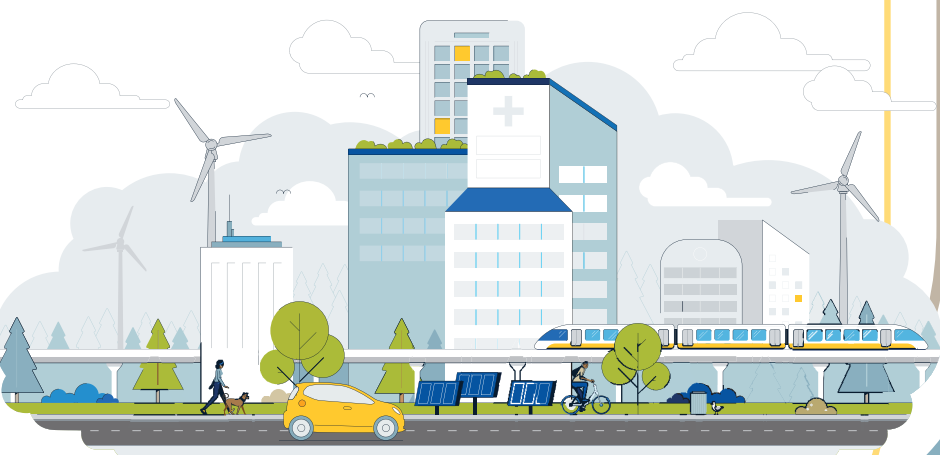


Royal Bank of Canada

# RBC Sustainable Commercial Paper Report



April 2025

## Introduction

Royal Bank of Canada (RY on TSX and NYSE) (RBC, we, us, or our) is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 98,000+ employees who leverage their imaginations and insights to bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our more than 19 million clients in Canada, the U.S. and 27 other countries<sup>1</sup>.

We believe sustainable finance<sup>2</sup> represents a growth opportunity for our business and our clients. We also believe there is tremendous potential for financial markets to contribute to solving some of the biggest social and environmental challenges that we collectively face.

Our commitment to sustainable finance builds on our longstanding support for the growth of the sustainable bond market. RBC Capital Markets is active in the global sustainable bond market, leading transactions across multiple currencies and in the U.S. municipal finance market. Since 2014, RBC Capital Markets has hosted an annual Sustainable Debt Conference (formerly Green Bond Conference) and published several global sustainable bond market reports. Further, we are a member of the International Capital Market Association (ICMA) Green and Social Bond Principles.

In alignment with the [RBC Sustainable Commercial Paper Framework](#) (Framework), we launched our inaugural sustainable commercial paper (Sustainable Commercial Paper) offering in the amount of \$US250 million in December 2022. Since launching the program, RBC has cumulatively issued US\$2,726 million in Sustainable Commercial Paper<sup>3</sup>.

This Sustainable Commercial Paper Report provides investors with details regarding our Sustainable Commercial Paper Portfolio (the Portfolio) and the allocation of proceeds to the Portfolio. This report is intended to be renewed annually to reflect any changes to the Portfolio. We recommend this report be read in conjunction with the Framework.

<sup>1</sup> Information as of February 27, 2025.

<sup>2</sup> Sustainable finance refers to financial activities that take into account environmental, social and governance ("ESG") factors.

<sup>3</sup> Source: RBC Capital Markets; Data for the period of December 7, 2022 to October 31, 2024



# Sustainable Commercial Paper Framework

The Framework was developed in accordance with the ICMA Sustainability Bond Guidelines 2021 and provides transparency in our commercial paper issuance and reporting processes. An overview of the Eligible Categories for the use of proceeds and the key processes described in the Framework are summarized below.

Use of proceeds		
Eligible Green Categories		Alignment with Sustainable Development Goals
 Renewable energy		
 Energy efficiency		 
 Pollution prevention and control		
 Sustainable land use <sup>1</sup>		
 Clean transportation		
 Sustainable water and wastewater management		
 Terrestrial and aquatic biodiversity		
 Green buildings		
 Climate adaptation and resilience		
 Circular economy <sup>2</sup>		
Eligible Social Categories		Alignment with Sustainable Development Goals
 Access to essential services		 
 Affordable basic infrastructure		  
 Affordable housing		



<sup>1</sup> Full category name is Environmentally sustainable management of living natural resources and land use.

