



RBC BlueBay
Asset Management

Annual corporate responsibility report 2022

Internal use only | March 2023



Corporate responsibility framework

RBC BlueBay Asset Management (RBC BlueBay) proactively engages in many aspects of corporate responsibility, including establishing a number of forums and committees, supporting our staff, communities and other stakeholders and building environmental, social and governance (ESG) investment capabilities.

Since 2019, the diverse aspects of our corporate responsibility efforts have been brought together under one framework by the Corporate Responsibility Committee. Throughout 2022, the Committee continued to support all underlying groups and offer a united view of our work across the firm in order to provide transparency around what we are doing and our progress.

The Corporate Responsibility Committee (CRC)

The purpose of the Committee is to propose, implement, monitor and report on RBC BlueBay's corporate responsibility framework. The responsibilities include:


- Implement the corporate responsibility framework
- Propose to the Leadership Team changes to the corporate responsibility framework or additional requirements for inclusion within the corporate responsibility framework where necessary
- Ensure working groups and forums are aligned to the corporate responsibility framework and are empowered to deliver against this framework, reporting back to the CRC
- Establish, monitor and report on key performance indicators for assessing RBC BlueBay's performance against the corporate responsibility framework
- Produce a monthly corporate responsibility newsletter to inform staff of each forum's news and upcoming events and any progress made against our corporate responsibility objectives

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Membership and participants


 **Jayne Fieldhouse**
Partner, Head of Global Institutional Marketing – Committee Chair


 **Erich Gerth**
Partner, CEO


 **Andrew Stormer**
Senior HR Business Partner – HR & People pillar representative

 **Natasha Breindel**
Senior Programme Manager – Charity Forum representative


 **Diana Apedu**
Associate, Institutional Strategy – Diversity, Equity and Inclusion Forum representative

 **Koycheva**
Head of ESG Client Experience – Diversity, Equity and Inclusion Forum representative

 **Guinevere Taylor**
Director, EMEA Distribution – Diversity, Equity and Inclusion Forum representative

 **David Horsburgh**
Head of Client Solutions – Employee Forum representative

 **Constantine Knox**
Partner, Associate General Counsel, Head of Corporate Legal – Environment pillar representative

 **Jack Warn**
Operations Manager – Treasury Operations – Social Forum representative

 **Zoë Bond**
Communications Manager – Committee Secretary

The framework comprises four pillars, each of which has specific responsibilities.

Relevant departments, forums and committees are aligned to a pillar in order to deliver on specific priorities. The Committee maintains overall responsibility for the framework.

Fig. 1: Our corporate responsibility framework



Our people

Our priorities:

- Diversity, equity and inclusion
- Health and well-being
- Talent management



Our conduct

Our priorities:

- Client satisfaction
- Ethical market practice
- Investment ESG
- Governance and monitoring
- Culture



Our communities

Our priorities:

- Active participant in the communities in which we operate to support and improve our environment, diversity, equity and inclusion
- Using our capabilities to assist the communities in which we operate



Our environment

Our priorities:

- Understand the impact of our operations on the physical environment
- Where possible remove, minimise or mitigate our impact on the environment



Responsibility to our people

Priorities:

- Attract and retain high-quality talent from the broadest pool of candidates
- Be a recognised leader in diversity, equity and inclusion and provide all our people with opportunities for growth and development
- Leverage diversity, equity and inclusion for the success of RBC BlueBay
- Increase employee engagement
- Promote learning and development
- Create an inclusive culture
- Leverage the DEI activities, events and initiatives of the wider RBC business

The key indicators we have put in place to measure progress are:

Enhance diversity, equity and inclusion

- 86% of employees completed anti-racism training
- We promote a gender-neutral recruitment process
- We partnered with 10,000 Black Interns, Sponsors for Educational Opportunity (SEO) and Girls are Investors (GAIN) for our 2021 summer internship programmes
- We partnered with GAIN for their inaugural Spring Insights programme in spring 2022

Increase employee engagement

- Teams started experimenting with their initial work formats as part of a flexible future-of-work programme
- Our monthly corporate responsibility newsletter shares details of charity initiatives, volunteering, DEI and social events
- We have weekly all firm communications from our CEO
- Our Employee Forum supports a quarterly and annual employee recognition award scheme
- We run two all staff social events each year, as well as regular smaller social events

