



Our Purpose and Approach

RBC has a long history of supporting environmental, social and governance (ESG) causes and initiatives.

In recent years, we have accelerated our focus on ESG with the goal of creating long-term, sustainable value for our stakeholders. Our Purpose, to help clients thrive and communities prosper, 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.

RBC Purpose Framework - Powering Ideas for People and Planet™



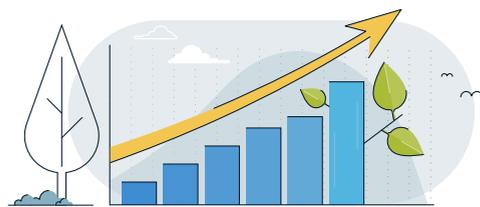


ESG in Action – 2023 Highlights¹

Mobilize Climate Action

Help the transition to net-zero by advancing initiatives that address climate change and those that support nature.

- Worked to formalize RBC Capital Markets' **approach to engagement with its energy sector clients** on their plans for the energy transition
- Facilitated **\$29 billion in green finance²** as part of our \$500 billion sustainable finance commitment³
- **Disclosed absolute financed emissions** for the oil & gas sector of 71.4 million tonnes of CO₂e - this metric will guide our business strategy and the actions we take to bring emissions down over time⁴
- Launched the **RBC Climate Action Institute**
- Supported **climate innovation** by committing **\$48 million** toward venture capital and growth equity funds
- Supported **solutions to environmental challenges** by funding \$21+ million in community investments, through RBC and the RBC Foundation
- **Sourced 100% of our total global electricity** consumption from renewable sources⁵



Support Financial Wellbeing

Enable individuals and small businesses to build confidence, establish financial security and reach their goals through dedicated products, services, and ecosystem partnerships.

- Launched **Canada's new First Home Savings Account** to help Canadians save tax free for their first home
- Launched **RBC My Money Matters™**, a new digital destination to help Canadians take control of their financial wellbeing
- Enhanced **NOMI® Forecast**, recognized for Best Use of AI for Customer Experience by providing clients with a 7 day view of their cash flow⁶
- RBC's collaboration with McGill University had **35,000+ registrations for the McGill Personal Financial Essentials course**



Invest for Skills

Co-create solutions and support the delivery of programs that help people to find meaningful work today and prepare them for the jobs of tomorrow.

- Over **3 million hours** invested by our global workforce in building their **technical and business skills⁷**
- RBC Foundation launched the **Green Skills Scholarship** in partnership with Universities Canada
- Through RBC and the RBC Foundation **provided \$11+million** to approximately 250 charities and not-for-profit organizations **to support emerging artists**
- Through RBC and the RBC Foundation, provided over **\$65.1 million in 2023**, **helping Canadian young people** access meaningful employment



Champion Inclusion

Embody a culture of inclusivity and belonging by enhancing and supporting opportunities that help employees, clients, and communities thrive.

- Launched a new **Accessibility Office and Accessibility Plan⁸**
- RBC employees who identify as **women and as Black, Indigenous and people of colour** made up 43% and 25% of new executive appointments respectively⁹
- Published a progress update¹⁰ against the three areas of focus of the **RBC Action Plan Against Systemic Racism**
- **Published RBC's updated Approach to Human Rights**, which includes our updated Human Rights Position Statement



Strengthen Community Resilience

Help communities adapt for the immediate and future needs generated by a rapidly changing world through community investment and engagement activities.

- **\$172+ million given globally** through donations and community investments together with the RBC Foundation¹¹
- Launched the **RBC Communities Together Fund**, enabling **RBC employees to help address pressing needs in their region** through team volunteer events





2023 highlights

At RBC, we are working to help accelerate the transition to a greener economy.

The RBC Climate Blueprint sets out our four strategic priorities, as outlined on this page, and articulates the key levers we can use to advance this ambition.

We're proud of the progress we've made to date, but know there is more to be done. We are committed to evolving our approach and providing regular updates on our progress.



Support clients as they transition to net-zero by helping them reduce their emissions and scale solutions for a greener economy. ¹²

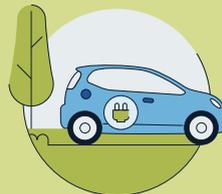


Facilitated **\$29 billion in green finance**² as part of our \$500 billion sustainable finance commitment³



Worked to formalize RBC Capital Markets' **approach to engagement with its energy sector clients** on their plans for the energy transition

Piloted a **new tool to help agriculture clients** identify and reduce emissions in their operations

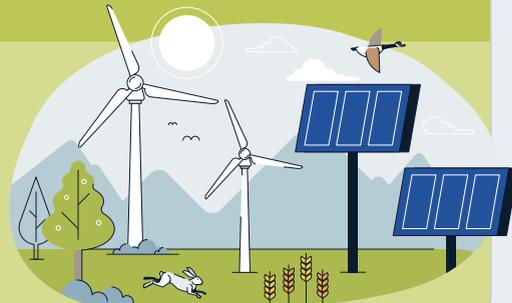


Launched a free **RBC Electric Car Cost Calculator** for consumers

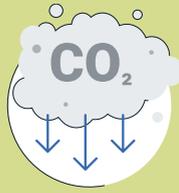


Advance net-zero leadership in our own operations to continue to reduce the impact of our own operations.

