This is part of a series providing background on our marketplace, workplace, community and environmental policies and programs, our economic impact, as well as our overall approach to business integrity, corporate responsibility and reporting. It supplements our RBC® Annual Report to Shareholders, as well as our ongoing corporate responsibility performance metrics on rbc.com.

About RBC in the Community
Priorities, Policies and Governance

Why supporting communities is important to our business

Banks have a significant impact on people, communities and countries. Our first priority is doing our jobs as bankers well, serving our clients with integrity every day. As a large global financial institution, we also recognize that our success depends on the health and prosperity of our clients and employees, and of the communities in which they live and work. We take our responsibilities in the community, marketplace, workplace and to the planet seriously.

Many companies talk about people, planet and profit. RBC is intentional in our approach to have a positive, measurable impact on all three. One of the ways we strive to help create community prosperity is by providing support to a broad range of social and environmental causes through community organizations around the world.

Our approach

RBC is one of Canada’s largest corporate donors, with a tradition of philanthropy dating back to 1891. We are privileged to be able to support causes that matter to our clients and communities, and not just those causes that serve our direct interests.

We support community prosperity in five ways:

- **Donations** to registered charities as gifts, without expectation of economic return;

- **Community investments**, such as gifts in kind (including philanthropic activities other than charitable donations);

- **Sponsorships** that align with our brand and business goals, and/or that deliver social, environmental or economic benefit;

- **Volunteer efforts** of employees and retirees;

- **Financial products and services** that generate social and environmental benefits as well as financial returns.
We provide a broad base of support across all charitable sectors, including:

- Education
- Health
- Human services
- Arts and culture
- Environment
- Sports and civic engagement

Within these six broad categories, we have chosen specific causes to which we provide deeper and more significant support. These causes are important to our clients, businesses and employees, and are emerging issues that are too important for society to ignore. This ‘broad and deep’ approach is a longstanding tradition at RBC.

In addition, we believe that diversity and inclusion provide an advantage in developing intellectual capital and ensuring our company’s continued growth in Canada and around the world. By drawing on the strength of diversity, we can meet new challenges and help create prosperity for our clients, employees, shareholders and communities.

As a result, the theme of diversity underscores our community programs. Across our entire donations portfolio, we proactively look for opportunities to support diverse communities. For more information, please visit rbc.com/diversity.

Priorities and programs

Education

As a financial services company, RBC’s sustainability relies in large part on our ability to build and maintain intellectual capital. This lies at the heart of our value proposition as a company. We believe that by making an investment in education through our community programs, we can help people reach their fullest potential. We allocate about one-quarter of our annual donations budget to support a wide range of educational programs for children, youth and young adults up to the post-secondary level, that help build a more employable, knowledgeable workforce.

Our focus

- Financial literacy: Prudent money management is the core competency of our business. Budgeting, saving, investing and borrowing are basic concepts in financial literacy. Yet, for some, financial matters can be intimidating and a barrier to making good choices about the present and the future. RBC continues to promote financial literacy to clients, prospective clients and the public at large. Today’s tools include websites, publications, and seminars that help clients plan for their financial future. We also deliver a number of financial literacy programs to children and youth.

- After school programs: According to a blue-ribbon panel of Canadian education experts that we assembled to help direct our education funding, after school programs help children stay in school, giving them the springboard for higher education, better jobs and a more prosperous and productive economy. These programs boost the skills and knowledge children gain in a formal classroom, bridging the gap between schoolwork and homework, and giving children a chance to take part in a wide range of other activities where they can shine. The grants are used to provide a wide range of activities including computer instruction, sports, literacy tutoring, music and art lessons, nutrition guidance and homework help. For more information, please visit rbc.com/afterschool.

