



Business & Human Rights Resource Centre  
Attn: Christen Dobson & Nicole Meyers  
120 Wall Street, 16th Floor  
New York, NY 10005

Via Email

June 3, 2019

Dear Business & Human Rights Resource Centre,

Thank you for notifying us that you plan to include Rainforest Action Network's report "Banking on Climate Change: Fossil Fuel Finance Report Card 2019" in your next Weekly Update. We appreciate the opportunity to provide additional information related to the Royal Bank of Canada's (RBC) approach to climate change, environmental and social risk management and our involvement in the energy sector.

Given that we have a duty to respect the privacy and confidentiality of our clients, we are providing general comments related to the issues identified in the Report.

Our approach to climate change is central to our business and to our purpose of helping clients thrive and communities prosper. We believe climate change is the most pressing issue of our age, and RBC has responded with a strategy aimed at helping clients and communities because we believe that capital can be a force for positive change.

RBC supports the principles of the Paris Agreement and we are particularly proud of our work over the last decade to support the transition to a low carbon economy. For example, in 2018, we were very active in supporting clients in renewable energy, clean transportation, and other low carbon sectors, with over \$13 billion in financing and advisory transactions. We are North American leaders in the development of the green bond market, and we have been at the forefront of the carbon trading market since 2008. In addition, we have a long history of managing our own carbon footprint and have made a commitment to achieving net-zero carbon emissions in our global operations, annually.

As we continue on this journey, we're supporting it with a clear new business target: \$100 billion in sustainable financing by 2025. This goal supports investments in sustainable companies and projects that today are widely recognized as contributing to the low carbon, sustainable economy of the future.

A balanced approach is needed to tackle climate change. As we move forward in transitioning to a low-carbon economy, we must be mindful of the fact that the world will rely on natural resources and traditional sources of energy for decades to come. We also recognize the important need to continue to direct capital flows to our natural resource and energy sector clients, for innovation and clean technologies that will help reduce emissions and emissions intensity. We believe sustainable resource development will continue to grow and expand concurrently, and that RBC has an essential role to play in supporting the shift to an environmentally sustainable future.



To this end, we support the safe and responsible development of energy resources and evaluate projects against international standards and our own enhanced due diligence frameworks. This means that for prospective and existing clients with business activities that may pose environmental or social issues, there is a rigorous process in place to identify and assess any associated risks, and if we pursue or maintain the business relationship, we ensure appropriate steps are taken to mitigate those risks. This is embedded in our risk management policies. For additional details, please visit: [RBC Responsible Financing](#).

We highly value the relationship we have with Indigenous peoples and clients. We believe that resource development projects need to be done in a transparent and inclusive manner. This includes real, meaningful and lasting consultations with Indigenous peoples and local communities in project development. We respect that these projects are complex and that there is a diversity of perspectives on the development and transportation of energy resources amongst Indigenous and local communities.

We also acknowledge that practices continue to evolve and we take stakeholder input seriously. We are committed to advancing our risk management processes as we learn from the experiences of our peers and feedback shared by stakeholders.

Thank you again for the opportunity to respond.

Sincerely,

Royal Bank of Canada