



# Royal Bank of Canada

2011 Corporate Responsibility Report  
and Public Accountability Statement



# Contents

|   |           |   |            |
|---|-----------|---|------------|
| <b>About this report</b>                        | <b>2</b>  | <b>Community</b>  | <b>89</b>  |
| <b>About RBC</b>                                | <b>4</b>  | Our approach: Donations and sponsorships  | 92         |
| <b>Vital statistics</b>                         | <b>7</b>  | Our causes  | 92         |
| <b>Message from the CEO</b>                     | <b>8</b>  | Community at a glance   | 93         |
| <b>Corporate responsibility at RBC</b>          | <b>9</b>  | Recognizing employee contributions  | 101        |
| Our pledges and priorities                      | 9         | How we give   | 102        |
| Responsibilities and accountabilities           | 11        | <b>Royal Bank of Canada Public Accountability Statement</b>   | <b>103</b> |
| Recognition                                     | 13        | <b>Royal Bank Mortgage Corporation</b>  |            |
| Affiliations                                    | 14        | <b>Public Accountability Statement</b>  | <b>109</b> |
| Stakeholders                                    | 16        | <b>RBC Life Insurance Company</b>   |            |
| Reporting                                       | 17        | <b>Public Accountability Statement</b>  | <b>109</b> |
| <b>Corporate integrity</b>                      | <b>19</b> | <b>Global Reporting Initiative index</b>  | <b>111</b> |
| Corporate governance                            | 21        | <b>Content index</b>  | <b>119</b> |
| Risk management                                 | 23        |   |            |
| Policies and procedures                         | 24        |   |            |
| Principles and charters                         | 29        |   |            |
| Mutual funds and governance                     | 31        |   |            |
| <b>Economic impact</b>                          | <b>32</b> | <b>Symbols used in this report:</b>   |            |
| Return to shareholders                          | 34        |  Aboriginal peoples           |            |
| Taxes   | 34        |  Canada                      |            |
| Economic development                            | 34        |  Caribbean                   |            |
| Small business                                  | 39        |  United Kingdom              |            |
| Innovation and entrepreneurship                 | 42        |  Europe                      |            |
| Employment                                      | 42        |  United States               |            |
| Procurement                                     | 42        |  Diversity                   |            |
| <b>Marketplace</b>                              | <b>44</b> |  Products and services       |            |
| Access to banking and insurance                 | 47        |  For more information online |            |
| Product responsibility                          | 53        |   |            |
| Financial literacy                              | 55        |   |            |
| Protection of clients                           | 57        |   |            |
| Client satisfaction                             | 58        |   |            |
| <b>Workplace</b>                                | <b>61</b> |   |            |
| Principles and policies                         | 64        |   |            |
| Rewards   | 66        |   |            |
| Diversity and inclusion                         | 68        |   |            |
| Engagement                                      | 71        |   |            |
| <b>Environment</b>                              | <b>74</b> |   |            |
| Environmental management                        | 77        |   |            |
| Environmental footprint                         | 78        |   |            |
| Environmentally responsible business activities | 85        |   |            |
| Environmental products and services             | 86        |   |            |
| Sustaining the RBC Environmental Blueprint      | 87        |   |            |

# About this report

## Scope

This report provides an overview of our social, economic and environmental commitments and impacts on the communities and countries in which we do business.

It complements the information on our results of operations and financial condition provided in our 2011 Annual Report (available through [rbc.com](http://rbc.com)). This report is produced for a wide range of stakeholders. We provide more detail related to stakeholder-specific issues in our 2011 Annual Report and on our website. Except where noted, the information in this report is presented on a consolidated basis, and includes information pertaining to RBC Bank; for instance, we have included information related to basic banking products offered by RBC Bank in 2011, and activities attributed to RBC Bank employees and activities are included in our 2011 Environmental Footprint (see page 78).

## Discontinued operations

On April 29, 2011, we completed the divestiture of Liberty Life Insurance Company, our U.S. life insurance company. Subsequent to the completion, the results of Liberty Life for all prior periods are now classified as discontinued operations, and we have also realigned our insurance businesses into two lines — Canadian Insurance and International & Other.

In June, 2011, we announced a definitive agreement to sell our U.S. regional retail banking operations to PNC Financial Services Group Inc. The transaction is subject to customary closing conditions, including regulatory approval, and is expected to close in March 2012. Following the announced sale, we classified a significant majority of our U.S. regional retail banking operations as discontinued operations. However, we have maintained certain of our U.S. banking operations that serve the needs of Canadian clients across the U.S. We have noted all instances where discontinued operations have been excluded.



[rbc.com](http://rbc.com)

## Public Accountability Statement

All federally regulated financial institutions in Canada with equity greater than \$1 billion are required to publish annual public accountability statements outlining their contributions to the Canadian economy and society. This report includes both the Public Accountability Statement for Royal Bank of Canada and its prescribed affiliates, and the Public Accountability Statements for each of Royal Bank Mortgage Corporation and RBC Life Insurance Company. Our Corporate Responsibility Report and Public Accountability Statement can be requested in a printed version at no cost by contacting:

The Editor  
RBC Corporate Responsibility Report and Public  
Accountability Statement  
RBC Centre  
155 Wellington Street West, 18th Floor  
Toronto, Ontario  
Canada  
M5V 3K7  
Email: [corporateresponsibilityreport@rbc.com](mailto:corporateresponsibilityreport@rbc.com)

## Stakeholders

This report is published for all major stakeholders of Royal Bank of Canada and its subsidiaries, which together operate under the master brand name RBC™. Our major stakeholders include employees, clients, current and prospective investors, suppliers, governments, regulators, non-governmental organizations (NGOs) and community partners.

## Reporting period

All data and examples contained in this report reflect activities undertaken during the 2011 fiscal year (November 1, 2010 – October 31, 2011), unless otherwise noted.

## Terminology

References to “employees” include people who work for all RBC businesses and functions around the world, as outlined on page 4 of this report.

## Currency and measurement

All currency amounts in this document are in Canadian dollars unless otherwise stated. U.S. dollars and British pounds are converted using the fiscal 2011 average (C\$1.00 = US\$1.015, C\$1.00 = GBP 0.631). Measures used in this report are metric, except where otherwise stated.

### Global Reporting Initiative

We use the Global Reporting Initiative (GRI) G3.1 Guidelines, the GRI Financial Services sector supplement, stakeholder input and external best practices to help structure our sustainability reporting. A GRI content index can be found on page 111 of this report, to help readers compare RBC to other reporting organizations.

### Forward-looking statements

This report contains forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the U.S. *Private Securities Litigation Reform Act* of 1995 and any applicable Canadian securities legislation. These forward-looking statements include, among others, consumer lending and business spending in Canadian Banking, as well as statements with respect to our medium-term objectives, our vision, our strategic goals and priorities and our environmental objectives for 2012.

We caution readers not to place undue reliance on these statements, as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors — many of which are beyond our control and the

effects of which can be difficult to predict — encompass credit, market, operational, and liquidity and funding risks. Other factors include general business, economic and financial market conditions in Canada, the U.S. and certain other countries in which we conduct business, including the effects of the European sovereign debt crisis and the lowering of the U.S. long-term sovereign credit rating by Standard & Poor’s. Our ability to successfully execute on our strategic goals and priorities could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. Additional information about these and other factors can be found in our 2011 Annual Report.

### Previous reports and additional information

Past Corporate Responsibility Reports and Public Accountability Statements, as well as other information relevant to the issues presented in this report, are available on our website.



**[rbc.com](http://rbc.com)**



**[rbc.com/community-sustainability](http://rbc.com/community-sustainability)**

# About RBC

## Our business

- Royal Bank of Canada (RY on TSX and NYSE) and its subsidiaries operate under the master brand name RBC.
- We are one of Canada's largest banks as measured by assets and market capitalization, and are among the largest banks in the world, based on market capitalization.
- We are one of North America's leading diversified financial services companies, and provide personal and commercial banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis.
- We employ approximately 74,000 full- and part-time employees, who serve close to 15 million personal, business, public sector and institutional clients through offices in Canada, the United States (U.S.) and these 56 other countries:

- Antigua and Barbuda
- Argentina
- Aruba
- Australia
- Austria
- Bahamas
- Barbados
- Belgium
- Bonaire, Saint Eustatius and Saba
- Brazil
- Brunei Darussalam
- Cayman Islands
- Chile
- China
- Costa Rica
- Curaçao
- Denmark
- Djibouti
- Dominica
- France
- Germany
- Grenada
- Guernsey
- Hong Kong

- India
- Ireland
- Italy
- Jamaica
- Japan
- Jersey
- Korea, Republic of
- Liechtenstein
- Luxembourg
- Malaysia
- Mexico
- Montserrat
- Netherlands
- New Zealand
- Panama
- Portugal
- St. Kitts and Nevis
- St. Lucia
- St. Vincent and the Grenadines
- Singapore
- Saint Maarten
- Spain
- Suriname
- Switzerland
- Trinidad and Tobago
- Turks and Caicos Islands
- United Arab Emirates
- United Kingdom
- Uruguay
- Venezuela
- Vietnam
- Virgin Islands, British

## Our structure

Our business is divided into five business segments: Canadian Banking, Wealth Management, Insurance, International Banking and Capital Markets. In addition, Corporate Support includes all enterprise-level activities that are undertaken for the benefit of the organization not allocated to our five business segments.

For more information regarding our business segments, please refer to our 2011 Annual Report.

- **Canadian Banking:** Canadian Banking comprises our domestic personal and business banking operations and certain retail investment businesses, and is operated through three business lines: Personal

Financial Services, Business Financial Services, and Cards and Payment Solutions. We provide a broad suite of financial products and services to over 11 million individual and business clients through our extensive branch, automated teller machine (ATM), online and telephone banking networks, as well as through a large number of proprietary-sales professionals.

- **Wealth Management:** Wealth Management comprises Canadian Wealth Management, U.S. & International Wealth Management and Global Asset Management. We serve affluent, high-net-worth and ultra-high-net-worth clients in Canada; the United States, the United Kingdom; Asia; Europe, the Middle East and Africa (EMEA); and Latin America with a full suite of investment, trust and other wealth management solutions. We also provide asset management products and services directly to institutional and individual clients, as well as through RBC distribution channels and third-party distributors.
- **Insurance:** Insurance comprises Canadian Insurance and International & Other. In Canada, we offer our products and services through our growing proprietary channels, including retail insurance branches, call centres and our career sales force, as well as through independent insurance advisors and travel agencies. Outside North America, we operate in reinsurance markets globally.
- **International Banking:** International Banking comprises banking and our joint venture, RBC Dexia Investor Services (RBC Dexia IS). Banking includes our banking businesses in the Caribbean, which offer a broad range of financial products and services to individuals, business clients and public institutions in their respective markets. RBC Dexia IS is a global custody business that offers an integrated suite of products to institutional investors worldwide.

In June, 2011, we announced a definitive agreement to sell our U.S. regional retail banking operations to PNC Financial Services Group Inc. The transaction is subject to customary closing conditions, including regulatory approval, and is expected to close in March 2012. Following the announced sale, we classified a significant majority of our U.S. regional retail banking

operations as discontinued operations. However, we have maintained certain of our U.S. banking operations that serve the needs of Canadian clients across the U.S.

- **Capital Markets:** Capital Markets comprises our global wholesale banking businesses, providing public and private companies, institutional investors, governments and central banks with a wide range of products and services. Within North America, we offer a full suite of products and service capabilities. Outside North America, we have a select but diversified set of global capabilities, which include origination and distribution, structuring and trading, and corporate and investment banking. Capital Markets is comprised of our two main business lines, Global Markets and Corporate and Investment Banking, and Other.
- **Corporate Support:** This group comprises Technology & Operations, and Functions. Our Technology & Operations teams provide the technological and operational foundations required to effectively deliver products and services to our clients. Functions includes our finance, human resources, risk-management, internal audit and other expert groups with cross-enterprise responsibilities.

## Vision

Our vision is “Always earning the right to be our clients’ first choice.” Our pledges and priorities on page 9 depict our vision for doing better for our clients, our investors, our employees and our communities.

## Values

Every RBC employee across the company has a duty to behave responsibly and in accordance with our shared values. This requirement is built into our Code of Conduct, which reads:

“It is our duty as a corporate citizen to add value to society while earning a profit for our shareholders. RBC companies take responsibility for the effects of their actions, both social and economic.”

Our five core values address the behaviours that make our company sustainable:

- Excellent service to clients and each other;
- Working together to succeed;

- Personal responsibility for high performance;
- Diversity for growth and innovation; and
- Trust through integrity in everything we do.

Each employee is trained to understand and follow our Code of Conduct, and our values are consistently shown to be a top driver of employee engagement.

### Strategy

Our strategic goals are:

- In Canada, to be the undisputed leader in financial services;
- Globally, to be a leading provider of capital markets and wealth management solutions; and
- In targeted markets, to be a leading provider of select financial services complementary to our core strengths.

## Vital statistics\*

| Economic impact (\$ billions)                        | 2011     | 2010     | 2009     |
|--|----------|----------|----------|
| Revenue  | \$ 27.4  | \$ 26.1  | \$ 26.4  |
| Market capitalization                                | \$ 69.9  | \$ 77.5  | \$ 77.7  |
| Taxes incurred <sup>1</sup>                          | \$ 2.8   | \$ 2.9   | \$ 2.8   |
| Employee compensation and benefits                   | \$ 9.0   | \$ 8.4   | \$ 8.5   |
| Goods and services purchased                         | \$ 6.5   | \$ 5.7   | \$ 5.4   |
| Debt financing for businesses in Canada (authorized) | \$ 141.7 | \$ 135.2 | \$ 134.2 |

| Marketplace                                       | 2011  | 2010  | 2009  |
|---|-------|-------|-------|
| Countries in which we operate                     | 58    | 54    | 55    |
| Clients (millions; approximate)                   | 15    | 15    | 15    |
| Bank branches (Canada)                            | 1,214 | 1,209 | 1,197 |
| Insurance branches (Canada)                       | 53    | 52    | 49    |
| ATMs (Canada)                                     | 4,293 | 4,227 | 4,214 |
| Bank branches (Caribbean)                         | 123   | 126   | 125   |
| ATMs (Caribbean)                                  | 333   | 330   | 330   |
| Bank branches (China)                             | 1     | 1     | 1     |
| Online banking active users <sup>3</sup> (Canada) | 29%   | 27%   | 25%   |

| Workplace   | 2011             | 2010             | 2009             |
|---|------------------|------------------|------------------|
| Employees   | 73,987           | 73,118           | 71,692           |
| Full-time equivalent (FTE) positions                        | 68,480           | 67,147           | 65,980           |
| FTE Employees (Canada)                                      | 50,219           | 49,792           | 48,793           |
| FTE Employees (United States)                               | 7,588            | 7,449            | 7,409            |
| FTE Employees (Caribbean and other international countries) | 10,673           | 9,906            | 9,778            |
| Training costs <sup>2</sup>                                 | \$ 162.7 million | \$ 143.9 million | \$ 124.8 million |

| Workforce diversity (Canada) <sup>4</sup>         | 2011 | 2010 | 2009 |
|---|------|------|------|
| Women   | 66%  | 67%  | 68%  |
| Women in middle management and above              | 46%  | 46%  | 46%  |
| Women in executive roles                          | 36%  | 37%  | 37%  |
| Visible minorities                                | 29%  | 28%  | 27%  |
| Visible minorities in middle management and above | 29%  | 27%  | 25%  |
| Visible minorities in executive roles             | 15%  | 14%  | 13%  |
| People with disabilities                          | 4.2% | 3.5% | 3.7% |
| Aboriginal peoples                                | 1.6% | 1.6% | 1.6% |

| Environment <sup>2</sup>                                      | 2011    | 2010    | 2009    |
|---|---------|---------|---------|
| Total GHG emissions (tonnes)                                  | 207,018 | 224,822 | 227,377 |
| Office paper use (kilograms/FTE)                              | 47      | 51      | 56      |
| CO <sub>2</sub> e emissions from energy use (tonnes/sq. m)    | 0.090   | 0.097   | 0.104   |
| Energy intensity, all properties (MWh/sq. m)                  | 0.37    | 0.35    | 0.37    |
| CO <sub>2</sub> e emissions from employee travel (tonnes/FTE) | 0.40    | 0.40    | 0.34    |
| Transactions assessed under Equator Principles                | 15      | 7       | 6       |

| Community <sup>2</sup> (\$ millions)                                  | 2011  | 2010                   | 2009                 |
|---|-------|------------------------|----------------------|
| Investments in community causes (total of donations and sponsorships) | \$ 98 | \$ 130.1 <sup>5</sup>  | \$ 105.1             |
| Donations   | \$ 64 | \$ 56.6                | \$ 52.6              |
| Community and national sponsorships                                   | \$ 34 | \$ 73.5 <sup>5,6</sup> | \$ 52.5 <sup>6</sup> |

\* All figures refer to our worldwide operations and all currency references are to Canadian dollars, unless otherwise noted. Unless otherwise stated, results are on a continuing operations basis, which excludes discontinued operations. Please refer to "About this report" on page 2 for additional information about discontinued operations.

<sup>1</sup> Taxes include income, capital, goods and sales, payroll, property, insurance premiums and business taxes.

<sup>2</sup> Includes discontinued operations.

<sup>3</sup> Percentage of RBC Royal Bank™ customers who are actively using online banking solutions.

<sup>4</sup> Figures represent Employment Equity data as a percentage of the number of employees (full-time and part-time) at RBC as of October 31, 2011 in our businesses in Canada governed by the *Employment Equity Act*. Given variations in legal definitions and restrictions in legislation around the world, comprehensive data on these four designated groups (women, visible minorities, people with disabilities, Aboriginal peoples) is available only in Canada.

<sup>5</sup> Includes our support of the Vancouver 2010 Olympic and Paralympic Winter Games and the 2010 Olympic and Paralympic Torch Relays.

<sup>6</sup> Total spending includes sponsorship rights fees and leveraging dollars.



# Message from the CEO

## Welcome to our 2011 Report

2011 was a year of political and economic upheaval worldwide. It was also the year in which the world's population ballooned to seven billion. Taken together, these events remind us that the future of people, countries and our planet will depend on a collective willingness to put, and keep, our houses in order.

This year reminded us that sustainability has never been more important.

For corporations, the message is clear: We must do business well to stay in business. For financial services companies, which are integral to the global economic system, the stakes are even higher, because our actions and conduct have significant, resounding consequences worldwide.

As one of the world's most highly rated financial institutions, RBC is committed to delivering profitable long-term growth to our shareholders. We are also recognized as one of the world's most sustainable companies — in fact, 2011 marked our 142nd year in business — so we fully understand what it takes to create value over the long term.

At RBC, we don't describe our approach to sustainability as if it's a single program. Rather, it's like a multi-textured fabric, woven strong with many threads and strands. The central thread is our long-standing commitment to conducting ourselves with integrity for our clients, and with concern for people and the planet. This commitment twines through and strengthens our economic impact, as well as our performance in the marketplace, the workplace, the environment and the community. Woven together with our commitment to diversity, all these strands create a durable fabric. But in isolation, none of the strands will last.

And so, as we look forward to 2012, we recommit to six pledges that strengthen the fabric of our sustainability — pledges that I believe will continue to help us build a better future for our clients, employees, communities and shareholders.

1. **Integrity:** We will conduct ourselves with integrity in everything we do, guided by our comprehensive Code of Conduct.

2. **Economic Impact:** We will have a positive impact on the economy, creating good jobs, paying our fair share of taxes, and purchasing goods and services responsibly from suppliers of all sizes. We will provide credit to households and businesses so they can prosper.
3. **Marketplace:** We will earn the right to be our clients' first choice by serving them responsibly. We will strive to ensure that our clients have access to the right products, services and advice so that they can make the best financial decisions possible.
4. **Workplace:** We will be an employer of choice by creating strong partnerships with our employees and respecting diversity. In an era when financial "products" are seen as commodities, our success depends on the skills, knowledge and commitment of our employees.
5. **Environment:** We will take responsibility for our indirect and direct environmental impact. The RBC Environmental Blueprint™ contains 44 commitments to help us reduce our environmental footprint, lend responsibly, and provide "green" products and services to our clients.
6. **Community:** We will build on our generations-long history of support for communities where we live and work, addressing today's needs and seeding tomorrow's success. We will provide focused, significant support to key causes and activities that are important to our company, clients and communities. We will also maintain a broad base of support for a wide range of social, cultural and environmental organizations that help maintain the fabric of communities.

I invite you to tell us how you think RBC should help create a better future. Join the conversation at [rbc.com/community-sustainability](http://rbc.com/community-sustainability).



Gordon Nixon  
President and Chief Executive Officer



[rbc.com/community-sustainability](http://rbc.com/community-sustainability)

# Corporate responsibility at RBC

At RBC™, we believe that “corporate responsibility” is like a multi-textured fabric, woven from many strands. The central thread, connecting everything, is our long-standing commitment to conducting ourselves with integrity, a fundamental priority for all financial services companies. Woven around this, we are focused on our impact on the economy and the environment, as well as in the workplace, marketplace and our communities. Our six pledges and priorities in each area comprise our blueprint for being a sustainable, responsible global financial services company.

## Our pledges and priorities

|                            | Why is this important?   | Our pledge   | Our priorities  |
|----------------------------|--|--|---|
| <b>Corporate integrity</b> | The long-term success of financial services companies, more than almost any other sector, depends on a foundation of trust, which we maintain by striving to behave with integrity in everything we do. Also fundamental to our continued success is the effective management of risk — this is a core competency at RBC and a hallmark of a well-managed financial services company.  | We will conduct ourselves with integrity in everything we do, guided by our comprehensive Code of Conduct.   | <ul style="list-style-type: none"> <li>■ Govern responsibly</li> <li>■ Manage risk effectively</li> <li>■ Ensure compliance with applicable regulatory requirements</li> <li>■ Promote investors’ interests in the financial industry</li> </ul>  |
| <b>Economic impact</b>     | Businesses must earn a profit to stay in business, and this is true for financial services companies. In earning a profit, we also strive to have a positive impact on the economies of the communities and countries in which we do business so that we can provide sustainable returns to shareholders, pay taxes, create employment, and purchase goods and services. We also support economic growth through our lending products, advice and services, fostering home ownership, the growth of small business, and innovation and entrepreneurship. | We will have a positive impact on the economy, creating good jobs, paying our fair share of taxes, and purchasing goods and services responsibly from suppliers of all sizes. We will provide credit to households and businesses so they can prosper. | <ul style="list-style-type: none"> <li>■ Provide top quartile Total Shareholder Returns over the medium term</li> <li>■ Pay fair share of taxes</li> <li>■ Promote community economic development</li> <li>■ Support small business</li> <li>■ Foster innovation and entrepreneurship</li> <li>■ Create employment</li> <li>■ Purchase goods and services responsibly</li> </ul>                            |
| <b>Marketplace</b>         | Our goal is to “always earn the right to be our clients’ first choice.” Our practices and performance in the marketplace, including our products, services and expertise and the manner in which we provide them, are core to helping us meet this goal. Everything starts with satisfying our clients, and the programs and products we describe in this report play an important role in helping us attract and retain clients.  | We will “earn the right to be our clients’ first choice” by serving them responsibly. We will strive to ensure that our clients have access to the right products, services and advice so that they can make the best financial decisions possible.    | <ul style="list-style-type: none"> <li>■ Provide access to basic banking and insurance services through a range of channels</li> <li>■ Develop and provide products responsibly</li> <li>■ Promote financial literacy among clients and the general public</li> <li>■ Respect clients’ privacy, safeguard their information and protect them from fraud</li> <li>■ Listen and respond to clients</li> </ul> |

## Our pledges and priorities (continued)

|                    | Why is this important?  | Our pledge   | Our priorities  |
|--------------------|---|--|---|
| <b>Workplace</b>   | Many companies declare that their employees are their greatest asset. This is certainly true in the financial services sector, where our “products” are largely intangible, and financial knowledge and customer service are paramount. We depend on the expertise, innovation and integrity of our 74,000 person-strong workforce worldwide to create and deliver our products and services in a professional manner. We know that an engaged, loyal workforce results in better service to clients, which results in a more positive economic and social impact.  | We will be an employer of choice by creating strong partnerships with our employees and valuing diversity. In an era when financial “products” are seen as commodities, our success depends on the skills, knowledge and commitment of our employees.  | <ul style="list-style-type: none"> <li>■ Maintain progressive workplace programs and practices</li> <li>■ Provide competitive compensation and total rewards, and enable growth through training and development opportunities</li> <li>■ Respect diversity and promote inclusion</li> <li>■ Foster a culture of employee engagement</li> </ul>   |
| <b>Environment</b> | Environmental sustainability remains not only an important and topical issue for our clients, shareholders and employees, but also brings tangible risks and opportunities for RBC. For example, we must understand the risks associated with lending to borrowers whose businesses may have a negative environmental impact, as they face the possibility of increased regulations, potential fines or roadblocks to the smooth running of their operations. We also strive to understand, and capitalize on, opportunities for new and profitable products and services that help our clients mitigate the effects of climate change, and minimize our own environmental footprint. | We will take responsibility for our direct and indirect environmental impact. The RBC Environmental Blueprint™ contains 44 commitments to help us reduce our environmental footprint, lend responsibly and provide “green” products and services to our clients.   | <ul style="list-style-type: none"> <li>■ Reduce the intensity of our environmental footprint</li> <li>■ Promote environmentally responsible business activities</li> <li>■ Offer environmental products and services</li> </ul>   |
| <b>Community</b>   | We strongly believe in supporting the communities in which we live and work. This is not only a long-standing cultural value of RBC, but an important component of our brand, driving our reputation and enhancing client and employee loyalty. We also believe that while supporting charitable organizations may not have a quantifiable business impact on our bottom line, there are significant indirect benefits to society, the environment and the economy, which help create a cycle of prosperity that benefits RBC, our clients, employees and shareholders.   | We will build on our generations-long history of support for communities where we live and work, addressing today’s needs and seeding tomorrow’s success. We will provide focused, significant support to key causes and activities that are important to our company, clients and communities. We will also maintain a broad base of support for a wide range of social, cultural and environmental organizations that help maintain the fabric of communities. | <ul style="list-style-type: none"> <li>■ Provide a broad base of support to a wide range of community and civic causes</li> <li>■ Provide deep support for our strategic focus areas (RBC Blue Water Project, RBC Children’s Mental Health Project, RBC After-School Grants Project, RBC Emerging Artists Project and Diversity)</li> <li>■ Encourage and enable employees to contribute</li> </ul> |

## Responsibilities and accountabilities

We take a broad strategic and operational approach to corporate responsibility, which we consider to include the wide range of areas outlined on the pledges and priorities table on page 9.

The following groups play key roles in establishing and providing oversight of our corporate responsibility policies and programs. These responsibilities are illustrated in the chart on page 12:

- **At the Board of Directors level:** The Corporate Governance and Public Policy Committee oversees many of the elements that our stakeholders traditionally define as “corporate responsibility”, and advises the board on corporate image, reputation, corporate citizenship, corporate donations, and community involvement strategies and policies. We have outlined board and committee level oversight responsibility for important elements of our overall approach to corporate responsibility in the chart on page 12.
- **At the executive and management level:** The CEO and other senior management officers have enterprise-wide and issue-specific areas of responsibility, as identified in the chart on page 12.
- **At the functional level:** All of our businesses and functions have accountability for developing and implementing our strategy and the programs that fall under the corporate responsibility umbrella. A wide range of departments and experts within RBC are

directly and indirectly responsible for the marketplace, workplace, community and environment programs, products, policies and performance highlighted in this report.

For example:

- The Corporate Citizenship group has overall responsibility for corporate responsibility strategy and reporting, corporate donations, community involvement policies and programs, and environmental sustainability and risk management;
- Human Resources is accountable for systems and approaches for measuring and managing employee engagement; and
- Procurement is accountable for ensuring that we include an assessment of social and environmental impacts in the selection of our vendors.

## Compensation and corporate responsibility

Employee performance management and compensation are driven, in part, by corporate responsibility factors. Our Board of Directors, management and all employees are subject to our Code of Conduct which establishes written standards designed to promote integrity and ethical behaviour, and core values which underly our entire approach to corporate responsibility. Individual compensation reflects how well employees achieve their business goals, as well as how they achieve these results, including their adherence to RBC values.

## Responsibilities and accountabilities

|  | Integrity | Economic impact | Marketplace | Workplace | Environment | Community |
|--|-----------|-----------------|-------------|-----------|-------------|-----------|
| <b>Board of Directors Oversight</b>  |           |                 |             |           |             |           |
| RBC Board of Directors   | ■         | ■               | ■           | ■         | ■           | ■         |
| Corporate Governance and Public Policy Committee   | ■         |                 |             |           | ■           | ■         |
| Audit Committee  | ■         |                 | ■           |           |             |           |
| Risk Committee   | ■         | ■               | ■           |           | ■           |           |
| Human Resources Committee  | ■         |                 |             | ■         |             |           |
| <b>Executive and management Oversight, strategy, direction, policy and program development leads</b> |           |                 |             |           |             |           |
| President and Chief Executive Officer  | ■         | ■               | ■           | ■         | ■           | ■         |
| Group Executive  | ■         | ■               | ■           | ■         | ■           | ■         |
| Chief Administrative Officer and Chief Financial Officer   | ■         | ■               | ■           |           |             |           |
| Chief Risk Officer   | ■         | ■               | ■           |           | ■           |           |
| Chief Human Resources Officer  | ■         |                 | ■           | ■         | ■           | ■         |
| Chief Brand and Communications Officer   | ■         |                 | ■           |           | ■           | ■         |
| Chief Privacy Officer  | ■         |                 | ■           |           |             |           |
| Business Unit Heads  | ■         | ■               | ■           | ■         | ■           | ■         |
| Vice President, Corporate Citizenship  | ■         |                 |             | ■         | ■           | ■         |
| Business Strategy Officers   | ■         | ■               | ■           |           |             |           |
| Human Resource Executives within business and functional units                                       | ■         |                 |             | ■         |             |           |
| Director, Corporate Responsibility   | ■         |                 |             |           |             | ■         |
| Director, Corporate Environmental Affairs  | ■         |                 |             |           | ■           |           |
| Director, Corporate Donations and Regional Donations Managers  | ■         |                 |             |           |             | ■         |
| Senior Managers, Sponsorship (global and regional)   | ■         |                 |             |           |             | ■         |
| <b>Groups of experts Specialized functions</b>   |           |                 |             |           |             |           |
| Corporate Citizenship  | ■         |                 |             |           | ■           | ■         |
| Risk Management  | ■         | ■               |             |           |             |           |
| Compliance   | ■         |                 |             |           |             |           |
| Internal Audit   | ■         |                 |             |           |             |           |
| Human Resources  | ■         |                 |             | ■         |             |           |
| Brand Council  | ■         |                 | ■           |           |             |           |
| Real Estate Operations   | ■         |                 |             |           | ■           |           |
| Procurement  | ■         | ■               |             |           | ■           |           |
| Brand Sponsorships and Marketing   | ■         |                 |             |           |             | ■         |
| RBC Foundation   | ■         |                 |             |           |             | ■         |

## Recognition

A company's reputation is built in part by what people say about it. We have been recognized for our corporate responsibility programs and performance and continue to be listed on Canadian and global indices that identify financial, social and environmental leaders.

### 2011 Awards

#### Corporate responsibility/sustainability

Global 100 Most Sustainable Corporations in the World<sup>1</sup>

Top 50 Socially Responsible Corporations<sup>2</sup>

Best 50 Corporate Citizens in Canada<sup>3</sup>

Top Canadian Bank for Supplier Labour Standards<sup>4</sup>

Lexpert Zenith Awards for Corporate Social Responsibility (in recognition of the RBC internal Law Group)

Brand of the Year<sup>5</sup>

Most Valuable Brand in Canada<sup>6</sup>

#### Workplace

Canada's 10 Most Admired Corporate Cultures<sup>7</sup>

Canada's Best Diversity Employers<sup>8</sup>

Canada's Best Employers for New Canadians<sup>8</sup>

Canada's Top 100 Employers<sup>8</sup>

Top Employers for Canadians Over 40<sup>8</sup>

Most Attractive Employers in Canada<sup>9</sup>

#### Environment

Canada's Greenest Employers<sup>8</sup>

### 2011 Indices

2012 Dow Jones Sustainability World Index (12th consecutive year)

Dow Jones Sustainability North America Index

The Carbon Disclosure Project Canadian Leadership Index

Green Ranking 2011<sup>11</sup>

FTSE4Good Index

Jantzi Social Index<sup>12</sup>

#### Sources:

<sup>1</sup> Research alliance, including Corporate Knights Research Group, Legg Mason's Global Currents Investment Management, Phoenix Global Advisors LLC, BLOOMBERG PROFESSIONAL service and Sustainalytics

<sup>2</sup> *Maclean's* magazine

<sup>3</sup> *Corporate Knights* magazine

<sup>4</sup> Shareholder Association for Research and Education

<sup>5</sup> *Strategy* magazine

<sup>6</sup> Brand Finance

<sup>7</sup> Waterstone Human Capital Ltd.

<sup>8</sup> Mediacorp Canada Inc.

<sup>9</sup> Randstad Award (based on the perceptions of 7,000 independently surveyed job seekers)

<sup>10</sup> SAP Canada Inc. in partnership with the Richard Ivey School of Business at the University of Western Ontario

<sup>11</sup> *Newsweek*

<sup>12</sup> Jantzi-Sustainalytics

## Affiliations

We are affiliated with leading organizations around the world to help promote sustainability, including the ones listed below.

| Corporate responsibility/sustainability                                 |  |
|---|--|
| The Boston College Center for Corporate Citizenship                     | A membership organization that offers a broad and objective perspective on the role of business in the 21st century.   |
| Canadian Business for Social Responsibility                             | A non-profit, member-led organization that mobilizes Canadian companies to make business decisions that improve performance and contribute to a better world.  |
| Canadian Centre for Child Protection                                    | A charitable organization dedicated to the personal safety of all children, with the goal of reducing child victimization through the provision of public programs and services.   |
| The Committee Encouraging Corporate Philanthropy                        | A committee with a mission to lead the business community in raising the level and quality of corporate philanthropy, offering members essential resources, including a proprietary online benchmarking tool, networking programs, research and opportunities for best-practice sharing.                               |
| The Conference Board of Canada's Business Council for Sustainability    | A cross-industry council that provides members with opportunities to learn, exchange insights, and leverage knowledge and best practices in the area of sustainability.  |
| The Conference Board of Canada's Corporate Community Investment Council | A network of individuals who have responsibility for community investment and donations programs within their organizations.   |
| The Excel Partnership   | Forum for major Canadian corporations committed to sustainable development leadership.   |
| The Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria     | Over 200 private sector companies leading the business fight for improved global health.   |
| Imagine Canada  | A program to encourage philanthropy and volunteering. RBC is part of the group's "Caring Companies Program", and as such, we have agreed to commit a minimum of 1% of pre-tax domestic profit to support charitable and non-profit organizations, among other commitments. RBC is a founding member of Imagine Canada. |
| The Minnesota Keystone Program  | A program where businesses commit at least 2% of pre-tax earnings to charitable contributions in the community. RBC is a founding member.  |
| Philanthropic Foundations Canada  | A member association of Canadian grantmakers, including private and public foundations, charities and corporations.  |
| Sustainability 50   | An international community for executives charged with their organizations' sustainability and CSR (Corporate Social Responsibility) efforts.  |
| Governance and ethics   |  |
| The Canadian Centre for Ethics & Corporate Policy                       | A registered charity dedicated to promoting and maintaining an ethical orientation and culture in Canadian organizations. RBC is a founding member.  |
| The Canadian Coalition for Good Governance                              | Promotes best corporate governance practices in companies that its members consider for investment.  |
| The Conference Board of Canada  | The foremost independent, not-for-profit applied research organization in Canada.  |
| Corporate Ethics Management Council                                     | A council of over 40 executives responsible for all facets of ethics and compliance management in major Canadian public and private sector organizations.  |
| Diversity and workplace   |  |
| The Canadian Centre for Diversity                                       | A Canadian non-profit dedicated to informing and educating Canadian society about the value of diversity, difference and inclusion.  |
| The Canadian Council on Rehabilitation and Work                         | A non-profit Canadian cross-disability organization supporting persons with disabilities, employers and community agencies in advancing employment.  |
| Career Edge   | A Canadian national not-for-profit organization that works with employers across Canada to provide meaningful work experiences through paid internships to internationally qualified professionals who are new to Canada and recent graduates with disabilities.   |



## Affiliations

(continued)

| Diversity and workplace (continued)   |  |
|---|--|
| Catalyst  | The leading non-profit membership organization working globally with businesses to build inclusive workplaces and expand opportunities for women at work.  |
| The Families and Work Institute   | A non-profit research organization that addresses the changing nature of work and family life.   |
| The National Minority Supplier Development Council (U.S.)   | A direct link between corporate America and minority-owned businesses.   |
| The Toronto Region Immigrant Employment Council   | A multi-stakeholder council that brings leaders together to create and champion solutions to better integrate skilled immigrants in the Toronto Region labour market.  |
| The U.S. Conference Board Council of Global Diversity and Inclusion Executives                    | A group of executives that address the current realities and vision of the next generation practice of diversity and inclusion, and presents the latest operational and thought leadership regarding the implementation of strategies.   |
| Urban Financial Services Coalition  | A non-profit organization of minority professionals in the financial services industry.  |
| The Vanier Institute of the Family  | A Canadian institute dedicated to raising awareness and providing leadership on the topic of the importance of families to Canadian society.   |
| Women's Executive Network   | The largest community of influential, powerful and successful women in Canada and Ireland.   |
| Aboriginal people   |  |
| The Canadian Aboriginal and Minority Supplier Council   | A private, non-profit membership organization dedicated to the economic empowerment of Aboriginal and minority companies. RBC is a founding member.  |
| Centre for the North  | An initiative of the Conference Board of Canada to bring Aboriginal leaders, businesses, governments, and community advocates together to identify challenges and opportunities, and to explore how those challenges can be met.         |
| The Financial Industry Partnering for Aboriginal Relationships                                    | A partnership among Canada's leading financial institutions working with Indian and Northern Affairs Canada to increase the contribution and participation of Aboriginal peoples in the Canadian banking industry.                       |
| Environment   |  |
| The Canadian Environmental Grantmakers' Network   | A membership group of private, community, public and corporate foundations, and government and corporate funding programs that give grants in support of the Canadian environment.   |
| The Conference Board of Canada's Business Council for Sustainability                              | A cross-industry council with members from 22 Canadian corporations that exchange experiences and leverage emerging research, public policy insights and global best practices in environmental management and corporate sustainability. |
| The Environmental Bankers Association (U.S.)  | A non-profit trade association that represents the financial services industry, to protect and preserve bank net income and assets from environmental exposure and liability.  |
| Greening Greater Toronto Task Force   | A group of 50 leaders from businesses, non-profit organizations, educational institutions and governments that meets to discuss Greening Greater Toronto's progress, and help provide direction for all projects.                        |
| The Ontario Ministry of Municipal Affairs and Housing Brownfield Stakeholder Group                | Brings together the municipal sector, land developers, lawyers, environmental practitioners, industry and lenders to provide advice to the Ontario government on brownfield development issues.  |
| Partners in Project Green   | A community of businesses working together to green their operations by creating an internationally recognized "eco-business zone" around Toronto's Pearson International Airport.   |
| The United Nations Environment Programme Finance Initiative (UNEP FI) – North American Task Force | North American task force of a unique global partnership between the United Nations Environment Programme (UNEP) and the global financial sector.  |



## Stakeholders

Stakeholders help shape our approach to corporate responsibility, and ensure we are on track with our pledges and priorities.

Our major stakeholders include employees, clients, current and prospective investors, suppliers, governments, regulators, non-governmental organizations (NGOs) and community partners. As highlighted throughout this report, we have a range of processes in place to discover and address their opinions and concerns. Stakeholders can contact us directly at [corporateresponsibilityreport@rbc.com](mailto:corporateresponsibilityreport@rbc.com).

### Clients

In order to evaluate how successfully we are “earning the right to be our clients’ first choice,” we track client satisfaction rigorously, using both in-house professional research experts and external vendors to obtain feedback, both through formal research vehicles and in more informal ways.

Some parts of our business track client satisfaction and loyalty quarterly as key measures of employee and business-unit performance.

Third-party suppliers generally administer both our external market benchmarking and internally designed client surveys. We use client feedback to make product and service improvements, and to develop high-calibre client, marketing and channel strategies. We also use information gained through public opinion surveys to fine-tune product and client strategies.

We continually work to improve our service, recording client requests in a central database, and processing feedback from our Client Care Centre and the RBC Office of the Ombudsman. We interview clients directly to see how well their issues were resolved, and track all issues to ensure that systemic problems are corrected.

### Employees

We have conducted employee opinion surveys since 1981, covering the following areas:

- Employee engagement
- Company values, open communication and respect
- Leadership
- Diversity, teamwork and working relationships

- Reward, recognition and performance management
- Professional and career development
- General working environment (including topics such as work/life flexibility, empowerment and marketplace competitiveness)

We base our surveys on an employee engagement model, reviewing engagement scores and drivers by each business unit, region and key demographic group. We conduct statistical analyses, identify trends and compare our results to external benchmarks. Survey results are shared with unit managers, senior executive management and the Board of Directors. We develop action plans to address gaps or emerging issues and communicate these to employees.

The full survey is complemented every other year by a targeted, sample-based survey that follows up on action plans.

In addition, each year, RBC employees are invited to respond to a poll on the topic of corporate citizenship at RBC. The responses from this poll help us shape our corporate responsibility strategy and set relevant goals in the following year. For more information, see page 72.

### Investors/shareholders

Our Investor Relations (IR) group sets our overall investor strategy and manages all relationships and communications with the investment community, including investors, financial services analysts and rating agencies. Investors consist of all classes (common, preferred and fixed income) and types (institutional and retail) spanning all geographies. The IR group also oversees our rating-agency strategy, relationships and communications.

IR communicates the views, concerns and perceptions of investors, analysts and rating agencies to the Group Executive, the Bank’s most senior management and the Board of Directors. Various executives and members of the IR team meet with shareholders regularly, on both an individual and group basis, as well as at our Annual Meeting of Common Shareholders. We take feedback from analysts and investors into consideration as we formulate our strategy and priorities. We interact with the investment community through our quarterly and annual reports to shareholders, our quarterly earnings

releases, analyst calls, various external websites, and our annual Corporate Responsibility Reports and Public Accountability Statements.

### SRI community

We regularly receive requests for information from SRI (Socially Responsible Investing) research companies, ratings agencies and analysts, and occasionally from investors (pension funds and institutions) about our sustainability performance. We regularly perform a strategic review in order to determine how to respond most efficiently to the myriad requests we receive. We have developed an “SRI Researcher Priority List” to evaluate the most prominent research companies and rating agencies, as well as smaller or emerging agencies from regional markets. We analyze the relevance of each to our priority geographic markets, as well as the likelihood that our shareholders, or potential shareholders, would use research from companies or agencies in markets in which we have little or no presence. Then we select the research and rating agencies to which we will provide detailed information for the creation of their indices, ratings and rankings. We provide detailed disclosure for all other researchers via our website.

### Suppliers

RBC has a designated procurement group responsible for sourcing products and services. In 2011 we rolled out a new procurement policy (see page 42 for more information). Our relationships with major suppliers are governed by service-level agreements, and we require quarterly reports on customer service and service-delivery standards. We review our procurement guidelines on an ongoing basis.

### Governments

We have ongoing relationships with various levels of government. In Canada, RBC leaders engage with elected officials. We advocate on a broad range of issues, including agriculture, consumer interests, employment and training, environment, financial institutions, industry, internal trade, small business, taxation, securities regulation, and financial sector and competition policy.

### Lobbying report

Canada's *Lobbyist Registration Act* requires us to report on our lobbying activities, as well as on those of others

who engage in advocacy on our behalf. We are required to file a report every six months about the issues in which we are engaged, under the President and CEO's signature, listing our employees and consultants who are in regular contact with government officials, and the topics discussed.

In the U.S., we largely focus on advocating at the federal level, including members and committees of the U.S. Congress, and key leaders of the regulatory authorities responsible for overseeing the business activities of our operating subsidiaries in that country. We seek to serve as an educational resource and thought leader with our government constituency, in particular with the federal financial regulators who are playing key roles in implementing reform.

See page 27 for our policy on political contributions.

### Environmental NGOs

We actively engage and liaise with a number of organizations to discuss environmental issues related to policy development, transaction review, portfolio management, operational impacts and business development opportunities. These groups include the Canadian Boreal Initiative, Durrell Wildlife Preservation Trust, Forest Ethics, Greening Greater Toronto Task Force, Nature Conservancy of Canada, Pollution Probe, Rainforest Action Network, Toronto Atmospheric Fund and World Wildlife Fund. For more information on environmental stakeholder initiatives, see page 87.

### Reporting

In 2011, we maintained or improved our standing on every sustainability index that is on our SRI Researcher Priority List (described above), and built on our strong reputation as a responsible global financial services company.

We strive for transparency in reporting, and take a multi-pronged approach to sustainability reporting, using a range of formats designed to be accessible to various audiences.

Our sustainability reporting suite includes:

#### ■ Corporate Responsibility Report and Public

**Accountability Statement:** This annual report is our flagship reporting document, available online as a PDF. It is written for a wide audience: socially responsible investors, employees, NGOs, regulators, elected officials

and corporate responsibility practitioners. This report includes an overview of our policies and approach to business integrity, as well as a year-end snapshot of our economic, social and environmental impact in the workplace, marketplace and communities.

It contains our annual Public Accountability Statement, as required by Canadian regulators.

Print copies are available at no cost, on request, by contacting the editor (contact details can be found on page 2 and the back cover).

- **rbc.com/community-sustainability:** We redesigned our community, environment, sponsorship and corporate responsibility websites in 2011 to give stakeholders a one-stop shop for all RBC community and sustainability information. We solicited stakeholder input for the redesign so that it would meet the information needs of consumers, employees, clients, NGOs, community partners, students and corporate responsibility practitioners. The site features consumer-friendly, at-a-glance stories and information for the casual reader, and in-depth information for those desiring more. The site addresses our efforts in communities, for the environment, and in our business operations. We will update content on a regular basis.
- **Corporate Responsibility Review:** This brief publication is for consumers, the general public and RBC employees globally. It summarizes our Corporate Responsibility Report, indicates where other information can be found, and is available both in print and online.
- **Quarterly Reports to Shareholders, Annual Report and Management Proxy Circular:** These publications are for investors, analysts and regulators, and provide disclosure about our operations and financial condition, and information related to corporate governance, executive compensation and risk management.



[rbc.com/investorrelations](http://rbc.com/investorrelations)

- **Global Reporting Initiative (GRI):** We observe the reporting guidelines suggested by the GRI. This 2011 Corporate Responsibility Report and Public Accountability Statement contains a GRI index showing where all of our GRI-related sustainability information can be found. See page 111.

- **Sustainability survey submissions:** We regularly and proactively provide information to a limited number of socially responsible research companies for the creation of indices, ratings and rankings that are then provided or sold to analysts and investors.

We continue to enhance our Corporate Responsibility Report in order to provide sufficient information about our sustainability performance for the other research companies and rating agencies.

