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Second Party Opinion

Royal Bank of Canada's Sustainable Bond Framework

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Location: Canada **Sector:** Financial institutions

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

- ✓ Social Bond Principles, ICMA, 2025
- ✓ Green Bond Principles, ICMA, 2025
- ✓ Sustainability Bond Guidelines ICMA, 2021

See Alignment Assessment for more detail.

Strengths

Royal Bank of Canada (RBC) includes detailed eligibility criteria for many green project categories, which helps ensure greater climate and environmental benefits. These criteria include greenhouse emission thresholds, power density criteria, and in some cases value chain considerations.

Weaknesses

No weaknesses to report.

Areas to watch

The framework lacks target population definitions for some social project categories, as the programs provide universal access. This may improve program efficiency and create more common levels of service for social programs like health care and education, but may dilute the benefits accrued to the most vulnerable populations.

Framework reporting commitments say RBC may include allocation reporting, which is a weaker commitment than in many frameworks. However, RBC has a track record of annual allocation reporting.

Shades of Green Projects Assessment Summary

RBC does not have projections regarding the expected allocation to the green and social project categories, or the share of refinancing versus financing new projects, as these will depend on client demand and other market factors. Historically, the largest allocations were to clean transportation (approximately 60%), renewable energy (20%), and green buildings (13%), as of the 2025 Green Bond Report.

Low carbon energy	**Dark green**
Offshore and onshore wind	
Solar	
Geothermal	
Waste biomass and renewable biofuels	
Tidal power	
Run-of-river, pumped storage and small-scale hydroelectricity facilities	
Refurbishment of existing hydroelectricity facilities	
Pumped storage hydroelectric projects	
Hydrogen produced via electrolysis	
Large scale energy storage facilities, batteries, capacitators, compressed air and flywheel plants, supercapacitors	
Electricity transmission and distribution infrastructure and equipment	
Development or improvement of existing or new transmission and distribution systems dedicated to connecting renewable energy generation capacity to the grid	

Energy efficiency	**Light green**
Energy efficient heating and cooling systems, lighting and appliances	
Centralized energy control systems	

Nuclear	**Medium green**
Construction and safe operation of new nuclear power plants	
Investments associated with operating life extension and/or efficiency enhancement of existing nuclear energy facilities	

Pollution prevention and control	**Light green**

Collection, treatment/remediation, recycling or reuse of emissions, waste, hazardous waste or contaminated soil	
Facilities, systems, and equipment that are used to divert waste from landfills or reduce emissions	
Environmentally sustainable management of living natural resources and land use	**Medium to Light green**
Agriculture production activities that reduce GHG emissions, improve carbon sequestration and/or reduce water use	
Sustainably managed forests and forest products certified by credible third-party certification systems	
Clean transportation	**Dark green**
Private transport, including electric or hydrogen vehicles and hydrogen fuel or electric charging stations	
Public transport, including electrified rails and trams, electric or hydrogen buses, and hydrogen fuel or electric charging stations	
Sustainable water and wastewater management	**Light green**
Collection, treatment, recycling or reuse of water, rainwater or wastewater	
Flood prevention, flood defense or storm water management	
Water metering activities to support conservation initiatives	
Water distribution systems with improved efficiency	
Water desalination plants that are powered by low-carbon energy sources	
Terrestrial and aquatic biodiversity	**Dark to Medium green**
Activities that contribute to the enhancement or conservation of terrestrial or aquatic biodiversity	
Ecosystem-based fisheries management plans, bycatch exclusion devices, fishing gear modification, policies, and plans to reduce ghost fishing	
Wildlife habitat management, rehabilitation, restoration and conservation of ecosystems from a degraded state	
Green buildings	**Light green**
Residential and commercial buildings that have certification according to third party verified building standards	
Residential and commercial buildings that have greenhouse gas emission performance in the top 15% of their city, province/state or country	

Refurbishments or retrofits of residential or commercial buildings that help reduce GHG emissions of at least 30%	

Climate change adaptation	**Dark to Medium green**
Develop information support systems for monitoring GHG emissions and early warning systems for natural disasters	
Increase resilience against physical impacts of climate change	

Circular economy adapated products, production technologies and processes	**Light green**
Substituting virgin raw materials with 100% secondary materials in manufacturing and industrial processes	
Producing products that can be recycled or composted where the input feedstock is from recycled/reuse waste	
Minerals-based materials recovery or recycling in mining and industrial materials processes post-production	
Increasing the capacity utilization of a product or asset during its useful life	

See Analysis Of Eligible Projects for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Issuer Description

Founded in 1864 and headquartered in Toronto, Canada, RBC is a diversified financial services company with global operations. RBC's business is structured around five primary segments: personal banking, commercial banking, wealth management, insurance, and capital markets. The bank reported revenue of C$62.2 billion and assets of C$2,325 billion at the end of fiscal 2025.

Material Sustainability Factors

Climate transition risk

Banks are highly exposed to climate transition risk as they finance economic activities, which affect the environment. Banks' direct environmental impact is small compared to financed emissions and stems mainly from power consumption (e.g. data centers). Policies and rules to reduce emissions could raise credit, legal, and reputational risks for banks with large exposures to high-emitting sectors, such as oil and gas, metals and mining, real estate, or transportation. These medium- to long-term risks are sizeable and will be proportional to the impact of climate change on the economy. Positively, financing the climate transition offers a growth avenue for banks through lending, debt structuring, and other capital market activities. Canada has committed to net-zero emissions by 2050, with a 2030 target of reducing emissions by 40%–45% below 2005 levels. Several other major economies have also committed to net-zero emission targets and implemented laws and policies to support them.

Physical climate risk

Physical climate risks will hinder many economic activities as climate change increases the frequency and severity of extreme weather events. Banks finance a wide array of business sectors exposed to physical climate risks, exposing banks through their financing activities. However, while climate change is a global issue, weather-related events are typically localized, so the magnitude of banks' exposure is linked to the geographical location of the activities and assets they finance. Similarly, banks' physical footprint (e.g. branches or ATMs) may also be exposed to physical risks, which may disrupt their ability to service clients during a natural catastrophe, amplifying the effect on communities. Banks may mitigate the effects of physical climate risks by financing adaptation projects and climate-resilient infrastructure, as well as investing in solutions that support business continuity in exposed geographies.

