

RBC Global Asset Management

Japan's Stewardship Code

RBC Global Asset Management | 2024



About this report

In this 2024 Commitment to the Japan Stewardship Code (the Report), references to RBC Global Asset Management (RBC GAM), including “we”, “our”, and “the firm” includes 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. For clarity, and consistent with RBC GAM’s Approach to Responsible Investment, RBC Indigo Asset Management Inc. is not covered by this document.

This stewardship report sets out RBC GAM’s submission to the Financial Services Agency demonstrating how we have applied the Japan Stewardship Code 2025’s principles in the calendar year to December 31, 2024 (reference period).

This document covers our approach to stewardship and discusses our investments that integrate environmental, social, and governance (ESG) factors. It also includes our views on systemic ESG factors that may be material to investments and our portfolios. ESG factors are considered 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 certain third-party sub-advised strategies.

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

Reporting period

All data and examples in this Report reflect activities undertaken during the 2024 calendar year (January 1, 2024 – December 31, 2024), unless otherwise noted.



Principle 1

Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.

RBC GAM's Approach to Responsible Investment

At RBC GAM, our approach to Responsible Investment (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 accounts that we manage, including segregated client accounts and investment funds (collectively, "portfolios"). We seek to maximize investment returns for our clients without undue risk of loss, within the limits described in each investment 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 Approach to RI sets out RBC GAM's overall approach to RI and discusses our investments that integrate ESG factors. It also includes our views on systemic ESG factors that may be material to investments and our portfolios.

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 stakeholders of relevance 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.¹



ESG integration

Our investment teams incorporate material 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 aim to align our solutions with client demand and provide transparent and meaningful reporting.

¹Additional details on specific investment teams' processes or product level information can be found on our website.

Systemic ESG factors

As described in our three pillars, we consider 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; and
- 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 operate.²
- Mitigating GHG emissions may reduce the systemic risks that climate change poses. We recognize the importance of the global goal of achieving net-zero emissions by 2050 or sooner, in order to mitigate climate-related risks.³

- 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.

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.⁴
- Developing and implementing a plan to actively engage with issuers for whom we believe climate change is a material financial risk and who we believe are not managing this risk effectively 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).⁵ We note the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD),⁶ and provide some nature-related disclosures in our annual RBC GAM Climate Report.

Human rights

We believe the following:

- Respecting 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).
- Actual or potential adverse human rights impacts may lead to material financial, legal, regulatory, operational, and/or reputational risks to issuers.

²Nature-related factors include risks, opportunities, impacts, and dependencies, as described by the TNFD. Biodiversity loss is one type of nature-related factor.

³This 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), in order 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 refers to achieving a balance between the GHG emissions produced, and those removed from the atmosphere.

⁴Additional 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.

⁵The TCFD recommendations are now incorporated into the [International Sustainability Standards Board \(ISSB\) Standards](#), which are overseen by the International Financial Reporting Standards (IFRS) Foundation.

⁶The [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.

- 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.

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,

and 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, including 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 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 Responsible Investment	<p>Our Approach to RI is the overarching policy that governs all RI activities at RBC GAM and is structured according to three pillars – ESG Integration, Active Stewardship, and Client Solutions and Reporting. The RI team reviews and updates Our Approach to RI on a regular basis to reflect current activities and best practices. Updates to the policy are reviewed by the Leadership Committee and regional compliance teams, and are approved by the CIO.</p> <p>In 2024, we published an update to Our Approach to RI to better reflect best practices in RI and the processes applied internally.</p>	Regional compliance teams, CIO
Proxy Voting Policies	<p>RBC GAM's Proxy Voting Policy 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 Proxy Voting Policy 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 IRC in Canada), and are approved by the CIO, where required.</p> <p>In 2024, we incorporated regional proxy voting policies for RBC GAM entities into a single global proxy voting policy. This approach facilitates consistency across RBC GAM while permitting flexibility for our individual entities to adhere to regional requirements.</p>	Regional compliance teams, CIO
Proxy Voting Guidelines	<p>The Proxy Voting Guidelines specify our approach for how RBC GAM will generally vote on specific proposals and issues in our proxy voting activities. The Proxy Voting Guidelines are applied in Canada, the United States, the United Kingdom, Ireland, Australia, and New Zealand. The RI team proposes updates to the Proxy Voting Guidelines 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 portfolios' best interests. Updates are reviewed by the Proxy Voting Committee and are approved by the CIO.</p> <p>In 2024, updates to the Proxy Voting Guidelines included, but were not limited to:</p> <ul style="list-style-type: none"> ▪ generally voting against members of the Governance Committee at issuers using unequal voting right structures that do not maintain certain shareholder protections. ▪ adding a voting guideline communicating our approach to voting on nature-related shareholder proposals; ▪ clarifying our approach to auditor tenure when evaluating the ratification of the auditor; and ▪ clarifying our approach to reviewing sunset clauses on unequal voting right structures. 	Regional compliance teams, CIO

Policy	Description and updates	Level of internal review and approval
Firm-wide investment exclusions	<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.⁷ 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 have engaged an independent third-party research provider to provide us with a list of companies that should be excluded on the basis of this policy. The list of companies is typically updated monthly.</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>	CIO, CEO
Other policies and procedures	<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 entity's respective policies and procedures, with input from the relevant business teams. RBC GAM entities' policies and procedures are approved by their respective Chief Compliance Officers.</p> <p>Principle 3 provides more information on our policies and procedures.</p>	Relevant regional compliance teams

For more information on the assurance of our stewardship policies, please see Principle 7.

⁷These exclusions apply to direct equity or corporate credit holdings, but do not apply to derivatives or other index exposures where our exposure is indirect.



Principle 2

Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Our governance structure

RBC GAM is a global asset manager, including the following regional affiliated entities: 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. RBC Indigo Asset Management Inc. (RBC Indigo), which became part of Royal Bank of Canada (RBC) on March 28, 2024, and RBC Indigo's fund products, are not covered by the information presented in this document, unless otherwise noted.⁸

Each RBC GAM affiliate maintains investment, legal, and client service expertise that pertains directly to its respective markets. The affiliates follow applicable regulations for the markets in which they operate, and each has its own Board of Directors 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 important to RBC GAM and our clients. The RBC GAM affiliates follow the strategies, policies, and risk management processes established for RBC GAM unless stated otherwise.

Specific roles with global responsibilities include:

