

# Responsible Investment Statement



Brewin  
Dolphin

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## About RBC Brewin Dolphin

RBC Brewin Dolphin is one of the UK and Ireland's leading wealth managers and traces its origins back to 1762. We offer award-winning personalised wealth management services that meet the varied needs of individuals, family companies, trusts, charities, pension funds and advisory clients.

Our Executive Committee has overall responsibility for setting and reviewing our responsible and sustainable investment strategy.

This responsible investment statement outlines our approach to responsible investment within our investment philosophy and demonstrates our commitment to the UN supported Principles for Responsible Investment (PRI), as well as the wider responsible investment agenda.

This statement covers the funds under management for which RBC Brewin Dolphin makes decisions, or has an influence, over the portfolio construction process, and therefore has a mandate to undertake elements on responsible investment and stewardship on behalf of our clients.

## Definitions

RBC Brewin Dolphin has adopted the following definitions.

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

- Aligned with the PRI definition

**ESG integration:** The practice of including ESG factors in investment analysis and decisions to better manage risks and improve returns.

- Aligned with the PRI definition

**Stewardship:** The responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

- Aligned with the Financial Reporting Council (FRC) definition

## Our approach to responsible investment

We believe that collaborating with other aligned investors is a powerful way of influencing companies, regulators and policy makers on priority issues. Our commitment to responsible investment is informed by our memberships to relevant industry bodies. We are proud to be signatories to the PRI and UK Stewardship Code 2020. We are also members of Climate Action 100+, Nature Action 100, the Investor Forum and use the Columbia Threadneedle REO® service, as our specialist engagement providers.

For us, responsible investment encompasses our ESG integration and stewardship work. We consider this to be a core part of our investment process.

## ESG integration

We believe that high-quality companies that manage ESG risks and opportunities well are more likely to make attractive long-term investments. Many of our clients own a combination of third-party funds and direct equities; hence, our team of analysts consider ESG factors when evaluating individual companies as well as when assessing and monitoring fund managers. We consider ESG risks and opportunities in all three components of our central research process; when considering industry dynamics and a company's positioning within it, when assessing the internal qualities that drive value creation, and within the valuation of the company.

These factors may include, but are not limited to:

**Environment:** climate transition, greenhouse gas emissions, nature and biodiversity, water and resource use, land use, waste, circular economy

**Social:** Human rights, diversity and inclusion, community relations, labour relations, child labour, modern slavery, workplace safety

**Governance:** Board and management quality, financial reporting, bribery and corruption, data security, remuneration, stakeholder governance, artificial intelligence governance.

When we engage with fund managers on ESG issues, we often focus on the ESG integration practices of the fund managers, including whether they are industry leading or behind peers. We may also speak to them about their own engagement activity and reporting.

We have a separate socially responsible investing (SRI) list for funds which aim to deliver attractive investment returns while contributing positively to global environmental and social challenges. All the funds on our SRI list go through a further selection process, which consists of three parts:

1. **Exclusions** – funds that seek to exclude companies involved\* in tobacco, controversial weapons, thermal coal, gambling, and adult entertainment
2. **ESG leaders** – funds that are industry leaders in integrating ESG factors into investment decisions and stewardship activities
3. **Impactful companies** – funds that invest in companies which contribute positively and measurably to social and/or environmental challenges.

Additionally, our firm-wide restrictions framework sets out RBC Brewin Dolphin's approach and process to set, manage and monitor firm-wide exclusions on direct equity investments in highly controversial sectors. Companies involved in such highly controversial activities can pose greater investment and reputational risk to us and our clients. In October 2022 we introduced a firm-wide restriction on companies with involvement in weapons banned under international treaties (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, incendiary weapons, non-detectable fragments and blinding lasers). We use data provider Moody's ESG Solutions to identify which companies meet these criteria.

## Stewardship

We believe active engagement is key to being a responsible owner, particularly when linked to material issues which might affect the long-term value of our clients' holdings. RBC Brewin Dolphin is committed to being a good steward of our clients' investments and aims to enhance and protect their long-term value.

As active owners, we undertake thoughtful engagement and voting to help ensure better financial outcomes for clients. We believe that voting and engaging with a company can be more impactful than selling the share to a less active owner. For our core holdings, our Research team will monitor, exercise our voting rights and engage with, our investee companies on priority material issues that impact the value of our clients' assets, which includes material ESG issues. This can be done directly or via collective engagement with other shareholders.

In addition, we actively track and monitor our funds through our innovative controversy tracking process whereby our analysts identify controversies in the

companies to which we are indirectly exposed. We assess specific issues and, if significant enough, reach out to our fund managers that hold shares in the company in question. We aim to understand how they are monitoring and engaging on these issues, and the effect on their investment approach.

Please refer to our Stewardship Policy for more details on this matter: [www.brewin.co.uk/stewardship-policy](http://www.brewin.co.uk/stewardship-policy).

