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This is part of a series of documents that provide background on how RBC™* manages our economic, social and environmental impact. The series supplements our annual corporate responsibility reporting.

ABOUT CORPORATE RESPONSIBILITY AT RBC

Priorities, Policies and Governance

Why corporate responsibility matters to our business

While banks have a significant impact on the economy, we also have an impact on people and the planet as well. We recognize that our bottom-line success depends on the well-being and prosperity of our clients and employees, and of the communities and environment in which they live and work. So we are intentional in our approach to have a positive impact in the workplace and community, as well as in the marketplace.

It all starts with a commitment to conducting ourselves with integrity, in every action and transaction, in every part of our business, being transparent and accountable, and contributing to the well-being of our stakeholders. This is how we earn the right to be our clients' first choice, and we believe this is just good business.

Our approach

RBC is considered one of North America's leading corporate citizens, based on a longstanding and wide range of programs and policies that reflect our values, and that are embedded in businesses and departments right across the company.

We believe that corporate responsibility is about integrity, business ethics and good governance. It's about solid risk management. It's about delivering a good return to investors. It's about solid customer service and consumer protection. It's about creating a workplace of choice through leading-edge human resource practices. It's about active and engaged community relations. It's about paying a fair share of taxes and obeying the law. It's about responsible supplier chain management. It's about protecting the environment. The sum of programs and policies in all of these areas represents our approach to corporate responsibility.

Priorities and programs

As a financial services company in the marketplace

RBC's goals are to be the undisputed leader in financial services in Canada, the leading provider of capital markets, investor and wealth management solutions globally, and a leading provider of select financial services that complement our core strengths in targeted markets. To do this, we are focused on providing trustworthy advice that will enable client success.

First, and most importantly, corporate responsibility is doing our jobs as bankers well, serving our clients with integrity every day. This is how we make our most significant impact on the world.

Our priorities for being a responsible financial services company include:

- Develop and provide credit and other financial products responsibly;
- Provide access to basic banking services;
- Provide finance initiatives that have a positive social and environmental benefit;
- Support small business, innovation and entrepreneurship, and community economic development initiatives;
- Promote financial literacy;
- Respect clients' privacy, safeguard their information and protect them from fraud.

As a responsible corporate citizen in the world

Like all good corporate citizens, RBC believes that we have an important role to play in helping improve the world. Our priorities for being a good corporate citizen include:

- Make a positive economic impact
 - Operate with integrity in every transaction
 - Demonstrate sound corporate governance principles
 - Create employment and a well-trained workforce
 - Pay taxes
 - Purchase goods and services responsibly

- Make a positive social impact
 - Adopt fair and progressive people management practices
 - Respect human rights
 - Encourage and advocate for diversity and inclusion
 - Support causes that matter to our employees, clients and communities through donations, sponsorships and employee volunteerism
- Make a positive environmental impact
 - Reduce our environmental footprint
 - Manage our environmental risks
 - Offer environmental products, services and advice

Policies and practices

Managing risk and earning the trust of stakeholders are foundational tenets of corporate responsibility programs in every industry, but they are especially important to financial services companies. Our license to operate depends entirely on solid risk management and earning the trust of our clients. At RBC, we have a mature suite of internal and external policies that guide our approach and govern our behaviour in a range of areas that comprise corporate responsibility. These policies are reviewed by key staff, executives and appropriate board committees on a regular basis and updated as necessary.

We describe these policies in more detail in:

- Our 2012 Corporate Responsibility Report and our Public Accountability Statement at rbc.com/community-sustainability/reporting-performance.html
- [About RBC in the Community](#)
- [About Working at RBC](#)
- [About Corporate Integrity at RBC](#)
- [The RBC Environmental Blueprint](#)

Internal

Our enterprise-wide and business-specific policies and procedures related to corporate responsibility issues include, but are not limited to:

- [Comprehensive Code of Conduct](#)
- Industrial Relations Framework
- [Supplier Code of Conduct](#)
- Corporate Philanthropy
- Environment
- Risk Management (including credit, reputation and environmental risk)
- Social and Environmental Risk Management for Projects (Capital Markets)
- Privacy
- Anti-Money Laundering and Anti-Terrorist Financing
- Anti-Bribery and Anti-Corruption
- [PH&N Community Values Fund Investment Principles](#)

