RBC BlueBay
Asset Management

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial Market Participant:
RBC Global Asset Management (UK) Limited (LEI: 2138004TUI3ONH2MK159)

June 2025

Financial market participant RBC Global Asset Management (UK) Limited (LEI: 2138004TUI3ONH2MK159)

Summary

RBC Global Asset Management (UK) Limited (LEI: 2138004TUI3ONH2MK159) considers principal adverse impacts of investment decisions on sustainability factors. This is a consolidated statement ("Statement") on principal adverse impacts on sustainability factors of RBC Global Asset Management (UK) Limited ("RBC GAM UK"). This Statement on principal adverse impacts on sustainability factors covers the reference period from 1st January 2024 to 31st December 2024.

This Statement summarises how RBC GAM UK considers principal adverse impacts ('PAIs') of its investment decisions on sustainability factors in relation to products subject to SFDR. Information on RBC GAM UK's sustainability related disclosures is available upon request.

Definitions of the relevant terms within this statement are as follows:

- 'Sustainability factors'[1] mean environmental, social or governance ('ESG') matters such as employee matters, respect for human rights, anti-corruption and anti-bribery matters.
- 'Sustainability risks'[2] mean an ESG event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.
- All references to 'ESG risks' and 'ESG factors' within this Statement are equivalent to 'sustainability risks' and 'sustainability factors' as defined in SFDR.
- PAIs[3] are negative, material or likely to be material effects on sustainability factors that are caused, compounded by or directly linked to investment decisions and advice performed by a legal entity.

RBC GAM UK monitors and evaluates a range of PAI indicators related to the issuers in which we invest ('investee entities').

Because reporting on many PAI indicators is currently voluntary for many issuers, the availability of data on some indicators is limited. Therefore, the integration of PAI indicators is conducted on a best-efforts basis. As data availability improves, it is expected that PAI indicators will cover a greater portion of RBC GAM UK's investable universe and therefore allow for better insight in the adverse impacts caused by investee entities. Furthermore, RBC GAM UK may add additional PAI indicators to its monitoring process as the data quality improves.

Specific strategies or products may incorporate additional processes to consider PAI indicators in investment decisions and may incorporate PAIs into engagement activities differently.

PAI indicators currently monitored by RBC GAM UK are listed in the following "Description of the principal adverse impacts on sustainability factors" section:

- **Mandatory indicators:** fourteen (14) applicable to investments in corporate issuers, and two (2) applicable to investments in sovereigns and supranationals, and
- **Voluntary indicators:** two (2) applicable to investments in corporate issuers (one (1) environmental and one (1) social), and two (2) applicable to investments in sovereigns and supranationals (one (1) environmental and one (1) social)

RBC GAM UK also monitors PAI indicators[4] at a product level. RBC GAM UK and its investment teams may address the risks posed by PAIs in several ways, including through ongoing monitoring, incorporation of PAI risks into the ESG integration process where material, and engagement activities. Some products consider PAIs as part of their investment decisions on sustainability factors, whilst others do not. Product level details are available upon request.

NOTES:
The metrics and impact figured disclosed in this report have been calculated in line with the methodology outlined in the RTS under the EU Sustainable Finance Disclosure Regulation. Further information on the methodology applied to determine PAI impact values is available upon request. Additionally note that:

- The impact values presented in the table represent the average of four quarters covering the reference period.

1 Article 2(24) EU SFDR.
2 Article 2(22) EU SFDR.
3 Recital (16) EU SFDR.
4 As detailed in Annex 1 of the Commission Delegated Regulation

- The portfolio aggregation methodology for generating the impact value for PAI indicators is provided in the 'explanation' column.
- Data values for PAI indicators ('impact' columns) are sourced from third party vendors, primarily MSCI ESG Research LLP, unless otherwise stated. Data values are used as provided by third party vendors. While best efforts have been made to encourage third party vendors to correct data errors once identified, incorrect data points will have been used until corrected by third party vendors.
- The impact value given for each PAI metric is representative of all holdings in the entity excluding short positions.
- Some assets may be excluded from the calculation of PAI indicators due to, but not limited to, limitations in data availability and/or inapplicability of methodologies to certain asset types. Other securities may not be included where there are gaps in data or methodological challenges that can not be addressed at this time.
- PAI indicator data is not currently available for, or applicable to all asset types. This would include, but is not limited to: some government bonds (supranational and sub-sovereign), cash and equivalents, mortgages, asset-backed securities, other assets (mainly real estate and money market securities), private placements, and derivatives.
- Where data is not available from the third party vendor, subsidiary mapping has been applied for eligible securities to all PAI metrics presented in the table for the reference period, based on MSCI® ESG Research methodology. This includes the select PAI metrics where an internal proxy value was previously applied for eligible securities in the previous reference period, as well as PAI metrics that did not previously apply an internal proxy value. As a result of this change, internal proxy values are no longer determined for any PAI metric, and subsidiary mapping is instead applied, for eligible securities. Where there has been a change from applying internal proxy values to subsidiary mapping, this is highlighted in the table for the relevant PAI metrics, which include: *GHG emissions, carbon footprint and GHG intensity* of investee companies; *Emissions to water* of investee companies; *Hazardous waste and radioactive waste ratio* of investee companies; *GHG intensity* for sovereigns and supranationals; and *Average corruption score* for sovereigns and supranationals.
- For the *Total GHG emissions* of investee companies, discrepancies may exist between aggregated GHG emissions values and the underlying values for individual scope 1, scope 2, and scope 3 emissions due to temporal lags in data published by the third-party vendor.
- For *Scope 3 GHG emissions* and *Total GHG emissions* of investee companies: As scope 3 emissions are infrequently and inconsistently reported by issuers, we rely on estimated data for this analysis. All scope 3 emissions are estimated, based on MSCI® ESG Research methodology, which uses an industry segment-specific intensity model.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		**Metric**	**Impact [year n]**	**Impact [year n-1]**	**Explanation[5]**	**Actions taken, and actions planned and targets set for the next reference period**
TABLE 1: CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	1,855,951	2,010,895	Sum of portfolio companies' scope 1 carbon emissions (tCO_2e) weighted by the portfolio's value of investment in a company and by the company's most recently available	Select products (pooled funds and/or segregated accounts) managed by RBC GAM UK consider scope 1, 2, 3, and total GHG emissions, carbon footrprint, and GHG intensity. Funds/acounts may consider these by methods that include: a) minimising GHG emissions by excluding investee companies that have high GHG emissions (including but not limited to those

[5] All references to portfolio within the explanation column refer to the assets managed by the FMP across all portfolios in scope.