- **Issue-specific reports:** We provide detailed disclosure on areas of interest that fall under the corporate responsibility banner, with reports that are produced for specific stakeholders such as our public submission to the Carbon Disclosure Project, our annual Diversity Progress Report and our Aboriginal Partnership Report, all of which are available online.
- **Reporting plans:** We continually review our performance metrics, as well as the overall effectiveness of our sustainability communications. We recognize that the performance metrics that are important to a socially responsible investor may differ from the material financial metrics typically evaluated by investors. Going forward, we aim to continually enhance the quality of our reporting, as new issues and metrics emerge, stakeholder expectations change, and communication media evolve.

Plans for 2012 include:

- Stakeholder consultations to help determine future report content
- Interactive reporting on sustainability issues
- An RBC Sustainability Report Card that identifies global trends, analyzes key issues and tracks our performance on key indicators

# Corporate integrity

“Integrity in all that we do” is a key value at RBC™ and the central thread that connects all the activities that we define as “corporate responsibility.” By operating with integrity, we can fulfill our responsibilities to our stakeholders and maintain their trust.

## Vital statistics

|                                    | 2011     | 2010     | 2009     |
|------------------------------------|----------|----------|----------|
| Number of board members            | 16       | 15       | 15       |
| Female directors (% of board)      | 31%      | 20%      | 20%      |
| Independent directors (% of board) | over 93% | over 93% | over 93% |

## In this section:

|                             |    |
|-----------------------------|----|
| Priorities                  | 19 |
| 2011 Performance highlights | 19 |
| 2012 Plans                  | 19 |
| Issues                      | 20 |
| Corporate governance        | 21 |
| Risk management             | 23 |
| Policies and procedures     | 24 |
| Principles and charters     | 29 |
| Mutual funds and governance | 31 |

| Priorities  | 2011 Performance highlights  | 2012 Plans  |
|---|--|---|
| Govern responsibly  | <ul style="list-style-type: none"> <li>■ Appointed two new directors to the board, increasing its size to 16 members.</li> <li>■ Held a shareholder advisory vote on executive compensation.</li> <li>■ Expanded procedures for adjustment of incentive compensation for performance and risk management.</li> <li>■ Won <i>IR</i> magazine’s “Best Corporate Governance” Award.</li> <li>■ Won <i>Corporate Secretary</i> magazine’s Best Overall Corporate Governance Award for the international category.</li> </ul> | <ul style="list-style-type: none"> <li>■ The board will continue to strengthen its role as an independent steward of the organization with a governance approach that is in line with best practices.</li> <li>■ The board will keep a sharp focus on the oversight of risks.</li> </ul>                              |
| Manage risk effectively                                   | <ul style="list-style-type: none"> <li>■ Continued to enhance risk management processes, tools and practices through ongoing investments in systems and infrastructure.</li> </ul>   | <ul style="list-style-type: none"> <li>■ We will continue to ensure our risk profile is consistent with strategic objectives and risk appetite.</li> <li>■ We will continue to promote our risk culture.</li> </ul>   |
| Ensure compliance with applicable regulatory requirements | <ul style="list-style-type: none"> <li>■ Updated our framework for managing regulatory compliance risk consistent with key regulatory expectations.</li> <li>■ Developed a global policy on lobbying.</li> <li>■ Updated numerous compliance policies.</li> <li>■ Continued to enhance and refine our Anti-Money Laundering framework and related policies.</li> </ul>   | <ul style="list-style-type: none"> <li>■ We will continue to ensure policies and procedures are updated in alignment with new/updated regulatory requirements, industry developments and business processes.</li> </ul>   |
| Promote investors’ interests in the financial industry    | <ul style="list-style-type: none"> <li>■ Continued to promote a rule for an independent review committee of investment funds.</li> <li>■ Worked with the Canadian Coalition of Good Governance to promote progressive corporate governance practices.</li> </ul>   | <ul style="list-style-type: none"> <li>■ We will continue to promote fund governance and work with the Independent Review Committee to oversee conflict of interest matters between the fund manager’s own interests and the manager’s duty, and to manage investments in the best interests of investors.</li> </ul> |

## Issues

| Executive compensation   |  |
|--|--|
| <b>Issue</b><br>Shareholders, regulators and the general public want more accountability and transparency on executive compensation. | <b>RBC Position</b> <ul style="list-style-type: none"> <li>■ We have adopted leading governance practices over the past few years (see our Management Proxy Circular, starting on page 63).</li> <li>■ In 2009, we voluntarily adopted a policy that gives shareholders a non-binding vote on executive compensation.</li> </ul>   |
|  | <b>Outlook</b> <ul style="list-style-type: none"> <li>■ We will continue to pay special attention to governance and controls for executive compensation.</li> <li>■ We will continue to pay for performance with the goal of creating value for shareholders in the long term.</li> <li>■ We analyze pay-for-performance alignment on an on-going basis to ensure there is an appropriate balance between risk and reward.</li> <li>■ We continue to follow the Financial Stability Board's <i>Principles for Sound Compensation Practices and Implementation Standards</i>, which have been adopted by our regulators.</li> </ul> |
| Board diversity  |  |
| <b>Issue</b><br>Some socially responsible investors want increased diversity on corporate boards.                                    | <b>RBC Position</b> <p>In 2011, we appointed two women to our Board of Directors. The board derives its strength from the background, diversity, qualities, skills and experience of its members. Every year, we review the credentials and performance of proposed candidates and assess their competencies and skills against those that we think the board should possess to effectively look after the interests of RBC stakeholders. For details, see pages 68 and 69 of our Management Proxy Circular.</p>   |
|  | <b>Outlook</b> <p>We will continue to select nominees to the board on the basis of such qualities as integrity and ethics, business judgment, independence, business or professional expertise, international experience and residency, and familiarity with geographic regions relevant to our strategic priorities.</p>  |

## Corporate governance

Corporate governance is about promoting fairness, transparency and accountability by setting out the rights and responsibilities of the board, management and shareholders.

### Governance structure

The fundamental relationships among, and between, members of the board, management, shareholders and other stakeholders is determined by our governance structure. This structure is also the context in which we set ethical values, corporate strategies and objectives.

The strength of our governance starts at the top, with an independent chairman and experienced and well-informed directors who give priority to strategic

planning and risk oversight. They ensure that we have, and enforce, standards of ethical behaviour throughout RBC, and they work to continuously improve our governance practices. There are four board committees: the Audit Committee, the Human Resources Committee, the Corporate Governance and Public Policy Committee, and the Risk Committee (see figure, below).

For more information, visit [rbc.com/governance](http://rbc.com/governance).



**President and CEO Mandate**

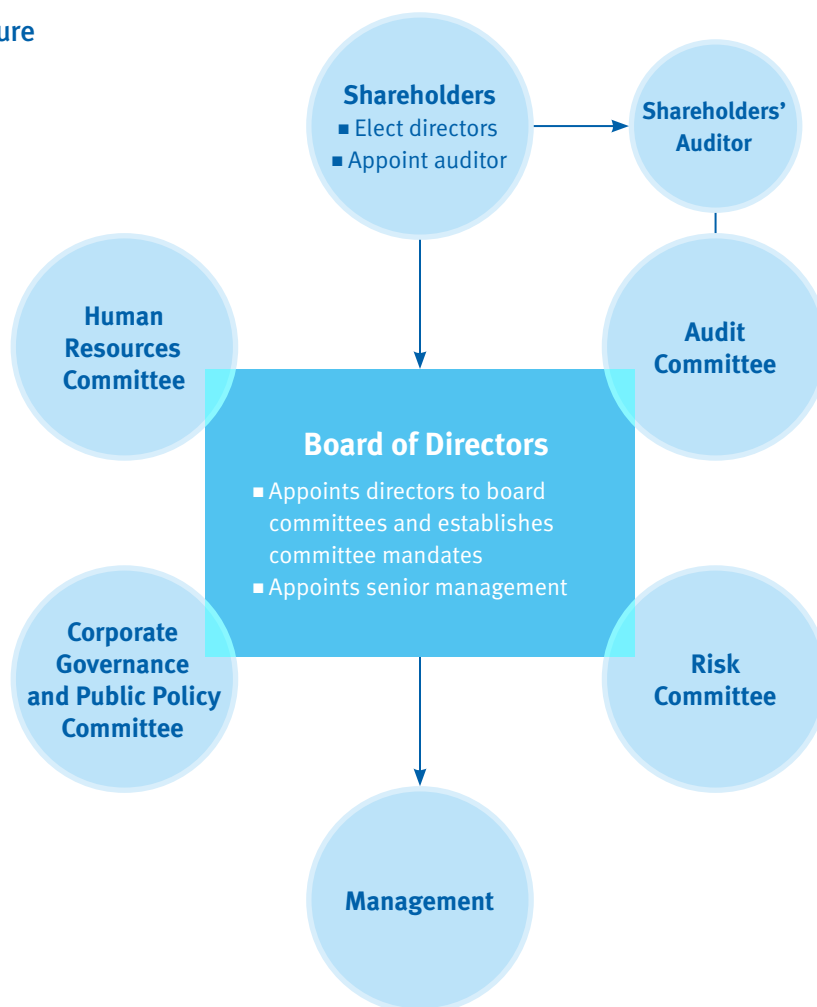


**List of Group Executive Members**



**Board of Directors and Committee Memberships**

### RBC Governance Structure



For details on various roles and relationships of the entities depicted here, visit [rbc.com/governance](http://rbc.com/governance).



## Conduct

Our Code of Conduct is a set of written standards that promote integrity and ethical behaviour. It applies to the chairman and members of the Board of Directors, senior management and all employees. The Code outlines fundamental principles that guide the Board in its deliberations, and shapes the organization's business activities globally. It has been filed with securities regulators at [sedar.com](http://sedar.com) and [sec.gov](http://sec.gov). For more information on the Code, see page 24.



**[rbc.com/governance](http://rbc.com/governance)**

## Governance practices

Our governance policies and practices enable directors to supervise management and enhance long-term shareholder value. Our Board of Directors has long been proactive in adopting leading corporate governance practices and, over the years, we have introduced many significant governance innovations, best practices, initiatives and enhancements, such as:

- A policy to provide shareholders with an advisory vote on our approach to executive compensation at each Annual Meeting of Common Shareholders;
- A policy that will allow us to recoup incentive awards that have already been paid, and cancel unvested performance-based incentive awards for executives and employees of RBC Capital Markets™ who engage in conduct that is detrimental to the organization;
- A policy that allows us to adjust variable incentive awards prior to vesting or payout in the case of a material downturn in financial performance or a material failure of managing risk outcomes that are materially different from the assessments made when we initially granted the awards;
- A requirement that directors tender their resignations following the Annual Meeting if they fail to receive majority shareholder support;
- A comprehensive Director Independence Policy which has continued to evolve in response to best practices and regulatory refinements. Fifteen of the 16 directors currently serving are independent;
- Meetings of independent directors held following each regularly scheduled board meeting;
- A minimum share ownership requirement of \$500,000 for directors, to ensure strong alignment of their interests with those of shareholders;
- Increased minimum share ownership requirements for Managing Directors in RBC Capital Markets. RBC also has minimum share ownership requirements for executive officers, which further align management and shareholder interests. For more information, see pages 39–40 of our Management Proxy Circular;
- A performance deferred share program that ties senior management's rewards to our performance compared to that of our peers, further aligning management and shareholder interests;
- Independent members on every committee of the Board of Directors: the Audit Committee, Human Resources Committee, Corporate Governance & Public Policy Committee, and Risk Committee;
- More stringent independence criteria for members of the Audit Committee. Four individuals have been designated as Audit Committee financial experts;
- Sole authority for every board committee to retain and approve the fees of independent, external advisors. The Human Resources Committee retains an independent compensation consultant;
- The mandate of the Corporate Governance and Public Policy Committee includes explicit oversight responsibility for corporate citizenship;
- The appointment of two new directors, Heather Munroe-Blum and Bridget van Kralingen, to the Board in 2011;
- Ensuring independent leadership of the Board of Directors. We were first among our peer companies to separate the positions of Chairman and CEO in 2001;
- Limiting the service\* of our Audit Committee members on the audit committees of other companies since 2004;
- Establishing board and director evaluation procedures, with written peer reviews to complement the peer assessment practice of one-on-one interviews with the Chairman. In addition, each board committee assesses its own effectiveness annually;

\* The Audit Committee mandate states that "No member of the Committee may serve on the audit committees of more than two other public companies, unless the Board of Directors determines that this simultaneous service would not impair the ability of the member to serve effectively on the Committee."

- Limiting interlocking directorships of Board members since 2002;
- Permanently discontinuing grants under the Director Stock Option Plan in 2002; and
- Being among the first major Canadian companies to expense stock options in financial statements, which we have done since 2003.



#### **Statement of Corporate Governance Practices**



#### **Director Independence Policy**



#### **Charter of the Board of Directors**



#### **Non-executive Chairman Mandate**



#### **Committee Chair Mandate**

The documents listed above are available at [rbc.com/governance](http://rbc.com/governance).

## **Risk management**

Risk is present in virtually all aspects of a financial services company's business, and sound risk management practices are fundamental to our long-term success. Management of risk is a core competency for us, supported by a strong risk culture and an effective enterprise risk management framework.

### **Enterprise risk management (ERM) framework**

Our ERM framework helps us identify, measure, control and report on the significant risks that we face. This enterprise-wide approach enables us to meet the expectations of our home regulator, the Office of the Superintendent of Financial Institutions (OSFI) and other relevant regulators around the world. The Risk Committee of our Board reviews and approves our ERM framework annually.

The ERM framework promotes a good understanding of the roles, responsibilities and authorities for managing risk throughout RBC. It also establishes a common risk language. We believe it is important to be able to articulate what our risks are and how they are measured and managed so that everyone in the organization can understand them. We ensure an accurate and consistent view of risk across the organization through a variety of reporting and disclosure mechanisms.

Our risk appetite is the amount and type of risk we are willing to accept in pursuit of our business objectives. We have an Enterprise Risk Appetite Framework that we apply to determine and manage our risk capacity, self-imposed constraints, limits and tolerances, and risk profile relative to risk appetite. The Risk Committee of our Board reviews and approves our Enterprise Risk Appetite Framework annually.

We also have a number of frameworks to address specific risks, such as reputation risk.

### **Reputation risk framework**

A company's reputation is one of its most important assets. We are proactive in our efforts to protect our reputation, with a combination of preventive and responsive measures.

Our reputation risk framework is reviewed annually by the Risk Committee of our Board of Directors, and includes:

- Definitions, principles and sources of reputation risk;
- Organizational and oversight responsibilities; and
- Mechanisms and protocols for mitigating reputation risk.

Our organizational culture and values are the foundation of our reputation, and serve us well in protecting it. Key preventive measures include our comprehensive Code of Conduct, risk identification and mitigation practices, and proactive stakeholder engagement.

We rely on a number of proactive and responsive measures to protect our reputation, including the escalation protocols established through our Enterprise Compliance Management program and our Business Continuity and Crisis Management approach.

### **Regulatory compliance management (RCM) framework**

In order to achieve compliance with governing legislation, applicable laws, regulations and regulatory expectations, we have a comprehensive RCM framework, consistent with regulatory guidance from OSFI and other regulators globally. The framework promotes the proactive, risk-based management of regulatory compliance risk. It applies to all of our businesses and operations, legal entities and employees globally. It confirms the shared accountability of all our



employees to ensure we maintain effective regulatory risk and compliance controls. It is reviewed and approved annually by the Risk Committee.

### Business continuity and crisis management

We use a Business Continuity Management program to ensure that our businesses are prepared to deal with any disruption of operations or service to clients. We conduct risk assessments of all areas annually, in addition to contingency plan development and periodic testing of our resilience capabilities.

Our Enterprise Crisis Management team includes senior executives from across the organization and around the globe. It is responsible for ensuring continued service to our clients during any crisis/incident or major service interruption. The team is supported by a global network of regional, business-line and local incident management teams, who are on call around the clock to address any situation that could pose material risk to our employees, our reputation or our ability to serve clients.

We conduct regular crisis simulations to test our readiness and ensure a timely response to all emergency situations, including departmental disruptions, building, city-wide or regional disruptions, or a pandemic incident.

### Policies and procedures

Financial services companies, perhaps more than any other business, depend on confidence and trust. We strive to operate with integrity every day, in every transaction or dealing.

As a global organization, we respect and comply with laws and regulations that govern our businesses in the jurisdictions in which we operate. We regularly review our internal policies and controls to ensure they are effective and aligned to relevant laws and regulations.

This section covers the key principles, codes and policies that we have in place to ensure integrity in everything we do.

### Code of Conduct

We have a strong ethical and compliance culture grounded in our Code of Conduct which broadly addresses a variety of ethical and legal concerns that face our employees on a day-to-day basis. Our Code of Conduct is supported by a number of global and

regional policies, procedures, training programs, online tools, job aids, and new employee orientation materials. We have formal policies on issues such as privacy, money laundering, terrorism financing, economic sanctions, lending to political parties, environmental sustainability and fiduciary risk.

Established more than 20 years ago, our Code of Conduct outlines our commitment to, and expectation for, a strong culture of integrity. The Code broadly addresses a variety of ethical and legal concerns that many of our employees face on a day-to-day basis. We review and update it regularly to ensure it continues to cover all aspects of our activities.

Each and every RBC employee must confirm his/her understanding of and commitment to the Code of Conduct at least every two years. Directors, Group Executive members and employees who have financial oversight roles must review and acknowledge the Code of Conduct annually.

Our Code of Conduct includes the following principles:

- Upholding the law
- Confidentiality
- Fairness
- Corporate responsibility, including environmental sustainability
- Trust
- Objectivity
- Integrity
- Individual responsibility



[rbc.com/governance](http://rbc.com/governance)

### Compliance

We operate in 58 countries and support the laws enacted by Canada and the other jurisdictions where we operate that are designed to deter tax evasion, tax fraud, money laundering and other criminal activities. RBC and our employees are expected to comply with all laws and regulations that govern our businesses in the various jurisdictions in which we operate. While complying with applicable laws, we arrange our business affairs in a manner that best meets the needs of our stakeholders. We also contribute to the effort to eliminate abuses of

the global financial system by practising “Know Your Client” rules, implementing a robust anti-money laundering compliance regime throughout our global network, adhering to the Code of Conduct, and working with international organizations to enhance policies and rules that govern the global financial system.

### Privacy

At RBC, we are dedicated to protecting the privacy of our clients and employees, and safeguarding the personal, business and financial information entrusted to us.

This is a cornerstone of our business, and will always be one of our highest priorities.

RBC companies follow comprehensive privacy policies and security practices in compliance with laws, and to support our commitment of trust through integrity in everything we do. Our Privacy Principles, within our Privacy Policy, describe how we collect and use client information, how it may be shared and with whom, and our security practices. For more, see page 57 of this report.

### Anti-bribery/anti-corruption

Governments and other groups around the world are working hard to fight corruption through legislation that prohibits corrupt and other payments, such as facilitation payments. To support these efforts and our commitment to operate with integrity, we continue to enhance our enterprise-wide, global Anti-Bribery/ Anti-Corruption policy.

This policy prohibits RBC entities, employees and third parties acting on behalf of RBC entities from giving, requesting or receiving gifts, payments (including facilitation payments), items of value and/or excess hospitality — or the promise of any of these items — with the intent of assisting RBC in obtaining unfair advantage, either directly or indirectly, from any government official or any other person. Third parties may include consultants, sales agents, marketers, business referral agents and distributors, among others. RBC employees learn about this policy in our mandatory Code of Conduct training (see page 24). We also require certain employees to take additional training because of the nature of the business activities they perform for RBC and/or the geographic regions in which they conduct business.

The policy sets consistent standards across RBC to address corruption and bribery of government officials and private persons. These standards include internal controls to identify and manage areas of risk, as well as measures to address the specific anti-bribery/anti-corruption requirements of the jurisdictions in which we conduct business. For instance, our standards address the specific requirements of the Canadian *Corruption of Foreign Public Officials Act*, the U.K. *Bribery Act* and the U.S. *Foreign Corrupt Practices Act*.

### Anti-money laundering

RBC has implemented an enterprise-wide policy and compliance program to deter, detect and report suspected money laundering. The program applies appropriate scrutiny and monitoring measures to clients, particularly those whose business activities are known to be susceptible to criminal activity or who have been designated as high-risk for money laundering. Our Global Anti-Money Laundering Compliance Group is dedicated to the continuous development and maintenance of robust policies, guidelines, training, and risk-assessment tools and processes to help our employees deal with ever-evolving money laundering and terrorism financing risks. To enhance our anti-money laundering capabilities, we have implemented robust automated systems and analytical processes to detect, track and assess transactions for suspicious activities.

We actively participate in global industry groups dealing with anti-money laundering and anti-terrorist financing to stay informed about evolving money laundering and terrorist financing trends and techniques to counter these risks. We consult with national financial intelligence units globally, such as the Financial Transactions and Reports Analysis Centre of Canada, to ensure that we are effective in our reporting of prescribed transactions.

RBC promotes employee awareness and compliance with anti-money laundering and anti-terrorist financing controls through formal training programs, presentations and other communications. Annual anti-money laundering training and testing is mandatory for all employees, including senior executives.



View our AML certifications at [rbc.com/aboutus](http://rbc.com/aboutus).

### Anti-terrorism and economic sanctions

We are committed to preventing the use of our financial services for terrorist financing purposes or in violation of applicable economic sanctions. RBC has an enterprise-wide policy that requires all our businesses and global operations to abide by applicable economic sanctions and anti-terrorist financing regulations. Our businesses, and their directors, officers and employees, will not knowingly conduct business with, enter into transactions with, or do anything that causes, assists or promotes the provision (directly or indirectly) of financial services to, or for the benefit of, states, entities, organizations or individuals targeted by the economic sanctions or anti-terrorist financing regulations of the jurisdictions in which we operate.

In order to meet all relevant requirements, regulations and internal policies, we have implemented automated systems and other processes for ongoing scanning of client names and payment information against applicable terrorist, control and sanctions lists.

### Identification and management of conflicts of interest

The *Bank Act* (Canada) and other governing legislation and regulations require us to maintain appropriate controls and processes to identify and manage any conflicts between the interests of RBC and its employees and clients or other third parties. Where a conflict exists, or appears to exist, appropriate steps must be taken to manage the conflict, including, in certain circumstances, eliminating it entirely. If more than one conflict of interest exists for a particular situation, the conflicts must be addressed and managed together.

### Reporting suspected irregularities

All RBC employees have the duty to report suspected breaches of our Code of Conduct, other irregularities and dishonesty. We have long-established and accessible processes that enable employees to do so, and our Code of Conduct protects employees from retaliation for any report made in good faith.

Specific to financial reporting practices, the RBC Reporting Hotline allows employees and third parties to report suspected irregularities or wrongdoing relating

to accounting, auditing or internal accounting controls directly to the RBC Ombudsman, anonymously, in confidence and without fear of retaliation, on a 24/7 basis.

The RBC Ombudsman personally monitors messages received through the Hotline channel, and reports all issues raised to the Audit Committee of the Board of Directors. Names and identifying features are removed from the report, and all information reported is retained in strict confidence. The Ombudsman has independent and sole authority to determine appropriate action with regard to messages received, and to initiate contact with the employee for further information.

### Fiduciary risk

Our businesses and subsidiaries are expected to identify, assess, manage and mitigate any fiduciary risk inherent in our operations or arising from our specific activities and relationships with clients.

Employees engaged in fiduciary relationships must have the appropriate level of knowledge and training necessary to carry out their fiduciary duties, and must meet all applicable regulatory licensing or registration requirements. Client communication campaigns, and marketing materials sent to clients in relation to fiduciary duties, must be reviewed and approved from a fiduciary risk perspective.

### Client due diligence (Know Your Client)

RBC has long recognized the importance of implementing and maintaining adequate controls and procedures to ensure that, on a reasonable and practical basis, we know with whom we are conducting business. We have developed enterprise-wide standards for conducting due diligence on new and existing clients, and for performing enhanced due diligence on clients who introduce potential reputational risk to RBC due to higher risk of money laundering, terrorism financing or violation of economic sanctions. We also comply with applicable regulatory guidance concerning client due diligence, including that pertaining to politically exposed persons, anti-money laundering, anti-terrorism, economic sanctions and suitability requirements.

## The environment

Our first corporate environmental policy was developed in 1991 and, since then, we have been committed to environmental management and continuous improvement. In 2007, we published the RBC Environmental Blueprint™ that articulates our corporate environmental policy, priorities and objectives. It sets out our approach to environmental matters pertaining to operations, business activities, products and services, employees, compliance, reporting transparency and partnerships.

Underpinning the RBC Environmental Blueprint is our enterprise-wide Environmental and Social Risk Management Policy, which applies to all RBC activities, including those outside of our business of financing. The purpose of the policy is to ensure that the impact of environmental and social factors is considered in all RBC activities. This policy is complemented by a suite of environmental risk management policies that require enhanced due diligence on specific types of transactions and business activities where environmental and social issues may give rise to credit, legal or reputational risk. We regularly update these policies and procedures to address regulatory changes, emerging and evolving issues, and international best practices.

| RBC environmental and social risk management policies         |        |               |        |
|---|--------|---------------|--------|
|   | Canada | United States | Global |
| Residential mortgage lending                                  | ■      |               |        |
| Small business and commercial loans; mortgages                | ■      | ■             |        |
| Agriculture lending   | ■      |               |        |
| Corporate lending and investment banking                      | ■      | ■             | ■      |
| Large project financing (Equator Principles)                  | ■      | ■             | ■      |
| Public sector lending   | ■      |               |        |
| Environmental investigations (use of third-party consultants) | ■      | ■             |        |

We also have an enterprise-wide Responsible Procurement Policy that is intended to ensure that we gather the appropriate environmental and social information regarding prospective suppliers and the products and services they offer, and incorporate that information in procurement decisions.

## Development of products and services

RBC has an enterprise-wide policy that sets out a defined, rigorous process for the initial and subsequent risk assessment and approval of financial products and services. We evaluate products for a range of risks and ensure they align with client needs, our Code of Conduct and risk appetite, and applicable laws and regulations. Approval levels correspond to the level of risk identified for a particular product.

## Political contributions and lobbying

Our policy on political contributions is outlined in our Code of Conduct as follows:

*[RBC] will make only those contributions permitted by law to a political party, candidate, or campaign and only as an expression of responsible citizenship — not to “purchase” favours or to gain improper advantage. Contributions to political parties, riding associations, and candidates are not included in the corporate philanthropy program [...] Employees are encouraged to take their citizenship seriously and to participate in general political processes such as school board, municipal, provincial and/or federal elections, etc.*

### Canada

We do not make corporate contributions to federal political parties through any part of our company in Canada, and political donations to municipal politicians are not permitted.

We make political contributions to provincial parties to the extent permitted by law and internal policy. Our provincial political contributions are limited and restricted depending on the respective province and territory. Political parties in Manitoba, Nova Scotia and Quebec, for instance, do not accept political contributions from corporations.

Of the provinces that allow political contributions, all are on the public record as follows:

| Province                  | Public records of contributions   |
|---------------------------|---|
| Newfoundland and Labrador | Records of contributions over \$100 are on the Elections Newfoundland & Labrador website      |
| Prince Edward Island      | Records of contributions over \$250 are on the Elections PEI website                          |
| Nova Scotia               | The province does not accept political contributions from corporations or unions              |
| New Brunswick             | Records of contributions over \$100 are available on paper at Elections NB offices            |
| Quebec                    | The province does not accept political contributions from corporations or unions              |
| Ontario                   | Records of contributions over \$100 are on the Elections Ontario website                      |
| Manitoba                  | The province does not accept political contributions from corporations or unions              |
| Saskatchewan              | Records of contributions over \$250 are publicly available on paper at Elections Saskatchewan |
| Alberta                   | Records of contributions over \$375 are on the Elections Alberta website                      |
| British Columbia          | Records of contributions over \$250 are on the Elections B.C. website                         |

Our credit policy relative to lending to political parties or candidates ensures that all funding requests are treated in a fair, consistent and equitable manner, helping to ensure we avoid real or perceived political bias and reputation risk.

In 2011, we developed a global policy on lobbying for RBC. The policy applies to all RBC businesses and operations that have contact with public officials or employees who influence legislation, regulations or other government actions. Where these activities exist, the policy requires that appropriate processes and controls are in place to ensure legislative requirements are met.

In Canada, federal legislation requires registration of certain employees under the *Lobbying Act*. In addition, certain meetings with designated officials on prescribed issues must be reported to the lobbyists' registry on a monthly basis. View a full list of RBC lobbyists, and a firm that lobbies on our behalf, by searching for "RBC" in the Registry of Lobbyists at [ocl-cal.gc.ca](http://ocl-cal.gc.ca).

## United States

In the U.S., we do not make corporate contributions to federal political parties, candidates or political action committees (PACs).

We may make political contributions to state political parties, candidates and PACs to the extent permitted by state law and internal policy.

Our U.S. employees are personally permitted to raise money through federal and state PACs for individual candidates, political parties and PACs. Funds contributions by employees are reported to the Federal Election Commission and to appropriate state regulators such as the North Carolina Board of Elections.

In the U.S., certain employees lobby on behalf of RBC. Accordingly, Royal Bank of Canada, RBC Capital Markets LLC and RBC Bank LLC are registered, pursuant to the *Lobbying Disclosure Act*, with the U.S. Senate and U.S. House of Representatives. RBC reports lobbying activity quarterly and identifies the lobbyist employees in such reports. Lobbying reports are publicly available.

## United Kingdom

Our capital markets and wealth management groups in the U.K. do not make any corporate contributions to political parties, and we have policies and controls to ensure that employees do not make political contributions on behalf of RBC or in their capacity as RBC employees. RBC is a member of key U.K. industry trade associations, and may, from time to time, contribute to, or support the views of, such trade associations and other stakeholders in relation to financial services business, operational and regulatory matters.

## Caribbean

In the Caribbean, we do not provide political contributions to either any party at any level of government or to political action committees.



## Principles and charters

We are committed to a number of externally developed economic, environmental and social principles, charters and initiatives.

| Principles, charters and initiatives   |  |
|--|--|
| Environment  |  |
| Equator Principles   | A credit risk management framework for determining, assessing and managing environmental and social risk in project finance transactions.  |
| International Chamber of Commerce Business Charter for Sustainable Development | Sixteen principles of sound environmental management for businesses worldwide.   |
| Society  |  |
| Financial Coalition Against Child Pornography (Canada and U.S.)                | A coalition of credit card issuers and Internet service companies that seeks to eliminate commercial child pornography by taking action on the payment systems that are used to fund illegal operations.   |
| Imagine “Caring Company” Commitment  | A commitment of a minimum of 1% of pre-tax domestic profits, measured on a five-year rolling average, to support charitable and not-for-profit organizations. RBC is a founding member of Imagine, a Canadian initiative to encourage corporate philanthropy and volunteerism. |
| Universal Declaration of Human Rights  | A declaration adopted by the United Nations General Assembly in 1948, the first global expression of rights to which all human beings are inherently entitled.   |
| Business   |  |
| OECD Guidelines for Multinational Enterprises                                  | Recommendations for responsible business conduct that 42 adhering governments — representing all regions of the world, and accounting for 85% of foreign direct investment — encourage their enterprises to observe wherever they operate.                                     |
| Communication  |  |
| Global Reporting Initiative  | One of the world's most prevalent standards for sustainability reporting. RBC refers to the guidelines to determine the scope and content of our sustainability disclosure.  |

## Principles and charters

(continued)

We subscribe to a number of voluntary industry codes of conduct to protect consumers.

| Consumer protection codes and commitments  |   |
|--|---|
| E-Commerce   |   |
| Online Payments (Canadian Bankers Association)   | Consumer and industry responsibilities related to the use of online payment systems in Canada.  |
| Principles of Consumer Protection for Electronic Commerce: A Canadian Framework        | A guide to protecting clients in online transactions.   |
| Visa E-Promise   | Protection for Visa cardholders who shop online, by mail or by phone.   |
| Credit and debit cards   |   |
| Canadian Code of Practice for Consumer Debit Card Services                             | Industry and consumer practices and responsibilities related to debit cards.  |
| Code of Conduct for the Credit and Debit Card Industry in Canada                       | Code of conduct that sets principles for business practices related to the issuance and acceptance of payment cards and operation of payment card networks. |
| MasterCard Zero Liability Policy   | The elimination of client liability for certain fraudulent MasterCard transactions.   |
| Visa Zero Liability Policy   | The elimination of client liability for certain fraudulent Visa transactions.   |
| Everyday banking   |   |
| Cheque Holds (Canadian Bankers Association)  | A commitment to reducing cheque hold periods.   |
| Memorandum of Understanding: Low-Fee Accounts  | A commitment to offer a standard low-cost account to clients.   |
| Investments  |   |
| Guidelines for Transfers of Registered Plans   | A guide on what to expect, and where to get help, when transferring a registered savings plan (RSP) between financial institutions.                         |
| Undertaking on Right of Rescission of Principal Protected Notes                        | A description of rights of rescission for principal protected notes purchased by electronic means and/or telephone.   |
| Social Investment Organization   | A non-profit organization devoted to promoting socially responsible investing in Canada.  |
| Insurance  |   |
| Canadian Bankers Association (CBA) Code of Conduct for Authorized Insurance Activities | Minimum standards that apply to bank representatives who promote authorized insurance products in Canada.   |
| Marketing and communication  |   |
| Plain Language Mortgage Documents  | A CBA commitment to improving the readability of residential mortgage documents.  |
| Undertaking on Unsolicited Services (Canadian Bankers Association)                     | Assurances related to the marketing and provision of new unsolicited services, and the provision of modified or replacement services.                       |

## Mutual funds and governance

We believe that strong and responsible governance of mutual funds advances the interests of investors.

Our clients have invested billions of dollars in mutual funds, and the trust they place in their fund managers to invest these monies on their behalf is significant.

- We are committed to fostering strong mutual fund governance within RBC and across the industry.
- We actively participate in our industry associations to support effective regulation that will benefit the investing public.
- We put our clients' interests first, by delivering value, choice and transparency.

At RBC, mutual fund management is handled by RBC Global Asset Management™, which includes RBC Global Asset Management Inc. in Canada, RBC Global Asset Management (U.S.) Inc. in the United States and BlueBay Asset Management in the United Kingdom.

Building on a long tradition of independent fund governance, RBC Global Asset Management Inc. and the Board of Governors of the RBC Funds have been leaders in developing and implementing a rule requiring all

Canadian mutual funds and investment funds to have an independent review committee. The intent of this rule is to raise the standards for mutual fund governance in the interests of investors by requiring independent reviews of conflicts of interest that may arise in fund management.

As institutional investors in firms around the world, the RBC Global Asset Management companies also focus on the quality of corporate governance.

- RBC Global Asset Management Inc. is an active member of the Canadian Coalition for Good Governance, exercising proxies in accordance with comprehensive proxy voting guidelines and disclosing the funds' proxy voting records.
- We are an active advocate for best practices in corporate governance and engage directly with companies on corporate governance issues.
- RBC Global Asset Management Inc. is a member of the Social Investment Organization, a non-profit organization devoted to promoting socially responsible investing in Canada, and offers mutual funds for those seeking socially responsible investments.



# Economic impact

Like many companies, RBC™ strives to have a positive impact on the economies of the communities and countries in which we do business. We provide returns to shareholders, pay taxes, create employment, and purchase goods and services from suppliers of all sizes. As a financial services company, we also support economic development by providing loans advice and services, fostering home ownership, helping small businesses grow, and promoting innovation and entrepreneurship.

## Vital statistics\*

| (\$ billions)  | 2011     | 2010     | 2009     |
|--|----------|----------|----------|
| Revenue  | \$ 27.4  | \$ 26.1  | \$ 26.4  |
| Market capitalization                                | \$ 69.9  | \$ 77.5  | \$ 77.7  |
| Taxes incurred <sup>1</sup>                          | \$ 2.8   | \$ 2.9   | \$ 2.8   |
| Employee compensation and benefits                   | \$ 9.0   | \$ 8.4   | \$ 8.5   |
| Goods and services purchased                         | \$ 6.5   | \$ 5.7   | \$ 5.4   |
| Debt financing for businesses in Canada (authorized) | \$ 141.7 | \$ 135.2 | \$ 134.2 |

<sup>1</sup> Taxes include income, capital, goods and sales, payroll, property, insurance premiums, and business taxes.

## In this section:

|                                 |    |
|---------------------------------|----|
| Priorities                      | 32 |
| 2011 Performance highlights     | 32 |
| 2012 Plans                      | 32 |
| Issues                          | 33 |
| Return to shareholders          | 34 |
| Taxes                           | 34 |
| Economic development            | 34 |
| Small business                  | 39 |
| Innovation and entrepreneurship | 42 |
| Employment                      | 42 |
| Procurement                     | 42 |

## Priorities

Provide top quartile Total Shareholder Returns over the medium term

## 2011 Performance highlights

■ Our three- and five- year average annual Total Shareholder Return (TSR) of 5% and 4% respectively, ranked us in the second quartile for the three-year period and top quartile for the five-year period within our global peer group. We fully report our financial performance in our Annual Report to Shareholders.

## 2012 Plans

■ Our focus is to maximize shareholder returns by achieving top quartile TSR over the medium term (3-5 years), which we believe reflects a longer-term view of strong and consistent financial performance.

Promote community economic development

■ Helped clients across North America and Europe access public and private financing for community infrastructure and development projects.

■ We will continue to support our clients and provide financing for community development projects that promote economic prosperity.

\* Results are on a continuing operations basis, which excludes discontinued operations. Please refer to “About this report” on page 2 for additional information about discontinued operations.

| Priorities                              | 2011 Performance highlights  | 2012 Plans   |
|---|--|--|
| Support small business                  | <ul style="list-style-type: none"> <li>■ Provided \$141.7 billion in financing to businesses in Canada.</li> <li>■ Served 685,000 small business clients in Canada, the U.S. and the Caribbean.</li> </ul>   | <ul style="list-style-type: none"> <li>■ We will continue to provide credit, proactive advice, and specialized products and services to small businesses in Canada and the Caribbean.</li> </ul>                       |
| Foster innovation and entrepreneurship  | <ul style="list-style-type: none"> <li>■ Dedicated close to \$680 million in investment for emerging technology companies around the world.</li> </ul>   | <ul style="list-style-type: none"> <li>■ We will continue to foster social entrepreneurship initiative with a focus on the Internet and the digital economy.</li> </ul>  |
| Create employment                       | <ul style="list-style-type: none"> <li>■ Provided direct employment to approximately 74,000 people, with \$9 billion in employee compensation and benefits.</li> <li>■ Supported charitable and not-for-profit organizations that promote literacy and help unemployed or underemployed people secure jobs.</li> </ul> | <ul style="list-style-type: none"> <li>■ We will continue to provide educational opportunities through our own initiatives and by supporting not-for-profit organizations that are dedicated to this cause.</li> </ul> |
| Purchase goods and services responsibly | <ul style="list-style-type: none"> <li>■ Purchased goods and services totalling \$6.5 billion, from suppliers of all sizes.</li> <li>■ Developed and implemented a new policy to screen key suppliers for environmental and social factors.</li> </ul>   | <ul style="list-style-type: none"> <li>■ We will continue our implementation of our procurement policy, including training for staff in the area of real estate construction projects.</li> </ul>                      |

## Issues

| High levels of consumer debt   |  |   |
|--------------------------------|--|---|
| Issue                          | North American consumers are carrying historically high debt loads.  | <b>RBC Position</b><br>We promote responsible borrowing and financial management by ensuring clients are able to manage their debt comfortably. We provide financial advice and education through our own financial literacy initiatives and by supporting external initiatives (see page 55 for details). We also provide credit counselling for clients who face difficulties with their debt.                    |
|                                |  | <b>Outlook</b><br>We will continue to lend responsibly, deliver sound financial advice, develop and continue our own financial literacy initiatives, and support programs by not-for-profit organizations that help teach money management to consumers.  |
| Cautious small-business sector |  |   |
| Issue                          | Companies, especially small businesses, are cautious about taking on debt because the global economic outlook is uncertain. Small businesses are in a holding pattern, focused on maintaining their customer bases rather than borrowing or investing in innovation and human resources. | <b>RBC Position</b><br>RBC supports small business by providing credit, products and advice that help our clients better manage their businesses. In 2011, we launched solar panel financing, a Business Cash Back MasterCard®, Get Your Business Online Canada and other initiatives that can help our clients compete and grow.   |
|                                |  | <b>Outlook</b><br>As small businesses continue to focus on the challenges of business development in a competitive marketplace, and while demand for credit may remain low, RBC will continue to provide credit, products and advice. We will also support clients who plan to invest in innovation and human resource development, two critical components of long-term growth for small business and the economy. |

## Return to shareholders

It is nearly impossible to estimate the number of people who share in the ownership of RBC, either directly or indirectly. Pension funds; insurance, trust and investment companies; and individual investors worldwide, hold RBC shares in their portfolios, representing a vast pool of savings. Such widespread ownership of RBC heightens our responsibility to earn a reasonable return for shareholders on their investments.

## Taxes

We incurred taxes of \$2.8 billion in 2011 (down from \$2.9 billion in 2010). This includes income, capital, property, payroll, business, insurance premiums, and goods and services and sales taxes.

## Economic development

Banks play an important role in the economy. By efficiently channelling funds to productive uses, banks help create and grow wealth. RBC engages in a number of activities that help stimulate and grow the economy in our communities. These include:

- Providing mortgages, investments and other services that promote sustainable home ownership
- Investing in community development projects
- Funding, advisory services and support for economic partnerships
- Investing in innovation and entrepreneurship
- Offering specialized products and programs that help newcomers and Aboriginal communities prosper
- Research and sharing of knowledge
- Promoting financial literacy and education

## Sustainable home ownership

Our clients don't want to simply buy a home; they want to be able to keep it. That's what we want too. Sustainable home ownership, the ability to afford to stay in one's home, depends partly on responsible lenders and partly on educated consumers. For RBC, responsible lending means providing mortgages to clients who are able to take on debt comfortably, and participating in programs that help first-time buyers and others purchase and stay in their homes.

We take a responsible approach to the equity and mortgage financing products we offer. Our financial literacy initiatives (described on page 55) help renters and homeowners make sound financial choices. We also fund affordable housing development projects around the world.

### Canada

We are one of the largest providers of home equity financing in the country. We offer several specialized programs that help people become homeowners. These include:

- Our Equity Program for Newcomers to Canada, which helps eligible new immigrants (who may not meet traditional criteria) obtain mortgage financing when they demonstrate the ability to service the loan; and
- Our Leasehold Mortgage Program for First Nations, which gives First Nations members greater flexibility and choice for financing the purchase or construction of a home.

We also participate in the Canada-Ontario Affordable Housing Program, and the Enhancement Flexibilities Program offered through the Canadian Mortgage and Housing Corporation in Alberta.

### United States

As challenging economic and housing market conditions continued in the U.S. in 2011, we helped promote responsible home ownership among renters and historically under-served clients. We allocated US\$250 million in mortgage loans for current renters and historically under-served clients in the markets where we operate.

### Caribbean

In 2011, we launched our first mortgage product in Jamaica, which targets middle- to upper-income earners and can be used for residential purposes only. In the Bahamas, we held three major exposition events to promote home ownership and educate the public about financing and owning a home.

**Habitat for Humanity (HFH)**

RBC provided employee volunteers and corporate donations to HFH across North America in 2011. We announced a multi-year donation to HFH Canada's National Aboriginal Housing Program, which has a goal of building 169 energy-efficient, healthy and affordable homes for low-income Aboriginal families. We are the founding partner of Habitat for Humanity's Sustainable Building Program, which aims to increase the number of energy-efficient homes constructed.

**Community development projects**

Some investments generate social as well as financial returns. By providing credit and financial advice to clients for projects that have a social purpose, we help foster economic growth, both in low- and moderate-income communities and within the community at large. We also help municipal clients access public and private financing sources for economic development projects such as social housing. This is an important part of our business as a financial services company, and illustrates our impact on the economy. Below, we have provided a sample of publicly disclosed projects that we financed in 2011.

**United States**

- We participated in several loan consortia in North Carolina, South Carolina, Florida and Alabama to provide US\$780,000 in financing for 14 community development projects that benefit low- and moderate-income citizens.
- We participated in a consortium formed by Neighborhood Lending Partners of West Florida and the Housing Finance Authority of Pinellas County to stabilize and revitalize neighborhoods that are threatened by the effects of the economic downturn and the foreclosure crisis. We have committed to provide financing up to a total of US\$750,000.
- We acted as the member bank for 11 non-profit developers who submitted affordable housing applications to the Federal Home Loan Bank of Atlanta. These 11 projects requested US\$7.7 million in grants, for US\$114.9 million in total project costs to generate 949 units of affordable housing in five states.

- We invested US\$535 million in 75 affordable housing developments in the United States through our Tax Credit Equity Group. All of these projects are sustainable, and several will qualify for Leadership in Energy and Environmental Design (LEED) certification. Each development will provide support to residents, such as child care, job training and senior services.

**Europe**

- We provided a £50 million revolving credit facility to Network Group, a leading provider of affordable housing in London, England. We are also currently advising GentooGenie, a social housing provider in Sunderland, England.
- We acted as joint lead arranger for The Housing Finance Corporation (THFC) on two capital markets issues totalling £176 million. THFC is a not-for-profit organization, and a leading provider of funds to the affordable housing sector.

**Caribbean**

- We financed a US\$55 million expansion of the Princess Margaret Hospital in the Bahamas. It will include 75,000 square feet of new space, six operating theaters, 18 recovery beds, 20 ICU rooms and 48 neonatal intensive care unit beds.
- We were the largest lender to the Bahamas government for the construction of the Lynden Pindling International Airport. Tourism represents 60% of the Bahamas GDP, and this airport facility will be the main gateway for visitors.
- We structured a US\$31.7 million credit facility to build a state-of-the-art library on the campus of the College of the Bahamas. The 60,000 square-foot facility features the capacity to hold 150,000 volumes and a museum quality exhibition space.