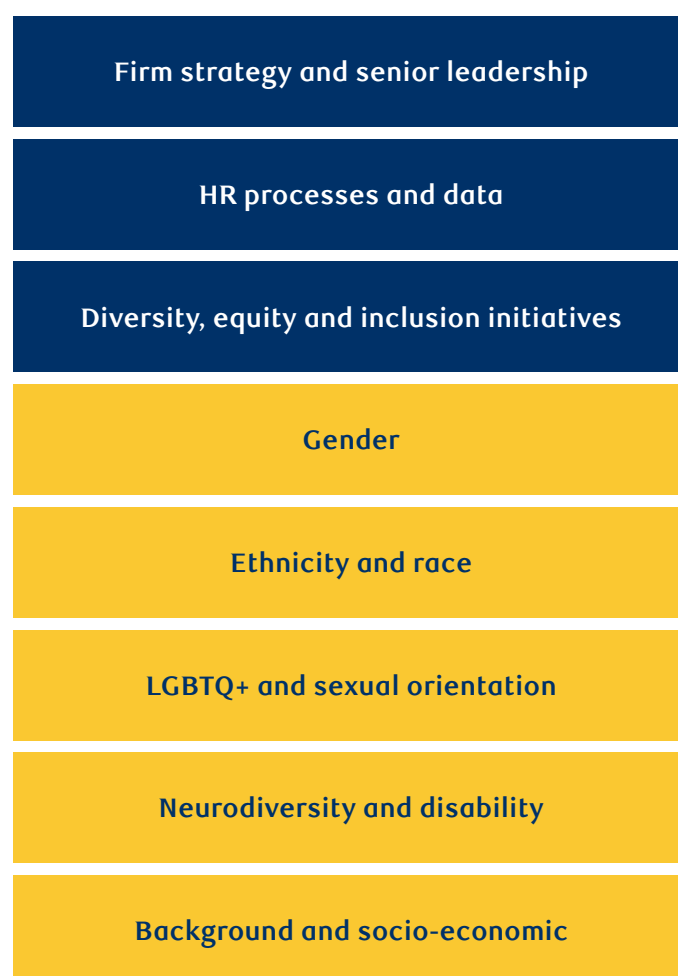
Improve skills of our workforce

- Online communication training offered to staff globally
- Management training programme
- Individually tailored coaching programmes offered to support management development

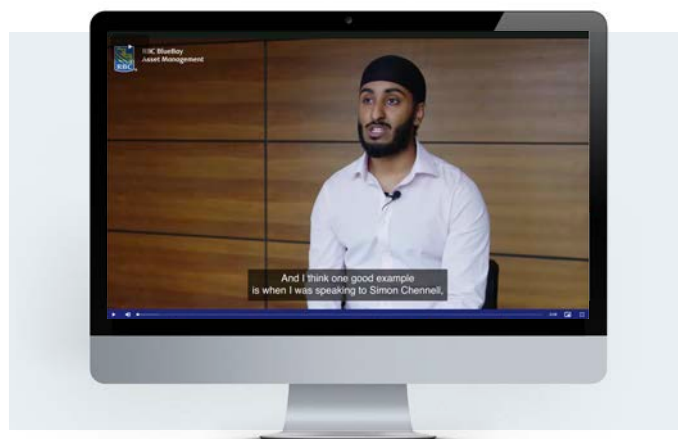
RBC BlueBay Diversity, Equity and Inclusion (DEI) Forum

- The respective forum and working group of BlueBay and RBC Global Asset Management UK focusing on diversity, equity and inclusion were combined under the re-launched RBC BlueBay Diversity, Equity and Inclusion (DEI) Forum. The Forum's activities are supported by senior members of the Leadership Team who have responsibility for DEI
- The Forum partnered with RBC to offer staff a series of DEI events aimed to raise awareness on various DEI topics. Over the year the Forum worked to strengthen the connectivity with RBC's employee resource groups

