

# EU Sustainable Finance Disclosure Regulation (SFDR) (Unaudited)

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: RBC Funds (Lux) – Global Equity Focus Fund

Legal entity identifier: 549300B5YNPZ608GTG66

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

In the prospectus, the Sub-Fund commits to investing only in companies which provide a net positive benefit to stakeholders and society. This is carried out using a proprietary process. During the period, the sub-fund met this commitment by investing in companies that were deemed to have positive environmental, social, and governance characteristics when assessed according to a proprietary ESG assessment process.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## EU Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (continued)

### ● ***How did the sustainability indicators perform?***

The sustainability indicators of the Sub-Fund are:

1. The percentage of the Sub-Fund's NAV in investee companies with a 1 ESG rating;
  - 34.61%
2. The percentage of the Sub-Fund's NAV in investee companies with a 2 ESG rating;
  - 60.01%
3. The percentage of the Sub-Fund's NAV in investee companies with a 3 ESG rating;
  - 4.81%
4. The percentage of the Sub-Fund's NAV in investee companies with a 4 ESG rating;
  - 0%
5. The percentage of the Sub-Fund's NAV in investee companies with a 5 ESG rating.
  - 0%

The investment manager considers a rating of 1, 2, or 3 to indicate a net positive benefit to stakeholders and society.

The total of the sustainability indicators may not add up to 100% due to portfolio assets that do not require an ESG rating. Values may also add up to above 100% due to forward positions or trades being actioned at the time the sustainability indicators were measured.

### ● ***...and compared to previous periods?***

The sustainability indicators of the Sub-Fund for the previous period are:

1. The percentage of the Sub-Fund's NAV in investee companies with a 1 ESG rating;
  - 38.76%
2. The percentage of the Sub-Fund's NAV in investee companies with a 2 ESG rating;
  - 60.56%
3. The percentage of the Sub-Fund's NAV in investee companies with a 3 ESG rating;
  - 0%
4. The percentage of the Sub-Fund's NAV in investee companies with a 4 ESG rating;
  - 0%
5. The percentage of the Sub-Fund's NAV in investee companies with a 5 ESG rating.
  - 0%

### ● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable, the Sub-Fund does not claim to make investments with a sustainable objective in the SFDR pre-contractual disclosure.

### ● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable, the Sub-Fund does not claim to make investments with a sustainable objective in the SFDR pre-contractual disclosure.

## EU Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (continued)

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

#### PAI indicators considered by the sub-fund during the reporting year:

Adverse sustainability indicator	Metric	Impact	Explanation
<b>ENVIRONMENTAL</b>			
GHG Emissions	Scope 1 GHG emissions [tCO <sub>2</sub> e]	21,311.87	The Sub-Fund considered the environmental PAI indicators and metrics (left) as part of its ESG integration activities. The Sub-Fund reviewed metrics including GHG emissions, carbon footprint, GHG intensity, and other environmental PAI indicated as part of its fundamental active management process and also through the use of internal, quarterly dashboards, which include portfolio and benchmark data to allow for analysis and comparison at the portfolio and underlying securities levels.
	Scope 2 GHG emissions [tCO <sub>2</sub> e]	11,189.71	
Carbon footprint	Carbon footprint [tCO <sub>2</sub> e per EUR million invested]	263.69	
GHG intensity of investee companies	GHG intensity of investee companies [tCO <sub>2</sub> e / EUR million sales]	753.04	
Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon reduction initiatives aimed at aligning with the Paris Agreement	17.69%	

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

## EU Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (continued)

Adverse sustainability indicator	Metric	Impact	Explanation
	[% portfolio weight]		
Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector [% portfolio weight]	8.50%	
<b>SOCIAL</b>			
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons [% portfolio weight]	0.00%	The Sub-Fund considered exposure to controversial weapons by applying an exclusionary screen using third party vendor data.
Violations of UN Global Compact principles and OECD Guidelines for Multinationals	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. [% portfolio weight]	0.00%	The Sub-Fund considered violations of UN Global Compact principles and OECD Guidelines for Multinationals as part of its ESG integration process.
Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members [% female directors on board]	33.65%	The Sub-Fund considered board gender diversity as part of ESG integration process. The Sub-Fund considered whether issuers met regional gender diversity norms. Additionally, the Sub-Fund considered board gender diversity in proxy voting activities, as outlined in the RBC GAM Proxy Voting Guidelines. These guidelines and our proxy voting records are publicly available on our website.
Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption [% portfolio weight]	0.00%	The Sub-Fund considered lack of anti-corruption and anti-bribery policies as part of its ESG integration process. The Sub-Fund considered whether the issuer failed to meet appropriate anti-corruption standards as part of its fundamental active management process.

