

Our approach to responsible and sustainable investing



Brewin
Dolphin

RBC Brewin Dolphin

RBC's Purpose is to help our clients thrive and communities prosper. RBC Brewin Dolphin's approach to responsible and sustainable investing is one way that we bring our Purpose to life.

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

We can help you align your investments with your values and financial goals through our approach to responsible and sustainable investing. But we understand that navigating the world of responsible and sustainable investing can be complex. We're here to guide you through the different approaches and industry terminology to help you to make informed investment decisions.

What is responsible investing?

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

What is sustainable investing?

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

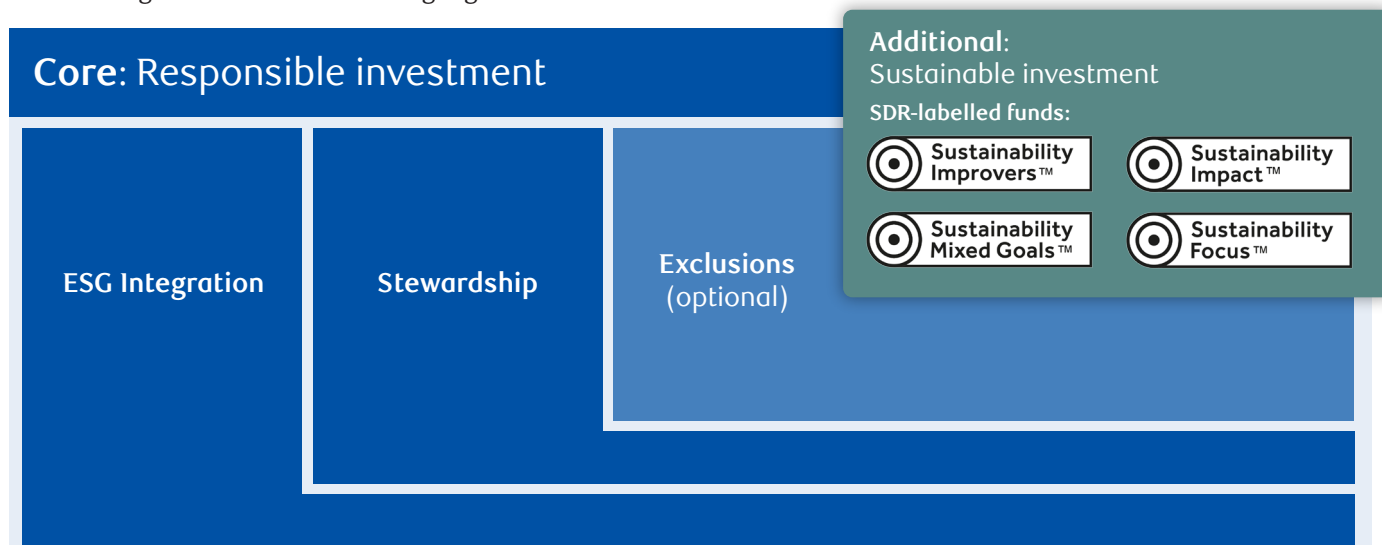
Our Responsible and Sustainable Investment Framework (RSIF)

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

This framework is consistent with the Sustainable Disclosure Requirements (SDR) anti-greenwashing rule and aligns with the SDR labelling regime.

Understanding our RSIF

At the heart of the framework, and our investment approach, is a distinction between a *core* responsible investment approach and an *additional* sustainable investment approach. These are explained below.



Important: This framework is used to describe our approach, **not to label portfolios**. Our responsible investment approach applies to direct equities and fund investments covered by our research and stewardship processes.*

* The central research team does not cover all assets held in RBC Brewin Dolphin's nominee. In addition, ESG factors are not integrated for all asset classes or security types e.g. certain passive, currency or derivative instruments. In most, if not all of these instances, there is no engagement with issuers by RBC Brewin Dolphin.

Core: Responsible investment



Who's it for?

If you use our Brewin Portfolio Service and/or our Managed Portfolio Service, you will automatically benefit from our core responsible investment approach. If you use our discretionary investment services, most investments selected by our investment managers will be covered by our research and stewardship processes and therefore are covered by our responsible investment approach.¹



What's the objective?

