



Our approach to responsible and sustainable investment

RBC Wealth Management



RBC’s Purpose is to help our clients thrive and communities prosper. RBC Wealth Management’s approach to responsible and sustainable investment is one way that we bring our Purpose to life.

As an investor, you have the power to support the growing number of companies embracing innovative sustainable and responsible business practices through your investments.

We can help you align your investments with your values and financial goals through our approach

to responsible and sustainable investment. But we understand that navigating the world of responsible and sustainable investment can be complex. We’re here to guide you through the different approaches and industry terminology to help you to make informed investment decisions.

Our Responsible and Sustainable Investment Framework (RSIF)

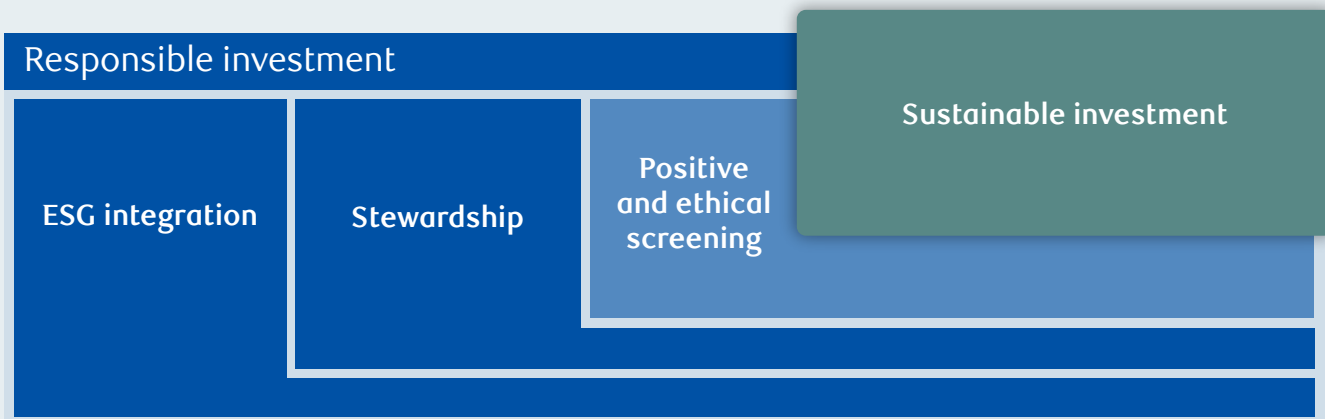
We have developed a framework for RBC Wealth Management that outlines our approach to responsible and sustainable investment.

In respect of funds, this framework recognises those which are labelled under the UK Sustainable Disclosure Requirements (SDR) regime and classified under the

European Sustainable Finance Disclosure Regulation (SFDR), as described further below.

Understanding our RSIF

Our RSIF makes a distinction between responsible investing and sustainable investing as explained below:



Important: This framework describes our responsible investment approach and only applies to funds and equities covered by our research and stewardship processes. We do not label equities, funds or portfolios as responsible investments.

Responsible investment

Our responsible investment approach applies to funds and equities covered by our research and stewardship processes.

We employ an ESG (environmental, social, governance) integration approach in our investment decision making.

We also engage with companies and funds on material ESG factors. See Notes below where we explain the limitations to our responsible investing approach.

Positive and ethical screening

We can enhance our responsible investing approach by applying selected positive and/or negative screening when assessing investments, based on our excluded investment policies and/or other preferences.

We can apply ethical screening criteria to exclude assets from the investment space. We can also apply positive screens to identify funds which have market leading ESG integration and stewardship processes.

Sustainable investment

We define sustainable investment as investing with the stated intention of achieving positive sustainability outcomes alongside financial returns.

Sustainable investments have sustainability objectives, as well as ESG integration processes, stewardship activities and typically exclusions.

How we classify solutions

The below classification identifies where our current solutions are subject to our RSIF. It shows solutions that are considered Core Investments where we apply our responsible investment approach; solutions that are subject to positive and ethical screens; and solutions that include assets that we define as sustainable investments. This classification does not mean all investments within any one solution are all responsible or sustainable investments. For example, there will be investments within our solutions where the underlying company or funds do not engage in ESG integration or stewardship; or where there is an absence or lack of reliable or accurate ESG data, limiting the extent to which we can apply ESG integration and stewardship activities. We may also include companies or funds to diversify and spread risk across different assets or sectors. Additional information about our solutions will be made available to you as part of your investment conversations.

