

RBC® Environmental Blueprint report card



Year 2 progress report



RBC Environmental Blueprint

Launched in 2014

Priority environmental issues

- Climate change
- Water
- Sustainable communities







Priority environmental objectives

- Reduce our environmental footprint
- Manage environmental and social risk
- Offer environmental products, services and advice
- Promote environmental sustainability

- 12 broad commitments
- 42 performance indicators



Data presented in this report typically reflect progress as of the end of fiscal 2015 unless otherwise stated.



Tracking progress against our 12 commitments

Category	#	Commitment	Progress*	Highlights
Reduce our environmental footprint	1	Reduce greenhouse gas (GHG) emissions and energy use		<ul style="list-style-type: none"> ■ GHG intensity in our properties down 28%, and total energy use down 5.5% since 2012 ■ Installed retrofit controllers on rooftop heating ventilating and air conditioning units at 639 Canadian retail locations to optimize operating efficiencies and reduce energy consumption ■ Purchased 20,000 MWH of EcoLogo-certified green electricity that powered our entire ATM and retail branch digital display network in 2015
	2	Use sustainably sourced wood and paper products		<ul style="list-style-type: none"> ■ Total paper use down 25% and office paper use per FTE down 15.7% since 2012 ■ 94% of the paper we use is Forestry Stewardship Council (FSC) certified ■ Expanded digitization programs that avoided the need for 395 tonnes of copy paper
	3	Minimize or eliminate waste sent to landfill		<ul style="list-style-type: none"> ■ 46 out of 59 major properties have waste diversion programs ■ 99% e-waste diverted from landfill ■ Diverted over 840 tonnes of furniture and 200 tonnes of carpet and demolition waste generated through property renovations by reusing, recycling or donating these materials to charities
	4	Improve water conservation practices at our properties		<ul style="list-style-type: none"> ■ Water use intensity in our North American properties is down 15.8% since 2012 ■ Water-efficient fixtures are standard in new construction and renovation projects, reducing water use by 27% compared to the plumbing code ■ Installed tap aerators at 575 branches, resulting in 23% estimated water savings per branch ■ Reduced our total branch water consumption by 10% with our waterless landscaping (xeriscaping) pilot program
	5	Work with our suppliers to uphold high sustainability standards		<ul style="list-style-type: none"> ■ The RBC Supplier Code of Conduct reinforces our commitment to work with our suppliers to manage environmental and social issues ■ Screened 97 procurement engagements against environmental and social criteria in 2015 ■ Rolled out the RBC Green Lease standard to improve environmental performance and reporting in major properties
	6	Apply the principles of green building design and operation to our properties		<ul style="list-style-type: none"> ■ Leadership in Energy and Environmental Design (LEED) certified office space is over 425,000 m², up 145% since 2012 ■ 73% of major properties globally are now LEED certified ■ Implemented a green leasing standard for renting space from a landlord, which includes performance requirements for environmental criteria such as energy, water, waste and indoor air quality

* Status of progress definitions in Appendix



Tracking progress against our 12 commitments (continued)

Category	#	Commitment	Progress*	Highlights
Manage environmental and social risk	7	Evaluate the environmental and social risks of our business activities		<ul style="list-style-type: none"> Launched a new environmental risk management policy for RBC Caribbean, which details the minimum environmental risk assessment requirements for business and corporate lending activities in the Caribbean; and trained over 80 lenders and risk managers on the implementation of this policy Updated our policy on environmental and social risk management for RBC Capital Markets and the National Client Group – the policy sets out our expectations for environmental and social risk review requirements to be used when engaging in corporate lending and debt and equity underwriting Became a signatory to the United Nations Principles for Responsible Investing
	8	Work with our clients to understand and mitigate their environmental and social risks		<ul style="list-style-type: none"> Conducted over 1,262 detailed environmental credit risk assessments on financial transactions and project finance deals worth \$8.2 billion in 2015 Continued to implement and report on the Equator Principles to ensure projects we finance and advise on are developed in a socially responsible manner and reflect sound environmental management practices

Category	#	Commitment	Progress*	Highlights
Environmental products, services and advice	9	Make it easy for clients to do business in an environmentally responsible way		<ul style="list-style-type: none"> Managed \$4.3 billion in socially responsible investments through RBC Global Asset Management, up 39% since 2012 Signed the Green Bond Principles and participated in underwriting \$2.8 billion of green bonds Traded 165 million carbon credits through RBC Capital Markets Carbon Emissions Trading Group; 621 million carbon credits traded since 2012 Invested US\$628 million in affordable housing projects in the U.S. through the RBC Capital Markets Tax Credit Equity Group
	10	Support the growth and evolution of environmentally sustainable businesses		<ul style="list-style-type: none"> \$3.4 billion in total exposure to renewable energy companies Invested \$4.2 million of RBC capital in early-stage for-profit companies through the RBC Generator Fund Continued to offer small business and commercial clients a Greening Your Business Advice Centre