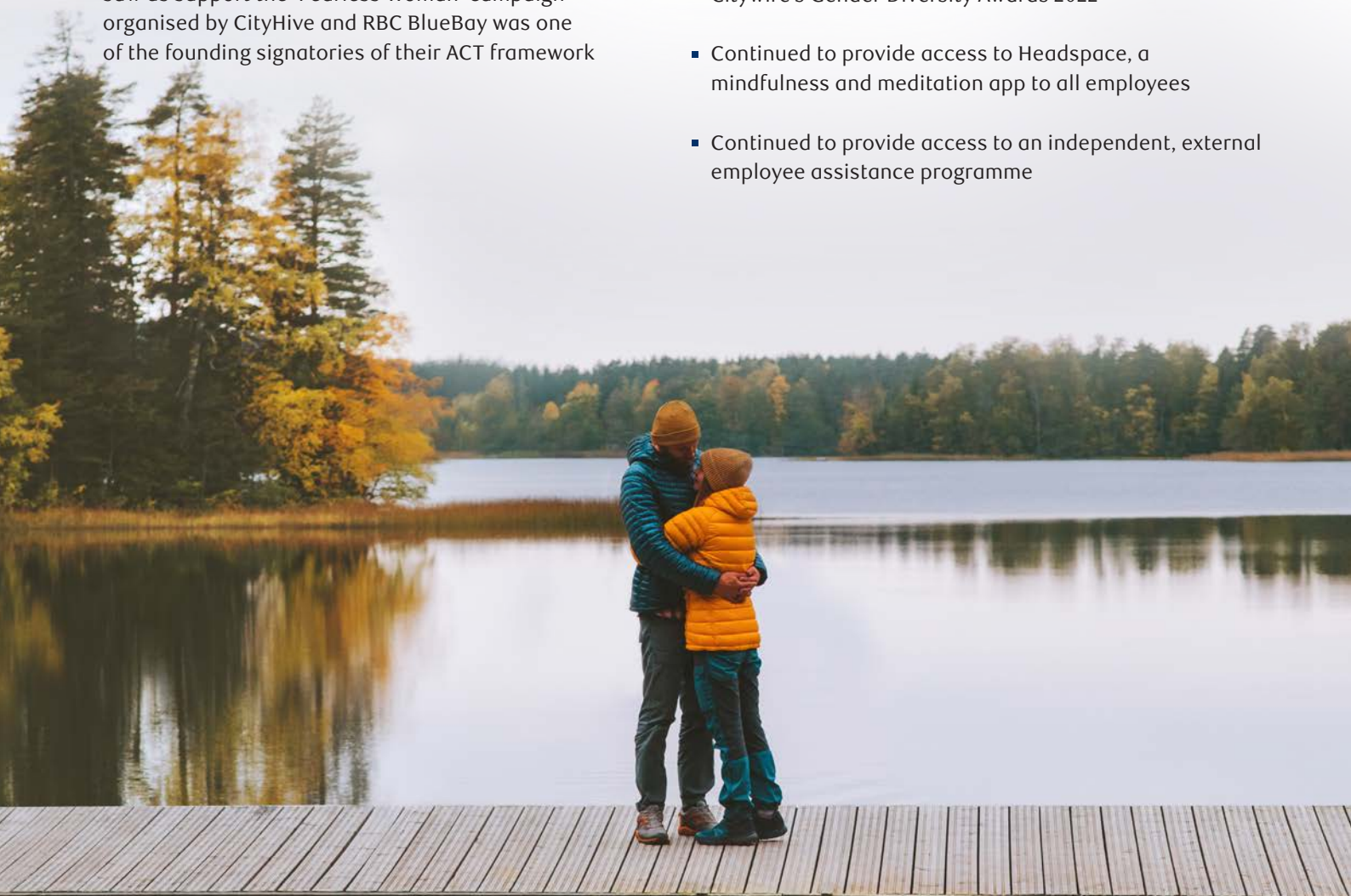
Fig. 2: Our DEI framework



- In the summer of 2022 RBC BlueBay participated in the GAIN, 10,000 Black Interns and SEO London summer internship programmes aimed to nurture a more diverse generation of future investment professionals. During the same period, we launched [testimonial videos](#) where the individuals who took part in these programmes shared their experiences
- The DEI Forum organised a number of successful events to celebrate International Women's Day, Mental Health Awareness Day and Black History Month
- The DEI Forum sponsored five members of staff to attend the Black Women in Asset Management inaugural conference
- We have continued to participate and contribute to industry-wide diversity, equity and inclusion committees such as the ones organised by the Standards Board of Alternative Investments (SBAI) and over the year joined the Diversity and Inclusion Committee of the European Leveraged Finance Association (ELFA)
- Our work on public advocacy for diversity and inclusion saw us support the 'Fearless Woman' campaign organised by CityHive and RBC BlueBay was one of the founding signatories of their ACT framework



