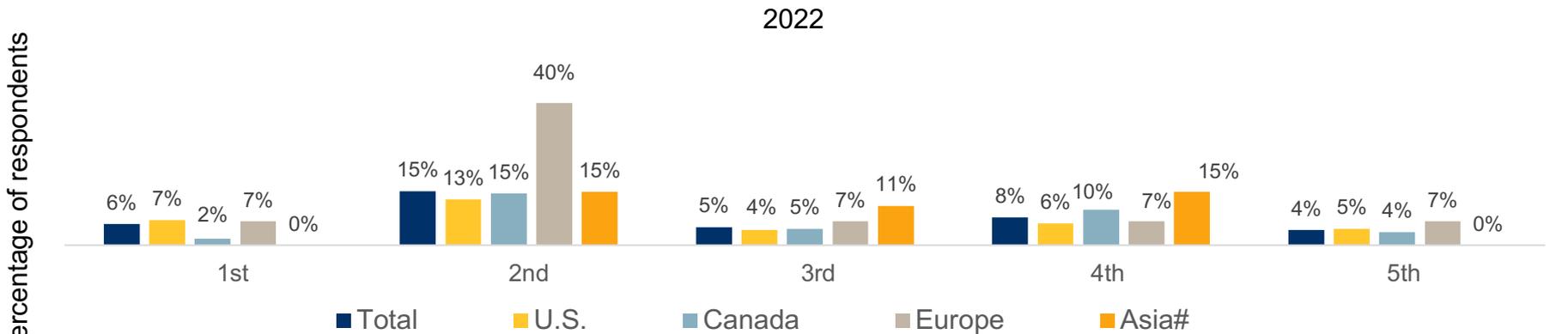
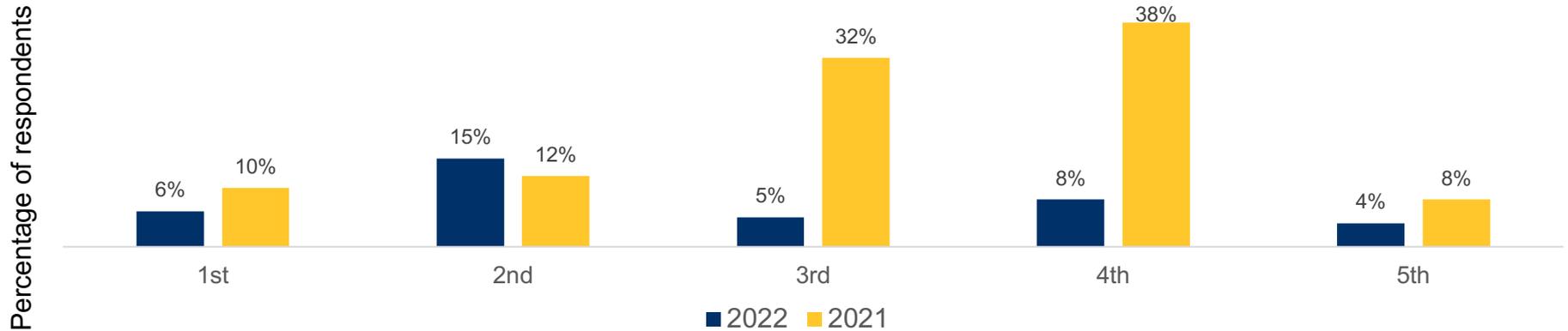


Use with caution, sample too low to be projectable

Please select the five ESG themes that concern you the most

Environmental – Renewable energy

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

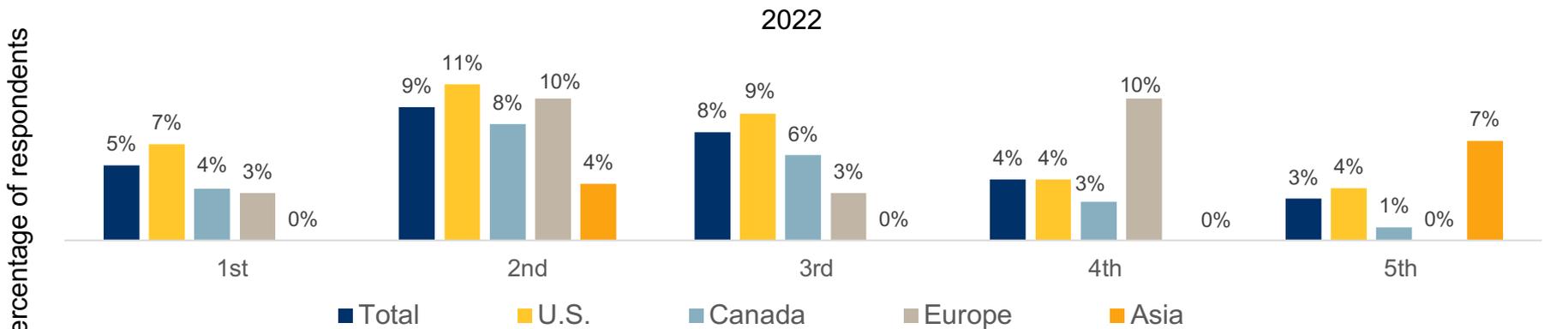
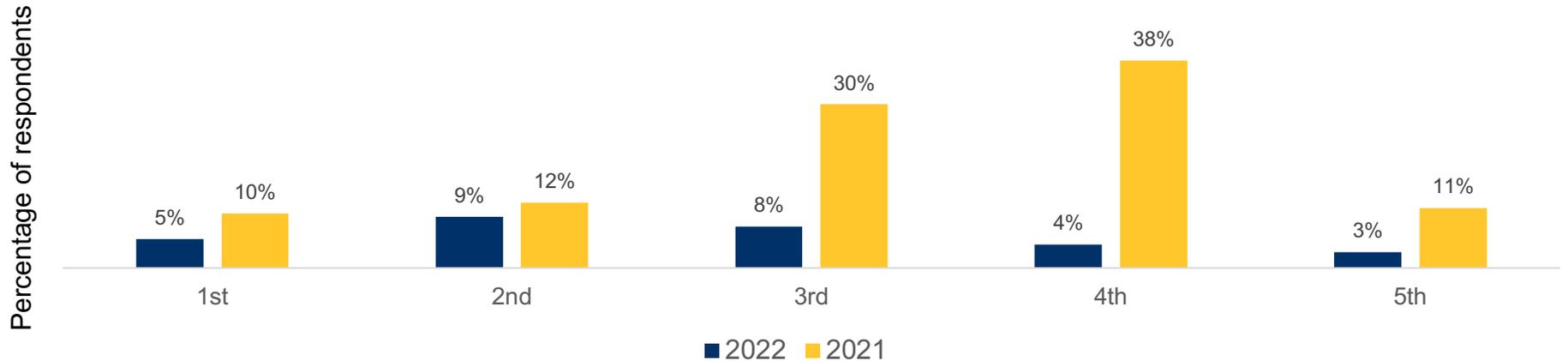


Use with caution, sample too low to be projectable

Please select the five ESG themes that concern you the most

Environmental – Water

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



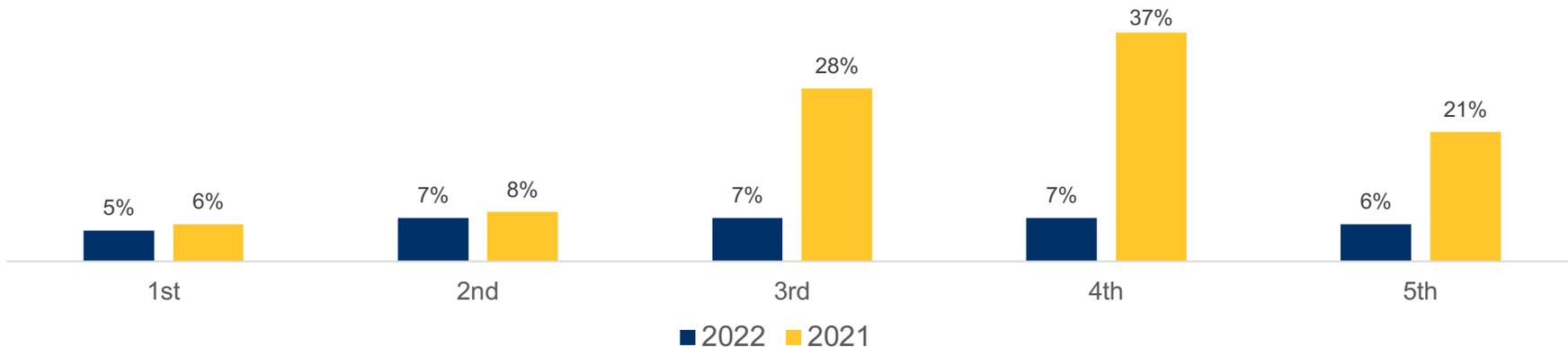
Use with caution, sample too low to be projectable

Please select the five ESG themes that concern you the most

Governance – Anti-corruption

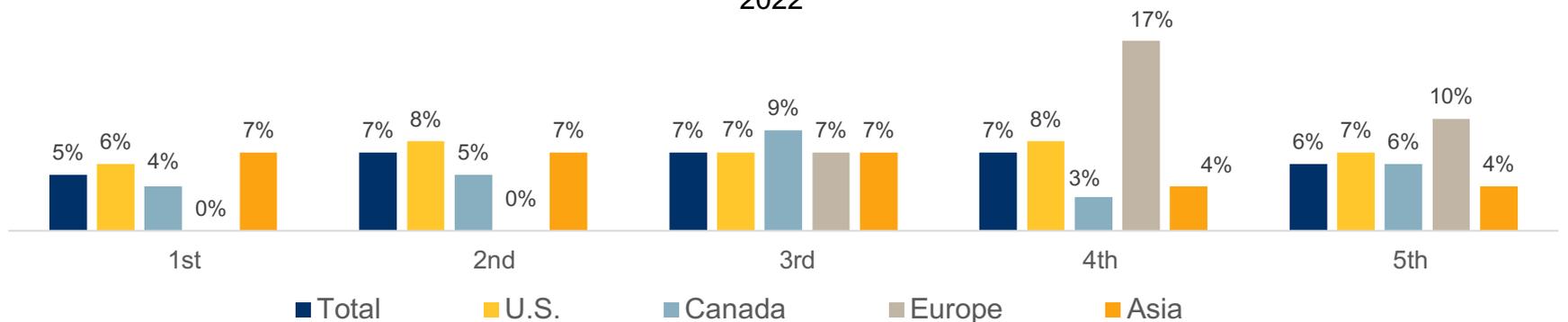
Ranked on a scale of 1-5, 1 being immaterial, 5 being make or break investment decision

Percentage of respondents



Percentage of respondents

2022



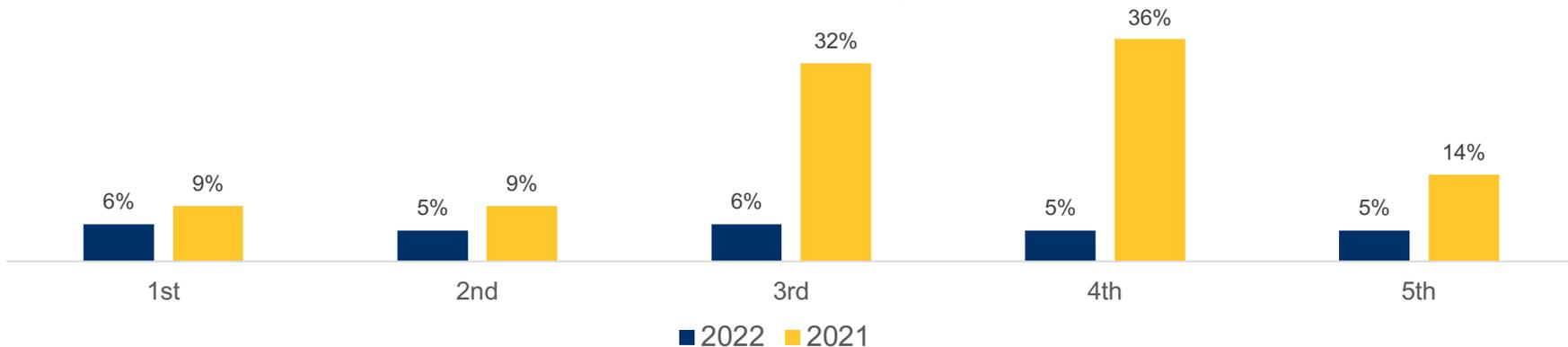
Use with caution, sample too low to be projectable

Please select the five ESG themes that concern you the most

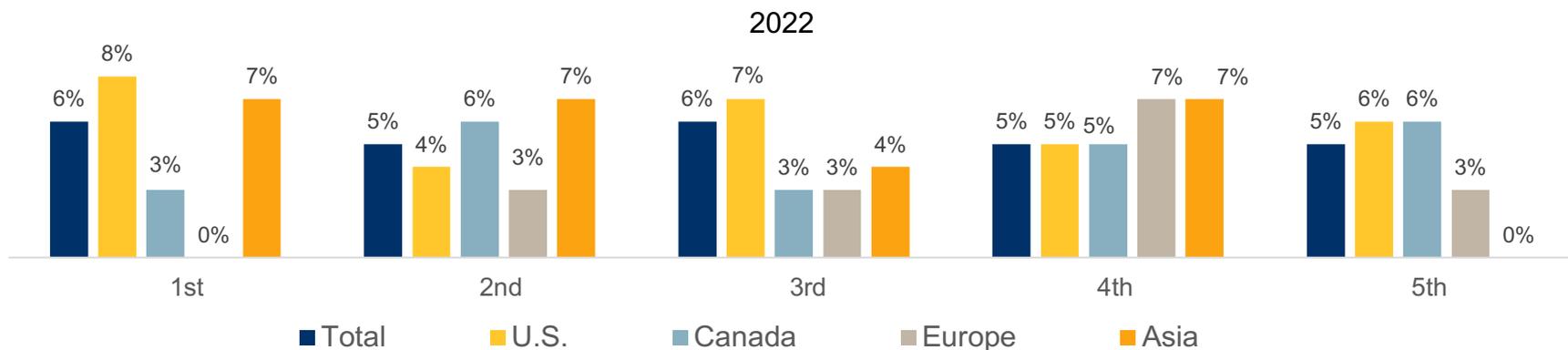
Governance – Shareholder rights / voting

