

RBC Global Asset Management

Our Approach to Responsible Investment

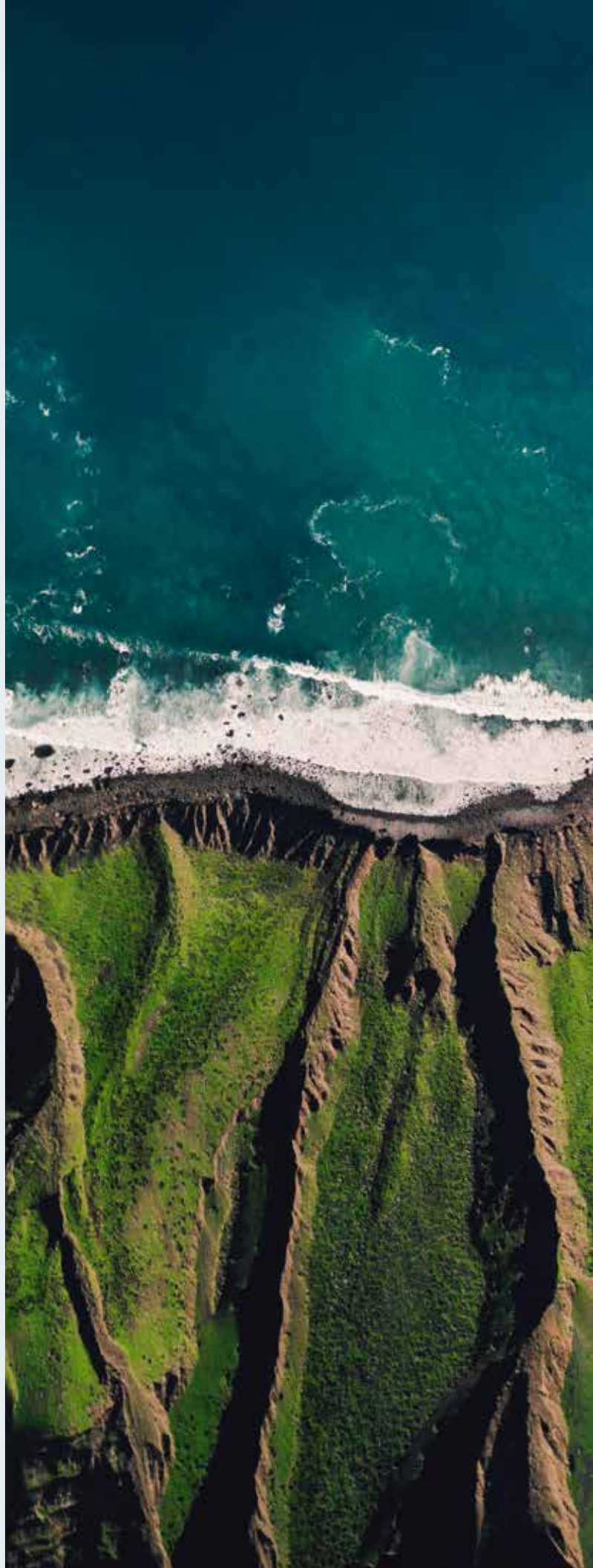


At RBC Global Asset Management (RBC GAM)¹, Our Approach to Responsible Investment is anchored by the knowledge that our clients have entrusted us to help them secure a better financial future for themselves or for the beneficiaries of the funds they manage.

Our principal duty is to maximize investment returns for our clients without undue risk of loss. We do this within the investment limits described in each investment mandate. We believe that being an active, engaged, and responsible investor empowers us to enhance the long-term, risk-adjusted performance of our portfolios. This document sets out RBC GAM's overall approach to responsible investment.² This includes the methods we use in our environmental, social, and governance (ESG) integration, our stewardship activities, and our reporting.

¹In this document, references to RBC GAM include the following affiliates: RBC Global Asset Management Inc. (including Phillips, Hager & North Investment Management), RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited, RBC Global Asset Management (Asia) Limited, and BlueBay Asset Management LLP.

²In 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.



What is responsible investment?