					enterprise value including cash (EVIC, in EUR). The reported Impact figure applies MSCI's 'Current Value of Investment' adjustment factors to arrive at adjusted quarterly PAI values, which are aggregated using a four-quarter average.	involved in thermal coal mining and/or power generation activities, extraction and production of oil & gas etc.); or b) escalating with investee companies with high levels of scope 1 GHG emissions, scope 2 GHG emissions, estimated scope 3 GHG emissions, and total GHG emissions relative to companies operating in the same NACE division and regional market (developed/emerging, as defined by the IMF list of Advanced Economies). Escalations may be in the form of additional due diligence, engagement, proxy voting, collaborative initiatives, and/or reducing the portfolio's exposure to the issuer, as determined by our investment teams. Monitoring and evaluation of escalation actions and their outcomes will be taken into account in terms of the ongoing eligibility of the investee companies for the product in question, and/or the investment positioning. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. During the reference period, investment teams had access to carbon-emissions related data for issuers and securities, and portfolio level analytics was available. Our investment teams use this data to support their assessment of climate-related indicators within their portfolios. Teams are able to identify areas for potential research, due diligence, engagement (or proxy voting), as determined by the investment team. We also advanced research on climate-related topics including: a framework for assessment of corporate climate transition plans, portfolio carbon attribution analysis, portfolio optimization for emissions reduction targets, and a framework for assessing corporate issuers' exposure to climate-related risks and opportunities. This work will continue into the next reference period. Where relevant, feasible and in-line with the investment objective or mandate, we conduct
		Scope 2 GHG emissions	403,940	330,565	Sum of portfolio companies' scope 2 carbon emissions (tCO_2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash (EVIC, in EUR). The reported Impact figure applies MSCI's 'Current Value of Investment' adjustment factors to arrive at adjusted quarterly PAI values, which are aggregated using a four-quarter average.	
		Scope 3 GHG emissions	10,915,655	12,301,914	Sum of portfolio companies' estimated scope 3 carbon emissions (tCO_2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash (EVIC, in EUR).	

					The reported impact figure applies MSCI's 'Current Value of Investment' adjustment factors to arrive at adjusted quarterly PAI values, which are aggregated using a four-quarter average.	engagement and proxy voting (to a lesser extent for fixed income assets). Engagement is prioritized based on the extent to which GHG emissions are considered financially material. For instance, during the reference period, our investment teams engaged with several investee companies on their GHG emissions or GHG intensity profiles with an aim to conduct further due diligence, to encourage enhanced climate-related disclosures, to mitigate emissions, and/or to support governance oversight of material climate-related risks and opportuniites. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained. NOTE: • Some products may explicitly seek to invest in companies that contribute to the reduction of emissions in the real economy (e.g., renewable energy companies). • Some products may have investment exposure to ESG-labelled securities such as green bonds, which may potentially fund projects that reduce GHG emissions. Such allocations will primarily be driven by attractive fundamentals, and to a lesser extent (in terms of portion of assets) as a result of a positive ESG impact driver. Where data is not available from the third party vendor for scope 1, 2, 3, and total GHG emissions, carbon footrprint, and GHG intensity, in the previous reference period, for eligible securities, an internal proxy value was determined. For this reference period, subsidiary mapping has been applied, based on MSCI® ESG Research methodology.
		Total GHG emissions	13,291,948	15,922,088	Sum of portfolio companies' scope 1, scope 2 and estimated scope 3 carbon emissions (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash (EVIC, in EUR). The reported impact figure applies MSCI's 'Current Value of Investment' adjustment factors to arrive at adjusted quarterly PAI values, which are aggregated using a four-quarter average.	
	2. Carbon footprint	Carbon footprint	242.98	327.96	The total annual scope 1, scope 2, and estimated scope 3 GHG emissions (tCO_2e) associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash, in EUR).	

					The reported impact figure applies MSCI's 'Current Value of Investment' adjustment factors to arrive at adjusted quarterly PAI values, which are aggregated using a four-quarter average.	
	3. GHG intensity of investee companies	GHG intensity of investee companies	960.62	853.90	The portfolio's weighted average of its holding companies' GHG intensity (scope 1, scope 2 and estimated scope 3 GHG emissions, in tCO_2e) /EUR million revenue). The reported impact figure is normalized when the data coverage across the FMP is less than 100%.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	7.43%	3.68%	The percentage of the portfolio's market value, excluding short positions, exposed to issuers with fossil fuel related activities, including exploration, extraction, distribution (including transportation, storage and trade), and refining of metallurgical coal, thermal coal, conventional oil and gas, and unconventional oil and gas.	Select products (either pooled funds and/or segregated accounts) managed by RBC GAM UK consider this PAI metric. Funds/acounts may consider these by methods that include: a) minimising exposure by excluding investee companies that are active in the fossil fuel related sector (including but not limited to, those involved in the extraction and production of oil & gas etc.); or b) escalating with investee companies that have >0% of their revenues from the fossil fuel sector and where their largest source of revenue is not from one of the following NACE groups (05.1, 05.2, 06.1, 06.2, 19.2, 35.1, 35.2, 46.7, 47.3, 49.5). Escalations may be in the form of additional due diligence, engagement, proxy voting, collaborative initiatives, and/or reducing the portfolio’s exposure to the issuer, as determined by our investment teams. Our investment teams, in line with the investment objectives of our products, may take into account data

						linked to this PAI metric where it is considered to be financially material as part issuer ESG analysis, and incorporate such insights into investment decisions. During the reference period, investment teams had access to carbon-emissions related data for issuers and securities, and portfolio level analytics was available. Our investment teams use this data to support their assessment of climate-related indicators within their portfolios. Teams are able to identify areas for potential research, due diligence, engagement (or proxy voting), as determined by the investment team. Where relevant, feasible and in-line with the investment objective or mandate, we conduct engagement and proxy voting (to a lesser extent for fixed income assets). Engagement is prioritized based on the extent to which being active in fossil fuel related activities is considered financially material. For instance, during the reference period, our investment teams engaged with several investee companies on their GHG emissions or GHG intensity profiles with an aim to conduct further due diligence, to encourage enhanced climate-related disclosures, to mitigate emissions, and/or to support governance oversight of material climate-related risks and opportunities. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained. NOTE: • Some products may have investment exposure to ESG-labelled securities such as green bonds of issuers in fossil fuel sectors which fund projects with the aim to reduce their carbon footprint. Such allocations will primarily be driven by attractive fundamentals, and to a lesser extent (in terms of portion of assets) as a result of a positive ESG impact driver.

