

Royal Bank of Canada

Corporate Responsibility Review

2012



WHO WE ARE

We are one of Canada’s largest banks as measured by assets and market capitalization and 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, investor services and wholesale banking on a global basis.

15 MILLION
PERSONAL, BUSINESS,
PUBLIC SECTOR AND
INSTITUTIONAL CLIENTS



1,239
BANK BRANCHES
ACROSS CANADA



121
BANK BRANCHES
IN THE CARIBBEAN

80,000
EMPLOYEES
FULL- AND PART-TIME



\$7.6
BILLION
NET INCOME
FROM CONTINUING OPERATIONS



CORPORATE RESPONSIBILITY AT RBC

At RBC™, we define corporate responsibility as a long-standing commitment to conducting ourselves with integrity in everything we do. We focus on our impact on the workplace, the economy, the communities where we operate, the environment and the marketplace.

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TOWARD A NEW BOTTOM LINE



We live in a time of both great instability and exciting opportunity.

Companies that find balance between their economic, social and environmental responsibilities and their opportunities will create substantial long-term value for all their stakeholders. This is the new bottom line.

But we can no longer assume it's enough to tally up our good deeds or lack of bad ones. We have to start measuring the impact of those deeds. At RBC, we have been measuring our economic impact for many years and are now on a journey to better measure our social and environmental impacts.

In 2012, RBC helped create economic prosperity by providing jobs for almost 80,000 people with compensation and benefits of \$9.3 billion, by incurring taxes of \$3.1 billion and by buying \$5.9 billion worth of goods and services from 36,000 suppliers of all sizes. We provided loans, services and advice to businesses and organizations around the world, enabling them to operate, build and grow.

Our employees are the key to our success. Their focused efforts and commitment to our clients helped us deliver record earnings in 2012. I am proud of our results and how we achieved them.

We contributed more than \$95 million to causes worldwide through donations, community investments and sponsorships of community events and organizations.

In 2012, we minimized our environmental footprint by reducing our greenhouse gas emissions by 11 per cent. We performed detailed environmental credit risk assessments on over 1,200 transactions in Canada and the United States. We traded 125 million tonnes of carbon credits and supported the growth of the emerging renewable energy sector with over \$2.1 billion in loans and trading lines.

I invite you to share your thoughts with us. How do you think RBC should help generate positive economic, social and environmental change?

Visit us at rbc.com/community-sustainability.

Gordon Nixon
President and Chief Executive Officer

VISION

Always earning the right to be our clients' first choice.

VALUES

Service

Excellent service to clients and each other.

Teamwork

Working together to succeed.

Responsibility

Personal responsibility for high performance.

Diversity

Diversity for growth and innovation.

Integrity

Trust through integrity in everything we do.

OUR CORPORATE RESPONSIBILITY PLEDGES

Corporate integrity



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

Workplace



We will be an employer of choice by creating strong partnerships with our employees and valuing diversity.

Economic impact



We will have a positive impact on the economy.

Community



We will build on our history of support for communities where we live and work, addressing today's needs and seeding tomorrow's success.

Environment



We will take responsibility for our direct and indirect environmental impacts and provide green products and services to our clients.

Marketplace



We will "earn the right to be our clients' first choice" by serving them responsibly with products and services that meet *their* needs, not ours.

HOW WE'VE BEEN RECOGNIZED

Our corporate responsibility programs and performance garnered recognition in Canada and around the world in 2012.

AWARDS¹

Corporate responsibility and sustainability

- Global 100 Most Sustainable Corporations in the World
- Top 50 Socially Responsible Corporations
- Best 50 Corporate Citizens in Canada
- Most Valuable Brand in Canada

Workplace

- Canada's Best Employers for New Canadians
- Canada's Top 100 Employers
- Most Attractive Employers in Canada
- Catalyst Canada Honours (for our commitment to advancing women)
- Best Places to Work in Canada

Environment

- Canada's Greenest Employers
- Globe Award for Sustainability in Finance

INDICES

- Dow Jones Sustainability World Index
- Dow Jones Sustainability North America Index
- FTSE4Good Index
- Jantzi Social Index

¹ Granting organizations are listed in our 2012 Corporate Responsibility Report.



Our success depends on the skills, knowledge and commitment of our 80,000 employees worldwide. We strive to continue to be an employer of choice with a strong values-based culture by partnering with our employees for mutual success.

