

Royal Bank of Canada

About Corporate Citizenship at RBC

Programs, policies and practices



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This is part of a series of documents that provide additional information on the programs, policies and practices related to the environmental, social and governance (ESG) priorities of Royal Bank of Canada (RBC®). The series supplements our ESG reporting, which provides an overview of our priorities, key performance indicators and annual highlights of ESG issues relevant to financial services companies in general, and to RBC in particular. It complements information on our operations and financial results provided in our Annual Report and governance and executive compensation information disclosed in our Management Proxy Circular (both available at rbc.com).

RBC is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from our 87,000+ employees, whose imagination and insights bring our Vision, Values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our 17 million clients in Canada, the U.S. and 27 other countries. Creating a positive social impact is integral to how we do business and core to our purpose-driven culture. We have a responsibility to help create positive social and economic impact in our communities. Our Purpose inspires us every day to use our imagination and insights to build a better future for our clients and communities.

Our approach

We believe corporate citizenship is about integrity, business ethics and responsible governance. We hold ourselves to the highest standards and know we must conduct our business responsibly to build trust. We define corporate citizenship as an approach to business where we work to make a positive impact on society, the environment and the economy.

We illustrate our approach to ESG on page 11 of the ESG Performance Report. For more information on our ESG priorities and associated policies, programs and annual performance, please see the following documents:

- [2021 ESG Performance Report](#)
- [About Governance and Integrity](#)
- [About Value for Clients](#)
- [About Value for Employees](#)
- [About Value for Communities](#)
- [Statement on Lobbying and Political Contributions](#)
- [2021 Public Accountability Statement \(PAS\)](#)
- [Our Commitment to Sustainable Finance](#)
- [RBC Climate Blueprint](#)
- [2021 Task Force on Climate-related Disclosures \(TCFD\) Report](#)
- [Modern Slavery Act \(MSA\) Statement](#)
- [Human Rights Position Statement](#)
- [2021 Diversity & Inclusion \(D&I\) Report](#)

Governance

Our approach to managing our Corporate Citizenship strategy, programs and performance is to use a decentralized organizational model that reflects our belief that corporate citizenship should be embedded in our business. Our Corporate Citizenship team is a 30+ person unit that leads, enables, supports and oversees our citizenship priorities.

Board of Directors

The Governance Committee of the Board of Directors is responsible for overseeing our Corporate Citizenship programs, policies and performance. The Risk Committee oversees our risk management, including management of environmental and social (E&S) risks, and the Human Resources Committee oversees issues related to major compensation programs, talent management and management succession, and the critical skills needed to execute our strategic goals.

Executives and senior management

The CEO and other senior management officers have broad enterprise-wide, as well as issue-specific, areas of responsibility.

Subject matter experts, groups and specialized functions

A wide range of departments and experts at RBC are responsible for relevant programs, products, policies and performance. For example:

- The Corporate Citizenship team has a global mandate, and is tasked with our overall sustainability strategy and reporting, corporate donations, employee volunteer programs, environmental sustainability and social impact.
- Human Resources is accountable for workplace policies, programs and practices and for managing and measuring employee engagement.
- Procurement is accountable for integrating social and environmental considerations into our supply chain policies and practices.
- Corporate Real Estate is accountable for delivering cost-effective and environmentally responsible premises solutions.
- Group Risk Management (GRM) oversees our approach to E&S risk management.

Our ESG disclosure

RBC has been producing annual ESG Performance Reports since 1999, previously known as Corporate Responsibility Reports or Corporate Citizenship Reports.

We strive to have our ESG disclosure follow these guiding principles:

- **Transparency:** We strive to proactively report on the ESG topics that have the largest impact on our business and are of most interest to our stakeholders.
- **Relevancy and insightfulness:** We strive to provide relevant disclosure on key performance indicators that illustrate our impact on society and the environment, and we will do our very best to respond to questions and feedback from our stakeholders.
- **Credibility:** Our aim is for our data and information to be of the highest integrity possible, presented completely and accurately.
- **Accessibility and usability:** We believe our stakeholders deserve to have access to information in a timely fashion, in the format that best suits their needs.

Disclosure suite

- Our annual ESG Performance Report provides context and performance metrics regarding key citizenship issues that are relevant to our business.
- Our annual MSA Statement is a regulated disclosure in the U.K. and Australia that summarizes policies and processes that are in place to prevent slavery and human trafficking from taking place in our business, operations and supply chain during our most recent fiscal year.
- Our PAS is a federally regulated requirement in Canada to disclose our investment in Canadian society and the economy.
- We produce a set of background papers, such as this one, providing a deep level of detail about our programs, policies and practices.
- Our [Community and Social Impact](#) website houses information and publications related to our community and social impact programs and practices and environmental programs and practices.

