

RBC Global Asset Management

Commitment to the UK Stewardship Code

RBC Global Asset Management | 2025

Our 2025 Annual Stewardship Report is currently under review by the Financial Reporting Council (FRC). RBC Global Asset Management is a signatory to the UK Stewardship Code 2020. RBC Global Asset Management's 2024 Stewardship Report met the expected standard of reporting of the FRC.



About this document

References to RBC GAM include the following affiliates: RBC Global Asset Management Inc. (including PH&N Institutional), RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited, RBC Global Asset Management (Asia) Limited and BlueBay Asset Management LLP.

This stewardship report is a voluntary disclosure and sets out RBC GAM's submission to the Financial Reporting Council (FRC) demonstrating how we have applied the most current [UK Stewardship Code](#) principles in the calendar year ending December 31, 2025 (reference period).

This document covers our approach to stewardship and discusses how different types of investments may integrate environmental, social and governance (ESG) factors. It also includes our views on systemic ESG factors¹ that may be material to investments and accounts that we manage, including segregated client accounts and investment funds (collectively "portfolios"). ESG factors are incorporated by our investment teams to varying degrees and weights of importance, depending on the investment team's assessment of that ESG factor's potential impact on the performance of the security and/or the portfolio. For portfolios where ESG factors do not form a part of their investment objective or principal investment strategy, ESG factors are generally not likely to drive investment decisions on their own, and in some cases, may not impact an investment decision at all.

References to our investment approach, applicable types of investments and applicable assets under management (AUM) exclude certain investment strategies, asset classes, exposures, or security types that do not integrate ESG factors. Examples of strategies that would not integrate ESG factors include, but are not limited to, money market, buy-and-maintain, passive, and certain third-party sub-advised strategies or certain currency or derivative instruments.

RBC GAM's approach to active stewardship, proxy voting and engagement may encompass a range of subjects, which may or may not include ESG-related matters. References to active stewardship do not apply to certain investment strategies where proxy voting and/or engagement are not used. For instance, there is no engagement with issuers in quantitative investment, passive and certain third-party sub-advised strategies, and RBC GAM does not manage proxy voting for model portfolios or certain third-party sub-advised strategies.

In some instances, strategies, policies, and risk management processes may differ for the affiliates of RBC GAM referenced above.

¹References in this document to material ESG factors refer to ESG factors that in our judgement are most likely to have an impact on the financial performance of an issuer, security and/or investment portfolio. More information on how our investment teams determine materiality is provided later in this document.

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A note on ESG information and terminology

Responsible Investment (RI) information

Responsible investment-related activities reported in this document (including analysis and engagements) are provided as illustrative examples. They do not necessarily represent a complete list of those carried out during the reference period. Where data is provided on ESG engagement activities, it is possible the data provided may understate our actual instances of ESG engagement, as not all engagements are necessarily documented (e.g., because ESG was not a material part of a discussion, or because documentation is conducted on a best-efforts basis). Engagement data is related to issuer ESG engagements (as part of either direct or RI industry-related engagements), although there may have been engagement with other stakeholders during the reference period. The data refers to the number of ESG engagement instances with issuers (of relevance to the investable universe) that were either held or not held in the portfolio during the period. ESG engagements may be tagged under multiple ESG topics.

Where the report references RI industry affiliations or professional associations, these are not an endorsement by any third-party to invest with RBC GAM and are not indicative of future performance. Investors should not rely on awards, industry affiliations or professional associations for any purpose and should conduct their own review prior to investing. Some memberships or affiliations require a fee payment and confer benefits to investor members, such as access to resources and support to facilitate ESG incorporation efforts and attendance at convened events.

Unless otherwise stated, the signatory/membership status is with RBC GAM and related to the organization and is not related to funds. Further information is available upon request (noting that in many instances information will be available directly from public disclosures of the organization itself).

ESG terminology

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

At RBC GAM, RI includes the following investment strategies:

- **ESG integration:** Ongoing incorporation of material ESG factors into investment decision making with an aim to identify potential risks and opportunities and improve risk-adjusted, long-term returns.
- **ESG screening & exclusion:** Applying positive or negative screens to include or exclude assets from the investment universe.
- **Thematic ESG investing:** Investing in assets involved in a particular ESG-related theme or seeking to address a specific ESG issue.
- **Impact investing:** Investing in assets with the intent to generate a measurable positive social or environmental impact alongside a financial return.

ESG refers to a set of factors – environmental, social and governance-related – that may be incorporated in investment decisions for applicable types of investments.

- **Environmental factors** refer to how an issuer interacts with the environment and vice versa. Examples include climate change and natural resource management.
- **Social factors** refer to how an issuer interacts with its employees, customers and communities. Examples include labour practices and community relations.
- **Governance factors** refer to how the issuer governs itself. Examples include board structure and independence, and bribery and corruption.

ESG engagement refers to communication between investors and the boards, management teams or other applicable representatives of the issuer, as well as other stakeholder groups (e.g., policymakers, regulators or other investors) of relevance to the issuer. Where there is ESG engagement, a variety of engagement methods may be employed depending on a number of different factors and considerations. The decision will be based on what investment teams consider to be most appropriate and effective for their desired engagement objective.

The outcome of an engagement is generally not the sole factor in an investment decision. Instead, the information obtained from engagements on material ESG factors can help inform the investment case.

References to carbon emissions refer to CO₂ equivalents, including *greenhouse gases (GHG)*. This includes the six GHGs considered in the [Kyoto Protocol](#): carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆). The [GHG Protocol](#) categorizes GHG emissions into three scopes:

- **Scope 1 emissions** refer to direct emissions occurring from sources owned or controlled by an organization.
- **Scope 2 emissions** are indirect emissions from the generation of purchased electricity, heat or steam by an organization.
- **Scope 3 emissions** are indirect emissions resulting from sources that are not owned or directly controlled by an organization, but that occur throughout their value chain.

RI industry initiatives relate to our participation in initiatives that work to increase transparency, protect investors and foster fair and efficient capital markets.

Market-wide risks are defined by the FRC as those that lead to financial loss or affect overall performance of the entire market. They include, but are not limited to, changes in interest rates, geopolitical issues and currency rates.

Systemic risks are defined by the FRC as those that may lead to the collapse of an industry, financial market or economy. They include, but are not limited to, climate change and the failure of a business or group of businesses.

Stakeholders, as defined by the FRC, may include investors, issuers, service providers, policymakers, audit firms, not-for-profits, regulators, associations and academics.



Introductory message

RBC GAM was pleased to have been named a signatory to the UK Stewardship Code for our 2024 report. The UK Stewardship Code aims to promote the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries.

As part of our commitment to the UK Stewardship Code, we have submitted the RBC GAM 2025 Commitment to the UK Stewardship Code. To continue to improve upon our reporting, the enclosed Report incorporates several updates to our 2024 submission. The report includes:

- Updates to Our Approach to RI²
- Updates to ESG integration, escalation and engagement case studies
- Updates to our RI policies, including the RBC GAM Proxy Voting Guidelines.³

This report has been reviewed and approved in its entirety by the RBC GAM Leadership Committee (Leadership Committee). This includes the Managing Director and Head of RI, the Global Chief Investment Officer (CIO) and the Chief Executive Officer (CEO).

Stuart Kedwell, CFA

Managing Director, Senior Portfolio Manager and Global Chief Investment Officer, RBC Global Asset Management

²Our *Approach to RI* is the overarching policy that governs responsible investment activities at RBC GAM. Additional details on specific investment teams' processes or product level information can be found on our website.

³The *RBC GAM Proxy Voting Guidelines* are applied in Canada, the United States, the United Kingdom, Ireland, Australia and New Zealand. In all other markets, RBC GAM uses the local proxy voting guidelines of our research provider.



POLICY AND CONTEXT DISCLOSURE

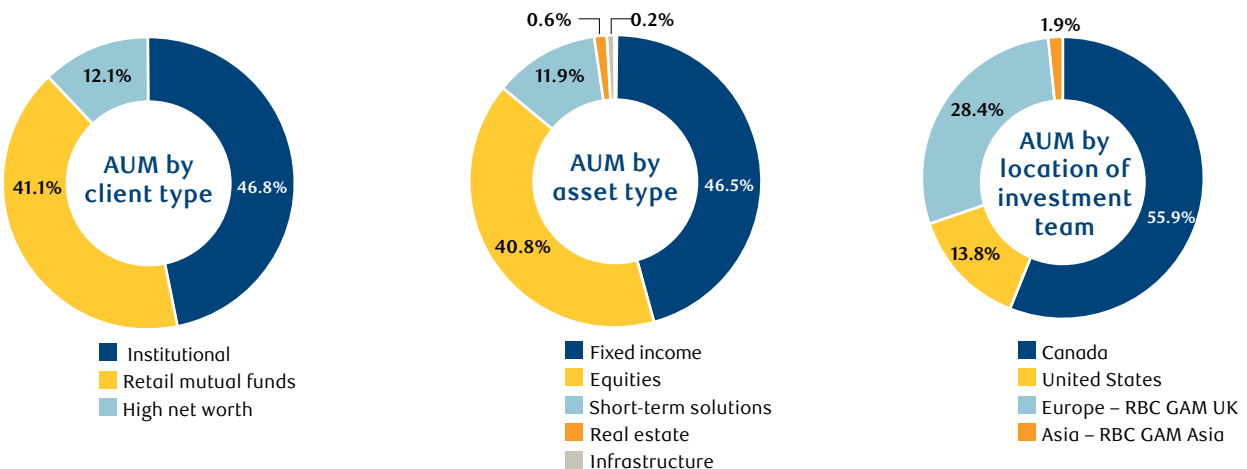
A. Describe your organization, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship.

Our assets under management

RBC GAM manages approximately £424.5 billion (US\$572.2 billion) in assets under management (AUM) as at December 31, 2025. RBC GAM is a provider of global investment management services and solutions to institutional, high-net-worth and individual investors through separate accounts, pooled funds, mutual funds, hedge funds, exchange-traded funds and specialty investment strategies. Our investment teams are active across capital markets and asset classes, deploying traditional and innovative strategies.

Our investment solutions span a range of asset classes such as equities, fixed income, alternatives and private markets, with global investments in both developed and emerging markets and across corporate and sovereign issuers. Most of our assets are managed in-house with a limited proportion (roughly 1%) managed by external managers.

The approximate breakdowns of our AUM by client type, asset type, and location of investment teams⁴



Source: RBC GAM, as of 31/12/25.

We aim to maximize investment returns for our clients without undue risk of loss. We do this within the investment limits described in each investment mandate. Each mandate includes a description of the investment time horizon appropriate to the client(s), with the majority of our mandates following a medium (1-5 year) to long-term (5-15 year) time horizon. As such, this is the investment time horizon we generally consider in our investment activities and processes.

⁴Figures may not sum to 100% due to rounding.

Serving our clients

Our client base is divided between individual investors (53%) and institutional (47%) clients.

We aim to maximize investment returns for our clients without undue risk of loss. We do this within the investment limits described for each investment portfolio mandate. Each portfolio mandate includes a description of the investment time horizon appropriate to the client(s), with most of our mandates generally following a medium (1- to 5-year) to long-term (5- to 15-year) time horizon. As such, this is the investment time horizon we generally consider in our investment activities and processes.

Serving retail clients

Our retail mutual funds are each managed according to their investment portfolio mandate. Individual retail investors and their financial advisors select mutual funds based on their needs and objectives.

For each mutual fund, we aim to fulfill the objectives and expectations of each portfolio mandate. Fund investment mandates are based on broad market demand and regulatory requirements. Given the potentially high number of individual investors in these funds, there are limited opportunities to collect detailed views and feedback. However, we do seek to do so where possible. Refer to the Describe how you maintain a dialogue with clients and/or beneficiaries section for more information.

RBC GAM is committed to serving our clients. For example, in Canada, we provide comprehensive reporting, education and communication with our network of financial advisors and our retail mutual fund clients, including fund updates, regular stewardship reporting, public disclosure of our RI activities, sustainability-related insight articles, and periodic client education sessions and events. Refer to the Meaningful client reporting section for more information.

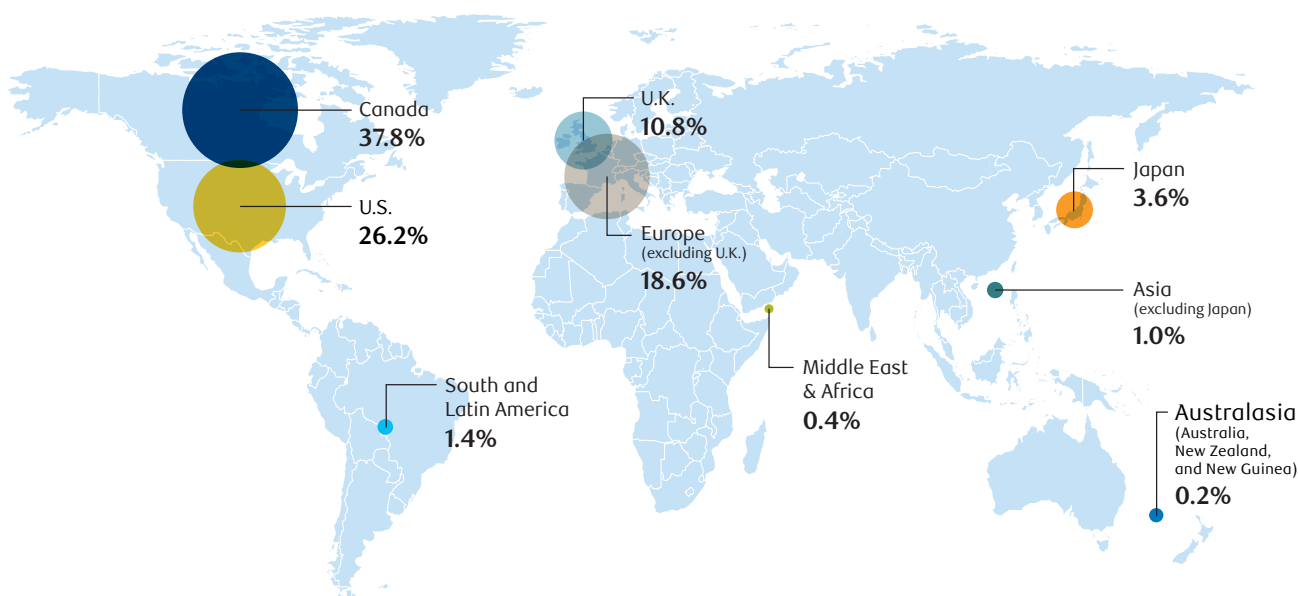
Creating strong institutional client relationships

RBC GAM has a history of serving institutional clients. They make up 47% (£198.7 billion) (\$267.8 USD billion) of RBC GAM's AUM. Our institutional client base is regionally diverse, with 37.8% in Canada, 26.2% in the U.S., 10.8% in the U.K., and 25.2% from other regions (see diagram below).

RBC GAM establishes specific investment portfolios that are based on the needs and objectives of each client. RBC GAM works directly with our institutional clients to serve as effective stewards of their capital.

Each institutional client has a team of dedicated investment professionals to support their investment needs. These professionals work with clients to understand their investment views and objectives, which are then incorporated into their Investment Policy Statements. This includes gathering information regarding clients' investment risk appetite, time horizon, return requirements and other RI-related activities. The Investment Policy Statement is one of the primary governing documents in our relationship with each institutional client and clearly outlines each client's mandate restrictions and long-term investment objectives.

Overview of our client base: Institutional AUM by client country/region (%)⁵



Source: RBC GAM, as of 31/12/25.

⁵Figures may not sum to 100% due to rounding.

Our Approach to RI

At RBC GAM, our approach to RI is anchored by the knowledge that our clients have entrusted us to help them secure a better financial future for themselves or for the beneficiaries of the portfolios they manage. As an asset manager, RBC GAM has an obligation to act in the best interests of the portfolios. We seek to maximize investment returns for our clients without undue risk of loss, within the limits described in each investment portfolio mandate. We believe that being an active, engaged and responsible investor empowers us to enhance the risk-adjusted, long-term performance of our portfolios. Our latest version of [Our Approach to RI](#) sets out RBC GAM's overall approach to RI and discusses our investments that incorporate material ESG factors. It also includes our views on systemic ESG factors that may be material to our portfolios.

Our values

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

1. **Client first:** We put clients first in everything we do. We build strong relationships based on understanding our clients' goals, anticipating their needs and earning their trust and advocacy through sound judgment, exceptional advice and world-class execution.
2. **Integrity:** Operating with the highest level of integrity is at the core of how we work. It helps us make disciplined decisions and stand by our principles, so that we protect the trust placed in us.
3. **Collaboration:** We collaborate with speed and intention, and we rally around the decision. We use our combined strengths to unlock new possibilities and achieve what none of us could alone.
4. **Respect:** We foster a culture of empathy, inclusion, trust and humility, where our colleagues, clients and communities can bring their best, share ideas with confidence and succeed together.

5. **Excellence:** We execute with urgency and expertise, raising the bar through innovation. By attracting and developing outstanding talent, fostering ambition and embracing bold solutions, we deliver superior results for clients, shareholders, and communities.

Our RI beliefs

At RBC GAM, we believe that:

- Being an active, engaged and responsible investor empowers us to enhance the risk-adjusted, long-term performance of our portfolios and is consistent with our fiduciary duty.
- Issuers that manage their material ESG factors and related risks will likely reduce the probability of experiencing losses that would accompany an ESG-related incident.
- Engagement through direct dialogue with issuers and other relevant stakeholders can be an effective way to consider how issuers manage material ESG factors.
- Initiatives that increase transparency and foster fair and efficient markets can benefit investors and clients globally.

Our approach to RI is comprised of three pillars. We take specific actions under each of these pillars to deliver on our aim of maximizing our clients' investment returns without undue risk of loss, in accordance with the investment objectives, strategies and restrictions of each investment mandate.



ESG integration

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



Active stewardship

We consider material ESG factors in proxy voting and engagement with issuers for applicable types of investments. We may also participate in RI industry initiatives, where applicable.



Client-driven solutions and reporting

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

Systemic ESG factors

As described in our three pillars, we incorporate material ESG factors that may affect the risk-adjusted, long-term returns of our investments and portfolios. 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. Such systemic ESG factors include governance, climate change and nature, and human rights. These factors may pose investment risk as well as potential systemic risks due to their ability to affect economies, markets and/or society more broadly.

In addition to the actions we take under the three pillars of our approach to RI, we aim to conduct additional research, assess data and deepen knowledge on these systemic ESG factors and how they may affect our investments and portfolios. We also aim to provide transparent reporting on our activities related to these factors.

Our approach to managing our investments' exposure to these systemic ESG factors is grounded in the following additional, factor-specific beliefs.

Governance

We believe that issuers with good governance practices generally:

- Are better able to focus on long-term sustainable growth.
- Are more likely to effectively manage conflicts.
- Pose less risk for equity investors due to proper alignment of shareholder and management interests.
- Are more likely to be able to access fixed income markets when needed.
- Are more likely to effectively manage material environmental and social risk factors.

Climate change and nature

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 operate⁶
- 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 to mitigate climate-related risks⁷
- Engaging with issuers that are significant emitters of GHGs may contribute to reducing the systemic risks of climate change for our investments and portfolios. Engaging with issuers that are not adequately managing their material climate-related risks may also contribute to enhancing risk-adjusted, long-term performance of those issuers..

In addition to the three pillars of our approach to RI, 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.⁸
- Developing and implementing a plan to actively engage with issuers for whom we believe climate change is a material financial risk and whom we believe are not managing this risk effectively via 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 *RBC GAM Climate Report*, guided by the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).⁹ We acknowledge the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), which we believe will enable enhanced disclosure of material nature-related risks and opportunities.¹⁰ We provide some nature-related disclosures in our annual *RBC GAM Climate Report*.

⁶Nature-related factors include risks, opportunities, impacts and dependencies, as described by the TNFD. Biodiversity loss is one type of nature-related factor.

⁷This goal refers to the [Paris Agreement](#) and the associated global goal of holding temperature rise to "well-below 2°C", and preferably to no more than 1.5°C by the end of the century. According to the [Intergovernmental Panel on Climate Change \(2019\)](#), to meet this goal, GHG emissions must decline by approximately 45% by 2030, relative to 2010 levels, and reach net-zero emissions by 2050 or sooner. Net-zero emissions refer to achieving a balance between the GHG emissions produced and those removed from the atmosphere..

⁸Additional information on the scope of applicable investments and portfolios for the calculation of carbon emissions, net-zero alignment and climate scenario analysis metrics is provided in our annual *RBC GAM Climate Report*.

⁹The TCFD recommendations are now incorporated into the [International Sustainability Standards Board \(ISSB\) Standards](#), which are overseen by the International Financial Reporting Standards (IFRS) Foundation.

¹⁰The [TNFD](#) aims to provide organizations with a risk management and disclosure framework to address nature-related dependencies, impacts, risks and opportunities. The framework is designed to provide useful information and assist capital providers and stakeholders with their decision-making.

Human rights

We believe the following:

- Respecting applicable international human rights standards supports a stable, resilient business operating environment and well-functioning global capital markets. International human rights standards include but are not limited to: the Universal Declaration on Human Rights, the International Bill of Rights, the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work, United Nations Guiding Principles on Business and Human Rights (UNGPs), and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). Upholding the principles of Free, Prior and Informed Consent (FPIC) and the role of Indigenous Peoples in decision-making is an important principle of UNDRIP.
- Actual or potential adverse human rights impacts may lead to material financial, legal, regulatory, operational and/or reputational risks to issuers.
- Issuers that implement mechanisms to identify affected stakeholders and address potential or actual adverse human rights impacts may be more effective at managing material human rights risks resulting from their supply chains, operations, customers and/or end users.
- As referenced in the [RBC Approach to Human Rights](#), human rights factors that may be material to our investments and portfolios include, but are not limited to: modern slavery, Indigenous rights, workplace-related rights, discrimination and privacy.

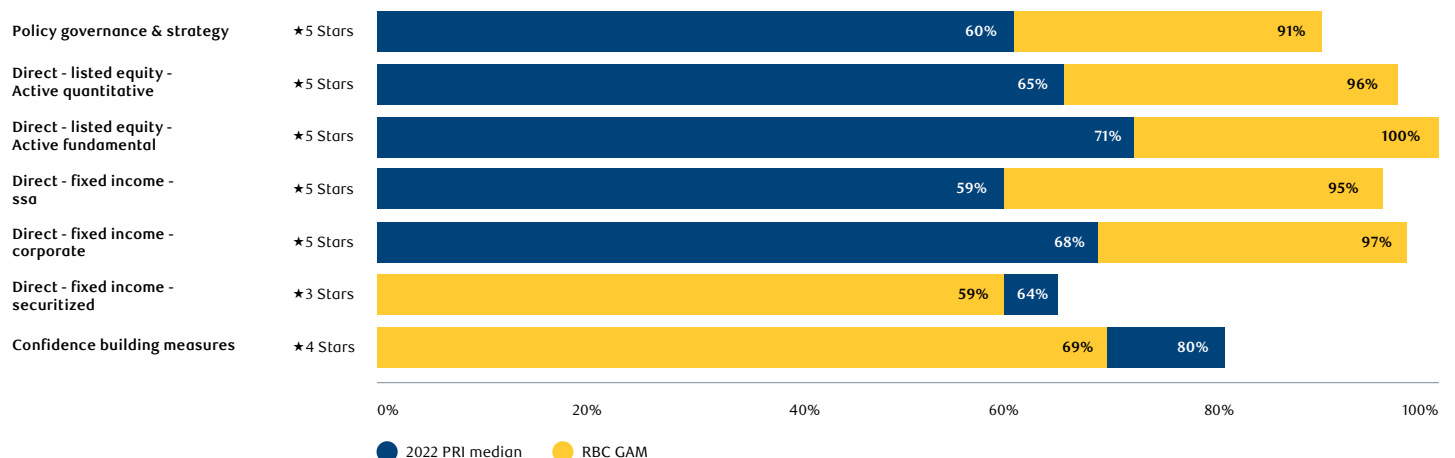
Measurement

RBC GAM’s purpose is to deliver exceptional investment outcomes and valued insights to our clients. We measure our performance against the specific investment goals of our clients and the investment portfolio mandate that we manage on their behalf including related benchmarks, where applicable. We also track client satisfaction to assess our effectiveness in serving our portfolios’ best interests.

Continuous improvement and innovation are significant to how we do business, and as a signatory to the United Nations Principles of Responsible Investment (UN PRI), we submit and publish a Transparency Report.

In 2025, the PRI gave existing signatories meeting certain criteria the option to complete a shortened version of the Transparency Report for the period rather than a full one. Given the resources required to complete the filing, our existing disclosures – such as our annual RBC GAM Climate Report and UK Stewardship Code Report – as well as the fact that the PRI remained in the process of updating its reporting framework, we decided to submit the shortened report, which has no scoring assessment.

2023 PRI Assessment – Summary Scorecard



Source: RBC GAM

At RBC GAM, ESG integration means that investment teams incorporate material ESG factors in their investment decision-making processes within the portfolios that they manage, for applicable types of investments. The goal is to identify potential material risks and opportunities and improve risk-adjusted, long-term performance.

Our approach to ESG integration

- **Is investment-led.** Our investment teams have developed their own methods to integrate material ESG factors into their respective investment analysis and decision-making processes, for applicable types of investments. This approach allows our investment teams to tailor ESG integration tools and resources to their investment methodologies. The ESG integration activities undertaken by each team aim to reflect the best interests of our portfolios.
- **Focuses on materiality.** Our investment teams focus on those ESG factors that they have determined may affect the value of the investment. The extent of these effects depends on the issuer, the industries and geographies in which it operates, and the nature of the investment strategy for which it is purchased.
- **Continuously improves and innovates.** The culture at RBC GAM revolves around innovation, continuous learning and harnessing the power of human and machine. Our investment teams explore new and, in our opinion, improved ways to integrate material ESG factors into their investment approaches. Some of our continuous learning initiatives include:
 - firm-wide sustainability-related education sessions with external experts and speakers
 - internal sustainability-related research on emerging data, themes, tools and methodologies
 - monthly internal newsletter on new developments in RI.

How we determine materiality

Our investment teams prioritize those ESG factors they determine to be most material to the specific investment being considered. The extent to which an ESG factor is considered material depends on several items.

For corporate issuers, this can include the issuer's operations, industry, size, geographical footprint and the nature of the investment vehicle for which it is being purchased.

For sovereign issuers, material ESG factors can depend on the country's level of economic, social and political development, the availability of and dependence on natural resources, and potential regional issues, among other factors.

Additional examples of characteristics that can inform materiality include:

Sectors and industries to which an issuer is exposed. For example, while mining companies tend to experience more investment risk from environmental factors, software firms may be more exposed to social factors like data privacy.

Location of the issuer and regions in which it operates. For example, issues related to human rights, supply chain management and corruption can be more prevalent in emerging and developing economies than developed markets.

Asset type. ESG factors tend not to be material for asset types like money markets and cash. They may be more material for other asset types.

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. Such systemic ESG factors include governance, climate change and nature, and human rights. These factors may pose investment risks as well as potential systemic risks due to their ability to affect economies, markets and society more broadly.

ESG integration in action

Our investment teams select the ESG tools and processes that work for their investment decision-making processes. However, there are some commonalities in how our investment teams consider material ESG factors across asset classes. Examples of ESG integration within asset classes at RBC GAM are listed below.

Equities

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

Fixed income – corporates

Corporate fixed income investors are generally most concerned about the potential effects that ESG factors may have on a company's ability to repay its debt. For example, issuers with insufficiently managed ESG-related risks may be at higher risk of not being able to pay their debts, resulting in deteriorating credit quality and lower returns to debt investors.

Fixed income – sovereigns, supranationals, and agencies (SSA)

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

Fixed income – securitized credit

ESG integration in securitized credit is particularly nuanced, as investors must consider additional asset-specific characteristics such as the level at which ESG factors can be assessed and the visibility of underlying collateral. For example, regarding Collateralized Loan Obligations (CLO), ESG factors may be assessed at both the manager level and for the underlying collateral pool. In comparison, for asset-backed securities and mortgage-backed securities, ESG factors may be assessed at the originator, servicer, and underlying collateral levels. The materiality of specific ESG factors in each instance may vary. In general, governance is typically more material at the manager, originator, and servicer level, and environmental and social factors are typically more material at the underlying collateral level.

Private markets - real estate, mortgages, and infrastructure

Investors in these asset classes primarily focus on assessing the direct effects that ESG factors could have on the physical assets that underlie these investments. For example, the potential physical impacts of climate change, such as flooding and extreme weather events, may be material ESG risks to real estate, mortgage, and infrastructure investments. ESG factors that affect the profitability of tenants may also be material in some cases; for example, when they affect tenants' ability to pay rent.

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

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

For more details, please refer to our [Approach to RI](#) document.

Our approach to investment management

Our values, as described above, will help us be viewed by clients in all our target markets as a leading active asset manager. In the next three to five years, we aim to extend our position in Canada, while continuing to grow in the U.S., Europe and APAC regions. We will continue to build an operational and cultural foundation for success.

At the same time, we know that how we do business is as important as what we do. The culture at RBC GAM centres on respect, collaboration and innovation. We believe diverse viewpoints and backgrounds enable better investment decisions and we actively seek out and encourage them.