REWARDS

Our employees are rewarded for their hard work with fair and competitive compensation, flexible benefits and access to ongoing skills and career development.



WORKPLACE PROGRAMS AND PRACTICES

RBC employees have access to a wide range of programs and options that help them balance their work and personal lives.



DIVERSITY AND INCLUSION

We think it's smart business to create equitable opportunities for all employees, regardless of gender, race, age, physical disability, sexual orientation or cultural background. We have workforce diversity targets and a blueprint for promoting diversity internally and externally.



EMPLOYEE ENGAGEMENT

We try to maintain an engaging work environment where people feel like valued and motivated members of a winning team.



¹ Figure applies to our Canadian workplace. See page 21 for details on workforce diversity in Canada.



Like any business, we need to earn a profit to stay in business. When we earn a profit, we have a positive impact on the economies of the communities and countries where we do business.

VALUE GENERATED

We generate value directly for our shareholders, employees, suppliers, governments and community organizations. We also provide loans, advice, information and services to businesses, and support entrepreneurship, innovation, community infrastructure development and socio-economic programs.

<p>LOANS TO INDIVIDUALS</p>	<p>EMPLOYEE COMPENSATION AND BENEFITS \$9.3 BILLION</p>
<p>RETURNS TO SHAREHOLDERS \$3.5 BILLION IN DIVIDENDS</p>	<p>PROCUREMENT \$5.9 BILLION</p>
<p>TAXES AND SPONSORSHIPS \$3.1 BILLION \$95 MILLION</p>	<p>LOANS TO BUSINESSES \$156.6 BILLION (CANADA)</p>

SUPPORT FOR SMALL BUSINESS

RBC supports businesses of all sizes through the provision of credit, as well as other financial products, services and advice. In turn, these clients have an impact on the economy, not only by creating value through their business activities, but by creating jobs, paying taxes and buying goods and services.



INVESTMENTS IN INNOVATION AND ENTREPRENEURSHIP

We believe that innovation and entrepreneurship are key drivers of sustainable productivity and prosperity. That's why our investments include budding software and technology companies.

INFRASTRUCTURE DEVELOPMENT PROJECTS

We help foster economic growth by providing credit and financial advice to clients for projects that have a social purpose.

160 UNITS OF AFFORDABLE HOUSING
BRIDGE ATTAINABLE HOUSING SOCIETY, CANADA

£1.2 BILLION IN CREDIT
REGISTERED PROVIDERS OF SOCIAL HOUSING, ENGLAND

\$1.1 MILLION IN CREDIT
GREEN HOME DEVELOPMENT, CARIBBEAN

¹ Taxes incurred.



OUR COMMUNITY ENGAGEMENT

RBC is recognized as one of Canada's leading corporate citizens, thanks to our community programs and the involvement of our 80,000 employees worldwide.

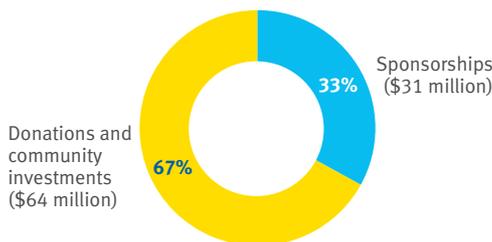
Our tradition of philanthropy dates back to 1891. Today, we have extended that tradition to the other countries where we operate. Our goal is to help maintain the social fabric of communities today and to ensure success for tomorrow in all the markets where we do business.

As an expression of our citizenship, we support a wide range of causes in virtually all charitable sectors and focus on key causes that are chosen by our company as priority projects.