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

Percentage of respondents

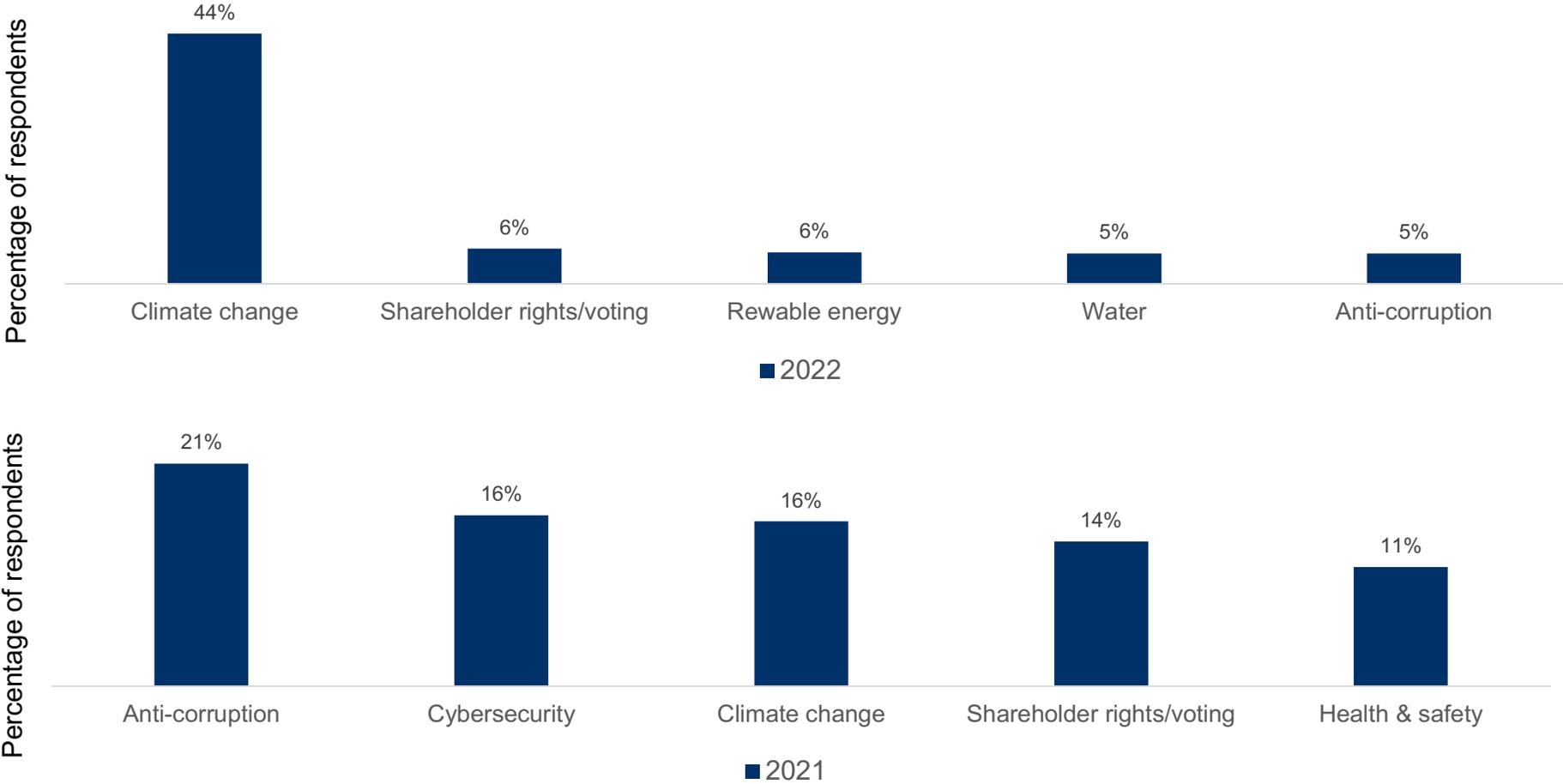


Percentage of respondents



Use with caution, sample too low to be projectable

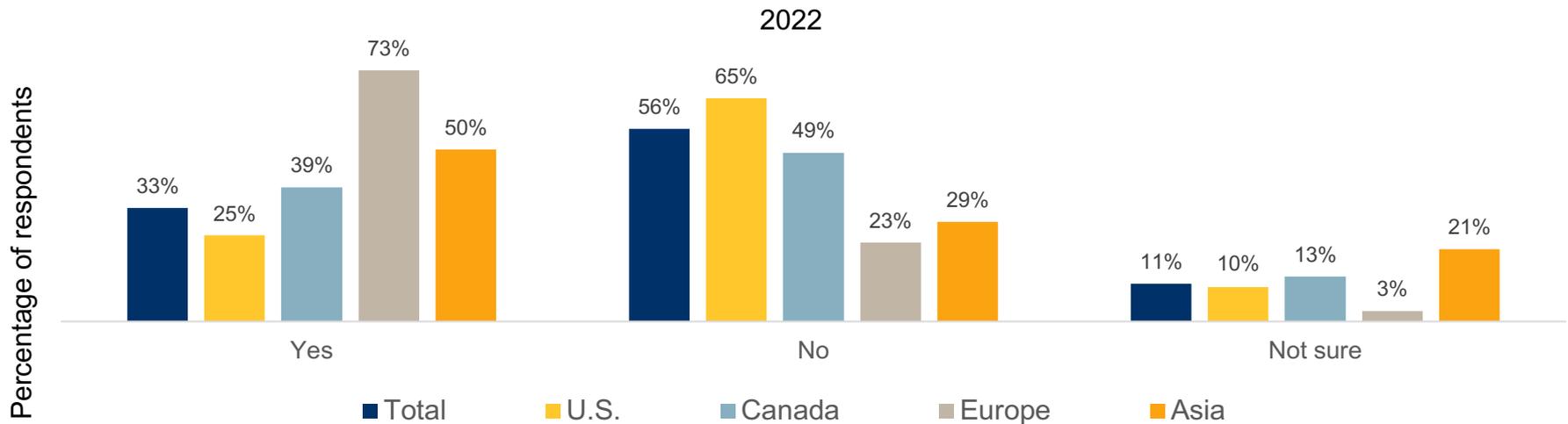
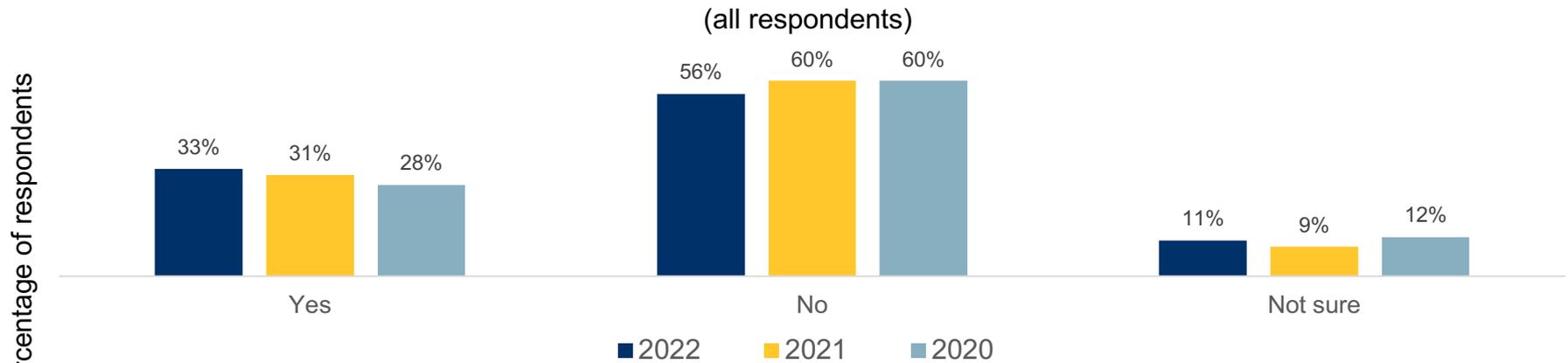
Please select the five ESG themes that concern you the most - ranked first



Use with caution, sample too low to be projectable



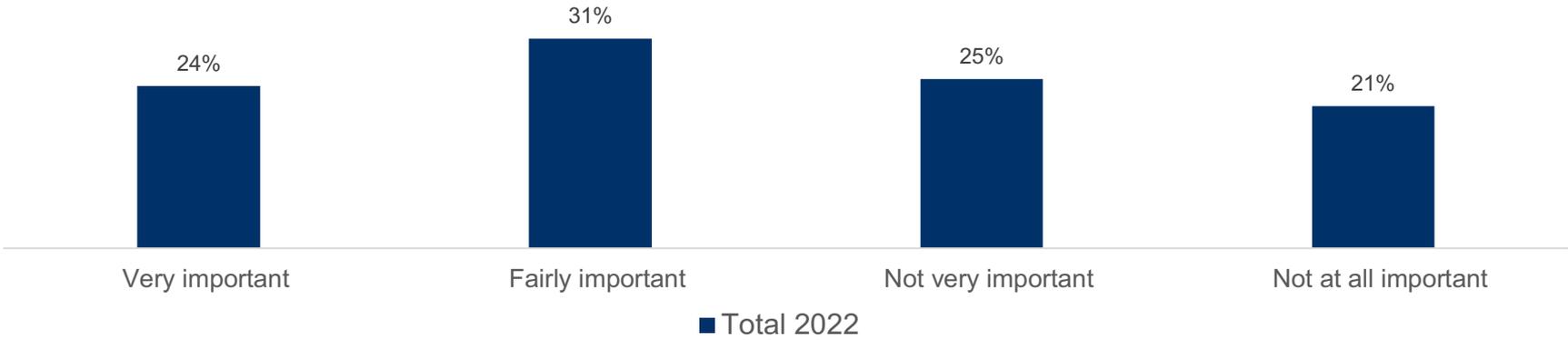
Does your investment policy address climate risk?



Use with caution, sample too low to be projectable

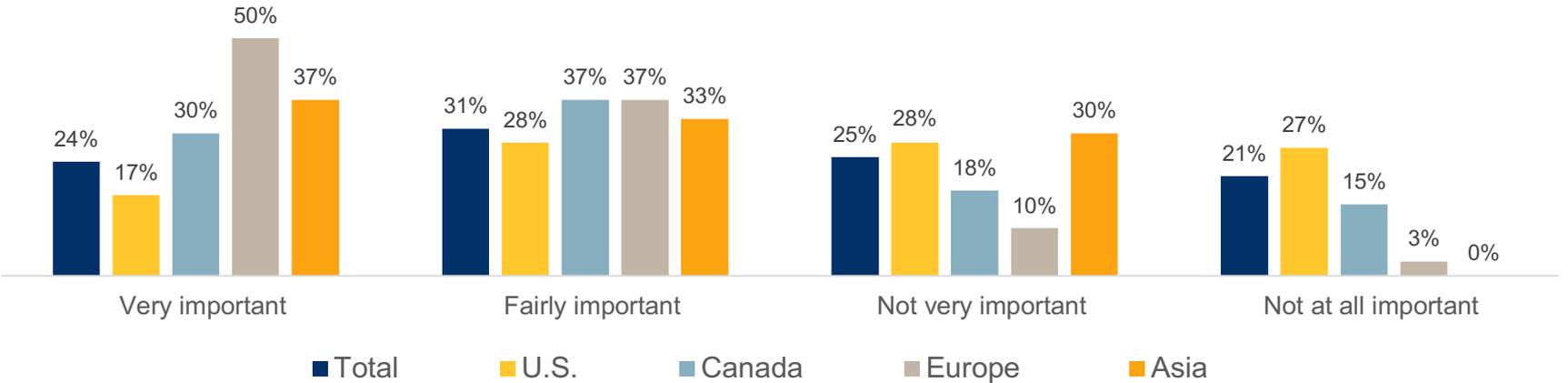
How important is it to you that your portfolio be aligned with the global goal of achieving net-zero greenhouse gas (GHG) emissions by 2050 or sooner?

Percentage of respondents



2022

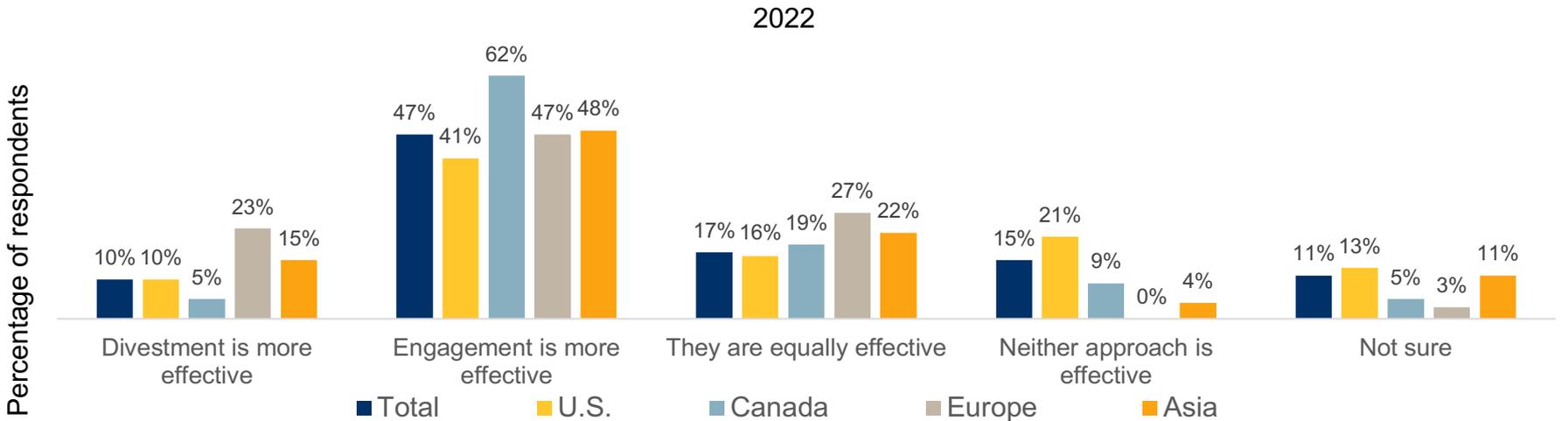
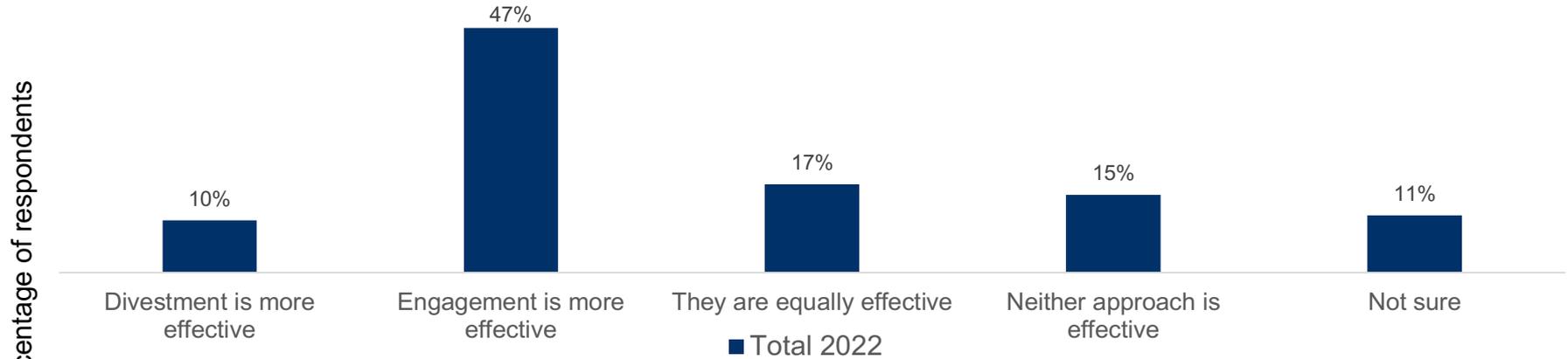
Percentage of respondents