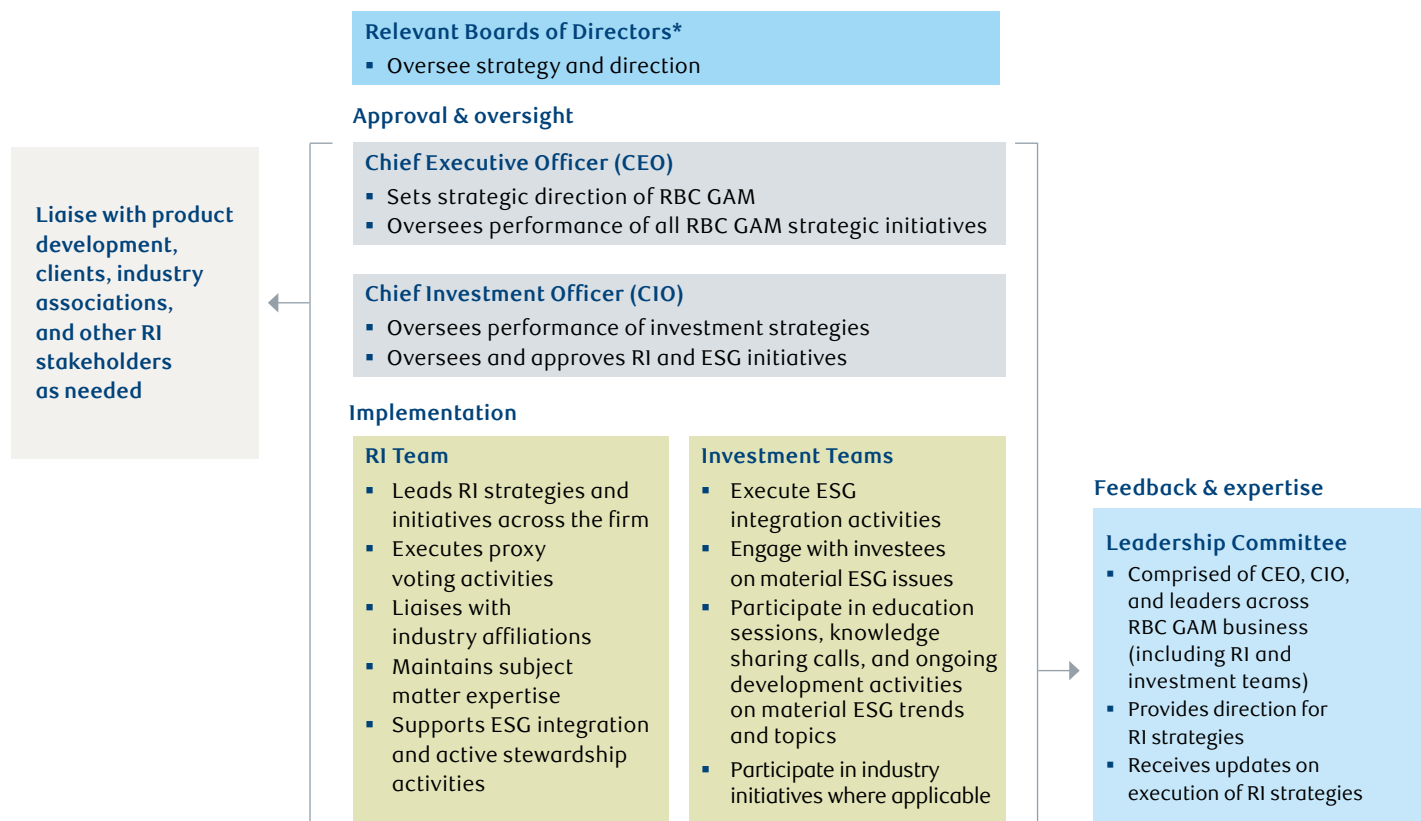
- The CEO of RBC GAM sets the strategic direction of RBC GAM and oversees the performance of all RBC GAM affiliates. This includes the firm's performance on all strategic initiatives and Our Approach to RI. The CEOs of all RBC GAM entities, the CIO, and the Chief Operating Officer (COO) report to the RBC GAM CEO.
- The CIO of RBC GAM oversees the investment strategies, policies, and performance across all entities. The heads of all investment teams and the RI team report to the RBC GAM CIO.
- The COO of RBC GAM oversees all operational strategies, policies, risks, and initiatives across all RBC GAM entities.
- Regional compliance teams oversee all global reporting and publications to help ensure alignment with regulatory requirements and global RBC GAM strategy and priorities.
- The Head of RI is responsible for all RI strategies and initiatives across RBC GAM, and for overseeing the implementation of these strategies by RBC GAM's centralized RI team.
- The heads of global investment teams are responsible for all investment strategies and initiatives across RBC GAM. They are responsible for overseeing the establishment and implementation of ESG integration processes for applicable strategies.

RBC GAM also has an established Leadership Committee, whose 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 has oversight and governance accountabilities. Membership includes the CEO, the CIO, and leaders across the RI team and the fixed income and equities investment teams, among others. This total firm-level oversight and integration aims to ensure that all of RBC GAM's businesses have the same vision, values, and culture, and are advancing the same strategic priorities.

⁸In April 2025, the majority of the RBC Indigo-managed funds were merged with RBC GAM Inc.-managed funds, with the remaining RBC Indigo-managed funds being transitioned or closed. RBC Indigo is in process of being wound down and dissolved.

Governance of RI at RBC GAM

Our Approach to RI is typically reviewed on an annual basis by the RI team, with input provided by the Leadership Committee on significant changes, and subject to ultimate approval by RBC GAM's CIO. Our Approach to RI applies firm-wide, and the governance structure of the specific activities encompassed by this stewardship report is summarized in the chart below.



*RBC GAM Inc., RBC GAM-UK, RBC GAM-US, RBC Global Asset Management (Asia) Limited, and BBAM LLP.

Our CIO, CEO, and relevant Boards of Directors oversee the performance of firm-wide strategic initiatives, including RI, typically on a quarterly and annual basis. Responsibility for strategic initiatives is delegated to the appropriate executives, whose direct annual compensation includes an assessment of performance on those initiatives. The Leadership Committee has identified the continued enhancement of ESG integration into the investment teams' processes as a strategic objective for the firm.

Our RI and investment teams are responsible for the implementation of Our Approach to RI. As such, RI team members' individual compensation is directly related to RBC GAM's RI activities. Our investment teams are regularly evaluated on their teams' ESG integration and stewardship processes, including as one component of their annual variable compensation. In addition to the RI-

related executive management oversight responsibilities detailed under Our governance structure, 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 Head of RI, and members of the Investment Risk, Investment Policy, Compliance, and Legal teams.⁹

This governance structure aims to ensure that the level of oversight of RI is commensurate with its importance to RBC GAM's overall business strategy. The combination of executive oversight and responsibility over these initiatives aims to ensure that RI is effectively executed and continuously improves.

⁹The product development and approval process at RBC BlueBay, which covers products distributed in Europe, the Middle East, and Africa (EMEA), and APAC, is governed by the EMEA/APAC Product Committee. Members of the committee include the RBC BlueBay CEO, Chief of staff, CFO, COO, General Counsel, Head of Business Development, Head of Product Development, Conducting Officer for Distribution of the Luxembourg Management Company, and the Chief Risk Officer. The GAM CIO and Chief Financial Officer also have oversight of any products approved by the EMEA/APAC Product Committee.

Responsible Investment (RI) team

The RI team comprises 16 dedicated full-time employees who sit within the investment platform. RI team members have a mixture of investment, ESG, risk management, data engineering, and legal expertise. Team members' individual compensation is directly related to RBC GAM's RI activities.

The Head of RI reports directly to the CIO and sits on a number of executive committees, including the Leadership Committee.

As a centralized function, the RI team's primary responsibility is to lead RI activities across the firm. This includes the following:

- Developing cohesive RI strategies and policies for Leadership Committee approval, including Our Approach to RI.
- 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 and technology.
- 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.¹⁰ This function is centralized in order 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 in both systemic and issuer-specific matters.
- Participating in RI industry initiatives on ESG-related issues, where appropriate. The RI team also supports and participates in direct and RI industry initiative engagements by liaising with investee companies and investment teams, where appropriate.
- Maintaining expertise on emerging ESG trends and material ESG issues, and preparing client reporting and thought leadership pieces related to RBC GAM's RI activities and insights. As part of the RI team's continued efforts to expand internal subject matter expertise on material ESG topics, the RI team publishes and develops ESG guidance, research, and tools for investment teams. Research topics in 2024 included: Institutional Shareholder Services (ISS) director data and risk-return implications, nature-related impacts and dependencies,

and a climate factor analysis attribution tool. The RI team also continued to host its ESG Education Series. In 2024, we held a session focused on the ESG implications of artificial intelligence. In addition, the RI team held regular touchpoints with investment teams in 2024. Although the RI and investment teams have ongoing communications, the touchpoints provide a dedicated time for the RI team to engage directly with investment teams on ESG integration, stewardship, trends, and other topical issues. The RI team also produces an internal newsletter, typically distributed monthly, highlighting key developments relevant to RI. The newsletter is distributed to all employees across RBC GAM.