\$95+ MILLION
IN DONATIONS AND SPONSORSHIPS
TO COMMUNITY EVENTS AND ORGANIZATIONS

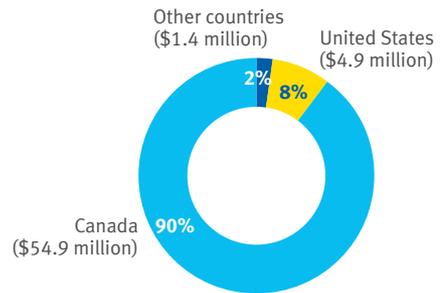


2012 DONATIONS AND COMMUNITY SPONSORSHIPS (WORLDWIDE)

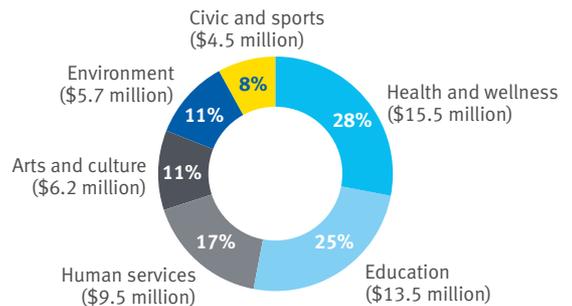



9,000+
DONATIONS TOTTALING
OVER \$61 MILLION TO
CHARITIES WORLDWIDE

2012 DONATIONS BY REGION



2012 DONATIONS BY CAUSE (CANADA)




\$1.12
MILLION DONATED
TO CELEBRATE OUR EMPLOYEES'
VOLUNTEER EFFORTS



There is no shortage of worthy causes in our communities. We provide broad support to many organizations, and concentrated support to organizations that operate in one of our priority areas, through donations and sponsorships.



\$6.7 MILLION IN DONATIONS TO 199 ORGANIZATIONS WORLDWIDE

An innovative, wide-ranging, 10-year global commitment that includes support of organizations that protect watersheds and ensure access to clean drinking water, as well as promotion of responsible water use.



\$5.5 MILLION IN DONATIONS TO 149 ORGANIZATIONS ACROSS CANADA

A multi-year commitment to support community-based and hospital programs that reduce stigma about mental illness, provide early intervention and increase public awareness of children's mental health issues.



\$6.9 MILLION IN DONATIONS TO DIVERSITY INITIATIVES IN CANADA

Support for diverse communities and diversity programs or initiatives, reinforcing our belief that embracing our differences strengthens communities and contributes to prosperity.



\$3 MILLION IN DONATIONS FOR APPRENTICESHIPS, INTERNSHIPS AND ARTIST RECOGNITION PROGRAMS AT 141 ORGANIZATIONS ACROSS CANADA

Support for organizations whose programs bridge the gap from academic excellence to professional careers in all forms of art.



\$2.7 MILLION IN DONATIONS TO 105 COMMUNITY-BASED ORGANIZATIONS IN CANADA AND MORE THAN \$250,000 TO 60 COMMUNITY-BASED ORGANIZATIONS IN THE U.S.

Support for community-based organizations that provide programs offering children and youth (ages 6 to 17) structured, supervised, after school activities focused on enhancing safety, social skills and self-esteem.



LONG-STANDING SUPPORT OF CANADA'S OLYMPIC AND PARALYMPIC ATHLETES

Ongoing support for amateur sport in Canada and our Olympic and Paralympic athletes through premier sponsorship of the Canadian Olympic Team, Hockey Canada and our RBC Olympians program.



SUPPORT FOR NATIONAL AND COMMUNITY HOCKEY PROGRAMS IN CANADA AND THE U.S.

Support for the hard work and dedication that helps hockey happen across Canada and the U.S., with a focus on developing learn-to-skate programs, enabling hockey volunteers and improving access to hockey.



OUR ENVIRONMENTAL IMPACT

We proactively and prudently manage the environmental aspects of our business. We're committed to reducing our environmental footprint, lending responsibly, providing green products and services and promoting environmental sustainability.

FOOTPRINT REDUCTION

We're actively striving to reduce our energy and water use, GHG emissions and paper consumption. We are also committed to reducing the negative environmental impacts associated with our procurement activities and waste generation. Another priority is to reduce the environmental impact of our technology and operations, while managing the increasing demand for data storage. We know that by doing so we will see positive environmental and economic results.

2010
GHG EMISSIONS
224,822 TONNES

2011
GHG EMISSIONS
203,487 TONNES

2012
GHG EMISSIONS
180,586 TONNES



41%
OFFICE SPACE
IN MAJOR PROPERTIES
GREEN-CERTIFIED



1991
RBC ENVIRONMENTAL
POLICY ESTABLISHED

RESPONSIBLE LENDING

We actively work with our clients and the companies in which we invest to identify and manage environmental risks and to support environmentally responsible businesses. Our credit rules and guidelines specify our requirements for assessing environmental risk. We assess transactions for any credit, legal or reputational risk that might arise from environmental matters.