- A number of BlueBay female professionals were recognised at industry-wide awards, including: PIMFA Diversity and Inclusion Awards, HERoes, Women in Investment, Women in Finance
- RBC BlueBay won the Diversity & Inclusion Leader of the Year at the Funds Europe 2022 Awards and topped the 'Most Improved Gender Representation, 20-50 Managers' and 'Most Improved Retention Rates' categories at Citywire's Gender Diversity Awards 2022
- Continued to provide access to Headspace, a mindfulness and meditation app to all employees
- Continued to provide access to an independent, external employee assistance programme



Summer internship programme 2022

This programme is designed to maximise the interns' experience with RBC BlueBay through networking, buddy assignments, and a final presentation. For the summer internship programme RBC BlueBay partnered with GAIN, 10,000 Black Interns and SEO London to deliver professional experience to 14 interns who took part in this programme:

About our partners

GAIN (Girls Are Investors) is a charity set up by investment professionals to improve gender diversity in investment management by building a talented pipeline of entry-level female and non-binary candidates. GAIN's focus is to generate more and better prepared women for investment firms through early engagement with sixth form and university students.

10,000 Black Interns is a programme designed to give young black talent opportunities with paid internships across various sectors. The programme matches interns with a paid internship in the sector of their interest, and supports you with pre-internship training and development.

SEO London believes everyone, regardless of background, has equal opportunity to achieve long-term professional and personal success. SEO London prepare talented students from underrepresented backgrounds for career success.

We are committed to continuing this offering for summer 2023, with interviews to take place at the end of 2022/early 2023. Our interns will work directly with our investment, business development and other professionals across the firm. As part of our summer programme we assign mentors to interns and offer a structured process to meet various individuals across the firm, gain understanding of a range of business areas and experience live projects, be it on an individual basis or in a group setting. Interns are also required to present a case study as part of their summer experience. RBC BlueBay and its staff are also delighted to offer mentoring to interns working in the investment management industry, thus offering a broader perspective of the sector.

Catalyst Financial Education Programme (CASP)

CASP was created to provide economically disadvantaged pupils with the aspiration, belief and tools to develop a career in the asset management industry. The programme is a multi-year education and training programme sponsored by the City of London Corporation, #Talkaboutblack and the Chartered Institute for Securities and Investment and IntoUniversity. The programme is designed to equip pupils

with hard skills and fusion skills, but also the inspiration to develop a career in the asset management industry. RBC BlueBay has committed to guide 1-3 students through the programme which includes training sessions, ongoing mentoring and provision of work experience.

Park View Secondary School

RBC BlueBay is participating in the Park View School mentoring programme. This initiative is different in that the goal is to help pupils who may be at risk of going down the wrong path – to serve as role models and to mentor students some of whom may be classified as having behavioural or other problems. This is a six-week commitment.

RBC UK and Channel Islands Employee Resource Groups (ERGs)

The RBC BlueBay DEI Forum benefits from the insights and work done across RBC's broader business in the region. Below we provide an overview of the initiatives RBC enterprise have across the UK and Channel Islands.

- **RWomen** is a network designed to promote gender diversity and inclusion at RBC through advocacy and awareness, community involvement, ongoing education and networking opportunities
- **RBC Pride** is a group for Proud RBC individuals for diversity & equality. Their mission is to be among the LGBT+ community's most trusted and successful financial institutions and employers
- **MEA** is a Multicultural Employee Alliance Group. This is an inclusive community which creates the conditions for colleagues at RBC to thrive – regardless of race, nationality, ethnicity, heritage, culture, religion, belief and whether they are a person of faith or not
- **RBC iCare** is a network supporting working families, care givers and employees with disabilities. i-Care is an employee-led support and information network. They support working parents, carers and employees with both visible and invisible disabilities, providing the 'human touch' through networking forums and events, and by sharing information to provide support and promote inclusion

Responsibility for our communities

Driven by our employee-led Charity Forum, our priorities are:

