



Royal Bank of Canada

**2008 Corporate Responsibility Report  
and Public Accountability Statement**

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# **RBC Blueprint for doing better™**

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# About this report

## Scope

This report provides an overview of our social, economic and environmental commitments and impact on the communities and countries in which we do business. It complements the information on our financial condition and performance provided in our 2008 Annual Report to Shareholders. This report is produced for a wide range of stakeholders. We provide more detail related to stakeholder-specific issues in our 2008 Annual Report and on our website, [rbc.com](http://rbc.com).

## Public Accountability Statement

All federally regulated financial institutions in Canada with equity greater than \$1 billion are required to publish annual public accountability statements outlining their contributions to the Canadian economy and society. This report includes the public accountability statement for Royal Bank of Canada® and its prescribed affiliates and the public accountability statements for each of Royal Bank Mortgage Corporation and RBC Life Insurance Company. Our Corporate Responsibility Report and Public Accountability Statement can be requested in a printed version at no cost.

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## Stakeholders

This report is published for all stakeholders of Royal Bank of Canada and its subsidiaries, which together operate under the master brand name RBC®. Our stakeholders include employees, clients, current and prospective investors, suppliers, governments, regulators, non-governmental organizations (NGOs) and community partners.

## Reporting period

All data and examples contained in this report reflect activities undertaken during, or as at the end of, our 2008 fiscal year (November 1, 2007–October 31, 2008), unless otherwise noted.

## Terminology

Reference to “employees” includes people who work for all RBC businesses and functions around the world, as outlined on page 4 of this report.

## Currency and measurement

All \$ references in this document refer to Canadian dollars unless otherwise stated. U.S. dollars are converted using the fiscal 2008 average (C\$1.00 = US\$0.969). Measures used in this report are metric, except where otherwise stated.

## Global Reporting Initiative

We use the Global Reporting Initiative (GRI) G3 guidelines, the GRI Financial Services sector supplement, as well as stakeholder input and external best practices to help structure our sustainability reporting, both in this report and online. A GRI content index can be found at [rbc.com/responsibility](http://rbc.com/responsibility), and on page 67 of this report to help readers compare RBC to other reporting organizations.

## Forward-looking statements

This report contains forward-looking statements within the meaning of certain securities laws including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. These forward-looking statements include, among others, statements with respect to credit quality during 2009 in Canada, anticipated provision for credit losses, consumer lending and business spending in Canadian Banking, as well as statements with respect to our environmental priorities for 2009 and our bank and insurance branch expansion plans. We caution readers not to place undue reliance on these statements, as a number of important factors, including general business and economic conditions; the impact of continuing volatility in financial markets and lack of liquidity in credit markets, and our ability to effectively manage our liquidity and our capital ratios effectively and implement effective risk management procedures; and our ability to successfully execute on our strategies and plans, could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. Additional information about these and other factors can be found in our 2008 Annual Report.

## Previous reports and additional information

Past Corporate Responsibility Reports and Public Accountability Statements, as well as other information relevant to the issues presented in this report, are available on [rbc.com](http://rbc.com).

# Profile

## Our business

- Royal Bank of Canada (RY on TSX and NYSE) and its subsidiaries operate under the master brand name RBC.
- We are Canada's largest bank as measured by assets and market capitalization, one of North America's leading diversified financial services companies and among the largest banks in the world as measured by market capitalization.
- We provide personal and commercial banking, wealth and asset management services, insurance, corporate and investment banking and transaction processing services on a global basis.
- We have more than 17 million personal, business, public sector, and institutional clients through offices in Canada, the U.S. and 48 other countries.
- We employ 80,100 people in full- and part-time positions.

## Our structure

**Canadian Banking:** We provide personal and business financial services in Canada. Through our leading national distribution network and the most valuable brand in Canada, we reach approximately 10 million clients through our extensive branch and bank machine (ATM) network, proprietary and specialized sales forces, online channels and contact centres.

**Wealth Management:** Our businesses serve affluent and high net worth clients around the world and provide asset management and estate and trust services directly to clients and through internal partners and third-party distributors. This segment comprises Canadian Wealth Management, U.S. & International Wealth Management and Global Asset Management. We are a market leader in Canadian wealth and asset management, and we have strong and growing businesses in the U.S. and internationally. With more than 4,000 financial consultants, advisors, private bankers and trust officers in 24 countries, we help clients grow, protect and transfer their wealth.

**Insurance:** We provide Canadians with improved access to insurance choices through a wide range of insurance solutions including life, health, travel, home, auto, and creditor insurance services to individual and business clients. These products are distributed through third-party channels including independent life insurance advisors and travel agents as well as through our growing proprietary channels such as retail insurance branches, bank branches, call centres, online, and our career sales force. In the U.S., we offer life insurance, annuity products and travel insurance. Outside North America, we operate a specialty reinsurance business.

**International Banking:** We have banking businesses in the U.S. and Caribbean, as well as global custody and investor services.

**Capital Markets:** Our diverse capital markets businesses provide corporate, government, and institutional advice, capital, and access to the world's financial markets and innovative products to help them achieve their growth objectives. By leveraging our leadership position in Canada, we have built a strong and growing U.S. mid-market capital markets franchise. Outside North America, we have established ourselves as a leading provider of global financial services and are recognized as a top 15 global investment bank. Notable areas of strength include global fixed income distribution capabilities, structuring and trading, and foreign exchange. In addition, we continue to build our global capabilities in energy, mining and infrastructure finance.

**Corporate Support:** This group comprises Global Technology and Operations and Global Functions. Together, these teams contribute to achieving enterprise and business objectives by enabling the strategies of each business platform, and by driving innovative process and technology improvements, enhancing client service, executing against RBC's risk and compliance objectives, and ensuring the safety and soundness of our organization.

# Vital statistics\*

<b>Economic impact</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Revenue	\$21.58 billion	\$22.46 billion	\$20.64 billion
Market capitalization	\$62.83 billion	\$71.52 billion	\$63.79 billion
Taxes incurred	\$2.08 billion	\$2.09 billion	\$2.08 billion
Employee compensation and benefits	\$7.8 billion	\$7.9 billion	\$7.3 billion
Goods and services purchased	\$4.7 billion	\$4.4 billion	\$3.9 billion
Debt financing for businesses in Canada (authorized)	\$144 billion	\$138 billion	\$120 billion

<b>Marketplace</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Countries we operate in	50	38	36
Clients (approximate)	17 million	15 million	14 million
Bank branches (Canada)	1,174	1,146	1,117
ATMs (Canada)	4,149	3,946	3,847
Bank branches (United States)	439	350	282
ATMs (United States)	503	395	314
Bank branches (Caribbean)	127	45	44
ATMs (Caribbean)	312	78	71
Bank branches (China)	1	1	1

<b>Workplace</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Employees	80,100	71,760	69,480
Employees in full-time equivalent (FTE) positions**	73,323	64,815	60,539
Employees (Canada)	56,112	54,960	54,742
Employees (United States)	14,082	12,181	10,580
Employees (Caribbean and other international)	9,906	4,619	4,158
Amount invested in formal training (including direct and indirect expenditures)	\$149 million	\$166 million	\$109 million
<b>Workforce diversity (Canada)</b>			
• Women	69%	69%	70%
• Women in management	54%	55%	55%
• Visible minorities	26%	25%	24%
• Visible minorities in management	25%	24%	21%
• People with disabilities	3.8%	3.9%	3.2%
• Aboriginal people	1.6%	1.6%	1.6%

<b>Environment</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Office paper use/FTE	.059	.060	.054
Energy use per m <sup>2</sup> – branches (MWh/m <sup>2</sup> )	.308	.286	.270
Energy use per m <sup>2</sup> – major leased premises (MWh/m <sup>2</sup> )	.515	–	–
CO <sub>2</sub> e emissions from energy use*** (tonnes/m <sup>2</sup> )	.092	.053	.050
CO <sub>2</sub> e emissions from employee travel (tonnes/FTE)	.355	.382	.359
Transactions assessed under Equator Principles	5	6	4

<b>Community</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Investments in community causes (total of donations and sponsorships)	\$99.0 million	\$82.8 million	\$83.4 million
Donations	\$51.5 million	\$47.7 million	\$42.4 million
Community and national sponsorships	\$47.5 million	\$35.1 million	\$41.0 million

\* All figures refer to our worldwide operations, unless otherwise noted.

\*\* Effective 2008, we have excluded statutory holiday pay for part-time employees from our full-time equivalent (FTE) calculation consistent with our management reporting framework. All comparative amounts reflect the change to the FTE calculation.

\*\*\*Every year we strive to improve the coverage and robustness of our environmental footprint indicators. In 2008, we expanded our energy data coverage to 65% of our global floor area, compared to 35% in 2007. We are now able to report energy data not fully available in prior years for properties in Canada, the U.S. and the British Isles.

For 2008, we have included data for some of our more emission intensive areas, such as major leased premises in Canada, the U.S. and the British Isles (such as data centres) and branches in the U.S. Due to this more comprehensive reporting in 2008, our reported CO<sub>2</sub>e emissions are higher than those in 2007.

# Message from the CEO

## What is a bank's responsibility?

2008 was a year of turmoil in the global financial markets, leading some to question whether "corporate responsibility" can survive in tough economic times. The answer to that question really depends on how you define corporate responsibility.

RBC has consistently asserted that our first responsibility as a financial services company is to have a positive economic impact: to make a profit, provide shareholders with a good return, pay taxes and provide safe and attractive employment. We do this by operating with integrity and ethics, every day.

This has always been, and always will be, our primary corporate responsibility.

## Our most fundamental social contribution is to do our jobs as bankers well.

In our first "social report," dated 1985, my predecessor Rowland Frazee succinctly laid out the case. "We believe that our most fundamental social contribution is to do our jobs as bankers well," he said. "The fundamental measure of the bank's contribution to society is the degree to which it is faithful to and successful in pursuing its purpose: to provide world-class banking and financial services, while being a sound business enterprise, a generator of beneficial economic activity and a good corporate citizen of the communities in which it operates."

We have maintained that philosophy to this day. We continually strive to do our jobs as bankers well, to have a positive economic impact and serve the marketplace with integrity. Being a good banker also means helping our clients chart the best path forward in uncertain times by providing straightforward financial advice.

