



PUBLIC RI REPORT

2021 PILOT

BlueBay Asset Management LLP

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About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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Senior Leadership Statement (SLS)

Senior leadership statement

Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- o **Why does your organisation engage in responsible investment?**
- o **What is your organisation’s overall approach to responsible investment?**
- o **What are the main differences between your organisation’s approach to responsible investment in its ESG practice and in other practices, across asset classes?**

BlueBay believes ESG factors/risks can potentially impact an issuer’s long-term financial performance. Therefore, ensuring our investment management approach provides holistic oversight of risks by integrating ESG alongside conventional credit analysis is not only prudent but also in line with BlueBay’s fiduciary duty. Given this view, consideration of ESG factors has always been part of our investment process. However, since 2013 we have formalised this, and we have continually made efforts to improve our practices and strengthen our efforts.

At its core, we have adopted a firmwide ESG investment management risk approach across all our managed assets, where the focus is on identifying and integrating investment relevant/material ESG risks into our investment decisions. This enables us to deliver superior risk-adjusted returns over the long term while meeting our clients’ wider expectations. Within this firmwide ‘ESG Aware’ framework, the focus is on ESG integration, which is supplemented by stewardship activities (engagement, and proxy voting in more limited instances), and exclusion of controversial weapons (in the case of our pooled funds). Beyond this firm level approach, some pooled funds or separately managed accounts (SMAs), may look to go beyond this, and are considered ‘ESG Orientated’, where they promote ESG considerations/factors, irrespective of whether they have any investment relevance/materiality. For such strategies, they are differentiated from our firm level approach by applying enhanced (i.e. more) ESG restrictions, with the results of ESG integration and stewardship activities also potentially resulting in issuers being excluded from investment based on ESG reasons alone.

BlueBay is a specialist fixed income fund manager. We only invest in public debt, although within this, we invest across different sub-asset classes. This focus on fixed income means we have designed our integration framework for issuer credit analysis, which is tailored to this asset class, and whilst the specific ESG content varies for corporate vs sovereign issuers, they are grounded in the same common general principles and concepts. We have purposefully designed this process to be co-owned, to fully integrate and embed ESG into our investment practices.

Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- Discuss your organisation’s progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation’s responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policy makers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

We set an annual ESG investment work program at the firm level, which provides the framework and priorities against which we measure progress, across a number of focus areas. This program is kept under constant review, to ensure it remains relevant and responsive to evolving client needs and expectations, as well as our own evolving thinking. Whilst 2020 was a year that has fundamentally changed our society and the economy operates as a result of the disruption caused by the pandemic, we did not deviate from our 2020 annual work program or the areas we had targeted to progress.

Some notable achievements from the year are:

- ESG governance – moved ESG from a firm level strategic priority (set in 2019), to being a permanent strategic pillar. Our ESG team moved from the investment risk function to our investment function, and we formally embedded ESG investment related performance objectives for all our investment teams, our client facing business development roles, our Management Committee members, as well as our Board members.
- ESG analysis and incorporation - continued to provide ongoing ESG training and support to our investment professionals. We also maintained over 95% coverage of our in scope held investments through our issuer ESG evaluation framework.
- ESG infrastructure and systems – continued to build out our ESG investment data infrastructure to make ESG data and insights visible and accessible for all our investment teams. We rolled out a firm wide stakeholder engagement activities database (includes on ESG matters).
- Stewardship – as well as engaging bilaterally with issuers we invest in across a range of standard ESG topics (as well as those specific to the Covid-19 pandemic), we participated in several discussions with regulators and other key stakeholders such as the FRC and FCA in the UK on the UK Stewardship Code and on the UK’s ESG-labelled bond market.
- Collaborative engagements - continued to play an active role at the industry level via the PRI on ESG in fixed income. We formally joined a number of initiatives (such as the Climate Action 100+, FAIRR, and the IPDD, which engaged with sovereigns on deforestation).
- Certifications/awards – our issuer ESG evaluation framework was shortlisted in the PRI Annual Awards (‘ESG incorporation of the Year’). Our BlueBay Global High Yield ESG Bond Fund was awarded the LuxFLAG ESG label in October 2020, for the period ending 30 September 2021.

Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Over the next 2 years, we will continue to use our annual work program and framework to drive our ESG efforts and demonstrate our commitment in the area of responsible investing. We will use this framework to continue to develop our approach to ESG in our dedicated focus areas, including our ESG product offering, governance and resourcing, ESG policies, our internal ESG infrastructure and systems, ESG analysis and industry collaborations, as well as external reporting and communications.

Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.

Name Erich Gerth

Position Chief Executive Officer

Organisation's name BlueBay Asset Management LLP

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by BlueBay Asset Management LLP in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of BlueBay Asset Management LLP's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

Organisational Overview (OO)

Organisational information

Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management

(1) This is our only (or primary) type

Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

- (A) Yes
- (B) No

Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

Assets under management

All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries US\$ 75,100,000,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only US\$ 0.00

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

Percentage of AUM

(A) Listed equity – internal 0.0%

(B) Listed equity – external 0.0%

(C) Fixed income – internal 98.0%

(D) Fixed income – external 0.0%

(E) Private equity – internal 0.0%

(F) Private equity – external 0.0%

(G) Real estate – internal 0.0%

(H) Real estate – external 0.0%

(I) Infrastructure – internal 0.0%

(J) Infrastructure – external 0.0%

(K) Hedge funds – internal 2.0%

(L) Hedge funds – external 0.0%

(M) Forestry – internal 0.0%

(N) Forestry – external 0.0%

(O) Farmland – internal 0.0%

(P) Farmland – external 0.0%

(Q) Other – internal, please specify: 0.0%

(R) Other – external, please specify: 0.0%

(S) Off-balance sheet – internal 0.0%

(T) Off-balance sheet – external 0.0%

ESG strategies

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 FI	CORE	OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate
(A) Screening alone	0.0%	0.0%
(B) Thematic alone	0.0%	0.0%
(C) Integration alone	0.0%	0.0%
(D) Screening and integration	100.0%	100.0%
(E) Thematic and integration	0.0%	0.0%
(F) Screening and thematic	0.0%	0.0%
(G) All three strategies combined	0.0%	0.0%

(H) None 0.0% 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 FI	CORE	OO 6 FI	N/A	PUBLIC	Fixed income	1

What type of screening is applied to your internally managed active fixed income?

(1) Fixed income – SSA

(2) Fixed income – corporate

(A) Positive/best-in-class screening only 0.0% 0.0%

(B) Negative screening only 100.0% 100.0%

(C) A combination of positive/best-in-class and negative screening 0.0% 0.0%

Hedge funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 HF	CORE	OO 5	HF 10	PUBLIC	Hedge funds	1

Do you conduct negative screening on your hedge fund assets?

- (A) Yes
- (B) No

Stewardship

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

	(4) Active – SSA	(5) Active – corporate
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We did not conduct this stewardship activity for this strategy/asset type	<input type="checkbox"/>	<input type="checkbox"/>

Hedge funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5, OO 5.2 HF	Multiple, see guidance	PUBLIC	Hedge funds	2

Does your organisation conduct stewardship activities for your hedge fund assets?

	(1) Engagement
(A) Through service providers	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>

(D) Collaboratively

(E) We did not conduct this stewardship activity

ESG incorporation

Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(F) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>
(O) Hedge funds - Long/short credit	<input checked="" type="radio"/>	<input type="radio"/>
(P) Hedge funds - Distressed, special situations and event driven fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(Q) Hedge funds - Structured credit	<input checked="" type="radio"/>	<input type="radio"/>
(R) Hedge funds - Global macro	<input checked="" type="radio"/>	<input type="radio"/>

Voluntary reporting

Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are voluntary to report on in the separate PRI asset class modules as they account for less than 10% of your total AUM and are under USD 10 billion. Please select if you wish to voluntarily report on the module.

(1) Yes, report on the module

(2) No, opt out of reporting on the module

(I) Hedge funds

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

(1) Yes, report on the module

ISP: Investment and Stewardship Policy

(B) Fixed income – SSA

(C) Fixed income – corporate

ESG/sustainability funds and products

Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

Percentage

(D) Fixed income – active 100.0%

(H) Hedge funds 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16.1	CORE	OO 16	ISP 52	PUBLIC	Labelling and marketing	GENERAL

What percentage of your total assets (per asset class) carry a formal ESG/RI certification or label? Percentage figures can be rounded to the nearest 5%.

Coverage of ESG/RI certification or label:

(B) Fixed income 5.0%

(F) Hedge funds 0.0%

Climate investments

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

0.0%

Investment and Stewardship Policy (ISP)

Responsible investment policy & governance

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- (A) Yes, we do have a policy covering our approach to responsible investment
- (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Approach to stewardship
- (F) Approach to sustainability outcomes
- (G) Approach to exclusions
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- (I) Definition of responsible investment and how it relates to our fiduciary duty
- (J) Definition of responsible investment and how it relates to our investment objectives
- (K) Responsible investment governance structure
- (L) Internal reporting and verification related to responsible investment
- (M) External reporting related to responsible investment
- (N) Managing conflicts of interest related to responsible investment
- (O) Other responsible investment aspects not listed here, please specify:

Controversial Weapons Investment Policy, Modern Slavery Statement, Proxy Voting Policy, Stewardship Code Statement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

ESG investment policies

BlueBay has had an ESG Investment Policy in place since 2013, which provides an overview of our ESG investment management strategy. It is applicable to all managed assets. Implementation of our ESG Investment Policy and the ESG investment management framework is primarily led by our ESG investment team, with formal oversight occurring at various levels to promote effective, aligned and consistent way across the organisation.

