

Stewardship in action

Proxy season overview

2019 Corporate Governance
and Responsible Investment Semi-Annual Report

What's inside:

-  2019 updates to the RBC GAM Proxy Voting Guidelines
-  Proxy voting stats and highlights
-  Proxy season observations



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Proxy voting

Proxy voting is an important part of the portfolio management process as it allows investors to convey their views on the governance of investee companies. Most companies in developed markets hold their annual general meetings during the spring and, as a result, this is when the bulk of proxy voting activity takes place. RBC Global Asset Management (RBC GAM) has developed a comprehensive set of custom Proxy Voting Guidelines that detail how we will generally vote on proposals put forward at shareholder meetings.



Updates to the RBC GAM Proxy Voting Guidelines

Throughout the year, RBC GAM's Corporate Governance & Responsible Investment (CGRI) group monitors ongoing developments in corporate governance. The CGRI group's observations serve as a starting point for our annual updates to the RBC GAM Proxy Voting Guidelines (Guidelines) and incorporate the views of our investment teams. This ongoing review process ensures that our Guidelines reflect current best practices and emerging trends. Some of the most notable updates made in 2019 are summarized below.

Board gender diversity

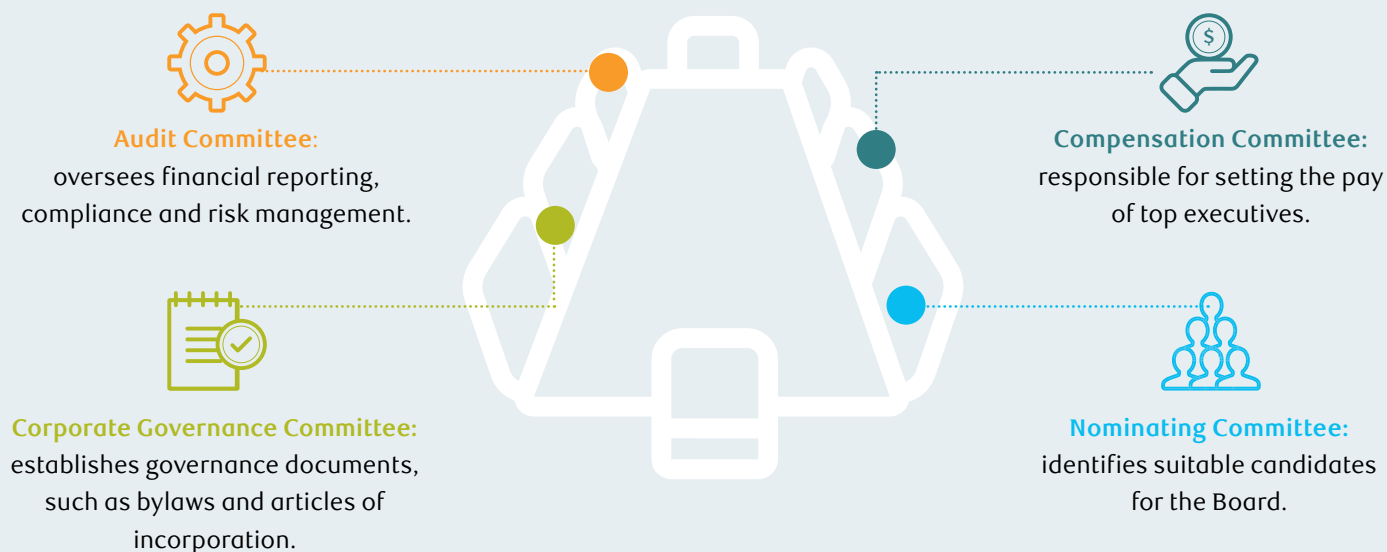
We have made a number of changes to our board gender diversity guidelines since establishing our first guideline in 2014. In 2018, with our Guidelines already requiring that boards have at least one female director, we enhanced our Guidelines to require companies with no female directors on their board to have diversity policies in place that both commit to increasing board gender diversity and set targets to do so over a reasonable period of time.

In the absence of female board representation and an adequate diversity policy, we will generally vote against the election of members of the Nominating Committee.

To further contribute to the objectives of the Canadian 30% Club Investor Group – which aims to have 30% women on the boards and at the executive management level of all S&P/TSX Composite Index companies by 2022 – we updated our Guidelines once again in 2019. If a company's board has fewer than two women directors and lacks an adequate gender diversity policy, barring exceptional circumstances, we will vote against members of the Nominating Committee. By enhancing our Guidelines, we hope to see an increase in the representation of women on the boards of our investee companies. Board gender diversity is discussed in more detail below.