Meanwhile, fostering a learning environment to grow together, and encouraging and challenging each other, has helped RBC GAM build a strong, resilient business. We believe that our success as a company is defined by the long-term well-being of the people we serve and the communities in which we operate.

Personally invested	<p>We believe that managing people's wealth is a privilege. RBC GAM investment professionals may invest their own money in the strategies we manage where vehicles appropriate for individual investors exist. In that sense, our success is also our clients' success.</p> <p>A few of the ways RBC GAM's interests are aligned with those of our clients are listed below:</p> <ul style="list-style-type: none">▪ Our investment teams' compensation is aligned with investors' interests and commensurate with the long-term risk-adjusted returns of the portfolios they manage.▪ Employees may invest their employer retirement benefits in RBC GAM funds, in accordance with applicable laws, regulations, policies and procedures.▪ Employee compensation is linked to the performance of the firm (RBC GAM) as a whole, in addition to individual performance.¹¹▪ GAM Investment teams now have the option to invest a portion of their unvested, deferred compensation awards in select GAM funds.
Global expertise & innovation	<p>We have globalized our investment platform, broadened our reach across different asset classes and deepened our capabilities within each of them.</p> <p>With more than 426 investment professionals across eight offices in Canada, the U.S., Europe and Asia Pacific (APAC), our investment teams are committed to:</p> <ul style="list-style-type: none">▪ pursuing deep fundamental knowledge▪ fostering a collaborative culture▪ embracing innovation in a world of rapidly changing financial markets and investment options▪ integrating enhanced investment and risk management tools to promote consistency and efficiency, and to minimize the impact of behavioural bias. <p>We believe that a combination of human and machine is more powerful than either on its own. Integrating advanced investment and risk management tools allows us to extend our field of analysis, reinforces discipline, limits behavioural finance challenges and bolsters results – ultimately leading to better decisions and more efficient portfolios.</p>
Responsibly invested	<p>We believe that being an active, engaged and responsible investor empowers us to enhance the long-term, risk-adjusted performance of our portfolios and is consistent with our fiduciary duty. We take specific actions under each of the three pillars of Our Approach to RI, which are described earlier in this document. We seek to maximize investment returns for our clients without undue risk of loss, in accordance with the investment objectives, strategies and restrictions of each investment portfolio mandate.</p>

More information on RBC GAM's purpose, culture and approach to investment management is available at www.rbcgam.com.

¹¹This excludes certain employees or functions, such as certain regional compliance teams, who may have different compensation arrangements.



B. Describe how your resources enable effective stewardship.

Our governance structure

Each RBC GAM affiliate maintains investment, legal and client service expertise that pertains directly to its respective markets. The affiliates follow all applicable regulations for the markets in which they operate. Each has its own Board of Directors (the Boards) to oversee operations and strategy within the region. This structure enables RBC GAM to maintain its global presence with on-the-ground professionals who are highly skilled in markets that are relevant to RBC GAM and our clients.

RBC GAM affiliates follow the strategies, policies and risk management processes established for RBC GAM unless stated otherwise.¹² This firm-level oversight and integration seeks to ensure that all of RBC GAM's businesses have the same vision, values and culture, and are advancing the same strategic priorities.

Executive management oversight roles, with global responsibilities related to responsible investment, include the following:

- The CEO of RBC GAM oversees the performance of all RBC GAM affiliates. The Global Chief Investment Officer (CIO), and the Chief Operating Officer (COO) of RBC GAM report to the CEO.
- The Global CIO of RBC GAM oversees the investment strategies, policies and performance across all affiliates. The heads of all investment teams report to the Global CIO, as does the Managing Director and Head of RI.
- The COO of RBC GAM oversees operations and technology, including associated strategies, policies, risks and initiatives across all affiliates.
- The Managing Director and Head of RI is responsible for RI activities across RBC GAM, and for the implementation of these activities by RBC GAM's centralized RI team.

- The heads of the institutional and retail businesses oversee product development, with review by a Product Committee and oversight by the CIO and CEO. Review and input on new products are provided by the COO, the Managing Director and Head of RI and members of the Investment Risk, Investment Policy, Compliance and Legal teams. In some instances, strategies, policies and risk management processes may differ for RBC GAM affiliates.
- We have an internal RI Committee focused on overseeing ESG regulatory developments in the EMEA APAC region and in North America, an internal working group of legal, compliance and RI professionals.
- Regional compliance teams review global reporting and publications, as appropriate.
- The heads of investment teams are responsible for the establishment and implementation of ESG integration processes for applicable strategies.

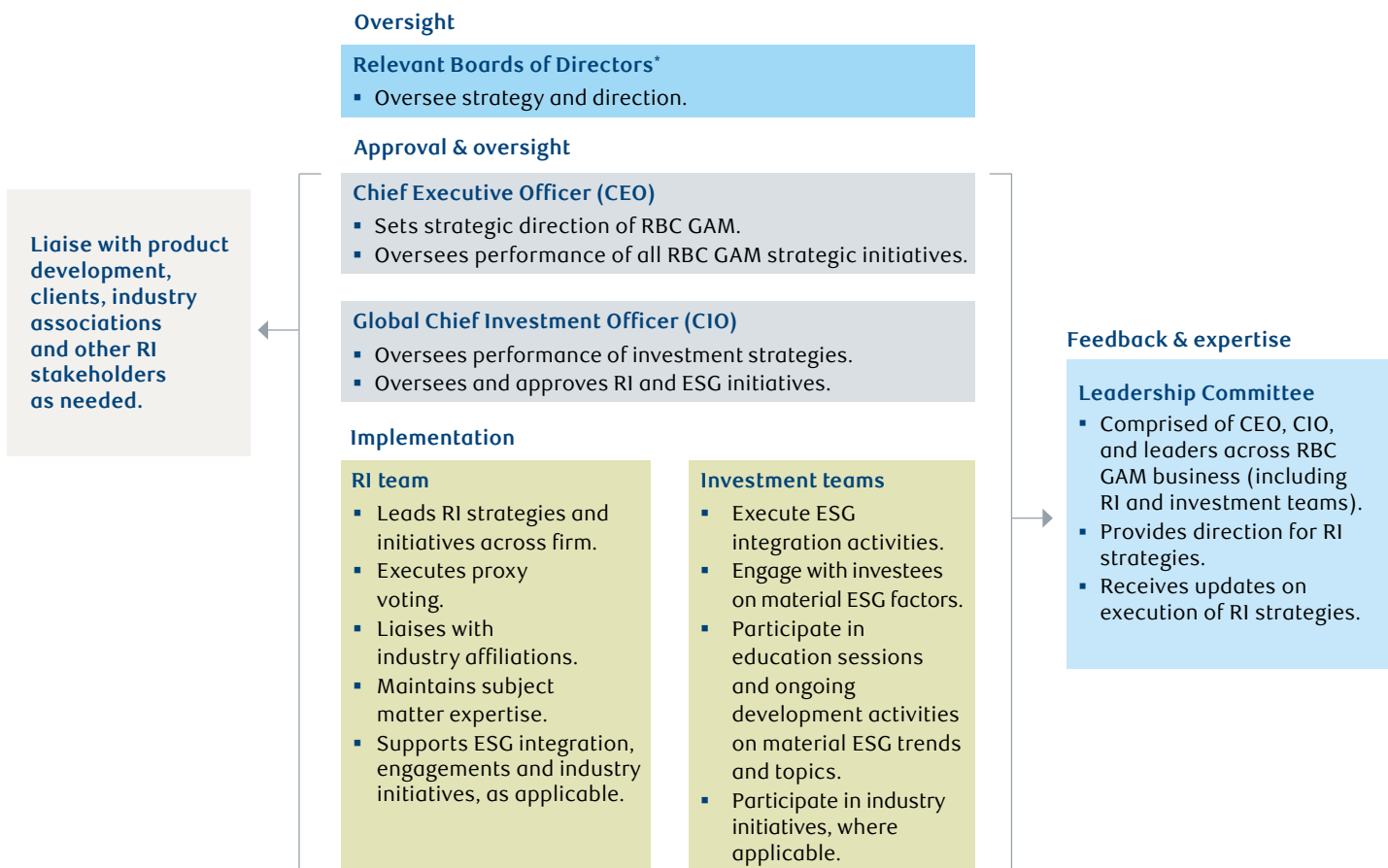
The Boards delegate responsibility for the implementation of strategic priorities to the RBC GAM Leadership Committee (the Leadership Committee). The Leadership Committee has identified the advancement of responsible investment as a strategic objective for the organization.

The Leadership Committee's mandate is to primarily focus on strategic matters that either significantly affect multiple businesses of RBC GAM and/or matters that may be material to RBC GAM's overall business success. The Leadership Committee is comprised of RBC GAM's CEO, Global CIO and leaders from the Responsible Investment (RI) team and our investment teams, among others. The Leadership Committee periodically receives a memo prepared by the RI team, which includes regulatory and competitive developments, industry initiatives and/or ESG-related metrics. The Managing Director and Head of RI reports, as appropriate, to the Leadership Committee on strategic priorities related to responsible investment.

¹²In some instances, strategies, policies and risk management processes may differ for RBC GAM affiliates.

Governance of RI at RBC GAM

Our *Approach to Responsible Investment* is approved by RBC GAM's Global CIO, with input from the Leadership Committee. It is reviewed on an annual basis by the RI team and sets out RBC GAM's strategic priorities and commitments related to responsible investment.



*RBC Global Asset Management Inc., RBC Global Asset Management (UK) Limited, RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (Asia) Limited, and BlueBay Asset Management LLP.
Source: RBC GAM, as of 31/12/25.

The Leadership Committee has identified the advancement of responsible investment as a strategic objective for the organization. Responsibility for strategic initiatives is delegated to the relevant executives, whose direct annual compensation includes an assessment of performance on those initiatives. RI team members' individual compensation is primarily related to RBC GAM's responsible investment activities. Portfolio managers and analysts have variable compensation that includes responsible investment as a component.

RI team

The RI team is comprised of 18 individuals that have a mix of investment, ESG, risk management, data engineering and legal expertise. The Managing Director and Head of RI reports directly to the global CIO and sits on a number of executive committees, including the Leadership Committee.

The RI team is a centralized function whose primary responsibility is to lead implementation of RI activities across the firm. This includes the following:

- Developing cohesive responsible investment policies, including *Our Approach to Responsible Investment*.
- Supporting ESG integration by providing investment teams with ESG-related research and education, maintaining vendor relationships, and updating teams on new tools, evolving trends and best practices related to ESG integration. The RI team also reviews ESG integration processes across investment teams and supports the continuous improvement of practices.
- Executing and managing RBC GAM's proxy voting activities, including voting proxies and leading the annual review and update of the *Proxy Voting Guidelines*. RBC GAM generally votes in the same way across all internally managed portfolios, in accordance with the *Proxy Voting Guidelines*. This function is centralized to facilitate a consistent approach and analysis, as we believe that the principles we apply in proxy voting are in the best interests of our portfolios, with a view to enhancing their long-term value. The RI team reviews each vote individually and seeks input from investment teams on specific issues with the intention that such voting will reflect the best interests of our portfolios.
- Supporting and participating with investment teams in engagements with issuers, where appropriate.
- Reviewing and participating in RI industry initiatives, where appropriate.
- Maintaining expertise on emerging sustainability trends and material ESG issues, and developing client reporting and thought leadership pieces related to RI activities and insights.
- Researching topics advanced by the RI Team in 2025 focused on data, tools and analysis that may support ESG integration and active stewardship activities by investment teams. These include:
 - Continued to develop an internal research initiative to map climate change transmission channels through the economy, supplementing our existing climate scenario analysis methodologies.

- Expanded our internal climate performance scoring framework to assess issuer exposure and management of climate-related risks and opportunities across a broader universe of issuers.
- Continued to develop a *Human Rights Due Diligence toolkit* aimed at supporting investment teams in identifying and conducting due diligence related to material human rights issues.
- Piloted the use of a proprietary artificial intelligence tool to facilitate a streamlined approach for evaluating corporate climate transition plans.
- Moved forward on a multi-year initiative to analyze the risk-return implications of applying ESG-related constraints (e.g., carbon emissions) to investment portfolios.
- Continued to host external speakers with sessions in 2025 focused on advancements in clean technology and an update on the legal risks and opportunities related to diversity, equity and inclusion programs for corporate issuers.
- Identified key sustainability-related trends and developments and shared these through internal communications and distributions such as an internal newsletter that is distributed to all employees across RBC GAM on a regular basis.

Investment teams

RBC GAM's investment teams are active across capital markets and asset classes. They manage both traditional and innovative investment strategies. As of the 31st of December 2025, across our global investment teams there are 168 portfolio managers with an average of 22 years of industry experience, supported by 97 analysts with an average of 14 years of industry experience. Of these, about 50% are Chartered Financial Analysts (CFAs), while others are working towards their CFA designation.¹³

Investment team members and the RI team meet through ad-hoc knowledge-sharing calls and regular touchpoints to share knowledge and practices, discuss ESG trends, and identify opportunities for improvement and enhancement.

Topics discussed on the knowledge-sharing calls in 2025 included an outlook on Canadian politics, energy, and climate policy and regulations, as well as an update on the legal landscape regarding corporate diversity, equity and inclusion initiatives.

¹³As at December 31, 2025.

In addition, some investment team members may pursue additional education related to responsible investment. For example, some investment team members have successfully obtained the Sustainable Investing Certificate from the CFA Institute.¹⁴

Our investment teams incorporate material ESG factors into their investment decisions for applicable types of investments. Since investment teams directly buy, sell and manage investments on behalf of our clients, they are best equipped to incorporate ESG considerations into their investment approach, as applicable.

Our investment teams have developed their own methods to integrate material ESG factors into their respective investment analysis and decision-making processes, for applicable types of investments. This approach allows our investment teams to tailor ESG integration tools and resources to their investment methodologies. The ESG integration activities undertaken by each team aim to reflect the best interests of our portfolios. Our investment teams focus on those ESG factors that they have determined may affect the value of the investment.

Specific responsibilities of investment teams related to responsible investment include:

- Considering material ESG factors when making investment-related decisions within the portfolios that they manage, for applicable types of investments. The goal is to identify potential material risks and opportunities and improve risk-adjusted, long-term performance.
- Engaging with investee issuers on material ESG issues, where appropriate, and tracking the frequency and outcomes of these engagements on a best-efforts basis.
- Where appropriate, assisting with client reporting on responsible investment activities. These include updates to their ESG integration processes, engagement case studies, and team insights on sustainability topics and trends within their specific investment universes.
- Participating in industry initiatives, as relevant and appropriate for their strategies and markets.

Other resources

Investment teams use ESG research to assist in their proprietary research of companies when making investment decisions and/or prior to engagement. This research helps the teams better understand the industry landscape and individual issuer activities. Some teams also integrate ESG data from vendors directly into their investment processes, for applicable types of investments. The RI team also conducts internal research and analysis, as well as providing assessments of ESG data providers.

RBC GAM purchases third-party ESG and climate research and data from multiple vendors, including:¹⁵

- Bloomberg
- CDP
- Eurasia Group
- Glass, Lewis & Co. (Glass Lewis)
- Impact Cubed
- Institutional Shareholder Services (ISS)
- Morningstar Sustainalytics (Sustainalytics)
- MSCI ESG
- Nasdaq
- RepRisk
- Upright Project
- Verisk Maplecroft

RBC GAM also subscribes to the proxy voting research of both ISS and Glass Lewis. The research and benchmark policy voting recommendations from both proxy advisors may be considered as part of individual proxy voting decisions, though the final voting decision is independent and voting authority rests solely with RBC GAM. Once RBC GAM makes its voting decisions based on the *RBC GAM Proxy Voting Guidelines* and case-specific analysis, we retain the services of ISS to execute our proxy votes.

We also leverage internal tools to support our RI efforts, including:

- Alpha Decision Tool (ADT)
- Alpha Research Tool (ART)
- Climate Dashboard
- ESG Snapshot
- Portfolio Insight (Pi)

Improving our governance processes

We have established a governance structure and processes to support our responsible investment and stewardship activities. We believe that we have an effective governance structure in place for the firm. However, we are always exploring ways to improve our systems and processes.

¹⁴ The CFA Institute is a global, not-for-profit professional organization that provides investment professionals with finance education.

¹⁵ In some cases, subscriptions might be specific to investment teams or RBC GAM affiliates, based on the applicability of the vendors' research.



C. Describe your stewardship policies and processes, and how you review them.

Proxy voting

As stewards of our clients' assets, we align our proxy voting, engagement and industry initiatives to the best interests of our portfolios. We believe these investment stewardship activities, conducted alongside our ESG integration efforts, can support our aim of delivering risk-adjusted, long-term financial returns for our clients.

RBC GAM seeks to act in the best interests of the portfolios that it manages, which extends to exercising the voting rights attached to the securities within these portfolios where we have such authority. We exercise the voting rights of the portfolios we manage with a view to enhancing the long-term value of the securities held.

Our proxy voting policy

Our proxy voting activities are governed by our *Proxy Voting Guidelines* and our global *Proxy Voting Policy*. These set out procedures for administering our votes, escalating any voting issues, and identifying and managing conflicts of interest. We make each voting decision independently and in accordance with our *Proxy Voting Guidelines*. The RI team is responsible for reviewing and updating our global *Proxy Voting Policy* annually.

Proxy voting is managed centrally by the RI team for all RBC GAM portfolios, except for those managed by third-party sub-advisors, certain model portfolios (also known as Separately Managed Accounts (SMAs), where RBC GAM does not have discretionary authority over the accounts, and certain institutional client accounts, as requested by clients.

Our proxy voting guidelines

Our *Proxy Voting Guidelines* are our custom voting guidelines that provide an overview of the principles and practices we believe will enhance the long-term value of securities held in our portfolios and how we will generally vote on issues.

The *Proxy Voting Guidelines* have been developed using our internal expertise and resources, with reference to guidance by leading independent research firms. The Guidelines are published on our website for the information of clients. They also provide issuers with our views on governance practices and context on our voting decisions.

The *Proxy Voting Guidelines* are applied for issuers in Canada, the U.S., the UK, Ireland, Australia and New Zealand. In all other markets, RBC GAM uses the local benchmark voting policy of ISS. Our review of voting recommendations is completed regardless of whether the recommendation is based on our custom *Proxy Voting Guidelines* or ISS's local benchmark voting policy.

Our *Proxy Voting Guidelines* set out detailed guidance on topics including:

- the structure and independence of the board of directors
- executive management and director compensation
- takeover protection and transactions
- shareholder rights
- environmental and social issues.

We review and update our *Proxy Voting Guidelines* on an ongoing basis, at least annually, to reflect our views on corporate governance practices that we believe are in the best interests of our portfolios. Changes are reviewed by our Proxy Voting Committee and approved by our Global CIO. We may highlight certain updates to our *Proxy Voting Guidelines* in quarterly institutional client reporting and through insight pieces.

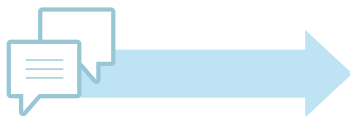
Our proxy voting process

The exercise of voting rights requires an ongoing assessment of an issuer's management and directors, its performance, its practices on material issues, and the impact a vote may have on the value of the company's securities. Our proxy voting process is administered by our RI team, with input from investment teams and the Proxy Voting Committee, as required.

Although voting opportunities are more limited for fixed income portfolios, they can and do occur. It is most common for convertible and high yield bond investments, where an allocation may take on formal voting rights, or the risk is greater of potential debt restructuring measures.



Our Responsible Investment (RI) team reviews ballot items, drawing on our custom Proxy Voting Guidelines and, in certain markets, ISS' local voting policies, as well as the expertise of the investment teams and analysis from leading research firms, where appropriate.¹⁶



Certain exceptional votes are addressed by our internal Proxy Voting Committee. This committee also implements processes to manage conflicts of interest and protect the independence of our voting decisions.



We make our proxy voting records publicly available on the RBC GAM website in accordance with applicable regulations. We also provide commentary on our proxy voting activities in our stewardship disclosures, and provide additional reporting to clients, by request. Barring exceptional circumstances, we do not publicly disclose in advance how we intend to vote on specific proposals.

Source: RBC GAM

The RI team is responsible for instructing proxy votes in accordance with the *Proxy Voting Guidelines* and conducting research and analysis to support our investment teams' proxy voting decisions. We may use various resources in our proxy voting decision-making including, but not limited to:

- research on management performance and ESG issues from portfolio manager and analyst due diligence
- information provided by leading independent research firms such as ISS and Glass Lewis
- research from organizations such as the Canadian Coalition for Good Governance (CCGG) and the International Corporate Governance Network (ICGN).

In certain scenarios, we may determine that the initial voting recommendations based on the Proxy Voting Guidelines are inconsistent with the best interests of the portfolio(s). For example, our Proxy Voting Guidelines may call for a vote against a non-independent director's election due to insufficient board independence levels, but we determine that this specific director's removal from the board would be detrimental to shareholder value creation. Scenarios like this one can initiate a vote override process. This can be prompted through the RI team's review or direct input from the investment teams. Investment teams are consulted on vote override requests, which are submitted to the Proxy Voting Committee for review.

¹⁶ The RI team manages proxy voting for RBC GAM, excluding funds managed by third-party sub-advisors, model portfolios, and select institutional client accounts, as requested by them. This proxy voting process is only applicable for proxy voting executed by the RI team.

Our Proxy Voting Committee includes our Global CIO and the Managing Director & Head, RI. For a vote override request to be processed, the majority of Proxy Voting Committee members must agree. The CIO has ultimate authority on all proxy voting decisions, which are made in a manner consistent with the firm's fiduciary duty. We consider a vote override to be consistent with the intentions of the Guidelines, and our approach to exercise the portfolios' voting rights in their best interests, with a view of enhancing the long-term value of the securities held.

Finally, we conduct a quarterly reconciliation process to determine if the number of votes submitted at issuer meetings match internal records of securities held in affected accounts and portfolios. Where issues are identified, they are escalated to ISS and/or the appropriate custodian, as required. This process complements ISS's reconciliation process, which reviews ballots received against a record of our equity retail fund holdings.

Monitoring our voting rights

We retain the services of ISS to deliver our proxy voting instructions via its online voting platform, ProxyExchange. This requires consistent account maintenance and organization to help ensure our portfolios' proxy voting ballots are received, processed, and instructed. To that end, RBC GAM works directly with ISS and our custodians to set up accounts for voting on ProxyExchange. RBC GAM also uploads our equity retail funds' holding details to ProxyExchange to facilitate reconciliation between our holdings and the number of shares listed on ballots received by ISS. The RI team can view votable share positions and relevant shareholders' meeting information directly in the ProxyExchange platform.

As a regular item for institutional client onboarding onto the RBC GAM investment platform, we determine whether our clients would like RBC GAM to manage their segregated portfolios' proxy voting rights. When we are granted voting authority, the RI team then initiates account onboarding onto the ProxyExchange platform.

Proxy voting records

The proxy voting records of our retail funds are publicly available on our regional websites. We update these records periodically, in accordance with applicable regulations. Our proxy voting records can be searched by fund or company name.

In addition, in some instances we provide an overview of our proxy voting activities, including our proxy voting rationale. We may also provide additional customized proxy voting reporting to our institutional clients on a regular or ad-hoc basis, as requested, depending on the client and investment team.

To increase transparency and visibility to our clients, we also report on the rationales behind key resolutions, such as where we voted against the recommendations of management for internally managed funds offered by RBC GAM Inc.

In exceptional circumstances, where we believe it is appropriate and in our clients' best interests to do so, we will disclose in advance how we intend to vote on a particular issue and provide the rationale for our voting decision.

For pooled funds that are externally managed for RBC GAM Inc., third-party sub-advisors submit voting records to RBC GAM on a quarterly basis for public disclosure.

Proxy voting process for certain RBC BlueBay fixed income team portfolios

For certain fixed income portfolios, votes are submitted in Broadridge's ProxyEdge platform by the RBC GAM Corporate Actions team. In these cases, ISS's custom voting recommendations are not available directly in the ProxyEdge platform. The RI team works directly with the Corporate Actions team, applicable portfolio managers and the Proxy Voting Committee (if required) to reach a final voting decision.

Engagement

We engage with issuers, regulatory bodies, lawmakers and other stakeholders, where applicable, in consideration of the best interests of our investments and portfolios.

Our approach to direct engagement

Our approach to engagement reflects our belief that issuers that manage their material ESG factors and related risks will likely reduce the probability of experiencing losses that would accompany an ESG-related incident.

As part of the investment process, our investment teams and/or the RI team may meet with the issuers in which we invest on a regular basis to discuss a variety of topics deemed relevant to the investment case. These may or may not include material ESG factors, where applicable. The specific ESG factors we engage on can differ based on sector, asset class and geography, as ESG-related engagement is prioritized based on the materiality of the ESG factor to the specific investment or portfolio.

Teams may also prioritize their engagement efforts based on the size of the investment and level of risk, among other factors. 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. We may also consider material ESG factors that may pose systemic risks, such as governance, climate change and nature, and human rights.

Consistent with our aim of maximizing the long-term, risk-adjusted returns of our portfolios, the objectives of our ESG-related engagements typically include:

information gathering on material ESG factors and the steps the issuer is taking to address these factors;

- gathering information on material ESG factors and the steps the issuer is taking to address these factors
- seeking better public disclosure of material ESG factors and the steps the issuer is taking to address those factors
- encouraging more effective management of material ESG factors, when we believe they may affect the value of the investment or portfolio
- where an issuer is lagging its peers on a material ESG factor, requesting specific actions, monitoring those actions and encouraging continued improvement on the material factor, if we believe this may affect the value of the investment or portfolio.

How we engage

For applicable types of investments, we primarily engage with issuers through private dialogue over time. Our investment teams typically meet directly with the board of directors, management teams, or specific executives or individuals at the issuer who are responsible for overseeing the matter.

We have a strong preference for maintaining an open and private dialogue and engaging with our investee issuers to consider material factors, which may include ESG-related factors. Although we may consider more public avenues of change, such as filing shareholder proposals at corporate issuers or making public statements, we use these methods sparingly. We do not believe that broad-based divestment is an effective tool compared to engagement. However, at any stage of their analysis or engagement with an issuer, our investment teams may choose to divest from an investment or group of investments based on their judgement of the investment case.

The outcome of an engagement is generally not the sole factor in any investment decision. Instead, the information obtained from engagements is one element that can help inform the investment case.

Engagement considerations across asset classes

Public equities

As equity investors and as a large institutional investor, in many cases we have good access to boards and management. Our investment teams may have direct communication with management teams to share their views on material ESG factors that may affect long-term shareholder value. In emerging markets, where information on ESG factors is less readily available, our investment teams may focus on developing relationships with boards and management over time and may prioritize engagements based on specific ESG factors that are considered most material to the portfolio.

Fixed income – corporates

Engagement with issuers may form part of the ESG integration and investment process for our corporate fixed income teams. However, the scale and effectiveness of such engagement may vary. In some cases, our corporate fixed income investment teams may also engage directly with other stakeholders, such as credit rating agencies.

Fixed income – sovereigns, supranationals, and agencies (SSA)

SSA engagement is a multi-pronged process and can include multiple stakeholders. For example, our SSA fixed income investment teams may engage with sovereign issuers, national institutions, ruling parties, supranational agencies like the World Bank and the International Monetary Fund (IMF), and/or others. Methods of engagement vary depending on access to the issuer, legal standing and issuer obligations. The purpose of engagement in this asset class is typically to help understand the material ESG factors of our investments and portfolios, incorporating these into our investment teams' views on credit risk, balance sheets and economic fundamentals. We may also engage to seek improvements in fiscal transparency and aim to ensure an operating environment that is consistent with well-functioning capital markets.

Fixed Income – securitized credit

Where possible and applicable, engagement within securitized credit may occur at the manager, originator or servicer level for the securitized instrument, rather than at the collateral pool or issuer level. As in other asset classes, engagements focus on those factors deemed material to the investment.

Private markets - real estate, mortgages and infrastructure

Engagements for physical assets differ depending on ownership type. As the direct owner of an asset (e.g., as the owner of a commercial building), we may be able to engage directly at the asset level. As a lender to borrowers in our mortgage investments, there may be opportunities to engage directly with borrowers, or through origination partners.