Biodiversity and resource use

Banks contribute to significant resource use and biodiversity impact through the activities they fund or invest in. For example, the construction sector--a major recipient of bank financing--is a large consumer of raw materials such as steel and cement. Similarly, bank-financed agricultural activities can impact biodiversity. Environmental risks around greenfield development, which requires clearing land, remain an important consideration for banks as they present potential disruption to natural ecosystems. Such projects should be carefully assessed to determine if biodiversity risks have been properly managed and negative impacts mitigated.

Access and affordability

The large effect banks have on society and the economy stems from their role in enabling access to financial services to individuals and businesses, as well as ensuring payment systems function, which are cornerstones of economic development and stability. In most countries, unbanked and underserved population segments are still meaningful, although the access gap is most acute in emerging economies. Market imperfections, such as low competition, incomplete information, and lack of financial literacy, often result in costly alternatives for small businesses and low-income populations, so ensuring affordable access to financial services, especially to the most vulnerable, remains a challenge for the banking industry. However, new technologies will increasingly enable banks to close this gap through cost efficiencies and product innovation. While structural issues, such as poverty and lack of financial literacy, partly limit access to financial services, banks have large opportunities to support economic development through financial inclusion.

Issuer And Context Analysis

Most green project categories address the bank's material sustainability factors. Green categories address climate transition, physical, and biodiversity risks, which are the most material environmental factors for the bank. Meanwhile, social categories such as socioeconomic advancement and empowerment seek to widen access to financial services and contribute to the economic empowerment of targeted groups.

RBC's sustainability strategy emphasizes climate transition alongside investments in workforce development and community resilience, with a focus on access to essential services, infrastructure, and affordability. These priorities align with RBC's stated purpose framework, which highlights themes including climate action, financial wellbeing, skills development, diversity and inclusion, and community support. RBC has implemented an Enterprise Policy on Environmental and Social Risk (E&S Risk Policy) that incorporates processes for identifying, assessing, mitigating, monitoring, and reporting on E&S risks.

RBC has emission-reduction targets, including a commitment to net zero. RBC's climate transition strategy, as detailed in its Climate Blueprint, includes achieving net-zero greenhouse gas emissions by 2050. The strategy encompasses three core elements: facilitating the transition of clients through green and decarbonization financing; supporting climate solutions through equity and community investments; and integrating climate risk considerations into business operations and lending/investment decisions. The bank has also committed to reducing its operational Scope 1 and 2 emissions, including a target to source 100% renewable electricity by 2025. Furthermore, RBC has pledged to invest C$1 billion in climate solutions. RBC plans to refine

its targets and methodologies based on improved data, emerging technologies, and policy developments, potentially expanding sector coverage.

RBC has several initiatives to drive equitable access to economic and social progress for marginalized and disadvantaged populations. The bank has a five-year, $7 billion commitment to finance construction, retrofitting, and renovation of affordable and sustainable housing in Canada. It has also committed $2 billion by 2035 through its Purpose Framework to support solutions such as the transition to a low-carbon and resilient economy, and equipping people with employable and financial skills. These investments target food security, housing, health services, and financial wellbeing. Through programs like RBC Future Launch, RBC and the RBC Foundation invested $500 million toward skills development for more than 8.4 million children since 2017. RBC is committed to complying with fair lending policies, and nondiscriminatory access to credit products, terms and conditions, and services throughout the credit life cycle.

Financing transition and infrastructure projects could expose the bank to other environmental and social risks. Lack of effective management of these risks could lead to financial and reputational consequences for the issuer. For example, transition projects such as hydroelectricity, geothermal energy, and bioenergy could have negative impacts on local hydrology, biodiversity, and soil. Similarly, projects that require large land area may encroach on indigenous lands, causing displacement or loss of traditional livelihoods. RBC assesses such risks as part of its due diligence and incorporates findings in decision making. Processes are laid out in its Environmental Blueprint and E&S Risk Policy. RBC implements E&S risk policy though its Environmental Risk Assessment Framework (ERAF) and Enterprise Risk Management Framework (ERMF). It assesses physical risks, such as extreme weather events, alongside transition risks, biodiversity, and resource use risks and social risks at portfolio, sector, and transaction levels during due diligence and ongoing monitoring.

Alignment Assessment

This section provides an analysis of the framework's alignment to the Social and Green Bond Principles and the Sustainability Bond Guidelines.

Alignment Summary

Aligned = ✓ Conceptually aligned = o Not aligned = ×

- ✓ Social Bond Principles, ICMA, 2025
- ✓ Green Bond Principles, ICMA, 2025
- ✓ Sustainability Bond Guidelines ICMA, 2021

✓ Use of proceeds

We assess all the framework's green project categories as having a green shade and consider all social project categories to be aligned. RBC commits to allocate the net proceeds issued under the framework exclusively to eligible green and social projects and may allocate some proceeds to investments in pure-play companies that generate at least 90% of their revenue from eligible activities, provided the remaining 10% does not come from activities that are inconsistent with the bond label. Please refer to the Analysis of Eligible Projects section for more information on our analysis of the environmental and social benefits of the expected use of proceeds. The framework does not include a look-back period for refinancings.

✓ Process for project evaluation and selection

RBC's sustainable bond working group is responsible for overseeing the implementation of the initiatives outlined in the framework, as well as assessing the continued eligibility of projects. The working group comprises members from the corporate

treasury, capital markets, personal banking and/or commercial banking (if applicable), climate strategy and governance, and sustainability and impact, drawing on support from group risk management as required. All eligible assets are subject to consistency with RBC's applicable environmental and social risk policies.

✓ Management of proceeds

RBC commits to allocate an amount equivalent to the net proceeds from instruments issued under the framework to eligible projects. The sustainable bond working group will be responsible for tracking and managing the allocation of proceeds to eligible assets and will monitor the aggregate amount of assets in each portfolio on a quarterly basis to ensure the total Eligible assets equals or exceeds the aggregate amount of net proceeds raised by each applicable sustainable bond. Pending allocation, any unallocated amount will be held in cash or liquid securities in accordance with RBC's normal liquidity management policy.