	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	69.60%	66.01%	The portfolio's weighted average of its holding companies' energy consumption and/or production from non-renewable sources as a percentage of companies' total energy used and/or generated. The reported impact figure is normalized when the data coverage across the FMP is less than 100%.	The PAI metric is not considered by the products that RBC GAM UK manages. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. During the reference period, investment teams had access to data and analytics on the breakdown of a portfolio's power generation by coal, gas, hydro, nuclear, oil, and renewables as part of the climate dashboards[6], which are provided at least quarterly to investment teams. This analysis also included a comparison of portfolios' share of energy production from each of these sources relative to the power generation mix in 2030 and 2050 for the Network for Greening the Financial System (NGFS) net zero by 2050 climate scenario.. Such tools may be used by investment teams to support their management of climate-related indicators within their portfolios, and the inclusion of the power generation analysis may assist investment teams in identifying possible opportunities. For example, to manage or mitigate their portfolios' share of non-renewable energy production through engagement, proxy voting, or other active stewardship methods, as determined by the investment team. We may address non-renewable energy consumption and non-renewable energy production through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment team and in line with the investment objectives of our products. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained.

[6] Climate Dashboards may not be provided for all investment strategies, and climate metrics may vary by period.

							NOTE: • Some products may have investment exposure to ESG-labelled securities such as green bonds which may potentially fund projects by issuers which seek to reduce usage of non-renewable energy and increase the usage from renewable energy sources, ultimately helping reduce their carbon footprint. Such allocations will primarily be driven by attractive fundamentals, and to a lesser extent (in terms of portion of assets) as a result of a positive ESG impact driver.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	NACE Section A (Agriculture, Forestry and Fishing)	0.55	0.96	The portfolio's weighted average of its holding companies' energy consumption intensity (GWh/million EUR revenue) for issuers classified within each high impact climate NACE section. Portfolio weights are normalized when data coverage is less than 100%.	The PAI metric is not considered by the products that RBC GAM UK manages. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part ESG analysis and incorporate such insights into investment decisions. We may address the energy consumption intensity of high impact climate sectors through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained. NOTE: • Some products may have investment exposure to ESG-labelled securities such as green bonds which may potentially fund projects by issuers which seek to address (reduction of) the energy consumption intensity of high impact climate sectors. Such allocations will primarily be driven by attractive fundamentals, and to a lesser extent (in terms of portion of assets) as a result of a positive ESG impact driver.
			NACE Section B (Mining and Quarrying)	0.98	1.86		
			NACE Section C (Manufacturing)	0.46	0.52		
			NACE Section D (Electricity, Gas, Steam and Air Conditioning Supply)	2.91	3.39		
			NACE Section E (Water Supply; Sewerage, Waste Management and Remediation Activities)	0.96	0.66		
			NACE Section F (Construction)	0.28	0.37		
			NACE Section G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)	0.14	0.51		

			NACE Section H (Transportation and Storage)	1.01	1.84		
			NACE Section L (Real Estate Activities)	0.58	0.64		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas		0.05%	0%	The percentage of the portfolio's market value, excluding short positions, exposed to companies that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment.	The PAI metric is not considered by the products that RBC GAM UK manages. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. We may address our exposure to activities negatively affecting biodiversity-sensitive areas through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products. For instance, during the reference period, our investment teams engaged with several investee companies with an aim either to conduct further due diligence, to encourage enhanced disclosure, or to encourage better management of their biodiversity risks and/or opportunities. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained. NOTE: • Some products may explicitly seek to invest in companies which promote sustainable management of natural resources and capital including nature/biodiversity. • Some products may have investment exposure to ESG-labelled securities such as green bonds which may potentially fund projects by issuers which seek to address negative biodiversity impacts. Such allocations will primarily be driven by attractive fundamentals, and to a lesser

						extent (in terms of portion of assets) as a result of a positive ESG impact driver.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.01	218.07	The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio. Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash, in EUR). The reported impact figure applies MSCI's 'Current Value of Investment' adjustment factors to arrive at adjusted quarterly PAI values, which are aggregated using a four-quarter average.	The PAI metric is not considered by the products that RBC GAM UK manages. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. We may address our exposure to emissions to water through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products. For instance, during the reference period, our investment teams engaged with several investee companies with an aim either to conduct further due diligence, to encourage enhanced disclosure, or to encourage better management of their emissions to water. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained. NOTE: • Some products may explicitly seek to invest in companies which promote sustainable water management (e.g., water utilities). • Some products may have investment exposure to ESG-labelled securities such as green bonds which may potentially fund projects by issuers which seek to address (reduction of) emissions to water. Such allocations will primarily be driven by attractive fundamentals, and to a lesser

						extent (in terms of portion of assets) as a result of a positive ESG impact driver. Where data is not available from the third party vendor for this PAI metric, in the previous reference period, for eligible securities, an internal proxy value was determined. For this reference period, subsidiary mapping has been applied, based on MSCI® ESG Research methodology. As a result of this change in approach, there has been a signifcant difference in the PAI metric for the reference period when compared to the previous reference period.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1.10	0.34	The total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash, in EUR). The reported impact figure applies MSCI's 'Current Value of Investment' adjustment factors to arrive at adjusted quarterly PAI values, which are aggregated using a four-quarter average.	The PAI metric is not considered by the products that RBC GAM UK manages. Our invesment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. We may address our exposure to hazardous waste and radioactive waste through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products. For instance, during the reference period, our investment teams engaged with several investee companies with an aim either to conduct further due diligence, to encourage enhanced disclosure, or to encourage better management of their emissions to water. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained. NOTE: • Some products may have investment exposure to ESG-labelled securities such as green bonds which may potentially fund projects by issuers which seek to address hazardous and radioactive waste. Such

						allocations will primarily be driven by attractive fundamentals, and to a lesser extent (in terms of portion of assets) as a result of a positive ESG impact driver. Where data is not available from the third party vendor for this PAI metric, in the previous reference period, for eligible securities, an internal proxy value was determined. For this reference period, subsidiary mapping has been applied, based on MSCI® ESG Research methodology.
TABLE 1: INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.74%	0.62%	The percentage of the portfolio's market value, excluding short positions, exposed to companies in violation of the UN Global Compact principles and OECD Guidelines for Multinational Enterprises.	Select products (either pooled funds and/or segregated accounts) managed by RBC GAM UK consider this PAI metric. Funds/acounts may consider these by methods that include: a) minimising exposure by excluding investee companies that which are considered to be in breach of, or face very material controversies related to international norms such as the UN Global Compact; or b) escalating with investee companies not in compliance with the UN Global Compact principles. Escalations may be in the form of additional due diligence, engagement, proxy voting, collaborative initiatives, and/or reducing the portfolio’s exposure to the issuer, as determined by our investment teams. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. During the reference period, investment teams had access to data on investee companies and their statuses with regards the UN Global Compact, and ESG controversies, sourced from the third party vendor. Teams are able to identify areas for potential research, due diligence, engagement (or proxy voting), as determined by the investment team. Where relevant, feasible and in-line with the investment objective or mandate, we conduct

						engagement (and to a lesser extent for fixed income assets, proxy voting). Engagement is prioritized based on the extent to which being in violation of norms like the UN Global Compact is considered financially material. For instance, during the reference period, our investment teams engaged with several investee companies active in these sectors with an aim either to conduct further due diligence, and to encourage actions to bring practices into compliance with the UN Global Compact. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	1.39%	21.16%	The percentage of the portfolio's market value, excluding short positions, exposed to companies that have no evidence of mechanisms to monitor compliance with the UN Global Compact.	The PAI metric is not considered by the products that RBC GAM UK manages. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. We may address our exposure to this PAI metric through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	13.85%	15.57%	The portfolio’s weighted average of its holding companies’ difference between the average gross hourly earnings of male and female employees, as a percentage of male	The PAI metric is not considered by the products that RBC GAM UK manages. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions.