BlueBay's ESG investment policies are reviewed and updated as necessary to reflect changes in circumstances (e.g. regulatory changes), updates on actual practice, as well as where we identify a gap through internal review mechanisms. This process is led and overseen by the ESG investment team, with potential revisions presented to various functions within BlueBay for formal review and approval.

Oversight and review mechanisms

In terms of oversight of our ESG investment policies and ESG investment management framework, formal oversight occurs at various levels to promote effective, aligned and consistent implementation across the organisation, as follows:

- The board has ultimate responsibility for ESG as it is a strategic filter for the firm.
- Periodic updates are provided to the Management Committee (ManCom) and the board on ESG investment practices and performance, including ESG integration and stewardship activities.
- Regular (monthly) meetings are held by the ESG Investment Working Group (ESG IWG). Set up in 2019, this group is specifically charged with providing further governance and oversight across our ESG investment process and investment teams, including ESG integration and stewardship activities. The ESG IWG is chaired by a member of the CIO's office and is comprised of representatives from the investment teams and the ESG team.

In terms of internal review processes, our governance structures provide mechanisms through which our ESG integration and stewardship practices are reviewed and evaluated by senior teams on a regular basis. For example, the ESG IWG meets monthly to discuss integration of ESG and stewardship activities across the investment teams. This includes reviewing the coverage of ESG analysis and taking steps to rectify where this does not meet sufficient levels. Weekly automated reports including coverage statistics are also communicated across the investment teams regarding ESG analysis. Our investment control team ensures any formal ESG exclusions we apply to our 'ESG Orientated' funds as part of our ESG and stewardship activities are formally coded into our internal systems. Our investment compliance function provides oversight of our ESG integration and stewardship activities through their policy reviews. Given the transparency of our ESG analysis, data and stewardship activities within our internal proprietary system, there is also interrogation of our efforts by the investment teams when reviewing funds against ESG metrics.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

- (A) Overall approach to responsible investment. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>
- (B) Guidelines on environmental factors. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>
- (C) Guidelines on social factors. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>
- (D) Guidelines on governance factors. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>

- (E) Approach to stewardship. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>
- (F) Approach to sustainability outcomes. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>
- (G) Approach to exclusions. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>,
<https://www.bluebay.com/globalassets/documents/controversial-weapons-investment-policy.pdf>
- (I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>
- (J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>
- (K) Responsible investment governance structure. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>
- (M) External reporting related to responsible investment. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>
- (N) Managing conflicts of interest related to responsible investment. Add link(s):
<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>
- (O) Other responsible investment aspects [as specified] Add link(s):
 Controversial Weapons Investment Policy - <https://www.bluebay.com/globalassets/documents/controversial-weapons-investment-policy.pdf>, Modern Slavery Statement - <https://www.bluebay.com/en/investment-expertise/esg/modern-slavery-statement/>, Proxy Voting Policy - <https://www.bluebay.com/globalassets/documents/bluebay-proxy-voting-policy-dec-2020-final.pdf>, Stewardship Code Statement - <https://www.bluebay.com/globalassets/documents/bluebay-statement-uk-stewardship-code-2020-april-20202.pdf>
- (P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

AUM coverage of all policy elements in total:

100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

Which elements does your exclusion policy include?

- (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff, please specify:
 - Management Committee
- (E) Head of department, please specify department:
 - Head of ESG Investment, Head of Desk/Strategy (multiple)
- (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff [as specified]
- (E) Head of department [as specified]
- (F) Portfolio managers
- (G) Investment analysts
- (H) Dedicated responsible investment staff
- (I) Investor relations
- (J) External managers or service providers
- (K) Other role, please specify:
 - ESG Investment Working Group
- (L) Other role, please specify:
 - Market Risk Committee
- (M) We do not have roles with responsibility for implementing responsible investment.

People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(1) Board and/or trustees	(2) Chief-level staff	(4) Other chief-level staff [as specified]	(5) Head of department [as specified]	(6) Portfolio managers
(A) Objective for ESG incorporation in investment activities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	(7) Investment analysts	(8) Dedicated responsible investment staff	(11) Other role	(12) Other role
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(E) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify for "(E) Other objective related to responsible investment".

█ Oversight of ESG incorporation

Please specify for "(F) Other objective related to responsible investment".

█ Awareness, knowledge and understanding of ESG

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.1	PLUS	ISP 8	N/A	PUBLIC	People and capabilities	General

Describe the key responsible investment performance indicators (KPIs) or benchmarks that your organisation uses to compare and assess the performance of your professionals in relation to their responsible investment objectives.

█ In April 2020, we formally adopted ESG investment related objectives for all our investment teams, our client facing business development roles, our Management Committee (ManCom) members, our CEO and CIO/Head of Strategy, as well as our Board members. The exact nature of ESG related objectives that have been adopted vary depending on the specific role to ensure they are relevant and appropriate. Broadly speaking, however, they are divided into those that demonstrate 1) understanding of ESG risks, including reputationally and 2) integration of ESG and specific outputs relevant to the role. Performance against these objectives is intended to be considered as part of the broader annual performance review of an individual, with it informing decisions about the discretionary element of remuneration. There is no explicit weighting assigned to these objectives for these roles with the decision at the discretion of the individual's line manager. The exception to this relates to the objectives of the ESG investment team, who have explicit weightings of their annual performance agreement linked to specific areas.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

(1) Board and/or trustees

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(F) Other objective related to responsible investment (as specified in ISP 8 option F)

(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(F) Other objective related to responsible investment (as specified in ISP 8 option F)

(4) Other chief-level staff

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(F) Other objective related to responsible investment (as specified in ISP 8 option F)

(5) Head of department

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(F) Other objective related to responsible investment (as specified in ISP 8 option F)

(6) Portfolio managers

(A) Objective on ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(F) Other objective related to responsible investment (as specified in ISP 8 option F)

(7) Investment analysts

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(F) Other objective related to responsible investment (as specified in ISP 8 option F)

(8) Dedicated responsible investment staff

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(F) Other objective related to responsible investment (as specified in ISP 8 option F)

(11) Other role

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(F) Other objective related to responsible investment (as specified in ISP 8 option F)

(12) Other role

(A) Objective for ESG incorporation in investment activities

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(F) Other objective related to responsible investment (as specified in ISP 8 option F)

(G) We have not linked any RI objectives to variable compensation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?

- (A) Quarterly or more frequently
- (B) Bi-annually
- (C) Annually
- (D) Less frequently than annually
- (E) On an ad hoc basis
- (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

Does your organisation incorporate ESG factors into your strategic asset allocation?

- (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- (D) Not applicable, we do not have a strategic asset allocation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10.1	CORE	ISP 10	N/A	PUBLIC	Strategic asset allocation	1

For what proportion of assets do you incorporate ESG factors into your strategic asset allocation process?

(A) We incorporate ESG factors into calculations for expected risks and returns of asset classes (1) for all of our assets

Stewardship

Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(B) Fixed income 100.0%

(F) Hedge funds 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- (A) Key stewardship objectives
- (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- (C) Prioritisation approach depending on entity (e.g. company or government)
- (D) Specific approach to climate-related risks and opportunities
- (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- (H) Approach to collaboration on stewardship
- (I) Escalation strategies
- (J) Conflicts of interest
- (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- (M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PUBLIC	Stewardship policy	2

Describe any additional details related to your stewardship policy elements or your overall stewardship approach.

BlueBay’s approach to stewardship is included in our ESG Investment Policy, which is available on our corporate website: <https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>.

BlueBay believes that providers of debt have a role to play in engaging with issuers on matters that have the potential to impact investment returns, including ESG factors. Where ESG engagement is deemed necessary, it is prioritized using a risk-based approach, which focuses on the issuers material ESG risks, their ESG score, the size of our investments and if it is a long-term position. Engagement efforts are primarily aimed at generating insights. However, there may be a conscious decision to influence the issuer on improved management of ESG issues. Here, where possible, we seek to define specific outcomes over a given timeline. However, client expectations of the scale and effectiveness of such engagement should be made in recognition that as debt investors, we have more limited legal mechanisms to influence issuers.

Given BlueBay’s focus on fixed income, the number of occasions we are engaged in proxy voting is limited. Our standalone Proxy Voting Policy outlines our approach in more detail, which is available on our corporate website: <https://www.bluebay.com/globalassets/documents/bluebay-proxy-voting-policy-dec-2020-final.pdf>

BlueBay’s ESG investment policies are reviewed as necessary to reflect changes in circumstances and updates in actual practice. This is led by the ESG investment team, with revisions presented to various functions within BlueBay for formal review and approval, to ensure senior oversight and accountability and internal assurance mechanisms around their development.