## Public/private partnerships

Financial services companies help build towns and cities when we provide financing or advice for major infrastructure projects, such as hospitals, schools, roads, bridges, power plants and transit systems. That's where partnerships with government, business and civil society organizations can be important. We provide advice and financial services to public/private partnerships (PPPs) through our offices in Toronto, London (U.K.), Sydney, New York City, Paris and Madrid, and count these as important ways in which we have an impact on the economy. We have provided a sample list below of publicly disclosed projects in which RBC was involved in 2011. To preserve client confidentiality, we do not disclose specific details about our full PPP portfolio.

| PPPs  |  |
|---|--|
| Project   | Description  |
| Canada  |  |
| Centre hospitalier de l'Université de Montréal, Québec  | We acted as sole bookrunner and underwriter for the \$1.37 billion issuance of senior bonds, the proceeds of which will be used to finance a new superhospital.  |
| Communications Security Establishment Canada Long-Term Accommodation Project, Ottawa, Ontario | We acted as financial advisor, sole bookrunner and underwriter for the financing of a new, \$1 billion federal accommodations facility in Ottawa. The facility will be comprised of office space and special-purpose space.  |
| Humber River Regional Hospital, Toronto, Ontario  | We raised \$1 billion as sole bookrunner and underwriter for the financing of a new health care facility.  |
| Calgary transportation system, Alberta  | We engaged in a public/private partnership that helped Calgary enhance its transportation system, preparing the city for both population and employment growth.  |
| United States   |  |
| Long Beach Courthouse, California   | We funded this first-ever social infrastructure PPP in California, providing a modern courthouse to alleviate strains on the California judicial system.   |
| Georgia Department of Transport   | We advised the Georgia Department of Transport on their first-ever PPP project, which will also serve as the first new-build managed lane project in the state, a key priority in ensuring the modernization of the transportation system.   |
| Europe  |  |
| Building Schools for the Future, United Kingdom   | We advised on five projects, totalling £360 million, which included the new build or refurbishment of 11 secondary schools across Derby, Oldham, Hertfordshire, Ealing and Halton.   |
| South Tyne & Wear Waste Project, United Kingdom   | We advised on a £250 million project for the design, build, financing and operation of an energy-from-waste plant that has the capacity to treat 256,000 tonnes of waste per year, and will contribute to the United Kingdom's landfill diversion targets under the European Union Landfill Directive. |
| Caribbean   |  |
| The Jamaica Debt Exchange   | We participated in this Government of Jamaica initiative to exchange government debt for U.S. dollar and JMD local bonds.  |
| Relocation of Nassau port operations, Bahamas   | We are involved in a strategic public/private partnership with APD Ltd. to relocate the existing port operations, which will have significant benefits for the Bahamian economy.   |

## Newcomers to Canada

We believe there are significant economic benefits when new immigrants succeed in their adopted country. We support organizations and sponsor programs that promote the interests of newcomers, including:

- Career Bridge, an innovative paid internship program that helps immigrants who are internationally qualified professionals find work in their fields. In 2011, RBC hired 16 people into the Career Bridge internship program (see page 69);
- Top 25 Canadian Immigrants of 2011, a national people's choice award that lets Canadians vote directly for outstanding Canadian immigrants who have made a difference since their arrival in Canada;
- The B.C. Regional Innovation Chair in Canada-India Business Economic Development at the University of the Fraser Valley;
- S.U.C.C.E.S.S., a multi-service agency in British Columbia that promotes the well-being of all Canadians and immigrants through social, employment, business, economic development, training, education and health services;
- The Toronto Region Immigrant Employment Council (TRIEC), a multi-stakeholder council working to improve access to employment for immigrants so they are better able to use their skills, education and experience;
- The TRIEC annual Immigrant Success Awards, which recognize employers and individuals that recruit, retain and promote skilled immigrants in the workplace;

## Aboriginal communities



RBC supports the creation of wealth and sustainability in Aboriginal communities.

### Trust and investment services

RBC helps Aboriginal communities manage land claim settlements. We have extensive experience in handling large assets and provide the continuity necessary to ensure settlement money and systems are effectively managed for the benefit of the community in the future.

### Capital infrastructure and economic development projects

We help build prosperity in Aboriginal communities by financing infrastructure and other development

projects. To preserve client confidentiality, we cannot disclose details about specific projects, but some examples of the types of projects we funded in 2011 are provided in the table below.

| 2011 Aboriginal project financing (partial list) |                          |             |
|--|--------------------------|-------------|
| Where  | Project                  | \$ millions |
| Ontario  | Housing construction     | 2.0         |
|  | Hydro-generating station | 5.0         |
| Alberta  | Highway construction     | 2.0         |
|  | Administrative offices   | 5.0         |
| British Columbia                                 | Community centre         | 3.2         |
|  | Resource centre          | 5.0         |

### Home financing on reserves

We were the first financial institution in Canada to create an on-reserve mortgage that did not require a federal government guarantee. Over the past few years, we have increased the number of communities we serve, as well as the number of mortgages we provide.

| RBC On-reserve mortgage program |      |      |      |
|---------------------------------|------|------|------|
|                                 | 2011 | 2010 | 2009 |
| Communities served              | 73   | 70   | 56   |
| Number of mortgages             | 718  | 655  | 623  |

### Sponsorship of non-profit organizations

We provide financial support and sponsorships to organizations that foster self-sufficiency for Aboriginal peoples, including:

- The Aboriginal Financial Officers Association of Canada, which enhances financial and management practices and skills of Aboriginal peoples;
- The Aboriginal Human Resource Council, a national public/private, not-for-profit organization that advances the full participation of Aboriginal peoples in Canada's labour market;
- The Council for the Advancement of Native Development Officers, a national, Aboriginal-controlled, community-based organization, which works to help build economic capacity in Aboriginal communities and organizations;
- Young Entrepreneurs Symposium, which helps Aboriginal entrepreneurs develop skills by connecting them to established business people;



- The Conference Board of Canada's Centre for the North — part of a five-year, \$250,000 commitment announced in 2010. The Centre helps government, business, community and Aboriginal leaders achieve a shared vision of sustainable prosperity in Canada's North. In 2011, we also sponsored the centre's Canada's North Beyond 2011 conference in Edmonton, Alberta; and
- Frontiers Foundation, an Aboriginal voluntary service organization that promotes the advancement of economically and socially disadvantaged communities. Since 1989, we have supported its Operation Beaver Program, to help provide Aboriginal communities with affordable housing and improvements in education.

#### United States

- We maintain ongoing project development relationships with two North Carolina Native American organizations, the Haliwa-Saponi and Coharie Tribes.

#### Research and sharing of knowledge

We believe financial institutions have a duty to contribute to the public policy discussion of economic and social issues with relevant knowledge and experience. Our involvement in many sectors of North American economic life gives us a unique perspective. Our views are often sought by legislators and other public servants, and by other participants in public discussion.

We maintain a substantial economics research program, both corporately and within our various businesses. Our economists examine conditions, developments and trends in Canada and abroad, and share their findings and analyses extensively through publications, speeches and briefings. We are also frequently called upon to prepare and submit briefs to government commissions and task forces. We have consistently emphasized the importance of, and need for, improved productivity in Canada, especially in the context of an increasingly competitive global environment.

In 2011, we issued reports on a broad range of economic subjects, including:

- Immigrant labour market outcomes in Canada
- Housing trends and affordability
- Small business employment during the recession in Canada



[rbc.com/economics](http://rbc.com/economics)

#### Basic literacy

Countless studies have shown the importance of basic functional literacy to economic well-being. We support a network of not-for-profit organizations that provide literacy programs, such as:

- Frontier College Foundation, a national literacy organization. We donated \$25,000 to support the Books for Boys and Girls program, which distributed 40,000 books through more than 270 community agencies across Canada;
- The Stephen Leacock Foundation for Children, which provides educational programming and support to at-risk children and youth in Toronto;
- Calgary Reads, a program that helps prevent reading problems through early intervention. Our funding covers tutoring costs, expansion of the Calgary Reads @ Home program to immigrant families and rural expansion in the Calgary area;
- Calgary Immigrant Women's Association's Pebbles in the Sand, a non-traditional learn-at-your-own-pace literacy program developed for immigrant women;
- One to One Literacy, which provides training to volunteers who tutor children. The program, operating in 49 schools throughout the British Columbia lower mainland, aims to give kids literacy skills and break the multi-generational pattern of illiteracy; and
- JUMP Math, a B.C.-based program with a mission to enhance the mathematical potential in all children by encouraging an understanding and a love of math in students and educators.

See page 55 to learn about the financial literacy initiatives that RBC supports.

## Small business

Royal Bank of Canada was founded on the initiative of eight Halifax merchants in 1864. So we recognize that small business is an important economic driver, and consider our support for this sector to have a significant indirect impact on the economy. We serve approximately 685,000 small business clients in Canada, the U.S. and the Caribbean so that they can create jobs, pay taxes, buy goods and services and contribute to a prosperous future for their communities and countries.

| Leadership          |   |
|---------------------|---|
| Canada              |   |
| Market share        | We serve approximately one of every four business clients in Canada.  |
| Network and service | We have over 575 business and personal senior account managers devoted to small business owners in Canada, as well as a dedicated team of advisors who are available 24/7 to provide immediate assistance to clients over the phone.  |
| United States       |   |
| Market share        | N/A   |
| Network and service | We have 424 banking centres that manage, grow and acquire small business clients who have less than US\$1 million in annual sales and US\$250,000 in single-name credit.<br><br>We have approximately 110 bankers who serve business clients, including 43 relationship managers dedicated to businesses with less than US\$10 million in annual sales. |

### Access to credit

We are committed to helping small, commercial and corporate businesses prosper. Providing debt financing or credit is one of the ways we do this, whether businesses are starting, maintaining or expanding their operations. We continue to make efforts to streamline our credit-approval process to make it easy for businesses to deal with us. In 2011, we made it easier by:

- Introducing additional roles to support credit writing; and
- Enhancing our website so clients can open a business account, and apply for credit, online.

As part of our annual Public Accountability Statement, we provide a detailed breakdown of the number of business clients we lend to across Canada and the amount of credit made available to them. You can find this information on page 105 of this report.

In the U.S., RBC Bank is evaluated periodically for performance relative to the *Community Reinvestment Act* (CRA). The CRA requires that financial institutions address the credit and financial needs of their communities, paying particular attention to low- and moderate-income communities. We report annually on lending to small businesses and small farms, low- and moderate-income borrowers, and community development initiatives.

As of the last CRA examination, RBC Bank was rated “highly satisfactory” for our CRA lending, investment and services, and satisfactory overall.

| 2011 CRA Report                      |                 |
|--------------------------------------|-----------------|
| Loan type                            | Number of loans |
| Small business/farm*                 | 3,544           |
| Community development**              | 147             |
| Low- and moderate-income mortgages** | 1,222           |

\* From January 1 to September 30, 2011. Figures for complete year not available at time of publication.

\*\* From January 1 to October 31, 2011. Figures for complete year not available at time of publication.

### Advice and products

While access to credit is important, it is only one need of small business clients. We also strive to provide the best possible products and advice. In 2011, we undertook many initiatives to help our clients better manage their businesses. Some are listed below and on the following page.

#### Canada

##### Advice and service

- Hired more business advisors who can provide proactive and responsive credit and business advice by telephone, so small business clients don't need to leave their premises. We will add even more advisors in 2012;
- Provided telephone service in more than 180 languages, and print and online materials in multiple languages;
- Partnered with Google to host a Canada-wide “Canada Get Your Business Online” Roadshow ([www.gybo.ca](http://www.gybo.ca)). This program teaches small business owners about the strategic importance of getting their business online, and offers free tools and advice.

### Simplified processes

- Simplified the process for opening a business account through proactive advice and information calls;
- Simplified the enrolment process for the electronic statement option, which helps small businesses with record-keeping and greening efforts; and
- Simplified online banking access, enabling small business clients to view both business and personal accounts online.

### Products

- Offered a low-cost account for small businesses;
- Launched solar panel financing so that small businesses in Ontario could leverage the provincial microFIT program; and
- Introduced a Business Cash Back MasterCard, with no annual fee and 1% cash back on all purchases.

### United States

- Offered a full suite of tools to help clients manage cash flow, information and payment processing;
- Enabled clients to deposit funds from their own locations through remote deposit (clients scan checks and transmit digital images to us); and
- Provided leasing solutions, state-of-the-art payroll services and payment processing capabilities through strategic partnerships.

### Caribbean

- Introduced a new U.S.-dollar credit line to help small businesses in industries such as manufacturing, agri-business and tourism, in Jamaica. Credit can be used for trade financing, business expansion and upgrading of existing facilities.

### Agricultural businesses

#### Canada

We have been committed to Canadian agriculture for more than 135 years. We serve more farmers and farm families than any other financial institution in the country, and consider this another important way in which we have an impact on the economy.

We recognize that farms and agribusinesses are different from other businesses, and we tailor our approach to meet the specialized needs of this segment with:

- A suite of farm financing and account options that includes mortgages, term and operating loans, and deposit and savings accounts, as well as other specialized services. We also participate in federal and provincial programs, such as the Canadian *Agricultural Loans Act* and AgriInvest;
- More than 130 dedicated account managers who know agriculture and understand the farm business;
- On-going advice, education and resources to keep farmers and agribusiness informed about the agricultural economy and the management of their business. We offer a website and publications that cover topics such as business strategy, risk management, technology and farm finance; and
- Support of 4-H programs, for over 60 years. The RBC 4-H Rural-Urban Youth Outreach Program fosters the creation of 4-H clubs in cities, and facilitates rural urban exchange.

### United States

We support agricultural businesses by facilitating annual operating requirements, equipment loans and real-estate purchases for local farmers, through conventional lending channels, as well as through the Farm Service Agency's Guaranteed Lending programs.

### Caribbean

We offer a U.S. dollar line of credit that targets the export and productive sectors, including agribusiness. It provides access to between US\$50,000 and US\$250,000 and is available for trade financing, business expansion and upgrade of existing facilities in Jamaica.

### Not-for-profit organizations

Not-for-profit (NFP) organizations are a significant economic force and a critical contributor to GDP in most developed nations. They not only do important work, they are economically important businesses in their own right. As a financial services company, we consider our support of this sector to be another significant component of our indirect economic impact.

## Canada



- We provide customized services, account packages and expertise;
- We have 45 account managers dedicated exclusively to the NFP sector. In addition to bringing specialized knowledge, advice, products and networking opportunities to their NFP clients, they are passionate about their clients' causes. Many of our NFP account managers volunteer in their communities; and

- We host and support education and networking sessions, provide education materials about fraud mitigation and governance, and sponsor organizations, such as the Canadian Society of Association Executives, to help build capacity in the sector.

## United States



- We help NFP clients manage their finances with Smart Street, integrated banking and cash-management services for community associations and managers.

## Resources for entrepreneurs

## Guidebooks

We provide information to business owners at all stages of the business life cycle, helping them manage their business and personal financial matters. We publish guidebooks on:

- Starting a business (also available in simplified Chinese)
- Growing a business
- Business succession planning
- Personal financial management for business owners
- Greening your business: A guide to getting started

## Events

## 2011 initiatives

In partnership with Google, RBC hosted events across Canada that helped business owners learn how they can establish an online presence and market their business effectively. We also sponsored surveys to provide information to entrepreneurs, and made the results freely available on the RBC Advice Centre.

## The Business Financial Services Webinar Series

These online events, hosted by our Commercial Advice Centre, include quarterly economic updates with the RBC Chief Economist and topics such as foreign exchange, fraud, energy retrofitting, business investment and productivity.

In the U.S., RBC Bank branches and commercial teams host local market seminars, providing advice from experts such as accountants and attorneys, and offering networking opportunities to business owners.

## Online tools and tips

We provide a wide range of online resources to help aspiring entrepreneurs and existing business owners.

■ *Taking Care of My Business*

This website features a series of videos and articles that function as “thought starters” to help entrepreneurs form a more complete picture of what it takes to run a successful business.

■ *Business assessment tool*

This tool helps people who are considering the purchase of a franchise.

■ *Cash flow management tool*

This tool helps business owners manage their cash positions by creating a variety of realistic cash flow projections through “what if” scenarios. It also provides recommendations for improving cash flow.

■ *Small business resource centre*

In the U.S., we have a small business resource centre that offers a broad range of free services, advice and tools for small business owners.

## CICA/RBC Business Monitor

We helped establish, and continue to sponsor, the CICA/RBC Business Monitor, a quarterly report based on surveys conducted by the Canadian Institute of Chartered Accountants (CICA). The report includes responses from leading chartered accountants, which serve as a barometer of economic activity.

## Innovation and entrepreneurship

Innovation is widely recognized as a key ingredient of productivity and economic prosperity. Since 1969, we have brought investment dollars, as well as our knowledge and expertise, to budding software and technology companies serving the financial services and other sectors. We also support organizations and initiatives that promote learning, innovation and entrepreneurship. The table below contains a few examples.

| 2011 Investments in innovation            |  |
|---|--|
| RBC initiatives                           |  |
| Emerging technology                       | Investments, both direct and indirect, of more than \$680 million in emerging technology companies around the world.   |
| RBC Next Great Innovator Challenge®       | An annual contest to encourage college and university students from across Canada to think of innovative ideas about how financial services are delivered. Now in its sixth year, the challenge is Canada's leading student innovation contest. It has garnered over 800 entries from schools nationwide, and has awarded \$260,000 in prize money. For more information, visit <a href="http://nextgreatinnovator.com">nextgreatinnovator.com</a> . |
| Initiatives supported by RBC              |  |
| Advancing Canadian Entrepreneurship (ACE) | A national organization dedicated to inspiring young Canadians. The RBC SIFE (Students in Free Enterprise) Newcomer Advancement Project helps develop and implement projects that increase the ability of new Canadians to achieve success.  |
| Actua                                     | A Canadian science, engineering and technology youth outreach organization that inspires and empowers all youth, regardless of background, ability or socio-economic status, to realize their critical role in the world. We donated \$50,000 to the organization's various programs.  |

## Employment

RBC provides employment to approximately 74,000 people worldwide. This represents one of our most significant direct economic impacts in the form of compensation and benefits paid, which has an indirect impact on the economy in terms of the purchasing power of our employees.

RBC also has a long history of supporting community and charitable programs for people who are unemployed or underemployed.

## Procurement

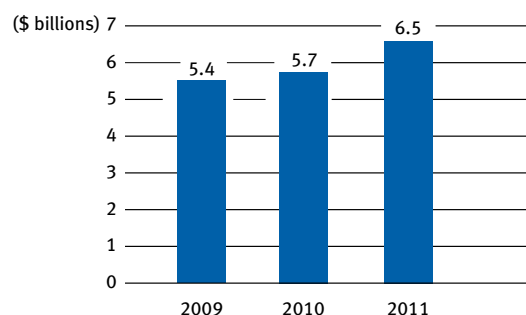
Increasingly, stakeholders expect companies to take social and environmental considerations into account when making purchasing decisions and managing their relationships with suppliers. As a result, responsible sourcing and effective supply-chain management are quickly becoming hallmarks of a sustainable company.

Our procurement policies are inclusive and aim to promote sustainable business practices and economic development, where possible and appropriate. We have a designated procurement group responsible for sourcing products and services. To maintain the highest standards, we review our procurement guidelines on an ongoing basis.

## 2011 Highlights

In 2011, we spent \$6.5 billion on goods and services from international, national, regional and local suppliers of all sizes.

### Goods and services purchased<sup>1</sup>



<sup>1</sup> Results are on a continuing operations basis, which excludes discontinued operations. Please refer to "About this report" on page 2 for additional information about discontinued operations.

During the year, we rolled out our responsible procurement policy, which calls for increased due diligence when pre-screening potential suppliers. We were rated the top Canadian financial institution, and fourth company overall, for policies addressing labour standards in the property service supply chain<sup>2</sup>.

<sup>2</sup> Source: Cleaning up, a report by the Shareholder Association for Research and Education (SHARE).



## Supply-chain management

We may ask prospective vendors to provide extensive corporate and financial information, including the declaration of conflicts, lawsuits or administrative complaints and charges, industry experience and references.

With our new responsible procurement policy, we ask vendors to provide details on their commitment to responsible environmental management, employee health and safety, ethical business practices, compliance with labour standards, and workforce diversity.

For key suppliers, environmental and labour standards and requirements may include:

### Environment

- Environmental policies and targets
- Environmental performance data
- An established environmental management system certified to ISO 14001, EMAS or equivalent, with external independent audits
- Environmental standards for suppliers' processes, products or services
- Lifecycle impact assessment of the suppliers' processes, products or services
- Evidence of action plans to minimize a given company's adverse environmental impacts to air, water and land
- Evidence of third-party certifications that verify environmental accreditations
- Disclosure of any significant environmental violations within the past five years
- Disclosure of any significant environmental activism campaign within the last five years

## Labour

- Labour standards/employment practices
- Occupational health and safety policies, management systems and performance
- Human rights policies and performance
- Grievance processes implemented
- Significant violations or social activism campaigns within the last five years

## Diversity

- Consultation with, and consideration of, Aboriginal peoples
- Representation of diverse groups

## Support for diversity

RBC is a founding member of the Canadian Aboriginal and Minority Supplier Council (CAMSC). In 2011 we were the silver sponsor at the CAMSC Trade Fair, and reception sponsor at the CAMSC Business Achievement Awards.

We are an inaugural sponsor of WEConnect Canada, a not-for-profit organization that promotes women-owned businesses in the supply chain.

RBC established a protégé mentorship program framework to help with ongoing mentoring of small businesses who hope to conduct business with large corporations. We intend to host a WEConnect/RBC Mentoring Workshop in 2012.



# Marketplace

We will “earn the right to be our clients’ first choice” by serving them responsibly. We will strive to ensure that they have access to the right products, services and advice so that they can make the best financial decisions possible.

## Vital statistics<sup>1</sup>

|  | 2011  | 2010  | 2009  |
|--|-------|-------|-------|
| Countries in which we operate                                    | 58    | 54    | 55    |
| Clients (millions; approximate)                                  | 15    | 15    | 15    |
| Bank branches (Canada)   | 1,214 | 1,209 | 1,197 |
| Insurance branches (Canada)                                      | 53    | 52    | 49    |
| ATMs (Canada)  | 4,293 | 4,227 | 4,214 |
| Bank branches (Caribbean)  | 123   | 126   | 125   |
| ATMs (Caribbean)   | 333   | 330   | 330   |
| Bank branches (China)  | 1     | 1     | 1     |
| Online banking client enrolments <sup>2</sup> (Canada; millions) | 6.8   | 6.1   | 5.5   |
| Online banking active users <sup>3</sup> (Canada)                | 29%   | 27%   | 25%   |

## In this section:

|                                 |    |
|---------------------------------|----|
| Priorities                      | 44 |
| 2011 Performance highlights     | 44 |
| 2012 Plans                      | 44 |
| Issues                          | 46 |
| Access to banking and insurance | 47 |
| Product responsibility          | 53 |
| Financial literacy              | 55 |
| Protection of clients           | 57 |
| Client satisfaction             | 58 |

<sup>1</sup> Results are on a continuing operations basis, which excludes discontinued operations. Please refer to “About this report” on page 2 for additional information about discontinued operations.

<sup>2</sup> Includes personal and business clients in Canada enrolled in online banking services as of each fiscal year-end (October 31).

<sup>3</sup> Percentage of RBC Royal Bank customers who are actively using online banking solutions.

| Priorities   | 2011 Performance highlights  | 2012 Plans   |
|--|--|--|
| Provide access to basic banking and insurance services through a range of channels | <ul style="list-style-type: none"> <li>■ Launched fully integrated mobile banking applications for iPhone<sup>+</sup>, BlackBerry<sup>+</sup> and Android<sup>+</sup> devices.</li> <li>■ Extended the RBC Royal Bank<sup>™</sup> retail store concept to three locations across Canada, combining financial education with best-in-class retail shopping concepts.</li> <li>■ Expanded hours and days of business in over 70% of our Canadian branch network.</li> <li>■ Maintained 69 RBC Bank<sup>™</sup> branches in low- and moderate-income communities in the U.S., totalling 16% of our national network<sup>4</sup>.</li> </ul> | <ul style="list-style-type: none"> <li>■ We will continue to enhance self-serve channels while offering consumers a range of other ways to bank.</li> <li>■ We will add new features to mobile banking so we can provide more mobile financial services.</li> <li>■ We will implement concepts of the RBC Royal Bank retail store at select branches across Canada.</li> <li>■ We will continue our focus on the seamless integration of all channels (branch, phone, online, mobile sales forces, ATMs, etc.).</li> </ul> |

<sup>4</sup> Following the sale of RBC Bank (expected completion in March 2012), these branches will no longer be part of the RBC network.

Throughout this section we include many references to products offered in the United States. These products are offered through RBC Bank and may not be offered after the completion of the sale of this entity.

| Priorities  | 2011 Performance highlights   | 2012 Plans   |
|---|---|--|
| Develop and provide products responsibly  | <ul style="list-style-type: none"> <li>■ Increased the number of free electronic transactions in select Canadian account packages.</li> <li>■ Introduced new credit programs that provide auto and home equity financing to newcomers to Canada.</li> <li>■ Participated in an industry review of the Equator Principles, a set of rules used to assess and manage environmental and social risk in global project finance transactions.</li> <li>■ Launched two new products for seniors, a life-insurance plan for Canadians between the ages of 50 and 75, and an annuity for Canadians approaching retirement.</li> </ul>   | <ul style="list-style-type: none"> <li>■ We will use the results of the Equator Principles review to help form the basis of updated policies in 2012.</li> <li>■ We will continue to enhance our product suite in line with client needs.</li> </ul>   |
| Promote financial literacy among clients and the general public                   | <ul style="list-style-type: none"> <li>■ Delivered RBC educational initiatives and supporting programs offered by not-for-profit organizations across North America.</li> <li>■ Updated <i>myFinanceTracker</i><sup>™</sup>, Canada's first online financial management tool, with new savings and budgeting tracking tools, and the ability to add accounts from other financial institutions.</li> <li>■ Added Arabic and Spanish options to Canadian banking tutorials, now available in 14 languages.</li> <li>■ Delivered events in various languages through our branch network on topics such as small business, adapting to Canada and home equity finance.</li> <li>■ Launched the RBC Better Student Life site, which provides money management information and tools.</li> </ul> | <ul style="list-style-type: none"> <li>■ We will continue to provide financial education opportunities, both through our own initiatives and by supporting not-for-profit organizations that are dedicated to this cause.</li> <li>■ We will continue to add new features to <i>myFinanceTracker</i>.</li> <li>■ We will expand the topics we cover in our in-branch advice events, offered in various languages.</li> </ul>                         |
| Listen and respond to clients   | <ul style="list-style-type: none"> <li>■ Expanded our use of social media channels, including Facebook<sup>†</sup>, Twitter<sup>†</sup> and YouTube<sup>†</sup> for client inquiries, timely financial tips and information.</li> <li>■ Surveyed almost half a million clients to continue to ensure high satisfaction levels.</li> <li>■ Ranked first in customer satisfaction surveys for auto insurance, investment service, telephone and ATM banking, and commercial markets, among other.</li> <li>■ Reviewed, clarified and/or resolved almost 700 cases through the RBC Office of the Ombudsman.</li> </ul>   | <ul style="list-style-type: none"> <li>■ We will continue to focus on “earning the right to be our clients’ first choice.” As expectations for client service and advice increase, we remain committed to continuously monitoring our performance through client satisfaction surveys, likelihood-to-recommend scores and referrals from existing clients for new business. We also remain committed to responding to our clients’ needs.</li> </ul> |
| Respect clients’ privacy, safeguard their information and protect them from fraud | <ul style="list-style-type: none"> <li>■ Implemented extensive client and employee education and awareness programs on topics including privacy, information security and fraud prevention.</li> <li>■ Enhanced fraud monitoring capabilities across all channels.</li> </ul>   | <ul style="list-style-type: none"> <li>■ We will continue to educate employees and clients on privacy, information security and fraud prevention.</li> </ul>   |

## Issues

| Access to basic banking for lower-income consumers |   |
|--|---|
| Issue  | <p>Banks are sometimes criticized for neglecting low-income consumers, in favour of wealthier, more profitable ones. Smaller U.S. banks have begun to offer alternative financial products for low-income consumers, such as payday loans.</p>  |
|  | <p><b>RBC Position</b></p> <p>Our clients have access to many low-cost or free banking options, regardless of their income level. For short-term borrowing needs, we offer affordable alternatives to payday loans, such as overdraft protection, lines of credit and low-rate credit cards. We also offer credit counselling. Students and seniors have access to free banking.</p> <p><b>Outlook</b></p> <p>We will continue to provide access to affordable banking, and will step up our efforts to educate consumers about financial matters to empower them to make the right financial choices for their circumstances.</p>  |
| Financial literacy                                 |   |
| Issue  | <p>The financial crisis, record-high consumer debt levels, changing pension benefits and increasingly complex finances underscore the need for consumers to become more knowledgeable about financial matters. In Canada, the Task Force on Financial Literacy released a report in 2011 containing over 30 recommendations for strengthening financial literacy. It calls for shared responsibility on the parts of governments, financial institutions, educators, business, the voluntary sector and individual Canadians.</p>   |
|  | <p><b>RBC Position</b></p> <p>RBC promotes financial literacy among clients, prospective clients and the public at large by offering tools, resources and advice through a number of channels. We also support not-for-profit organizations that provide financial literacy programs.</p> <p><b>Outlook</b></p> <p>We plan to boost our own financial literacy initiatives in 2012. Among other initiatives, we will expand content on The RBC Advice Centre with Key Life Moments and Financial Advice for Families components that will include an iPad application for three- to six-year-olds. As well, our branches will deliver events that will increase the understanding of banking and financial literacy of both new and existing Canadians.</p> |
| Information security                               |   |
| Issue  | <p>As the volume and complexity of online financial services and payment solutions continue to grow, there has been a corresponding increase in identity theft and organized criminal activity targeting the information of banking clients. There is also an increased potential for fraud and security breaches that are outside our control.</p>   |
|  | <p><b>RBC Position</b></p> <p>RBC tries to mitigate this risk with stringent, industry-recognized security practices, education and online guarantees that protect our clients.</p> <p><b>Outlook</b></p> <p>The safeguarding of client information is a top priority for RBC. We are continuously looking at ways to make it safer and more secure for our clients to bank with us online, and are adding new security processes and protocols to protect our clients.</p>   |

## Access to banking and insurance

### Opening a bank account

We are committed to ensuring that the process of opening a bank account is as straightforward as possible, while still meeting our regulatory requirements. Written in plain language, and available in multiple languages, our documents clearly outline the requirements for opening an account and meeting our verification of funds policy.

In 2011, we introduced several improvements that make it easier for Canadian online banking clients to open an account. Clients can now:

- Apply for multiple products using one application, saving time and ensuring they have the right products to meet their banking needs; and
- Apply online for business deposit accounts, credit cards and small business credit (for small business clients).

### Retail banking and insurance network

We are a leader in introducing convenient alternatives for people to access their money and review their finances anywhere, anytime. We recognize that “convenience” is in the eye of the beholder. Some clients want access to their finances online, while others need face-to-face service inside a branch, and others want access to a range of channels. We continue to expand and improve our branch network, including longer branch hours, online and telephone banking, and full-service banking machines. With mobile banking, our clients can access their accounts over their smart phone.

In Canada, we offer the largest access to banking services, including the most ATMs and branches, the largest fully integrated call centre, and twice as many financial advice specialists as our nearest competitor.

|  | Canada  | United States*   | Caribbean   |
|--|---|--|---|
| Retail banking branches  | 1,214   | 424  | 123   |
| ATMs   | 4,293   | 469  | 333   |
| Branches opened  | 11 retail banking locations<br>1 retail insurance location  | 1  | 0   |
| Branches closed  | 6   | 3  | 3   |
| ATMs in offsite locations, such as gas stations and supermarkets         | Yes   | Yes  | Yes   |
| Branches open evenings and weekends (percentage)                         | More than 50 %  | 5%   | 10%   |
| ATMs:<br>Accounts accessible and currency dispensed                      | <ul style="list-style-type: none"> <li>■ Access to Canadian and U.S. accounts</li> <li>■ Canadian currency in various denominations</li> <li>■ U.S. currency</li> </ul> | <ul style="list-style-type: none"> <li>■ U.S. accounts</li> <li>■ U.S. currency</li> </ul> | <ul style="list-style-type: none"> <li>■ Local and U.S. currency</li> </ul> |
| Telephone and online banking   | Yes   | Yes  | Yes, in some countries  |
| Mobile banking   | Yes   | No   | SMS** mobile banking in Jamaica, and Trinidad & Tobago                      |
| Account opening online   | Yes   | No   | No  |
| Mobile sales force who visit clients at home or work any day of the week | Yes, largest in Canada  | Yes, private banking   | No  |
| Online quotes for travel insurance                                       | Yes   | Yes  | n/a   |
| Wireless GPS to locate RBC branches or ATMs anywhere in North America    | Yes   | Yes  | n/a   |

\* In June 2011, we announced our intention to sell RBC Bank (our U.S. regional retail banking operations), to PNC Financial Services Group, Inc. The sale is expected to close in March 2012.

\*\* Short Messaging Service. SMS mobile lets customers monitor their financial accounts through inquiries and bank alerts, initiate transactions, and subscribe to new services.

## 2011 Canadian network enhancements



### Branches

In addition to growing our branch network, we made the following improvements in 2011:

- Extended the RBC Retail Store concept to three locations across Canada. This new, open-concept environment is centred on clients' needs and provides them with more access to personalized help and service throughout the branch — face-to-face or self-serve, based on their preferences;
- Extended branch hours across the country, for a total increase of over 5,000 hours. Now, over 600 branches are open Saturdays, over 550 branches are open at least one late evening and over 850 branches adjusted hours to align with standard open and close times;
- Piloted “TelePresence” technology in a number of branches and call centre locations, enabling clients to connect with us in a manner that replicates a face-to-face meeting, regardless of physical location; and
- Equipped 200 branches (by calendar year-end) with LCD screens above each ATM. These screens help reduce our carbon footprint by reducing the amount of paper used for posters, as well as emissions associated with installation and disposal, while providing better, faster and more targeted communications to our clients.

### Bank branch closures and openings

RBC continually reviews growing neighbourhoods and assesses the opportunities to add branches to our national network.

Prior to closing branches, in Canada, we comply with federal legislation in our commitment to:

- Provide clients and communities with four months' advance notice of network reconfigurations or branch closures (six months' notice in the case of rural communities or communities where there is no bank within a 10 km radius); and
- Ensure community leaders and public officials are aware of our reconfiguration initiatives and have an understanding of service alternatives for the affected communities.

See page 106 for a complete list of branches opened and closed in Canada in 2011.

### ATMs

- Introduced \$50 notes to all ATMs;
- Increased the number of ATMs that dispense U.S. currency;

### Online banking

|      | Online banking client enrolments* (millions) | Online banking active users** (percentage of RBC customers) |
|------|--|---|
| 2011 | 6.8  | 29%   |
| 2010 | 6.1  | 27%   |
| 2009 | 5.5  | 25%   |
| 2008 | 4.8  | 23%   |
| 2007 | 4.2  | 21%   |

\* Includes personal and business clients in Canada enrolled in online banking services as of each fiscal year-end (October 31).

\*\* Percentage of RBC Royal Bank customers who are actively using online banking solutions.

- Improved the eBills feature, making it easier for clients to set up new payees;
- Added a new available-balance feature (authorized overdraft protection less any holds) to the account details page for personal deposit accounts;
- Added a “Pay Now” feature on credit cards account details page, enabling clients to make a payment to their credit card quickly and easily; and
- Added the possibility of real-time credit-card limit increases.

### Mobile banking

- Launched fully integrated mobile banking applications for iPhone, BlackBerry and Android devices, enabling clients to pay bills, check account balances, transfer funds and more.

## Pricing

### Canada

We are committed to providing value for our clients by setting reasonable banking fees for service packages.

- We conduct regular research in the marketplace to ensure that our pricing is competitive.
- Almost half of our clients — many of them students or seniors — receive a rebate on their banking or bank for free.
- All our customers have access to a number of options for reducing their banking costs.
- Various account packages include specific services in the package cost such as Cross Border Debits, INTERAC e-Transfers, drafts and discounts on safety deposit boxes.
- In 2011, we increased the number of free electronic transactions in some of our account packages.

## Insurance

In 2011, automobile reform regulations introduced in Ontario resulted in important new choices for consumers about their insurance coverage options. In addition, many automobile insurance clients across the industry saw rate increases in 2011. RBC proactively contacted clients to review their coverage and ensure they had the information they needed to make the right insurance decisions.

### United States\*

We offer a competitively priced suite of deposit and investment products. Our checking account products offer low-cost and convenient access to many forms of payment such as debit cards, checks, online bill payment and electronic payments.

\* In June 2011, we announced our intention to sell RBC Bank (our U.S. regional retail banking operations), to PNC Financial Services Group, Inc. The sale is expected to close in March 2012.



## Diverse and under-served groups

We provide banking access to a host of traditionally under-served groups through customized products, services, channels and community-based programs.

### People with disabilities

For clients with disabilities, our goal is to ensure equal access to premises and services. We have a strong record of making accessibility improvements, and involving our clients and other stakeholders in the process.



[rbc.com/accessibility](http://rbc.com/accessibility)

#### Branches

- We are committed to applying barrier-free design standards wherever we operate. Approximately 90% of our bank and insurance branches in Canada and the U.S. are wheelchair accessible. Our physical locations are audited periodically by external regulatory agencies to identify and remove barriers to people with disabilities. In Canada, every new branch we open must be wheelchair accessible. All of our U.S. banking and administrative facilities built or renovated since 1990 have met or exceeded *Americans with Disabilities Act* requirements. In the Caribbean, the vast majority of our branches are wheelchair accessible.

#### ATMs

- We worked with the Canadian Standards Association (CSA) to shape the industry standard for barrier-free ATMs, and we were the first bank worldwide to provide voice guidance on our ATMs. Our prototype has been adopted as the *de facto* standard by both the CSA and other standards bodies around the world.
- All branches equipped with ATMs have at least one wheelchair-accessible ATM. All of our full-function ATMs have voice guidance capability, and we plan to provide the same service for our cash-dispensing ATMs when we replace them with new models.

#### Online banking

- We always strive to make our public and secure banking websites accessible and usable for our clients with disabilities. We enable access using a broad range of platforms and technologies, such as different browsers, keyboard navigation and adaptive devices used by persons with disabilities. Our online design standards and information technology best practices are based on the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines.

#### Telephone banking

- We have a special phone number that can be accessed using a teletype writer device, giving hearing-impaired clients in Canada and the U.S. 24/7 access to our telephone banking services. Clients can also use Relay Services to talk to a representative directly, which can be useful when they have more complex banking needs.

#### Alternative formats

- RBC provides clients with information in a number of alternative formats, including large type, audio cassettes, Braille and e-text. Approximately 1,200 clients in Canada receive Braille statements with e-text increasingly becoming the medium of choice for clients with disabilities.

### Low-income and under-served clients

We provide banking access to low-income and traditionally under-served clients through initiatives like:

- A rebate on banking, or free banking, for almost half of our Canadian customers, including seniors and students;
- A low-cost Canadian deposit account, one of the industry's most flexible, offering 15 monthly debit transactions for a low, flat fee;
- A remote banking program for Aboriginal clients who cannot travel easily to urban branches; and
- Branches that serve low- and moderate-income communities in the U.S. Throughout 2011, we had 69 branches in such communities, representing 16% of our total number of U.S. branches.

### Seniors

We are sensitive to the banking and insurance needs and concerns of the growing population of seniors. We offer specialized deposit and insurance options for seniors, including free banking and monthly rebates on bank accounts in Canada.

#### Canada

- In an effort to help prevent the financial abuse of elders, we continue to provide training and information to employees across Canada so they can meet with groups of seniors to discuss financial fraud.
- In 2011, RBC Insurance launched two products of special interest to seniors. RBC® Guaranteed Acceptance Life Insurance plan provides up to \$25,000 of life insurance coverage for Canadians between the ages of 50 and 75, without requiring a medical exam. RBC Insurance® Payout Annuities are designed for Canadians approaching retirement who wish to secure a steady stream of guaranteed payments from their savings that will last a lifetime.

### Students and youth

RBC offers a variety of banking, credit and educational services and products for students and youth.



**betterstudentlife.ca**

#### Canada

We offer a free student bank account, including 25 debit transactions monthly, and a free RBC Leo's Young Savers Account® for clients under the age of 19, including 15 debit transactions monthly. We also provide educational materials and tools to promote financial awareness among youth and their parents. This includes seminars on paying for school or making money last throughout the school year, as well as the RBC Better Student Life site, which provides money management tools online.

#### United States

We offer students and their families a number of web resources to help choose, plan and finance a college education. This includes advice on financing and aid programs, and a number of tools to calculate the costs and value of higher education.

#### Caribbean

We offer education loan packages to help both working individuals and full-time students pursue post-secondary education at any local tertiary institution.

### Microcredit

In recent years, microcredit or "microfinance" has been considered an effective approach to alleviating poverty in developing nations. Microfinance consists of small loans, usually of less than \$200, that are provided by organizations or financial institutions to individuals, primarily women, so that they can establish or expand small, self-sustaining businesses. These small loans are generally facilitated through a financial institution's retail delivery channel located on the ground in a specific country or low-income region. While most microcredit programs are found in developing nations, they are starting to appear in some developed nations as well.

As we are not in the retail banking business in developing nations outside of the Caribbean region, we do not engage in the provision of microcredit. We do, however, serve low-income clients in Canada and the U.S. and provide credit and financing expertise to small businesses in Canada, the U.S. and the Caribbean (see page 39). We report our provision of credit to small businesses in Canada. We also support charitable programs that provide small loans for individuals to pursue education or business opportunities in the Caribbean.

### Newcomers to Canada

RBC recognizes the contributions that newcomers make to the social and economic fabric of Canada. We also understand some of the challenges newcomers face.

Over the past several years, we have conducted extensive research and sought feedback from new Canadians so that we understand how we can help eliminate barriers and obstacles for newcomers from around the world as they move, get settled and put down roots in Canada. This ongoing research enables us to reach out to diverse communities, tailor our products and services, and strengthen our relationships with them.

In 2011, we conducted a poll among new Canadians to learn more about their financial needs and outlook. Findings show newcomers continue to face employment and financial challenges, so we enhanced our offerings to new Canadians. In 2011, we:

- Streamlined credit policies to address newcomers' borrowing needs (including the option for a \$1,000 credit card with no credit history or proof of income required);
- Introduced new credit programs to help newcomers get auto and home equity financing;
- Provided an integrated solution with the inclusion of a small business banking offer;
- Increased the number of languages in which our banking tutorials are offered. Materials are now available in Arabic and Spanish, along with 12 other languages;
- Developed practical and valuable financial advice videos for the RBC Advice Centre focused on the needs of newcomers;
- Delivered advice events in various languages through our branch network. Current topics include small business, adapting to Canada and home equity finance. We plan to add more topics in 2012;
- Continued to provide a pilot loan program that assists certain skilled immigrant workers in obtaining the necessary training to meet certification and/or licensing requirements in Canada;
- Extended the language capabilities within our client-contact centres so that we can converse with clients in 180 different languages; and
- Continued to offer financial services that support the Canadian federal government's Immigrant Investor Program, designed to encourage successful and experienced business individuals to immigrate to Canada.

### Multilingual services for clients

RBC can assist clients in more than 180 languages.

#### Canada

- Combined, RBC call-centre employees speak 60 languages.
- We have a dedicated telephone number for Mandarin- and Cantonese-speaking clients (1-888-769-2598).
- RBC offers telephone service in 180 languages. Within minutes, a customer service representative can connect a client to one of 2,600 language interpreters via a three-way confidential conference call.
- Combined, our mobile mortgage specialists speak more than 35 languages.
- Our Welcome to Canada website is available in English, French and simplified Chinese.
- We have dedicated Chinese-language telephone representatives and a Chinese-language option on our banking machines at 1,861 locations across Canada.
- Consumers can use our online branch and ATM locator to search our network by location, hours and language preference.
- We offer new immigrants a series of step-by-step fact sheets on Canadian financial products and services. The sheets are written from a newcomer's perspective and are available in 14 different languages.

#### United States

- RBC Bank has about 325 employees who are bilingual. Of these, approximately 150 speak Spanish. All of our banking machines are bilingual, offering service in English and Spanish; several also offer French.
- RBC Bank offers a telephone language interpretation service to assist clients who cannot speak English.

### Aboriginal communities

Access to banking services and capital are critical factors to help create wealth and economic sustainability in Aboriginal communities.

RBC has dedicated financial executives, market managers, account managers, trust and investment advisors, and risk-management teams who specialize in understanding the banking and credit needs of the Aboriginal communities we serve across Canada.

#### Aboriginal branch network

|  | 2011 | 2010 | 2009 |
|--|------|------|------|
| Total number of on-reserve branches                    | 8    | 8    | 8    |
| Number of branches in three territories                | 6    | 6    | 6    |
| Agency banking operations in First Nations communities | 2    | 2    | 2    |

For clients who do not have easy access to an RBC branch, we offer a remote banking service that enables them to open an account without having to leave their community. Once the account is open, clients can bank remotely 24 hours a day, seven days a week, by telephone or online. They can also receive telephone service in Cree and Inuktitut, two of the most commonly spoken indigenous languages in Canada.

RBC has an Aboriginal community visitation program to open accounts, and take applications for credit cards and loans as needed.

We also provide on-reserve mortgages and access to development capital, critical factors in creating wealth and economic sustainability in Aboriginal communities. See page 37 for details.

## Product responsibility

“Responsibility” may not be the first thing you think of when it comes to how a bank develops its financial products and services — at least not the same way you might be concerned about how your child’s toys are manufactured or how your car was designed. But for a financial services company, we consider mortgages and loans, bank accounts, insurance offerings and credit cards to be “products” for which we must take responsibility. At RBC, we ensure that all the products and services we develop align with our vision and values and are guided by our comprehensive Code of Conduct.

### Development of products and services

RBC has an enterprise policy that sets out a defined, rigorous process for assessing the initial and subsequent risks of financial products and services we develop, and lays out a clear approval process for all product and service development. We evaluate products for a range of risks and ensure they align with client needs, our Code of Conduct and risk appetite, and applicable laws and regulations. Approval levels correspond to the level of risk identified for a particular product.

### Responsible investing

Socially Responsible Investing (SRI) is an investment management approach that integrates environmental, social and governance (ESG) criteria in traditional financial analysis. In the U.S., the SRI market represents approximately 12% of assets managed<sup>1</sup>. In Canada, the SRI market represents about 20% of assets under management (as of June 30, 2010)<sup>2</sup>. For individual investors who are interested in SRI, we offer a number of options.

#### Products developed by RBC

Our SRI mutual funds include the RBC Jantzi Funds, which use ESG investment screens provided by Jantzi-Sustainalytics and the Phillips, Hager & North Community Values Funds, which invest in companies that conduct themselves in a socially responsible manner. Total assets under management for these products are almost \$1 billion. See [rbc.com/community-sustainability](http://rbc.com/community-sustainability) for new developments in 2012.

#### Products managed by RBC

- Minneapolis-based RBC Global Asset Management (U.S.) Inc. manages the Access Capital Community Investment Fund, which invests in debt securities that support community development across the United States. The fund invested US\$710.5 million in community projects as at October 31, 2011.
- We have a specialized SRI Wealth Management Group based in San Francisco that provides responsible investing expertise to high-net-worth individuals, foundations, unions, and pension fund clients across the United States. This team of financial advisors manages almost US\$1 billion in responsibly invested assets.



[rbcwmfa.com/sri/](http://rbcwmfa.com/sri/)

#### Products sold by RBC

- RBC Global Asset Management Inc. helps financial advisors meet the needs of clients who want to invest in a responsible manner by offering SRI mutual funds and segregated accounts.
- In Canada, RBC clients have access to all the SRI funds in the Canadian marketplace through our network of advisors.

### Responsible lending

For RBC, responsible lending means providing credit to clients who are able to manage their debt comfortably, as well as having policies and practices in place that foster responsible behaviour within RBC and reward responsible behaviour of our clients.

We provide credit and banking services to companies in many industries. Our risk management policies and processes provide assurance that these services are properly designed and sold to appropriate customer segments, businesses and individuals. We also have policies covering specific areas of concern, such as social/environmental risk and anti-bribery/anti-corruption.

<sup>1</sup> Source: Forum for Sustainable and Responsible Investment, “Socially Responsible Investing Facts.” Available at [ussif.org/resources/sriguide/srifacts.cfm](http://ussif.org/resources/sriguide/srifacts.cfm).

<sup>2</sup> Source: Social Investment Organization, “Canadian Socially Responsible Investment Review 2010.” Available at [socialinvestment.ca/documents/CanadianSociallyResponsibleInvestmentReview2010\\_English\\_final.pdf](http://socialinvestment.ca/documents/CanadianSociallyResponsibleInvestmentReview2010_English_final.pdf).

RBC maintains a suite of environmental and social risk management policies designed to identify, assess and mitigate the environmental and social risks associated with financing small business, commercial and corporate clients. These policies help us to protect the interests of the bank, our stakeholders and the environment. We review them regularly to ensure that we comply with legal and operational requirements. Our reviews also take into account changing business activities and our evolving understanding of environmental and social issues.