<sup>2</sup> Full category name is Circular economy adapted products, production technologies and processes.

# Sustainable Commercial Paper Portfolio

All data presented is as of October 31, 2024 and in U.S. dollars.

Program summary information	Amount (\$)	Percentage
Total face amount of Sustainable Commercial Paper notes <sup>1</sup>	1,333,245,000	
Total designated Eligible Assets	3,731,091,636	
<b>Asset to liability ratio</b>		<b>280%</b>

Outstanding Commercial Paper notes	Amount (\$)	Percentage
Face amount of fixed rate notes	503,245,000	38%
Face amount of floating rate notes	830,000,000	62%
<b>Total outstanding Sustainable Commercial Paper notes</b>	<b>1,333,245,000</b>	<b>100%</b>

Original weighted average maturity (WAM) in years	0.801
Current weighted average maturity (WAM) in years	0.388
Pending 30-day maturities	150,000,000

Designated sustainable assets	Weighted Average Kestrel ESG Impact Score <sup>2</sup>	Amount (\$)	Percentage
Green	4.0	1,047,264,540	28%
Social	3.9	1,709,547,540	46%
Sustainability (Green & Social)	3.9	974,279,556	26%
<b>Total designated sustainable assets</b>	<b>4.0</b>	<b>3,731,091,636</b>	<b>100%</b>

Compliance information	
1. Asset to liability ratio < 125%?	No
2. Occurrence of an event of default with respect to the Bank?	No

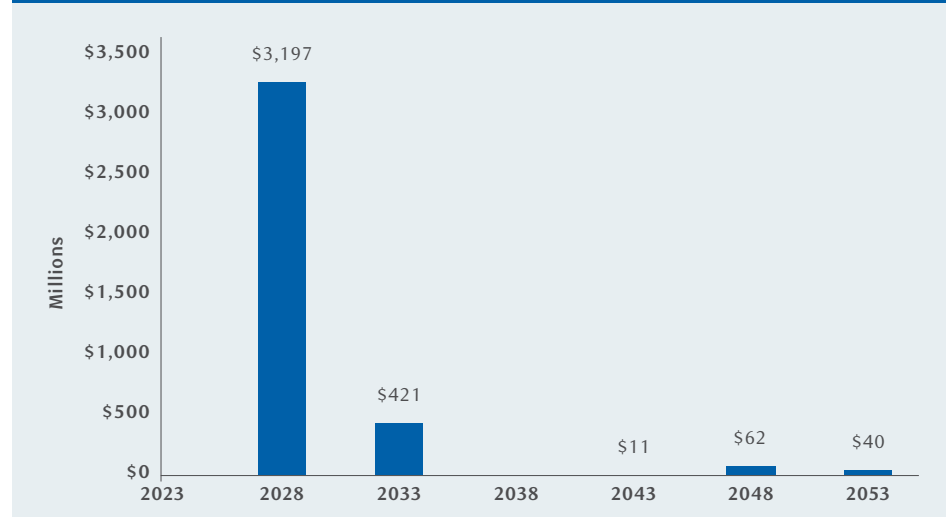
<sup>1</sup> 100% of RBC Sustainable Commercial Paper proceeds were allocated. <sup>(i)</sup>

<sup>2</sup> Each Eligible Asset is evaluated by Kestrel ESG based on Kestrel ESG's independent scoring methodology. Scores are summarized by Kestrel ESG on a scale of 1 to 5, where high scores reflect assets with positive environmental and social impacts. Refer to the Framework for further information.

