



**PUBLIC TRANSPARENCY REPORT**

**2023**

**RBC Global Asset Management**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

At RBC Global Asset Management (RBC GAM)\*, responsible investment is incorporated in our values, in our approach to investment management, and in our strategic priorities\*\*. Our Approach to Responsible Investment is anchored by the knowledge that our clients have entrusted us to help them secure a better financial future for themselves or for the beneficiaries of the funds they manage. As stewards of our clients' assets, we are committed to ensuring that the issuers in which we invest act in alignment with the long-term interests of our clients. At RBC GAM, we believe that:

- Being an active, engaged, and responsible investor empowers us to enhance the long-term, risk-adjusted performance of our portfolios and is part of our fiduciary duty.
- Issuers that manage their material ESG risks and opportunities effectively are more likely to outperform on a risk-adjusted basis, over the long term.
- Engagement through direct dialogue is often effective at facilitating change.
- Initiatives that increase transparency and foster fair and efficient markets benefit investors and clients globally.
- Collaboration with like-minded investors may give us greater influence on issues that are material to our investments.

Our approach to responsible investment comprises of three pillars that act on these beliefs. The specific actions we take under each pillar aim to deliver on our goal of maximizing our clients' investment returns without undue risk of loss.

The three pillars of our Approach to RI are:

1. ESG integration: investment teams consider material ESG factors when making investment-related decisions within the portfolios that they manage, for applicable types of investments. Our ESG integration approach is investment-led, focuses on materiality, and aims for continuous improvement and innovation. Each year, we document the ESG integration tools and processes used by investment teams and evaluate their alignment with RBC GAM's overall beliefs and strategy. As part of this process, areas for improvement may be identified to enhance teams' ESG integration approaches, as required. We believe this review and continuous improvement enables effective stewardship, and ultimately adds value to our portfolios and for our clients.

2. Active stewardship: we convey our views through thoughtful proxy voting, engagement with issuers and regulatory bodies, where applicable, and collaboration with other like-minded investors. As stewards of our clients' assets, we are committed to ensuring that the issuers in which we invest act in alignment with the long-term interests of our clients. We engage on topics deemed material for the specific investments or portfolios, including ESG issues such as board structure, executive compensation, diversity and inclusion, and climate change, where applicable. Finally, we use engagement to further understand how issuers are addressing their material ESG risks and opportunities. We also conduct our proxy voting independently, in accordance with the RBC GAM Proxy Voting Guidelines (Proxy Voting Guidelines) where applicable, which clarify the principles we support and how we vote on particular ESG issues in accordance with the best interests of our portfolios and clients. Results from our proxy voting and engagement activities are regularly shared with clients, and our Proxy Voting Guidelines are updated on an annual basis to help ensure that we continue to be effective in our stewardship.

3. Client-driven solutions and reporting: we align our solutions with client demand and provide transparent and meaningful reporting. Transparency and accountability are key to maintaining meaningful relationships with our clients and delivering on our fiduciary duty. Therefore, we tailor our reporting to clients based on what is most meaningful, across asset classes and regions. As our clients' needs evolve, we are continuously improving our reporting and product solutions to meet those needs.

RBC GAM has committed to several responsible investment initiatives including the UN PRI, UK Stewardship Code, Japanese Stewardship Code, Climate Action 100+, and the Canadian Coalition for Good Governance, among others. For a full list of our commitments, please see Responsible Investment Commitments ([rbcgam.com](http://rbcgam.com)).

For more info visit [rbcgam.com/ri](http://rbcgam.com/ri)

\*Please see SLS Section 3 for footnote

\*\*Please see SLS Section 3 for footnote

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

Throughout 2022, RBC GAM continued to improve practices and activities supporting the three pillars of our Approach to Responsible Investment.

Highlights include:

(1) ESG Integration:

- **Enhancing ESG data management and climate dashboards:** We devoted significant resources into enhancing systems for managing the ever-increasing flow of ESG data. These enhanced systems facilitate streamlined data integration between our investment management systems and the data we receive from our ESG research providers. These enhanced ESG data systems have enabled us to update our quarterly climate dashboards, initially rolled out in 2020, to an interactive format. Investment teams can now dig deeper into climate analytics and scenario analysis, more easily identify the biggest emissions contributors, and better investigate the effects that different industries have on the portfolios they are managing. Climate analytics and scenario analysis continue to be an important focus at RBC GAM, as the data, methodologies, and global best practices in this area evolve and improve.
- **ESG Education:** We continued our efforts to provide investment teams with up-to-date information and research on ESG topics. For example, in the reporting year, we held education sessions on cybersecurity and the risks cyber threats create for businesses, as well as the role of energy security in the global energy transition. These sessions provided an opportunity for our investment teams to hear from internal and external experts and to share their own perspectives. Following the successful launch of its monthly internal newsletter in 2021, the RBC GAM Responsible Investment (RI) team has continued to circulate this monthly bulletin for our investment and distribution teams highlighting the latest ESG news and research.
- **Collaboration with Exeter University:** We entered into a collaboration with Exeter University in the United Kingdom. Working with Professor Chendi Zhang, Director of the Exeter Sustainable Finance Centre, the RBC GAM Sustainable Investment Research Programme will look at how climate risk exposure, and sustainable finance more generally, affect the risk-return trade-off of assets. We believe supporting research in these areas will provide our investment teams, clients, and unitholders with fresh and novel insights into the benefits businesses may accrue from considering their climate risk exposure. We look forward to the research from this collaboration.

(2) Active Stewardship:

- **Climate Engagement Canada:** In 2022, a member of the RI team was appointed to the Technical Committee of Climate Engagement Canada (CEC) and was elected Vice Chair of that committee. RBC GAM also joined four collaborative Climate Engagement Canada engagements with companies from various sectors.
- **Climate Action 100+:** In 2022, there was progress on several of the Climate Action 100+ (CA100+) engagements that RBC GAM participated in. This included several meetings with senior management to discuss progress in advancing strategies to reduce greenhouse gas (GHG) emissions; establishing long-, medium-, and short-term targets; and enhancing disclosures on key issues, such as climate lobbying. In October 2022, updated results of the CA100+ Net Zero Company Benchmark showed progress for two companies that we are engaging with as part of this initiative.

(3) Client-Driven Solutions

- **Task Force on Climate-Related Financial Disclosure (TCFD):** The recommendations of the TCFD, mandated by the Financial Stability Board, are a set of voluntary guidelines for the disclosure of climate-related risks and opportunities. RBC GAM has supported and encouraged TCFD disclosures from issuers since 2018, and became an official signatory to the TCFD in 2020. In April 2022, we released our second TCFD report, which included disclosures on our firm policies and processes for climate-related governance, strategy, and risk management, as well as portfolio metrics related to climate change risks and opportunities. We are committed to continuous improvement and will continue to strive to report in line with TCFD best practices. Our most recent TCFD report is available at [rbcgam.com/ri](http://rbcgam.com/ri).
- **Our Approach to Responsible Investment and Climate Change:** In our continued efforts to provide transparent and meaningful reporting to clients, in 2022 we released updated editions of Our Approach to Responsible Investment and Our Approach to Climate Change. Our Approach to Responsible Investment provides an overview of the three main pillars of our responsible investment strategy, the specific activities we conduct under each one, and the overarching governance structure of responsible investment at RBC GAM. Our strategy for addressing climate-related risks and opportunities is outlined in Our Approach to Climate Change.

[Response continues in Section 3]

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

[Section 2 Continued]

- UK Stewardship Code: RBC GAM is a signatory to the UK Stewardship Code 2020. The code aims to enhance the quality of engagement between asset managers and companies to help improve long-term risk-adjusted returns to shareholders. RBC GAM's 2022 Annual Stewardship Report met the expected standard of reporting of the Financial Reporting Council (FRC). RBC GAM's 2022 Annual Stewardship Report is currently under review by the FRC.\*\*
- ESG thought leadership: RBC GAM publishes topical ESG-related information for our clients and unitholders to provide them with insights on material ESG issues. In 2022, we published thought pieces on the importance of climate-related financial disclosures as well as on how investors can assess the financial materiality of biodiversity and other nature-related risks. In 2022, BlueBay also published several relevant thought pieces on topics including the clean energy transition and circular economy. In addition, we provided insights into the 2022's proxy voting season on our website and in industry publications. We encourage you to visit our website for our full list of publications.

For more information on RBC GAM's RI activities in 2022, please see our 2022 RI Annual Report at [rbcgam.com/ri](http://rbcgam.com/ri).

[Section 3]

- Continuing to refine our climate scenario analysis and climate disclosures aligned to the recommendations of the TCFD.
- Enhancing transparent reporting on our responsible investment practices by expanding disclosure of meaningful ESG data and activities, and refining our public proxy voting rationale disclosures for votes on notable proposals
- Deepening investment teams' ESG expertise, through regular touchpoints between the Responsible Investment team and investment teams to support overall ESG integration processes, as well as through organizing ESG expert education sessions on material and emerging ESG trends
- Continuing to report in accordance with increased regulatory requirements
- Conducting further research on ESG themes for application in our ESG integration and stewardship processes (e.g., board of director data, diversity, equity, and inclusion)

\*In this document, references to RBC Global Asset Management (GAM) includes the following affiliates: RBC Global Asset Management Inc. (including Phillips, Hager & North Investment Management), RBC Global Asset Management (U.S.) Inc. (RBC GAM-US), RBC Global Asset Management (UK) Limited (RBC GAM-UK), and RBC Global Asset Management (Asia) Limited, which are separate, but affiliated subsidiaries of Royal Bank of Canada (RBC). References to RBC refers to the Royal Bank of Canada and its subsidiaries in this report. In 2023, RBC GAM consolidated the activities of two regulated legal entities in the United Kingdom (UK), RBC Global Asset Management (UK) Limited (RBC GAM-UK) and BlueBay Asset Management LLP (BlueBay), into RBC GAM-UK. BlueBay's 2022 responsible investment activities are incorporated in this report.