RBC is a signatory to the Equator Principles (EPs), a set of voluntary guidelines addressing environmental and social risks associated with project finance, as outlined on page 86. In 2011, RBC participated with other Equator banks in a detailed review of the Equator Principles and of the International Finance Corporation's Performance Standards, on which the EPs are based. The results of this review will help form the basis of updated EPs and RBC policy in 2012.

### Green products and services

One of our three environmental priorities is to offer green products and services that help clients reduce their environmental footprint or transition to more sustainable business models.

In 2011, we introduced a range of financing options for solar energy systems, both for businesses and homeowners in Canada. We also expanded the depth and breadth of green advice we provide our clients on the RBC *Greening your Business* Advice Centre. We continue to offer clients trading services for greenhouse gas emission credits, incentives to improve efficiency in their homes through the RBC Energy Saver™ Loan and RBC Energy Saver™ mortgage products, and incentives for clients to switch to electronic statements.

For more information, see page 86.

### Restricted transactions

There are certain types of clients and transactions that RBC avoids in all cases. These include, but are not necessarily limited to, situations where it is clear that RBC would be providing implicit or indirect financing support for transactions involving any of the activities listed below:

- The financing of companies manufacturing or trading in equipment or material for nuclear, chemical or biological warfare, landmines or cluster bombs
- Financing of internet gambling businesses
- Granting of credit to entities subject to economic sanctions, or those on our "no credit" lists
- Credit transactions where the objective appears to be to engage directly or indirectly in illegal activity, or to mislead regarding financial statements or regulatory reporting
- Credit transactions involving undocumented agreements, disbursements or funds transfers
- Granting of credit to a business or individual engaged in activities inconsistent with generally accepted standards of ethical behaviour in the community

For a full overview of our risk management policies and protocols, see our 2011 Annual Report.

## Financial literacy

In 1924, we developed our first budget book, the first of many money-management tools that we have created over the years to help clients organize their finances. RBC continues to promote financial literacy — an understanding about credit, debt and savings — to clients, prospective clients and the public at large. In many instances, we do more than merely provide information — we engage and empower clients to help them put financial principles into practice. In 2011, we delivered a number of financial literacy programs of our own, while continuing to support the efforts of not-for-profit organizations around the world to provide financial literacy initiatives.

| RBC Initiatives                                 |  |
|---|--|
| Canada  |  |
| The RBC Advice Centre                           | An online source of videos and articles on financial trends and issues, with interactive tools and calculators for customized information to help Canadians improve their financial literacy and manage their money.   |
| myFinanceTracker                                | Canada's first online financial management tool integrated into an online banking service. The tool automatically categorizes transactions, tracks expenses and provides advanced budgeting capabilities, empowering personal banking and credit card clients to make sound financial decisions. In 2011, we added a new feature, linking in accounts from other financial institutions, providing a fully integrated picture for clients. |
| RBC banking tutorials for new Canadians         | Online lessons that provide helpful information for new Canadians on financial topics, from saving for a child's education to purchasing a car. With the introduction of Arabic and Spanish in 2011, the tutorials are now available in 14 languages.  |
| Financial advice campaigns                      | Advertisements, emails, Twitter and Facebook postings that feature financial advice on topics such as debt reduction, buying vs. leasing a car, and tax-free saving.   |
| In-branch advice seminars                       | Presentations delivered in branches across Canada on 50 topics, including fraud, borrowing, investments and key life events.   |
| One-on-one client credit counselling            | Guidance and expert advice to help individual clients manage their debt. We base our advice on principles for better borrowing that ensure clients know what they are borrowing to achieve, make a budget so they know what they can afford, and have a plan to pay down debt.   |
| United States                                   |  |
| Online Resource Guide                           | A comprehensive site that provides financial advice and tools on topics such as creating a more secure future, using credit wisely, buying or refinancing a home, and retirement planning.   |
| On-site financial literacy workshops            | Workshops on topics like home-buying, credit scores and surviving a tough economy. Workshops are available to schools, community centres, churches, civic groups, retirement communities and local community organizations.  |
| Community Empowerment and Home Buying workshops | Educational sessions that bring community organizations, RBC representatives and consumers together to share information about homeownership, banking and other topics such as prevention of foreclosure. Our community development officers, with other community partners, coordinated and delivered more than 50 major home ownership workshops in 2011.  |



## Financial Literacy

(continued)

| Initiatives supported by RBC   |   |
|--|---|
| Canada   |   |
| YourMoney seminars   | Educational seminars developed by the Canadian Bankers Association in partnership with the Financial Consumer Agency of Canada. In 2011, 35 RBC employees delivered 91 seminars in classrooms across Canada, helping more than 2,630 high school students understand topics such as how to handle credit or start a business. |
| Junior Achievement <i>Economics of Staying in School</i>   | A program that includes seminars and educational materials on career planning and financial awareness. More than 500 employee volunteers delivered over 300 programs across Canada during the 2010–11 school year.  |
| The Canadian Foundation for Economic Education – Canada's Basic Economic and Financial Literacy Program            | A basic economic and financial literacy program with complementary resources for the average Canadian.  |
| St. Francis Xavier University Financial Literacy for Women Program   | Financial literacy component of the Women in Management and Leadership program to which RBC donated \$45,000 in 2011.   |
| Momentum Community Economic Development Society's Money Management program   | An initiative that offers workshops to help low-income Canadians take control of their personal finances and develop money-management knowledge and skills. We supported this program with a donation of \$25,000 in 2011.  |
| Centre for Information & Community Services of Ontario, Immigrant Salon Series                                     | A series of seminars for Chinese and South Asian immigrant community associations that focuses on topics such as financial literacy, new immigrant family issues and orientation to Canada. We donated \$30,000 to this organization in 2011.   |
| The Regina Adult Learning Centre – RBC How Money Works, RBC How Business Works                                     | Programs that give students an understanding of debt, the importance of bank accounts and savings. We made a multi-year \$50,000 commitment to support these programs.  |
| Victoria Women's Transition House Society – SAFE (Self-Sufficiency and Assets through Financial Education) program | Financial literacy training for women in Victoria, B.C., who have suffered abuse. We donated \$10,000 to this program in 2011.  |
| Vancouver Community College Educational Foundation – Financial Literacy Workshops                                  | Financial literacy workshops to help young people learn about budgeting, saving, credit, investing, fraud prevention and financial planning. We donated \$22,500 to the foundation in 2011.   |
| United States  |   |
| Junior Achievement   | An organization that promotes financial literacy among students across the U.S. through programs on business and finance, with real-world applications.   |
| Savvy Cents  | A financial literacy-education program that helps people of all ages and financial-knowledge levels set goals, budget and build wealth.   |
| Caribbean  |   |
| Jamaica Junior Achievement   | Programs that help prepare young people for the real world by showing them how to generate and manage wealth, create jobs and apply entrepreneurial thinking to the workplace.  |
| <i>The Achievers</i>   | Sponsored by RBC, this Jamaican television program features our branch managers and provides tips on banking and saving.  |

## Protection of clients

At RBC, we strive to “always earn the right to be our clients’ first choice.” We achieve this, in part, by maintaining vigilant fraud prevention and consumer protection standards.

### Privacy and information security

RBC is dedicated to safeguarding the privacy and confidentiality of personal, business, financial and other information. In fact, it is one of our highest priorities and remains a cornerstone of our commitment to our clients, employees and other stakeholders. We have had a formal privacy policy since 1991, overseen by our Chief Privacy Officer, and we use rigorous security safeguards and internal controls to ensure the privacy and security of information entrusted to us.

In 2011, we continued to build upon our robust framework for managing privacy, information security and records management for RBC.

### Information for clients

We provide information to clients about privacy, information security and fraud prevention in easy-to-understand and engaging formats, including advisories, videos and interactive quizzes, on [rbc.com](http://rbc.com). In 2011, we also began providing online safety tips and information on the RBC Facebook page.

### Employee awareness

We are enhancing our employee training to include information specific to an employee’s jurisdiction. This complements our ongoing efforts to supplement employee training with practical guidance on everyday situations that require privacy and information security decisions.

### Online and mobile banking guarantees

RBC employs advanced technology and security procedures to help protect against unauthorized transactions and access to user data<sup>1</sup>. If an unauthorized transaction is conducted through RBC Royal Bank online or mobile banking, clients will be reimbursed 100% for any resulting losses to those accounts.

<sup>1</sup> For a definition of an unauthorized transaction and for full details regarding the protections and limitations of the RBC Online Banking Guarantee, see the Electronic Access Agreement. This guarantee is given by Royal Bank of Canada in connection with its Online Banking service.

## Fraud prevention

RBC has stringent security policies and practices, supported by around-the-clock resources to prevent, detect and investigate potential fraud. Our guarantees for Canadian online banking and self-directed brokerage clients offer 100% reimbursement for funds lost through unauthorized transactions in their accounts<sup>2</sup>. In 2011, we:

- Continued to enhance processes and strategies in order to decrease the impact of fraud on our clients;
- Communicated regularly with clients to help educate them on fraud-related issues, and to provide up-to-date tips and alerts. Communication tools include our financial fraud prevention and privacy protection brochure, our Privacy and Security website, our RBC Advice Centre video on identity theft, and client presentations focusing on topics such as identity theft and seniors financial abuse; and
- Automated some of our fraud prevention and reimbursement calls so that we were able to reach clients faster and reduce any negative impact on them.

## Treating clients fairly

Treating our clients fairly is an important part of ensuring integrity in everything we do, and “earning the right to be our clients’ first choice.” RBC abides by consumer protection and “market conduct” rules and regulations designed to protect financial services clients. In addition, the Canadian banking industry has developed a number of voluntary codes to protect consumers that have been adopted by our Canadian businesses. A list of these can be found on the Voluntary Commitments page of the Canadian Bankers Association (CBA) website.

## Knowing our clients

We require our employees to undergo extensive training and make all necessary efforts to understand who our clients are, and what their personal and financial objectives are, so that we can help our clients make the very best financial services choices for themselves. “Know Your Client” rules are key to the protection of all our clients, as well as the world’s financial systems and our reputation.

Our due diligence, policies, procedures and solutions also cover compliance with applicable securities,

<sup>2</sup> For a definition of an unauthorized transaction, and for full details regarding the protections and limitations of the RBC Online Banking Security Guarantee and the RBC Direct Investing Online Security Guarantee, please see the Electronic Access Agreement and the Online Security Guarantee Terms and Conditions for RBC Direct Investing, respectively. These guarantees are given by RBC in connection with its Online Banking and Online Investing services.

consumer protection, anti-money laundering, anti-terrorism and economic sanctions legislation. For more, see page 25.

### Clarity in client communications

RBC is committed to providing clients with banking information they can easily understand and use. We offer a number of brochures and websites that describe our products and services simply, using examples for increased clarity. We follow voluntary banking industry guidelines for plain language mortgage documents, and we apply many of those guidelines to other documents, such as account applications.

RBC Insurance regularly reviews policy and statement language to improve clarity so that our clients can more easily evaluate our products' suitability for their needs. In 2011, in response to client feedback, we simplified the language of our Universal Life insurance statement. The new statement was ranked number one for statement clarity by independent research firm DALBAR in its Universal Life Trends and Best Practices Report. During the year, we also enhanced sales communication for credit cards that feature travel insurance, so clients have a clearer picture of eligibility and coverage.

### Client satisfaction

Our corporate goal is "earning the right to be our clients' first choice," making it as easy as possible for clients to do business with us. One of the most important ways we have of knowing whether we're accomplishing this is by tracking our clients' satisfaction and loyalty.

### Monitoring our performance

We understand high levels of satisfaction are critical to our business growth and our sustainability, because a satisfied and loyal client is likely to consider purchasing more products and services from us, and less likely to move to our competition.

As a result, we monitor how well we satisfy our clients through extensive research that evaluates all drivers of client loyalty and satisfaction, including how we compare to our key competitors.

We have a well-established customer experience measurement survey program, administered by our Client Knowledge & Insights department, a team of in-house market research professionals. We set and monitor quantitative targets to improve client satisfaction and loyalty, and measure all components of client experience on a regular basis. In Canada, the client experience target is tied to employees' performance management and client-service training.

We rely on a range of sources of information to track client satisfaction and loyalty, including:

- Our own research with clients and non-clients, objectively and professionally conducted by third-party vendors on our behalf. The table below shows the number of clients we have directly surveyed; and
- Research initiated and conducted by external benchmarking organizations, showing how we compare to our competitors, and sometimes providing performance ranking for various awards and "best of" lists. The chart on the following page provides highlights from 2011.

Clients surveyed (in thousands)

|           | 2011 | 2010 | 2009 |
|-----------|------|------|------|
| Canada    | 492  | 492  | 492  |
| U.S.      | 2.1  | 3.9  | –    |
| Caribbean | 25   | 7.3  | 8    |



[rbc.com/aboutus/awards](http://rbc.com/aboutus/awards)

## RBC Client satisfaction and loyalty highlights

## RBC Research

## Canada\*

In 2011, we surveyed over 490,000 clients about a range of issues that indicate client satisfaction (including their likelihood to recommend RBC), with the following findings:

|  |   |
|--|---|
| 2011 Synovate Customer Service Index (CSI) | Highest level of recommendation by clients of any Canadian bank.<br>From our proprietary survey conducted by a third party vendor, the Net Promoter Score** increased 22% from 2003 to 2010 |
| Ipsos' Canadian Financial Monitor          | 18% of Canadian households hold multiple RBC transaction accounts, investment and borrowing products, as compared to 13% for our nearest competitor (for 6-month period ending June 2011)   |

## External benchmarking

## Canada\*

Our clients are often surveyed by external benchmarking organizations. In 2011, we received the following accolades, among others:

|           |  |
|-----------|--|
| JD Power  | Number one in Canadian auto insurance customer satisfaction  |
| Synovate  | Award for telephone and ATM banking, financial planning and advice, financial products and services, interest rates and service charges, and likelihood to recommend to family and friends |
| Forrester | Number one in online banking   |
| Euromoney | Number one private bank  |
| DALBAR    | Number one direct-investing service  |
| Maritz    | Number one industry specialist rating in commercial markets  |

## United States

|   |   |
|---|---|
| 2011 U.S. Full Service Investor Satisfaction Study (J.D. Power & Associates). | RBC Wealth Management: highest in investor satisfaction among full-service brokerage firms in 2011, scoring 814 on a 1000-point scale, compared to an average of 772. |
|---|---|

\* Data based on Canadian Banking, the largest part of our business. We view our performance in this area as a proxy of client satisfaction and loyalty levels across RBC.

\*\* Net promoter score is promoters (those who are most likely to recommend RBC Royal Bank) minus detractors (those who are unlikely to recommend RBC Royal Bank).

## Acting on feedback

Every year, RBC businesses track client satisfaction and use this feedback to make improvements. Client research helped provide direction for a number of new initiatives and improvements in 2011.

### Canada

- We launched Canada's first fully integrated mobile banking application so clients can check account balances, pay bills, view transaction history and transfer funds between accounts when and where it is most convenient for them.
- We added more content to the RBC Advice Centre, an online resource that gives clients information, tools and advice relating to their current and future financial needs. Topics, including managing debt, starting a small business, managing cash flow, growing savings and understanding insurance needs, are covered through videos, articles, tips, guides and calculators.
- We automated and improved the application process for clients on most of our life insurance applications, as well as HomeProtector® and LoanProtector® products, which will reduce turnaround time.

## Client complaint process

Our formal process for handling client concerns is outlined in the Make a Complaint section of [rbc.com](http://rbc.com). Our focus is on enabling employees to resolve client concerns at first point of contact, as this leads to improved customer satisfaction and loyalty. In our Canadian Banking business, 90% of reported complaints are effectively resolved at first point of contact.

If clients have an issue that's unresolved following a response from the employee at first point of contact, they may appeal to the RBC Office of the Ombudsman\*. The Ombudsman investigates both sides of the issue in an effort to assist the parties in reaching a fair and reasonable resolution, while respecting the dignity and privacy of all parties involved in the proceedings. Certain disputes that remain unresolved after being reviewed by the Ombudsman may be directed to external ombudservices and regulatory bodies listed at Make a Complaint on [rbc.com](http://rbc.com).

Every year, the Office of the Ombudsman produces an annual report, available on our website. This report includes detailed annual information on the number of client cases opened, final disposition of the Ombudsman reviews and tips for avoiding common issues.



[rbc.com/customercare](http://rbc.com/customercare)

\* The Ombudsman does not undertake a review until RBC has first had an opportunity to address the client's issues.

# Workplace

In an era when financial “products” are seen as commodities, our success depends on the skills, knowledge and commitment of our employees. We strive to continue to be an employer of choice with a strong values-based culture by partnering with employees for mutual success.

## Vital statistics<sup>1</sup>

|   | 2011            | 2010     | 2009     |
|---|-----------------|----------|----------|
| Employees   | <b>73,987</b>   | 73,118   | 71,692   |
| Full-time equivalent (FTE) positions                      | <b>68,480</b>   | 67,147   | 65,980   |
| FTE Employees (Canada)                                    | <b>50,219</b>   | 49,792   | 48,793   |
| FTE Employees (United States)                             | <b>7,588</b>    | 7,449    | 7,409    |
| FTE Employees (Caribbean and other international regions) | <b>10,673</b>   | 9,906    | 9,778    |
| Training costs <sup>2</sup> (\$ millions)                 | <b>\$ 162.7</b> | \$ 143.9 | \$ 124.8 |

<sup>1</sup> Results are on a continuing operations basis, which excludes discontinued operations. Please refer to “About this report” on page 2 for additional information about discontinued operations.

<sup>2</sup> Includes discontinued operations

## In this section:

|                             |    |
|-----------------------------|----|
| Priorities                  | 61 |
| 2011 Performance highlights | 61 |
| 2012 Plans                  | 61 |
| Issues                      | 63 |
| Principles and policies     | 64 |
| Rewards                     | 66 |
| Diversity and inclusion     | 68 |
| Engagement                  | 71 |

| Priorities   | 2011 Performance highlights   | 2012 Plans  |
|--|---|---|
| Maintain progressive workplace programs and practices  | <ul style="list-style-type: none"> <li>■ One-third of RBC employees took advantage of flexible work arrangement options, including the purchase of additional vacation days, telecommuting, modified work weeks, job sharing, phased retirement, flextime and flexiplace.</li> <li>■ Employees in North America purchased more than 15,000 vacation days as part of our Purchased Vacation Option.</li> </ul>   | <ul style="list-style-type: none"> <li>■ We will review and update accommodation, accessibility and religious leave guidelines to promote shared understanding, consistency and continuous improvement across RBC worldwide.</li> <li>■ We will build on existing employee guidelines for use of social media to develop ways to leverage the benefits of these new technologies.</li> </ul>  |
| Provide competitive compensation and total rewards, and enable growth through training and development opportunities | <ul style="list-style-type: none"> <li>■ Sponsored employee savings and share ownership programs through which approximately 77% of eligible employees in Canada are RBC shareholders, a slight increase over 2010.</li> <li>■ Invested \$162.7 million in formal training and career development initiatives, including direct and indirect expenditures, compared to \$143.9 million in 2010.</li> <li>■ Offered discount programs for employees in Canada, the U.S. and the U.K., with savings on merchandise, travel and services.</li> </ul> | <ul style="list-style-type: none"> <li>■ We will continue to review compensation programs to ensure that they are competitive in the marketplace, attract and retain talent, and align with shareholder interests, as well as our principles of pay for performance and sound risk management.</li> <li>■ We are implementing a new online system that will improve how employees and managers plan professional development and manage performance.</li> </ul> |



| Priorities                              | 2011 Performance highlights  | 2012 Plans   |
|---|--|--|
| Respect diversity and promote inclusion | <ul style="list-style-type: none"> <li>■ Expanded our Diversity Dialogues Reciprocal Mentoring program by adding almost 500 new participants.</li> <li>■ Increased our Canadian workforce representation of visible minorities (from 28% in 2010 to 29% in 2011) and people with disabilities (from 3.5% to 4.2%).</li> <li>■ Recognized as one of Canada's Best Diversity Employers, one of Canada's Best Employers for New Canadians and one of the Top Employers for Canadians over 40, by Mediacorp Canada Inc.; our U.S. Wealth Management operations were named one of Human Rights Campaign's Best Places to Work for our leading employment practices by organizations around the world.</li> <li>■ Added two women to the Board of Directors.</li> <li>■ Increased membership in our Employee Resource Groups by as much as 50% in some cases.</li> </ul> | <ul style="list-style-type: none"> <li>■ We will report on our achievements against the commitments laid out in the RBC Diversity Blueprint™ 2009 – 2011, and establish new commitments through a new RBC Diversity Blueprint 2012 – 2015.</li> <li>■ We will continue to work towards growing the representation of women and visible minorities in senior roles through targeted recruitment and development.</li> </ul>   |
| Foster a culture of employee engagement | <ul style="list-style-type: none"> <li>■ Sustained high levels of employee engagement and continued to exceed the “North American High Performance Companies” comparative benchmark.</li> <li>■ Named one of Canada's Top 100 Employers (Mediacorp), one of the Best Workplaces in Canada (Great Place to Work Institute Canada) and one of Canada's 10 Most Admired Corporate Cultures (Waterstone Human Capital).</li> <li>■ Recognized as a desirable prospective employer, with approximately 500,000 online job applications received in Canada.</li> <li>■ RBC employees continued to recommend RBC as a great place to work — 32% of new hires were referred by RBC employees.</li> <li>■ 85% of employees surveyed said that it was “very important” for their employer to be a good corporate citizen, and saw RBC as such a company.</li> </ul>          | <ul style="list-style-type: none"> <li>■ We will investigate innovative ways to provide employees with a range of rewards, help them contribute to strategic goals and reinforce their connection to our vision and values.</li> <li>■ We will complete an enterprise-wide rollout of a new online system that will make performance management easier for employees, and provide better support and feedback to help employees achieve their career goals.</li> </ul> |

## Issues

| Workforce diversity |   |   |
|---------------------|---|---|
| Issue               | Changes in home market demographics, the use of global resource options, and worker mobility* are increasing the diversity of client and labour markets. Organizations need to be able to respond to a wider range of employee needs, expectations and capabilities in order to recruit, retain and effectively manage a diverse workforce.                                       | <b>RBC Position</b><br>We believe it is smart business to create equitable opportunities for all employees, regardless of race, age, gender, physical/mental abilities, sexual orientation and background. RBC is considered a diversity leader. We promote an acceptance of diversity, as well as the proactive use of our workplace diversity to achieve new or different outcomes.<br><br>We have workforce diversity targets and a blueprint for promoting diversity internally and externally. We help raise diversity awareness through research, training, mentorship, employee resource groups and other programs.                          |
|                     |   | <b>Outlook</b><br>We will report on our RBC Diversity Blueprint 2009 – 2011 achievements against commitments and establish new commitments through a new RBC Diversity Blueprint 2012 – 2015.<br><br>In 2012, we will introduce a new employee communications program called Diversity Works Here™, which is designed to showcase employees who are actively engaged in helping to harness the power of diversity and inclusion at RBC.<br><br>We will continue to speak publicly about the value and need for better economic integration of newcomers to Canada and support related initiatives with donations and sponsorships.                  |
|                     |   |   |
| Evolving workplace  |   |   |
| Issue               | Employees are increasingly seeking flexibility in how, where and when they work. At the same time, employers are competing for talent in a mobile*, global and skilled labour pool, while facing a challenging economic marketplace. As a result, many organizations are developing new technology-based mobility strategies as a way to attract, and retain, talented employees. | <b>RBC Position</b><br>RBC believes that offering balance and choices contributes to work/life effectiveness and employee engagement, which, in turn, contribute to business success. We support a range of work settings, from fully mobile arrangements to the traditional office setting. There are RBC employees working on the road, from their homes, on global virtual teams and in hotelling office systems where unassigned offices are reserved as needed.<br><br>In 2011, we saw a 47% increase in the number of contact centre employees who work from home.  |
|                     |   | <b>Outlook</b><br>We will continue to encourage telecommuting where appropriate, and intend to create more locations similar to the RBC Centre™ in downtown Toronto, which incorporates the latest and most innovative environmental and contemporary office design concepts.   |
|                     |   |   |
| Aging workforce     |   |   |
| Issue               | The workforce is aging rapidly, and experts agree that this will have a profound impact on the workplace. Some organizations are ill-prepared to meet the challenges associated with older workers, and there is limited general knowledge of what constitutes effective human resource management practices for an aging workforce.  | <b>RBC Position</b><br>RBC has a long history of anticipating and responding to demographic trends. We were among the first North American companies to introduce work-sharing, flextime and other flexible work options. We provide a range of initiatives and programs relevant to older employees, such as workplace flexibility options, phased retirement, health coverage and the promotion of wellness.<br><br>Also, for the last two years we have been recognized as a Top Employer for Canadians Over 40 (source: Mediacorp) for taking into account the unique considerations of employees who are already established in their careers. |
|                     |   | <b>Outlook</b><br>The challenges of changing demographics and an aging workforce require multifaceted approaches and solutions. In 2012, RBC will continue to treat age as an aspect of a diverse workforce to be acknowledged and leveraged, and enhance our long-term planning.   |
|                     |   |   |

\* Worker mobility refers to employees' increased opportunity, need and/or desire to work in alternative physical and virtual places. Examples include mobile sales force, telecommuting, satellite offices, collaboration technologies and flexiplace.

## Principles and policies

Every employee at RBC is guided by our vision, “Always earning the right to be our clients’ first choice”, and our values of service, teamwork, responsibility, diversity and integrity.

### Guiding workplace principles

The RBC Workplace Principles define what we stand for as an employer, and guide our ongoing efforts to support the success of employees, clients and shareholders. Our principles include:

**Passion for client success:** We value people who are passionate about putting clients first, and continuously improving our ability to help our clients succeed.

**Diverse needs and contributions of individuals:** We embrace diversity in people, skills and ideas. We cultivate an environment where people with diverse backgrounds and approaches come together to create winning solutions for clients.

**High-performance work environment:** Our passion for winning fuels our desire to be the best that we can be. We have the people and resources to enable a high-performance work environment, and make sure that results are appropriately recognized and rewarded.

**Professional growth:** We provide career opportunities through meaningful growth, as well as the tools, support and training to ensure success in roles. In return, we expect employees to grow and excel as professionals and share responsibility for their own career development.

**Excellence in people management:** We understand the essential role leaders play in engaging employees to deliver top performance. We’re committed to developing effective and inspiring leaders and people managers who enhance the employee experience and strengthen employee engagement.

**Partner for mutual success:** We believe that winning together as individuals, as teams and as an organization, requires a shared sense of purpose, built on open communication, mutual respect and personal accountability for results.

### Policies

Our policies complement our workplace principles. Employee conduct is governed by an overarching Code of Conduct (the Code) and other, more specific, policies.

The Human Resources Committee and the Risk Committee of the Board of Directors regularly review and approve revisions to the Code. We require successful completion of our Code of Conduct online learning program as a condition of employment for all our employees.

All our employees must reconfirm their understanding of, and commitment to, comply with the Code at least once every two years; employees in certain key roles, such as Group Executive, and other roles involving financial reporting oversight, must do so annually.

### Diversity/employment equity

Our Code of Conduct sets out our commitment to promoting equal opportunity in all our dealings with employees, clients, suppliers and others. All our companies abide by the non-discrimination and/or human rights legislation in the various jurisdictions where we operate. Where laws do not prohibit discrimination, or where they allow for differential treatment, we remain committed to non-discrimination principles, and will not operate in a way that reinforces stereotypes or establishes barriers.

To provide equal opportunity, our federally regulated Canadian businesses develop Employment Equity (EE) plans. Our U.S.-based businesses are regulated by affirmative action and Equal Employment Opportunity legislation. Contained within our EE plans are programs, activities and goals to help us recruit and retain workforces that are representative of the communities in which we work and live.

Our operations in the United Kingdom follow an Equal Opportunity Policy (EOP) when recruiting new employees. In the Caribbean, we are looking into adopting Canadian standards sometime in the future.

### Hours of work

Our businesses have policies relating to hours of work that enable employees to provide high-quality client service, while recognizing their other life responsibilities and interests. In addition, our Work/Life programs provide options for modified work weeks, and outline processes for putting flexible work arrangements in place. See page 67 for further details on these programs.

### Compensation philosophy and Total Rewards

Our compensation philosophy is based on four key guiding principles:

- Compensation aligns with shareholders' interest;
- Compensation aligns with sound risk management principles;
- RBC pays for performance; and
- Compensation enables RBC to attract and retain talent.

Our compensation programs are designed to align with these principles and reflect the different businesses and markets in which we operate. Our programs are regularly reviewed to ensure they remain competitive.

Our Total Rewards package includes:

- Base salary
- Performance-based incentive pay
- Savings and share ownership plans
- Benefits programs
- Retirement programs
- Learning and career opportunities
- Workplace flexibility
- Wellness initiatives
- Volunteer grants programs
- Educational scholarship programs
- Discount programs
- Employee assistance programs

### Respectful workplace

Our Code of Conduct sets out our commitment to maintaining workplaces characterized by professionalism and respect for the dignity of every individual.

We expect each employee to respect the diversity of other employees, clients and others with whom they interact. This includes respecting differences such as gender, race, colour, age, disability, sexual orientation, ethnic origin and religion. To this end, we have policies designed to prevent harassment, disrespectful and inappropriate behaviour, and retaliation, and will take every reasonable measure to ensure a respectful workplace. Likewise, we expect that all employees take

personal responsibility for their interactions, communications and behaviour to maintain a respectful workplace.

We provide further guidance to employees through an enterprise-wide Respectful Workplace Policy, which reinforces the principles established in the Code, focuses on preventing violence, harassment and discrimination in the workplace, and lets employees know when, where and how to report any concerns.


Any complaints of harassment, other disrespectful and inappropriate behaviour, and retaliation are promptly, thoroughly and impartially investigated.

### Other issues

While we do not have formal policies on every issue, we do have points of view on the following:

#### Freedom of association

We operate in 58 countries. The majority of our workforce is employed in North America, where unionization is not the prevalent system for managing employee relations in the financial services industry.

In 2011, approximately 2.5% of our employees were represented by an independent trade union or covered by collective bargaining agreements. All of these employees work in our Caribbean operations. 

Where employees are represented by unions, our approach to labour relations is to proactively engage in dialogue with those unions on matters that may affect the employees they represent. We continually strive to create an environment where individuals do not feel they need to be represented by a third party, while respecting each employee's right to choose.

#### Human rights

Our businesses abide by all non-discrimination or human rights legislation, such as the Canadian *Human Rights Act*, in the various jurisdictions where we operate. These laws generally prohibit discrimination on various grounds, with some examples being race, colour, religion/creed, age, gender, marital status, sexual orientation and disability.

Where laws do not prohibit discrimination, or where they allow for differential treatment, our businesses, in accordance with our Code of Conduct, are still committed to non-discrimination principles and will ensure that we do not operate in a way that perpetuates

stereotypes or establishes barriers. The Code of Conduct is reviewed regularly and approved by the Board of Directors. It is available throughout the company, as well as on our website.

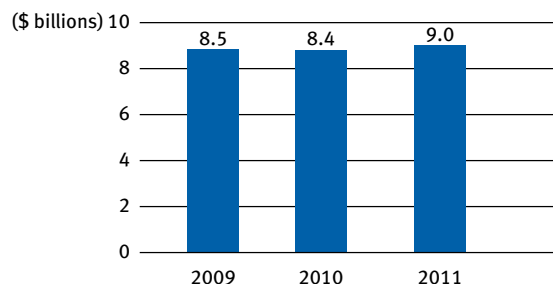
## Rewards

Employees value both monetary and non-monetary rewards. We recognize that no two employees have identical needs, so our Total Rewards program is built to both provide flexibility and choice and promote a shared accountability for success.

Our Total Rewards framework encompasses:

- Competitive compensation, including performance-based incentives;
- Short- and long-term savings and wealth accumulation programs;
- Flexible benefits that provide employees with the ability to choose the coverage needed;
- A positive, safe and flexible working environment; and
- Learning and career growth opportunities

Employee compensation and benefits (worldwide)\*



\* Results are on a continuing operations basis, which excludes discontinued operations. Please refer to "About this report" on page 2 for additional information about discontinued operations.

## Compensation and incentives

For the majority of our employees, compensation includes salary and an annual incentive program. We participate in over 100 external benchmarking surveys annually to ensure our compensation remains competitive.

Our annual incentive bonus program rewards employees for their individual performance, as well as that of their business unit and the company overall. Also, depending on the type of work they do, some employees may participate in sales incentive and commission-based compensation programs.

## Retirement and savings programs

Retirement and savings programs help employees plan for retirement.

### Canada



To enhance personal or retirement savings, employees in Canada may join our savings program. This program provides the convenience of payroll deductions and the opportunity to build ownership in the company through the purchase of RBC common shares. Employee contributions (up to 6% of their salary) are matched at 50% by RBC. Approximately 77% of eligible employees are RBC shareholders through this program.

### United States



In the U.S., RBC offers a flexible 401(k) program, as well as a wealth accumulation plan that provides eligible employees with an opportunity to convert current income into longer-term savings.

### Other regions

Outside of Canada and the U.S., RBC sponsors a number of pension plans (both defined contribution and defined benefit plans).

## Benefits

We offer a core package of benefits, plus a flexible, optional benefits program that gives employees access to competitive and affordable benefits. Part-time employees are also eligible for benefits coverage.

### Workplace programs

Our internal policies and programs provide the flexibility and support that many employees need to manage work and life responsibilities. These include:

- Access to personal work/life counselling services
- Maternity, parental and family responsibility leave
- The option of returning from leave gradually or in an alternative work arrangement
- Emergency backup eldercare and childcare in several major centres
- Phased retirement available to eligible employees who wish to work three or four days per week for a defined period prior to retirement
- Flexiplace program available to eligible employees who wish to work part or all of the work week off-site, usually from home
- Flextime available to eligible employees who wish to work a standard 37 1/2 hours per week, with assigned core hours and flexible start and finish times, within limits as established by the employee's manager



## Health, safety and wellness

Our Code of Conduct outlines our commitment to providing safe workplaces for all our employees. We also have specific workplace safety policies in many of our locations.

Our business is primarily conducted in an office environment, and consequently presents very few traditional occupational health and safety risks, yet we provide online health and safety training to all of our federally-regulated employees in Canada. This program helps employees increase their knowledge and clearly articulates the role of each employee in maintaining a safe workspace.

Mental health issues, including work-related stress, can have an impact on knowledge-based workplaces and the economy. EmployeeCare is our comprehensive employee assistance program that supports employees across a range of work and life situations. For mental health matters, all employees, and their dependents, have confidential access to information, counselling, consultations and online resources, to help deal with a variety of mental health and work-related issues, including depression, stress and work-life balance. Employee awareness of the EmployeeCare program is strong, with approximately 9–10% of employees globally using some aspect of the comprehensive program each year.

Among other initiatives, in 2011, we:

- Continued to integrate wellness features into our Canadian and U.S. benefits programs. Employees can earn wellness credits, which can be used towards premiums in their benefits package;
- Encouraged employees to lead healthy lifestyles through an annual health risk assessment, wellness campaigns and communication initiatives that addressed nutrition, physical activity and mental well-being;
- Provided information and updates relating to influenza, including basic preventive measures and advice; and
- Provided employees with information on appropriate medical and support networks, including a 24-hour nurse line, ergonomic assessments, counselling with registered dietitians, and access to research and referral services that provide names and contact information of medical specialists and providers.

## Flexibility

In 2011, over 30% of employees were involved in at least one of these flexible work arrangements at any given time:

- Working flexible hours or modified work schedules;
- Working from home or off-site locations;
- Reducing work hours through job sharing;
- Buying up to four additional weeks of vacation;
- Taking an unpaid leave for personal reasons, such as for education or personal development; and
- Phasing into retirement by working three or four days per week for a defined period prior to retirement.

Our work environment provides managers with the flexibility to deal with workplace situations on a case-by-case basis.

## Career development and learning

We provide professional training and development to help employees build successful careers. Formal training and development programs are an important complement to learning on the job. In 2011, we invested \$162.7 million in such programs (direct and indirect expenditures). Examples include:

- Our global online learning system, upgraded in 2011 for easier and faster navigation, which provides employees with access to training opportunities and resources both from work and from home;
- A career information guide and confidential access to a comprehensive online career management resource kit. More than 36,000 employees have made use of these programs since they were introduced in 2006;
- Comprehensive formal training programs to help new employees be successful. In 2011, over 3,500 employees completed the training programs for client service representative, account manager and contact centre sales and service representative positions;
- Extension of professional development opportunities to support more of our businesses, including Wealth Management, Capital Markets in the United Kingdom and United States, and RBC in the Caribbean; and
- A pilot program for managing talent. The program will be rolled out in various areas of RBC throughout 2012.



## Recruitment

Building for the future also includes recruiting new talent, and some of our key activities for 2011 included:

- Internship programs for new college and university graduates;
- Help for employees with disabilities and Aboriginal peoples to explore career opportunities and understand the recruitment and selection process. Candidates have access to a dedicated point of contact within our recruitment group, and are provided with meaningful feedback on interviews. Qualified candidates are also referred to other areas of RBC if an initial application is unsuccessful; and
- The introduction of the RBC Ex-Military Recruitment Program, in recognition of the great value that military training and experience brings to the workplace. The program targets transitioning military personnel who bring valuable skills, like leadership and teamwork, to a business setting. Through the program, ex-military personnel explore RBC as a career choice. Participants have an opportunity to join a network of men and women who have already transitioned from the military to fulfilling careers within RBC. They also have access to development and coaching opportunities, as well as a tailored new-employee training program that can get them started on the right path to second career success.

## Employee discounts

We offer employees discounts on our banking, investments and insurance products and services in Canada and the U.S. Employees can also access special offers and discounts online from leading brand name companies, as well as trusted local businesses in North America and the U.K.

## Diversity and inclusion

We are considered a leader in diversity and have received extensive recognition, earning designations including Catalyst Canada Honours, Canada's Best Diversity Employers, Top Employers for Canadians Over 40 and Best Employers for New Canadians (see page 13 for award details). We play a leadership role in promoting diversity and raising awareness. We facilitate mentoring, support networking and employee resource groups, and provide education through a number of initiatives and programs.

### Diversity in our workplace (Canada)\*

|   | 2011 | 2010 | 2006 |
|---|------|------|------|
| Women   | 66%  | 67%  | 70%  |
| Women in middle management and above                | 46%  | 46%  | 46%  |
| Women in executive roles                            | 36%  | 37%  | 34%  |
| Visible minorities**                                | 29%  | 28%  | 24%  |
| Visible minorities** in middle management and above | 29%  | 27%  | 21%  |
| Visible minorities** in executive roles             | 15%  | 14%  | 9%   |
| People with disabilities                            | 4.2% | 3.5% | 3.2% |
| Aboriginal peoples                                  | 1.6% | 1.6% | 1.6% |

\* Figures represent Employment Equity data as a percentage of the number of employees (full-time and part-time) at RBC as of October 31, 2011 in our businesses in Canada governed by the *Employment Equity Act*. Given variations in legal definitions and restrictions in legislation around the world, comprehensive data on these four designated groups (women, visible minorities, people with disabilities, Aboriginal peoples) is available only in Canada.

\*\* In Canada, visible minorities are defined as persons (other than Aboriginal peoples) who are non-Caucasian in race or non-white in colour.

## Leadership

To create and sustain a diverse, inclusive and collaborative work environment, people at all levels of the organization are engaged. Our President and CEO chairs the RBC Diversity Leadership Council, created to establish strategies and goals, and to have senior-level champions in place in North America, the Caribbean and the United Kingdom. In addition, many individual business units have diversity leadership councils that help advance the diversity and inclusion. In 2011, we established diversity councils in the Caribbean, in our insurance business and in the Group Risk Management function to ensure implementation of diversity objectives and initiatives.

Our leaders are also active in the community, participating in public discussions, panels and workshops that focus on promoting diversity in the workplace.

A broad team of RBC leaders helps champion the cause through their direct involvement in diversity work, and by inspiring others inside and outside the company. These ambassadors, known as Active Leaders, have access to a dedicated intranet site with resources to enable them to share and champion the RBC diversity story, both internally and externally. There are more than 700 Active Leaders representing RBC at work, in the community, on relevant organizational boards and at client events.

### Raising diversity awareness

RBC promotes diversity by sharing our knowledge and encouraging discussion of the impact of diversity on business, communities and the economy.

### The RBC Diversity Blueprint™

The RBC Diversity Blueprint sets out our corporate diversity strategy, priorities and objectives. The Blueprint outlines how we will continue to enhance our leading diversity position in Canada, strengthen our existing efforts in the U.S. and internationally and, where necessary, develop new initiatives that support our commitment to this objective/goal. We have made significant progress on a number of our objectives and action items.



[www.rbc.com/diversity](http://www.rbc.com/diversity)

### Programs to support diversity

We participate in a number of both internal and external programs that support diversity.

Since 1996 we have participated in three internship programs with the Career Edge organization to provide experience and paid employment to recent graduates and newcomers to Canada. Approximately 70% of interns in the Ability Edge and Career Bridge paid internship programs join RBC as full-time employees following their internships.

| Career Edge internships  |           |           |           |
|--|-----------|-----------|-----------|
|  | 2011      | 2010      | 2009      |
| Career Edge<br>(for recent graduates)                                | 16        | 3         | 5         |
| Ability Edge<br>(for graduates<br>with disabilities)                 | 13        | 34        | 27        |
| Career Bridge<br>(for internationally<br>qualified<br>professionals) | 23        | 40        | 36        |
| <b>Total</b>   | <b>52</b> | <b>77</b> | <b>68</b> |

In 2011, we were recognized at the Career Edge Organization Achievement Awards as the winner of both the Ability Edge Program and Career Bridge Program awards for the private sector category.

### Advancement of women

The development and advancement of women within our own workforce is a key focus area within the RBC Diversity Blueprint. RBC is also committed to the development of women-owned enterprises. RBC is a member of the Diversity Business Network, an access point for companies, associations, organizations and governments to communicate, collaborate and develop strategies to maximize the opportunities for companies with diverse owners. RBC is also a member and inaugural sponsor of WEConnect Canada, a Canadian not-for-profit organization that certifies firms that are at least 51% owned, managed and controlled by women. It connects women entrepreneurs with the growing global demand from corporations and the public sector for diverse and innovative suppliers.

### Programs to support Aboriginal employment

We are committed to increasing the representation of Aboriginal peoples within our workforce through proactive recruitment and programs. We support programs that ease the transition of Aboriginal employees into our workplace.



[rbcroyalbank.com/commercial/aboriginal/employment-education.html](http://rbcroyalbank.com/commercial/aboriginal/employment-education.html)

### Programs to increase Aboriginal representation


|  |   |
|--|---|
| RBC Aboriginal Student Awards Program  | This program assists Aboriginal students in completing post-secondary education. It provides selected students with scholarships to use towards tuition, textbooks, supplies and living expenses. In 2011, RBC awarded scholarships to 10 students across Canada. We have awarded 108 scholarships, totalling \$1.2 million, since the launch of the program in 1992. |
| Pursue Your Potential™ recruitment program                                     | This program helps Aboriginal peoples, and people with disabilities, explore career opportunities and understand the recruitment process. In 2011, 93 people were part of this program. Since its inception in 2006, more than 610 people have taken part.  |
| RBC Aboriginal Stay in School Program and Aboriginal Summer Internship Program | These programs bring Aboriginal students from high school, college and university into our workplace. Students receive Client Service Representative and Account Manager training and direct work experience within the branch network. During the 2011 summer school break, a total of 55 students participated in both programs.                                    |

### Programs to facilitate transitions into the workplace

|                                      |  |
|--------------------------------------|--|
| Royal Eagles employee resource group | This group, internal to RBC, is one of the longest-standing employee resource groups, with over 450 members Canada-wide.   |
| Cultural awareness training          | Aboriginal awareness training is required for all RBC recruiters. In addition, the training is available to all RBC employees through our online learning system.  |
| Aboriginal Corporate Social Network  | This internal social network was created in 2010 to help build a community of Aboriginal employees and supporters across Canada. Facebook-like features allow employees to interact, collaborate, share knowledge and build camaraderie. |

### Diversity training and mentoring

We are committed to ongoing learning, coaching and mentoring to ensure we develop and support a rich and diverse workforce.

|  |  |
|--|--|
| Diversity training webcasts for people managers  | RBC delivered webcasts for all people managers in 2011 to help them understand their roles and responsibility in creating an inclusive environment for people with disabilities.   |
| Diversity Awareness E-Learning for all employees   | RBC provides a collection of more than 100 team and individual activities that employees and teams can use to build their diversity awareness and understanding.   |
| Diversity Dialogues™   | This program connects women, as well as visible minority employees, to senior leaders with different professional experiences and backgrounds, so they can learn about leadership and diversity from each other. In 2011, more than 470 employees participated in the program. Since 2006, almost 1,000 employees have participated in a Diversity Dialogues Reciprocal Mentoring partnership. |
| Aboriginal Awareness E-Learning Program<br> | Introduced in 2010, this program provides employees with an opportunity to learn about the values, customs, beliefs and aspirations of First Nations, Metis and Inuit peoples through modules such as culture, history and cross-cultural communication.   |
| RBC Talk English Café  | This is an eight-week, e-classroom program for employees who would like to develop and build their spoken English skills. Participants develop confidence with English for use in business and personal settings. Each week, participants learn new communication strategies and tactics interwoven with RBC core values and community involvement.  |
| Diversity Learning Moments   | These three- to five-minute, web-based vignettes are posted on the RBC intranet and are available for all employees. They are designed to increase knowledge of diversity and inclusion.   |

### Employee resource groups

Employee resource groups are networks of employees that help their members develop both personally and professionally, through peer mentoring, coaching and networking. These groups help cultivate an inclusive work environment by fostering a better understanding of their needs. Groups that operate under an established charter are formally recognized by RBC, and receive an annual budget and communications support from the company. Employee resource groups with the following focuses were active in 2011:

#### Canada

- Women in Capital Markets
- Aboriginal employees
- Lesbian, gay, bisexual and transgendered employees
- Employees with disabilities
- New Canadians and visible minorities

#### United States

- Lesbian, gay, bisexual and transgendered employees
- Minority employees
- Women financial consultants

#### United Kingdom

- Working families
- Lesbian, gay, bisexual and transgendered employees

## Engagement

### People management

We have more than 8,000 employees who manage others across the organization. Managers play a critical role in creating an engaging work environment, and we invest in a number of resources to support them, including:

- 360-degree reviews that provide managers at all levels with feedback from their peers, their direct reports and their own managers;
- Tailored employee opinion survey data results from within a manager's own unit;
- A monthly news flash targeted specifically to managers, with advice and information on programs and initiatives, as well as advance news on upcoming changes and new online resources;
- A series of webcasts to help managers and employees learn about performance management;
- An online resource that provides coaching, information, tools and forms;
- New management essentials training for first-time people managers — approximately 40% of our new people managers participated in 2011; and

- A series of learning modules, available to people managers, that target learning based on their experiences. In 2011, more than 2,500 managers completed at least one of these modules. Since these learning modules were introduced, approximately 60% of all people managers have completed at least one module.

### Employee opinion surveys

Our goal is to continue to be a top-performing company. A large part of this success depends on listening and responding to our employees, and we have conducted regular employee opinion surveys since 1981. We compare our survey results to top-performing North American companies, including financial institutions, as well as to our own past results. We celebrate our successes, share topline results with managers and employees, and take action on areas for improvement.