Health

Health is a significant priority for RBC and we allocate about one-quarter of our annual donations budget to health and wellness organizations around the world that have a benefit to our community, and have a direct impact on our employees and clients. For instance, we strategically focus on supporting children’s mental health, as addressing mental health issues early on has significant long-term benefits both for society and the economy. We also fund medical research, hospital campaigns and healthcare associations to help build healthy communities.
Our focus: RBC Children's Mental Health Project

RBC has a longstanding commitment to health and wellness, and is one of Canada's largest donors to hospitals and health organizations. In 2007, we decided to bring more focus to our general healthcare giving. We assembled a panel of advisors to help us determine where we could have the most impact, and they recommended we build on our history of support for children's mental health, an area in which no other major Canadian corporation had focused. As one of Canada's largest employers, we recognized the potential cost that mental illness had on our company and our economy. So in 2008, we created the RBC Children's Mental Health Project.

The RBC Children's Mental Health Project is a multi-year commitment to support community-based and hospital programs that reduce stigma, provide early intervention and increase public awareness. We support a network of organizations across Canada that provide programs and information that give hope to children, families and those who care for them. This is part of the RBC Kids Pledge.

For more information, please visit rbc.com/childrensmentalhealth.

Art and culture

We believe in the power of art to enrich our lives and enhance our communities. We support arts organizations of all kinds, with a focus on providing support to emerging artists.

Our focus: RBC Emerging Artists Project

The RBC Emerging Artists Project consists of sponsorships and donations to organizations whose programs help artists bridge the gap from academic excellence to professional careers in both visual and performing arts.

One of our initiatives under the RBC Emerging Artists Project is the RBC Canadian Painting Competition. In partnership with the Canadian Art Foundation, the RBC Canadian Painting Competition provides a forum to engage communities across Canada and celebrate the exceptional skill of up-and-coming visual artists.

The RBC Kids Pledge

In October 2013, RBC made an historic, long-term commitment to the social, intellectual, emotional and physical well-being of children. The RBC Kids Pledge is a five-year, $100 million commitment to improve the well-being of (at least) 1 million kids and youth.

This $100 million pledge consolidates our support for a diverse range of activities, initiatives and programs that aims to help kids develop into well-rounded adults. This includes donations, community sponsorships and other investments in arts, education, wellness, sports and civic organizations as well as employment programs for youth up to age 24.

The formal figures in our pledge represent the sum total of the kids and youth programs we have and are planning within Canada, including:

- Donations to education, from after school programs to universities;
- Donations to wellness and health care, including children's mental health programs, children's hospitals and health organizations that assist children and youth;
- Support for organizations that provide arts programs for kids;
- Support for organizations that provide access to sports through the RBC Learn to Play Project, a program dedicated to assisting kids to learn the fundamental movement skills they need to feel confident and competent enough to want to participate in sport and physical activity;
- Support for youth employment programs such as scholarships, internships and work placements for summer students, including our innovative new career development program, Career Launch;
- Support for financial literacy programs that help kids learn about money management and;
- Support for ventures or businesses that help youth through the RBC Generator, our social finance initiative.
As a leading patron of the arts and cinema, we are committed to helping the next generation of filmmakers develop their skills and bring their visions to life through the sponsorship of a variety of festivals and programs, including the Toronto International Film Festival (TIFF) Emerging Filmmaker Competition, the Independent Filmmaker Project and the Film Society of Lincoln Center.

We also fund numerous projects in the realm of theatre, musical performance, writing, glassmaking, playwriting, curatorship, design and choreography.

For more information, please visit rbc.com/emergingartists.

**Environment**

A commitment to environmental sustainability is an investment in the future of the planet. RBC supports a range of environmental organizations through donations, and we encourage our employees and clients to reduce their personal environmental footprint.

We are also committed to supporting community-based programs that address water, climate change and sustainable cities. To this end, we engage in dialogue with our stakeholders and peers, conduct research to better understand environmental issues, and look for opportunities to help communities address their own environmental issues.

For more information, please visit rbc.com/environment.

**Our focus: RBC Blue Water Project**

Launched in 2007, the RBC Blue Water Project is our 10-year global commitment of $50 million to help protect the world’s most precious natural resource: fresh water. This is not only an environmental and social issue, it is also an economic one. The protection of freshwater connects to our business as a financial services institution, as issues around water quality and quantity worldwide represent significant risks for our clients in many sectors. We also believe that the world’s water issues represent an opportunity for our clients who can commercialize solutions to water challenges, such as water efficiency technologies.