This approach, coupled with our consistent financial strength, sound risk management policies and diversified business mix have enabled us to withstand many of the market shocks and pressures of 2008. Our balance sheet is of high quality, and we manage it prudently. We diversify our exposure in a variety of ways, including limiting our exposure to any single name and to any single sector. Our liquidity position is solid, our capital position is strong and our senior debt ratings are among the highest of financial institutions globally. This is corporate responsibility in action.

That is not to say that workplace, environmental and community programs are not an important part of corporate responsibility as well. They are, and they are integral to our ability to serve our clients well and support our ability to create a sustainable global business. RBC's continued strong performance in these areas gives our more than 80,000 employees worldwide cause for confidence and pride, and has continued to earn us recognition from our stakeholders.

So my answer to the question of whether corporate responsibility can survive tough economic times is a resounding "yes." Because corporate responsibility isn't only about how a company spends its money: it's about how a company makes its money. The only way a company can survive tough economic times is by managing its financial, social and environmental performance, and paying close attention to all three.

This year, RBC's sustainability reporting completes its migration online. Our 2008 Corporate Responsibility Report and Public Accountability Statement is now available in electronic format, with a much shorter 2008 Corporate Responsibility Review available in print. We continue to include corporate responsibility information in our Annual Report to Shareholders and enhance our communications with non-governmental organizations (NGOs), and provide detailed, direct reporting to analysts and researchers from the socially responsible investment community.

I invite you to read this report and visit [rbc.com](http://rbc.com) for additional details throughout 2009. Please tell us how we can continue to do better.



Gordon M. Nixon  
President and Chief Executive Officer

# Corporate responsibility 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. This section of our report gives an overview of how we view corporate responsibility at RBC.**

## Vision

RBC's vision is "always earning the right to be our clients' first choice." In order to accomplish this, we are committed to doing better for our clients, our investors, our employees and our communities, through a focused approach to corporate responsibility, called the RBC Blueprint for Doing Better™.

## Values

At RBC, our whole company, including every employee, is responsible for behaving responsibly, which is built right into our Code of Conduct, which reads:

*"It is our duty as a corporate citizen to add value to society while earning a profit for our shareholders. RBC companies take responsibility for the effects of their actions, both social and economic."*

RBC's five core values address the behaviours that make a company sustainable, and they are part of every RBC employee's training and compensation:

- Excellent service to clients and each other
- Working together to succeed
- Personal responsibility for high performance
- Diversity for growth and innovation
- Trust through integrity in everything we do

## Strategy

RBC's strategic business goals are:

- In Canada, to be the undisputed leader in financial services
- In the U.S., to be a leading provider of banking, wealth management and capital markets services by building on and leveraging RBC's considerable capabilities
- Internationally, to be a premier provider of select banking, wealth management and capital markets services in markets of choice.

We believe that our approach to corporate responsibility fully supports our business strategy, and that by continuing to demonstrate integrity in our business practices, providing leadership in the workplace, marketplace and communities, and by caring for the environment, we will continue to earn the right to be our clients' first choice.

Two of our newer focus areas are diversity and the environment, while we continue to focus on community engagement.

- The RBC Diversity Blueprint™ is a comprehensive statement of our global strategy and priorities and a guide for doing better in the future in the workplace and the marketplace. You can read more on page 59 of this report and at [rbc.com/responsibility/workplace](http://rbc.com/responsibility/workplace).

**RBC  
Diversity  
Blueprint™**

- The RBC Environmental Blueprint™ is a vision of how we are moving forward with issues like climate change, biodiversity, forests and water and lays out our workplans for achieving three priorities:

**RBC  
Environmental  
Blueprint™**

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

You can read more about the RBC Environmental Blueprint on pages 38 to 49 and at [rbc.com/environment](http://rbc.com/environment).

- The RBC Community Blueprint™ is an expression of our commitment to supporting local communities through donations, sponsorships and employee participation.

**RBC  
Community  
Blueprint™**

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 and 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 50 to 56 and at [rbc.com/responsibility/community](http://rbc.com/responsibility/community).

<b>Corporate responsibility priorities</b>			
<p><b>Economic impact</b></p> <ul style="list-style-type: none"> <li>• Provide strong returns to shareholders</li> <li>• Pay fair share of taxes</li> <li>• Create employment</li> <li>• Support small business and community economic development</li> <li>• Foster innovation and entrepreneurship</li> <li>• Purchase goods and services responsibly</li> </ul>	<p><b>Marketplace</b></p> <ul style="list-style-type: none"> <li>• Develop and provide products responsibly</li> <li>• Provide access to basic banking services</li> <li>• Protect, educate and listen to consumers</li> </ul>	<p><b>Operate our business with integrity</b></p>	
<p><b>Workplace</b></p> <ul style="list-style-type: none"> <li>• Maintain progressive workplace practices</li> <li>• Provide competitive compensation and total rewards, and enable growth through training and development opportunities</li> <li>• Respect diversity and promote inclusion</li> <li>• Foster a culture of employee engagement</li> </ul>	<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• Reduce the intensity of our environmental footprint</li> <li>• Promote environmentally responsible business activities</li> <li>• Offer environmental products and services</li> </ul>		
		<p><b>Community</b></p> <ul style="list-style-type: none"> <li>• Provide donations with a lasting social impact</li> <li>• Sponsor key community initiatives</li> <li>• Enable employees to contribute</li> </ul>	

## Structure, oversight and responsibility

### Board oversight and responsibility

Various board committees, including Corporate Governance and Public Policy, Conduct Review and Risk Policy, and Human Resources, are responsible for different segments of sustainability rather than only one board committee dedicated to sustainable development or corporate responsibility.

### Staff oversight and responsibility

In 2008, in order to respond to increased external expectations for integrated sustainability programs, initiatives, reporting and communications, we created a new Corporate Citizenship department, encompassing corporate responsibility, corporate environmental affairs and donations.

A virtual team of key staff in other departments are responsible for programs and performance in issue-specific areas, including Finance, Investor Relations, Group Risk Management, Procurement, Real Estate Operations, Human Resources, Community Sponsorships and Government Relations. Most of these departments report to the Chief Operating Officer.

Employees worldwide are responsible for community relations at the local level. We have multiple business units and each has its own structure for customer service, quality management and government relations.

## Recognition

### Awards

A company's reputation is built in part by what people say about it. We feel privileged to have received this recognition for RBC's corporate responsibility programs and performance.

- Global 100 Most Sustainable Companies in the World 2008
- Canada's Top 100 Employers for 2009
- Canada's 10 Most Admired Corporate Cultures 2008
- Canada's Best 50 Corporate Citizens

### Indices

RBC continues to be listed on Canadian and global indices used by socially responsible investors to identify financial, social and environmental leaders, including the following in 2008:

- Dow Jones Sustainability World Index and Dow Jones Sustainability North America Index (ninth consecutive year)
- Jantzi Social Index (eighth consecutive year)
- FTSE4Good Index (eighth consecutive year)
- Carbon Disclosure Leadership Index (fourth consecutive year). RBC was among 67 companies and one of only 18 financial institutions worldwide named to this honour roll of world leaders at understanding and managing the financial risks and opportunities resulting from climate change. Among financial institutions, RBC was ranked number one in Canada, and tied for second both in North America and globally.

## Affiliations

RBC is involved with a number of leading organizations around the world to steward corporate responsibility.

- In 1988, we were a founding member of Imagine Canada, a program to encourage philanthropy and volunteering, and remain a member to this day, with a commitment to donate 1% of our Canadian pre-tax profits to charity.
- RBC Foundation – USA (formerly RBC Dain Rauscher Foundation) was a founding member of the Minnesota Keystone Program in 1976, where businesses commit at least 2% of pre-tax earnings to charitable contributions in the community.
- Since 1997, we have been a member of the Center for Corporate Citizenship at Boston College, a leading resource in North America providing research and executive education on citizenship topics.
- We are a sustaining member of Canadian Business for Social Responsibility, a membership organization of Canadian companies who have made a commitment to operate in a socially, environmentally and financially responsible manner.
- Since 2006, we have been a member of the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria.
- Since 2006, we have been a GRI Organizational Stakeholder. GRI is

an independent institution whose mission is to develop and disseminate globally applicable sustainability reporting guidelines. RBC now reports online on performance indicators suggested by GRI.

- RBC Asset Management® is a member of the Canadian Coalition for Good Governance, promoting best corporate governance practices in companies its members consider for investment.
- RBC is a founding member of the Canadian Centre for Ethics and Corporate Policy.
- RBC is a member of the Conference Board of Canada, and its Corporate Community Investment Council, Effective Work Environment Research Council, Corporate Ethics Management Council and the Business Council for Sustainability.
- In terms of workplace practices, RBC is a member of a number of organizations, including Catalyst, the Canadian Council of Rehabilitation and Work, and the Vanier Institute of the Family, the Financial Industry Partnering for Aboriginal Relationships (FIPAR), the Canadian Centre for Diversity, and the Conference Board of Canada. In the United States, we are a member of the U.S. Conference Board Council on Workforce Diversity, the Families and Work Institute and the Urban Financial Services Coalition.
- To support environmental sustainability, we are a member of the Excel Partnership, the Equator Principles Financial Institutions Membership Committee, Conference Board of Canada's Business Council for Sustainability, Canadian Bankers Association Environmental Issues Specialist Group, Environmental Bankers Association, Canadian Brownfields Network, Ontario Municipal Affairs and Housing Brownfield Stakeholders Group, the United Nations Environment Programme Finance Initiative (UNEP FI) and its North American Task Force.
- RBC is a founding member of the Canadian Aboriginal and Minority Supplier Council and the National Minority Supplier Development Council in the United States.

For more information, see [rbc.com/responsibility/approach/recognition](http://rbc.com/responsibility/approach/recognition)

## Stakeholders

RBC's major stakeholders include employees, clients, current and prospective investors, suppliers, governments, regulators, non-governmental organizations (NGOs) and community partners. This section reviews the manner in which RBC engages our stakeholders.

### Clients

RBC encourages clients to tell us what they think, so we can evaluate how well we are earning the right to be their first choice and we use information gained through public opinion surveys to develop product and client strategies.

Each RBC business tracks client satisfaction as a key measure of performance and uses feedback to make improvements. We record problems noted by clients in a central database, and we interview a sampling directly to find out how well their issues were resolved.

We obtain client feedback in a number of formal and informal ways to support the development of high-calibre client, marketing and channel strategies. We conduct customer satisfaction and loyalty surveys and report results quarterly. We use feedback/input from our Client Care Centre and Office of the Ombudsman to improve our products and services, and we track all issues to ensure that systemic problems are corrected. We generally use third-party suppliers to administer both our external market benchmarking surveys as well as our internally designed surveys to our customers.