### 2011 Employee Opinion Survey

In 2011, we conducted a pulse survey, a smaller version of our full Employee Opinion Survey, that focused on the priorities identified in the 2010 global survey. Approximately 21,000 employees participated in the pulse survey, and results showed that:

- Employees continue to demonstrate high levels of engagement and support for our vision and values, consistent with past employee surveys. We compared favourably to other high-performing North American companies in the Towers Watson comparative benchmark;
- Employees are proud to be a part of RBC, and they support our goals and objectives. In 2011, scores for this indicator increased over 2010;
- More employees have an understanding of how their work fits strategically, and more feel empowered;
- Employees' confidence in RBC as a great place to have, and develop, a career, continues to grow. More employees feel their manager supports their growth and development, while also providing the flexibility for employees to meet their personal and family needs.

### Top employer awards

In 2011, we were recognized as a top employer by the following organizations, as well as by our own employees. In fact, approximately 32% of the people we hired in 2011 were referred by our own employees.

- Canada's Top 100 Employers for 2012 (Mediacorp)
- One of the Best Workplaces in Canada for 2011 (Great Place to Work Institute Canada)
- One of the Top Employers for Canadians Over 40 (Mediacorp)
- One of Canada's Best Diversity Employers (Mediacorp)
- One of Canada's Best Employers for New Canadians (Mediacorp)
- One of Human Rights Campaign's Best Places to Work (awarded to RBC Wealth Management in the U.S.)
- One of Canada's 10 Most Admired Corporate Cultures (Waterstone Human Capital)

### Impact of corporate responsibility programs

Employees are a key stakeholder group, and it is important we understand how they perceive corporate responsibility at RBC. Each year, RBC employees are invited to respond to a poll on this topic. In 2011, over 3,500 employees responded to this poll.

Eighty-five percent of respondents said it was "very important" that the company they work for be a good corporate citizen. Additionally, 69% of respondents indicated they would be very likely to consider recommending RBC as an employer, and 72% as a service provider, based on its record of corporate citizenship. Over 78% of survey respondents who work directly with clients indicated that our reputation as a good corporate citizen has helped attract new customers. This increased from 69% in 2010 (and 67% in 2009).

These responses help us shape our corporate responsibility strategy and set relevant goals in the following year.

### Information and education

We recognize the importance of keeping employees informed. In 2011, our initiatives included:

- Online webcasts and interviews with leaders aimed at helping employees understand careers at RBC;

- Five information bulletins to help employees make informed decisions about their Total Rewards;
- Our satellite TV channel, available at more than 1,000 locations across Canada. Employees were able to tune in to live interactive (and taped) sessions with leaders and experts about what's happening at RBC;
- Online messages and video clips from leaders to help deepen employee understanding of key issues and better prepare them to react quickly, effectively and collaboratively to the needs of the day;
- RBCnet, our employee intranet, which is the hub of our employee communications. It includes regular updates, inspiring stories about RBC and our workplace, information on new initiatives and programs, RBC news from around the world, and related video clips. Employees have the opportunity to comment on the stories and articles via an online comment feature, where comments can be viewed by others;
- Our first-ever global town hall meeting videocast. Senior leaders gathered in London for the Directors' Board Meeting, where they engaged in dialogue about RBC's global business, clients and workforce. The event gave employees around the world a unique opportunity to ask questions of our CEO and Group Executive. Held in front of a live audience of RBC employees, the event also linked employees around the world through live video or audio webcasts;
- Dedicated business communications channels to deliver sales and marketing tips, training information and other pertinent information to employees; and
- An employee communications survey, which showed that, while information overload is prevalent, employees still want more communications about strategy, goals and job information. They are interested in more customized and targeted communications, and want to hear more from their managers. We are developing action plans to address these findings.

## Employee concerns

We encourage open communication and the resolution of employee concerns locally, whenever possible. In addition, employees with unresolved concerns may contact our Employee Ombudsman, a confidential and impartial resource within the Office of the Ombudsman. The Employee Ombudsman will listen with an open mind, help employees explore options to find solutions to issues, and assist them in removing barriers that may be preventing due process or appropriate consideration of concerns.

During 2011, the Employee Ombudsman opened 898 cases, down from 975 in 2010, dealing with the concerns of 969 employees and pensioners from RBC companies around the world. A further 209 employees were referred to other areas of expertise or support within RBC. In addition to these direct contacts, there were over 15,000 visits to the Employee Ombudsman website.



# Environment

RBC is committed to proactive and prudent management of the environmental aspects of our business. The RBC Environmental Blueprint™ contains 44 commitments to help us reduce our environmental footprint, lend responsibly, and provide “green” products and services to our clients.

## Vital statistics<sup>1</sup>

|   | 2011           | 2010    | 2009    |
|---|----------------|---------|---------|
| Total GHG emissions (tonnes)  | <b>207,018</b> | 224,822 | 227,377 |
| Office paper use (kilograms/FTE <sup>2</sup> )                              | <b>47</b>      | 51      | 56      |
| CO <sub>2</sub> e emissions from energy use (tonnes/m.sq.)                  | <b>.090</b>    | .097    | .104    |
| Energy intensity, all properties (MWh/m.sq.)                                | <b>.37</b>     | .35     | .37     |
| CO <sub>2</sub> e emissions from employee travel (tonnes/FTE <sup>2</sup> ) | <b>.40</b>     | .40     | .34     |
| Transactions assessed under Equator Principles                              | <b>15</b>      | 7       | 6       |

<sup>1</sup> Results are presented on a consolidated operations basis. Please refer to “About this report” on page 2 for information about discontinued operations.

<sup>2</sup> Full-time equivalent position.

## In this section:

|   |    |
|---|----|
| Priorities                                      | 74 |
| 2011 Performance highlights                     | 74 |
| 2012 Plans                                      | 74 |
| Issues  | 75 |
| Environmental management                        | 77 |
| Environmental footprint                         | 78 |
| Environmentally responsible business activities | 85 |
| Environmental products and services             | 86 |
| Sustaining the RBC Environmental Blueprint      | 87 |

## Priorities

Reduce the intensity of our environmental footprint

## 2011 Performance highlights

- Leased nearly 300,000 sq. m of green-certified<sup>3</sup> office space, representing 35% of floor area in major properties.
- Powered 134 retail branches with EcoLogo-certified green power, representing nearly 10% of our Canadian retail branch portfolio.
- Increased the proportion of sustainably sourced paper used in North America and the British Isles to 85%.
- Safely disposed of over 43,000 electronic items in our Canadian operations through resale, redeployment, recycling or responsible destruction.

## 2012 Plans

- Increase the proportion of office space leased or built to green building standards.
- Implement projects to drive energy efficiency in our branches, offices and data centres.
- Make online environmental training available to all staff.
- Investigate and report on the responsible disposal of e-waste in our international operations.

<sup>3</sup> Includes certification to LEED<sup>®</sup> (Leadership in Energy and Environmental Design), BREEAM<sup>®</sup> (Building Research Establishment Environmental Assessment Method) or BOMA BEST<sup>®</sup> (Building Owners and Managers Association Building Environmental Standards) standards.

| Priorities  | 2011 Performance highlights  | 2012 Plans   |
|---|--|--|
| Promote environmentally responsible business activities | <ul style="list-style-type: none"> <li>■ Launched an enterprise-wide policy requiring all RBC units to consider and manage environmental and social risks when making decisions on behalf of the company.</li> <li>■ Trained over 700 directly affected employees on how to apply environmental and social risk management policies, and how to identify opportunities in green business financing.</li> <li>■ Performed detailed environmental credit risk assessments on over 1,100 transactions in Canada and the U.S., a 16% increase over 2010.</li> <li>■ Participated in an industry review of the Equator Principles, a set of voluntary guidelines used to assess and manage environmental and social risk in global project finance transactions.</li> </ul> | <ul style="list-style-type: none"> <li>■ Update RBC environmental and social risk management policy for project finance to align with Equator Principles III.</li> <li>■ Implement a new environmental and social risk management policy in the Caribbean.</li> <li>■ Train employees on emerging sustainability issues associated with resource development, including FPIC (free prior and informed consent) of Aboriginal communities.</li> </ul> |
| Offer environmental products and services               | <ul style="list-style-type: none"> <li>■ Managed almost \$1 billion in socially responsible investments.</li> <li>■ Expanded our group of commercial cleantech specialists to all Canadian provinces.</li> <li>■ Traded 90 million tonnes of carbon credits through the RBC Capital Markets™ carbon emissions trading group.</li> <li>■ Co-published two reports identifying the risks and business opportunities of environmental sustainability in the manufacturing and logistics sectors.</li> </ul>   | <ul style="list-style-type: none"> <li>■ Make it easier for clients to access SRI information and connect to SRI specialists within RBC.</li> <li>■ Support the growing cleantech market in Canada.</li> <li>■ Partner with industry associations to publish guides to greening agriculture and retail businesses.</li> </ul>  |

## Issues

| The link between climate change and energy |  |   |
|--|--|---|
| Issue                                      | <p>Around 80% of the world's man-made greenhouse gas (GHG) emissions are the result of energy production and consumption. Global and regional agreements to address climate change have been slow to develop and relatively ineffective to date, while policies to encourage clean technology, energy efficiency and renewable energy have become an increasingly common strategy to reduce GHG emissions.</p> <p>This has also resulted in new economic opportunities for businesses and helped to stimulate innovation in certain sectors.</p> | <p><b>RBC Position</b></p> <p>We believe our role is to understand the full scope of risks and opportunities associated with all types of conventional and alternative energy development and power generation, so we can continue to take a balanced, long-term view when providing financial services and advice. We also believe we should use emerging technologies to support energy conservation and GHG reduction in our own operations.</p>   |
|  |  | <p><b>Outlook</b></p> <p>We will continue to:</p> <ul style="list-style-type: none"> <li>■ Equip our lenders and risk managers with the knowledge and tools required to support business opportunities in renewable energy;</li> <li>■ Fund initiatives that strive to improve energy literacy among Canadians;</li> <li>■ Participate in research and analysis of the physical impacts of climate change and support initiatives to adapt to and manage these impacts; and</li> <li>■ Fund projects that drive energy conservation and efficiency in our real estate portfolio.</li> </ul> |

## Issues (continued)

| Designing sustainable cities |  |
|------------------------------|--|
| Issue                        | <p>Over half the world's population lives in cities, and that number is rising. As urbanization continues, there will be a need to expand and renew infrastructure, posing funding challenges for all levels of government. New building standards, effective growth management, land-use planning, energy mapping and transportation strategies are required for thriving, sustainable urban centres of the future.</p> <p>New forms of public-private partnerships will be needed to finance infrastructure expansion and renewal and creation of sustainable cities.</p>  |
|                              | <p><b>RBC Position</b></p> <p>We believe our role is to lead by example and encourage this shift to sustainable cities, showcasing green buildings and clean technology in our own operations. We also promote research and dialogue on what constitutes sustainable cities. We continue to finance green buildings, small-scale renewable energy initiatives and other smart infrastructure projects.</p> <p><b>Outlook</b></p> <p>We will continue to:</p> <ul style="list-style-type: none"> <li>■ Equip our lenders and risk managers with knowledge and tools to support business opportunities in green buildings and new infrastructure development;</li> <li>■ Promote thought leadership on green buildings and sustainable cities; and</li> <li>■ Lease and build office space certified to green building standards, with emphasis on the LEED standard.</li> </ul> |
| The importance of water      |  |
| Issue                        | <p>Water shortages and lack of access to clean, fresh water are considered to be two of the largest threats to human health and economic development around the world. Climate change is causing new and unpredictable changes in water availability, with some regions having too much, and others having too little, water to meet their needs. Competing demands for clean water mean that policies need to consider how to allocate it fairly among users, without negatively affecting the natural environment.</p> <p>Industry sectors that depend on water for their operations are anticipating tighter regulation, supply restrictions and higher costs. Water quality and quantity issues will present risks and opportunities for businesses across many sectors.</p>   |
|                              | <p><b>RBC Position</b></p> <p>We believe our role is to understand the water-related risks and opportunities facing all sectors. We will promote awareness and thought leadership on water-related issues by supporting organizations that are working to answer important questions, and to offer solutions to the growing water crisis.</p> <p><b>Outlook</b></p> <p>We will continue to:</p> <ul style="list-style-type: none"> <li>■ Research and publish reports addressing the top water-related issues in North America;</li> <li>■ Fund charitable organizations working to protect watersheds and support access to clean drinking water through the RBC Blue Water Project™;</li> <li>■ Sponsor initiatives to promote new water technologies; and</li> <li>■ Seek opportunities in our own operations to conserve water.</li> </ul>                                 |

## Environmental management

Since developing our first environmental policy in 1991, we have been committed to environmental management and continuous improvement. We published the RBC Environmental Blueprint in 2007 to support this commitment. The RBC Environmental Blueprint articulates our corporate environmental policy, priorities and objectives. It sets out our approach to environmental matters pertaining to operations, business activities, products and services, employees, compliance, reporting transparency and partnerships.

### Responsibility and accountability

Our Group Executive and the Corporate Governance and Public Policy Committee (CGPPC) of the Board of Directors provide executive oversight to our environmental programs and performance. Our Corporate Environmental Affairs (CEA) group is responsible for implementing the RBC Environmental Blueprint. The group sets enterprise-wide policy for the identification, assessment, control, monitoring and reporting of environmental matters. In addition, CEA works with our businesses to:

- Develop, maintain and communicate environmental policies, procedures and guidelines related to managing environmental risk and reducing our environmental footprint;
- Monitor relevant environmental laws, regulations and other requirements that affect our business, as well as our clients' activities;
- Track the performance, environmental benefits and cost effectiveness of key environmental programs;
- Engage with internal and external stakeholders on environmental issues that affect our clients, our businesses and the communities in which we operate;
- Develop new environmentally-related products and services to help clients transition to more environmentally sustainable business models;
- Assess the need for, and champion, new initiatives to meet our environmental objectives; and
- Advise on the management of environmental risks in specific business transactions.

### Priority environmental issues

There is no shortage of important environmental issues facing our communities, and it is a challenge for any organization to determine where resources should be focused for greatest impact.

RBC will focus on environmental issues that:

- Have an impact on our business activities, or those of our suppliers or clients;
- Are affected by our business activities, or those of our suppliers or clients; and/or
- Are important to a wide array of stakeholders.

We have identified three priority environmental issues in the RBC Environmental Blueprint:

#### Climate change

Climate change presents environmental, social and financial challenges to the global economy, human health and our business. We believe it is vitally important that we contribute to efforts to reduce greenhouse gas emissions and effectively adapt to the impacts of climate change.

#### Biodiversity

Biodiversity (biological diversity) refers to the variety of different species, the genetic variability of each species and the variety of different ecosystems that these species form. Environmental degradation resulting from human activity, and the forces of climate change, are disrupting the natural biodiversity of habitats and ecosystems. To maintain healthy communities and cultural values, critical natural systems, and the abundant biodiversity they support, must be preserved. Further, we recognize that the identity, cultural beliefs and economies of some indigenous peoples are intrinsically tied to their region's history, biodiversity and natural landscapes.

#### Water

Water is the most important natural resource on earth, and without it, all life would cease. Access to clean, fresh water, the preservation and management of watersheds, and water conservation are increasingly urgent environmental and economic concerns, both globally and in many of the regions in which we operate. Climate change, population growth and industrialization are factors contributing to a growing water crisis.

## Charting our progress — RBC Environmental Blueprint

The RBC Environmental Blueprint is a five-year plan that contains 44 medium- and long-term environmental commitments. We track and present our progress against these commitments in our Blueprint Report Card.

## Environmental footprint

Our environmental footprint is the sum total of the impact of our operations.

We are actively striving to reduce our energy use, GHG emissions, paper consumption and water use. We are also committed to reducing the negative environmental impacts associated with our procurement activities, waste generation, and technology and operations.

We know that by improving our operational efficiency, reducing our consumption of resources, and decreasing emissions associated with our business activities, we will see positive environmental and economic results. We are also working to reduce the environmental impact of our technology and operations, while managing the increasing demand for data storage.

We provide a full Environmental footprint report on our footprint reduction efforts on our website, and have provided a summary of that report on pages 79 to 84.



**[rbc.com/community-sustainability/environment/environmental-footprint-reduction.html](http://rbc.com/community-sustainability/environment/environmental-footprint-reduction.html)**

# Environmental Footprint Report: Energy<sup>1</sup>

| Intensity factors                                | 2011      | 2010      | 2009      | Units          |
|--|-----------|-----------|-----------|----------------|
| Global full-time equivalent (FTE) employee count | 73,243    | 72,126    | 71,186    | FTE            |
| Global floor area                                | 2,231,242 | 2,207,224 | 2,174,131 | m <sup>2</sup> |

## Energy footprint

### Direct energy use <sup>(2)</sup>

|  |                |                |                |            |
|--|----------------|----------------|----------------|------------|
| Branches <sup>(3)</sup>                            | 92,666         | 72,943         | 87,467         | MWh        |
| Major properties <sup>(4)</sup>                    | 96,344         | 99,533         | 89,710         | MWh        |
| Data centres and processing centres <sup>(5)</sup> | 9,891          | 6,495          | 3,559          | MWh        |
| <b>Total direct energy use, all properties</b>     | <b>198,901</b> | <b>178,971</b> | <b>180,736</b> | <b>MWh</b> |

### Indirect energy use <sup>(6)</sup>

|  |                |                |                |            |
|--|----------------|----------------|----------------|------------|
| Branches   | 261,643        | 258,768        | 267,204        | MWh        |
| Major properties                                 | 197,451        | 201,534        | 202,323        | MWh        |
| Data centres and processing centres              | 99,630         | 92,245         | 106,568        | MWh        |
| <b>Total indirect energy use, all properties</b> | <b>558,724</b> | <b>552,547</b> | <b>576,095</b> | <b>MWh</b> |
| Green power purchases <sup>(7)</sup>             | 13,663         | 11,242         | 8,068          | MWh        |
| <b>Total energy use, all properties</b>          | <b>757,625</b> | <b>731,518</b> | <b>756,831</b> | <b>MWh</b> |

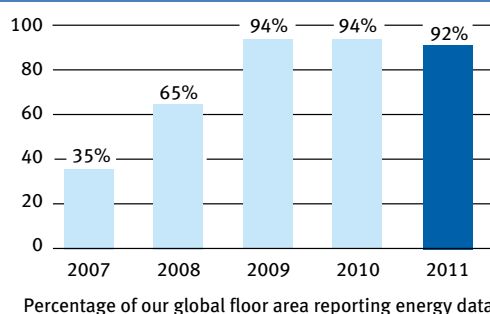
## Energy consumption

Since 2009, we have been able to measure and report on both direct and indirect energy consumption for 100% of our properties located in Canada, the U.S. and the British Isles. We do not yet have complete energy data for our properties in the Caribbean and other international locations, which represent a small, but growing, proportion of our total footprint.

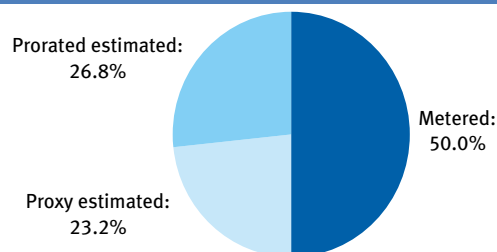
Our energy footprint is based on three categories of data:

- **Metered:** Properties where metered energy consumption is billed directly from a utility or landlord.
- **Prorated estimated:** Major properties that do not have metered data, but where the landlord has provided consumption data for the entire building that is prorated to the area we occupy.
- **Proxy estimated:** Energy consumption is calculated using averaged metered data for comparable buildings and applied based on the area RBC occupies.

## Global energy data coverage



## Energy data by category for North American properties



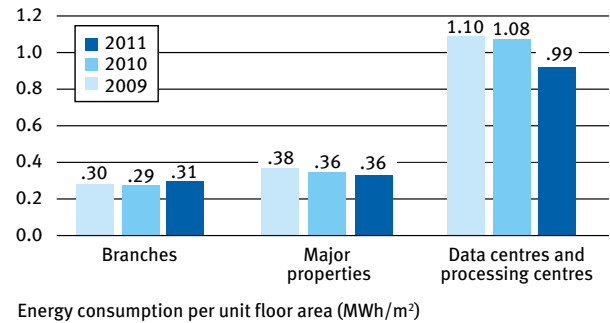


## Environmental Footprint Report: Energy<sup>1</sup> (continued)

### Energy intensity

The energy intensity of each of our property classifications has remained relatively constant over the past three years. The energy intensity in our data and processing centres decreased in 2011 primarily due to an increase in the floor area represented by this property classification. Data centres and processing centres have operational processes and equipment that have high electricity demands, resulting in a unique energy footprint with a much higher energy-use-per-unit area than branches or major properties.

### Energy intensity by property classification

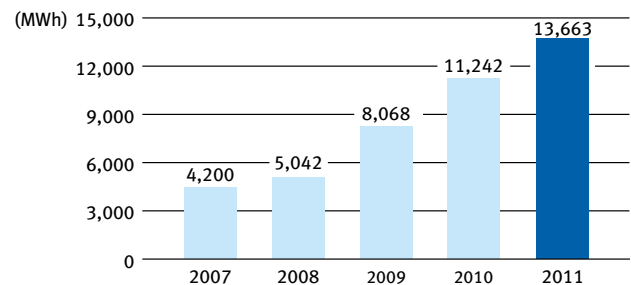


### Green power

In 2011, we opened 10 new green-powered branches in Canada.

At year-end, a total of 134 branches were powered by 13,663 MWh of EcoLogo<sup>+</sup>-certified green power as shown on the chart above, representing an equivalent carbon dioxide reduction of over 3,600 tonnes;

### Green power purchases



### Energy management

In 2011, we:

- Continued to implement a multi-year Energy Management Plan across our Canadian retail branch network, with almost 200 retail branches participating in lighting retrofits and/or HVAC (Heating, Ventilation, Air Conditioning) efficiency assessments since the inception of the program in 2010. Participating branches have benefited from average lighting and HVAC energy reductions of 27% and 25%, respectively; and
- Deployed a solution on over 30,000 workstations that will save energy by eliminating the need to power PCs at night for software updates.

## Environmental Footprint Report: Paper<sup>1</sup>

| Paper footprint                     | 2011         | 2010          | 2009          | Units         |
|-------------------------------------|--------------|---------------|---------------|---------------|
| Office paper                        | 3,070        | 3,326         | 3,579         | tonnes        |
| Marketing and direct mail paper     | 6,218        | 6,899         | 7,901         | tonnes        |
| Coverage (as % of global FTE count) | 89           | 90            | 90            | %             |
| <b>Total paper</b>                  | <b>9,288</b> | <b>10,225</b> | <b>11,480</b> | <b>tonnes</b> |

### Office paper use

Our 2011 office paper use on a per-employee basis decreased for the fourth consecutive year, a reflection of the continuing success of our digitization programs that have converted many of our paper-based documents to electronic formats.

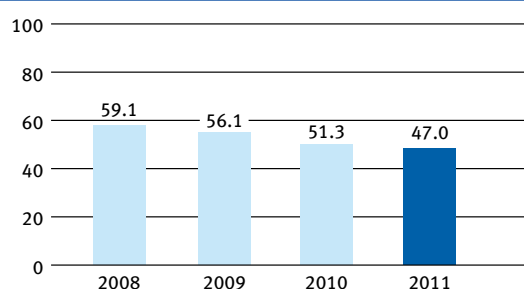
Our use of sustainably sourced paper increased for the fourth consecutive year, mainly due to increases in sourcing Forestry Stewardship Council certified paper for our marketing and direct mail paper.

Data coverage for paper includes our Canadian, U.S. and British Isles operations (89% of employees), but not those in the Caribbean and other international locations.

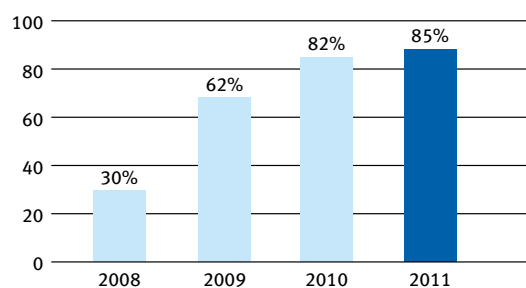
### Electronic documents

In 2011, we expanded e-Courier, a program whereby branches in Canada electronically submit documents to central processing offices, and other digitization programs that reduce the need for paper and associated transportation implications

### North American and British Isles office paper use (kg/FTE)



### Proportion of certified sustainably sourced paper



## Environmental Footprint Report: Travel<sup>1</sup>

| Travel footprint                              | 2011               | 2010               | 2009               | Units     |
|---|--------------------|--------------------|--------------------|-----------|
| <b>Air travel</b>                             | <b>173,033,667</b> | <b>158,379,066</b> | <b>126,364,074</b> | <b>km</b> |
| Data coverage (as % of global FTE count)      | 89                 | 90                 | 90                 | %         |
| Air travel per FTE                            | 2,647              | 2,442              | 1,981              | km/FTE    |
| <b>Rail travel</b>                            | <b>1,591,293</b>   | <b>1,280,384</b>   | <b>1,028,342</b>   | <b>km</b> |
| Data coverage (as % of global FTE count)      | 99                 | 99                 | 99                 | %         |
| Rail travel per FTE                           | 24                 | 20                 | 16                 | km/FTE    |
| <b>Automobile travel (rental vehicles)</b>    | <b>5,887,659</b>   | <b>6,348,494</b>   | <b>5,968,625</b>   | <b>km</b> |
| Data coverage (as % of global FTE count)      | 99                 | 99                 | 99                 | %         |
| Automobile travel per FTE (rental vehicles)   | 90                 | 98                 | 94                 | km/FTE    |
| <b>Automobile travel (personal vehicles)</b>  | <b>29,837,781</b>  | <b>33,183,751</b>  | <b>31,505,166</b>  | <b>km</b> |
| Data coverage (as % of global FTE count)      | 89                 | 86                 | 86                 | %         |
| Automobile travel per FTE (personal vehicles) | 477                | 533                | 513                | km/FTE    |
| <b>Total travel</b>                           | <b>210,350,400</b> | <b>199,191,695</b> | <b>164,866,207</b> | <b>km</b> |

### Business travel

Total business travel by all modes of transportation increased by 5% in 2011, with increases in air and rail travel by 9% and 24% respectively. The increase in air travel is likely a reflection of the expansion of our Wealth Management and Capital Markets businesses into international markets, as the average flight distance increased by 6% compared to 2010 figures. We observed a 36% increase in rail travel in the British Isles where approximately 50% of our global rail travel occurs. Travel levels are below the previously recorded level of 227 million kilometres reported in 2007.

Data coverage for air travel includes our Canadian, U.S. and British Isles operations (89% of employees), but not staff located in the Caribbean or other international locations.

## Environmental Footprint Report: GHG emissions<sup>1</sup>

| GHG emissions  | 2011           | 2010           | 2009           | Units                 |
|--|----------------|----------------|----------------|-----------------------|
| GHG emissions from energy use                            | 184,299        | 202,476        | 211,562        | tonnes                |
| GHG emissions intensity from energy use                  | .090           | .097           | .104           | tonnes/m <sup>2</sup> |
| GHG emissions from employee travel                       | 26,330         | 25,705         | 18,564         | tonnes                |
| GHG emissions intensity from employee travel             | .40            | .40            | .34            | tonnes/FTE            |
| GHG reductions from green power purchases <sup>(2)</sup> | -3,612         | -3,359         | -2,749         | tonnes                |
| <b>Total GHG emissions</b>                               | <b>207,018</b> | <b>224,822</b> | <b>227,377</b> | <b>tonnes</b>         |

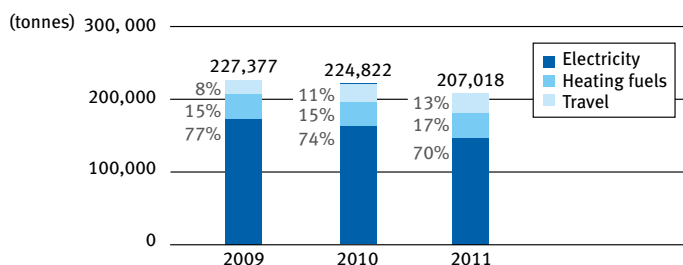
### GHG emissions

Our greenhouse gas (GHG) emissions are measured in tonnes of carbon dioxide equivalent (CO<sub>2</sub>e), which includes our direct and indirect emissions of carbon dioxide, methane and nitrous oxide. Our total GHG emissions have decreased by 8% compared to 2010 figures.

Direct emissions from the use of heating fuels increased by 11% compared to 2010. The increase is primarily weather-related, as Environment Canada reported 2010 as the warmest winter and spring on record in Canada since 1948, while 2011 winter and spring temperatures were more typical.

Indirect emissions from electricity use decreased by 13% compared to 2010 figures, primarily a reflection of a decrease in the carbon intensity of the electricity grid in Ontario, where we have a significant concentration of properties.

### 2011 Total GHG emissions



# Environmental Footprint Report: Other<sup>1</sup>

## Facilities and IT

We are working to reduce the environmental impact of our facilities. In 2011, we:

- Leased nearly 300,000 sq. m. of office space certified by, or in the process of obtaining certification from, LEED<sup>‡</sup>, BREEAM<sup>‡</sup> or BOMA BEST<sup>‡</sup> standards, representing 35% of global floor area in major properties as detailed below;
- Completed construction of a 37,000 sq.m back-office support facility that will be certified to LEED standards;
- We diverted nearly 24 tonnes of furniture from landfills by finding ways to reuse, recycle or donate the furniture to charities;
- Tracked the disposal of over 37,000 electronic items in Canada, including CPUs, monitors, laptops, printers, servers and other specialized equipment. Our service provider, GEEP, has a “no foreign export” policy and reported a greater than 99% landfill diversion rate for RBC e-waste;
- Incorporated water-efficient fixtures in our new retail branch design that will reduce potable water use by 27% compared to plumbing code;
- We quantified the carbon footprint of our Canadian logistics and delivery network, consisting of over 700,000 property visits, through Project One-Stop; and
- We hired a full-time manager to champion, monitor and report on green IT initiatives, in collaboration with our Green IT Committee.

## Green Building Certification Program

|                        | LEED    | BOMA BEST | BREEAM |
|------------------------|---------|-----------|--------|
| Area (m <sup>2</sup> ) | 167,303 | 121,482   | 10,078 |

## 2011 Canadian e-waste report

| End-of-life-solution      | Weight (kg) | Percentage |
|---------------------------|-------------|------------|
| Sold in secondary markets | 212,117     | 53%        |
| Redeployed within RBC     | 30,765      | 8%         |
| Recycled                  | 152,330     | 38%        |
| Sent to landfill          | 1,694       | <1%        |

## Procurement

Through our Responsible Procurement Policy, we require procurement managers to assess potential suppliers' environmental and health and safety management systems, environmental action plans, third-party certifications, history of compliance, NGO relationships, impacts on indigenous communities, and labour standards. To date, we have screened more than 160 procurement engagements, representing over \$270 million in purchasing under this new policy (see page 42 for more on responsible procurement).



[rbc.com/community-sustainability/\\_assets-custom/pdf/environmental\\_footprint\\_report\\_2011.pdf](http://rbc.com/community-sustainability/_assets-custom/pdf/environmental_footprint_report_2011.pdf)

The environmental data reported here has been provided to us by third-party suppliers, vendors and service providers and includes information that was available at the time of publication. We continue to work to improve the reliability and coverage of the environmental data so that it accurately reflects our enterprise-wide environmental footprint.

### Notes:

<sup>(1)</sup> Results are presented on a consolidated operations basis. Please refer to “About this report” on page 2 for information about discontinued operations.

<sup>(2)</sup> Direct energy use refers to our use of fossil fuels (natural gas, heating oil and propane).

<sup>(3)</sup> Branches are categorized as RBC-owned or -leased properties with an area of less than 25,000 ft<sup>2</sup> (<2,320 m<sup>2</sup>).

<sup>(4)</sup> Major properties are categorized as facilities with an area greater than 25,000 ft<sup>2</sup> (>2,320 m<sup>2</sup>).



<sup>(5)</sup> Data centres and processing centres consist of 13 back office locations across Canada, the United States and the British Isles that have high electricity demands.

<sup>(6)</sup> Indirect energy use refers to our use of purchased electricity.

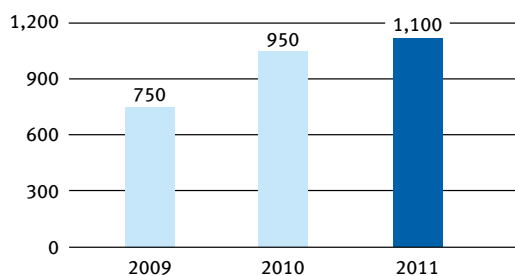
<sup>(7)</sup> Our green power purchases are carbon neutral and represent a reduction in GHG emissions.

## Environmentally responsible business activities



At RBC, we work with our clients and the companies in which we invest to identify and manage environmental risks and support environmentally responsible businesses. Our credit rules and guidelines include specific requirements for assessing environmental risk under certain circumstances, and our environmental risk management policies and procedures enable us to assess transactions for credit, legal and reputation risk arising from environmental issues. Our enterprise risk management framework includes requirements for enhanced due diligence on transactions and business activities where environmental and social issues could be harmful to our reputation. We regularly update these frameworks, policies and procedures to incorporate regulatory changes, emerging and evolving issues, and international best practices. (See page 23 for more on risk management). In 2011, we:

- Performed detailed environmental credit risk assessments on over 1,100 transactions in Canada and the U.S., a 16% increase over 2010;  

### Environmental credit risk assessments (Canada and the U.S.)



- Trained over 700 financial and risk management experts on the application of environmental and social risk management policies and/or understanding opportunities in financing green businesses and projects;
- Launched a new enterprise-wide policy on environmental and social risk management. The policy, which underpins our suite of business-specific environmental risk management policies, requires all units within RBC to consider and manage environmental and social risks in decisions made on behalf of RBC;

- Launched an updated environmental risk management policy for small business and commercial lending activities in the U.S.; 
- Drafted a new environmental risk management policy for small business and commercial lending activities in the Caribbean; 
- Analyzed the impacts of climate change on our insurance business. We conducted research, developed an action plan to address the observed increases in water-related insurance claims, and participated in numerous climate change adaptation working groups; and
- Participated in a task force involved in scoping the Equator Principles III, scheduled for launch in 2012.

 [rbc.com/community-sustainability/environment/responsible-financing.html](http://rbc.com/community-sustainability/environment/responsible-financing.html)

### Impact of climate change regulations

In 2008, we analyzed the potential impact of climate change regulations on our business, namely through credit, market and operational risk. Our research showed that anticipated carbon regulations in Canada and the United States (where the majority of our business activities are focused) may have a small indirect impact on RBC, but will not generate a substantive change in our business operations, revenue or expenditure. We constantly monitor the regulatory landscape in relation to our business in order to flag any material risks.

Our submission to the Carbon Disclosure Project includes a thorough discussion of the credit, market and operational risks posed by climate change regulation across our businesses.



## Equator Principles

The Equator Principles are a voluntary set of guidelines that help financial institutions address the environmental and social risks associated with project finance. Royal Bank of Canada was the first Canadian bank to sign the Equator Principles in 2003, and we recommitted to the revised Principles in 2006. One requirement of Equator Principles signatories is to “report annually on their implementation processes and experience in applying the Equator Principles in project finance.” In 2011, RBC participated as an advisor on seven projects, and advised and provided project finance for eight projects that qualified under the Equator Principles.

| Analysis of Equator Principles projects |                                |           |          |          |
|---|--------------------------------|-----------|----------|----------|
|   |                                | 2011      | 2010     | 2009     |
| Number of projects <sup>(a)</sup>       | Category A                     | –         | 1        | –        |
|   | Category B                     | 13        | 4        | 5        |
|   | Category C                     | 2         | 2        | 1        |
|   | <b>Total projects reviewed</b> | <b>15</b> | <b>7</b> | <b>6</b> |
| By region                               | OECD <sup>(b)</sup> countries  | 14        | 7        | 6        |
|   | Other                          | 1         | –        | –        |
| By sector                               | Energy (oil and gas)           | 6         | 4        | 5        |
|   | Energy (renewable)             | 5         | 1        | –        |
|   | Infrastructure                 | 4         | 2        | 1        |
| RBC role                                | Advisory only                  | 7         | 3        | 5        |
|   | Finance and advisory           | 8         | 4        | –        |

(a) When a project is proposed for financing, we categorize it in accordance with the environmental and social screening criteria of the International Finance Corporation. Category A represents projects with potentially significant adverse social or environmental impacts that are diverse, irreversible or unprecedented. Category B represents projects with potentially limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. Category C represents projects with minimal or no social or environmental impacts. For additional information, visit [equator-principles.com](http://equator-principles.com).

(b) OECD is the Organisation for Economic Co-operation and Development. To view OECD member countries, please refer to the OECD website: [oecd.org](http://oecd.org).

## Environmental products and services

RBC offers an array of products and services to help clients reduce their environmental footprint and provide long-term environmental benefits. In 2011, we:

- Traded approximately 90 million tonnes of carbon credits through our Capital Markets carbon emissions trading group. Since the inception of the trading group in 2008, RBC has traded over 350 million tonnes. The majority of the trading volume centres around the European Union Emissions Trading Scheme, the largest compliance market in the world. We also trade in the California Cap-and-Trade Program, Regional Greenhouse Gas Initiatives, Climate Action Reserve, and other offset and voluntary markets, as illustrated below;

| Carbon credits traded (in millions of tonnes) |      |      |
|---|------|------|
| 2011  | 2010 | 2009 |
| 90  | 115  | 121  |

- Introduced a range of financing options for businesses looking to install solar energy systems. Solar panel financing options can include amortization periods of up to 15 years;
- Expanded our Home Improvement Financing program, which enables solar energy system installers to offer RBC financing options to their customers;
- Expanded our team of commercial cleantech specialists to all Canadian provinces. This group provides specialized industry advice and financial services to intellectual property-based cleantech companies, and can support companies from initial concept and start-up through to commercialization and going public;
- Offered the RBC Energy Saver™ Loan and RBC Energy Saver™ mortgage products in Canada, which help clients qualify for rebates on home energy audits and/or create a more energy-efficient home while saving on borrowing costs;
- Offered our clients seven socially responsible investing (SRI) mutual fund products through RBC Global Asset Management™ using SRI research and ESG screens developed by Jantzi-Sustainalytics, as well as segregated SRI portfolio management services for institutional and high-net-worth clients. Total assets under management for the combined SRI products are now almost \$1 billion. For more information, see page 53; and

- Converted, over 9.5 million accounts in Canada to electronic statements since 2006, resulting in cumulative paper savings of over 2,000 metric tonnes.

### Green advice for business clients

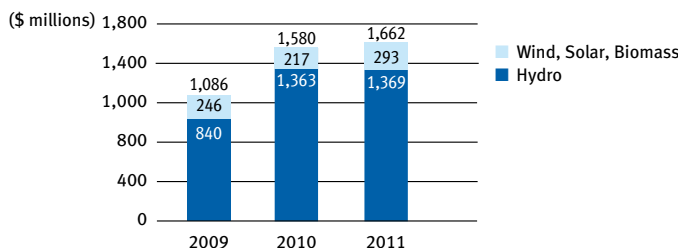
We continued to expand the depth and breadth of green advice we offer our clients through the online RBC Commercial Advice Centre. The Centre provides free resources and tools to help companies transition to more environmentally sustainable business models. In 2011, we added these key items to the Advice Centre:

- Two reports on Greening Business, developed in partnership with Canadian Manufacturers and Exporters and the Supply Chain and Logistics Association Canada, which identifies the business opportunities presented by environmental sustainability in the manufacturing and supply-chain sectors;
- A client webinar on building the business case for sustainability, including a five-step approach to creating a green plan for their business; and
- A white paper entitled *Moving into the Mainstream: Green Buildings and LEED*, which explores trends in the green building sector, building-rating systems (including LEED), and the business case for building green.

### Lending to renewable energy

- The emerging renewable energy sector promises both environmental benefits and business opportunities for the financial services sector. As of October 31, 2011, we had nearly \$1.7 billion in loan and trading line exposures to companies whose predominant business is renewable energy, as illustrated below:

#### Renewable energy lending\*



\* Outstanding loans and trading lines to companies whose predominant business is renewable energy.

## Sustaining the RBC Environmental Blueprint

In order to keep the RBC Environmental Blueprint on course, we:

- Engage in open and proactive dialogue with our stakeholders and peers;
- Conduct independent and co-operative research to identify and better understand emerging environmental issues;
- Report on the progress of our initiatives in a relevant and transparent manner; and
- Look for opportunities to help communities meet their own environmental objectives.

In 2011, we:

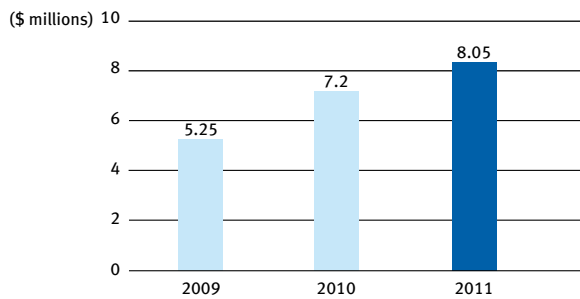
- Partnered with Pollution Probe and released an educational primer to raise energy literacy in Canada. The *Primer on Energy Systems in Canada* is a comprehensive but easy-to-read overview of the resources, challenges and opportunities related to energy in Canada. The Primer was accompanied by a series of energy workshops held across Canada;
- Implemented a number of environmental programs at the 2011 RBC Canadian Open, in partnership with Golf Canada and several event suppliers. The event was attended by approximately 100,000 patrons. We also developed a short video to showcase the environmental programming at the event;
- Promoted thought leadership on water quality and availability issues through sponsorship of the second annual Canadian Water Summit and the third annual Imagine H2O Innovation Challenge, a business competition with cash prizes to help bring sustainable water solutions to market;
- Supported the cleantech movement through sponsorships of the Ontario Centre for Environmental Technology Advancement, CleanTech North and the SDTC Cleantech Focus 2011;
- Collaborated with NGOs, including the Canadian Boreal Initiative, Earth Day Canada, Pollution Probe, Toronto Atmospheric Fund, Greening Greater Toronto Task Force, World Wildlife Fund, Experience Green and Environmental Defence;



[rbc.com/community-sustainability/environment/green-products-services.html](http://rbc.com/community-sustainability/environment/green-products-services.html)

- Participated in industry associations, including the Conference Board of Canada's Business Council for Sustainability, UN Environment Programme Finance Initiative, the U.S. Environmental Bankers Association, the EXCEL Partnership, Greening Greater Toronto and Partners in Project Green; and
- Donated \$8.05 million to environmental charities in Canada, the U.S. and the Caribbean (up from \$6.54 million in 2010).

Donations to environmental charities — Canada, U.S. and Caribbean (millions)<sup>1</sup>



<sup>1</sup> Includes both continuing and discontinued operations. Please refer to "About this report" on page 2 for information about discontinued operations.



**[rbc.com/community-sustainability/environment/  
promoting-environmental-sustainability.html](http://rbc.com/community-sustainability/environment/promoting-environmental-sustainability.html)**

# Community

We help maintain the social fabric of communities today, helping seed success for tomorrow. We provide focused, significant support to key causes that are important to our company, and general support to a wide range of other areas as an expression of our citizenship. In 2011, we contributed more than \$98 million to causes worldwide through donations of more than \$64 million, and \$34 million in sponsorship of community events and organizations.

## Vital statistics<sup>1</sup>

### Community investments worldwide

|   | 2011           | 2010                        | 2009                        |
|---|----------------|-----------------------------|-----------------------------|
| Employee volunteer grants <sup>2</sup> (number)   | 2,556          | 2,573                       | 2,443                       |
| Donations and community investments (\$ millions) | \$ 64.0        | \$ 56.6                     | \$ 52.6                     |
| Community sponsorships <sup>3</sup> (\$ millions) | \$ 34.0        | \$ 73.5 <sup>4,5</sup>      | \$ 52.5 <sup>5</sup>        |
| <b>Total</b>                                      | <b>\$ 98.0</b> | <b>\$ 130.1<sup>5</sup></b> | <b>\$ 105.1<sup>5</sup></b> |

<sup>1</sup> Includes both continuing and discontinued operations. Please refer to "About this report" on page 2 for information about discontinued operations.

<sup>2</sup> Each volunteer grant is \$500. Total value of grants for each year is included in donations figure.

<sup>3</sup> Sponsorship numbers are unaudited.

<sup>4</sup> Includes our support of the Vancouver 2010 Olympic and Paralympic Winter Games and the 2010 Olympic and Paralympic Torch Relays.

<sup>5</sup> Total spend includes sponsorship rights fees and leveraging dollars.

## In this section:

|                                    |     |
|------------------------------------|-----|
| Priorities                         | 89  |
| 2011 Performance highlights        | 89  |
| 2012 Plans                         | 89  |
| Issues                             | 91  |
| Our approach:                      |     |
| Donations and sponsorships         | 92  |
| Our causes                         | 92  |
| Community at a glance              | 93  |
| Recognizing employee contributions | 101 |
| How we give                        | 102 |

| Priorities  | 2011 Performance highlights  | 2012 Plans  |
|---|--|---|
| Provide a broad base of support to a wide range of community and civic causes | <ul style="list-style-type: none"> <li>■ Made more than 9,000 donations, totalling more than \$64 million, to charities worldwide.</li> <li>■ Supported community, arts, sports and other organizations with sponsorships totalling \$34 million.</li> <li>■ Awarded nearly \$500,000 in Play Hockey grants to over 50 organizations across North America that are committed to keeping hockey vibrant and strong in their communities.</li> </ul> | We will support charitable organizations in Canada by donating a minimum of 1% of our pre-tax profits on a five-year, rolling average, to honour our Imagine Canada commitment. |

| Priorities   | 2011 Performance highlights  | 2012 Plans  |
|--|--|---|
| Provide deep support for our strategic focus areas | <ul style="list-style-type: none"> <li>■ RBC Blue Water Project™ (our global cause): Donated \$7.6 million to organizations working to protect water, and supported conferences, events and reports that promote the importance of water to people, business and the planet.</li> <li>■ RBC Children's Mental Health Project: Donated almost \$3.5 million to 109 organizations across Canada, and launched a public awareness campaign to inspire and enable employees and clients to learn more about children's mental health.</li> <li>■ RBC After-School Grants Project: Donated over \$2.6 million to 99 community-based organizations that provide children with a safe place to go after school, where they can develop social skills and self-esteem.</li> <li>■ RBC Emerging Artists Project: Donated over \$2.4 million to apprenticeships, internships and artist recognition programs at 114 agencies in 38 cities across Canada, and expanded our support of emerging artists beyond Canada to include the United Kingdom, the U.S. and the Caribbean.</li> <li>■ Diversity: Donated almost \$5.7 million to community initiatives that help promote diversity, with a focus on Aboriginal peoples, people with disabilities, newcomers, cultural markets, women and LGBT (lesbian, gay, bisexual, transgendered) people.</li> </ul> | For 2012, we will continue to focus on our strategic areas through direct support and by helping organizations develop the capabilities, knowledge and resources they require to be effective.  |
| Encourage and enable employees to contribute       | <ul style="list-style-type: none"> <li>■ Employees and pensioners worldwide contributed countless hours in volunteer activities and funds to not-for-profit groups through payroll deductions, direct giving and special events.</li> <li>■ Provided over 2,500 grants of \$500 each, totalling almost \$1.3 million, to organizations in recognition of the volunteer work of our employees and pensioners.</li> <li>■ Provided 175 team action grants, totalling \$414,000, to organizations in recognition of employee volunteer teams.</li> </ul>  | We will continue to encourage, thank and recognize the enormous contribution of RBC employees who are passionate about supporting and being involved in their community, often uniting for a common cause through team participation. |

## Issues

| Increased pressure on charitable sector |  |  |
|---|--|--|
| Issue                                   | As the effects of the global financial crisis have yet to stabilize, many charities are continuing to face serious reductions in their funding bases from all sectors. At the same time, the demand for their services has grown. Charitable organizations have to look for new sources of funding, and companies are wrestling with the question of how to allocate and stretch their donation dollars. | <b>RBC Position</b><br>We deliberately designed our community donations strategy so that we could respond to urgent and ongoing requests through our general donations budgets, and continue to have a significant social impact by funding specific projects within our five strategic focus areas.   |
|   |  | <b>Outlook</b><br>We will look for opportunities to leverage the depth and breadth of our community involvement to help drive efficiencies and capacity building in the charitable sector.   |
| Employee volunteerism                   |  |  |
| Issue                                   | The charitable sector needs more support during difficult times, but the work/life demands on our employees continue at the same intensity. More than ever, employees seek to give back to their communities in ways that suit their particular circumstances.   | <b>RBC Position</b><br>While RBC encourages employees to be active in their communities, we are careful not to pressure them to donate or to volunteer. Rather, we support their efforts and try to provide flexibility to allow employees to tailor their volunteering and charitable works to their particular situation. We introduced team action awards in 2010, making it easier for employees to carve out time with their colleagues to support their favourite organizations. We help employees find volunteer opportunities that suit them through regional programs, United Way “Days of Caring” and our website, where they can search for events in their communities. We continue to offer payroll deduction for charitable donations. |
|   |  | <b>Outlook</b><br>We will look to enhance our employee volunteer programs to reflect and support the critical role RBC employees play in community building, and to help enhance employees’ pride in RBC.  |



## Our approach: Donations and sponsorships

Donations and sponsorships are the cornerstones of our community approach. Both have a positive social impact, but are undertaken with different objectives.