\*\*In this document, references to our investment approach, applicable types of investments, and applicable assets under management (AUM) exclude certain investment strategies, asset classes, exposure or security types that do not integrate ESG factors. Examples of what would not integrate ESG factors include, but are not limited to money market, buy-and-maintain, passive and certain third-party sub-advised strategies or certain currency or derivative instruments. In most, if not all of these instances, there is no engagement with issuers by RBC GAM. This document discusses our investments that integrate ESG factors.

\*\*\*In 2023, RBC GAM consolidated the activities of two regulated legal entities in the United Kingdom (UK), RBC Global Asset Management (UK) Limited (RBC GAM-UK) and BlueBay Asset Management LLP (BlueBay), into RBC GAM-UK. BlueBay has not filed a separate 2022 Annual Stewardship Report. BlueBay's stewardship activities are incorporated throughout RBC GAM's 2022 Annual Stewardship Report.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Daniel E. Chornous

Position

Chief Investment Officer

Organisation's Name

RBC Global Asset Management

A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 389,912,424,528.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

### Additional information on the exchange rate used: (Voluntary)

For all AUM values an exchange rate of 1.354 CAD/USD was applied.

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>10-50%	>0-10%
(B) Fixed income	>10-50%	0%
(C) Private equity	0%	0%
(D) Real estate	>0-10%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	>0-10%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	>10-50%	0%
(J) Off-balance sheet	0%	0%

### (I) Other - (1) Percentage of Internally managed AUM - Specify:

AUM data calculations are produced on a best-efforts basis, using the PRI's definitions and classifications.

Other: includes cash and cash-like securities, money market, derivatives, private lending, holdings in externally-managed funds, buy-and-maintain segregated strategies (where RBC GAM's portfolio management is constrained by client agreements), and RBC GAM's limited AUM in internally-managed passive equity (<0.5%) and internally-managed passive fixed income (<0.5%).

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

### (1) Listed equity

(A) Active	>50-75%
(B) Passive	>10-50%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(A) Listed equity - active	>75%	0%
(B) Listed equity - passive	>75%	0%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity 0%

(B) Active – quantitative >0-10%

(C) Active – fundamental >75%

(D) Other strategies 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA >10-50%

(D) Active – corporate >50-75%

(E) Securitised >0-10%

(F) Private debt 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED REAL ESTATE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 RE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed real estate	GENERAL

**Provide a further breakdown of your internally managed real estate AUM.**

(A) Retail >10-50%

(B) Office >10-50%

(C) Industrial >10-50%

(D) Residential >10-50%

(E) Hotel 0%

(F) Lodging, leisure and recreation 0%

(G) Education 0%

(H) Technology or science 0%

(I) Healthcare 0%

(J) Mixed use 0%

(K) Other 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED HEDGE FUND

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 HF	CORE	OO 5	OO 11	PUBLIC	Asset breakdown: Internally managed hedge fund	GENERAL

**Provide a further breakdown of your internally managed hedge fund assets.**

(A) Multi-strategy >0-10%

(B) Long/short equity >0-10%

(C) Long/short credit >10-50%

(D) Distressed, special situations  
and event-driven fundamental >0-10%

(E) Structured credit 0%

(F) Global macro 0%

(G) Commodity trading advisor 0%

(H) Other strategies >50-75%

**(H) Other strategies - Specify:**

Other strategies include absolute return, alpha, and market-neutral.

## MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

What percentage of your organisation's externally managed assets are managed by PRI signatories?

>75%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(3) >10 to 20%
(B) Fixed income – SSA	(2) >0 to 10%
(C) Fixed income – corporate	(3) >10 to 20%
(D) Fixed income – securitised	(1) 0%
(G) Real estate	(1) 0%
(I) Hedge funds	(4) >20 to 30%



## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Fixed income - active	(6) Real estate	(8) Hedge funds	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation have direct investments in listed equity across your hedge fund strategies?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Hedge funds
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

	Percentage of your listed equity holdings over which you have the discretion to vote
(A) Listed equity – active	(11) >90 to <100%
(B) Listed equity - passive	(1) 0%
(C) Hedge funds	(12) 100%

# ESG INCORPORATION

## INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

**For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?**

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(B) Listed equity - active - quantitative	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income - securitised	<input checked="" type="radio"/>	<input type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(L) Hedge funds - Multi-strategy	<input checked="" type="radio"/>	<input type="radio"/>
(M) Hedge funds - Long/short equity	<input checked="" type="radio"/>	<input type="radio"/>
(N) Hedge funds - Long/short credit	<input checked="" type="radio"/>	<input type="radio"/>
(O) Hedge funds - Distressed, special situations and event-driven fundamental	<input checked="" type="radio"/>	<input type="radio"/>

(S) Hedge funds - Other strategies



(V) Other: AUM data calculations are produced on a best-efforts basis, using the PRI's definitions and classifications. Other: includes cash and cash-like securities, money market, derivatives, private lending, holdings in externally-managed funds, buy-and-maintain segregated strategies (where RBC GAM's portfolio management is constrained by client agreements), and RBC GAM's limited AUM in internally-managed passive equity (<0.5%) and internally-managed passive fixed income (<0.5%).



## EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?

(1) Yes, we incorporate ESG factors when selecting external investment managers

(2) No, we do not incorporate ESG factors when selecting external investment managers

(A) Listed equity - active



(B) Listed equity - passive



## EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>

## ESG NOT INCORPORATED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG not incorporated	1

**Describe why your organisation does not currently incorporate ESG factors into your investment decisions.**

Internally managed  
(O) Other

Certain investment strategies, asset classes, exposure or security types do not integrate ESG factors. Examples of what would not integrate ESG factors within this 'Other' category include, but are not limited to, money market, buy-and-maintain, currency or derivative instruments. In most, if not all, of these instances, there is no engagement with issuers by RBC GAM.

The 'Other' category also includes RBC GAM's limited AUM in internally-managed passive equity(<1%) and passive fixed income (<1%). Material ESG factors generally are not incorporated into passive strategies. However, stewardship activities, such as proxy voting and engagement may be applicable.

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

**Percentage out of total internally managed active listed equity**

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	>75%
(D) Screening and integration	>0-10%
(E) Thematic and integration	>0-10%

(F) Screening and thematic 0%

(G) All three approaches combined >0-10%

(H) None 0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only 0%

(B) Negative screening only >75%

(C) A combination of screening approaches 0%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**

	(1) Fixed income - SSA	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Screening alone	0%	0%	0%
(B) Thematic alone	0%	0%	0%
(C) Integration alone	>75%	>75%	>75%
(D) Screening and integration	>10-50%	>10-50%	>10-50%
(E) Thematic and integration	>0-10%	>0-10%	>0-10%
(F) Screening and thematic	0%	0%	0%
(G) All three approaches combined	>0-10%	>0-10%	>0-10%
(H) None	0%	0%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

**What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?**

	(1) Fixed income - SSA	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Positive/best-in-class screening only	0%	0%	0%
(B) Negative screening only	>75%	>75%	>75%
(C) A combination of screening approaches	0%	0%	0%



# ESG/SUSTAINABILITY FUNDS AND PRODUCTS

## LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

**(A) Yes, we market products and/or funds as ESG and/or sustainable**

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>75%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

**Additional information: (Voluntary)**

This figure is an estimate. Certain investment strategies, asset classes, exposure or security types do not integrate material ESG factors and/or engage in active stewardship (e.g., engagement or proxy voting) activities. The PRI defines ESG/sustainability marketed funds or products as: Investment products that are explicitly marketed, labelled, or in other ways claimed as considering ESG factors or sustainability outcomes in their objectives, investment process, or stewardship activities. These products could be segregated or pooled products for either the retail or institutional market. RBC GAM may market strategies as considering material ESG factors in their objective, investment process, or stewardship activities.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

**(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications**

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

>0-10%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

#### Which ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB**
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG**
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- (AE) People's Bank of China green bond guidelines
- (AF) RIAA (Australia)
- (AG) Towards Sustainability label (Belgium)
- (AH) Other**  
Specify:

RBC GAM's RBC Canadian Core Real Estate strategy was recognized as a Sector Leader in the 2022 GRESB Benchmark Survey. <https://www.gresb.com/nl-en/2022-real-estate-results/>

Several strategies managed by our BlueBay Fixed Income team held the Luxflag ESG label. <https://luxflag.org/what-we-do/labels/labelled-investment-products/>

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 17 FI	FI 15, FI 17	PUBLIC	Thematic bonds	1

**What percentage of your total environmental and/or social thematic bonds are labelled by the issuers in accordance with industry-recognised standards?**

**Percentage of your total environmental and/or social thematic bonds labelled by the issuers**

(A) Green or climate bonds	0%
(B) Social bonds	0%
(C) Sustainability bonds	0%
(D) Sustainability-linked bonds	0%
(E) SDG or SDG-linked bonds	0%
(F) Other	>75%
(G) Bonds not labelled by the issuer	0%

**(F) Other - Specify:**

RBC GAM does not systematically track total environmental and/or social thematic bonds by standard at the firm level. RBC GAM strategies held various thematic bond types in 2022. Environmental and/or social thematic bonds do not make up a meaningful portion of our overall internally-managed active fixed income AUM.