COMMON CHARACTERISTICS OF ENGAGEMENT WITHIN THE FIXED INCOME ASSET CLASS

Observations and actions	
Scope of nuances by issuer type	<p>Corporates vs sovereigns</p> <ul style="list-style-type: none"> ▪ The method of engagement between corporates and sovereigns can vary depending on access to the issuer, legal standing and issuer obligations. ▪ Some challenges and barriers to engagement with sovereigns can exist. For example, there may be concerns around sovereignty or cultural sensitivities, especially when it comes to social matters. Access can also be a challenge, particularly if the relative size of the investment position is not significant. Engaging with emerging markets sovereigns can pose challenges due to their limited resource capacity. There are also challenges with the extent to which the government will listen to investors or can realistically bring about change in the expected timeframe. ▪ We believe sovereign engagement activities can be meaningful for both the issuer and the investor when managed well. Although the likelihood of the sovereign adopting changes may be lower when compared to corporate issuers, we typically find the focus of sovereign engagement to be for insight purposes. Moreover, there can be opportunities to contribute to outcomes, such as improved fiscal transparency and aiming to ensure an attractive operating environment (e.g., strong financial regulatory frameworks) that gives investors confidence.
Scope of nuances by issuer type	<p>Differences between sub-asset classes (e.g., high yield, investment grade)</p> <ul style="list-style-type: none"> ▪ It may be easier to engage with issuers with investment grade (IG) credit quality than those with high yield (HY) status. This may be due to factors such as larger size and resourcing of the IG issuer, or the issuer also having listed equity and corresponding shareholder engagement. These factors may enable issuers to be more receptive and able to address investor ESG requests. ▪ Engagement with HY issuers can potentially be fruitful as they have a smaller investor base due to their riskier credit profile. As such, they may be more willing to accommodate investor requests. However, they may be less frequent issuers to the market, which can make holding them accountable more challenging. Engagement with high yield issuers can be important as they tend to have less robust ESG disclosure. They are also less likely to be covered by third-party ESG research providers.
Scope of nuances by issuer type	<p>Emerging markets vs developed markets</p> <ul style="list-style-type: none"> ▪ Accessibility of issuers within emerging markets versus developed markets can be a challenge from both a corporate and sovereign perspective. Typically, emerging markets issuers may be less aware and/or be more resource constrained than developed market peers. Regulatory frameworks with respect to ESG standards may be less developed in emerging market countries, although some have made advances in recent years. ▪ We believe engagement can be relevant for issuers in both emerging and developed markets. What may vary are the topics we engage on given differences in materiality. ▪ While there can be challenges in engaging with emerging markets issuers, such engagement can be particularly useful to help us better understand ESG practices where disclosure is less robust, as well as to contribute to outcomes in line with best practices.
Scope of nuances by issuer type	<p>Conventional public debt vs securitized debt</p> <ul style="list-style-type: none"> ▪ Engagement is typically more straightforward with a single issuer. In the case of securitized credit, while engagement is still possible, the nuances of the asset class need to be considered. Specifically, our investment teams may consider the methods of ESG engagement applied, the appropriate stakeholder(s) to engage with and the degree to which changes in the outcomes are possible. ▪ For example, when investing in a CLO, that engagement will more likely focus on the loan manager, not the transaction level with issuers within the collateral pool directly. When focusing on the loan manager, our investment teams may seek to understand their ESG practices and the extent to which such considerations are incorporated into the entities within the collateral pool.

Our approach to RI industry initiatives

We participate in initiatives that work to increase transparency, protect investors, and foster fair and efficient capital markets. We believe that engagement on relevant regulatory and legal reform may lead to more effective governance and/or management of material ESG factors, as well as broader, market-wide considerations.

A full list of our industry initiatives can be found at [Our Commitments To Responsible Investment](#).¹⁷

Our policies for effective stewardship

At RBC GAM, we have a number of policies that govern our RI and active stewardship activities. Each policy is reviewed on a regular basis for its ability to enable effective stewardship. Updates are made as required. Policies are reviewed and approved by the relevant internal oversight body.

The following table outlines the principal policies that relate to our RI and active stewardship activities. These include their respective review processes and their highest possible level of internal review and approval.

For example, RBC's Internal Audit team initiates internal audits of RBC GAM's RI activities as part of regional audit activities, on a rotating schedule. Our RI policies are within scope of a potential internal audit in any given year.

In general, policies that relate directly to our RI strategies are approved by the Global CIO and Head of RI. Policies that relate to the adherence to regulations or other firm-wide policies are generally approved by our regional compliance teams.

Policy	Description and updates	Level of internal review and approval
Approach to RI	<p>This document sets out RBC GAM's overall approach to responsible investment and discusses how different types of investments may integrate ESG factors. It also includes our views on systemic ESG factors that may be material to investments and our portfolios. Our approach features three pillars: ESG integration, active stewardship and client-driven solutions and reporting.</p> <p><i>Our Approach to Responsible Investment</i> is approved by RBC GAM's Global CIO, with input from the Leadership Committee. It is reviewed on an annual basis by the RI team and sets out RBC GAM's strategic priorities and commitments related to responsible investment.</p>	Regional compliance teams, CIO
Proxy Voting Policy	<p>This document specifies the internal processes that govern RBC GAM's proxy voting activities across the regions in which we operate.</p> <p>The RI team proposes updates to the <i>Proxy Voting Policy</i> when there is a change in the internal processes, governance or service providers involved in proxy voting. Updates are reviewed by the regional compliance teams and the appropriate independent review body (e.g., the Independent Review Committee in Canada) and are approved by the Managing Director and Head of RI, where required. In 2025, we removed RBC Indigo Asset Management Inc. (RBC Indigo) content from the policy, after RBC Indigo Mutual Funds and RBC Indigo Pooled Funds were merged, transitioned or closed during the year. No other material changes were made to the policy.</p>	Regional compliance teams, RI team head

¹⁷ In some cases, a specific RBC GAM affiliate may serve as signatory to or member of these initiatives, depending on factors including, but not limited to, the asset class, sub-asset class or region relevant to the initiative.

Policy	Description and updates	Level of internal review and approval
<p>Proxy Voting Guidelines</p>	<p>The Proxy Voting Guidelines specify our approach to how RBC GAM will generally vote on specific proposals and issues in our proxy voting activities. The <i>Proxy Voting Guidelines</i> are applied in Canada, the United States, the United Kingdom, Ireland, Australia and New Zealand. In all other markets, RBC GAM uses the local benchmark voting policy of ISS.</p> <p>The RI team proposes updates to the <i>Proxy Voting Guidelines</i> as required, and at least annually. Proposed updates are based on new issues that arise during the year and our evolving views on ESG issues, with the objective of ensuring that voting is aligned with what we believe are in portfolios' best interests. Updates are reviewed by the Proxy Voting Committee and are approved by the CIO.</p> <p>In 2025, updates to the <i>Proxy Voting Guidelines</i> included, but were not limited to:</p> <ul style="list-style-type: none"> ▪ updating our approach to shareholder meeting quorum to take into consideration different ownership structures and market capitalizations of the companies we are invested in ▪ revising virtual-only meeting practices to help ensure shareholder rights are protected given their increasing prevalence ▪ adding language to address board responses to shareholder proposals that receive meaningful support ▪ adding a new guideline on our approach to voting on proposals related to artificial intelligence (AI). 	<p>Regional compliance teams, CIO</p>
<p>Firm-wide investment exclusions</p>	<p>At RBC GAM, we recognize the broad-based international consensus regarding investment in issuers whose business activities would contravene the prohibitions contained in any of the following conventions:</p> <ul style="list-style-type: none"> ▪ Anti-Personnel Land Mines Convention ▪ Biological and Toxin Weapons Convention ▪ Convention on Cluster Munitions ▪ The Chemical Weapons Convention <p>In recognition of that consensus and the significant risks associated with those investments, we have applied a norms-based exclusion screen where no RBC GAM investment team will knowingly invest in companies associated with anti-personnel land mines, cluster munitions, biological weapons, or chemical weapons, across several business activities including production, sales/trade, testing, research and development, system integration, maintenance, and maintenance/service management. These exclusions are applicable for portfolios where RBC GAM controls the investment policy, excluding certain passive investment strategies.¹⁸ For segregated accounts or products where our clients control the investment policy, excluding certain passive investment strategies, clients may request different exclusions or no exclusions. We engage independent third-party research providers to identify issuers that should be excluded on the basis of this policy.</p> <p>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, the applicable RBC GAM entities will not invest in securities that fall within the sanctions.</p> <p>Beyond these firm-wide investment exclusions, specific portfolios and/or investment teams may apply additional exclusions as part of their investment strategies, as described in the investment mandate, or to comply with local regulation.</p>	<p>CIO, CEO</p>
<p>Other policies and procedures</p>	<p>Our policies and procedures establish the requirements for RBC GAM to maintain compliance with applicable conflicts of interest securities laws and regulations for the jurisdictions in which we operate.</p> <p>The regional compliance teams maintain each RBC GAM affiliate's respective policies and procedures, with input from the relevant business teams. RBC GAM affiliates' policies and procedures are approved by their respective Chief Compliance Officers.</p>	<p>Relevant regional compliance teams</p>

¹⁸These exclusions apply to direct equity or corporate credit holdings, but do not apply to derivatives or other index exposures where our exposure is indirect.

Internal review and approval of our stewardship policies

At RBC GAM, we have a number of internal review processes in place to support the proper implementation of our RI policies. Our regional compliance teams use a range of tools to help ensure that policies and procedures are being adhered to. These include training and required certifications for employees.

We believe that the high level of direct oversight by RBC GAM executives of our RI activities and policies provides a strong level of governance related to the content and implementation of these policies. The RBC Internal Audit team also initiates internal audits of our RI activities on a rotating schedule. All our RI policies are within scope of internal audit.

For example, as part of an internal audit of an investment team's activities, the internal audit team may also review the team's ESG integration, engagement and proxy voting activities. In other cases, the Internal Audit team may address the entirety of a specific RI or stewardship policy.

Finally, we may seek external audit and/or assurance on specific RI policies as appropriate. For example, in 2023 RBC GAM became a signatory to the Operating Principles for Impact Management by the Global Impact Investing Network (GIIN). This commitment applies to two impact funds available in the U.S.

In 2023, RBC GAM engaged PricewaterhouseCoopers LLP (PwC) to independently undertake a limited assurance engagement on RBC GAM's impact management processes, as described in *RBC GAM's Operating Principles for Impact Management Disclosure Statement* published in 2023, in alignment with the *Operating Principles for Impact Management* dated February 2019. As a signatory of the Impact Principles, RBC GAM is committed to publishing annual disclosures of the alignment of our impact funds' impact management systems with the Impact Principles and to providing periodic independent verification reports to affirm this alignment. Along with an annual update of the disclosure statement, we plan to undergo another verification in 2026.

Currently, proxy voting for RBC GAM (UK) equity portfolio mandates is subject to a regular external audit. This audit covers our UK firm's proxy voting internal controls and is conducted annually.

Continuous improvement

Our RI reporting continues to evolve in response to internal review processes, client feedback and changing best practices. Updates to Our Approach to RI and our Proxy Voting Guidelines are included in the table above. In 2025, we also published our latest RBC GAM Climate Report guided by the recommendations of the [Task Force on Climate-related Financial Disclosures](#) ([RBC GAM Climate Report 2024](#)).

In our 2024 UK Stewardship Code Report, we updated on the status of a project to automate the delivery of proxy voting data to our investment teams in a user-friendly manner. This project was completed in 2024 ahead of the 2025 proxy season. Over the course of 2025, it was decided that we would make further refinements in 2026, priorities permitting.

A key focus over the past several years has been on increasing the range of asset classes included in our climate analysis. In 2025, we expanded our carbon emission analysis to include sub-sovereign bonds. We also made progress in advancing an internal *Climate Scenario Outlook*, which seeks to explore the systemic effects of climate change, and its transmission channels through the economy by identifying signpost metrics.¹⁹ Signpost metrics are indicators of which key drivers and scenario pathways remain consistent with climate scenario assumptions and aim to identify what scenario the world might be moving towards.

The *Climate Scenario Outlook* takes a top-down approach to climate scenario analysis and is intended to complement the bottom-up approach used to calculate the Climate VaR by scenario. There are four dimensions of indicators that serve as potential signals or signposts of scenario pathways: climate policy; technology solutions; physical risks and adaptation; markets and sentiment.

In 2025, we also expanded the rollout of our internal climate performance framework for issuers. The goal here was to provide investment teams with additional tools for assessing and identifying issuers that may not be effectively managing climate-related risks and opportunities.

We also explored the use of a proprietary artificial intelligence tool to enhance the scale and efficiency of the assessment of issuers' climate transition plans. In addition, we made progress in developing an internal analytical tool that evaluates the risk-return implications of applying climate-related constraints to existing investment portfolios.

¹⁹ The use of signpost metrics in climate scenario analysis is described in the TCFD Guidance on Scenario Analysis for Non-Financial Companies, October 2020, [Link](#).



D. Describe how you manage stewardship-related conflicts of interest to put the best interests of clients and beneficiaries first.

Our conflicts of interest policies

As investment managers, we have an obligation to act in the best interests of the portfolios that we manage. As stewards of our clients' assets, clients and unitholders must be treated fairly. This applies to both our operations and our investment management, including our stewardship activities like proxy voting and engagement.

We apply policies and procedures that are intended to prevent and/or appropriately manage conflicts of interest. Our policies and procedures establish the standards that should be followed by RBC GAM employees to comply with applicable securities laws and regulations of the jurisdictions in which we operate. Our policies include:

RBC Code of Conduct: The *RBC Code of Conduct* is an enterprise-wide policy that states that decisions made by employees should be objective and put clients' interests above personal interests and sets out general provisions related to conflicts of interest.

RBC Enterprise Conflicts of Interest Policy and associated Control Standards: These enterprise-wide policies encompass conflicts of interests that may arise from RBC's business activities. These include the *RBC Conflicts of Interest Control Standards for Outside Business Activities and External Directorships*, *RBC Conflicts of Interest Control Standards for Gifts and Entertainment*, *RBC Conflicts of Interest Control Standards for Personal Trading*, and the *RBC Conflicts of Interest Control Standards on Inside Information and Information Barriers*, among others.

RBC GAM Conflicts of Interest Policies: RBC GAM's regional entities either maintain a conflicts of interest policy and/or address conflicts of interest within appropriate policies.

These cover both firm-wide expectations, as well as regulatory requirements for each operating unit. These policies address the regulatory requirements that the affiliates should meet with respect to (a) identifying the material conflicts of interest that they and their employees may face, (b) either eliminating or satisfactorily addressing them in the best interest of our portfolios, and (c) appropriately disclosing them to clients.

Other RBC GAM policies: RBC GAM maintains a number of operational policies that address additional conflicts of interests that may arise from RBC GAM's business activities. These include RBC GAM's policies related to proxy voting, shareholder activism, personal trading, trading, valuation and securities lending, among others.

RBC GAM does not publish its compliance policies publicly but may disclose information on policies and practices to clients upon request, in accordance with the securities laws and regulations in the jurisdictions in which it operates. Individual investors in RBC GAM products may receive disclosure on relevant policies to address conflicts of interests in accordance with securities laws and regulations in the applicable jurisdictions.

For example, unitholders in RBC GAM Inc. prospectus-qualified mutual funds receive disclosure in the funds' prospectus on RBC GAM Inc. policies to address conflicts of interests in its role as an investment fund manager. Conflict of interest matters for RBC GAM Inc.'s prospectus-qualified mutual funds are overseen by an Independent Review Committee (IRC) that publishes an annual report to unitholders. The IRC addresses potential conflicts of interest that can arise between the manager and the unitholders of the fund. IRC members are independent of RBC GAM Inc.

Scope of policies

Our policies and procedures recognize that a conflict of interest may exist between RBC GAM, its employees and/or its clients whenever:

- The interests of RBC GAM or an employee are inconsistent with or diverge from the interests of a client (including funds) or the unitholders of an RBC GAM-managed fund.
- RBC GAM or an employee is influenced to put their interests ahead of those of their clients.
- Benefits (monetary or non-monetary) or detriments RBC GAM could receive, or be subjected to, might compromise a reasonable client's trust.

Our policies aim to cover potential conflicts that may arise, including conflicts relating to the bank-owned structure of RBC GAM, personal trading, payments, gifts and entertainment, and external directorships/outside activities. They also address potential conflicts of interest that may arise in our stewardship activities, including proxy voting and engagement.

We consider conflicts of interest to include actual conflicts, potential conflicts where there is a reasonable probability that an actual conflict may arise, and perceived conflicts where the perceived conflict could cause reputational damage to RBC GAM.

RBC GAM's policies require the firm to:

- establish appropriate controls and processes to identify conflicts of interest and either eliminate or satisfactorily manage them.
- Train employees on conflicts of interest and provide support in conflicts of interest identification.
- Maintain records of identified conflicts of interest.

Managing potential and actual conflicts

RBC GAM and its registered employees have an ongoing responsibility to identify conflicts that are reasonably expected to affect a client's decisions and/or RBC GAM's or its employees' recommendations or decisions.

For example, as part of its conflicts of interest policies, RBC GAM Inc. maintains a register of conflicts of interest. This register comprises descriptions the potential and actual conflicts that the firm has identified, the applicable policies governing each of them, and the procedures and controls for mitigating them.

RBC GAM employees are required to comply with the policies and procedures that apply RBC GAM-wide as well as within their respective RBC GAM entity. Employees undergo regular training on these policies. Training typically begins the week employees first join the company as part of the onboarding process and generally continues at least annually thereafter. Several policies require quarterly or more frequent employee action to confirm that conflicts have not occurred, are properly disclosed and managed, and/or are being addressed by the appropriate oversight body if a conflict is newly identified.

Addressing newly identified conflicts

If an actual or potential conflict of interest arises that is not yet covered in the conflicts of interest register, it should be escalated to Compliance or the appropriate regional committee. Related activities in connection with the potential conflict are to be halted until the conflict is addressed. RBC GAM also has regional, independent committees, boards of trustees, or similar functions that oversee retail mutual funds.

For example, the IRC manages specific conflicts that may arise between prospectus-qualified mutual funds in Canada and RBC GAM Inc. as the fund manager or any entities related to RBC GAM Inc. This includes related-party trading policies and the firm's Personal Trading Policy. IRC members are independent of RBC GAM Inc.

Examples of actual and potential conflicts

The case studies that follow provide examples of conflicts related to our stewardship activities. They also summarize the policies and procedures we use to address those conflicts when they arise.

Proxy voting

Our policies and procedures prohibit any undue influence being exerted on our proxy voting activities from RBC or any other issuer that might have a relationship with RBC or any of its affiliates. The objective of these policies is to avoid any actual or potential conflict of interest. Potential conflicts of interest related to our proxy voting activities are reduced, as these activities are centralized within the RI team. This team administers and oversees proxy voting in accordance with our Proxy Voting Policy and the Proxy Voting Guidelines.

RBC GAM also has a Proxy Voting Committee, which includes the Global CIO. The following issues are escalated by the RI team to the Proxy Voting Committee:

- Instances where RBC GAM believes it is in the best interests of the portfolio to deviate from the voting recommendation made by our service provider based on the *Proxy Voting Guidelines*, or local benchmark voting guidelines of our provider, where applicable. This may occur in situations where we believe the *Proxy Voting Guidelines* have been misinterpreted or misapplied, or where the unique circumstances of the issuer warrant a different approach.

- Instances where our proxy voting activity may give rise to an actual, potential or perceived conflict of interest.
- Unusual circumstances regarding ballot items. For example, there may be cases where two investment teams voting at the same portfolio issuer’s meeting wish to vote differently.

We generally vote the same across internally managed portfolios, as we believe the principles we apply in proxy voting are in the best interests of our portfolios with a view to enhancing the long-term value of the securities held. However, in the event of unusual circumstances or a difference of opinion between individual investment teams on how to vote on a particular proxy, the matter is escalated to the Proxy Voting Committee.

Proxy voting decisions are made by the Proxy Voting Committee based on a review of the voting matter with relevant investment teams and the RI team. The Global CIO retains ultimate voting decision authority.

If any member of the Proxy Voting Committee is aware of a possible conflict of interest related to themselves and the exercise of the proxy voting rights, that member will be excluded from any discussions or decision-making concerning that proxy voting matter. In the rare event that all members of the Proxy Voting Committee are affected by a conflict of interest, the Global CIO will make decisions concerning the exercise of proxy voting rights in what we believe are the best interests of our portfolios.

The following are examples of specific conflicts of interest related to proxy voting that may arise:

Conflict name	Description	Conflict type
Fair treatment in proxy voting	<p>Context RBC GAM seeks to vote proxies in the best interests of the portfolio with a view to enhancing the long-term value of the securities held. RBC GAM may have a conflict between its interests in retaining clients and earning fees, and the interests of its clients if asked to vote on any factors that conflict with its fiduciary duty. This could occur if a client is also an issuer and attempts to influence RBC GAM to vote a particular way on a proposal.</p> <p>Mitigating policies & procedures Proxy voting is executed by the RI team in consultation with portfolio managers and analysts in line with the Proxy Voting Guidelines. The RI team, as well as select members of our Operations teams, have access to RBC GAM’s proxy voting platform.</p> <p>The Proxy Voting Committee reviews the <i>Proxy Voting Guidelines</i>, as well as any exceptional votes not covered by, or that deviate from, these guidelines. The CIO sits on the Proxy Voting Committee and is responsible for oversight of proxy voting at RBC GAM, and approval of the Proxy Voting Guidelines.</p> <p>If any member of the RI team or the Proxy Voting Committee is aware of a possible conflict of interest related to themselves and the exercise of the proxy voting rights, that member will recuse themselves from any discussions or decision-making concerning that proxy voting matter. In the rare event that all members of the Proxy Voting Committee have a conflict of interest, the CIO will make decisions concerning the exercise of proxy voting rights in what we believe is the best interests of our portfolios.</p>	Potential

Conflict name	Description	Conflict type
<p>Voting parent company shares</p>	<p>Context RBC GAM is the asset management division of RBC. RBC is a prominent issuer in Canada, and, where applicable legal and regulatory requirements allow, several RBC GAM funds may invest in RBC securities. A potential conflict of interest arises between the interests of these funds and the interests of RBC</p> <p>Mitigating policies & procedures Proxy voting for RBC securities held in RBC GAM Inc. prospectus-qualified funds in Canada is escalated to the IRC (Investment Risk Committee) for its review and recommendation. The IRC considers the best interests of the portfolios without regard for the interests of RBC, RBC GAM, any individual portfolio manager, or any party related to any of them. RBC GAM maintains responsibility for administering the vote, aligned with the IRC's recommendation.</p> <p>Information on votes cast in 2025 is available on our regional websites. Votes are disclosed in accordance with applicable regional regulations.</p>	<p>Potential</p>
<p>Voting shares of our strategic alliance partner, BlackRock</p>	<p>Context A potential conflict of interest exists when RBC GAM exercises its voting rights at BlackRock Inc., due to RBC GAM's strategic alliance with BlackRock Canada.²⁰</p> <p>Mitigating policies & procedures To address this conflict, when RBC GAM exercises its voting rights at BlackRock Inc.'s annual general meeting, the investment teams are excluded from the voting decision. The RI team makes recommendations to the Proxy Voting Committee directly. The Proxy Voting Committee makes the proxy voting decision in an independent manner and in the best interests of our portfolios.</p> <p>Information on votes cast in 2025 is available on our regional websites. Votes are disclosed in accordance with applicable regional regulations.</p>	<p>Potential</p>
<p>Sub-advisors' proxy voting on behalf of RBC GAM</p>	<p>Context A potential conflict of interest may arise when a sub-advisor holds securities of a related party issuer in a fund that it is managing on behalf of RBC GAM.</p> <p>Mitigating policies & procedures On a quarterly basis, RBC GAM Inc. requests that third-party sub-advisors confirm that decisions to vote proxies of issuers related to the sub-advisor:</p> <ul style="list-style-type: none"> ▪ Were made free from influence by the related-party issuer and without taking into account any consideration relevant to the related party issuer. ▪ Represent the business judgment of the sub-advisor's portfolio manager assigned to the portfolio, uninfluenced by considerations other than the best interests of the portfolio. ▪ Were in compliance with the sub-advisor's policies and procedures. ▪ Achieve a fair and reasonable result for the portfolio. 	<p>Potential</p>
<p>Public statements related to proxy voting on a particular security</p>	<p>Context Potential conflicts of interest and market abuse issues may arise in situations where a portfolio manager makes public statements regarding a particular security, and a portfolio managed by the portfolio manager or others in the firm has an undisclosed position in that security. In this case, the public statement could conflict with the interests of other investors who are misled by the public statement.</p> <p>Mitigating policies & procedures Portfolio managers should consult with the CIO in advance if they are planning to make public announcements or have any communication that could be misinterpreted as proxy solicitation. This includes public announcements stating how RBC GAM intends to vote on a matter and the reasons for the decision, and communication with other shareholders about the possible organization of a dissidents' proxy solicitation (without sending a proxy). Portfolio managers should not engage in communications that would trigger the requirement for RBC GAM to prepare proxy circulars.</p>	<p>Potential</p>

²⁰In 2019, RBC Global Asset Management and BlackRock Canada created an alliance to provide the largest full-service exchange-traded fund (ETF) platform in Canada. RBC iShares ETFs are comprised of RBC ETFs managed by RBC Global Asset Management Inc. and iShares ETFs managed by BlackRock Asset Management Canada Limited. More information is available at <https://www.rbcgam.com/en/ca/about-us/about-rbc-ishes>.

Engagement

As noted above, our policies and procedures prohibit any undue influence being exerted on our stewardship activities from RBC or any other issuer that might have a relationship with RBC or any of its affiliates. The objective of these policies is to avoid or manage any actual or potential conflict of interest. Our engagement priorities and activities are undertaken based on what we determine is in our portfolios' best interests. Attempts to influence our engagement priorities or activities should be reported to our CIO.

The following are examples of specific conflicts of interest related to engagement that may arise:

Conflict name	Description	Conflict type
<p>Inappropriate use of material non-public information obtained through engagement activities</p>	<p>Context RBC GAM employees could obtain material non-public information through engagement activities. The possession of such information could give rise to potential conflicts of interest between the interests of RBC GAM employees and the interests of the firm. For example, this could occur if an employee misuses material non-public information in their personal trading or to improve the investment performance of the investment portfolios that they manage, which may then affect their personal compensation.</p> <p>Conflicts could also arise between the interests of RBC GAM employees and those investors in the capital markets who do not have access to the inside information and who have a right to expect fair markets and ethical investment decision-making behaviour from market participants.</p> <p>Mitigating policies & procedures RBC GAM maintains market abuse policies, including regional policies, that set out the rules for those jurisdictions and establish procedures to be followed if someone receives material non-public information. Procedures are applied to lock down the issuer that is the subject of the material non-public information from being traded by the individual(s) possessing such material non-public information. An escalation procedure also exists for addressing the conflict, where required. The policies provide specific guidance to the investment teams for meetings with issuers.</p>	<p>Potential</p>
<p>Personal relationships affecting potential engagement</p>	<p>Context There is a potential conflict of interest where a close personal relationship exists between an RBC GAM employee and a member of a firm who is in a position of authority or influence, or between an RBC GAM employee and a client with whom RBC GAM has or is considering entering into a material business relationship.</p> <p>For example, there would be a potential conflict of interest if a member of an investment team had a close personal relationship with an executive or board director with whom the investment team was initiating an engagement. A potential conflict of interest could also occur if an investment team member has a personal relationship with a client who attempts to influence the investment team's engagement objectives and outcomes in a way that is not in the best interests of the portfolio.</p> <p>Mitigating policies & procedures The RBC Code of Conduct requires employees to consider and identify potential or actual conflicts of interest that may arise from a close personal relationship. Further, RBC GAM's employees have an obligation to consider and identify potential material conflicts of interest in relation to RBC GAM, themselves and their clients.</p> <p>If there is a situation involving a close personal relationship that may pose an actual or perceived conflict of interest, at minimum the employee should disclose it to Compliance, who will determine whether a material conflict of interest exists. The issue may then be escalated to the head of the business unit and the relevant conflicts of interest governing body. The employee may be asked to recuse themselves from any activities related to engagement, as well as follow any further steps determined by the relevant escalation party.</p>	<p>Potential</p>

Conflict name	Description	Conflict type
<p>Outside activities affecting potential engagement</p>	<p>Context Conflicts of interest may arise from an RBC GAM employee’s involvement in an outside activity that could affect, or be perceived to affect, the ability of the employee to properly carry out their responsibilities at RBC GAM and their duties to clients. In the context of active stewardship, this would include an investment professional who holds an outside directorship or has other involvement with an issuer that is the target of an engagement or proxy vote.</p> <p>Mitigating policies & procedures Outside business activities should be approved by both line managers and Compliance. In some cases, the activity may also need to be reported to a third party, such as the Registration group to file an update with regulators. Outside Business Activities disclosure is included in RBC GAM’s mandatory annual compliance training for employees. In the case of a potential engagement, the employee would be asked to exclude themselves.</p>	<p>Potential</p>
<p>Communications about, and participation in, investor initiatives</p>	<p>Context Investor initiatives may add long-term value to portfolios when focused on material issues. However, potential conflicts of interest should also be considered before acting. For example, RBC GAM’s participation in an ill-founded investor initiative may have implications for the affairs and reputation of RBC GAM’s portfolios as well as the affairs and reputation of RBC GAM and RBC. Potential conflicts of interest may arise when the interests of the investor initiative or the interests of the employee(s) participating in the investor initiative conflict with the interests of RBC GAM and/or its portfolios.</p> <p>Mitigating policies & procedures The CIO has discretion to determine whether RBC GAM should participate in an investor initiative. In aiming to ensure that the implications of a proposed investor initiative are considered and addressed, the CIO may consult with the CEO before RBC GAM initiates or participates in any significant investor initiative. In the case of a potential conflict of interest issue with respect to an investor initiative and RBC GAM portfolios, it may be determined that the matter must first be escalated and referred to the appropriate regional independent oversight committee for review and recommendation.</p>	<p>Potential</p>



E. Describe how you maintain a dialogue with clients and/or beneficiaries.

Fair, balanced, and understandable reporting

Transparency and accountability are key to maintaining meaningful relationships with our clients. We strive to provide our clients with regular reporting on our RI and active stewardship activities. Public reports describing RBC GAM's RI activities are reviewed by the RI team, relevant content providers and regional compliance teams prior to publication, aiming to ensure fair, balanced and clear reporting.