✓ Reporting

RBC intends to provide annual green, social, and sustainability bond reporting within one year of issuance and annually until full allocation or in the case of a material change. The report will be public on the company's website and may include the total proceeds allocated to eligible projects by category, a brief description of the financed assets and their expected impact, the balance of unallocated proceeds, and the share of refinancing versus new financing. Where feasible, RBC will provide further information on project impacts, including quantitative performance measures, as well as examples of financed projects and businesses.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "Analytical Approach: Shades Of Green Assessments," as well as our analysis of eligible projects considered to have clear social benefits and to address or mitigate a key social issue.

Green project categories

Low carbon energy

Assessment	Description
Dark green	Renewable energy: Construction, development, operation, acquisition, maintenance, and connection of the following renewable energy generation sources: • Offshore and onshore wind • Solar • Geothermal with direct emissions ≤100g CO2e/kWh • Waste biomass and renewable biofuels with life-cycle emissions less than 100g CO2e/kWh; sourced from sustainable agriculture and forestry residues or from nonrecyclable organic municipal waste • Tidal power • Run-of-river, pumped storage and small-scale hydroelectricity facilities that meet emissions intensity and power density requirements

- Refurbishment of existing hydroelectricity facilities, provided the size of the dam or reservoir are not increased
- Pumped storage hydroelectric projects that meet either of the following criteria:
    - Power density >5w/sqm; or
    - Emissions ≤100g CO2e/kwh

Other low-carbon energy: Construction, development, operation, acquisition, maintenance, and connection of the following energy generation sources:

- Hydrogen produced via electrolysis powered by renewable energy sources or has lifecycle emissions lower than 3tCO2e/tH2
- Large scale energy storage facilities, batteries, capacitators, compressed air and flywheel plants, supercapacitors that meets one of the following conditions:
    - Is a dedicated connection to a renewable power production plant; or
    - Is a dedicated connection to a power production plant operating under the low carbon threshold (less than 100g CO2e/kWh); or
    - The infrastructure is located on a system with a grid factor of less than 100g CO2e/kWh; or
    - The infrastructure is located on a system for which at least 67% of its added generation capacity in the last five years falls below the low carbon power threshold

Transmission, distribution and storage: Construction, development, operation, acquisition and maintenance of:

- Electricity transmission and distribution infrastructure and equipment that complies with at least one of the following criteria:
    - Average system grid emissions factor is below the threshold value of 100g CO2e/kWh, over a rolling five-year period; or
    - More than 67% of newly enabled generation capacity is below the generation threshold value of 100g CO2e/kWh, over a rolling five-year period
- Development or improvement of existing or new transmission and distribution systems dedicated to connecting renewable energy generation capacity to the grid

Analytical considerations

- Low-carbon energy projects alongside supporting projects such as battery electric storage and transmission and distribution infrastructure are key elements in limiting global warming to well below 2ºC, provided negative impacts on the local environment and physical risks are sufficiently mitigated. The bank specifies quantitative thresholds where relevant, which we view as a

strength. We believe most projects in this category are Dark green. The inclusion of waste biomass and biofuel projects receive a Light green shade.

- RBC finances renewable energy projects across various technologies, including onshore and offshore wind, solar, hydropower, tidal, and geothermal energy. Hydropower projects are eligible if they are run-of-river and small-scale hydroelectricity facilities, and the bank indicated that while there are no criteria for generation capacity thresholds, the bank is committed to not funding large scale hydropower projects. Additionally, hydropower projects must meet life-cycle carbon intensity requirements that became more stringent for projects that commenced operation after Jan. 1, 2020. Refurbishment of existing hydroelectricity facilities is eligible, provided the size of the dam or reservoir is not increased, which mitigates environmental risks such as changes in land-use change biodiversity, and local hydrology. Geothermal projects may include open loop and closed loop systems, with closed systems more likely to receive funding, they must maintain direct emissions below 100 gCO2e/kWh. The use of emissions intensity criteria helps ensure greater climate benefits, in our opinion, and we assess these projects as Dark green.
- The framework also includes projects to produce green hydrogen through electrolysis powered entirely by renewable energy sources, or with lifecycle emissions lower than 3tCO2e/tH2. Green hydrogen is recognized as an important technology for transitioning to a low-carbon future, offering low emissions and potential applications in hard-to-decarbonize sectors, such as heavy industry and transportation. We assess this project as Dark green. However, these projects may introduce other environmental risks, including significant water consumption, atmospheric impacts from hydrogen leakage, and pollution from hydrogen end use. The bank indicated hydrogen produced using nuclear power would be financed under the nuclear, not low carbon energy, category.
- Transmission, distribution, and energy storage systems play a critical role in supporting electrification and facilitating the integration of renewable energy sources into electric grids, contributing to climate change mitigation efforts. The framework's criteria help ensure these projects support the climate transition, and we assign a Dark green shade to these projects. For battery storage and transmission and distribution projects, the issuer has established criteria to assess alignment with a low-carbon pathway. These criteria present four pathways to eligibility: 1) dedicated connections to renewable power generation facilities; 2) connections to facilities operating below a 100g CO2e/kWh threshold; 3) infrastructure located on grids with a greenhouse gas emissions factor of less than or equal to 100g CO2e/kWh; or 4) systems where at least 67% of added generation capacity over the past five years operates below the 100g CO2e/kWh threshold. RBC has stated it would not finance transmission, distribution, or storage assets that support fossil fuel-powered assets meeting the emissions criteria under the framework. We believe including such specifications represents a strength of the framework.
- Bioenergy, when derived from sustainably produced feedstock, can offer a lower-emission alternative to fossil fuels and a decarbonization pathway in scenarios where electrification is not feasible. That said, potential direct or indirect land use change and biodiversity risks associated with feedstock production, processing- and transportation-related emissions, and air pollution during combustion can limit the potential climate and environmental benefits. The associated risks and benefits depend on feedstock type and lifecycle emissions. RBC clarified that eligible feedstock would be aligned with Climate Bond Initiative (CBI) Green Dataset Methodology and may include sustainable waste streams that do not require dedicate land use, nonwaste timber eligible under EU Taxonomy, and energy crops that do not compete with food production. The framework also incorporates waste biomass and renewable biofuels with lifecycle emissions below 100g CO2e/kWh, sourced from sustainable agriculture and forestry residues or nonrecyclable organic municipal waste. Despite these performance thresholds and eligibility criteria consistent with CBI and EU Taxonomy, our assessment categorizes these projects as Light green, reflecting that sustainability certification schemes may vary significantly in stringency, scope, focus and credibility with respect to additional safeguards to consistently mitigate potential negative impacts on soil quality, biodiversity, and indirect land-use change (ILUC).