1,210
ENVIRONMENTAL
CREDIT RISK
ASSESSMENTS

GREEN PRODUCTS AND SERVICES

Many of our clients are concerned about the environment and want to reduce their footprint. That's why we provide environmental products and services that empower clients with options — from e-statements to carbon trading.

\$2.1
BILLION
IN RENEWABLE
ENERGY LENDING





OUR RESPONSIBILITY TO CLIENTS IN THE MARKETPLACE

We are “always earning the right to be our clients’ first choice” by serving them responsibly. We strive to ensure that clients in all our markets have access to the financial products, services and advice they need to make the best decisions possible.

ACCESS TO BANKING

One of our main jobs is to provide banking service to our 15 million clients — where, when and as they need it, at a fair price.

180
LANGUAGES
IN WHICH WE CAN
SERVE OUR CLIENTS



1.8
MILLION+
DOWNLOADS OF OUR
MOBILE BANKING APPS

FINANCIAL LITERACY

We help promote financial literacy — an understanding about credit, debt, savings and investments — through our interactions with clients, by providing them with useful tools, publications and seminars, and by supporting community programs.

SERVICES TO CLIENTS WITH SPECIAL NEEDS

We provide banking to a host of traditionally underserved groups, such as people with disabilities, students and newcomers, through customized products, services, channels and community-based programs.

50%+ 
OF RBC ROYAL BANK CLIENTS
GET A REBATE OR PAY NO BANK FEES

LARGER 
ATM SCREENS
FOR READABILITY

RESPONSIBLE INVESTING

Socially responsible investing (SRI) is an investment management approach that integrates environmental, social and governance (ESG) criteria with traditional financial analysis.

\$3 
BILLION+
IN SOCIALLY RESPONSIBLE
INVESTMENTS

INFORMATION SECURITY AND PRIVACY

We are committed to respecting our clients’ privacy, safeguarding their information and protecting them from fraud. We have stringent privacy practices and use a range of technologies and security mechanisms to ensure the safety, confidentiality and integrity of client information and transactions. We regularly publish timely and relevant alerts and notices on our websites to inform and protect clients.



Social finance is a new way of addressing social and environmental issues. By encouraging companies to provide market-based solutions to social and environmental issues, social finance can open doors to new opportunities, drive economic growth, protect our environment and allow communities to reach their full potential.

RBC SOCIAL FINANCE INITIATIVE

In 2012, we launched RBC's social finance initiative, a \$20 million commitment to help foster and cultivate positive, wide-ranging social and environmental change. RBC was the first major financial institution in Canada to announce such an initiative. It includes the RBC Generator — a \$10 million pool of capital for investing in small for-profit businesses that generate a social and/or environmental return and an investment of \$10 million of RBC Foundation assets in socially responsible investment funds.

We hope that our commitment to social finance in Canada will spark entrepreneurship and innovation and encourage other organizations to generate positive social and environmental change.



Workplace	2012	2011	2010
Employees	79,698	73,987	73,118
Full-time equivalent (FTE) positions (total)	74,377	68,480	67,147
FTE positions by region			
FTE (Canada)	52,224	50,219	49,792
FTE (United States)	7,609	7,588	7,449
FTE ¹ (international regions)	14,544	10,673	9,906
Workforce diversity (Canada)²			
Women	65%	66%	67%
Women in middle management and above	47%	46%	46%
Women in executive roles	36%	36%	37%
Visible minorities ³	30%	29%	28%
Visible minorities ³ in middle management and above	30%	29%	27%
Visible minorities ³ in executive roles	15%	15%	14%
People with disabilities	4.3%	4.2%	3.5%
Aboriginal peoples	1.5%	1.6%	1.6%

Economic impact	2012	2011	2010
Revenue ⁴ (\$ billions)	29.8	27.6	26.1
Market capitalization ⁴ (\$ billions)	82.3	69.9	77.5
Taxes incurred ⁴ (\$ billions)	3.1	2.9	2.9
Employee compensation and benefits ⁴ (\$ billions)	9.3	8.7	8.4
Goods and services purchased (\$ billions)	5.9	6.5 ⁵	5.7 ⁵
Debt financing for businesses in Canada (authorized; \$ billions)	156.6	141.7	135.2
Small business clients (Canada and Caribbean)	543,000 ⁶	685,000	634,000