Fair

As an investment manager and steward of our clients' assets, RBC GAM has an obligation to act fairly, honestly and in good faith with our clients. In our RI reporting, all publications are reviewed by the appropriate regional compliance teams. The goal is to ensure that information is presented fairly and in line with the regulatory requirements of each of the regions to which the reports apply. We also aim to ensure that material information about our clients' investments is available to those clients for whom the information applies in a fair and timely manner.



Balanced

In aiming to ensure our reporting is balanced and does not overstate the actions or outcomes of any particular team or initiative, relevant RI reports are reviewed and approved by the Head of RI and the CIO. Key publications are also reviewed by the Leadership Committee, which comprises senior executives from across the firm. Relevant sections relating to specific internal teams are reviewed by those teams for accuracy. We also consider feedback from our clients and regulators on our RI publications to help ensure the information presented is meaningful and appropriately balanced across material ESG topics, investment team approaches and case examples.



Understandable

We strive to write all reports and policies in plain language, so that a broad range of stakeholders and clients can understand and interpret the content without specialized knowledge or training. Many of our teams, including some members of the RI team, have completed plain writing training sessions in aiming to ensure that reports are relevant and easy to read.

Meaningful client reporting

To facilitate effective client conversations and in an effort to ensure we are continually seeking to meet our clients' responsible investment needs, we publish the following reports and disclosures on a regular basis:

Method of communication	Type of information
Institutional client reporting	<p>Stewardship reporting</p> <p>We distribute quarterly reports for institutional clients, upon request, that provide updates on our stewardship activities. These include engagement case studies and proxy voting.</p> <p>Several investment teams provide additional client reporting on RI, specific to their investment strategies. For example, the RBC Global Equity team distributes a quarterly <i>Owner's Perspective Report</i> to clients. The BlueBay Fixed Income team distributes quarterly ESG reporting for several strategies where requested. The RBC Emerging Markets Equity, RBC European Equity and RBC Asian Equity teams publish annual Responsible Investment or ESG reports that are available for clients.</p> <p>In 2025, the RBC Emerging Markets Equity team also published its third <i>Climate Report</i>, designed to supplement its annual report (the 10th publication in the same year). In addition, investment teams or the RI team may also publish ESG insight articles on an ad-hoc basis, which are made available to clients through the RBC GAM website(s) or via direct communication.</p>
	<p>ESG reports</p> <p>Institutional clients may request reports with additional ESG-related metrics, such as the carbon footprint of their portfolios. The frequency of these reports is generally based on client need and preference. We provide portfolio climate reports to institutional clients in some regions, as appropriate. These are client-facing reports that meet UK regulatory requirements and include a range of climate metrics for investment strategies, funds or accounts. Reports include metrics related to carbon emissions (absolute- and intensity-based), investment in carbon intensive sectors, temperature alignment and climate scenario analysis.</p> <p>Our quarterly reports for institutional clients may also include updates on our ESG integration approaches, where relevant, and commentary on general ESG topics that may be of interest to clients.</p>
Public disclosure	<p>RI policies</p> <p>RBC GAM publishes certain governing RI policies on our website. <i>Our Approach to RI</i> sets out RBC GAM's overall approach to responsible investment and discusses how different types of investments may integrate ESG factors. It also includes our views on systemic ESG factors that may be material to investments and our portfolios.</p>
	<p>Proxy voting disclosures</p> <p>We publish our <i>Proxy Voting Guidelines</i>, which are reviewed and updated annually to reflect our views on corporate governance practices we believe are in the best interests of our portfolios. RBC GAM also discloses our proxy voting records on our regional websites in accordance with applicable regulations.</p>
	<p>Reporting on our RI commitments</p> <p>We publish reports related to our commitments to the UN PRI, the UK Stewardship Code and the Japan Stewardship Code, as well as an annual <i>RBC GAM Climate Report</i>. These reports are available on our relevant websites.</p> <p>ESG insights</p> <p>We publish ESG insight articles on a variety of ESG-related topics on an ad-hoc basis. For example, in 2025 we published an update on <i>Perspectives on climate change and nature</i>. ESG insight articles are publicly available on our website.</p>

Ways we maintain client dialogue

Some of the ways in which we solicit views from individual investors to inform on our approach to stewardship include:

- **Direct feedback** from clients, advisors, wholesalers and/or sales leadership teams through in-person meetings, electronic communications and events. This feedback is collected and analyzed by sales and distribution teams, with input provided to the RI, investment and product teams, as appropriate.
- Market research conducted by RBC GAM and through third parties, which considers sales analysis, competitive landscape analysis and client preferences and needs.
- Industry-level research and advocacy trends, as part of our membership with the Investment Funds Institute of Canada and the Responsible Investment Association (RIA).

Integration of client feedback

RBC GAM integrates clients' views and feedback into our investment approach, stewardship activities and reporting, where appropriate. The manner with which insights are integrated depends on the type of feedback or request (e.g., knowledge building, disclosure, investment approach), the scope of applicability of the feedback or request (e.g., one client or many) and the type of client (e.g., individual investor or institutional).

For example, for our institutional clients, we are able to integrate their specific needs through segregated portfolios, which can include specific constraints or considerations that reflect their investment goals.

For matters that are material to a broad spectrum of individual investor and institutional clients, we may do the following:

- Identify additional ESG-related data or research sources that may be appropriate to integrate into the investment processes of our investment teams.
- Participate in RI industry initiatives, such as, the 30% Club Canadian Investor Group and Climate Action 100+.
- Update our Proxy Voting Guidelines with the aim of addressing the matter in a way that is consistent with the best interest of portfolios.
- Launch additional client or public reporting to include ESG-related factors or topics that are material to our clients and the investments we manage on their behalf.
- Explore development of investment solutions to respond to client demand.

The following are a few examples of actions RBC GAM has taken in response to specific client feedback in 2025:

Addressing requests for increased insights on climate-related metrics and disclosures	We continue to engage with institutional clients to provide climate-related insights and metrics for their portfolios, when requested and as appropriate. In 2025, we continued to advance the use of a proprietary tool for conducting portfolio carbon attribution analysis, which analyzes what is driving changes in portfolios' weighted average carbon intensity (WACI). This tool provides an analysis of the drivers of change in a portfolio's WACI over time (e.g., quarterly, annually) and determines whether this is due to a change in positions, data coverage, carbon emissions of the underlying investments, or other financial metrics (e.g., sales). Climate-related data quality and coverage is a topic of frequent discussion with clients, when reviewing related reporting. In 2025, we took steps to expand carbon emissions analysis to include sub-sovereign bonds, using the recently published methodology guidance from the Partnership for Carbon Accounting Financials.
Seeking to clarify and improve our methodology for calculating ESG metrics	We have continued to develop reporting capabilities that meet ESG-related regulatory requirements, such as the Climate-related disclosures of the UK Financial Conduct Authority's ESG Sourcebook and Sustainable Finance Disclosure Regulation. ²¹ In 2025, we continued to enhance our methodology and approach to reporting to meet client needs. For example, we introduced additional reporting on year-over-year and quarter-over-quarter metrics into quarterly <i>Portfolio Climate Reports</i> provided to institutional clients on request.

²¹The EU has put in place a transparency framework, the [Sustainable Finance Disclosure Regulation \(SFDR\)](#). By setting out how financial market participants have to disclose sustainability information, it helps those investors who seek to put their money into companies and projects supporting sustainability objectives to make informed choices. The SFDR is also designed to allow investors to properly assess how sustainability risks are integrated in the investment decision process.

<p>Providing analysis of portfolio exposure to nature-related impacts and dependencies</p>	<p>In 2025, we published an updated ESG insight article on Perspectives on climate change and nature, and continued to include nature-related disclosures in our annual RBC GAM Climate Report. In this report, we assessed and reported the exposure of equity investments and corporate bonds to priority sectors and the exposure to issuers with operations or activities in sensitive locations. These are the two core metrics recommended for asset managers by the Taskforce on Nature-related Financial Disclosures. Based on continued interest and feedback from clients, we have applied this analysis to several strategies and shared these results directly with clients. This includes the BlueBay Impact-Aligned Bond Fund’s annual <i>Sustainability Impact Report</i>.²²</p>
<p>Refining our reporting and deliverables to best serve our clients</p>	<p>We consider the effectiveness of our stewardship reporting on an ongoing basis, taking into consideration client feedback, usage, resources required and duplicative efforts. As we continue to enhance our ESG-related reporting capabilities, we seek to take into consideration feedback from clients on what they find useful.</p>

Measurement

We believe that our level of client engagement and reporting is effective in keeping our clients well informed about progress towards their investment goals. In addition to regular institutional client performance meetings, we also gather specific client feedback and evaluations of our performance as their asset manager in an effort to ensure that our institutional clients’ investment goals are being met through our investment and stewardship activities.

These evaluations have confirmed that our methods of gathering and responding to clients’ views, as outlined in this section, continue to be effective.

Asset growth and client retention is another indicator we use in assessing the effectiveness of meeting our clients’ needs in both individual investor and institutional markets. We track this data both internally and via third-party surveys and sales data.

RBC GAM may unintentionally contravene client guidelines from time to time. Examples include investments in a restricted issuer or breaching the concentration limit for an asset class, sector or industry. In such cases, we conduct an internal investigation and notify the client and any appropriate regulatory bodies as required, in accordance with regulatory and/or portfolio mandate requirements.

²²The fund mentioned may not be available in certain jurisdictions.



ACTIVITIES AND OUTCOMES REPORT

1. Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.

ESG integration case studies

The following summaries (and investment case studies in some instances) demonstrate some of the ways that investment teams have integrated material ESG considerations into the investment decision-making process and how information from their integration and stewardship activities may have informed their purchasing, monitoring and exit decisions in 2025.

PUBLIC EQUITIES

RBC Asian Equity team

Approach

The primary focus of ESG integration for the RBC Asian Equity team is risk mitigation. The team seeks to avoid investing in companies with management teams that have incentive structures that enable unscrupulous practices and/or allow companies to abdicate their responsibilities to stakeholders. The team focuses on companies with long-term viability, good corporate governance and high returns and works to produce portfolios that generate alpha.

The team conducts due diligence on ESG matters by directly engaging with management for portfolio holdings, often over multiple years. Material ESG issues are integrated into company engagements, documented via ESG checklists and investment initiation reports and monitored and discussed for material changes throughout the lifetime of the investment.

CASE STUDY: Indian Telecommunications Company

Objective:

Gain insights on external ESG rating.

Analysis:

The team met with an Indian telecommunications company to discuss the assessment of the company's ESG performance as rated by a third-party data provider, in this instance, MSCI ESG. Towards the end of 2024, MSCI ESG downgraded the company from a "BBB" to a "BB" (previously the company had also held a rating of "A"). The investment team reviewed MSCI ESG's research report on the company, concluding that labour management and governance were the main drivers that contributed to this downgrade. That said, at the time of the downgrade, MSCI ESG rated the company's corporate governance practices to be average relative to global peers. Regarding labour management, MSCI ESG indicated a high risk due to the labour-intensive nature of the company's operations and the prevalence of labour unrest in India. More recently, the company has also been involved in disputes surrounding the alleged under-reporting of adjusted gross revenues (AGR).

The investment team discussed these concerns with company representatives and indicated the importance of engaging with MSCI ESG directly to ensure any assessment was an appropriate reflection of the company's practices and performance. The company gave details of its efforts to engage with MSCI ESG on these matters to date and shared information on the AGR issue, which dates back to 2019, and indicated that it is in the process of being resolved. The team further discussed the labour issues as flagged by MSCI ESG but were not able to find tangible examples.

Outcome:

When cross checking against other third-party data provider research, the team found the company was shown to have mid to low ESG risk with room for improvement across certain areas, but no major concerns were raised. The investment team will continue to monitor MSCI ESG's views on the company and encourage dialogue between the two parties to help ensure the information being used for the report is accurate and up to date. The team viewed the response from company representatives as comprehensive and maintained its conviction in this holding.

RBC Emerging Markets Equity team

Approach

The RBC Emerging Markets Equity team approaches ESG analysis in the same manner as financial metrics, as the team believes ESG matters may have a material impact on a company's long-term performance.

ESG analysis is integrated throughout the team's research platform. Top-down research is conducted on specific ESG themes and bottom-up ESG analysis at a security level is considered as part of portfolio construction through the team's investment scoring methodology. The team uses its ESG scoring methodology to identify companies with leading ESG practices. The team conducts additional independent research and engages directly with companies and monitors ESG factors throughout the lifetime of the investment.

CASE STUDY: South American Mining Company

Objective:

Gain a better understanding of community-relations practices and social impact of the firm.

Analysis:

The company is a premier copper mining company operating primarily in Chile, with key assets including Los Pelambres in the Coquimbo region and Centinela, Antucoya and Zaldívar in the Antofagasta region. Its operations focus on low-cost copper production, leveraging innovations such as autonomous trucks and seawater-based processing to enhance efficiency and sustainability. The company's approach to community engagement has matured over two decades, shaped by the socio-environmental and indigenous complexities of Chile's mining regions. Since the early 2000s, the company has prioritised dialogue with local residents to build trust and social legitimacy regarding its operations, guided by its Social Management Model and compliance with International Labour Organisation (ILO) Convention 169 for Indigenous rights. Today, community policies continue to focus on collaboration, economic empowerment and environmental stewardship. Over the past decade, the Somos Choapa programme has grown significantly, delivering projects like irrigation systems for farmers and expanded educational scholarships, improving quality of life across Coquimbo. The En Red-Digital Community initiative, launched in 2021, provides digital connectivity and rural healthcare access, addressing the digital divide in areas like Choapa's Camisas Valley with impactful outcomes. The company's historical record of community-engagement policies and its future outlook mitigate risks in a supply-constrained copper market, where the industry faces significant social and environmental hurdles. By fostering economic growth through local hiring, small to medium size enterprise (SME) development and infrastructure sharing, the company creates sustainable value, enhancing regional stability and ensuring project continuity. By addressing historical challenges and scaling forward-thinking programmes, the firm has strengthened its role as a trusted regional partner committed to delivering value to local communities and shareholders alike.

Outcome:

Overall, the team felt satisfied by the update and will continue to monitor and measure the company's progress in this area.

RBC European Equity team

Approach

The RBC European Equity team sees ESG integration as important to risk management and a way of identifying additional investment opportunities. ESG research and analysis occurs alongside financial analysis as part of the team's deep-dive fundamental research, which focuses on issues that may materially impact companies in which the team is considering investing or is already invested.

CASE STUDY: UK Machinery and Supplies Company

Objective:

Discuss and understand cybersecurity incident and mitigating measures.

Analysis:

Early in 2025, a British engineering company announced that it had suffered a cybersecurity attack on its business. The team engaged with the company to discuss the ramifications from the incident, what measures had been in place and what the company was doing going forward. At the time, the company expected to have costs of £20-25 million and a 1% impact on growth for the year. It had cybersecurity defences in place but it was a very sophisticated attack. The company was able to restore its data and was able to run software from the backups but the attack did cause the company to take a lot of information and work offline.

The company is revisiting its cyber software partners but has also decided to have protocols in place so that multiple units of the business are not simultaneously vulnerable. Overall, the company was offline for approximately 10 days. Its Industrial Automation division was most impacted as 20% of the business likely missed out on sales. The company expected that some of its sales would be pushed back one quarter rather than lost completely.

Outcome:

The company did recover much of the sales in the industrial automation business in the second half and the company was well on track to deliver on its growth guidance. The team viewed the response from company representatives as comprehensive and maintained its conviction in this holding.

RBC North American Equity team

Approach

The RBC North American Equity team integrates ESG factors by researching and analyzing key themes and trends affecting sectors and companies and incorporating these alongside the team's fundamental analysis, where considered material.

Among other tools, the team employs an internal questionnaire to identify ESG factors that could impact the profitability and sustainability of applicable companies in which the team. In doing so, the team seeks to understand the financial and reputational impacts of these factors, assess the degree to which they are reflected in the current valuation and incorporate material factors into the overall investment decision. The information and analysis gathered via the team's ESG questionnaire framework can further be incorporated into scenario analysis and ongoing portfolio monitoring, when it is found to be material.

CASE STUDY: Canadian Resource Company

Objective:

Assess governance improvements and strategic repositioning to enhance long-term shareholder value.

Analysis:

The team engaged directly with the board chair of a Canadian resource company to discuss critical governance and performance challenges. The engagement centred on two key areas: risk mitigation and value creation. On risk mitigation, discussions focused on addressing underperformance in key asset portfolios, managing jurisdictional risks through improved partner selection and risk-sharing arrangements and strengthening capital allocation discipline and governance processes. The board chair was also working to support succession planning during organizational restructuring. For value creation, the engagement explored optimizing the asset portfolio through strategic divestments of underperforming assets, enhancing operational focus on highest-return segments and strengthening leadership capabilities across management transitions. The discussions emphasized the importance of improving capital allocation frameworks to better align with long-term shareholder interests.

Outcome:

The situation remains ongoing. The board chair demonstrated strong governance leadership by proactively addressing performance issues and implementing rigorous succession planning processes. The team viewed the chair's focus on refocusing the organization around core strategic priorities as a positive development. Continued monitoring of the company's progress on asset optimization and governance improvements will be important to assess the effectiveness of these initiatives. Overall, the discussion did not meaningfully impact the investment team's views on the company and the team will continue to monitor the company's progress.

RBC Global Equity team

Approach

The RBC Global Equity team believes that over the long term, investing in great companies at attractive valuations generates value for shareholders that exceeds the return from the average company or the market. The team believes that by evaluating the performance of extra-financial factors, including material ESG factors, it can reduce risk, uncover alternative sources of alpha and achieve a responsible allocation of capital.

ESG research and data are assessed as part of the fundamental analysis that comprises an investment's stock review report. An internal ESG score is developed and the results of ESG analysis and scoring may be directly integrated into the financial model for that investment and ESG factor-driven scenario analysis, when material. Material ESG factors are further monitored at both the portfolio and investment levels throughout the lifetime of the investment.

CASE STUDY: Interactive Media and Services Company

Objective:

Reputational risk associated with anticompetitive and antitrust cases.

Analysis:

The team conducted in-depth research to assess the materiality of risks associated with a U.S. technology company's ongoing anticompetitive and antitrust cases. This included:

- A fundamental review of the company's competitive moat under various regulatory remedy scenarios (related to the company's ad business).
- Leaning on expert interviews to evaluate how the company was strengthening its risk and compliance frameworks at the board and firm-wide levels.

Outcome:

Ultimately, this analysis led to a change in the investment team's internal ratings for the company and divestment from the stock in certain portfolios. The team concluded that reputational risks, coupled with emerging threats from artificial intelligence (AI) chatbots to the company's search business rendered the valuation unattractive.

RBC U.S. Growth Equity team

Approach

The RBC U.S. Growth Equity team seeks to invest in quality companies that operate in attractive end markets, are market leaders, are gaining share and have management teams that both enhance operations and have positive track records of capital allocation. The team believes that companies that outperform their peers on material ESG factors have the potential to generate added value to shareholders. ESG research and analysis is integrated as part of the initiation process for evaluating new companies and potential investments within the team's coverage universe and material factors are monitored throughout the lifetime of the investment. ESG risks and performance are also monitored on a portfolio level and additional analysis is undertaken when material changes or events occur.

For U.S. small-capitalization issuers in particular, governance-related issues like board composition, executive pay and quality of management are typically the most material ESG factors. In addition, companies in this market tend to be earlier in their ESG disclosure journey, so the team often relies on external data and direct engagement with companies to gather information and understand how these issuers are managing material ESG factors.

RBC Quantitative Investments team

Approach

The RBC Quantitative Investments team has integrated sustainability into its systematic quantitative investment process. Given the team's belief that inferior ESG characteristics (management of and/or exposure to material ESG-related risks) may correspond to elevated investment risk, the team integrates two ESG controls directly in its models, for applicable portfolios. First, it controls the exposure to assets that rate poorly on ESG characteristics. Second, it controls the portfolio's average ESG characteristic exposure, so it exceeds a predetermined threshold (the minimum ESG threshold for each portfolio is based on the ESG characteristics of its underlying index). The ESG controls are integrated into the team's systematic investment processes in such a way that they reduce exposure to the most material ESG risks. As part of the implementation process, the team monitors ESG data points for its portfolios and maintains an internal ESG dashboard for this purpose.

PH&N Canadian Equity team

Approach

The PH&N Canadian Equity team's ESG integration process focuses on ESG issues that may materially impact the future value of the company being evaluated, positively or negatively. The team uses its internal ESG scoring framework, ESG data and due diligence to assess companies' ESG performance and the materiality of ESG risks and/or opportunities. The team also uses a relative-ranking methodology to compare securities to others in the same sector on ESG performance. The ESG scores and analysis are incorporated into the team's overall investment research and conviction score, which drives security selection and portfolio construction. Material ESG factors are monitored over time for securities in the portfolio.

CASE STUDY: Canadian Telecommunication Company

Objective:

Understand competitive behaviour and practices.

Analysis:

The team reviewed a Canadian communication company's plan for wireless price increases in Canada. Wireless pricing is a challenging social issue. On one hand, it improves industry economics if the market behaves like an oligopoly, which is historically how the Canadian market has behaved. On the other hand, an oligopoly can hurt consumers through higher prices and limited choices. Recently, the industry has been competing hard on price – benefiting Canadian consumers but hurting companies. However, competition seems to be subsiding and oligopolistic behaviour returning.

Outcome:

Through its deliberation, the team landed on a modest improvement in its conviction that industry pricing has troughed. However, it believes that companies are sensitive to acting too soon and risk losing market share if mishandled. The investment team continues to monitor the industry trend more broadly and the approaches of individual companies considered for investment in its portfolios.

FIXED INCOME

BlueBay Fixed Income team

Approach

BlueBay Fixed Income team analysts conduct ESG evaluations as part of their fundamental credit research, with the RBC GAM RI team reviewing the outputs where applicable. This process enables identification, assessment and documentation of material ESG risks and determines the extent to which these risks are considered material for issuers and the securities they issue. ESG evaluations are undertaken for both corporate and sovereign issuers for in-scope investments.

The BlueBay Fixed Income team issues ESG evaluation framework results in two distinct but complementary proprietary ESG metrics:

- *Fundamental ESG (Risk) Rating*, which indicates a view on the quality of management of material ESG risks faced by the issuer.
- *Investment ESG Score*, which reflects an investment view on the extent to which the ESG risk factors (as denoted by the Fundamental ESG (Risk) Rating) are considered material and to have an impact on valuations and creditworthiness.

These two data points enable the investment team and the RI analysts to express their ESG views on an issuer. The metrics can then be used by portfolio managers to inform portfolio construction decisions.

CASE STUDY: European Healthcare Provider

Objective:

Assess governance risks.

Analysis:

A European healthcare provider was assessed by the team to determine its investment suitability in light of an upcoming primary bond issuance. The assessment resulted in a view that the company has a 'high' Fundamental ESG (Risk) Rating due to significant governance concerns and what is considered inadequate safeguards for managing potential conflicts of interest. While the group's underlying healthcare business demonstrated robust operational resilience and growth potential, the team did not deem these sufficient to offset the identified governance issues.

Outcome:

The decision made by the team was to not participate in the primary debt issuance. This case illustrates the critical importance of governance transparency in both ESG and credit assessments, even for entities operating in defensive, high-demand sectors like healthcare.

RBC Investment Grade Corporate Fixed Income team

Approach

The RBC Investment Grade Corporate Fixed Income team, which is part of the RBC Global Fixed Income and Currencies team, incorporates ESG factor analysis into the credit review process to evaluate risk exposure for applicable types of investments. Research is conducted on issuers under coverage and credit and ESG reports are created to document the team's analysis. Reports include an assessment of the credit fundamentals, along with ESG risks and opportunities deemed material to the investment. These considerations form the basis of the investment recommendation. Material ESG factors are monitored throughout the lifetime of investments.

CASE STUDY: North American Apparel Manufacturer

Objective:

Determine whether the team should invest in an inaugural bond issue.

Analysis:

As one of the largest apparel manufacturers in North America, the company employs overseas labour in developing nations, particularly in Bangladesh, where it has greatly increased its manufacturing presence in recent years. Labour safety and welfare are particularly relevant social issues for the company. For instance, there was a significant supply chain incident that resulted in mass casualties in 2013. The team engaged with the company's management on worker safety/welfare and learned that the company has obtained internationally recognized safety certifications in some of its manufacturing facilities and it is working towards 100% certification on all factories operating in Bangladesh in the medium term. In terms of its raw material procurement, 100% of the cotton used in manufacturing is sourced from the United States, where it is ethically harvested.

Outcome:

The team assessed the company on ESG factors and concluded that it has average ESG-risk exposure compared to peers. Management is conscious about the inherent social risk of operating in developing nations that have historically had poor performance regarding workers' safety and welfare. The team recommended participation in the company's inaugural bond issuance.

Approach

The RBC European Fixed Income team, part of the RBC Global Fixed Income and Currencies team, believes that material ESG factors may impact investment returns over the long term. The team assesses ESG factors for dual purposes—risk management and identifying alpha opportunities within its investment universe. The team assesses ESG factors as part of its quantitative screen of corporate issuers in each sector. Within this analysis, the team ranks 800+ European corporate issuers within the investment universe based on their ESG and credit profiles relative to sector peers. This enables the team to identify companies with strong or improving credit fundamentals to be shortlisted for inclusion in portfolios, while avoiding those with lower rankings. For potential investments, due diligence on ESG factors is conducted and included in credit research reports for each issuer. Security selection and portfolio construction decisions are made holistically, taking into consideration both financial and ESG performance. Material ESG factors are monitored throughout the lifetime of investments.

CASE STUDY: German Rail Transportation Company

Objective:

Exploring how infrastructure, defense and the energy transition impact the company's strategy.

Analysis:

The team met with the company's investor relations and sustainable finance representatives to discuss its financial profile, future funding plans/needs, allocation of capital and its ESG strategy. Topics discussed included German rail infrastructure as well as the country's energy transition plans, including the phasing out of nuclear energy, switching to renewable sources of energy and the stopgap increase in coal-powered generation.

The company is a key player in Germany's energy transition plan and climate change goals as rail infrastructure will allow for more efficient use of transport energy with strong potential for decarbonization. Of the total €500 billion German infrastructure package, the government is increasing investment spend in rail infrastructure with approx. €150 billion budgeted through the mid-2030s. Despite the government ownership, investment grants for the company are expected to come from the special infrastructure fund rather than equity injections, which were separate from the government budget in the past. The new funding provides for greater flexibility. Further funding is also expected from the European Defence Fund as rail infrastructure remains a key component of European security.

Outcome:

Overall, the meeting and analysis reinforced the team's constructive views on the company, both from a fundamental investment and ESG standpoint. The team determined the company was well positioned to benefit from the long-term strategic investment themes. The team will be seeking opportunities (where feasible) to add exposure to the issuer's bonds across its portfolios.

RBC High Yield Fixed Income team

Approach

The RBC High Yield Fixed Income team, part of the RBC Global Fixed Income and Currencies team, incorporates material ESG factors analysis as part of the overall credit assessment for potential and current portfolio investments. Where material data is available, the analysis may include metrics, trends and peer and industry comparisons. Material ESG risks and opportunities are considered holistically in the investment analysis, in conjunction with the other non-ESG factors included in the credit assessment.

CASE STUDY: U.S. Diversified Holding Company

Objective:

Reassess ESG risks and opportunities, including succession planning.

Analysis:

The team reassessed its thesis on a diversified holding company spanning across multiple business segments. Merits at the time of the previous review included solid diversification, supportive corporate liquidity, a multi-decade track record and supportive asset coverage – in addition to high-single- to low-double-digit yields. However, the company has consistently scored poorly in the team's ESG analysis. Its significant refining and manufacturing operations exposed the company to risk related to GHG emissions and environmental waste. Limited procedures in place to improve safeguards and limited disclosures also raised concern. In addition, the team was concerned about succession planning given the controlling shareholder's eventual retirement. The controlling shareholder is a prominent investor and the primary decision maker at the company.

Outcome:

An updated reassessment of the risks and opportunities of this investment led the team to conclude that ESG concerns and operating performance posed a growing risk to bondholders. The decision was made to reduce investment exposure in the company's bonds.

RBC Developed Markets Sovereign Fixed Income team

Approach

The RBC Developed Markets Sovereign Fixed Income team is part of the RBC Global Fixed Income and Currencies team and its ESG analysis uses both a qualitative and quantitative approach. The global sovereign bond market has a diverse set of issuers for whom ESG factors have differing levels of materiality. Therefore, the application of the ESG framework will differ between groups of sovereigns. At one end of the spectrum, there are sovereign bond markets that are primarily driven by growth and inflation risk, while at the other end, the sovereign bond markets are primarily driven by credit risk where the materiality of ESG factors are more relevant. Using the Global Fundamental Model framework (refer to RBC Emerging Markets Sovereign Fixed Income below), the team generates proprietary ESG scores for countries and tracks them over time to identify improving or deteriorating trends in a country's ESG fundamentals. The ESG pillar in the Global Fundamental Model incorporates 30 indicators and multiple metrics per indicator that fit into the team's country scorecard framework.

