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COMMUNITY



RBC™ is consistently recognized as one of Canada’s leading corporate citizens, thanks to our community and environmental programs and the involvement of our 80,000 employees worldwide. To help strengthen the social fabric of the communities in which we live and work, we support a broad range of causes in virtually all charitable sectors, and provide deep, focused support to key causes that reflect our company’s chosen priorities.

You made record profits in 2012.



How are you giving back to communities?

OVER \$95 MILLION in donations and sponsorships for community events and organizations



\$1.12 million donated to celebrate the volunteer efforts of OUR EMPLOYEES



9,000+ donations to CHARITIES WORLDWIDE



\$16.9 million donated to United Way



Community priorities	2012 Performance highlights	2013 Plans
<p>Provide a broad base of support to a wide range of community and social causes</p>	<ul style="list-style-type: none"> ■ Made over 9,000 donations, totalling more than \$61 million, to charities worldwide. ■ Supported community, arts, sports and other organizations with sponsorships of more than \$31 million. ■ Made additional community investments of more than \$3 million through gifts in-kind, employee hours volunteered during working hours, pro bono work and community investment management. 	<ul style="list-style-type: none"> ■ Donate a minimum of 1 per cent of our pre-tax profits on a five-year, rolling average to the Imagine Canada Caring Company Program. ■ Build our capabilities, align our donations policies and expand our donations programs in the U.S., the U.K. and other countries where we do business. ■ Implement a new donations database to facilitate online applications from charitable organizations.
<p>Provide deep support for our major initiatives</p>	<ul style="list-style-type: none"> ■ Invested in our strategic focus areas with the following contributions: <ul style="list-style-type: none"> RBC Blue Water Project™: \$6.7 million to 199 organizations worldwide. RBC Children’s Mental Health Project: \$5.5 million to 149 organizations across Canada. RBC After School Project: \$2.7 million to 105 community-based organizations in Canada, and more than \$250,000 to 60 community-based organizations in the U.S. RBC Emerging Artists Project: \$3 million for apprenticeships, internships and artist recognition programs at 141 organizations across Canada. RBC Play Hockey™: \$500,000 in grants to support 20 hockey programs and ongoing support for national and community hockey programs in Canada and the U.S. Olympics and Paralympic athletes: \$3.1 million in sponsorships to support Olympic and Paralympic athletes. Diversity: \$6.9 million to diversity initiatives in Canada. 	<ul style="list-style-type: none"> ■ Continue to provide substantive funding for organizations within our strategic focus areas. ■ Shift the focus of the RBC Blue Water Project to support initiatives that help protect water in towns, cities and urbanized areas. ■ Help organizations that we fund within our strategic focus areas to develop capabilities and knowledge to ensure their effectiveness and sustainability. ■ Continue to embrace diversity as a common thread throughout our entire donations and sponsorship programs.

Community priorities (Continued)

	2012 Performance highlights	2013 Plans
Encourage and enable employees and retirees to contribute	<ul style="list-style-type: none"> ■ Supported the volunteer efforts of employees and retirees worldwide by providing: <ul style="list-style-type: none"> – 2,254 grants of \$500 each, totalling more than \$1.1 million, to organizations in recognition of the volunteer work of our employees and retirees. – 135 team action grants, totalling \$412,000, to organizations in recognition of employee volunteer teams. – 225 RBC Day of Service grants, totalling \$225,000, to teams of RBC employees who volunteer outside of work hours during Volunteer month in April. – 49 RBC Community Spirit Awards, totalling \$49,000, in recognition of outstanding leadership and dedication to making a difference. – Employee payroll deductions of almost \$12.5 million to United Way campaigns in Canada and the U.S. 	<ul style="list-style-type: none"> ■ Develop promotional programs to increase the number of employees taking advantage of our grant programs globally. ■ Survey employees to ensure that our suite of employee grant programs is meeting their needs and improve our application process. ■ Evaluate the effectiveness and community impact of the RBC Day of Service program.
Measure and communicate the social and environmental impacts of our donations	<ul style="list-style-type: none"> ■ Joined the London Benchmarking Group (LBG) to analyze the impact of our giving and to create benchmarks. ■ Commissioned the Monitor Institute to analyze the projects funded through the RBC Blue Water Project from 2007 to 2012 and assess the social and environmental impacts of our grants. 	<ul style="list-style-type: none"> ■ Implement measurable objectives and impact metrics across our strategic focus areas. ■ Adopt the LBG seven-step process to support planning, measurement and communications of key programs. ■ Expand volunteer program metrics and include feedback from community partners.

Our approach: Donations and sponsorships

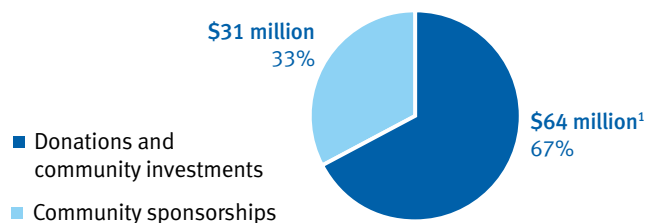
Donations and sponsorships are the cornerstones of our community approach. Both have a positive social impact, but they are undertaken with different objectives.