Energy efficiency

Assessment	Description
Medium green	Proceeds may be allocated to projects, products and systems that increase energy efficiency and/or reduce energy consumption or mitigate greenhouse gas emissions by 30% or more over the baseline, including: • Energy efficient heating and cooling systems, lighting and appliances • Centralized energy control systems

Analytical considerations

- Energy efficiency measures are necessary to transition to a low-carbon economy, but their climate benefits and risks can vary depending on the end use of the investment or system and the amount of efficiency gain. We assign a Medium green shade to this category because, despite the energy savings, the breadth of eligible projects could provide a range of environmental benefits.
- RBC has set a minimum greenhouse gas emissions reduction or reduce energy consumption or energy efficiency improvement threshold of 30%, adding transparency to the projects' potential impact. Efficient energy district heating systems can contribute to the transition toward a low-carbon, climate-resilient future, though their sustainability benefits depend heavily on their energy inputs, which may be associated with significant emissions and other environmental impacts. Centralized energy control systems support efficient, resilient, and low-carbon energy ecosystem by optimizing real-time energy use, reducing overall consumption and associated emissions, and enhancing system reliability. That said, there is uncertainty regarding rebound effects, where these projects may result in increased energy usage and absolute emissions from end users, especially in emission-intensive industries, and there is no consideration of embodied emissions in the eligibility criteria. Further, there may be exposure to climate risk where these investments support high emitting sectors or lock in high-energy processes. The issuer confirms these projects will not be applicable for fossil fuel industry, which reduces the lock-in risk.

Nuclear

Assessment	Description
Medium green	Research, development, demonstration, construction, deployment, and safe operation of technologies that produce energy from nuclear processes with minimal waste from the fuel cycle, for purposes of generating electricity or heat, including hydrogen production • Construction and safe operation of new nuclear plants, for the generation of electricity and/or heat, including for hydrogen production • Investments associated with operating life extension and/or efficiency enhancement of existing nuclear facilities, including maintenance and/or refurbishment with the purpose of increasing operational life span while maintaining or improving the level of operational safety

Analytical considerations

- Nuclear power is a low-carbon electricity source with a smaller land-use footprint than most renewable energy sources. However, it entails environmental impacts throughout its value chain, notably related to uranium mining, long-term radioactive waste management and water use. Additionally, the risk of low-probability, high-impact accidents remains. Therefore, we assess nuclear-related activities under this category as Medium green. We also assign a Medium green shade to hydrogen produced using nuclear power that meets the low lifecycle emissions and low carbon thresholds.
- Nuclear energy activities financed under this category must comply with applicable laws and operate within jurisdictions committed to nuclear safety and regulatory frameworks that adhere to International Atomic Agency (IAEA) standards encompassing critical areas like site selection, operational safety, waste management, and responsible sourcing of materials. While all nuclear projects are anticipated to be in Canada, the category could include projects in other parts of North America. In Canada, the Canadian Nuclear Safety Commission (CNSC) provides comprehensive aspects of reactor operation, refurbishments, decommissioning, radioactive waste management, and associated nuclear activities and Canada's regulatory framework is aligned with IAEA safety standards. Canada's Policy for Radioactive Waste Management and Decommissioning addresses these concerns by on ongoing efforts to align waste strategies with best practices and to engage indigenous and other stakeholders in defining long-term radioactive waste pathways.

- Uranium mining carries high environmental and social risks, including radioactive contamination, water pollution, and land degradation. RBC adheres to Canada's nuclear jurisdiction for uranium management. The CNSC also sets standards for uranium mining.

Pollution prevention and control

Assessment	Description
Light green	Construction, development, operation, acquisition and maintenance of land, facilities, systems or equipment used for: • Collection, treatment/remediation, recycling or reuse of emissions (e.g., direct air capture), waste, hazardous waste or contaminated soil • Facilities, systems and equipment that are used to divert waste from landfills or reduce emissions

Analytical considerations

- Waste management is an important pollution prevention measure that can prevent harm to human health and local ecosystems from waste streams. Recycling, if done properly, increases the useful life of materials, thereby reducing carbon and other air pollutants' emissions, energy, and natural-resource use. Waste prevention and reuse solutions are the preferred solutions under the waste management hierarchy because they have the lowest negative environmental impact among waste management options, followed by recycling, energy recovery, and finally disposal. Waste-to-energy (WTE) projects may provide a disposal solution for waste that cannot be recycled or reused but, because it can create significant carbon and other pollutant emissions, they represent near-term transition steps. We assign a Light green shade to all projects in this category.
- The primary eligible project category RBC expects to be financing is WTE conversion. The issuer commits to only financing facilities that use thermal processing of residual waste to produce power, heat, or cooling. It will aim to separate recyclable, compostable, or anaerobically digestible components from waste feedstock. Additionally, these facilities are required to be located outside the EU and U.K., operate with a plant efficiency of greater than 25%, and target metal recovery rates of 80% for ferrous metals and 50% for nonferrous metals. Incorporating efficiency and recovery rate thresholds and excluding expansion and/or construction of landfills from this project category are factors we view positively. However, the issuer does not have a specific emissions threshold for WTE projects.
- RBC leaves open the possibility to finance recycling facilities, including ones that chemically recycle plastic. RBC commits to only financing chemical recycling of plastics where mechanical recycling is not feasible, the life cycle emissions of the recycled plastic are lower than virgin plastic production, the projects are not intended for single-use consumer products, and projects are not intended for plastic to fuel conversion.
- Carbon removals are considered necessary in many climate scenarios, and we consider them an important part of the global transition when direct and indirect lock-in risks are sufficiently managed. RBC leaves open the possibility of financing point-source carbon capture and sequestration (CCS). Such investments would require permanent storage of captured carbon and an overall net reduction in greenhouse gas emissions and prohibit end application of carbon capture for any fossil fuel-related activity. At this time, we lack clarity into the quantification of lifecycle emissions and other specificities of such projects.