# SUMMARY OF REPORTING REQUIREMENTS

## SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(G) Fixed income – securitised	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(J) Real estate	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(L) Hedge funds – Multi-strategy	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(M) Hedge funds – Long/short equity	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

(N) Hedge funds – Long/short credit	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(O) Hedge funds – Distressed, special situations and event-driven fundamental	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(S) Hedge funds – Other strategies	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(T) External manager selection, appointment and monitoring (SAM) – listed equity - active	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(U) External manager selection, appointment and monitoring (SAM) – listed equity - passive	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
  - (B) Specific guidelines on human rights (may be part of guidelines on social factors)
  - (C) Specific guidelines on other systematic sustainability issues
- Specify:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>  
<https://www.rbcgam.com/documents/en/other/rbc-gam-proxy-voting-guidelines.pdf>  
<https://www.rbcgam.com/documents/en/other/our-approach-to-climate-change.pdf>

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

- (A) Overall approach to responsible investment**

Add link:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

- (B) Guidelines on environmental factors**

Add link:

<https://www.rbcgam.com/documents/en/other/our-approach-to-climate-change.pdf>

- (C) Guidelines on social factors**

Add link:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

- (D) Guidelines on governance factors**

Add link:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

- (E) Guidelines on sustainability outcomes**

Add link:

<https://www.rbcbluebay.com/en-gb/wholesale/what-we-do/equities-funds/sustainability-related-disclosures/>

- (F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.rbcgam.com/documents/en/other/our-approach-to-climate-change.pdf>

- (G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

- (H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

- (I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

**(J) Guidelines on exclusions**

Add link:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

**(M) Stewardship: Guidelines on overall political engagement**

Add link:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

**(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://www.rbcgam.com/documents/en/articles/approach-to-responsible-investment.pdf>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://www.rbcgam.com/documents/en/other/rbc-gam-proxy-voting-guidelines.pdf>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

**(A) Yes**

Elaborate:

At RBC GAM, we believe that being an active, engaged, and responsible investor empowers us to enhance the long-term, risk-adjusted performance of our portfolios and is part of our fiduciary duty. We believe that issuers that manage their material ESG risks and opportunities effectively are more likely to outperform on a risk-adjusted basis, over the long term.

- (B) No



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?**

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?**

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

**Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?**

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

<https://www.rbcgam.com/documents/en/other/rbc-gam-proxy-voting-guidelines.pdf>

- o (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- o (C) We rely on the policy of our external service provider(s)
- o (D) We do not have a policy to address (proxy) voting in our securities lending programme
- o (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment  
 (B) Guidelines on environmental factors  
 (C) Guidelines on social factors  
 (D) Guidelines on governance factors

(6) >90% to <100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

## AUM coverage

(A) Specific guidelines on climate change (2) for a majority of our AUM

(B) Specific guidelines on human rights (2) for a majority of our AUM

(C) Specific guidelines on other systematic sustainability issues (2) for a majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

**(A) Listed equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

In the case of certain third-party sub-advised strategies, RBC GAM has delegated the investment management responsibility and the related obligation to exercise voting rights to the sub-advisor of the strategy.

**(B) Fixed income**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

**(D) Real estate**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● (11) 100%

(F) Hedge funds

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● (11) 100%

(I) Other

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

Certain investment strategies, asset classes, exposure or security types do not integrate ESG factors. Examples of what would not integrate ESG factors within this 'Other' category include, but are not limited to, money market, buy-and-maintain, currency or derivative instruments. In most, if not all, of these instances, there is no engagement with issuers by RBC GAM.

The 'Other' category also includes RBC GAM's limited AUM in internally-managed passive equity (<0.5%), and passive fixed income (<0.5%) strategies. Material ESG factors generally are not incorporated into passive strategies. However, stewardship activities, such as proxy voting and engagement may be applicable.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

**(A) Actively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(C) Direct listed equity holdings in hedge fund portfolios**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

# GOVERNANCE

## ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

Chief Executive Officer (CEO), Chief Investment Officer (CIO)

- (C) Investment committee, or equivalent

- (D) Head of department, or equivalent

Specify department:

Vice President & Head, Responsible Investment (RI)

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

(1) Board members, trustees, or equivalent

(2) Senior executive-level staff, investment committee, head of department, or equivalent

(A) Overall approach to responsible investment

(B) Guidelines on environmental, social and/or governance factors

(C) Guidelines on sustainability outcomes	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

(A) Yes

Describe how you do this:

We engage with regulatory bodies and lawmakers on material ESG issues and collaborate with other likeminded investors, where applicable. In order to ensure that our engagement activities are conducted in a way that is consistent with our clients' best interests, reflect the standards of RBC GAM, and comply with the relevant regulation and legislation, we have adopted appropriate policies and procedures. Each policy is reviewed at least annually for its ability to enable effective stewardship, and updates are made as required. Policies are approved and assured by the relevant internal oversight body. Our responsible investment and stewardship policies are within scope of internal audit. In general, policies that relate directly to our responsible investment and stewardship strategies are approved by the CIO and Head of the RI team. Policies that relate to the adherence to regulations or other firm-wide policies are generally approved by our Global Compliance teams. We are committed to putting the UN PRI's Principles of Responsible Investment into practice and believe that they are aligned with our Approach to Responsible Investment and overall political engagement.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

(A) Internal role(s)

Specify:

Board of Directors, CEO, CIO, Leadership Committee, RI Team, ESG IWG (BlueBay Fixed Income team), and Investment Teams

- (B) External investment managers, service providers, or other external partners or suppliers
- (C) We do not have any internal or external roles with responsibility for implementing responsible investment



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**  
Explain why: (Voluntary)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

- (1) KPIs are linked to compensation**

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

- (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://www.rbcbluebay.com/en-gb/institutional/what-we-do/funds/sustainability-related-disclosures/>

- (B) Disclosures against the European Union's Taxonomy
- (C) Disclosures against the CFA's ESG Disclosures Standard
- (D) Disclosures against other international standards, frameworks or regulations

Specify:

RBC GAM is a signatory to the UK Stewardship Code 2020. RBC GAM's 2021 Annual Stewardship Report and BlueBay's 2021 Stewardship Report met the expected standard of reporting of the Financial Reporting Council (FRC). RBC GAM's 2022 Annual Stewardship Report is currently under review by the FRC.

RBC GAM published its third climate report guided by the recommendations of the TCFD in 2023, reflecting actions undertaken during 2022.

See [rbcgam.com/ri](https://www.rbcgam.com/ri) for more information.

Link to example of public disclosures

- (E) Disclosures against other international standards, frameworks or regulations
- (F) Disclosures against other international standards, frameworks or regulations
- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.rbcgam.com/en/ca/about-us/responsible-investment/responsible-investment-commitments>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**Which elements do your organisation-level exclusions cover?**

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements

Specify:

Legally-required exclusions (e.g., those required by domestic/international law, bans, treaties or embargoes)

- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**How does your responsible investment approach influence your strategic asset allocation process?**

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

**STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

●                      ●                      ●                      ●

(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

○                      ○                      ○                      ○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

We engage with issuers, regulatory bodies, lawmakers, and other stakeholders, where applicable, with a view to the best interests of our clients. The majority of our engagements are with issuers, where we seek to understand how an issuer is addressing its ESG risks and opportunities, and convey our views. Our investment teams meet with many issuers in which we invest on an ongoing basis. We encourage an in-depth dialogue over time and may prefer to keep the particulars about our engagements confidential to foster a constructive relationship with our investee companies. Typically, the purpose of our engagements includes:

1. Information gathering on ESG risks and opportunities and the steps the issuer is taking to address them. This may result in continued monitoring of an existing or emerging ESG risk or opportunity, or an update to the analysis and assessment of an issuer
2. Seeking better public disclosure of material ESG risks and opportunities and the steps the issuer is taking to address them
3. Encouraging more effective management of material ESG factors when we believe they may impact the value of an investment
4. Where an issuer is lagging its peers on a material ESG issue, requesting a commitment for change, monitoring any changes, and encouraging continued improvements that are expected to positively impact the long-term value of an investment

Although a majority of our engagements are for information gathering, there are cases where we seek a specific outcome. In these instances, where our engagement efforts have been unsuccessful and the issue being discussed is material, we may comment publicly, either alone or in collaboration with other investors, or take more formal steps, such as filing a shareholder resolution for equity investments, if we believe that it is in the best interest of our clients to do so.

Ultimately, at any stage of engagement with an issuer, our investment teams may choose to divest from the investment entirely. This may occur when the investment team does not believe that the ESG issue is being appropriately managed, despite ongoing engagement and stewardship efforts, and deems that the issue materially affects the investment case overall. The outcomes of an engagement generally are not the sole factor in an investment decision, but can help inform the investment case. It is at the discretion of each investment team to decide whether to continue with an investment or to divest.

The specific ESG factors we engage on differ based on sector, asset class, and geography. We seek to understand each issuer individually and through the lens of local norms and the laws and regulations of the market in which it operates.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

We participate in initiatives that we believe will increase transparency, protect investors, and foster fair and efficient capital markets. We recognize that advocating for regulatory and legal reform can be more effective when market participants work together. Where interests are aligned, collaboration with like-minded investors can give us greater influence on issues specific to our investments and on broader, market-wide considerations. We work to encourage changes that are in the best interests of our clients. As with our direct engagement activity, we participate in initiatives and collaborative engagements on ESG issues that we deem material to our investments. For example, corporate governance and climate change are generally material issues due to their broad and systemic nature. For specific collaborative engagement opportunities, we may evaluate both the materiality of the ESG issue and our portfolios' exposure to the issue.