### **Employees**

RBC has conducted comprehensive employee opinion surveys since the late 1980s, covering the following areas:

- Reward and recognition
- Leadership
- Supportive/collaborative team environment
- Personal development possibilities
- Job satisfaction/opportunity to make a difference
- Working environment (health and safety, social climate, etc.)
- Identification with corporate values and strategy

We conduct a comprehensive survey across all of RBC every two years, resulting in organizational and local priorities and action plans. A targeted, sample-based survey is conducted in the following year to follow up on action plans.

The survey is based on a comprehensive engagement model, which we have subsequently linked to client loyalty and financial performance to demonstrate the value chain relative to employee engagement. On an annual basis we look at our engagement scores and the drivers of engagement (across approximately 100 items), including trend analysis and external benchmarking and develop action plans to address any gaps or emerging issues identified. Results are presented to senior executive management, to the Board of Directors and to individual unit managers, but are not disclosed outside of RBC.

### **Investors/shareholders**

Investor Relations sets the overall investor strategy and manages all relationships and communications with the investment community, which includes investors, financial services analysts and rating agencies. The investors consist of all classes (common, preferred and fixed income) and types (institutional and retail) spanning all geographies. This group also oversees rating agency strategy, relationships and communications in order to achieve high debt ratings for RBC.

Investor Relations communicates the views, concerns and perceptions of investors, analysts and rating agencies to the Group Executive Committee and the Board of Directors. We meet with shareholders regularly on both an individual and group basis as well as in person at our Annual Meeting of Common Shareholders. Feedback from analysts and investors is taken into consideration as we formulate our strategy and priorities.

We interact with the investment community in a variety of ways including our quarterly and annual reports to shareholders, our quarterly earnings statements, analyst calls, various external web-sites and our annual Corporate Responsibility Report and Public Accountability Statement.

We regularly provide information to Canadian and international sustainability reporting investments (SRI) research firms for the creation of their indices, ratings and rankings for analysts and SRI investors. RBC is included in a number of SRI indices such as the Dow Jones Sustainability Index and the Jantzi Social Index.

### **Suppliers**

Our relations with major suppliers are governed by Service Level Agreements, with quarterly reports providing information on customer service and service delivery standards.

### **Governments**

RBC has ongoing relationships with local, provincial and federal governments. Regional public relations managers and representatives engage with local elected officials at the community level. At present, we advocate on a broad range of issues from taxation, agriculture, consumer issues, employment and training, environment, financial institutions, industry, internal trade, small business, securities regulation, financial sector policy and competition policy.

### **Environmental organizations (NGOs)**

We are actively involved in stakeholder engagement on the environmental front. We liaise with a number of stakeholder groups to discuss environmental issues related to policy development, transaction review, portfolio management, operational impacts and business development opportunities. These groups include the Canadian Boreal Initiative, Durrell Wildlife Preservation Trust, ForestEthics, Nature Conservancy of Canada, and Rainforest Action Network. We encourage clients and the public to contact us with inquiries or concerns.

For more information, see page 48

## Sustainability reporting

RBC has adopted a multi-pronged approach to sustainability reporting, using a range of formats designed to be accessible to various audiences. Our sustainability reporting suite includes:

- **rbc.com/responsibility:** Our website is the cornerstone of our sustainability reporting and is geared to the widest range of our stakeholders: consumers, employees, non-governmental organizations, community partners, students and corporate responsibility practitioners. We post content from our print reports and major survey submissions in HTML format, so that stakeholders can find the level of information that is right for them. The website provides at-a-glance information for the casual reader, with drill-down information for those who want more details, and is updated year-round. To be environmentally sustainable, we have reduced the length of our printed reports over the years.
- **Corporate Responsibility Report and Public Accountability Statement:** This annual report is geared to socially responsible investors, employees, NGOs, regulators, elected officials and corporate responsibility practitioners. It summarizes key information taken from rbc.com/responsibility, and includes an overview of our policies and approach to business integrity, as well as a year-end snapshot of our economic, social and environmental impact in the workplace, marketplace and communities. It contains our annual Public Accountability Statement and, as of 2008, is available online. Print copies are available at no cost, on request. Contact:  
The Editor, RBC Corporate Responsibility Report and Public Accountability Statement  
9th Floor, South Tower  
Royal Bank Plaza  
200 Bay Street  
Toronto, Ontario  
Canada  
M5J 2J5  
Email: corporateresponsibilityreport@rbc.com
- **Corporate Responsibility Review:** This short publication is geared to consumers, the general public and employees. It summarizes our Corporate Responsibility Report, indicates where other information can be found, and is available in print and online.
- **Quarterly and Annual Reports to Shareholders and Management Proxy Circular:** These publications are geared to investors and analysts, and provide disclosure about our financial performance, as well as information related to corporate governance, executive compensation, risk management and corporate responsibility.
- **Global Reporting Initiative (GRI):** We observe the reporting guidelines suggested by the Global Reporting Initiative. Both our website and this 2008 Corporate Responsibility Report/Public Accountability Statement contain a GRI index showing where all of our GRI-related sustainability information can be found. See page 67.

- **Sustainability survey submissions:** RBC has performed a strategic review of SRI researchers, rating agencies and analysts worldwide in order to focus our energy and resources on the indices that are most relevant to our stakeholders. We evaluated the most prominent research companies and rating agencies, as well as a number of smaller or emerging agencies from regional markets. We analyzed the relevance of each to our priority geographic markets, as well as the likelihood of our shareholders or potential shareholders using research from companies or agencies in markets in which we have little or no presence. From this list, we selected two international and one Canadian research agency to which we would proactively respond. We continue to enhance our online reporting at rbc.com/responsibility in order to provide sufficient information about our sustainability performance for all the other research companies and rating agencies. We will enhance the scope of our online disclosure as new metrics emerge and as expectations of shareholders, clients, NGOs and employees change.
- **Issue-specific reports:** RBC provides detailed disclosure on areas of interest that fall under the “sustainability” banner, with reports that are produced for specific stakeholders. For example, we make our submission to the Carbon Disclosure Project public, and produce an annual Diversity Progress Report, which is available in print and online. Canada’s *Lobbyist Registration Act* requires us to report on our lobbying activities as well as those of others who engage in advocacy on our behalf. We are required to file a report every six months about the issues in which we are engaged, under the President and CEO’s signature, listing our employees and consultants who are in regular contact with government officials and the topics discussed.

### Navigating rbc.com/responsibility

The structure of our website is designed to be intuitive, based around key issues. For increased transparency, comparability and ease of navigation, the site has been organized into categories that we have used since 2005, which are also commonly used by other companies. You can access information on our website in a number of ways:

- Use the menu on the left-hand side.
- Follow the links from our GRI index.
- Download a PDF of our 2008 Corporate Responsibility Report and Public Accountability Statement.
- Download the contents of the full website.

### Future reporting plans

In 2009, we plan to improve our online reporting by creating an easier user interface that will allow our stakeholders to select the content that interests them and create their own PDF report.

# Governance and ethics

**“Integrity in all that we do” is a key value at RBC. It permeates our sound corporate governance and disclosure practices, our effective risk management framework, and the principles and policies that guide our decision-making. We believe that by operating with integrity, we can fulfill our responsibilities to our stakeholders and maintain their trust.**

## Priorities

- Demonstrate sound corporate governance principles
- Provide clear disclosure of financial results, and disclose reliable performance data on key non-financial items
- Comply with all applicable laws and regulations in every country in which we operate
- Conduct business with honesty and integrity

## Practices, leadership and disclosure

RBC's dynamic approach to corporate governance is responsive to the changing regulatory environment and anticipates best practices. Our governance structure determines the fundamental relationships among the members of the Board of Directors, management, shareholders and other stakeholders. It defines the framework in which ethical values are established and the context in which corporate strategies and objectives are set.

The strength of our governance starts at the top with an independent Chairman and experienced and well-informed directors, who give priority to strategic planning, ensure that standards exist to promote ethical behaviour throughout the organization, and drive continuous improvement in governance practices.

## Practices

Our governance policies and practices support the ability of directors to supervise management and enhance long-term shareholder value. Over the past few years RBC has adopted many significant and leading governance practices:

- Directors are required to tender their resignations following the Annual Meeting if they fail to receive majority shareholder support.
- Our comprehensive Director Independence Policy has continued to evolve in response to best practices and regulatory refinements. Fourteen of the 15 directors currently serving are independent.

- Meetings of independent directors are held following each regularly scheduled board meeting.
- A minimum share ownership requirement of \$500,000 for directors ensures strong alignment of their interests with those of shareholders.
- Increased minimum share ownership requirements for executive officers further align management and shareholder interests. The President and CEO must have shareholdings worth at least eight times the last three years' average base salary. This requirement extends for two years into retirement. The standard for other members of Group Executive is six times the last three years' average base salary, except the Head of Capital Markets, who must hold shares worth at least two times the last three years' average salary plus bonus. These requirements extend for one year into retirement.
- A Performance Deferred Share Program strengthens the alignment of the interests of management with shareholders by tying senior management's rewards to the performance of RBC relative to a North American peer group of competing financial institutions.
- The number of stock option grants awarded to management was reduced by approximately 70% since 2003.
- All members of every committee of the Board of Directors are independent: the Audit Committee, Human Resources Committee, Corporate Governance and Public Policy Committee, and Conduct Review and Risk Policy Committee.
- For the Audit Committee, more stringent independence criteria apply to members; four individuals have been designated as audit committee financial experts and a policy limiting the service of our Audit Committee members on the audit committees of other companies was adopted in 2004.
- The Audit, Human Resources, and Corporate Governance and Public Policy committees have sole authority to retain and approve the fees of independent, external advisors. The Human Resources Committee retains an independent compensation consultant.

## Leadership

The measures described on page 12 build on our previous governance initiatives, which include, among many others:

- Ensuring independent leadership of the Board of Directors by being first among our peer companies to separate the positions of Chairman and CEO in 2001
- Establishing board and director evaluation procedures, with written peer reviews to complement the peer assessment practice of one-on-one interviews with the Chairman. In addition, each Board committee assesses its own effectiveness annually
- Adopting a policy limiting interlocking directorships of board members in 2002
- Permanently discontinuing grants under the Director Stock Option Plan in 2002
- Being among the first major Canadian companies to expense stock options in financial statements, which we have done since 2003
- Providing a continuous education program for directors so they remain knowledgeable and informed about the ever-changing business and regulatory environment and the specialized and complex aspects of finance and our business operations.