Investment teams

RBC GAM's investment teams are active across capital markets and asset classes and manage both traditional and innovative investment strategies. Across our global investment teams, there are more than 177 portfolio managers with an average of 21 years of industry experience, supported by 95 analysts with an average of 13 years of industry experience. Of these, 53% are Chartered Financial Analysts (CFAs), in addition to those who are working towards their CFA designation.¹¹

Specific RI responsibilities of investment teams include:

- Integrating ESG factors into their investment processes, where applicable, in a way they believe adds value to their approaches, including evaluating the material ESG risks and opportunities embedded within each applicable investment, integrating ESG data into their investment processes where applicable, and working to build their knowledge of material ESG issues.
- Engaging with investee issuers on material ESG issues where applicable, and tracking relevant information gathered from these engagements on a best-efforts basis.
- Where appropriate, assisting with client reporting on RI activities, including updates to their ESG integration processes, engagement case studies, and team insights on emerging ESG topics and trends within their specific investment universes. Participating in industry initiatives where applicable.

For more information on RBC GAM's continued efforts to expand internal subject matter expertise on material ESG topics, please see Principle 7.

¹⁰ The 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.

¹¹ As at Dec 31, 2024

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, it is important that clients and unitholders are 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 clients, 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. 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; or
- 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; and
- 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 of each of the potential and actual conflicts that the firm has identified, the applicable policies governing each conflict, 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 and 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

For RBC GAM-US, Compliance, with assistance from other functions as needed, assess the conflict and works to ensure that we make full and fair disclosure to our clients as required. For the remainder of RBC GAM, the following process applies:

If an actual or potential conflict of interest arises that is not yet covered in the conflicts of interest register, it should be escalated, and related activities in connection with the potential conflict should halt until the conflict is addressed.

The process for addressing newly identified conflicts is as follows:

1. The issue is escalated to the RBC GAM Conflicts of Interest Governance Committee or equivalent affiliate committee to determine whether the conflict is material and how the conflict shall be addressed and disclosed. These committees are comprised of senior executives from across RBC GAM, including the Chief Compliance Officer (CCO), COO, and representatives from the CIO's office and Law Group, among others.
2. If the conflict is found to be material, the appropriate affiliate compliance group updates the conflicts register to include the newly identified conflict and the policies and procedures to be adhered to should the conflict arise again.
3. The appropriate affiliate law group updates regulatory disclosures to incorporate the newly identified conflict, where appropriate.

4. No further activities are conducted in connection with the potential conflict until the RBC GAM Conflicts of Interest Committee has made its determination of materiality and steps for managing and addressing the conflict, and this determination has been communicated.

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, which 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 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 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 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 interests related to proxy voting that may arise:

Conflict name	Description	Conflict type
Fair treatment in proxy voting	<p>Context</p> <p>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</p> <p>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 Proxy Voting Guidelines, as well as any exceptional votes not covered by, or that deviate from, the Proxy Voting 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
Voting parent company shares	<p>Context</p> <p>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 GAM or its employees when exercising annual proxy voting rights.</p> <p>Mitigating policies & procedures</p> <p>Proxy voting for RBC securities held in RBC GAM Inc. prospectus-qualified funds in Canada is escalated to the IRC 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 2024 is available in our voting record disclosure on our regional websites in accordance with applicable regulations</p>	Potential

Conflict name	Description	Conflict type
Voting shares of our Strategic Alliance partner, BlackRock	<p>Context</p> <p>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.¹²</p> <p>Mitigating policies & procedures</p> <p>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, and 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 2024 is available in our voting record disclosure on our regional websites, in accordance with applicable regulations.</p>	Potential
Sub-advisors' proxy voting on behalf of RBC GAM	<p>Context</p> <p>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</p> <p>On a quarterly basis, RBC GAM Inc. requests that each third-party sub-advisor 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; and ▪ achieve a fair and reasonable result for the portfolio. 	Potential
Public statements related to proxy voting on a particular security	<p>Context</p> <p>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</p> <p>Portfolio managers should consult with the CIO in advance if they are contemplating making public announcements or having 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>	Potential

¹²In 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 management by BlackRock Asset Management Canada Limited. More information is available at <https://www.rbcgam.com/en/ca/about-us/about-rbc-ishares>.

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 interests related to engagement that may arise:

Conflict name	Description	Conflict type
Inappropriate use of material non-public information obtained through engagement activities	<p>Context</p> <p>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</p> <p>RBC GAM maintains market abuse policies, including policies for regions in which it operates, that set out the rules for those jurisdictions and establish procedures to be followed if someone receives material non-public information. Procedures are undertaken to lock down the issuer that is the subject of the material non-public information from being traded by the individuals possessing such material nonpublic information, and an escalation procedure exists for addressing the conflict, where required. The policies also provide specific guidance to the investment teams for meetings with issuers.</p>	Potential
Personal relationships affecting potential engagement	<p>Context</p> <p>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</p> <p>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, as a 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>	Potential

Conflict name	Description	Conflict type
Outside activities affecting potential engagement	<p>Context</p> <p>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</p> <p>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>	Potential
Communications about and participation in shareholder initiatives	<p>Context</p> <p>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 interests 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</p> <p>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>	Potential



Principle 3

Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

At RBC GAM, ESG integration means that investment teams consider material ESG factors when making investment-related decisions within the portfolios that they manage, for applicable types of investments, with an aim of identifying potential material risks and opportunities and improving 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 ESG education sessions with

external experts and speakers; internal ESG research on emerging data, themes, tools, and methodologies; an internal ESG network where our investment teams share perspectives on ESG topics; and a 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 status 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, while 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 risk 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 impact 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 impact that ESG factors may have on a company's ability to repay its debt, rather than potential impact on company value. 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) Similar to other types of fixed income, SSA debt investors are

typically most concerned about the impact 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 take into account the specific characteristics of the assets being considered. These include 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 (ABS) and Mortgage-backed Securities (MBS), ESG factors may be assessed at the originator, servicer, and underlying 37These exclusions apply to direct equities or corporate credit holdings, but do not apply to derivatives or other exposures where our exposure is indirect. 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.

Real estate, mortgages, and infrastructure

Investors in these asset classes primarily focus on assessing the direct impacts 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 it affects the ability of tenants to pay rent.