Environmentally sustainable management of living natural resources and land use

Assessment	Description
Medium to Light green	Activities that contribute to the environmentally sustainable management of living natural resources, land use and natural ecosystem protection, including sustainably managed forests and forest products certified by credible third-party forest certification systems, including:

Sustainable agriculture:

- Agriculture production activities (including necessary infrastructure, equipment and inputs) that contribute to reducing greenhouse gas emissions, improve carbon sequestration and/or reducing water use, including:
    - Land-use-related techniques and technologies that reduce fertilizer use, promote nitrogen management, enhance soil organic carbon, improve carbon sequestration, prevent land conversion, promote the collection and use of agricultural waste, enable low tillage techniques, introduce high-efficiency irrigation technologies, facilitate the rehabilitation of degraded lands, etc.
    - Livestock-related activities that reduce methane or other greenhouse gas emissions such as manure management techniques to reduce enteric emissions
    - Machinery or equipment required to adopt sustainable agriculture practices such as variable-rate technology, autonomous machinery, remote sensing
    - Climate-smart farm inputs, animal husbandry, fisheries and aquaculture certified by a recognized third-party certification such as Canada Organic, USDA Organic, Rainforest Alliance, Marine Stewardship Council, Aquaculture Stewardship Council, Global G.A.P. for Aquaculture or Best Aquaculture Practices (two stars or more)

Sustainable forestry:

- Sustainably managed forests and forest products certified by credible third-party certification systems such as Forest Stewardship Council, Programme for the Endorsement of Forest Certification, and the Sustainable Forestry Initiative

Analytical considerations

- Agricultural practices that reduce climate emissions from crop and livestock farming and enhance soil health, water quality, and ecosystem integrity are crucial for a low-carbon, climate-resilient future. Sustainable inputs and farming practices, as well as a shift to lower-emission protein sources, contribute to a green transition for this sector. We assign a Medium to Light green shade to the broad range of projects in this category.
- We assign a Medium green shade to crop-based investments, as these measures have climate benefits, and crop-based agriculture retains risks including land use change, fertilizer and pesticide use, water pollution, soil degradation, and fossil fuel-powered equipment. This includes agricultural production activities, techniques, and technologies that contribute to reducing greenhouse gas emissions, improving carbon sequestration, and reducing water use, machinery or equipment that supports sustainable agriculture practices such as variable-rate technology, autonomous machinery, and remote sensing,

and climate-smart farm inputs such as precision technology like GPS and drones, enhanced seeds, efficient irrigation, improvements to soil health such as cover crops, and improved nutrient management. The risk that projects include chemical pest control and fertilizers, fossil fuel equipment and machinery, water stress exposure, and land use change constrain our opinion. RBC's standards and procedures on environmental and social risk management for projects requires environmental and social impact assessments (ESIAs) for all projects deemed as high risk, in line with the equator principles, to which RBC is a signatory. And documentation for the equator principles may include, where applicable, information on land cover and land use practices.

- Livestock farming is a large contributor to climate emissions through animal digestion and manure, and both animal farming and feed crops can drive emissions and harm biodiversity. Sustainable livestock projects may include initiatives to reduce methane or other greenhouse gas emissions such as manure management techniques. Animal husbandry projects that are recognized by a third-party certification are also in scope. We assign these projects a Light green shade, given that livestock farming is exposed to resource use risks given the land use intensity per kilogram of protein produced. We view positively that eligible projects will not include new intensive livestock operations.
- Farmed fish is a protein source with a low carbon footprint compared with red meat. However, fish feed may contain deforestation-linked soy and palm oil. Other adverse environmental impacts include escapes, effluent and wastewater discharge, antibiotic use, chemical use, and overexploitation of wild fish stocks or other marine ingredients for feed. Certification schemes including the Marine Stewardship Council, Aquaculture Stewardship Council, Global GAP for Aquaculture, and Best Aquaculture Practices standards safeguard against these risks to varying degrees. Due to the lack of visibility on how the issuer manages such risks, we assign a Light green shade to these aquaculture projects.
- Forests can contribute to carbon sequestration, support biodiversity habitats, and provide ecosystem services such as water regulation and soil stabilization. Implementing sustainable forestry management practices, avoiding harmful land use change, and managing physical climate risks, including wildfires and pests, are key to achieving the benefits of forests. RBC's projects include sustainably managed forest projects that are third-party certified. The FSC, PEFC, and SFI standards set requirements for reducing the environmental impacts of forestry management, including safeguards against deforestation and measures to conserve old growth forests. FSC requires adherence to certain standards for forest management and the supply chain. PEFC is an umbrella organization that includes SFI. We assign a Medium green shade to these forest projects.
- Forest products can provide lower value-chain emissions than fossil fuel-intensive materials such as steel, cement, petrochemicals or plastics. RBC's forest products projects have third-party certification such as FSC, PEFC, and SFI. These certifications limit land use change risks and protect high-value species, and include requirements on the management of pollution, water, and chemical use. Any forest products under this category such as logs or biomass will have a third-party certification. For these reasons, we assign a Medium green shade to these projects.

Clean transportation

Assessment	Description

Dark green	Construction, development, operation, acquisition, and maintenance of zero or low tailpipe emissions transportation assets, including:
	• Private transport, including:
	  o Electric or hydrogen vehicles
	  o Hydrogen fuel or electric charging stations
	• Public transport, including:
	  o Electrified rails and trams
	  o Electric or hydrogen buses
	  o Hydrogen fuel or electric charging stations

Analytical considerations

- Mitigating greenhouse gas emissions from transportation will be crucial to meet global decarbonization goals, given the transport sector accounts for 23% of global energy-related greenhouse gas emissions, according to the Intergovernmental Panel on Climate Change (IPCC). Electric road and rail transportation are key to decarbonizing land transportation. The decarbonization of all modes of transport will require a significant expansion of low-carbon transport infrastructure. In infrastructure projects, value chain emissions and environmental impacts can be significant and should be carefully managed--for example, by choosing low-carbon construction materials. Physical climate risks also are a material consideration for all infrastructure projects. The framework includes a wide range of eligible activities, including fully electric vehicles (EVs), heavy-duty vehicles such as electric buses, and supporting charging infrastructure for vehicles. We typically assess these project activities as Dark green as EVs are essential for the transport industry's shift toward a low-carbon future in accordance with the Paris Agreement. Life-cycle savings from EVs depend on the energy mix of the grid that powers them. According to the International Energy Agency (IEA), around 80%–85% of Canada's electricity generation comes from low-emission sources, primarily hydropower and nuclear energy, with only a limited share from fossil fuels. We view it as a strength that the framework includes a criterion limiting trams and rail freight projects to transporting up to 25% of its freight as fossil fuel.
- There are no requirements regarding life cycle emissions from the procurement process of financed assets and activities as this does not sit under the ownership of the bank. However, the production of batteries for EVs and the sourcing of raw materials can have substantial climate and environmental impacts along the value chain.