Regarding our response to PGS 24, please note that, in our view, both direct and collaborative engagements can be effective stewardship mechanisms. In addition, in some cases, although collaborative stewardship may be possible, as described in Option A of PGS 24, we may determine it is not in the best interests of our clients.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**  
Select from the list:  
 1
- (B) External investment managers, third-party operators and/or external property managers, if applicable**  
Select from the list:  
 4
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**  
Select from the list:  
 3
- (D) Informal or unstructured collaborations with investors or other entities**  
Select from the list:  
 5
- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**  
Select from the list:  
 2
- (F) We do not use any of these channels



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How are your organisation’s stewardship activities linked to your investment decision making, and vice versa?**

At RBC GAM, implementation of our stewardship activities is shared by our centralized RI team and the investment teams themselves. Analysts and portfolio managers on the investment teams participate directly in stewardship activities, and so any progress and results from those activities can directly inform their investment processes and decisions.

By stewardship activity:

- Thoughtful proxy voting: our RI team conducts all proxy voting, drawing from the RBC GAM Proxy Voting Guidelines, where applicable, external research, investment team views, and Proxy Voting Committee input, as needed. Investment teams receive automated reports on upcoming ballot items relevant to their portfolios ahead of votes being cast, which facilitates escalation on any specific concerns. Our RI team will also actively engage the relevant investment teams in any potentially contentious or unique ballot items. Thus, investment decision makers are aware of proxy voting activities relevant to their investments, and can use this knowledge to further their engagement efforts or to further inform their investment decisions.
- Direct engagement with issuers: Applicable investment teams engage with issuers on factors they deem material to the investment case, and each team’s approach to engagement directly complements their unique investment processes. For example, many teams engage with the goal of seeking information which can then be incorporated into their investment analysis and investment decisions. Some teams also engage in order to encourage issuers to better manage specific, material ESG risks. Because the investment teams themselves are conducting these engagements as part of their investment due diligence and portfolio monitoring processes, insights gained from engagement can be directly incorporated into the investment process and decision. In some cases, the RI team may separately engage with companies on ESG topics but the team reports back to portfolio managers and analysts on such engagements.
- Collaborative initiatives : we participate in initiatives and collaborative engagements on ESG issues that we deem material to our investments. Our collaborative initiatives and engagements with issuers are centralized and led by the RI team and relevant investment teams are brought into specific engagements with investee issuers. As a result, investment teams are actively present and outcomes from the engagement may feed directly into their investment analysis and decisions. Our RI team leads our collaborative engagements on policy with regulators and other policymakers, and provides regular updates to all investment teams so that information and outcomes are disseminated across the investment platform.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

We believe that issuers that manage their material ESG risks and opportunities effectively are more likely to outperform on a risk-adjusted basis over the long term. Our approach to engagement reflects this belief, as we engage in dialogue with issuers over time and participate in initiatives that increase transparency and foster fair and efficient markets for the benefit of all investors and clients globally. Our investment teams meet with the issuers in which we invest on an ongoing basis. The specific ESG factors we engage on differ based on sector, asset class, and geography, as engagement cases are prioritized based on the materiality of the ESG issue to the specific investment. Teams may also prioritize their engagement efforts based on the size of the investment and/or the level of ESG risk within the portfolio. As a firm, we recognize that corporate governance and climate change are of particular importance to us. We seek to understand each issuer individually and through the lens of local norms and the laws and regulations of the market(s) in which it operates.

Typically, the objectives of our ESG-related engagements include:

- information gathering on material ESG risks and opportunities and the steps the issuer is taking to address them;
- seeking better public disclosure of material ESG risks and opportunities and the steps the issuer is taking to address them;
- encouraging more effective management of material ESG factors, when we believe they may impact the value of the investment; and
- where an issuer is lagging its peers on a material ESG issue, requesting a commitment for change, monitoring any changes, and encouraging continued improvements that are expected to positively impact the long-term value of the investment.

As described in our Approach to Climate Change and our Net-Zero Ambition, we implement our active stewardship strategy, which is inclusive of climate change matters. This includes establishing a plan to actively engage with issuers for whom we believe climate change is a material financial risk if they do not have a net-zero target and action plan or are lagging their peers. We expect issuers in which we are invested, where climate represents a financially material risk, to establish credible targets and to develop action plans aligned to the global ambition of achieving net-zero emissions by 2050 or sooner and demonstrate progress in meeting their commitments. We employ a variety of engagement methods, depending on the issuer, the matter being discussed, and the accessibility of the issuer. For instance, our primary method of engagement is to engage directly with the issuer through private dialogue, over time. For matters affecting corporate governance, this typically involves meeting(s) with and/or letter(s) to the board of directors. For most other ESG matters, our investment teams meet directly with the board of directors, management team, or specific executives or individuals responsible for overseeing the matter at the issuer. We have a strong preference for maintaining an open dialogue and working with our investee issuers to address material ESG-related matters through private dialogue. Although we may consider more public avenues of change, such as filing shareholder proposals at corporate issuers or making public statements, we use these methods sparingly. Also, we do not believe that broad-based divestment is an effective stewardship tool compared to engagement; however, at any stage of their analysis or engagement with an issuer, our investment teams may choose to divest from an investment or group of investments based on their judgement of the investment case. Our investment teams select the engagement methods they believe to be most effective for their desired engagement objective, as outcomes from engagements are integrated directly in the investment process and may be used in making investment decisions. In 2022, our teams completed over 1,800 engagements on ESG-related issues.\* In most cases in 2022, the objective of engagement was information gathering, and the outcome was integrating that information into investment analysis, decision making (buy, hold, or sell), and monitoring. However, there were also cases where objectives and outcomes related to expectations for the issuer to undertake specific actions, such as introduce public disclosure on material ESG topics or create strategies for managing specific ESG issues.

\*The reported figures may not fully capture all ESG engagements as some may not be included in our tracking systems. Engagements purely on non-ESG factors are excluded. The reported figure includes instances where we engaged with the same issuer more than once.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

**(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

**(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting**

Provide details on these criteria:

When our funds participate in securities lending, we recall all loaned securities in North America for the purpose of proxy voting. Outside of North America, we recall loaned securities when we hold 1% or greater of the outstanding voting shares or when we believe there is a significant voting issue for which RBC GAM's position could impact the result. We do not borrow shares in order to exercise additional proxy voting rights. In the U.S., RBC GAM mutual funds do not participate in securities lending.

In instances where RBC GAM has sold our position but is eligible to vote at a meeting based on our position on the record date, our proxy voting process still applies and we will vote according to our Proxy Voting Guidelines. In many cases, we may reinvest in the company, or votes may signal stronger governance practices, so applying our same, thoughtful approach to each vote is consistent with our principal duty.

- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?**

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?**

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

(A) Yes, for all (proxy) votes

Add link(s):

<https://www.rbcgam.com/en/ca/products/proxy-voting/records>

<https://central-webd.proxydisclosure.com/WebDisclosure/wdFundSelection?token=3e7b526ad0bf448fb121b76c33c91853>

<https://www.rbcbluebay.com/en/wholesale/what-we-do/equities-funds/document-library/proxy-voting-records-lux/>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(2) for a majority of votes	(2) for a majority of votes
(B) Yes, we privately communicated the rationale to the company	(3) for a minority of votes	(3) for a minority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://www.rbcgam.com/en/ca/products/proxy-voting/records>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

RBC GAM conducts a quarterly reconciliation process to determine if the number of votes submitted at issuer meetings match internal records of securities held in affected accounts and portfolios. Where issues are identified, they are escalated to ISS and/ or the appropriate custodian, as required. This process complements ISS' reconciliation process, which reviews ballots received against a record of our retail fund holdings.

In 2021, we began working toward more robust voting reconciliation through ISS's operations team. Daily holdings feeds were set up in 2021 for retail strategies offered by RBC GAM Inc. and RBC Funds (LUX), consistent with the existing practice for RBC GAM U.S. retail strategies. In 2022, a thorough review was completed to identify missing account data and conduct account maintenance to improve the reconciliation process. This initiative was complemented by education sessions for the CGRI team with custodians, ballot providers, and ISS in order to enhance our understanding of the mechanics of the proxy voting system.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

	(1) Listed equity	(2) Direct listed equity holdings in hedge fund portfolios
(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input type="checkbox"/>	<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(F) Divesting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Litigation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings	<input type="checkbox"/>	<input type="checkbox"/>

**(H) Other - (1) Listed equity - Specify:**

Engaged privately with issuer.

**(H) Other - (2) Direct listed equity holdings in hedge funds portfolios - Specify:**

Engaged privately with issuer.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 38	PLUS	OO 8, OO 5.3 FI	N/A	PUBLIC	Stewardship: Escalation	2



**Describe your approach to escalation for your internally managed SSA and/or private debt fixed income assets.**

**(A) SSA - Approach to escalation**

Escalation is an iterative process, and each of the methods we may employ is informed by the overall escalation objective.

Fixed income investors are not owners, and as such, have more limited mechanisms to influence issuers (e.g. limited access to proxy voting). In addition, seeking to engage a non-corporate issuer, such as a sovereign, is potentially more challenging than influencing a company. Investors are not their primary stakeholder (this is the voting populace) and seeking change could be seen to be political interference or infringing on sovereignty.

Engagement opportunities in the government fixed income asset class tend to be more multi-pronged and can include a range of stakeholders, with engagement taking place through various routes for municipal or sovereign issuers. Our investment teams also engage with regulators and policy makers on matters affecting transparency and fostering fair and efficient capital markets.