In 2013, we began supporting initiatives that help protect and preserve water in towns, cities and urbanized areas. For more information, please visit rbc.com/bluewater.

**Sports**

Healthy, active people are drivers of great communities, and sport can transform lives. As a long-time supporter of amateur sport, we’re committed to helping athletes of varying ability levels succeed, from grassroots programs to elite-level athletes competing at the Olympic Games.

**Our focus: RBC Learn to Play Project**

Announced in 2014, the RBC Learn to Play Project is focused on assisting kids to learn the fundamental movement skills they need in order to feel confident and competent enough to want to participate in sport and physical activity. We support a wide-range of programs through donations and sponsorships that support the overall physical well-being of kids. The RBC Learn to Play Project is part of the RBC Kids Pledge.

For more information, please visit rbc.com/learntoplay.

**Olympics**

We have been Canada’s longest-standing supporter of the Canadian Olympic Team with a relationship dating back to 1947 and we support amateur sport in communities across Canada as well as provide elite-level athletes with flexible career experiences to complement their training regimes through the RBC Olympians program.

For more information, please visit rbc.com/olympics.

**Other sports programs**

Through our sponsorship marketing activities, we also support a range of other sports programs such as golf and RBC Play Hockey, through organizations such as Hockey Canada, USA Hockey and events such as the International Ice Hockey Federation World Junior Championship and Canada’s National Junior A Championship — the RBC Cup.
Other community and civic causes

RBC and our employees regularly contribute to organizations that help maintain the social fabric of our communities, such as federated appeals, food banks and organizations that help people get back on their feet. RBC is one of the largest private sector contributors to the United Way in Canada.

We also recognize that certain organizations simply make our communities more livable. We support organizations that are the building blocks of strong communities, such as recreation centres, and programs that offer support for newcomers and community economic development.

The frequency and intensity of recent disasters worldwide has increased in recent years. We have a legacy of supporting relief efforts for natural disasters, both through corporate donations and through employee volunteer efforts at the community level.

We believe civic engagement plays an important role in our communities. We support organizations that contribute to community economic development, active citizenship and the engagement of newcomers to Canada. This includes providing support to diverse groups, from grassroots agencies to large international organizations.

For information on how we give, and to apply for funding, please visit rbc.com/community-sustainability/apply-for-funding.

Employee engagement

RBC employees and retirees are passionate volunteers and we have a number of programs to support their efforts.

Grant programs

For example, we support individual and team volunteer efforts, including disaster relief clean-up activities, for our employees and retirees through specific grant programs:

- RBC Employee Volunteer Grants program (for individuals). When an RBC employee or retiree donates 40 hours or more of their time to a registered charity, we provide that organization with a $500 grant to celebrate our volunteer;

- RBC Day of Service Grants (for teams). Volunteer teams of six or more people – three of whom must be RBC employees – can apply for a $1,000 RBC grant to their chosen charity in recognition of their group responding to a one-time or short-term community need, undertaken outside of working hours;

- RBC Team Action Grants (for pledged events such as walkathons).

Stakeholder engagement

By its very definition, community relations is about stakeholder engagement. At RBC, our team of professional grantmakers engages with our charitable partners and prospective charitable partners on an hourly basis, every day of the year.

- We regularly consult with prospective charitable partners who are seeking significant funding in advance of the development of a formal proposal. We undertake this process at our global headquarters for projects of national and international significance and at our regional headquarters for more local proposals. This ensures that both RBC and our prospective charitable partners have clear expectations about each other’s priorities before the charitable organization invests resources in preparing an application for funding;

Community economic development

Banks play an important role in society by efficiently channeling funds to help create and grow wealth. We are committed to providing credit and other financial services to projects that contribute to the economic development of communities and generate social and environmental benefits as well as financial returns. For more information, please see About RBC in the Marketplace and About RBC’s Economic Impact.
We regularly consult externally recognized subject-matter experts and frequently assemble advisory panels to help guide the development or provide input on strategic focus areas, such as our after school and children’s mental health granting programs;

We meet with current grant recipients/charitable partners to review progress and hear about successes, outcomes and impacts;

We proactively search for ways to create capacity in the charitable sector by organizing or supporting summits, webinars and workshops, and sharing best practices within our network of grant recipients;

We monitor and benchmark ourselves against best practices of other corporations, as well as track trends and emerging social issues in the world at large.

