

RBC Global Asset Management

SFDR Article 8 Strategies Website disclosure

Covering equity accounts managed by RBC Global Asset Management which have been identified in pre-contractual disclosures as being subject to Article 8 of the Sustainable Finance Disclosure Regulation, and including relevant sub-funds of RBC Funds (Lux).

January 2025

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This document is provided for regulatory reporting purposes only. It is not a marketing communication nor an inducement to purchase any of the products mentioned herein.

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RBC Global Asset Management Global Equity Strategies

This disclosure applies to all of the following strategies and any current and future associated individually managed accounts.

Product name:	Legal entity identifier:
RBC Funds (Lux) – Global Equity Focus Fund	549300B5YNPZ608GTG66
RBC Funds (Lux) – U.S. Equity Focus Fund	549300KIHMIKS0J4EN83
RBC Funds (Lux) – Ansvarlige Globale Investeringer Fund ¹	5493006FQCR5GG6D9035
RBC Funds (Lux) – Global Equity Leaders Fund	549300PRW2ATR1T9DI27

Summary

Sub-Funds and individually managed accounts that follow an RBC Global Asset Management (RBC GAM) Global Equity Strategy promote environmental and social characteristics but do not have sustainable investments as their objective. The strategies promote environmental and social characteristics by investing in companies that are assessed using a proprietary environmental, social and governance (ESG) rating methodology, where companies are given a rating between 1 and 5. Companies given a rating between 1 and 3 are assessed as having high quality ESG practices. ESG ratings assigned to each company are reviewed regularly and updated as new material information becomes available. An assessment of good governance contributes to the investment strategy.

Where relevant, environmental characteristics promoted by the strategies, include, but are not limited to, appropriate and responsible management of climate change and waste. The social characteristics promoted by the strategies, where relevant, include, but are not limited to, appropriate and responsible management of employee relations and health and safety practices.

These strategies commit to only owning assets that are deemed to be aligned to the environmental or social characteristics of the strategies, excluding cash and cash equivalents. Therefore a minimum of 90% of the NAV of the strategies will be in assets that promote the environmental or social characteristics (and have ratings between 1-3). If a company is assessed to no longer have a rating between 1-3, it will be disposed of in a timely manner and consistent with the best interests of clients.

The investment team may use multiple ESG data sources as part of its assessment of an issuer. Sources include, but are not limited to, direct disclosures from the company, third-party data vendors, and independent research. The data utilised covers environmental, social, and governance data, as well as ESG-related controversies. As part of the investment process, the investment team uses this data and its own due diligence on a company to assess the environmental and social characteristics of a company.

¹ As of 3rd February 2025, the Sub-Fund will be renamed “Fremtidsrettede Globale Investeringer Fund”, which translated in English means “Future Minded Global Investment Fund”.

The investment team engages with many issuers and other stakeholders on material ESG issues. The majority of engagements are with issuers, where the investment team seeks information on how an issuer is addressing its material ESG risks and opportunities, and conveys its views on those risks and opportunities. The investment team meets with many issuers in which it invests on an ongoing basis, and develops an in-depth dialogue with issuers over time. The team will generally keep the particulars about its engagements confidential to foster a constructive relationship with investee companies.

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The strategies will invest in companies identified as having high quality ESG practices based on a proprietary ESG rating methodology and as assessed by the investment team. Certain client strategies may have specific ESG-related criteria.

Where relevant, environmental characteristics promoted by the strategies, include, but are not limited to, appropriate and responsible management of climate change and waste. The social characteristics promoted by the strategies, where relevant, include, but are not limited to, appropriate and responsible management of employee relations and health and safety practices.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the strategies.

Investment strategy

The strategies promote environmental and social characteristics through the investment team's ESG integration process. The team assesses material ESG factors applicable to the investment as either a contingent liability or contingent asset, and rates the management of these factors on a scale of 1 to 5, where 1 is considered strong ESG management and 5 is considered poor ESG management. Ratings between 1 and 3 are given to companies that have high quality ESG practices and enjoy strong ESG management capabilities, as determined by the investment team. Companies assigned a rating of 4 or 5 are deemed to suffer from weak material ESG management capabilities, and are excluded from investment.

Example of areas of assessment include:

- Carbon emissions
- Supply chain labour standards
- Corruption & Instability

To complement the team's own research, the team uses third-party ESG research providers which help to evaluate companies' ESG practices and to monitor ESG-related controversies.

The investment team has frequent contact with management teams of investee companies and monitors ESG data on an ongoing basis in order to highlight new controversies and ESG risks. New information or a change of view that leads to the downgrade of the proprietary ESG rating below the required level will lead to divestment and the reallocation of capital. This is done in a timely manner that is consistent with the best interests of clients.

Binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted

Based on the ESG integration process described above, the strategies will only invest in companies with a proprietary ESG rating of 3 or better (i.e. 3, 2, or 1).

New information or a change of view that leads to the downgrade of our proprietary ESG rating below a level that meets the requirements will lead to divestment and the reallocation of capital to other opportunities. This is done in a timely manner that is consistent with client interests.

Policy to assess good governance practices of the investee companies

This investment strategies include an assessment of governance practices, where the team considers factors including the appropriateness of executive remuneration; company track records in areas such as corruption, integrity, and business ethics; company focus and practices related to the board, management, and workforce diversity; respect for shareholder rights; and board independence, among other factors.

Good governance practices include sound management structures, employee relations, remuneration or staff and tax compliance.

Proportion of investments

The strategies will generally invest 100% of their NAV (excluding cash, cash equivalents, hedging instruments or other securities not designed to provide equity exposure) in companies aligned with the E/S characteristics promoted by the strategies (#1). A minimum of 90% of an entire strategy will be invested in companies aligned with the environmental and social characteristics promoted by the strategies (#1), subject to re-ratings which will be divested in a manner consistent with the best interests of clients and, in any event, within three months.

The remaining (10%) - which will be cash or cash equivalents – will not incorporate environmental or social characteristics and will fall under #2.

[Investments included under “#2 Other”, what is their purpose and any minimum environmental or social safeguards](#)

The strategies may hold certain instruments which do not contribute directly to the investment strategies such as cash or cash equivalents.

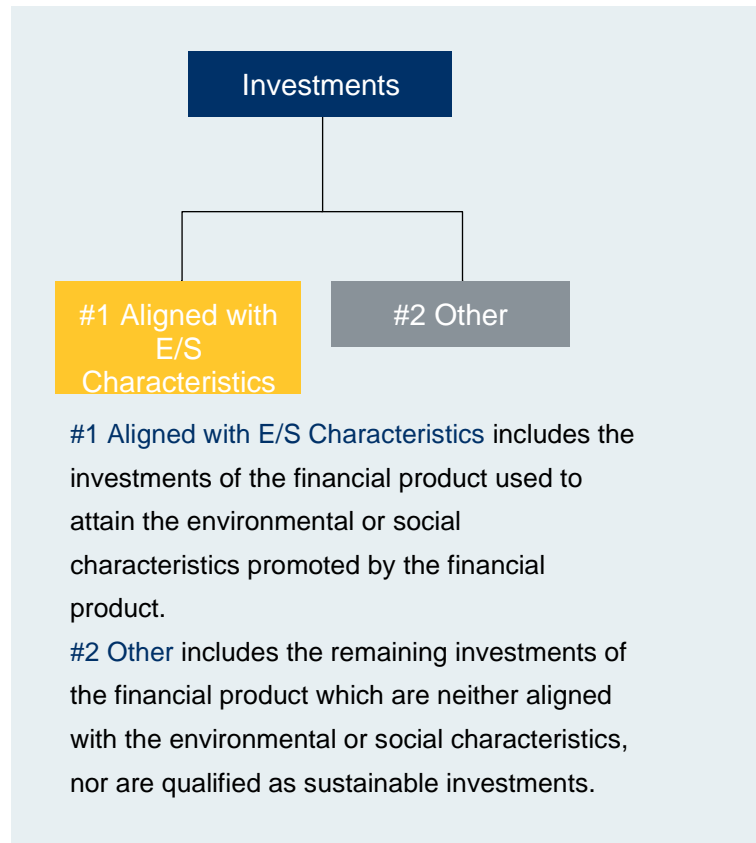
There are no environmental or social safeguards applicable to such instruments, which do not provide direct exposure to investee companies.

Monitoring of environmental or social characteristics

Proprietary ESG ratings for each holding company are reviewed regularly and may also be reviewed and updated should new material information become available. The investment team monitors environmental and social controversies and news flows on an ongoing basis. Independent research and monitoring is used to inform any changes to the ESG rating. The environmental and social characteristics of the constituent companies are discussed regularly in team meetings.

The investment team engages with many issuers on environmental and/or social issues which are chosen and prioritised using a risk-based approach.

Methodologies



The investment team uses a proprietary ESG rating methodology to assess each company. The investment team assigns a rating to each assessed company from 1 to 5. Companies assigned a rating between 1 and 3 are deemed to have high quality ESG practices, as determined by the investment team.

Based on the ESG integration process described above, the strategies will only invest in companies with a proprietary ESG rating of 3 or better (i.e. 3, 2, or 1).

New information or a change of view that leads to the downgrade of our proprietary ESG rating below a level that meets the requirements will lead to divestment and the reallocation of capital to other opportunities. This is done in a timely manner that is consistent with client interests.

Data sources and processing

Data sources used

The investment team has access to a range of ESG data from third-party data providers, including MSCI ESG Research LLC, Sustainalytics, Institutional Shareholder Services Inc. and Glass, Lewis & Co, in addition to accessing ESG data directly from company disclosures. Which sources, factors, and methods used varies according to the ESG materiality and relevance of each factor to the company. These include, but are not limited to, the following ESG data and inputs:

- Third Party ESG ratings: Includes top level ratings, and both ratings and weights for component environmental, social, and governance factors.
- ESG controversies and severity levels related to factors including, but not limited to: labour rights, corruption, customer practices, privacy, land use management, climate change, supply chains, water and waste management, executive compensation, governance practices, human rights, community, business ethics, accounting.
- Environmental: carbon emissions, low-carbon transition risk exposure and management, temperature alignment, pollution and waste, resource use, land use management, biodiversity, e-waste, water consumption and use, green building, and energy demand.
- Social: product safety, employee health and safety, human capital management, labour management, privacy, supply chain, social opportunities.
- Governance: board independence, audit and accounting, executive compensation, shareholder rights, anti-competitive practices, bribery and corruption.