As of 31<sup>st</sup> October 2023.

# EU Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (continued)



## What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Microsoft Corp	Software & Services	6.86	United States
UnitedHealth Group Inc	Health Care Equipment & Services	5.37	United States
Alphabet Inc	Media & Entertainment	4.16	United States
T-Mobile US Inc	Telecommunication Services	4.08	United States
Anheuser-Busch InBev SA/NV	Food, Beverage & Tobacco	3.87	Belgium
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & Semiconductor	3.46	Taiwan
EOG Resources Inc	Energy	3.18	United States
Amazon.com Inc	Consumer Discretionary	2.83	United States
Visa Inc	Financial Services	2.78	United States
AIA Group Ltd	Insurance	2.78	Hong Kong
Fortive Corp	Capital Goods	2.75	United States
NVIDIA Corp	Semiconductors & Semiconductor	2.63	United States
AutoZone Inc	Consumer Discretionary	2.33	United States
PepsiCo Inc	Food, Beverage & Tobacco	2.27	United States
Roche Holding AG	Pharmaceuticals, Biotechnology & Life	2.26	Switzerland

As of 31<sup>st</sup> October 2023. This data has been compiled based on investment holding weights on the last business of each month and averaged for the reference period. Classification of securities including sector and country are determined as at the last day of the reference period.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1<sup>st</sup> November 2022 – 31<sup>st</sup> October 2023



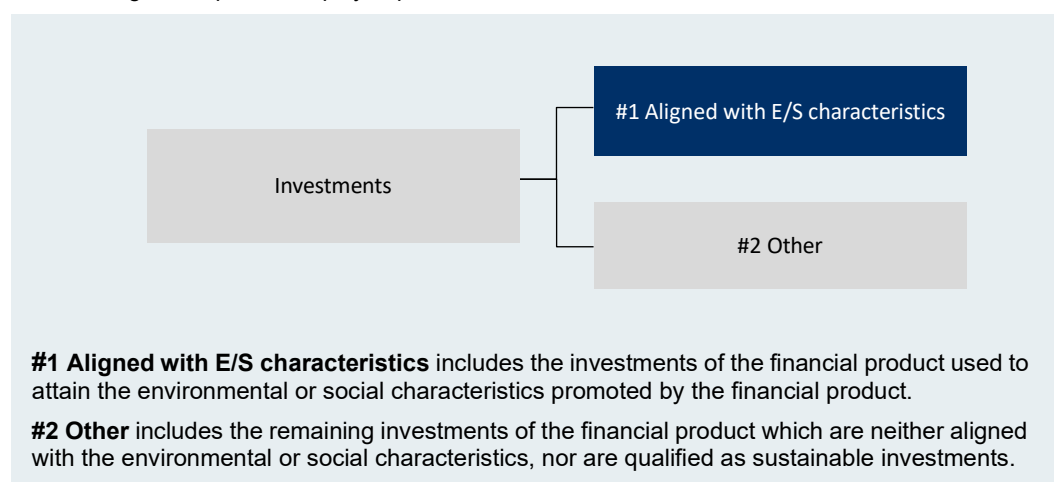
## What was the proportion of sustainability-related investments?

The Sub-Fund invested 100% of its NAV (excluding cash, cash equivalents, hedging instruments or other securities not designed to provide equity exposure) in companies aligned with the E/S characteristics promoted by the Sub-Fund (#1).

### ● What was the asset allocation?

98.92% was invested in instruments aligned with the E/S characteristics of the Sub-Fund.

1.08% was held in cash, cash equivalents, hedging instruments and/or other securities not designed to provide equity exposure.



