

2020 Report on US Sustainable and Impact Investing Trends

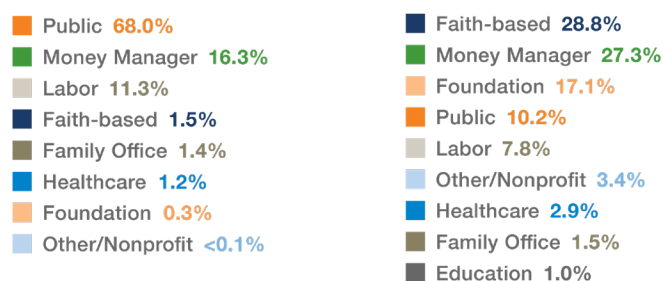
INVESTOR ADVOCACY HIGHLIGHTS

Sustainable investing in the United States continues to expand at a robust pace. Total US-domiciled assets under management (AUM) using environmental, social and governance (ESG) strategies grew from \$12.0 trillion at the start of 2018 to \$17.1 trillion at the start of 2020, a 42 percent increase. This represents 33 percent – or 1 in 3 dollars – of the total US assets under professional management.

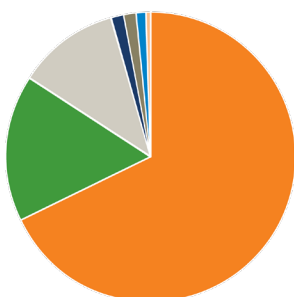
BREAKDOWN OF US SUSTAINABLE INVESTING ASSETS

- Institutional investors, money managers and community investing financial institutions consider ESG issues in their investment research, analysis and decision making across portfolios totaling \$16.6 trillion. This is a 42 percent increase from the \$11.6 trillion reported in 2018.
- Institutional investors and money managers that file or co-file shareholder resolutions on ESG issues represent \$1.98 trillion.
- After eliminating double counting for assets involved in both strategies, the net total of sustainable investing assets under management at the beginning of 2020 was \$17.1 trillion.

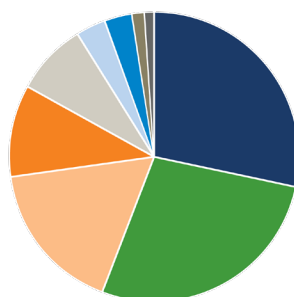
TYPES OF INVESTORS FILING PROPOSALS 2018-2020



ESG Shareholder Proponents 2018–2020, by Assets



ESG Shareholder Proponents 2018–2020, by Number



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.

From 2018 through the first half of 2020, 149 institutional investors and 56 investment managers, collectively controlling \$1.98 trillion in assets under management, led or co-led shareholder resolutions on ESG issues.

In addition to or apart from filing shareholder resolutions, 44 institutional asset owners with more than \$1 trillion in total assets and 77 money managers with \$7.8 trillion in total assets reported that they engage in dialogue with companies on ESG issues.

Corporate Political Activity, including disclosure and management of political spending and lobbying, was the leading issue raised in shareholder proposals based on the number of proposals filed. Shareholders filed 270 proposals on this subject from 2018 through mid-2020.

Labor and Equal Employment Opportunity (EEO) was another prominent issue for shareholder engagement as investors focused attention on ending de facto workplace discrimination on the basis of ethnicity and sex. From 2018 through mid-2020, investors filed a total of 228 proposals on these and related fair labor issues.

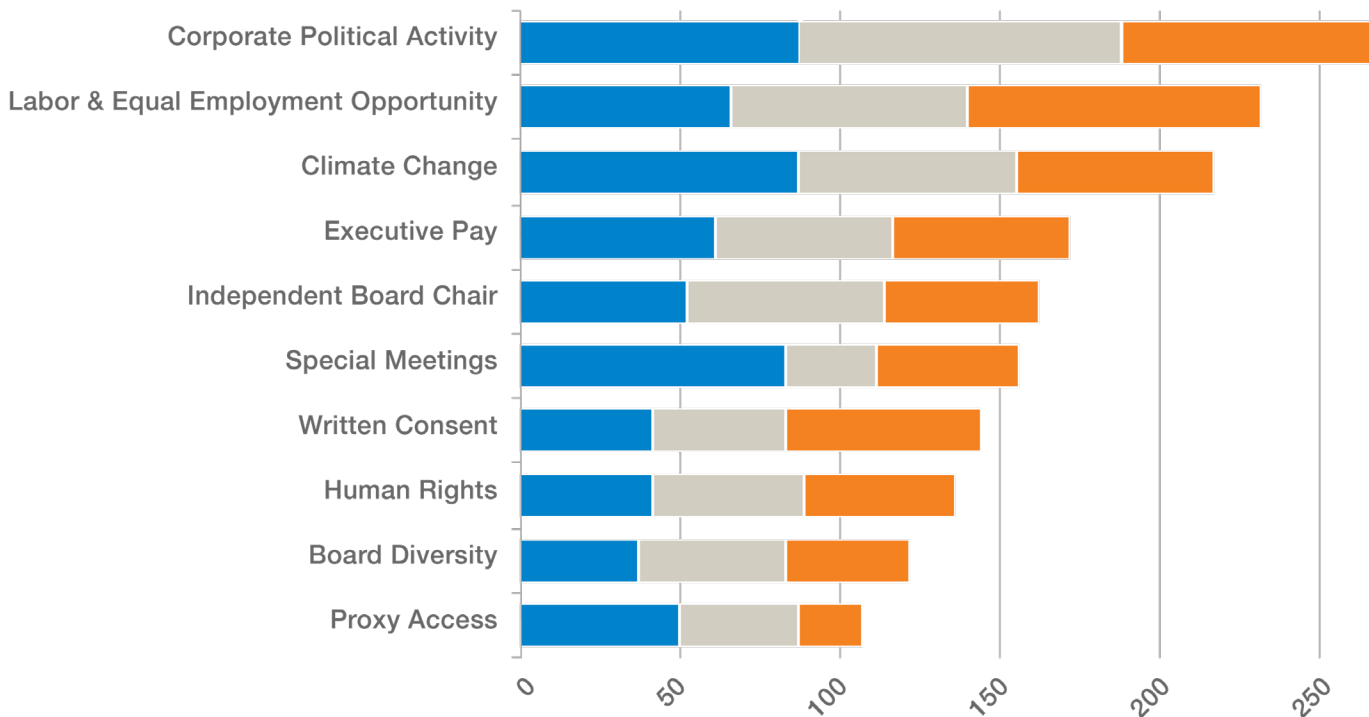
Climate change was the third most prominent issue based on the number of resolutions filed. Investors continue to wrestle with whether US corporations are doing enough to assess their climate risk and to meet the challenges laid down by the Paris Climate Accord. Two-hundred seventeen proposals were filed from 2018 through mid-2020.

The proportion of shareholder proposals on ESG issues that receive high levels of support has been trending upward.

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LEADING ESG ISSUES 2018-2020, BY NUMBER OF SHAREHOLDER PROPOSALS FILED

■ 2018 ■ 2019 ■ 2020



SOURCE: US SIF Foundation, ISS ESG, Sustainable Investments Institute.

About the 2020 Trends Report

The US SIF Foundation's biennial Trends Report provides extensive data on the numbers of institutional asset owners, money management firms and investment vehicles using sustainable investment strategies. It also distills the range of significant environmental, social and governance (ESG) issues that investors consider.

The report is the only report of its kind in the United States. It 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 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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