Measures taken to ensure data quality

There are a number of steps undertaken to ensure that the provider and quality of data/research will meet expectations:

1. Before purchasing data or research from a provider, market analysis is conducted to compare the potential product with its competitors.

2. Where applicable, the RBC GAM Quantitative Investments team back tests data being considered for core investment and stewardship functions, and both the RBC Quantitative Investments team and Investment Risk group may assist in reviewing prospective subscriptions for data quality and consistency, where appropriate. Where inaccuracies and shortcomings in methodology are found, and it is unlikely the provider will be able to address them and meet expectations, the provider is removed from consideration.
3. During a trial period, investment teams may test potential research and data provider subscriptions within the context of the portfolios they manage. Investment teams then provide feedback on any research or data issues, including systemic issues that would prevent the provider from being applicable or useful to the investment process or minor issues that can be resolved through engagement with the provider.
4. Once the provider is on-boarded, open dialogue and engagement is maintained between users of the data and the providers themselves to ensure that the quality and accuracy of data and research continues to meet expectations. For example, direct training opportunities may be sought for users of the data to understand the product and new ways to integrate it. Investment teams may also discuss research findings directly with research providers' sector analysts or research managers to ensure a thorough and complete understanding between both parties.
5. In certain cases, where inaccuracies on issuers have been identified, RBC GAM may facilitate engagements between the issuers and research providers to discuss and resolve inconsistencies in data/research. Historically, these inaccuracies have resulted from issuers failing to disclose policies or practices on which the research provider is evaluating them, or providers' review cycles lagging issuers' publications/data releases.

In cases where existing research or data providers fail to meet expectations despite engagement efforts or where superior research or products are identified, RBC GAM may terminate the subscription. Subscriptions and contracts are reviewed by the internal legal department prior to signing and upon contract renewal to stipulate the conditions where termination may be appropriate.

How data is processed

The investment team focuses on the ESG factors that it considers have the potential to impact the value of the investment and tailors the ESG integration tools and processes used for the investment strategies. This includes using, but is not limited to the following:

- Issuer-level reports that identify and discuss material ESG issues, based on third-party ESG research, company reports, and internal analyst/manager views.
- Internal ESG checklists and questionnaires for issuers held in a strategy.
- ESG engagement questions and engagement tracking.
- ESG data from third-party vendors considered in the fundamental investment framework.
- ESG controversies monitored on an ongoing basis.
- Climate data and climate scenario analysis.
- The Principle Adverse Impact indicators considered by the strategies.

The investment team integrates material ESG factors into the investment process by selecting the ESG tools and processes that work best for the investment decision-making process. Sustainability risks are deemed material if they have the potential to impact the risk-adjusted returns of the investments.

The investment team places particular focus on the ESG factors that have the potential to impact the value of the investment, with the extent of these impacts depending on the issuer, the industries and geographies in which it operates and the nature of the investment vehicle for which it is purchased.

Proportion of data estimated

Where possible, data used will always be the most recently published by an investee company. This is received either directly from the investee company or via a third-party data vendor. Where no data has been published, an estimation of that data point may be used. These estimations may be produced through an industry standard model or from a third-party vendor's internal methodologies. Where this is not available no data will be used.

Limitation to methodologies and data

Limitations to methodologies and data

The assessment of a company's environmental or social characteristics is limited by the investment team's reliance on publicly available information. This also applies to data availability.

The investment team may use third-party research to evaluate the ESG characteristics, risks and opportunities regarding an issuer. Such research information and data may be incomplete, inaccurate or unavailable, resulting in incorrect assessments of the ESG practices of an issuer. Legislative and regulatory changes, market developments and/or changes in data availability and reliability could also materially affect the quality and comparability of such research information and data.

How limitations do not affect the environmental or social characteristics promoted.

The investment team performs due diligence on holding companies. If following the due diligence and assessment of the ESG characteristics of the company the investment team determines the quality of the company's ESG practices has meaningfully changed, it will be reflected in the ESG rating given to the company.

The investment team uses multiple ESG data and research sources, where possible, including company disclosures. This mitigates the limitations of inaccurate, incomplete, or unavailable research from third-party providers.

However, there may be some non-public information that the investment team could not be aware of at the time of the assessment, which could harm the promoted environmental or social characteristics.

Due diligence

As part of the investment process the investment team performs an analysis of the underlying issuers before investing. Analysis continues throughout the ownership of a company, including through regular reviews on a company's proprietary ESG rating.

The team utilises site visits, assesses publicly available information, data, research, and information learned from engagements to monitor performance of the company on its environmental and social characteristics. From time to time, the investment team may commission independent research into a company in order to fully assess its environmental and social characteristics.

The compliance of the strategies with their investment mandate is monitored through internal systems by the RBC GAM's Investment Policy team.

Engagement policies

The investment team engages with many issuers and other stakeholders on material ESG issues. The majority of engagements are with issuers, where the investment team seeks information on how an issuer is addressing its material ESG risks and opportunities and conveys its views on those risks and opportunities. The investment team meets with many issuers in which it invests on an ongoing basis and develops an in-depth dialogue with issuers over time. The team will generally keep the particulars about its engagements confidential to foster a constructive relationship with investee companies.

Typically, the purpose of 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 the team believes they may impact the value of an investment.
4. Where an issuer is lagging its peers on a material ESG issue, or insufficiently managing 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.

A majority of engagements are for information gathering but there are cases where a specific outcome is desired. In these instances, where engagement efforts have been unsuccessful and the issue being discussed is material, RBC GAM 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 there is the belief that it is consistent with the best interest of clients to do so.

Ultimately, at any stage of engagement with an issuer, the investment team 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 the investment team to decide whether to continue with an investment or to divest.

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

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

RBC Global Asset Management Vision Global Horizon Strategies

This disclosure applies to all of the following strategies and any current and future associated individually managed accounts.

Product name:

RBC Funds (Lux) – Vision Global Horizon Equity Fund

Legal entity identifier:

549300RIIK9FEZF3EW34

Summary

Sub-Funds and individually managed accounts that follow an RBC Global Asset Management Vision Global Horizon Strategy promote environmental and social characteristics but do not have sustainable investments as their objective. The strategies promote environmental and social characteristics by investing in companies that are assessed using a proprietary ESG rating methodology, where companies are given a rating between 1 and 5, while excluding those included in “the Carbon Underground 200” or involved with any of the following restricted activities: adult entertainment; alcohol; gambling; weapons; small arms; tobacco and predatory lending. Companies are also excluded based on the Paris Aligned Benchmark (“PAB”) exclusion list.² Companies given a rating between 1 and 3 are assessed as having high quality ESG practices. ESG ratings assigned to each company are reviewed regularly and updated as new material information becomes available. An assessment of good governance contributes to the investment strategy.

Where relevant, environmental characteristics promoted by the strategies, include, but are not limited to, appropriate and responsible management of climate change and waste. The social characteristics promoted by the strategies, where relevant, include, but are not limited to, appropriate and responsible management of employee relations and health and safety practices.

The strategies commit to only owning assets that are deemed to be aligned to the environmental or social characteristics of the strategies, excluding cash and cash equivalents. Therefore a minimum of 90% of the NAV of the strategies will be in assets that promote the environmental or social characteristics (and have ratings between 1-3). If a company is assessed to no longer have a rating between 1-3 it will be disposed of in a timely manner and consistent with the best interests of clients.

The investment team may use multiple ESG data sources as part of its assessment of an issuer. Sources include, but are not limited to, direct disclosures from the company, third-party data vendors, and independent research. The data utilised covers environmental, social, and governance data, as well as ESG-related controversies. As part of the investment process, the investment team uses this data and its own due diligence on a company to assess the environmental and social characteristics of a company.

² Applicable as of 20th February 2025 in view of complying with the ESMA Guidelines on funds' names using ESG or sustainability-related terms (ESMA34-1592494965-657).

The investment team engages with many issuers and other stakeholders on material ESG issues. The majority of engagements are with issuers, where the investment team seeks information on how an issuer is addressing its material ESG risks and opportunities, and conveys its views on those risks and opportunities. The investment team meets with many issuers in which it invests on an ongoing basis, and develops an in-depth dialogue with issuers over time. The team will generally keep the particulars about its engagements confidential to foster a constructive relationship with investee companies.

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The strategies will invest in companies identified as having high quality ESG practices based on a proprietary ESG rating methodology and as assessed by the investment team. The strategies will also exclude companies included in “the Carbon Underground 200”, based on the Paris Aligned Benchmark (“PAB”) exclusion list, or involved with any of the following restricted activities: adult entertainment; alcohol; gambling; weapons; small arms; tobacco’ and predatory lending.

Where relevant, environmental characteristics promoted by the strategies, include, but are not limited to, appropriate and responsible management of climate change and waste. The social characteristics promoted by the strategies, where relevant, include, but are not limited to, appropriate and responsible management of employee relations and health and safety practices.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the strategies.

Investment strategy

The strategies promote environmental and social characteristics through the investment team’s ESG integration process. The team assesses material ESG factors applicable to the investment as either a contingent liability or contingent asset, and rates the management of these factors on a scale of 1 to 5, where 1 is considered strong ESG management and 5 is considered poor ESG management. Ratings between 1 and 3 are given to companies that have high quality ESG practices and enjoy strong ESG management capabilities, as determined by the investment team. Companies assigned a rating of 4 or 5 are deemed to suffer from weak material ESG management capabilities and are excluded from investment.

Example of areas of assessment include:

- Carbon emissions
- Supply chain labour standards

- Corruption & Instability

To complement the team's own research, the team uses third-party ESG research providers which help to evaluate companies' ESG practices and to monitor ESG-related controversies.