BlueBay has a Conflicts of Interest Policy, a Conflicts of Interest Register and a Conflicts of Interest Statement, the latter of which is published on our corporate website: <https://www.bluebay.com/globalassets/documents/bluebay-conflicts-of-interest-statement2.pdf>

Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- (A) It requires our organisation to take certain actions
- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

	(2) Fixed income	(6) Hedge funds
(A) Maximise the risk–return profile of individual investments	<input type="radio"/>	<input type="radio"/>
(B) Maximise overall returns across the portfolio	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(C) Maximise overall value to beneficiaries/clients	<input type="radio"/>	<input type="radio"/>
(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)	<input type="radio"/>	<input type="radio"/>

Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

(2) Fixed income

(6) Hedge funds

(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property

(B) The materiality of ESG factors on financial and/or operational performance

(C) Specific ESG factors with systemic influence (e.g. climate or human rights)

(D) The ESG rating of the entity

(E) The adequacy of public disclosure on ESG factors/performance

(F) Specific ESG factors based on input from clients

(G) Specific ESG factors based on input from beneficiaries

(H) Other criteria to prioritise engagement targets, please specify:

(I) We do not prioritise our engagement targets

Stewardship methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 17	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship methods	2

Please rank the methods that are most important for your organisation in achieving its stewardship objectives. Ranking options: 1 = most important, 5 = least important.

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff)	1
(B) External investment managers, third-party operators and/or external property managers (if applicable)	We do not use this method
(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee)	We do not use this method
(D) Informal or unstructured collaborations with peers	3
(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (iCI) or similar)	2

Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation

- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18.1	PLUS	ISP 18	N/A	PUBLIC	Collaborative stewardship	2

Describe your position on collaborating for stewardship.

BlueBay has opportunities to collaborate and engage with investors and other stakeholder groups on an issuer, sector and thematic basis. Our decision as to whether we participate in such efforts is made on a case by case basis. We are open to working with others to promote ESG integration and stewardship within investment activities. Collaborative engagement activities can offer a powerful mechanism for debt investors to influence issuers on improved ESG practices. This may be on broad or specific ESG issues, whereby a collective group can potentially have more leverage and sway than a sole investor, or where an issue is systematic in nature so requiring co-ordinated industry action to effect change. Consequently, we are committed to playing our role in collaborative engagement and driving forward ESG best practice through such stewardship activities. This is not to say we will not engage individually with an issuer, rather in certain circumstances, a collaborative approach can yield change that may otherwise not have been possible at all or would require a longer timeframe. In other instances, there may be bilateral engagement as well as collaborative efforts related to the same issuer. We publish a list of our collaborative efforts and industry participation on our corporate website: <https://www.bluebay.com/en/investment-expertise/esg/industry-participation/>

Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 19	PLUS	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

Which of these measures did your organisation, or the service providers/external managers acting on your behalf, use most frequently when escalating initial stewardship approaches that were deemed unsuccessful?

	(2) Fixed income	(3) Hedge funds
(A) Collaboratively engaging the entity with other investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors

(F) Voting against the annual financial report

(G) Divesting or implementing an exit strategy

(H) We did not use any escalation measures during the reporting year. Please explain why below

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?

(2) Fixed income

(3) Hedge funds

(A) Collaboratively engaging the entity with other investors

(B) Filing/co-filing/submitting a shareholder resolution or proposal

(C) Publicly engaging the entity (e.g. open letter)

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors

(F) Voting against the annual financial report	<input type="checkbox"/>	<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input type="checkbox"/>	<input type="checkbox"/>
(H) We do not have any restrictions on the escalation measures we can use	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Alignment and effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 21	PLUS	Multiple, see guidance	N/A	PUBLIC	Alignment and effectiveness	2

Describe how you coordinate stewardship across your organisation to ensure that stewardship progress and results feed into investment decision-making and vice versa.

ESG stewardship and engagement activities can involve both our ESG and investment professionals working together, or individually, depending on the nature of the specific initiative. We also participate in collaborative ESG engagement initiatives beyond bilateral activities. This may occur at the issuer, sectoral, issue or investment industry level, involving solely investors, or be multi-stakeholder in nature. Issuer and sector level collaborative engagement usually involves investment and ESG team members, while issue or investment industry level ESG engagements primarily involve the ESG team. In some cases, however, our investment professionals may be involved. The rationale for involvement will be linked to considerations of investment exposure materiality and could be as part of a strategic work program or in reaction to an external event.

As part of our ongoing infrastructure enhancements, in 2020 we rolled out a centralized engagement log on our proprietary centralized research platform, the Alpha Research Tool (ART). This engagement log provides a platform to document instances of engagement with issuers and non-issuers across BlueBay, including those pertaining to ESG. The log can be accessed by both the ESG team and the investment teams to document instances of ESG engagement and is the source of our ESG engagement data and activities across the firm. Engagement details such as the method, topics raised and discussed, the view post-engagement and a summary of the engagement activities can be recorded on this log. In 2021, we plan to implement further enhancements to this log that will enable more granular recording of the outcomes of our engagements including monitoring progress against objectives and timelines systematically.

Engagement activities recorded on the engagement log, automatically link to our ESG analysis of an issuer, specifically the relevant issuer ESG evaluation, which is also housed on ART. This means we can evidence ESG engagement activities that have occurred alongside material ESG topics identified as potential areas for engagement during the ESG analysis process through our issuer ESG evaluation framework. Engagement insights can also be used to inform our overall ESG analysis and view of the issuer and the overall resulting proprietary ESG metrics from this process.

The resulting proprietary ESG metrics from our issuer ESG evaluation framework and insights feed through to Portfolio Insight (Pi), which is our proprietary in-house tool that enables our investment teams to view ESG metrics for their portfolios and associated benchmarks alongside credit metrics. These metrics are also then integrated into Alpha Decision Tool (ADT), our proprietary platform for capturing and monitoring trade ideas across the firm. Through these mechanisms, ESG considerations identified from ESG engagement and ESG analysis, are widely accessible across the investment teams, and can feed through into investment decisions, as part of our ESG integration framework.

Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

	(1) Engagement type	(2) Primary goal of stewardship activity
(A) Example 1	b) Collaborative	c) Both managing ESG risks and delivering outcomes
(B) Example 2	b) Collaborative	c) Both managing ESG risks and delivering outcomes
(C) Example 3	b) Collaborative	c) Both managing ESG risks and delivering outcomes
	(3) The ESG factors you focused on in the stewardship activity	(4) Description of stewardship activity and the desired change(s) you achieved

(A) Example 1

Influence to improve practices
relating to deforestation

- Engagement title: Brazil –
deforestation
- Engagement overview: Following
an open investor letter to Brazilian
embassies in June 2020, BlueBay and
other investors were contacted by the
governor of the Central Bank. During a
bilateral call, he stated that he
welcomed the investor letter and sought
to reassure us of his commitment to
ensuring environmental issues are
addressed, given their importance for
financial flows. He reported that there is
a task force within government working
on strengthening environmental policy,
led by the vice president, and including
the environment and agriculture
ministers, the speaker of the lower
house, and himself. He proposed a call
between members of the investor group
with the task force in early July.
(response continued in row below)

This was an unusual and unique opportunity to ensure the most relevant and senior government officials heard directly from investors regarding their concerns and how these linked to investment risks. A positive development that occurred shortly after the exchange was the announcement by the government of a 120-day moratorium on forest fires. In addition to the dialogue with the members of the Amazon Council, the investor group met with members of the National Congress of the country to discuss the investor initiative and outline their views and actions. In our engagement efforts, the investor group has sought to advance the following five outcomes:

- o Reduction of deforestation rates to showcase efforts to comply with Brazil's climate law.
- o Enforcement of Brazil's forest code.
- o The ability of Brazil's agencies to carry out their mandates effectively, as well as any legislation that may impact forest protection.
- o Prevention of fires in or near forest areas. **(response continued in row below)**

o Public access to data on deforestation, forest cover, tenure and traceability of commodity supply chains.

- Status and outcome: Ongoing - a decision has been taken to formalize the initiative, to ensure there is sustained engagement with the country on this issue and to monitor performance against the five outcomes. The newly formed Investor's Policy Dialogue on Deforestation (IPDD) will have an initial focus on Brazil, although there is scope to expand to other countries, given deforestation issues are not limited to Brazil nor to the Amazon. There was also an opportunity to widen the investor base supporting this effort beyond the initial group behind the embassy letter. As of September, 43 investors – representing over USD5.6 trillion in assets under management – have joined, with BlueBay invited to act as one of the co-chairs of this initiative..

