

# Sustainable Investing

## Shaping a better future

Building a better tomorrow starts today! The current health and economic crisis has proven that the pursuit of profit cannot be the sole corporate driver. The core principles of investing are shifting around the world. We must consider each of the three pillars of sustainability: sustainable investing, financial security and healthier lives. Sustainable investing is an opportunity for governments and corporations to reshape the future in a more powerful way.



### Drivers of sustainable investing



**Market Demand:** 73% of Clients believe that companies have a greater responsibility to support sustainability due to the pandemic.<sup>1</sup>



**Regulators and Government:** Regulators and governments are seeking transparency on how managers integrate ESG factors into investments.



**ESG Data:** Analysis of ESG factors helps to identify investment risks and potentially improve returns.

### ESG factors

Sustainable investing includes managing money with environmental, social and governance (ESG) factors embedded in decision-making.



**Environmental:** Addressing the environmental impact of running a business.

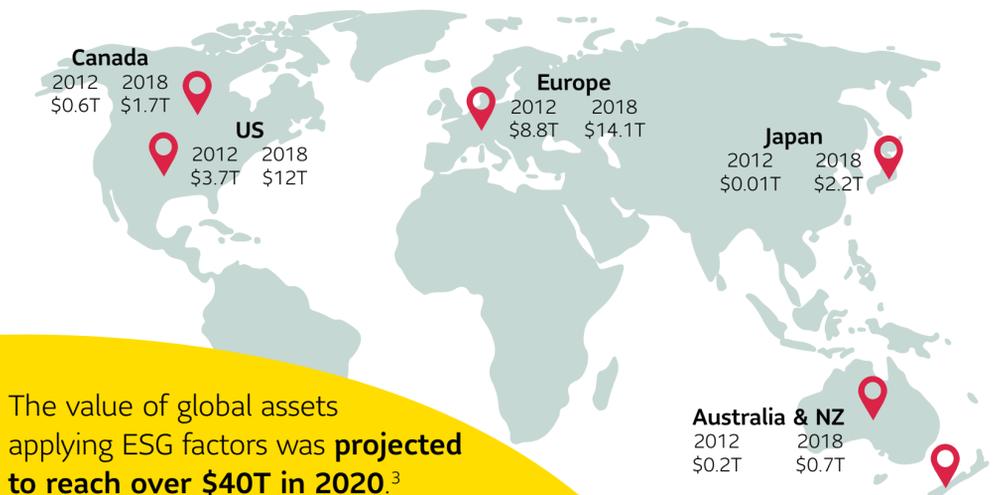


**Social:** Building a diverse, innovative workforce. Cultivating positive community relationships.



**Governance:** Managing risk to ensure sound business decisions, compliance with the law, and meeting stakeholder needs.

### The global growth of assets applying sustainable investing<sup>2</sup>



The value of global assets applying ESG factors was projected to reach over \$40T in 2020.<sup>3</sup>

The MSCI Canada ESG Leaders Index outperformed the MSCI Canada Index in **10 of the past 12 calendar years**, including during volatile markets in Q1 2020.<sup>4</sup>

### Most important ESG issues to Canadians pre-pandemic<sup>6</sup>



**65%** Universal access to clean drinking water



**60%** Universal human rights



**60%** Addressing bribery and corruption



**59%** Climate change

**35%** of Canadians feel that E, S and G components are all equally important.<sup>6</sup>



### A recent MFS survey<sup>5</sup> of Canadian plan members found...



are interested or somewhat interested in sustainable investments.



are very or somewhat likely to contribute more if they had access to sustainable investment options in their workplace plan.



think retirement investments can address ESG issues.

These and other factors have contributed to the explosive growth in sustainable investments. The coming years present an opportunity for Plan Sponsors to use this to manage risk, return and talent.

Leverage our expertise – speak to your Sun Life representative or visit [sunlife.ca/sustainableinvesting](https://sunlife.ca/sustainableinvesting)



<sup>1</sup> MFS, Top Things You Should Be Thinking About in DC, June 2020.  
<sup>2</sup> Global ESG-data driven assets hit \$40.5 trillion, Pensions & Investments Online, July 2020.  
<sup>3</sup> Global Sustainable Investment Alliance.  
<sup>4</sup> Index data source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any data contained herein. The index data may not be further redistributed or used as a basis for other indices or any securities of financial products. This report is not approved, reviewed or produced by the index provider. Sun Life makes no representations or warranties about the completeness, reliability, and accuracy of the index source data. Any action you take upon reliance of the index source data is strictly at your own risk.  
<sup>5</sup> MFS, Top Things You Should Be Thinking About in DC, July 2020.  
<sup>6</sup> MFS DC Participant Retirement Study - Global Results, May 2020.