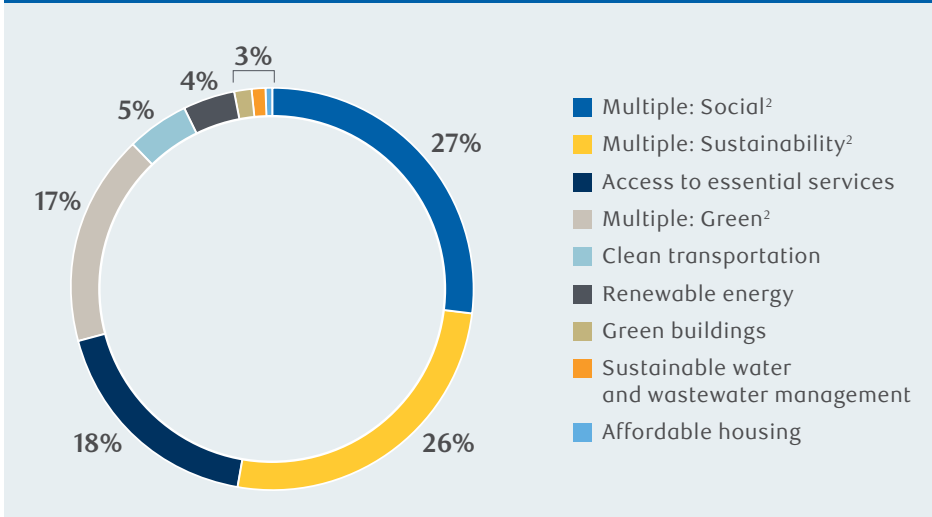
# Sustainable Commercial Paper Portfolio

Continued

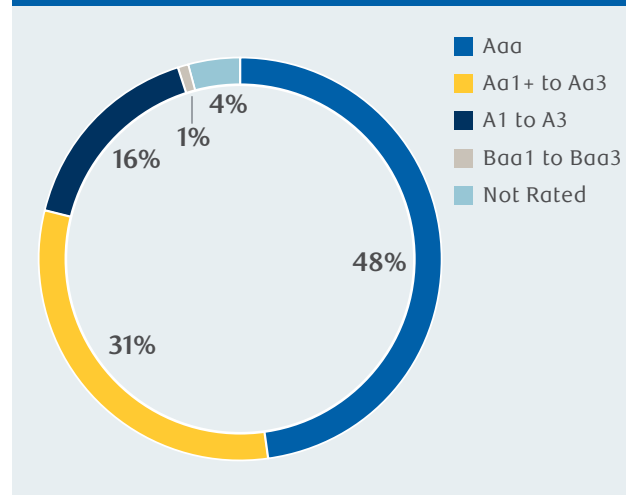
Eligible Asset Maturity Profile<sup>1</sup>



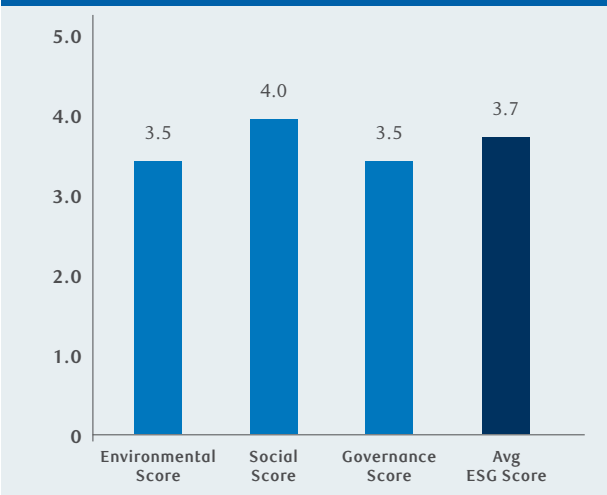
Allocation of Eligible Assets by Eligible Category <sup>a</sup>



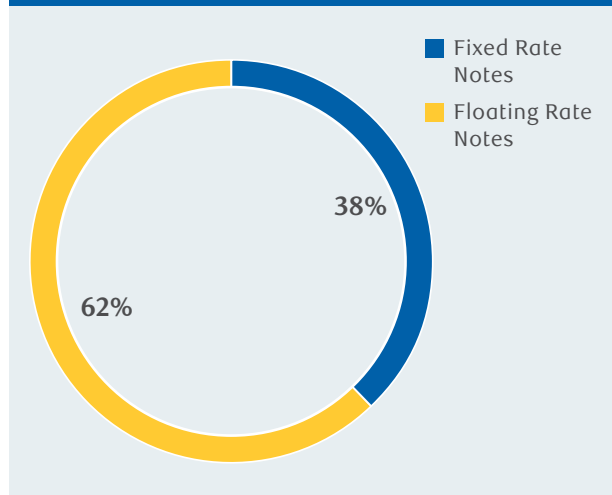
External Credit Ratings of Eligible Assets<sup>3</sup>