The investment team has frequent contact with management teams of investee companies and monitors ESG data on an ongoing basis in order to highlight new controversies and ESG risks. New information or a change of view that leads to the downgrade of the proprietary ESG rating below the required level will lead to divestment and the reallocation of capital. This is done in a timely manner that is consistent with the best interests of clients.

Binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted

Based on the ESG integration process described above, the strategies will only invest in companies with a proprietary ESG rating of 3 or better (i.e. 3, 2, or 1).

The strategies also exclude issuers identified in the strategies' exclusion list. The strategies' exclusion list is maintained by RBC GAM and constructed using three initial inputs, used concurrently. The first input into the exclusion list is based on the Carbon Underground 200 list, the second is based on product involvement revenues and the third input is based on the Paris Aligned Benchmark ("PAB") exclusion list.³ Regarding the second input into the exclusion list based on product involvement revenues, issuers or their majority-owned subsidiaries involved in the following are excluded from the investment universe for these strategies.

- Alcohol: issuers or their majority-owned subsidiaries deriving 5% or more of its revenues from the production of alcoholic beverages, or deriving 10% or more of its revenues from activities related to the production of alcoholic beverages, or the sale of alcoholic beverages.
- Gambling: issuers or their majority-owned subsidiaries deriving 5% or more of its revenues from owning or operating a gambling establishment, or deriving 10% or more of its revenues from the production of specialised equipment used exclusively for gambling or services related to gambling operations.
- Weapons: issuers or their majority-owned subsidiaries deriving 5% or more of its revenues from the development, design and/or manufacturing of military weapons, small arms, weapons-delivery systems and/or specialized components of weapons, or deriving 10% or more of its revenues from the design, manufacturing and/or provision of non-specialized components of weapons, components or parts for weapons-delivery systems, support services for weapons-delivery systems, or the retail sales of small arms.

³ Applicable as of 20th February 2025 in view of complying with the ESMA Guidelines on funds' names using ESG or sustainability-related terms (ESMA34-1592494965-657).

- Adult entertainment: issuers or their majority-owned subsidiaries deriving 5% or more of its revenues from the production of pornographic materials, or deriving 10% or more of its revenues from the production of goods and services related to pornography, or the sale of pornographic materials.
- Tobacco: issuers or their majority-owned subsidiaries deriving 5% or more of its revenues from the manufacturing of tobacco products, or deriving 10% or more of its revenues from the production of tobacco-related products or sale of tobacco products.
- Small Arms: issuers or their majority-owned subsidiaries deriving 5% or more of its revenues from the sale of small arms to civilian or military or law enforcement customers, or deriving 10% or more of its revenues from the manufacture of key components of small arms, or the sale and distribution of small arms or their key components.
- Predatory lending issuers or their majority-owned subsidiaries deriving 5% or more of its revenues from the predatory lending operations.
- Fossil Fuels:
 - issuers or their majority-owned subsidiaries deriving any revenue from or are involved in the (i) exploration and extraction of Arctic oil and gas, (ii) exploration, production, refining, transportation and/or storage of oil and natural gas, (iii) extraction of oil sands, shale energy, and/or thermal coal, and/or (iv) provision of storage, transportation, mining and refining of thermal coal.
 - issuers or their majority-owned subsidiaries deriving 10% or more of its revenues from the provision of tailor-made products and services that support oil and gas exploration, production, refining, transportation and/or storage, or from power generated by thermal coal.

To finalize the strategies' exclusion list, RBC GAM may use issuer filings and reports, or data from third-party providers to complement and/or assess data informing the strategies' exclusion list. For instance, RBC GAM may update the strategies' exclusion list where it has identified inaccuracies in the initial input data, or incomplete initial input data due to more recent developments or events. A strategy may also hold securities of issuers that are added to its exclusion lists following the strategy's investment in such securities until such time the strategy can appropriately divest of such securities.

New information or a change of view that leads to the downgrade of our proprietary ESG rating below a level that meets the requirements will lead to divestment and the reallocation of capital to other opportunities. This is done in a timely manner that is consistent with client interests.

Policy to assess good governance practices of the investee companies

This investment strategies include an assessment of governance practices, where the team considers factors including the appropriateness of executive remuneration; company track records in areas such as corruption, integrity, and business ethics; company focus and practices related to the board, management, and workforce diversity; respect for shareholder rights; and board independence, among other factors.

Good governance practices include sound management structures, employee relations, remuneration or staff and tax compliance.

Proportion of investments

The strategies will generally invest 100% of their NAV (excluding cash, cash equivalents, hedging instruments or other securities not designed to provide equity exposure) in companies aligned with the E/S characteristics promoted by the strategies (#1). A minimum of 90% of an entire strategy will be invested in companies aligned with the environmental and social characteristics promoted by the strategies (#1), subject to re-ratings which will be divested in a manner consistent with the best interests of clients and, in any event, within three months.

The remaining (10%) - which will be cash or cash equivalents – will not incorporate environmental or social characteristics and will fall under #2.

Investments included under “#2 Other”, what is their purpose and any minimum environmental or social safeguards

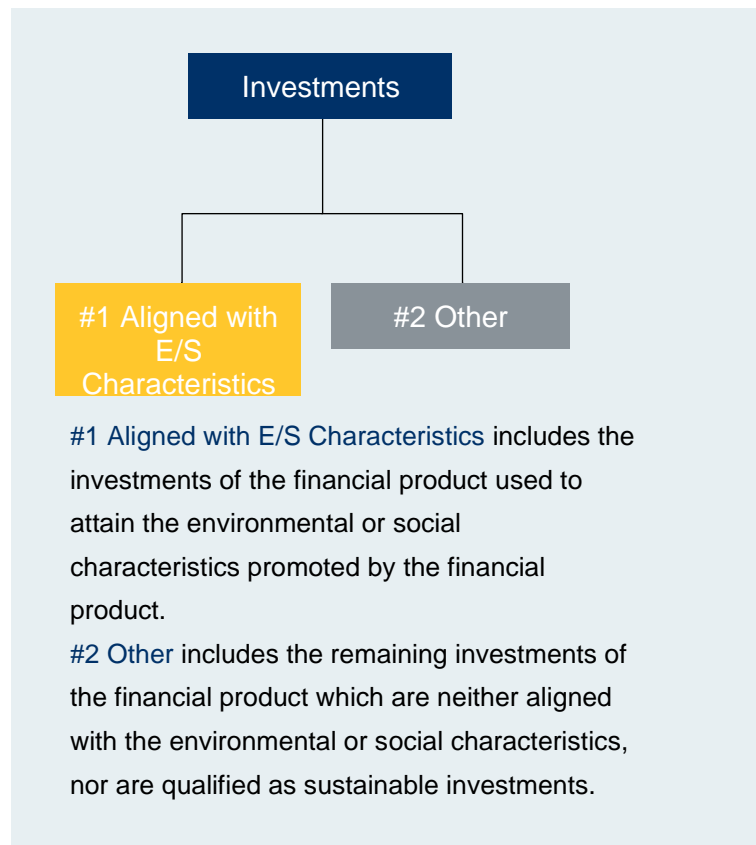
The strategies may hold certain instruments which do not contribute directly to the investment strategies such as cash or cash equivalents.

There are no environmental or social safeguards applicable to such instruments, which do not provide direct exposure to investee companies.

Monitoring of environmental or social characteristics

Proprietary ESG ratings for each holding company are reviewed regularly and may also be reviewed and updated should new material information become available. The investment team monitors environmental and social controversies and news flows on an ongoing basis. Independent research and monitoring is used to inform any changes to the ESG rating. The environmental and social characteristics of the constituent companies are discussed regularly in team meetings.

The investment team engages with many issuers on environmental and/or social issues which are chosen and prioritised using a risk-based approach.



Methodologies

The investment team uses a proprietary ESG rating methodology to assess each company. The investment team assigns a rating to each assessed company from 1 to 5. Companies assigned a rating between 1 and 3 are deemed to have high quality ESG practices, as determined by the investment team.

Based on the ESG integration process described above, the strategies will only invest in companies with a proprietary ESG rating of 3 or better (i.e. 3, 2, or 1).

The strategies also exclude issuers identified in the strategies' exclusion list. The strategies' exclusion list is maintained by RBC GAM and constructed using three initial inputs, used concurrently. The first input into the exclusion list is based on the Carbon Underground 200 list, the second is based on product involvement revenues and the third input is based on the Paris Aligned Benchmark ("PAB") exclusion list.⁴

Data sources and processing

Data sources used

The investment team has access to a range of ESG data from third-party data providers, including MSCI ESG Research LLC, Sustainalytics, Institutional Shareholder Services Inc. and Glass, Lewis & Co, in addition to accessing ESG data directly from company disclosures. Which sources, factors, and methods used varies according to the ESG materiality and relevance of each factor to the company. These include, but are not limited to, the following ESG data and inputs:

- Third Party ESG ratings: Includes top level ratings, and both ratings and weights for component environmental, social, and governance factors.
- ESG controversies and severity levels related to factors including, but not limited to: labour rights, corruption, customer practices, privacy, land use management, climate change, supply chains, water and waste management, executive compensation, governance practices, human rights, community, business ethics, accounting.
- Environmental: carbon emissions, low-carbon transition risk exposure and management, temperature alignment, pollution and waste, resource use, land use management, biodiversity, e-waste, water consumption and use, green building, and energy demand.
- Social: product safety, employee health and safety, human capital management, labour management, privacy, supply chain, social opportunities.
- Governance: board independence, audit and accounting, executive compensation, shareholder rights, anti-competitive practices, bribery and corruption.

Measures taken to ensure data quality

There are a number of steps undertaken to ensure that the provider and quality of data/research will meet expectations:

⁴ Applicable as of 20th February 2025 in view of complying with the ESMA Guidelines on funds' names using ESG or sustainability-related terms (ESMA34-1592494965-657).