Responsible investment (RI) is an umbrella term used to describe a broad range of approaches for incorporating ESG considerations into the investment process. These approaches are not mutually exclusive; multiple approaches can be applied simultaneously within the investment process. For instance, a solution applying exclusionary criteria to the investment universe can also apply ESG integration to remaining assets eligible for investment.

At RBC GAM, RI includes the following investment strategies:

ESG integration

Systematically incorporating material ESG factors into investment decision making with an aim to identify potential risks and opportunities and improve long-term, risk-adjusted returns.

ESG screening & exclusion

Applying positive or negative screens to include or exclude assets from the investment universe.

Thematic ESG investing

Investing in assets involved in a particular ESG-related theme or seeking to address a specific social or environmental issue.

Impact investing

Investing in assets that intend to generate a measurable positive social or environmental impact.

A few examples of ESG factors include:

Environmental

How does the issuer interact with their environment, and vice versa?

- Air and water pollution
- Biodiversity
- Climate change
- Ecosystem integrity
- Natural resource management and use
- Waste management
- Water quality and availability

Social

How does the issuer interact with its employees, customers, and communities?

- Community relations
- Data privacy and security
- Employee engagement
- Gender and diversity
- Health and safety
- Human rights
- Labour practices

Governance

How does the issuer govern itself?

- Board structure and independence
- Bribery and corruption
- Executive compensation
- Lobbying and political contributions
- Shareholder rights
- Tax strategy and accounting standards

Focus - ESG screening & exclusion

Positive screening identifies assets meeting a defined set of desired ESG-related criteria (which may be product or conduct based). This is also often referred to as **best-in-class screening**.

Negative screening applies a defined set of ESG-related criteria (which may be product or conduct based) to exclude assets from the investment universe.

Socially Responsible Investing (SRI) is an investment strategy that applies the ESG screening & exclusion approach based on a defined set of ESG-related criteria, generally stemming from a certain principle or set of values. For example, this may include excluding weapons or tobacco companies based on a set of values. These ESG-based screens can be negative, positive, or both.

Norms-based screening refers to ESG-related criteria that is based on international norms and used to exclude assets from the investment universe.



Our values

RBC GAM's purpose is to deliver exceptional investment outcomes and valued insights to clients. This inspires everything we do and drives our five core values:



Client first

We will always earn the right to be our clients' first choice



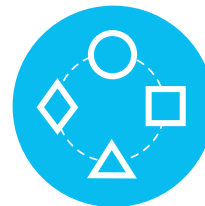
Collaboration

We win as One RBC



Accountability

We take ownership for personal and collective high performance



Diversity & Inclusion

We embrace diversity for innovation and growth



Integrity

We hold ourselves to the highest standards to build trust

Our RI beliefs

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 all investors and clients globally
- Collaboration with like-minded investors may give us greater influence on issues that are material to our investments

“Our purpose inspires everything we do, and responsible investment and ESG are an important part of that. By acting as an active, engaged, and responsible investor, we believe we are better equipped to deliver exceptional investment outcomes for our clients for the long term.”

Damon Williams
Chief Executive Officer
RBC Global Asset Management



Our Approach to RI

Our Approach to RI is comprised of three pillars. We take specific actions under each of these pillars to deliver on our duty of maximizing our clients' investment returns without undue risk of loss.



ESG integration

Our investment teams integrate material environmental, social and governance (ESG) factors into their investment decisions for applicable types of investments.



Active stewardship

We convey our views through thoughtful proxy voting, and engagement with issuers for applicable types of investments. We also engage with regulatory bodies on material ESG issues and collaborate with other like-minded investors, where applicable.



Client-driven solutions and reporting

We align our solutions with client demand and provide transparent and meaningful reporting.

Our Approach to Climate Change

The impacts of climate change are systemic, unprecedented, and already apparent. Governments, companies, consumers, and investors each have a role to play in addressing climate change. As asset managers, investors, and stewards of our clients' assets, we are committed to integrating material climate-related factors in the investment process for applicable types of investments, using active stewardship to convey our views, where applicable, and providing clients with climate-based solutions and reporting that meet their needs. [Our Approach to Climate Change](#) details the actions we are taking to meet this commitment aligned with the pillars of Our Approach to RI. In addition, in [Our Net-Zero Ambition](#), we recognize the importance of the global goal of achieving net-zero emissions by 2050 or sooner, in order to mitigate climate-related risks, and describe how we consider the net-zero transition in our ESG integration and active stewardship activities and in our own operations.