Use with caution, sample too low to be projectable

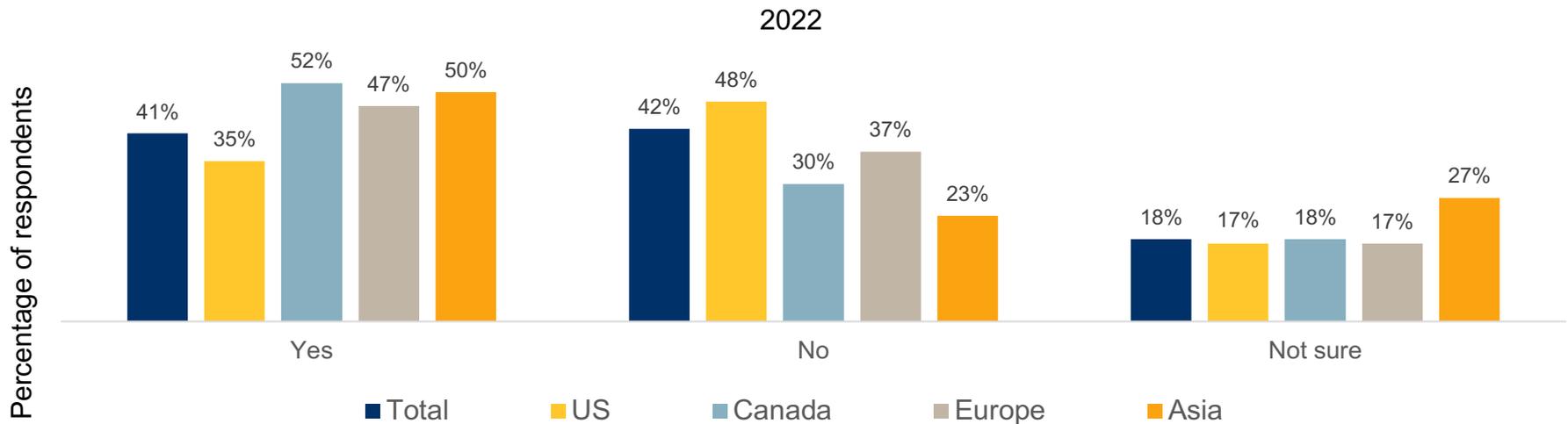
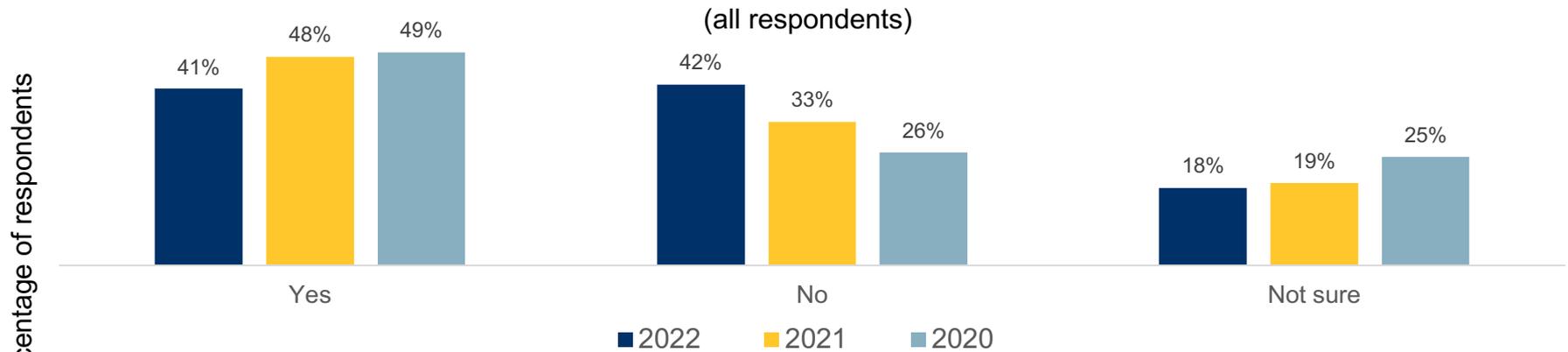


When approaching investments in high carbon-emitting sectors, do you consider divestment or engagement to be more effective?



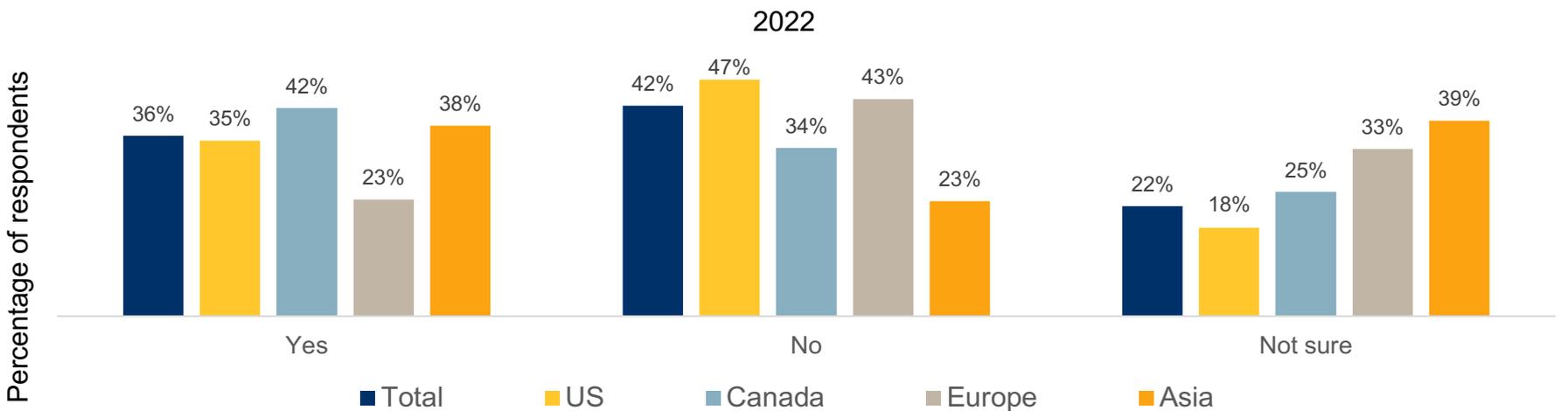
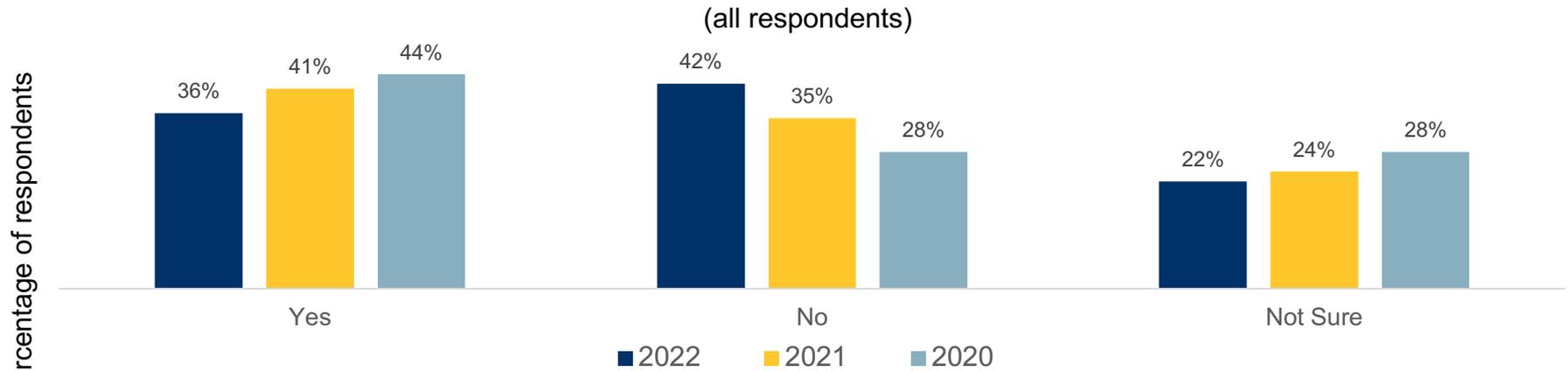
Use with caution, sample too low to be projectable

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



Use with caution, sample too low to be projectable

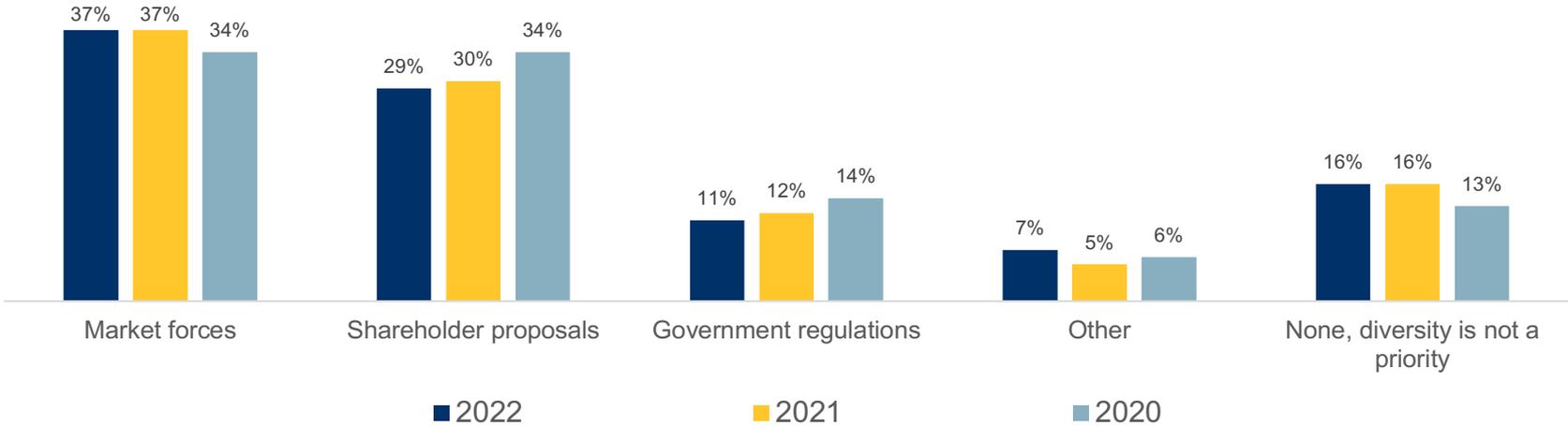
In your opinion, should board minority diversity targets be adopted?



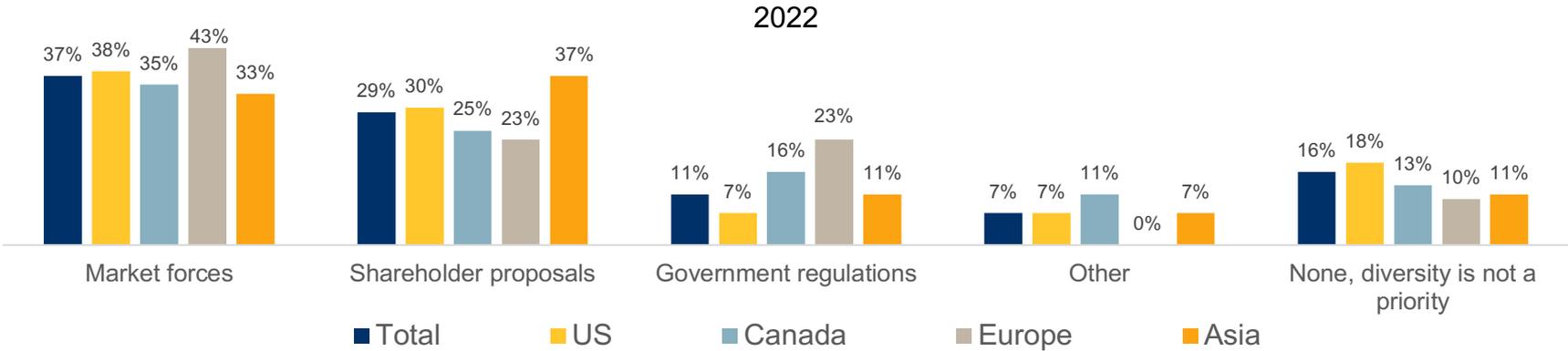
Use with caution, sample too low to be projectable

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

Percentage of respondents



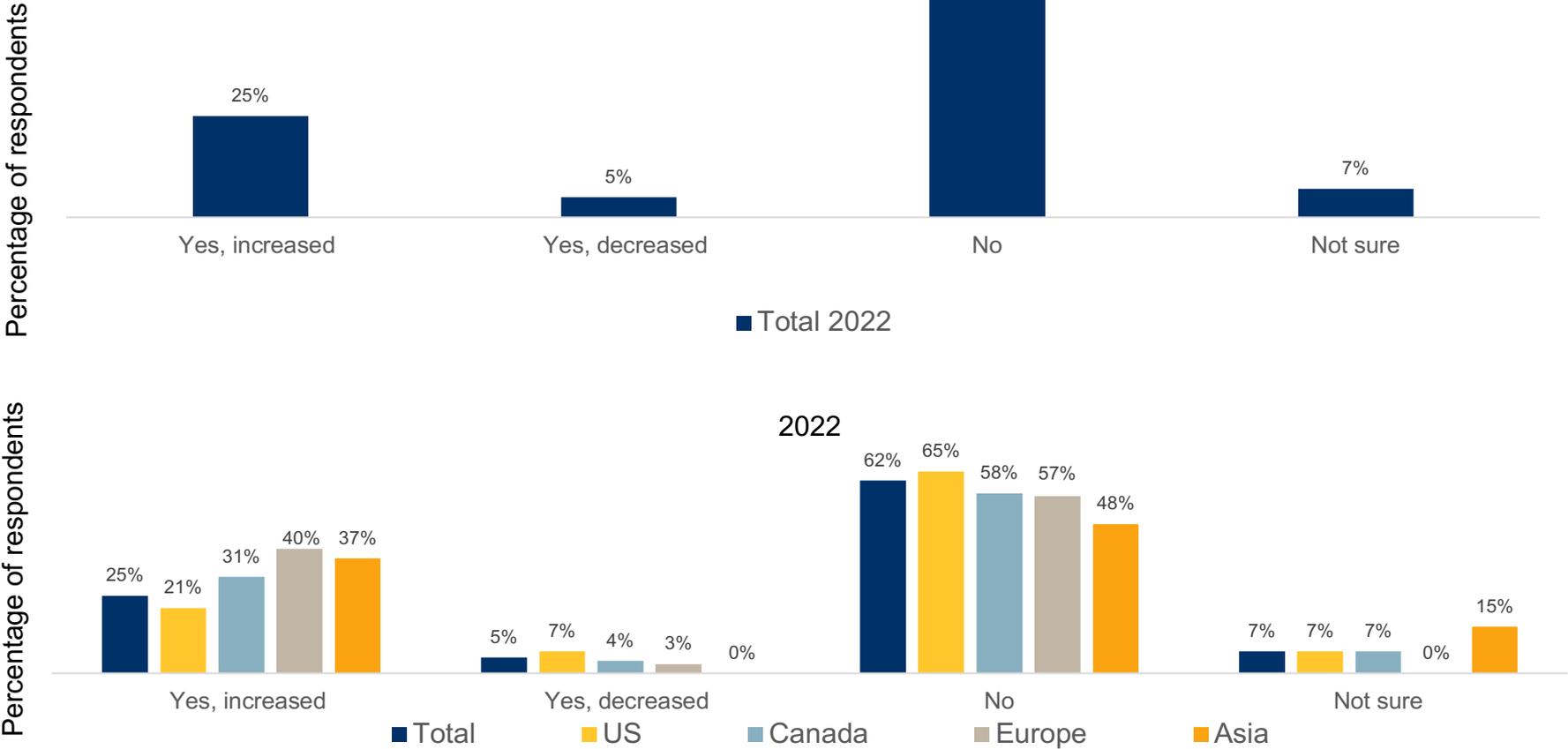
Percentage of respondents



Use with caution, sample too low to be projectable



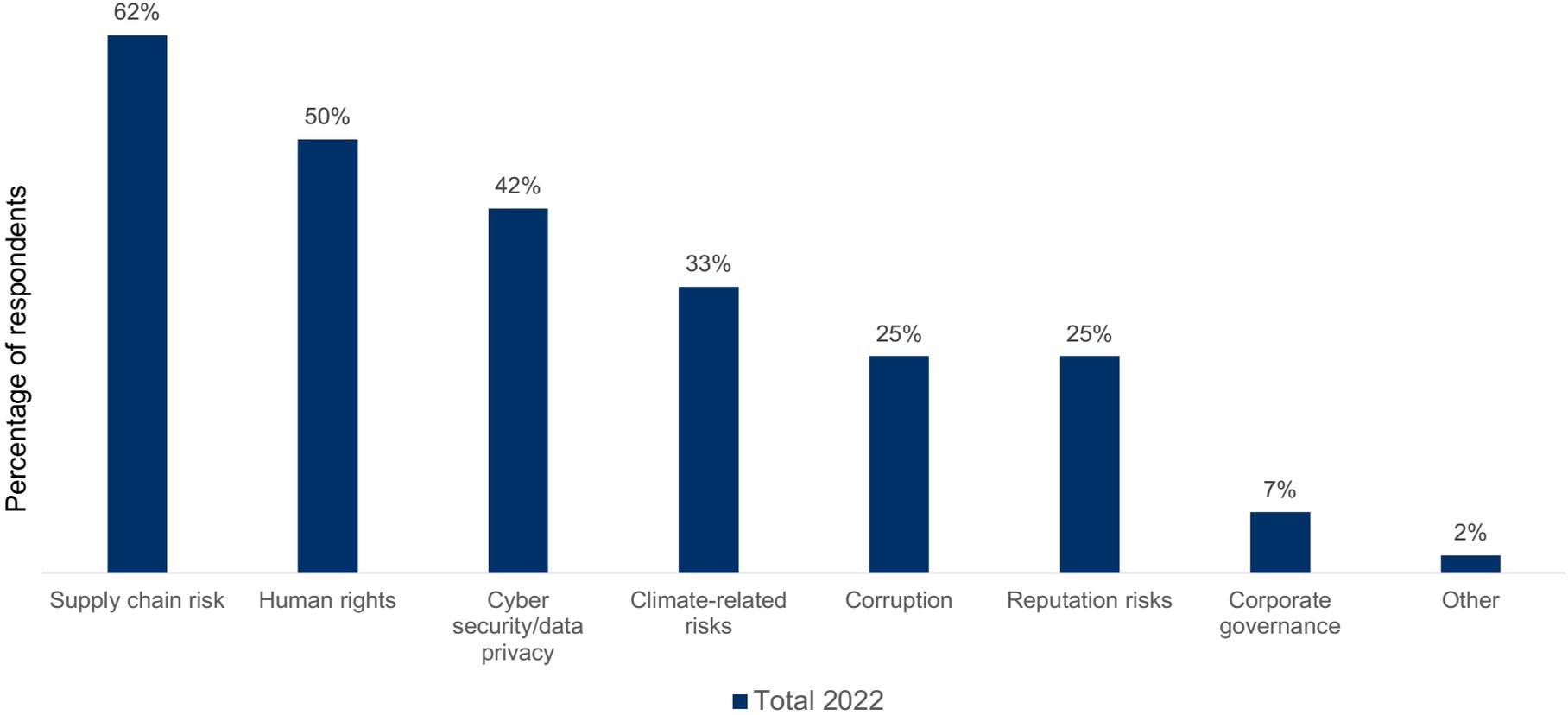
Has the importance you place on ESG considerations changed due to Russia's invasion of Ukraine?