(B) Example 2

Influence tailings safety management and disclosure within the mining sector

- Engagement title: Mining sector – tailings safety and disclosure

- Engagement overview: BlueBay has been part of the collaborative investor engagement on tailings dam management, led by the Church of England and the Swedish Ethics Council. We have participated in meetings associated with this initiative in 2019 and 2020 and are involved in a smaller workstream focusing on companies that have not disclosed to the initiative. **(response continued in row below)**

Complementary to this was a concurrent engagement effort with a Brazilian metals and mining company, Vale, on its tailings dam management following its dam collapse in January 2019 as part of the PRI-coordinated response. As part of this initiative, the Global Industry Standard on Tailings Management (the standard) was launching during August 2020.
(response continued in row below)

In December 2020, a partnership was announced to create an independent international institute to support the implementation of the standard during 2021.

- Status and outcome: Ongoing – we believe the achievement of the standard is significant. It will be critical to driving change in the mining sector and we continue to play our role in supporting the initiative..

(C) Example 3

Influence for improved practices across climate, health and safety and broader ESG practices and disclosure

'- Engagement title: Petróleos Mexicanos (Pemex)

- In March 2020, BlueBay joined Climate Action 100+ (CA100+), agreeing to co-lead on engagement with a Mexican state-owned oil and gas company, Pemex, through this initiative. This followed our own bi-lateral engagement with the company in 2020, where we had a call with management to discuss how the company was addressing some of key ESG risks.
(response continued in row below)

We focused on its approach to corporate responsibility more broadly, sustaining improved health and safety performance, improving transparency and disclosure of ESG metrics and climate change. In July 2020, the co-leads of the initiative on the Pemex engagement wrote to the board of the company to provide it with formal notice of their inclusion in the CA100+.
(response continued in row below)

The letter also advised that, alongside the co-lead investors, several supporting investors were keen to ensure a more progressive approach to climate change from the company. The company responded to this letter, stating it was reviewing the best way to respond and engage with investors.

- Status and outcome: Ongoing - we will continue to check in with the company to get an update on next steps..

Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?

- (A) We engage with policymakers directly
- (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?

- (A) We participate in "sign-on" letters on ESG policy topics. Describe:
Brazil government deforestation letter that ultimately led to the IPDD formalisation and BlueBay co-chairing the initiative
- (B) We respond to policy consultations on ESG policy topics. Describe:
Financial Reporting Council on the UK Stewardship Code
- (C) We provide technical input on ESG policy change. Describe:

Financial Conduct Authority, sharing our insights on matters such as how the UK could better promote an effective and efficient UK ESG-labelled bond market.

(D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:

Involvement in the Bloomberg Sustainable Finance Regulations

(E) We proactively engage regulators and policymakers on other policy topics. Describe:

: Proactive engagement with the FRC on fixed income and stewardship

(F) Other methods used to engage with policymakers. Describe:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

(A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:

BlueBay is supportive of efforts to ensure capital markets operate in an environmentally sustainable and socially responsible manner, and that investors have access to clear and appropriate information on ESG considerations. As such, where appropriate and feasible, we play our role in sharing knowledge and insights, to ensure standards are raised in an effective and appropriate manner that meets the needs of clients, including public policy. Consultations are shared internally with relevant teams (e.g. investment teams, the ESG Investment Working Group, our legal team) to determine the appropriateness of BlueBay responding to policy consultations, and our collective view. Where we partake in such consultations, we disclose our responses publicly on our website and to clients as part of our regular client reporting efforts.

(B) No, we do not have these governance processes in place. Please explain why not:

Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

(A) Yes, we have a policy(ies) in place. Describe your policy(ies):

(B) No, we do not have a policy(ies) in place. Please explain why not:

Whilst we do not have a dedicated policy on such matters, we have governance processes in place to ensure that our political influence is aligned with our position on responsible investing. In the event that we may seek to engage with policy makers, we seek internal approval via our governance mechanisms before such engagement is undertaken. Consultations are shared internally with relevant teams (e.g. investment teams, the ESG Investment Working Group, our legal team) to determine the appropriateness of BlueBay responding to policy consultations, and our collective view. Where we partake in such consultations, we disclose our responses publicly on website and communicate to clients as part of our client reporting efforts. We are also guided by our parent company, RBC, and their governance processes relating to such matters.

Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

(A) We publicly disclosed details of our policy engagement activities. Add link(s):

<https://www.bluebay.com/en/investment-expertise/esg/resources/>

(B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):

<https://www.bluebay.com/en/investment-expertise/esg/industry-participation/>

(C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:

(D) Not applicable, we did not conduct policy engagement activities

Climate change

Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

(A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:

(B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

(A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

<https://www.bluebay.com/en/investment-expertise/esg/industry-participation/>

(B) No, we currently do not publicly support the TCFD

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

(A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

Periodic updates are provided to board/Management Committee on ESG investment related activities including, where relevant, those pertaining to climate-related risks and opportunities, as part of the same oversight structure and process as that of our ESG investment management framework and ESG integration approach more broadly.

(B) By articulating internal/external roles and responsibilities related to climate. Specify:

The board/Management Committee has delegated to our ESG team the primary responsibility for leading on topics such as climate change across the firm in terms of our strategic approach, with input from relevant teams/investment teams within BlueBay as appropriate including our investment teams (such as our engagement with Pemex as part of the CA100+ initiative, which involves both our ESG team and investment teams) and Investment Risk function. Internally, consideration of climate related risks and opportunities from an investment perspective is the responsibility of both our investment teams and ESG team, where it is considered investment relevant and material, and is undertaken at the issuer, sector, portfolio and firm level.

(C) **By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:**

We engage with beneficiaries to understand their expectations in relation to climate change, such as exclusions to climate sensitive sectors (e.g fossil fuels), which we then use to inform product development, as well as from a reporting perspective in terms of portfolio carbon analytics, to ensure we have the tools internally to meet such needs. We also engage with beneficiaries to understand their future expectations in relation to climate change given its long-term nature. This has been delegated to various teams within BlueBay by the board/Management Committee including the ESG team and our investment teams.

(D) **By incorporating climate change into investment beliefs and policies. Specify:**

We outline our investment philosophy and beliefs with regards to ESG in our ESG Investment Policy. Whilst we currently do not have a standalone policy with regards to climate change, instead this is included within our ESG Investment Policy, which outlines our approach to identifying and managing ESG risk factors within our ESG investment management framework including those relating to climate change, where it is considered investment relevant and material. The board/Management Committee has delegated primary responsibility of incorporating ESG, and climate change where it is considered investment material, to the ESG team and other teams within BlueBay including our investment teams and the ESG IWG.

(E) **By monitoring progress on climate-related metrics and targets. Specify:**

Periodic updates are provided to our Board/Management committee on ESG investment related activities, including climate-related metrics relating to our portfolios. Monitoring is done at the portfolio and desk level by ESG, investment and risk functions.

(F) **By defining the link between fiduciary duty and climate risks and opportunities. Specify:**

BlueBay's ESG investment approach is rooted in our belief that ESG considerations can potentially impact an issuer's long-term financial performance. Therefore, ensuring our investment management approach provides holistic oversight of risks by integrating ESG factors alongside conventional credit analysis is not only prudent but also in line with BlueBay's fiduciary duty. Therefore, as part of this philosophy, we would consider climate change risk, like any other ESG risk within the ESG investment integration framework we use, which aligns with a focus on investment material factors.

(G) Other measures to exercise oversight, please specify:

(H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

What is the role of management in assessing and managing climate-related risks and opportunities?

(A) **Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:**

Management-level roles that assess and manage climate-related issues follow the same oversight structure and process as that of our ESG investment management framework and ESG integration approach more broadly. As part of this framework, whilst management-level roles provide oversight of risks including those pertaining to climate implicitly from an investment perspective, the day-to-day management of such risks is undertaken by various teams within BlueBay, including the ESG investment team, the Market Risk Committee, the Investment Risk team and the ESG IWG, as well as the Technology and Operational Risk team from an operational perspective, with periodic reporting the board as required.

(B) Management implements the agreed-upon risk management measures. Specify:

ESG risks are monitored by our investment risk team and the Market Risk Committee (MRC) as part of our investment risk management framework, and the risk exposure of BlueBay’s portfolios to a range of risk factors. Within this context climate change risks are assessed where it is considered to be investment relevant and material, as per our focus on material ESG risks.

(C) Management monitors and reports on climate-related risks and opportunities. Specify:

Management-level roles that monitor and report on climate-related issues follow the same oversight structure and process as that of our ESG investment management framework and ESG integration approach more broadly. As part of this framework, whilst management-level roles provide oversight of risks including those pertaining to climate implicitly, the day-to-day management of risks is undertaken by various teams within BlueBay, including the ESG investment team, the Market Risk Committee, the Investment Risk team and the ESG IWG, as well as the Technology and Operational Risk team.

(D) Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:

BlueBay continually reviews whether the level of resources in place is adequate, or where further resourcing may be needed, across the firm, and will increase/change resourcing to reflect this as appropriate, including those relating to climate change and broader ESG considerations. During 2020, this included undertaking a review of dedicated third-party carbon providers, which led to the selection of a new specialised carbon provider at the end of the year, further enhance our carbon and climate capabilities.

(E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:

Management committee members have access to climate-related metrics within our internal proprietary systems, where we have integrated ESG data from our third-party providers, including specific climate-related metrics.