					gross earnings. Portfolio weights are normalized when data coverage is less than 100%.	We may address our exposure to unadjusted gender pay gap through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	24.96%	25.99%	The portfolio's weighted average of its holding companies' ratio of female to male board members, expressed as a percentage of all board members. Portfolio weights are normalized when data coverage is less than 100%.	Select products (either pooled funds and/or segregated accounts) managed by RBC GAM UK consider this PAI metric. Funds/acounts may consider these by methods that include: a) escalating with investee companies that do not have a satisfactory level of board gender diversity. That is, at least one female member of the board at all issuers and at least 30% female board members at companies incorporated in Australia, Canada, Ireland, New Zealand, the United Kingdom, and the United States of America. Escalations may be in the form of additional due diligence, engagement, proxy voting, collaborative initiatives, and/or reducing the portfolio's exposure to the issuer, as determined by our investment teams. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. We may address our exposure to board gender diversity through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products. For instance, during the reference period, we engaged on board gender diversity and the potential adoption of targets.

						For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	The percentage of the portfolio's market value, excluding short positions, exposed to companies involved in the manufacture of anti-personnel mines, cluster munitions, chemical weapons and biological weapons.	There is an RBC GAM UK platform-wide policy on controversial weapons restricting investments in pooled funds, to producers of certain types of controversial weapons (including cluster munitions, landmines and chemical and biological weapons), noting select pooled funds may go beyond this scope. Select segregated accounts may also exclude investments in producers of controversial weapons, with the scope differing by account. Select products (either pooled funds and/or segregated accounts) managed by RBC GAM UK consider this PAI metric. Some consider these by either a) minimising exposure to this PAI by excluding investee companies with exposure to controversial weapons within, and beyond, the scope of this PAI (e.g. through the RBC GAM UK controverial weapons platform-wide policy), or b) escalating with investee companies with exposure to controversial weapons production. Escalations may be in the form of additional due diligence, engagement, proxy voting, collaborative initiatives, and/or reducing the portfolio’s exposure to the issuer, as determined by our investment teams. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. We may address our exposure controversial weapons through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products.

						For instance, during the reference period, we engaged on the accuracy of controversial weapons involvement status as detailed by our third party vendor. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		**Metric**	**Impact [year n]**	**Impact [year n-1]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Environmental	15. GHG intensity	GHG intensity of investee countries	472.77	555.48	The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/EUR M GDP). Portfolio weights are normalized when corresponding data coverage is less than 100%.	Select products (either pooled funds and/or segregated accounts) managed by RBC GAM UK consider this PAI metric. Funds/acounts may consider these by methods that include: a) minimising part of the exposure to this PAI metric by excluding countries that have not signed the Paris Agreement; or b) escalating with countries with high GHG intensity (relative to countries in the same economic group peers, as defined by the World Bank). Escalations may be in the form of additional due diligence, engagement, proxy voting, collaborative initiatives, and/or reducing the portfolio's exposure to the issuer, as determined by our investment teams. Our investment teams, in line with the investment objectives of our strategies, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. We may address our exposure to countries with high GHG intensity through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products For instance, during the reference period, we engaged bilaterally and collaboratively with both developed and emerging markets countries on their national carbon

						targets, their financing efforts to tackle deforestation, and climate change more broadly. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained. NOTE: • Some products may have investment exposure to ESG-labelled securities such as green bonds which may potentially fund projects by countries looking to reduce their GHG intensity profile. Such allocations will primarily be driven by attractive fundamentals, and to a lesser extent (in terms of portion of assets) as a result of a positive ESG impact driver. Where data is not available from the third party vendor for this PAI metric, in the previous reference period, for eligible securities, an internal proxy value was determined. For this reference period, subsidiary mapping has been applied, based on MSCI® ESG Research methodology.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number, and relative number by taking the absolute number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	6	5	The number of the portfolio's unique investee countries with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports.	Select products (either pooled funds and/or segregated accounts) managed by RBC GAM UK consider this PAI metric. Funds/acounts may consider by methods that include: a) minimising exposure by excluding countries under international sanctions which include social violations. Some products may have policies covering the exclusion of countries which are not party to, or have not ratified certain UN treaties and conventions (such as those on corruption, torture and punishment, or deemed to have inadequate ratings when it comes to press freedom); or b) escalating with countries subject to social violations. Escalations may be in the form of additional due diligence, engagement, proxy voting, collaborative initiatives, and/or reducing the portfolio's exposure to the
			8.14%	6.58%	The portfolio's percentage of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports, relative to all investee countries	

						issuer, as determined by our investment teams. Escalations may be in the form of additional due diligence, engagement, proxy voting, collaborative initiatives, and/or reducing the portfolio's exposure to the issuer, as determined by our investment teams. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of the issuer ESG evaluation, and incorporate such insights into investment decisions. We may address our exposure to countries subject to international sanctions through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained. NOTE: • Exposure to this PAI metric includes countries subject to 'restrictive measures'. Whilst referred to as a type of sanction, 'restrictive measures' are not binding, but can be used by the EU as a tool through which the EU can intervene where necessary to prevent conflict or respond to ermerging or current crises.

Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies						

TABLE 2: ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	25.03%	12.79%	The percentage of the portfolio's market value, excluding short positions, exposed to companies that do not have carbon emissions reduction initiatives aimed at aligning with the Paris Agreement.	Select products (either pooled funds and/or segregated accounts) managed by RBC GAM UK consider this PAI metric. Funds/acounts may consider by methods that include: a) minimising exposure by excluding investee considered to lack an effective approach and/or demonstrate unacceptable performance on carbon emissions, and climate change strategy more broadly: or b) escalating with investee companies in high impact sectors (in NACE groups of 01.1, 05.1, 05.2, 06.1, 06.2, 07.1, 07.2, 08.9, 09.9, 10.1, 10.4, 13.1, 13.9, 17.1, 17.2, 19.2, 20.1, 20.5, 20.6, 22.2, 23.1, 24.1, 24.4, 24.5, 35.1, 35.2, 37, 38.1, 42.2, 45.1, 46.7, 47.3, 49.5, 50.2, and 51.1.) without carbon emissions reduction initiatives aimed at aliging to the Paris Agreement. Escalations may be in the form of additional due diligence, engagement, proxy voting, collaborative initiatives, and/or reducing the portfolio's exposure to the issuer, as determined by our investment teams. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. During the reference period, investments teams had access to carbon related data on investee companies, and portfolio level analytics. Our investment teams use this data to support their assessment of climate-related indicators within their portfolios. Teams are able to identify areas for potential research, due diligence, engagement (or proxy voting), as determined by the investment team. Where relevant, feasible and in-line with the investment objective or mandate, we conduct engagement (and to a lesser extent for fixed income assets, proxy voting). Engagement is prioritized based on the extent to which investee companies in high impact sectors (in NACE groups of 01.1, 05.1, 05.2, 06.1, 06.2, 07.1, 07.2, 08.9, 09.9, 10.1, 10.4, 13.1, 13.9, 17.1, 17.2, 19.2, 20.1, 20.5, 20.6, 22.2, 23.1, 24.1, 24.4, 24.5, 35.1, 35.2, 37, 38.1, 42.2, 45.1, 46.7, 47.3, 49.5, 50.2, and 51.1.) are without carbon emissions reduction initiatives where these are considered financially material.

						For instance, during the reference period, our investment teams engaged (bilaterally or collaboratively) with several investee companies across a range of sectors such as utilities and fossil fuel sectors on their carbon targets. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained. NOTE: • Some products may have investment exposure to ESG-labelled securities such as green bonds which may potentially fund projects which reduce GHG emissions. Such allocations will primarily be driven by attractive fundamentals, and to a lesser extent (in terms of portion of assets) as a result of a positive ESG impact driver.
TABLE 3: ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	1.02%	0.90%	The percentage of the portfolio's market value, excluding short positions, exposed to companies without an anti-corruption and anti-bribery policy consistent with the United Nations Convention against Corruption.	Select products (either pooled funds and/or segregated accounts) managed by RBC GAM UK consider this PAI metric. Funds/accounts may consider by methods that include: a) escalating with investee companies that do not have anti-corruption and anti-bribery policies. Escalations may be in the form of additional due diligence, engagement, proxy voting, collaborative initiatives, and/or reducing the portfolio's exposure to the issuer, as determined by our investment teams. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. We may address our exposure to investee companies that do not have anti-corruption and anti-bribery policies through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our

						methodology where relevant and appropriate in light of insights and learnings gained.
Indicators applicable to investments in <u>sovereigns and supranationals</u>						
TABLE 2: ADDITONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	100%	100%	The percentage of the portfolio's market value, excluding short positions, exposed to sovereign and supranational bonds that do not follow the EU Green Bond Standard, per Nasdaq Sustainable Bond Network.	The PAI metric is not considered by the products that RBC GAM UK manages. NOTE: the EU Green Bond Standard was only available for issuers to use from 21st December 2024. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. We may address our exposure to ESG-labelled bonds (which may or may not be issued under the EU Green Bond Standard) through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products For instance, during the reference period, we engaged bilaterally with countries on their sustainable finance strategies which included green ESG-labelled issuances in both developed and emerging markets. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained. NOTE: • Some products may have investment exposure to ESG-labelled securities such as green bonds which may potentially fund environmental projects, which may or may not be issued under the EU Green Bond Standard. Such allocations will primarily be driven by attractive fundamentals, and to a lesser extent (in terms of portion of assets) as a result of a positive ESG impact driver.
TABLE 3: ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a	55.52	56.76	The portfolio's weighted average of sovereign	Select products (either pooled funds and/or segregated accounts) managed by RBC GAM UK consider this PAI metric. Some consider this by taking escalation actions with investee companies

		quantitative indicator explained in the explanation column			issuers' Corruption Perception Index score, on a scale of 0-100, which measures the degree to which public sector corruption is perceived to exist in different countries around the world, based on Transparency International. Countries with lower scores are perceived to be more corrupt. Portfolio weights are normalized when corresponding data coverage is less than 100%.	that do not have anti-corruption and anti-bribery policies. Escalations may be in the form of additional due diligence, engagement, proxy voting, collaborative initiatives, and/or reducing the portfolio's exposure to the issuer, as determined by our investment teams. Our investment teams, in line with the investment objectives of our products, may take into account data linked to this PAI metric where it is considered to be financially material as part of issuer ESG analysis, and incorporate such insights into investment decisions. We may address our exposure to investee companies that do not have anti-corruption and anti-bribery policies through engagement, proxy voting, or other active stewardship activities, where it is deemed material by our investment teams and in line with the investment objectives of our products. For the next reference period, our investment teams will continue to follow the above methodology, in line with the relevant investment objective of our products. We will look to refine our methodology where relevant and appropriate in light of insights and learnings gained. Where data is not available from the third party vendor for this PAI metric, in the previous reference period, for eligible securities, an internal proxy value was determined. For this reference period, subsidiary mapping has been applied, based on MSCI® ESG Research methodology.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors
[*Information referred to in Article 7*]

RBC GAM UK's investment teams monitor and evaluate a range of PAIs internally, with support from RBC GAM's Responsible Investment (RI) team. These indicators were selected based on their materiality, as well as data availability. To identify voluntary indicators for principal adverse impacts, consideration was taken of scope, severity, probability of occurrence and potentially irremediable character on sustainability factors. The actual additional indicators selected were chosen as they are aligned with issues that are considered material to the long-term financial sustainability of investments, and they also reflect issues which have the broadest relevance to the different issuer types we invest in. The extent to which we are accurate in this determination is dependent on our technical ESG knowledge and expertise, which is informed by a range of external and internal data sources sourced from various stakeholders for insight. It is difficult to quanlify the accuracy of our views. As we are continually interacting with other stakeholders and monitoring ESG developments and newsflow, we are able to revise our consideration of additional indicator as and when considered relevant and appropriate to do so.

The RI team monitors ESG data sources to identify those that may facilitate and contribute to the monitoring of PAIs on an ongoing basis. PAI indicator data is sourced from third-party data providers.

To improve data availability on PAIs, we work with our third-party data providers to enhance disclosures. Our teams may also engage with investee issuers, either directly or collaboratively as part of an industry association, to request enhanced disclosure of PAIs. Further detail on which third party providers we use, as well as how we engage with them, can be found within RBC GAM's Annual Stewardship Report.