Tools for monitoring material ESG factors

In monitoring material ESG factors and performance of investee companies, investment teams employ a combination of tools. These may include, but are not limited to:

ESG Monitoring Tools	Description
ESG Dashboard	RBC GAM's equity investment teams receive quarterly ESG Snapshots produced by the RI team. The reports support portfolio managers' monitoring of changes in portfolio holdings' ESG scores and controversies, as well as ongoing monitoring of overall ESG ratings position relative to portfolio benchmarks. ¹³
Climate Dashboard	Investment teams are able to assess and monitor climate related risks and opportunities on an ongoing basis through the RBC GAM Climate Dashboard (Climate Dashboard), which provides a suite of climate metrics at the portfolio level, with detailed breakdowns by sector and top holdings. The Climate Dashboard is produced for a number of equity and fixed income portfolios and is updated on a monthly basis. ¹⁴ This includes climate data that is directly reported by issuers as well as data collected from external datasets (e.g., low-carbon patents, science-based targets), third-party research, and/or estimated and modelled data. The Climate Dashboard provides a view on portfolio-, sector-, and issuer-level carbon emissions, transition risks and opportunities, net-zero alignment, and climate scenario analysis. This includes both backward- and forward-looking analysis, as well as data that is reported, estimated, and modelled. It focuses on what RBC GAM considers to be the most material data factors and aims to reflect current climate science, standards, and best practices. As new data becomes available, additional metrics and insights may be added.
Third party research providers	RBC GAM has also engaged a number of external research firms to provide specialized ESG research that we use in conjunction with other forms of analysis to assist in our stewardship and other ESG initiatives. This research includes ESG risks and opportunities relevant to specific issues, country- and industry-specific information, and broad-based thematic data relevant to general ESG themes.
Engagement with issuers	Engagement methods by investment teams may vary across asset classes depending on engagement objectives (where applicable) and accessibility of the issuer. Additional details and examples are outlined under Principle 4.
Human Rights Research	<p>The RI team supports 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. Human rights are a focus for the RI team and progress has been made for additional education for investment teams to identify potential human rights risks by country and sector. In 2024, we completed an education session on The investor perspectives on business and human rights, where an external speaker provided a global view of the intersection of business and human rights with a focus on current developments, geopolitics and emerging legal and regulatory expectations and requirements.</p> <p>We aim to further our processes by developing a human rights due diligence and engagement toolkit for investment teams in relation to investments in corporate issuers and exploring opportunities to support the implementation of the toolkit (e.g., education, training, refinement, and case studies). This research will be supported by RBC GAM's participation in the Shift21 Investor Practice Group on Human Rights.</p>

¹³ The number of strategies for which an ESG Snapshot is produced may vary periodically and does not include all investment strategies across RBC GAM. The frequency with which investment teams review the ESG Snapshot may vary by team.

¹⁴ The number of strategies for which a Climate Dashboard is produced may vary month-to-month and does not include all investment strategies across RBC GAM. The frequency with which investment teams review the Dashboards may vary by team. In 2024, RBC GAM increased the frequency of Climate Dashboard publication from quarterly to monthly.



Principle 4

Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

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 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, which 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 items. 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 they operate. 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;
- 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; and
- 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.

To support a constructive dialogue with issuers, we may disclose our ownership to them on a case-by-case basis. This disclosure can complement ownership disclosures required by regional regulations. We may consider our ownership level in the issuer, the circumstances of a proxy voting event, and whether the issuer is requesting the information from us directly or through a solicitor, among other considerations, when deciding whether to disclose our ownership information to issuers.

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 a sole factor in any investment decision. Instead, the information obtained from engagements on material factors 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 as a whole.
- **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. Engagement by our corporate fixed income investment teams can occur through various mechanisms, may be proactive or reactive in nature, and may occur through participation in industry initiatives, where this is deemed in the best interest of our investments and portfolios. 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 and manage material ESG factors of our investments and portfolios, incorporating these into our investment teams' views on credit risk, balance sheet, 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.
- **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.

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 regulatory and legal reform that is consistent with the best interests of our investments and portfolios may lead to more effective governance and/or management of material ESG factors, as well as broader, market-wide considerations.

As with our direct engagement activity, we participate in initiatives on ESG issues that we deem material to our investments. 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.

A full list of RBC GAM's RI industry initiatives is available in Our Approach to RI, and our activities in 2024.¹⁵

¹⁵In 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.¹⁶



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.

¹⁶ The 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 either directly or collaboratively. 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 engagement with an issuer, our investment teams may choose to divest from the investment entirely. This may occur when the investment team does not believe that the relevant ESG issue is being appropriately managed, despite ongoing engagement and stewardship

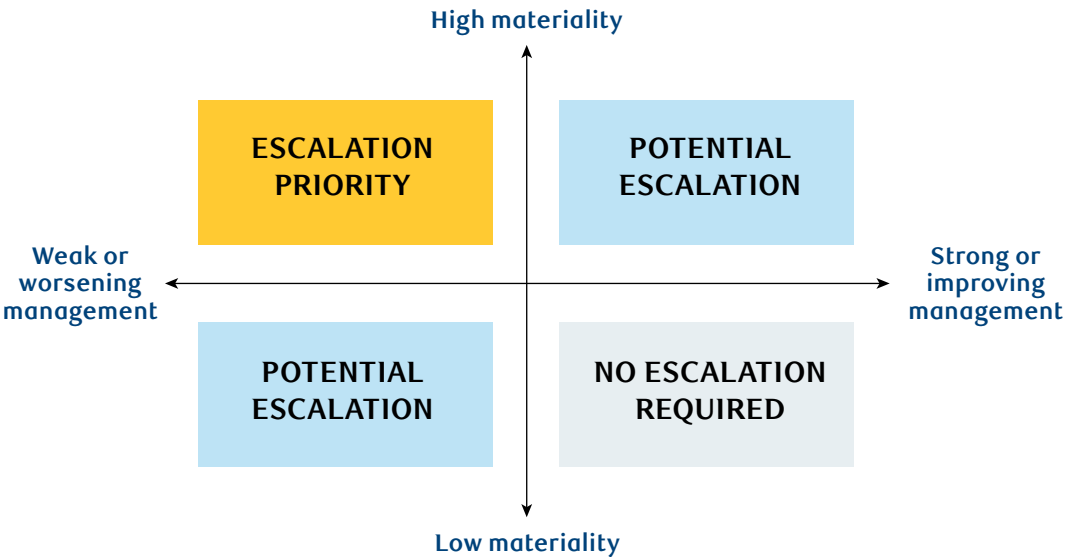
efforts, and determines that the issue materially affects the investment case overall. In addition, there may be circumstances where we determine escalation is not the best course of action, and a portfolio is better served through divestment. This could be because we believe the likelihood of a successful engagement is low or because we believe the resources required to escalate the issue would better serve the portfolio if allocated elsewhere. The management of and exposure to ESG risks and opportunities, and/or the outcomes of an engagement, generally are not the sole factor in an investment decision but can help inform the investment case. It is at the discretion of each investment team to decide whether to continue with an investment or to divest, in line with the best interests of the portfolio.

LIMITATIONS TO 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 is often 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.

For more information on our approach to the potential conflict of interest of non-public information obtained through engagement activities, see Principle 2.



Principle 5

Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist: it should be designed to contribute to sustainable growth of investee companies.

Exercising our proxy voting rights

RBC GAM strives to act in the best interests of the portfolios that it manages. This includes the manner in which we exercise the voting rights attached to the securities in the portfolios we manage. We exercise the voting rights of the portfolios we manage in what we believe are their best interests and 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, which set out procedures for administering our votes, escalating any voting issues, and identifying and managing conflicts of interest. We vote our shares independently and in accordance with our Proxy Voting Guidelines.

Proxy voting is managed centrally by the RI team for all RBC GAM portfolios, except for those managed by third-party sub-advisors, certain portfolios of the BlueBay Fixed Income team, and select institutional client accounts, as requested by them.