ESG integration

At RBC GAM, ESG integration means that investment teams consider material ESG factors when making investment-related decisions within the portfolios that they manage, for applicable types of investments.

Our approach to ESG integration

Is investment-led

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. This approach allows our investment teams to tailor the ESG integration tools and resources to their well-established investment methodologies. The ESG integration activities undertaken by each team reflect the best interests of our clients and the time horizon of our investment strategies.

Focuses on materiality

Our investment teams focus on those ESG factors that they have determined may impact the value of the investment. The extent of these impacts depends on the issuer, the industries and geographies in which it operates, and the nature of the investment strategy for which it is purchased.

Continuously improves and innovates

The culture at RBC GAM revolves around innovation, continuous learning, and harnessing the power of human and machine. Our investment teams explore new and in our opinion better ways to integrate material ESG factors into their investment approaches. 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.

“We strive to offer our clients innovative strategies that respond to emerging trends and changing investing requirements. This means that in addition to traditional financial metrics, we must consider all material aspects of the issuers in which we invest – including environmental, social, and governance factors. Our investment teams have developed their own methods for integrating these factors in a manner that complements their investment approaches.”

Daniel E. Chornous
Chief Investment Officer, RBC Global Asset Management

ESG integration in action

Our investment teams select the ESG tools and processes that work for their investment decision-making processes. However, there are some commonalities in how our investment teams consider ESG factors within asset classes. For example, good corporate governance practices are important for all of our investments across all industries and markets.

We believe that companies with good corporate governance structures are better able to focus on the company's long-term, sustainable growth; they pose less risk for shareholders due to proper alignment of management and shareholder interests; they are more likely to issue fixed income instruments with higher credit quality and lower credit risk; and they are more likely to effectively manage the company's environmental and social risks and opportunities.

In addition, the sectors and geographies to which an issuer is exposed often determine which ESG factors are most material for that investment. For example, mining companies tend to experience more investment risk from environmental factors than software services firms. Software firms may be more exposed to social factors like data privacy. Other aspects of ESG integration within asset classes at RBC GAM are listed below.

Equities

ESG integration in equity investing involves assessing the potential impact of ESG factors on companies' long-term value. For example, this may include analyzing potential impacts on revenue growth, operating costs, and/or reputation among customers and suppliers. The approaches to this analysis may include both qualitative and/or quantitative aspects, depending on the investment strategy.

Fixed income - corporate

Fixed income investors are generally most concerned about the potential impact that ESG factors may have on a company's ability to repay its debt, rather than potential impact on company value. Issuers with ESG-related controversies may be at higher risk of not being able to pay their debts, resulting in deteriorating credit quality and lower returns to debt investors. While environmental and social factors are considered, governance factors tend to be most material to the creditworthiness of fixed income issuers. For corporate issuers, this includes factors like board structure and management quality.

Fixed income - sovereign

Similar to other types of fixed income, sovereign debt investors are most concerned about the impact that ESG factors may have on the issuer's ability to repay its debt or on its reputation among debt investors (and therefore the liquidity of its debt in secondary markets). While environmental and social factors are considered, for sovereign issuers, political risk and corruption tend to be more material than other ESG factors.

Real estate, mortgages, and infrastructure

These asset classes primarily focus on assessing the direct impacts that ESG factors could have on the physical assets that underlie these investments. For example, the potential physical impacts of climate change, such as flooding and extreme weather events, are among the most material ESG risks to real estate, mortgage, and infrastructure investments. ESG factors that affect profitability from tenants may also be material in some cases.