RBC is one of Canada's largest corporate donors, with a tradition of philanthropy dating back to 1891. Our donations are provided to registered charities as gifts and without expectation of economic return. We choose our charitable partners and projects carefully, ensure that we monitor the use of funding, and observe both the letter and spirit of all legal and regulatory requirements. We helped found Imagine Canada, and continue to be a proud member of Imagine's Caring Company Program, which includes a commitment to donate a minimum of 1% of our Canadian pre-tax profits to charitable endeavours in Canada.

RBC also provides significant support to community organizations and charities through sponsorships. Sponsorships are negotiated and undertaken for strategic marketing purposes that align with our brand and business goals, and are expected to deliver a quantifiable return on investment, while benefiting organizations and causes that provide social, environmental or economic benefit.

## Our causes

As a global company with close to 15 million clients and approximately 74,000 employees, RBC is expected to provide a broad base of support to a wide range of causes, and to support the volunteer efforts of our employees, both of which we do proudly. We choose our community causes based on our assessment of societal needs, as well as a number of other factors, described on page 102.

Within some of the broad categories of community engagement, we have chosen to provide deep, significant and concentrated support for specific transformational issues that are important to our clients and business through donations, sponsorships and thought leadership initiatives. We have developed flagship projects to address these issues.

Our support for wide-ranging causes and our flagship projects are described on pages 93 to 101.

## Our flagship projects

---



RBC  
Children's Mental  
Health Project



RBC  
After School  
Grants Project



RBC  
Blue Water  
Project™



RBC  
Emerging Artists  
Project



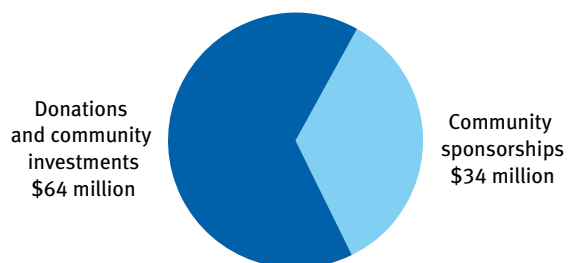
RBC  
Diversity  
works here.



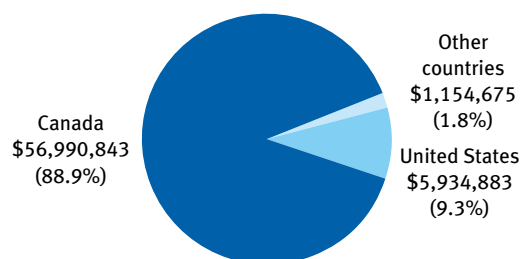
RBC  
PLAY  
HOCKEY™

## Community at a glance<sup>1</sup>

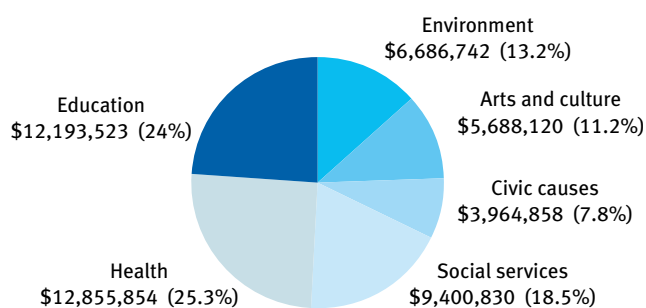
### 2011 donations (worldwide)



### 2011 donations (worldwide)



### 2011 donations by cause (Canada)



### 2011 donations by region<sup>2</sup>

|                           |                      |
|---------------------------|----------------------|
| Newfoundland and Labrador | \$ 474,417           |
| Prince Edward Island      | 319,000              |
| Nova Scotia               | 1,658,480            |
| New Brunswick             | 815,225              |
| Quebec                    | 6,829,075            |
| Ontario                   | 19,172,053           |
| Manitoba                  | 2,049,783            |
| Saskatchewan              | 1,047,300            |
| Alberta                   | 4,598,246            |
| British Columbia          | 5,399,505            |
| Yukon                     | 24,500               |
| Northwest Territories     | 95,500               |
| Nunavut                   | 51,000               |
| National organizations    | 14,456,758           |
| United States             | 5,934,883            |
| Other countries           | 1,154,675            |
| <b>Total</b>              | <b>\$ 64,080,400</b> |

For a complete list of donations over \$500 given in 2011, visit our Reporting and Performance page on [rbc.com/community-sustainability/reporting-performance](http://rbc.com/community-sustainability/reporting-performance), scroll down to Reports and select the Community tab.

<sup>1</sup> Includes both continuing and discontinued operations. Please refer to "About this report" on page 2 for information about discontinued operations.

<sup>2</sup> All amounts to Canadian regions include Imagine Canada-eligible expenses, including donations to non-profits, sponsorships to charitable organizations, gifts in kind and community investment program management.

# Health and wellness

2011 Donations in Canada: \$12.9 million

## Our flagship health and wellness project



### RBC Children's Mental Health Project

One in five children suffers from a mental illness, and this can have a serious effect

on children, families and communities. That's why we created the RBC Children's Mental Health Project, a multi-year philanthropic commitment to support community-based and hospital programs that reduce stigma, provide early intervention and increase public awareness about children's mental health issues.

- In 2011, RBC donated almost \$3.5 million to 109 organizations across Canada, bringing our total donated since 2008 to \$9.5 million to 155 organizations.
- We sponsored events and initiatives to help raise awareness about children's mental health, including the second annual survey of Canadian parents, and an online quiz about early warning signs, which was taken by 6,580 employees and clients.
- We sponsored an online campaign to help create an online community of support for families, raising \$50,000 for Kids Help Phone, a national, bilingual phone and web counselling referral and information service for children and youth.

For a full list of organizations supported through the RBC Children's Mental Health Project, visit [rbc.com/community-sustainability](http://rbc.com/community-sustainability).

## Broad support

We donate to a broad range of health and wellness organizations around the world, including these ones in 2011:

### Canada



#### Dignitas International

- Donated \$200,000 over two years for a program that extends a successful health care model to Aboriginal communities in Canada, and undertakes important research and health care innovation in this at-risk segment of the population.

#### Headwaters Health Care, Listowel Memorial Hospital, and Walkerton and District Health Services foundations

- Donated \$10,000 to each foundation to help provide critical training needed to ensure the highest standards in patient care.

### United States



#### North Carolina Missions of Mercy

- Donated US\$10,000 and employee volunteers to support a free, two-day dental clinic, held at the RBC Center™ in Raleigh, NC. More than 800 patients received dental services, valued at \$353,000, at no charge.

### Europe



#### RBC Race for the Kids

- Raised over £125,000 by more than 500 RBC employees in a five-kilometre "fun run" to help Great Ormond Street Hospital Children's Charity. The event raised £447,000 for a new neurosciences centre. RBC Race for the Kids is a global initiative, and this year's New York race raised over \$775,000 for Big Brothers Big Sisters.

### Caribbean



#### Caribbean Children's Cancer Fund

- Donated US\$200,000 to cover the cost of pathology testing for 23 applicants, and the treatment of 11 Caribbean children.

# Education

2011 Donations in Canada: \$12.2 million

## Our flagship education project



### RBC After School Grants Project

RBC believes that investing in our kids not only helps them grow, but also strengthens our

families, enriches our communities and builds a healthy, prosperous country. That is why we created the RBC After-School Grants Project, so that kids can have access to engaging activities that keep them safe and inspire them to keep learning.

- We donated more than \$2.6 million to 99 community-based after-school programs in 68 cities across Canada in 2011.
- Since 1999, we have provided more than \$25 million in grants to 227 community-based after-school programs, helping 24,000 kids gain self-confidence and learn new skills in a safe environment.

For a full list of organizations supported through the RBC After-School Grants Project, visit [rbc.com/community-sustainability](http://rbc.com/community-sustainability).

## Broad support

We donate to a broad range of educational organizations around the world, including these ones in 2011:

### Canada

#### Colleges and universities

- Donated more than \$3.7 million to 82 colleges and universities across Canada.

#### Pathways to Education Canada

- Donated \$1 million for the launch of a program in Winnipeg, and maintenance of a program in Toronto's Regent Park. This organization is dedicated to reducing poverty, lowering high school dropout rates, removing barriers and encouraging meaningful employment through mentorship, internships and bursaries.

#### Junior Achievement

- Donated \$339,800 to the national office and local chapters.

#### Advancing Canadian Entrepreneurship

- Donated \$50,000 for the *RBC Students in Free Enterprise Newcomer Advancement Project*, intended to help university students develop and implement initiatives that increase the ability of new Canadians to achieve success.

### United States

#### 8th annual Tribute to Teachers program

- Donated \$54,000 for classroom learning tools provided to 100 elementary, middle and high school teachers in the Southeastern U.S.

### Caribbean

#### RBC Young Leaders program

- \$225,000 towards developing approximately 4,000 students in five Caribbean regions. Now in its 31st year, the program offers the region's young people an opportunity to develop leadership skills, fostering care for the community and the environment, and strengthening social and economic well-being.

# Environment

2011 Donations in Canada: \$6.7 million

## Our flagship environment project



**RBC  
Blue Water  
Project™**

Everyone and everything depends on fresh water: people, businesses and the planet. Water really is the

world's most precious resource. The RBC Blue Water Project is our \$50 million commitment to support hundreds of organizations around the world that work tirelessly to protect water.

- We donated over \$7.6 million to not-for-profit organizations working to protect water in 2011, bringing the total committed or donated since 2007 to more than \$34 million to 460 organizations worldwide.
- In 2011, we worked to promote the economic value of water through the fourth annual Canadian Water Attitudes Study, sponsorship of the second annual Canadian Water Summit, and the first-ever Canada Water Week. We co-sponsored the Blue Economy Initiative, which will provide information to Canadians and key decision-makers about the economic benefits of protecting Canada's fresh water, and the economic risks of neglecting the health of our watersheds.
- We also sponsored events and initiatives to help educate the public about the value and vulnerability of water, such as *Water: The Exhibit* at the Royal Ontario Museum, National Geographic's water website and the first-ever "rain garden" at the RHS Chelsea Flower Show in London, England.

Over 96% of RBC employees surveyed cite the RBC Blue Water Project as the company's best expression of our corporate citizenship.

For a full list of organizations supported through the RBC Blue Water Project, visit the RBC Blue Water Project locator at [rbc.com/community-sustainability](http://rbc.com/community-sustainability).

## Broad support

We donate to a broad range of environmental organizations around the world, including these ones in 2011:

Canada



### Pollution Probe Foundation

- Donated \$75,000 to help educate Canadians about energy issues.

### Earth Day Canada

- Donated \$40,000 for "Hometown Heroes," a program that recognizes leaders who look for local solutions to improve the environment.

Caribbean



### Fondes Amandes Community Reforestation Project (Trinidad)

- Donated \$15,000 for watershed management, soil, forest and wildlife conservation, eco-tourism, and educational activities.

## Arts and culture

2011 Donations in Canada: \$5.7 million

### Our flagship arts and culture project



#### RBC Emerging Artists Project

We believe in the power of art to enrich our lives and enhance our communities. The

RBC Emerging Artists Project is intended to help artists today so they can prosper tomorrow. In 2011:

- RBC donated over \$2.4 million to apprenticeship, internship and artist recognition programs at 114 agencies in 38 cities across Canada.
- RBC continued and strengthened long-term partnerships with organizations or programs that bridge the gap between academic excellence and professional careers.
- The RBC Canadian Painting Competition celebrated its 13th year, supporting Canadian visual artists early in their career by providing a forum to display their artistic talent and opening doors to future opportunities.
- RBC served as the official bank of the Toronto International Film Festival, supporting TIFF Talent Lab and the RBC Emerging Filmmakers Competition — an outlet for up-and-coming filmmakers to showcase their talent.
- RBC partnered with the Film Society of Lincoln Center and the Independent Filmmaker Project, helping to support up-and-coming talent progress along their professional careers.

For more information on the RBC Emerging Artists Project, visit [rbc.com/community-sustainability](http://rbc.com/community-sustainability).

### Broad support

We donate to a broad range of arts and culture organizations around the world, including these ones in 2011:

#### Canada



##### Cantos Music Foundation

- We pledged \$600,000 for the development of the National Music Centre in Calgary and the RBC Emerging Artists Performance Series. The series will support performers, composers and technicians who are part of the Centre's Artists in Residence program by providing them with the opportunity to refine their skills through mentorship, collaboration and performances.

##### The Canadian Opera Company's Ensemble Studio

- Donated \$100,000 to support a training program for young opera professionals that provides advanced instruction, hands-on experience and career development opportunities.

#### United States



##### Fernbank Museum

- Donated US\$25,000 to support the museum's mission of inspiring life-long learning in natural history.

##### Artspace

- Donated US\$10,000 for a program that supports local artists.

##### Carolina Ballet

- Donated US\$15,000 for sponsorship for a performance of *The Ugly Duckling* and an anti-bullying curtain message.

#### Caribbean



##### Film festivals in Trinidad & Tobago, the Bahamas and Aruba

- Donated \$132,000 to support emerging filmmakers.

##### RBC Summer Arts Workshop

- 31st year of sponsorship of this program for high school students pursuing studies in the arts.

##### St. Lucia Jazz Festival's Side Stage program

- Sponsorship in support of emerging St. Lucian jazz artists.



# Diversity

2011 Donations in Canada: \$5.7 million

## Our flagship diversity project



**Diversity  
works here.**

We believe that embracing our differences strengthens communities and

contributes to prosperity. Respect for diversity is one of our core values, and the theme of diversity underscores our community programs. We proactively look for opportunities to support diverse communities and diversity programs or initiatives across our entire donations portfolio.

In 2011, RBC donated almost \$5.7 million to support diversity initiatives in Canada. We focused our efforts on the following seven areas:

| Community investments in diversity |           |                  |
|------------------------------------|-----------|------------------|
| Aboriginal peoples                 | \$        | 2,345,817        |
| People with disabilities           |           | 884,300          |
| Newcomers                          |           | 720,000          |
| Cultural markets                   |           | 905,300          |
| Women                              |           | 605,100          |
| LGBT                               |           | 190,500          |
| General                            |           | 44,000           |
| <b>Total</b>                       | <b>\$</b> | <b>5,695,017</b> |

## Examples of our support in 2011

We supported diversity initiatives around the world in 2011, including these ones:

### Canada

- We pledged \$300,000 to Right to Play to help implement the P.L.A.Y. (Promoting Life-skills for Aboriginal Youth) program in the Sandy Lake and Moose Cree First Nations communities. The project aims to build on the strengths of Aboriginal youth and their communities through hockey, while supporting the value of their culture and identity.
- We donated \$10,000 to the Sherbourne Health Centre's Support Our Youth program to help improve the quality of life for Toronto LGBT youth through initiatives that build skills and capacities, provide mentoring and support, and nurture a sense of identity and belonging.
- We pledged \$175,000 to the Institute for Canadian Citizenship to help bridge the gap from immigrant to fully-engaged citizen through the Cultural Access Pass program. The pass, given to new citizens on application, provides free admission at all participating institutions for the pass holder and his/her family for one year. The program is expected to reach 250,000 new citizens each year.

### Caribbean

- We contributed \$10,000 to the W.R. Torres Foundation for the Blind to support their summer "Camp Can Do." The camp helped 25 young people challenge the status quo by providing them skills to make their dreams a reality.

## Amateur sports

Supported through sponsorships and donations

### Our flagship amateur sports project



**PLAY  
HOCKEY™**

Without skates to lace, volunteers to lead, coaches to inspire and ice to play on, the game of hockey could not

happen. We are proud to support the hard work and dedication that helps hockey happen. In 2011, we awarded nearly \$500,000 in grants to support over 50 hockey programs across Canada and the United States. For a full list of organizations supported through the RBC Play Hockey grants program, visit our website.

### Olympics

We have been Canada's longest-standing supporter of the Canadian Olympic Team with a relationship dating back to 1947. We proudly continue our sponsorship through London 2012, Sochi 2014 and Rio 2016. We support amateur sport from grassroots programs to national sport associations, and help develop amateur athletes both at home and abroad. RBC is a premier sponsor of the Canadian Snowboard Team, the Canadian Freestyle Ski Team, Athletics Canada and the Canadian Paralympic Committee.

### RBC Olympians program

Through the RBC Olympians program, we provide elite-level athletes with flexible career experiences to complement their training regimes.

### Broad support

We support a broad range of sports organizations around the world, including these ones in 2011:

#### North America

##### Special Olympics Canada

As their longest-standing corporate supporter, we have been committed to helping develop grassroots programs and raising awareness of Special Olympics Canada, an organization dedicated to enriching the lives of Canadians with intellectual disabilities through sport.

##### Hockey Canada and USA Hockey

RBC is the premier partner of both organizations, and committed to helping hockey happen in communities across North America. We are an official sponsor of each country's men's and women's national teams, the 2012 International Ice Hockey Federation World Junior Championship, Canada's National Junior A Championship — RBC Cup and the Hockey Hall of Fame.

##### Various amateur sports organizations

RBC supported organizations such as the British Columbia Blind Sports and Recreation Association's Insight program; the Harbourfront Corporation's Learn to Skate Program in Toronto, the National Sport Trust Fund's Community Sport Opportunity Program in the Northwest Territories; the Triangle Special Hockey Association, the Carolina Youth Soccer Association and the Raleigh Youth Hockey Association (all in Raleigh, North Carolina); and The First Tee of Atlanta and the Atlanta Junior Golf Association in Georgia.

#### Europe



##### Jersey Swimarathon

For the fifth consecutive year, RBC sponsored Jersey's longest-running charity event. Approximately 4,100 swimmers participated over five days, raising £146,000 for 40 Jersey charities.

#### Caribbean



##### Bahamas National Swimming Championships

For the 27th year, RBC sponsored for this Olympic qualifying event where athletes from the Caribbean and South America competed in order to qualify for upcoming summer Olympics.

# Social services and civic causes

Donations in Canada: \$13.3 million\*

RBC and our employees regularly contribute to organizations that help maintain the social fabric of communities, such as federated appeals, food banks and organizations that provide shelter and help people get back on their feet.

## United Way

In 2011, RBC and our employees contributed \$18.3 million through United Ways in Canada and the U.S. We are one of the largest private sector contributors to the United Way in Canada, and one of only 78 organizations that contribute over \$1 million annually.

| Donations (C\$)                                   |                      |               |
|---|----------------------|---------------|
|   | Canada               | United States |
| Employee donations*                               | \$13,688,802         | \$143,705     |
| RBC corporate donations                           | \$ 4,282,800         | \$234,051     |
| Total employee and corporate donations            | \$17,971,602         | \$377,756     |
| <b>Total given (Canada and the United States)</b> | <b>\$ 18,349,358</b> |               |

\* These figures include funds raised for United Ways and through United Ways to other organizations through payroll deductions, direct giving and employee fundraising events. RBC employees around the world also help raise funds for countless community groups, in addition to the United Way.

| Loaned employees (Canada)  |      |      |      |
|--|------|------|------|
|  | 2011 | 2010 | 2009 |
| Employees loaned to work full-time on local United Way campaigns                   | 11   | 9    | 9    |
| Employees who participated in community projects through United Way Days of Caring | 722  | 799  | 768  |

\* Excluding employee contributions.

## Examples of support for social services

### Canada

#### Food banks

- Donated almost \$650,000 to help replenish food banks and soup kitchens across Canada (given by RBC and our employees through company initiatives).

#### Victims of Slave Lake, Alberta fire in May 2011

- Donated \$25,000 to the Canadian Red Cross; collected donations at all RBC locations across Canada; provided up to one-year deferral of mortgages and personal loan payments for RBC clients affected by the fire.

#### The Moncton Youth Residences

- Donated \$25,000 to provide services for at-risk youth and their families.

#### Aunt Leah's Independent Lifeskills Society's Thresholds program

- Donated \$10,000 to this housing and life skills program for at-risk mothers in New Westminster, B.C.

### United States

#### Victims of Hurricane Irene and tornados in Alabama, North Carolina and Virginia

- Donated US\$330,350 in funds, supplies and other assistance; employees donated US\$17,225 to 10 colleagues who lost everything in the storms; clients and employees donated 31,523 pounds of food to eight food banks; donated 405 "kitchens in a box" to Alabama tornado victims to help rebuild their kitchens.

#### RBC Race for the Kids

- Raised close to US\$375,000 in support of Big Brothers Big Sisters of NYC and £447,000 in London, England for local charities.

#### National September 11 Memorial and Museum

- Donated US\$500,000 to help commemorate and honour people killed in the terror attacks of September 11, 2001 and in the World Trade Center bombing in February 1993.

### Caribbean

#### Victims of Hurricane Irene

- Provided volunteer support to the Bahamas Red Cross in the aftermath of the hurricane.

## Recognizing employee contributions

RBC employees and retirees are passionate volunteers. We celebrate and thank our employees for all they do to build strong, healthy communities, and support them with a number of programs that make it easy for them to contribute time and resources. Since 1999, we have made over 22,000 grants and donated over \$11 million to celebrate our employees' volunteer efforts.

| Employee volunteer grants (number of grants) |         |         |        |
|--|---------|---------|--------|
|  | 2011    | 2010    | 2009   |
| Canada                                       | 2,166   | 2,155   | 2,084  |
| U.S. and other countries                     | 390     | 418     | 359    |
| Total number of grants                       | 2,556   | 2,573   | 2,443  |
| Total amount donated (millions)              | \$ 1.29 | \$ 1.29 | \$ 1.2 |

In 2011:

### Canada



- 1,920 RBC employees volunteered time, during working hours in 2011, equal in value to \$448,770\*, to support United Way, Junior Achievement, the Royal Eagles Backpack Program and Habitat for Humanity.
- Through the RBC Team Action Grant program, we donated almost \$415,000 to 175 charities across Canada to recognize, celebrate and thank our employee teams for their participation.

### United States



- Our employees volunteered over 10,000 hours with organizations including Boys & Girls Clubs, Big Brothers Big Sisters, Junior Achievement, Communities in Schools and organizations involved in disaster recovery efforts.

### Europe



- In the United Kingdom and Channel Islands, 31% of RBC Wealth Management™ employees volunteered with local community organizations in 2011.
- Employees from our businesses based in London teamed up with the Wildfowl and Wetland Trust to spruce up the RBC Rain Garden at the Barnes Wetland Centre. The team repainted woodwork, repaired some damaged pathways and weeded the 2009 RBC Blue Water Project garden to prepare it for summer.

### Caribbean



- RBC employees were involved in a wide range of community activities, including staging the Cayman Islands Red Cross 50th Anniversary celebrations.
- More than 100 employees in the Bahamas participated in the Red Cross Fair, providing logistical support around the handling of cash for the event, which raised in excess of \$50,000.
- In Trinidad, more than 275 employees helped with a fundraiser for paediatric cancer.

\* 14,959 hours at an average of \$30/hr.

## How we give

### Donations

#### Governance

The member companies of RBC administer charitable donations in Canada through RBC Foundation™, established in 1993. 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, representing each of our business lines, which sets policy and approves or ratifies all donations made by units globally. The Foundation is staffed by seven employees, and is supported by regional and business-specific donations managers around the world.

#### Due diligence

RBC Foundation in Canada receives tens of thousands of proposals per year. We are dedicated to working with charitable organizations that share our goal to help make a difference in local communities and regions where we do business. We also encourage synergies between organizations. Our goal is to ensure that our charitable partners have sustainable sources of funding and use their donors' funds responsibly. In 2011, RBC approved over 9,000 donations to charitable groups in communities across North America. Over 80% of these donations were under \$20,000, providing a broad base of support.

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 require that all charities requesting donations over \$5,000 provide audited financial statements.

#### Social impact

RBC requires, for donations over \$10,000, that our charitable partners demonstrate the social 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 works our charitable partners do with our funding, RBC has established a set of tiered guidelines for reporting, as follows:

#### Reporting guidelines for charitable partners

| Donation amount           | Reporting*  |
|---------------------------|---|
| Less than \$10,000        | ■ Acknowledgement of receipt of donation  |
| From \$10,000 to \$24,999 | ■ Letter indicating how funds were spent, including impacts, where feasible   |
| From \$25,000 to \$99,999 | ■ Report including how funds were spent, with detailed breakdown, description of key outcomes, and challenges against goals and objectives in funding request   |
| \$100,000 and above       | ■ Report on allocation and disbursement of funds, with detailed breakdown, and description of key outcomes and challenges against goals and objectives in funding request<br>■ If the donation is made as part of a capital campaign, an update on the percentage of funds raised against the private-sector goal |

\* We require audited financial statements for any donation over \$5,000.

### Sponsorships

Sponsorships are marketing opportunities. We choose initiatives that align with our brand and business goals, and expect a quantifiable return on our investment. Generally, we pursue sponsorship opportunities that are important for our clients, our communities and our businesses.

Our preferred — but not exclusive — areas of sponsorship are:

- Arts and culture
- Olympics and amateur sports
- Golf
- Hockey
- Water

We look for sponsorship opportunities that maximize marketing potential, target various RBC audiences (including employees, clients, prospects and communities), encourage co-operation among people and organizations (such as co-sponsorships), and that show innovation and creativity.

# Royal Bank of Canada

## Public Accountability Statement

### Declaration

The information documented in this Public Accountability Statement for the fiscal period year October 31, 2011 includes the relevant activities related to Royal Bank of Canada, our prescribed affiliates and declarants in accordance with Canadian federal regulations, pursuant to subsections 459.3 of the *Bank Act*, 489.1 of the *Insurance Companies Act* and 444.2 of the *Trust and Loan Companies Act*.

### Affiliates

The following are the prescribed affiliates whose activities are included in this Public Accountability Statement. These affiliates are subsidiaries of Royal Bank of Canada, and are financial institutions with less than \$1 billion in equity, except for our securities broker, RBC Dominion Securities Inc., which has equity exceeding \$1 billion.

- BonaVista Asset Management Ltd.
- Phillips, Hager & North Investment Funds Ltd.
- RBC Global Asset Management Inc.
- RBC Direct Investing Inc.
- RBC Dominion Securities Inc.
- RBC General Insurance Company
- RBC Insurance Company of Canada
- RBC Phillips, Hager & North Investment Counsel Inc.
- RBC Trustees International Limited
- Royal Trust Corporation of Canada
- The Royal Trust Company

### Public Accountability Statements for Royal Bank of Canada declarants

Separate Public Accountability Statements for the fiscal year ended October 31, 2011 are provided on page 109 for Royal Bank Mortgage Corporation and RBC Life Insurance Company (Declarants), which are financial institutions with greater than \$1 billion in equity, and are required under subsection 444.2 of the *Trust and Loan Companies Act* and under subsection 489.1 of the *Insurance Companies Act*, respectively, to file Public Accountability Statements.

### Where to find information

The information related to this Royal Bank of Canada Public Accountability Statement can be found in the following sections:

|   |     |
|---|-----|
| Community economic development                                      | 34  |
| Small business  | 39  |
| Access to banking   | 47  |
| Community   | 89  |
| Volunteer activity<br>(employee activity and contributions)         | 101 |
| Employment in Canada  | 104 |
| Taxes   | 104 |
| Debt financing for Canadian businesses                              | 105 |
| Canadian bank branch/facility openings,<br>closings and relocations | 106 |
| Canadian ATM (bank machine)<br>openings and closings                | 107 |



## Employment in Canada

We are one of the country's largest employers, with more than 55,000 employees across Canada.

As at October 31, 2011

| Provinces and territories | Number of employees <sup>1</sup> | Full-time     | Part-time    |
|---------------------------|----------------------------------|---------------|--------------|
| Newfoundland and Labrador | 302                              | 236           | 66           |
| Prince Edward Island      | 89                               | 72            | 17           |
| Nova Scotia               | 1,210                            | 909           | 301          |
| New Brunswick             | 1,323                            | 1,156         | 167          |
| Quebec                    | 7,115                            | 5,827         | 1,288        |
| Ontario                   | 31,223                           | 27,995        | 3,228        |
| Manitoba                  | 2,148                            | 1,651         | 497          |
| Saskatchewan              | 1,239                            | 843           | 396          |
| Alberta                   | 4,143                            | 3,261         | 882          |
| British Columbia          | 6,788                            | 5,142         | 1,646        |
| Yukon                     | 28                               | 24            | 4            |
| Northwest Territories     | 40                               | 30            | 10           |
| Nunavut                   | 22                               | 19            | 3            |
| <b>Total</b>              | <b>55,670</b>                    | <b>47,165</b> | <b>8,505</b> |

We also have employees in the United States and our international locations. See "Our structure" on page 4 for information on the sale of some U.S. operations. As at October 31, 2011, we employed approximately 74,000 people in full- and part-time positions worldwide, including 55,670 in Canada, 7,805 in the U.S., and 10,512 in the Caribbean and other international locations.

## Taxes

In 2011, the tax expense of RBC to all levels of government in Canada was \$2.9 billion<sup>2</sup>. This amount included primarily \$1.6 billion of income taxes, \$74 million in capital taxes and \$1.2 billion in other taxes<sup>3</sup>. In addition, our tax expense included \$396 million related to other international jurisdictions, including the U.S.

For the year ended October 31, 2011 (C\$ millions)

| Taxes by jurisdiction                    | Capital taxes | Income taxes    | Total taxes     |
|--|---------------|-----------------|-----------------|
| <b>Canada</b>                            |               |                 |                 |
| Newfoundland and Labrador                | \$ 7          | \$ 4            | \$ 11           |
| Prince Edward Island                     | 2             | 1               | 3               |
| Nova Scotia                              | 13            | 11              | 24              |
| New Brunswick                            | 6             | 6               | 12              |
| Quebec                                   | 19            | 67              | 86              |
| Ontario                                  | 14            | 412             | 426             |
| Manitoba                                 | 1             | 13              | 14              |
| Saskatchewan                             | 14            | 11              | 25              |
| Alberta                                  | –             | 43              | 43              |
| British Columbia                         | –             | 53              | 53              |
| Yukon                                    | –             | 1               | 1               |
| Northwest Territories                    | –             | 1               | 1               |
| Nunavut                                  | (2)           | 1               | (1)             |
| Federal                                  | –             | 1,005           | 1,005           |
| <b>Capital and income taxes (Canada)</b> | <b>\$ 74</b>  | <b>\$ 1,629</b> | <b>\$ 1,703</b> |
| <b>Other taxes<sup>2</sup> (Canada)</b>  |               |                 | <b>1,190</b>    |
| <b>Canadian taxes</b>                    |               |                 | <b>\$ 2,893</b> |
| <b>International taxes</b>               |               |                 | <b>396</b>      |
| <b>Total taxes</b>                       |               |                 | <b>\$ 3,289</b> |

<sup>1</sup> Includes active and inactive employees.

<sup>2</sup> The original PDF version of the RBC 2011 Corporate Responsibility Report and Public Accountability Statement, published in February 2012, contained incorrect data for the tax expense of RBC to all levels of government in Canada. We have corrected and restated the amounts here, as of February 2013.

<sup>3</sup> Other taxes include goods and services and sales, payroll, property, insurance premiums, business and other comprehensive income (OCI) taxes.

## Debt financing for Canadian businesses

RBC is committed to helping small, commercial and corporate businesses grow. Providing debt financing is one of the ways we help businesses in Canada grow and prosper, whether they are starting, maintaining or expanding their operations. As at October 31, 2011, authorized amounts available to businesses in Canada totalled \$141.7 billion.

The following table shows the number of business clients we lend to, and the amount of credit made available to them.

Credit available for the year ended October 31, 2011 (C\$ millions, except for number of clients)

| Provinces and territories                             | Metrics                     | \$0<br>– \$24,999 | \$25,000<br>– \$99,999 | \$100,000<br>– \$249,999 | \$250,000<br>– \$499,999 | \$500,000<br>– \$999,999 | \$1,000,000<br>– \$4,999,999 | \$5,000,000<br>and greater | Total          |
|---|-----------------------------|-------------------|------------------------|--------------------------|--------------------------|--------------------------|------------------------------|----------------------------|----------------|
| Newfoundland and Labrador                             | Number of clients           | 1,404             | 839                    | 230                      | 118                      | 85                       | 103                          | 30                         | 2,809          |
|   | Authorized amount \$        | 13                | 39                     | 36                       | 41                       | 61                       | 231                          | 839                        | 1,260          |
| Prince Edward Island                                  | Number of clients           | 520               | 330                    | 93                       | 47                       | 58                       | 44                           | 16                         | 1,108          |
|   | Authorized amount \$        | 5                 | 15                     | 14                       | 16                       | 41                       | 98                           | 216                        | 405            |
| Nova Scotia   | Number of clients           | 5,738             | 3,047                  | 950                      | 521                      | 341                      | 376                          | 90                         | 11,063         |
|   | Authorized amount \$        | 51                | 145                    | 145                      | 184                      | 240                      | 809                          | 2,152                      | 3,726          |
| New Brunswick   | Number of clients           | 3,051             | 1,649                  | 497                      | 292                      | 190                      | 207                          | 57                         | 5,943          |
|   | Authorized amount \$        | 27                | 78                     | 75                       | 103                      | 133                      | 465                          | 959                        | 1,840          |
| Quebec  | Number of clients           | 19,952            | 10,247                 | 4,105                    | 2,184                    | 1,703                    | 1,918                        | 504                        | 40,613         |
|   | Authorized amount \$        | 172               | 488                    | 634                      | 772                      | 1,191                    | 4,034                        | 13,602                     | 20,893         |
| Ontario   | Number of clients           | 60,649            | 30,975                 | 11,061                   | 5,509                    | 4,214                    | 4,639                        | 1,242                      | 118,289        |
|   | Authorized amount \$        | 505               | 1,487                  | 1,700                    | 1,942                    | 2,934                    | 9,747                        | 41,206                     | 59,521         |
| Manitoba  | Number of clients           | 4,929             | 3,235                  | 1,268                    | 421                      | 376                      | 405                          | 116                        | 10,750         |
|   | Authorized amount \$        | 43                | 163                    | 191                      | 148                      | 266                      | 875                          | 2,425                      | 4,111          |
| Saskatchewan  | Number of clients           | 5,915             | 4,274                  | 2,047                    | 666                      | 528                      | 443                          | 76                         | 13,949         |
|   | Authorized amount \$        | 53                | 218                    | 318                      | 237                      | 373                      | 892                          | 2,528                      | 4,619          |
| Alberta   | Number of clients           | 25,927            | 12,050                 | 4,151                    | 1,707                    | 1,327                    | 1,568                        | 553                        | 47,283         |
|   | Authorized amount \$        | 220               | 569                    | 633                      | 597                      | 930                      | 3,298                        | 22,462                     | 28,709         |
| British Columbia                                      | Number of clients           | 28,591            | 15,652                 | 5,074                    | 1,947                    | 1,472                    | 1,631                        | 465                        | 54,832         |
|   | Authorized amount \$        | 252               | 740                    | 763                      | 677                      | 1,031                    | 3,448                        | 9,196                      | 16,107         |
| Yukon, Northwest Territories and Nunavut <sup>1</sup> | Number of clients           | 513               | 254                    | 84                       | 43                       | 40                       | 51                           | 14                         | 999            |
|   | Authorized amount \$        | 4                 | 12                     | 12                       | 15                       | 28                       | 100                          | 374                        | 545            |
| <b>Total</b>  | <b>Number of clients</b>    | <b>157,189</b>    | <b>82,552</b>          | <b>29,560</b>            | <b>13,455</b>            | <b>10,334</b>            | <b>11,385</b>                | <b>3,163</b>               | <b>307,638</b> |
|   | <b>Authorized amount \$</b> | <b>1,345</b>      | <b>3,954</b>           | <b>4,521</b>             | <b>4,732</b>             | <b>7,228</b>             | <b>23,997</b>                | <b>95,959</b>              | <b>141,736</b> |

<sup>1</sup> Data for Yukon, Northwest Territories and Nunavut have been consolidated to protect the privacy of individual borrowers who might otherwise be identifiable.

## Canadian bank branch/facility openings, closings and relocations

For the year ended October 31, 2011

| Province      | City        | Branch                     | Street Address                   |
|---------------|-------------|----------------------------|----------------------------------|
| <b>Opened</b> |             |                            |                                  |
| NS            | Halifax     | Hemlock Square             | 9 Peakview Way                   |
| ON            | Etobicoke   | Queen's Plate & Hwy 27     | 600 Queen's Plate Dr.            |
| ON            | Etobicoke   | Queensway & Park Lawn      | 515 The Queensway                |
| ON            | Mississauga | Sheridan Park              | 1910 Fowler Dr. - Unit 100       |
| SK            | Regina      | Grasslands                 | 4640 Gordon Dr.                  |
| SK            | Saskatoon   | Blairmore                  | 111 Betts Ave. - Bldg. D         |
| AB            | Airdrie     | King's Heights             | 1000 Market St. SE               |
| AB            | Calgary     | London at Heritage Station | 8835 Macleod Trail SW - Unit 515 |
| AB            | Chestermere | Chestermere                | 400 196 Chestermere Station Way  |
| BC            | Abbotsford  | Sumas Mountain Village     | 2288 Whatcom Rd.                 |
| BC            | Surrey      | Scott Road Crossing        | 7952 120th St.                   |

|               |                  |                      |                      |
|---------------|------------------|----------------------|----------------------|
| <b>Closed</b> |                  |                      |                      |
| ON            | Cargill          | Cargill              | Main St.             |
| ON            | Keewatin         | Keewatin             | 815 Ottawa St.       |
| ON            | Mallorytown      | Mallorytown          | 4 Quabbine Rd.       |
| ON            | Sault Ste. Marie | Steelton             | 298 Wellington St. W |
| ON            | Thunder Bay      | Victoria & Syndicate | 620 Victoria Ave. E  |
| SK            | Prince Albert    | 2nd Ave. & 29th St.  | 2880 2nd Ave. W      |

| <b>Relocated</b> |               |                                     |                                       |
|------------------|---------------|-------------------------------------|---------------------------------------|
| Province         | City          | From                                | To                                    |
| NB               | Moncton       | 1845 Mountain Rd.                   | 1955 Mountain Rd.                     |
| QC               | Alma          | 510 Sacre-Coeur St. W               | 500 Sacre-Coeur St. W                 |
| QC               | Gatineau      | 203 Aylmer Rd.                      | 203 Aylmer Rd. - Unit 20              |
| QC               | Lasalle       | 2101 Dollard St. - Unit 38          | 8600 Newman Blvd.                     |
| QC               | Rawdon        | 3591 Queen St.                      | 3466 Queen St.                        |
| ON               | Burlington    | 2201 Brant St. - Unit 3             | 2201 Brant St. - Unit 23              |
| ON               | Innisfil      | 902 Lockart Rd.                     | 1501 Innisfil Beach Rd.               |
| ON               | Keswick       | 24018 Woodbine Ave. - Unit 8        | 23564 Woodbine Ave.                   |
| ON               | Nepean        | 1460 Merivale Rd.                   | 1330 Baseline Rd.                     |
| ON               | Ottawa        | 551 Montreal Rd.                    | 585 Montreal Rd. - Unit 15            |
| ON               | Thunder Bay   | 504 North Edward St.                | 2600 Arthur St. E                     |
| SK               | Regina        | 6250 Rochdale Blvd.                 | 5853 Rochdale Blvd.                   |
| SK               | Prince Albert | 1135 Central Ave.                   | 801 15th St. - Unit 735               |
| AB               | Calgary       | 1221 Canyon Meadows Dr. SE - Unit 5 | 1221 Canyon Meadows Dr. SE - Unit 301 |
| AB               | Edmonton      | 16745 92nd St.                      | 15735 97th St. NW                     |
| AB               | Olds          | 5026 51st St.                       | 6700 46th St. - Unit 100              |
| BC               | Brentwood Bay | 1185 Verdier Ave.                   | 7188 West Saanich Rd.                 |
| BC               | Delta         | 5231 48th Ave.                      | 5205 Ladner Trunk Rd.                 |
| BC               | Richmond      | 671 Westminster Hwy. - Unit 140     | 3679 Westminster Hwy. - Unit 100      |
| BC               | Vancouver     | 5960 University Blvd.               | 5925 Berton Ave.                      |

## Canadian ATMs (bank machines) installed and removed

For the year ended October 31, 2011

| ATMs installed |                       |                                  |
|----------------|-----------------------|----------------------------------|
| Province       | City                  | Street address                   |
| NS             | Bridgetown            | 3 Queen St.                      |
| NS             | Halifax               | 9 Peakview Way (3 ATMs)          |
| NS             | Halifax               | 6390 Quinpool Rd. (2 ATMs)       |
| NS             | Louisbourg            | 7509 Main St.                    |
| NS             | Musquodoboit Harbour  | 7907 Hwy. 7                      |
| NB             | Dieppe                | 231 Champlain St. - Suite 100    |
| NB             | Florenceville-Bristol | 371 Centreville Rd.              |
| NB             | Moncton               | 1926 Mountain Rd.                |
| QC             | Joliette              | 375 Boul. Manseau                |
| QC             | Laval                 | 4600 Hwy. 440 W                  |
| QC             | Lasalle               | 8600 Newman Blvd.                |
| QC             | Montreal              | 3700 McTavish St.                |
| QC             | Montreal              | 3644 Peel St.                    |
| QC             | Montreal              | 3881 Rue Sherbrooke E            |
| QC             | Montreal              | 3935 University St.              |
| QC             | Rawdon                | 3466 Queen St.                   |
| QC             | Repentigny            | 1190 Boul. Iberville             |
| QC             | St. Hilaire           | 733 Boul. Sir Wilfrid Laurier    |
| QC             | Saint-Lin-Laurentides | 994 Rue St. Isidore              |
| ON             | Blenheim              | 183 Chatham St. S                |
| ON             | Caledon               | 1521 Charleston Sideroad         |
| ON             | Etobicoke             | 600 Queen's Plate Dr. (3 ATMs)   |
| ON             | Etobicoke             | 515 Queensway (2 ATMs)           |
| ON             | Goderich              | 180 Suncoast Dr. E               |
| ON             | Guelph                | 587 York Rd.                     |
| ON             | Innisfil              | 1501 Innisfil Beach Rd. (2 ATMs) |
| ON             | Innisfil              | 902 Lockhart Rd.                 |
| ON             | Keewatin              | 1007 St. Clair St.               |
| ON             | Keswick               | 23564 Woodbine Ave. (3 ATMs)     |
| ON             | Mississauga           | 632 Burnhamthorpe Rd. W          |
| ON             | Mississauga           | 1910 Fowler Dr. (2 ATMs)         |
| ON             | Nepean                | 1330 Baseline Rd.                |
| ON             | Nepean                | 144 Robertson Rd.                |
| ON             | Oro-Station           | 2976 Hwy. 11 S                   |
| ON             | Ottawa                | 5501 Bank St.                    |
| ON             | Ottawa                | 753 Montreal Rd.                 |
| ON             | Port Elgin            | 466 Goderich St.                 |
| ON             | Sarnia                | 189 Capel St.                    |
| ON             | Sault Ste. Marie      | 13 2nd Line W                    |
| ON             | Scarborough           | 3571 Sheppard Ave. E             |
| ON             | Toronto               | 29 Colonel Samuel Smith Park Dr. |

| ATMs installed |                   |   |
|----------------|-------------------|---|
| Province       | City              | Street address                                  |
| ON             | Toronto           | 3111 Convair Dr. (4 ATMs)                       |
| ON             | Toronto           | 350 King St. W                                  |
| ON             | Toronto           | 148 Wellesley St. E                             |
| ON             | Toronto           | 181 Wellington St. W                            |
| ON             | Welland           | 200 Flitch St.                                  |
| MB             | Beausejour        | 733 Park Ave.                                   |
| MB             | Somerset          | 309 3rd. St.                                    |
| SK             | Fort Saskatchewan | 116 Town Crest Rd.                              |
| SK             | Prince Albert     | 801 15th St. E - Unit 735 (2 ATMs)              |
| SK             | Regina            | 4640 Gordon Rd. (3 ATMs)                        |
| SK             | Regina            | 5853 Rochdale Blvd.                             |
| SK             | Saskatoon         | 814 22nd St. W                                  |
| SK             | Saskatoon         | 111 Betts Ave. - Bldg. D (3 ATMs)               |
| AB             | Airdrie           | 1000 Market St. SE (3 ATMs)                     |
| AB             | Calgary           | 1221 Canyon Meadows Dr.                         |
| AB             | Calgary           | 3134 Hospital Dr. NW                            |
| AB             | Calgary           | 8835 MacLeod Trail SW (2 ATMs)                  |
| AB             | Chestermere       | 196 Chestermere Station Way - Unit 400 (3 ATMs) |
| AB             | Edmonton          | 15735 97th St. NW                               |
| AB             | Lacombe           | 5010 53 St.                                     |
| AB             | Medicine Hat      | 3215 Dunmore Rd. SE                             |
| AB             | Medicine Hat      | 802 Kingsway Ave. SE                            |
| AB             | Olds              | 6700 46th St. (2 ATMs)                          |
| AB             | Sherwood Park     | 54 Brentwood Blvd.                              |
| AB             | Spruce Grove      | 201 King St.                                    |
| AB             | Stony Plain       | 4801 50th Ave.                                  |
| AB             | Tofield           | 5114 46th Ave.                                  |
| BC             | Abbotsford        | 2288 Whatcom Rd. (3 ATMs)                       |
| BC             | Kamloops          | 1801 Princeton Kamloops Hwy.                    |
| BC             | Langley           | 9450 200th St.                                  |
| BC             | Nanaimo           | 1750 Dufferin Cr.                               |
| BC             | Okanagan Falls    | 5350 9th Ave.                                   |
| BC             | Richmond          | 3679 Westminster Hwy.                           |
| BC             | Surrey            | 7956 120th St. (2 ATMs)                         |
| BC             | Vancouver         | 1055 Canada Place                               |
| BC             | Vancouver         | 4898 Main St.                                   |
| BC             | Vancouver         | 4300 Marine Dr. SW (3 ATMs)                     |
| BC             | Victoria          | 1151 Admirals Rd.                               |
| BC             | Victoria          | 912 Douglas St.                                 |
| BC             | Westbank          | 3650 Gosset Rd.                                 |
| BC             | Westbank          | 2241 Louie Dr.                                  |

## Canadian ATMs (bank machines) installed and removed

(continued)

| ATMs removed |                  |                               |
|--------------|------------------|-------------------------------|
| Province     | City             | Street address                |
| NL           | Dunville         | 1127 Main Rd.                 |
| NS           | Halifax          | 6390 Quinpool Rd. (2 ATMs)    |
| NS           | Sydney           | 1102 Kings Rd.                |
| QC           | Boucherville     | 1580 Rue Ampère               |
| QC           | Gatineau         | 480 Boul. St. Joseph          |
| QC           | Jonquière        | 2350 St. Hubert               |
| QC           | Lasalle          | 2101 Dollard Ave.             |
| QC           | Mont St. Hilaire | 345 Boul. Sir Wilfred Laurier |
| QC           | Montreal         | 5855 Monkland Ave.            |
| ON           | Barrie           | 400 Bayfield St.              |
| ON           | Bracebridge      | 110 Clearbrook Trail          |
| ON           | Brampton         | 9780 Bramalea Rd.             |
| ON           | Brampton         | 305 Charolais Blvd.           |
| ON           | Goderich         | 180 Suncoast Dr. E            |
| ON           | Keewatin         | 815 Ottawa St.                |
| ON           | Keswick          | 24018 Woodbine Ave. (2 ATMs)  |
| ON           | Nepean           | 1460 Merivale Rd.             |
| ON           | Oakville         | 530 Kerr St.                  |
| ON           | Odessa           | Hwy. 401 E                    |
| ON           | Oshawa           | 419 King St. W                |
| ON           | Ottawa           | 265 Catherine St.             |
| ON           | Ottawa           | 594 Montreal Rd.              |
| ON           | Peterborough     | 779 Hwy. 7                    |

| ATMs removed |                  |                             |
|--------------|------------------|-----------------------------|
| Province     | City             | Street address              |
| ON           | Sault Ste. Marie | 298 Wellington St. W        |
| ON           | Thunder Bay      | 504 North Edward St.        |
| ON           | Thunder Bay      | 620 Victoria Ave. E         |
| ON           | Toronto          | 3939 Keele St.              |
| ON           | Toronto          | 2171 Queen St. E (2 ATMs)   |
| ON           | Toronto          | 2121 St. Clair Ave. W       |
| ON           | Toronto          | 155 Wellington St. W        |
| ON           | Vaughan          | 2268 Rutherford Rd.         |
| ON           | Windsor          | 7887 Tecumseh Rd. E         |
| MB           | Winnipeg         | 3505 Roblin Blvd.           |
| MB           | Winnipeg         | 375 York Ave.               |
| SK           | Emerald Park     | 20 Great Plains Rd.         |
| AB           | Calgary          | 435 4th Ave. SW             |
| AB           | Calgary          | 121 Canyon Meadows Dr. SE   |
| AB           | Edmonton         | 15277 Castledowns Rd.       |
| AB           | Medicine Hat     | 121 Carry Dr. SE            |
| AB           | Sherwood Park    | 975 Broadmoor Blvd.         |
| AB           | Stony Plain      | 4600 48th St.               |
| BC           | Langley          | 9224 Glover Rd.             |
| BC           | Masset           | 1538 Main St.               |
| BC           | Vancouver        | 610 Granville St.           |
| BC           | Vancouver        | 1002 Mainland St.           |
| BC           | Vancouver        | 4300 Marine Dr. SW (3 ATMs) |

## Royal Bank Mortgage Corporation Public Accountability Statement

Royal Bank Mortgage Corporation (RBMC) is a federally incorporated mortgage and loan company providing a deposit-taking service through the Royal Bank of Canada branch network. RBMC does not have any employees, as all of its activities are conducted by employees of Royal Bank of Canada. RBMC had a \$41,000 recovery of income taxes and \$27,000 of capital taxes (relating to prior year reassessment and recoveries from prior years) recorded in the fiscal year ended October 31, 2011. Income and capital taxes, as well as other taxes, are also included in Royal Bank of Canada's Public Accountability Statement disclosure. Income, capital and other taxes for RBMC, as well as number of employees, are also included in Royal Bank of Canada's Public Accountability Statement disclosure.