The Board of Directors

The Board of Directors is a group of individuals elected by shareholders as fiduciaries to make company decisions and oversee management on shareholder's behalf. The Board can be split into formalized operating sub-committees¹.



¹Definitions sourced from: Board of Directors. Investopedia. James Chen. June 2019. <https://www.investopedia.com/terms/b/boardofdirectors.asp>; and The Corporate Governance of Listed Companies. CFA Institute. 2018. <https://www.cfainstitute.org/-/media/documents/article/position-paper/corporate-governance-of-listed-companies-3rd-edition.ashx>

Executive compensation

In order to address new trends in executive compensation plans and to better communicate how we evaluate those plans, we have updated our Guidelines to include additional factors we consider when voting on ‘say-on-pay’ proposals. Some of these updates are discussed in greater detail below:

1 We have seen cases in which significant legal expenses and/or settlements arising from companies’ business operations are excluded from calculations of performance metrics in executive compensation plans. We updated our Guidelines to specifically state our consideration of the significance of legal costs and the materiality of a settlement as it relates to the company’s operations and/or strategy when evaluating compensation plans. We aim to identify egregious cases where these situations may be of consequence to shareholders and should be reflected in the executive compensation plan.

2 We consider most merger and acquisition activities to be part of an executive’s duties, but continue to see special bonuses awarded to executives outside of the compensation plan’s framework in recognition of completed transactions. The potential for significant bonuses could incentivise executives to complete transactions that are not necessarily in the best long-term interests of shareholders and contribute to excessive pay. As such, we will generally vote against plans where executives are awarded with excessive special or one-time awards in response to successful transactions.

3 Over the past few years, we have seen several high-profile executive compensation plans where the executive was granted an immense number of stocks and options that vested over several years, should performance criteria be met. Although there is a benefit to these long-term grants – that is, the alignment of management and shareholder interests for the duration of the outlined period – there have been several cases when the stated performance criteria were weak or did not need to be maintained for a reasonable period of time, potentially encouraging massive payouts for short-term bumps in stock performance. We will generally vote against a compensation plan that makes use of significant front-loaded awards or long-term mega-grants without the use of appropriate security types or robust performance conditions aligning management and shareholder interests for the duration of the plan’s life and beyond.

“In our view, a virtual-only meeting experience is not directly comparable to an in-person meeting experience for all shareholders.”

No-action and exemption requests

As owners of a company, shareholders have the ability to submit proposals to management on any issue they find material. However, in some jurisdictions, companies may be permitted by market regulators to exclude shareholder proposals from the ballot if the proposal conflicts with a management proposal at the same meeting. Although the exclusion of redundant shareholder proposals may be warranted if the company takes reasonable action on the issue or if the proponent agrees on the withdrawal after engagement, we generally are not supportive of this practice when management uses this avenue to put forth a proposal that has more limited criteria or reduces shareholder rights.

To communicate to management that we do not approve of this practice, we implemented a new guideline that will examine cases where shareholder proposals which have been excluded after the company has introduced a competing management proposal. We may vote against members of the Corporate Governance Committee if we determine that the company has excluded a shareholder proposal and introduced a management proposal on substantially the same issue that may be contrary to shareholders’ best interests, as compared to the original shareholder proposal.

Virtual annual general meetings

With recent advances in technology, virtual shareholder meetings are on the rise in the United States. According to ISS Analytics, 6.6% of annual general meetings in the U.S. were virtual-only in 2018, and companies usually adopted virtual meetings without requesting shareholder approval first.²⁰ Although there are benefits to facilitating virtual participation in shareholder meetings, virtual-only meetings have the potential to adversely impact shareholder rights. In our view, a virtual-only meeting experience is not directly comparable to an in-person meeting experience for all shareholders.

As a result, we have implemented new guidelines to address these potential conflicts of interest. We believe that shareholders should be given the opportunity to vote on the adoption of virtual-only meetings and if a company adopts a virtual-only or hybrid meeting format without shareholder approval, we may withhold our support from members of the Board if the meeting format negatively impacts shareholder rights. RBC GAM will generally not support proposals to adopt a virtual-only meeting format. Generally, we are supportive of hybrid meeting formats where companies hold traditional in-person meetings that allow for virtual participation.

