

Corporate responsibility at RBC

At RBC, we believe our first duty is to operate with integrity at all times so we can ensure the present and future well-being of our stakeholders. We strive to have a positive economic, environmental and social impact, providing responsible leadership in the marketplace, the workplace and in the communities where we live and work.



Charting a new course

At our 2006 Annual Meeting of Shareholders, we announced that we were developing a new strategic approach for corporate responsibility. Our goals were to establish a focused set of priorities and ensure that we are appropriately managing the wide range of initiatives that fall under the corporate responsibility banner.

In 2007 a team from across RBC took on this challenge, guided by Roger Martin, Dean of the Rotman School of Management, and his colleagues from the AIC Institute for Corporate Citizenship (University of Toronto).

We started with a full assessment of RBC's global business strategy. Then we mapped out stakeholder interests and concerns, as identified directly by our stakeholders, and by benchmarking the practices of leading financial institutions and other industry leaders worldwide. We reviewed and prioritized current and emerging issue areas.

In general, key issues for financial services companies are considered to include governance, business ethics, marketplace practices such as fraud prevention and privacy, access to basic banking services and credit, community economic development, employment equity, treatment of employees and environmental sustainability. Unlike some industries, we are also expected to take responsibility, in some measure, for the actions of our clients, especially those to whom we provide credit. For the last few years, RBC has regularly reported on these areas in our annual Corporate Responsibility Reports.

After further evaluation, we developed an overall framework, vision and direction for managing and prioritizing the diverse elements that comprise corporate responsibility, and dubbed the plan our RBC Blueprint for Doing Better.



RBC Blueprint for Doing Better™

Vision

RBC is committed to doing better for our clients, our investors, our employees and our communities, through a focused approach to corporate responsibility. Through the RBC Blueprint for Doing Better, we will continue to demonstrate integrity in our business practices, and provide leadership in the workplace and the marketplace.

Our two key areas of focus will be diversity and the environment. We will remain a strong supporter of the communities in which we do business and will maintain transparent sustainability reporting practices.

Priorities

Economic impact

- Provide strong returns to shareholders
- Pay fair share of taxes
- Create employment
- Support small business and community economic development
- Foster innovation and entrepreneurship
- Purchase goods and services responsibly

Workplace

- Respect diversity
- Foster a culture of employee engagement
- Provide competitive compensation and total rewards
- Provide opportunities for training and development

Environment

- Reduce intensity of operational footprint
- Promote environmentally responsible business activities
- Offer environmental products and services

Marketplace

- Develop and provide products responsibly
- Provide access to basic banking services
- Protect and educate consumers

Community

- Provide donations with a lasting social impact
- Sponsor key community initiatives
- Encourage employees to contribute

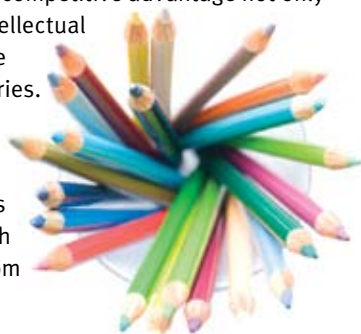


RBC Diversity Blueprint™

Why diversity matters to RBC

Diversity is a “big idea” in business and society as a source of innovation, leading to the generation of new ideas, products and services. Diversity can be a competitive advantage not only when it comes to developing intellectual capital, but also for ensuring the growth of companies and countries.

Of our millions of clients in Canada, the percentage of new Canadians and visible minorities is growing – and we expect much of our future growth to come from these markets.



Financial services companies like RBC depend on intellectual capital, and no asset is more significant than people. There is a global war for talent, and nowhere is this more evident than in our home market. The Canadian workforce is aging, the birth rate has hit a record low, and the country’s labour force will stop growing in about 10 years. At RBC, we believe we must be an employer of choice for new employees by leveraging the diversity of our current and future workforce.

Our approach

RBC is considered a leader in diversity. For example, we have extensive experience with programs and initiatives related to women, visible minorities, people with disabilities and Aboriginal Peoples. We will build on this history when we release the RBC Diversity Blueprint in 2008, as a comprehensive statement of our global strategy and priorities, and a guide for doing better in the future. It will cover the following areas:

- Workforce diversity
- Client programs and services
- Supplier management
- Thought leadership through grassroots partnerships, research and co-operative initiatives.

We’ve identified some of the programs and initiatives that will be included in the RBC Diversity Blueprint throughout this Review. You can read more about RBC’s current diversity efforts online at rbc.com/responsibility/workplace.

RBC Environmental Blueprint™

Why the environment matters to RBC

Financial services companies aren’t considered high-impact when it comes to the environment, but many of our clients are. So, as their bank, we have an indirect impact through our lending and investment activities. Like many companies, we must also manage our own footprint responsibly and know that we can have an impact through how we purchase goods and services as well.

RBC had one of the first environmental policies of any Canadian financial institution – written back in 1992. Over the years, we continued to evolve our approach, and in 2007 it was clear that the environment was now firmly on the radar screen for our stakeholders, including retail consumers, investors and employees.



Our approach

In 2007, we unveiled the RBC Environmental Blueprint, a strategy that built on our strong history, with a new vision of how we will move forward with issues like climate change, biodiversity, forests and water. The RBC Environmental Blueprint lays out our three priorities:

- To reduce the intensity of our environmental footprint
- To promote environmentally responsible business activities
- To offer environmental products and services.

We’ve identified some of the programs and initiatives that are included in the RBC Environmental Blueprint throughout this Review. You can read more about the RBC Environmental Blueprint on pages 8 and 9, and online at rbc.com/environment.

RBC Community Blueprint™

While our new focus areas are diversity and the environment, we remain committed to supporting local communities through donations, sponsorships and employee participation. As one of Canada’s largest corporate donors, and with a tradition of philanthropy that dates back to 1891, RBC supports the arts, athletics, health and wellness, education, social and civic causes, and we will continue to do so under the RBC Community Blueprint umbrella. You can read more about our support for communities on pages 10 and 11 or at rbc.com/responsibility/community.