RBC is one of Canada’s largest corporate donors, with a tradition of philanthropy dating back to 1891. We have extended that tradition to the other countries in which we now operate. Our donations are provided to registered charities as gifts, without expectation of economic return. We choose our charitable partners and projects carefully, ensure that we monitor the use of funds, and observe both the letter and spirit of all legal and regulatory requirements.

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. They are expected to deliver a quantifiable return on investment while also benefiting organizations and causes that provide social, environmental or economic benefit.

As a founding member of Imagine Canada, and as a participant in its Caring Company program, RBC annually commits a minimum of 1 per cent of pre-tax domestic profit to support charitable and non-profit endeavours in Canada, measured on a five-year rolling average. The calculation includes charitable gifts as defined by Canada Revenue Agency, contributions to non-profits, community benefit sponsorships, employee hours volunteered during working hours, gifts in-kind and community investment management.

Donations and community sponsorships (worldwide)



¹ Includes \$61 million in donations and \$3 million in additional community investments such as gifts in-kind, employee hours volunteered during working hours, pro bono work and community investment management.

Our causes

As a global company with more than 15 million clients and approximately 80,000 employees, we are expected to support a wide range of causes as well as the volunteer efforts of our employees. We choose our community causes based on our assessment of needs and on a number of other factors that are described in our 2012 Vibrant Communities Report, a new online publication for specific community stakeholders.

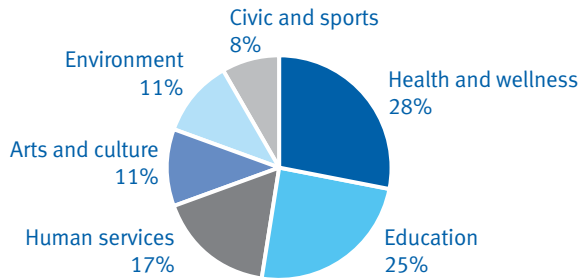
Within some of the broad categories of community engagement, we have chosen to provide deep, significant and concentrated support for specific transformational issues that are important to our clients and businesses. We have developed priority projects to address these issues.

- HEALTH AND WELLNESS**
RBC CHILDREN'S MENTAL HEALTH PROJECT
- HUMAN SERVICES**
CIVIC
- ENVIRONMENT**
RBC BLUE WATER PROJECT
- ARTS & CULTURE**
RBC EMERGING ARTISTS PROJECT
- SPORTS**
RBC PLAY HOCKEY OLYMPIC AND PARALYMPIC ATHLETES
- EDUCATION**
RBC AFTER SCHOOL PROJECT

Donations at a glance

We strive to help maintain the social fabric of communities today and to ensure success for tomorrow in all the markets where we do business.

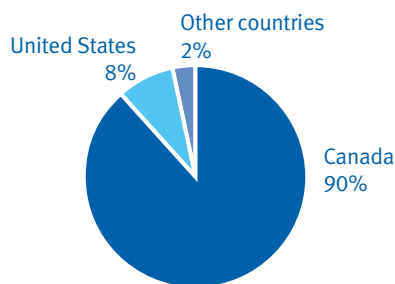
2012 Donations by cause (Canada)



2012 Donations by cause (Canada)

Health and wellness	\$15,453,614
Education	\$13,446,693
Human services	\$9,516,785
Arts and culture	\$6,229,021
Environment	\$5,719,350
Civic and sports	\$4,517,839
Total	\$54,883,302

2012 Donations by region



2012 Donations by region

Newfoundland and Labrador	\$587,966
Prince Edward Island	\$212,500
Nova Scotia	\$1,527,283
New Brunswick	\$897,000
Quebec	\$6,971,007
Ontario	\$19,058,259
Manitoba	\$1,965,624
Saskatchewan	\$1,109,000
Alberta	\$5,442,484
British Columbia	\$5,751,587
Yukon	\$32,500
Northwest Territories	\$102,900
Nunavut	\$88,500
National organizations	\$11,136,692
Total Canada	\$54,883,302
United States	\$4,897,316
Other countries	\$1,358,016
Total	\$61,138,634

Employee contributions

RBC employees and retirees are passionate volunteers, and we provide a number of programs that make it easy for them to contribute time and resources. The RBC Employee Volunteer Grants Program supports community involvement. Employees and retirees who volunteer a minimum of 40 hours a year to a registered charity are eligible for a \$500 grant to the organization in their honour. Since 1999, we have given 22,314 grants and donated more than \$11 million to celebrate our employees' volunteer efforts.

Employee volunteer grants	2012	2011	2010
Canada	2,037	2,166	2,155
U.S. and other countries ¹	217	390	418
Total # of grants	2,254	2,556	2,573
Total amount donated (\$ millions)¹	\$1.12	\$1.29	\$1.29

¹ The decrease in the number of grants and total amount contributed is primarily due to the sale of RBC Bank U.S.