Firm-wide investment exclusions

At RBC GAM, we recognize the broad-based international consensus regarding the investment in issuers whose business activities would contravene the prohibitions contained in any of the following conventions:

- Anti-Personnel Landmines Convention
- Biological and Toxin Weapons Convention
- Convention on Cluster Munitions
- The Chemical Weapons Convention

In recognition of that consensus and the significant risks associated with those investments, we have applied a norms-based exclusion screen where no RBC GAM investment team will knowingly invest in companies associated with the production, sales/trading, testing, research and development, system integration, maintenance, or services/management of anti-personnel land mines, cluster munitions, biological weapons, or chemical weapons. These exclusions are applicable for portfolios where RBC GAM controls the investment policy, excluding certain passive investment strategies.³ For segregated accounts or products where our clients control the investment policy, excluding certain passive investment strategies, clients may request different exclusions or no exclusions. We have engaged an independent third-party research provider to provide us with a list of companies that should be excluded on the basis of this policy, which is updated monthly.

Where there are full economic sanctions that prohibit any financial dealings with a foreign state, including investment in entities operating under the authority of the foreign state, we will not invest in securities that fall within the sanctions.

³ These exclusions apply to direct equity or corporate credit holdings, but do not apply to derivatives or other index exposures where our exposure is indirect.





Active stewardship

As stewards of our clients' assets, we encourage the issuers in which we invest to act in alignment with the best interests of our clients.

We address topics such as board structure, executive compensation, gender diversity, and climate change with issuers and regulatory bodies, where material. We do this by employing the following three methods, outlined in the sections below: proxy voting, engagement, and participating in collaborative initiatives.

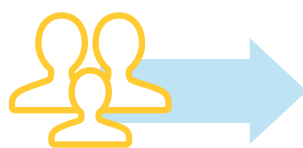
Proxy voting

Voting responsibly at the general meetings of our public equity holdings is an important way we act in the best interest of our clients. We make each voting decision independently, in accordance with our [Proxy Voting Guidelines](#).⁴ These custom guidelines provide an overview of the principles we support and how we will vote on particular issues. They are updated yearly to reflect our views on emerging trends in corporate governance and responsible investment. Our guidelines are applied for companies based in Canada, the United States, the United Kingdom, Ireland, Australia, and New Zealand. In all other markets, RBC GAM utilizes the local proxy voting guidelines of a research provider. In all cases, the below proxy voting process applies.

Our proxy voting process



We implement our custom Proxy Voting Guidelines, and engage a proxy advisor to recommend a voting position for each individual ballot item, based on our guidelines.



Our Corporate Governance and Responsible Investment (CGRI) team reviews each ballot item, and draws on the expertise of the investment teams and analysis from leading research firms, where appropriate, to support investment teams' voting decisions.



Exceptional votes are addressed by our internal Proxy Voting Committee. This committee also implements processes to manage conflicts of interest and protect the independence of our voting decisions. Barring exceptional circumstances, we do not publicly disclose how we intend to vote or provide rationales for our votes on specific issues ahead of time.



We make our proxy voting records publicly available on the RBC GAM website in accordance with applicable regulations. We also provide commentary on our proxy voting activities in our semi-annual responsible investment reports, and provide additional reporting to clients.

⁴ Our CGRI team manages proxy voting for RBC GAM, excluding funds managed by external sub-advisors and certain funds managed by BlueBay Asset Management LLP. This proxy voting process is only applicable for proxy voting executed by the CGRI team.

Engagement

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.

Engagement challenges and opportunities

While we endeavour to engage across all issuer types, our opportunities to engage tend to be more readily available with corporates (equity and fixed income). Some challenges and opportunities in both equity and fixed income are:

Public Equity

As equity investors, and as a large institutional investor, we typically have good access to boards and management. Our investment teams have direct communication with management teams to share their views on ESG issues that may impact shareholder value.

In emerging markets, where information on ESG issues is less readily available, our investment teams focus on developing relationships with management over time and may prioritize engagements based on specific ESG issues that are considered most material to the portfolio as a whole.

Fixed Income

Corporate fixed income investors are more likely to engage with senior management as bonds reach maturity and the company seeks to refinance, focusing on matters that may impact the likelihood of debt repayment or of the issuer's perceived credit quality in the market.

Our corporate fixed income teams may also engage directly with rating agencies or facilitate meetings between rating agencies and the issuer to improve transparency and resolve potential discrepancies in information.