²⁰ Virtual Meetings Continue to Increase in the U.S. ISS Analytics. August 2019.

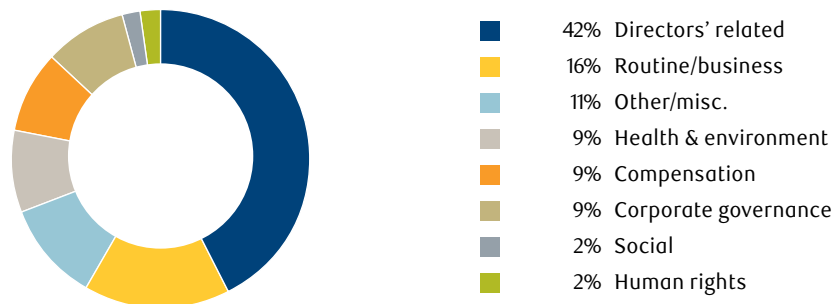
Proxy voting record

We take an active approach to all of our proxy voting. The CGRI group reviews all proposals across all meetings to ensure that we vote our shares in our clients' best interests. Below is a summary of our voting statistics for the first six months of 2019.

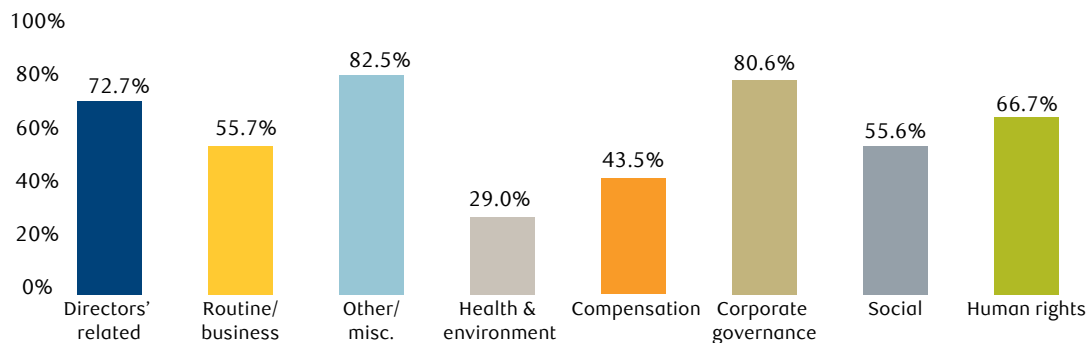
Proxy voting statistics^{2b, 3} (January 1 – June 30, 2019)

	Canada	U.S.	Overseas	Overall
Proposals	3,141	9,669	14,156	26,966
Votes WITH management	2,713	8,111	12,751	23,575
Votes AGAINST management	428	1,558	1,405	3,391
% of votes AGAINST management	13.6%	16.1%	9.9%	12.6%

Shareholder proposals by category



Votes "FOR" by shareholder proposal category



^{2b} The proxy voting statistics include voting for all of RBC GAM with the exception of funds managed by BlueBay Asset Management LLP and externally managed sub-advised funds.

³ Voting statistics account for proxy votes submitted by RBC GAM and may include instances where RBC GAM's proxy votes were rejected at the time of meeting, which may occur due to proxy voting administration issues in foreign markets. Voting statistics exclude instances where RBC GAM intentionally did not vote due to shareblocking restrictions or other logistical impediments.

Highlight: Proxy voting on gender diversity

Board gender diversity continues to be top of mind for investors. Although progress has been made, it has been slow. Recently, in a call for more action, the California Senate passed Senate Bill No. 826, which requires all publicly listed companies incorporated or headquartered in California to place a minimum number of women on their boards by the end of 2019 and 2021. Details are as follows:

- At the close of calendar year 2019, all boards will need to have one female director.
- At the close of calendar year 2021:
 - At least three female directors on a board of six or more members
 - At least two female directors on a board of five members
 - At least one female director on a board of four or fewer members
- Fines starting at US\$100,000 will be incurred by companies that do not comply.

