

INVESTOR ADVOCACY HIGHLIGHTS

Sustainable, responsible and impact investing (SRI) in the United States continues to expand at a healthy pace. Total US-domiciled assets under management (AUM) using SRI strategies grew from \$8.7 trillion at the start of 2016 to \$12.0 trillion at the start of 2018, a 38 percent increase. This represents 26 percent—or 1 in 4 dollars—of the total US assets under professional management.

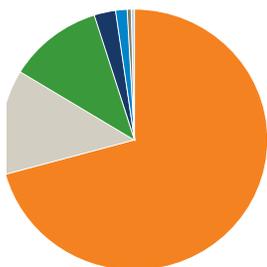
BREAKDOWN OF US SRI ASSETS

- Institutional investors, money managers and community investing financial institutions consider ESG issues in their investment research, analysis and decision making across portfolios totaling \$11.6 trillion. This is a 44 percent increase from the \$8.1 trillion reported in 2016.
- In addition, institutional investors and money managers that file or co-file shareholder resolutions on ESG issues represent \$1.8 trillion.
- After eliminating double counting for assets involved in both strategies, the net total of SRI assets under management at the beginning of 2018 was \$12.0 trillion.

TYPES OF INVESTORS FILING PROPOSALS 2016-2018

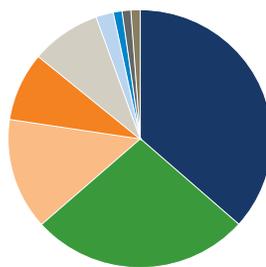


ESG Shareholder Proponents 2016-2018, by Assets



SOURCE: US SIF Foundation.

ESG Shareholder Proponents 2016-2018, by Number



SOURCE: US SIF Foundation.

INVESTOR ADVOCACY FINDINGS

Filing shareholder resolutions on environmental, social or governance (ESG) issues at publicly traded US companies is one of the most visible and verifiable ways in which investors can practice responsible ownership, whether or not they also use ESG criteria to select these companies for their portfolios.

The 2018 Trends Report found 165 institutional investors and 54 investment managers, collectively controlling \$1.76 trillion in assets under management, that filed or co-filed shareholder resolutions on ESG issues between 2016 and the first half of 2018.

“Proxy access” was the leading issue raised in shareholder proposals based on the number of proposals filed. Investors filed 353 proposals during this period to facilitate shareholders’ ability to nominate directors to corporate boards. The share of S&P 500 companies with proxy access policies grew from 1 percent in 2013 to 65 percent in 2017.

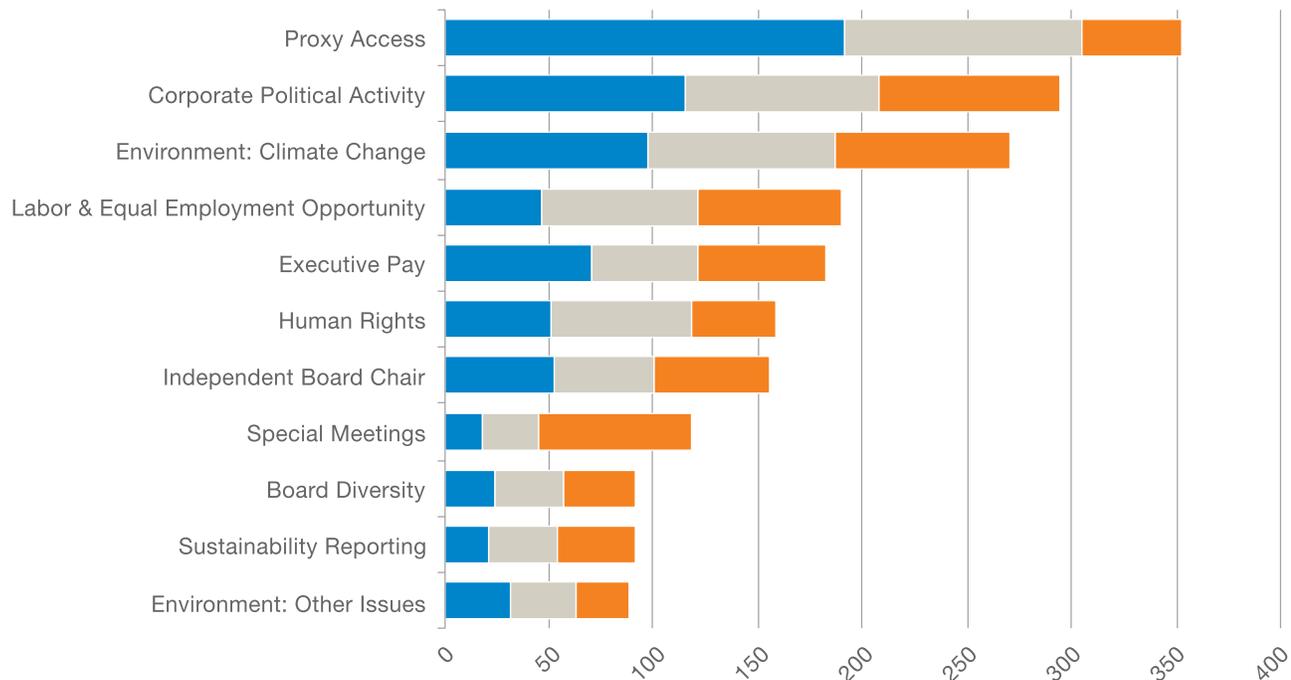
Disclosure and management of corporate political spending and lobbying was another top concern. Shareholders led 295 proposals on this subject from 2016 through 2018. Many of the targets are companies that have supported trade organizations that oppose regulations to curb greenhouse gas emissions.

A surge in shareholder proposals on **climate risk**, which began in 2014, has continued, with 271 proposals filed from 2016 through 2018.

In addition to or apart from filing shareholder resolutions, 88 investment managers, with \$9.1 trillion in assets, report that they communicate with portfolio companies on ESG issues.

LEADING ESG ISSUES 2016-2018, BY NUMBER OF SHAREHOLDER PROPOSALS FILED

■ 2016 ■ 2017 ■ 2018



SOURCE: ISS, Sustainable Investments Institute.

NOTE: Data for 2018 show numbers of proposals filed for 2018 meetings through July 15, and all vote results known as of July 15.

About the 2018 Trends Report

The US SIF Foundation's biennial *Trends Report* provides extensive data on the assets using one or more sustainable investment strategies and examines a broad range of significant ESG issues such as climate change, human rights, weapons avoidance and corporate governance.

This report is the only report of its kind in the United States and is extensively used by other institutions and organizations. To obtain a copy, visit www.ussif.org/trends.

About US SIF

US SIF: The Forum for Sustainable and Responsible Investment is the leading voice advancing sustainable, responsible and impact investing across all asset classes. Its mission is to rapidly shift investment practices towards sustainability focusing on long-term investment and the generation of positive social and environmental impacts.

The US SIF Foundation undertakes educational, research and programmatic activities to advance the mission of US SIF.

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