RBC Global Asset Management

Our net-zero ambition

RBC Global Asset Management (RBC GAM)[1] and BlueBay Asset Management (BlueBay) support the global goal of achieving net-zero emissions by 2050 or sooner. We also recognize and support the need to achieve a just and orderly transition to net-zero that promotes widely shared economic prosperity.

As asset managers and fiduciaries of our clients' assets, we have an important responsibility to consider all factors that may materially impact the returns of our portfolios. Climate change is one such factor. As such, incorporating climate risks and opportunities where material to financial returns is consistent with our commitment to our clients. RBC GAM and BlueBay support the principles of the Paris Agreement and the international goal of holding temperature rise to "well-below 2°C", and preferably to no more than 1.5°C by the end of the century. According to the best available science, in order to meet this goal, greenhouse gas (GHG) emissions must decline by approximately 45% by 2030, relative to 2010 levels, and reach net-zero emissions by 2050 or sooner.[2]

Achieving net-zero emissions refers to achieving a balance between the GHG emissions produced, and those removed from the atmosphere. As climate science continues to advance and our understanding of the impacts of a net-zero transition evolve, we are committed to continually reviewing and refreshing our approach and processes, to ensure they remain fit for purpose.

Transparency & disclosure

We are committed to providing robust and timely disclosure of our climate change commitments and actions, as well as reporting transparently on our progress.

- The **climate-related commitments and actions** we take are published in our approach to climate change.
- As formal supporters of the **Task Force on Climate-Related Financial Disclosures** (TCFD), we commit to publishing annual TCFD reports.
- We will measure, monitor and disclose the **carbon emissions of our assets under management** (AUM) using established methodologies and best practices. While we endeavor to provide disclosure of Scope 1 and 2 emissions for the majority of AUM, the ability to do so will depend on data availability and quality (which may differ across asset classes, issuer types and the nature of the instruments to which the investments relate), as well as analytical tools.
- We will conduct **climate scenario analysis** to assess the impact of different climate pathways on investments, including 1.5°C and 2°C scenarios, and disclose these accordingly.

[1] References to RBC GAM include the following affiliates: BlueBay Asset Management LLP (BlueBay), RBC Global Asset Management Inc. (including Phillips, Hager & North Investment Management), RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited, and RBC Global Asset Management (Asia) Limited, which are separate, but affiliated subsidiaries of RBC.
[2] Intergovernmental Panel on Climate Change (2019). Link.

Addressing net-zero in our investments

We support the transition to a net-zero economy through our investment processes.

- We integrate financially material climate-related risks and opportunities in our investment processes, managing these in line with the stated investment objective of our strategies.
- We expect all issuers in which we are invested to work towards identifying and publicly disclosing **material financial and strategic impacts** resulting from the transition to a net-zero economy.
- We expect all issuers in which we are invested, where climate represents a financially material risk, to establish credible **targets and action plans** aligned to the global ambition of achieving net-zero emissions by 2050 or sooner. We also expect them to demonstrate progress in meeting their commitments.
- We will **identify and track** the extent to which the issuers in which we are invested are aligned with the goal of achieving net-zero emissions by 2050 or sooner.
- We will continue to implement our **active stewardship** strategy, which is inclusive of climate change matters, in support of our net-zero ambition. This includes **actively engaging with issuers** for whom climate change is a material financial risk if they do not have a net-zero target and action plan or are lagging their peers. Additionally, where appropriate, we will reflect our views in our proxy voting activities.
- We will **work with institutional clients** to support them in achieving climate objectives within their portfolios. This includes providing them with an appropriate level of transparency into climate-related investment risks and opportunities.
- We will continue to offer and develop **investment solutions** that consider climate mitigation, climate transition and climate adaptation.

Addressing net-zero in our operations

We understand our obligation to mitigate emissions within our own operations

- We are committed to maintaining **net-zero emissions in our operations.** Royal Bank of Canada (RBC) tracks and reports on GHG emissions, including those of RBC GAM and BlueBay, according to the GHG Protocol. RBC first achieved net-zero operations in 2017 and each year subsequent. See the RBC Climate Blueprint.
- RBC has also committed to achieving **net-zero emissions by 2050 in its lending portfolio**. This includes a commitment to measure and disclose financed emissions in line with the methodology established by the Partnership for Carbon Accounting Financials (PCAF). See the RBC Climate Blueprint.

Learn more about our approach to climate change.

(10/2021)
021GAM083_(09_2021)_NET ZERO AMBITION STATEMENT_EN_V1_12 10/20/2021