## Disclosure

In keeping with our goals of continuously improving governance and providing greater transparency and simplicity in our communications, we have enhanced disclosure in our Management Proxy Circular in recent years, including:

- More detail on the compensation paid to individual directors and their share ownership
- Easy-to-read, three-year overviews of named executive officers' compensation
- Aggregate compensation of top executives as a percentage of market capitalization and a percentage of net income after-tax
- Description of how the President and CEO's compensation aligns with corporate performance
- Details of comparator companies used for benchmarking of both corporate performance and executive pay
- Increased disclosure regarding executive pensions and the value of retirement plans for top executives.

For more information, see [rbc.com/governance](http://rbc.com/governance), our 2008 Annual Report and our Management Proxy Circular

## Risk management

Risk is inherent in virtually all aspects of our business, and sound risk management practices are fundamental to our long-term success. Our management of risk is a core competency supported by a strong risk management culture and an effective enterprise risk management framework.

## Enterprise risk management framework

RBC's enterprise risk management framework provides an overview of our enterprise-wide program for identifying, measuring, controlling, and reporting on the significant risks that face the organization. This enterprise approach ensures that RBC remains in compliance with the requirements set out by our main regulator, the Office of the Superintendent of Financial Institutions (OSFI) as well as other relevant laws and regulations. The Conduct Review and Risk Policy Committee of our Board of Directors reviews and approves the framework annually.

The enterprise risk management framework provides a consolidated overview of risk management at RBC, including risk principles, risk appetite, risk types, and risk management processes and tools. Within RBC, the framework promotes a good understanding of the roles, responsibilities and authorities for the management of risk, and supports the use of a common risk language. The ability to articulate what our risks are and how they are managed is important both for internal understanding and alignment and to ensure an accurate and consistent RBC view of risk through a variety of reporting and disclosure mechanisms.

For more information on our risk management practices, see our 2008 Annual Report to Shareholders

## Reputation risk framework

Our reputation risk framework is one of a set of risk-specific frameworks supporting the enterprise risk management framework. Reviewed annually by the Conduct Review and Risk Policy Committee of our Board of Directors and most recently in October 2008, the reputation risk framework provides an overview of our approach to the management of reputation risk, including definitions, principles, sources of risk, the mechanisms in place to prevent and mitigate reputation risk and the related organizational and oversight responsibilities.

Effective reputation risk management requires both proactive measures to prevent the compromise of our reputation on an ongoing basis and reactive measures to mitigate the impact of issues and incidents when they arise. We have a number of key preventative measures in place including our Code of Conduct (see page 14) and proactive stakeholder engagement whereby we maintain relationships of trust with all stakeholders. We use a number of responsive measures to protect and enhance our reputation including the escalation protocols established through our Enterprise Compliance Management program and our Business Continuity and Crisis Management approach.

### Enterprise Compliance Management (ECM) Framework

In order to achieve worldwide compliance with governing legislation and other applicable laws, regulations and regulatory directives and expectations, RBC has adopted a comprehensive ECM Framework that is consistent with regulatory guidance from OSFI and other regulators. The framework is designed to promote the proactive, risk-based management of regulatory risk. It applies to all our businesses and operations, legal entities and employees globally and confirms the shared accountability of all employees across the organization for ensuring we maintain robust and effective regulatory risk and compliance controls.

### Business continuity and crisis management

RBC uses a best-in-class Business Continuity Management program to ensure that our businesses or units are adequately prepared to deal with any disruption of service to clients. We conduct risk assessments of all areas annually, further supported with contingency plans and periodic testing.

RBC's Enterprise Crisis Management team, comprised of senior executives from across the organization, is responsible for ensuring continued service to our clients. They are supported by a global network of regional, business-line and local incident management teams. These teams are on call round the clock to address any situation that may pose material risk to staff, corporate reputation or our ability to serve clients. We conduct regular crisis simulations to test the readiness and timely response to all emergency situations.

For more information, see our 2008 Annual Report to Shareholders and Management Proxy Circular

## Principles, codes and policies

Financial service companies, perhaps more than any other business, depend on confidence and trust. As a global organization, RBC respects and complies with laws and regulations that govern our businesses in the jurisdictions in which we operate. RBC has enterprise-wide policies and processes to support the assessment and management of risks, including policies to address issues such as the environment, privacy, money laundering, terrorism financing, economic sanctions, lending to political parties, and fiduciary risk. We regularly review policies and controls to ensure continued effectiveness and alignment with relevant laws and regulations. We also adhere to a number of other principles, codes and policies to ensure we operate with integrity, including our Code of Conduct, which governs the behaviour of our employees and informs how we conduct all our businesses operations. This section covers key principles, codes and policies, including:

- Code of conduct
- Privacy
- Know your client

- Fiduciary risk
- The environment
- Development of products and services
- Anti-money laundering
- Anti-terrorism
- Tax havens
- Economic sanctions
- Reporting irregularities
- Political contributions and lobbying.

### Code of Conduct

All RBC employees worldwide are governed by our Code of Conduct, which was established more than 20 years ago. We review the Code regularly and update it as needed to ensure it covers all aspects of our activities and is clear and easy for our employees to understand and follow. RBC requires all employees to successfully complete a web-based learning program and test or to follow an alternative process approved by our Human Resources Advisory Service, so that they know and understand the Code's principles and compliance elements. Employees must review the Code and acknowledge adherence to it at least once every two years. In addition, the company's most senior officers and select others must complete the acknowledgement annually.

RBC's Code of Conduct includes the following principles:

- Upholding the law
- Confidentiality
- Fairness
- Corporate responsibility
- Honouring our trust in you
- Objectivity
- Integrity
- Individual responsibility

### Privacy

We have had a formal Privacy policy since 1991 to ensure that the personal and financial information of our clients and employees is protected.

For more information, see page 27

### Know your client (client due diligence)

RBC has long recognized the importance of implementing and maintaining adequate controls and procedures to ensure that on a reasonable and practicable basis, we know with whom we are conducting business. We perform due diligence on new and existing clients, and comply with applicable regulatory guidance concerning anti-money laundering, anti-terrorism and economic sanctions, as well as with suitability requirements that protect our clients.

### **Fiduciary risk**

RBC businesses and subsidiaries are expected to identify, assess, manage and mitigate any fiduciary risk inherent in our business and operations or arising from our specific activities and relationships with clients.

Employees engaged in fiduciary relationships must have the appropriate level of knowledge and training necessary to discharge their fiduciary duties and must meet all regulatory licensing or registration requirements. Client communication campaigns and marketing materials sent to clients in relation to fiduciary duties must be reviewed and approved from a fiduciary risk perspective.

### **The environment**

RBC first adopted a formal environmental policy in 1991, and we update it regularly. Our policy applies to all of RBC's operations, including:

- Environmental impacts of products and services
- Suppliers and service providers (e.g., contractors)
- Other key business partners (e.g., non-managed operations, joint venture partners, etc.).

Our environmental policy incorporates a number of components that are drafted, implemented and updated regularly. For instance, our Code of Conduct addresses the behaviour we expect of our employees with regard to the environment. We ask vendors to supply us with their own environmental policies and practices, which we consider in the supplier selection process. We also have specific environmental risk management policies for various businesses including agricultural businesses, residential mortgages, business and commercial markets and project finance.

In 2007, we launched the RBC Environmental Blueprint™, which covers our policy, priorities and objectives. The blueprint is overseen by a Corporate Environmental Affairs group that works with executives and staff in business and functional units.

For more information, see pages 38 to 49

### **Development of products and services**

RBC has a formal policy that sets out a defined, rigorous process for launching any new product or significantly changing an existing one. We evaluate products for a range of risks and ensure they align with client needs, our Code of Conduct, laws and regulations, and voluntary consumer protection codes that we have signed. Approval levels within RBC correspond to the level of risk identified for a particular product or service.

### **Anti-money laundering**

RBC companies are required by various regulators to apply appropriate scrutiny and monitoring measures to clients in order to monitor for possible money laundering, especially for clients whose business activities are known to be susceptible to criminal activity or have been designated as high risk for money laundering. Our Global Anti-Money Laundering (AML) Compliance Group is dedicated to the continuous development and maintenance of policies, guidelines, training and risk assessment tools and models to help our employees deal with ever-evolving money laundering and terrorism financing risks.

RBC actively participates in global industry groups dealing with anti-money laundering and anti-terrorist financing. We consult with Canada's national financial intelligence unit, the Financial Transactions and Reports Analysis Centre of Canada, to ensure that we are effective in our reporting of prescribed transactions. To enhance our anti-money laundering capabilities, we have implemented robust software systems to detect, track and analyze transactions for suspicious activities.

RBC promotes employee awareness and compliance with anti-money laundering and anti-terrorist financing controls through web-based training, presentations, employee communications vehicles (newsletters, websites, meetings, etc.) and conferences. Annual anti-money laundering training is mandatory for all employees including senior executives.

### **Anti-terrorism**

As part of the global fight against terrorist financing activities, countries around the world have enacted regulations aimed at combating terrorism that typically prohibit dealings with certain entities and individuals and require financial institutions to file reports with regulators and other authorities as required.

RBC units and their directors, officers, and employees will not knowingly enter into transactions with, or provide or assist in providing, directly or indirectly, financial services to, or for the benefit of, states, entities, organizations and individuals targeted by applicable anti-terrorism measures.

In order to effectively meet these requirements, we have implemented automated systems for scanning client names against various terrorist and control lists daily, as well as scanning of payments against government control lists, as per terrorist financing regulations.

### **Tax havens**

RBC operates in 50 countries. RBC supports the laws enacted by Canada and the other jurisdictions where we operate that are designed to deter tax evasion, tax fraud, money laundering and other criminal activities. RBC, our subsidiaries and employees are expected to comply with all laws and regulations that govern our businesses in the various jurisdictions in which we operate. While complying with applicable laws, we arrange our business affairs in a manner that best meets the needs of our stakeholders.

We also contribute to the effort to eliminate abuses of the global financial system by practising “Know Your Client” rules, implementing throughout our global network a robust anti-money laundering compliance regime, adhering to a Code of Conduct, and working with international organizations to enhance policies and rules that govern the global financial system.