Approach

The RBC Emerging Markets Sovereign Fixed Income team, part of the RBC Global Fixed Income and Currencies team, believes that ESG analysis is an important element when investing in emerging market (EM) credit. Among EM countries, which tend to have weaker governance structures than those in developed markets, the team generally prefers to invest in countries with stronger ESG scores, provided that valuation is attractive. Along with other macroeconomic fundamental factors, the team believes that higher ESG scores reflect both the ability and willingness of countries to service their debts. ESG scores are derived using the team's proprietary Global Fundamental Model framework. Using back testing and fundamental analysis, the team has identified the ESG factors it believes to be most material to sovereign fixed income investing. These factors are directly built into the Global Fundamental Model framework, which results in a relative ranking of countries on ESG and other fundamental factors. Results of the Global Fundamental Model are paired with analysis of current valuations to identify issuers warranting further due diligence and potential investment. The team monitors the ESG fundamentals of more than 80 EM sovereign issuers.

CASE STUDY: Central and Eastern European Sovereign

Objective:

Scoping political governance and institutional stability risks stemming from the country's presidential election.

Analysis:

The country's first round presidential election results created significant market volatility, with the sovereign credit spreads widening on the long end of the yield curve. This pricing dislocation saw the sovereign trading at levels comparable to single-B credit rated issuers despite maintaining investment grade (IG) status and EU membership.

The investment team's risk assessment incorporated multiple dimensions:

- Macroeconomic factors: While fiscal deficits remained a concern, the sovereign debt-to-GDP ratio below 60% compared favourably to European peers.
- Technical analysis: Market pricing reflected high probability of rating downgrade to high yield (BB/B levels).
- ESG/governance considerations: the sovereign structural dependence on EU funding created strong incentives for any elected government to maintain European alignment and adopt centrist policies.

The team assessed that the extreme spread widening exceeded fundamental credit risks, as the country's EU membership and funding dependencies would likely constrain policy divergence regardless of electoral outcomes.

Outcome:

The analysis supported the case for increasing sovereign investment exposure, viewing the political risk premium as an attractive entry point with asymmetric risk-reward dynamics. This decision reinforced the team's conviction in the issuer's fundamental value proposition. The market-friendly political candidate's second round electoral victory validated the team's thesis, with credit spreads tightening further by year-end, demonstrating how incorporating governance risk analysis enhanced the investment decision-making process.

RBC Canadian Governments Fixed Income team

Approach

The RBC Canadian Governments Fixed Income team, part of the RBC Global Fixed Income and Currencies team, considers material ESG factors for issuers covered by the team to complement the assessment of Canadian provincial governments and inform fundamental analysis in general, with the objective of identifying meaningful risks and opportunities associated with ESG factors and the potential for impact on the team's investments.

CASE STUDY: Canadian Provincial Governments

Objective:

Incorporate emergency management budget – natural disaster risk analysis.

Analysis:

The team considers a province's emergency management budget as a percentage of GDP to be an important ESG consideration. Emergency management helps keep people safe and secure by coordinating with other organizations to prepare for emergencies and respond to them. Generally, the higher the emergency management expenditure allocation, the better the province will be prepared. The emergency management analysis incorporates a factual assessment of natural risk categories into the team's evaluation framework. Provinces may develop comprehensive natural disaster risk policies without corresponding budget commitments.

Outcome:

The investment team identified a specific provincial government demonstrating the pattern of maintaining strong policy infrastructure while providing limited financial resources for natural disaster risk management. Although this did not result in a change in the team's portfolios, its Environmental Score methodology accounted for this discrepancy by applying a downward adjustment to reflect the province's implementation capacity.

RBC Alternative Investments team

Approach

The RBC Alternative Investments team considers material ESG risks and opportunities implicitly in the initial and ongoing credit analysis process. The credit risk inherent in high yield bonds requires stringent analysis before a bond is considered for the team's high conviction portfolio. The investment process begins with the North American high yield universe and applies several screens: industry fundamentals, credit metrics, ratings, security selection and valuation. This process then leads to active credit monitoring, investment thesis revisions and dynamic position sizing.

Environmental tail risks that could lead to credit deterioration (e.g., oil spills, decommissioning liabilities) are carefully analyzed. The team is mindful of avoiding sectors and issuers exposed to social risks without commensurate return (e.g., aggressive interest rates charged to vulnerable borrowers at payday lenders, egregious drug price increases at certain pharmaceutical companies) and views corporate governance as an important piece of analysis and decision making, aiming to invest in issuers with excellent alignment between key stakeholders, including their interests as creditors.

CASE STUDY: Canadian Leasing and Lending Services Company

Objective:

Information gathering to assess management changes and borrower assistance tools.

Analysis:

The team engaged with management from a Canadian leasing and lending services company, including the Chief Risk Officer and interim Chief Financial Officer (CFO) after the departure of his predecessor. The team discussed the CFO's prior work experience (20+ years in financial services, including two previous CFO positions at well-known financial institutions) and reasons behind the departures of two key executives at the company in 2025. The company was also recently targeted by a short seller in the market, in part for its use of borrower assistance tools when customers face financial difficulties.

Outcome:

The team came away with a better understanding of how the company works with its customers and uses these tools in select cases to mitigate credit losses and lower the level of delinquencies in the loan portfolio. While the interim CFO is a seasoned executive and responses to the team's questions were adequate, management turnover and credit concerns raised in the short report lessened the team's confidence in the company on management of material ESG risks – governance and social factors, in particular. As a result, the investment team trimmed the position in the company's bonds.

PH&N Fixed Income team

Approach

The PH&N Fixed Income team's key objective is to add value while managing risk and the team's ESG integration approach aligns with this objective.

The team conducts research and analysis at the sector level, which includes an assessment of material ESG factors, themes and trends affecting that sector. The team then completes in-depth fundamental and ESG analysis at the issuer level, gathering information from multiple sources including direct engagements. Ultimately, the team's analysis forms the basis of a credit report and an internal ESG score, which is used to inform security selection and portfolio management decisions. Material ESG issues are monitored throughout the lifetime of the investment.

CASE STUDY: Canadian Government Institution.

Objective:

Labelled bonds, first nations benefits and outcomes.

Analysis:

The investment team initiated discussions with the issuer (a non-profit financial institution) and the dealer to address potential participation in an upcoming issuance. The investment team manages some portfolios that apply fossil fuel-related exclusions. Given the issuer's plans to be involved in an energy project, the team asked about a formal ESG-labelled bond framework. The team noted that although the issuer's bonds were tagged as ESG-labelled in Bloomberg, it did not have a framework compliant with the International Capital Market Association (ICMA) principles. The issuer responded positively to the team's concerns and indicated a willingness to explore a formal framework. However, the issuer also acknowledged significant compliance challenges given its membership structure and a framework's associated reporting obligations.

Throughout the discussion, the issuer emphasized the significant social co-benefits generated for their members through project infrastructure financing, including community development initiatives.

Outcome:

At a subsequent conference in Toronto, the team met with the issuer again to discuss its inaugural 30-year bond issuance associated with the project. The issuer outlined its approach of maintaining separate funding streams through distinct bond tenors and utilizing separate Debt Reserve Fund and Sinking Fund accounts for each debenture and borrowing member. However, the issuer had ultimately determined it would not establish a formal ESG-labelled framework due to various factors. Despite maintaining a positive view on the issuer, the team did not participate in the issuance for portfolios with fossil fuel-related exclusions. The team continues to have an open dialogue with the issuer.

REAL ASSETS

RBC GAM Private Markets Real Estate Investments team

Approach

As part of the RBC GAM Private Markets Real Estate Investment team's ESG integration process, new investments are integrated into the overall portfolio's ESG monitoring framework, which includes reporting and benchmarking. Prior to acquisitions, the deal team (alongside the co-investment partner's team) conducts thorough building condition, climate risk and environmental assessments, which are integral to the transaction analysis. The team leverages proprietary tools and external data to assess climate risks and environmental consultants are also engaged. The team assesses material social and governance risks as well, including due diligence on tenants to mitigate reputational risks and ensure alignment with the fund's ethical standards. Most portfolio-level monitoring is done through the fund's annual GRESB submission. GRESB is a globally recognized sustainability reporting framework for real estate and infrastructure investments.

CASE STUDY: Canadian Core Real Estate Fund

Objective:

Safety and building condition assessments.

Analysis:

During the year, the Fund was actively engaged in the acquisition of a portfolio of residential properties from a third-party vendor. During the due diligence process, the Fund engaged independent consultants to conduct Building Condition Assessments (BCAs) for each property. These assessments were undertaken to verify that all assets met the Fund's rigorous standards for safe, healthy and habitable residential environments. Upon reviewing the BCAs, it was determined that certain properties did not meet the physical condition standards required by the Fund to provide to its tenants and would require significant capital to upgrade to the required standards.

Outcome:

The BCA findings revealed that several properties fell short of the Fund's established physical condition and habitability requirements, with remediation necessitating substantial capital investment. The Fund exercised disciplined stewardship by declining this investment opportunity, prioritizing the fiduciary duty to current and prospective tenants.

RBC GAM Private Markets Mortgage Investment team

Approach

Given the illiquid nature of the commercial mortgage market, mortgage investments are typically held to maturity. This makes the analysis of ESG factors an important component of risk management for mortgage investments. The RBC GAM Private Markets Mortgage Investment team views ESG risks as falling into two main categories: property-specific and borrower-specific. Property-specific risks encompass a wide range of environmental risks, such as land contamination, air quality and climate-related risks and building risks, such as building materials, physical condition, and health & safety issues. Borrower-specific risks encompass a range of potential ESG factors and the team places a high degree of importance on a borrower's reputation in the industry and their management of their overall real estate portfolio. The focus is to lend to high-quality, high-integrity real estate owners who have demonstrated their ability to successfully manage real estate over time.

Approach

Infrastructure investments may be involved in the delivery of an essential service to the public and therefore innately attract a high degree of oversight and scrutiny from a range of stakeholders. In recognition of this, material ESG factors are integrated throughout all stages of the investment lifecycle: co-investment partner selection, investment screening, investment due diligence and investment management and governance. For this reason, the team takes an active approach in assessing and managing any prospective investment across each element of the lifecycle.

CASE STUDY: North American energy infrastructure company

Objective:

Gain better understanding of environment and climate change issues, social and human capital topics, business model and innovation, leadership and governance alongside legal and regulatory developments.

Analysis:

The company is involved in the development and operation of utility-scale renewable energy and transmission projects and has a diversified portfolio of core operating projects that comprise onshore wind, solar, transmission and battery storage, with value underpinned by long-term contracts.

Specific issues considered include the implications to existing and planned power generation and transmission given recent changes to clean energy tax incentives and loans, permitting and siting regulations, trade tariffs and the regulatory environment. The company provided transparent disclosures related to emissions and climate-related risks and opportunities, with additional areas for consideration related to physical climate risks and assurance. Energy infrastructure can both support and impact local communities and Indigenous peoples affected by infrastructure assets. Due diligence considered how community stakeholder and Indigenous peoples were identified, consulted and engaged in project development and operations. The company also has a human rights statement and confidential grievance hotline. The health and safety of workers is an important aspect of company operations from a legal, regulatory and employee perspective. The company has comprehensive health and safety processes and policies, on-site training, site audits and reports on safety incidents. Consideration of management and board structure and oversight is foundational to good governance, which was informed by direct dialogue with key directors, as well as a review of policies and practices related to business ethics.

Outcome:

The investment opportunity was included in the fund in 2025.



2. Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets.

RBC GAM risk oversight

At the firm level, RBC GAM establishes a risk appetite on an annual basis and maintains a risk register of the most material risks facing our business including business risks, investment risks, group financial risks and operational risks. ESG risks may be included if deemed material. At the firm level, these risks are managed as follows:

- For quantifiable market factors like currency and concentration risks, limits may be implemented on each investment portfolio's allowable exposure to those factors. These limits vary with the strategies' investment goals, risk tolerance and benchmark. Except for strategies managed by the BlueBay Fixed Income team,²³ RBC GAM strategies are typically monitored daily by internal systems and reviewed at least quarterly by the regional Investment Risk Oversight Committees, which include the Head of Risk and the Head of Investment Policy, among others. For BlueBay Fixed Income team strategies, these are monitored daily by internal systems and reviewed at least weekly by the Market Risk Committee, which includes the BlueBay Fixed Income team CIO and Head of Risk for EMEA-APAC, among others.
- We may use active stewardship for risk management purposes related to, but not limited to, systemic ESG risks (such as governance, climate change and nature and human rights) and market-wide issues (such as respect, and fair and efficient markets). This may include direct and RI industry initiative engagements and proxy voting, to convey our views and contribute to outcomes, where appropriate.

At the investment strategy level, the RBC GAM Investment Strategy Committee (RISC) reviews assessments of global fiscal and monetary conditions, projected economic growth and inflation, as well as the expected course of interest rates, major currencies, corporate profits and stock prices. From this global forecast, the RISC develops specific guidelines that can be used to manage portfolios. Where material, this may include ESG-related risks, including climate change. Results of the RISC deliberations are published quarterly in the Global Investment Outlook. RISC is chaired by the CIO or their direct reports. The Investment Risk team oversees investment risks including market risk, counterparty risk and liquidity risk at both a portfolio and firm level. Working with the Investment Policy team, the Investment Risk team is responsible for establishing risk appetite and risk budgets at the portfolio level. Risk limits including diversification and asset quality requirements are established in investment mandates for each portfolio and are monitored daily. These limits vary with the strategies' investment goals, risk tolerance and benchmarks. Any breaches of internal investment portfolio mandate tolerances are flagged and followed up on by the Investment Policy team. While all internal investment portfolio mandate limits are reviewed periodically by the CIO and the Head of Investment Policy, the Investment Risk team monitors the risk profile of portfolios and adherence to risk budgets. The RBC GAM Investment Risk Committee (GIRC), along with regional committees for the United States (Investment Risk Oversight Committee) and EMEA-APAC (Market Risk Committee), provides additional investment risk oversight and governance. The GIRC is chaired by the CIO and includes the regional Heads of Risk Management and the Head of Investment Policy, among others. The GIRC committee reviews the risk profile of portfolios and discusses

²³BlueBay Fixed Income team is an investment team within RBC GAM.

material risks that may impact investment performance, including sustainability-related risks such as climate risks when material.

At the firm level, RBC GAM establishes a risk appetite on an annual basis and maintains a risk register of the most material risks facing our business including business risks,

investment risks, financial risks, and operational risks. Sustainability-related risks such as climate risks may be included if deemed material.

Potential risks associated with investing in our funds are disclosed in the investment prospectus.

Governance

Although any ESG factor may be material to an issuer depending on its sector or geography, we believe governance is material to all issuers. We believe that issuers with good governance practices are better able to focus on long-term, sustainable growth; pose less risk for equity investors due to proper alignment of shareholder and management interests; are more likely to issue fixed income instruments with higher credit quality and lower credit risk; and are more likely to effectively manage environmental and social risk factors.

Proxy voting

We align our proxy voting with the commitments of Our Approach to RI, as described in our Proxy Voting Guidelines. This includes issues related to boards of directors, management and director compensation, takeover protection and transactions, shareholder rights, shareholder proposals and management, environmental and social proposals.

Engagement

Our investment teams may engage directly with the issuers in which they are invested on material governance issues, either as part of investment initiation, ongoing engagement, or as part of proxy voting activities, for applicable types of investments. Topics we frequently engage on across markets in our equity and fixed income investments include the following:

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

RI industry initiatives

Our RI industry initiatives related to governance include:

- Canadian Coalition for Good Governance (CCGG)
- Council of Institutional Investors (CII)
- Emerging Markets Investors Alliance (EMIA)
- International Corporate Governance Network (ICGN)
- Responsible Investment Association (RIA)

2025 Highlights

- Voted against the election of roughly 13% of directors up for election due to governance concerns (excluding bundled director elections, cumulative director votes, supervisory board member elections, shareholder proposals with director nominees and certain other circumstances), voted against approximately 10% of proposals on advisory votes on executive compensation plans and 18% of proposals on remuneration policies and supported 100% of shareholder proposals requesting an independent board chair in 2025.²⁴
- Participated in CCGG's collective engagement program and provided input for three collective engagements on governance topics. CCGG completed 25 collective engagements.
- Served on the CCGG Public Policy Committee, ICGN Global Governance Committee and the RIA Board of Directors, among others.

²⁴The proxy voting statistics include voting for all of RBC GAM except for certain portfolios managed by the BlueBay Fixed Income team, externally managed sub-advised funds and specific institutional accounts. In some cases, we may have also voted against a director's election based on environmental and/or social issues.

Climate change and nature

RBC GAM believes that climate-and nature-related factors are systemic risks that may materially affect issuers and the economies, markets and societies in which they operate. Mitigating GHG emissions may reduce the systemic risks that climate change poses. We also recognize the importance of the global goal of achieving net-zero emissions by 2050 or sooner, 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 risk-adjusted, long-term performance of those issuers.

In addition to the three pillars of our approach to RI, 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 whom we believe are not managing this risk effectively by 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, guided by the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). We acknowledge the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), which we believe will enable enhanced disclosure of material nature-related risks and opportunities. We provide some nature-related disclosures in our annual climate report.

Proxy voting

We align our proxy voting with the commitments of Our Approach to RI, as described in our Proxy Voting Guidelines.

Where climate change poses a financially material risk or opportunity to a company, we believe climate-related disclosures are beneficial in providing shareholders with the ability to evaluate how a company is addressing material climate-related risks and opportunities. We expect issuers to be guided by the recommendations of the International Sustainability Standards Board (ISSB) and/or the recommendations of the Task Force on Climate related Financial Disclosures (TCFD). We expect issuers for which climate change is a material risk to:

- Work towards identifying and publicly disclosing material financial and strategic impacts resulting from the transition to a net-zero economy.
- Establish credible targets and develop action plans aligned with achieving net-zero emissions by 2050 or sooner. We also expect them to demonstrate progress in meeting their commitments.

We evaluate climate-related shareholder proposals on a case-by-case basis. When evaluating climate-related shareholder proposals, we may consider:

- The industry in which the company operates and the materiality of the requested disclosure in that industry.

- The company's existing publicly available information on the potential impacts of climate change on its operations, strategy, or viability.
- Existing oversight, policies and procedures on climate-related risks and opportunities.
- The company's level of disclosure and preparedness compared to that of its industry peers.
- Whether the company has recently been involved in climate-related controversies resulting in fines, litigation, penalties, or significant environmental, social, or financial impacts.
- The company's existing climate-related targets, commitments and initiatives.

Where we determine it is in the portfolio's best interests to do so, we will generally support proposals requesting:

- That a company disclose the organization's governance around climate-related risks and opportunities.
- That a company disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning. This includes disclosure of the results of climate scenario analysis and related assessments.
- That a company disclose how the organization identifies, assesses and manages climate-related risks. Risks include Transition Risks (Policy and Legal, Technology, Market and Reputation) and Physical Risks (Acute and Chronic), as defined by the TCFD.

- That a company disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, or on how the company identifies, measures and manages such risks.
- That a company adopt or implement initiatives to reduce GHG emissions, including carbon. This includes providing detailed disclosure of progress.
- That a company adopt long-term and interim net-zero or science-based targets, where climate-related risks are financially material and adoption timelines are within a reasonable time frame. Net-zero targets should relate to Scope 1 and 2 emissions. Where a proponent requests that a company adopt net-zero targets on Scope 3 emissions, we will review on a case-by-case basis, factoring in materiality of these emissions to the company, feasibility of the request and usefulness to shareholders if the proponent's request is fulfilled.
- That a company disclose its climate transition plan in line with the TCFD recommendations.
- That a company provide enhanced disclosure on the alignment of its lobbying activities with climate change initiatives, including its membership in industry associations. Shareholder proposals requesting that a company adopt a regular, non-binding shareholder vote on its climate strategy (i.e., a "say-on-climate"), are evaluated on a case-by-case basis.

More information on how we vote on climate-related ballot items can be found in our Proxy Voting Guidelines

Engagement

We believe engaging with issuers that are significant emitters of GHGs 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 risk-adjusted, long-term performance of those issuers.

RI industry initiatives²⁵

Our RI industry initiatives related to climate change include:

- CDP
- Climate Action 100+
- Climate Engagement Canada (CEC)
- Investor Policy Dialogue on Deforestation (IPDD)
- Mission Investors Exchange

- Responsible Investment Association (RIA)
- The Forum for Sustainable and Responsible Investment (US SIF)

2025 Highlights

- Supported 0/12 proposals requesting a report on climate change and 1/22 proposals requesting GHG emissions disclosure or emission-reduction targets. Overall, our support for climate-related shareholder proposals dropped compared to 2024. For a deeper dive into our 2025 proxy voting record on climate-related shareholder proposals, refer to Climate-related Shareholder Proposals. Our proxy voting records are available on our regional websites in accordance with applicable regulations.²⁶
- Continued to advance our internal Climate Scenario Outlook, which seeks to provide a broad understanding of the systemic effects of climate change and its transmission channels through the economy by identifying signpost metrics²⁷. Signpost metrics are indicators of which key drivers and scenario pathways remain consistent with assumptions and aim to identify what scenario the world might be moving toward. The Climate Scenario Outlook takes a top-down approach to climate scenario analysis and is intended to complement the bottom-up approach used to calculate the Climate VaR by scenario. There are four dimensions of indicators that serve as potential signals or signposts of scenario pathways: climate policy; technology solutions; physical risks and adaptation; markets and sentiment. Expanded the rollout of our climate performance framework for issuers, to provide investment teams with additional tools for assessing and identifying e issuers that may not be effectively managing climate-related risks and opportunities.
- Participated in eight RI industry initiative engagements focused on climate change and two on nature-related risks.
- A member of BlueBay Fixed Income team is a co-chair of the Investor Policy Dialogue on Deforestation (IPDD) and has contributed to the initiative's efforts in Brazil and Indonesia, as well as its wider efforts with regards to other countries and regions, over the course of 2025.

²⁵ In some cases, a specific RBC GAM affiliate may serve as signatory to or member of these initiatives, depending on factors including, but not limited to, the asset class, sub-asset class, or region relevant to the initiative.

²⁶ The proxy voting statistics include voting for all of RBC GAM with the exception of portfolios managed by the BlueBay Fixed Income team, externally managed sub-advised portfolios and specific institutional accounts.

²⁷ The use of signpost metrics in climate scenario analysis is described in the TCFD Guidance on Scenario Analysis for Non-Financial Companies, October 2020, [Link](#).

CLIMATE-RELATED SHAREHOLDER PROPOSALS

We will generally review shareholder proposals on a case-by-case basis. Where proposals relate to enhanced disclosure in an area that represents a material risk or opportunity for the company and we believe the enhanced disclosure would benefit shareholders, we will generally support it. Where proposals mandate a specific course of action for the company, are considered overly prescriptive, request action or disclosure we believe is already sufficient at the company, or where we determine fulfillment of the proposal request would not be in the best interests of the portfolio, we will generally oppose it.

In 2025, we supported 3% (1/34) shareholders proposals that our proxy service provider, ISS, categorized as either a “Report on Climate Change” or “GHG Emissions”—a large drop from ~47% in 2024 and ~44% in 2023. Throughout the 2025 proxy season, we noticed this trend developing and as we look back on our 2025 voting record—although this figure does not come as a surprise—it does stand out. As such, we investigated our voting record further.

Consistent with our approach to evaluating shareholder proposals, we consider the materiality of the issue raised by the proponent. Climate change is a complex and broad theme and as a systemic risk, is generally material across sectors and regions. However, within the broader theme of climate change, certain concepts can be raised via shareholder proposal that we do not consider material to an issuer’s performance. For example, we determined enhanced disclosure of an issuer’s approach to incorporating climate risk into retirement plans for beneficiaries would not provide shareholders with a meaningful benefit.

We also consider a company’s existing practices and/or disclosures in the context of the proponent’s request. In recent years, we have increasingly found that companies have enhanced their climate-related disclosures—often to a point where we believe we have sufficient information to consider their management of material climate-related risks and opportunities. Although additional disclosures may benefit shareholders, as company disclosures have improved, we believe that this incremental benefit has narrowed. This was a common issue raised in our analysis in 2025. For instance, proposals requesting disclosure on companies’ rationales for increased fossil fuel spending, or on how companies would continue to meet their GHG emission reduction targets amidst data centre expansions, raised material issues. However, we determined the companies’

existing disclosures were sufficient and fulfilment of the proposals would not provide shareholders with a meaningful benefit.

We also consider shareholder proposals’ prescriptiveness in our evaluation. This issue typically deals with the extent to which a shareholder proposal veers into decision making we believe is the responsibility of management. However, more isolated trends may also emerge. For instance, in 2025, there were several climate-related proposals at Japanese companies. In Japan, shareholder proposals are binding and securities law effectively results in shareholder proposals taking the form of amendments to a company’s articles of incorporation. As a result, we view these proposals as more prescriptive than advisory proposals at U.S. or Canadian companies. This was a meaningful contributor to our voting decisions on the nine climate-related proposals we voted on at Japanese companies in 2025.

Consistent with past years, we did not support any shareholder proposals (0/11) requesting the adoption of a regular, non-binding shareholder vote on an issuer’s climate strategy (say-on-climate). As discussed in our 2024 Commitment to the UK Stewardship Code, it remains our view that a shareholder vote on an issuer’s climate strategy is not in the best interests of shareholders in all situations.

In 2024, we voted on a total of 12 proposals requesting enhanced disclosures on climate-related lobbying, supporting 92% of them. The number of proposals on this issue dropped to five in 2025 and we did not support any of them (0/5). We determined that existing disclosures were adequate at all five companies, given the materiality of the issue for each respective company.

For instance, two proposals were filed at financials companies and one at a communications company. In our view, alignment between climate strategies and lobbying activities are generally more material for financials companies than communications companies and we expect disclosures commensurate with that materiality. As a result, despite weaker relative disclosures from the communications company, we determined they were sufficient for shareholders.

We did not support any proposals requesting a restriction on spending on climate-related analysis or actions (0/10) or restrictions/disclosures of fossil fuel financing (0/14). We generally viewed these proposals as overly prescriptive.

A summary of our votes on climate-related shareholder proposals is included below.

Proposal Category ²⁸	Proposals	Votes For
Climate Change Action	1	–
Climate Change Lobbying	5	–
Disclosure of Fossil Fuel Financing	13	–
GHG Emissions	22	1
Proposals Requesting Non-Binding Advisory Vote On Climate Action Plan	11	–
Renewable Energy	3	–
Report on "Just Transition"	2	–
Report on Climate Change	12	–
Restrict Spending on Climate Change-Related Analysis or Actions	10	–
Restriction of Fossil Fuel Financing	1	–

Source: RBC GAM

²⁸The proxy voting statistics include voting for all of RBC GAM with the exception of externally managed sub-advised portfolios and specific institutional accounts. Proposal categories are defined by ISS.

Human rights

We believe that respecting applicable international human rights standards helps to support a stable, resilient business operating environment, as well as well-functioning global capital markets. International human rights standards include but are not limited to: the Universal Declaration on Human Rights, the International Bill of Rights, the ILO's declaration on Fundamental Principles and Rights at Work, the UNGPs and the UNDRIP. Upholding the principles of Free, Prior and Informed Consent (FPIC) and the role of Indigenous Peoples in decision-making is an important principle of UNDRIP. We believe that issuers that implement mechanisms to identify affected stakeholders and address potential or actual adverse human rights impacts may be more effective at managing material human rights risks from their supply chains, operations, customers and/or end users.

Proxy voting

We align our proxy voting with the commitments of Our Approach to RI, as described in our Proxy Voting Guidelines. We assess each proposal related to human rights on a case-by-case basis. Where we determine it is in the portfolio's best interests to do so, we will generally support proposals that call on companies to:

- Adopt or comply with policies that conform to the United Nations Guiding Principles on Business and Human Rights and/or express a commitment to respect the International Bill of Rights, which includes the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.
- Adopt or comply with policies that conform to the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and report on the progress toward implementing those standards.
- Take reasonable steps, or institute an adequate review process which may include a third-party independent review, that monitors compliance with human rights and related policies throughout its supply chain.
- Disclose its practices, policies and oversight for assessing, preventing and mitigating human rights risks associated with the company's investments, operations and/or activities in countries with historical or current evidence of labour and human rights abuses.
- Adopt policies that aim to address human rights for operations in a conflict zone. This may include policies to protect the rights of local communities and avoid exacerbating the conflict.
- Adopt independent programs to monitor the company's compliance with codes of conduct or the company's human rights policy and to provide detailed disclosure of results.
- Adopt or comply with policies that conform to the International Labour Organization's Core Conventions and report on the progress toward implementing those standards.

For more information, refer to our Proxy Voting Guidelines.

Engagement

Our investment teams may engage directly with the issuers in which they are invested on issues of human rights, for applicable types of investments and where appropriate and material. In addition to the above, we also expect issuers to disclose their practices, policies and oversight for assessing, preventing and mitigating human rights risks associated with the company's investments, operations and/or activities in countries with historical or current evidence of labour and human rights abuses..