External principles and charters

We have committed or adhere to external, voluntary principles, charters and initiatives related to corporate responsibility, including:		
Economic	Social	Environmental
<p>Business Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises: A set of recommendations for responsible business conduct that 42 governments — representing all regions of the world (including Canada) and accounting for 85 per cent of foreign direct investment — encourage their enterprises to observe wherever they operate.</p> <p>UN Principles for Responsible Investment: BlueBay Asset Management (a wholly-owned subsidiary of RBC) is a signatory to the UN Principles for Responsible Investment.</p>	<p>Financial Coalition Against Child Pornography (Canada): A coalition of law enforcement authorities, financial institutions and credit card issuers that seeks to eliminate commercial child pornography by taking action on the payment systems that are used to facilitate illegal operations.</p> <p>Imagine “Caring Company”: A commitment of a minimum of 1 per cent 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.</p>	<p>Equator Principles: A credit risk management framework for determining, assessing and managing environmental and social risk in project finance transactions.</p> <p>United Nations Environment Programme Statement by Financial Institutions: A commitment by financial institutions to integrate environmental and social considerations into all aspects of their business.</p> <p>The Copenhagen Communiqué on Climate Change: A multi-country understanding developed in 2009, outlining the business case for a robust, effective and equitable deal in the UN Climate Framework.</p> <p>ICC Business Charter for Sustainable Development: A voluntary initiative that provides a foundation for companies and associations to develop their own policies and programs.</p>
<p>For more information, please visit rbc.com/community-sustainability/reporting-performance.html and see:</p> <ul style="list-style-type: none"> ■ Annual Report ■ Public Accountability Statement ■ Corporate Responsibility Report and Public Accountability Statement 	<p>For more information, please visit rbc.com/community-sustainability/reporting-performance.html and see:</p> <ul style="list-style-type: none"> ■ About RBC in the Community ■ About RBC in the Workplace 	<p>For more information, please visit rbc.com/community-sustainability/environment/index.html and see:</p> <ul style="list-style-type: none"> ■ The RBC Environmental Blueprint

Stakeholder engagement

We believe that a company “does well by doing good” by having a positive social, environmental and economic impact on behalf of stakeholders, including:

- clients and prospective clients
- general consumers
- current and prospective employees
- socially responsible and mainstream investors and analysts
- suppliers and prospective suppliers
- partners in the voluntary sector, including NGOs and activists
- government and regulators

Framework

We consider stakeholder engagement to be an integral part of our approach to doing business, above and beyond our corporate responsibility programs. Our framework for engaging stakeholders and monitoring their expectations is broadly managed across the company, with responsibilities formally assigned to the appropriate business unit or department.

At a corporate level, we engage in:

- Ongoing, project-based and ad hoc dialogue with government, social and environmental NGOs to address environmental and social issues;
- Regular and ongoing dialogue with employees through formal and informal means;
- Regular and ongoing dialogue with the social responsible investment community.

For more information about how we engage with stakeholders, please visit rbc.com/community-sustainability/reporting-performance.html, and see:

- [About RBC in the Community](#)
- [About Working at RBC](#)
- [About RBC in the Marketplace](#)
- [Environmental Blueprint](#)

Governance

Accountabilities

We take a broad operational approach to the management of our corporate responsibility strategy, programs and performance. We use a decentralized organizational model, reflecting our belief that corporate responsibility includes a range of economic, governance, environmental and social issues.

Primary Responsibility

- **Board of Directors:** The Governance Committee of the Board of Directors has explicit oversight responsibility for corporate citizenship, including corporate donations and community involvement, programs, policies and performance. This committee also provides oversight on our corporate image, reputation and general approach to corporate responsibility. The Risk Committee provides oversight on environmental risk management, and the Human Resources Committee is responsible for issues related to our workplace, including our Code of Conduct, reward and recognition and talent management.
- **Executive and management:** The CEO and other senior management officers have broad enterprise-wide, as well as issue-specific, areas of responsibility.
- **Groups of experts/specialized functions:** A wide range of departments and experts within RBC are responsible for relevant programs, products, policies and performance. For example:
 - The Corporate Citizenship group has a global mandate, and is tasked with our overall corporate responsibility strategy and reporting, corporate donations, employee volunteer programs, environmental sustainability, environmental risk management and the social finance initiative;
 - Human Resources is accountable for workplace policies, programs and practices and for managing and measuring employee engagement;
 - Procurement is accountable for assessing social and environmental impacts when we select vendors;
 - Real Estate Resources delivers cost effective and environmentally responsible premises solutions.

Roles and responsibilities

	Corporate Integrity	Economic Impact	Marketplace	Workplace	Environment	Community
Board of Directors Oversight						
RBC Board of Directors	■	■	■	■	■	■
Corporate Governance and Public Policy Committee	■				■	■
Audit Committee	■		■			
Risk Committee	■	■	■	■	■	
Human Resources Committee	■					
Executive and management Oversight, strategy, direction, policy and program development leads						
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 Resources executives within business and functional units	■			■		
Director, Corporate Responsibility	■				■	■
Director, Corporate Sustainability	■				■	
Director, Corporate Donations and Regional Donations Managers	■				■	■
Brand Managers, Sponsorship (global and regional)	■		■			■
Group of experts Specialized functions						
Corporate Citizenship	■				■	■
Risk Management	■	■	■		■	
Compliance	■					
Internal Audit	■				■	■
Human Resources	■			■		
Real Estate Operations	■	■			■	
Procurement	■	■			■	■
Brand Management	■		■			■
RBC Foundation™	■	■			■	■



Reporting framework

RBC has been producing annual corporate responsibility reports since 1999. In 2014, we developed a new reporting framework, based on these guiding principles:

- We will proactively report on the social, environmental and economic topics that are most relevant to our key stakeholders, and our data will be complete and accurate;
- We believe that our stakeholders deserve to have access to information in a timely fashion, in the format that best suits their needs;
- We believe that we should do our very best to respond to questions and feedback from our stakeholders;
- We will provide regular, reliable disclosure on key performance indicators that illustrate our impact on society and the environment.

For more information, please visit rbc.com/community-sustainability/reporting-performance.html and see [About Corporate Responsibility Reporting at RBC](#).

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

