

Our Commitment to Sustainable Finance



Our approach to sustainability is central to our business and to our stated purpose, which is to help clients thrive and communities prosper. We believe that sustainable finance represents a growth opportunity for our business and our clients and we are committed to providing **\$100 billion in sustainable finance by 2025**.

We believe in the importance of transparency and disclosing how we will measure progress against our goal. We have determined eligible environmental and social categories, aligned with the [Green Bond Principles](#) and [Social Bond Principles](#), and developed an accounting methodology that reflects our role in each transaction.

Eligible Environmental and Social Categories

- Renewable energy
- Energy efficiency
- Pollution prevention and control
- Sustainable land use
- Clean transportation
- Sustainable water management
- Green buildings
- Affordable housing
- Access to essential services
- Socioeconomic advancement and empowerment

Financial Accounting Methodology

The transactions that are counted towards the goal span a diverse range of products and services, including but not limited to:

- Raising capital and providing advisory services for sustainable clients and projects
- Public sector finance
- Tax equity investments in renewable energy and affordable housing
- Green, social and sustainability bond underwriting
- Credit solutions for sustainable businesses and projects, including green and sustainability linked loans
- Retail and commercial auto financing

Our methodology is designed to reflect RBC's share of each transaction and, where necessary, we apply a league table credit methodology to capture our direct contribution.

The sustainable finance market is evolving rapidly, with additional criteria being developed and new products and services becoming available. We recognize this complexity and we are committed to working across industry sectors, with government, other financial institutions and third parties to promote consistency and comparability, and to evolving our methodology as needed to reflect the changing landscape.

Examples of Transactions that Count Towards Our Goal



RBC Capital Markets was lead financial advisor to Canada Pension Plan Investment Board (CPPIB) on its acquisition of 49% of Enbridge's interests in select renewable power assets in North America and Europe. RBC Capital Markets was also lead agent on C\$678 million and US\$149 million project bond offerings to support CPPIB's acquisition.



RBC Capital Markets was sole bridge and operating lender and project bond arranger for C\$650 million in financing to support Axiom Infrastructure and Manulife's acquisition of a 35% interest in a three run-of-river hydroelectric generating facilities located in northwest British Columbia.



RBC Capital Markets was joint bookrunner on Boralex's C\$207 million capital raise to fund the acquisition of Invenergy Renewables' interest in five Quebec wind farms.



RBC was joint active bookrunner on SSE's €650 million green bond deal, the largest green bond by a U.K. corporate sector issuer to date. RBC also participated in SSE's first sustainability linked loan, a £1.3 billion revolving credit facility with an interest rate tied to SSE's sustainability performance as rated by Vigeo Eiris.



Freddie Mac and RBC Capital Markets' Tax Credit Equity Group have created a Low Income Housing Tax Credit (LIHTC) Fund to provide more than US\$180 million in targeted affordable housing investments across the U.S.. The fund has already closed ten transactions, including two in Puerto Rico that will serve the Caguas community, which is one of many that were devastated in September 2017 by hurricanes Irma and Maria.