Sustainable water and wastewater management

Assessment	Description
Light green	Construction, development, operation, acquisition and maintenance of infrastructure for: • Collection, treatment, recycling or reuse of water, rainwater or wastewater • Flood prevention, flood defense, or storm water management • Water metering activities to support conservation initiatives • Water distribution systems with improved efficiency • Water desalination plants that are powered by low-carbon energy sources

Analytical considerations

- Financing activities for the development, construction, operation, and maintenance of sustainable water and wastewater management projects can result in environmental benefits in terms of water consumption and water security and are necessary for the achievement of the 2050 Paris Agreement objectives.
- RBC expects that most investments will be made to existing water and wastewater treatment facilities within Canada, the U.S., and Europe. RBC does not require additional specifications such as achieving threshold water leakage rates, improvements in water efficiency, and/or requirements for resource recovery from treated wastewater. Such projects alleviate water stress as well as the environmental and climate impacts of water withdrawal and treatment, but the amount of benefit is unclear. To date, RBC's investments have centered around upgrading existing facilities of regulated utilities, which are aligned to their respective jurisdiction's regulatory requirements. Therefore, we have assigned an overall shade of Light green.

Terrestrial and aquatic biodiversity

Assessment	Description
Dark to Medium green	• Activities that contribute to the enhancement or conservation of terrestrial or aquatic biodiversity, such as protection of coastal, marine and watershed environments • Ecosystem-based fisheries management plans, integration of bycatch exclusion devices in fishing fleets, fishing gear modification programs, policies, and plans to reduce ghost fishing provided they are certified by the Marine Stewardship Council (MSC) and demonstrate greenhouse gas reductions • Wildlife habitat management, rehabilitation, restoration, and conservation of ecosystems from a degraded state

Analytical considerations

- Healthy ecosystems and biodiversity are an important part of a low-carbon, climate-resilient future, providing natural resources, water and soil management, and pollination services. Protecting or restoring biodiversity also often creates climate co-benefits, such as carbon sequestration or adaptation solutions. Well-designed projects can reduce threats such as unsustainable resource extraction, physical climate risks, land use change, pollution, and invasive species.
- Eligible projects include activities that protect coastal, marine and watershed environments, and a range of activities certified by the Marine Stewardship Council. Biodiversity projects often have climate mitigation co-benefits because natural ecosystems tend to be a carbon sink, and the framework includes this as a consideration. Overall, the criteria and selection processes for these projects are broad, with the exception of the specific MSC criteria, and so the projects may include a range of environmental benefits. As a result, we assign the projects in this terrestrial and aquatic biodiversity category a Dark to Medium green shade.

Green buildings

Assessment	Description
Light green	Construction, development, operation, acquisition, and maintenance of residential and commercial buildings that have: • Received or expect to receive based on their design, construction, and operation plans, certification according to third-party verified building standards, including LEED Gold or Platinum or equivalent levels in other certification schemes such as BOMA BEST (Gold or Platinum), BREEAM (Excellent or Outstanding), ENERGY STAR (score more than 85), ENERGY STAR for New Homes (v12.6+), Toronto Green Standard (v4) (Tier 2 or higher), Passive House Institute – EnerPHit, BC Energy Step Code (Part 3: Step 3 or above, Part 9: Step 4 or above), UK Energy Performance Certificate score A or B; BC Zero Carbon Step Code (Step 3 or above), Passive House (Classic, Plus, Premium), Zero Carbon Building Standard (Version 2 or later), BUILT GREEN (Gold & Platinum),

Efficiency Manitoba Performance Path (Tier 4 or higher), CHBA Net-Zero and Net-Zero Ready Home; or

- Achieved, based on third-party assessment, greenhouse gas emission performance in the top 15% of their city, province/state, or country; or
- Refurbishments or retrofits of residential or commercial buildings that help reduce greenhouse gas emissions including projects or activities that achieve, or are expected to achieve, based on a third-party assessment, energy savings of at least 30% over the baseline energy consumption

Analytical considerations

- The IEA highlights that reaching net-zero emissions in buildings requires significant improvements in energy efficiency and a shift away from fossil fuels. All properties need to demonstrate high energy performance, with new developments also focusing on reducing emissions from construction materials. Additionally, addressing physical climate risks is essential to improving climate resilience across all buildings. We assign a Light green shade to this project category, reflecting our view that the framework criteria ensure financed buildings are more energy efficient than required by regulation and have high energy performance.
- In the transition to a low-carbon society, renovating and upgrading existing properties is important. The renovations that achieve at least a 30% reduction in primary energy demand represent a Medium green aspect within the framework. However, market practice is to prioritize new building projects so this is likely to represent a smaller share of financed projects, particularly given the Canadian housing shortage. Also, the bank has not explicitly excluded buildings with fossil fuel-based heating/cooling or construction on greenfield land. These factors constrain our overall shade for the project category.
- Existing buildings can also qualify in this category if they are in the top 15% of the national or regional building stock. We believe this ensures energy efficient buildings are financed, with a low exposure to transition risk. We assign these buildings that are in the top 15% of the national or regional building stock a Light green shade.
- For many new and existing buildings, RBC will use green building certifications to identify eligible buildings. The listed certifications provide frameworks for assessing a building's sustainability and reflect a commitment to environmental responsibility, and we believe the most commonly used certifications under the framework (LEED, BREEAM, and ENERGY Star) represent improvement over local building codes. We assess the eligible buildings standards as Light green, but note the inclusion of in-use certifications may be appropriate for improving older buildings but should not be considered sufficient for new construction. Green building certifications cover a broad set of environmental issues, but differ considerably in their requirements for energy efficiency, embodied emissions of construction materials, and climate resilience. Many point-based systems do not guarantee low-carbon new construction or highly energy-efficient existing buildings. Their robustness depends on a variety of factors, such as levels achieved and the type of certification. For energy performance indicators, the selection should ensure that, in most cases, financing is directed toward energy-efficient buildings performing above minimum energy requirements in their respective region. We also view it as a strength that RBC reviews the eligible certifications on a regular basis.
- Direct fossil-fuel heating/cooling for buildings are not excluded from the eligible asset portfolio. This raises the risks of locking in emissions. Further, embodied emissions for new buildings are significant, but the framework does not include criteria to systematically reduce them, which we consider a limitation.