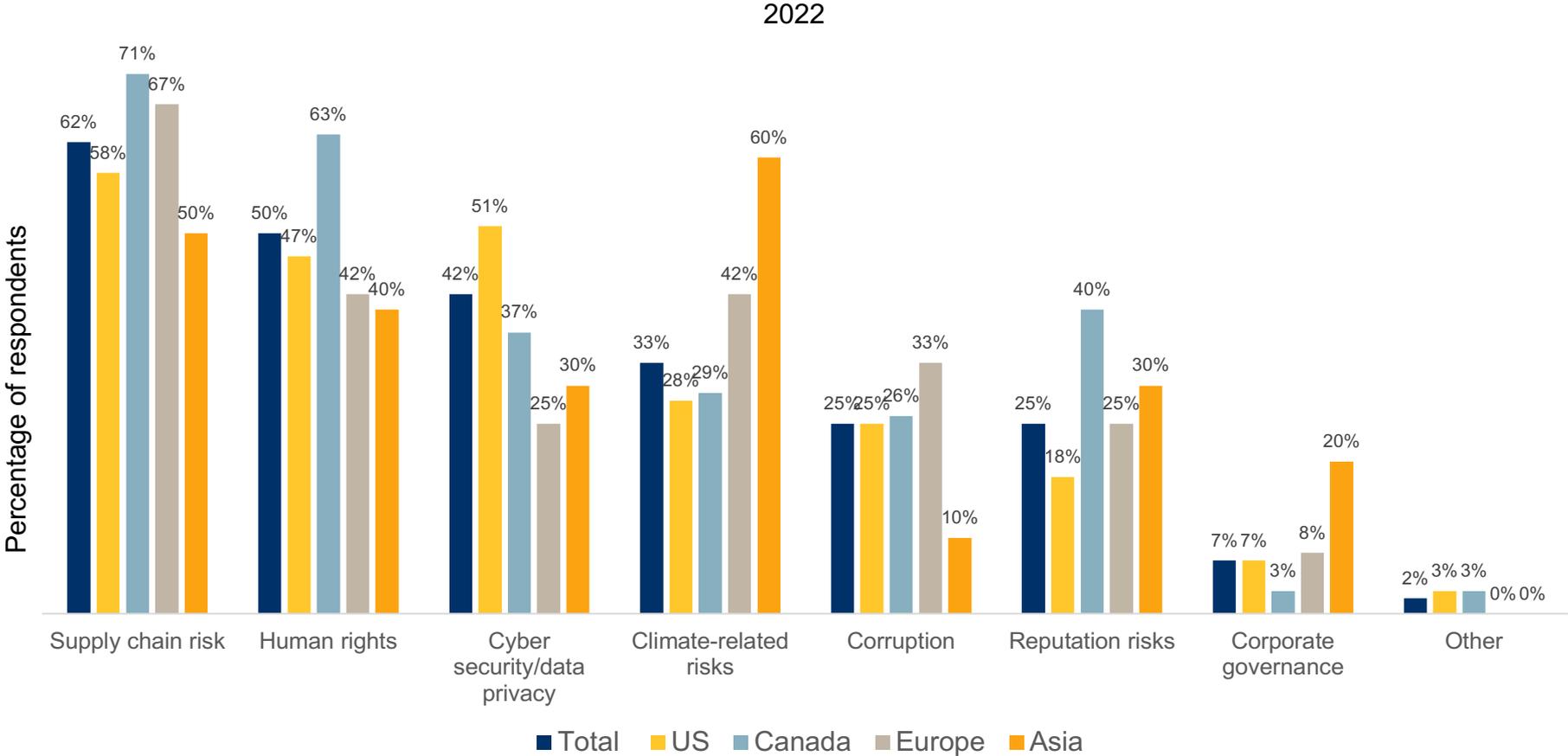
Use with caution, sample too low to be projectable



Which of the following ESG factor(s) have you been focusing on more closely as a result of Russia's invasion of Ukraine?



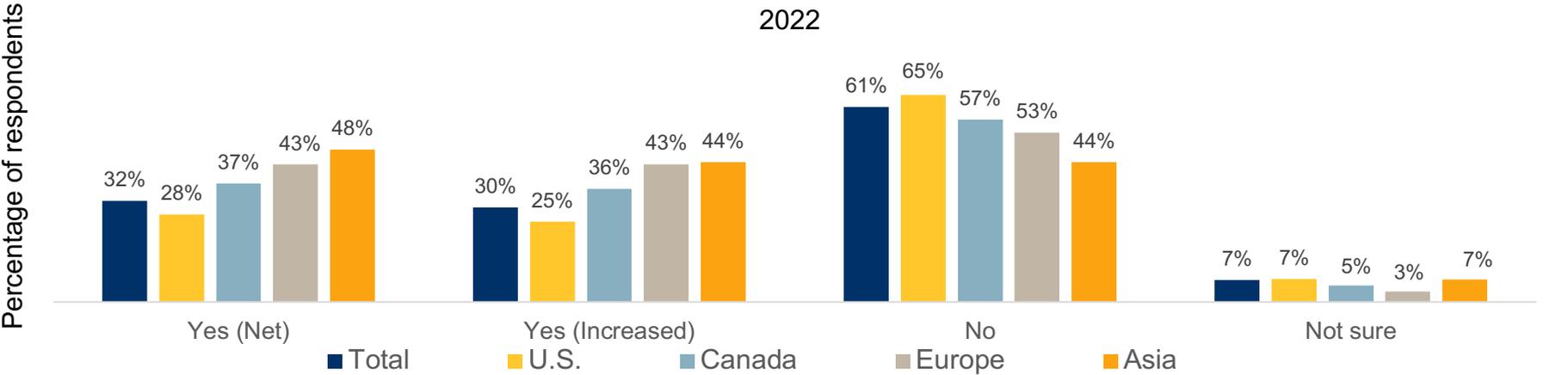
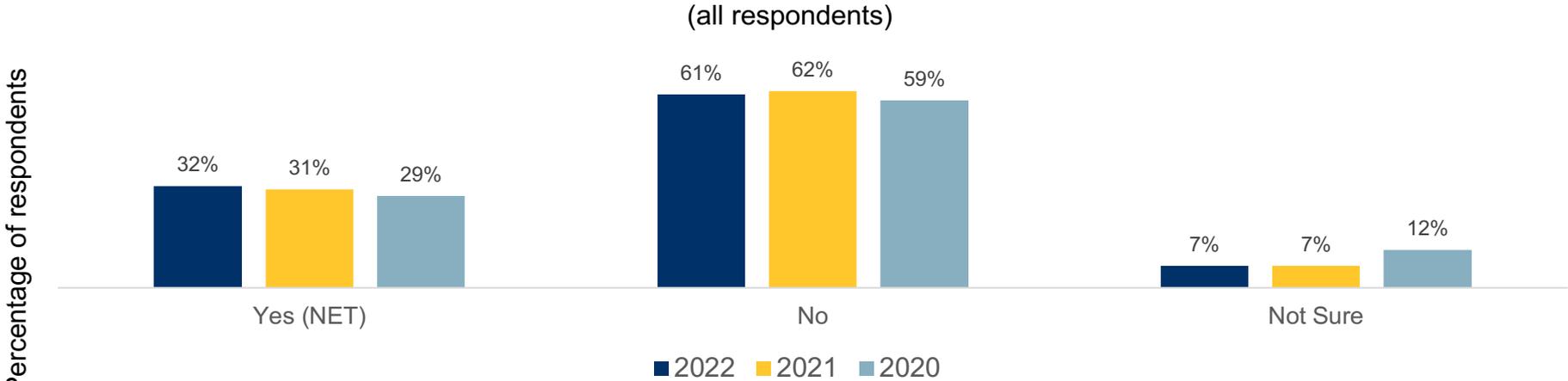
Which of the following ESG factor(s) have you been focusing on more closely as a result of Russia's invasion of Ukraine?



Use with caution, sample too low to be projectable



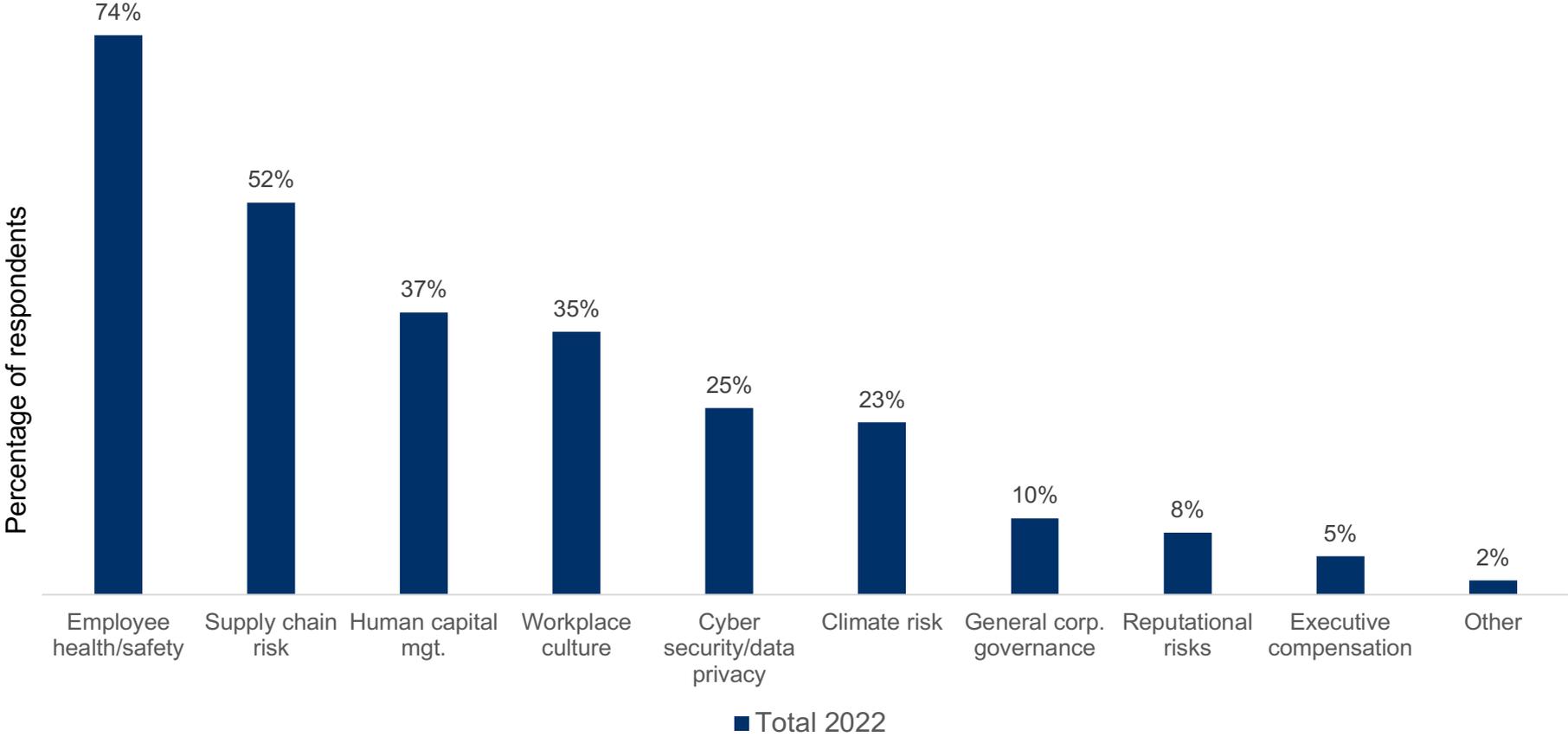
Has the importance you place on ESG considerations changed due to the COVID-19 pandemic?



Use with caution, sample too low to be projectable

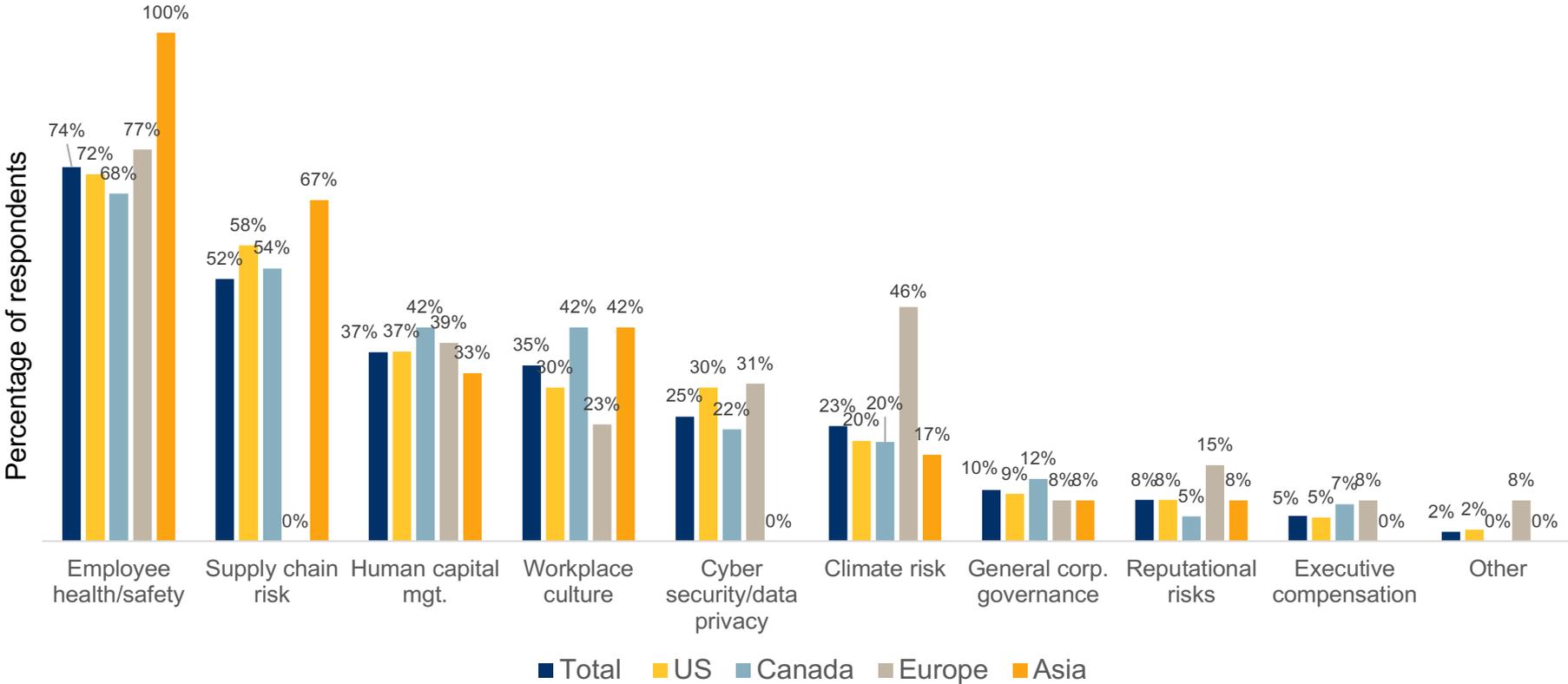


Which of the following ESG factors are you focusing on more closely as a result of the COVID-19 pandemic?