Engagement opportunities with government issuers tend to be limited to smaller bodies, such as municipal issuers, or when larger issuers seek input from the investor community. Our investment teams also engage with regulators within government fixed income markets on matters affecting transparency and fostering fair and efficient capital markets.

Common principles we promote across all markets in our equity and fixed income investments include:

- The need for a qualified and effective board that is accountable to investors
- Strong management of capital structure
- Robust accounting and risk management systems
- Appropriate policies to address material environmental and social risks and opportunities
- Policies and controls designed to ensure full compliance with all applicable laws and regulations

Collaborative initiatives

We participate in initiatives that work to 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. In either case, we work to encourage changes that are in the best interests of our clients.

Collaborations⁵



30% Club Canadian Investor Group

RBC GAM is a signatory to the 30% Club Canadian Investor Group. The group is a coalition of Canada's largest institutional investors calling on publicly-traded companies to achieve and exceed the 30% gender diversity target and to enhance the presence of other underrepresented groups on their boards and at the executive management level. For more information on the investor group's commitment to gender diversity, please see its [Statement of Intent](#).



Alternative Investment Management Association

RBC BlueBay Asset Management (BlueBay) is a member of the Alternative Investment Manager Association (AIMA). AIMA is the global representative of the alternative investment industry and draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programmes and sound practice guides.



Canadian Coalition for Good Governance

RBC GAM is a founding member of Canadian Coalition for Good Governance (CCGG). The CCGG promotes good governance practices in Canadian public companies and works to improve the regulatory environment to best align the interests of boards and management with their shareholders. Members of RBC GAM's CGRI team serve on the Public Policy and Environmental & Social committees.



CDP

RBC GAM and BlueBay are investor members to the CDP, which runs the global disclosure system that enables entities to measure and manage their environmental impacts and strives to advance environmental disclosure.



Climate Action 100+

RBC GAM and BlueBay are signatories to the Climate Action 100+. This investor collaboration focuses on active engagement with the world's largest publicly traded and systemically important carbon emitters, or companies with significant opportunity to drive the transition to a low-carbon economy.



Climate Engagement Canada

RBC GAM is a founding participant of Climate Engagement Canada (CEC). The CEC is a finance-led initiative that drives dialogue between the financial community and corporate issuers to promote a just transition to a net-zero economy. This is a national engagement program, akin to Climate Action 100+. A member of RBC GAM's CGRI team serves on the Technical Steering Committee.



Council of Institutional Investors

RBC GAM is a member of the Council of Institutional Investors (CII). The CII aims to promote effective corporate governance, strong shareowner rights and vibrant, transparent and fair capital markets.



Emerging Markets Investor Alliance

BlueBay is a member of the Emerging Markets Investor Alliance (EMIA). The EMIA aims to enable institutional emerging market investors to support good governance, promote sustainable development, and improve investment performance in the governments and companies in which they invest.



European Leveraged Finance Association

BlueBay is a member of the European Leveraged Finance Association. The ELFA aims to seek a more transparent, efficient, and resilient leveraged finance market.



Farm Animal Investment Risk & Return

BlueBay is a member of the Farm Animal Investment Risk & Return (FAIRR). FAIRR is a collaborative investor network that raises awareness of the ESG risks and opportunities brought about by intensive livestock production.



Global Impact Investing Network

RBC GAM and BlueBay are members of the Global Impact Investing Network (GIIN). The GIIN is the global champion of impact investing, dedicated to increasing the scale and effectiveness of impact investing around the world.



International Corporate Governance Network

RBC GAM is a member of the International Corporate Governance Network (ICGN). The ICGN aims to promote effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies worldwide. A member of RBC GAM's CGRI team is a member of the ICGN Global Governance Committee.



IFRS Foundation

RBC GAM and BlueBay are members of the IFRS Sustainability Alliance, a global membership program for sustainability standards, integrated reporting, and integrated thinking. Upon the Value Reporting Foundation's consolidation into the IFRS Foundation, the IFRS Foundation's International Sustainability Standards Board (ISSB) assumed responsibility for the SASB Standards. The ISSB has committed to build on the industry-based SASB Standards and leverage SASB's industry-based approach to standards development. The ISSB encourages preparers and investors to continue to use SASB Standards.