Climate adaptation and resilience

Assessment	Description
Dark to Medium green	Adaptation measures that contribute to reducing vulnerability to climate change impacts, including projects that:

- Develop information support systems for monitoring greenhouse gas emissions and early warning systems for natural disasters
- Increase resilience against physical impacts of climate change, such as sea level change, extreme weather events and natural disasters (e.g., flood mitigation barriers and wildfire mitigation and management)

Analytical considerations

- Climate scientists have been clear that some degree of climate change will take place, even in the most- optimistic scenarios. This makes it crucial to plan for and mitigate potential risks to reduce the financial and environmental effects. Implementing adaptation solutions can also reduce resource extraction and emissions linked to rebuilding damaged assets. To reflect the differing levels of climate and environmental benefits and risks of the eligible projects, which will vary based on project design, location, and implementation, we assess the overall category as Dark to Medium green. The issuer stated it will not finance adaptation measures to fossil fuel assets under the framework.
- We assign a Dark green shade to projects related to early warning systems. We view these projects as key to anticipating and mitigating physical climate risks, while underlying carbon emissions and other environmental impact are relatively minor. These projects may include greenhouse gas emissions monitoring to help companies and communities identify and limit damages caused by climate hazards.
- The framework also includes projects to reduce the impacts of climate-related hazards that involve construction and hard engineering solutions. We assign a Medium green shade to projects that improve climate resilience, reflecting the benefits of reducing vulnerability to climate impacts but significant embodied and operational emissions and other potential environmental risks. This category includes flood and wildfire mitigation systems such as protective barriers and drainage systems, which are essential for protecting communities and assets from extreme weather events. That said, flood defenses they may disrupt natural water flows or ecosystems. Further, adaptation assets like sea walls and flood-resilient real estate are highly material- and energy-intensive to build. Similarly, some assets such as pumping, cooling and drainage systems require energy-intensive operations, maintenance and monitoring.

Circular economy adapted products, production technologies, and processes

Assessment	Description
Light green	Projects or businesses that facilitate or carry out circular economy activities including: • Substituting virgin raw materials with 100% secondary (recycled or reused waste) materials (e.g., fabrics, metals, fibers, wood and mechanically recycled plastics) in manufacturing and industrial processes • Producing products that can be recycled or composted where the input feedstock is from recycled/reused waste • Minerals-based materials recovery or recycling in mining and industrial materials processes post-production • Increasing the capacity utilization of a product or asset during its useful life (e.g. through sharing and/or predictive maintenance)

Analytical considerations

- The sourcing of materials and energy use related to the production of goods, and their final disposal, is estimated to account for two-thirds of global greenhouse gas emissions and has other negative environmental impacts such as land and water pollution. Goods produced in energy-efficient ways that also seek to limit resource use, including through increasing the capacity utilization of a product or asset during its useful life, can contribute to significant emissions savings. However, recycling of certain materials, especially plastics, still entails dependence on fossil fuels and can generate air pollution.
- This category could include a broad range of projects under the framework, with an accordingly wide range of environmental and climate benefits. Eligible projects help reduce the amount of waste sent to landfills and avoid related environmental issues such as air pollution, water contamination, and soil degradation. However, these projects could include fossil fuel-based production equipment and lack quantitative thresholds, including for lifecycle greenhouse gas emissions. That said, we view it positively that they do not include industrial incineration. As a result, we assign a Light green shade for all projects in this category.

S&P Global Ratings' Shades of Green

Assessments	Dark green	Medium green	Light green	Yellow	Orange	Red
Description	Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects	Solar power plants	Energy efficient buildings	Hybrid road vehicles	Health care services	Conventional steel production	New oil exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Social project categories

Affordable basic infrastructure

Construction, development, operation, acquisition, refurbishment and maintenance of basic infrastructure for underserved and/or remote communities that have limited or no access to services including but not limited to clean drinking water, sewers, sanitation and electricity transmission.

Analytical considerations

- The types of infrastructure identified in the framework, including water, wastewater, sanitation, and energy, is essential for the health, well-being, and economic growth of communities. Lack of safe and reliable access to these systems exposes populations to various health risks and undermines public health systems.
- To assess consistency with the target population – identified as underserved or remote communities – RBC assess whether the community lacks service entirely, has only partial or intermittent service, or faces prohibitive barriers to accessing services due to its remote location. They may also incorporate independent assessments by government health or infrastructure agencies or other governmental or academic sources to identify these communities. We believe incorporating this data helps ensure benefits will primarily accrue to the neediest communities.
- Financial institutions tend to promote projects through their lending activities, which limits their view on potential social issues like affordability and technical criteria.

Access to essential services

Proceeds may be allocated to the construction, development, operation, acquisition, and maintenance of publicly available, free or subsidized essential services, including:

- Education (including public universities, schools and training centers)
- Health care (public hospitals, medical equipment, mental health facilities and programs, homes or health facilities for aged or people with disabilities)
- Care centers (child care centers, community centers, eldercare centers)
- Disaster relief and preparedness services (including hazardous materials response, search and rescue, evacuation centers, high-capacity pumping, emergency power systems, flood containment)
- Rehabilitation of parks and other public spaces

Analytical considerations

- The types of services included in this category (such as health care, education, health care, and disaster relief) are critical for ensuring economic security and mobility and improving health outcomes. This is particularly the case for vulnerable and marginalized populations. Improving education, including tertiary education and job training, helps improve employment outcomes and economic mobility. Greater health outcomes also can improve educational, employment, and economic outcomes for direct service recipients as well as the families and communities. Disaster relief can help mitigate the long-term impacts of acute crises, while preparedness can make for more resilient populations over time, especially in areas where government capacity to provide aid is limited. Lack of access to parks and public spaces can result in poorer air quality and a lack of safe recreational activity, though the absence of more specific eligibility criteria for these projects means that the social issue to be addressed may be less pronounced than for the other project types in this category.
- While some project subcategories have built-in target populations, for example, eldercare centers and facilities for disabled individuals, other subcategories do not have explicit target populations. For example, disaster relief services would be provided to all individuals affected by a natural disaster, regardless of income level or being part of a marginalized population Similarly, many public health care investments are designed and run to provide universal services. These universal programs can allow programs to operate much more efficiently and facilitate shared access to services for individuals from diverse socio-

economic, racial, and cultural strata. That said, there is a risk that the direct benefit to the most vulnerable populations is diluted within these programs.