### **Economic sanctions**

RBC businesses, and all our units globally, as well as our directors, officers, and employees will not knowingly conduct business with states, entities, organizations and individuals targeted by the economic sanctions of the jurisdictions where we are located or where we operate. In addition:

- We will not knowingly conduct business with states, entities, organizations and individuals targeted by the economic sanctions of other jurisdictions that are applicable to them by reason of their country of incorporation or of citizenship, to the extent provided by such economic sanctions.
- We will not knowingly do anything that causes, assists, or promotes, or is intended to cause, assist or promote, any act which they would be prohibited from doing directly.

### **Reporting suspected irregularities**

RBC employees around the world have the duty to report suspected breaches of our Code of Conduct, other irregularities and dishonesty. We have long-established processes that enable employees to do so, and our Code of Conduct protects employees from retaliation for any report made in good faith. Specific to financial reporting practices, the RBC Reporting Hotline was established so employees and third parties around the world can report suspected irregularities or wrongdoing relating to accounting, auditing or internal accounting controls directly to the RBC Ombudsman, anonymously, confidentially and without fear of retaliation.

### **Political contributions and lobbying**

RBC’s policy on political donations is outlined in our Code of Conduct as follows:

*[RBC] will make only those contributions permitted by law to a political party, candidate, or campaign and only as an expression of responsible citizenship – not to “purchase” favours or to gain improper advantage. Contributions to political parties, riding associations, and candidates are not included in the corporate philanthropy program. ...Employees are encouraged to take their citizenship seriously and to participate in general political processes such as school board, municipal, provincial and/or federal elections, etc.*

RBC does not make corporate donations to federal political parties through any part of our company in Canada. RBC makes political donations to provincial parties, to the extent permitted by law and/or internal policy. Our participation in provincial political donations is limited and restricted depending upon the respective province and territory. Political donations to municipal politicians are not permitted.

In the United States, RBC does not provide political donations to any party at any level of government, or PACs (Political Action Committees). However, our U.S. employees are personally permitted to raise monies through federal and state PACs for individual candidates. Funds donated by employees are reported to the Federal Election Commission and to appropriate state regulators, such as the North Carolina Board of Elections.

RBC has a credit policy relative to lending to political parties or candidates to ensure that all requests are treated in a fair, consistent and equitable manner, while freeing us from perceived political bias and resultant reputation risk.

Certain employees who lobby on behalf of RBC must register with the Office of the Commissioner of Lobbying of Canada, under the *Lobbying Act*. A list of all registered lobbyists in Canada is publicly available, including RBC lobbyists. In addition, RBC employees who have conversations with senior federal public office holders with respect to legislative proposals, bills, resolutions, regulations, policies, programs or grants, contributions or other financial benefits must report these conversations to the Lobbyists Registry on a monthly basis.

### Voluntary codes

We have signed and adhere to a number of voluntary codes of conduct in the area of consumer protection. Voluntary codes of conduct are non-legislated commitments, voluntarily made by companies, associations and other organizations used as a form of consumer protection in place of government legislation.

For more information, see [rbc.com/voluntary-codes-public-commitments](http://rbc.com/voluntary-codes-public-commitments)

### External principles, charters and initiatives

RBC subscribes to or participates in a number of externally developed economic, environmental and social principles, charters and initiatives. They include:

- The Equator Principles
- The United Nations Environment Programme Finance Initiative
- International Chamber of Commerce Business Charter for Sustainable Development
- The Global Reporting Initiative
- Imagine, a Canadian initiative to encourage corporate philanthropy and volunteerism (RBC is a founding member)
- The Canadian Standards Association's Strategic Steering Committee on Business Management and Sustainability.

## Mutual fund governance

Building on a long tradition of independent fund governance, RBC Asset Management and the Board of Governors of RBC Funds have been leaders in the development and implementation of a rule requiring all Canadian mutual funds and investment funds to have an independent review committee. The intent of the rule is to enhance fund governance practices in the interests of investors by requiring independent review of conflicts of interest that may arise in fund management. RBC Asset Management is also an active member of the Investment Funds Institute of Canada and a founding member of the Canadian Coalition for Good Governance, organizations devoted to promoting the interests of the investing public.

In May 2008, RBC acquired Vancouver-based fund manager and investment management firm Phillips, Hager & North Investment Management Ltd. (PH&N). PH&N is an active advocate for best practices in corporate governance. The company has a comprehensive proxy voting policy, engages directly on governance issues with companies whose shares are held in its clients' accounts, and has been a member of the Canadian Coalition for Good Governance since 2004.

PH&N and RBC Asset Management Inc. put their clients' interests first, through a culture of delivering value, choice and transparency. Both firms are members of the Social Investment Organization, a non-profit organization devoted to promoting socially responsible investing in Canada, and both offer mutual funds for socially responsible investors.

For more information, see *Mutual Funds and Governance: Taking Care of Your Investments*, a publication developed for RBC Asset Management clients and other stakeholders, at [rbcam.com/regulatory/mutual-funds-governance](http://rbcam.com/regulatory/mutual-funds-governance)

# Economic impact

Companies both large and small contribute to the economies of the communities and countries in which they do business through taxes, philanthropy, and their day-to-day business decisions and actions. RBC aims to have a positive economic impact by providing attractive returns to shareholders, creating employment, supporting small business and economic development, fostering innovation and entrepreneurship, and purchasing responsibly.

Priorities	2008 Performance highlights
Provide strong returns to shareholders	<ul style="list-style-type: none"> <li>• See our 2008 Annual Report to Shareholders</li> </ul>
Pay fair share of taxes	<ul style="list-style-type: none"> <li>• Incurred tax expense of \$2.08 billion worldwide</li> </ul>
Create employment	<ul style="list-style-type: none"> <li>• Provided employment to 80,100 people, with \$7.8 billion in employee compensation and benefits</li> <li>• Supported organizations that promote literacy and help unemployed or underemployed people secure jobs</li> </ul>
Support small business and community economic development	<ul style="list-style-type: none"> <li>• Served more than half a million small business clients in Canada, the United States and the Caribbean</li> <li>• Contributed \$99 million to community causes worldwide</li> </ul>
Foster innovation and entrepreneurship	<ul style="list-style-type: none"> <li>• Announced plans to launch the BlackBerry* Partners Fund, a US\$150 million venture capital fund, to invest in mobile applications and services for BlackBerry and other mobile platforms</li> <li>• Developed innovative financing solutions to help fund major infrastructure projects in Canada and the United Kingdom</li> </ul>
Purchase goods and services	<ul style="list-style-type: none"> <li>• Purchased goods and services totalling \$4.7 billion from suppliers of all sizes worldwide</li> </ul>

## Issues

The global financial crisis of 2008 substantially altered the economic environment for many of our stakeholders.

While RBC was not able to escape 2008 without some losses related to the market environment, we generated more than \$4.5 billion of earnings and a return on equity of 18.0%. RBC's financial strength, sound risk management policies and diversified business mix enabled us to withstand many of the market shocks and pressures of 2008. Our strategy of actively managing a diversified portfolio of businesses and the execution of our revenue and cost-efficiency initiatives enabled us to continue to generate value for our clients and shareholders.

For more information, see our 2008 Annual Report

In terms of helping our clients in the United States, here are some highlights from 2008:

- In 2008, RBC Bank™ joined other banks in the United States to partner with the Department of Housing and Urban Development to offer loans secured by the Federal Housing Administration for those borrowers who will have an increased mortgage payment as a result of an ARM (adjustable rate mortgage) reset.
- In the United States, under the *Community Reinvestment Act*, we are required to provide a certain amount in loans to facilitate community development, and to ensure access to banking services for

low- to moderate-income groups and small businesses. RBC Bank meets and, in many instances, exceeds these requirements. In addition, we help stimulate economic activity in some less prosperous communities by providing credit and funding specialized programs. Our programs support home ownership, financial literacy and economic development for lower-income earners and neighbourhoods.

## Return to shareholders

It is impossible to estimate the number of people who share directly or indirectly in ownership of RBC. RBC shares are held by pension funds, insurance, trust and investment companies in addition to individual investors and represent a vast pool of savings. Such widespread ownership of RBC, directly and indirectly, heightens our responsibility to earn a reasonable return for shareholders on their investments. By performing profitably, RBC contributes to the financial security of millions of people.

## Taxes

Our tax expense of \$2.08 billion in 2008 includes income, capital, property, payroll, business, municipal and goods and services taxes.

## Employment

In addition to providing employment to 80,100 people worldwide, RBC also supports programs for people who are unemployed or underemployed. It takes skills, opportunities and contacts to land the right job, so RBC supports organizations such as:

- Neil Squire Society's Employ Ability Program, which assists physically disabled adults in Canada seeking employable skills, education and confidence
- Regina Adult Learning Centre, dedicated to working with young at-risk adults to give them the necessary skills and experience to successfully enter the workplace or a post-secondary educational facility
- Winnipeg Salvation Army's Work Readiness Program which helps recipients of income assistance find a job and become self-sufficient
- Eva's Phoenix in Toronto, a transitional housing project and successful working model for training and employment of homeless youth
- The Community Services Council's Vibrant Communities Initiative in St. John's, Newfoundland, which connects individuals living in the city's lowest income neighbourhoods with eager employers and community agencies to attain permanent jobs
- Youth Employment Services, a leading Canadian youth organization with innovative programs that empower disadvantaged and vulnerable youth
- SHAD, a program that mentors 600 high-potential youth through a national summer internship program at 12 university campuses across Canada. RBC has been SHAD's lead corporate sponsor for the past 25 years
- Seattle-based FareStart, which gives low-income residents an opportunity to train and be placed in long-term employment in the food industry
- Twin Cities RISE! program that helps low-income individuals escape poverty by preparing them for living-wage jobs in the Minneapolis-St. Paul metropolitan area
- A three-year computer skills program that benefits youth across the Eastern Caribbean
- A computerized learning environment to promote computer literacy at St. Michael's School for Boys in Trinidad and Tobago, an institution for abused and troubled boys.

## Small business

RBC was founded on the initiative of eight Halifax merchants back in 1864, and we have recognized the importance of small business ever since. RBC has over half a million small business clients in Canada, the United States and the Caribbean. At the heart of our commitment to these clients is our pledge to listen, understand and respond to their needs and to provide tailored solutions.

## Leadership

### Canada

- RBC is a market leader, serving approximately one in every four business clients in Canada.
- We have over 750 RBC account managers, business and personal, dedicated to managing the needs of small business owners in Canada.
- We are the market leader for women entrepreneurs in Canada, with approximately 19% market share.