All investment teams have access to a range of ESG data and information, including the PAI indicators considered by the portfolios they manage. The investment teams consider a range of PAIs, where material, as part of their respective ESG integration processes. In accordance with the internal escalation policy, described in the Principal Adverse Impacts Statement, investment teams take escalation action with issuers when issuers' PAIs exceed internally established thresholds and when the specific PAIs are deemed material to the investment case.

Additional processes to consider PAI indicators in investment decisions may take place at the portfolio level, where the outcome may be incorporated differently. For instance, in some cases, this may result in investment exclusions or conditional inclusions predicated on certain conditions being met, or no action.

The table below summarises the policies which support the identification and prioritisation of PAIs and how these relate to RBC GAM UK's management of PAIs in the investment processes as well as how these are implemented by the investment teams aligning to the specifc strategies and portfolios they manage. These policies apply to RBC GAM including RBC GAM UK. The policy approval process, including dates of approval by the governing body can be found within each policy here.

Policy	Description and relation to PAI
Approach to Responsible Investment (RI)	RBC GAM's Approach to Responsible Investment[7] is the overarching policy that governs all responsible investment activities at RBC GAM, inclusive of RBC GAM UK, and is structured according to three pillars – ESG integration, Active stewardship, and Client-driven solutions and reporting. In relation to actions taken to address PAI, Our Approach to Responsible Investment: ▪ Describes our approach to incorporating material ESG factors, which may include PAI, into investment decisions for applicable types of investments [8] *[Multiple indicators]* ▪ Outlines our firm-wide investment exclusion, which include pooled funds. Firm-wide exclusions covers the investment in issuers whose business activities would contravene the prohibitions contained in any of the following conventions: Anti-Personnel Landmines Convention, Biological and Toxin Weapons Convention, Convention on Cluster Munitions, The Chemical Weapons Convention, and economic sanctions. *[e.g., company indicator 14, sovereign indicator 16]*. See *Section 5 References to International Standards* for more information. ▪ Outlines how we align our proxy voting, engagement and industry initiatives to the best interests of our investments and portfolios., including PAI[9] *[Multiple indicators]* ▪ Identifies systemic ESG factors, which includes governance, climate change and nature and human rights. This includes a description of the actions we are taking related to climate change and nature, such as measuring, monitoring and reporting on the carbon emissions and net-zero alignment of applicable investment and portfolios and developing and implementing an action plan to actively engage with issuers for whom we believe climate change is a material financial risk and who we believe are not managing this risk effectively. . *[E.g., company mandatory indicators 1-7 and sovereign mandatory indicator 15]* RBC GAM's investment teams, inclusive of RBC GAM UK's, implement the practices described in Our Approach to Responsible Investment and may apply additional ESG-related considerations or exclusions for the specific strategies and portfolios that they manage beyond the scope of the PAI indicators.
Proxy Voting Guidelines[10]	Our Proxy Voting Guidelines specify our policy for how RBC GAM, inclusive of RBC GAM UK, will vote on specific proposals and issues in our proxy voting activities. These Guidelines are applied for issuers in Canada, the United States, the United Kingdom, Ireland, Australia, and New Zealand. In relation to actions taken to address PAI, Our Proxy Voting Guidelines: ▪ Include specific guidelines for how we vote on items relating to PAI *[e.g., company mandatory indicator 13]* The Proxy Voting Guidelines are reviewed by the RI team, investment teams, the Proxy Voting Committee, and BlueBay Funds Management Company S.A. on an annual basis. Updates are approved by the CIO.

[7] As part of the update to Our Approach to Responsible Investment in 2024, we integrated relevant content from Our Approach to Climate Change and Our Net-zero Ambition; these documents have since been retired.
[8] Certain investment strategies, asset classes, exposure and security types do not integrate ESG factors, including but not limited to money market, buy-and maintain, passive, and certain third-party sub-advised strategies or certain currency or derivative instruments. Different strategies that integrate ESG factors will be at varying stages of implementation.
[9] In certain instances, including but not to those involving quantitative investment, passive and certain third-party sub-advised strategies, there is no engagement with issuers.
[10] RBC GAM UK does not direct proxy voting for our investment advisory clients. Our Proxy Voting Guidelines apply to portfolios for which RBC GAM directs proxy voting, including our funds and segregated accounts where clients have directed RBC GAM UK to vote on their behalf.

Investment team processes	RBC GAM UK's investment teams maintain their own ESG integration and engagement processes, aligned to the specific strategies and portfolios they manage and advise, which may include additional approaches to considering PAI within their portfolios. These may include: ▪ Additional and varying thresholds for the inclusion or exclusion of issuers from the investment universe, based on practices relating to PAIs *[e.g., company mandatory indicator 4]* ▪ Additional and varying types of exclusions, based on economic activities and/or conduct-based practices relating to PAIs *[e.g., company mandatory indicators 10 and 14]* ▪ Engagement based on specific responsible investment practices, which relate to PAIs *[e.g., company voluntary indicator 7]* Individual investment team processes are described on each team's page on our website. For certain portfolios, there may also be additional ESG-related restrictions beyond the scope of the PAI indicators.
Portfolio-level processes/mandates	Specific portfolios (e.g., pooled funds, segregated mandates) may apply additional or different approaches to managing PAI, as outlined in each portfolio's disclosure and/or mandate. These may include: ▪ Additional and varying types of exclusions, based on economic activities and/or conduct-based practices relating to PAIs *[e.g., company mandatory indicators 10 and 14]* ▪ Targets that the portfolio seeks to achieve relating to PAIs *[e.g., company mandatory indicator 2]* ▪ Engagement based on specific responsible investment practices, which relate to PAIs *[e.g., company mandatory indicators 1 and 10, company voluntary indicators 4 and 15, sovereign mandatory indicator 15, sovereign voluntary indicator 21]* For certain portfolios, there may also be additional ESG-related restrictions beyond the scope of the PAI indicators.

Engagement policies
[*Information referred to in Article 8*]

RBC GAM UK's approach to engagement (as detailed in the Statement in relation to the Shareholder Rights Directive II) states that we believe firmly in the importance of effective stewardship and long-term decision making, involving transparency of engagement policies between institutional investors and the issuers we invest in[11]. We seek to enrich and preserve investor assets by providing high quality investment management services to its investors. RBC GAM UK's engagement with issuers on behalf of its investors facilitates the responsible allocation and management of capital consistent with its funds' investment objectives. Engagement activities may include, amongst other things: ensuring integration of RBC GAM UK's engagement into its investment strategy, monitoring of issuers in which we are invested in, assets and service providers, engaging with these issuers and holding them to account on material issues, co-operating with other stakeholders and dealing with potential conflicts of interest. RBC GAM UK's approach to engagement is set out in more detail in the Statement in relation to the Shareholder Rights Directive II and RBC GAM's annual UK Stewardship code.