⁵ Logos are protected trademarks of their respective owners and RBC GAM disclaims any association with them and any rights associated with such trademarks.



Investor Stewardship Group

RBC GAM is a founding member of the Investor Stewardship Group (ISG). The ISG is a collective of institutional investors brought together to establish a framework of basic standards of investment stewardship for institutional investors and corporate governance principles for U.S. listed companies. A member of RBC GAM's CGRI team is a member of the ISG board.



Investment Association

BlueBay is a member of the Investment Association. The Investment Association is the United Kingdom's membership association for investment managers.



Investors Policy Dialogue on Deforestation (IPDD)

RBC GAM is a supporting investor of the IPDD in Brazil, which is co-chaired by BlueBay. The IPDD initiative aims to coordinate a public policy dialogue with authorities and monitor developments to assess exposure to financial risks arising from deforestation.



Mission Investors Exchange

RBC GAM is a member of the Mission Investors Exchange, the leading impact investing network for foundations dedicated to deploying capital for social and environmental change.



Responsible Investment Association

RBC GAM is a sustaining member of the Responsible Investment Association (RIA). The RIA is Canada's membership association for responsible investment. A member of RBC GAM's CGRI team is the Vice-Chair of the RIA board. RBC GAM is a proud signatory to the Canadian Investor Statement on Diversity and Inclusion (read the [full statement](#)) and the Canadian Investor Statement on Climate Change (read the [full statement](#)).



Standards Board for Alternative Investments

BlueBay is a member of the Standards Board for Alternative Investments (SBAI). The SBAI aims to help institutional investors and alternative investment managers better understand how responsible investment can be applied in different alternative investment strategies, as well as the specific challenges and questions that arise in these contexts.



UN Principles for Responsible Investment

RBC GAM and BlueBay are signatories to the UN Principles for Responsible Investment (PRI). The PRI is a leading global network for investors committed to integrating ESG considerations into their investment practices and ownership policies. We are committed to putting the PRI's six Principles of Responsible Investment into practice and believe that they are aligned with our existing approach to responsible investment. A member of RBC GAM's Corporate Governance and Responsible Investment team sits on the Policy Committee. We are also a signatory to the [PRI Statement on ESG in Credit Ratings](#), which encourages credit rating agencies to proactively take ESG factors into consideration for relevant issuers.



US SIF - The Forum for Sustainable and Responsible Investment

RBC GAM is an institutional member of US SIF. US SIF is the leading voice advancing sustainable, responsible and impact investing across all asset classes. Its mission is to rapidly shift investment practices toward sustainability, focusing on long-term investment and the generation of positive social and environmental impacts.

Commitments



Japanese Stewardship Code

RBC GAM is a signatory to the Japanese Stewardship Code. The Code sets out the principles that institutional investors should adhere to in order to fulfill their stewardship responsibilities to clients, beneficiaries and investee companies.



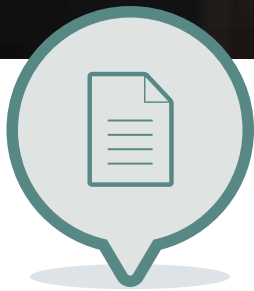
Task Force on Climate-related Financial Disclosures

RBC GAM and BlueBay are supporters of the Task Force on Climate-related Financial Disclosures (TCFD) and RBC GAM commits to producing annual climate-related financial risk disclosures aligned with the recommendations of the TCFD.



UK Stewardship Code

RBC GAM and BlueBay are signatories 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 response](#) and [BlueBay's response](#) to the UK Stewardship Code have met the expected standard of reporting of the Financial Reporting Council (FRC).



Client-driven solutions & reporting

Transparency and accountability are key to maintaining meaningful relationships with our clients and delivering on our fiduciary duty. In this section, we provide an overview of RBC GAM's reporting, research, and investment solutions related to responsible investment.