- Supporting charities where we feel we can tangibly contribute either from a fund raising or a volunteering perspective
- Committing to give back to our communities
- Supporting employees' charitable initiatives

Progress to date:

- Continuation of existing charity partnerships for another year with: Blue Marine Foundation, EMPower, Panathlon and The Honeypot Children's Charity
- Schedule of fundraising and volunteering activity with charity partners
- Broader volunteering options made available with charities in our community that support a broad range of causes including animals, elderly, disadvantaged socio-economic, disability, education and youth
- RBC GAM's Global Community Engagement Programme launched, linking in with the Charity Forum's new quarterly grant making process
- Community grants distributed. One of the grants enabled a fund-raising choral evening for the Ukraine to take place. This raised £8,350, a 3-fold return on the grant
- Wider fundraising also made available by continuing to support employee matched giving. Employee requests covered a variety of charities, from local schools to schools in South Africa as well as supporting the Ukraine and sick children

- Employees donated to charities through a Give As You Earn scheme, with RBC paying the administration fee, as well as raising funds through events such as a Macmillan Coffee Morning and Save the Children Christmas Jumper appeal
- We leveraged volunteering opportunities and collaborated with other regional RBC businesses
- Rotation of committee members

Recommendations:

- Charity related policies (e.g. matching) to be aligned as part of the UK integration project – Q2 2023
- Review of charity partnerships for Financial Year 2024

Fig. 3: Metrics as 31 October 2022

	Volunteering	Fundraising
Annual target	40%	GBP 150,000
2022 full year**	32%	GBP 140,000
2021 full year*	5%	GBP 105,000

*COVID-19 restrictions hindered in-person volunteering opportunities during this period
 **Majority achieved in the second half of the year as teams started experimenting with their initial work formats as part of a flexible future-of-work programme



More about our charity partnerships



**BLUE MARINE
FOUNDATION**

The Blue Marine Foundation is working to protect and restore life in the ocean. Their mission is to see at least 30% of the world's ocean under effective protection by 2030, and the other 70% managed responsibly.

RBC BlueBay continues to fund the Blue Economics team, at Blue Marine, which our funding helped establish in 2021. Examples of their projects are:

- Developing the UK's first formally verified biodiversity credit
- Researching, developing and modelling sustainable finance mechanisms for a number of their international projects, this will serve as a blueprint for how marine protected areas and sustainable fisheries can be funded



Honey Pot provides support to young children (age 5-12 age) caring for a sick or disabled parent or sibling. Our donations enabled:

- 1,512 young carers to enjoy a three day residential respite break
- 117 after school SWARM clubs for 1,170 young carers
- Four day Social and Emotional Active Breaks (SEAL breaks) and online digital services
- A three day online respite break



EMpower partner with local organisations in emerging market countries to enable marginalised young people to transform their lives and communities.

- RBC BlueBay contributed to the first year of operation for EMpower's Global Gender Fund
- 100% of the donations goes toward making grants as EMpower's underwriters, cover all administrative, and operating costs
- EMpower's Global Gender Fund is focused on delivering change in the lives of girls and young women by empowering them to build a better world in which all girls and young women can thrive



The Panathlon Challenge is a national charity which provides sporting opportunities for tens of thousands of children with disabilities and special educational needs each year.

- With the return of schools following the COVID pandemic, the Panathlon charity were able to deliver "face to face" events around the country to 7,973 participants (competitors and young leaders) with disabilities and special educational needs
- Panathlon's research shows that participation in Panathlon not only increases physical activity but increases mental well-being and continues to reduce isolation in the vulnerable young people they work with

Responsibility to our environment

RBC BlueBay support the global goal of achieving net-zero emissions by 2050 or sooner. We also recognise and support the need to achieve a just and orderly transition to net-zero that promotes widely shared economic prosperity.

RBC BlueBay aligns its environmental practices to that of our parent company, Royal Bank of Canada (RBC). Full details about our policies related to climate change can be found in RBC's [Task Force on Climate-related Financial Disclosures Report](#).

Our approach

Underpinning our approach is a fundamental belief this multi-decade transition must be orderly – one that balances the needs of individuals, companies, regions, society and the economy.

We have to work with our clients across all sectors, particularly higher-emitting sectors, to enable their journeys, with client-by-client risk and opportunity decisions along the way.