## RBC Life Insurance Company Public Accountability Statement

RBC Life Insurance Company (RBC LIC) is a wholly owned subsidiary of RBC Insurance Holdings Inc., which, in turn, is a wholly owned subsidiary of Royal Bank of Canada. RBC LIC is a federally regulated life and health insurance company, and is licensed to write life, accident and sickness insurance in all provinces and territories in Canada. RBC LIC offers non-participating individual life, accident and sickness insurance, as well as group life and health policies. These products and services are offered through third-party brokers, a career sales force and direct marketing efforts. RBC LIC employed 971 full-time employees (890 in Ontario, 39 in Quebec, 38 in British Columbia, and four in Alberta) and 37 part-time employees (34 in Ontario, one in Quebec, one in Saskatchewan, and one in Alberta) as at October 31, 2011. RBC LIC incurred \$23 million of income taxes (\$14 million, federal; \$4 million in Ontario; \$2 million in Quebec; \$2 million in Alberta; and \$1 million in British Columbia) and \$40,000 of capital taxes for the fiscal year ended October 31, 2011. In addition, during the same period, RBC LIC incurred \$23 million of premium taxes, based on a percentage of gross premiums written (\$8 million, Ontario; \$6 million, Quebec; \$4 million, Alberta; \$3 million, British Columbia; \$1 million, Manitoba; and \$1 million, Saskatchewan). Income, capital and other taxes, as well as number of employees, are also included in Royal Bank of Canada's Public Accountability Statement disclosure.



### **Declarants' Public Accountability Statements**

Due to the specific nature of the operations of the Declarants, they do not operate bank branches or other facilities at which deposit accounts are opened through natural persons and with customers in person, or at which deposits from customers are accepted or cash is distributed to customers. In addition, the Declarants do not provide debt financing to firms in Canada, and are not involved in new initiatives and technical assistance programs for financing for small business, nor are they involved in investments or partnerships in microcredit programs. The Declarants are also not involved in initiatives to improve access to financial services for low-income individuals, senior citizens and disabled

persons. All of the foregoing activities are undertaken by Royal Bank of Canada on behalf of its affiliates, and are outlined in the respective sections of this Public Accountability Statement. As at October 31, 2011, the Declarants did not have prescribed affiliates.

As integrated subsidiaries of RBC, the Declarants share community development goals and participate in community-based activities, including volunteer, charitable and philanthropic activities, collectively with Royal Bank of Canada. For further details and examples of the Declarants' goals for community development, donations and related activities, please refer to the corresponding information contained in this Public Accountability Statement.

# Global Reporting Initiative Index

RBC has adopted a multi-pronged approach to sustainability reporting, and we publish information about our social, environmental and ethical performance in a number of places for various stakeholder groups. We rely on external sources, investor and stakeholder groups and global best practices in determining the relevant issues for inclusion, and strive to provide an appropriate level of detail for each group. We support the work of the Global Reporting Initiative (GRI). The index below and the information to which it points to constitute a report that qualifies for GRI's G3.1 Application Level C.

## Part I - Profile

| Profile Disclosure            | Description   | RBC Information  |
|-------------------------------|---|--|
| <b>Strategy and Profile</b>   |   |  |
| <b>Strategy and Analysis</b>  |   |  |
| 1.1                           | Statement from the most senior decision-maker of the organization   | Message from the CEO, page 8   |
| 1.2                           | Description of key impacts, risks and opportunities   | Our pledges and priorities, pages 9-10; Throughout report  |
| <b>Organizational Profile</b> |   |  |
| 2.1                           | Name of organization  | Royal Bank of Canada   |
| 2.2                           | Primary brands, products and services   | 2011 Annual Report, inside cover, pages 9, 18-31, 166  |
| 2.3                           | Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures   | About RBC, page 4<br>2011 Annual Report, pages 15, 18-31, 138, 166   |
| 2.4                           | Location of organization's headquarters   | 2011 Annual Report, page 167   |
| 2.5                           | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report | About RBC, page 4<br>2011 Annual Report, pages 138, 166  |
| 2.6                           | Nature of ownership and legal form  | 2011 Annual Report<br>2011 Annual Information Form, page 1   |
| 2.7                           | Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)  | 2011 Annual Report, pages 18-31, 138<br>rbc.com/aboutus  |
| 2.8                           | Scale of the reporting organization   | 2011 Annual Report; rbc.com/aboutus  |
| 2.9                           | Significant changes during the reporting period regarding size, structure or ownership  | 2011 Annual Report, pages 10, 15   |
| 2.10                          | Awards received in the reporting period   | Recognition, page 13   |
| <b>Report Parameters</b>      |   |  |
| 3.1                           | Reporting period  | Reporting, page 17   |
| 3.2                           | Date of most recent previous report   | RBC does not issue a one-stop sustainability report; rather, we report various measures in existing communications pieces, such as our Annual Report, Proxy Statements and annual Corporate Responsibility Report which includes our GRI Index. We produce these on an annual basis. |
| 3.3                           | Reporting cycle   | Annual (November 1 – October 31); Reporting period, page 2   |
| 3.4                           | Contact point for questions regarding the report or its contents  | corporateresponsibility@rbc.com  |
| 3.5                           | Process for defining report content   | Reporting, page 17; Stakeholders, page 16  |
| 3.6                           | Boundary of the report  | This report covers activities for RBC as a whole — our operations around the world, including all our subsidiaries, unless otherwise noted.  |

| Profile Disclosure                            | Description   | RBC Information  |
|---|---|--|
| 3.7   | Limitations on scope or boundary of report (see completeness principle for explanation of scope)  | About this report, page 2  |
| 3.8   | Basis for reporting on other entities   | Scope, page 2  |
| 3.9   | Data measurement techniques   | About this report, page 2  |
| 3.10  | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement  | 2009 and 2010 values for certain metrics have been re-stated to reflect continuing operations. See "About this report" on page 2 for information about discontinued operations. Affected metrics are: <ul style="list-style-type: none"> <li>- Revenue</li> <li>- Market capitalization</li> <li>- Employees</li> <li>- Full-time equivalent positions</li> <li>- Employees (Canada)</li> <li>- Employees (United States)</li> <li>- Training costs</li> <li>- Goods and services purchased</li> </ul> |
| 3.11  | Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report   | Unless otherwise stated, report data reflects continuing operations. Please refer to "About this report" on page 2 for information about discontinued operations.  |
| 3.12  | Table identifying the location of the Standard Disclosures in the report  | GRI Index, page 111  |
| 3.13  | Policy and current practice with regard to seeking external assurance for the report  | At present, RBC does not have third-party verification or auditing of our non-financial reporting. Our annual Corporate Responsibility Report and Public Accountability Statement are reviewed by our internal Compliance department (Risk Management), our Legal department, our Financial Reporting department and internal subject matter experts.  |
| <b>Governance, Commitments and Engagement</b> |   |  |
| 4.1   | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight   | Responsibilities and accountabilities, page 11<br>Governance structure, page 21  |
| 4.2   | Indicate whether chair of highest governance body is also an executive officer  | Corporate governance, page 21<br>2011 Annual Report, page 5<br>2012 Management Proxy circular, page 64   |
| 4.3   | Independent and/or non-executive members  | Corporate Governance, page 21<br>Statement of Corporate Governance Practices, and Director Independence Policy, available at <a href="http://www.rbc.com/governance">www.rbc.com/governance</a> > Resources and information  |
| 4.4   | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body  | 2012 Management Proxy circular, page 65-66, 70   |
| 4.5   | Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance) | Responsibilities and accountabilities, page 11<br>2012 Management Proxy circular, pages 21-62  |
| 4.6   | Processes in place for the highest governance body to ensure conflicts of interest are avoided  | 2012 Management Proxy circular, page 67  |
| 4.7   | Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity                | Corporate integrity/issues, page 20<br>2012 Management Proxy circular, pages 68-69   |
| 4.8   | Mission or values, codes of conduct and principles relevant to economic, environmental and social performance   | Policies and procedures, page 24   |

| Profile Disclosure | Description   | RBC Information   |
|--------------------|---|---|
| 4.9                | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles | Risk management, page 23<br>2012 Management Proxy Circular, page 18 |
| 4.10               | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance   | 2012 Management Proxy Circular, page 71                             |
| 4.11               | Explanation of whether and how the precautionary approach or principle is addressed by the organization   | Risk management, page 23  |
| 4.12               | Externally developed economic, environmental, and social charters, principles or other initiatives to which the organization subscribes to or endorses  | Principles and charters, page 29                                    |
| 4.13               | Significant memberships in associations in associations and/or advocacy organizations   | Affiliations, page 14   |
| 4.14               | List of stakeholder groups engaged by the organization  | Stakeholders, page 16   |
| 4.15               | Basis for identification and selection of stakeholders with whom to engage  | Stakeholders, page 16   |
| 4.16               | Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group   | Stakeholders, page 16   |
| 4.17               | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting  | Throughout report   |

## PART II: Disclosures on Management Approach (DMAs)

| DMA                               | Description  | RBC Information  |
|-----------------------------------|--|--|
| <b>Products and Services (PS)</b> |  |  |
| FS1                               | Policies with specific environmental and social components applied to business lines   | Policies and procedures, page 24   |
| FS2                               | Procedures for assessing and screening environmental and social risks in business lines  | Policies and procedures, page 24<br>Risk management, page 23   |
| FS3                               | Processes for monitoring clients' implementation of, and compliance with, environmental and social requirements included in agreements or transactions | Policies and procedures, page 24<br>Policies and procedures/The environment, page 27<br>Environmentally responsible business activities, page 85 |
| FS4                               | Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines              | Policies and procedures, page 24   |
| FS5                               | Interactions with clients/investees/business partners regarding environmental and social risks and opportunities                                       | Stakeholders, page 16<br>Environmentally responsible business activities, page 85<br>Sustaining the RBC Environmental Blueprint, page 87         |

| DMA   | Description                                      | RBC Information  |
|---|--|--|
| <b>Environment (EN)</b>                       |  |  |
| Aspect  | Materials  | Environment, page 81   |
| Aspect  | Energy   | Environment, pages 79-80   |
| Aspect  | Water  | rbc.com/bluewater,<br>Environmental Blueprint Report Card, <a href="http://rbc.com/community-sustainability/_assets-custom/pdf/2010-RBC-Blueprint-Report-Card.pdf">http://rbc.com/community-sustainability/_assets-custom/pdf/2010-RBC-Blueprint-Report-Card.pdf</a> |
| Aspect  | Biodiversity                                     | rbc.com/community-sustainability/environment   |
| Aspect  | Emissions, effluents and waste                   | Environment, pages 83-84   |
| Aspect  | Products and services                            | Environment, pages 86-87   |
| Aspect  | Compliance                                       | Environment, pages 74-88   |
| Aspect  | Transport  | Environment, page 82   |
| Aspect  | Overall  | Environment, pages 74-88   |
| <b>Labour Practices and Decent Work ( LA)</b> |  |  |
| Aspect  | Employment                                       | Workplace, page 61   |
| Aspect  | Labour/management relations                      | Workplace, pages 64-66, 71, 73   |
| Aspect  | Occupational health and safety                   | Workplace, page 67   |
| Aspect  | Training and education                           | Workplace, page 67   |
| Aspect  | Diversity and equal opportunity                  | Workplace, pages 68-71   |
| Aspect  | Equal remuneration for women and men             | Workplace, pages 65, 69  |
| <b>Human Rights (HR)</b>                      |  |  |
| Aspect  | Investment and procurement practices             | Responsible Investing, page 53<br>Procurement, page 42   |
| Aspect  | Non-discrimination                               | Principles and policies, page 64<br>Diversity and inclusion, page 68   |
| Aspect  | Freedom of association and collective bargaining | Freedom of association, page 65  |
| Aspect  | Child labour                                     | Human rights, page 65  |
| Aspect  | Prevention of forced and compulsory labour       | Human rights, page 65  |
| Aspect  | Security practices                               | Health, safety and wellness, page 67   |
| Aspect  | Indigenous rights                                | Programs to support aboriginal employment, page 70   |
| Aspect  | Remediation                                      | Employee concerns, page 73   |
| <b>Society (SO)</b>                           |  |  |
| Aspect  | Local communities                                | Community, pages 89-102;<br>Economic impact pages 32-43  |
| Aspect  | Corruption                                       | Anti-bribery/anti-corruption, page 25  |
| Aspect  | Public policy                                    | Policies and procedures, page 24<br>Governments, page 17   |
| Aspect  | Anti-competitive behavior                        | Code of conduct, page 24   |
| Aspect  | Compliance                                       | Policies and procedures, page 24   |

| DMA                                | Description   | RBC Information   |
|------------------------------------|---|---|
| <b>Product Responsibility (PR)</b> |   |   |
| Aspect                             | Customer health and safety  | Development of products and services, page 27   |
| Aspect                             | Product and service labelling   | Product responsibility, page 53   |
| Aspect                             | Policies for the fair design and sale of financial products and services (FS15) | Product responsibility, page 53<br>Treating clients fairly, page 57                   |
| Aspect                             | Marketing communications  | Clarity in client communications, page 58   |
| Aspect                             | Customer privacy  | Policies and procedures/Privacy, page 25<br>Privacy and information security, page 57 |
| Aspect                             | Compliance  | Policies and procedures, page 24  |

## PART III: Performance Indicators

| Performance Indicator             | Description   | RBC Information  |
|-----------------------------------|---|--|
| <b>Product and service impact</b> |   |  |
| <b>Product portfolio</b>          |   |  |
| FS6                               | Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and sector   | Debt financing for Canadian businesses, page 105   |
| FS7                               | Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose                           | Responsible investing, page 53   |
| FS8                               | Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose                    | Responsible investing, page 53<br>Environmental products and services, page 86   |
| <b>Active ownership</b>           |   |  |
| FS10                              | Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues | Equator principles, page 86<br>Environmentally responsible business activities, page 85  |
| <b>Economic</b>                   |   |  |
| EC2                               | Financial implications and other risks and opportunities for the organization's activities due to climate change  | Impact of climate change regulations, page 85<br>Carbon Disclosure Project Submission, <a href="http://rbc.com/community-sustainability/_assets-custom/pdf/CDP.pdf">http://rbc.com/community-sustainability/_assets-custom/pdf/CDP.pdf</a> |
| <b>Market presence</b>            |   |  |
| EC6                               | Policy, practices and proportion of spending on locally based suppliers at significant locations of operation   | Procurement, page 42   |
| <b>Indirect economic impacts</b>  |   |  |
| EC8                               | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement    | Community development projects, page 35<br>Public/private partnerships, page 36  |
| EC9                               | Understanding and describing significant indirect economic impacts, including the extent of impacts   | Economic impact, pages 32-43<br>Community, pages 89-102  |

| Performance Indicator                           | Description  | RBC Information  |
|---|--|--|
| <b>Environmental</b>                            |  |  |
| <b>Materials</b>                                |  |  |
| EN1   | Materials used by weight or volume   | Environmental footprint report, pages 79-84  |
| EN2   | Percentage of materials used that are recycled input materials   | <a href="http://rbc.com/community-sustainability/environment/">rbc.com/community-sustainability/environment/</a>   |
| <b>Energy</b>                                   |  |  |
| EN3   | Direct energy consumption by primary energy source   | Environmental footprint report, pages 79-84<br><a href="http://rbc.com/community-sustainability/environment/">rbc.com/community-sustainability/environment/</a>  |
| EN4   | Indirect energy consumption by primary source  | Environmental footprint report, pages 79-84  |
| EN5   | Energy saved due to conservation and efficiency improvements   | Environmental footprint report, pages 79-84<br><a href="http://rbc.com/community-sustainability/environment/">rbc.com/community-sustainability/environment/</a>  |
| EN6   | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives            | Environmental products and services, page 86<br>Lending to renewable energy, page 87   |
| EN7   | Initiatives to reduce indirect energy consumption and reductions achieved  | RBC Environmental Blueprint report card, <a href="http://rbc.com/community-sustainability/_assets-custom/pdf/2010-RBC-Blueprint-Report-Card.pdf">http://rbc.com/community-sustainability/_assets-custom/pdf/2010-RBC-Blueprint-Report-Card.pdf</a>                                     |
| <b>Biodiversity</b>                             |  |  |
| EN16  | Total direct and indirect greenhouse gas emissions by weight   | Environmental footprint report, pages 79-84  |
| EN17  | Other relevant indirect greenhouse gas emissions by weight   | Environmental footprint report, pages 79-84  |
| EN18  | Initiatives to reduce greenhouse gas emissions and reductions achieved   | Our environmental footprint, page 79<br>Environmental Blueprint Report Card, <a href="http://rbc.com/community-sustainability/_assets-custom/pdf/2010-RBC-Blueprint-Report-Card.pdf">http://rbc.com/community-sustainability/_assets-custom/pdf/2010-RBC-Blueprint-Report-Card.pdf</a> |
| EN22  | Total weight of waste by type and disposal method  | Canadian e-waste report, page 84   |
| <b>Products and services</b>                    |  |  |
| EN26  | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation  | Environmental products and services, page 86<br>Environmental footprint report, pages 79-84  |
| <b>Transport</b>                                |  |  |
| EN29  | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce | Environmental footprint report, pages 79-84  |
| <b>Overall</b>                                  |  |  |
| EN30  | Total environmental protection expenditures and investments by type  | Environmental footprint report, pages 79-84  |
| <b>Social: Labour Practices and Decent Work</b> |  |  |
| <b>Employment</b>                               |  |  |
| LA1   | Total workforce by employment type, employment contract and region, broken down by gender  | Employment in Canada, page 104   |
| LA3   | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations  | Benefits, page 66  |
| <b>Labour/management relations</b>              |  |  |
| LA4   | Percentage of employees covered by collective bargaining agreements  | Freedom of association, page 65  |



| Performance Indicator                       | Description  | RBC Information   |
|---|--|---|
| <b>Occupational health and safety</b>       |  |   |
| LA6   | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs       | Health, safety and wellness, page 67  |
| LA7   | Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and by gender   | Due to the nature of our workplace, incidents are rare and number of lost working hours is insignificant. An online Vacation and Absence Management System was introduced in 2003 to capture absenteeism data. Information about accidents and injuries is collected centrally for Canadian federally regulated employees only. |
| LA8   | Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases            | Health, safety and wellness, page 67  |
| <b>Training and education</b>               |  |   |
| LA10  | Average hours of training per year per employee by gender, and by employee category  | Career development and learning, page 67<br>We do not report hours of training per year, but rather the overall investment.   |
| LA11  | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings                                  | Career development and learning, page 67  |
| <b>Diversity and equal opportunity</b>      |  |   |
| LA13  | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity          | Corporate integrity, page 19<br>Diversity and inclusion, page 68  |
| <b>Social: Human Rights</b>                 |  |   |
| <b>Investment and procurement practices</b> |  |   |
| HR1   | Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening | Procurement, page 42  |
| <b>Remediation</b>                          |  |   |
| HR11  | Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms   | Employee concerns, page 73  |
| <b>Social: Society</b>                      |  |   |
| <b>Local communities</b>                    |  |   |
| SO1   | Percentage of operations with implemented local community engagement, impact assessments and development programs  | Bank branch closures and openings, page 48  |
| FS13  | Access points in low-populated or economically disadvantaged areas by type   | Diverse and under-served groups, page 50  |
| FS14  | Initiatives to improve access to financial services for disadvantaged people   | Diverse and under-served groups, page 50  |
| <b>Corruption</b>                           |  |   |
| SO3   | Percentage of employees trained in organization's anti-corruption policies and procedures  | Policies and procedures, page 24  |

| Performance Indicator                 | Description   | RBC Information   |
|---------------------------------------|---|---|
| <b>Public policy</b>                  |   |   |
| SO5                                   | Public policy positions and participation in public policy development and lobbying   | Governments, page 17<br>Political contributions and lobbying, page 27   |
| SO6                                   | Total value of financial and in-kind contributions to political parties, politicians and related institutions by country  | Governments, page 17<br>Political contributions and lobbying, page 27   |
| <b>Social: Product Responsibility</b> |   |   |
| <b>Customer health and safety</b>     |   |   |
| PR1                                   | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures | Development of products and services, page 27   |
| <b>Product and service labelling</b>  |   |   |
| PR3                                   | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements  | Knowing our clients, page 57  |
| FS16                                  | Initiatives to enhance financial literacy by type of beneficiary  | Financial literacy, page 55   |
| PR5                                   | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction  | Stakeholders, page 16<br>Client satisfaction, page 58   |
| <b>Marketing communications</b>       |   |   |
| PR6                                   | Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship   | Privacy, page 25<br>Code of conduct, page 24<br>Principles and charters, page 29<br>Clarity in client communications, page 58 |

## Content index

### A

|   |                                      |
|---|--------------------------------------|
| Aboriginal  |                                      |
| Aboriginal Corporate Social Network                             | 70                                   |
| Aboriginal Financial Officers Association of Canada, The        | 37                                   |
| Aboriginal Human Resource Council, The                          | 37                                   |
| Aboriginal Partnership Report                                   | 18                                   |
| Branch network  | 50, 52, 70                           |
| Canadian Aboriginal and Minority Supplier Council (CAMSC)       | 15, 43                               |
| Communities   | 84, 94, 98                           |
| Community visitation program                                    | 52                                   |
| Employment  | 68, 70                               |
| Financial Industry Partnering for Aboriginal Relationships, The | 15                                   |
| First Nations   | 34, 52, 70, 98                       |
| Home financing on reserves                                      | 37                                   |
| Land claim settlements  | 37                                   |
| Leasehold Mortgage Program for First Nations                    | 34                                   |
| *People   | 43, 68, 70, 77, 90, 98               |
| Project financing   | 37                                   |
| Royal Eagles  | 70, 101                              |
| Royal Eagles Backpack Program                                   | 101                                  |
| About RBC   | 4-6                                  |
| Access Capital Community Investment Fund                        | 53                                   |
| Access  |                                      |
| BBanking  | 40, 50                               |
| Basic banking   | 9, 44, 46                            |
| Banking and insurance   | 9, 44, 47, 50                        |
| Channels  | 5, 9, 40, 44, 47, 50                 |
| **Credit  | 8-9, 30, 33, 35, 39-40, 45-48, 51-55 |
| Accessibility   | 50, 61                               |
| Accommodation   | 36, 61                               |
| Active leaders  | 69                                   |
| Actua   | 42                                   |
| Advancing Canadian Entrepreneurship                             | 42, 95                               |
| Advice, see Financial advice                                    | 33, 35, 46-47, 51, 55                |
| Advisory services   | 34, 86                               |
| Advisory vote, see Governance                                   | 19, 22                               |
| Advocacy, see Governments and Government Relations              | 17, 113                              |
| Affiliates  | 2, 103, 110                          |
| Affiliations  | 14-15                                |
| After-school grants   | 10, 90, 95                           |
| Aging workforce, see Work and workplace                         |                                      |
| Agribusiness  | 40                                   |
| Agriculture   | 17, 27, 40, 75                       |
| AgriInvest  | 40                                   |
| Alternative energy development, see Energy                      |                                      |
| Amateur sports  | 99, 102                              |
| <i>Americans with Disabilities Act</i>                          | 50                                   |
| AML certifications, see Policies                                |                                      |
| Analyst calls, see Investor Relations                           |                                      |
| Android   | 44, 48                               |
| Annual incentive bonus program, see Work and workplace          |                                      |
| Annual Meeting, see Investor Relations                          |                                      |
| Annual Report, see Investor Relations                           |                                      |
| Annuity   | 45                                   |
| Anti-bribery, see Policies                                      |                                      |
| Anti-Corruption, see Policies                                   |                                      |
| Anti-money laundering, see Policies                             |                                      |
| Apprenticeship  | 90, 97                               |
| Arabic  | 45, 51, 55                           |

### Arts

|   |  |
|---|--|
| Artists in Residence program                          | 97                                     |
| Arts and culture                                      | 93, 97, 102                            |
| Artspace  | 97                                     |
| Canadian Opera Company's Ensemble Studio, The         | 97                                     |
| Cantos Music Foundation                               | 97                                     |
| Carolina Ballet                                       | 97                                     |
| Film Festivals  | 97                                     |
| Film Society of Lincoln Center                        | 97                                     |
| Independent Filmmaker Project                         | 97                                     |
| RBC Emerging Artists Project                          | 10, 90, 97                             |
| RBC Emerging Filmmakers Competition                   | 97                                     |
| Toronto International Film Festival (TIFF)            | 97                                     |
| TIFF Talent Lab                                       | 97                                     |
| Asset management                                      | 5, 31, 53, 86                          |
| Assets  | 4, 15, 23, 37, 53, 86                  |
| Athletics Canada                                      | 99                                     |
| Atlanta Junior Golf Association                       | 9                                      |
| ATM (automated teller machine), see Network           |  |
| ATM (bank machine) openings and closings, see Network |  |
| Audit   | 5, 12, 26, 43, 50, 86, 102, 112        |
| Audit Committee, see Governance                       |  |
| Aunt Leah's Independent Lifeskills Society            | 100                                    |
| Automobile reform regulations                         | 49                                     |
| Available-balance feature                             | 48                                     |
| Awards  | 13, 22, 37, 43, 58, 69-70, 72, 91, 112 |

### B

|  |                   |
|--|-------------------|
| Bahamas National Swimming Championships  | 99                |
| Bahamas Red Cross  | 101               |
| <i>Bank Act</i> , The  | 26, 103           |
| Bank branches, see Network   |                   |
| Banking centres, see Network Banking locations, see Network  |                   |
| Banking tutorials  | 45, 51, 55        |
| Barnes Wetland Centre  | 101               |
| Barrier-free design  | 50                |
| Basic banking, see Access  |                   |
| Benchmarking   | 14, 16, 58-59, 66 |
| Benefits programs, see Work and Workplace  |                   |
| Best 50 Corporate Citizens in Canada   | 13                |
| Best Corporate Governance, see Governance  |                   |
| Best Employers for New Canadians   | 13, 62, 68, 72    |
| Best Places to Work  | 62, 72            |
| Best-in-class retail shopping  | 44                |
| Big Brothers Big Sisters   | 94, 100-101       |
| Biodiversity   | 77                |
| Biological warfare   | 54                |
| BlackBerry   | 44, 48            |
| Blue Economy Initiative, The   | 96                |
| Board independence, see Governance   |                   |
| Board of directors, see Governance   |                   |
| BOMA BESt (Building Owners and Managers Association Building Environmental Standards), see Environment |                   |
| BonaVista Asset Management Ltd.  | 103               |
| Boreal Initiative  | 17, 87            |
| Boston College Center for Corporate Citizenship, The   | 14                |
| Boys & Girls Clubs   | 101               |
| Braille  | 50                |

|   |                                       |
|---|---------------------------------------|
| Branches, see Network   |                                       |
| Brand Council   | 12                                    |
| Brand of the Year   | 13                                    |
| Brand Sponsorships and Marketing  | 12                                    |
| BREEAM (Building Research Establishment Environmental Assessment Method), see Environment     |                                       |
| British Columbia Blind Sports and Recreation Association                                      | 99                                    |
| Budgeting, see Financial education and literacy   |                                       |
| Building Schools for the Future   | 36                                    |
| Building standards, see Environment   |                                       |
| Business advisors   | 40                                    |
| Business assessment tool  | 41                                    |
| Business banking  | 4, 51                                 |
| Business Cash Back MasterCard   | 33, 40                                |
| Business clients  | 5, 33, 39-40, 44, 47-48, 72, 87, 105  |
| Business continuity   | 23-24                                 |
| Business deposit accounts   | 47                                    |
| Business financial services   | 5, 41                                 |
| Business Financial Services Webinar   | 41                                    |
| <b>C</b>  |                                       |
| CCalgary Immigrant Women's Association  | 38                                    |
| Calgary Reads   | 38                                    |
| California Cap-and-Trade Program  | 86                                    |
| Camp Can Do   | 98                                    |
| Canada Water Week   | 96                                    |
| Canada's 10 Most Admired Corporate Cultures   | 13, 62, 72                            |
| Canada's Best Diversity Employers, see Diversity or Work and Workplace                        |                                       |
| Canada's Best Employers for New Canadians, see Diversity or Work and Workplace                |                                       |
| Canada's Greenest Employers   | 13                                    |
| Canada's National Junior A Championship   | 99                                    |
| Canada's Top 100 Employers  | 13, 62, 72                            |
| Canada-Ontario Affordable Housing Program   | 34                                    |
| Canadian Aboriginal and Minority Supplier Council, The, see Procurement                       |                                       |
| Canadian Agricultural Loans Act   | 40                                    |
| Canadian Banking  | 3-4, 59-60                            |
| Canadian Boreal Initiative, The   | 17, 87                                |
| Canadian Business for Social Responsibility   | 14                                    |
| Canadian Centre for Child Protection  | 14                                    |
| Canadian Centre for Diversity, The  | 14                                    |
| Canadian Centre for Ethics & Corporate Policy, The  | 14                                    |
| Canadian Coalition for Good Governance  | 14, 31                                |
| Canadian Code of Practice for Consumer Debit Card Services                                    | 30                                    |
| Canadian Corruption of Foreign Public Officials Act, see Governments and Government relations | 25                                    |
| Canadian Council on Rehabilitation and Work, The  | 14                                    |
| Canadian Environmental Grantmakers' Network, The  | 15                                    |
| Canadian federal regulations  | 103                                   |
| Canadian Foundation for Economic Education, The, see Financial education and literacy         |                                       |
| Canadian Freestyle Ski Team   | 99                                    |
| Canadian Human Rights Act, see Work and Workplace   |                                       |
| Canadian Mortgage and Housing Corporation   | 34                                    |
| Canadian Olympic Team   | 99                                    |
| Canadian Opera Company's Ensemble Studio, The, see Arts                                       |                                       |
| Canadian Paralympic Committee   | 99                                    |
| Canadian Snowboard Team   | 99                                    |
| Canadian Society of Association Executives  | 41                                    |
| Canadian Standards Association (CSA)  | 50                                    |
| Canadian Water Summit, see Water  |                                       |
| Canadian Wealth Management  | 5                                     |
| Cantonese   | 52                                    |
| Cantos Music Foundation, see Arts   |                                       |
| Capital Markets   | 4-6, 22, 28, 35, 67, 71, 75, 82, 86   |
| Carbon Disclosure Project, see Environment  |                                       |
| Carbon Disclosure Project Canadian Leadership Index, The, see Environment                     |                                       |
| Carbon emissions trading group, see Environment   |                                       |
| Carbon footprint, see Environment   |                                       |
| Career Bridge   | 37, 69                                |
| Career development, see Work and Workplace  |                                       |
| Career Edge, see Work and Workplace   |                                       |
| Career information guide, see Work and Workplace  |                                       |
| Caribbean Children's Cancer Fund  | 94                                    |
| Carolina Ballet, see Arts   |                                       |
| Carolina Youth Soccer Association   | 99                                    |
| Cash flow management tool   | 41                                    |
| Catalyst Canada Honours   | 68                                    |
| Centre for Information & Community Services of Ontario  | 56                                    |
| Centre hospitalier de l'Université de Montréal  | 36                                    |
| CEO   | 8, 11, 17, 22, 68, 72                 |
| Charitable sector   | 91                                    |
| Charter of the Board of Directors, see Governance   |                                       |
| Cheque Holds  | 30                                    |
| Chief Brand and Communications Officer  | 12                                    |
| Chief Financial Officer   | 12                                    |
| Chief Human Resources Officer   | 12                                    |
| Chief Privacy Officer   | 12, 57                                |
| Chief Risk Officer  | 12                                    |
| Childcare   | 68                                    |
| Children's mental health  | 10, 90, 94                            |
| Chinese-language telephone representatives  | 52                                    |
| CICA/RBC Business Monitor   | 41                                    |
| Citizenship   | 11-12, 14, 16, 22, 27, 72, 89, 96, 98 |
| Civil society organizations   | 36                                    |
| Clean technology, see Environment   |                                       |
| Client(s)   |                                       |
| Attraction  | 63                                    |
| Client Care Centre  | 16                                    |
| Client service representative   | 67, 70                                |
| Complaints  | 60                                    |
| Concerns  | 16, 50, 60                            |
| Experience  | 58                                    |
| Feedback  | 16, 58, 60                            |
| Information   | 25-26, 39-40, 45-46, 57               |
| Loyalty   | 16, 58-60                             |
| Protection  | 30, 44, 57-58                         |
| Retention   | 63                                    |
| Satisfaction  | 16, 45, 58-60                         |
| Strategies  | 16, 57, 63                            |
| Surveyed  | 16, 45, 58-59                         |
| Climate Action Reserve  | 86                                    |
| Climate change, see Environment   |                                       |
| Closures, see Network   |                                       |
| Cluster bombs   | 54                                    |
| CO <sub>2</sub> e emissions, see Environment  |                                       |
| Code of Conduct, see Policies   |                                       |
| Code of Conduct for Authorized Insurance Activities   | 30                                    |
| Code of Conduct for the Credit and Debit Card Industry in Canada                              | 30                                    |
| Coharie   | 38                                    |
| Collective bargaining, see Work and Workplace   |                                       |
| College of the Bahamas  | 35                                    |
| Commercial Advice Centre  | 41, 87                                |
| Commercial banking  | 4                                     |
| Commission-based compensation programs  | 68                                    |
| Committee Encouraging Corporate Philanthropy, The   | 14                                    |
| Commodities   | 8, 10, 61                             |
| Communications Security Establishment Canada (CSEC) Long-Term Accommodation Project           | 36                                    |

|   |  |
|---|--|
| Communities in Schools .....  | 101  |
| Community   |  |
| After-school grants .....   | 10, 90, 95                                   |
| Amateur sports .....  | 99, 102                                      |
| Causes .....  | 7-8, 10, 41, 89, 92-93, 100                  |
| Children's mental health .....  | 10, 90, 94                                   |
| Civic causes .....  | 10, 89, 93, 100                              |
| Development projects .....  | 32, 34-35                                    |
| Donations .....   | 7, 11-12, 14, 35, 89, 91-100, 102, 110       |
| Economic development .....  | 9, 32, 34-35, 37, 42, 56, 76                 |
| Education .....   | 37-38, 51, 56, 65, 93, 95                    |
| Health .....  | 10, 14, 35-37, 76-77, 84, 90, 93-95, 98, 101 |
| Investments .....   | 7, 35, 89, 93, 98                            |
| Involvement .....   | 11, 70, 91                                   |
| Partners .....  | 2, 16, 18, 55, 92, 97, 102                   |
| Social services .....   | 93, 100                                      |
| Special Olympics .....  | 99   |
| Sponsorships .....  | 7, 37, 93, 87, 89, 92-93, 99, 102            |
| Strategic focus areas .....   | 10, 90-91                                    |
| Volunteer activity .....  | 14, 29, 35, 41, 56, 90-92, 94, 100-101, 110  |
| Volunteer grants .....  | 65, 89-90, 101                               |
| Community Reinvestment Act .....  | 39   |
| Community Sport Opportunity Program .....                                 | 99   |
| Competencies .....  | 20   |
| Competition .....   | 16-17, 38, 58, 87                            |
| Complaints, see Clients   |  |
| Compliance .....  | 9, 12, 14, 19, 23-25, 27, 43, 57, 77, 84, 86 |
| Conference Board of Canada, The .....                                     | 14-15  |
| Conference Board of Canada's Business Council for Sustainability, The ... | 14-15, 88                                    |
| Conference Board of Canada's Centre for the North, The .....              | 38   |
| Conference Board of Canada's Corporate Community Investment .....         | 14   |
| Council, The  |  |
| Confidentiality .....   | 24, 36-37, 57                                |
| Conflicts of interest, see Governance                                     |  |
| Consumer debt .....   | 33, 46                                       |
| Consumer protection .....   | 30, 57-58                                    |
| Compensation .....  | 7, 10-11, 18-20, 22, 32-33, 42, 62, 65-66    |
| Corporate Citizenship .....   | 11-12, 14, 16, 22, 72, 96                    |
| Corporate Donations .....   | 11-12, 35, 100                               |
| Corporate Environmental Affairs .....                                     | 12, 77                                       |
| Corporate Ethics Management Council .....                                 | 14   |
| Corporate governance, see Governance                                      |  |
| Corporate Governance and Public Policy Committee .....                    | 11-12, 21-22, 77, 102                        |
| Corporate responsibility  |  |
| Responsibility and Accountability .....                                   | 77   |
| Programs .....  | 13, 72                                       |
| Reporting, see Reports and reporting                                      |  |
| Corporate Responsibility Report, see Reports and reporting                |  |
| Corporate Responsibility Review, see Reports and reporting                |  |
| Corruption .....  | 25, 53                                       |
| Council for the Advancement of Native Development Officers, The .....     | 37   |
| Counselling .....   | 46, 55, 66-67, 94                            |
| CRA ( <i>Community Reinvestment Act</i> ) .....                           | 39   |
| CRA Report .....  | 39   |
| Credit  |  |
| Cards .....   | 46-48, 52-53, 58                             |
| Counselling .....   | 46, 55                                       |
| Policy .....  | 28   |
| Crisis Management .....   | 23-24  |
| Cross Border Debits .....   | 49   |
| Cultural Access Pass program .....  | 98   |
| Cultural awareness training .....   | 70   |
| Cultural markets .....  | 90, 98                                       |
| Currency .....  | 2, 7, 47                                     |
| Customer service .....  | 10, 17, 52, 59                               |

## D

|   |                                  |
|---|----------------------------------|
| DALBAR .....                                      | 58-59                            |
| Debt .....  | 3, 33-34, 36, 46, 53, 55, 57, 60 |
| Debt financing .....                              | 39                               |
| Debt financing for Canadian businesses .....      | 7, 32, 105, 110                  |
| Declarants .....                                  | 103, 110                         |
| Deferred share program .....                      | 22                               |
| Dignitas International .....                      | 94                               |
| Direct energy use, see Energy                     |                                  |
| Direct-investing service .....                    | 59                               |
| Director evaluation procedures, see Governance    |                                  |
| Director Independence Policy, see Governance      |                                  |
| Director Stock Option Plan, see Governance        |                                  |
| Directors, see Governance                         |                                  |
| Disability .....                                  | 14, 65                           |
| Disclosure .....                                  | 17-18, 23, 28-29, 43, 85, 109    |
| Discrimination .....                              | 64-65                            |
| Diversity   |                                  |
| Awareness .....                                   | 63, 69-70                        |
| Canada's Best Diversity Employers .....           | 13, 62, 68, 72                   |
| Canada's Best Employers for New Canadians .....   | 13, 62, 72                       |
| Canadian Centre for Diversity, The .....          | 14                               |
| Diversity Business Network .....                  | 69                               |
| Diversity Dialogues™ In our workplace .....       | 62, 70                           |
| Learning Moments .....                            | 70                               |
| Lesbian, gay, bisexual and transgendered (LGBT)   |                                  |
| Programs .....                                    | 71                               |
| Progress Report .....                             | 18                               |
| Toronto Region Immigrant Employment Council ..... | 15, 37                           |
| Training, learning .....                          | 70                               |
| Donations   |                                  |
| Grant-makers .....                                | 102                              |
| Dow Jones Sustainability Indices .....            | 13                               |
| Durrell Wildlife Preservation Trust .....         | 17                               |