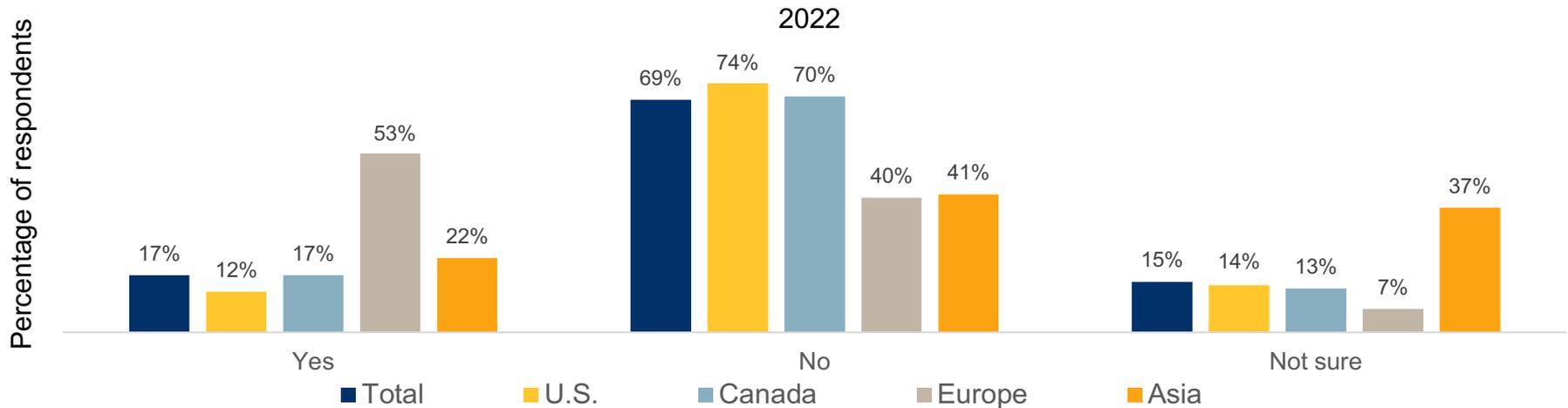
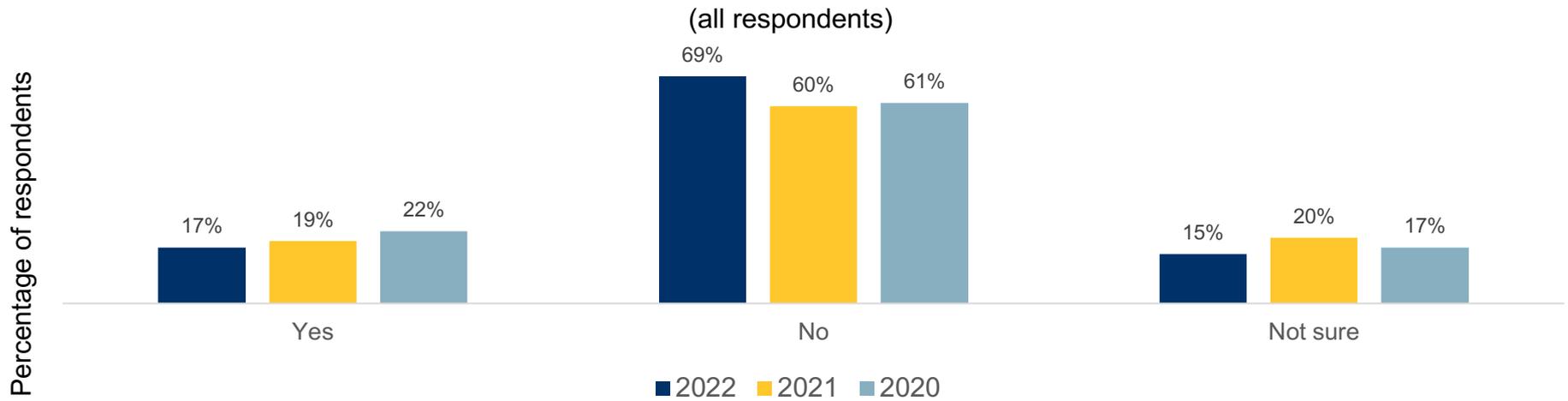


Which of the following ESG factors are you focusing on more closely as a result of the COVID-19 pandemic?

2022

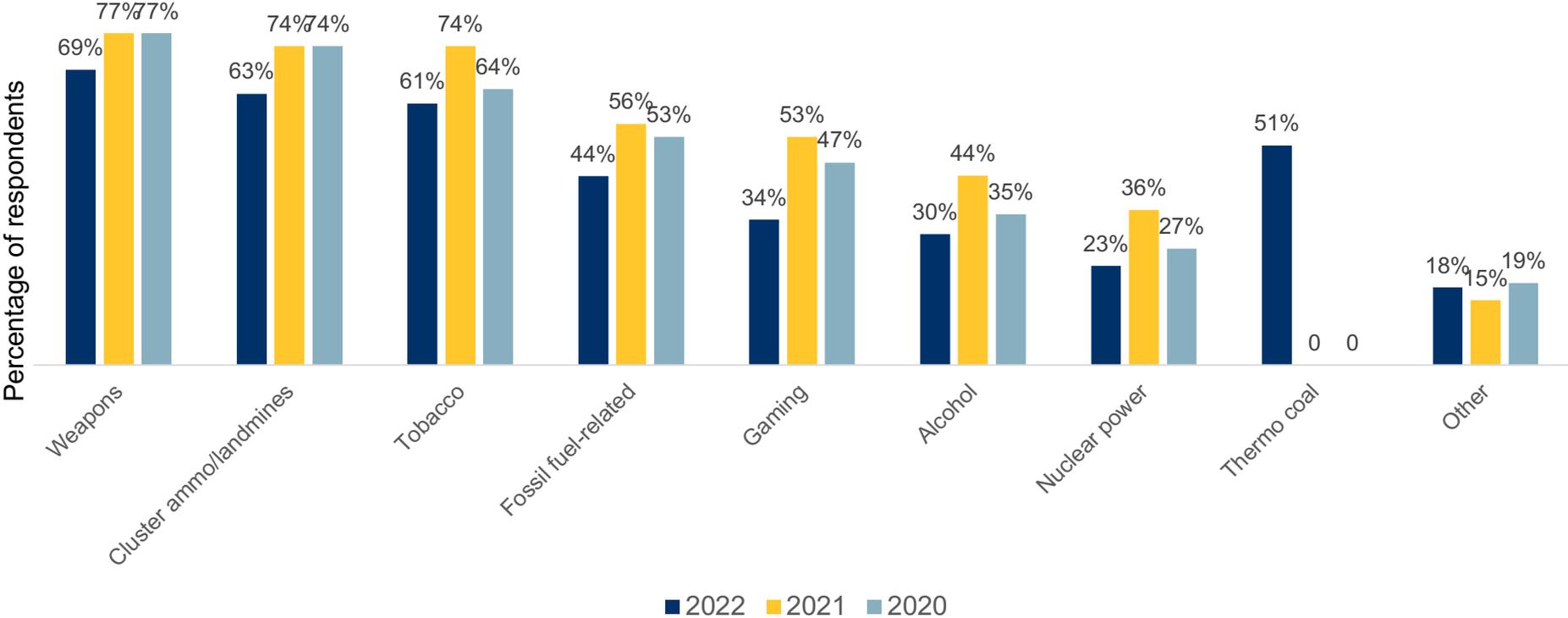


Do you require your asset managers to apply negative Socially Responsible Investment [SRI] screens to your portfolio?



Which negative SRI screens do you apply?

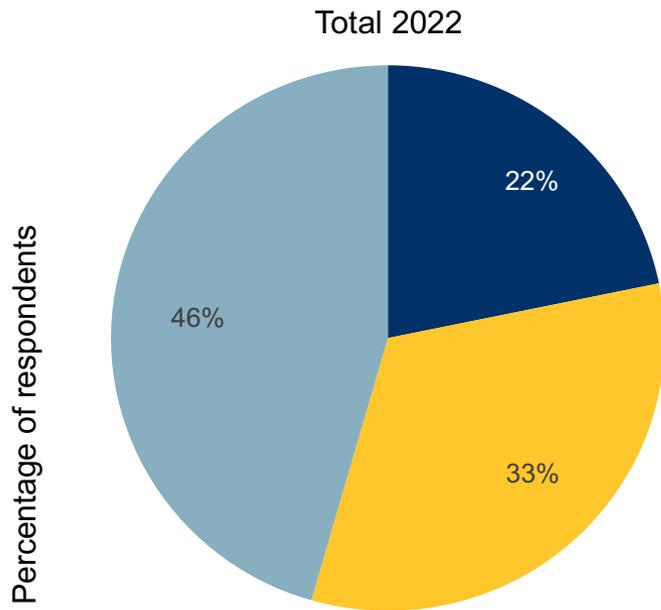
(all respondents)



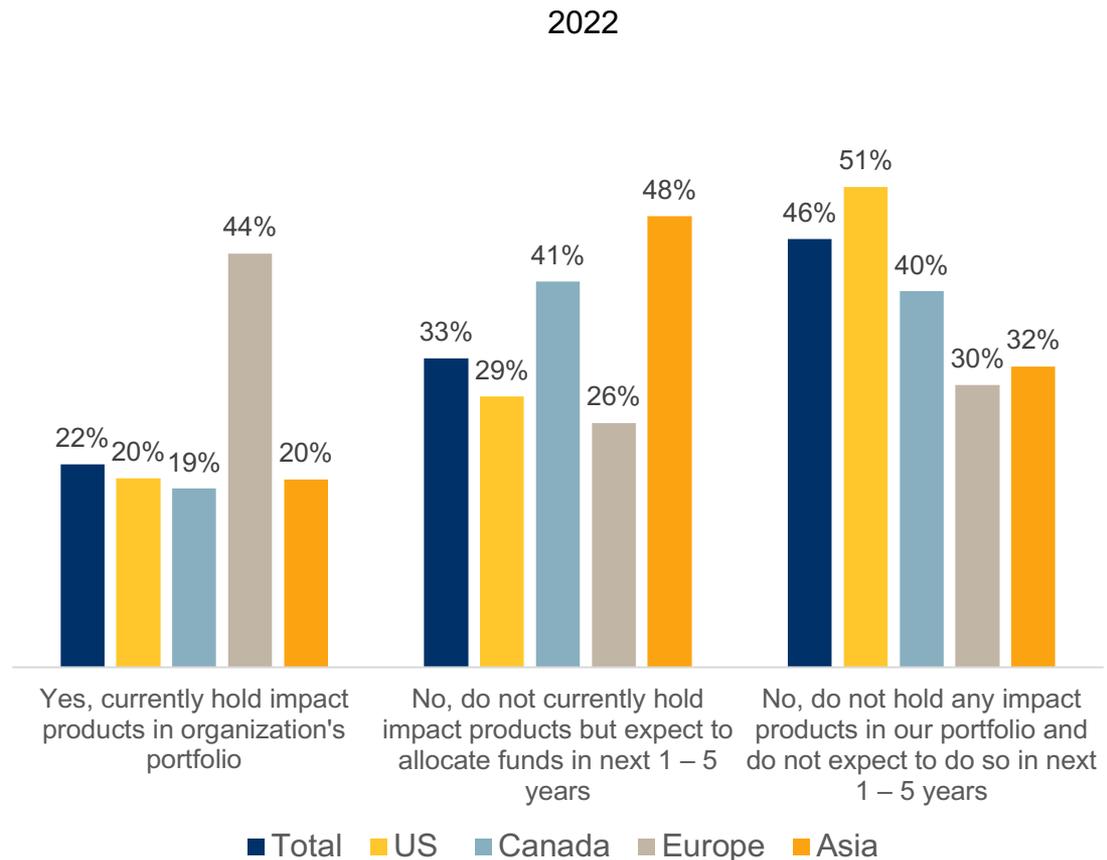
Thermo coal was not a selection in 2020 or 2021.



Do you currently hold or expect to allocate funds to impact investing (as opposed to ESG/SRI)?



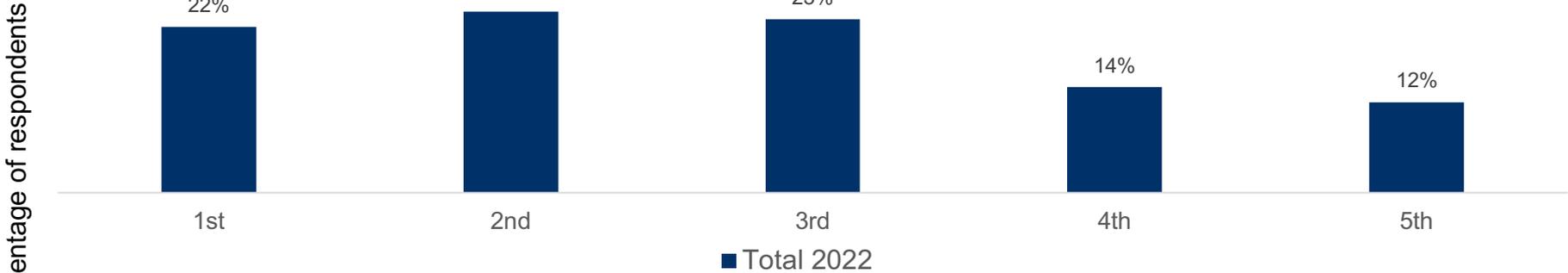
- Yes, currently hold impact products in organization's portfolio
- No, do not currently hold impact products but expect to allocate funds in next 1 – 5 years
- No, do not hold any impact products in our portfolio and do not expect to do so in next 1 – 5 years



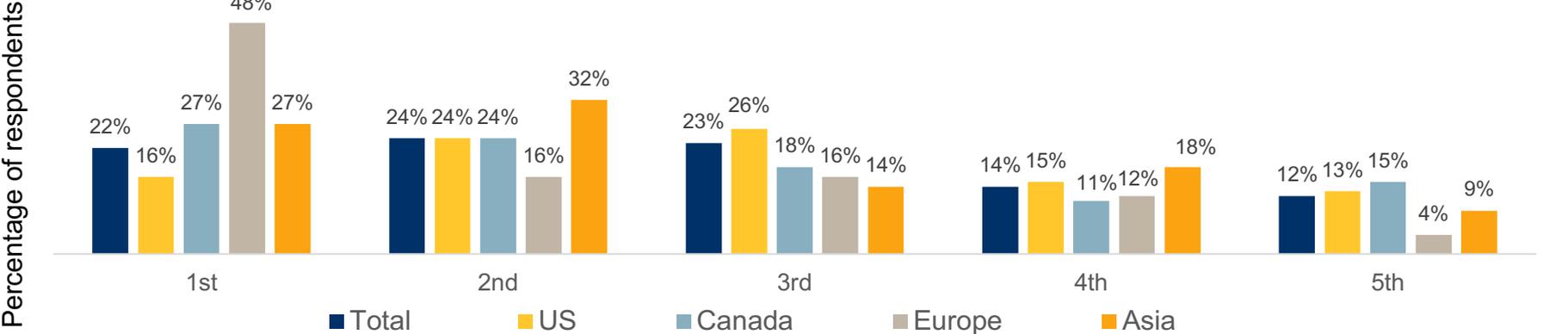
Use with caution, sample too low to be projectable