Meet your investment objectives, namely, maximise investment returns for a given level of risk.



How do we apply the approach?

We do this by employing an ESG integration approach in our investment decision making and through stewardship activities. Depending on your preferences, we can also exclude specific sectors.



What's the key feature?

The core responsible investing approach relates to investments that may have sustainability characteristics but do not have sustainability objectives.

Additional: Sustainable investment



Who's it for?

Our additional sustainable investment approach is for discretionary investment clients with additional sustainability related preferences. We may seek to meet these preferences by investing a proportion of a portfolio in funds that have SDR labels, where available and suitable.²



What's the objective?

SDR-labelled fund investments will have a specific sustainability objective, as per the SDR regulations. Investing a proportion of a portfolio in these funds can help align your portfolio with your values and contribute to seeking positive environmental and/or social outcomes.



How do we apply the approach?

Where discretionary investment clients state additional sustainability related preferences, we may seek to meet these preferences by investing a proportion of a portfolio in SDR-labelled funds, where available and suitable. Our sustainable investment approach is additional to our responsible investment approach.



What's the key feature?

SDR-labelled funds employ ESG integration and stewardship activities and may also include exclusions. On top of these 'core' features, they have 'additional' sustainability objectives. These funds will fall under four labels: Sustainability Focus, Sustainability Improvers, Sustainability Impact and Sustainability Mixed Goals, and each must meet specific criteria. These funds focus on delivering sustainability outcomes.

1. As part of our discretionary investment service, investment managers can invest in investments not covered by our central research and stewardship processes and therefore to which our approach to responsible investing does not apply. Further, discretionary investment portfolios may contain pre-existing investments, or receive a transfer of investments, which are not covered by our responsible investment approach.

2. Important: Until SDR rules are published for wealth and portfolio managers, we will not be able to offer 'sustainability investment' labelled products or services. The rules are currently in consultation and are expected to be confirmed in the autumn. However, from 31 July 2024 clients may have exposure to labelled funds in their portfolios, and so we need to explain how these investments fit in our investment framework. Once FCA rules for wealth managers are implemented, we expect to be able to offer labelled products or services, supported by an appropriate advice, suitability and governance process.

Terminology explained





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Core: Responsible investment

Term	Definition
ESG integration	The practice of including ESG factors in investment analysis and decisions to better manage risks and improve returns.
Stewardship	The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.
Exclusions	Applying screens to exclude assets from the investment space.

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Additional: Sustainable investment

Term	Description
SDR-labelled funds	Investing with the stated intention of achieving positive sustainability outcomes (a sustainability objective). Products must meet criteria to use a label as part of the FCA's SDR regime.
 Sustainability Focus™	These funds invest mainly in assets that focus on sustainability for people or the planet. Examples may include activities to support the production of energy, for example, from solar, wind or hydrogen.
 Sustainability Improvers™	These funds invest mainly in assets that may not be sustainable now, but aim to improve their sustainability. Examples may include investments in companies that are on a credible path to net zero by 2050, or are committed to improving social standards such as human rights.
 Sustainability Impact™	These funds invest mainly in solutions to sustainability problems with an aim to achieve a positive impact for people or the planet. Examples may include renewable energy generation and social housing.
 Sustainability Mixed Goals™	These funds invest mainly in a mix of assets that either focus on sustainability, aim to improve their sustainability over time, or aim to achieve a positive impact for people or the planet. Examples may include a mixture of investments from the labels above (Focus, Improvers and Impact).

Source: www.fca.org.uk/consumers/sustainable-investment-labels-greenwashing#section-investment-labels

Our commitment

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

In 2023, RBC introduced its Purpose Framework – Powering Ideas for People and Planet, which aims to create clarity and structure around three societal ambitions where we believe RBC can have a meaningful impact. Our ambitions are to:

- 1 Accelerate the transition to a greener economy
- 2 Equip people with skills for a thriving future
- 3 Drive more equitable prosperity in our communities

But we know ambitions are not enough. At RBC we will drive towards our ambitions, leveraging the full force of our global organisation – our business and operations, people, research and insights and community investments – to make important contributions.

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



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