(F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?

(A) Specific financial risks in different asset classes. Specify:

Such climate-related risks are considered as part of our ESG investment management framework and our ESG analysis, where considered investment relevant and material.

(B) Specific sectors and/or assets that are at risk of being stranded. Specify:

Such climate-related risks are considered as part of our ESG investment management framework and our ESG analysis, where considered investment relevant and material.

(C) Assets with exposure to direct physical climate risk. Specify:

Such climate-related risks are considered as part of our ESG investment management framework and our ESG analysis, where considered investment relevant and material.

(D) Assets with exposure to indirect physical climate risk. Specify:

Such climate-related risks are considered as part of our ESG investment management framework and our ESG analysis, where considered investment relevant and material.

(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:

Such climate-related risks are considered as part of our ESG investment management framework and our ESG analysis, where considered investment relevant and material.

(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:

(G) Other climate-related risks and opportunities identified. Specify:

(H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(A) Specific financial risks in different asset classes [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

	(5) 11–20 years	(6) 21–30 years	(7) >30 years
(A) Specific financial risks in different asset classes [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?

- (A) Specific financial risks in different asset classes. Specify:**
Such climate-related risks are considered as part of our ESG investment management framework and our ESG analysis, where considered investment relevant and material.
- (B) Specific sectors and/or assets that are at risk of being stranded. Specify:**
Such climate-related risks are considered as part of our ESG investment management framework and our ESG analysis, where considered investment relevant and material.
- (C) Assets with exposure to direct physical climate risk. Specify:**
Such climate-related risks are considered as part of our ESG investment management framework and our ESG analysis, where considered investment relevant and material.
- (D) Assets with exposure to indirect physical climate risk. Specify:**
Such climate-related risks are considered as part of our ESG investment management framework and our ESG analysis, where considered investment relevant and material.
- (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:**

Such climate-related risks are considered as part of our ESG investment management framework and our ESG analysis, where considered investment relevant and material.

- (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:
- (G) Other climate-related risks and opportunities identified, please specify:
- (H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 32	PLUS	N/A	N/A	PUBLIC	Strategy	General

Describe the impact of climate-related risks and opportunities on your organization's investment strategy, products (where relevant) and financial planning.

From an investment/portfolio climate risk exposure and strategy perspective, we incorporate ESG factors and climate risks through our ESG integration approach that is applied to all managed assets. This means identifying and factoring in investment material ESG and climate risk factors rather than automatically excluding issuers from investment on ESG grounds. In this way, our investment teams are aware of key ESG risks and can make informed decisions. Similarly, we consider transition and physical climate-related risks and opportunities where they are deemed to be investment relevant and material (and refer to this explicitly in our ESG investment risk policy).

In terms of our ESG product offering, for our 'ESG Orientated' strategies, we have formal exclusions on issuers with exposure to thermal coal mining and power generation, in terms of revenues and operations. We have also explored widening this exclusion to an absolute exposure basis for thermal coal, and to other types of fossil fuels (such as oil sands), given the inherent sensitivities of the sector in relation to climate change, and have sought feedback from clients and beneficiaries in this regard. Within our issuer ESG evaluation framework, issuers that are viewed to be fossil fuel intensive, or highly exposure to both physical and transition climate risks, with limited mitigation, may also be formally excluded from such funds on a proactive basis.

Our analysis regarding climate change tends to focus on the risks, and we consider each one in isolation as well as in combination. In our day-to-day ESG investment activities. Given our focus on material ESG risks, there is an implicit element of incorporating how future ESG trends may impact our investments. Our formal issuer ESG evaluation framework also enables the systematic quantification and documentation of ESG risks including physical climate risks and the extent to which they are considered investment relevant/material. Such analysis may be in the form of issuer-specific carbon risks (e.g. investment in an oil & gas exploration company), sector/industry risks (e.g. power utility), or country/regional risk (e.g. EU Emissions trading scheme, US Clean Power Plan for utilities, Brazilian water drought risk). We complement this with analysis at the portfolio and firm-wide level, evaluate our absolute and relative positioning, and review whether we should have an underweight/overweight/neutral benchmark positioning as a result.

In recognition of the increasing importance of climate risks, in 2020, we undertook a strategic market review of climate/carbon and impact analytics providers, as well as those that could support our ability to meet upcoming European regulatory requirements for ESG portfolio reporting. This involved having an initial discussion with many different providers in the market, reviewing the coverage and data from each and how this might enhance both our reporting and stewardship activities. Following this, we narrowed the providers down to a shortlist, with whom we had a second detailed discussion to determine which would best suit our needs and that of our clients. As a result of this review, we secured agreements for new services in these areas, including with a new dedicated carbon provider.

Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

- (A) An orderly transition to a 2°C or lower scenario
- (B) An abrupt transition consistent with the Inevitable Policy Response
- (C) A failure to transition, based on a 4°C or higher scenario
- (D) Other climate scenario, specify:
- (E) We do not use scenario analysis to assess climate-related investment risks and opportunities

Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PUBLIC	Risk management	General

Which risk management processes do you have in place to identify and assess climate-related risks?

- (A) Internal carbon pricing. Describe:
- (B) Hot spot analysis. Describe:
- (C) Sensitivity analysis. Describe:
- (D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:
- (E) TCFD reporting requirements on companies. Describe:

BlueBay became a formal signatory to the TCFD in March 2020. We routinely promote the adoption of the TCFD framework as a reporting standard with issuers we interact with and are committed to producing a dedicated TCFD report in due course.
- (F) Other risk management processes in place, please describe:

Climate-related risks form part of our ESG analysis, where we consider it to be investment relevant and material. Our issuer ESG evaluation framework includes an explicit section on environmental risks for both corporates and sovereigns, where climate risks can be highlighted if they are considered material. We have also integrated climate related data points into our internal systems and platforms, to aid monitoring and inform our view of the issuer, and identification of such risks.
- (G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General

In which investment processes do you track and manage climate-related risks?

(A) In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:

Given our primary focus on ESG integration as a firm, a decision to prioritise engagements on carbon risks will depend on a combination of how credit relevant we believe this to be, as well as the materiality of our investment exposure (e.g. absolute and relative exposure within single fund/aggregated across the firm, whether it is a core long term holding or an opportunistic investment etc.). Where engagement does occur, the aim maybe either to gain insight as to how well this is being managed and/or to seek specific improvements in management of the risk. The outcome of the engagement can potentially have a bearing on any revised investment view.

(E) In the asset class benchmark selection process. Describe:

(F) In our financial analysis process. Describe:

Climate-related risks form part of our ESG analysis, where we consider it to be investment relevant and material. Our issuer ESG evaluation framework includes an explicit section on environmental risks for both corporates and sovereigns, where climate risks can be highlighted if they are considered material. In such cases, this can be discussed with the credit analyst to understand the extent to which climate risk could negatively impact valuations, and so potentially influence investment decisions, and is monitored on an ongoing basis.

(G) Other investment process(es). Describe:

We have integrated climate related data points into our internal systems and platforms, to aid monitoring and inform our view of the issuer in relation to climate change risk.

(H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General

How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?

(A) The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:

Our investment risk function monitors ESG risks across the firm, including those pertaining to climate-related risk, where these are considered to be investment material, as part of our investment risk management framework. This includes the ongoing monitoring by our investment risk function and the Market Risk Committee (MRC), which meets weekly to discuss the investment risk exposure of BlueBay's portfolios, including that pertaining to ESG and climate change where this is viewed to be investment relevant and material.

(B) Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk). Describe:

ESG analysis, and climate related risks, form part of our ESG analysis where it is considered to be investment relevant and material, which is incorporated into our fundamental credit research across our investments. Our issuer ESG evaluation framework includes an explicit section on environmental risks for both corporates and sovereigns, where climate risks can be highlighted if they are considered material. In such cases, this can be discussed with the credit analyst to understand the extent to which climate risk could negatively impact valuations, and so potentially influence investment decisions, and is monitored on an ongoing basis. We have also integrated climate related data points into our internal systems and platforms, to aid monitoring and inform our view of the issuer.

(C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis.

Describe:

Within our issuer ESG evaluation framework we include a dedicated section on environmental related risks within which climate risks are assessed where we perceive them to be investment material. For corporates, our focus is on management/measures in place to minimise the environmental footprint, and regulatory compliance related to environmental misconduct, in order to direct the assessment on the risks considered to be most material. We have sector ESG materiality information to aid our investment teams in identifying whether climate change is a material risk, given the materiality of climate change for corporates will vary as typically it is a function of the business activities, geographical footprint and size of the issuer (for instance, climate change is considered more of a material risk factor for companies in the extractives sector but may be less of an issue for a support service company). In the case of sovereigns, material factors will depend on the status of economic, social and political development, availability and dependence on natural resources, and potential regional issues, as such our analysis includes a specific focus on vulnerability to climate change and carbon transition, and policy responses.