RI industry initiatives

Our RI industry initiatives related to human rights include:

- Climate Engagement Canada (CEC)
- Investor Policy Dialogue on Deforestation (IPDD)
- 30% Club Canadian Investor Group

2025 Highlights

- Participated in Shift's "Investor Practice Group on Human Rights" to confirm and expand our understanding of investor expectations and requirements related to the UNGPs and human rights more broadly.
- Continued our ESG research project to develop a human rights due diligence tool kit (corporates) to support investment teams' ESG integration and active stewardship activities. In 2025, we completed an industry materiality matrix for human rights risks and developed due diligence and engagement questions to assess and evaluate those risks. We continue to build knowledge and explore data and tools to further this work.
- Supported 12% (2/17) of proposals requesting a human rights risk assessment, 25% (2/8) of proposals requesting enhancements to human rights standards or policies and 33% (1/3) of proposals requesting enhanced disclosures on company operations in high-risk countries. We supported these proposals at issuers where we believed shareholders would benefit from increased disclosure regarding management of human rights-related risks. However, consistent with our approach to evaluating shareholder proposals, we voted against proposals where we believed the issuer provided sufficient disclosure on its commitments, policies and oversight regarding human rights. Our proxy voting records are available on our regional websites in accordance with applicable regulations.²⁹

²⁹The proxy voting statistics include voting for all of RBC GAM with the exception of externally managed sub-advised portfolios and specific institutional accounts.

Balanced and inclusive representation

We believe that like board independence, director tenure, over boarding, and other governance factors, balanced and inclusive representation is an important characteristic in constructing high quality boards. In our view, high quality boards are better positioned to fulfill their duty to shareholders. We believe that directors should have a diverse range of backgrounds and experience to enhance overall board effectiveness. Various dimensions of diversity are important factors to allow for a mix of competencies, experiences and attributes as key to the current and long-term strategic success of RBC. Each year, the governance committee completes a self-assessment that measures, among other things, its effectiveness in guiding the board towards its objective of maintaining balanced and inclusive representation on the board.

Where financially material, respect-related issues are considered in our proxy voting activities, through direct engagement by investment teams, where applicable and as part of certain RI industry initiatives, such as the 30% Club Canadian Investor Group.

Proxy voting

We align our proxy voting with the commitments of Our Approach to RI, as described in our Proxy Voting Guidelines. We review shareholder proposals on inclusion on a case-by-case basis. Where we determine it is in the portfolio's best interests to do so, we will generally support proposals that ask companies to do the following:

- Enhance disclosure of inclusion-related as programs and goals This may include, but is not limited to, enhanced disclosure of promotion and retention rates at different levels of management. It may also include enhanced disclosure on the progress of respect-related programs.
- Report on pay equity where the company has inadequate policies or disclosure and its practices lag behind peers.
- Enhance disclosure on identifying and striving to rectify any pay disparities among employees performing equal or comparable work.

For more information and specific guidance, refer to our Proxy Voting Guidelines.

When voting on the election of directors to the board, we may consider the board's composition as part of our overall assessment of issuers' corporate governance practices.

Engagement

Our investment teams may engage directly with the issuers in which they are invested on issues of inclusion, for applicable types of investments. To the extent practicable, we believe companies should publicly disclose information on the composition of their board of directors. It is our view that this additional transparency better positions investors to incorporate these factors

into investment decision making, where material. Disclosure is also recommended to provide insight to shareholders on how these characteristics are being incorporated into board composition and candidate selection.

RI industry initiatives

Our RI industry initiatives related to inclusion include:

- 30% Club Canadian Investor Group
- Responsible Investment Association (RIA)

2024 Highlights³⁰

- We conducted an updated literary review regarding board composition, complementing our existing knowledge in this area.
- We held an RI Insight call where legal experts provided our investment teams with an update on the landscape of corporate inclusion practices with a focus on material risks and opportunities for companies.
- RBC GAM voted against 1,947 proposals on the election of directors to the board (excluding bundled director elections, cumulative director votes, supervisory board member elections, shareholder proposals with director nominees, and certain other circumstances). Of these 1,947 proposals, we voted against the election of the nominee at least in part due to board composition concerns on 1,048 proposals. Please note that RBC GAM may have voted against a nominee's election for multiple reasons (e.g., board composition, board independence, etc.).

³⁰ The proxy voting statistics include voting for all of RBC GAM with the exception of funds externally managed sub-advised funds and specific institutional accounts.

Fair and efficient capital markets

We participate in initiatives that we believe will increase transparency, protect investors and foster fair and efficient capital markets. We believe that investors need robust and comprehensive disclosure from issuers on material ESG-related factors to incorporate material ESG factors into investment decisions. This may include disclosure of ESG policies, strategies, risk management and ESG performance. RBC GAM participates in initiatives that encourage better disclosure of material ESG risks and opportunities and the steps issuers take to address them.

Proxy voting

We exercise the voting rights of the portfolios we manage in their best interests and with a view to enhancing the long-term value of the securities held. We generally support proposals that encourage enhanced disclosure and transparency on issues that present material risks to the issuers in which we are invested. Full details can be found in our Proxy Voting Guidelines. Our voting record is published on our website, in accordance with regulatory requirements.

Engagement

We engage with regulatory bodies, both individually and with other investors through RI industry initiatives, to promote well-functioning markets and to address systemic risks. This engagement is an important component of our stewardship activities. Please refer to Summary of our RI industry initiatives below for more.

RI industry initiatives³¹

Our RI industry initiatives related to fostering fair and efficient capital markets include:

- Alternative Investment Management Association (AIMA)
- Canadian Coalition for Good Governance (CCGG)
- Council of Institutional Investors (CII)
- Emerging Markets Investor Alliance (EMIA)
- International Corporate Governance Network (ICGN)
- IFRS Sustainability Alliance
- Investment Association (IA)
- Responsible Investment Association (RIA)
- U.N. Principles for Responsible Investment (UN PRI)

2025 Highlights³²

- The Canadian Sustainability Standards Board (CSSB) held a consultation on the Canadian Sustainability Disclosure Standard (CSDS) for sustainability-related financial information (CSDS 1) and climate-related disclosures (CSDS 2), which are based on the ISSB's IFRS® Sustainability Disclosure Standards (IFRS S1 and S2). RBC GAM submitted a letter of support for the adoption of IFRS S1 and S2 in Canada in June 2024. In October 2025, RBC GAM participated in an investor-focused consultation coordinated by the CSSB on proposed amendments to the SASB Standards and the Industry-based Guidance on implementing IFRS S2. RBC GAM is a founding member of the CCGG, which promotes good governance practices in Canadian public companies and works to improve the regulatory environment to best align the interests of boards and management with their shareholders. In 2025, RBC GAM contributed to and supported the following submissions:
 - CCGG's submission to Canadian Securities Administrators' pause on climate-related and diversity related disclosure initiatives
 - CCGG's Response to the Competition Bureau's Canada's public consultation proposed guidance: Environmental Claims and the Competition Act
- Served on the CCGG Public Policy Committee, CCGG Environmental and Social Working Group, Climate Engagement Canada (CEC) Technical Committee, ICGN Global Governance Committee, RIA Board of Directors and the ISSB Investor Advisory Group. We provide comments on various regulatory initiatives through these affiliations.
- Participated in member forums hosted by the AIMA to solicit feedback to public consultation on RI industry initiatives such as for the revision of the UK Stewardship Code, as well as in member discussions on key RI trends and developments.

³¹In some cases, a specific RBC GAM affiliate may serve as signatory to or member of these initiatives, depending on factors including, but not limited to, the asset class, sub-asset class, or region relevant to the initiative.

³²In some cases, a specific RBC GAM entity provided feedback, depending on the regulation or policy's scope, region and/or jurisdiction.

Summary of our industry initiatives³³

Initiative	Description and key commitments	Primary theme
30% Club Canadian Investor Group	RBC GAM is a signatory to the 30% Club Canadian Investor Group. The 30% Club Canadian Investor Group is a coalition of Canada's largest institutional investors, which calls on publicly traded companies to take prompt and considered action to achieve and exceed the 30% gender diversity target and to enhance the presence of other underrepresented groups on their boards and at the executive management level. The coalition has instigated numerous engagements, for which RBC GAM may engage, provide input, and/or provide feedback.	Inclusion
Alternative Investment Management Association	RBC GAM is a member of the Alternative Investment Manager Association (AIMA), the global representative of the alternative investment industry. AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programs and sound practice guides. A member of RBC GAM's RI team is on the Global Responsible Investment Committee.	Fair & efficient capital markets
Canadian Coalition for Good Governance	RBC GAM is a founding member of the Canadian Coalition for Good Governance (CCGG). CCGG promotes good governance practices in Canadian public companies and works to improve the regulatory environment to best align the interests of boards and management with their shareholders. RBC GAM was also a participant in CCGG's collective engagement program and provided input for one collective engagement in 2025. In total, CCGG completed 25 collective engagements in 2025. Finally, through CCGG, RBC GAM provided comments on two regulatory submissions to Canadian regulators.	Fair & efficient capital markets Corporate governance
CDP	RBC GAM is signatory to CDP, formerly known as the Carbon Disclosure Project. CDP runs the global disclosure system that enables entities to manage their environmental impacts.	Climate change Nature
Climate Action 100+	RBC GAM is an investor participant and signatory to Climate Action 100+ (CA100+). CA100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take appropriate action on climate change to mitigate financial risk and to maximize the long-term value of assets.	Climate change
Climate Engagement Canada	RBC GAM is a founding participant of Climate Engagement Canada (CEC). CEC is a finance-led initiative that drives dialogue between the financial community and corporate issuers to promote a just transition to a net-zero economy. This is a national engagement program in Canada, akin to Climate Action 100+. A member of RBC GAM's RI team is Chair of the Technical Steering Committee.	Climate change
Council of Institutional Investors	RBC GAM is an associate member of the Council of Institutional Investors (CII). CII aims to promote effective corporate governance; strong shareowner rights; and vibrant, transparent and fair capital markets.	Fair & efficient capital markets Corporate governance
Emerging Markets Investor Alliance (EMIA)	RBC GAM is a member of the Emerging Markets Investors Alliance (EMIA). EMIA aims to enable institutional emerging market investors to support good governance, promote sustainable development and improve investment performance in the governments and companies in which they invest.	Fair & efficient capital markets Corporate governance Climate change Nature

³³In some cases, a specific RBC GAM affiliate may serve as signatory to or member of these initiatives, depending on factors including, but not limited to, the asset class, sub-asset class, or region relevant to the initiative.

Initiative	Description and key commitments	Primary theme
Farm Animal Investment Risk & Return (FAIRR)	RBC GAM is a member of the Farm Animal Investment Risk & Return Initiative (FAIRR). FAIRR is a collaborative investor network that raises awareness of the ESG risks and opportunities brought about by intensive livestock production.	Climate change Nature Labour standards
FX Global Code	RBC GAM is signatory to the FX Global Code July 2021 (FX Global Code). The FX Global Code is a set of global principles of good practice in the foreign exchange market, developed to provide a common set of guidelines to promote the integrity and effective functioning of the wholesale foreign exchange market. It was developed by a partnership between central banks and Market Participants from 20 jurisdictions around the globe. The Global Foreign Exchange Committee promotes, maintains and updates the Code regularly.	Fair & efficient capital markets
Global Impact Investing Network	RBC GAM is a member of the Global Impact Investing Network (GIIN). The GIIN is the global champion of impact investing, dedicated to increasing the scale and effectiveness of impact investing around the world.	Impact investing
Green Bond Transparency Platform	RBC GAM is a supporter of the Inter-American Development Bank (IDB)'s Green Bond Transparency Platform (GBTP). The GBTP is an innovative open access digital tool that brings greater transparency to the Latin American and Caribbean green bond market and aims to provide a benchmark for best practice disclosure and support to all market actors.	Fair & efficient capital markets
Operating Principles for Impact Management (Impact Principles)	RBC GAM is a signatory to the Operating Principles for Impact Management (Impact Principles), which has been adopted for two U.S. impact investment funds. The Impact Principles provide a common framework for shaping and aligning with industry best practice and promote transparency, discipline and credibility for impact management practice in capital markets.	Impact management
International Corporate Governance Network (ICGN)	RBC GAM is a member of the International Corporate Governance Network (ICGN). ICGN aims to promote effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies worldwide.	Corporate governance
IFRS Sustainability Alliance	RBC GAM is a member of the IFRS Sustainability Alliance, a global membership program for sustainability standards, integrated reporting and integrated thinking. Upon the Value Reporting Foundation's consolidation into the IFRS Foundation, the IFRS Foundation's International Sustainability Standards Board (ISSB) assumed responsibility for the SASB Standards. The ISSB has committed to build on the industry-based SASB Standards and leverage SASB's industry-based approach to standards development. The ISSB encourages preparers and investors to continue to use SASB Standards.	Fair & efficient capital markets
Investment Association (IA)	RBC GAM is a member of the Investment Association (IA). The IA is the United Kingdom's membership association for investment managers.	Fair & efficient capital markets
Investors Policy Dialogue on Deforestation	RBC GAM is a supporting investor of the Investor Policy Dialogue on Deforestation (IPDD). The IPDD aims to coordinate a public policy dialogue with authorities and monitor developments to assess exposure to financial risks arising from deforestation. One of our investment teams co-chairs the IPDD Management Commitment and the IPDD Brazil workstream and is a participant in the IPDD Indonesia workstream.	Climate Change Nature
Japan Stewardship Code	RBC GAM is a signatory to Japan's Stewardship Code (The Code). The Code sets out the principles that institutional investors should adhere to fulfill their stewardship responsibilities to clients, beneficiaries and investee companies.	Fair & efficient capital markets
Mission Investors Exchange	RBC GAM is a member of Mission Investors Exchange (MIE). MIE is the leading impact investing network for foundations dedicated to deploying capital for social and environmental change.	Impact management

Initiative	Description and key commitments	Primary theme
Responsible Investment Association (RIA)	RBC GAM is a sustaining member of the Responsible Investment Association (RIA). The RIA is Canada's membership association for responsible investment.	Fair & efficient capital markets
Transition Pathway Initiative (TPI)	RBC GAM is a supporter of the Transition Pathway Initiative (TPI), which aims to better understand how companies are managing the transition to a low carbon economy. TPI seeks to provide academically robust and independent assessments of how companies are transitioning in line with the Paris Agreement. TPI provides open access data that supports investors in understanding the climate transition and works with Climate Action 100+ to provide data for the net-zero benchmark.	Climate change
UN Principles for Responsible Investment (UN PRI)	RBC GAM is a signatory to the UN PRI. The PRI is a global network for investors committed to incorporating ESG considerations into their investment practices and ownership policies. RBC GAM is committed to putting the PRI's six Principles of Responsible Investment into practice and believes that they are aligned with our existing approach to responsible investment.	Fair & efficient capital markets
US SIF: The Sustainable Investment Forum	RBC GAM is an institutional member of US SIF: The Sustainable Investment Forum (US SIF). US SIF states it is the leading voice advancing sustainable, responsible and impact investing across all asset classes in the U.S.	Fair & efficient capital markets

A full list of our industry initiatives can be found at [Our Commitments To Responsible Investment](#). An extract of the RI industry initiative engagements we conducted can be found under Principle 10.



3. Signatories engage to maintain or enhance the value of assets.

Engagement case studies

Our investment teams may meet with the relevant representatives of investee issuers on an ongoing basis, often discussing ESG-related risks and opportunities material to our investments. We completed just under 1,500 ESG-related engagements in 2025. Of these, governance themes were discussed in around 58% instances, environmental topics in 48% and social issues in 35% occasions.³⁴

Engagements are conducted for a variety of objectives, as discussed in our approach to direct engagement above. In most cases in 2025, the objective of engagement was information gathering and the outcome was integrating that information into investment analysis, decision making (e.g., buy, hold, sell), and monitoring. However, there were also cases where we expected the issuer to undertake specific actions, such as introducing public disclosure on material ESG topics or creating strategies for managing material sustainability issues.

An overview of engagement approaches of investment teams and some examples of ESG-related engagements from 2025 and their outcomes are provided below.

³⁴The reported figures may not fully capture all ESG engagements as some may not be included in our tracking systems. Engagements purely on non-ESG factors are excluded. The reported figure includes instances where we engaged with the same issuer more than once.

PUBLIC EQUITIES

RBC Asian Equity team

Approach

The RBC Asian Equity team believes engagement can lead to positive change for shareholders. Its engagement approach focuses on in-depth and ongoing dialogue to establish long-term relationships with management teams. The team generally advises and encourages investee companies to do the following:

- Enhance disclosure and provide more data on material ESG issues.
- Address material ESG issues and cooperate with third-party ESG rating agencies.
- Become industry leaders regarding material ESG issues.

As APAC generally lags other global markets in terms of ESG regulations and disclosures, the team's engagements are heavily focused on encouraging companies to start publishing sustainability reports, if the company has not already done so.

CASE STUDY: Australian Biopharmaceutical Company

Objective:

Insight into corporate strategy and contribution to improving human health outcomes.

Engagement:

The team met with an Australian biopharmaceutical company to discuss the rollout of the company's radiopharmaceutical solutions used for therapeutic and diagnostics. The company focuses on better diagnostics and cancer treatment. Cancer treatment drugs are becoming more targeted precision medicine. The company helps with treatment efficacy and patient well-being. The firm is building out extensive delivery in the U.S. to ensure patient access and reliability, via both strategic partners and owned network.

Outcome:

The team was pleased with management's strategy and will continue to monitor the topic moving forward.

RBC Emerging Markets Equity team

Approach

Engagement forms an important component of the RBC Emerging Market Equity team's investment philosophy and process.

The investment team approach is to encourage in-depth and ongoing private dialogue with the companies in which it invests and to establish strong long-term relationships with management. The team is patient with companies and tries to give them time to change on their own terms. This is in line with the investment philosophy whereby the team positions itself as an owner of a company rather than as a short-term investor. The team believes that engagement is more likely to be successful when approached in this manner.

The team meets regularly with the companies in which it invests and discusses risks and opportunities related to ESG. The team also aims to engage with multiple stakeholders across the business, including senior management. This allows the team to share its philosophy on RI and to gain a well-rounded view of a company's approach to ESG and how it is incorporated into its business practices and management structures, as part of the team's focus on long-term durability.

CASE STUDY: Indian Pharmaceutical Company

Objective:

Discuss topics related to access to healthcare.

Engagement:

The team met with an Indian pharmaceutical company to discuss its accessibility-focused approach to new product development. Before launching new products, the company considers whether the product fulfills an unmet patient need or enhances standards of care, as well as the affordability of the product. The company has been developing and marketing 'orphan' drugs (those developed for the treatment of rare diseases) as well as drugs that are widely used.

The company also works to improve health care access and quality more broadly by partnering with multilateral and donor agencies to build capacity of health care workers and local stakeholders within countries, as well as address emergency disease areas and neglected tropical diseases. The impact of these programs is tracked through key performance indicators, including the number of patients reached, product reach in low- and middle-income countries and the number of individuals accessing the company's primary health care programs.

Outcome:

The team was pleased with the company's focus on improving health care outcomes through its community involvement and accessible product development and will continue to monitor the company's social initiatives.

RBC European Equity team

Approach

The RBC European Equity team conducts engagements primarily for the purpose of information gathering on material ESG issues. When material ESG issues arise, the team seeks additional detail on the company's response and actions it is taking to prevent recurrence. In some cases, the team may also make recommendations to management, which the investment team believes may lead to positive change over time for shareholders. The depth and breadth of ESG questions posed during engagements depends on the team's overall holdings in the company and the length of time the team has been invested in that company.

CASE STUDY: European Oil and Gas Equipment & Services Company

Objective:

Discuss the company's efforts regarding carbon emissions reduction, promoting a circular economy.

Engagement:

The team engaged on the company's growing sustainable products and solutions activities. Despite sustainability matters facing greater challenges in the U.S. at the federal level, the company still sees strong demand for sustainable energy projects. It expects sustainable aviation fuel will become mainstream as there is no other viable alternative for the industry to reduce GHG emissions. It also believes the carbon capture and storage (CCS) technology opportunity could be an important element of its strategy. The company also has a positive view on certain projects to improve the circularity in the textile business with an innovative technology that recycles textile to textile, reducing waste.

Outcome:

The engagement gave the team continued confidence in the business. The firm plans to keep investing in future sustainable energy technologies and services, which it expects to be a key driver of growth in the future.

RBC North American Equity team

Approach

The RBC North American Equity team engages with management teams and boards of portfolio companies on a wide range of topics, including ESG issues. The purpose of the team's engagements is generally to convey its views to companies and to incorporate information gathered on material ESG issues into investment analysis. The team uses a variety of corporate and third-party inputs to assess ESG materiality and to monitor potential exposure to ESG risks.

CASE STUDY: North American Technology Company

Objective:

Discuss governance-related topics.

Engagement:

The team met with a global technology company to discuss its board governance, executive compensation and AI practices. On board governance, the team raised concerns about director overboarding, since sitting on an excessive number of boards can compromise a director's ability to serve effectively, as well as the long-term sustainability of its combined CEO and Board Chair position. The investment team also sought further clarity on components on the executive compensation plan and its orientation with long-term sustainable value creation for shareholders.

Outcome:

The issuer provided effective reassurance on governance-related issues, noting that positive changes with respect to board commitments are anticipated and acknowledging that the team's feedback on the combined role would be shared with the board. The team also found the issuer's breakdown of the increase in CEO pay to be reasonable and appreciated that performance metrics were adjusted to account for the impact of a recent acquisition. Looking forward, the company is focused on developing a responsible AI framework to govern its approach to developing AI-based solutions. The issuer's commitment to continuous improvement in governance left a positive impression with the investment team.

RBC Global Equity team

Approach

The RBC Global Equity team believes there are three principal forms of company engagement for its ESG engagement activities:

- Enhancement Engagement: Engagements where the team enters into dialogue with the company with the goal of sharing views on the holding's approach to particular material ESG issues.
- Active ownership: Practical stewardship of existing holdings.
- Due diligence: Assessment of multiple factors prior to investment.

The team's engagements are prioritized and chosen using a risk-based approach. This focuses on the materiality of the ESG risks and opportunities to the investment thesis, the team's expectations of progress within a reasonable timeframe and the resources required. Engagements play an important role in fundamental ESG analysis and while the team engages across a variety of issues, there is notable concentration on human capital and broader climate-related issues.

Finally, the engagement process is often dual-sided, with some companies reaching out to the investment team for its input or advice on certain ESG-related issues.

CASE STUDY: UK Integrated Power Utility Company

Objective:

Discuss the energy trilemma—the framework that balances three critical, often competing energy goals: energy security, affordability and sustainability.

Engagement:

Given that energy trilemma issues are directly tied to the company's social license to operate, the investment team believes they form an important contingent asset for the company's investment case.³⁵ As a result, the team focused its contingent asset analysis and associated engagement efforts on this issue, including running multi-stakeholder engagements. Specifically, the team engaged with both the CEO and sustainability team at the company to gain deeper insights into how the company is enabling the transition to greater electrification while addressing the energy trilemma issues in the UK.

Outcome:

The company has committed £23 billion over five years to expand grid capacity, including 17 critical Accelerated Strategic Transmission Investment projects identified by the industry regulator (Ofgem) and the National Energy System Operator. The company will invest £35 billion in CAPEX and OPEX to deliver 35 GW of new generation, with half of this capacity allocated to data centres and AI. Currently, grid transmission costs account for £23 of the average £1,700 annual household energy bill and this is projected to rise to £44. However, the avoided costs from these investments total £40 billion, resulting in what the team believes to be a net benefit for consumers. The engagement with the company and information gathered ultimately contributed to a confirmation of the team's internal rating on the company.

³⁵The RBC Global Equity team seeks to identify contingent assets and contingent liabilities in its fundamental analysis. Contingent assets and liabilities are characteristics that may not be immediately reflected in traditional financial reporting, with contingent assets posing potential opportunities for sustainable value creation and contingent liabilities posing potential risks.

RBC U.S. Growth Equity team

Approach

The RBC U.S. Growth Equity team invests in small-cap companies, which tend to have less mature ESG-related disclosures. Therefore, the investment team's primary objective for engagement is typically to gather information on material sustainability factors. Prior to meeting with companies, the team identifies relevant questions that may include sustainability-related topics, if deemed material.

CASE STUDY: U.S. Research & Consulting Services Company

Objective

Gather insights on evolving Federal government spending away from foreign aid and towards defense and border security. Receive updates on Commercial Energy business.

Engagement

The team gained insights into how the company was adapting its business to meeting evolving market dynamics.

- The company provided an update on IT spending, which were long-term drivers of its energy efficiency business. Programmatic business poses major headwinds but also an opportunity for pass-through revenue.
- The company believes that Commercial Energy is well positioned and not dependent on stimulus bills.

Outcome

The team found that the CEO was confident that the company is well positioned as Federal agencies implement new and better technology. The CEO also communicated that the Commercial Energy business has a long runway of growth that is largely funded by state taxes collected on utility bills. While utilities are focused on increasing load to support AI energy usage, they are equally focused on energy efficiency. The team found the engagement insightful, providing important context regarding recent developments.

PH&N Canadian Equity team

Approach

The PH&N Canadian Equity team believes engagement can provide a competitive advantage. The team emphasizes relationship building with its investee companies and engages with investee companies' management teams and boards of directors on a wide range of issues, including ESG-related issues. The primary objective of the team's engagements is information gathering to supplement fundamental analysis. However, the team also shares its views on material ESG topics as part of its engagements and will often ask for specific action on governance topics as part of proxy-related engagements. Material information identified during an engagement is updated in the team's internal ESG analysis, which may impact the investee company's internal ESG score. This in turn may affect the team's decision to buy, hold, or sell the security.

CASE STUDY: Canadian Software Company

Objective:

Discuss governance and financial performance.

Engagement:

The team met with management of a Canadian software company to discuss changes being made to the C-suite. The company has a long track record of share price underperformance that the team believes may be partially attributable to poor a leadership team, which in turn is not being held accountable by the board.

Outcome:

The team believes the recent changes to the C-suite were in response to shareholder criticism of the company's performance, which is a step in the right direction. However, the changes did not address the team's main concern regarding who is responsible for the underperformance and it maintained a negative view on the governance structure at the company. It is possible the team's opinion could change in the future if more management and director changes come to fruition. The team continues to hold the stock in certain portfolios that it manages and will continue to monitor the situation.

FIXED INCOME

BlueBay Fixed Income team

Approach

The BlueBay Fixed Income team believes that providers of debt have a role in engaging with issuers and other relevant stakeholders on matters with the potential to impact investment returns, which may include ESG-related factors. At a minimum, the teams engage on ESG factors if these are deemed to represent material ESG risks. ESG engagement is prioritized based on the issuer's ESG risk exposure, quality of ESG mitigation efforts and ESG performance trajectory, as well as the size of the team's investment exposure and the bond's position in the capital structure.

The BlueBay Fixed Income team's engagements may alternate between information gathering and efforts to encourage issuers to put improvements into practice or may contain elements of both and the team's engagement approach is incorporated into the investment research process, where viewed to be material.

CASE STUDY: Latin American Sovereign

Objective:

Engage on innovative financing mechanisms to address deforestation.

Engagement:

The team has maintained an ongoing engagement with this sovereign, as well as other relevant stakeholders, for many years via both direct engagements and through RI industry initiatives. During this time, engagements have spanned a range of ESG matters but have had a sustained focus on the environmental and social impacts associated with deforestation practices within recent years.

Over the course of 2025, there were numerous discussions held with representatives from the sovereign, as well as with other stakeholders working alongside the sovereign to develop an innovative forest finance tool which aims to incentivise conservation by rewarding developing countries that protect their tropical forests. Work has been ongoing to refine and finalise the details of the initiative, so that it could be launched towards the end of 2025, at the UN Climate Change Conference (COP30).

The team provided feedback to the sovereign government on the proposed structure of the financing mechanism initiative and engaged with representatives from potential donor countries as they were deliberating whether to support the initiative. The team has also been involved in an engagement with the sovereign's Treasury and Central Bank through an RI industry initiative, where the country's ecological transition plan and sustainable taxonomy were amongst the topics discussed.

Outcome:

The forest finance tool was launched in November 2025, with some donor country commitment secured. The team expects to continue feeding into the process as the sovereign government continues to focus over the next year to operationalise the tool. More broadly, the team continues to view the sovereign to be on an improving ESG trajectory, driven by progress on climate and nature issues. From an investment perspective, the team continues to maintain investment exposure to the sovereign, although this is in line with benchmark weights, reflecting its concerns regarding the government's commitment to fiscal discipline.

RBC Investment Grade Corporate Fixed Income team

Approach

The RBC Investment Grade Corporate Fixed Income team, part of the RBC Global Fixed Income and Currencies team, uses engagement mainly for information gathering purposes in its ESG integration process.

The team engages with management through roadshows and sell-side broker conferences, where one-on-one meetings with issuers are facilitated.

CASE STUDY: Canadian Financial Institution

Objective:

Raise governance concerns related to private equity ownership and potential implications of proposed changes to existing bond covenants.

Engagement:

The issuer was taken private by two separate private equity companies in July 2025. The team had concerns related to business strategy post-acquisition, given the private equity background of its new owners, where 'financial engineering' (the use of high levels of debt, complex capital structures and other tools to enhance investment returns) is a common concern. Thus, an engagement with representatives from both private equity firms was conducted to gather information.

Outcome:

Post engagement, the team was pleased to learn that there will be no strategy shifts under the new ownership. The team was reassured that the opportunity for financial engineering is limited in this case, given the importance of an investment grade rating to the company. The company needs access to competitive funding market for the business to stay profitable.

Regarding the new owners seeking changes to existing bond covenants, the team deemed that these were non-material and investors were being compensated for those changes in terms of bond spreads.