Average Kestrel ESG Impact Score<sup>4</sup>



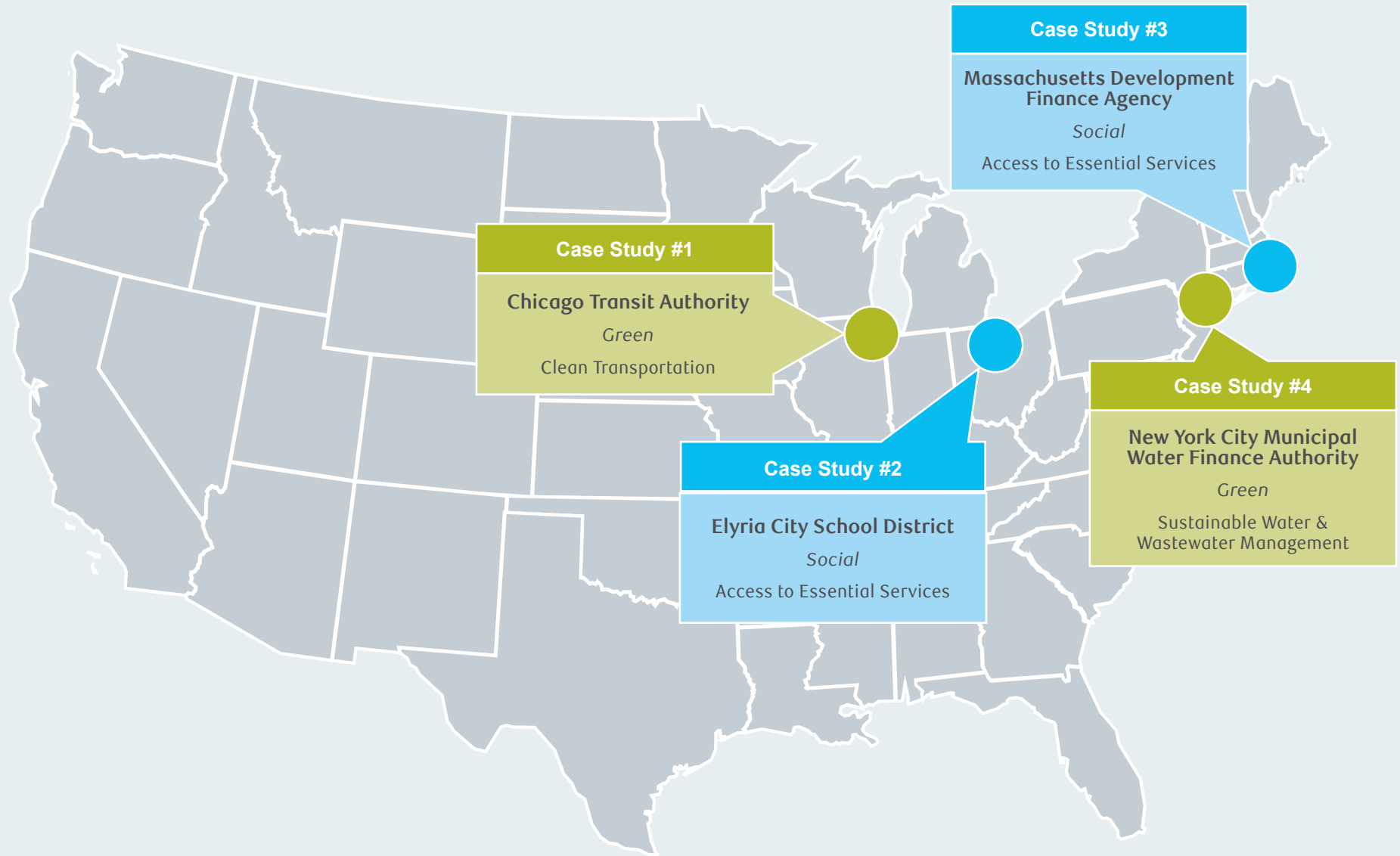
Outstanding Sustainable Notes by Type



1. Figures represent maturity of eligible assets within a given five-year period. 2. Multiple eligible green categories and Multiple eligible social categories includes transactions that fall under more than one eligible green category and more than one eligible social category under the Framework, respectively. Multiple eligible sustainability categories includes transactions that are a mix of eligible green and eligible social categories under the Framework. 3. Rated by Moody's. 4. Each Eligible Asset is evaluated by Kestrel ESG based on Kestrel ESG's independent scoring methodology. Scores are summarized by Kestrel ESG on a scale of 1 to 5, where high scores reflect assets with positive environmental and social impacts. Refer to the Framework for further information. Chart data represents simple averages of Environmental, Social, and Governance Scores for all Eligible Assets in the Portfolio.