(D) Executive remuneration is linked to climate-related KPIs. Describe:

(E) Management remuneration is linked to climate-related KPIs. Describe:

We have incorporated ESG related performance objectives across our investment teams, Board/Management Committee, and client facing roles, which are considered as part of the broader annual performance review of an individual, informing remuneration decisions. However, these are broader than just climate and focus on wider ESG considerations.

(F) Climate risks are included in the enterprise risk management system. Describe:

Our investment risk function monitors ESG risks across the firm, including those pertaining to climate-related risk, as part of our investment risk management framework, where they are perceived to be investment material. We have also integrated climate related data points into our internal systems and platforms, to aid monitoring of such risk exposure for our portfolios. In addition, our Head of Technology and Operational Risk maintains a Group Risk Register, which is reported to the Board annually. The Register documents risks under the following broad categories (each have further sub-categories): business, investment risk, group financial, and operational risks. There is a monthly dashboard where performance is tracked. Being owned by RBC, BlueBay reports up material risks, including environmental ones as part of RBC's enterprise risk management and reputational risk management frameworks, which are reviewed and approved annually by the Risk Committee of the Board of RBC. RBC's Group Risk Management (GRM) has oversight over the management of E&S risks, with a dedicated team responsible for identifying, assessing, managing and, where possible, mitigating those issues that may pose risks to RBC.

(G) Other methods for incorporating climate risks into overall risk management, please describe:

Climate-related risks form part of our ESG analysis and investment risk management framework, where we consider it to be investment relevant and material. Our issuer ESG evaluation framework includes an explicit section on environmental risks for both corporates and sovereigns, where climate risks can be highlighted if they are considered material. In such cases, this can be discussed with the credit analyst to understand the extent to which climate risk could negatively impact valuations, and so potentially influence investment decisions, and is monitored on an ongoing basis.

(H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PUBLIC	Metrics and targets	General

Have you set any organisation-wide targets on climate change?

- (A) Reducing carbon intensity of portfolios
- (B) Reducing exposure to assets with significant climate transition risks
- (C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes
- (D) Aligning entire group-wide portfolio with net zero
- (E) Other target, please specify:
- (F) **No, we have not set any climate-related targets**

Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General

What climate-related metric(s) has your organisation identified for transition risk monitoring and management?

- (A) **Total carbon emissions**
- (B) **Carbon footprint**
- (C) **Carbon intensity**
- (D) **Weighted average carbon intensity**
- (E) Implied temperature warming
- (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
- (G) Avoided emissions metrics (real assets)
- (H) **Other metrics, please specify:**
 - 1) Sovereign GHG intensity
 - 2) Sovereign climate transition risk vulnerability
- (I) No, we have not identified any climate-related metrics for transition risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38.1	PLUS	ISP 38	N/A	PUBLIC	Metrics and targets: Transition risk	General

Provide details about the metric(s) you have identified for transition risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose
(A) Total carbon emissions	(2) for the majority of our assets	Determine issuer risk exposure to climate risks
(B) Carbon footprint	(2) for the majority of our assets	Determine issuer risk exposure to climate risks
(C) Carbon intensity	(2) for the majority of our assets	Determine issuer risk exposure to climate risks
(D) Weighted average carbon intensity	(2) for the majority of our assets	Determine issuer risk exposure to climate risks
(H) Other metrics [as specified]	(2) for the majority of our assets	1) Determine issuer risk exposure to climate risks 2) Determine issuer risk exposure to climate risks
	(3) Metric unit	(4) Methodology
(A) Total carbon emissions	tCO2e	As provided by issuer themselves or external sources (MSCI, CDP)
(B) Carbon footprint	tCO2e	As provided by issuer themselves or external sources (MSCI, CDP)
(C) Carbon intensity	tCO2e per USD sales	As provided by issuer themselves or external sources (MSCI, CDP)
(D) Weighted average carbon intensity	tCO2e per USD sales	As provided by issuer themselves or external sources (MSCI, CDP)
(H) Other metrics [as specified]	1) t/USD million GDP nominal 2) Vulnerability score	1) External sources (MSCI) 2) External sources (Verisk Maplecroft)

(5) Disclosed value

(A) Total carbon emissions	tCO2e
(B) Carbon footprint	tCO2e
(C) Carbon intensity	tCO2e per USD sales
(D) Weighted average carbon intensity	tCO2e per USD sales
(H) Other metrics [as specified]	1) t/USD million GDP nominal 2) Vulnerability score

Metrics and targets: Physical risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39	PLUS	N/A	ISP 39.1	PUBLIC	Metrics and targets: Physical risk	General

What climate-related metric(s) has your organisation identified for physical risk monitoring and management?

- (A) Weather-related operational losses for real assets or the insurance business unit
- (B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress
- (C) Other metrics, please specify:
 - █ Sovereign climate physical risk vulnerability
- (D) Other metrics, please specify:
- (E) We have not identified any metrics for physical risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39.1	PLUS	ISP 39	N/A	PUBLIC	Metrics and targets: Physical risk	General

Provide details about the metric(s) you have identified for physical risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose
(C) Other metrics [as specified]	(2) for the majority of our assets	Determine issuer risk exposure to climate risks
	(3) Metric unit	(4) Methodology
(C) Other metrics [as specified]	Vulnerability score	External sources (Verisk Maplecroft)
	(5) Disclosed value	
(C) Other metrics [as specified]	Vulnerability score	

Sustainability outcomes

Set policies on sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 40	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Where is your approach to sustainability outcomes set out? Your policy/guideline may be a standalone document or part of a wider responsible investment policy.

- (A) Our approach to sustainability outcomes is set out in our responsible investment policy
- (B) Our approach to sustainability outcomes is set out in our exclusion policy
- (C) Our approach to sustainability outcomes is set out in our stewardship policy
- (D) Our approach to sustainability outcomes is set out in asset class-specific investment guidelines
- (E) Our approach to sustainability outcomes is set out in separate guidelines on specific outcomes (e.g. the SDGs, climate or human rights)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 41	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Which global or regionally recognised frameworks do your policies and guidelines on sustainability outcomes refer to?

- (A) The SDG goals and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) Other frameworks, please specify:
 - UN Global Compact compliance
- (F) Other frameworks, please specify:
 - TCFD reporting/alignment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 42	PLUS	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

What are the main reasons that your organisation has established policies or guidelines on sustainability outcomes? Select a maximum of three options.

- (A) Because we understand which potential financial risks and opportunities are likely to exist in (and during the transition to) an SDG-aligned world
- (B) Because we see it as a way to identify opportunities, such as through changes to business models, across supply chains and through new and expanded products and services
- (C) Because we want to prepare for and respond to legal and regulatory developments, including those that may lead to stranded assets
- (D) Because we want to protect our reputation and licence-to-operate (i.e. the trust of beneficiaries, clients and other stakeholders), particularly in the event of negative sustainability outcomes from investments
- (E) Because we want to meet institutional commitments on global goals (including those based on client or beneficiaries' preferences), and communicate on progress towards meeting those objectives
- (F) Because we consider materiality over longer time horizons to include transition risks, tail risks, financial system risks and similar
- (G) Because we want to minimise negative sustainability outcomes and increase positive sustainability outcomes of investments

Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- (A) No, we have not identified the sustainability outcomes from our activities
- (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- (G) Other framework/tool, please specify:
 - UN Global Compact compliance
- (H) Other framework/tool, please specify:
 - TCFD/carbon footprint
- (I) Other framework/tool, please specify:
 - ESG controversy data and BlueBay proprietary issuer ESG metrics

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

At what level(s) did your organisation identify the sustainability outcomes from its activities?

- (A) At the asset level
- (B) At the economic activity level
- (C) At the company level
- (D) At the sector level
- (E) At the country/region level
- (F) At the global level
- (G) Other level(s), please specify:
- (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

- (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- (B) Consulting with key clients and/or beneficiaries to align with their priorities
- (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- (G) Understanding the geographical relevance of specific sustainability outcome objectives
- (H) Other method, please specify:
- (I) We have not yet determined our most important sustainability outcome objectives

Transparency & Confidence-Building Measures

Information disclosed – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 46	CORE	OO 16	N/A	PUBLIC	Information disclosed – ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets, what information about your ESG approach do you (or the external investment managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Client reporting – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 48	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – ESG assets	6

What ESG information is included in your client reporting for the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets?

- (A) Qualitative analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents, where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings

(K) ESG case study/example from existing fund(s)

(L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

(A) Qualitative ESG analysis, descriptive examples or case studies

(B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance

(C) Progress on our sustainability outcome objectives

(D) Stewardship results

(E) Information on ESG incidents where applicable

(F) Analysis of ESG contribution to portfolio financial performance

(G) We do not include ESG information in client reporting for the majority of our assets under management

Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(B) Fixed income (1) Quarterly

(F) Hedge funds (1) Quarterly

Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- (D) **Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report**
- (E) **Some or all of our funds have been audited as part of the certification process against a sustainable investment/RI label**
- (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (I) **Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI**
- (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Who has reviewed/verified the entirety of or selected data from your PRI report?