We generally do not vote on ballots that employ shareblocking, where trading is restricted from the time a proxy is voted until after the annual meeting.¹⁷ This generally accounts for less than 1% of our total votes annually. We may choose to vote at a meeting where shareblocking is used if we determine it is in the portfolio's best interest to do so, and/or a particular proposal is material enough to outweigh liquidity concerns.

When our funds participate in securities lending, we generally recall all loaned securities in North America for the purpose of proxy voting. Outside of North America, we generally recall loaned securities when we hold 1% or greater of the outstanding voting shares or when we believe there is a significant voting issue for which RBC GAM's position could impact the result. We do not borrow shares in order to exercise additional proxy voting rights. RBC GAM mutual funds in the U.S. and our RBC Funds (LUX) funds do not participate in securities lending.

In instances where we sold our position but are eligible to vote at a meeting based on our position on the record date, our proxy voting process still applies and we will vote according to our Proxy Voting Guidelines. In many cases, we may reinvest in the company, or votes may signal stronger governance practices, so applying our same approach to each vote is consistent with our principal duty to maximize investment returns for our clients without undue risk of loss.

Proxy Voting Guidelines

Our Proxy Voting Guidelines are our custom voting guidelines that describe the principles we support and how we generally vote on issues raised on proxy voting ballots. They have been developed using our internal expertise and resources, with reference to guidance by leading independent research firms. The guidelines are published on our website for the information of clients and to assist issuers in understanding our approach to proxy voting. The Proxy Voting Guidelines are applied for issuers in Canada, the U.S., the UK, Ireland,

¹⁷ Shareblocking is the practice in some markets in which a shareholder is prevented from buying or selling stock in a company from the time the shareholder's votes were submitted until the meeting date (this period can be over two weeks).

Australia, and New Zealand. In all other markets, RBC GAM utilizes the local benchmark voting policy of ISS.

Our Proxy Voting Guidelines are comprehensive and 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; and
- environmental and social issues.

We review and update our Proxy Voting Guidelines on an ongoing basis, and 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 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 ESG practices, 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, research firms, and the Proxy Voting Committee, as required.

Although voting opportunities are more limited for fixed income portfolios, it can and does occur. It is most common for convertible and high yield bond investments, where an allocation may take on formal voting rights, or the risk is greater of potential debt restructuring measures. During 2023, we initiated the transition of proxy voting for the BlueBay Fixed Income team portfolios onto ISS' Proxy Exchange platform.



We implement our custom Proxy Voting Guidelines, and engage a proxy advisor to recommend a voting position for each individual ballot item, based on our guidelines.



Our RI team reviews each ballot item, and draws on the expertise of the investment teams and analysis from leading research firms, where appropriate.



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. Except in exceptional circumstances, we do not publicly disclose how we intend to vote or provide rationales for our votes on specific issues ahead of time.



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 certain reports and thought pieces, and provide additional reporting to clients.

Our RI team manages proxy voting for RBC GAM, excluding funds managed by external sub-advisors, certain portfolios managed by the BlueBay fixed income team, and portfolios where clients retain their own voting discretion. This proxy voting process is only applicable for proxy voting executed by the RI team.

The RI team is responsible for administering proxy voting in accordance with the Proxy Voting Guidelines¹⁸ and supporting investment teams in proxy voting decisions with research and analysis. Proposals are reviewed before our vote is finalized. Where necessary, we rely on 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 & Co., and involvement in organizations such as CCGG and ICGN. We have retained ISS to provide proxy voting

administration services on our behalf. ISS's custom research team makes recommendations on how proposals should be voted, in accordance with our Proxy Voting Guidelines, where applicable. However, the RI and investment teams evaluate these recommendations prior to finalizing our vote in order to determine if the vote would be in the best interests of our portfolios. Although the research and voting recommendations of both ISS and Glass Lewis & Co. may be considered as part of the voting decision process, ultimately, we make all voting decisions independently.

¹⁸The RI team manages proxy voting for RBC GAM, excluding portfolios managed by third-party sub-advisors, certain portfolios of the BlueBay Fixed Income team, and select institutional client accounts, as requested by them. The proxy voting process is only applicable for proxy voting executed by the RI team.

The Proxy Voting Guidelines may not specifically address each voting issue that may be encountered. In these cases, RBC GAM will review ISS' local benchmark voting policies and decide accordingly. We engage with ISS in advance of our annual review and update of the Proxy Voting Guidelines, as well as throughout the year to identify instances where our intentions align with ISS's benchmark voting recommendations in order to facilitate proper implementation. Further, 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. We work closely with ISS in aiming to ensure that the quality and accuracy of voting recommendations and their effective execution are maintained.

From time to time, instances may arise where RBC GAM believes it is in the best interests of our portfolios to deviate from the proxy voting recommendations of ISS based on the unique circumstances of the issuer or where our proxy voting may give rise to an actual, potential, or perceived conflict of interest. In these circumstances, the RI team will consult with investment teams and escalate the matter to the Proxy Voting Committee. Committee members include the Head of the RI team and the CIO, among others. The CIO retains ultimate voting decision authority.

Every year we track the number of shares voted during the year and the percentage of ballots voted, as well as cases where we voted against management or deviated from our guideline recommendations.

Finally, for RBC GAM Inc. and RBC Funds (LUX) portfolios, 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.

Exercising voting rights across funds, assets, and geographies

Our Proxy Voting Guidelines are applied in Canada, the U.S., the UK, Ireland, Australia, and New Zealand. In all other markets, RBC GAM applies ISS's local benchmark voting policies. RBC GAM reviews meetings and proposals, aiming to ensure votes are submitted in what we believe are the best interests of our portfolios. RBC GAM can override the recommended votes of ISS's research teams in the event that we believe the recommended votes would not be in the best interests of our portfolios.

The insights and expertise of our investment teams are particularly valuable in markets where the Proxy Voting Guidelines do not apply. Individual markets have differing corporate governance norms and are at various stages of development in corporate governance practices. As our issuer, geography, and industry experts, our investment teams may identify market- and issuer-specific nuances in aiming to ensure that our votes are fully informed and cast in with the aim of enhancing the long-term value of the securities held.

PROXY VOTING IN THE JAPANESE MARKET

The RBC GAM Proxy Voting Guidelines are not applied to issuers in Japan. For Japanese issuers, we leverage ISS' Japan Proxy Voting Guidelines.¹⁹ 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. Consistent with our approach to proxy voting, we exercise the voting rights of the accounts we manage in what we believe are their best interests and with a view to enhancing the long-term value of the securities held.

Engagements with issuers can also play an important role in these markets. As long-term investors, our engagement efforts focus on building long-lasting relationships with management teams. These relationships provide us with the avenue to gain context and rationales around specific voting items and material ESG issues, informing both voting and investment decisions.

Voting activity is generally limited in fixed income portfolios and, when it does occur, largely addresses transactional items. Regardless of asset class, transactional voting items are escalated to investment teams. As a result, investment teams also provide direct input on voting items within fixed income portfolios.

RBC GAM generally votes in the same way across all internally managed portfolios, in accordance with our Proxy Voting Guidelines. This function is centralized 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. In the event that portfolio managers of separate portfolios wish to vote differently on a proposal, the vote decision is escalated to the CIO for approval.

¹⁹<https://www.issgovernance.com/policy-gateway/voting-policies/>

Monitoring our voting rights

We retain the services of ISS to execute our proxy votes once we make our voting decisions. RBC GAM works directly with ISS and our custodians to set up accounts for voting in ISS's online voting platform, 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 is able to 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. The RI team then initiates account onboarding onto the ProxyExchange platform.