The California Senate noted a number of studies that argue that more women serving on boards will help boost the state's economy and improve opportunities for women in the workplace. In particular, a 2015 study conducted by the U.S. Government Accountability Office and the 2017 Equilar Gender Diversity Index suggested that it could take more than 40 years for companies to reach gender parity without proactive intervention.⁴

While California is the first U.S. state to mandate female directors, this practice of mandating quotas and targets is not uncommon in countries outside of the United States. In 2008, Norway required publicly listed companies to have at least 40% of their board comprised of female members or face potential dissolution. In the following years, more than a dozen countries, including Belgium, France, and Italy, followed

and set quotas for board gender diversity, with required female board representation ranging between 30% and 40%.⁵ Some countries opted for less stringent options. For instance, Canada opted for the comply-or-explain rule in 2015. This guideline requires most companies on the Toronto Stock Exchange to annually disclose how many women are on their board and compels disclosure on whether the company has a board gender diversity policy, and if not, to explain why.⁶

Although these requirements have proven helpful, findings have shown the need for more action to reach even one-third female board representation. The most recent study by Statistics Canada, published in May 2019, shows that only 19.4% of Canadian corporate board seats were held by women in 2016. The agency collected data from more than 12,700 corporations and found 15% of the boards had more than one woman, 28% had just one woman, and 57% of the boards had no women at all.⁷ Another study by the Canadian Securities Administrators illustrated that there has been a slow increase in total board seats occupied by women. The study sampled 648 issuers across select provinces and reports the total board seats occupied by women was 11% in 2015, which increased to 15% in 2018.⁸ Since the 'comply-or-explain' rule was put in place in 2015, there has been an average increase of 1.3% per year of total board seats occupied by women. This may indicate that the effect of voluntary guidelines did not achieve the desired result and further action is required in order to reach gender parity.

At RBC GAM, we believe that directors should have diverse backgrounds and experience to enhance overall board effectiveness. As a result, we have continuously updated our Guidelines on board gender diversity to encourage greater diversity on our investee companies' boards. Prior to 2019, the Guidelines were applied to Canada only and were updated as follows:



⁴ California Legislative Information. Senate Bill No. 826. October 2018. https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB826

⁵ Ten years on from Norway's quota for women on corporate boards. The Economist. February 2018. <https://www.economist.com/business/2018/02/17/ten-years-on-from-norways-quota-for-women-on-corporate-boards>

⁶ Canada lags behind the U.S. on putting women in corporate boardrooms. The Canadian Press. March 2019. <https://www.cbc.ca/news/business/canada-board-gender-diversity-1.5074233>

⁷ Study: Representation of Women on Boards of Directors, 2016. Statistics Canada. May 2019. <https://www150.statcan.gc.ca/n1/daily-quotidien/190507/dq190507a-eng.htm>

⁸ Report on Fourth Staff Review of Disclosure regarding Women on Boards and in Executive Officer Positions. Canadian Securities Administrators. September 2018. https://www.osc.gov.on.ca/documents/en/Securities-Category5/sn_20180927_58-310_staff-review-women-on-boards.pdf

After reviewing our progress over the past three years, and in pursuit of the intentions of the Canadian 30% Club Investor Group – of which RBC GAM is a signatory – we felt that our Guidelines needed to convey our continued commitment to increasing gender diversity on the boards of our investee companies. As a result, we updated our Guidelines again in 2019 to state that we may vote against directors on the Nominating or Corporate Governance committees if the board has fewer than two women directors and lacks an adequate diversity policy. Further, we have expanded this guideline to apply to companies outside of Canada as well, in markets where the RBC GAM Proxy Voting Guidelines are applied.

This guideline was implemented for the 2019 proxy voting season and led to numerous discussions with our investee companies on gender diversity, as well as more commitments

from our investee companies to increase gender diversity on their boards or adopt appropriate policies with the aim of doing so. This also led to an increase in votes against the election of board members (typically members of the nominating committee or equivalent as these are the board members with the power to make change) due to the board not meeting our board gender diversity requirements. Overall, we voted against 12.2% of directors up for election during the 2019 proxy season and board gender diversity concerns contributed to roughly 47.4% of these votes against directors' elections overall.⁹ By communicating and educating our investee companies on the benefits of gender diversity, and taking action by voting against boards that do not comply with our updated guidelines, we feel that we have taken proactive steps to meet our objective of improving board gender diversity.



⁹ In many cases, RBC GAM voted against the election of these directors due to a combination of board gender diversity and general corporate governance concerns.