## E

|   |                                   |
|---|-----------------------------------|
| Earth Day Canada .....                                      | 87, 96                            |
| EcoLogo-certified green power, see Green initiatives        |                                   |
| Economy/economics .....                                     | 32-43                             |
| Development .....   | 32, 34-38, 56                     |
| Economist .....   | 38, 41                            |
| Impact .....  | 32-43                             |
| Research .....  | 38                                |
| Sanctions .....   | 24, 26, 54, 58                    |
| Value of water .....  | 96                                |
| E-Courier .....   | 81                                |
| Education   |                                   |
| RBC After School Grants Project .....                       | 90, 95                            |
| Charitable support .....                                    | 93, 95                            |
| Educational initiatives .....                               | 45                                |
| Opportunities .....   | 33                                |
| Scholarship programs .....                                  | 65, 70                            |
| Elected officials, see Governments and government relations |                                   |
| EMAS 43 .....   | 66                                |
| Emergency backup eldercare .....                            | 66                                |
| Emerging technology .....                                   | 33, 42                            |
| Employee(s), see also Work and Workplace                    |                                   |
| Assistance programs .....                                   | 65, 66                            |
| Awareness .....   | 67, 25, 57                        |
| Benefits .....  | 7, 32, 33, 65, 66, 67             |
| Compensation .....  | 7, 10, 11, 32, 33, 42, 61, 65, 66 |
| Concerns .....  | 73                                |
| Contributions .....   | 66, 101                           |

|   |  |   |                        |
|---|--|---|------------------------|
| Donations .....   | 100  | Training .....  | 74                     |
| EmployeeCare .....  | 67   | Travel footprint .....  | 82                     |
| Employment .....  | 9, 32, 33, 37, 43, 62, 64, 69, 70, 95, 104 | Violations .....  | 43                     |
| Employment Equity .....   | 65   | Equal access, see Work and Workplace                                |                        |
| <i>Employment Equity Act</i> .....  | 7, 68                                      | Equal Employment Opportunity, see Work and Workplace                |                        |
| Employment in Canada .....  | 104  | Equal Opportunity Policy, see Work and Workplace                    |                        |
| Engagement .....  | 10, 11, 16, 62, 63, 64, 72-73              | Equator Principles, see Environment                                 |                        |
| Ombudsman .....   | 73   | Equity Program for Newcomers to Canada .....                        | 34                     |
| Opinion survey .....  | 16, 71                                     | ERM framework .....   | 23                     |
| Resource Groups .....   | 62, 63, 68, 70, 71                         | ESG investment screens, see SRI                                     |                        |
| Savings and share ownership programs .....  | 61   | E-text .....  | 50                     |
| Volunteerism .....  | 91   | Ethics .....  | 14, 20                 |
| End-of-life-solution, see Environment   |  | European Union Emissions Trading Scheme (EU ETS) .....              | 86                     |
| Energy, see also Environment  |  | E-waste .....   | 74, 84, 84             |
| Alternative energy development .....  | 75   | EXCEL Partnership .....   | 14, 88                 |
| Conservation .....  | 75   | Executive compensation .....  | 18, 19, 22             |
| Consumption .....   | 75, 78, 79-80                              | Expanded hours of service .....                                     | 44                     |
| Data .....  | 79   | External benchmarking .....   | 58, 59, 66             |
| Direct energy use .....   | 79   |   |                        |
| Energy management plan .....  | 80   | <b>F</b>  |                        |
| Efficiency .....  | 74, 75                                     | Facebook .....  | 45, 55, 57             |
| Footprint .....   | 79-80                                      | Fairness .....  | 21, 24, 57             |
| Intensity .....   | 7, 74, 80                                  | Families and Work Institute, The .....                              | 15                     |
| Literacy .....  | 75, 87                                     | Farm financing .....  | 40                     |
| Mapping .....   | 76   | Federal Home Loan Bank of Atlanta .....                             | 35                     |
| Engagement scores .....   | 16   | Federated appeals .....   | 100                    |
| Enterprise-wide departments and policies, see also Policies                                       |  | Fees .....  | 22, 49                 |
| Compliance Management .....   | 23   | Fernbank Museum .....   | 97                     |
| Crisis Management .....   | 23, 24                                     | Fiduciary risk .....  | 26                     |
| Risk Appetite Framework .....   | 23   | Film festivals, see Arts  |                        |
| Risk management framework .....   | 23, 29, 85                                 | Film Society of Lincoln Center, see Arts                            |                        |
| Environmental and Social Risk Management Policy .....   | 27, 75                                     | Financial advice .....  | 33, 35, 46, 47, 51, 55 |
| Entrepreneurs and entrepreneurship, see also Small business                                       |  | Financial Advice for Families .....                                 | 46                     |
| Resources for entrepreneurs .....   | 41   | Financial Coalition against Child Pornography .....                 | 29                     |
| Young Entrepreneurs Symposium .....   | 37   | Financial education and literacy .....                              | 45-46, 55-56           |
| Environment, see also Green initiatives   |  | Canadian Foundation for Economic Education, The .....               | 56                     |
| Activism .....  | 43   | Budgeting .....   | 45, 55, 56             |
| BOMA BEST (Building Owners and Managers Association Building Environmental Standards) .....       | 74, 84                                     | In-branch advice events .....                                       | 45, 51                 |
| BREEAM (Building Research Establishment Environmental Assessment Method Building standards) ..... | 74, 84                                     | Initiatives .....   | 33, 34, 45, 46, 55-56  |
| Carbon Disclosure Project .....   | 13, 18, 85                                 | Programs .....  | 46, 55-56              |
| Carbon Disclosure Project Canadian Leadership Index, The .....                                    | 13   | Task Force on Financial Literacy .....                              | 46                     |
| Carbon emissions trading group .....  | 75   | Financial performance .....   | 7, 22, 32,             |
| Carbon footprint .....  | 48, 84                                     | Financial reporting .....   | 26, 64, 18             |
| Clean technology .....  | 75   | Financial Stability Board's Principles for Sound Compensation ..... | 21                     |
| Climate change .....  | 10, 75, 76, 77                             | Practices and Implementation Standards .....                        | 20                     |
| CO <sub>2</sub> e emissions .....   | 7, 74                                      | Financial Transactions and Reports Analysis Centre of Canada .....  | 25                     |
| Credit risk assessments .....   | 75, 85                                     | Fines .....   | 10                     |
| End-of-life-solution .....  | 84   | First Nations, see Aboriginal                                       |                        |
| Environmental Bankers Association (U.S.), The .....   | 15   | First Tee, The .....  | 99                     |
| Environmental Defense .....   | 87   | Fondes Amandes Community Reforestation Project .....                | 96                     |
| Equator Principles .....  | 27, 29, 45, 54, 74, 75, 85, 86             | Food banks .....  | 100                    |
| Footprint .....   | 8, 10, 54, 78-84                           | <i>Foreign Corrupt Practices Act</i> .....                          | 25                     |
| Greenhouse gas (GHG) emissions 7, 74, 75, 78, 83  |  | Forest Ethics .....   | 17                     |
| Lending to renewable energy .....   | 87   | Forward-looking statements .....                                    | 3                      |
| Management .....  | 15, 27, 29, 43, 77-78                      | FPIC (free prior and informed consent) .....                        | 75                     |
| Office paper use .....  | 74, 81                                     | Fraud .....   | 9, 41, 45, 57          |
| Policy .....  | 27   | Financial fraud .....   | 50, 55, 57             |
| Products and services .....   | 10, 75, 86                                 | Monitoring .....  | 45, 57                 |
| RBC Environmental Blueprint .....   | 27, 74, 77, 78, 87                         | Prevention .....  | 45, 56, 57             |
| Recycling .....   | 74   | Free banking .....  | 46, 50                 |
| Responsible business activities .....   | 10, 84-85                                  | Free electronic transactions .....                                  | 45, 49                 |
| Risk management policies .....  | 27, 54, 75, 85                             | Freedom of association, see Work and workplace                      |                        |
| Sustainable cities .....  | 76   | Frontier College Foundation .....                                   | 38                     |

|                                  |                                    |
|----------------------------------|------------------------------------|
| Frontiers Foundation .....       | 38                                 |
| FTE (Full-time equivalent) ..... | 7, 60, 61, 74, 80, 81, 82, 83, 85, |
| FTSE4Good Index .....            | 13                                 |
| Full-time employees .....        | 68, 104, 109                       |
| Functional units .....           | 12                                 |

## G

|  |  |
|--|--|
| GentooGenie .....  | 35   |
| Get Your Business Online Canada .....                                      | 39   |
| GHG emissions, see Environment .....                                       | 83   |
| Global 100 Most Sustainable Corporations in the World .....                | 13   |
| Global Anti-Money Laundering Compliance Group .....                        | 25   |
| Global Asset Management .....  | 5, 31, 53, 86, 103                                     |
| Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria, The ..... | 14   |
| Global project finance transactions .....                                  | 29, 45, 54, 75, 86                                     |
| Global Reporting Initiative (GRI) .....                                    | 18, 29, 11-118   |
| Global Reporting Initiative Index .....                                    | 18, 29, 11-118   |
| Golf .....   | 87, 99, 102  |
| Gordon Nixon .....   | 8  |
| Governance .....   | 11-12, 14, 19-31, 41, 53, 77, 102                      |
| Advisory vote .....  | 19, 22   |
| Audit Committee .....  | 11-12, 21-22, 26                                       |
| Best Corporate Governance .....  | 14, 19   |
| Board independence .....   | 22-23  |
| Board of directors .....   | 11-12, 21-23   |
| Canadian Coalition for Good Governance .....                               | 14, 31   |
| Charter of the Board of Directors .....                                    | 23   |
| Committee Chair Mandate .....  | 23   |
| Committee Memberships .....  | 21   |
| Conflicts of interest .....  | 26, 31   |
| Committee Chair Mandate .....  | 23   |
| Corporate Governance and Public Policy Committee .....                     | 11-12, 21-22, 77, 102                                  |
| Director evaluation procedures .....                                       | 22   |
| Director independence .....  | 22-23  |
| Director independence policy .....   | 22-23  |
| Director stock option plan 2 .....   | 3  |
| Innovations .....  | 6, 9-10, 22, 33-34, 42                                 |
| Non-binding vote on executive compensation .....                           | 20   |
| Non-executive chairman mandate .....                                       | 23   |
| Practices .....  | 19, 20-28  |
| Statement of corporate governance practices .....                          | 23   |
| Stock options .....  | 23   |
| Structure .....  | 21   |
| Governments and government relations .....                                 | 2, 5, 15-17, 24-25, 28, 35, 36-38, 46, 51, 69, 75, 104 |
| Advocacy .....   | 17   |
| Canadian <i>Corruption of Foreign Public Officials Act</i> .....           | 25   |
| Elected officials .....  | 17   |
| Government officials .....   | 17, 25   |
| Lending to political parties .....   | 27-28  |
| Lobbying .....   | 27-28  |
| <i>Lobbying Act</i> .....  | 28   |
| <i>Lobbying Disclosure Act</i> .....                                       | 28   |
| Lobbying report .....  | 27-28  |
| <i>Lobbyist Registration Act</i> .....                                     | 27-28  |
| Political contributions .....  | 27-28  |
| Registry of Lobbyists .....  | 27-28  |
| Grant-makers, See Donations .....  | 102  |
| Great Ormond Street Hospital Children's Charity .....                      | 94   |
| Great Place to Work Institute Canada .....                                 | 62, 72   |
| Green initiatives, see also Environment                                    |  |
| Advice .....   | 54, 87   |

|   |                               |
|---|-------------------------------|
| Agriculture .....   | 27, 40, 75                    |
| Building standards .....  | 74, 76                        |
| Buildings .....   | 76, 87                        |
| Business financing .....  | 75                            |
| EcoLogo-certified green power .....   | 74, 80                        |
| Experience Green .....  | 87                            |
| Information technology .....  | 84                            |
| Green-certified office space .....  | 74, 84                        |
| Green IT Committee .....  | 84                            |
| Greening Business .....   | 87                            |
| Greening Greater Toronto Task Force, The .....                                    | 87-88                         |
| Green-powered branches .....  | 80                            |
| Green Ranking 2011 .....  | 13                            |
| Moving into the Mainstream: Green Buildings and LEED, see Green Initiatives ..... | 87                            |
| Partners in Project Green .....   | 15, 88                        |
| Power .....   | 74-75, 79-80, 83              |
| Products and services .....   | 53-54, 86                     |
| Regional Greenhouse Gas Initiatives (RGGI) .....                                  | 86                            |
| GRI, see Global Reporting Initiative .....  | 18, 29, 111-118               |
| Group Executive .....   | 11-12, 16, 21, 24, 64, 72, 77 |
| Group Risk Management .....   | 23-24, 68                     |
| Guidelines for Transfers of Registered Plans .....                                | 30                            |

## H

|  |               |
|--|---------------|
| Habitat for Humanity .....                         | 35, 105       |
| Haliwa-Saponi .....                                | 38            |
| Harassment .....                                   | 65            |
| Harbourfront Corporation .....                     | 99            |
| Headwaters Health Care .....                       | 94            |
| Hockey Canada .....                                | 99            |
| Hockey Hall of Fame, The .....                     | 99            |
| Home buying workshops .....                        | 55            |
| Home equity financing .....                        | 34, 45, 51    |
| Home financing on reserves, see Aboriginal .....   | 37            |
| Home Improvement Financing program .....           | 86            |
| Home ownership .....                               | 9, 32, 34, 55 |
| Hometown Heroes .....                              | 96            |
| Hospital programs .....                            | 94            |
| Housing affordability .....                        | 34-35, 37-38  |
| Housing Finance Authority of Pinellas County ..... | 35            |
| Housing Finance Corporation, The .....             | 35            |
| Housing trends .....                               | 38            |
| Human Resources .....                              | 5, 11-12      |
| Human Resources Committee .....                    | 12, 21-22, 64 |
| Human rights .....                                 | 29, 43, 64-65 |
| Humber River Regional Hospital .....               | 36            |
| Hurricane Irene .....                              | 100           |

## I

|   |                              |
|---|------------------------------|
| Illegal activity .....                                | 54                           |
| Imagine Canada .....                                  | 14, 89, 92-93                |
| Imagine Caring Company Program .....                  | 29, 92                       |
| Imagine H2O Innovation Challenge .....                | 87                           |
| Immigrant .....                                       | 15, 34, 37-38, 51-52, 56, 98 |
| Immigrant Investor Program .....                      | 51                           |
| Immigrant Salon Series .....                          | 53                           |
| Inappropriate behaviour, see Work and workplace ..... | 65                           |
| Incentive awards, see Work and Workplace .....        | 22                           |
| Incentive compensation, see Work and Workplace .....  | 22                           |
| Inclusion, see Diversity .....                        | 10, 14-15, 50, 62-63, 68-71  |



|  |  |
|--|--|
| Independent Filmmaker Project, see Arts .....  | 97   |
| Indices .....  | 13, 17-18  |
| Indirect energy use, see Energy .....  | 79   |
| Indirect financing .....   | 54   |
| Information security .....   | 45-46, 57  |
| Infrastructure projects .....  | 32, 36-37, 76, 86                                      |
| Innovation .....   | 6, 9-10, 22, 33-34, 42                                 |
| Innovation Chair in Canada-India Business Economic Development .....                 | 37   |
| Institute for Canadian Citizenship .....   | 98   |
| Institutional investors .....  | 5, 31  |
| Insurance .....  | 2, 4-5, 7, 9, 30, 44-45, 47, 49-50, 53, 58-60, 85, 110 |
| Insurance branches, see Network .....  | 47   |
| <i>Insurance Companies Act</i> .....   | 103  |
| Integrity .....  | 6, 8, 9-12, 19-31, 57, 64                              |
| INTERAC e-Transfers .....  | 49   |
| Internal trade .....   | 17   |
| International banking .....  | 4-5  |
| International Chamber of Commerce Business Charter for Sustainable Development ..... | 29   |
| International Ice Hockey Federation World Junior Championship .....                  | 99   |
| Internet gambling .....  | 54   |
| Interpreters .....   | 52   |
| Investment banking .....   | 4-5, 27  |
| Investment community .....   | 16   |
| Investment funds .....   | 19-31  |
| Investor Relations .....   | 16-17  |
| Analyst calls .....  | 16-17  |
| Annual Report .....  | 16-17  |
| Annual Meeting .....   | 16-17  |
| Quarterly Reports to Shareholders .....  | 16-17  |
| Investors .....  | 16-120, 31, 34, 53                                     |
| iPad .....   | 46   |
| iPhone .....   | 44, 48   |
| IR, see Investor Relations .....   | 16-17  |
| Irregularities .....   | 26   |
| ISO 14001 .....  | 43   |

|   |                        |
|---|------------------------|
| <b>J</b>                                  |                        |
| Jamaica Debt Exchange, The .....          | 36                     |
| Jamaica Junior Achievement .....          | 56                     |
| Jantzi Social Index .....                 | 13, 53, 86             |
| Jersey Swimathon .....                    | 99                     |
| Job sharing, see Work and Workplace ..... | 61, 66                 |
| Jobs .....                                | 8-9, 33, 39, 56, 61-73 |
| JUMP Math .....                           | 38                     |
| Junior Achievement .....                  | 56, 95, 101            |
| Jurisdictions .....                       | 4, 24                  |

|                        |           |
|------------------------|-----------|
| <b>K</b>               |           |
| Key Life Moments ..... | 46        |
| Kids Help Phone .....  | 94        |
| Know Your Client ..... | 25-26, 57 |

|  |                          |
|--|--------------------------|
| <b>L</b>                                     |                          |
| Labour standards .....                       | 42-43, 84                |
| Land claim settlements, see Aboriginal ..... | 37                       |
| Landfill .....                               | 36, 84                   |
| Landmines .....                              | 54                       |
| Land-use planning .....                      | 76                       |
| Languages .....                              | 39, 44-45, 47, 51-52, 55 |

|  |                                |
|--|--------------------------------|
| Laws and regulations .....   | 24, 27, 53                     |
| Leadership in Energy and Environmental Design (LEED), see Environment .....    | 35, 74, 76, 84, 87             |
| Learn to Skate .....   | 99                             |
| Learning and career opportunities, see Work and workplace .....                | 66-67                          |
| Leasehold Mortgage Program for First Nations, see Aboriginal .....             | 34                             |
| Leasing solutions .....  | 40                             |
| LEED (Leadership in Energy and Environmental Design), see Environment .....    | 35, 74, 76, 84, 87             |
| Lending products .....   | 9-10, 27, 34-35, 39-40, 53, 87 |
| Lending to renewable energy, see Environment .....                             | 87                             |
| Lesbian, gay, bisexual and transgendered (LGBT) employees, see Diversity ..... | 71, 90, 98                     |
| Lexpert Zenith Awards .....  | 13                             |
| LGBT, see Diversity .....  | 71, 90, 98                     |
| Liberty Life Insurance Company .....   | 2                              |
| Lifecycle impact assessment .....  | 43                             |
| Likelihood-to-recommend scores .....   | 45, 59                         |
| Listowel Memorial Hospital .....   | 94                             |
| Loaned employees .....   | 100                            |
| Lobbying, see Governments and government relations .....                       | 17, 19, 27-28                  |
| Long Beach Courthouse .....  | 36                             |
| Long-term shareholder value .....  | 22                             |
| Low- and moderate-income communities .....                                     | 35, 39, 44, 50                 |
| Low-cost account for small business .....                                      | 40                             |
| Low-cost banking .....   | 30, 40, 46, 49, 50             |
| Low-cost Canadian deposit account .....  | 46, 50                         |
| Low-income consumers .....   | 35, 46, 50-51, 56              |
| Low-rate credit cards .....  | 46                             |
| Lynden Pindling International Airport .....                                    | 35                             |

## M

|   |                                 |
|---|---------------------------------|
| Make a Complaint, see Clients .....   | 18                              |
| Management Proxy Circular .....   | 52                              |
| Mandarin .....  | 41, 54, 75, 87                  |
| Manufacturing .....   | 4, 7, 32                        |
| Market capitalization .....   | 57                              |
| Market conduct rules .....  | 7, 8, 9, 12, 33, 44-60,         |
| Marketplace .....   | 30                              |
| MasterCard Zero Liability Policy .....  | 13, 62                          |
| Maternity, parental and family responsibility leave, see Work and workplace ..... | 67                              |
| Mediacorp Canada .....  | 30                              |
| Medical specialists .....   | 94                              |
| Memorandum of Understanding: Low-Fee Accounts .....                               | 43, 62, 68, 70, 71, 98          |
| Mental illness .....  | 51                              |
| Mentoring .....   | 52                              |
| Microcredit .....   | 40                              |
| Microfinance .....  | 22                              |
| MicroFIT .....  | 14                              |
| Minimum share ownership requirement .....   | 44, 47, 48, 58, 60              |
| Minnesota Keystone Program, The .....   | 58                              |
| Mobile banking .....  | 44                              |
| guarantees .....  | 52                              |
| financial services .....  | 45, 47, 63                      |
| mortgage specialists .....  | 56                              |
| sales force .....   | 100                             |
| Momentum Community Economic Development Society .....                             | 19, 24, 25, 26                  |
| Moncton Youth Residences, The .....   | 33, 45, 51, 55, 56              |
| Money laundering .....  | 27, 34, 37, 39, 40, 52, 53, 100 |
| Money management .....  | 13                              |
| Mortgages .....   | 13                              |
| Most Attractive Employers in Canada .....   | 13                              |
| Most Valuable Brand in Canada .....   | 13                              |

|   |        |
|---|--------|
| Moving into the Mainstream: Green Buildings and LEED, see Green Initiatives |        |
| Multilingual services   | 52     |
| Mutual fund governance  | 31     |
| myFinanceTracker  | 45, 55 |

## N

|  |                                    |
|--|------------------------------------|
| Nassau port operations                                     | 36                                 |
| National Aboriginal Housing Program                        | 35                                 |
| National Geographic  | 96                                 |
| National Minority Supplier Development Council             | 15                                 |
| National Music Centre                                      | 97                                 |
| National September 11 Memorial and Museum                  | 100                                |
| National Sport Trust Fund                                  | 99                                 |
| Nature Conservancy of Canada                               | 17                                 |
| Neighborhood Lending Partners of West Florida              | 35                                 |
| Network  |                                    |
| ATMs (automated teller machine)                            | 7, 44, 47, 48, 50, 107-108         |
| ATM (bank machine) openings and closings                   | 107-108                            |
| Banking centres  | 39                                 |
| Banking locations  | 47                                 |
| Branches   | 7, 41, 44, 46, 47, 48, 50, 52, 106 |
| Branches closed and opened in Canada                       | 106                                |
| Closures   | 48                                 |
| Enhancements   | 48                                 |
| Insurance branches   | 5, 7, 44, 50                       |
| Policy on branch closures                                  | 48                                 |
| Retail banking and insurance network                       | 47                                 |
| Network Group  | 35                                 |
| New Canadians  | 42, 51, 55, 62, 68, 71, 72, 95     |
| Newcomers  | 34, 37, 45, 51, 63, 69, 90, 98     |
| NFPs, see Not-for-profit organizations                     |                                    |
| NGOs, see Non-governmental organizations                   |                                    |
| Non-binding vote on executive compensation, see Governance |                                    |
| Non-discrimination   | 64, 65                             |
| Non-executive Chairman Mandate, see Governance             |                                    |
| Non-governmental organizations                             | 2, 16, 17, 18, 84                  |
| Non-profit organizations, see Not-for-profit organizations |                                    |
| North American High Performance Companies                  | 62                                 |
| North Carolina Board of Elections                          | 28                                 |
| North Carolina Missions of Mercy                           | 94                                 |
| Not-for-profit organizations                               | 29, 33, 38, 40-41, 45, 55, 96      |
| NYSE   | 4                                  |

## O

|   |                                  |
|---|----------------------------------|
| Objectivity   | 24                               |
| Occupational health and safety, see Procurement                   | 43                               |
| Occupational health and safety, see Work and Workplace            | 67                               |
| OECD Guidelines for Multinational Enterprises                     | 29                               |
| Office design   | 63                               |
| Office of the Superintendent of Financial Institutions (see OSFI) | 23                               |
| Office paper use, see Environment                                 | 7, 74, 81                        |
| Olympics  | 99, 102                          |
| One to One Literacy   | 38                               |
| Online banking  | 7, 40, 44, 47-48, 51, 55, 57, 59 |
| Online design standards   | 50                               |
| Online guarantees   | 46, 57                           |
| Online payments   | 30                               |
| Ontario Ministry of Municipal Affairs and Housing Brownfield      |                                  |
| Stakeholder Group, The  | 15                               |
| Opening a bank account  | 47                               |
| Operating subsidiaries  | 17                               |

|   |                      |
|---|----------------------|
| Operation Beaver Program                          | 38                   |
| Optional benefits program, See Work and workplace | 66                   |
| Organizational culture                            | 23                   |
| OSFI  | 23                   |
| Overdraft protection                              | 46, 48               |
| Ownership   | 9, 22, 34, 61, 65-66 |

## P

|   |                           |
|---|---------------------------|
| PACs (Political action committees), see Governments and government relations        | 28                        |
| Paper consumption   | 7, 74, 81                 |
| Paper footprint   | 7, 74, 81                 |
| Partners in Project Green, see Green initiatives                                    | 88                        |
| Part-time employees, See Work and workplace   | 4, 7, 66, 68, 104, 109    |
| Pathways to Education Canada  | 95                        |
| Pay for performance   | 20, 61                    |
| Payday loans  | 46                        |
| Payment solutions   | 5, 46                     |
| Payroll deductions  | 66, 90-91, 100            |
| Peer reviews, See Work and workplace  | 22, 71                    |
| Pension plans, see Work and workplace   | 66                        |
| People management, see Work and workplace   | 11, 16, 58, 62, 71        |
| People with disabilities, see also Work and workplace                               | 7, 62, 68, 70, 90, 98     |
| Performance management, see Work and workplace                                      | 11, 16, 58, 62, 71        |
| Performance-based incentive pay, see Work and workplace                             | 65                        |
| Personal and commercial banking   | 4                         |
| Personal banking  | 55                        |
| Phased retirement, see Work and workplace   | 61, 63, 66                |
| Philanthropic Foundations Canada  | 14                        |
| Phillips, Hager & North Community Values Funds                                      | 53                        |
| Phillips, Hager & North Investment Funds Ltd.                                       | 103                       |
| Plain language  | 30, 48, 58                |
| Plain Language Mortgage Documents   | 30, 58                    |
| Play Hockey 89, 99Pledges and priorities  | 9-10                      |
| PNC Financial Services Group Inc.   | 2, 5, 47, 49              |
| Policies  |                           |
| AML certifications  | 25                        |
| And procedures  | 24                        |
| Anti-bribery/anti-corruption  | 25                        |
| Anti-money laundering   | 25                        |
| Anti-terrorism  | 26                        |
| Client due diligence  | 26                        |
| Code of Conduct   | 24                        |
| Compliance  | 24-25                     |
| Director independence, see Governance   | 22-23                     |
| Enterprise-wide policies  | 23, 25-27, 65, 75, 77, 85 |
| Environment   | 27                        |
| Environmental and social risk management policies                                   | 27                        |
| Fiduciary risk  | 26                        |
| Political contributions and lobbying, see also Governments and government relations | 27-28                     |
| Privacy   | 25                        |
| Political action committees (PACs), see Governments and government relations        | 28                        |
| Political contributions, see Governments and government relations                   | 27-28                     |
| Pollution Probe   | 17, 87, 96                |
| Population  | 8, 36, 50, 76, 78         |
| Poverty   | 51, 95                    |
| Pricing   | 49                        |
| Primer on Energy Systems in Canada, The   | 87                        |
| Princess Margaret Hospital  | 35                        |
| Principles and charters   | 29-30                     |
| Principles of Consumer Protection for Electronic Commerce: A Canadian Framework     | 30                        |

|   |                                  |
|---|----------------------------------|
| <b>U</b>  |                                  |
| U.K. Bribery Act .....  | 25                               |
| U.S., see United States .....   |                                  |
| U.S. & International Wealth Management .....                          | 5                                |
| U.S. Conference Board Council on Workforce Diversity, The .....       | 15                               |
| U.S. Congress .....   | 17                               |
| U.S. Environmental Bankers Association .....                          | 88                               |
| U.S. House of Representatives .....                                   | 28                               |
| U.S. <i>Private Securities Litigation Reform Act of 1995</i> .....    | 3                                |
| U.S. Senate .....   | 28                               |
| U.S.-dollar credit line .....   | 40                               |
| UN Environment Programme Finance Initiative .....                     | 15, 88                           |
| Unauthorized transactions .....                                       | 57                               |
| Under-served clients and groups .....                                 | 50                               |
| Undertaking on Right of Rescission of Principal Protected Notes ..... | 30                               |
| Undertaking on Unsolicited Services .....                             | 30                               |
| Undocumented agreements .....   | 54                               |
| Union, trade, see Work and workplace .....                            | 65                               |
| United Nations Environment Programme Finance Initiative, .....        | The 15, 88                       |
| United States .....   | 1-2                              |
| United Way .....  | 100                              |
| Universal Declaration of Human Rights .....                           | 29                               |
| Universal Life Trends and Best Practices Report .....                 | 58                               |
| Universities .....  | 95                               |
| University of the Fraser Valley .....                                 | 37                               |
| Urban Financial Services Coalition .....                              | 15                               |
| Urbanization .....  | 76                               |
| USA Hockey .....  | 99                               |
| <b>V</b>  |                                  |
| Vacation days, see Work and Workplace .....                           | 61, 67                           |
| Values .....  | 5                                |
| Vancouver Community College Educational Foundation .....              | 56                               |
| Vanier Institute of the Family, The .....                             | 15                               |
| Vendors, See Procurement .....  | 42                               |
| Verification of funds .....   | 47                               |
| Victoria Women's Transition House Society .....                       | 56                               |
| Visa E-Promise .....  | 30                               |
| Visa Zero Liability Policy .....                                      | 30                               |
| Visible minorities .....  | 62, 68, 71                       |
| In executive roles .....  | 68                               |
| In middle management .....  | 68                               |
| Vision .....  | 5                                |
| Vital statistics .....  | 7                                |
| Voluntary guidelines .....  | 54, 75                           |
| Voluntary public commitments .....                                    | 29-30, 57-58, 92                 |
| Voluntary sector .....  | 46                               |
| <b>W</b>  |                                  |
| W.R. Torres Foundation for the Blind .....                            | 98                               |
| Waste generation .....  | 84                               |
| Water .....   |                                  |
| Canadian Water Summit .....   | 87, 96                           |
| RBC Blue Water Project .....  | 76, 90, 96                       |
| Water availability .....  | 76                               |
| Water conservation .....  | 77                               |
| Water quality .....   | 76, 87                           |
| Water shortages .....   | 76                               |
| Water technologies .....  | 76                               |
| Water-efficient fixtures .....  | 84                               |
| Watersheds .....  | 84                               |
| Waterstone Human Capital .....  | 13, 62, 72                       |
| Wealth management .....   | 5-6, 53, 59, 62, 67, 72, 82, 101 |
| Web Consortium (W3C) Web Content Accessibility Guidelines .....       | 50                               |
| Webcasts .....  | 70-72                            |
| WEConnect Canada .....  | 43, 70                           |
| Welcome to Canada .....   | 52                               |
| Wellness, see also Health and wellness .....                          | 64, 66-67                        |
| Wheelchair accessibility .....  | 50                               |
| Wildfowl and Wetland Trust .....                                      | 101                              |
| Women .....   |                                  |
| Advancement .....   | 69                               |
| In executive roles .....  | 68                               |
| In management .....   | 68                               |
| In middle management .....  | 68                               |
| Women's Executive Network .....                                       | 15                               |
| Work and workplace, see also Employees .....                          | 61-73                            |
| 360-degree reviews .....  | 71                               |
| 401(k) program .....  | 66                               |
| Aging workforce .....   | 63                               |
| Annual incentive bonus program .....                                  | 66                               |
| Benefits programs .....   | 65-67                            |
| Best Employers for New Canadians .....                                | 13, 62, 68, 72                   |
| Best Places to Work .....   | 62, 72                           |
| Canada's Best Diversity Employers .....                               | 13, 62, 68, 72                   |
| Canada's Best Employers for New Canadians .....                       | 13, 62, 72                       |
| Canada's Greenest Employers .....                                     | 13                               |
| <i>Canadian Human Rights Act</i> .....                                | 65                               |
| Career development .....  | 16, 61, 64, 67                   |
| Career Edge .....   | 14, 69                           |
| Career information guide .....  | 67                               |
| Collective bargaining .....   | 65                               |
| Compensation philosophy .....   | 65                               |
| Discount programs .....   | 61, 65                           |
| Equal access .....  | 50                               |
| Equal Employment Opportunity .....                                    | 64                               |
| Equal Opportunity Policy .....  | 64                               |
| Flexible benefits .....   | 66-67                            |
| Flexible work arrangement .....                                       | 61, 63-64, 66-67                 |
| Flexible working environment .....                                    | 61, 63-64, 66-67                 |
| Flexiplace .....  | 61, 63, 66                       |
| Flextime .....  | 61, 63, 66                       |
| Freedom of association .....  | 65                               |
| Health coverage .....   | 63, 66-67                        |
| Health, safety and wellness .....                                     | 66-67                            |
| Healthy lifestyles .....  | 67                               |
| Hours of work .....   | 64                               |
| Inappropriate behaviour .....   | 65                               |
| Job sharing .....   | 61, 66                           |
| Learning and career opportunities .....                               | 66-67                            |
| Maternity, parental and family responsibility leave .....             | 66                               |
| Modified work week .....  | 61, 64, 67                       |
| Occupational health and safety .....                                  | 67                               |
| Older workers .....   | 63                               |
| Optional benefits program .....                                       | 66                               |
| Part-time employees .....   | 4, 7, 66, 68, 104, 109           |
| Peer reviews .....  | 22, 71                           |
| Pension plans .....   | 66                               |
| People management .....   | 64, 71                           |
| People with disabilities .....  | 7, 62, 68, 70, 90, 98            |
| Performance management .....  | 11, 16, 58, 62, 71               |
| Performance-based incentive pay .....                                 | 65                               |
| Phased retirement .....   | 61, 63, 66                       |
| Pursue Your Potential™ recruitment program .....                      | 70                               |
| Recruitment .....   | 62, 68, 70                       |
| Retirement and savings programs .....                                 | 61, 63, 65-67                    |

|  |                              |
|--|------------------------------|
| Privacy and information security .....                       | 57                           |
| Privacy and Security website .....                           | 57                           |
| Procurement .....  | 11-12, 17, 27, 33, 42-43, 84 |
| Canadian Aboriginal and Minority Supplier Council, The ..... | 43                           |
| Guidelines .....   | 42-43                        |
| Policy .....   | 42-43                        |
| Suppliers and supply-chain management .....                  | 43                           |
| Top Canadian Bank for Supplier Labour Standards .....        | 13                           |
| Products .....   | 27, 34-41, 44-60             |
| Development .....  | 27                           |
| Responsibility .....   | 53-54                        |
| Productivity .....   | 38, 41-42                    |
| Professional development .....                               | 61, 67                       |
| Project finance .....  | 29, 45, 54, 75, 86           |
| Public Accountability Statement .....                        | 103-110                      |
| Public policy .....  | 16, 21, 23, 38               |
| Public/private partnerships .....                            | 36, 76                       |
| Purchasing, see Procurement .....                            | 11-12, 17, 27, 33, 42-43, 84 |

## Q

|   |    |
|---|----|
| Quarterly Reports to Shareholders, see Investor relations ..... | 18 |
|---|----|

## R

|  |                           |
|--|---------------------------|
| Rain garden .....                                  | 96, 101                   |
| Rainforest Action Network .....                    | 17                        |
| Raleigh Youth Hockey Association .....             | 99                        |
| Rating agencies .....                              | 16, 17, 18                |
| RBC 4-H Rural-Urban Youth Outreach Program .....   | 40                        |
| RBC Aboriginal Stay in School Program .....        | 70                        |
| RBC Aboriginal Student Awards Program .....        | 70                        |
| RBC Advice Centre .....                            | 46, 51, 55, 60            |
| RBC After-School Grants Project .....              | 90, 95                    |
| RBC Bank .....                                     | 2, 28, 39, 41, 44, 47, 52 |
| RBC Better Student Life .....                      | 45, 51                    |
| RBC Blue Water Project .....                       | 76, 90, 96                |
| RBC Blue Water Project locator .....               | 96                        |
| RBC Canadian Open .....                            | 87                        |
| RBC Canadian Painting Competition, The .....       | 97                        |
| RBC Capital Markets .....                          | 22, 28, 75                |
| RBC Centre .....                                   | 2, 63                     |
| RBC Chief Economist .....                          | 41                        |
| RBC Children's Mental Health Project .....         | 90, 94                    |
| RBC Commercial Advice Centre .....                 | 87                        |
| RBC Dexia Investor Services .....                  | 5                         |
| RBC Direct Investing Inc. ....                     | 103                       |
| RBC Diversity Blueprint™ .....                     | 62, 63, 69                |
| RBC Diversity Leadership Council .....             | 68                        |
| RBC Dominion Securities Inc. ....                  |                           |
| RBC Emerging Artists Project, see Arts .....       |                           |
| RBC Emerging Filmmakers Competition .....          | 97                        |
| RBC Energy Saver™ Loan .....                       | 54, 86                    |
| RBC Energy Saver™ Mortgage .....                   | 54, 86                    |
| RBC Environmental Blueprint, see Environment ..... |                           |
| RBC Ex-Military Recruitment Program .....          | 68                        |
| RBC Foundation .....                               | 12, 101-102               |
| RBC Funds .....                                    | 31                        |
| RBC General Insurance Company .....                | 103                       |
| RBC Global Asset Management .....                  | 86, 103                   |
| RBC How Business Works .....                       | 56                        |
| RBC How Money Works .....                          | 56                        |
| RBC Insurance Company of Canada .....              | 103                       |

|   |   |
|---|---|
| RBC Insurance® Payout Annuities .....                                   | 50  |
| RBC Jantzi Funds, see SRI .....   |   |
| RBC Leo's Young Savers Account .....                                    | 51  |
| RBC LIC .....   | 109   |
| RBC Life Insurance Company .....  | 2, 103, 109                                   |
| RBC Next Great Innovator Challenge .....                                | 42  |
| RBC Office of the Ombudsman .....                                       | 16, 45, 60                                    |
| RBC Olympians .....   | 99  |
| RBC Ombudsman .....   | 26  |
| RBC Phillips, Hager & North Investment Counsel Inc. ....                | 103   |
| RBC Play Hockey™ .....  | 99  |
| RBC Race for the Kids .....   | 94, 100                                       |
| RBC Rain Garden .....   | 101   |
| RBC Royal Bank™ retail store .....                                      | 44  |
| RBC SIFE Newcomer Advancement Project .....                             | 42, 95  |
| RBC Summer Arts Workshop .....  | 97  |
| RBC Talk English Café .....   | 70  |
| RBC Team Action Grant .....   | 101   |
| RBC Trustees International Limited .....                                | 103   |
| RBC Workplace Principles .....  | 64  |
| RBC Young Leaders program .....   | 95  |
| RBC® Guaranteed Acceptance Life Insurance .....                         | 50  |
| RBMC .....  | 109   |
| Real Estate Construction .....  | 33  |
| Real Estate Operations .....  | 12  |
| Rebates .....   | 50, 86  |
| Recognition .....   | 13  |
| Records management .....  | 57  |
| Recruitment, see Work and workplace .....                               |   |
| Recycling, see Environment .....  |   |
| Red Cross .....   | 100, 101                                      |
| Regent Park .....   | 95  |
| Regina Adult Learning Centre, The .....                                 | 56  |
| Regional donations managers .....                                       | 12  |
| Regional Greenhouse Gas Initiatives (RGGI), see Green initiatives ..... |   |
| Registry of Lobbyists, see Governments and government relations .....   |   |
| Regulators .....  | 2, 16, 17, 18, 20, 22, 23, 28                 |
| Regulatory compliance risk .....  | 19, 23  |
| Regulatory reporting .....  | 54  |
| Regulatory requirements .....   | 9, 19, 47, 92                                 |
| Relay Services .....  | 50  |
| Religion and religious leave guidelines .....                           | 61, 65  |
| Remote banking .....  | 50, 52  |
| Remote deposit .....  | 40  |
| Renewable energy, see Energy .....                                      |   |
| Renters .....   | 34  |
| Reporting Hotline .....   | 26  |
| Reports and Reporting .....   | 2, 3, 17-18, 23, 25, 26, 54, 64, 76, 102, 111 |
| Corporate Responsibility Report .....                                   | 2-3, 17-18                                    |
| Corporate Responsibility Review .....                                   | 18  |
| Reporting and disclosure mechanisms .....                               | 23  |
| Reporting guidelines for charitable partners .....                      | 102   |
| Reputation .....  | 13, 23  |
| Reputation risk framework .....   | 23  |
| Resignations .....  | 22  |
| Resources for entrepreneurs, see Entrepreneurs .....                    |   |
| Responsibility .....  |   |
| Accountability for Corporate Responsibility .....                       | 11  |
| Borrowing .....   | 33  |
| Lending .....   | 24, 27, 28, 34, 39, 40, 53, 85, 87            |
| Procurement .....   | 11, 12, 17, 27, 42-43, 78, 84                 |
| Restricted transactions .....   | 54  |
| Retail banking and insurance network, see Network .....                 |   |
| Retirement and savings programs, see Work and workplace .....           |   |
| Revenue .....   | 7, 32   |

|  |   |
|--|---|
| RHS Chelsea Flower Show .....                        | 96  |
| Right to Play .....                                  | 98  |
| Risk Management .....                                | 12, 19, 23-24, 26, 27, 53, 54, 65, 75, 85 |
| Assessment tools .....                               | 25  |
| Appetite .....                                       | 19, 23, 27, 53                            |
| Capacity .....                                       | 23  |
| Culture .....  | 23  |
| Oversight .....                                      | 19, 21                                    |
| Policies .....                                       | 24, 27, 53, 75, 85                        |
| Profile .....  | 19, 23                                    |
| Royal Bank Mortgage Corporation .....                | 2, 103, 109                               |
| Royal Bank of Canada declarants .....                | 103                                       |
| Royal Bank of Canada Public Accountability Statement |   |
| Royal Eagles, see Aboriginal                         |   |
| Royal Eagles Backpack Program, see Aboriginal        |   |
| Royal Ontario Museum .....                           | 96  |
| Royal Trust Corporation of Canada .....              | 103                                       |

## S

|   |                        |
|---|------------------------|
| S.U.C.C.E.S.S. ....                     | 37                     |
| Savvy Cents .....                       | 56                     |
| Securities regulators .....             | 22                     |
| Security practices and processes .....  | 25, 45, 46, 57         |
| Self-directed brokerage .....           | 57                     |
| Self-serve channels .....               | 44                     |
| Seniors .....                           | 45, 46, 49, 50, 57     |
| Service-level agreements .....          | 17                     |
| Sexual orientation .....                | 63, 65                 |
| Shareholders .....                      |                        |
| Annual meeting .....                    | 16, 22                 |
| Annual Report .....                     | 2, 3, 5, 16, 18, 32    |
| Interests .....                         | 22, 26, 61             |
| Return to shareholders .....            | 34                     |
| Value .....                             | 22                     |
| Shareholders' Auditor .....             | 21                     |
| Sherbourne Health Centre .....          | 98                     |
| Simplified processes .....              | 40                     |
| Slave Lake, Alberta .....               | 100                    |
| Small business .....                    | 39-41, 47, 51, 85, 105 |
| Account managers .....                  | 39, 40, 41             |
| Loans to small business in Canada ..... | 105                    |
| Innovation .....                        | 32, 33, 34, 42         |
| Resource centre .....                   | 41                     |
| Social activism campaigns .....         | 43                     |
| Social entrepreneurship .....           | 33                     |
| Social impact .....                     | 10, 91, 92, 102        |
| Social Investment Organization .....    | 30, 31                 |
| Social media .....                      | 45, 61                 |
| Social services .....                   | 93, 100                |
| Socially responsible investing, see SRI |                        |
| Solar panel financing .....             | 33, 40, 86             |
| Sourcing, see Procurement               |                        |
| South Tyne & Wear Waste Project .....   | 36                     |
| Spanish .....                           | 45, 51, 52, 55         |
| Special Olympics, see Community         |                        |
| Sponsorships, see Community             |                        |
| SRI (Socially Responsible Investing)    |                        |
| Community .....                         | 17                     |
| ESG investment screens .....            | 53                     |
| Funds .....                             | 53, 86                 |
| Market .....                            | 53                     |
| Mutual funds .....                      | 53                     |

|  |   |
|--|---|
| RBC Jantzi Funds .....   | 53  |
| Researcher Priority List .....   | 17  |
| Wealth Management Group .....  | 53  |
| St. Francis Xavier University Financial Literacy for Women Program ..... | 56  |
| St. Lucia Jazz Festival's Side Stage program .....                       | 97  |
| Stakeholders .....   | 2, 16-17                                      |
| Standards .....  | 22, 25, 26, 42-43, 50, 54, 57, 64, 74, 76, 84 |
| Stephen Leacock Foundation for Children, The .....                       | 38  |
| Stock options, see Governance  |   |
| Strategic focus areas, see Community                                     |   |
| Students .....   | 38, 42, 46, 49, 50, 51, 56, 70, 95, 97        |
| Students in Free Enterprise .....  | 42, 95  |
| Subsidiaries .....   | 2, 4, 17, 103, 110                            |
| Suppliers and Supply-chain management, see Procurement                   |   |
| Sustainability .....   | 3, 8, 10, 11, 14, 17, 18, 37, 52, 58, 75, 87  |
| Sustainability 50 .....  | 14  |
| Sustainability indices .....   | 13, 17  |
| Sustainability Report Card .....   | 18  |
| Sustainability survey submissions .....                                  | 18  |
| Sustainable cities, see Environment                                      |   |

## T

|  |                       |
|--|-----------------------|
| Taking Care of my Business .....   | 41                    |
| Talent .....   | 61, 63, 65, 67-68, 97 |
| Task Force on Financial Literacy, see Financial education and literacy ..... | 46, 55                |
| Tax Credit Equity Group .....  | 35                    |
| Taxes .....  | 34, 104               |
| Avoiding tax evasion and fraud .....   | 24, 57                |
| Taxes paid in Canada .....   | 104                   |
| Teamwork .....   | 16, 64, 68            |
| Technology & Operations .....  | 5                     |
| Telecommuting .....  | 41, 63                |
| Telephone banking .....  | 50, 52, 59            |
| TelePresence .....   | 48                    |
| Ten Most Admired Corporate Cultures .....                                    | 13, 62, 72            |
| Terrorism financing .....  | 24-26, 57-58          |
| Royal Trust Company, The .....   | 103                   |
| Third-party certifications .....   | 43, 84, 109, 112      |
| TIFF Talent Lab, see Arts  |                       |
| Top 25 Canadian Immigrants .....   | 37                    |
| Top 50 Socially Responsible Corporations .....                               | 13                    |
| Top Canadian Bank for Supplier Labour Standards, see Procurement .....       | 13, 42                |
| Top employer awards, see Work and workplace                                  |                       |
| Top Employers for Canadians Over 40, see Work and workplace .....            | 13, 62, 68, 72        |
| Toronto Atmospheric Fund .....   | 17, 87                |
| Toronto International Film Festival (TIFF), see Arts                         |                       |
| Toronto Region Immigrant Employment Council, The, see Diversity              |                       |
| Total rewards, see Work and workplace  |                       |
| Trade financing .....  | 40                    |
| Training, see Work and workplace   |                       |
| Transaction processing .....   | 4                     |
| Transparency .....   | 20-21                 |
| Transportation strategies .....  | 76                    |
| Travel footprint, see Environment  |                       |
| Triangle Special Hockey Association .....                                    | 99                    |
| Tribute to Teachers program .....  | 95                    |
| Trust .....  | 19, 24, 37            |
| <i>Trust and Loan Companies Act</i> .....                                    | 103                   |
| TSX .....  | 4                     |
| Twitter .....  | 45, 55                |

|  |                                  |
|--|----------------------------------|
| Salary .....                                   | 65-66                            |
| Savings and share ownership plans .....        | 61, 65-66                        |
| Savings and wealth accumulation programs ..... | 66                               |
| Top employer awards .....                      | 13, 62-63, 68, 72                |
| Top Employers for Canadians Over 40 .....      | 13, 65, 72                       |
| Total rewards .....                            | 10, 61, 65-66, 72                |
| Training .....                                 | 67                               |
| Training and career development .....          | 16, 61, 63-64, 67-68, 70-72, 75  |
| Training programs .....                        | 16, 61, 63-64, 67-68, 70, 72, 75 |
| Union/Trade Union .....                        | 65                               |
| Unpaid leave .....                             | 67                               |
| Vacation days .....                            | 61, 67                           |
| Variable incentive awards .....                | 22                               |
| Work/life counselling services .....           | 66                               |
| Work/life effectiveness .....                  | 63                               |
| Work/life flexibility .....                    | 16, 65-66                        |
| Worker mobility .....                          | 63                               |
| Workforce .....                                | 7, 10, 61-73                     |
| Workforce diversity .....                      | 7, 63, 68-71                     |
| Workplace flexibility options .....            | 63, 65                           |
| Workplace guiding principles .....             | 65                               |
| Workplace practices .....                      | 61-73                            |
| Workplace programs .....                       | 61-73                            |
| Work-sharing .....                             | 64, 67                           |
| World Wildlife Fund .....                      | 17, 87                           |

## Y

|  |        |
|--|--------|
| Young Entrepreneurs Symposium, see Entrepreneurs ..... | 37, 41 |
| YourMoney seminars .....                               | 56     |
| YouTube .....  | 45     |



Trademarks used in this document include the RBC Lion & Globe Design, Royal Bank of Canada, Royal Bank, RBC, RBC Royal Bank, RBC Bank, RBC Blueprint For Doing Better, RBC Blue Water Project, RBC Capital Markets, RBC Centre, RBC Diversity Blueprint, RBC Energy Saver, RBC Environmental Blueprint, RBC Foundation, RBC Funds, RBC Global Asset Management, RBC Insurance, RBC Leo's Young Savers Account, RBC Next Great Innovator Challenge, RBC Wealth Management, RBC Wicket Cricket, Diversity Works Here, HomeProtector, LoanProtector, *myFinanceTracker*, and Pursue Your Potential, which are trademarks of Royal Bank of Canada used by Royal Bank of Canada and/or its subsidiaries under license. RBC Dexia IS and affiliated Dexia companies are licensed users of the RBC trademark. VISA is a registered trademark of Visa International Service Association. All other trademarks mentioned in this report, including those that are identified with the \* symbol, which are not the property of Royal Bank of Canada, are owned by their respective holders.

© Royal Bank of Canada 2012 — all rights reserved.

This publication is also available in audio format and in print, at no cost.

A short print version of this report is also available, called “2011 Corporate Responsibility Review.”

To provide feedback or to order print or audio formats:

The Editor  
RBC Corporate Responsibility Report and Public Accountability Statement  
RBC Centre  
155 Wellington Street West, 18th Floor  
Toronto, Ontario  
Canada  
M5V 3K7

Email: [corporateresponsibilityreport@rbc.com](mailto:corporateresponsibilityreport@rbc.com)

Ce document est également publié en français.