Below is a comparison of engagement approaches for corporates and sovereigns:

- The method of engagement between corporates and sovereigns can vary depending on access to the issuer, legal standing, and issuer obligations. Some barriers to engagement with sovereigns can exist. For example, there may be concerns around sovereignty, cultural sensitivities especially when it comes to social matters, access considerations based on the relative size of the investment position, difficulties engaging with emerging markets sovereigns due to limited resource capacity, and challenges with the extent to which the government will listen to investors or can bring about change in the expected timeframe.
- We believe sovereign engagement activities can be meaningful for both the issuer and the investor when managed well. Typically, we find the focus of sovereign engagement is for insight purposes, but there can be opportunities to engage for influence, such as improved fiscal transparency and ensuring an operating environment that gives investors confidence.

**STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

We engage with regulatory bodies and lawmakers on material ESG issues, both individually and collaboratively with other investors, to promote well-functioning markets and address systemic risks. This engagement is an important component of our stewardship activities. We also believe that collaboration with like-minded investors may give us greater influence on issues that are material to our investments, and often serves as a more efficient avenue for engagement on regulatory initiatives and policy matters. For example, through the technical committee of a regulator we presented on some of the challenges with data-driven regulatory requirements.

- (D) We engaged policy makers on our own initiative

Describe:

Through the Canadian Coalition for Good Governance, we provided feedback to the Ontario Securities Commission on its Statement of Priorities for the 2023/24 financial year. This included discussions on the Canadian Securities Administrators' progress on establishing new diversity disclosure and target requirements for Canadian issuers.

In 2022, the RBC Emerging Markets Sovereign Fixed Income team met with policymakers from Brazil and the Philippines, which afforded the opportunity to discuss ESG initiatives. In its one-on-one meeting with the Treasury Secretary and Public Debt Management Undersecretary of Brazil, the team exchanged views on ESG-related topics including potential future ESG-linked issuance, and what improvements can be made to the framework to entice more investor demand. On a separate occasion, a senior delegation from the Philippines travelled to London to deliver an economic briefing. The delegation included the finance minister, governor of the central bank and other prominent officials. There was an opportunity to speak with these representatives on ESG projects and future financing capabilities.

- (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions

Add link(s):

<https://www.rbcgam.com/en/ca/about-us/responsible-investment/responsible-investment-commitments>

**(B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://www.rbcgam.com/documents/en/other/2022-ri-annual-report.pdf>

<https://www.rbcgam.com/documents/en/other/commitment-to-the-uk-stewardship-code-2022.pdf>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

ESG disclosures – Follow-up (RBC Emerging Markets Equity team)

(1) Led by

**(1) Internally led**

- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

**(1) Environmental factors**

- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

**(1) Listed equity**

- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Objective: Enhanced ESG and climate-related disclosures.

Engagement: In the second quarter of 2021, the RBC Emerging Markets Equity team engaged with a leading global designer and manufacturer of optical lenses headquartered in China to discuss its climate-related disclosures. This was a continuation of an ongoing engagement requesting enhanced carbon emissions disclosures and an action plan for future emissions reductions.

Outcome: In 2021, the company released its first standalone ESG report, which included improved carbon emissions disclosure. The investment team continues to engage and monitor the company's progress.

Update: In 2022, the RBC Emerging Markets Equity team conducted a net-zero survey of its core holdings. Despite having improved climate-related disclosures, the company had no short-term carbon reduction targets or a long-term net-zero target. When the team engaged with the company again later in the year, the company stated that it was considering a net-zero plan with interim targets and may publish this plan in 2023. The investment team continues to monitor the company's progress on emissions disclosures and targets

(B) Example 2:

Title of stewardship activity:

ESG Framework (PH&N Fixed Income team)

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Objective: Engage with third-party consultant to help shape an issuer's ESG framework and reporting going forward.

Engagement: The PH&N Fixed Income team has been engaging with a large Canadian power generation entity over the past two years to provide feedback on a variety of ESG issues, including the issuer's exposure to natural gas-fired and nuclear generation. In 2022, the team took part in a materiality assessment to inform the issuer's ESG strategy going forward and to determine areas of focus in its reporting. This assessment was conducted by a third-party consultant, which engaged with employees, project vendors, shareholders, communities (including Indigenous communities), the regulator, environmental groups, and bondholders.

Outcome: As a result of the engagement, the entity identified what stakeholders believed to be its most significant ESG exposures. This was a positive development in the investment team's view because it will allow management to direct its focus and reporting in order to mitigate those specific risks

(C) Example 3:

Title of stewardship activity:

Transformative Acquisition (RBC Alternative Investments team)

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Objective: Information gathering on acquisition of a lower carbon and renewable fuels platform.

Engagement: The RBC Alternative Investments team met with a high yield rated Canadian energy distribution issuer that recently announced a transformative acquisition. The target company distributes lower carbon and renewable fuels in North America, including compressed natural gas, renewable natural gas, and hydrogen. The management team described how these fuels are both much cheaper and cleaner compared to diesel, resulting in growing customer demand for lower emitting alternatives. The acquisition comes with additional credit benefits of lowering financial leverage (since equity issuance and an asset sale will partially fund the acquisition) and reducing expected future acquisition activity (due to focus on integrating and investing in the newly acquired business).

Outcome: The RBC Alternative Investments team gained more comfort around the transformative acquisition, and believes it improves the issuer's business risk profile over the long-term as customer demand shifts to lower carbon fuels. Although the team was not invested in the issuer, it will monitor acquisition integration progress in the coming quarters before the company potentially issues high yield bonds to refinance its shorter-term debt.

(D) Example 4:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

**(A) Yes, within our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

Climate change is a systemic risk that has the potential to affect the global economy. It is also a cross-cutting risk that may both impact and amplify other principal risk types, such as investment risk and operational risk. The impacts of climate change on specific markets, regions, and investments are complex, varied, and uncertain. RBC GAM's investment teams prioritize those ESG factors, including climate-related factors that are considered to be most material to each investment decision. The extent to which an ESG factor is considered material depends on the issuer, the industries and geographies in which it operates, and the nature of the investment strategy for which it is purchased. Risks are deemed material if they have the potential to impact the risk-adjusted returns of our investments.

As investors and fiduciaries of our clients' assets, we actively consider how climate-related risks and opportunities impact equity, fixed income, and real assets in our applicable portfolios. RBC GAM's investment teams prioritize those ESG and climate-related factors that are considered to be most material to each investment decision for applicable types of investments. The extent to which an ESG factor is considered material depends on the issuer, the industries and geographies in which it operates, and the nature of the investment strategy for which it is purchased. Our principal goal is to maximize investment returns for our clients without undue risk of loss and we do this within the investment limits described in each investment mandate. The majority of our mandates follow medium- to long-term time horizons. As such, this is the investment time horizon we generally consider in our investment activities. However, we recognize that the physical impacts of climate change are currently being felt in some geographies, resulting in more short-term impacts. In addition, governments are implementing more stringent regulatory requirements (e.g., carbon pricing, pollution reduction, subsidies and incentives) that may result in policy and market impacts for some sectors and geographies in the short term.

**(B) Yes, beyond our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

RBC GAM expects the most significant and material risks of climate change to appear at the end of the decade and beyond. These include the policy, technology, and market risks that drive the transition to a low-carbon economy, and the acute and chronic physical risks that drive the need to adapt and build resilience to a changing climate.

RBC GAM evaluates the impact of transition and physical risks and opportunities on portfolios for different climate scenarios. In order to assess the impact of climate scenarios on an individual security or portfolio, scenario outputs must be translated into a measure of financial risk. We use Climate Value at Risk (VaR) to determine the potential change in valuation of a security or portfolio due to climate change, which is expressed as a percentage. Climate VaR is calculated by modelling the future costs and revenue for issuers due to policy risk, technology opportunities, and physical risks and opportunities. Financial modelling is then used to derive valuation impacts over time. Valuation impacts can be assessed at an aggregate level (Aggregated Climate VaR) or based on transition and physical risks and opportunities. RBC GAM's climate scenario analysis leverages the transition scenarios recommended by the Network for Greening the Financial System (NGFS). The NGFS scenarios provide alternative views on long-term temperature targets, net-zero emissions targets, energy supply and demand, climate policy, and technology availability. The scenarios also vary in terms of whether the transition occurs in an orderly or disorderly manner, with policy action beginning in 2025 for orderly transitions, and in 2030 for disorderly transitions.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

- (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:



RBC GAM recognizes the importance of the global goal of achieving net-zero emissions by 2050 or sooner, in order to mitigate climate-related risks. We consider material climate change issues in our ESG integration and active stewardship processes, for applicable types of investments. Material ESG factors refer to ESG factors that in our judgment are most likely to have an impact on the financial performance of an issuer/security and may depend on different factors such as the sector and industry of the issuer. Our Approach to Climate Change and Our Net Zero Ambition outline the commitments and actions we are taking. These include: measuring, monitoring and reporting on our carbon emissions for applicable types of investments, using active stewardship to advance our views on climate change (where applicable), and on providing clients with insights and solutions to meet their climate-related needs.