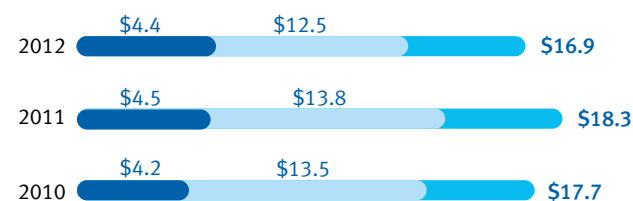
RBC employees in Canada volunteered the equivalent of almost \$802,665 during working hours for United Way, Junior Achievement, Royal Eagles Backpack Program, We Day, Advancing Canadian Entrepreneurship (ACE), Canadian Bankers Association Youth Money Seminars, RBC Blue Water Project initiatives and Habitat for Humanity.

United Way

In 2012, RBC and our employees contributed more than \$16.9 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 three organizations that contribute over \$3 million annually.

United Way contributions

(\$ millions)



■ RBC corporate donations ■ Employee donations ■ Total donations

"Employee donations" include donations made by employees in 2012 to United Way charities and to other charities administered through the United Way. It does not include funds raised for, and paid directly to, community groups and charities around the world. "Corporate donations" are those paid by the RBC Foundation™ and RBC companies to United Way agencies during fiscal 2012.

Loaned employees (Canada)	2012	2011	2010
Employees loaned to work full-time on local United Way campaigns	16	11	9
Employees who participated in community projects through United Way Days of Canada	469	722	799

Impact

Increasingly, corporations are being asked about the actual impact of their charitable activities. Have our donations made a difference?

This is a challenging area for which there is no easy measure. One of the complications is that many of the grants we provide can take years to have a measurable impact. For example, it is difficult to assess the impact of a program intended to provide early intervention to a child exhibiting symptoms of a mental health problem, as it may be years before the impact is evident.

In early 2012, we joined LBG Canada to leverage their model and methodology in analyzing our charitable giving and to benchmark our activities against those of other companies. We anticipate that our participation in this group will enable us to more effectively plan, measure and report on our philanthropic activities starting in 2013.

Our plans for 2013 include:

- Clarifying objectives and metrics across our priority projects to effectively measure their impact;
- Adopting the LBG seven-step process to support planning, measurement and communication of key programs; and
- Expanding volunteer program metrics and inviting feedback from community partners.

Case study: Measuring the impact of the RBC Blue Water Project

When we launched the RBC Blue Water Project in 2007, we decided to support two broad areas: watershed protection and access to clean drinking water. We felt that by casting such a wide net, we could get to know the fullest range of people and organizations working to protect water; fast track critical funding to a variety of national, regional and community-based projects around the world; and learn as much as we could about water. At the same time, we also wanted to help raise awareness about water issues.

In 2011–12, we commissioned the Monitor Institute to evaluate the social and environmental impacts of the RBC Blue Water Project to date. Monitor surveyed a cross-section of about 20 per cent of our grant recipients and developed a small subset of metrics that were common across most of the initiatives we funded. Monitor found that:

- 3 million North American households were positively affected by programs funded by RBC.
- Nearly 2.5 million kilolitres of water were conserved through programs funded by RBC.
- More than 810,000 people attended service/training opportunities with organizations funded by RBC.
- 80,000 people logged over 400,000 hours volunteering with community-based watershed protection programs funded by RBC.

One of our goals with the RBC Blue Water Project is to help create capacity in the charitable water sector. RBC has a reputation for integrity and due diligence in our grant-making processes, and over the years, many charitable organizations have told us that RBC funding is often considered a de facto “seal of approval,” allowing them to attract additional funding from other donors more easily. The Monitor study revealed that more than 80 organizations in North America were able to leverage their RBC Blue Water Project grants to acquire more than \$4.7 million in additional funding, an average of \$50,000 per organization.

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 supported by regional and business-specific donations managers around the world.

Due diligence

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

We also encourage synergies between organizations and diversified funding structures. Our goal is to ensure that our charitable partners have sustainable sources of funding and use their donors' funds responsibly. In 2012, RBC approved over 9,000 donations to charitable groups in communities across North America. Over 80 per cent 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 reporting¹

Less than \$10,000	<ul style="list-style-type: none"> Acknowledgement of receipt of donation
From \$10,000 to \$24,999	<ul style="list-style-type: none"> Letter indicating how funds were spent, including impacts, where feasible
From \$25,000 to \$99,999	<ul style="list-style-type: none"> Report including how funds were spent, with detailed breakdown and description of key outcomes and challenges against goals and objectives in funding request
\$100,000 and above	<ul style="list-style-type: none"> Report on allocation and disbursement of funds, with detailed breakdown and description of key outcomes and challenges against goals and objectives in funding request If the donation is made as part of a capital campaign, we request an update on the percentage of funds raised against the private-sector goal

¹ We require audited financial statements for any donation over \$5,000.

Sponsorships

RBC 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. They are expected to deliver a quantifiable return on investment while benefiting organizations and causes that provide social, environmental or economic benefit.

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
- Olympic 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 (co-sponsorships), and show innovation and creativity.