	Description	Solutions
Core investments	<ul style="list-style-type: none"> Assets covered by our responsible investment approach. For assets covered by our research process we assess companies on material ESG factors, and evaluate the ESG integration processes of funds. For assets covered by our stewardship process we engage with companies and funds on material ESG factors. Fund ESG integration processes vary, therefore assets covered by our responsible investment approach cannot themselves be labelled as ‘responsible investments’. 	<ul style="list-style-type: none"> Core Discretionary Fund Management¹ Core funds list Core equities list Private Wealth Discretionary Centrally managed building blocks Voyager Managed Portfolio Service Brewin Portfolio Service
Positive and ethical screening	<ul style="list-style-type: none"> Assets which meet our positive or negative screening criteria. We can exclude specific sectors from investment portfolios. We can include, via positive screening, funds which meet our Responsible Leader criteria. We can include positive thematic screening. Assets covered by our screened investment approach are not classed as ‘sustainable investments’. 	<ul style="list-style-type: none"> Discretionary Fund Management portfolios with exclusions reflecting client preferences¹ Responsible Investment Leader funds
Sustainable investments	<ul style="list-style-type: none"> Assets or portfolios with stated sustainability objectives, as well as ESG integration processes, stewardship activities and screening. Includes investments with SDR labels. Includes investments with no SDR label that have sustainability objectives and KPIs and align with our sustainable investment criteria. Assets covered by our sustainable investment approach can be called ‘sustainable investments’. 	<ul style="list-style-type: none"> Sustainable Managed Portfolio Service Sustainable World Portfolio Private Wealth Sustainable Discretionary Labelled sustainable funds Unlabelled sustainable funds

Not all solutions are suitable for all clients; our portfolio solutions and non-UK funds are not subject to the Financial Conduct Authority’s (FCA’s) SDR labelling regime.

1. We may use investments which will not be subject to the RSIF

Notes

- The funds research team assess how funds integrate ESG factors in investment decision making, and assess the stewardship activities of funds (thereby meeting our responsible investment commitments to consider ESG factors in investment decision making), but this does not mean that all covered funds themselves have ESG integration or stewardship processes. Some funds do not integrate ESG factors in investment decisions while others have limited ESG integration or stewardship processes.
- There may also be instances where there is an absence or lack of reliable or accurate ESG data on the companies and funds subject to our research process, limiting the extent to which we can apply ESG integration or undertake stewardship activities as part of our responsible investing approach.
- As a result, as a wealth manager we have a responsible investment approach, but not every fund covered by our research team is classified as a responsible investment fund.
- The RSIF does not enable us to describe solutions as responsible investments.
- The RSIF does not allow us to label bespoke portfolios.

Terminology explained

What is responsible investment?

A strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership.

What is sustainable investment?

Sustainable investment involves investing with the stated intention of achieving positive sustainability outcomes (i.e. with a sustainability objective) alongside financial returns.

Term	Description
ESG integration	The practice of including ESG factors in investment analysis and decisions to better manage risks and improve returns.
Stewardship	The responsible allocation, management and oversight of capital to create long-term sustainable value for clients and beneficiaries.
SDR-labelled funds	Funds with the stated intention of achieving positive sustainability outcomes (a sustainability objective). Funds must meet criteria to use a label as part of the FCA's SDR regime. The FCA has defined four fund labels: Sustainability Focus™, Sustainability Improvers™, Sustainability Impact™, and Mixed Goals™.
Unlabelled sustainable funds	These funds are not in scope of the FCA SDR and cannot use a label (e.g. non-UK funds). For these funds, we assess sustainability based on the fund meeting at least one of the following criteria: <ul style="list-style-type: none"> • Classified as Article 9 under the EU Sustainable Finance Disclosure Regulation (SFDR). These funds must have a primary sustainable investment objective. • Non-UK funds that follow the same strategy as a UK fund that has an FCA sustainability label.

Our commitment

At RBC Wealth Management, and as part of the wider RBC group, our Purpose is to help clients thrive and communities prosper. This includes addressing societal challenges that could impact our collective success, which we believe are critical to the prosperity of the communities where we live and work.