Sourced **100%** of our total **global electricity** consumption from **renewable sources**⁵



Hold ourselves accountable by reporting on key metrics we use to measure progress.



Disclosed **absolute financed emissions for the oil & gas sector of 71.4 million tonnes of CO₂e** – this metric will guide our business strategy and the actions we take to bring down emissions over time⁴

Disclosed **progress on our initial 2030 interim emissions reduction targets for lending** in the oil & gas, power generation and automotive sectors.



Inform and inspire a sustainable future by investing resources and capabilities to advance climate solutions and policy.

Supported climate innovation by committing **\$48 million toward venture capital and growth equity funds**



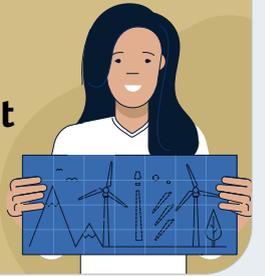
Launched the RBC Climate Action Institute to provide research and advance ideas that contribute to Canada's climate progress

Supported solutions to environmental challenges by **funding \$21 million in community investments**, including through the RBC Foundation



2024 developments

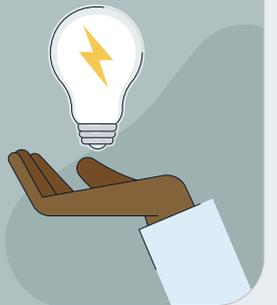
Disclosed initial assessment of RBC Capital Markets' energy sector client transition plans and intend to update on progress annually



Set a goal to triple our lending to renewable energy across RBC Capital Markets and Commercial Banking and to grow overall low-carbon energy lending to \$35 billion by 2030¹³



Set a goal to allocate \$1 billion by 2030 to support the development and scaling of **innovative climate solutions**¹⁴



To help accelerate capital deployment to emissions reduction efforts we established a decarbonization finance definition for RBC¹⁵





For full details of the ESG in Action - 2023 Highlights please visit the [RBC Environmental, Social and Governance \(ESG\) Progress Report 2023](#) page 10 and for additional details on climate progress, please visit the [2023 Climate Report](#).