1. Before purchasing data or research from a provider, market analysis is conducted to compare the potential product with its competitors.
2. Where applicable, the RBC GAM Quantitative Investments team back tests data being considered for core investment and stewardship functions, and both the RBC Quantitative Investments team and Investment Risk group may assist in reviewing prospective subscriptions for data quality and consistency, where appropriate. Where inaccuracies and shortcomings in methodology are found, and it is unlikely the provider will be able to address them and meet expectations, the provider is removed from consideration.
3. During a trial period, investment teams may test potential research and data provider subscriptions within the context of the portfolios they manage. Investment teams then provide feedback on any research or data issues, including systemic issues that would prevent the provider from being applicable or useful to the investment process or minor issues that can be resolved through engagement with the provider.
4. Once the provider is on-boarded, open dialogue and engagement is maintained between users of the data and the providers themselves to ensure that the quality and accuracy of data and research continues to meet expectations. For example, direct training opportunities may be sought for users of the data to understand the product and new ways to integrate it. Investment teams may also discuss research findings directly with research providers' sector analysts or research managers to ensure a thorough and complete understanding between both parties.
5. In certain cases, where inaccuracies on issuers have been identified, RBC GAM may facilitate engagements between the issuers and research providers to discuss and resolve inconsistencies in data/research. Historically, these inaccuracies have resulted from issuers failing to disclose policies or practices on which the research provider is evaluating them, or providers' review cycles lagging issuers' publications/data releases.

In cases where existing research or data providers fail to meet expectations despite engagement efforts or where superior research or products are identified, RBC GAM may terminate the subscription. Subscriptions and contracts are reviewed by the internal legal department prior to signing and upon contract renewal to stipulate the conditions where termination may be appropriate.

How data is processed

The investment team focuses on the ESG factors that it considers have the potential to impact the value of the investment and tailors the ESG integration tools and processes used for the investment strategies. This includes using, but is not limited to the following:

- Issuer-level reports that identify and discuss material ESG issues, based on third-party ESG research, company reports, and internal analyst/manager views.
- Internal ESG checklists and questionnaires for issuers held in a strategy.
- ESG engagement questions and engagement tracking.
- ESG data from third-party vendors considered in the fundamental investment framework.
- ESG controversies monitored on an ongoing basis.
- Climate data and climate scenario analysis.

- The Principle Adverse Impact indicators considered by the strategies.

The investment team integrates material ESG factors into the investment process by selecting the ESG tools and processes that work best for the investment decision-making process. Sustainability risks are deemed material if they have the potential to impact the risk-adjusted returns of the investments.

The investment team places particular focus on the ESG factors that have the potential to impact the value of the investment, with the extent of these impacts depending on the issuer, the industries and geographies in which it operates and the nature of the investment vehicle for which it is purchased.

Proportion of data estimated

Where possible, data used will always be the most recently published by an investee company. This is received either directly from the investee company or via a third-party data vendor. Where no data has been published, an estimation of that data point may be used. These estimations may be produced through an industry standard model or from a third-party vendor's internal methodologies. Where this is not available no data will be used.

Limitation to methodologies and data

Limitations to methodologies and data

The assessment of a company's environmental or social characteristics is limited by the investment team's reliance on publicly available information. This also applies to data availability.

The investment team may use third-party research to evaluate the ESG characteristics, risks and opportunities regarding an issuer. Such research information and data may be incomplete, inaccurate or unavailable, resulting in incorrect assessments of the ESG practices of an issuer. Legislative and regulatory changes, market developments and/or changes in data availability and reliability could also materially affect the quality and comparability of such research information and data.

How limitations do not affect the environmental or social characteristics promoted.

The investment team performs due diligence on holding companies. If following the due diligence and assessment of the ESG characteristics of the company the investment team determines the quality of the company's ESG practices has meaningfully changed, it will be reflected in the ESG rating given to the company.

The investment team uses multiple ESG data and research sources, where possible, including company disclosures. This mitigates the limitations of inaccurate, incomplete, or unavailable research from third-party providers.

However, there may be some non-public information that the investment team could not be aware of at the time of the assessment, which could harm the promoted environmental or social characteristics.

Due diligence

As part of the investment process the investment team performs an analysis of the underlying issuers before investing. Analysis continues throughout the ownership of a company, including through regular reviews on a company's proprietary ESG rating.

The team utilises site visits, assesses publicly available information, data, research, and information learned from engagements to monitor performance of the company on its environmental and social characteristics. From time to time, the investment team may commission independent research into a company in order to fully assess its environmental and social characteristics.

The compliance of the strategies with their investment mandate is monitored through internal systems by the RBC GAM's Investment Policy team.

Engagement policies

The investment team engages with many issuers and other stakeholders on material ESG issues. The majority of engagements are with issuers, where the investment team seeks information on how an issuer is addressing its material ESG risks and opportunities and conveys its views on those risks and opportunities. The investment team meets with many issuers in which it invests on an ongoing basis and develops an in-depth dialogue with issuers over time. The team will generally keep the particulars about its engagements confidential to foster a constructive relationship with investee companies.

Typically, the purpose of 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 the team believes they may impact the value of an investment.
4. Where an issuer is lagging its peers on a material ESG issue, or insufficiently managing 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.

A majority of engagements are for information gathering but there are cases where a specific outcome is desired. In these instances, where engagement efforts have been unsuccessful and the issue being discussed is material, RBC GAM 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 there is the belief that it is consistent with the best interest of clients to do so.

Ultimately, at any stage of engagement with an issuer, the investment team 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 the investment team to decide whether to continue with an investment or to divest.

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

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

RBC Global Asset Management Emerging Markets Equity Strategies

This disclosure applies to all of the following strategies and any current and future associated individually managed accounts.

Product name:	Legal entity identifier:
RBC Funds (Lux) – Emerging Markets Equity Fund	549300IRQQPC1VN9RL62
RBC Funds (Lux) – Emerging Markets ex-China Equity Fund	549300GED0QQZZRZAL75
RBC Funds (Lux) – Emerging Markets Value Equity Fund	549300TYMDPN4AHFS760
RBC Funds (Lux) – Emerging Markets Small Cap Equity Fund	549300JPXWDFMDUYL52
RBC Funds (Lux) – Emerging Markets Equity Focus Fund	549300R2ISN679P4TH63

Summary

Sub-Funds and individually managed accounts that follow an RBC Global Asset Management Emerging Markets Equity Strategy promote environmental and social characteristics but do not have sustainable investments as their objective. The strategies promote environmental and social characteristics by investing in companies that are assessed using a proprietary ESG rating methodology, where companies are given a rating between 0 and 100. Companies given a rating above 70 are assessed as having high quality ESG practices. ESG ratings assigned to each company are reviewed regularly and updated as new material information becomes available. An assessment of good governance contributes to the investment strategy.

Where relevant, environmental characteristics promoted by the strategies, include, but are not limited to, appropriate and responsible management of climate change and waste. The social characteristics promoted by the strategies, where relevant, include, but are not limited to, appropriate and responsible management of employee relations and health and safety practices.

These strategies commit to only owning assets that are deemed to be aligned to the environmental or social characteristics of the strategies, excluding cash and cash equivalents. Therefore a minimum of 90% of the NAV of the strategies will be in assets that promote the environmental or social characteristics (and have ratings of 70 or above). If a company is assessed to not have a rating of 70 or above, it will be disposed of in a timely manner and consistent with the best interests of clients.

The investment team may use multiple ESG data sources to perform its assessment of an asset. Sources include, but are not limited to, direct disclosures from the company, third-party data vendors, and independent research. The data utilised covers environmental, social, and governance data, as well as ESG-related controversies. As part of the investment process, the investment team uses this data and its own due diligence on a company to assess the environmental and social characteristics of a company.

The investment team engages with many issuers, and other stakeholders on material ESG issues. The majority of engagements are with issuers, where the investment team seeks information on how an issuer is addressing its material ESG risks and opportunities and conveys its views on those risks and opportunities.

The investment team meets with many issuers in which it invests on an ongoing basis and develops an in-depth dialogue with issuers over time. The team will generally keep the particulars about its engagements confidential to foster a constructive relationship with investee companies.

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The strategies will invest in companies identified as having high quality ESG practices proprietary ESG rating methodology and as assessed by the investment team. Certain client strategies may have specific ESG-related criteria.

Where relevant, environmental characteristics promoted by the strategies, include, but are not limited to, appropriate and responsible management of climate change and waste. The social characteristics promoted by the strategies, where relevant, include, but are not limited to, appropriate and responsible management of employee relations and health and safety practices.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the strategies.

Investment strategy

The strategies seek to invest in long term, high conviction portfolios of companies operating in Emerging Markets with strong ESG credentials. The team's approach to ESG comprises of three key pillars: Stock Selection; Active Ownership; and Research.

The investment team use a proprietary investment checklist as the final stage of its bottom-up research process. Within the checklist, the investment team review the questions geared towards ESG and sustainability factors to produce a stock-specific "ESG Rating". Examples of the checklist questions include:

- Do the company's activities have a negative impact on the climate?
- Is the franchise socially useful?
- Does the company work in the best interests of all shareholders?

This assessment results in an overall company rating as well as a dedicated ESG rating from 0-100 (100 being the highest).

Investee companies are assessed closely by the investment team on an ongoing basis, through regular company meetings and engagement with company management and key stakeholders. The ESG Rating will be reviewed and reported on a regular basis in order to capture any changes in the ESG assessment of a

company. If a company is given an ESG Rating less than 70 after a review, it will be divested in a timely manner that is consistent with the best interests of clients.

The investment team engages with many issuers and other stakeholders on material ESG issues. Focus areas of engagement can include ESG disclosure, executive remuneration, workforce diversity and climate change.

Direct engagement activities are supported through thoughtful proxy voting. The team considers votes as it can serve as an effective way to convey views to investee companies on material ESG factors, especially governance related factors. The team may engage directly with many investee companies on proposal items that appeared on the voting ballot.

Binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted

The strategies will only invest in companies with an ESG Rating of 70 or above.

If a company is given an ESG Rating less than 70 after a review, it will be divested in a timely manner that is consistent with the best interests of clients.