### United States

- RBC Bank has approximately 160 bankers who serve small business including 60 account managers dedicated to business banking and 100 account managers dedicated to the community banking segment.
- Our 430 plus banking centre managers also have business segment goals.

### Caribbean

- RBC serves more than 1,000 small business customers in the Caribbean.

## Access to credit and more

RBC is committed to helping small, commercial and corporate businesses prosper. Providing debt financing or credit is one of the ways we help businesses to grow and succeed, whether they are starting, maintaining or expanding their operations.

RBC offers a host of credit solutions tailored to meet the needs of diverse businesses at various stages. As part of our annual Canadian Public Accountability Statement, RBC discloses the number of business clients we lend to across Canada, and the amount of credit made available to them. You can find this information on page 63 of this report.

But access to credit is only one need of small business clients. We also strive to meet other needs by providing the best possible products, advice and expertise. For instance, in 2008 RBC streamlined the process for Canadian small business clients to access U.S. banking services through RBC Bank's Small Business Solutions Centre.

## Not-for-profit organizations

Not-for-profit (NFP) organizations are a significant and growing economic force in countries throughout the world. In Canada, the value added, or gross domestic product, of the core non-profit sector amounted to \$29.6 billion in 2004, the most recent year for which statistics are available, accounting for 2.5% of the total Canadian economy. This share increases to 6.9% when hospitals, universities and colleges are included\*.

\* Source: Statistics Canada, Satellite Account of nonprofit Institutions and Volunteering.

RBC supports the NFP sector by providing customized services and expertise, as well as other forms of support. Many of our clients use the Royal Business Community Account®, which offers both low fees and flexibility for day-to-day activities.

More than 30 RBC account managers across Canada are dedicated exclusively to the NFP sector. In addition to bringing specialized knowledge, advice, products and networking opportunities to their NFP clients, they are passionate about their clients' causes. More than 90% of our NFP account managers volunteer in their communities.

RBC provides additional support to the NFP sector by hosting and supporting education and networking sessions, providing education materials in fraud mitigation and governance, and sponsoring organizations such as the Canadian Society of Association Executives and Community Foundations of Canada, dedicated to managing many of Canada's most progressive associations and foundations.

## Knowledge experts

There aren't one-size-fits-all solutions for small business clients. We serve a diversity of industries, and have dedicated specialists to meet their needs. For instance:

- We tailor products and services for professionals, franchise owners and public sector organizations in Canada and the United States.
- Consistent with the changes occurring within the Canadian manufacturing sector, we have expanded our capabilities to serve the broader supply chain sector. We have almost 250 supply chain specialists located across Canada dedicated to serving manufacturing and supply chain companies, including wholesale, transportation and logistics.
- We are the market leader in helping knowledge-based industries in Canada, with almost 50 specialized account managers and risk managers dedicated solely to this sector.
- We are the market leader for women entrepreneurs in Canada. Our Women's Champions Network is made up of frontline sales leaders from across the country.
- We provide tailored services and advice to help young people start and grow their businesses.
- In 2008, we helped retail business owners across Canada by hosting events where we provided specialized advice and panel discussions. We also sponsored the Retail Council of Canada, and launched the Retail Security Self Assessment guide book in partnership with the Retail Council of Canada.

## Support for agricultural businesses

### Canada

RBC is Canada's largest non-government private lender to agriculture and agribusiness and serves more farmers and farm families than any other financial institution in the country. We've been committed to the agriculture industry for over 135 years, offering flexible and responsive financial services and specialized agriculture account managers to meet farmers' and agribusinesses' needs. We support Canadian farmers by providing:

- *Specialized products and services.* Farms and agribusinesses are different from just about any other business. That's why RBC created a suite of farm financing and account options. RoyFarm mortgages, and term and operating loans, AgriInvest and Farmchek accounts as well as other specialized services meet the needs of agriculture and agribusiness clients.
- *Dedicated specialists.* Across Canada, farmers and agribusinesses have access to 228 dedicated RBC account managers who know agriculture and understand the farm business intimately.
- *Education.* We help keep farmers informed on the economics and management of their business. Our website and publications cover a variety of agricultural business topics including strategy, risk management, technology, and farm finance. Our *Agriculture Business Review* is published three times a year to provide information, ideas and solutions for farmers and agribusinesses in Canada. The publication includes articles by RBC associate and renowned agricultural economist Dr. David Kohl in which he tackles the tough questions in farm finance and management. Through the RBC Agri-Speaking Series, we take renowned speakers to our clients. For instance, Dr. Kohl and Jolene Brown have crossed the country many times to speak to gatherings of RBC clients and producers about farm business management and farm succession.
- *Community involvement.* Our commitment reaches into Canada's rural communities. For over 45 years, our 4-H Interprovincial Exchange has helped young Canadians get first-hand agricultural experience in other parts of the country. Many of our staff members are directly involved as leaders in 4-H clubs in their local communities. In addition, many of our employees are involved in chapters of the Canadian Association of Farm Advisors and other industry organizations.

### United States

In the United States, RBC Bank supports agricultural businesses by facilitating annual operating requirements, equipment loans and real estate purchases for local farmers. We do this through conventional lending channels as well as Farm Service Agency Guaranteed Lending Programs. Through our various delivery channels, we are able to meet the needs of clients, delivering the personalized service of a smaller bank, with the products and backing of a much larger bank.

## Resources for entrepreneurs

### Guide books

RBC provides information to business owners at all stages of their lifecycle, helping them manage their business and personal financial matters. In 2008, we published guide books on:

- Starting a business
- Growing a business
- Business succession planning
- Personal financial management for business owners
- Retail business security self-assessment.

### Online tips

In 2008, RBC complemented an already wide range of online resources by introducing tips designed to help aspiring entrepreneurs and existing business owners find the information they need for their business. The topics covered at [rbc.com/tips](http://rbc.com/tips) include:

- Being your own boss
- Creating a business plan
- Determining your business structure
- Registering your business
- Opening a business deposits account
- Making sense of taxes.

### Cash flow management tool

This online tool helps business owners manage their cash positions by creating a variety of realistic cash flow projections through “what if” scenarios. It also provides recommendations for improving cash flow.

### Business succession information

Succession is a growing concern for business owners. In 2008, RBC introduced a series of seminars and events in nine locations across Canada for business owners, farmers and agribusinesses. These events provided participants with valuable information, including access to experts in a variety of areas, and resources they can use when considering “next steps.” In addition, RBC published two new comprehensive guide books on business succession.

### CICA/RBC quarterly reports

RBC sponsored and helped establish the *CICA/RBC Business Monitor*, a quarterly report based on surveys conducted by the Canadian Institute of Chartered Accountants (CICA). The report includes answers from leading chartered accountants, with the overall goal of obtaining a barometer of economic activity.

### Seminars

In the United States, RBC Bank occasionally hosts local education seminars for business customers. Recent seminars have dealt with shared responsibility for risk management.

## Community economic development

### Donations

In 2008, RBC supported initiatives across North America and the Caribbean that have a positive economic impact, such as:

- Helping disadvantaged people access financial services
- Helping at-risk youth develop job skills
- Helping create economic prosperity in communities
- Helping students or disadvantaged people start their own small businesses
- Supporting new ventures
- Helping create capacity and innovation in the business sector.

### Basic needs

It’s nearly impossible for communities to thrive when their citizens are hungry or homeless. RBC supports programs that help meet basic needs. In 2008, RBC and our employees gave over \$417,000 to help replenish food banks and soup kitchens across Canada. In the U.S., RBC Bank contributed US\$25,000 to support food banks in North Carolina.

RBC employees around the world are also involved in food drives and other initiatives to help meet basic needs. In Switzerland, for instance, employees collect funds through casual days. In 2008, these funds were matched by RBC and donated to Fundación Fiambre, a Colombian charity that provides a daily lunch and a safe place for children living in the poorest area of Bogota.

### Self-sufficiency

RBC provides services and supports programs that help disadvantaged people acquire skills, find jobs and build assets.

### Basic literacy

Countless studies have shown the importance of basic functional literacy to economic well-being. That’s why RBC supports initiatives like:

- Room to Read, which partners with local communities throughout the developing world to establish schools, libraries and other educational infrastructure with the aim of intervening early in the lives of children and breaking the cycle of poverty – one child at a time.
- PLAN, founded in 1937 as Foster Parents Plan. RBC supports a mobile library in northern Brazil that helps 500 rural children each year.
- The annual Children’s Book Fair in Suriname, in the Caribbean, promotes positive reading habits in children between ages 4 and 12. Every year, the week-long fair attracts some 25,000 to 30,000 visitors.
- The Children’s Book Festival in Aruba, a one-week event which reaches some 6,500 elementary school children.

## Financial literacy

In 1924, Royal Bank® developed our first budget book, the first of many money management tools created to help customers organize their finances. In the years since, RBC has continued to promote financial literacy among the public and our customers, including an understanding about credit, debt and savings. In 2008, we supported a host of financial literacy initiatives around the world:

### Canada

- The RBC Lifeskills Education Program™ helps more than 18,800 Canadian teachers educate students in grades 4 to 12 about financial literacy, planning and management. From July 2007 to June 2008, 1,794 free kits were distributed, thanks to more than \$110,000 from RBC. The program's scholarship component receives over 17,000 applicants and is awarded to 10 students annually who wish to pursue non-traditional careers in the arts and the trades, while recognizing academic achievement.
- Junior Achievement's (JA) Economics of Success program includes seminars and educational materials on career planning and financial awareness. Over 700 RBC volunteers delivered this program across Canada, reaching over 7,500 students in 2008.
- As the official sponsor of the Olympics School Program, RBC supports the development of Olympic-themed curricula for elementary, middle and high-school students. The Olympics School Program reaches over 10,000 teachers every year. RBC and the Olympics School Program's financial literacy modules for students and teachers will be available in November 2009.
- YourMoney (previously There's Something About Money), a seminar developed by the Canadian Bankers Association in partnership with the Financial Consumer Agency of Canada, is delivered in classrooms across Canada by RBC employees. In 2007–2008, 50 RBC employees volunteered to help 3,456 high school students understand topics such as how to handle credit or start a business.
- In Calgary, Momentum Community Economic Development Society's Money Management program delivers workshops to people living in low-income situations with a goal of supporting individuals to take control of their personal finances and develop money management knowledge and skills.
- In Waterloo, Lutherwood's Youth\$ave program helps youth from families with lower incomes gain financial literacy skills and helps them earn money to save towards a university education.