* Status of progress definitions in Appendix

Tracking progress against our 12 commitments (continued)

Category	#	Commitment	Progress*	Highlights
Promoting environmental sustainability	11	Foster a deeper understanding of the links among the environment, communities and the economy		<ul style="list-style-type: none"> Co-hosted a day of learning for 80 participants about unburnable carbon and stranded carbon assets to explore the economics of the energy sector and better understand the full range of other environmental, social and economic factors that could result in stranded assets Conducted the eighth annual RBC Canadian Water Attitudes Study, and provided the results to watershed protection organizations, governments and other interested parties to help inform their program and policy development Released the RBC-Pembina report entitled “Factoring location costs into homebuying decisions” and launched a tool that explores the full cost of home ownership for Toronto-area homebuyers Published a paper on climate change and extreme weather to help clients prepare and protect their homes RBC Capital Markets hosted its second annual Green Bond Conference in Toronto
	12	Work with our stakeholders and leading organizations to accelerate progress toward shared environmental goals		<ul style="list-style-type: none"> Donated \$5.9 million to environmental charities in 2015, including \$3 million through the RBC Blue Water Project Celebrated our sixth annual Blue Water Day, with participation from more than 24,000 employees from 26 countries Sponsored the third annual RBC/B+H Evolve Sustainable Design Competition Helped catalyze the development of 1,019 social entrepreneurs through mentoring and business skills training Conducted an internal employee engagement campaign where over 10,000 employees from 29 countries completed over 1.2 million acts of wellness, environmental protection and kindness

* Status of progress definitions in Appendix

Progress against quantitative targets for footprint reduction

As of the end of fiscal 2015 (measured against baseline year of 2012)

Environmental Blueprint Target	Status	Results
Reduce GHG emission intensity by 20% in our properties by 2018	Achieved in 2014	28% reduction since 2012 Need to continue energy conservation programs to maintain this positive trend
Reduce GHG emissions of our Canadian logistics and delivery network by 20% by 2018	Achieved in 2014	53% reduction since 2012 Deliveries in scope of Project One Stop, expanding to include Staples deliveries
Achieve a power use effectiveness (PUE) value of 1.4 at our Canadian data centres	On track	1.6 and 1.5 PUE values Declining annually as migration to new data centres continues
Reduce office paper use per employee by 20% by 2018	On track	16% reduction since 2012 Declining annually through digitization programs
Send zero electronic waste to landfill by 2018, globally	On track	99% electronic waste diverted from landfill Reporting from 20 countries representing 90% of FTE count
Ensure all major offices have waste diversion programs by 2018	On track	46 out of 59 major properties have established waste diversion programs
Double the amount of LEED certified office space we occupy by 2018	Achieved in 2015	145% increase since 2012 Anticipate adding another 68,000m ² in 2016

Recent Environmental Awards and Recognition

National and International Awards

- **One of Canada's Greenest Employers**
(8th consecutive year, Canada's Top 100 Employers Project)
- **Best 50 Corporate Citizens in Canada**
(Multiple years, Corporate Knights)
- **Canada's Top 50 Socially Responsible Corporations**
(7th consecutive year, Sustainalytics and Macleans magazine)
- **Dow Jones Sustainability North America Index**
(16th consecutive year, Dow Jones Sustainability Indices)

Local Awards

- **Five Race-to-Reduce Awards for energy reduction in buildings**
(Multiple awards over past 4 years, Civic Action – Toronto)
- **Two Platinum Clean City Awards for responsible waste management**
(8th consecutive year of recognition, Clean City Awards – London, UK)



Private & Confidential – Not To Be Distributed Further

Appendix

Status of progress definitions

Status	Definition
	<ul style="list-style-type: none">■ All quantitative and qualitative targets achieved■ Strong examples of established programs and/or supporting “stories”
	<ul style="list-style-type: none">■ All quantitative and qualitative targets achieved or positively trending and on track to be achieved in next fiscal year■ Good examples of established programs and/or supporting “stories”
	<ul style="list-style-type: none">■ All quantitative and qualitative targets positively trending and on track to be achieved by 2018■ Some examples of established programs and/or supporting “stories”
	<ul style="list-style-type: none">■ Low risk that some quantitative and qualitative targets will not be achieved by 2018■ Programs and/or supporting “stories” in development
	<ul style="list-style-type: none">■ High risk that some quantitative and qualitative targets will not be achieved by 2018■ No programs and/or supporting “stories” currently in development