The specific factors we engage on differ based on sector, asset class, and geography, as engagement cases are prioritized based on the materiality of the ESG issue to the specific investment. Teams may also prioritize their engagement efforts based on the size of the investment and/or the level of ESG risk or PAIs considered within the portfolio. We seek to understand each issuer individually and through the lens of local norms and the laws and regulations of the market(s) in which it operates. The typical objectives of our ESG- and PAI-related engagements are described in our approach to PAIs escalation below, while further descriptions of our policies and approaches to direct engagement, collaborative engagement, and proxy voting are detailed in the Principal Adverse Impacts Statement. Engagement related to PAIs include but are not limited to compliance with international social norms such as the UN Global Compact; climate change and the energy transition; diversity and inclusion, and labour and human rights.

Our approach to PAIs escalation
In addressing PAIs in our engagement and proxy voting activities, our investment teams implement an escalation framework with applicable investee issuers. The objective of escalation may include:

1. **Information gathering and data validation**. Investment teams may validate the accuracy and relevance of the data, either with the data provider or with direct engagement with the issuer, and to understand the context surrounding the material PAI indicator, as well as any potential action plans already undertaken to address it.

[11] In certain instances, involving quantitative investment, passive and certain third-party sub-advised strategies, there is no direct engagement with issuers by RBC GAM UK.

2. **Requesting enhanced public disclosure**. Investment teams may encourage the issuer to enhance their public disclosure of the material PAI indicator and the steps the issuer is taking to address it, in line with established frameworks and best practice.
3. **Encouraging more effective management or oversight**. Where an issuer is already disclosing its PAI indicators, investment teams may encourage the issuer to adopt approaches that the issuer believes are most appropriate for addressing the issue and to publicly disclose those plans and approaches, and how they are being overseen, to allow for continued monitoring and improvement of the PAI.
4. **Seeking a commitment for change**. Where an issuer continues to lag its peers on a material PAI indicator or experiences a material deterioration in a PAI indicator, investment teams may request a formal commitment for change, including a more prescriptive approach to addressing the PAI, in line with global standards and frameworks.
5. **Reducing portfolio's exposure to the PAI**. Depending on the outcomes of escalation activities taken to date, the materiality of the PAI indicator, and/or as a form of escalation itself, investment teams may choose to change their investment position in an issuer. This may include reducing the investment position, entering an underweight position relative to the investment benchmark, changing the nature of the exposure to the issuer (e.g., short position), or exiting investment exposure by full divestment. It is at the discretion of each investment team to decide whether to continue with an investment, to reduce its position, or to divest entirely, in line with the best interests of the portfolio and its clients.

The methods used to escalate may include direct engagement, collaborative engagement, and/or proxy voting, as detailed in the Principal Adverse Impacts Statement.

Escalation is an iterative process, and each of the methods we may employ is informed by the overall escalation objective. It is at the discretion of the investment team to determine how much time or how many attempts to influence an issuer with any of the above methods. There is not necessarily any prescribed timelines by which action or reduction of the principal adverse impacts to occur within, although status and progress will be reviewed on a regular basis and priorities and strategies revised as appropriate. Teams are also able to de-escalate and re-escalate, depending on the outcomes of escalation and the issuer's actions. For example, investment teams may choose to engage directly with the issuer to request enhanced public disclosure, then de-escalate to validate data upon the issuer's release of its public disclosure. If that public disclosure is deemed to be insufficient or reveals gaps in the management of one of the PAI indicator, the team may again escalate as part of a collaborative engagement to encourage more effective management of the PAI indicator accordingly.

Voting of our client's listed equity holdings is a key feature of our active stewardship approach. The RBC GAM Proxy Voting Guidelines are our custom voting guidelines, which describe the principles RBC GAM, inclusive of RBC GAM UK, supports and how we generally vote on issues raised on proxy voting ballots. They have been developed using our internal expertise and resources, with reference to guidance by leading independent research firms. The Proxy Voting Guidelines are applied for issuers in Canada, the United States, the United Kingdom, Ireland, Australia, and New Zealand. In all other markets, RBC GAM uses ISS' local benchmark proxy voting policy. As our issuer, geography, and industry experts, our investment teams are able to identify market- and issuer-specific nuances to ensure that our votes are fully informed and cast in a way that contributes to our principal duty to maximize investment returns for our clients without undue risk of loss. Direct engagements and proxy voting work together, as engagement may help to inform the context and rationale on specific voting items and material ESG issues, informing both voting and investment decisions. Although voting opportunities are more limited for fixed income portfolios, it can and does occur. It is most common for convertible and high yield bond investments, where an allocation may take on formal voting rights, or there may be increased risk of potential debt restructuring measures.

There may be instances where there is sensitivity surrounding our escalation activities with issuers, as such much of this occurs in private correspondence. Where there is public disclosure of such activities, this is likely to take place at the more advanced stages of escalation.

References to international standards
[Information referred to in Article 9]

RBC GAM, inclusive of RBC GAM UK, endeavors to respect several international conventions, norms, standards and statements, including, but not limited to:

- UN Global Compact*
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- Universal Declaration on Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- U.K. Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018
- UN conventions and treaties on corruption, torture and punishment, and Paris Agreement*
- Anti-Personnel Landmines Convention*
- Convention on Cluster Munitions*
- Biological Weapons Convention, the Biological and Toxin Weapons Convention*

- Chemical Weapons Convention*

*Denotes conventions and norms which may result in exclusion in the case of certain portfolios when certain threshold criteria are met.

The principal adverse indicators which have overlap with the above international standards we consider are those listed in the 'Description of the principal adverse impacts on sustainability factors' section within this document. This section along with the summary notes outline the scope of coverage, data sources and methodology used in relation to these indicators. No forecasts or proxies are used for such indicators.

Investment exclusions

RBC GAM recognizes the broad-based international consensus that has emerged regarding the investment in issuers whose business activities would contravene the prohibitions contained in the Anti-Personnel Landmines Convention, the Convention on Cluster Munitions, the Biological and Toxin Weapons Convention, and the Chemical Weapons Convention, as well as the legislation in jurisdictions that have implemented these conventions.

In recognition of that consensus and the significant risks associated with those investments, RBC GAM, inclusive of RBC GAM UK, has applied a norms-based exclusion screen where no RBC GAM investment team will knowingly invest in companies associated with the manufacture and/or production of anti-personnel land mines, cluster munitions, biological weapons, or chemical weapons. These exclusions are applicable for portfolios where RBC GAM controls the investment policy, excluding certain passive investment strategies.[12] For segregated accounts or products where our clients control the investment policy, clients may request different exclusions or no exclusions. We have engaged an independent third-party research provider to provide us with a list of companies that should be excluded based on this policy, which is updated monthly.

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

Certain products and segregated accounts may apply additional exclusions, as outlined in the respective fund prospectuses and/or account mandates.