### United States

- How to Do Your Banking, a financial education series sponsored by RBC Bank for high school students, reached 1,827 students through 11 schools in the 2007–2008 school year.
- Savvy Cents, a financial literacy education program developed and underwritten by RBC Bank, helps participants of all ages and financial knowledge levels to set financial goals, budget and build wealth.

- Money Matters, A Financial Literacy and Empowerment Leadership Seminar sponsored by RBC Bank helps community college students develop a financial plan, apply for financial aid early and look for scholarship opportunities.
- Comunidades Latinas Unidas en Servicio (CLUES), which provides comprehensive education and employment services and helps clients progress from low levels of education, unemployment, and limited economic stability to improved literacy, jobs, financial knowledge and the building of assets.

### Caribbean

- We continued to support a public education initiative that consists of infomercials on various financial subjects including applying for a small business loan, choosing the right mortgage, creating a personal budget and building credit history.
- Through our mortgage subsidiary, we hosted educational symposia on mortgages.

### Home ownership

The past year has shown the importance of taking a responsible approach to mortgage financing.

- In Canada, RBC offers mortgage products that help first-time buyers achieve home ownership. For instance, our Equity Program for New Immigrants enables eligible new immigrants who may not meet traditional criteria to obtain mortgage financing by demonstrating their ability to service the loan through other resources. We facilitate home ownership by participating in the Ontario Affordable Housing Program and the Partnership Enhancement Flexibilities Program of the Canadian Mortgage and Housing Corporation in Alberta.
- In the United States, RBC Bank partners with local economic development agencies, community leaders, real estate experts, credit counsellors and others to create programs and enhancements that could help promote home ownership for low-income borrowers in the southeastern U.S. From January to July 2008, we provided 1115 loans totalling US\$231 million.
- In 2008, the RBC Tax Credit Equity Group invested US\$532 million into the development of approximately 6,700 units of affordable housing in the United States. RBC takes a 99% equity ownership position in the U.S. affordable housing projects developed under this program. Several of the housing projects were certified under Leadership in Energy and Environmental Design (LEED).
- In 2008, at the request of the North Carolina Community Development Initiative (NCCDI), RBC Bank established an affordable housing "Jump Start" credit product. With a repayment commitment from the NCCDI, RBC provides non-profit developers with construction funding for up to three homes for low-wealth homebuyers.
- In 2008, once again, RBC supported Habitat for Humanity across North America with employee volunteers and corporate donations helping to build 24 homes. We are the founding partner of the organization's Sustainable Building Program, which aims to increase the number of energy-efficient homes constructed.

## Economic growth

### Development

We help stimulate economic growth by investing in programs that enable economic development with a social purpose.

#### Canada

RBC supports the Centre for Information and Community Services of Ontario, a diverse and multi-service agency that strengthens communities by providing a cost-effective, culturally sensitive professional service that empowers immigrants and refugees to settle and integrate into Canadian society.

We also support The Foundation for Rural Living, created to ensure there is a strong intermediary organization between rural communities and local charities to help foster community economic development and build a sustainable capacity for growth among charities in rural areas of Ontario.

#### United States

RBC Bank helps communities access public and private financing sources for economic development, and we also provide direct financing:

- Our long-standing partnership with the Rocky Mount/Edgecombe Community Development Corporation in Rocky Mount, North Carolina, fosters community economic development, individual asset development and prosperity.
- In 2008, RBC Bank participated in a number of loan consortia in North Carolina, South Carolina, Florida and Alabama to provide financing for community development projects that benefit low- and moderate-income populations. As of July 2008, we had financed 98 projects that will deliver 5,900 units of affordable housing with funding of US\$5.3 million.
- RBC Bank acted as the member bank for 15 non-profit developers who submitted Affordable Housing Applications to the Federal Home Loan Bank of Atlanta. These 15 projects requested US\$8.5 million in subsidy/grants for US\$68.8 million in total project costs, to generate 693 units of affordable housing in three states.
- We participate in economic development loan pools to foster small business growth and downtown development in several of our markets, including Greenville, Winston-Salem and Rocky Mount, NC. We made available US\$700,000 of a total US\$20 million loan pool servicing Birmingham, Alabama.

### Newcomers

RBC believes there are significant economic benefits when new immigrants succeed in their adopted country. In Canada, we have adapted our credit, banking, marketing, recruiting and training practices to help make this happen. In 2008, we created a banking package tailored to the needs of newcomers, increased the number of scholarship awards for new Canadians from seven to 12, and developed a number of tools and resources to help newcomers succeed in their adopted country. We also supported a number of

organizations that help skilled immigrants find employment and succeed, such as:

- Career Bridge\*, an innovative paid internship program that responds to Canada's labour market demand for internationally qualified professionals and to the aspirations of qualified immigrants eager to work in their professional fields in Canada. Since 2003, approximately 300 employers have provided meaningful work experiences to over 920 Career Bridge interns, including 73 internships at RBC.
- Immigrant Access Fund, a not-for-profit group that raises funds to provide micro-loans to internationally trained newcomers in Calgary for accreditation, training and upgrading of skills
- The Toronto Region Immigrant Employment Council, a multi-stakeholder council working to improve access to employment for immigrants so they are better able to use the skills, education and experience they bring with them to Canada. In partnership with TRIEC, RBC is a key sponsor of the annual Immigrant Success Awards that recognizes Toronto region employers and individuals that recruit, retain and promote skilled immigrants in the workplace.
- S.U.C.C.E.S.S., a multi-service agency in British Columbia that promotes the well-being of all Canadians and immigrants, encouraging their participation in the community by offering social, employment, business and economic development, training and education, and health services.

### Aboriginal communities

RBC supports the creation of wealth and economic sustainability in Aboriginal communities by facilitating the development of knowledge and resources critical to success. We promote Aboriginal interests, forging partnerships with Aboriginal peoples, businesses and governments based on understanding, trust and respect. RBC encourages dialogue between businesses, governments and individuals to identify and resolve relevant economic issues.

In 2007, in response to a national challenge by National Chief Phil Fontaine, RBC signed a Memorandum of Understanding with the Assembly of First Nations, and provided a two-year action plan that outlined commitments to various initiatives designed to support community and social development and create economic opportunities for First Nations communities across Canada. RBC committed to increase partnerships with First Nations government and business; increase and explore investment potential; establish and foster procurement practices that benefit First Nations; and develop and enhance human resources development and labour force development activities with First Nations communities and people.

We support programs that promote learning and skills development among Aboriginal peoples, which leads to greater economic self-sufficiency, including:

- The Aboriginal Human Resource Council, formed in 1998 as a national public/private, not-for-profit organization with a mandate to advance the full participation of Aboriginal people in Canada's labour market on a national level

- Frontiers Foundation, a not-for-profit Aboriginal voluntary service organization that promotes the advancement of economically and socially disadvantaged communities to provide affordable housing and improvements in education
- RBC Aboriginal Student Awards Program, which has provided 77 scholarships totalling \$866,000 since the program's inception in 1992. Eight students received awards in 2008. Award recipients are also considered for summer and post-graduate employment opportunities with RBC
- Miziwe Biik Aboriginal Employment and Training Centre, committed to improving the socio-economic status of Aboriginal people through access to training and employment opportunities, business development training and support services, and employment counselling. RBC directed our support to a small business certificate course and a small business micro-loans program for Aboriginal entrepreneurs
- CAREERS, in partnership with Alberta community education systems and industry to achieve career success for youth and meet interdependent needs of youth employability and skilled labour shortages
- The Canadian Council for Aboriginal Business, a national non-profit organization that provides tools and resources to promote the full participation of Aboriginal people and communities in Canada's economy.

For a complete overview of all our Aboriginal initiatives, see page 57 of this report

### Partnerships

Often a collective effort is more powerful than individual ones. That's why RBC supports public/private partnerships (PPP) that promote economic development. Here are highlights from 2008:

- RBC continued to support the Greater Halifax Partnership, which brings together over 150 private sector companies, three levels of government and skilled business professionals dedicated to engaging the community in the growth of Greater Halifax's economy.
- RBC Bank is a founding sponsor of the Carolinas Gateway Partnership, a unique regional economic development group for the Rocky Mount, North Carolina metropolitan area. The public/private partnership helped transition the area from textile and tobacco processing jobs to food processing, pharmaceuticals, transportation and distribution. In all, over 8,000 new jobs and US\$800 million in new private investment have been attracted to the area in the last decade. The Milken Institute recently ranked the area the number one small city for high-tech jobs in the U.S.
- Around the world, RBC advises and funds hospitals, schools, roads, bridges, and other infrastructure projects through public/private partnerships, with offices in London, Toronto, Sydney, New York, Paris and Madrid. In Canada, we advised the successful bidder and helped to finance the Kelowna & Vernon Hospitals Project, Northwest Anthony Henday Drive, and the Autoroute 30 Highway

Project. In the United Kingdom, our infrastructure finance team employs over 100 professionals and is a market leader for added value advisory services and funding for U.K. and other European infrastructure projects. We have recently completed two social housing transactions for Circle Anglia and Affinity Sutton, raising over £525 million. These are the first major bond issues for the RSL (Registered Social Landlord) sector for a number of years. We are also increasingly active in advising on, and funding, infrastructure acquisitions. Recent examples include Belfast City Airport and Freightliner, and in the secondary market for PPP equity (acting for both the buy and sell sides). A market leader and innovator in the development of efficient funding structures, RBC helped fund projects that include social housing, government offices, schools, hospitals, transportation services, and others.

- We support the Robin Hood Foundation which partners with more than 140 of the best poverty-fighting non-profit organizations in New York City.
- In the Caribbean, we partner with the Trinidad and Tobago Manufacturing Association and the Ministry of Trade & Industry to showcase regional business at the annual Trade & Investment Convention. We also host a semi-annual forum to bring various stakeholders within the construction sector together to discuss issues affecting the industry.

## Innovation and entrepreneurship

RBC takes a leadership role in supporting innovation and the commercialization of research, and we support projects and organizations that promote learning, innovation and entrepreneurship, such as:

- The Canadian Youth Business Foundation (CYBF), a national leader in youth entrepreneurship through mentorship and financial support, which results in sustainable economic development
- The Canadian Institute for Advanced Research (CIFAR) which incubates ideas that can go on to revolutionize the international research community. CIFAR provides leading scholars with the time, direction, freedom and inspiration to pursue fundamental questions concerning society, technology, and the very nature of humanity and the universe
- The Council for Entrepreneurial Development, promoting high-growth, high-impact entrepreneurial companies in North Carolina's Research Triangle region
- The RBC Next Great Innovator Challenge™, an annual contest to encourage college and university students from across Canada to think of innovative ideas about how financial services are delivered. RBC was the first major Canadian financial institution to have a public blog and a virtual agent, both of which were launched as part of the Challenge. RBC p2p™, a site for and by young adults, is based on a winning idea from the first Challenge.