# Case Studies on Portfolio Assets

Sustainable Commercial Paper proceeds are allocated to a portfolio of Eligible Assets aligned to the Eligible Categories as outlined in the Framework and on page 2 of this report. The following case studies are examples of assets in our Portfolio.



# Case Studies on Portfolio Assets

Continued



## Chicago Transit Authority - Clean Transportation

The bonds finance capital projects in the Capital Improvement Plan for the Chicago Transit Authority in the State of Illinois. Projects include an extension to the Red Line South, track and structure renewals, major line improvements to the Green, Blue, Red and Brown lines, and modernization to the Red/Purple lines. The Red Line extension enables residents of Chicago's South Side community to reliably access jobs and opportunities outside their neighborhoods.



## Elyria City School District - Access to Essential Services

The bonds finance capital improvements in Elyria City School District in Ohio. The district serves ~6,300 students from preschool through high school in Lorain County, a relatively high proportion of whom come from economically vulnerable families and have low levels of educational attainment. The projects include the construction of three combined elementary and middle school campuses and two elementary schools. These new facilities are designed to attain LEED Silver or LEED Gold certification. The elementary school designs also include storm shelter spaces that follow guidelines for tornado shelters.





# Case Studies on Portfolio Assets

Continued



## Massachusetts Development Finance Agency – Access to Essential Services

The bonds finance and refinance the construction and improvement of health-care facilities for Mass General Brigham in Massachusetts, which are guaranteed by entities including the Brigham and Women's Hospital and Massachusetts General Hospital. Projects include the construction of the Phillip and Susan Ragon Building at Massachusetts General Hospital, which will be home to the Mass General Cancer Center and the Corrigan Minehan Heart Center. It is expected to include 482 beds and be powered almost entirely by renewable electricity. The Phillip and Susan Ragon Building is designed to withstand major flooding and high winds, serving as a critical resource for patients, families, staff and the community during a disaster. Proceeds also finance the construction of a five-story inpatient addition at the Brigham and Women's Hospital.



## New York City Municipal Water Finance Authority – Sustainable Water & Wastewater management

The bonds refinance improvements in drinking water, wastewater, and stormwater systems in New York City. Projects include improved water supply reliability, dam safety improvements, and upgrades to wastewater treatment plans. Financing may also support the implementation of the Bluebelt Program, which connects streams and wetlands to stormwater infrastructure to reduce flooding.



# Appendix: PwC Limited Assurance Report



## **Independent practitioner's limited assurance report on Royal Bank of Canada's select performance metrics as included in the 2024 RBC Sustainable Commercial Paper Report**

To the Board of Directors of Royal Bank of Canada

We have conducted a limited assurance engagement on the select performance metrics as detailed in Exhibit 1 of Royal Bank of Canada ("RBC") included in the 2024 RBC Sustainable Commercial Paper Report (the "select performance metrics"), as at October 31, 2024.

### **Responsibilities for the select performance metrics**

Management of RBC is responsible for:

- the preparation of the select performance metrics in accordance with the applicable criteria established in RBC's Sustainable Commercial Paper Framework, established December 2022 and available on RBC's website (the "applicable criteria");
- designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the select performance metrics, in accordance with the applicable criteria, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

### *Inherent limitations in preparing the select performance metrics*

Non-financial data is subject to more limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

### **Our independence and quality management**

We have complied with independence and other ethical requirements of the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Practitioner's responsibilities**

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the select performance metrics are free from material misstatement, whether due to fraud or

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\*PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the select performance metrics.

We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information* (CSAE 3000).