Climate-related risks and opportunities that may be financially material to RBC GAM are those that have the potential to affect RBC GAM's business, the investments we manage, and our operations. We assess risks and opportunities on an ongoing basis and report on the potential impact of climate-related risks annually in the RBC GAM Climate Report. This report is reviewed and approved by our CIO, CEO and Leadership Committee. On a quarterly basis, the Leadership Committee receives a Climate Memo that provides updates on issues that include regulatory and competitive developments, collaborative initiatives, and/or climate metrics. We define climate risks as physical risks from more extreme weather events and changing climate patterns, and transition risks from the shift to a low-carbon economy. We define climate opportunities as those arising from investment in resource efficiency, low-carbon energy sourcing, the development of new products and services, access to new markets and customers, and enabling business resilience.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

**Which sectors are covered by your organisation's strategy addressing high-emitting sectors?**

- (A) Coal
- (B) Gas
- (C) Oil
- (D) Utilities
- (E) Cement
- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery
- (M) Chemicals
- (N) Construction and buildings
- (O) Textile and leather
- (P) Water
- (Q) Other

Specify:

The extent to which an ESG factor is considered material depends on the issuer, the industries and geographies in which it operates, and the nature of the investment strategy for which it is purchased.

Describe your strategy:

As investors and fiduciaries of our clients' assets, we actively consider how climate-related risks and opportunities impact equity, fixed income, and real assets in our applicable portfolios. RBC GAM's investment teams prioritize those ESG and climate-related factors that are considered to be most material to each investment decision for applicable types of investments. Our climate scenario analysis, available in the RBC GAM Climate Report 2022, incorporates sector analysis, including those often considered high-emitting. For instance, under the Divergent Net Zero scenario transition risks and opportunities analysis for our equity holdings, we found that carbon-intensive sectors were generally facing the greatest relative negative impact. This is primarily due to the fact that policy action in disorderly scenarios is delayed until 2030, and there is a higher cost for carbon-intensive sectors as a result of higher carbon prices in those scenarios.

Climate change is a complex issue. Identifying and assessing the direct and indirect impacts of climate change for issuers and portfolios is equally complex. To do so requires knowledge and understanding of how climate-related risks and opportunities may affect different sectors, geographies, issuers, and investment types. As a result, our strategy is consistent across sectors because our process is investment-led and focused on material issues. However, the outcomes of our climate-related analysis may result in different integration and stewardship activity implications for issuers in high-emitting sectors compared to those in lower-emitting sectors.

- (R) We do not have a strategy addressing high-emitting sectors

**Provide a link(s) to your strategy(ies), if available**

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>  
<https://www.rbcgam.com/documents/en/other/our-approach-to-climate-change.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios

Specify:

RBC GAM's climate scenario analysis leverages the transition scenarios recommended by the Network for Greening the Financial System (NGFS). The NGFS scenarios provide alternative views on long-term temperature targets, net-zero emissions targets, energy supply and demand, climate policy, and technology availability. The scenarios also vary in terms of whether the transition occurs in an orderly or disorderly manner, with policy action beginning in 2025 for orderly transitions, and in 2030 for disorderly transitions.

RBC GAM evaluates the impact of transition and physical risks and opportunities on portfolios for different climate scenarios. In order to assess the impact of climate scenarios on an individual security or portfolio, scenario outputs must be translated into a measure of financial risk. We use Climate Value at Risk (VaR) to determine the potential change in valuation of a security or portfolio due to climate change, which is expressed as a percentage. Climate VaR is calculated by modelling the future costs and revenue for issuers due to policy risk, technology opportunities, and physical risks and opportunities. Financial modelling is then used to derive valuation impacts over time. Valuation impacts can be assessed at an aggregate level (Aggregated Climate VaR) or based on transition and physical risks and opportunities.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

- (A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

Climate-related risks and opportunities that may be financially material to RBC GAM are those that have the potential to affect RBC GAM's business, the investments we manage, and our operations. RBC GAM prioritizes climate-related risks and opportunities based on their potential financial impact and the time horizon of those impacts for RBC GAM's business, the investments we manage, and our operations. We recognize that the most significant exposure to climate-related risks and opportunities that we may face comes from the investments we manage on behalf of our clients. As investors and fiduciaries of our clients' assets, we actively consider how climate-related risks and opportunities impact equity, fixed income, and real assets in our applicable portfolios. This is described in Our Approach to Climate Change and Climate Change Report 2022. RBC GAM's investment teams prioritize those ESG and climate-related factors that are considered to be most material to each investment decision for applicable types of investments. The extent to which an ESG factor is considered material depends on the issuer, the industries and geographies in which it operates, and the nature of the investment strategy for which it is purchased.

(2) Describe how this process is integrated into your overall risk management

RBC GAM supports the identification and assessment of climate-related risks in our investment decisions by building climate knowledge and expertise, applying climate data and technology solutions, making Climate Dashboards available to investment teams, and conducting climate-related research.

- Climate knowledge and expertise: In order to assess the impact of climate-related risks and opportunities on individual issuers, securities, and portfolios, the Responsible Investment team and investment teams seek to understand climate-related risks and opportunities. We take an integrated approach to building climate knowledge and expertise, supported by an ESG education series, monthly newsletter, ESG champions network, ESG briefing notes, and more.

- Climate data and technology: Through internal data systems, investment teams have access to a range of climate data at an issuer and portfolio level. In addition, the quarterly Climate Dashboards provide climate metrics at a portfolio level for certain investment strategies. This includes climate data that is directly reported by companies as well as data collected from external datasets (e.g., low-carbon patents, science-based targets), third-party research, and/or estimated and modeled data. The RI team provides investment teams with access to detailed guidance and education on climate metrics and methodologies. This is provided in the form of methodology handbooks, webinars, and one-on-one education sessions. In 2022, RBC GAM expanded our internal ESG data infrastructure to further enable and enhance the use of ESG data as part of the investment process. This data infrastructure brings together ESG and investment data in one place, and provides an automated and scalable platform for creating customized views of ESG data.

- Climate Dashboards: Investment teams assess and monitor climate-related risks and opportunities on an ongoing basis through the Climate Dashboard (Dashboard), which includes a suite of climate metrics provided at the portfolio level, with detailed breakdowns by sector and top holdings. The Dashboard is produced for a number of equity and fixed income portfolios, and updated on a quarterly basis. The Dashboards provide a view on portfolio, sector and issuer-level carbon emissions, transition risks and opportunities, net-zero alignment, and climate scenario analysis. This includes both current and forward-looking analysis, as well as data that is reported, estimated, and modeled. The Dashboards focus on what we consider to be the most material data factors and aim to reflect current climate science, standards, and best practices.

- Climate-related research and insights: Climate-related research and insights are important to inform and advise our responsible investment policies and practices, and to further enable our ESG integration and active stewardship activities, where applicable. In 2022, we conducted thematic and/or applied research on climate-related topics including scope 3 emissions, net-zero alignment methodologies, nature-related risks and biodiversity, sector deep-dives, and climate engagement strategies.

**(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

RBC GAM manages climate-related risks and opportunities by:

- Integrating material climate-related risks and opportunities into our investment decisions, for applicable types of investments. This may include each stage of our investment management process, including investment selection and portfolio management, as appropriate. Investment teams are responsible for ESG integration and for considering climate-related risks. RBC GAM's investment teams prioritize those ESG and climate-related factors that are considered to be most material to each investment decision for applicable types of investments. The extent to which an ESG factor is considered material depends on the issuer, the industries and geographies in which it operates, and the nature of the investment strategy for which it is purchased. Every year, the RI team documents the ESG integration processes of investment teams. This includes teams' overarching approaches, data inputs used, steps taken, and tools used to identify, assess, and consider material ESG factors as part of their investment and portfolio management decisions.

- Using active stewardship, including engagement and proxy voting, to encourage effective governance oversight and management of climate-related risks, for applicable types of investments. We engage with issuers, where appropriate, and report on our engagement activities and outcomes. Our Approach to Climate Change and Our Net-Zero Ambition lay out our expectations of issuers related to climate change. As an asset manager, RBC GAM has an obligation to act in the best interests of our clients, which includes segregated client accounts and investment funds. Voting responsibly is part of our fiduciary duty. Proxy voting is also a key part of our engagement process as it provides an important way for us to convey our views to boards and management. We vote proxies in line with the RBC GAM Proxy Voting Guidelines (Guidelines) and disclose our proxy voting records on our regional websites in accordance with applicable regulations. RBC GAM Proxy Voting Guidelines do not apply to BlueBay. We review and update our Guidelines annually, and on an ongoing basis as corporate governance and ESG best practices evolve.

- Collaborating with industry peers and organizations to inform and advance Our Approach to Climate Change and address key areas of opportunity or need. This includes initiatives such as the UN PRI, Climate Action 100+, and Climate Engagement Canada where we share our views and discuss the risks and opportunities of climate change with the boards and management of the companies in which we invest on behalf of our clients. Our collaborative initiatives related to climate change are listed here: <https://www.rbcgam.com/en/ca/about-us/responsible-investment/>

(2) Describe how this process is integrated into your overall risk management

At RBC GAM, our Investment Risk team is responsible for maintaining a risk register of the most material risks facing the sum of all of our investments across all mandates. These risks are monitored by the various risk oversight committees, which includes our Chief Risk Officer (CRO) for North America, CRO for EMEA-APAC, and BlueBay CIO. These include market wide risks, such as geopolitical issues and currency rates, and may include systemic risks like climate change. At the firm level, these risks are managed as follows:

- For quantifiable market factors like currency and concentration risks, limits may be placed on each investment mandate's allowable exposure to these factors. These limits vary with the strategies' investment goals, risk tolerance, and benchmarks. For RBC GAM strategies, they are monitored daily by internal systems and reviewed at least quarterly by the regional Investment Risk Oversight Committees (IROC), which include the CRO North America and the Head of Investment Policy, among others. For BlueBay strategies, these are monitored daily by internal systems and reviewed at least weekly by the Market Risk Committee, which includes the BlueBay CIO and CRO for EMEA-APAC, among others.
- For systemic risks that relate to the functioning of financial markets, such as transparency, corruption, and climate change, we use active stewardship programs, like direct and collaborative engagement and proxy voting, to convey our views and influence outcomes, where appropriate. At the investment level, our investment teams are also equipped with data and insights to manage the risk exposure of their portfolios. Data is available on a wide range of investment risk factors, which include financial and ESG related factors, including climate change. Investment teams integrate material factors into their portfolio management decisions in a manner that complements their distinct investment approaches and mandates, for applicable types of investments. The use of the Climate Dashboards is one example of a risk monitoring tool used by investment teams.

o (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

(A) Exposure to physical risk

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

(B) Exposure to transition risk

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

(C) Internal carbon price

(D) Total carbon emissions

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

(E) Weighted average carbon intensity

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

(F) Avoided emissions

(G) Implied Temperature Rise (ITR)

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

**(I) Proportion of assets or other business activities aligned with climate-related opportunities**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

**(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

**(J) Other metrics or variables**

Specify:

H) Percentage of AUM invested in issuers with verified or committed SBTi targets.