Proxy season observations

	Canada			U.S.			Overseas			Total		
	WITH Mgmt	AGAINST Mgmt	% AGAINST Mgmt	WITH Mgmt	AGAINST Mgmt	% AGAINST Mgmt	WITH Mgmt	AGAINST Mgmt	% AGAINST Mgmt	WITH Mgmt	AGAINST Mgmt	% AGAINST Mgmt
Require independent board chairman	0	0	N/A	0	44	100.0%	0	1	100.0%	0	45	100.0%
Adopt or amend proxy access right ¹⁰	0	0	N/A	0	20	100.0%	0	0	N/A	0	20	100.0%
Gender pay gap	0	0	N/A	0	13	100.0%	0	0	N/A	0	13	100.0%
Amend articles/bylaws/charter to call special meetings	0	0	N/A	0	17	100.0%	0	0	N/A	0	17	100.0%
Publish two degree scenario analysis	0	0	N/A	0	1	100.0%	0	0	N/A	0	1	100.0%
Amend or approve omnibus stock plan	1	9	90.0%	5	166	97.1%	3	10	76.9%	9	185	95.4%
Political contributions and/or lobbying disclosure	0	0	N/A	4	47	92.2%	0	1	100.0%	4	48	92.3%
Report on EEO	0	0	N/A	1	5	83.3%	0	0	N/A	1	5	83.3%
Link executive pay to social criteria	4	0	0.0%	1	9	90.0%	0	0	N/A	5	9	64.3%
GHG emissions	1	0	0.0%	1	3	75.0%	3	1	25.0%	5	4	44.4%
Report on climate change or sustainability ¹¹	5	0	0.0%	0	3	100.0%	2	0	0.0%	7	3	30.0%
Approve remuneration report or policy	155	10	6.1%	737	100	11.9%	353	71	16.7%	1,245	181	12.7%
Elect director	2,076	299	12.6%	6,140	992	13.9%	3,836	387	9.2%	12,052	1,678	12.2%
Approve remuneration of directors	1	0	0.0%	1	0	0.0%	495	46	8.5%	497	46	8.5%
Ratify or approve auditors and their remuneration	269	3	1.1%	902	6	0.7%	582	17	2.8%	1,753	26	1.5%

¹⁰ Note that the statistics for the 'Adopt or Amend Proxy Access Right' Item Category do not include 2 proposals for proxy access put forward by management. In these cases, we voted WITH management on both proposals.

¹¹ Management supported one proposal under the 'Report on Climate Change or Sustainability' Item Category. After review, RBC GAM voted WITH management on the proposal.

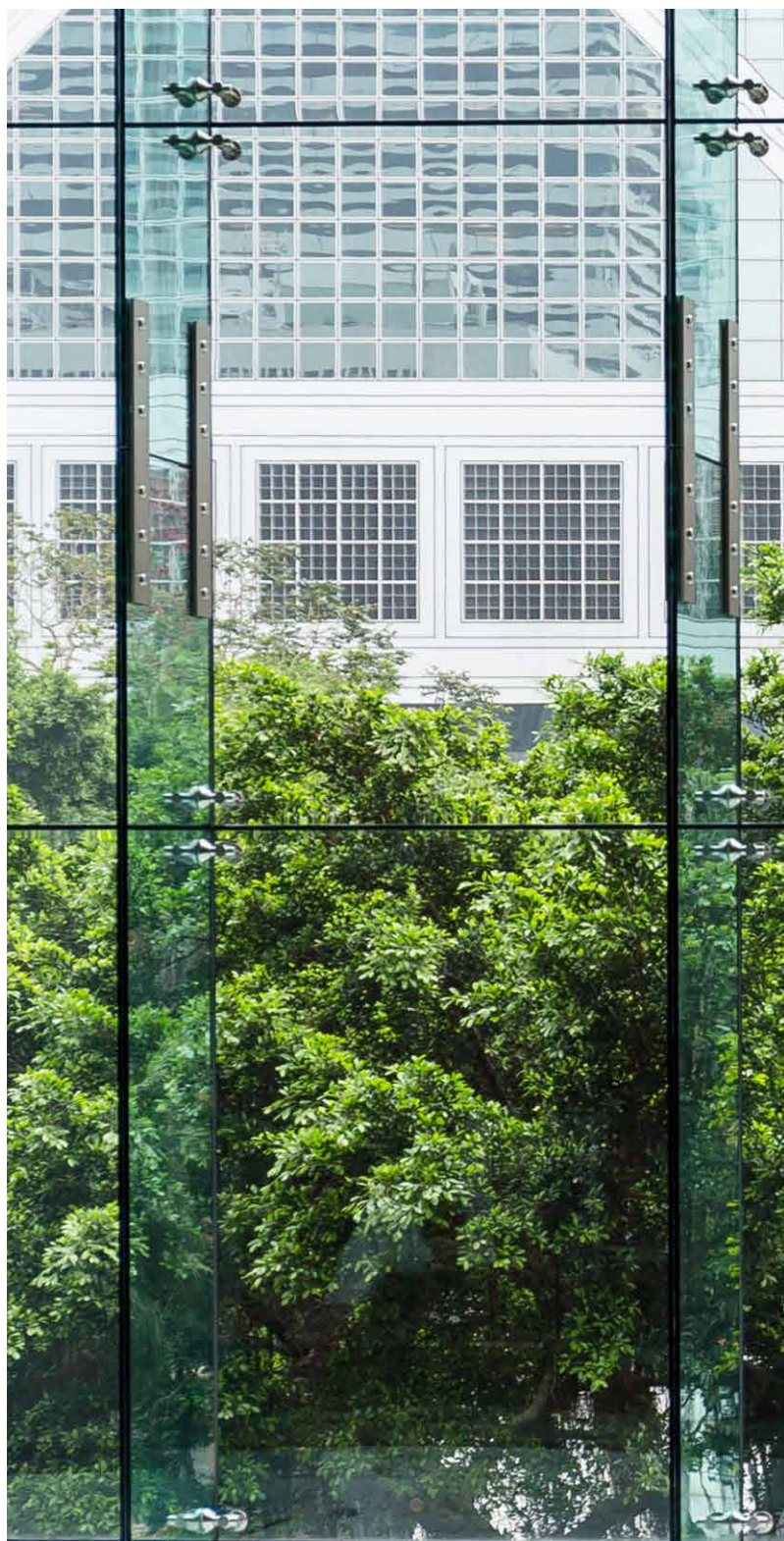
Alternative metrics for CEO compensation