Finally, we conduct a quarterly reconciliation analysis to reconcile between the number of votes submitted at issuer meetings through the ISS platform and our internal records of securities held in those accounts and portfolios. Issues identified through the reconciliation process are then escalated to be resolved.

In 2021, we began working toward more robust voting reconciliation through ISS's operations team. Daily holdings feeds were set up in 2021 for equity retail funds offered by RBC GAM Inc. and RBC Funds (LUX), consistent with the existing practice for RBC GAM-US-advised mutual funds. In 2022, a thorough review was completed to identify missing account data and conduct account maintenance to improve the reconciliation process. This initiative was complemented by education sessions for the RI team with custodians, ballot providers, and ISS, in order to enhance our understanding of the mechanics of the proxy voting system. In 2024, we revisited the existing holdings feed for RBC GAM-US-advised mutual funds. The process was updated to align with the updated process put in place for RBC GAM Inc. equity retail funds and RBC Funds (LUX).

RBC GAM stays up to date on our power of attorney filings in jurisdictions where they are required for us to vote. We have encountered challenges in this area in the past, as nuances at the sub-custodian level can sometimes lead to vote rejections. In 2021, we initiated detailed conversations with our main custodian and its power of attorney service provider to better understand where issues emerged. We leveraged these conversations in 2022 by streamlining our annual power of attorney review and update process. We further refined this process in 2024, conducting a portfolio mapping exercise to identify those most likely to vote in key power of attorney markets. This process included an expansion to fixed income portfolios more likely to vote by proxy in a given year, such as high yield and convertible bond strategies.

Exceptions to our Proxy Voting Approach

As indicated, RBC GAM generally votes the same way across all internally managed portfolios, in accordance with our Proxy Voting Guidelines. We believe that our Proxy Voting Guidelines represent sound practices in corporate governance and RI. Our approach to active stewardship, including a thoughtful approach to proxy voting, is designed to maximize risk-adjusted, long-term returns for our portfolios, without undue risk of loss.

However, there are cases in which the proxy voting for specific portfolios is not centrally managed and for which there is a different voting approach:

- **Segregated client accounts:** Some institutional clients may wish to implement more customized proxy voting policies or use the proxy voting policy of a third party. In such instances, we generally recommend that clients manage their own voting, but will evaluate such agreements on a case-by-case basis.
- **Distinct voting circumstances:** In certain cases, ISS does not provide a custom voting recommendations on a proposal. These cases include but are not limited to:
 - Transaction-related proposals such as the approval of merger and acquisition transactions.
 - Proposals at the meetings of private companies.
 - Proposals at certain bondholder meetings. These proposals are evaluated on a case-by-case basis and referred to the applicable portfolio managers.

In some cases, RBC GAM may receive physical proxy voting ballots or may need to instruct votes directly through custodians or other parties involved in voting administration. This is most common for certain fixed income investment strategies. Typically, ISS will be unable to provide custom voting recommendations in these cases, and the RI team will work directly with applicable portfolios managers and the Proxy Voting Committee (if required) to reach a final voting decision. For certain fixed income portfolios, votes are submitted in Broadridge's ProxyEdge platform by an 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. Refer to Proxy Voting Process for BlueBay Fixed Income Team Portfolios for more information.

- **Third-party sub-advisors:** Certain portfolios are externally managed for RBC GAM by third-party sub-advisors. In these cases, proxy voting is conducted in accordance with the proxy voting policies and procedures of the sub-advisor.

PROXY VOTING PROCESS FOR BLUEBAY FIXED INCOME TEAM PORTFOLIOS

Consistent with our ongoing efforts to optimize our business operations, in 2023 we initiated the transition of proxy voting for BlueBay Fixed Income team portfolios from Broadridge's ProxyEdge platform to ISS's ProxyExchange platform. In 2024, we continued our efforts to transition proxy voting for BlueBay Fixed Income team portfolios. However, for certain BlueBay Fixed Income team portfolios, votes were still submitted in Broadridge's ProxyEdge platform by the RBC BlueBay²⁰ Corporate Actions team. In these cases, ISS's custom voting recommendations were not available directly in the ProxyEdge platform. However, the RI team was still generally able to incorporate ISS's custom voting recommendations if the security was held in other portfolios. In cases where this was not possible, the RI and RBC BlueBay Corporate Actions team worked directly with the investment team(s) and Proxy Voting Committee (if required) to reach a final voting decision.

Going forward, we expect a small number of institutional portfolios will remain on the ProxyEdge platform, due to legacy agreements

Although voting in fixed income portfolios is limited, the transition to the ProxyExchange platform facilitates the following:

- Integration into the RI team and RBC GAM's overall proxy voting management process.
 - For instance, automated proxy voting reports generated via the ProxyExchange platform could now be delivered for BlueBay Fixed Income team portfolio holdings
- Incorporation of the Proxy Voting Guidelines, ISS's proxy voting research, and custom recommendations from the ISS custom research team.
- Consistency in proxy voting reporting and analysis.

Proxy voting records

The proxy voting records of our retail funds are publicly available on our regional websites and are updated periodically, in accordance with applicable regulations. Our proxy voting records can be searched by fund or company name. In addition, we provide an overview of our proxy voting activities, including our proxy voting rationale in some instances, in certain reports and thought pieces. 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.

In order 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 our 2021 and 2022 Commitment to the UK Stewardship Code, we noted an intention to work towards expanding our vote rationale disclosure into other markets. In 2024, we expanded the vote disclosures for portfolios managed by RBC GAM-UK. The expansion enhanced vote disclosures to include vote rationales, with enhanced search functionality for users.

In exceptional circumstances, where we believe it is appropriate and in our portfolios' 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.

²⁰ RBC BlueBay Asset Management (RBC BlueBay) is the brand under which RBC Global Asset Management conducts business outside of North America.

Proxy voting results

The table below summarizes how we voted across markets in 2024. 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.

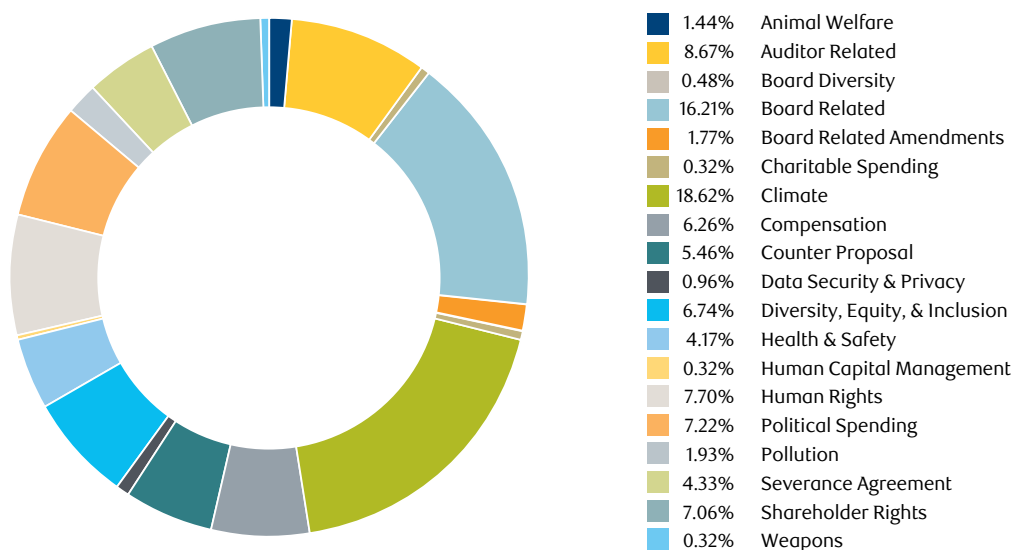
	Canada	U.S.	Rest of World	Overall
Proposals - total	3,034	12,238	13,305	28,577
Votes WITH management (of total) ²¹	2,753	10,002	12,117	24,872
Votes AGAINST management (of total) ²²	281	2,236	1,188	3,705
% of votes AGAINST management (of total)	9.26%	18.27%	8.93%	12.96%