Please rank each of the following in order of their importance to you for impact investing solutions

Transparent impact measurement



2022

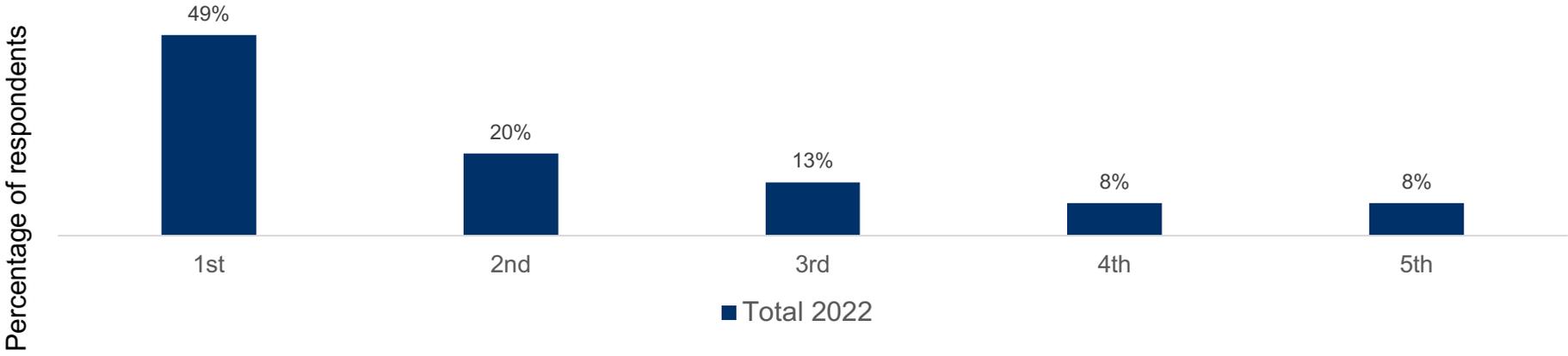


Use with caution, sample too low to be projectable

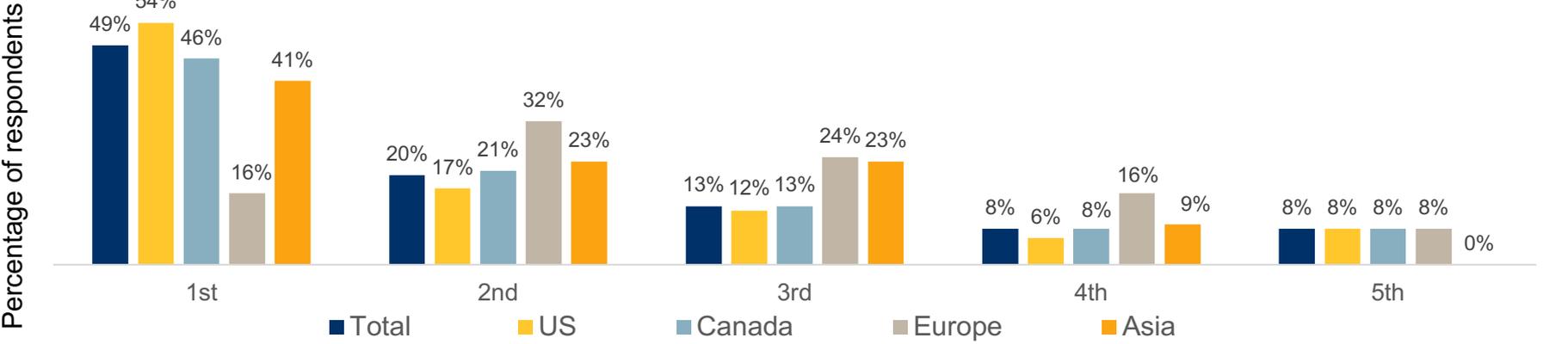


Please rank each of the following in order of their importance to you for impact investing solutions

Market rate returns



2022

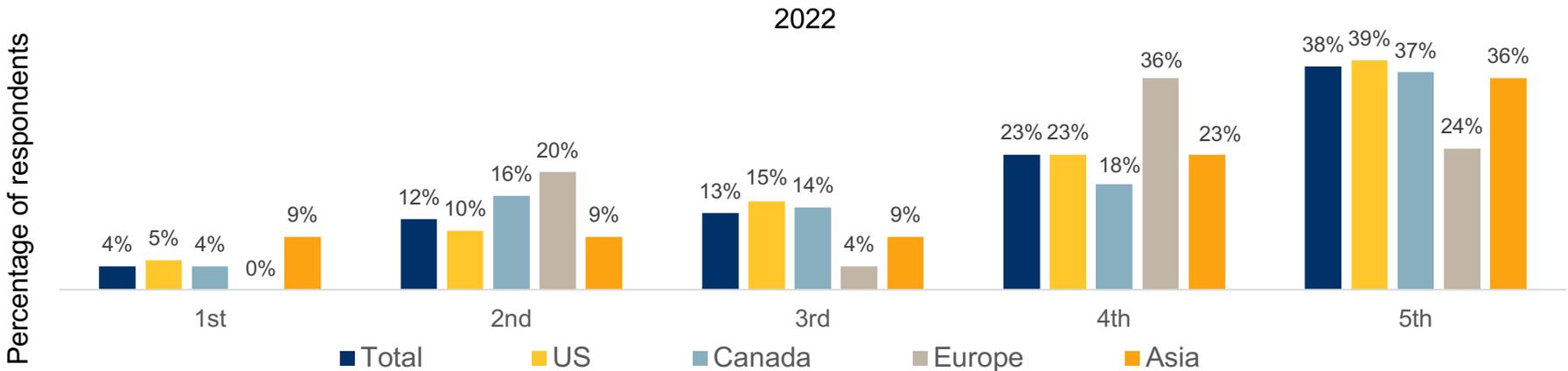
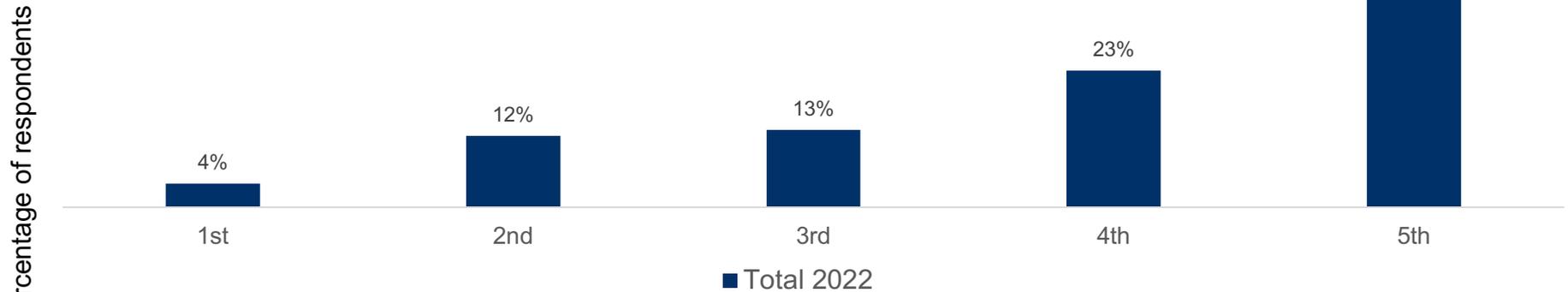


Use with caution, sample too low to be projectable



Please rank each of the following in order of their importance to you for impact investing solutions

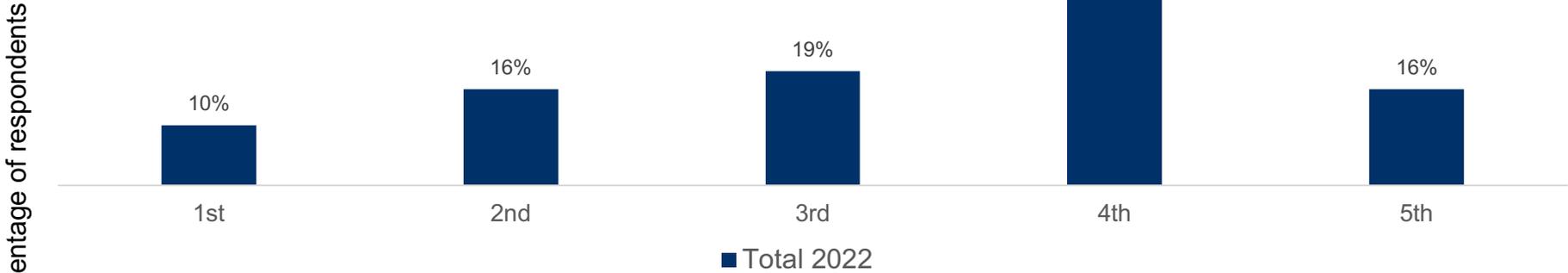
Ability to target geographically



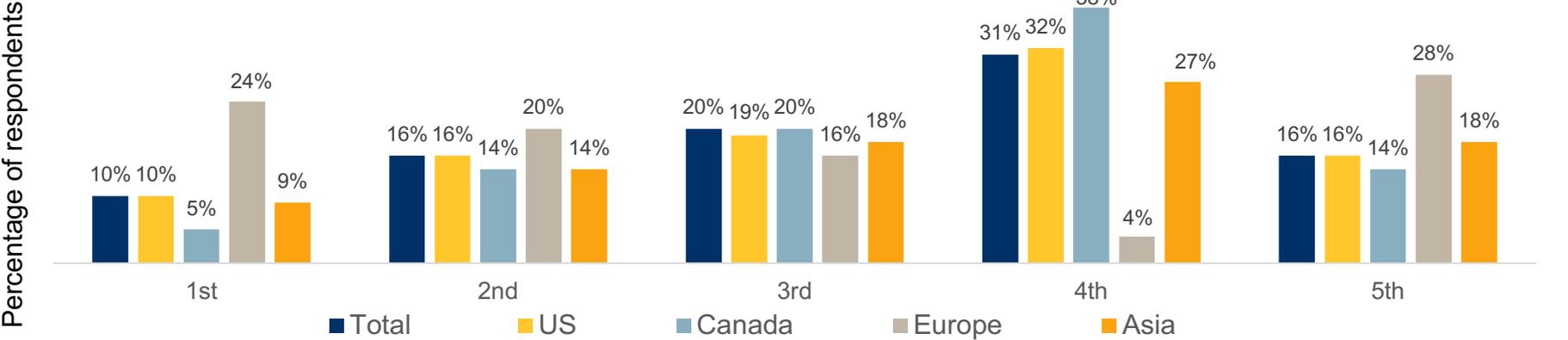
Use with caution, sample too low to be projectable

Please rank each of the following in order of their importance to you for impact investing solutions

Ability to target thematically



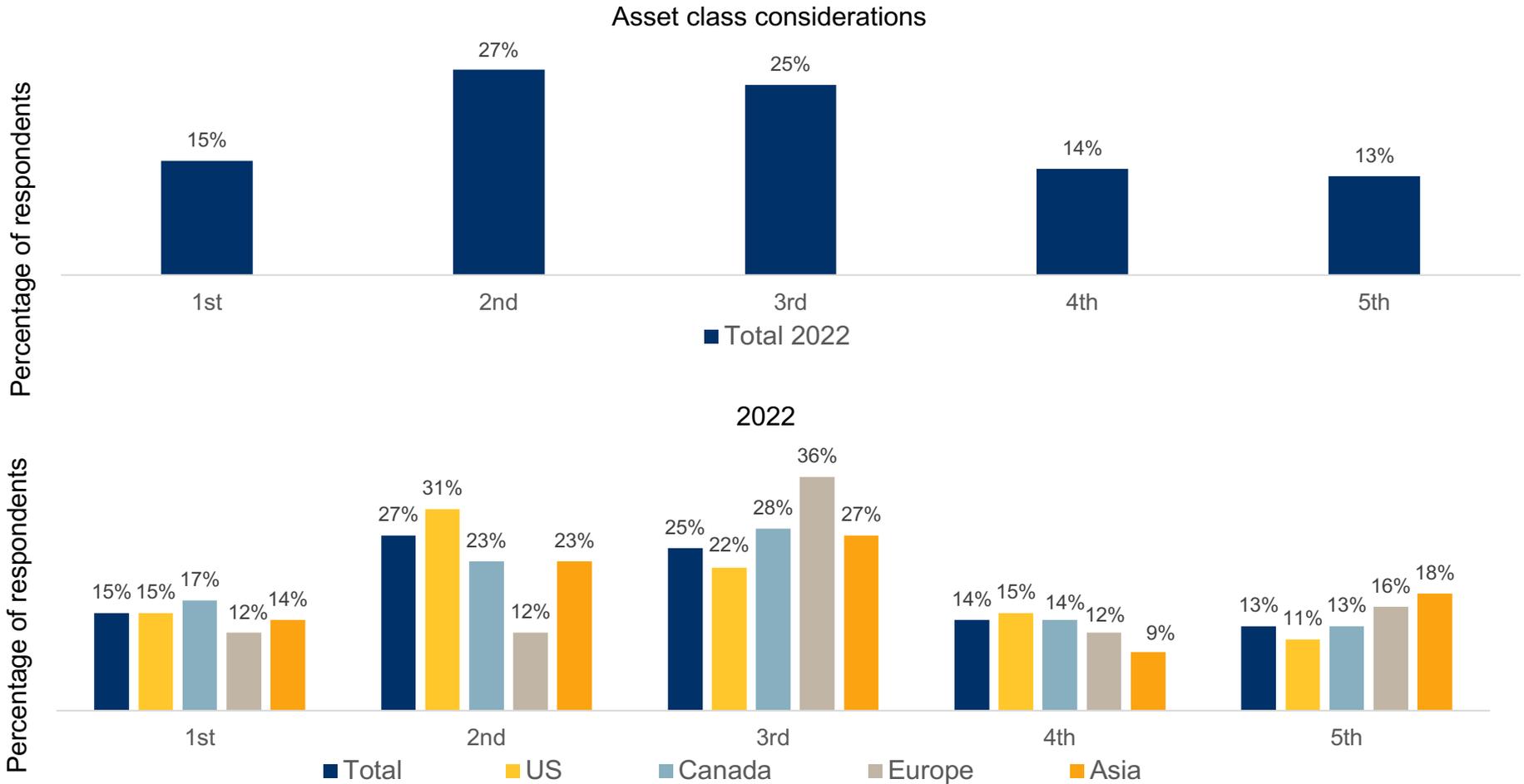
2022



Use with caution, sample too low to be projectable

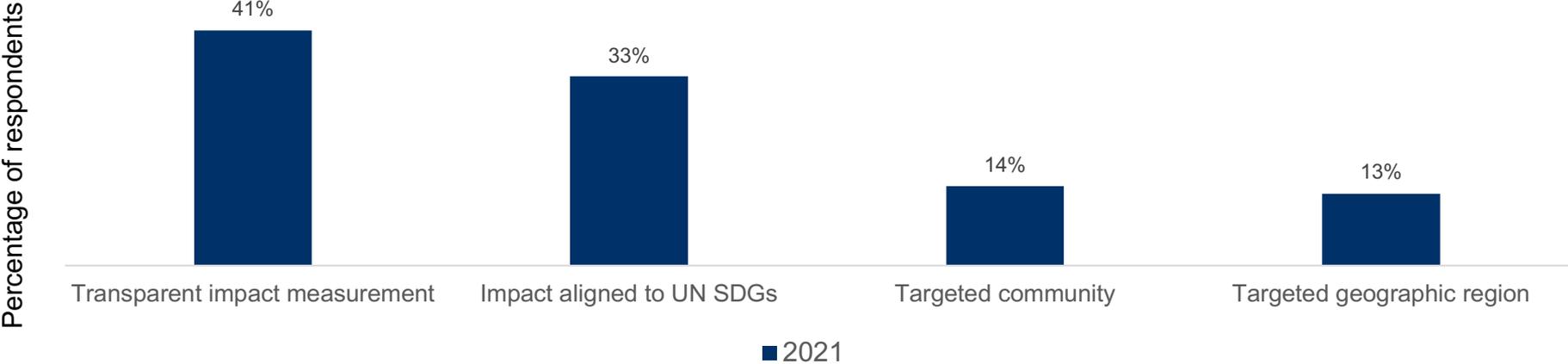
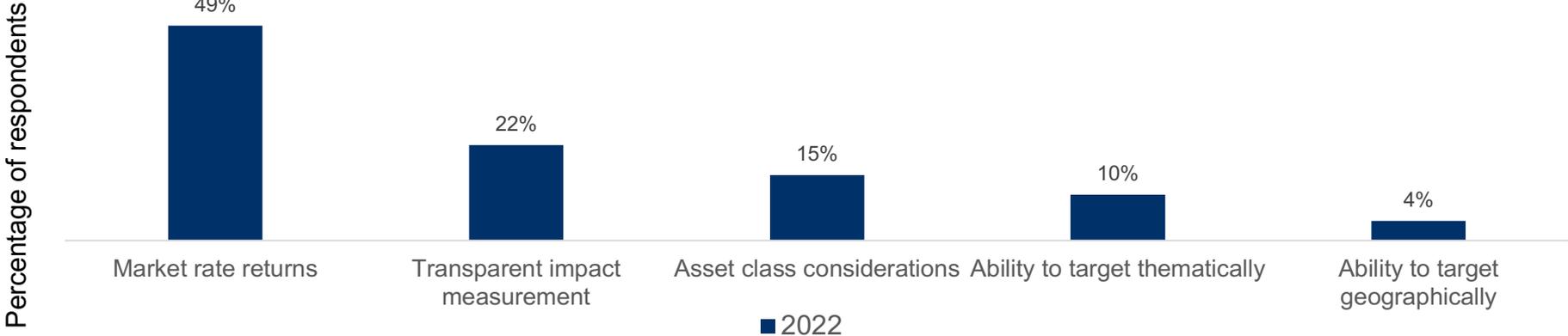