One of the best ways to align shareholder interests with those of management is through an effectively structured executive compensation plan. This is usually accomplished through the use of performance-based long-term incentive awards, which may incorporate metrics found on a company's income statement, such as revenue or earnings. These metrics are material to the stock price, which is often considered a proxy of the shareholder experience.

Although these common income-statement metrics can be an effective way to measure management performance, they may not directly incorporate material issues that could affect share price, such as environmental and social considerations. As evidenced by shareholder proposals, some shareholders are now looking at ways of incorporating environmental, social and governance (ESG) metrics into executive compensation plans to ensure management and shareholders are aligned on these material issues.

Gender diversity has been a controversial area for the technology sector for several years and it continued to make its way onto the voting ballots at technology companies during the 2019 proxy season. Tech giants such as Amazon and Alphabet (Google) had shareholders filing proposals requesting that both companies report on the feasibility of integrating sustainability metrics, including metrics regarding diversity among senior executives, into the company's executive compensation plan. Both supporting statements mentioned studies that found that diversity boosts a business' sustainability and success. According to the proposals' proponents, both companies had an underrepresentation of females and visible minorities at leadership levels. The companies were also lagging peers such as Microsoft, Intel, and IBM, where compensation was linked to diversity goals. Proponents of both proposals requested clarity regarding how the companies intended to improve their diversity and how the strategy was supported by executive accountability.¹²

In general, RBC GAM supports proposals that request enhanced disclosure on material ESG issues, as well as those that promote diversity in the workplace. In this instance, we supported the aforementioned proposals at Amazon and Alphabet, as diversity is a material issue at both companies and shareholders would benefit from additional disclosure on how the companies intend to increase diversity in addition to how executives will be held accountable for progress.



¹² Institutional Shareholder Services. ISS Proxy Analysis & Benchmark Policy Voting Recommendations. Alphabet Inc., June 6, 2019; and Institutional Shareholder Services. ISS Proxy Analysis & Benchmark Policy Voting Recommendations. Amazon.com, Inc. May 9, 2019

Content governance

As discussed in *Looking Ahead to the 2019 Proxy Voting Season*,¹³ the world's largest information and communication technology companies faced a number of issues in 2018. Controversies surrounding content governance were at the forefront of discussions at companies such as Alphabet, Facebook and Twitter.