RBC announced a commitment to deploy CAD\$500 billion in sustainable finance by 2025, an increase from its previous commitment of \$100 billion, which was achieved in 2020.

RBC joined the Net-Zero Banking Alliance (NZBA), a global, industry-led initiative to accelerate and support efforts to address climate change, while strengthening the prospects of people, communities and economies.



Responsibility for our conduct

Priorities:

- Maintain or enhance client satisfaction
- Ensure continued ethical market practice
- Develop our investment environmental, social and governance (ESG) proposition
- Ensure transparency around governance and our culture
- Support the Conduct Risk Committee as required

Membership of industry bodies

- Alternative Investment Management Association (AIMA)
- Association Luxembourgeoise des Administrateurs (ILA)
- Association Luxembourgeoise des Compliance Officers (ALCO)
- Association Luxembourgeoise des fonds d'investissement (ALFI)
- Bundesverband Alternativer Investments (BAI) (Association for alternative investments in Germany)
- BVI (Association of the investment industry in Germany)
- Carbon Disclosure Project - investor signatory since December 2016
- Climate Action 100+
- City HR Association
- Defined Contribution Investment Forum
- Development of the Pension Funds Market (Mefop)
- (The) Emerging Markets Investor Alliance
- Emerging Markets Trading Association
- (The) European Leveraged Finance Association (ELFA)
- Farm Animal Investment Risk & Return (FAIRR)
- (The) Global Impact Investing Network (GIIN)
- Green Bond Transparency Platform (GBTP)
- International Swaps and Derivatives Association Investment Association (IA)
- Investors Policy Dialogue on Deforestation (IPDD)
- Loan Market Association (LMA)
- Pensions for Purpose
- Pensions Life & Savings Association (PLSA)
- The Principles for Responsible Investment (PRI)
- Public Relations and Communications Association (PRCA)
- SFAMA (Swiss Funds and Asset Management Association)
- Standards Board for Alternative Investments (SBAI)
- (The FSB) Task Force on Climate Related Financial Disclosures (TCFD)
- Transition Pathway Initiative (TPI)
- UN-supported Principles for Responsible Investment (PRI)
- VAIÖ (Association of the Austrian investment industry)
- Verisk Maplecroft

We have a secure anonymous hotline operated by an independent third party provider for staff to report concerns or misconduct that may violate our Code of Conduct, policies and laws, or is otherwise unethical and could put our organisation at risk.

The key indicators we have put in place to measure progress

Regulatory compliance

- Code of Ethics – 100% signed
- Code of Conduct – 100% signed
- Training – 100% of staff received training in preceding 12 months

Suppliers and contractors

- Modern Slavery: progress/completion of actions identified from the Annual modern slavery assessment – on-track

Client relations

- Complaints – 0 (using BlueBay Operating Committee Compliance KRIs)
- Membership of industry bodies (listed)
- Data protection breaches – 0 (No GDPR breaches that led to an investigation or further query from the UK Information Commissioner Office)

Governance and oversight

- Board composition – 22.22% Independent Non-Executive Directors
- Board composition – 33.33% female
- Conflicts Committee – created 2017, meets quarterly
- Conduct Committee – created 2019, meets quarterly
- Remuneration Committee – A Board level group, chaired by an Independent Non-Exec Board Member
- Trade Execution Oversight Committee – no highlighted breaches

Focusing on the year ahead

The Corporate Responsibility Committee has agreed key performance indicators and objectives that will ensure we monitor progress and operate responsibly.

CRC 2023 objectives

- Support culture and engagement across RBC BlueBay
- Seek inter-forum partnerships to support objectives and initiatives (and with RBC Europe groups)
- Raise internal and external awareness of corporate responsibility work and activities

Underlying Forum/pillar objectives

- **Charity Forum:** Grow volunteering rates back towards 40% target and increase fund raising by 10%
- **DEI Forum:** Fully merge the RBC GAM UK D&I Working Group and the BlueBay DEI Forum
- **Employee Forum:** Support the London office move
- **Environmental Pillar:** Align our commitment to ESG with RBC Europe
- **Social Forum:** through inclusive events and initiatives, bring together the two businesses to support our integration



“Our success as a company is defined by the long-term well-being of the people we serve, the places in which we operate, and the planet that we will leave to future generations.”

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