Our responsible investment approach can be tailored to the individual needs and objectives of the client. As detailed below, we can offer additional services to those clients who would like to go further.

## Ethical screening

We are conscious of our diverse client base and their objectives, and strive to offer appropriate options. During suitability discussions with their investment manager, clients can choose to apply certain ethical screening criteria to their portfolio. Clients can select certain restrictions for direct holdings, and portfolios are then created and managed to reflect these restrictions. These screens can be matched to preferences to avoid investments in certain sectors, for example, tobacco or alcohol.

## Reporting

We strive to communicate our engagement and voting activities to our investment managers and clients in a clear and accessible way. We produce Quarterly Stewardship Updates, which complement our annual reporting. These updates are designed to give a snapshot of our recent stewardship work providing voting statistics and case studies on important votes or engagements. We believe that short, regular updates best enable us to share insights with investment managers and clients. Details of these reports are available at [www.brewin.co.uk/private-clients/about-us/stewardship](http://www.brewin.co.uk/private-clients/about-us/stewardship).

## Climate

Global plans to drastically reduce greenhouse gas emissions to net-zero by 2050 require the largest change to our economies in our lifetime, a change that RBC Brewin Dolphin is committed to supporting. By engaging with investee companies and encouraging them to consider issues such as climate disclosure and emissions reductions, we believe we will help position our business for a net-zero future.

\*involvement is defined as greater than 10% of sales/revenue in the listed areas

RBC has an enterprise climate strategy, the RBC Climate Blueprint, which sets out RBC's four strategic priorities and articulates the key levers RBC can use to advance the ambition to accelerate the transition to a greener economy. One of RBC's strategic priorities is to advance net-zero leadership in its own operations, and RBC has committed to achieving net-zero in its operations by 2050. To advance this ambition RBC has set two goals: to reduce its own global greenhouse gas (GHG) emissions by 70%<sup>1</sup> with a baseline year of 2018, and to increase sourcing of electricity from renewable and non-emitting sources to 100%,<sup>2</sup> both by 2025. RBC's commitment to achieving net-zero in its operations by 2050, and its related goals, are inclusive of RBC Brewin Dolphin.

## Conflicts of interest

From time-to-time conflicts of interest related to stewardship will inevitably arise, and in these instances our primary duty is to act in the best interest of our clients. We have therefore set out our approach in our Conflicts of Interest Policy. Our Conflicts of Interest Policy, an overview of which can be found on our [website](#), sets out the minimum requirements that must be followed to identify, prevent and manage conflicts.

The key principles of this policy are as follows:

- the identification, assessment and recording of all potential and actual conflicts of interest in accordance with the applicable legislation and regulations;
- effective communication and training of all colleagues regarding their roles and responsibilities in identifying, resolving or managing actual and potential conflicts of interest; and
- that all conflicts of interest, of whatever nature, are managed in accordance with the applicable rules and regulations.

## Approval and review

This statement is intended to summarise RBC Brewin Dolphin's approach to responsible investment.

It was reviewed and approved by the Sustainable Investment Committee. Our responsible investment statement will be reviewed and updated at least annually.

For any questions relating to this document, please contact our Research Team at [research@brewin.co.uk](mailto:research@brewin.co.uk)

(1) Inclusive of RBC's global operations, Scope 1, 2 (market-based) and 3 (business travel) reported GHG emissions, using a baseline of 2018. See the RBC Climate Report 2023 for more information.

(2) Renewable electricity is defined as energy produced from renewable sources such as hydroelectricity, wind and solar. Non-emitting sources include nuclear power generation. The performance towards RBC's goal to achieve 100% renewable and non-emitting electricity consumption by 2025 is calculated based on grid mix data and the Renewable Energy Credits purchased either from third-parties or received from RBC's two renewable energy Power Purchasing Agreements. See the RBC Climate Report 2023 for more information.



The value of investments, and any income from them, can fall and you may get back less than you invested. Neither simulated nor actual past performance are reliable indicators of future performance. Information is provided only as an example and is not a recommendation to pursue a particular strategy. We or a connected person may have positions in or options on the securities mentioned herein or may buy, sell or offer to make a purchase or sale of such securities from time to time. In addition we reserve the right to act as principal or agent with regard to the sale or purchase of any security mentioned in this document. For further information, please refer to our conflicts policy which is available on request or can be accessed via our website at <http://www.brewin.co.uk>. Information contained in this document is believed to be reliable and accurate, but without further investigation cannot be warranted as to accuracy or completeness. We will only be bound by specific investment restrictions which have been requested by you and agreed by us. The criteria for a sustainable investment are still under development and can change.

Please make sure you understand the objective and environmental, social and governance (“ESG”) characteristics of the product or service you invest in. Be aware a strategy, based on securities of companies which maintain strong ESG credentials, may result in a return that compares unfavourably to similar investments without such focus.

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