We strive to provide our clients with regular reporting on our responsible investment activities through the following publications:

Responsible investment reports

These reports highlight our recent activities, engagements, progress, and achievements related to our responsible investment strategy. We release an annual report, which includes highlights of our engagement activities conducted with issuers throughout the year. Our semi-annual report is released in the second half of the year and contains analysis and discussion of the proxy voting season, including trends observed and our voting statistics.

Climate-related disclosures

[Our Approach to Climate Change](#) outlines how climate-related risks and opportunities are measured and managed in the context of Our Approach to Responsible Investment. Our Net-Zero Ambition describes how we consider the net-zero transition in our ESG integration and active stewardship activities and in our own operations.

We also support the Task Force on Climate-related Financial Disclosures (TCFD), mandated by the Financial Stability Board. RBC GAM reports on our alignment with these recommendations on an annual basis.

Proxy voting disclosures

We publish both our Proxy Voting Guidelines and the records of our votes on ballot items for investments held in our funds in specific jurisdictions and in accordance with applicable regulations.

Reporting on our RI commitments

We publish our responses to the UN PRI, the UK Stewardship Code, and the Japan Stewardship Code on our website.

ESG insights

We publish topical reports on material ESG factors throughout the year. Several investment teams also publish their own independent research on ESG trends most pertinent to their funds.

Developing RI solutions for clients

With various responsible investment approaches, there may be times when these approaches overlap in the same investment solution.

We recognize that clients may choose the same responsible investment solution for different reasons. For instance, one client may choose an ESG screening & exclusion solution because it aligns with their personal or organizational values, while another chooses it because they believe issuers meeting the screening criteria will outperform.

In addition to ESG integration, where applicable, we also offer the following types of responsible investment strategies:

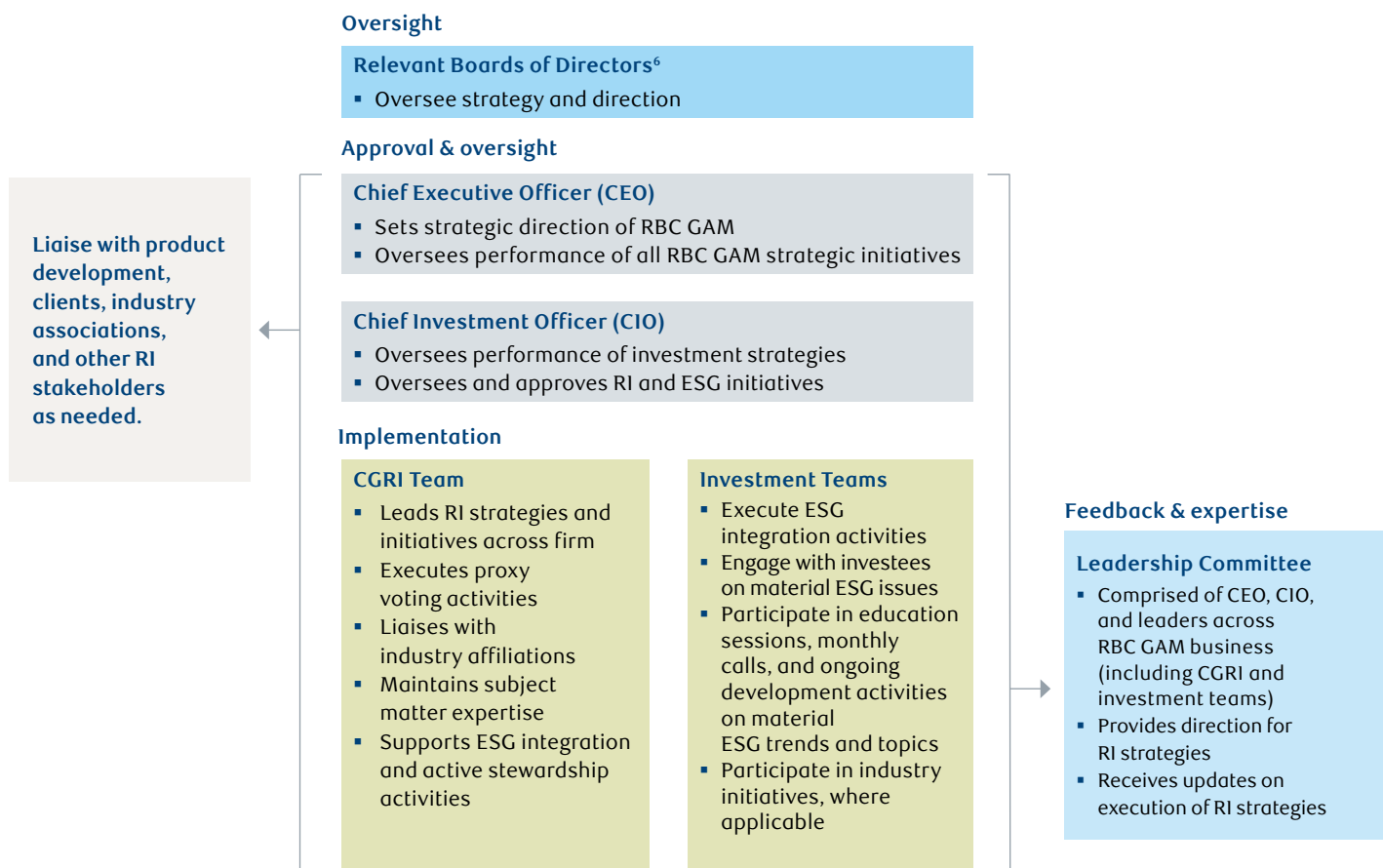
- ESG screening & exclusion, which applies positive or negative screens to include or exclude assets from the investment universe. Socially responsible investing (SRI) is a sub-category of ESG screening & exclusion, where the ESG criteria used to include or exclude assets from the investment universe generally stems from a certain principle or set of values. We also work with our institutional clients globally to implement custom ESG screens for their segregated portfolios.
- Impact investing, which offers the opportunity to invest in strategies that aim to earn a financial return alongside measurable social and environmental impact.
- Thematic ESG investing, which invests in assets with involvement in a particular ESG-related theme, such as gender diversity or environmental and social solutions.