- Our Impact Measurement Framework details how we strive to create positive social change and how we align our citizenship priorities with the United Nations Sustainable Development Goals (SDGs).

All of the above reports and disclosures are available on our [Corporate Citizenship Reporting and Performance](#) website. We also work closely with other groups within RBC to develop other ESG related disclosures, including the annual TCFD Report and D&I Report.

Oversight

The Governance Committee of the Board of Directors approves our [ESG Performance Report](#), [TCFD Report](#), [D&I Report](#), [MSA Statement](#), [Human Rights Position Statement](#) and [PAS](#). The Human Resources Committee of the Board reviews and approves our [D&I Report](#). The Disclosure Committee also reviews and approves these ESG disclosures. In 2021, RBC established a subcommittee of the Disclosure Committee called the ESG Disclosure Council (ESG DC). The ESG DC is responsible for executive direction and oversight of ESG disclosures and supporting controls and strategy alignment and integration across the organization. The ESG DC better enables RBC to respond to the evolving ESG reporting ecosystem, growing investor demands and the need for enhanced controls and governance. In addition to the increased oversight from the ESG DC, an ESG disclosure advisory group that includes experts from Finance/External Reporting, the Law Group, GRM, Investor Relations, Communications, Corporate Citizenship, Regulatory and Government Affairs, and Human Resources conducts quarterly consultations on ESG disclosure.

Reporting frameworks

We regularly monitor the development of international ESG reporting regulations, standards and frameworks for their relevance and usability, along with the expectations of our stakeholders regarding these standards. The structure and content of our ESG disclosure documents are informed by the Global Reporting Initiative, the Sustainability Accounting Standards Board standards, the International Integrated Reporting Council Integrated Reporting Framework, the TCFD recommendations and the SDGs.

Review and assurance

In 2015, we began an annual process of obtaining limited assurance for a select number of key performance indicators that are included in our ESG Performance Report. Every year, we review the list of key performance indicators that undergo limited assurance and are committed to providing complete and accurate data to our stakeholders.

United Nations SDGs

The SDGs address the world's most pressing social and environmental issues by establishing 17 internationally agreed-on goals (also known as the "Global Goals"), and by providing a mechanism for aligning governments, businesses and societies in meeting the 2030 target date to achieve those goals. They are the result of the largest consultation in UN history, which encompassed 83 national surveys engaging seven million people over three years to create goals that are universally representative of values in the developing and developed regions of the world. The SDGs have gained recognition worldwide as nations and corporations begin to prioritize the areas that are most applicable to them. Using the Global Goals as a common framework will enable comparable measurement and increase the transparency of our progress at the global, national and sub-national levels.

Because we are a purpose-driven organization, many of our programs, investments, initiatives and services already contribute to the SDGs.

We will continue to evaluate how our philanthropy, products and services, and operations align with the goals, and we will highlight how our performance compares to the most relevant targets – those that are most central to our business strategy and in our sphere of influence.

For more information on how we are achieving the SDGs through the RBC Foundation's activities, please see page 59 of our [2021 ESG Performance Report](#) and the RBC [Community and Social Impact website](#).

Identification of our ESG priorities

Every year, we conduct a review of our stated ESG priorities with a focus on stakeholder expectations and business impacts, coupled with our ongoing monitoring of priority ESG reporting frameworks, ESG rating agencies, industry trends and independent research. For more information on our ESG priorities, please see pages 12-13 of our [2021 ESG Performance Report](#).

Stakeholder engagement

We consider stakeholder engagement an integral part of our approach to doing business, above and beyond our corporate responsibility programs. Our approach to engaging stakeholders and monitoring their expectations is broadly managed across the company, with responsibilities formally assigned to the appropriate business unit or department. In 2021, we continued to enhance our approach by completing a comprehensive stakeholder engagement exercise, which helped us better understand our ESG priorities and informed our disclosure strategy.

The stakeholders we engage with include the following:

- Employees
- Clients
- Investors, shareholders and rating agencies
- Suppliers
- Governments
- Industry associations
- Non-governmental organizations

For more information on how we engage with our stakeholders, please see pages 87-88 of our [2021 ESG Performance Report](#).

What do you think?

We hope this reporting framework makes our sustainability initiatives significantly more accessible to our stakeholders. We welcome your feedback on our approach and suggestions for improvement at corporatecitizenship@rbc.com.