RBC European Fixed Income team

Approach

The RBC European Fixed Income team, part of the RBC Global Fixed Income and Currencies team, uses engagement mainly for information gathering purposes in its ESG integration process. Occasionally, the team is approached by issuers to provide an opinion on ESG bond frameworks or other material ESG factors. The team may engage with management through roadshows for new issuances or through sell-side broker conferences, where one-on-one meetings with issuers are often facilitated. The focus of these engagements includes key material ESG factors.

CASE STUDY: U.S. telecommunications company

Objective:

Discuss environmental impact, data privacy and competitive behaviour practices.

Engagement:

Engagement

The team engaged with the Treasury and Investor Relations teams to discuss the company's financial profile, future funding needs, expansion plans, and energy sourcing and usage. The company was planning to return to the EUR bond market with a new bond issuance (which it subsequently executed).

On the environmental front, the company has made significant strides in renewable energy usage. It achieved a 52% reduction in scope 1 and 2 GHG emissions versus its 2015 base of 4.2 million metric tons. On social indicators, the company's board is considered 45% diverse. The company reported 30% of its global workforce is composed of women and remains focused on its inclusion goals. The team also discussed the company's future plans on data centre expansion, and its energy needs. The company is following other key hyperscalers (such as Microsoft and Google) closely to assess the benefits of partnering with nuclear small modular reactor (SMR) developers to secure its decarbonized energy needs.

Outcome:

This engagement further solidified the team's conviction in the company's robust performance, evident across all three sustainability key categories. It reinforced the team's constructive views of the company's credit and ESG profile.

RBC High Yield Fixed Income team

Approach

The RBC High Yield Fixed Income team, part of the RBC Global Fixed Income and Currencies team, uses engagement mainly for information gathering purposes in its ESG integration process. As fixed income investors, engagement plays a limited role in the overall ESG integration process, compared to equity investors. Engagement activities, including on ESG, tend to occur around issuer roadshows and sell-side broker conferences, especially for new issues.

CASE STUDY: North American Media and Entertainment Company

Objective:

Obtain clarity on business strategy and corporate governance plans.

Engagement:

The team met with the company to discuss its concerns about a shareholder activist who had recently engaged the company to advocate for selling non-core assets and boosting share buybacks. The team was concerned about these advocacy objectives, as it believed they could be detrimental to creditors. The team engaged with the company's CFO and was reassured that the company will continue to work towards the best interests of all stakeholders, including bondholders.

Outcome:

The team's impression from the engagement was positive, with no material changes to the company's financial policy expected.

RBC Developed Markets Sovereign Fixed Income team

Approach

The RBC Developed Markets Sovereign Fixed Income team is part of the RBC Global Fixed Income and Currencies team. As sovereign fixed income investors, the engagement opportunities available to the team differ from those available to equity and corporate credit investors. As a result, engagement tends to play a more limited role in the overall ESG integration process. The team may have opportunities to attend meetings and presentations between policymakers and investors. This allows the team to gather further information and evaluate the transparency and quality of policymakers' responses to material concerns. Typically, the question-and-answer portion of these meetings and presentations provide an opportunity to voice ESG concerns that otherwise may have been unaddressed.

RBC Emerging Markets Sovereign Fixed Income team

Approach

The team, part of the RBC Global Fixed Income and Currencies team, uses engagement with sovereign issuers to a limited degree in its ESG integration process, due to the nature of the securities in which they are invested. However, the team engages on a limited basis for specific securities.

The team typically attends meetings and presentations between government-related policymakers and investors at least twice per year (i.e., the International Monetary Fund and World Bank spring and fall meetings). This allows the team to gather information and evaluate the transparency and quality of policymakers' responses to material ESG issues. Typically, the question-and-answer portion of these meetings and presentations provide an opportunity for investors to raise ESG issues that may not have been addressed.

CASE STUDY: European Sovereign

Objective:

Gather information on governance frameworks, central bank independence, political stability, electoral dynamics, demographic trends and rule of law institutions.

Engagement:

The team conducted an ESG risk assessment on this sovereign as part of its integrated investment approach prior to establishing positions in local currency government debt across its portfolios. Additionally, the team engaged with the Deputy Governor of the country's central bank during a conference, providing valuable first-hand insights into monetary policy frameworks and governance practices.

Outcome:

The team's analysis concluded that the local currency bonds of this sovereign offered attractive risk-adjusted returns despite material ESG-related risks, with investors receiving substantial compensation through elevated risk premiums. A key focus area was the potential impact of upcoming elections on monetary policy independence and macroeconomic stability. This analysis supported the team's investment thesis and provided confidence to initiate investment positions, subsequently increasing its allocation following positive developments in the team's ongoing monitoring framework. The team's engagement reinforced its assessment that the central bank maintained sufficient operational independence and credible policy frameworks to navigate political transitions effectively, allowing the team to maintain its investment exposure.

RBC Canadian Governments Fixed Income team

Approach

The RBC Canadian Governments Fixed Income team is part of the RBC Global Fixed Income and Currencies team. In the developed government bond space, the engagement opportunities available to the investment team differ from those available to equity and corporate credit investors, as the issuers are the governments of developed markets. As a result, engagement plays a limited role in the overall ESG integration process. Engagement activities, including on ESG, tend to occur occasionally when issuers are soliciting feedback from investors (both formally and informally).

RBC Alternative Investments team

Approach

The RBC Alternative Investments team will engage with companies in its portfolio, often discussing material ESG factors. The team has developed company-specific questions for engagements, which include governance and climate-related questions. Use of the questions is at the discretion of the analyst and/or portfolio manager. In most cases, the team is a smaller bond holder and is primarily gathering information. However, there have been instances where the team is a large, or even the largest shareholder and has been better positioned to provide input into the company's decision-making.

CASE STUDY: Canadian Oil & Gas Producer

Objective:

Discuss and gain a better understanding of practices to reduce energy and water consumption, manage GHG emissions, as its approach to community relations.

Engagement:

The team engaged with the CEO and CFO of a Canadian oil and gas producer. In addition to having among the most profitable wells in North America, low break-even costs and conservative debt levels, the company also made significant progress across a variety of ESG factors, derisking the overall investment. On the environmental front, the company has reduced its energy consumption and GHG and methane emissions intensity from 2022 levels, while also lowering water consumption. Additionally, the company has sold a working interest in key infrastructure assets to two Indigenous community groups (First Nation and Metis), which allowed the company to reduce debt and strengthen its social license to operate.

Outcome:

The team learned about the company's performance track record on environmental and social factors by reviewing the 2025 Sustainability Report and through engagement with management. The team established a core investment position in the company's high yield bonds, making the company one of a select few oil and gas producer holdings in the portfolio.

PH&N Fixed Income team

Approach

The PH&N Fixed Income team invests in Canadian fixed income securities and believes that engagement is an important component of its ESG analysis. ESG risks are discussed at issuer meetings and the team uses engagement to develop a comprehensive view of issuers' short-, medium- and long-term strategies for managing ESG risks. The team also uses engagement to identify and understand any discrepancies between published ESG disclosures and discussions with the leadership team.

Finally, the PH&N Fixed Income team is involved in providing feedback and encouraging improvements to the quality of dealers' and issuers' sustainability frameworks and in encouraging ESG-labelled new issuances.

CASE STUDY: Global Credit Rating Agency (CRA)

Objective:

Governance and credit rating methodology.

Engagement:

The team engaged with a CRA regarding the concerning market trend of debt issuers only obtaining one credit rating, with two ratings generally considered the standard. The team believes this practice removes important checks and balances provided by having multiple independent assessments. There was also discussion about areas of the Canadian debt market where the CRA's credit ratings appear to be generous in nature, with specific examples highlighted for the REITs and energy sectors. During the engagement, the team sought clarifications with respect to the CRA's incentive and compensation structure. The team also reiterated the importance of the CRA ensuring it maintains the trust and confidence of investors. It was agreed to continue open dialogue and engage with the CRA's analytical and business development teams.

Outcome:

Subsequent to the team's conversations, the CRA hosted a webinar to walk investors through its credit rating methodology in detail. However, the team's view is that an understanding of the methodology is not the issue. Rather it is that the methodology appears overly generous in its approach and the team is seeing issuers actively engaging in "rating shopping" and opting to choose this CRA as their sole rating agency. The team continues to engage the CRA regarding issuers where it feels the issuers are mis-rated. The team has not seen the CRA take any material actions to address this concern yet. However, recent conversations indicate it is open to the team's views on certain credits.

REAL ASSETS

RBC GAM Private Markets Real Estate Investment team

Approach

As significant owners of real assets, the engagement opportunities available to the investment team are more direct than those available to equity investors. As a result of the asset-level ownership, opportunities for engagement play a consistently important role in the overall stewardship process.

Engagement can be initiated at any time and this is regularly prompted throughout the year, facilitating consistent monitoring. These regular occurrences include:

- Annual capital budget process for properties, which identifies key capital initiatives related to ESG.
- Quarterly reports and co-owner meetings that regularly report on the status of capital projects.
- Annual GRESB and SASB submissions that require detailed information.
- Regular property level submissions for Leadership in Energy and Environmental Design (LEED), Building Owners and Managers Association and Fitwell certifications.
- The development of a net-zero action plan.

The investment team is able to make active decisions at the property level. For example, annual budgets (inclusive of ESG-related plans and expenditures) require approval, giving the investment team some scope to provide input with respect to potential changes on a regular basis.

CASE STUDY: Canadian Real Estate Fund

Objective:

Reviewing tenant engagement and relations.

Engagement:

The Fund managed by the team, in collaboration with its operating partner, includes an engagement program across most assets in the portfolio. The team believes this program strengthens operational performance and tenant retention while demonstrating the owner's commitment to creating a sense of community and well-being. By fostering transparent communication and collaborative relationships, such programs can reduce costs, enhance asset value and exemplify responsible stewardship aligned with ESG principles.

The Fund owns properties in Calgary, Canada. During the Calgary Stampede (a large festival attracting tourists from all over the world) thousands of tenants, shoppers and community members came together to participate in programming designed to foster engagement and a sense of place. The asset management teams curated inclusive events tailored to each property's unique community character and needs.

Outcome:

The team felt that these engagement initiatives reflect the commitment to social responsibility by deepening community relations through culturally relevant programming. This has been possible by listening directly to stakeholder voices, gaining insight into tenant priorities and concerns and building equitable spaces where diverse community members feel welcomed and valued.

RBC GAM Private Markets Mortgage Investment team

Approach

The investment team's engagement opportunities on material ESG factors are generally with its origination partners, who in turn engage directly with the borrowers. Opportunities may arise where the team can engage directly with the borrower through direct meetings or during a site inspection. The team may also engage with its origination partners during the pre-investment phase where it has determined changes are required to proceed with financing. The RBC GAM Private Markets Mortgage Investment team has several contacts within the industry and often has the opportunity to engage with existing and prospective clients to share knowledge and perspectives on a number of ESG topics.

RBC GAM Private Markets Infrastructure Investment team

Approach

As this is a private investment model, active value creation and negotiation for appropriate governance rights are an important element of the investment program and for asserting alignment of interests and incentives across co-investment partners (shareholders), the boards of directors and the management teams of each portfolio/investee company.

The investment team believes that accountability begins with transparency in reporting from the underlying investments' management teams. The investment team is committed to meeting rigorous internal reporting requirements, including the GRESB (Global Real Estate Sustainability Benchmark).

CASE STUDY: UK Telecommunications Tower Owner

Objective:

Understand the physical impacts of climate change.

Engagement:

The team engaged with the issuer on the impacts of extreme weather events to its telecommunications tower infrastructure. The team noted that weather events can damage towers or disrupt service, potentially resulting in significant impacts for emergency responders and customers who cannot communicate as a result. Outages may also pose legal liability. The team wanted to understand if the company had assessed the climate resilience of its telecommunications network and if it had a business continuity management plan. Through its discussion with co-investors and the company, there was a review of the full register of inherent risks that the company faced and the potential impacts if left unmanaged/unmitigated.

Outcome:

Through this discussion, the team was able to confirm that the company had assessed the physical risks of climate change and extreme weather on its towers and gained comfort that it had a business continuity management plan to manage potential impacts.

These examples comprise a small selection of the hundreds of engagements our investment teams complete in any given year. For further information on these and RBC GAM's additional stewardship activities, please refer to www.rbcgam.com/ri.

RI industry initiatives

As with our direct engagement activity, we participate in initiatives on ESG issues that we deem material to our investments. We view these initiatives as helpful in providing insights and/or information but ultimately reach our own views on sustainability-related topics. While any ESG factor may be material to an investment or portfolio, we believe certain systematic factors including governance, climate change and nature and human rights are likely material to issuers across most sectors and geographies. For specific RI industry initiative opportunities, we may evaluate both the materiality of the ESG issue and our portfolios' exposure to the issue.

RI industry initiatives case studies³⁶

RBC GAM is a member of several RI industry initiatives. Below, we provide some examples of RI industry initiatives we participated in during 2024 and highlight our role as part of the broader initiatives. A full list of RBC GAM's RI industry initiatives is available in Our Approach to RI, and our activities in 2024 are summarized in Principle 4.

Climate Action 100+ (CA100+) engagement with an integrated energy company	Approach The CA100+ is an investor-led initiative to ensure the world's largest corporate GHG emitters take appropriate action on climate change to mitigate financial risk and to maximize the long-term value of assets. Investors engage with portfolio companies to appropriately address these risks on behalf of their clients and beneficiaries. RBC GAM is an investor participant and signatory to Climate Action 100+ (CA100+).
	RI industry initiative focus & activities The BlueBay Fixed Income team continued to work with the investor group that is coordinating engagement with an integrated oil & gas company over the course of 2025. The objective of the engagement continued to be better understanding how the company is managing climate-related risks, specifically from a governance and emissions reduction target setting perspective, as well as ensuring quality disclosure on ESG matters more broadly. To inform on the group's updated company engagement strategy, activities involved dialogue with other stakeholders to gain insights on how the company is performing on methane emissions management, as well as how the company monitors regulatory and policy developments
	Outcome The stakeholder educational activities were beneficial in yielding valuable insights which will inform on the investor group's future engagement strategy with the company in terms of potential topics and issues within that to probe deeper into, as well as provide an overview of the evolving challenges and opportunities the company faces.
Investor Policy Dialogue on Deforestation (IPDD) engagements with various sovereign-related stakeholders	Approach The IPDD aims to coordinate a public policy dialogue with authorities and monitor developments to assess exposure to financial risks arising from deforestation. As a supporting investor of the IPDD, RBC GAM is active in a number of the workstreams focused on specific countries.
	RI industry initiative focus & activities The BlueBay Fixed Income team co-chairs the IPDD Management Committee and the Brazil workstream and is a participant in the Indonesia workstream. During the course of 2025, the team continued to participate across the different forums with the IPDD initiative.
	Outcome Within the Brazil workstream, the team alongside other investors continued to engage with government related representatives as well as with various other stakeholders to better understand the evolving nature of the deforestation-related policy and regulation in Brazil, as well as on specific initiatives such as the Tropical Forests Forever Facility, an innovative finance tool which aims to pay tropical forest countries to protect their forests. For the Indonesia workstream, a highlight for 2025 was the team participation in an investor visit to Indonesia to meet with key government agencies and stakeholders, as well as to discuss IPDD's objectives and sustainable finance in the ASEAN region more broadly. Other IPDD activities the team attended in 2025 included ongoing engagement on the European Union's Deforestation-free Products Regulation, as well educational sessions on key policy, regulatory and industry initiatives to address deforestation.

For further information on these and RBC GAM's additional stewardship activities, please refer to www.rbcgam.com/ri.

³⁶ In some cases, a specific RBC GAM affiliate may serve as signatory to or member of these initiatives, depending on factors including, but not limited to, the asset class, sub-asset class, or region relevant to the initiative.

Escalation of stewardship activities

We assess our stewardship activities through the lens of our portfolios' best interests. In each case, we consider the most effective way to address issues with investee issuers, and when it may be appropriate, to escalate our stewardship activities in order to contribute to the long-term sustainable growth of our investments.

The following describes three escalation methods that we may employ as part of our stewardship activities.³⁷



Private dialogue

At RBC GAM, we have a strong preference for maintaining an open and private dialogue and engaging with our investee issuers to consider material factors, which may include ESG-related factors. We believe that this approach promotes strong relationships with issuers, enables us to raise our concerns and convey our views from an investor's perspective and allows our investee issuers to address these concerns in the ways they deem best for their businesses. We engage in private dialogue and may seek out RI industry initiatives to engage with the issuer as a form of escalation.

Forms of escalation

- Engaging to inquire about an issuer's approach and policies for managing specific material issues.
- Engaging to request that the issuer improve disclosure on, create a strategy around, or implement enhanced practices to improve its management of material risks and/or opportunities.
- Participating in an RI industry initiative requesting that the issuer improve disclosure on, create a strategy around, or implement enhanced practices to improve its management of material risks and/or opportunities.



Proxy voting

We believe that exercising our voting rights is an effective way to consider issues that are material to our investments and can help protect and enhance the long-term value of the portfolios we manage. Depending on the ESG factor, proxy voting may be the first or most suitable mechanism to escalate our stewardship with an issuer. For example, for several governance factors, like executive compensation and board independence, the proxy voting circular is the first opportunity to assess the issue, which can then further be considered through engagement or other forms of escalation. In other cases, our teams may engage with an issuer first to better understand a material ESG issue and assess the issuer's approach to the issue through private dialogue, before casting a vote against management's recommendations.

Forms of escalation:

- Voting against management's recommendation on a proposal, including proposals on the election of certain directors.
- Updating our Proxy Voting Guidelines on material ESG issues to better reflect practices we believe can help enhance the long-term value of securities held.
- Filing a shareholder proposal to address the material ESG issue directly. We use this method sparingly.



Public statements

Where issuers have not sufficiently enhanced or implemented practices to manage material ESG risks, our efforts through private dialogue and/or proxy voting have been unsuccessful and we believe this poses a material risk to our investments, we may consider other public avenues to encourage change. This may include issuing or supporting public statements that target specific markets and/or issuers. In these cases, we may take public action as part of RI industry initiatives. We use this method sparingly.

Forms of escalation

- Issue or become a signatory on a public statement requesting specific issuer actions related to the management of material ESG issues.

³⁷The escalation methods described are non-exhaustive and should not be interpreted to supersede escalation approaches that may be required under specific regulations, such as SFDR.

Escalation is an iterative process and each of the methods we may employ is informed by the overall escalation objective. For example, information gathered through engagement may result in escalation through proxy voting or lead to further engagement opportunities. Similarly, a public statement may lead issuers to reach out to their investors to engage on a material ESG topic that the issuer had not previously been interested in addressing with investors.

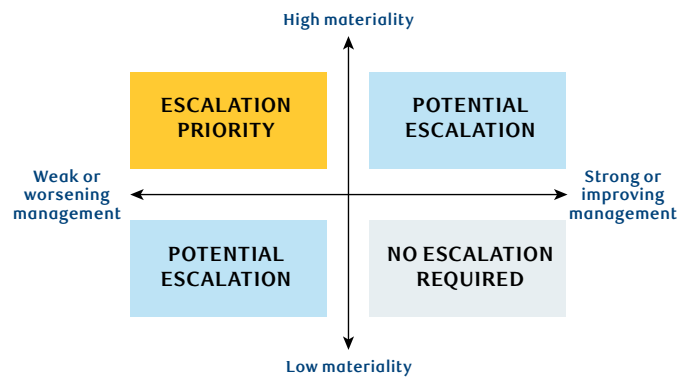
Ultimately, at any stage of their analysis or engagement with an issuer, our investment teams may choose to divest from an investment or group of investments based on their judgement of the business case. This may occur when the investment team does not believe that the relevant ESG issue is being appropriately managed – despite escalation of engagement and stewardship efforts – and determines that the issue materially affects the investment case overall. In addition, there may be circumstances where we determine escalation is not the best course of action and a portfolio is better served through divestment. This could be because we believe the likelihood of a successful engagement is low or because we believe the resources required to escalate the issue would better serve the portfolio if allocated elsewhere. The outcome of an engagement is generally not the sole factor in an investment decision. Instead, the information obtained from engagements on material factors is one element that can help inform the investment case. It is at the discretion of each investment team to decide whether to continue with an investment or to divest, in line with what we believe are the best interests of the portfolio.

Escalation in fixed income

Fixed income investors are not owners and as such, have different mechanisms for interacting with issuers (e.g., limited access to proxy voting). In addition, seeking to engage a non-corporate issuer, such as a sovereign, is potentially more challenging than engaging with a company. Their primary stakeholder is the voting populace, not investors and seeking change could be seen to be political interference or infringing on sovereignty. Therefore, the scale and pace of change can potentially be slower than for corporates.

Selecting and prioritizing issues for escalation

In determining the appropriate method and extent of escalation in our stewardship efforts with a particular holding, the primary considerations we use to prioritize our efforts are materiality and the issuer’s performance in managing or mitigating the issue, as demonstrated in the following graphic:



1. **High Materiality | Weak or Worsening Management:** An escalation priority typically arises when an issuer is exposed to a highly material ESG factor and is not employing adequate measures to manage and address the risks and/or opportunities related to that factor. In this case, our investment teams may employ the escalation methods they deem most appropriate for conveying their views on the material ESG matter or may engage to gather additional insights to inform the investment case. Engagement and/or escalation objectives may be established using the team’s direct investment and ESG research on the topic and drawing on established best practice frameworks. Investment teams may also collaborate with the RI team and/or gather insights from RI industry initiatives when escalating the matter.
2. **High Materiality | Strong or Improving Management:** Where an issuer is exposed to a highly material ESG factor, our investment teams monitor the issuer’s management of and exposure to, that factor as part of their ESG integration and investment monitoring processes, where applicable. When an issuer is employing robust practices and managing its exposure to the issue effectively, there is typically no need to escalate our stewardship activities. Rather, investment teams can continue to monitor the issuer’s management of the factor for any material changes and any potential engagement activities tend to focus on information gathering rather than escalation objectives.
3. **Low Materiality | Strong or Improving Management:** Where an issuer is exposed to an ESG factor that is less material and the issuer has appropriate ESG policies and strategies in place, there is typically no need to escalate our stewardship activities with that issuer. Instead, our investment teams may monitor the issuer for any controversies, events, or changes that might make that ESG factor more material and warrant further investigation.

4. *Low Materiality | Weak or Worsening Management:*

Where an issuer is exposed to an ESG factor that is less material and the issuer does not have appropriate ESG policies and strategies in place, there is typically no need to escalate our stewardship activities. Rather, investment teams might monitor the issuer's exposure to ESG factors for changes that might make that ESG factor more material. They may also encourage the issuer to implement enhanced practices over the long term, aiming to reduce the likelihood of a potential future material ESG-related risk or controversy.

In addition to materiality and issuers' management of ESG factors, where there are multiple issuers, all with highly material ESG risks, our investment teams may prioritize escalation of efforts with the issuer that represents a larger investment (i.e., by % weight) in the portfolio. This is because positive action from a larger investment position is likely to have a greater effect on the long-term risk-adjusted returns of the portfolio, compared to changes in a smaller investment.

Teams may also choose to use less resource-intensive methods of escalation for smaller holdings or lower-priority items and use higher intensity methods for large holdings and higher-priority matters. For example, we may send a letter to a smaller holding, but, with respect to a larger holding, meet directly with the board or management team.

Escalation case studies

In the following pages, we highlight a selection of case studies where we escalated our stewardship activities to express our views to boards of directors and management teams and to encourage progress on material ESG issues.

Please note that although we do include a description of outcomes in our case studies, it can be difficult to attribute RBC GAM's engagement and escalation activities with direct outcomes. Such challenges include the fact that other investors may also be engaging with the issuer; issuers may not want to formally attribute an outcome or change to our engagement; and the timeframe between the engagement taking place and the outcome can be considerable, particularly in emerging markets.

Raising governance concerns

Approach

We believe that strong management teams and robust corporate governance structures are important for sustainable shareholder value creation. We believe management teams are strongest when they operate within appropriate governance frameworks that include proper board oversight, collective decision-making processes and transparent communication with shareholders.

Where material, we may consider ownership structures in our fundamental analysis, particularly when there is a concentration of ownership (e.g., founder, family, etc.). Concentrated insider ownership may also result in a concentration of decision-making power, increasing governance risks. If left unchecked, this could result in poor decision-making, including potential misallocation of capital, strategic missteps and erosion of investor confidence. In our view, effective governance requires checks and balances, even in founder-led or family-controlled companies, to help ensure that decision-making processes consider diverse perspectives and align with long-term shareholder interests.

Escalation

In 2023, our RBC European Equity team raised governance concerns at a European entertainment and technology company. The company communicated that being founder-led does come with its own challenges and there were signs of progress, including the consideration of additional independent board members. The investment team found there were some improving governance practices in place, but the company could do a better job in formalising them.

However, in 2025 the team raised new governance concerns with the company. After engaging with the company, it became clear that the CEO completed a deal without consulting with the CFO. The market reaction to the deal was negative and the investment team felt additional internal deliberation may have been helpful.

The investment team reiterated its governance concerns from previous engagements, noting its views on the need for strong oversight and robust decision-making processes. The team also noted that the issuer's succession planning needed improvement to give shareholders a better sense of the issuer's future leadership and direction.

The company acknowledged the validity of our governance concerns. It communicated that some enhancements were already being made, including the addition of a technical expert to the executive suite. The company has also made recent additions to its supervisory board, further enabling appropriate oversight.

Outcome

Overall, the investment team appreciated the updates and acknowledgement of its concerns, but its overall investment view was unchanged. The team considered these governance risks in its fundamental analysis and continues to believe the issuer's practices maintain elevated governance risks until progress is made.

**Requesting
additional
disclosures**

Approach

We believe that comprehensive and consistent ESG data reporting is important for effective investment analysis. Further, high-quality ESG reporting from our investee issuers facilitates high-quality reporting to our own clients. High-quality ESG reporting has been a historical challenge in the fixed income space, where operating entities may issue bonds separately from parent companies that typically report consolidated ESG data. For instance, if an energy company has a large oil and gas portfolio but has a subsidiary focused solely on renewable energy and if the subsidiary relies solely on the parent's ESG reporting, it may be providing investors with ESG data that is not reflective of its business.

To enable more effective consideration of material ESG factors, we may engage with companies and encourage enhanced disclosures for entities issuing securities in the public markets.

Escalation

In 2025, our PH&N Fixed Income team wrote a letter to a North American energy company. Although the parent company has robust ESG data reporting and the team has had good dialogue with the parent and its subsidiaries in the past, the team determined a detailed letter would more effectively communicate its concerns. In the letter, the investment team noted that the fixed income market continued to lag equity markets in ESG data coverage, creating challenges for fixed income asset managers.

The letter went on to communicate how the company's operational structure—where bonds are often issued by operating entities while ESG data is reported at the parent company level—creates significant challenges for fixed income investors in interpreting and utilizing ESG information.

The letter focused on encouraging the company to consider how its reporting practices could better serve the fixed investors and improve data accessibility. The team emphasized that addressing these reporting challenges would benefit not only individual investors but the company as well.

Outcome

Given the nature of the request, the investment team did not expect immediate changes in the company's practices. However, the investment team will continue to monitor the quality of the issuer's disclosures and their utility for fixed income investors.

These examples comprise a small selection of the escalation activities we may complete in any given year. For further information on these and RBC GAM's additional stewardship activities, please refer to www.rbcgam.com/ri.



4. Signatories actively exercise their rights and responsibilities.

Proxy voting results

The table below summarizes how we voted across markets in 2025. The proxy voting statistics in the table include voting for all of RBC GAM with the exception of externally managed sub-advised portfolios and certain institutional accounts.

	Canada	U.S.	Rest of World	Overall
Proposals - total	2,933	12,482	13,363	28,778
Votes WITH management (of total)³⁸	2,691	10,376	12,162	25,229
Votes AGAINST management (of total)³⁹	242	2,106	1,201	3,549
% of votes AGAINST management (of total)	8.25%	16.87%	8.99%	12.33%

Source: RBC GAM

Overall, RBC GAM voted on over 99% of proposals we were eligible to vote on. This figure does not include the scenarios below. This figure includes instances where one ballot (i.e., portfolio) voted at the meeting but another did not due to the scenarios below.

- RBC GAM intentionally cast a Do Not Vote instruction due to ballot mechanics, market mechanics, or other unique circumstances.
- RBC GAM intentionally cast a Do Not Vote instruction on certain proposals at proxy contests.
- RBC GAM intentionally cast a Do Not Vote instruction where all votable ballots were subject to shareblocking.
- RBC GAM voted on ballots but our votes were rejected due to administrative issues (e.g., power of Attorney requirements, sub-custodian treatment of split voting, etc.).

The remainder of this section covers proxy voting statistics for all of RBC GAM with the exception of externally managed sub-advised portfolios and certain institutional accounts.