As part of a limited assurance engagement in accordance with CSAE 3000 we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of RBC's use of the applicable criteria as the basis for the preparation of the select performance metrics.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of RBC's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the select performance metrics. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Summary of the work performed**

A limited assurance engagement involves performing procedures to obtain evidence about the select performance metrics. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgment, including the identification of where material misstatements are likely to arise in the select performance metrics, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- obtained an understanding of RBC's reporting processes relevant to the preparation of its select performance metrics by:
  - making inquiries of the persons responsible for the sustainability information; and
  - inspecting relevant documentation relating to RBC's reporting processes.
- evaluated whether all information identified by the process to identify the information reported in the select performance metrics is included in the select performance metrics;
- performed inquiries of relevant personnel and analytical procedures on selected information in the select performance metrics;



# Appendix: PwC Limited Assurance Report



- performed substantive assurance procedures on selected information in the select performance metrics; and
- reviewed the select performance metrics disclosures in the 2024 RBC Sustainable Commercial Paper Report to ensure consistency with our understanding and procedures performed.

**Limited assurance conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the select performance metrics as at October 31, 2024 are not prepared, in all material respects, in accordance with the applicable criteria.

**Restriction on use**

Our report has been prepared solely for the Board of Directors of RBC for the purpose of assisting management in reporting to the Board of Directors on its select performance metrics. The select performance metrics therefore may not be suitable, and are not to be used, for any other purpose. Our report is intended solely for RBC.

We neither assume nor accept any responsibility or liability to any third party in respect of this report.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Toronto, Ontario  
April 28, 2025




Exhibit 1

Select Performance Metrics	2024 Value
Allocation of the Sustainable Commercial Paper Portfolio to each of the eligible categories	Multiple: Social (27%)
	Multiple: Sustainability (26%)
	Access to essential services (18%)
	Multiple: Green (17%)
	Clean transportation (5%)
	Renewable energy (4%)
	Green buildings, Sustainable water and wastewater management, and Affordable housing (3%)
Allocated proceeds at the reporting period end	100%

## Caution regarding forward-looking statements and important notice regarding this report

This Sustainable Commercial Paper Report (the Report) is provided for informational purposes only and is subject to change without notice. This Report does not constitute an offer or a solicitation to buy or sell any security, product or service in any jurisdiction, nor is it intended to provide investment, financial, legal, accounting, tax or other advice, and such information should not be relied or acted upon for providing such advice. Nothing in this Report shall form the basis of or be relied upon in connection with any contract, commitment or investment decision whatsoever. The recipient is solely liable for any use of the information contained in this Report, and neither RBC nor any of its affiliates nor any of their respective directors, officers, employees or agents shall be held responsible for any direct or indirect damage arising from the use of this Report by the recipient.

This Report and the information contained within it is unaudited. PricewaterhouseCoopers LLP (“PwC”) has performed a limited assurance engagement for a select number of RBC performance indicators, which have been identified with a  symbol throughout this Report. Other than these select number of identified RBC performance indicators, the remainder of the information contained within this Report was not subject to the limited assurance engagement. You can read more about the scope of PwC’s work, including the metrics and data in scope of the assurance, on page 8 of this Report.

We may make forward-looking statements in this document. RBC’s activities, ambitions, strategies and approaches described in this Report, including sustainability-related metrics, data and other information relevant to such activities, ambitions, strategies and approaches (e.g., our Sustainable Commercial Paper metrics and measurement methodologies), are or may be based on assumptions, estimates and judgements. For further cautionary statements relating to our sustainability-related metrics, data and other information in this Report, refer to the Appendices on “Caution regarding forward-looking statements” and the “Important notice regarding this Report” in our 2024 Sustainability Report and the section on “Caution regarding forward-looking statements” and the “Important notice regarding this Framework” in our Sustainable Commercial Paper Framework.

This Report reflects our sustainability-related strategies, positions, approaches, policies, procedures, criteria, objectives, visions, commitments and goals as of the date of this Report, which are subject to change at any time in our sole discretion without notice. We have no obligation to update any information or data in this document.

All references to websites are for your information only. The content of any websites referred to in this Report, including via website link, and any other websites they refer to are not incorporated by reference in, and do not form part of, this Report. This Report is also not intended to make representations as to the environmental and sustainability initiatives of any third parties, whether named herein or otherwise, which may involve information and events that are beyond our control.