We believe that consistent and transparent disclosure can help our clients identify the solutions that fit their investment needs.



Governance

Our Approach to RI document is reviewed on an annual basis by the CGRI team, with input on any changes provided by the RBC GAM Leadership Committee (Leadership Committee), and ultimate approval by RBC GAM's CIO. Our Approach to Responsible Investment applies firm-wide, and the governance structure of the specific activities encompassed by our Approach can be summarized per the below chart.



Compensation

Our CIO, CEO, and relevant Boards of Directors oversee the performance of firm-wide strategic initiatives, including responsible investment, on a quarterly and annual basis. Responsibility for strategic initiatives is delegated to the appropriate executives, whose direct annual compensation includes an assessment of performance on those initiatives. In addition, performance on strategic initiatives can also contribute to the overall firm-level performance factor that is applied to all employees' annual variable compensation.

Daily implementation of Our Approach to RI has been delegated to our CGRI and investment teams. As such, our CGRI team members' individual compensation is entirely related to RBC GAM's responsible investment and stewardship activities. Our investment teams are regularly evaluated on their teams' ESG integration processes, including as one component of their annual variable compensation.

Conflicts of interest

We have a fiduciary duty to act in the best interests of our clients, which includes having robust policies and procedures to prevent and/or appropriately manage conflicts of interest. Our conflict of interest policies establish the standards that must be followed by RBC GAM to ensure compliance with all applicable securities laws and regulations of the jurisdictions in which we operate. All potential or actual conflicts of interest, including ones related to proxy voting and engagement, have been addressed by putting appropriate controls and policies in place.

RBC GAM does not make its compliance policies publicly available, but does disclose its conflict of interest policies and practices to clients in accordance with the securities laws and regulations in the jurisdictions in which it operates.

⁶RBC Global Asset Management Inc., RBC Global Asset Management (UK) Limited, RBC Global Asset Management (U.S.) Inc. RBC Global Asset Management (Asia) Limited, and BlueBay Asset Management LLP.

RBC Global Asset Management

For more information on responsible investment at RBC Global Asset Management, visit www.rbcgam.com/ri.

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