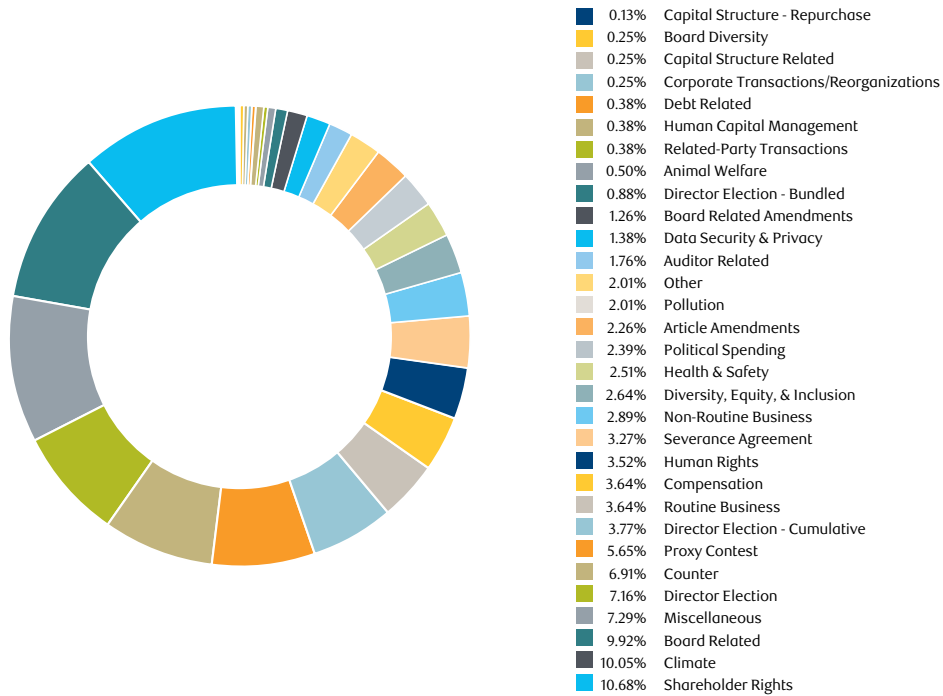
³⁸ With management: a vote that is the same as the management recommendation for a ballot item.

³⁹ Against management: a vote that is different to the management recommendation for a ballot item.

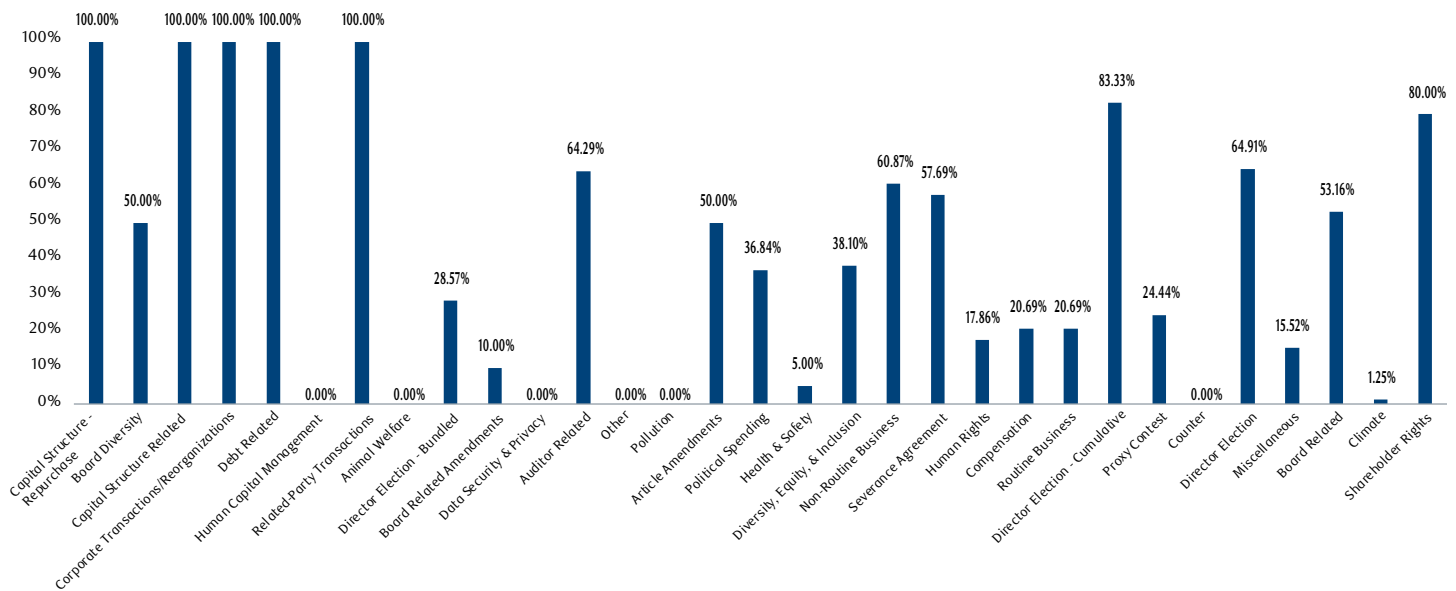
Shareholder proposals

Shareholder proposals represent a small number of the overall ballot items but are an important mechanism for shareholders to request that an investee company take action on material issues. For context, out of the total 28,778 management and shareholder proposals on which we voted in 2025, 796 were shareholder proposals. The following charts provide an overview of the types of shareholder proposals we reviewed and supported this proxy voting season.

Shareholder proposals by category (% of votes)⁴⁰



Shareholder proposals supported by category (% FOR)



⁴⁰Proposal categories are defined by ISS. Proposal categories were selected by RBC GAM and reflect those we determined to be of most interest. Total shareholder proposals in sample is 796. Values may not add to 100% due to rounding.

Overview of our voting record by issue

Below is a snapshot of our voting record on a set of important and frequent management and shareholder proposals. Management typically recommends voting against shareholder proposals. As a result, a vote against management in a shareholder proposal typically equates to a vote in favour of the proposal.

Item category	Canada			U.S.			Rest of World			Total		
	WITH Mgmt	AGAINST Mgmt	% AGAINST Mgmt	WITH Mgmt	AGAINST Mgmt	% AGAINST Mgmt	WITH Mgmt	AGAINST Mgmt	% AGAINST Mgmt	WITH Mgmt	AGAINST Mgmt	% AGAINST Mgmt
Management proposals												
Ratify Auditors	49	0	0.00%	1,166	4	0.34%	306	5	1.61%	1,521	9	0.59%
Elect Director	2,028	159	7.27%	7,387	1,508	16.95%	3,299	287	8.00%	12,714	1,954	13.32%
Approve Remuneration of Directors and/or Committee Members	3	0	0.00%	0	0	n/a	383	21	5.20%	386	21	5.16%
Amend Omnibus Stock Plan	2	16	88.89%	4	172	97.73%	0	8	100.00%	6	196	97.03%
Advisory Vote to Ratify Named Executive Officers' Compensation	170	6	3.41%	999	100	9.10%	313	55	14.95%	1,482	161	9.80%
Approve Remuneration Policy	0	0	n/a	0	0	n/a	151	33	17.93%	151	33	17.93%
Management Climate-Related Proposal	0	0	n/a	0	0	n/a	4	0	0.00%	4	0	0.00%
Reporting on Climate Transition Plan	2	0	0.00%	0	0	n/a	1	0	0.00%	3	0	0.00%
Provide Right to Call Special Meeting	0	0	n/a	14	0	0.00%	0	0	n/a	14	0	0.00%
Shareholder proposals												
Require Independent Board Chair	0	0	n/a	0	22	100.00%	0	1	100.00%	0	23	100.00%
Submit Severance Agreement to Shareholder Vote	0	0	n/a	11	15	57.69%	0	0	n/a	11	15	57.69%
Human Rights Risk Assessment	5	0	0.00%	9	2	18.18%	1	0	0.00%	15	2	11.76%
Racial Equity and/or Civil Rights Audit	0	1	100.00%	5	1	16.67%	0	0	n/a	5	2	28.57%
Political Lobbying Disclosure	0	0	n/a	8	0	0.00%	0	0	n/a	8	0	0.00%
Report on EEO	0	0	n/a	7	4	36.36%	1	0	0.00%	8	4	33.33%
Amend Articles/Bylaws/Charter - Call Special Meetings	0	0	n/a	15	39	72.22%	0	0	n/a	15	39	72.22%
Adopt Simple Majority Vote	0	0	n/a	6	11	64.71%	0	0	n/a	6	11	64.71%

Source: RBC GAM

For more information on our general voting rationale on some of these voting items and others, please see Principle 2.

Proxy voting case studies

We share our proxy voting results and observations in institutional reporting, insights on our website and publications such as our Commitment to the UK Stewardship Code. We also publish our proxy voting rationales as part of our proxy voting records disclosure in Canada and for RBC GAM-UK. These rationales provide transparency into why we voted the way we did at meetings where our vote opposed management's recommendation and for extraordinary or contentious proposals, whether we chose to support them or not. Below, we highlight a few examples of notable votes in 2025.

Artificial Intelligence	<p>Approach</p> <p>The development and adoption of artificial intelligence (AI) is increasingly integrated into the business operations of many companies. However, there may be material risks and opportunities associated with using this technology. We believe that companies using AI in a meaningful way should ensure they have appropriate governance and expertise to handle a changing regulatory, legal and technological landscape.</p> <p>We approach shareholder proposals on AI on a case-by-case basis. We may support proposals that call for enhanced disclosure on AI-related board and firm governance structures and expertise. Further, we will generally support proposals requesting enhanced disclosure on how a company uses AI within its operations, where material to the company's business.</p>
	<p>Proxy vote</p> <p>In 2025, we updated our Proxy Voting Guidelines to include our perspectives on AI. With the widespread adoption of AI, we expect an increase in the number of AI-related shareholder proposals. Historically, we have voted on proposals related to board accountability on AI and the use of certain AI-related technologies as they relate to human rights.</p> <p>The guideline helps communicate our approach to voting on AI-related shareholder proposals. Although we believe AI presents significant opportunities for efficiency and productivity gains, this integration also introduces a range of potential risks, including ethical concerns, regulatory compliance challenges, data privacy issues and operational vulnerabilities.</p>
	<p>Outcome</p> <p>In 2025, we saw a wide breadth of AI-related shareholder proposals. Proposals ranged from requesting that the issuer adopt a voluntary AI code of conduct at Canadian companies (0/9) to requesting reporting on the risks of using AI in oil and gas development (0/1). Overall, we identified 20 shareholder proposals related to AI, supporting three of them (3/20).</p> <p>We supported two proposals requesting additional disclosures regarding the risks of using external data in AI tool development and one proposal requesting a human rights impact assessment regarding AI-driven advertising. The most common AI-related proposal requested that the issuer adopt a voluntary AI code of conduct. We did not support any of these proposals, having found issuers' existing practices to be adequate and the proposal's request for adoption of a specific code to be overly prescriptive.</p>

Proxy Contest

Approach

We believe that in contested elections, it is important to understand what both management and the dissident nominees are proposing and the implications it will have on performance going forward.

We review dissident shareholder proposals for director nominees on a case-by-case basis to determine which nominees we believe will result in the best performance for the company. We may consider factors including, but not limited to:

- The performance of current management and the company's long-term performance.
- The competing strategic plans of the dissident and incumbent slate to enhance long-term corporate value, including the impact on key constituents.
- The relative qualifications of the nominees and, where relevant, the company's current executive and board compensation practices
- Board independence, performance, equity ownership and responsiveness to shareholder concerns

Proxy vote

A proxy contest was launched at a U.S. energy company, where the dissident sought to replace four management nominees on the board as part of its effort to address underperformance, improve operations and evaluate options to unlock value trapped in what the dissident characterized as a conglomerate structure. If successful, the dissident would occupy approximately one quarter of board seats.

RBC GAM supported the election of all four dissident nominees. Overall, we felt the dissident made a compelling case for change and put forward candidates with the experience and independence necessary to address issues facing the company.

Leading up to the 2025 proxy contest, we were concerned that the company needed to make adjustments across leadership and the broader business but have historically supported the election of all board members.

Outcome

Given our concerns regarding the continued trajectory of the company, we decided to support the dissident's nominees in the contested election.

The dissident was successful in electing two of its four nominees to the board.

**Director elections
and compensation at a
Canadian e-commerce
company**

Approach

RBC GAM believes that all compensation plans should attempt to align the interests of management and directors with the long-term interests of shareholders. Compensation plans should be sufficiently generous to attract and retain talent with the skillset required to promote the long-term success of the company, but compensation should also be commensurate with performance.

We will generally support executive compensation plans that are fair and oppose those that misalign pay and performance or are structured in a way that may risk doing so in the future.

Proxy vote

Since 2019, we have been voting against the compensation plan of a Canadian e-commerce company due to pay-for-performance misalignment and overall compensation plan structure. In addition to the underperforming total shareholder return and declining operational performance, we identified various problematic pay practices.

The CEO's compensation continues to consist of only a large stock option grant and compensation for other non-executive officers also does not include any performance-based compensation. Additionally, equity-based compensation was only subject to time-vesting conditions and a general lack of risk mitigating practices, as well as insufficient disclosure around severance payments to the former CFO.

Overall, our Proxy Voting Guidelines state that we would be comfortable with time-based long-term incentive plans with a simplified overall plan structure if the company had offered restricted share units as opposed to limiting compensation to stock options and if the company had at minimum, a five-year vesting period. In this case, the vesting period was only three years.

Outcome

As a result of this analysis, the substantial level of opposition to the company's pay practices and the compensation committee's lack of responsiveness to ongoing executive compensation concerns, RBC GAM escalated our vote in 2023. We not only voted against the say-on-pay proposal but also voted against the election of the members of the Compensation Committee.

The say-on-pay proposal received roughly 77% support at the 2023 annual meeting, while the Compensation Committee members received approximately 93%, 83% and 97% support, individually.

Update

When reviewing the say-on-pay vote at the 2025 Annual General Meeting, we did not see an improvement in compensation practices. Consistent with our approach in 2023 and 2024, we once again voted against both the say-on-pay proposal and the election of the members of the Compensation Committee.

The say-on-pay proposal received roughly 62.3% support at the 2025 annual meeting (down from 77% in 2023, 69% in 2024), while the incumbent Compensation Committee members received approximately 76% and 84% support, individually.

These examples comprise a small selection of the proxy voting activities we may complete in any given year.

Proxy voting case studies

In 2025, we identified a small number of votes with potential conflicts of interest:

Potential voting conflict	Details
Voting shares of Royal Bank of Canada	For more information see Voting parent company shares under Section D
Voting shares of BlackRock, Inc.	For more information see Voting shares of our strategic alliance partner, BlackRock under Section D
Voting shares of related fund management companies	In some regions, when one portfolio owns units or shares of other portfolios we manage, we may be eligible to vote at the fund management company's shareholder meeting. In some cases, RBC GAM employees may serve as directors on the company's board. In 2025, we abstained from voting our shares at the BlueBay Structured Funds 2025 Annual General Meeting.

Proxy voting records

For further information on these and RBC GAM's additional proxy voting activities, please refer to www.rbcgam.com/ri. This includes our proxy voting records, which are available on our regional websites in accordance with applicable regulations.

Executing our rights in fixed income

As engaged, responsible fixed income investors, we execute our rights according to the specific instrument in which we are investing. In all cases, we evaluate what would be in the best interests of our portfolios and act accordingly.

Examples of our approach include:

Seeking amendments to terms and conditions in indentures or contracts	<p>Where it is appropriate and relevant to do so, we may seek amendments either during the new issue deal formation stage or during our holding period. This may be done through a direct request to the issuer or by providing feedback during a bond roadshow or book-building process.</p> <p>During the new issue stage, our investment teams may have opportunities to seek the inclusion of certain terms and conditions, while during the holding period stage, circumstances may arise where we respond to proposals from issuers to amend terms.</p>
Seeking access to information provided in trust deeds	<p>This is most relevant to our investments in project bonds and private placements. We exercise our rights as bondholders to receive project updates and financial statements, which may not be publicly available in the case of private issuers or special purpose entities. Our approach is to establish this right as soon as we make an investment and request that updates be delivered automatically, so that our investment teams can track project updates. In some circumstances, we may also initiate a special update from an issuer.</p>
Impairment rights	<p>Most of our work in impairment rights takes place during the due diligence stage. Our approach is to analyze scenarios around event of default, cures and associated step-in rights.</p>
Reviewing prospectus and transaction documents	<p>This takes place before our investment teams invest in any deal. Teams review prospectus documents to understand covenants, terms, structure and risk. The approach taken varies depending on the complexity of the structure and bond offering.</p> <p>In many cases, our investment teams may have limited ability to provide input into changing terms of potential deals. Therefore, reviewing documents in detail is important, as our teams will not buy the debt issuance if there are undesirable terms or if they do not believe it is adequately priced. If there is sufficient pushback from investors, this approach can lead to a wider issuance spread or a change in terms.</p>

Fixed Income Case Studies

Due diligence on deals / transactions	<p>Background</p> <p>In early 2024, the BlueBay Fixed Income team acquired a UK company from administration in a transaction that was agreed in advance of the administration day (commonly known as a “pre-pack” transaction). Significant due diligence had been conducted as part of the decision to purchase the business. As part of efforts to turn the business around, the team took measures over the course of 2024 to address corporate governance and employee matters.</p> <p>Analysis</p> <p>The team reviewed and implemented steps to address board membership. Specifically, the former CEO and CFO were rehired to run and manage the business. However, due to various corporate legal reasons, an interim director with relevant skills (a former restructuring partner in a law firm) was also appointed. Changes have also been made on the human resources side (for instance, on remuneration to attract and retain staff). Former management members who were not onboard with the turnaround plan had been let go without damage to the business and others had been hired. Subsequently, in 2025, we replaced the CEO with the Commercial Director who was leading the turnaround of the front end of the business which posted sales up 25%. We have recently replaced the CFO to improve the visibility and control over the business and cash flows. We’re also in the process of appointing a Chair – to strengthen governance generally and lead management; to support the continuing turnaround of the business; and to provide additional experience.</p> <p>Outcome</p> <p>The business was inevitably negatively impacted by the insolvency process. The impact had diminished over time and management had started to turn the business around from Q4 2024 and this continued in early 2025. In 2025 the turnaround of the business had really taken hold with sales up 25% over 2024. In January 2026 (the seasonally heaviest sales month of the year), sales were up a further 33% over Jan-25. There are other parts of the business (e.g. production) where we still need to complete a necessary transformation. Governance at the company was strengthened throughout 2025, although there remain ongoing efforts to build out the board more fully. There is also scope to further improve the quality of financial management and control.</p>
Debt restructuring negotiations	<p>Background</p> <p>The BlueBay Fixed Income team held bonds in an emerging markets sovereign issuer since it defaulted in 2020. The team was part of the creditors group for the largest group of hard currency bondholders that is looking to work on a debt restructuring deal once an appropriate government had been established. The appointment of a new government in the country had been delayed because of various geopolitical developments, with progress largely stalled until 2024. However, there is now positive momentum, and the team and creditors group are focused on advancing banking sector reform in the country.</p> <p>Analysis</p> <p>The case had been stalled in a U.S. court, but during 2025, a U.S. judge ruled that the specific bonds were valid, dismissing the case put forward to make them void. This has allowed for the continuation of a court-ordered auction of the shares in the entity owned by the company to pay off creditors.</p> <p>Auction bids were received for the purchase of the parent company of the entity used as collateral. If a bid is successful, it would offer financial recovery for some of the company’s general creditors and a priority settlement for bondholders in those specific bonds. The acquisition would return the entity to U.S. ownership and establish it as a publicly listed company.</p> <p>Outcome</p> <p>The court-ordered auction of the parent company of the entity used as collateral is currently in a ‘frozen’ state, as the preferred bidder is awaiting critical U.S. Treasury Department approval. Whilst a specific U.S. court approved the winning offer in late 2025, the sale is not yet finalized and the process remains subject to ongoing, complex legal challenges and U.S. government oversight.</p>



5. Signatories integrate stewardship considerations into their selection and oversight of external managers.

Nearly all of RBC GAM's AUM is internally managed. We do offer a small number of solutions in North America that are sub-advised by external managers. These solutions make up roughly 1% of our overall AUM.

Stewardship integration in tendering and portfolio mandate design

Sophisticated multi-dimensional ESG assessment framework

RBC GAM works with RBC Wealth Management's Global Manager Research (GMR) team to search for and evaluate potential external managers for applicable portfolios. The GMR team employs "4 P evaluation criteria" that incorporates stewardship considerations: Firm & Product, Investment Professionals, Investment Process and Performance.

Firm-level commitment analysis

For applicable mandates, GMR evaluates prospective sub-advisors' institutional commitments to stewardship through multiple indicators, including an evaluation of resources dedicated to ESG and stewardship and the robustness of its stated processes.

The due diligence process examines the human capital behind a prospective sub-advisors' stewardship integration:

- Assessment of ESG team expertise and meaningful integration into investment processes
- Consideration of the investment decision maker's understanding of ESG risks within their holdings

Setting expectations and engaging with external managers

Clear documentation and governance requirements

We establish formal stewardship expectations with our external managers through:

- Review and approval of sub-advisors' compliance and conflict of interest policies
- Structured onboarding sessions covering regulatory and stewardship matters

Regular stewardship dialogue

Our engagement approach with external managers includes:

- Quarterly or semi-annual monitoring calls with actively managed external sub-advisors
- Focused discussions on stewardship practices, market outlook and ESG considerations, as required

Monitoring of stewardship considerations

Multi-layered ESG spectrum analysis

GMR has developed a framework for categorizing and monitoring sub-advisors on a spectrum of ESG integration that ranges from "Traditional Asset Managers" to "Impact Investing." This allows GMR to:

- Assess the authenticity and depth of ESG integration rather than relying solely on third-party research provider scores
- Compare managers within appropriate peer groups based on their ESG integration approach
- Monitor evolution in stewardship practices over time

Investment process verification

Our monitoring evaluates the substance behind stewardship claims:

- Assessment of intentional versus incidental ESG integration
- Review of exclusion criteria and quantitative thresholds where applicable
- Evaluation of active ownership and engagement programs, including proxy voting practices
- Analysis of controversy management and portfolio risk assessment

Comprehensive ongoing oversight programme

Our systematic monitoring includes:

- Annual ESG-related due diligence questionnaires addressing proxy voting, ESG integration and responsible investment practices
 - These questionnaire responses are reviewed by RBC GAM's RI team
- Due diligence reviews roughly every 12-24 months
- Monthly compliance monitoring by Investment Policy team
- Quarterly certification processes requiring written confirmation of regulatory compliance including stewardship standards
- Qualitative assessments that track changes in stewardship approaches and capabilities

Escalation and progress tracking

Structured issue resolution process

When stewardship-related concerns arise:

- GMR prepares detailed reports identifying specific issues and proposed remedial actions
- Reports include commentary on stewardship gaps and recommendations for improvement
- Issues are escalated to senior management (CIO, COO, Head of Investment Solutions)
- Follow-up actions are coordinated between the Investment Solutions and RI teams

Continuous enhancement

We maintain collaborative development of ESG assessment criteria between the GMR, Investment Solutions and RI teams, helping ensure our stewardship evaluation evolves with best practices and regulatory developments.



6. Signatories monitor and hold to account stewardship service providers.

Our proxy voting providers

RBC GAM seeks to act in the best interests of the portfolios it manages, which extends to exercising the voting rights attached to securities within these portfolios where we have such authority. We exercise the voting rights of the portfolios we manage with a view to enhancing the long-term value of the securities held. We make each voting decision independently, in accordance with our Proxy Voting Guidelines.

RBC GAM retains the services of ISS to manage and execute proxy votes. RBC GAM subscribes to the research of both ISS and Glass Lewis. The research and benchmark policy voting recommendations from both proxy advisors may be considered as part of the proxy voting decision. However, the final voting decision is independent and voting authority rests solely with RBC GAM. RBC GAM engages with ISS on an annual basis in advance of the upcoming proxy voting season to confirm the desired implementation of the Guidelines and any updates thereof. This includes a review of ISS' benchmark voting policy updates to consider applicable guidelines and their implementation.

RBC GAM has a process to manage the review and approval of vote instructions. This includes the review of upcoming company meetings, corresponding meeting research and custom vote recommendations by the RI team's analysts. Our investment teams receive regular reports of upcoming meetings in the portfolios they manage, which may include flags and rationales for any recommended votes against the recommendations of management based on either the Guidelines or ISS' local benchmark voting policy.

This process is designed so that as an asset manager, we can closely monitor the quality of research and vote recommendations of service providers, as well as the accuracy of vote processing and reporting. Globally, RBC GAM typically votes at over 2,800 meetings per year and requires consistent and diligent research from our service providers, extensive reporting and monitoring capabilities on voting activities, open lines of communication and opportunities for feedback and a highly customized approach to the implementation of the Proxy Voting Guidelines.

During proxy voting, we employ oversight features to execute votes according to the Proxy Voting Guidelines and what we believe are the best interests of the portfolios we manage. These include the following:

- Dedicated analysts from the RI team review upcoming company meetings, evaluating proposals individually and paying particularly close attention where our custom vote recommendation calls for a vote against management's recommendations.
- The RI team receives automated alerts on particular voting circumstances including, but not limited to:
 - upcoming proxy contests
 - updates to voting recommendations
 - instances where a vote has been submitted contrary to the custom voting recommendations of ISS.

- Investment teams can receive automated alerts of upcoming meetings in the portfolios they manage. These alerts flag initial voting recommendations for upcoming portfolio company meetings, meetings with approaching vote cutoffs and cases where we have updated our vote instructions. Teams can note and escalate voting issues where they believe the initial custom recommendation is not aligned with the best interests of the portfolio(s).
- The RI team flags meetings via customized watchlists in ISS's online voting platform. Examples include instances where:
 - a company is being monitored for progress on an ESG factor or unique circumstance; or
 - we completed a Vote Override in the previous year.
- In scenarios where RBC GAM determines the initial vote based on the Proxy Voting Guidelines does not reflect the best interests of the portfolio(s), a vote override process is initiated. Investment teams are consulted on vote override requests and requests are submitted to the Proxy Voting Committee for review. Our Proxy Voting Committee includes the CIO and the Head of RI. In aiming to ensure independent oversight, no investment team member sits on the Proxy Voting Committee.

Throughout the year, we also monitor the outcomes of our voting activities and meet with ISS to discuss their implementation of our instructions in aiming to ensure that voting is executed according to our Proxy Voting Guidelines. This monitoring is executed in the following ways:

- RBC GAM meets with ISS on an annual basis in advance of each proxy voting season to confirm the desired implementation of the Proxy Voting Guidelines. This involves a detailed walkthrough of the most recent updates to the guidelines, as well as a review of ISS's benchmark voting policy updates to determine appropriate implementation.
 - Throughout the year, RBC GAM works directly with ISS's custom research team as new situations emerge or to refine implementation. Feedback is typically provided to ISS through ongoing dialogue.
 - The RI team conducts regular proxy voting reconciliations as they aim to ensure the number of votes submitted at our issuer meetings match our internal record of securities held in affected portfolios. Where issues are identified, they are escalated to ISS and/or the appropriate custodian, as required. This process complements ISS's reconciliation process, which reviews ballots received against a record of our retail equity mutual fund holdings for RBC GAM Inc., RBC GAM U.S. and RBC Funds (LUX).
- Aggregate voting statistics are analyzed on a semi-annual basis by the RI team, independent of ISS – once at the end of proxy season and once at the end of the calendar year. The RI team tracks statistics including:
 - votes against the recommendations of management
 - votes against the recommendations of ISS's benchmark policy
 - instances where we were unable to vote
 - votes rejected due to logistical, administrative, or market-specific issues (e.g., share-blocking).
 - After proxy voting season, RBC GAM and ISS will generally meet to discuss proxy season outcomes and voting trends, which can identify outliers or instances where further implementation or refinements are required. RBC GAM also identifies instances and themes where consistent vote overrides or refinements were required throughout proxy season and communicates these details to ISS to facilitate any further customization.

Research providers

enhance our stewardship activities. The primary users of this research and data include the investment and RI teams. Research and data from our providers help complement investment analysis, ESG integration within the investment process, preparation for potential engagements and portfolio risk monitoring and reporting.

There are a number of steps we undertake in aiming to ensure that the provider and quality of data/research will meet our expectations

1. Before purchasing data or research from a provider, we conduct market analysis to compare the potential product with its competitors.
2. Where applicable, our RBC GAM Quantitative Investments team back tests data being considered for investment and stewardship activity 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 our expectations, the provider is removed from consideration.
3. During a trial period, our 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 could be resolved through engagement with the provider.

4. Once the provider is onboarded, we maintain open dialogue and engagement between users of the data and the providers themselves in aiming to ensure that the quality and accuracy of data and research continues to meet expectations. For example, we may seek direct training opportunities for users of the data to understand the product and new ways to integrate it. Our investment teams may also discuss research findings directly with research providers' sector analysts or research managers to help facilitate a better understanding for 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 our expectations despite our engagement efforts, or where superior research or products are identified, RBC GAM may terminate our subscription. Subscriptions and contracts are reviewed by our internal legal department prior to signing and upon contract renewal, as required, to stipulate the conditions where termination may be appropriate.

In 2025, we continued to onboard ESG data into our data warehouse (such as to meet EU Taxonomy regulatory reporting requirements, or to proactively meet our evolving reporting needs). Quality checks are performed on a regular basis for issuer data held across portfolios and investment universe, as relevant and appropriate to do so, on data provided by third-party vendors. As a result of these data quality assessments, on an ad-hoc basis as relevant and appropriate to do so (such as when we note issuers or discrepancies), the RI team has engaged with third-party research vendors on the quality and completeness of their data.

For more information about our approach, visit rbcgam.com/ri.

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