- (A) Board and/or trustees (1) the entire report

- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) (1) the entire report

- (C) Investment committee (4) report not reviewed

(D) Other chief-level staff, please specify:

Management Committee

(1) the entire report

(E) Head of department, please specify:

Head of ESG Investment and Head of Desk/Strategy (multiple)

(1) the entire report

(F) Compliance/risk management team

(1) the entire report

(G) Legal team

(1) the entire report

(H) RI/ ESG team

(1) the entire report

(I) Investment teams

(4) report not reviewed

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 59	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Which of the following ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) EU Ecolabel
- (H) EU Green Bond Standard
- (I) Febelfin label (Belgium)
- (J) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (K) Greenfin label (France)
- (L) ICMA Green Bond Principles
- (M) Le label ISR (French government SRI label)
- (N) Luxflag Climate Finance
- (O) Luxflag Environment
- (P) **Luxflag ESG**
- (Q) Luxflag Green Bond
- (R) Luxflag Microfinance
- (S) National stewardship code (e.g. UK or Japan), please specify:
- (T) Nordic Swan Ecolabel
- (U) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic), please specify:
- (V) People's Bank of China green bond guidelines
- (W) RIAA (Australia)

- (X) Towards Sustainability label (Belgium)
- (Y) Other, please specify:

Fixed Income (FI)

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	<input type="radio"/>	<input type="radio"/>
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	<input type="radio"/>	<input type="radio"/>
(E) No, we do not have a formal process to identify material ESG factors	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1.1	CORE	FI 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

	(1) SSA	(2) Corporate
(A) The investment process incorporates material governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 10	FI 2.1	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

	(1) SSA	(2) Corporate
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	<input type="checkbox"/>	<input type="checkbox"/>

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors

(D) Other method of incorporating ESG factors into risk management process, please specify below:

(E) We do not have a process to incorporate ESG factors into our portfolio risk management

Please specify for "(D) Other method of incorporating ESG factors into risk management process".

Formally included in the ongoing monitoring by our investment risk team as part of our investment risk management framework, and our Market Risk Committee (MRC). Within the weekly risk summary presented to the MRC, ESG factors are used as idiosyncratic risk indicators, leveraging qualitative data points from our proprietary ESG analysis and third-party data providers, as well as quantitative indicators, such as our internally developed proprietary ESG adjusted spread risk measure.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2.1	CORE	FI 2	N/A	PUBLIC	ESG risk management	1

For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?

(1) SSA

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits (1) for all of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors (1) for all of our assets

(D) Other method of incorporating ESG factors into risk management process (1) for all of our assets

(2) Corporate

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits (1) for all of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors (1) for all of our assets

(D) Other method of incorporating ESG factors into risk management process (1) for all of our assets

ESG incorporation in asset valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1

How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(1) SSA

(2) Corporate

(A) We incorporate it into the forecast of cash flow, revenues and profitability

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer

(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1

In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(1) SSA

(A) We incorporate it into the forecast of cash flow, revenues and profitability (1) in all cases

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

(2) Corporate

(A) We incorporate it into the forecast of cash flow, revenues and profitability (1) in all cases

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	PLUS	OO 5.2 FI, OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your fixed income valuation or portfolio construction and describe how that affected the returns of those assets.

Example:

(A) Example from your active management strategies:

Example 1 - Wirecard AG

Wirecard is a leading German payment provider. As part of our initial ESG analysis we identified concerns regarding accounting and governance practices, related to the Asian subsidiaries of the company, which we viewed management to have poorly addressed. As a result, we determined this was an investment to avoid (we made the decision not to invest in the new convertible debt and investment grade issues that were issued in September and October 2019, and also maintained general avoidance of the issuer for all strategies since that period throughout 2020), hence we did not proceed to do detailed credit or issuer ESG evaluation as a result. However, had we conducted the issuer ESG evaluation, this would have most likely led to us assigning a 'High' Fundamental ESG (Risk) Rating for the company, and a -2 (indicative) Investment ESG Score as a result, given the ESG concerns we had highlighted as a result of our initial ESG analysis. **(response continued in row below)**

We continued to monitor Wirecard and valuations throughout 2019 and 2020, particularly in relation to the aforementioned areas of ESG concerns. For the period Oct 2019 – Jun 2020, the shares/bonds lost >80% of their value before the company filed for insolvency, with subsequently resulted in heavy losses for investors with exposure to the name.

Example 2 – BP

- Fundamental ESG (Risk) Rating: High
- Investment ESG Score: 1

BP is a global oil & gas supermajor in the midst of a transformation to integrated energy company. Our ESG analysis and issuer ESG evaluation assigned a “High” Fundamental ESG Risk Rating, primarily driven by risks inherent to the industry. However, BP has set an ambitious carbon zero target, which is transforming the business. **(response continued in row below)**

The company also has strong governance policies and improving social rating, augmented by its membership of the UNGC. We decided to invest in all three tranches of the June 2020 hybrids, reflecting an improving fundamental story and strong relative value versus existing hybrids. The analysis identified BP as a leader in the carbon-zero transition, whilst retaining one of the lowest cash break evens in the commodity space..

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

	(1) SSA	(2) Corporate
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other expressions of conviction, please specify below:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	<input type="checkbox"/>	<input type="checkbox"/>

Please specify "(E) Other expressions of conviction".

Selection of specific bonds/securities within our portfolio is influenced by ESG factors (reflecting ESG materiality associated with these)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases do ESG factors influence your portfolio construction?

(1) SSA

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (1) in all cases

(E) Other expressions of conviction (1) in all cases

(2) Corporate

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (1) in all cases

(E) Other expressions of conviction (1) in all cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active fixed income.

Please provide examples below:

(A) Example 1:

Example 1 – Belarus

- Fundamental ESG (Risk) Rating: High
- Investment ESG Score: -3

Belarus operates an authoritarian regime under President Lukashenko, running the country with little scope for genuine opposition parties to function effectively. Our concerns here have been elevated during 2020 elections, with the EU Delegation Chief asking for EU sanctions to be imposed on Belarus given their actions against opposition candidates. During Q2 2020, Belarus held in an investor call led by the Ministry of Finance and Central Bank from the Republic of Belarus, to discuss a new issuance into the market. This included discussion on the nature of Russian relations, where we were not sufficiently reassured by their response that relations remained good, given we felt tensions had risen. **(response continued in row below)**

We also felt that the country's response to COVID-19 has been poor and resulted in stalling efforts to secure financial support from the IMF. We decided not to participate in the new deal, with ESG considerations playing a key role. We see heightened social, political and economic risks of demonstrations, police brutality and potential EU sanctions linked with the 2020 elections which are not being sufficiently priced in..

(B) Example 2:

Example 2 – CSN

- Fundamental ESG (Risk) Rating: Very high

- Investment ESG Score: -3

Cia Siderurgica Nacional SA (CSN) is a Brazilian iron ore and steel producer. We remained underweight in the credit in 2019 because of fundamental ESG risks. Our concerns are firstly centred around the company’s use of ‘tailings dams’ within their production process. Whilst CSN has not suffered from large dam collapses, in March 2019, Brazilian prosecutors announced they would launch a probe over the safety of approximately 100 dams, including CSN's. **(response continued in row below)**

CSN has been fined multiple times and is embroiled in several lawsuits regarding the impacts of its operations on local communities, biodiversity and the environment. It is concerning that environmental & social performance on key data points such as greenhouse gas emissions doesn't seem to be improving, and CDP's score on climate was downgraded from B to C and D between 2016 and 2018 (water downgraded from B to D as well) indicating a negative trajectory. Additionally, we are concerned that the company’s management is overly influenced by the majority shareholder family and suffers from the lack of board independence. We maintained our underweight position when the issuer was upgraded by Moody’s to B2 for financial reasons – improvement in liquidity on back of refinancing and iron ore prepayment deal..

ESG incorporation in assessment of issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 10	N/A	PUBLIC	ESG incorporation in assessment of issuers	1

When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?

(1) SSA

(2) Corporate

(A) In the majority of cases, we incorporate material governance-related risks

○

○

(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks



(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers



ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 10	N/A	PUBLIC	ESG performance	1

In the majority of cases, how do you assess the relative ESG performance of a borrower within a peer group as part of your investment process?

(1) SSA

(2) Corporate

(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates



(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction



(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group



(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks

(E) We do not have an internal ESG performance assessment methodology

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	CORE	OO 10	FI 9.1	PUBLIC	ESG risk management	1

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

- (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)
- (B) Yes, it differentiates ESG risks by sector
- (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9.1	CORE	FI 9	N/A	PUBLIC	ESG risk management	1

For what proportion of your corporate fixed income assets do you apply your framework for differentiating ESG risks by issuer country/sector?

	(1) for all of our corporate fixed income assets	(2) for the majority of our corporate fixed income assets	(3) for a minority of our corporate fixed income assets
(A) We differentiate ESG risks by country/region (for example, local governance and labour practices)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We differentiate ESG risks by sector	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

	(1) SSA	(2) Corporate
(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not conduct reviews that incorporate ESG risks	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	<input type="radio"/>	<input type="radio"/>
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	<input type="radio"/>	<input type="radio"/>
(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	<input type="radio"/>	<input type="radio"/>

Time horizons

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	CORE	OO 10	N/A	PUBLIC	Time horizons	1

In the majority of cases, how does your investment process account for differing time horizons of holdings and how they may affect ESG factors?