We follow many of these same practices for other community relations activities, such as community sponsorships, which are primarily undertaken for brand-building purposes but often also have a positive social impact.

Tracking and measuring impact

Increasingly, corporations are being asked about the actual impact of their community investments. Have our donations and sponsorships made a difference?

This is a challenging area for which there are no quick answers. Many of the grants we provide are for programs with a very long time-horizon, which can take years to have a measurable impact. For example, it is difficult to assess the short-term impact of a stay-in-school program on grade nine students, as the outcome will not be evident or measurable for another four years. And while it’s important for us to track impact, we do not want to overburden our charitable partners with reporting requirements either.

Yet we are not deterred by the challenging nature of this exercise, and have embarked on a journey to better measure the impact of our community investments.

To start, we are developing outcome-based criteria for our major focus areas as each of their annual granting cycles begin, including the RBC After School Project, the RBC Blue Water Project and the RBC Believe in Kids Pledge. We are asking our grant applicants a few simple questions when they submit their application for support and will track back with them on key performance areas before renewing funding as described in more detail in the policies and practices section.

We hope that the information our grant recipients collect will be useful in reporting to other donors as well as to fundraising initiatives more generally.

Policies and practices

Due diligence

RBC is dedicated to working with charitable organizations that share our goal to help make a difference in local communities and regions where we do business, and demonstrate fiscal prudence and good governance practices.

We also encourage synergies between organizations and diversified funding structures. Our goal is to ensure that our charitable partners have sustainable sources of funding and use their donors’ funds responsibly.

Our grant-makers follow a rigorous process when evaluating proposals to ensure our funds are allocated with the utmost care and responsibility. We look at whether the charity has a wide range of support and assess its ability to deliver programs. We also assess the charity’s fiscal management and governance practices, and we require that all charities requesting donations over $5,000 provide audited financial statements.

Demonstrated impact

RBC requires, for donations over $10,000, that our charitable partners demonstrate the social or environmental impact of our contribution and provide details about the successes and challenges they encounter during the time they receive funding.

Recognizing the effort that is needed to report the good work our charitable partners do with our funding, RBC has established a set of tiered guidelines for reporting.
Funding guidelines

We fund:

- Organizations that are federally registered charities with the Canada Revenue Agency
- Projects or programs that take place in communities where RBC has a business presence
- Charitable organizations that provide direct community service
- Websites delivering a specific service-related program
- Programs with measurable social or environmental outcomes

We do not fund:

- Individuals (including for the purpose of scholarships)
- Service clubs
- Sports teams (unless qualified donees)
- Political organizations or parties
- Private foundations
- Private schools (private, charter or independent fee-based schools)
- Individual federated appeal member agencies, unless for a specific project or capital campaign not funded by the federated appeal (with the exception of RBC After School Project donations)

Governance

The member companies of RBC administer charitable donations in Canada through RBC Foundation. Our donations policy covers our guidelines and strategy, and is reviewed by the Corporate Governance and Public Policy Committee of the Board of Directors. RBC Foundation has its own Board of Directors, comprising the heads of our businesses. The executive director of the Foundation is RBC’s Vice President, Corporate Citizenship. The Board sets policy and approves or ratifies all donations made by units globally. The Foundation is supported by regional and business-specific donations managers around the world.

For a snapshot of RBC’s corporate responsibility governance, please see About Corporate Responsibility at RBC.

Applying for a donation

Worthy causes and organizations are abundant in the communities where we do business. We focus our support on the areas where we believe that we can have the greatest positive impact, and we choose organizations based on a number of factors. We provide detailed guidelines on how we select the organizations we donate to at rbc.com/donations.

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When we say “RBC” we’re referring to all of our businesses and functions around the world.