**Asset allocation** describes the share of investments in specific assets.

## EU Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (continued)

### ● *In which economic sectors were the investments made?*

Sector	Sub sectors	Proportion (%)
Energy	Energy	5.72
Materials	Materials	2.70
Industrials	Capital Goods	5.49
Industrials	Transportation	4.14
Consumer Discretionary	Retailing	2.26
Consumer Discretionary	Consumer Durables & Apparel	2.08
Consumer Discretionary	Consumer Services	2.02
Consumer Discretionary	Consumer Discretionary Distribution & Retail	5.61
Consumer Staples	Food, Beverage & Tobacco	9.25
Consumer Staples	Household & Personal Products	2.15
Health Care	Health Care Equipment & Services	5.99
Health Care	Pharmaceuticals, Biotechnology & Life Sciences	8.64
Financials	Diversified Financials	3.07
Financials	Banks	0.89
Financials	Financial Services	8.13
Financials	Insurance	4.73
Information Technology	Software & Services	9.16
Information Technology	Semiconductors & Semiconductor Equipment	6.48
Communication Services	Telecommunication Services	4.08
Communication Services	Media & Entertainment	5.00
Utilities	Utilities	1.34
Spot / Settlements	Spot / Settlements	1.14
Hedging	Hedging	-0.06

*As of 31<sup>st</sup> October 2023. This data has been compiled based on sector weights on the last business day of each month and averaged for the reference period*

As at 31 October 2023, the proportion involved in sectors and sub-sectors of the economy that derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels was 8.50%

# EU Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (continued)



## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable, the Sub-Fund does not claim to make investments with a sustainable objective in the SFDR pre-contractual disclosure.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

Yes:
   
 In fossil gas     In nuclear energy
   
 No

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

Not applicable, the Sub-Fund does not claim to make investments with a sustainable objective in the SFDR pre-contractual disclosure.

Taxonomy-aligned activities are expressed as a share of:

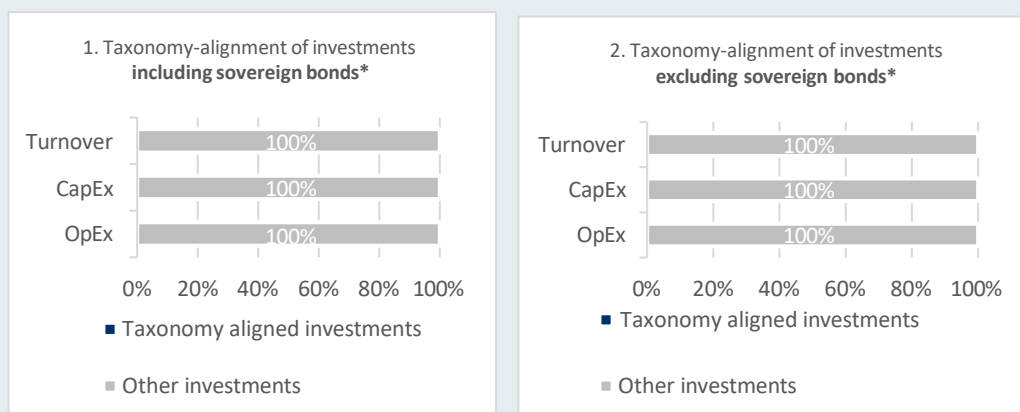
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

# EU Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (continued)

## ● **What was the share of investments made in transitional and enabling activities?**

Not applicable, the Sub-Fund does not claim to make investments with a sustainable objective in the SFDR pre-contractual disclosure.

## ● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.



## **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

Not applicable, the Sub-Fund does not claim to make investments with a sustainable objective in the SFDR pre-contractual disclosure.



## **What was the share of socially sustainable investments?**

Not applicable



## **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The Sub-Fund held cash, cash equivalents, hedging instruments and/or other securities not designed to provide equity exposure, which are included under “other”. Their purpose was to provide liquidity and/or for hedging. These instruments have no environmental or social characteristics, therefore no safeguards were required.



## **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

ESG ratings for each holding company were revisited at least each quarter and were updated as new information became available. The investment team monitored environmental and/or social controversies and news flows on an ongoing basis. Independent research and monitoring was used to inform changes to the ESG rating. The environmental or social characteristics of the Sub-Fund were discussed regularly in team meetings.

The investment team engaged with issuers on environmental and/or social issues which were chosen and prioritised using a risk-based approach.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## **How did this financial product perform compared to the reference benchmark?**

Not applicable