Policy to assess good governance practices of the investee companies

The investment team assesses the governance of investee companies through detailed research as well as company engagement, which forms a component of its investment checklist and contributes to its ESG rating. Factors considered include the appropriateness of executive remuneration; company track records in areas such as integrity and business ethics; company focus and practices related to the board, management, and workforce diversity; treatment of minority shareholders; and board independence, among other factors. Understanding how management thinks about important ESG issues and what actions they are implementing is a critical component of the investment team's view on a company's governance practices and ESG standards more broadly.

Good governance practices include sound management structures, employee relations, remuneration or staff and tax compliance.

Proportion of investments

The strategies will generally invest 100% of their NAV (excluding cash, cash equivalents, hedging instruments or other securities not designed to provide equity exposure) in companies aligned with the environmental and social characteristics promoted by the strategies (#1). A minimum of 90% of an entire strategy will be invested in companies aligned with the E/S characteristics promoted by the strategies (#1), subject to re-ratings which will be divested in a manner consistent with the best interests of clients and, in any event, within three months.

The remaining (10%) - which will be cash or cash equivalents – will not incorporate environmental or social characteristics and will fall under #2.

Investments included under “#2 Other”, what is their purpose and any minimum environmental or social safeguards

The strategies may hold certain instruments which do not contribute directly to the investment strategies such as cash or cash equivalents.

There are no environmental or social safeguards applicable to such instruments, which do not provide direct exposure to investee companies.

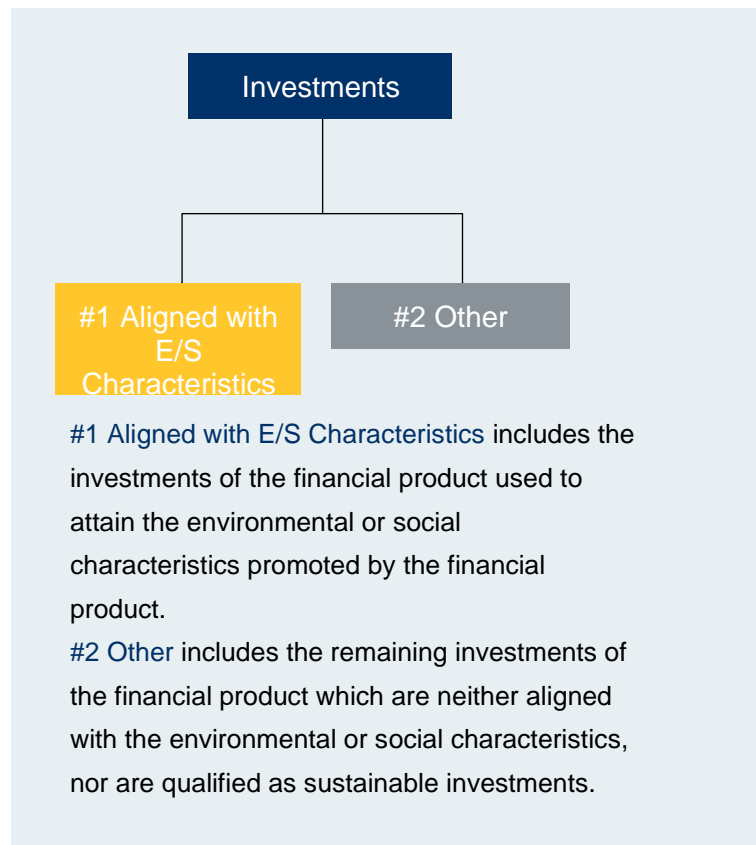
Monitoring of environmental or social characteristics

Proprietary ESG ratings for each holding company are reviewed annually and may also be reviewed and updated should new material information become available. The investment team monitors environmental and social controversies and news flows on an ongoing basis. Independent research and monitoring is used to inform any changes to the ESG rating. The environmental and social characteristics of the constituent companies are discussed regularly in team meetings.

The investment team engages with many issuers on environmental and/or social issues which are chosen and prioritised using a risk-based approach.

Methodologies

The investment team uses a proprietary ESG rating methodology to assess each company. The investment team assigns a rating to each assessed company from 0 to 100. Companies assigned a rating above 70 are deemed to have high quality ESG practices, as determined by the investment team.



The investment team use a proprietary investment checklist as the final stage of its bottom-up research process. Within the checklist, the investment team review the questions geared towards ESG and sustainability factors to produce a stock-specific “ESG Rating”. Examples of the checklist questions include:

- Do the company’s activities have a negative impact on the climate?
- Is the franchise socially useful?
- Does the company work in the best interests of all shareholders?

This assessment results in an overall company rating as well as a dedicated ESG rating from 0-100 (100 being the highest).

Investee companies are assessed closely by the investment team on an ongoing basis, through regular company meetings and engagement with company management and key stakeholders. The ESG Rating will be reviewed and reported on a regular basis in order to capture any changes in the ESG assessment of a company. If a company is given an ESG Rating less than 70 after a review, it will be divested in a timely manner that is consistent with the best interests of clients.

Data sources and processing

Data sources used

The investment team has access to a range of ESG data from third-party data providers, including MSCI ESG Research LLC, Sustainalytics, Institutional Shareholder Services Inc. and Glass, Lewis & Co, in addition to accessing ESG data directly from company disclosures. Which sources, factors, and methods used varies according to the ESG materiality and relevance of each factor to the company. These include, but are not limited to, the following ESG data and inputs:

- Third Party ESG ratings: Includes top level ratings, and both ratings and weights for component environmental, social, and governance factors.
- ESG controversies and severity levels related to factors including, but not limited to: labour rights, corruption, customer practices, privacy, land use management, climate change, supply chains, water and waste management, executive compensation, governance practices, human rights, community, business ethics, accounting.
- Environmental: carbon emissions, low-carbon transition risk exposure and management, temperature alignment, pollution and waste, resource use, land use management, biodiversity, e-waste, water consumption and use, green building, and energy demand.
- Social: product safety, employee health and safety, human capital management, labour management, privacy, supply chain, social opportunities.
- Governance: board independence, audit and accounting, executive compensation, shareholder rights, anti-competitive practices, bribery and corruption.

Measures taken to ensure data quality

There are a number of steps undertaken to ensure that the provider and quality of data/research will meet expectations:

1. Before purchasing data or research from a provider, market analysis is conducted to compare the potential product with its competitors.
2. Where applicable, the RBC GAM Quantitative Investments team back tests data being considered for core investment and stewardship functions, and both the RBC Quantitative Investments team and Investment Risk group may assist in reviewing prospective subscriptions for data quality and consistency, where appropriate. Where inaccuracies and shortcomings in methodology are found, and it is unlikely the provider will be able to address them and meet expectations, the provider is removed from consideration.
3. During a trial period, investment teams may test potential research and data provider subscriptions within the context of the portfolios they manage. Investment teams then provide feedback on any research or data issues, including systemic issues that would prevent the provider from being applicable or useful to the investment process or minor issues that can be resolved through engagement with the provider.
4. Once the provider is on-boarded, open dialogue and engagement is maintained between users of the data and the providers themselves to ensure that the quality and accuracy of data and research continues to meet expectations. For example, direct training opportunities may be sought for users of the data to understand the product and new ways to integrate it. Investment teams may also discuss research findings directly with research providers' sector analysts or research managers to ensure a thorough and complete understanding between both parties.
5. In certain cases, where inaccuracies on issuers have been identified, RBC GAM may facilitate engagements between the issuers and research providers to discuss and resolve inconsistencies in data/research. Historically, these inaccuracies have resulted from issuers failing to disclose policies or practices on which the research provider is evaluating them, or providers' review cycles lagging issuers' publications/data releases.

In cases where existing research or data providers fail to meet expectations despite engagement efforts or where superior research or products are identified, RBC GAM may terminate the subscription. Subscriptions and contracts are reviewed by the internal legal department prior to signing and upon contract renewal to stipulate the conditions where termination may be appropriate.

How data is processed

The investment team focuses on the ESG factors that it considers have the potential to impact the value of the investment and tailors the ESG integration tools and processes used for the investment strategies. This includes using, but is not limited to the following:

- Issuer-level reports that identify and discuss material ESG issues, based on third-party ESG research, company reports, and internal analyst/manager views.
- Internal ESG checklists and questionnaires for issuers held in a strategy.
- ESG engagement questions and engagement tracking.
- ESG data from third-party vendors considered in the fundamental investment framework.

- ESG controversies monitored on an ongoing basis.
- Climate data and climate scenario analysis.
- The Principle Adverse Impact indicators considered by the strategies.

The investment team integrates material ESG factors into the investment process by selecting the ESG tools and processes that work best for the investment decision-making process. Sustainability risks are deemed material if they have the potential to impact the risk-adjusted returns of the investments.

The investment team places particular focus on the ESG factors that have the potential to impact the value of the investment, with the extent of these impacts depending on the issuer, the industries and geographies in which it operates and the nature of the investment vehicle for which it is purchased.

Proportion of data estimated

Where possible, data used will always be the most recently published by an investee company. This is received either directly from the investee company or via a third-party data vendor. Where no data has been published, an estimation of that data point may be used. These estimations may be produced through an industry standard model or from a third-party vendor's internal methodologies. Where this is not available no data will be used.

Limitation to methodologies and data

Limitations to methodologies and data

The assessment of a company's environmental or social characteristics is limited by the investment team's reliance on publicly available information. This also applies to data availability.

The investment team may use third-party research to evaluate the ESG characteristics, risks and opportunities regarding an issuer. Such research information and data may be incomplete, inaccurate or unavailable, resulting in incorrect assessments of the ESG practices of an issuer. Legislative and regulatory changes, market developments and/or changes in data availability and reliability could also materially affect the quality and comparability of such research information and data.

How limitations do not affect the environmental or social characteristics promoted.

The investment team performs due diligence on holding companies. If following the due diligence and assessment of the ESG characteristics of the company the investment team determines the quality of the company's ESG practices has meaningfully changed, it will be reflected in the ESG rating given to the company.