Community	2012	2011	2010
Investments in community causes (total donations, community investments and sponsorships; \$ millions)	95	98	130
Donations and community investments (\$ millions)	64	64	56.6
Community and national sponsorships (\$ millions)	31	34	73.5
Employee volunteer grants (total number)	2,254	2,256	2,573
Employee volunteer grants (total donations; \$ millions)	1.12	1.29	1.29
United Way donations (employee and corporate donations ² ; \$ millions)	16.9	18.3	20.6
Donations to our priority projects (\$ millions)			
RBC Blue Water Project	6.7	7.6	6.1
RBC Children's Mental Health Project	5.5	3.5	2.8
RBC After School Project	2.7	2.6	2.5
RBC Emerging Artists Project	3.0	2.4	1.4

Environment	2012	2011 ⁵	2010 ⁵
Total GHG emissions (thousands of tonnes)	180.6	203.5 ⁸	224.8
GHG emissions intensity from energy use (tonnes/sq.m)	.083	.088 ⁸	.097
Energy intensity all properties (MWh/sq.m)	.34	.37	.35
GHG emissions intensity from employee travel (tonnes/FTE ⁹)	.38	.40	.40
Office paper use (kilograms/FTE)	46.4	47.0	51.3
Transactions assessed under Equator Principles	10	15	7
Renewable energy lending (\$ billions)	2.12	1.66	1.58
Green power purchases (thousands of MWh)	13.9	13.7	11.2
Environmental credit risk assessments (Canada and U.S.)	1,210	1,100	950
Environmental and social risk management training (number of employees)	810	720	415
Carbon credits traded (millions of tonnes)	125	90	115
Donations to environmental charities (\$ millions)	7.4	8.1	7.2

Marketplace	2012	2011	2010
Countries where we operate	51	58	52
Clients (millions; approximate)	15	15	18
Bank branches (Canada)	1,239	1,214	1,209
Insurance stores (Canada)	54	53	52
ATMs (Canada)	4,724	4,293	4,227
Bank branches (Caribbean)	121	123	126
ATMs (Caribbean)	341	333	330
Bank branches (China)	1	1	1
Online banking client enrolments ¹⁰ (Canada; millions)	7.5	6.8	6.1
Online banking active users ¹¹ (Canada)	30%	29%	27%
Socially responsible investments (total assets under management; \$ billions)	3.1	3.0	2.7
Clients surveyed (Canada and Caribbean)	532,000	517,000	499,300
Client complaints logged at the RBC Client Care Centre resolved within 30 days	99%	99%	99%

¹ On July 27, 2012, we completed our acquisition of the remaining 50% stake in RBC Dexia. Prior to this acquisition, FTE numbers do not include our RBC Dexia joint venture.

² Figures represent Employment Equity data as a percentage of the number of employees (full-time and part-time) at RBC as of October 31, 2012 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.

³ In Canada, visible minorities are defined as persons (other than Aboriginal peoples) who are non-Caucasian in race or non-white in colour.

⁴ 2012 and 2011 numbers are published under IFRS. 2010 numbers are published under Canadian GAAP. 2011 and 2010 have been restated for the sale of RBC Bank.

⁵ Results include discontinued operations.

⁶ Decline due to the sale of RBC Bank in the United States.

⁷ "Employee donations" include donations made by employees in 2012 to United Way charities, and to other charities administered through 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.

⁸ Figure restated. 2011 direct and indirect energy use in major properties was overstated and has been corrected.

⁹ Full-time equivalent position.

¹⁰ Includes personal and business clients in Canada enrolled in online banking services for the fiscal year ended October 31, 2012.

¹¹ Percentage of RBC Royal Bank™ customers who are actively using online banking solutions.

References to "RBC" include all RBC businesses and functions around the world.

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This publication is also available for downloading at rbc.com/community-sustainability and in audio format on request.

Ce document est également publié en français.

Our full 2012 Corporate Responsibility Report and Public Accountability Statement is available electronically at rbc.com/community-sustainability and rbc.com/pas. Printed copies are available, at no cost, by request at the above address. Some elements of our 2012 Public Accountability Statement are also covered in this Review.



This is a carbon neutral publication. Carbon dioxide equivalent emissions associated with its production and distribution have been neutralized through the purchase and retirement of certified emission reductions (CERs). CERs are subjected to a rigorous validation, certification, registration and insurance process designed to ensure real, measurable and verifiable emission reductions that are recognized under the Kyoto Protocol. The CERs were acquired through our in-house emissions trading group within RBC Capital Markets.

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