Over the past year, headlines regarding election interference, fake news, hate speech and sexual harassment have plagued these companies, causing material concerns. Some of the issues presented in the content governance shareholder proposals in 2019 were as follows:

- At Facebook's 2019 annual general meeting, the content management controversies mentioned in the proponent's supporting statement included Cambridge Analytica's misappropriation of users' data, the use of Facebook by a Russia-funded misinformation campaign, the potential use of social media to spread hate speech in Myanmar and the

use of Facebook in Libya to traffic weapons. The proponent stated that users' level of trust had been eroded, with Pew Research statistics indicating that 44% of young Americans deleted the Facebook app from their phones and nearly three-quarters of users have either deleted the app, taken a break from the platform or adjusted their privacy settings.¹⁴

- At Alphabet, a shareholder proposal focused on YouTube quoted several U.S. news articles from 2018 implicating the platform of "allowing racist, misogynist, and harassing content to remain online." The proponent also mentioned that the company has been investigated by Congress, and that the European Union has taken measures to induce technology companies to do more to fight misinformation.¹⁵
- A shareholder proposal at Twitter discussed the concerns of the company's policy against fact-checking and removing fake news. The proponent cited research that found that Twitter had 5% more false content in the lead-up to the 2018 U.S. mid-term election than during the 2016 American presidential election. Moreover, when the company's CEO Jack Dorsey testified in front of the Senate investigative committee, the company stock fell by 6%.¹⁶

As a result of these proposals, shareholders requested greater disclosure and transparency surrounding each company's enforcement of their terms of service related to content policies, as well as the material risks associated with content governance controversies affecting the company's finances, operations and reputation. These concerns have proven to be material, as made evident by reduced user numbers, increased regulation and volatile stock prices.

RBC GAM will generally support proposals requesting greater disclosure on material ESG risks if the company's current disclosure is not sufficient. In these specific cases, we supported the shareholder proposal at Twitter's meeting calling for enhanced disclosure on content governance. However, we determined that the disclosure available from Alphabet and Facebook addressed the proponents' concerns, and we therefore voted against those proposals.



¹³ Looking Ahead to the 2019 Proxy Voting Season, RBC GAM, 2019. <https://www.rbcgam.com/documents/en/articles/looking-ahead-to-the-2019-proxy-voting-season.pdf>

¹⁴ Facebook, Inc., Schedule 14A Information – Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934. April 12, 2019. <https://www.sec.gov/Archives/edgar/data/1326801/000132680119000025/facebook2019definitiveprox.htm#s1A4EDA22D91F59A4B84B01FE31CB07D8>

¹⁵ Alphabet Inc., Schedule 14A Information – Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934. April 30, 2019 https://www.sec.gov/Archives/edgar/data/1652044/000130817919000205/lgoog2019_def14a.htm#lgooga075

¹⁶ Twitter, Inc., Schedule 14A Information – Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934. April 8, 2019 https://www.sec.gov/Archives/edgar/data/1418091/000119312519100731/d710371ddef14a.htm#toc710371_32; and Twitter shares fall 6% as CEO Jack Dorsey testifies before Senate. CNBC LLC. September 5, 2018. <https://www.cnn.com/2018/09/05/twitter-shares-drop-6percent-during-dorseys-senate-testimony.html>



Human rights issues in the supply chain

The number of shareholder proposals related to human rights issues has been increasing over time, and this proxy season was no exception. We discussed how we have seen an increased number of human rights proposals focused on immigrants and refugees in *Looking Ahead to the 2019 Proxy Voting Season*, but another area that received much attention was the use of prison labour in the supply chain.

In August 2018, an organization called Jailhouse Lawyers Speak organized a series of strikes protesting the exploitation of prison workers and poor prison conditions. The strikers issued a list of ten demands, calling for improved prison conditions and the “immediate end to prison slavery,” among other things.¹⁷

This incident sparked a shareholder proposal filed at Home Depot requesting more disclosure on prison labour, including the extent of known usage of prison labour in the company’s supply chain. Home Depot has a sourcing report that is publicly

disclosed and details its sourcing standards and audit procedures for its suppliers. In 2017, the company conducted 1,165 audits and provided explanations of its action plan when deficiencies were found, including a remediation program and other corrective actions (such as terminating the supplier relationship). However, the proponent stated that in 2017 a lawsuit was filed against a supplier of Home Depot, alleging forced unpaid labour of men in a drug rehabilitation program who were diverted from overcrowded prisons.¹⁸

Although Home Depot had a seemingly rigorous process in place, their audits did not identify any supplier that used prison labour. Moreover, the prison labour strikes of 2018 drew attention to this exploitative practice and may have increased the risk to the company of additional litigation or regulation. Due to the materiality of this issue, RBC GAM supported the proposal requesting enhanced disclosure regarding the company’s supply chain.