The investment team uses multiple ESG data and research sources, where possible, including company disclosures. This mitigates the limitations of inaccurate, incomplete, or unavailable research from third-party providers.

However, there may be some non-public information that the investment team could not be aware of at the time of the assessment, which could harm the promoted environmental or social characteristics.

Due diligence

As part of the investment process the investment team performs an analysis of the underlying issuers before investing. Analysis continues throughout the ownership of a company, including through regular reviews on a company's proprietary ESG rating.

The team utilises site visits, assesses publicly available information, data, research, and information learned from engagements to monitor performance of the company on its environmental and social characteristics. From time to time, the investment team may commission independent research into a company in order to fully assess its environmental and social characteristics.

The compliance of the strategies with their investment mandate is monitored through internal systems by the RBC GAM's Investment Policy team.

Engagement policies

The investment team engages with many issuers and other stakeholders on material ESG issues. The majority of engagements are with issuers, where the investment team seeks information on how an issuer is addressing its material ESG risks and opportunities and conveys its views on those risks and opportunities. The investment team meets with many issuers in which it invests on an ongoing basis and develops an in-depth dialogue with issuers over time. The team will generally keep the particulars about its engagements confidential to foster a constructive relationship with investee companies.

Typically, the purpose of 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 the team believes they may impact the value of an investment.
4. Where an issuer is lagging its peers on a material ESG issue, or insufficiently managing 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.

A majority of engagements are for information gathering but there are cases where a specific outcome is desired. In these instances, where engagement efforts have been unsuccessful and the issue being discussed is material, RBC GAM 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 there is the belief that it is consistent with the best interest of clients to do so.

Ultimately, at any stage of engagement with an issuer, the investment team 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 the investment team to decide whether to continue with an investment or to divest.

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

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

RBC Global Asset Management Asian Equity Strategies

This disclosure applies to all of the following strategies and any current and future associated individually managed accounts.

Product name:

RBC Funds (Lux) – Asia ex-Japan Equity Fund

RBC Funds (Lux) –Japan Ishin Fund

RBC Funds (Lux) – China Equity Fund

Legal entity identifier:

549300L1ATSRGE3RMU56

549300ABKCGKF8CR2N83

549300OFSLDZ7W8H5232

Summary

Sub-Funds and individually managed accounts that follow an RBC Global Asset Management Asian Equity Strategy promote environmental and social characteristics but do not have sustainable investments as their objective. The strategies promote environmental and social characteristics by investing in companies that are assessed using a proprietary ESG rating methodology, where companies are given a rating between A and E. Companies given a rating between A and C are assessed as having high quality ESG practices. ESG ratings assigned to each company are reviewed regularly and updated as new material information becomes available. An assessment of good governance contributes to the investment strategy.

Where relevant, environmental characteristics promoted by the strategies, include, but are not limited to, appropriate and responsible management of climate change and waste. The social characteristics promoted by the strategies, where relevant, include, but are not limited to, appropriate and responsible management of employee relations and health and safety practices.

The strategies commit to only owning assets that are deemed to be aligned to the environmental or social characteristics of the strategies, excluding cash and cash equivalents. Therefore a minimum of 90% of the NAV of the strategies will be in assets that promote the environmental or social characteristics (and have ratings between A and C). If a company is assessed to have a score between A and C, it will be disposed of in a timely manner and consistent with the best interests of clients.

The investment team may use multiple ESG data sources to perform its assessment of an asset. Sources include, but are not limited to, direct disclosures from the company, third-party data vendors, and independent research. The data utilised covers environmental, social, and governance data, as well as ESG-related controversies. As part of the investment process, the investment team uses this data and its own due diligence on a company to assess the environmental and social characteristics of a company.

The investment team engages with many issuers, and other stakeholders on material ESG issues. The majority of engagements are with issuers, where the investment team seeks information on how an issuer is addressing its material ESG risks and opportunities and conveys its views on those risks and opportunities. The investment team meets with many issuers in which it invests on an ongoing basis and develops an in-

depth dialogue with issuers over time. The team will generally keep the particulars about its engagements confidential to foster a constructive relationship with investee companies.

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The strategies will invest in companies identified as having high quality ESG practices based on a proprietary ESG rating methodology and as assessed by the investment team. Certain client strategies may have specific ESG-related criteria.

Where relevant, environmental characteristics promoted by the strategies, include, but are not limited to, appropriate and responsible management of climate change and waste. The social characteristics promoted by the strategies, where relevant, include, but are not limited to, appropriate and responsible management of employee relations and health and safety practices.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the strategies.

Investment strategy

The strategies promote environmental and social characteristics through the investment team's ESG integration process. The investment team conducts an ESG assessment of material ESG factors applicable to the investment using a proprietary investment checklist. Examples of the checklist questions include:

- What are the company's greenhouse gas emissions?
- Does the company have any historical ESG controversies?
- How strong is the company's financial reporting integrity?

Using the checklist, the team reviews key ESG issues to produce a stock-specific ESG Rating between A to E, where A is for strong ESG management and E is for poor ESG management. Ratings A, B, C are given to companies in the investable universe that have high quality ESG practices and enjoy solid ESG management capabilities, as determined by the investment team. Companies rated D or E are deemed to suffer from weak material ESG management capabilities and are excluded from investment.

The team gathers data from various sources for the ESG assessment, including both the team's own research which centres on direct interactions with the company management, plus data from various third-party ESG research providers.

Investee companies are assessed closely by the investment team on an ongoing basis, through regular company meetings and engagement with company management and key stakeholders. The team generally conducts 2-3 meetings each year for many holdings. The ESG Rating is reviewed and updated regularly, at least on an annual basis, in order to capture any changes in our conviction level or ESG assessment of a company. Direct engagement management and thoughtful proxy voting are also important continuous effort in how the team engages with investee companies. If a company is given an ESG Rating of D or E after a review, it will be divested in a timely manner that is consistent with the best interests of clients.

Binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted

Based on the ESG integration process described above, the strategies will only invest in companies with a rating of C or better.

If a company is given an ESG Rating less than C after a review, it will be divested in a timely manner that is consistent with the best interests of clients.

Policy to assess good governance practices of the investee companies

The investment team assesses the governance of investee companies through detailed research as well as company engagement, which forms a component of its investment checklist and contributes to its ESG Rating. Factors considered include the appropriateness of executive remuneration; company track records in areas such as integrity and business ethics; company focus and practices related to the board, management, and workforce diversity; treatment of minority shareholders; and board independence, among other factors. Understanding how management thinks about important ESG issues and what actions they are implementing is a critical component of the investment team's view on a company's governance practices and ESG standards more broadly.

Good governance practices include sound management structures, employee relations, remuneration or staff and tax compliance.

Proportion of investments

The strategies will generally invest 100% of their NAV (excluding cash, cash equivalents, hedging instruments or other securities not designed to provide equity exposure) in companies aligned with the environmental and social characteristics promoted by the strategies (#1). A minimum of 90% of an entire strategy will be invested in companies aligned with the E/S characteristics promoted by the strategies (#1), subject to re-ratings which will be divested in a manner consistent with the best interests of clients and, in any event, within three months.

The remaining (10%) - which will be cash or cash equivalents – will not incorporate environmental or social characteristics and will fall under #2.

Investments included under “#2 Other”, what is their purpose and any minimum environmental or social safeguards

The strategies may hold certain instruments which do not contribute directly to the investment strategies such as cash or cash equivalents.

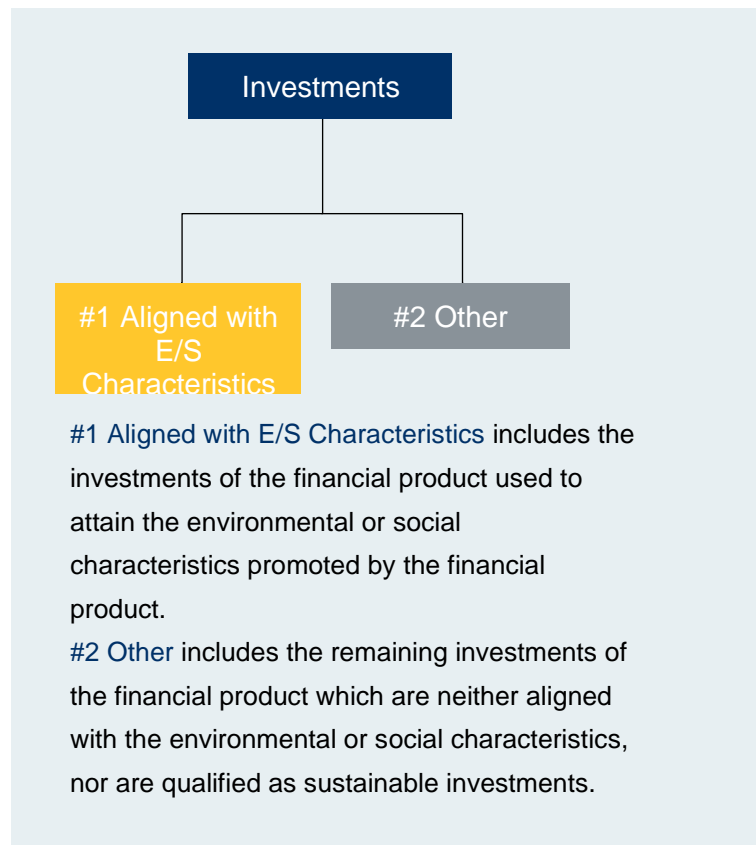
There are no environmental or social safeguards applicable to such instruments, which do not provide direct exposure to investee companies.

Monitoring of environmental or social characteristics

Proprietary ESG ratings for each holding company are reviewed annually and may also be reviewed and updated should new material information become available. The investment team monitors environmental and social controversies and news flows on an ongoing basis. Independent research and monitoring is used to inform any changes to the ESG rating. The environmental and social characteristics of the constituent companies are discussed regularly in team meetings.

The investment team engages with many issuers on environmental and/or social issues which are chosen and prioritised using a risk-based approach.