In 2023, RBC introduced its Purpose Framework - *Ideas for people and planet*[™], which aims to create clarity and structure around three societal ambitions where we believe RBC can have a meaningful impact. Our ambitions are to:

- 1 Support the transition to a net-zero economy
- 2 Equip people with the skills for a thriving future
- 3 Drive more inclusive opportunities for prosperity

Our ambitions aim to align to RBC's strategy and goals, which are focused in areas where our impact can be meaningful to the businesses we are in and the communities we operate in.

[Find out more about how we are powering ideas for people and planet.](#)



The value of investments, and any income from them, can fall and you may get back less than you invested. Neither simulated nor actual past performance are reliable indicators of future performance. Information is provided only as an example and is not a recommendation to pursue a particular strategy. We or a connected person may have positions in or options on the securities mentioned herein or may buy, sell or offer to make a purchase or sale of such securities from time to time. In addition we reserve the right to act as principal or agent with regard to the sale or purchase of any security mentioned in this document. For further information, please refer to our conflicts policy which is available on request or can be accessed via our website at www.rbcwealthmanagement.com/en-uk.

Information contained in this document is believed to be reliable and accurate, but without further investigation cannot be warranted as to accuracy or completeness. We will only be bound by specific investment restrictions which have been requested by you and agreed by us. Sustainable investments prioritise positive environmental, social, and governance (ESG) characteristics but may not have sustainable investment targets, or impact outcomes unless explicitly stated. ESG-driven exclusions may limit the investment universe, potentially leading to performance differences compared to products that do not prioritise ESG characteristics. Sustainability assessments, ESG data, and classifications rely on third-party information, which is subject to limitations, assumptions, and may evolve over time.

This publication has been issued by RBC's Wealth Management international division in the United Kingdom and the Channel Islands which is comprised of an international network of RBC® companies located in these jurisdictions and includes RBC Europe Limited and Royal Bank of Canada (Channel Islands) Limited. You should carefully read any risk warnings or regulatory disclosures in this publication or in any other literature accompanying this publication or transmitted to you by RBC's Wealth Management international division.

This publication has been compiled from sources believed to be reliable, but no representation or warranty, express or implied is made to its accuracy, completeness or correctness. All opinions and estimates contained in this report are judgements as of the date of this report, are subject to change without notice and are provided in good faith but without legal responsibility. This report is not an offer to sell or a solicitation of an offer to buy any securities. Past performance is not a guide to future performance, the value of investments and income arising can go down, future returns are not guaranteed, and an investor may not get back the amount originally invested. Countries throughout the world have their own laws regulating the types of securities and other investment products and services which may be offered to their residents, as well as the process for doing so. As a result, any securities or services discussed in this report may not be eligible for sale in some jurisdictions. This report is not, and under no circumstances should be construed as, a solicitation to act as a securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. Nothing in this report constitutes legal, accounting or tax advice or individually tailored investment advice.

This material is prepared for general circulation, and does not have regard to the particular circumstances or needs of any specific person who may read it. The investments or services contained in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about the suitability of such investments or services. To the full extent permitted by law none of the entities which comprise the international division of RBC Wealth Management nor any of their affiliates, nor any other person, accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained herein. No matter contained in this document may be reproduced or copied by any means without the prior consent of RBC Wealth Management.

Clients of RBC Europe Limited may be entitled to compensation from the UK Financial Services Compensation Scheme (FSCS) if it cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Eligible deposits are covered for up to a total of £120,000. Most types of investment business are covered for up to a total of £85,000. For further information about the compensation provided by the FSCS scheme (including the amounts covered and eligibility to claim) please refer to the FSCS website <http://www.FSCS.org.uk>. Please note only compensation related queries should be directed to the FSCS.

RBC Europe Limited is registered in England and Wales with company number 995939. Its registered office is 100 Bishopsgate, London EC2N 4AA. RBC Europe Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Royal Bank of Canada (Channel Islands) Limited ("the Bank") is regulated by the Jersey Financial Services Commission in the conduct of deposit taking, fund services and investment business in Jersey. The Bank's general terms and conditions are updated from time to time and can be found at <http://www.rbcwealthmanagement.com/global/en/terms-and-conditions>. Registered office: Gaspé House, 66-72 Esplanade, St. Helier, Jersey JE2 3QT, Channel Islands.