- We view positively that all financed essential services are either publicly available, free, or subsidized. Affordability is a key component of accessibility, especially for marginalized and/or vulnerable groups.

Affordable housing

Construction, development, operation or refurbishment of housing that meets accredited or registered affordable housing definitions or contributes to access to low- and moderate-income residents.

Analytical considerations

- According to the OECD Economic surveys: Canada 2025, housing affordability has significantly deteriorated across the country. House prices and rents have increased substantially, outpacing most other OECD nations due to a combination of robust demand and an inadequate supply response. Low-income households face markedly higher housing cost burdens, with about 35% of low-income households spending more than 40% of their disposable income on mortgage or rent, compared with only about 8% of the total population. Investing in affordable and social housing offers a pathway to alleviate housing cost burdens for low- and moderate-income households, increase accessible rental supply, and contribute to broader social and economic stability.
- RBC defines the target population for this category as low- and moderate- income residents using standards set by the U.S. Department of Housing and Urban Development (HUD) and the Federal Housing Finance Agency (FHFA) Eligibility for affordable housing will be based on the established definitions within the jurisdiction where the housing is located, including programs such as MLI Select product offered by the Canada Mortgage and Housing Corporation (CMHC), alongside provincial and municipal affordable housing programs.
- Canadian affordable housing programs typically include eligibility regulations, including income limits and rent controls to ensure units are accessible and affordable for low-and moderate-income households. These criteria help target support effectively, improving housing access, reducing cost burdens for vulnerable families and maintaining safety and housing quality.
- Housing resilience is a key concern in Canada, as residential infrastructure is increasingly exposed to physical climate risks, including flooding, wildfires, and extreme weather events. In the absence of climate resilience, residents can be exposed to health and safety concerns during climate risk events. RBC implements Environment and social risk policy though its Environmental Risk Assessment Framework (ERAF) and Enterprise Risk Management Framework (ERMF).

Socioeconomic advancement and empowerment and employment generation

Support for organizations including registered charities and not-for-profit organizations that aim to promote socioeconomic advancement. This includes activities that:

- Expand access to financial education, capability building, and services (e.g., free financial services for specific target populations);
- Support access to education, skills development, job placement supports, and other economic empowerment initiatives;
- Support micro-, small- and medium-sized enterprises where at least one of the owners is from a historically underrepresented group and has at least a 51% share of ownership;
- Support for micro-, small- and medium-sized enterprises in regions that economically underperform or suffer from multiple deprivations as measured in the local context; and

- Programs designed for an emergency response to a crisis (for example, economic, health or natural disaster) to alleviate unemployment and/or provide support for individuals and businesses.

Analytical considerations

- Eligible projects include support for organizations including registered charities and not-for-profit organizations that aim to promote socioeconomic advancement. Projects in this category intend to address barriers to socioeconomic advancement, empowerment, and employment in multiple ways. Projects that expand access to financial education, capacity building, and services can increase financial inclusion and reduce financial illiteracy, which are particularly relevant for populations that have less experience with formal financial services to help them manage risks such as those associated with excess indebtedness. Projects to support access to education, skills development, and job placement can increase student enrollment and help underserved student obtain meaningful employment upon completion of their education or training program. Programs to support MSMEs often aim to yield broader economic benefits to the community by providing greater access to capital. This supports scaling up businesses, which indirectly promoting job creation, higher wages, and greater economic activity in these communities. Eligible projects also include emergency responses to help reduce the impact of natural disasters and other crises, which can disrupt employment and create economic, health, and other issues for communities.
- There are several target populations for this socioeconomic advancement and empowerment category. The first two target populations are those who lack access to financial education and those who lack access to education, skills development, job placement support and other economic empowerment initiatives. MSMEs are also a target population. Specifically, depending on the project, this may include MSMEs where at least one of the owners is from a historically underrepresented group and has at least a 51% share of ownership is a target population. RBC defines historically underrepresented groups as low-income populations, visible minorities, people with disabilities, senior citizens, migrants/displaced persons, vulnerable youth, LGTBQ+, women, Indigenous Peoples or government, and/or other marginalized populations. Another eligible target population is MSMEs in regions that economically underperform or suffer from multiple deprivations as measured in the local context. This is based on applicable definitions within the jurisdiction. For instance, in Canada, this would be in alignment with the Statistics Canada definition of the Canadian Index of Multiple Deprivation. The final target population in this category is those who are in a crisis, such as an economic, health or natural disaster. RBC identifies this as a range of potential events including natural and humanitarian disasters, terror attacks, acts of mass violence or significant tragedy and other external events that have a direct or indirect impact on their clients, communities or colleagues or events that may pose reputation risk.
- RBC has social risk policies that are applied to all financings. All eligible assets are subject to RBC's applicable social risk policies, which provide safeguards when offering financing to companies and mitigating possible risks. RBC has an Enterprise Policy on Subprime and Payday Lenders which establishes RBC's requirements for providing certain banking services to subprime and payday lenders. RBC's Standards and Procedures on Environmental and Social Risk Management for Projects requires Environmental and Social Impact Assessments (ESIAs) for all projects deemed as high risk, in line with the Equator Principles, to which RBC is a signatory. Additionally, the framework explicitly excludes predatory lending, which mitigates social risks.

Related Research

- Sustainability Insights: Behind the Shade: Climate Adaptation and Resilience, Dec. 8, 2025
- Sustainability Insights: Behind the Shades: Transportation, Oct. 21, 2025
- Sustainability Insights: Social Project Analysis: A Key Component Of Our SPOS And A Tool For Sustainable Development, June 25, 2025
- Sustainability Insights: Behind the Shades: Power Generation, Transmission, and Distribution, June 23, 2025
- Sustainability Insights: Behind the Shades: Real Estate, March 31, 2025
- Analytical Approach: Second Party Opinions, March 6, 2025
- FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions, March 6, 2025
- Analytical Approach: Shades Of Green Assessments, July 27, 2023

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