Methodologies



The investment team uses a proprietary ESG rating methodology to assess each company. The investment team assigns a rating to each assessed company from A to E. The team believes a rating between A to C indicates the company has high quality ESG practices, as determined by the investment team.

The strategies promote environmental and social characteristics through the investment team's ESG integration process. The investment team conducts an ESG assessment of material ESG factors applicable to the investment using a proprietary investment checklist. Examples of the checklist questions include:

- What are the company's greenhouse gas emissions?
- Does the company have any historical ESG controversies?
- How strong is the company's financial reporting integrity?

Using the checklist, the team reviews key ESG issues to produce a stock-specific ESG Rating between A to E, where A is for strong ESG management and E is for poor ESG management. Ratings A, B, C are given to companies in the investable universe that have high quality ESG practices and enjoy solid ESG management capabilities, as determined by the investment team. Companies rated D or E are deemed to suffer from weak material ESG management capabilities and are excluded from investment.

Data sources and processing

Data sources used

The investment team has access to a range of ESG data from third-party data providers, including MSCI ESG Research LLC, Sustainalytics, Institutional Shareholder Services Inc. and Glass, Lewis & Co, in addition to accessing ESG data directly from company disclosures. Which sources, factors, and methods used varies according to the ESG materiality and relevance of each factor to the company. These include, but are not limited to, the following ESG data and inputs:

- Third Party ESG ratings: Includes top level ratings, and both ratings and weights for component environmental, social, and governance factors.
- ESG controversies and severity levels related to factors including, but not limited to: labour rights, corruption, customer practices, privacy, land use management, climate change, supply chains, water and waste management, executive compensation, governance practices, human rights, community, business ethics, accounting.
- Environmental: carbon emissions, low-carbon transition risk exposure and management, temperature alignment, pollution and waste, resource use, land use management, biodiversity, e-waste, water consumption and use, green building, and energy demand.
- Social: product safety, employee health and safety, human capital management, labour management, privacy, supply chain, social opportunities.
- Governance: board independence, audit and accounting, executive compensation, shareholder rights, anti-competitive practices, bribery and corruption.

Measures taken to ensure data quality

There are a number of steps undertaken to ensure that the provider and quality of data/research will meet expectations:

1. Before purchasing data or research from a provider, market analysis is conducted to compare the potential product with its competitors.
2. Where applicable, the RBC GAM Quantitative Investments team back tests data being considered for core investment and stewardship functions, and both the RBC Quantitative Investments team and Investment Risk group may assist in reviewing prospective subscriptions for data quality and consistency, where appropriate. Where inaccuracies and shortcomings in methodology are found, and it is unlikely the provider will be able to address them and meet expectations, the provider is removed from consideration.
3. During a trial period, investment teams may test potential research and data provider subscriptions within the context of the portfolios they manage. Investment teams then provide feedback on any research or data issues, including systemic issues that would prevent the provider from being applicable or useful to the investment process or minor issues that can be resolved through engagement with the provider.
4. Once the provider is on-boarded, open dialogue and engagement is maintained between users of the data and the providers themselves to ensure that the quality and accuracy of data and research continues to meet expectations. For example, direct training opportunities may be sought for users of the data to understand the product and new ways to integrate it. Investment teams may also discuss research findings directly with research providers' sector analysts or research managers to ensure a thorough and complete understanding between both parties.
5. In certain cases, where inaccuracies on issuers have been identified, RBC GAM may facilitate engagements between the issuers and research providers to discuss and resolve inconsistencies in data/research. Historically, these inaccuracies have resulted from issuers failing to disclose policies or practices on which the research provider is evaluating them, or providers' review cycles lagging issuers' publications/data releases.

In cases where existing research or data providers fail to meet expectations despite engagement efforts or where superior research or products are identified, RBC GAM may terminate the subscription. Subscriptions and contracts are reviewed by the internal legal department prior to signing and upon contract renewal to stipulate the conditions where termination may be appropriate.

How data is processed

The investment team focuses on the ESG factors that it considers have the potential to impact the value of the investment and tailors the ESG integration tools and processes used for the investment strategies. This includes using, but is not limited to the following:

- Issuer-level reports that identify and discuss material ESG issues, based on third-party ESG research, company reports, and internal analyst/manager views.
- Internal ESG checklists and questionnaires for issuers held in a strategy.

- ESG engagement questions and engagement tracking.
- ESG data from third-party vendors considered in the fundamental investment framework.
- ESG controversies monitored on an ongoing basis.
- Climate data and climate scenario analysis.
- The Principle Adverse Impact indicators considered by the strategies.

The investment team integrates material ESG factors into the investment process by selecting the ESG tools and processes that work best for the investment decision-making process. Sustainability risks are deemed material if they have the potential to impact the risk-adjusted returns of the investments.

The investment team places particular focus on the ESG factors that have the potential to impact the value of the investment, with the extent of these impacts depending on the issuer, the industries and geographies in which it operates and the nature of the investment vehicle for which it is purchased.

Proportion of data estimated

Where possible, data used will always be the most recently published by an investee company. This is received either directly from the investee company or via a third-party data vendor. Where no data has been published, an estimation of that data point may be used. These estimations may be produced through an industry standard model or from a third-party vendor's internal methodologies. Where this is not available no data will be used.

Limitation to methodologies and data

Limitations to methodologies and data

The assessment of a company's environmental or social characteristics is limited by the investment team's reliance on publicly available information. This also applies to data availability.

The investment team may use third-party research to evaluate the ESG characteristics, risks and opportunities regarding an issuer. Such research information and data may be incomplete, inaccurate or unavailable, resulting in incorrect assessments of the ESG practices of an issuer. Legislative and regulatory changes, market developments and/or changes in data availability and reliability could also materially affect the quality and comparability of such research information and data.

How limitations do not affect the environmental or social characteristics promoted.

The investment team performs due diligence on holding companies. If following the due diligence and assessment of the ESG characteristics of the company the investment team determines the quality of the

company's ESG practices has meaningfully changed, it will be reflected in the ESG rating given to the company.

The investment team uses multiple ESG data and research sources, where possible, including company disclosures. This mitigates the limitations of inaccurate, incomplete, or unavailable research from third-party providers.

However, there may be some non-public information that the investment team could not be aware of at the time of the assessment, which could harm the promoted environmental or social characteristics.

Due diligence

As part of the investment process the investment team performs an analysis of the underlying issuers before investing. Analysis continues throughout the ownership of a company, including through regular reviews on a company's proprietary ESG rating.

The team utilises site visits, assesses publicly available information, data, research, and information learned from engagements to monitor performance of the company on its environmental and social characteristics. From time to time, the investment team may commission independent research into a company in order to fully assess its environmental and social characteristics.

The compliance of the strategies with their investment mandate is monitored through internal systems by the RBC GAM's Investment Policy team.

Engagement policies

The investment team engages with many issuers and other stakeholders on material ESG issues. The majority of engagements are with issuers, where the investment team seeks information on how an issuer is addressing its material ESG risks and opportunities and conveys its views on those risks and opportunities. The investment team meets with many issuers in which it invests on an ongoing basis and develops an in-depth dialogue with issuers over time. The team will generally keep the particulars about its engagements confidential to foster a constructive relationship with investee companies.

Typically, the purpose of 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 the team believes they may impact the value of an investment.
4. Where an issuer is lagging its peers on a material ESG issue, or insufficiently managing 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.

A majority of engagements are for information gathering but there are cases where a specific outcome is desired. In these instances, where engagement efforts have been unsuccessful and the issue being discussed is material, RBC GAM 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 there is the belief that it is consistent with the best interest of clients to do so.

Ultimately, at any stage of engagement with an issuer, the investment team 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 the investment team to decide whether to continue with an investment or to divest.

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

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

RBC Global Asset Management European Equity Strategies

This disclosure applies to all of the following strategies and any current and future associated individually managed accounts.

Product name:

RBC Funds (Lux) European Equity Focus Fund

Legal entity identifier:

549300MO63IX5QODD669

Summary

Sub-Funds and individually managed accounts that follow an RBC Global Asset Management European Equity Strategy promote environmental and social characteristics but does not have sustainable investments as its objective. The strategies promote environmental and social characteristics by investing in companies that are assessed using a proprietary ESG rating methodology, where companies are given a rating between 1 and 10. Companies given a rating between 6 and 10 are assessed as having high quality ESG practices. ESG ratings assigned to each company are reviewed regularly and updated as new material information becomes available. An assessment of good governance contributes to the investment strategy.

Where relevant, environmental characteristics promoted by the strategies, include, but are not limited to, appropriate and responsible management of climate change and waste. The social characteristics promoted by the strategies, where relevant, include, but are not limited to, appropriate and responsible management of employee relations and health and safety practices.

The strategies commit to only owning assets that are deemed to be aligned to the environmental or social characteristics of the strategies, excluding cash and cash equivalents. Therefore a minimum of 90% of the NAV of the strategies will be in assets that promote the environmental or social characteristics (and have ratings between 6-10). If a company is assessed to no longer have a rating between 6-10, it will be disposed of in a timely manner and consistent with best interests of clients.

The investment team may use multiple ESG data sources to perform its assessment of an asset. Sources include, but are not limited to, direct disclosures from the company, third-party data vendors, and independent research. The data utilised covers environmental, social, and governance data, as well as ESG-related controversies. As part of the investment process, the investment team uses this data and its own due diligence on a company to assess the environmental and social characteristics.

The investment team engages with many issuers, and other stakeholders on material ESG issues. The majority of engagements are with issuers, where the investment team seeks information on how an issuer is addressing its material ESG risks and opportunities and conveys its views on those risks and opportunities. The investment team meets with many issuers in which it invests on an ongoing basis and develops an in-depth dialogue with issuers over time. The team will generally keep the particulars about its engagements confidential to foster a constructive relationship with investee companies.

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The strategies will invest in companies identified as having high quality ESG practices based on a proprietary ESG rating methodology and as assessed by the investment team. Certain client strategies may have specific ESG-related criteria.