Please rank each of the following in order of their importance to you for impact investing solutions



Use with caution, sample too low to be projectable

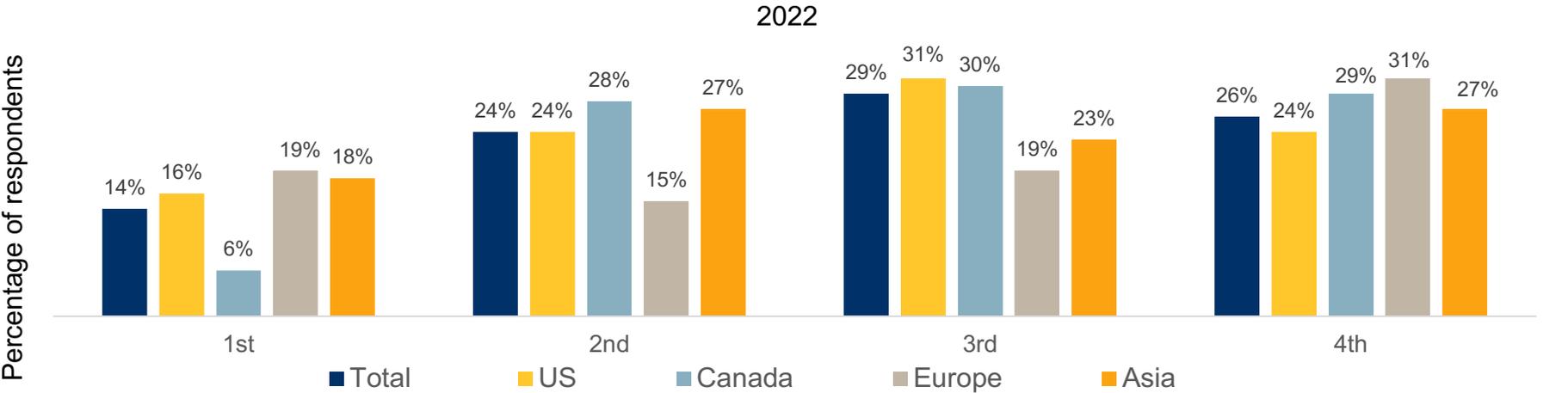
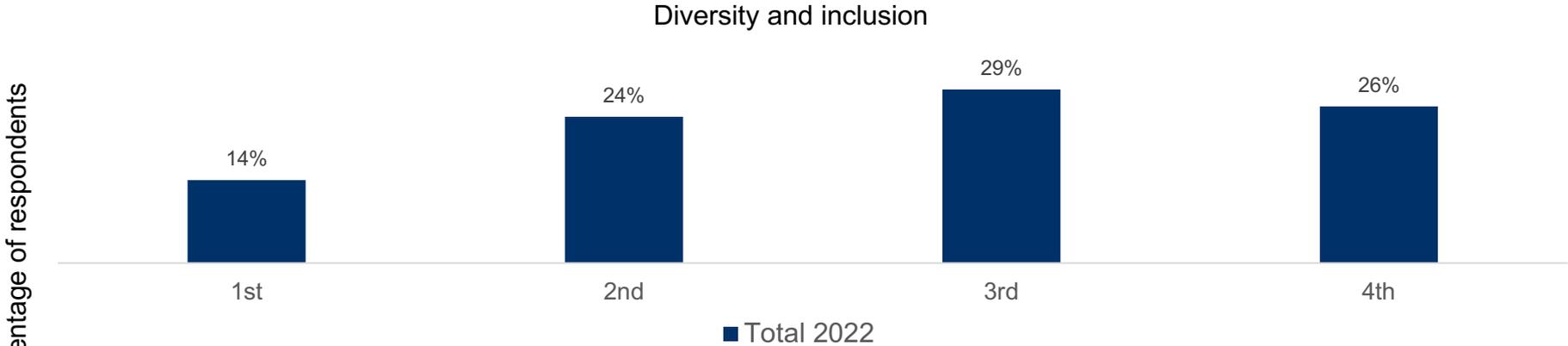
Please rank each of the following in order of their importance to you for impact investing solutions - ranked first



Use with caution, sample too low to be projectable



Please rank each of the following in order of their importance to you for impact themes

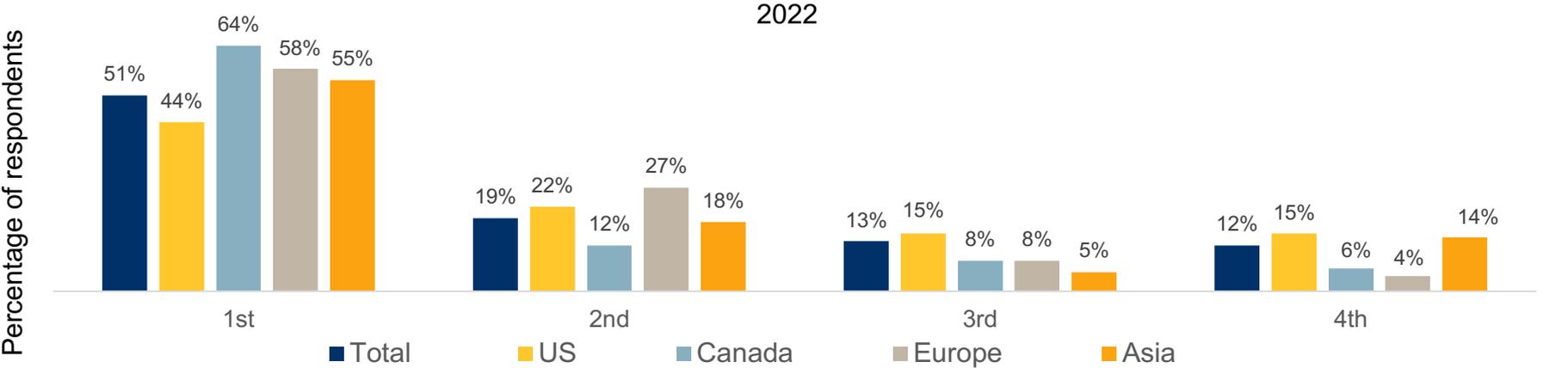
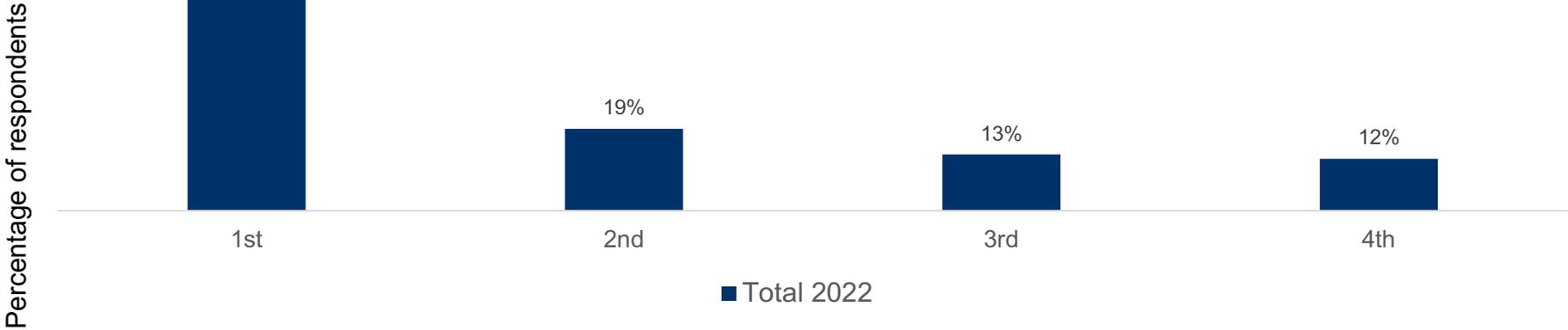


Use with caution, sample too low to be projectable



Please rank each of the following in order of their importance to you for impact themes

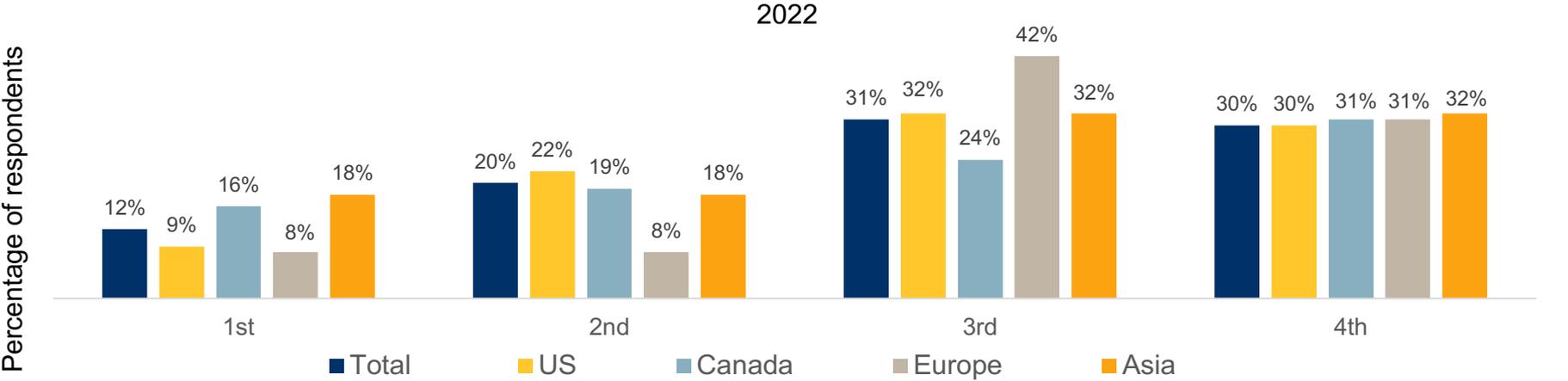
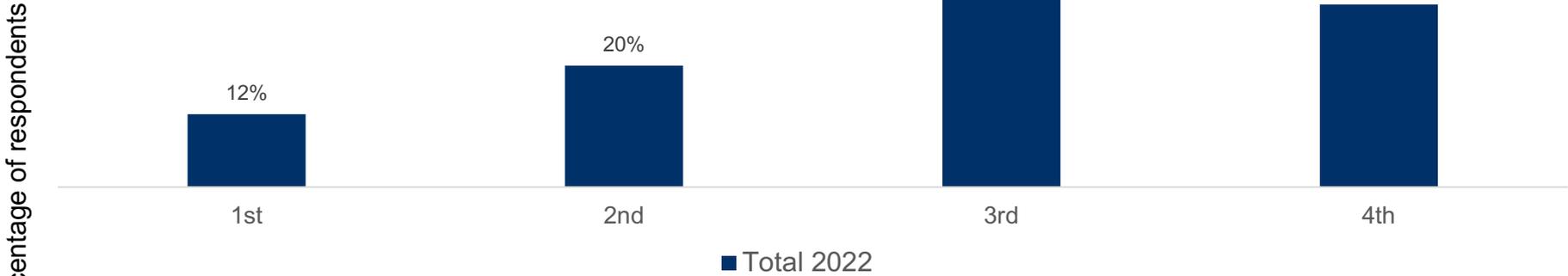
Environmental sustainability / climate change solutions



Use with caution, sample too low to be projectable

Please rank each of the following in order of their importance to you for impact themes

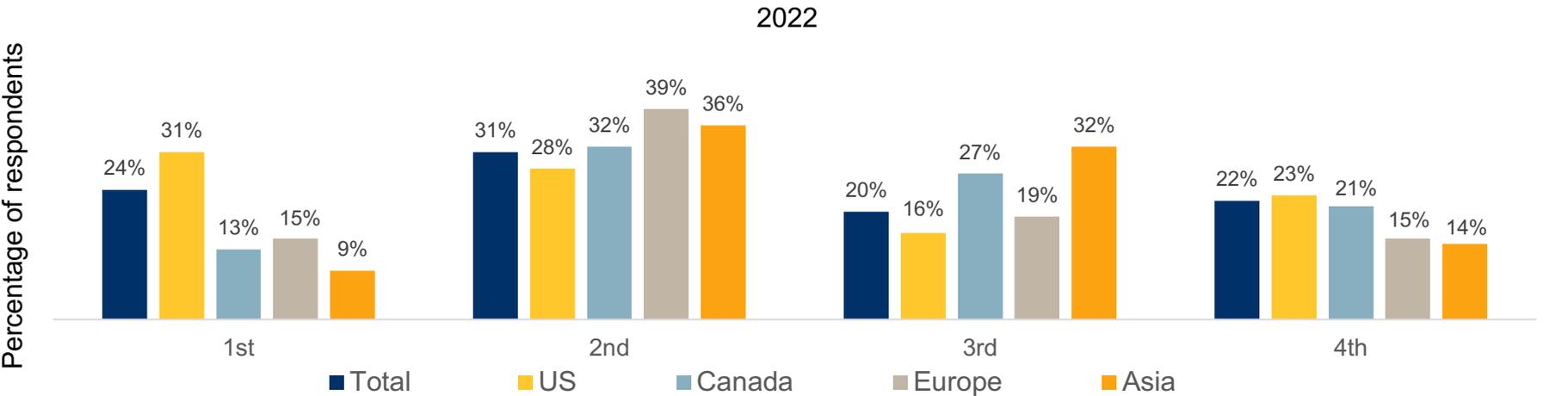
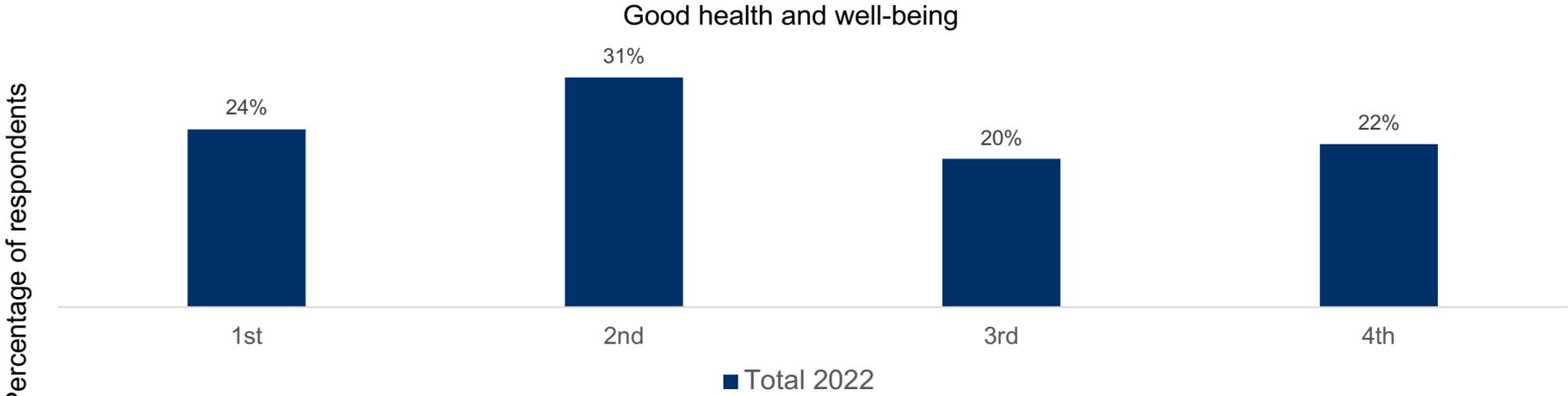
Addressing wealth inequality