¹⁷ Institutional Shareholder Services. ISS Proxy Analysis & Benchmark Policy Voting Recommendations. The Home Depot, Inc. May 8, 2019; and US inmates stage nationwide prison labor strike over ‘modern slavery’. Ed Pilkington. The Guardian. August 2018. <https://www.theguardian.com/us-news/2018/aug/20/prison-labor-protest-america-jailhouse-lawyers-speak>; and Striking the Right Balance: Toward a Better Understanding of Prison Strikes. 132 Harvard Law Review 1490. March 8, 2019. <https://harvardlawreview.org/2019/03/striking-the-right-balance-toward-a-better-understanding-of-prison-strikes/>

¹⁸ The Home Depot, Inc. Proxy Statement and Notice of 2019 Annual Meeting of Shareholders. April 2019. https://ir.homedepot.com/~media/Files/H/HomeDepot-IR/2019_Proxy_Updates/Final%202019%20Proxy%20Statement_vF.PDF



The impact of plastic waste

Over the past year, environmentalists around the world have called for action on reducing the amount of plastic pollution being generated. Nations and states such as China, the European Union and the UK are in the process of implementing restrictions on single-use plastics.¹⁹ In Canada, nearly 90% of plastics end up incinerated or in landfills, lakes, parks and oceans. This means less than 11% of all plastics are being recycled.²⁰ In June 2019, Prime Minister Justin Trudeau responded by creating a plan to regulate plastic waste and ban, as early as 2021, plastic bags, straws, cutlery, plates and stir sticks where supported by scientific evidence and warranted.²¹

Shareholders of large fast-food chains have wasted no time waiting for regulations and instead have pushed for reports from companies on sustainable packaging or on the environmental impact of their organizations' non-recyclable packaging. This additional analysis should provide shareholders with enhanced disclosure on environmental risks at these companies, including the efforts made by each company compared to industry peers and the potential increase in costs once the regulation is implemented.

Restaurant Brands International Inc., which is the parent company of Tim Horton's, was one of the organizations that received a shareholder proposal requesting a report on sustainable packaging. The proponent noted that Tim Horton's was cited as the second-largest plastic polluter in Canada by Greenpeace. The company was lagging peers such as YUM!

Brands (Kentucky Fried Chicken, Pizza Hut) and McDonald's on implementing sustainable packaging programs. For example, these peers committed to recycling programs across all locations, in contrast to Tim Horton's, which has recycling at only some locations. As there is the potential for increased regulatory oversight, costs related to plastic packaging and increased activism regarding plastics, companies may be

faced with increased reputational and environmental risks if they do not address their plastic pollution and recycling programs. As a result, we supported the proposal requesting a report on sustainable packaging at Restaurant Brands International Inc.²²

At RBC GAM, we believe companies must recognize their impact on the environment and we will support companies adopting policies and procedures that aim to minimize this impact. We will also generally support proposals for enhanced disclosure of the environmental practices of a company.

Want to learn more about the impact of plastic waste?

Check out *Plastics and plastics recycling: a material issue for investors.*

rbcgam.com/ri

¹⁹ The world is scrambling now that China is refusing to be a trash dumping ground. Yen Nee Lee. CNBC LLC. April 16, 2018. <https://www.cnbc.com/2018/04/16/climate-change-china-bans-import-of-foreign-waste-to-stop-pollution.html>; and A European Strategy for Plastics in a Circular Economy. January 16, 2018. <https://ec.europa.eu/environment/circular-economy/pdf/plastics-strategy.pdf>; and UK plan to tackle plastic waste threat. Roger Harrabin. BBC. December 18, 2017. <https://www.bbc.com/news/science-environment-42397399>

²⁰ Towards a zero plastic waste Canada. Environmental Defence Canada. 2019. <https://environmentaldefence.ca/plasticsdeclaration/>

²¹ Ottawa moves to ban single-use plastics as part of waste-reduction efforts. Jeff Lewis. The Globe and Mail Inc. June 10, 2019.

²² Institutional Shareholder Services. ISS Proxy Analysis & Benchmark Policy Voting Recommendations. Restaurant Brands International Inc. May 29, 2019; and Restaurant Brands International Inc., Notice of 2019 Annual General Meeting of Shareholders and Proxy Statement. April 30, 2019. <https://www.rbi.com/Cache/1001252136.PDF?O=PDF&T=&Y=&D=&FID=1001252136&iid=4591210>

RBC Global Asset Management

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