	(1) SSA	(2) Corporate
(A) We take into account current risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We take into account medium-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We take into account long-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors	<input type="checkbox"/>	<input type="checkbox"/>

Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

	(1) SSA	(2) Corporate
(A) We monitor long-term ESG trends for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>

(B) We monitor long-term ESG trends for the majority of our assets

(C) We monitor long-term ESG trends for a minority of our assets

(D) We do not continuously monitor long-term ESG trends in our investment process

Examples of leading practice

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	PLUS	OO 10	N/A	PUBLIC	Examples of leading practice	1 to 6

Describe any leading responsible investment practices that you have adopted for some or all of your fixed income assets.

Description per fixed income asset type:

(A) SSA

We have implemented an issuer ESG evaluation framework since 2018, which formally and systematically reviews issuers on ESG risk factors, considers the quality of ESG risk mitigation as well as outlines the extent to which we consider this to be relevant to valuations. The issuer ESG evaluation is conducted by our investment analysts as part of their fundamental credit research, working closely with our in-house ESG investment team, and has facilitated greater awareness and ownership of ESG by our credit analysts, and enabled greater engagement between ESG and credit analysts, as well as portfolio managers. The process enables the systematic quantification and documentation of ESG risks and the extent to which they are considered investment relevant/material and is undertaken for held investments, including corporates, and sovereigns.

The issuer ESG evaluation framework results in two proprietary ESG metrics:

- A Fundamental ESG (Risk) Rating - indicates a view on the quality of management of material ESG risks/opportunities faced by the issuer. This Rating is co-owned by the credit analyst and ESG team. **(response continued in row below)**

There can only be one Fundamental ESG Rating per issuer across BlueBay.

- An Investment ESG Score - reflects an investment view on the extent to which the ESG factors are considered relevant/material to valuations which is decision based and security/instrument specific. This Score is solely owned by the credit analyst. As it is specific to a decision on a particular security/instrument, there may be multiple Investment ESG Scores for a single issuer.

Our issuer ESG evaluation framework explicitly seeks to assign sustainability/ESG materiality and investment materiality separately. This enables us to better understand the extent to which ESG risks are indeed investment material, and in which circumstances. **(response continued in row below)**

This level of transparency is especially important given this is fixed income, where the asset class operates differently to equity, and ESG factors may play out in different ways for various reasons.

The two derived ESG data points enable credit and ESG analysts to express their ESG view on an issuer, and for this to be used by portfolio managers to inform on their portfolio construction decisions by taking these data points into account. Our investment teams have acknowledged the value of considering ESG risks separately to investment risk, as by taking a more holistic ESG assessment of an issuer, and considering not just ESG factors that are directly influencing the price of bonds, they identify potential blind spots that markets are potentially not looking at or pricing correctly.

Whilst initially the ESG evaluation framework was developed and housed separately from our conventional credit research process, during early 2020, the analysis was also embedded within our centralized inhouse research platform, the Alpha Research Tool (ART), placing all credit and ESG research in one place. ESG data and insights also feed through to Portfolio Insight (Pi), another proprietary tool enabling our investment teams to view ESG metrics for their portfolios and associated benchmarks.

During 2020, our issuer ESG evaluation framework was shortlisted by the PRI in its annual awards in the category of 'ESG incorporation of the Year', evidencing the quality of our ESG integration framework..

(B) Corporate

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Reporting/Disclosure

ESG screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 21	CORE	OO 6 FI	N/A	PUBLIC	ESG screens	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens:

<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>,
<https://www.bluebay.com/globalassets/documents/controversial-weapons-investment-policy.pdf>

(1) for all of our fixed income assets subject to ESG screens

(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes:

<https://www.bluebay.com/globalassets/documents/bluebay-esg-investment-policy.pdf>,
<https://www.bluebay.com/globalassets/documents/controversial-weapons-investment-policy.pdf>

(1) for all of our fixed income assets subject to ESG screens

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries

(1) for all of our fixed income assets subject to ESG screens

Engagement

Engaging with issuers/borrowers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2

At which stages does your organisation engage with issuers/borrowers?

	(1) SSA	(2) Corporate
(A) At the pre-issuance/pre-deal stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) At the pre-investment stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) During the holding period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) At the refinancing stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) When issuers/borrowers default	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22.1	PLUS	FI 22	N/A	PUBLIC	Engaging with issuers/borrowers	2

Describe your approach to engagement.

Engagement approach per fixed income asset type or general description for all your fixed income engagement:

BlueBay believes that providers of debt have a role to play in engaging with issuers on matters that have the potential to impact investment returns, which includes ESG. Specifically, as part of the routine investment research process, investment teams meet issuers, particularly with primary issuances, and can raise questions. This provides a natural mechanism for stewardship and engaging with issuers on ESG matters.

Given BlueBay's approach of not automatically excluding issuers from investment solely based on their ESG performance (unless it is for an 'ESG Orientated' strategy, where this may occur), actions to mitigate such risks are raised with investment teams where appropriate. Where ESG engagement is deemed necessary, it will be prioritized using a risk-based approach, which focuses on material ESG risks facing the issuer and their specific ESG score, as well as the size of our investments (and whether it is a long-term position).

(A) Description of engagement approach for all of our fixed income

Our engagement efforts are primarily aimed at generating insights to inform our investment decisions. However, in some instances, there may be a conscious decision to seek to influence the issuer on improved management of specific ESG issues to mitigate potential investment material risks and facilitate positive change. In these cases, where possible, we seek to define specific outcomes that we hope to achieve over a given timeline as a result of the engagement activity (e.g., improved disclosure as part of an issuers annual reporting cycle).

BlueBay may proactively initiate dialogue with issuers on ESG matters, or reactively in response to an external event or development. This is particularly relevant where there is a significant incident and we wish to gain greater understanding around how it came to pass and what measures are being implemented as a result. **(response continued in row below)**

Engagement activities may occur bilaterally, but this can also be undertaken in collaboration with other investors. This can be the case where there is a collective focus on a specific issue/theme, either within a sector or more broadly where change is being sought and partnering with others could increase the effectiveness of the engagement effort.

In terms of the mechanism through which BlueBay might engage, this can be through various modes such as letters or meetings, both unilateral and with other investors, depending on the nature of engagement and which we deem to be the most effective and appropriate for the outcome we wish to achieve.

ESG engagement activities can involve both our ESG and investment professionals working together, or individually, depending on the nature of the specific initiative. We also participate in collaborative ESG engagement initiatives beyond bilateral activities. This may occur at the issuer, sectoral, issue or investment industry level, involving solely investors, or be multi-stakeholder in nature. Issuer and sector level collaborative engagement usually involves investment and ESG team members, while issue or investment industry level ESG engagements primarily involve the ESG team. In some cases, however, our investment professionals may be involved. The rationale for involvement will be linked to considerations of investment exposure materiality and could be as part of a strategic work program or in reaction to an external event.

As part of our ongoing infrastructure enhancements, in 2020 we rolled out a centralized engagement log on our proprietary centralized research platform, ART. **(response continued in row below)**

This aims to document instances of engagement with issuers and non-issuers, including those pertaining to ESG. This engagement log can be accessed by both the ESG team and the investment teams to document instances of ESG engagement and is the source of our ESG engagement data and activities across the firm. Engagement details such as the method, topics raised and discussed, the view post-engagement and a summary of the engagement activities can be recorded on this log. In 2021, we plan to implement further enhancements to this log that will enable more granular recording of the outcomes of our engagements including monitoring progress against objectives and timelines systematically.

While there are some common issues and challenges to the effectiveness of investor engagement efforts across different asset classes, some nuances are more specific to fixed income and are important to recognize to understand and identify appropriate approaches to maximize effectiveness of engagement. In some instances, they can represent challenges, and in others, they can be an opportunity. Some of these are structural in nature, while others are as a result of specific market dynamics. For instance, how to engage with sovereign issuers versus corporates, the asset class of corporate issuers, such as investment grade and sub-investment grade (or high yield), accessibility to emerging market issuers as compared with developed markets, as well as taking into account nuances of structured credit investments..

Sovereign bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 23	CORE	OO 9 FI	N/A	PUBLIC	Sovereign bonds	2

For the majority of your sovereign bond engagements, which non-issuer stakeholders do you engage with to promote your engagement objectives?

- (A) Non-ruling parties
- (B) Originators and primary dealers
- (C) Index and ESG data providers
- (D) Multinational companies/state-owned enterprises (SOEs)
- (E) Supranational organisations
- (F) Credit rating agencies (CRAs)
- (G) Business associations
- (H) Media
- (I) NGOs, think tanks and academics

- (J) Other non-issuer stakeholders, please specify:
- (K) We do not engage with any of the above stakeholders for the majority of our sovereign bond engagements