

To Whom It May Concern:

Thank you for your letter of July 14, 2020 to the office of David McKay, CEO of the Royal Bank® (“RBC”/ the “Bank”) inquiring about RBC’s financing of companies in the energy sector. RBC’s Client Care Centre is responsible for addressing inquiries and concerns. As such, your correspondence has been referred to me for investigation and response on the bank’s behalf.

During my research into this matter, I consulted with RBC’s Senior Manager of Environmental Initiatives. We appreciate your feedback and understand that people are concerned about how energy exploration impacts the planet. RBC considers climate change to be an important global issue, and responsibility for acting on it is shared by governments, businesses and individual consumers. We believe that banks have a number of important responsibilities relating to environmental sustainability, and we are actively engaged in meeting all of these responsibilities. However, banks do not control the pace and nature of energy sector growth, and we do not believe it is responsible or reasonable to eliminate potential funding for entire sectors of the economy.

RBC subjects our lending and investment banking activities to a suitable level of social and environmental due diligence, and we require that our clients have obtained the necessary regulatory permits to undertake their business activities. We check that our clients in the energy sector (and other sectors) are appropriately managing and reducing their impacts, and we support them in those efforts. We also incorporate environmental issues into relevant policies and decision-making processes. We have been doing this since 1992. Our risk policies and practices are extensively described in our Annual Report. RBC adheres to the Equator Principles when participating in project finance. This means requiring project proponents to conduct comprehensive social and environmental (including aboriginal title and treaty rights) review of the impacts of projects as a condition of financing.

In addition to responsible lending and investment, RBC offers a growing array of environmentally friendly products and services, such as financing structures for renewable energy. We are reducing our own environmental footprint, and we provide donation and sponsorship funding for organizations working to improve the environment. On the latter point, our Blue Water Project has earmarked \$50 million over 10 years for water related philanthropy (the largest philanthropic commitment RBC has ever made), \$16 million of which has already been paid or committed. We are actively working toward support for a number of water-related projects in Northern Alberta, where the oil sands are located.

RBC is a global leader in environmental sustainability and corporate responsibility. I encourage you to read about RBC and the environment at: <http://www.rbc.com/environment/index.html>. Furthermore, I

would be pleased to answer any specific questions you may have about RBC's environmental practices and our commitment to environmental stewardship.

I hope you find the information I have provided helpful in clarifying RBC's position on the issues you have raised.

Sincerely,

Jacqueline Mulenga

Client Care Specialist

RBC Client Care Centre

RBC Royal Bank of Canada