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

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 and trending issues. For context, out of the total 28,577 management and shareholder proposals on which we voted in 2024, 886 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)²³

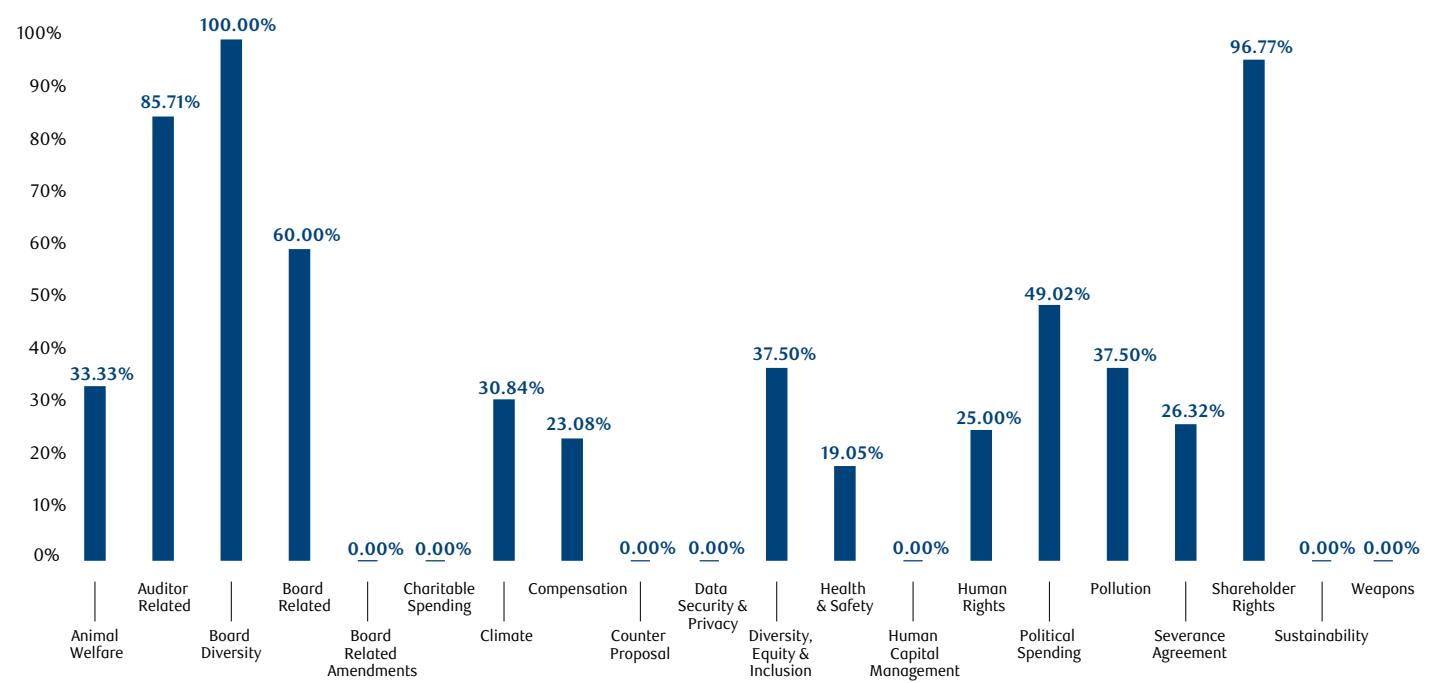


²¹With management: a vote that is the same as the management recommendation for an agenda item.

²²Against management: a vote that is different to the management recommendation for an agenda item.

²³Proposal 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 576. Values may not add to 100% due to rounding

Shareholder proposals supported by category (% FOR)



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	55	0	0%	1,125	5	0.40%	320	4	1.30%	1,500	9	0.60%
Elect director	2,068	194	9.40%	7,079	1,622	18.60%	3,379	325	8.80%	12,526	2,141	14.60%
Approve remuneration of directors and/or committee members	0	0	0%	0	0	0%	450	20	4.40%	450	20	4.40%
Management climate-related proposal	0	0	0%	0	0	0%	3	1	25%	3	1	25%
Approve remuneration policy	0	0	0.00%	0	0	0.00%	169	37	21.90%	169	37	21.90%
Advisory vote to ratify named executive officers' compensation	176	5	2.80%	957	86	8.20%	309	64	17.20%	1,442	155	9.71%
Shareholder proposals												
Require independent board chairman	0	1	100%	2	27	93.10%	0	0	0%	2	28	93.33%
Racial equity and/or civil rights audit	0	0	0%	2	1	33.30%	0	0	0%	2	1	33.30%
Report on equal employment opportunity	1	0	0.00%	2	9	81.80%	0	0	0.00%	3	9	75.00%
Political lobbying disclosure	0	0	0.00%	9	10	52.60%	0	0	0.00%	9	10	52.63%
Gender pay gap	0	0	0.00%	10	3	23.10%	2	0	0.00%	12	3	20.00%
Human rights risk assessment ²⁴	2	0	0.00%	9	4	30.80%	1	0	0.00%	12	4	25.00%
Report on climate change and GHG emissions	5	0	0.00%	11	17	60.70%	4	1	20.00%	20	18	47.37%
Environmental & social counterproposal	0	0	0.00%	34	0	0.00%	0	0	0.00%	34	0	0.00%

²⁴One proposal was supported by management in the "Human Rights Risk Assessment" item category. RBC GAM voted WITH management on the proposal.



Principle 6

Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

Meaningful client reporting

To facilitate effective client conversations and in an effort to ensure we are continually seeking to meet our clients’ stewardship and RI 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, including engagement case studies and proxy voting. Several investment teams provide additional client reporting on RI, specific to their investment strategies. For example, the RBC Global Equity team distributes a quarterly Owner’s Perspective Report to clients, the BlueBay Fixed Income team distributes quarterly ESG reporting for several strategies where requested, and the RBC Emerging Markets Equity, RBC European Equity, and RBC Asian Equity teams publish annual ESG reports that are available for clients. In October 2024, the RBC Emerging Markets Equity team also published its second Climate Report designed to supplement its annual ESG report. In addition to these, investment teams may also publish ESG insight articles, which are made available to clients through the RBC GAM website 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. This includes metrics related to carbon emissions (absolute- and intensity-based), investment in carbon intensive sectors, temperature alignment, and climate scenario analysis. In 2024, we continued to expand the scope of institutional clients and portfolios for which these reports may be provided. 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>

Method of communication	Type of information
Public disclosure	RI policies RBC GAM publishes our governing RI policies on our website. Our Approach to RI is RBC GAM's overall policy on RI and describes the methods we use in our ESG integration activities, our stewardship activities, and our reporting, as well as our actions and commitments specific to climate change. ²⁵
	Proxy voting disclosures We publish our Proxy Voting Guidelines, 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. For more information on our proxy voting disclosures and proxy voting process, including how we maintain records of our proxy voting activities, please see Principle 5.
	Reporting on our RI commitments 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 RBC GAM Climate Report. These reports are available on our relevant websites.
	ESG insights We publish ESG insight articles on a variety of ESG-related topics throughout the year. The following insights articles were published in 2024: What's ahead for responsible investment in 2024, What is the road ahead for shareholder proposals, Perspectives on climate change and nature, and Investor perspectives on modern slavery and supply chain risks. ESG insight articles are publicly available on our website

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:

- Integrate additional data or research sources into the ESG processes of our investment teams, in aiming to ensure that they are well equipped to monitor and manage emerging material ESG trends.
- Integrate views, manage systemic risk, and collaboratively engage through our collaborative initiatives, such as the UN PRI, the 30% Club Canadian Investor Group, and Climate Action 100+.