I) Investments in issuers that provide climate solutions

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

**(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

(K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

**(A) Scope 1 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

**(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

**(B) Scope 2 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

**(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

**(C) Scope 3 emissions (including financed emissions)**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

- **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.rbcgam.com/documents/en/other/2022-rbc-gam-climate-report.pdf>

- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- **(A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**

- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) The UN Sustainable Development Goals (SDGs) and targets**

- (B) The UNFCCC Paris Agreement**

- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)

- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**

- (E) The EU Taxonomy

- (F) Other relevant taxonomies

- (G) The International Bill of Human Rights

- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

- (I) The Convention on Biological Diversity

- (J) Other international framework(s)**

Specify:

United Nations Global Compact

- (K) Other regional framework(s)**



Specify:

Sustainable Finance Disclosure Regulation (SFDR)  
30% Club Canadian Investor Group

(L) Other sectoral/issue-specific framework(s)

Specify:

TCFD

- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

As described in the RBC Human Rights Position Statement, RBC and its subsidiaries, including RBC GAM, are committed to taking actions to meet the responsibility of businesses like ours to respect human rights, as set out in the United Nations Guiding Principles on Business and Human Rights (the UN Guiding Principles). We endeavour to respect the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social, and Cultural Rights in addition to the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. In line with the expectations of the UN Guiding Principles, in 2021 RBC GAM and BlueBay initiated a human rights salience assessment to better understand how our business activities could potentially impact the human rights of our stakeholders. A member of the RI team also participates on the RBC Human Rights Working Group. RBC GAM’s investment teams consider material human rights issues as part of their investment approaches, for applicable types of investments.

<https://www.rbcgam.com/documents/en/other/commitment-to-the-uk-stewardship-code-2022.pdf>

- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm

- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
- (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

- (A) Corporate disclosures**  
Provide further detail on how your organisation used these information sources:
- (B) Media reports**  
Provide further detail on how your organisation used these information sources:
- (C) Reports and other information from NGOs and human rights institutions**  
Provide further detail on how your organisation used these information sources:
- (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**  
Provide further detail on how your organisation used these information sources:
- (E) Data provider scores or benchmarks**  
Provide further detail on how your organisation used these information sources:
- (F) Human rights violation alerts**  
Provide further detail on how your organisation used these information sources:
- (G) Sell-side research**  
Provide further detail on how your organisation used these information sources:
- (H) Investor networks or other investors**  
Provide further detail on how your organisation used these information sources:
- (I) Information provided directly by affected stakeholders or their representatives**  
Provide further detail on how your organisation used these information sources:
- (J) Social media analysis**  
Specify:  
Provide further detail on how your organisation used these information sources:
- (K) Other**  
Specify:  
Provide further detail on how your organisation used these information sources:

Our RI and investment teams use various information sources to consider material human rights-related information in our integration and stewardship activities. Generally, the most common sources used include traditional news outlets, updates from collaborative initiatives, research from third-party research providers, and engagement. Material information gathered is typically used consistently, although this may vary depending on the credibility of the information source.

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, we have a formal process that includes scenario analyses	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a formal process, but it does not include scenario analyses		
(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion	○	○
(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies	○	○

**(A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)**

RBC GAM evaluates the impact of transition and physical risks and opportunities on portfolios for different climate scenarios. Since 2020, we have been including the results of our climate scenario analysis in our annual climate-related disclosures. Please refer to our RBC GAM Climate Report 2022 for more information.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

	(1) Active - quantitative	(2) Active - fundamental
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes	o	o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

	(2) Active - quantitative	(3) Active - fundamental
(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	(1) in all cases	(1) in all cases

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

The RBC Global Equity team believes that over the long term, investing in great companies at attractive valuations generates value for shareholders that significantly exceeds the return from the average company or the market. The team believes that by evaluating the performance of extra-financial factors, including material ESG factors, it is able to reduce risk, uncover alternative sources of alpha, and achieve a responsible allocation of capital.

ESG research and data is assessed as part of the fundamental analysis that comprises an investment's stock review report. An internal ESG score is developed, and the results of ESG analysis and scoring may be directly integrated into the financial model for that investment and ESG factor-driven scenario analysis, when material. Material ESG factors are further monitored at both the portfolio and investment levels throughout the lifetime of the investment. Institutional clients can request more information on the RBC Global Equity team's Quarterly Owner's Perspective reports.

**CASE STUDY: Climate Change & Environmental Factors in Consumer Staples Firm**

Objective: Due diligence on a potential new investment.

Analysis: The RBC Global Equity team conducted several information-seeking engagements with the company's management team, including in areas of corporate culture and employee well-being, net-zero strategy, biodiversity, water, and regenerative agriculture strategies. The team noted:



1. The company has clear sustainability goals, including Science-based Targets Initiative (SBTi) commitments in line with a 1.5°C warming scenario, and significant visibility across the management team and board.
2. The company has a comprehensive biodiversity strategy which includes anti-deforestation commitments and a regenerative agriculture strategy which targets social co-benefits along with emission reductions.
3. The company has board- and management-level oversight of its sustainability strategy.

Outcome: The team incorporated its ESG analysis into its fundamental analysis process. The investment team determined that the potential climate-related risks, which have the ability to create contingent liabilities—including for the products the company sources and grows—are minimized and well controlled. As a result of its analysis, the team believes that the company’s industry-leading measures should put the company in an advantaged position to capture market share. This contributed to the team determining that the company was an attractive investment opportunity, and it initiated investment in the first quarter of 2022.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

	(2) Active - quantitative	(3) Active - fundamental
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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**(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process - Specify:**

Please note that for option C our response is based on applicable mandates.

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

(1) Active - quantitative

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.**

During its analysis of an Aerospace and Defense company with significant exposure to commercial and business jet travel, the PH&N Canadian Equity team determined despite the attractive two- to five-year industry growth outlook, a reduction in the terminal growth rate, and thus terminal value, of the business were justified due to the significant carbon emissions from airlines, and especially business jets. The team believes that there is material risk that carbon taxes may impact demand growth over the long term.

The company's exposure to emissions-related risks reduced the team's conviction in the business. The team reduced its position size in the company.

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

# FIXED INCOME (FI)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM	(3) for a minority of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM	(3) for a minority of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(1) for all of our AUM	(1) for all of our AUM	(3) for a minority of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, we have a formal process that includes scenario analyses	(2) for a majority of our AUM	(1) for all of our AUM	
(B) Yes, we have a formal process, but does it not include scenario analyses			
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**(A) Yes, we have a formal process that includes scenario analyses - Specify: (Voluntary)**

Our investment teams have developed their own methods to integrate material ESG factors into their respective investment analysis and decision-making processes, for applicable types of investments, and this includes monitoring changing ESG trends. This approach allows our investment teams to tailor the ESG integration tools and resources to their well-established investment methodologies. Depending on the ESG factor, investment teams may determine scenario analysis is an effective way to assess potential outcomes. Scenario analysis may be less applicable for securitised fixed income.

Our RI team has developed ESG analysis tools for the use of multiple investment teams. Investment teams can assess and monitor climate-related risks and opportunities on an ongoing basis through the quarterly RBC GAM Climate Dashboards, which include scenario analysis. Similarly, our RBC GAM Climate Report 2022 includes climate-related scenario analysis. Climate-related data availability differs by asset class.

Regarding securitised fixed income, we have conducted physical climate risk scenario analysis on select strategies. This analysis will be updated as required.

To support our investment teams and clients, our RI team maintains expertise on emerging ESG trends and material ESG issues, and prepares client reporting and thought leadership pieces related to RBC GAM's RI activities and insights. As part of the RI team's continued efforts to expand internal subject matter expertise on material ESG topics, it publishes and develops ESG guidance, research, and tools for investment teams. In addition, some of our continuous learning initiatives include: firm-wide ESG education sessions with external experts and speakers, an internal ESG network where our investment teams share perspectives on ESG topics, and a monthly internal newsletter on new developments in responsible investment.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM		
(B) Yes, we have a framework that differentiates ESG risks by sector		(1) for all of our AUM	(3) for a minority of our AUM
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	○	○	○
(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers	○	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

	(1) SSA	(2) Corporate
(A) We incorporate it into the forecast of financial metrics or other quantitative assessments	(2) for a majority of our AUM	(2) for a majority of our AUM
(B) We make a qualitative assessment of how material ESG factors may evolve	(1) for all of our AUM	(1) for all of our AUM



(C) We do not incorporate significant changes in material ESG factors

o

o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**At what level do you incorporate material ESG factors into the risks and/or returns of your securitised products?**

(A) At both key counterparties' and at the underlying collateral pool's levels

Explain: (Voluntary)

For the BlueBay Fixed Income team, where ESG is incorporated into securitised assets, this is done at the counterparty and underlying collateral pool level. For CLO securities we incorporate ESG at both the CLO manager and CLO deal level. For ABS securities (including MBS) we incorporate ESG at the originator, servicer and instrument level. Note: during the reporting period, the CLO and ABS ESG evaluation framework was only conducted for in-scope strategies across the BlueBay Fixed Income team.