Use with caution, sample too low to be projectable



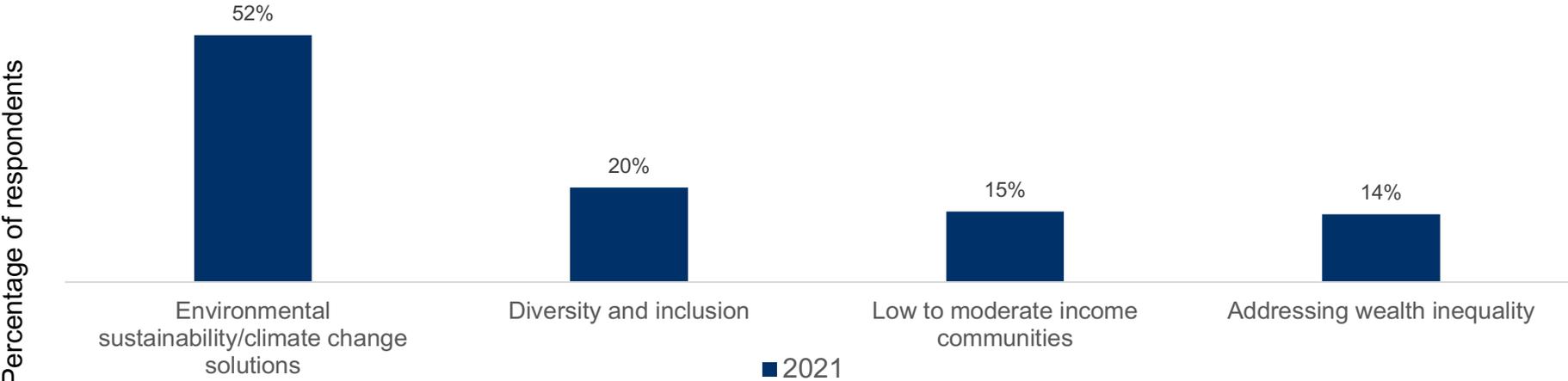
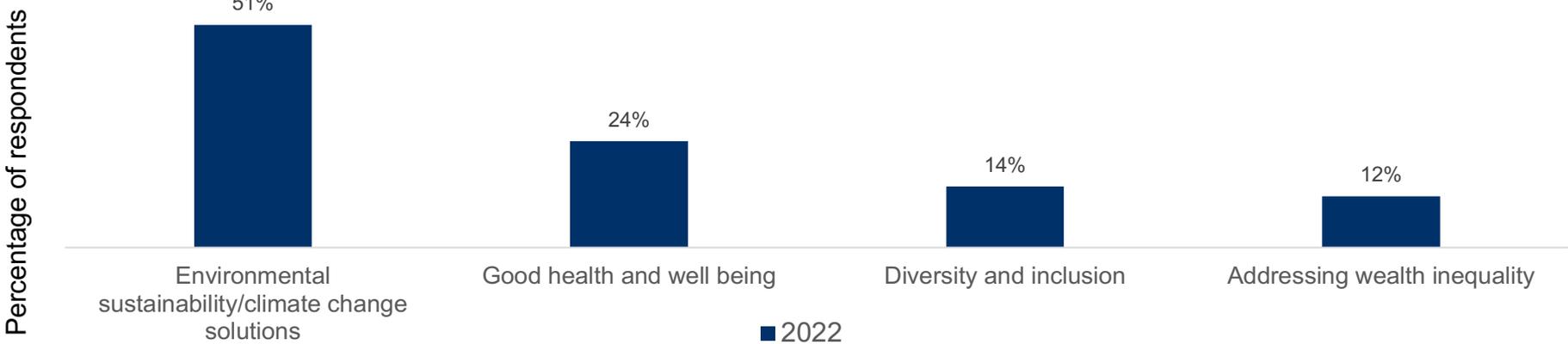
Please rank each of the following in order of their importance to you for impact themes



Use with caution, sample too low to be projectable



Please rank each of the following in order of their importance to you for impact investing themes - ranked first

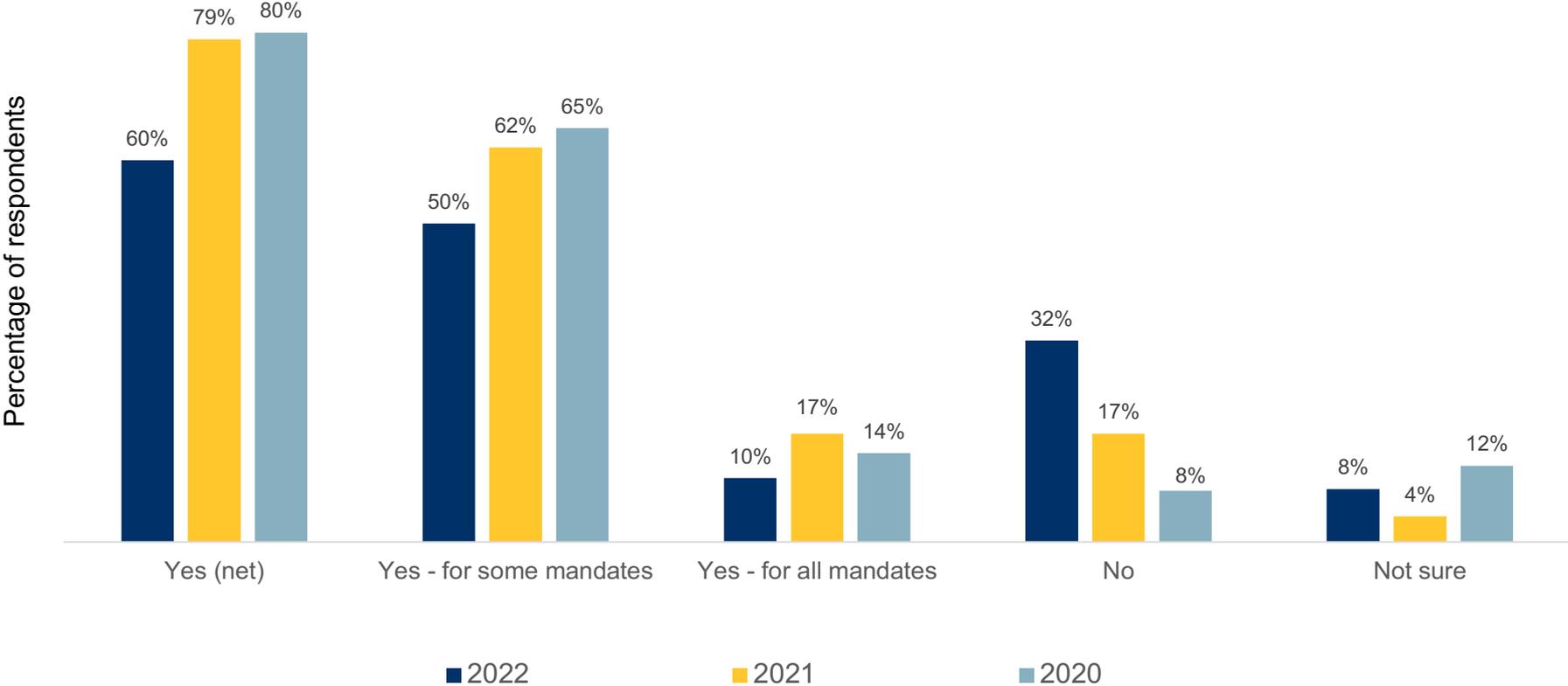


Use with caution, sample too low to be projectable



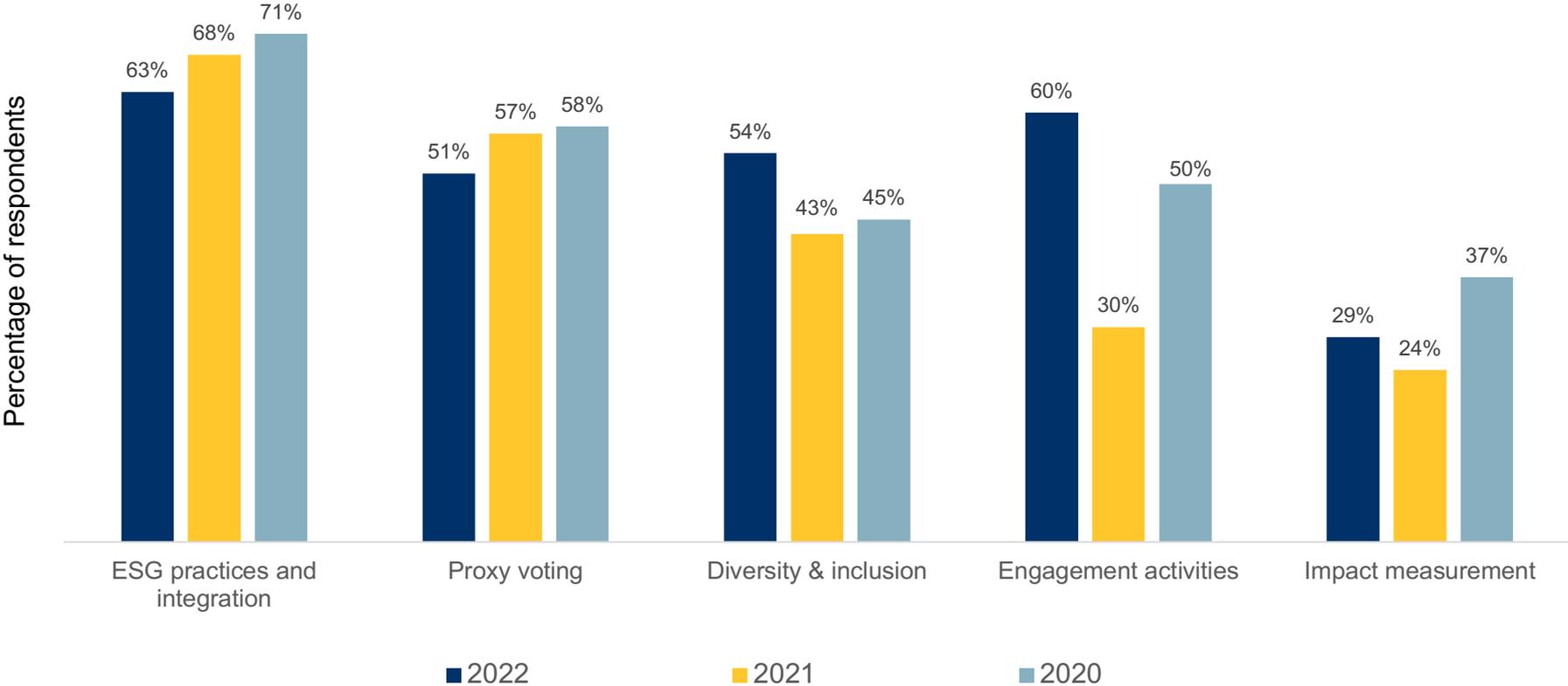
Do you employ managers who incorporate ESG factors into their portfolio management process?

(all respondents)



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

(all respondents)



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 GAM. Responses from all three sources were combined.
- The survey was broadcast by Signet Research via email invitation on May 25, 2022, asking them to click on a URL and participate in a survey. Several reminder emails were sent out to non-respondents through July 21, 2022.
- 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 +/- 3.7%.
- This year, there were 33 respondents from Asia. For questions that garnered under 30 responses, the sample size may not be statistically significant.

Disclosure

This document is provided by RBC Global Asset Management (RBC GAM) for informational purposes only and may not be reproduced, distributed or published without the written consent of RBC GAM or its affiliated entities listed herein. This document does not constitute an offer or a solicitation to buy or to sell any security, product or service in any jurisdiction; nor is it **intended to provide investment, financial, legal, accounting, tax, or other advice and such information should not be relied or acted upon** for providing such advice. This document is not available for distribution to investors in jurisdictions where such distribution would be prohibited.

RBC GAM is the asset management division of Royal Bank of Canada (RBC) which includes RBC Global Asset Management Inc., RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited, RBC Global Asset Management (Asia) Limited, and BlueBay Asset Management LLP, which are separate, but affiliated subsidiaries of RBC.

In Canada, this document is provided by RBC Global Asset Management Inc. (including PH&N Institutional) which is regulated by each provincial and territorial securities commission with which it is registered. In the United States, this document is provided by RBC Global Asset Management (U.S.) Inc., a federally registered investment adviser. In Europe this document is provided by RBC Global Asset Management (UK) Limited, which is authorised and regulated by the UK Financial Conduct Authority. In Asia, this document is provided by RBC Global Asset Management (Asia) Limited, which is registered with the Securities and Futures Commission (SFC) in Hong Kong.

Additional information about RBC GAM may be found at www.rbcgam.com.

This document has not been reviewed by, and is not registered with any securities or other regulatory authority, and may, where appropriate and permissible, be distributed by the above-listed entities in their respective jurisdictions.

Any investment and economic outlook information contained in this document has been compiled by RBC GAM from various sources. Information obtained from third parties is believed to be reliable, but no representation or warranty, express or implied, is made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. RBC GAM and its affiliates assume no responsibility for any errors or omissions in such information.

Opinions contained herein reflect the judgment and thought leadership of RBC GAM and are subject to change at any time. Such opinions are for informational purposes only and are not intended to be investment or financial advice and should not be relied or acted upon for providing such advice. RBC GAM does not undertake any obligation or responsibility to update such opinions.

RBC GAM reserves the right at any time and without notice to change, amend or cease publication of this information.

Past performance is not indicative of future results. With all investments there is a risk of loss of all or a portion of the amount invested. Where return estimates are shown, these are provided for illustrative purposes only and should not be construed as a prediction of returns; actual returns may be higher or lower than those shown and may vary substantially, especially over shorter time periods. It is not possible to invest directly in an index.

Some of the statements contained in this document may be considered forward-looking statements which provide current expectations or forecasts of future results or events. Forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Do not place undue reliance on these statements because actual results or events may differ materially from those described in such forward-looking statements as a result of various factors. Before making any investment decisions, we encourage you to consider all relevant factors carefully.

® / TM Trademark(s) of Royal Bank of Canada. Used under licence.

© RBC Global Asset Management Inc., 2022

In Canada: institutions@phn.com **In the US:** gamusmarketing@rbc.com **Internationally:** gamukmarketing@rbc.com

Visit our website: <https://institutional.rbcgam.com/responsible-investment/our-approach>