- Integrate additional data or research sources into the ESG processes of our investment teams, in aiming to ensure that they are well equipped to monitor and manage emerging material ESG trends.
- Integrate views, manage systemic risk, and engage through RI industry initiatives, such as the UN PRI, 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 on those ESG trends that are material to our clients and the investments we manage on their behalf.
- Engage RBC GAM's Product Team to develop a broader investment solution to respond to client demand and serve the entire group of clients.

²⁵ As part of the update to Our Approach to Responsible Investment in 2024, we integrated relevant content from Our Approach to Climate Change and Our Net-zero Ambition; these documents have since been retired.

The following are a few examples of actions RBC GAM has taken in response to specific client feedback in 2024:

<p>Addressing requests for increased insights on climate-related metrics and disclosures</p>	<p>We continue to engage with institutional clients to provide climate-related insights and metrics for their portfolios, when requested and as appropriate. In 2024, we developed a tool for conducting portfolio carbon attribution analysis based on questions from clients regarding what is driving changes in their 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 2024, we researched and implemented subsidiary mapping for climate-related data. This methodology applies climate-related data from a parent company to a subsidiary based on ownership, and can help address some of the challenges related to data coverage.</p>
<p>Seeking to clarify and improve our methodology for calculating ESG metrics</p>	<p>We have continued to develop reporting capabilities that meet ESG-related regulatory requirements, such as the SFDR.²⁶ Many of the disclosure requirements are novel, requiring new data and new calculations. Further, we continue to refine our existing methodologies to provide our clients with meaningful insights. In 2024, RBC GAM continued to take steps to identify additional data sources and/or explore climate-related methodologies that would enable the inclusion of additional asset classes or metrics in our climate reporting and internal Climate Dashboard. The Climate Dashboard is an internal risk monitoring tool that investment teams have access to, which provides portfolio-level analysis on a range of climate metrics and factors.²⁷ In 2024, the Climate Dashboard was expanded to include climate-related sovereign metrics.</p>
<p>Providing analysis of portfolio exposure to nature-related impacts and dependencies</p>	<p>In 2024, we published an ESG insight article on Perspectives on climate change and nature, and included nature-related disclosures in our annual RBC GAM Climate Report. Based on feedback from clients, we applied this analysis to several strategies and shared the results with clients. This includes content on nature-related exposure provided to clients in the RBC Global Equity team's Owner's Perspective (Q2 2024) and the BlueBay Impact-aligned Bond Fund Sustainability Impact Report.</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, in 2024, we consolidated several ESG-related reports.</p>

²⁶ The 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.

²⁷ Climate Dashboards may not be provided for all investment strategies, and climate metrics may vary by period.



Principle 7

To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.

We aim to continuously improve our approach to responsible investment and stewardship activities. We believe that we have the most effective governance structure in place for the firm and we continue to explore ways to improve our systems and processes.

For more information on our chosen governance structure and the roles and responsibilities of the RI team, our investment teams, and executive management, please see Principle 2.

Summary of our industry initiatives²⁸

As long-term investors and stewards of our clients’ assets, we participate in industry initiatives that we believe will increase transparency, protect investors, and foster fair and efficient capital markets. Due to the RBC GAM-UK and BBAM LLP alignment in 2023, membership and signatory arrangements for our industry initiatives may change going forward.

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 inputs, and/or provide feedback.	Diversity and 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

²⁸ 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.

Initiative	Description and key commitments	Primary theme
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 three collective engagements in 2024. In total, CCGG completed 28 collective engagements in 2024. 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 in order to mitigate financial risk and to maximize the long-term value of assets. In 2024, RBC GAM participated in four Climate Action 100+ engagements.	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+. In 2024, RBC GAM participated in four engagements as part of CEC.	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
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. Over the course of 2024, the BlueBay Fixed Income team continued to participate in several EMIA work streams, such as those focusing on agriculture (Brazilian food producers and deforestation), the telecommunications, technology, and media sectors (GHG emissions), and extractives (climate change).	Fair & efficient capital markets Corporate governance Climate change Nature
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

Initiative	Description and key commitments	Primary theme
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 investing
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 (IPDD)	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 cochairs the IPDD Management Commitment and the IPDD Brazil workstream, and is a participant in the IPDD Indonesia workstream. In August 2024, the initiative held a meeting with the B3 Stock Exchange, which is located in Sao Paulo, regarding disclosures for listed companies on nature, carbon markets, and derivatives.	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 in order 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 investing
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. Through the RIA, RBC GAM contributed to one policy submission in 2024.	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

Initiative	Description and key commitments	Primary theme
UN Principles for Responsible Investment (UN PRI)	RBC GAM is a signatory to the UN Principles for Responsible Investment (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 believe that they are aligned with our existing approach to responsible investment. In 2024, a member of the RI team sat on the Global Policy Reference Group, and the BlueBay Fixed Income team continued its role in several PRI-led initiatives related to fixed income, including the Sovereign Debt Advisor Committee. As part of its involvement, the BlueBay Fixed Income team participated in several workshops.	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](#).

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 2024, we also published our latest RBC GAM Climate Report guided by the recommendations of the TCFD (RBC GAM Climate Report 2023).

In 2024, we updated our approach to proxy voting research coverage on the RI team. Previously, RI team analyst proxy voting coverage was based on issuer region. Although this facilitated regional specialization, we determined that this often led to uneven analyst exposure to certain issues and workloads. Specifically, due to the regional distribution of our holdings and the tendency for U.S. issuers to have more complicated proposals for review (e.g., shareholder proposal prominence, executive compensation structures), analysts covering regions outside of the U.S. were getting less practical research experience in important areas. As a result, in 2024, we revised our coverage approach based on sector. In addition to evening out workloads and exposure to common voting topics, this change gave analysts the opportunity to work with more investment teams than previously.

In our 2023 Japan Stewardship Code Report, we referenced initiating a project to automate the delivery of proxy voting data to our investment teams in a user-friendly manner. This project was deprioritized for the majority of 2024, but relaunched in late 2024 for completion in early 2025. We believe these efficiencies will reduce maintenance requirements and provide our RI team with more time to research and analyze upcoming votes.

In 2024, RBC GAM leveraged our internal ESG data infrastructure to further enable and enhance the use of ESG data as part of the investment process, in order to meet regulatory requirements, and to enhance ESG-related reporting to clients. A key focus over the past several years has been on increasing the range of asset classes included in our Climate Dashboards, which in 2024 were expanded to include climate-related sovereign metrics.

In 2024, we advanced research on climate-related topics including: a framework for assessment of corporate climate transition plans, portfolio carbon attribution analysis, portfolio optimization for emissions reduction targets, and a framework for assessing corporate issuers' exposure to climate-related risks and opportunities.

RBC Global Asset Management

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