- o (B) At key counterparties' level only
- o (C) At the underlying collateral pool's level only

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(3) for a minority of our AUM
(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(3) for a minority of our AUM
(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(3) for a minority of our AUM
(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(3) for a minority of our AUM
(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways	(1) for all of our AUM	(1) for all of our AUM	(3) for a minority of our AUM
(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	o	o	o

**(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways - Specify:**

For option D), our response is based on applicable mandates.

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits	(1) for all of our AUM	(1) for all of our AUM	(3) for a minority of our AUM
(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors	(2) for a majority of our AUM	(2) for a majority of our AUM	(3) for a minority of our AUM
(D) We use another method of incorporating material ESG factors into our portfolio's risk management process	(1) for all of our AUM	(1) for all of our AUM	(3) for a minority of our AUM
(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process	○	○	○

**(D) We use another method of incorporating material ESG factors into our portfolio's risk management process - Specify:**

Our fixed income investment teams are generally most concerned about the impact ESG factors may have on an issuer's ability to repay its debt. Each of our fixed income investment teams' use ESG tools and processes that work best for their investment decision-making processes. For instance, our teams may conduct in-house research to score issuers on ESG risks, or leverage ESG data and information from third-party vendors directly into investment research, quantitative models, and portfolio risk management.

For the BlueBay Fixed Income team, ESG risk factors are formally included in the ongoing monitoring by the investment risk team as part of the investment risk management framework, and the Market Risk Committee (MRC). Within the weekly risk summary presented to the MRC, ESG factors are used as idiosyncratic risk indicators, leveraging qualitative data points from proprietary ESG analysis and third-party data providers, as well as quantitative indicators, such as internally developed proprietary ESG adjusted spread risk measure.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities




(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents




(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion




(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process




## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.**

Example: BlueBay Fixed Income Team

An Indonesian mining company holds the exclusive right to mine and operate one of the largest copper and gold mining deposits in the world in terms of both mineral reserves and production. Currently, the company has a license that allows it

mining rights until 2031, with an option to extend by another 10 years subject to the fulfilment of certain conditions, primarily relating to the construction of downstream smelting capacity.

The mine has long been involved in an environmental controversy due to tailings disposal into the surrounding rivers.

Although this activity is legal according to Indonesian laws, its practice is highly questionable.

As this was a first-time issuer, the new deal roadshow meeting was the first engagement opportunity with the company.

From this initial engagement, the team was not convinced by potential remedies the company had in place regarding its tailings disposal practices, or that the environmental impact of the mine would improve going forward. More specifically,

the basis for this view stemmed from the following:

- The company has been operating the mine for many years, is aware of current practices, and has made no changes to date.
- There is little regulatory pressure on the company to change these practices, given they are legal in Indonesia.
- The company seemed to suggest that river tailings dumping is the only economically viable solution currently available.

Outcome:

Based on this view, whilst the new issue priced materially wide of fair value, the team decided not to participate. However, should there be future opportunities to engage with the company on ESG-related matters, the team will continue dialogue on potential options to mitigate or eliminate river tailings disposal and strategies the company intends to use to remediate the environmental consequences of its operations.

Example: PH&N Fixed Income Team

In 2022, the team completed its initial analysis of a vertically-integrated European electric utility company. During its analysis, the team identified a number of significant ESG risks, including nuclear safety concerns and governance issues. The team reached out to management to get additional clarity on these topics, and in the end determined that the risks were not sufficiently mitigated.

Ultimately, after considering these material ESG risks and completing its overall fundamental research, the PH&N Fixed Income team determined that the issuer's bonds were not suitable for its mandates and did not invest.

Example: RBC Investment Grade Corporate Fixed Income Team

The investment team conducted an updated credit assessment on a North American telecom operator. At the time of the assessment, the issuer had recently experienced some governance-related controversies. The investment team revisited its ESG assessment, including any updates to governance risks. Due to the controlled nature of the company, corporate governance remained an issue for consideration. This became a more prevalent issue in 2021, amidst a disagreement from board members on the removal of the company's CEO. In addition, in 2022, as the company sought to acquire a competitor, there appeared to be an appetite to increase leverage to a level the investment team viewed as unfavourable for bondholders. From a relative value perspective, the investment team determined some of the recent corporate governance issues may have contributed to the bonds trading more widely than peers.

Considering the aforementioned governance factors holistically with other material investment considerations, the investment team believed the short-term credit trend was negative but was neutral over the medium-term.

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Thematic bonds	1

What pre-determined criteria does your organisation use to identify which non-labelled thematic bonds to invest in?

- (A) The bond's use of proceeds
- (B) The issuers' targets
- (C) The issuers' progress towards achieving their targets
- (D) The issuer profile and how it contributes to their targets
- (E) We do not use pre-determined criteria to identify which non-labelled thematic bonds to invest in
- (F) Not applicable; we do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	CORE	Multiple, see guidance	N/A	PUBLIC	Thematic bonds	1, 2, 6

During the reporting year, what action did you take in the majority of cases when you felt that the proceeds of a thematic bond were not allocated appropriately or in accordance with the terms of the bond deal or prospectus?

- (A) We engaged with the issuer
- (B) We alerted thematic bond certification agencies
- (C) We sold the security
- (D) We blacklisted the issuer
- (E) Other action
- (F) We did not take any specific actions when the proceeds of a thematic bond were not allocated according to the terms of the bond deal during the reporting year
- (G) Not applicable; in the majority of cases, the proceeds of thematic bonds were allocated according to the terms of the bond deal during the reporting year

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

## CONFIDENCE-BUILDING MEASURES (CBM)

### CONFIDENCE-BUILDING MEASURES

#### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

**How did your organisation verify the information submitted in your PRI report this reporting year?**

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year



## THIRD-PARTY EXTERNAL ASSURANCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 2	CORE	OO 21, CBM 1	N/A	PUBLIC	Third-party external assurance	6

**For which responsible investment processes and/or data did your organisation conduct third-party external assurance?**

- (A) Policy, governance and strategy
- (C) Listed equity**
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured**
    - (3) Processes and data assured
- (D) Fixed income**
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured**
    - (3) Processes and data assured

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 3	PLUS	CBM 1	N/A	PUBLIC	Third-party external assurance	6

**Provide details of the third-party external assurance process regarding the information submitted in your PRI report.**

(1) Description of the third-party external assurance process

### Equity

As a global asset manager, RBC GAM may be subject to external audit, including on its processes and controls. In regard to our responsible investment activities, external audit has most recently provided assurances on processes and select data related to proxy voting.

### Fixed Income

PwC has undertaken a limited assurance engagement on RBC's impact management processes, as described in RBC's Operating Principles for Impact Management Disclosure Statement for year-ended December 31, 2022, which is in alignment with the Operating Principles for Impact Management dated February 2019.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained.

The scope of PwC's procedures does not include an assessment of the suitability of design of RBC's impact management processes to achieve alignment with the applicable criteria nor their operating effectiveness and therefore our procedures provide no assurance over the design and operating effectiveness of the impact management processes, nor of the resulting impacts achieved.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

(2) Assurance standard(s) used by the third-party assurance provider

- (A) PAS 7341:2020
  - (B) ISAE 3000 and national standards based on this**
  - (C) Dutch Standard 3810N (Assurance engagements regarding sustainability reports)
  - (D) RevR6 (Assurance of Sustainability)
  - (E) IDW AsS 821 (Assurance Standard for the Audit or Review of Reports on Sustainability Issues)
  - (F) Accountability AA1000 Assurance Standard (AA1000AS)
  - (G) IFC performance standards
  - (H) SSAE 18 and SOC 1**
  - (I) Other national auditing/assurance standard with guidance on sustainability; specify:
  - (J) Invest Europe Handbook of Professional Standards
  - (K) ISAE 3402 Assurance Reports on Controls at a Service Organisation**
  - (L) AAF 01/20
  - (M) AAF 01/06 Stewardship Supplement
  - (N) ISO 26000 Social Responsibility
  - (O) ISO 14065:2020 General principles and requirements for bodies validating and verifying environmental information
  - (P) ASAE 3410 Assurance Engagements on Greenhouse Gas Statements
  - (Q) PCAF
  - (R) NGER audit framework (National Greenhouse and Energy Reporting)
  - (S) Auditor's proprietary assurance framework for assuring RI-related information
  - (T) Other greenhouse gas emissions assurance standard; specify:
- (3) Third-party external assurance provider's report that contains the assurance conclusion

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

**What responsible investment processes and/or data were audited through your internal audit function?**

- (A) Policy, governance and strategy**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited**
  - (3) Processes and data internally audited
- (C) Listed equity**  
Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited**
  - (3) Processes and data internally audited
- (D) Fixed income**

Select from dropdown list:

- (1) Data internally audited
- (2) Processes internally audited
- (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

RBC GAM's global compliance team conducted an internal risk controls matrix audit on our Approach to Responsible Investment. Specifically, the focus was on documentation and monitoring of investment team ESG integration processes, and controls in place for strategies with ESG objectives offered in Canada

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

**Who in your organisation reviewed the responses submitted in your PRI report this year?**

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent

Sections of PRI report reviewed

- (1) the entire report
  - (2) selected sections of the report
- (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year