Climate Change

As described in our Approach to Responsible Investment, we recognize the importance of the global goal of achieving net-zero emissions by 2050 or sooner, in order to mitigate climate-related risks. Climate- and nature-related factors are systemic risks that may materially affect issuers and the economies, markets, and societies in which they operate. We believe the following:

- Climate-and nature-related factors are systemic risks that may materially affect issuers and the economies, markets, and societies in which they operate.
- Mitigating greenhouse gas (GHG) emissions may reduce the systemic risks that climate change poses. We recognize the importance of the global goal of achieving net-zero emissions by 2050 or sooner, in order to mitigate climate-related risks.
- Engaging with issuers that are significant emitters of GHG emissions may contribute to reducing the systemic risks of climate change for our investments and portfolios. Additionally, engaging with issuers that are not adequately managing their material climate-related risks may contribute to enhancing the risk-adjusted, long-term performance of those issuers.

In addition to the three pillars of Our Approach to Responsible Investment, we may take the following actions related to climate change and nature:

- Measuring, monitoring, and reporting on the carbon emissions and net-zero alignment of applicable investments and portfolios, as well as conducting and reporting on climate scenario analysis.
- Developing and implementing a plan to actively engage with issuers for whom we believe climate change is a material financial risk and who we believe are not managing this risk effectively through their existing emissions reduction targets and/or transition plans.
- Working with institutional clients to support them in achieving their portfolios' climate objectives, where this is part of the investment mandate.
- Producing an annual climate report, based on the recommendations of the TCFD.

We are also encouraged by the recommendations of the TNFD, and provide some nature-related disclosures in our annual climate report

Climate-related risks and opportunities that may be financially material to RBC GAM are those that have the potential to affect the investments we manage, RBC GAM's business, and our operations. The most relevant climate-related risks and opportunities for RBC GAM are related to the investments that we manage on behalf of our clients. RBC GAM prioritizes climate-related risks and opportunities based on their potential financial impact and the time horizon of those impacts.

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

While any ESG factor may be material to an investment or portfolio, we believe that there are certain systemic ESG factors that are likely material to issuers across most sectors and geographies. These factors may pose investment risk as well as systemic risks due to their ability to affect economies, markets and/or society more broadly. The economic impacts of climate change on specific markets, regions and investments are complex, varied and uncertain. To minimize these risks requires global economies to meet the international goal set out in the Paris Agreement of holding temperature rise to well-below 2°C and preferably to no more than 1.5 °C by the end of the century. RBC GAM believes that engagement through direct dialogue with issuers and other stakeholders of relevance can be an effective way to consider how issuers manage material climate and nature-related risks. Divestment of issuers is an option that investment teams may exercise at any stage of their analysis or engagement with an issuer, based on their judgement of the investment case or if specifically required as a result of the investment mandate or client agreement. However, we generally do not believe that broad-based divestment is as effective as engagement to address climate and nature-related risks.

RBC GAM recognizes the importance of the global goal of achieving net-zero emissions by 2050 or sooner, in order to mitigate climate-related risks. As described in Our Approach to Responsible Investment, we measure, monitor, and report on the carbon emissions and net-zero alignment of applicable investments and portfolios. RBC GAM uses two metrics to calculate the net-zero alignment of investments: investment in issuers with science-based or net-zero targets, and investment in issuers whose temperature alignment is consistent with the Paris Agreement. Science based targets are emissions reduction targets that are in line with the goal of the Paris Agreement to limit global warming to "well below 2°C". Net-zero targets refer to emissions reduction targets that are in line with a 1.5°C pathway and that seek to achieve net-zero emissions by 2050. See the RBC GAM Climate Report 2024 (data as at December 31, 2024) for disclosure of climate metrics, inclusive of the net-zero alignment of our AUM.

We define climate-related risks as the risks related to the global transition to a low-carbon economy (transition risk) and the physical impacts of climate change (physical risk), which includes both chronic (longer-term) risks like rising sea levels and increases in average temperatures, and acute (event-driven) risks like wildfires and floods. We define climate-related opportunities as those arising from investment in resource efficiency, low-carbon energy sourcing, the development of new products and services, access to new markets and customers, and enabling business resilience. Climate change may impact economies, markets, and societies, posing both financial risks and opportunities for issuers and investors. Rising global temperatures cause the physical impacts of climate change. These are driven by an increase in the frequency and intensity of extreme weather events, and longer-term shifts in climate patterns. Efforts to reduce GHG emissions cause the transition impacts of climate change. Transition impacts are driven by government policies and regulations, increasing legal action and litigation claims, technology disruption and transformation, shifts in supply and demand, and changing consumer and employee expectations related to climate change. Climate-related risks and opportunities may materialize in different ways and over different time horizons depending on whether the world succeeds in reaching the ambition of the Paris Agreement to limit global warming to 1.5°C by 2100 compared to pre-industrial levels, and depending on the pathway by which that is achieved. To assess the relative impact of climate scenarios on our investments, we believe it is important to consider a wide range of scenarios that account for both the physical and transition impacts of climate change. We use Climate Value at Risk (VaR) to calculate the potential change in financial value of our AUM due to climate change, for four climate scenarios from the Network for Greening the Financial System (NGFS) and four scenarios from the Intergovernmental Panel on Climate Change (IPCC). See the RBC GAM Climate Report 2024 (data as at December 31, 2024) for disclosure of the results of climate scenario analysis.

Historical comparison
[*Information referred to in Article 10*]

Meaningful comparison of principal adverse impacts on sustainability factors between periods remains challenging due to changes listed below:

- In the previous reference period, for eligible securities, an internal proxy value was determined for select PAI metrics. For this reference period, subsidiary mapping has been applied to eligible securities for all PAI metrics, based on MSCI® ESG Research methodology. Consequently, no internal proxy values have been determined for any PAI metrics.
- Changes in asset mix over the course of the year. The scope of portfolios managed by RBC GAM UK covers equity (global and emerging markets) and fixed income (sovereign and corporate) assets. Year on year the proportion of assets under management in each asset class will vary. Additionally we find there are significant variances in PAI coverage depending on the asset class, which limits the ability to draw meaningful conclusions when comparing the same metric year on year.
- Changes in PAI methodology by third party data provider. The changes are driven by a continuous drive to improve the data collected by the third party as well as improving alignment with the regulation. Examples of such changes include, but are not limited to:
    - Updates to specific data points (factors) used by the third party provider when identifying issuers with alignment to PAI metrics;
    - Updates to logic such that calculations are only undertaken when fiscal years of underlying data points match for specific PAI metrics; and
    - Assessing issuers on a wider range of criteria to identify those the third party provider views to be aligned to internal social norms standards.

This report was developed using information from MSCI (a third party data provider), for informational purposes only. Please see more information on MSCI below.