Where relevant, environmental characteristics promoted by the strategies, include, but are not limited to, appropriate and responsible management of climate change and waste. The social characteristics promoted by the strategies, where relevant, include, but are not limited to, appropriate and responsible management of employee relations and health and safety practices.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the strategies.

Investment strategy

The Sub-Fund looks to invest in high quality companies within Europe, which score well through the investment team's ESG integration process. The team seeks to invest in these businesses over a long time horizon and will accordingly take into account factors that promote long-term sustainable practices and strategic management.

The team analyses a company's business practices through three lenses: Operational Quality, Competitive Advantages, and Material Issue Management.

Through the Material Issue Management lens, the team focusses on those ESG issues that are most pertinent to a specific company and its industry. The team utilises their proprietary Material Issue Framework – which uses SASB as its cornerstone – to determine a series of ESG questions for an analyst to consider when undertaking fundamental research on a company. These are divided into five categories:

- i) Leadership & Governance
- ii) Social Capital
- iii) Human Capital
- iv) Business model & innovation
- v) Environmental

Each company is given a Material Issue Management Score (ESG) score out of 10. These scores are reviewed every six months, as well as on an ad hoc basis where events require such action. If a company is

given an ESG Rating of 5 or less after a review, it will be divested in such a manner that is consistent with client interests, and in any event, within three months.

Investee companies are engaged with on an ongoing basis to ensure that the strategy of any given business remains aligned with the characteristics desired for inclusion within the Sub-fund. This includes meetings with company management, as well as thoughtful proxy voting. The team will review votes before they are cast, to help ensure that individual company circumstances can be considered in a nuanced way, as well as helping to ensure that ESG concerns can be addressed and views expressed to company management.

Binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted

Based on the ESG integration process described above, the strategies will only invest in companies with a rating of 6 or better.

If a company is given an ESG Rating less than 6 after a review, it will be divested in a timely manner that is consistent with the best interests of clients.

Policy to assess good governance practices of the investee companies

Good governance practices include sound management structures, employee relations, remuneration or staff and tax compliance.

The investment team assesses the governance of investee companies through detailed research as well as company engagement, which forms a component of its investment checklist and contributes to its ESG Rating. Factors considered include the appropriateness of executive remuneration; company track records in areas such as integrity and business ethics; company focus and practices related to the board, management, and workforce diversity; treatment of minority shareholders; and board independence, among other factors. Understanding how management thinks about important ESG issues and what actions they are implementing is a critical component of the investment team's view on a company's governance practices and ESG standards more broadly.

Proportion of investments

The strategies will generally invest 100% of their NAV (excluding cash, cash equivalents, hedging instruments or other securities not designed to provide equity exposure) in companies aligned with the environmental and social characteristics promoted by the strategies (#1). A minimum of 90% of an entire strategy will be invested in companies aligned with the environmental or social characteristics promoted by the strategies (#1), subject to re-ratings which will be divested in a manner consistent with the best interests of clients and, in any event, within three months.

The remaining (10%) - which will be cash or cash equivalents – will not incorporate E/S characteristics and will fall under #2.

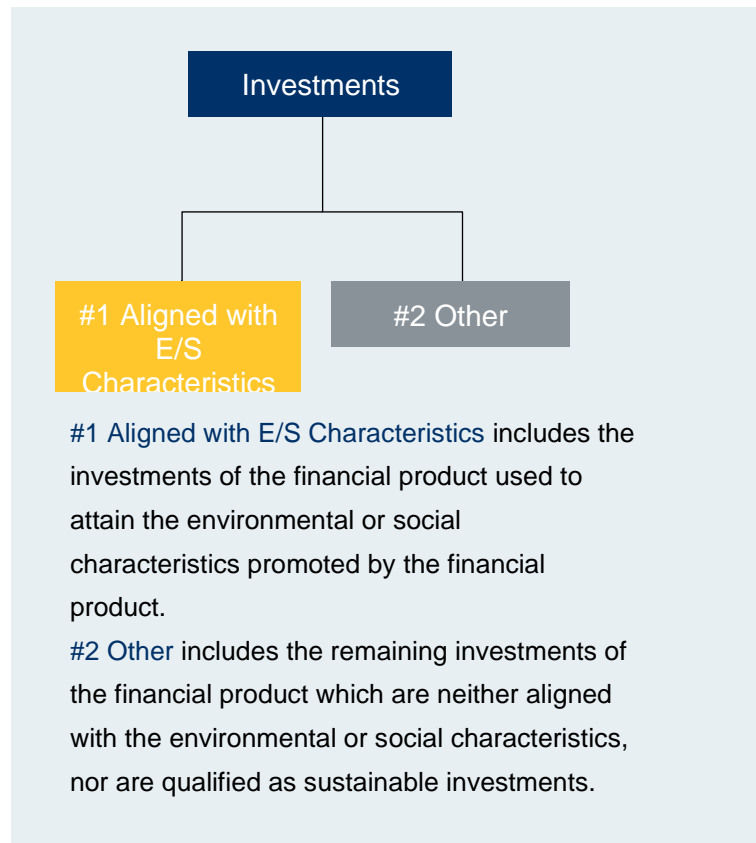
Investments included under “#2 Other”, what is their purpose and any minimum environmental or social safeguards

The strategies may hold certain instruments which do not contribute directly to the investment strategies such as cash or cash equivalents.

There are no environmental or social safeguards applicable to such instruments, which do not provide direct exposure to investee companies.

Monitoring of environmental or social characteristics

Proprietary ESG ratings for each holding company are reviewed bi-annually, and may also be reviewed and updated on an ad hoc basis. The investment team monitors environmental and/or social controversies and news flows on an ongoing basis. Independent research and monitoring is used to inform any changes to the ESG rating. The environmental or social characteristics of the constituent companies are discussed regularly in team meetings.



The investment team engages with many issuers on environmental and/or social issues which are chosen and prioritised using a risk-based approach.

Methodologies

The investment team uses a proprietary ESG rating methodology to assess each company. The investment team assigns a rating to each assessed company from 1 to 10. The team believes a rating between 6 to 10 indicates companies that have high quality ESG practices, as determined by the investment team.

The team analyses a company's business practices through three lenses: Operational Quality, Competitive Advantages, and Material Issue Management.

Through the Material Issue Management lens, the team focusses on those ESG issues that are most pertinent to a specific company and its industry. The team utilises their proprietary Material Issue Framework – which uses SASB as its cornerstone – to determine a series of ESG questions for an analyst to consider when undertaking fundamental research on a company. These are divided into five categories:

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Each company is given a Material Issue Management Score (ESG) score out of 10. These scores are reviewed every six months, as well as on an ad hoc basis where events require such action. If a company is given an ESG Rating of 5 or less after a review, it will be divested in such a manner that is consistent with client interests, and in any event, within three months.

Data sources and processing

Data sources used

The investment team has access to a range of ESG data from third-party data providers, including MSCI ESG Research LLC, Sustainalytics, Institutional Shareholder Services Inc. and Glass, Lewis & Co, in addition to accessing ESG data directly from company disclosures. Which sources, factors, and methods used varies according to the ESG materiality and relevance of each factor to the company. These include, but are not limited to, the following ESG data and inputs:

- Third Party ESG ratings: Includes top level ratings, and both ratings and weights for component environmental, social, and governance factors.

- ESG controversies and severity levels related to factors including, but not limited to: labour rights, corruption, customer practices, privacy, land use management, climate change, supply chains, water and waste management, executive compensation, governance practices, human rights, community, business ethics, accounting.
- Environmental: carbon emissions, low-carbon transition risk exposure and management, temperature alignment, pollution and waste, resource use, land use management, biodiversity, e-waste, water consumption and use, green building, and energy demand.
- Social: product safety, employee health and safety, human capital management, labour management, privacy, supply chain, social opportunities.
- Governance: board independence, audit and accounting, executive compensation, shareholder rights, anti-competitive practices, bribery and corruption.

Measures taken to ensure data quality

There are a number of steps undertaken to ensure that the provider and quality of data/research will meet expectations:

1. Before purchasing data or research from a provider, market analysis is conducted to compare the potential product with its competitors.
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The investment team places particular focus on the ESG factors that have the potential to impact the value of the investment, with the extent of these impacts depending on the issuer, the industries and geographies in which it operates and the nature of the investment vehicle for which it is purchased.

Proportion of data estimated

Where possible, data used will always be the most recently published by an investee company. This is received either directly from the investee company or via a third-party data vendor. Where no data has been published, an estimation of that data point may be used. These estimations may be produced through an industry standard model or from a third-party vendor's internal methodologies. Where this is not available no data will be used.

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Limitations to methodologies and data

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[How limitations do not affect the environmental or social characteristics promoted.](#)

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The investment team uses multiple ESG data and research sources, where possible, including company disclosures. This mitigates the limitations of inaccurate, incomplete, or unavailable research from third-party providers.

However, there may be some non-public information that the investment team could not be aware of at the time of the assessment, which could harm the promoted environmental or social characteristics.

Due diligence

As part of the investment process the investment team performs an analysis of the underlying issuers before investing. Analysis continues throughout the ownership of a company, including through regular reviews on a company's proprietary ESG rating.

The team utilises site visits, assesses publicly available information, data, research, and information learned from engagements to monitor performance of the company on its environmental and social characteristics. From time to time, the investment team may commission independent research into a company in order to fully assess its environmental and social characteristics.

The compliance of the strategies with their investment mandate is monitored through internal systems by the RBC GAM's Investment Policy team.

Engagement policies

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Typically, the purpose of 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 the team believes they may impact the value of an investment.
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Ultimately, at any stage of engagement with an issuer, the investment team 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 the investment team to decide whether to continue with an investment or to divest.

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

The value of investments may fall as well as rise, you may get back less than invested.

No investment should be made in one of these products without careful consideration of the Prospectus for the Funds, the Key Investor Information Document (KIID) and the Packaged Retail and Insurance-based Investment Products - Key Information Documents (PRIIPs KID) for the relevant Sub-Fund, each available at www.rbcbluebay.com or from your contact at RBC Global Asset Management.

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