1. Includes events which took place up until December 31, 2023.
2. Green finance refers to financing and other financial services that meet the criteria for classification as eligible green activities under the [RBC Sustainable Finance Framework](#) including Dedicated Purpose financing/ financial services (e.g. green loan or bond) and General Corporate Purpose - Pure Play financing/financial services (e.g. a business whose revenue aligns with the eligible green activities). Please refer to the [RBC Sustainable Finance Framework](#) for additional information, including the definitions of Dedicated Purpose and General Corporate Purpose – Pure Play.
3. In April 2019, RBC announced a commitment to facilitate \$100 billion in sustainable finance by 2025. After two years, we surpassed that goal and in 2021, we increased our commitment to facilitate \$500 billion in sustainable finance by 2025. Sustainable finance refers to financial activities that take into account environmental, social and governance (ESG) factors and the transactions which are eligible to count towards our commitment are outlined in the [RBC Sustainable Finance Framework](#). The measurement of our sustainable finance activities under the [RBC Sustainable Finance Framework](#) currently excludes the practices of RBC Global Asset Management (RBC GAM), RBC Wealth Management (RBC WM) and City National Bank. See [RBC's Commitment to Sustainable Finance](#) for more information.
4. Measurement of our absolute financed emissions on an authorized basis for the oil & gas sector is based on assumptions, estimates and judgement believed to be reasonable at the time of the measurement. Each of these is subject to inherent risks and uncertainties and may be inaccurate, resulting in disclosed measurements subsequently being determined to have been inaccurate. A number of factors – many of which are beyond our control and the effects of which can be difficult to predict – could affect the amount of our absolute financed emissions for the oil & gas sector in a period, and there can be no assurance that actions we take to bring down our absolute financed emissions for the oil & gas sector over time will result in the reductions we aspire to. These factors include: clients' progress towards their own stated emission reduction targets, changes in the borrowers' enterprise value driven by various factors including market capitalization, availability of client emission data (including issues associated with data lags), and changes in emissions estimates driven by changes in data quality. For more details on data considerations, limitations and restatements, see page 40 of the [2023 Climate Report](#). For future reporting periods, we intend to review methodological enhancements on an ongoing basis, and, when deemed appropriate, to update our measurement methodologies to enhance the comparability of this metric over time. For more details on what is included in our oil & gas absolute financed emissions [see Appendix pages 51-54 of the 2023 Climate Report](#). See also Caution regarding forward-looking statements and Important notice regarding this Report on pages 67 and 68 of the [2023 Climate Report](#).
5. RBC procures renewable electricity through long-term power purchase agreements (PPAs) and other sources of renewable energy certificates (RECs). A renewable energy certificate (REC) is a market-based instrument that is issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy source. Renewable electricity is defined as energy produced from renewable sources such as hydroelectricity, wind and solar. Non-emitting sources include nuclear power generation. The performance towards our goal to achieve 100% renewable and non-emitting electricity consumption by 2025 is calculated based on grid mix data and the Renewable Energy Credits we either purchase from third-parties or receive from our two renewable energy PPAs. A PPA is a long-term financial agreement between a renewable energy buyer and a renewable energy seller where the buyer guarantees the seller a fixed price for renewable energy from the project. The reporting cycle for electricity is August 1 to July 31.
6. The Digital Banker Digital CX Awards 2023.
7. Learning hours encompass the cumulative time devoted to various learning initiatives during fiscal 2023.
8. Pursuant to the *Accessible Canada Act*.
9. Represents data for our global operations. This was below our annual goal of appointing 50% women and 30% Black, Indigenous or people of color as new executives. A new executive appointment is the appointment of an internal employee or external hire as a first-time Vice-President, Senior Vice-President, or Executive Vice-President. Based on self-identification.
10. Available at rbc.com/diversity.
11. Includes the total community investment made by RBC and RBC Foundation to registered charities, non-profits and for-profit social enterprises, including investments made through RBC Tech for Nature™, the RBC Foundation Green Skills Scholarships, RBC Emerging Artists, RBC Future Launch, the RBC Communities Together Fund and the value of employee volunteer time and gifts in kind.
12. Solutions for a greener economy refers to approaches, processes, technology, products and services that advance the transition to a greener economy. Solutions for a greener economy are outlined in our [Sustainable Finance Framework](#) as eligible green activities. RBC does not provide these solutions. These solutions are created and scaled by others, such as our clients.
13. Our low-carbon energy lending goal and exposures are measured on an authorized lending basis, to reflect our total lending commitment. Low-carbon energy activities include the construction, development, operation, acquisition, maintenance and connection of: renewable energy sources (e.g., solar, wind), other low-carbon energy sources (e.g., nuclear and hydrogen) as well as electricity transmission and distribution systems, energy storage devices (e.g., batteries) and efficiency improvements (e.g., smart grids). For details on the eligibility criteria refer to our [Sustainable Finance Framework](#). For power generation clients in Capital Markets that have more than one energy source, authorized lending exposure is allocated on a pro-rata basis as a share of generation type based on revenue or an available proxy.
14. For purposes of identifying and tracking investment commitments eligible to count towards this goal and disclosing our progress towards this goal, climate solutions are intended to include products and services that help mitigate the impacts of climate change and/or support the transition to net-zero. While our approach may evolve over time, we intend to prioritize allocating capital toward solutions that will lead to GHG emissions reductions in Canada and globally. Our investment commitments eligible to count towards this goal may also include support for solutions with outcomes linked to biodiversity, nature and/or adaptation, such as those described in [RBC's Sustainable Finance Framework](#), among others. We aspire to achieve this goal by 2030; however, market conditions, among other factors—many of which are beyond our control and the effects of which can be difficult to predict—could impact our ability to invest capital to advance climate solutions over this timeframe. For purposes of tracking progress towards this goal, our eligible investment commitments made from fiscal 2022 onward are included (see page 37 of our [2023 Climate Report](#)).
15. The definition refers to the newly established category of decarbonization activities in the [Sustainable Finance Framework](#), which details eligibility criteria for decarbonization activities that are eligible to count towards our commitment to facilitate \$500 billion in sustainable finance, including financing and other financial services provided to a client who has a transition plan that meets the eligibility criteria set out by the [Sustainable Finance Framework](#) or is assessed as “Emerging” or higher under the transition readiness framework for the sector. For more information refer to the [Sustainable Finance Framework](#).

Caution regarding forward-looking statements and important notice regarding this document

This document is provided for general information purposes only. The recipient is solely liable for any use of the information contained in this document, 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 damages arising from the use of this document. This document contains forward-looking statements within the meaning of certain securities laws. Environmental (including climate), social and governance metrics, data and other information contained in this document are or may be based on assumptions, estimates and judgements. For cautionary statements relating to the information in this document, refer to the "Caution regarding forward-looking statements" and the "Important notice regarding this Report" sections in RBC's 2023 Climate Report and ESG Progress Report, available at our [ESG Reporting site](#). Except as required by law, none of RBC or any of its affiliates undertake to update any information in this document.

® / ™ Trademark(s) of Royal Bank of Canada.

‡ All other trademarks are the property of their respective owner(s). © Royal Bank of Canada 2024. VPS112416

130988 (03/2024)