For more information, visit [nextgreatinnovator.com](http://nextgreatinnovator.com)

- Since 1969, we have brought investment dollars as well as our knowledge and expertise to budding software and technology companies serving the financial services and other sectors. Through direct and indirect investments, we currently have almost \$700 million dedicated for investment in emerging technology companies around the world.
- In 2008, RIM\*, RBC and Thomson Reuters launched the BlackBerry Partners Fund, a US\$150 million venture capital fund that invests in mobile applications and services for the BlackBerry\* platform and other mobile platforms. The Fund is designed to advance the industry by fostering development and driving the entrepreneurial spirit to create the most innovative mobile offerings for customers. To date, the Fund has invested in *buzzd*, a location-sensitive city guide and social network for mobile devices; Digby, a leading mobile commerce service provider; and WorldMate, a company that has paved the way for mobile travel innovation.

### Research and sharing of knowledge

Financial institutions have a duty to contribute to public policy discussion of economic and social issues when they have relevant knowledge and experience. RBC's involvement in so many sectors of North American economic life gives us a unique perspective. Our views are often sought by legislators and other public servants, and by other participants in public discussion.

RBC maintains a substantial economics research program, both corporately and within our various businesses. Our economists examine conditions, developments and trends in Canada and abroad, and share their findings and analyses extensively through publications, speeches and briefings. RBC is also frequently called upon to prepare and submit briefs to a wide variety of government commissions and task forces. We have consistently emphasized the importance of and need for improved productivity in Canada, especially in the context of worldwide economic competition.

## Purchasing

In 2008, RBC spent \$4.7 billion on goods and services from international, national, regional, and local suppliers of all sizes.

### Goods and services purchased (\$ billions)



### Practices and highlights

We promote fair purchasing practices and strive to support, wherever possible, the communities in which we operate. RBC does not link our client relationships to our vendor relationships, recognizing that open competition based on value must be the basis for all successful relationships.

We are a founding member of the Canadian Aboriginal and Minority Supplier Council. RBC has been a member of the Council's U.S. affiliate, the National Minority Supplier Development Council, since 2002.

In 2009, we will implement a new responsible procurement policy, which will increase the due diligence regarding social and environmental factors in our procurement activities.

### Policies

Our Procurement Group is responsible for sourcing significant products and services. Our procurement policies are inclusive and aim to promote sustainable business practices and economic development where possible and appropriate. We consider and rank social and environmental policies and practices among other criteria when awarding contracts through our Requests for Proposal (RFP) process. To maintain the highest standards, we review our purchasing guidelines annually.

As appropriate to a specific RFP, our Procurement Group may ask prospective vendors to detail extensive corporate and financial information, including the declaration of conflicts, lawsuits or administrative complaints and charges, industry experience, and references.

When a potential vendor approaches RBC, they are required to supply us with information about their social and environmental policies and practices. The results of all inquiries are ranked and weighted, and are considered when Strategic Sourcing selects the vendor and/or products. The RFP covers a potential supplier's:

- Labour standards/employment practices
- Occupational health and safety record
- Internal environmental policies and practices
- Human rights performance and record
- External audits/assurance (e.g., AA1000)
- Ability to provide information security/physical security
- Ability to provide accessibility for people with disabilities (for information technology suppliers re: applications, software, etc.)
- Manufacturing process, disposal, packaging, product use and maintenance of the product.

After we award business to a specific vendor, we ask them to sign a legal Supplier Agreement that includes comprehensive, explicit clauses covering warranties, indemnities, confidentiality and disclaimers.

# Marketplace

It's been said that corporate responsibility isn't so much about how a company spends its money, but how a company makes its money. At RBC, we believe that our first duty is to operate with integrity for our clients, earning their trust in every transaction, in every part of our business.

Priorities	2008 Performance highlights
Develop and provide products responsibly	<ul style="list-style-type: none"> <li>• Added more green banking options</li> <li>• Expanded socially responsible investment options by acquiring PH&amp;N and Access Capital Strategies LLC</li> </ul>
Protect, educate and listen to consumers	<ul style="list-style-type: none"> <li>• Enhanced customer and employee awareness of privacy and information security</li> <li>• Enhanced capacity for giving advice in order to meet clients' banking, insurance and financial needs</li> </ul>
Provide access to basic banking	<ul style="list-style-type: none"> <li>• Expanded line-up of banking products and services designed for newcomers to Canada</li> <li>• Expanded branch and ATM network in Canada, the United States and the Caribbean</li> <li>• Launched a telephone service that can assist clients in more than 150 languages</li> </ul>

## Issues

- **Access to credit:** The world's economic challenges are a concern to our clients. In Canada, we are fortunate to have one of the soundest banking systems in the world, and have had significantly fewer losses than those experienced by other countries. However, the Canadian economy is vulnerable to world events, and so RBC is working closely with the Canadian federal government to find ways to improve liquidity in the financial markets. RBC's financial strength, sound risk management policies and diversified business mix enabled us to withstand many of the market shocks and pressures of 2008. In spite of the challenges of 2008, RBC did not change our lending policies and practices. We are open for business. Our job is to help clients create confidence in the future through good advice and access to financing, and we have thousands of committed people in our branches and call centres across North America and the Caribbean to help.
- **Access to banking:** In Canada, federal regulations are in place to ensure that people are able to obtain a basic bank account. RBC respects these regulations and we go further by facilitating access to banking through specialized programs, products, services and locations for traditionally underserved groups.
- **Information Security:** The dramatic rise in clients' use of online, telephone and ATM banking over the past few years is associated with increased risk of fraud and security breaches that are outside our control. We mitigate that risk with stringent practices, education and online guarantees that protect our customers.

## Product responsibility

"Responsibility" may not be the first thing you think of when it comes to how a bank develops its financial products and services – at least not the same way you might be concerned about how your child's toys are manufactured, or how your car was designed. But mortgages and loans, bank accounts, insurance offerings and credit cards are all considered products, too, and at RBC, we ensure that all the products and services we develop for our clients align with our vision and values and are guided by our comprehensive Code of Conduct.

## Development of products and services

RBC has a formal policy that sets out a defined, rigorous process before we launch any new product or significantly change an existing one. We evaluate products for a range of risks and ensure they align with client needs, our Code of Conduct, laws and regulations, and voluntary consumer protection codes that we have signed. Approval levels within RBC correspond to the level of risk identified for a particular product or service.

## Green products and services

One of our priorities is to provide products and services that help our clients mitigate their environmental impact. This includes online banking, and electronic statements and bill payment. In 2008, we continued to offer incentives for clients to switch off paper statements, have a home energy audit, buy a lower-emission car, and switch to green power. We also invest in clean energy funds and provide investment banking, financing, and advisory services to the renewable energy sector.

For more information, see pages 46 to 47

## Responsible investing

As investors continue to express an interest in socially responsible investing (SRI), RBC has reinforced its commitment to offering products that incorporate environmental, social and governance (ESG) criteria in the investment process.

- RBC Asset Management helps financial advisors meet the needs of clients who want to screen their investments to ensure they are investing in a responsible manner, using information provided by Jantzi Research Associates. In addition, our clients have access to all the SRI funds in the Canadian marketplace through our network of advisors.
- In Canada, RBC Asset Management offers three SRI funds – the RBC Jantzi Balanced Fund™, the RBC Jantzi Canadian Equity Fund™ and the RBC Jantzi Global Equity Fund™.
- In 2008, more than 10,000 RBC retail banking employees in Canada were trained on SRI products through a special publication, a roadshow, webcasts, and in-branch presentations. Almost 600 of our Wealth Management investment advisors have attended in-depth presentations on SRI trends and funds.
- In 2008, we expanded our SRI options through the acquisition of Phillips, Hager & North Investment Management Ltd., which manages the PH&N Community Values Funds.
- Through Voyageur Asset Management Inc., we acquired certain assets of Boston-based Access Capital Strategies, LLC (Access Capital) in 2008. Access Capital invests in debt securities that support community development serving low- and moderate-income individuals and communities across the U.S.
- In the U.S., RBC Wealth Management® has a specialized team of financial consultants based in San Francisco, providing an investment consulting platform focused on environmental, social and governance investment strategies. This group works with high net worth individuals, foundations, endowments, unions and pension funds, and consults on approximately US\$1 billion in assets. Clients have access to a customized ESG investment platform that includes custom portfolio screening, cleantech private equity, shareholder engagement and mission-related investing.

## Responsible lending

RBC provides credit and banking services to companies in many industries. Our risk management policies and processes provide assurance that these services are properly designed and sold to appropriate customer segments and individuals. We also have policies covering areas of particular concern, such as environmental responsibility and anti-corruption. For instance, RBC will not support or finance transactions that are directly related to trade in or manufacturing of material for nuclear, chemical, and biological warfare, landmines or cluster bombs. RBC is a signatory to the Equator Principles, a set of voluntary guidelines addressing environmental and social risks associated with project finance, as outlined on page 45.

RBC has a number of anti-corruption controls which require us to apply appropriate scrutiny and monitoring measures to high-risk clients whose business activities are known to be susceptible to criminal activity or have been designated as high risk for money laundering or financing of terrorism.

For a full overview of our risk management policies and protocols, see our 2008 Annual Report

## Consumer protection, education and responsiveness

At RBC, we are always earning the right to be our clients' first choice. We achieve this in part by maintaining vigilant fraud prevention and consumer protection measures, by providing timely and relevant information, and by listening and responding to clients.

### Protection and education

#### Privacy and information security

RBC is dedicated to safeguarding the privacy and confidentiality of personal, business, financial and other information. In fact, it is one of our highest priorities and remains a cornerstone of our commitment to our clients, employees and other stakeholders.

We have had a formal privacy policy since 1991, overseen by our Chief Privacy Officer, and we use rigorous security safeguards and internal controls to ensure the privacy and security of information entrusted to us. In 2008, we continued to build upon our robust framework for managing privacy, information security, and records/content management by focusing on important areas such as client and employee awareness. This includes the development of a Phishing Resource Centre and a Make Your Day Safer site to help educate our clients on how to recognize fake websites, email and other scams, as well as a focus on employee education and development. We also enhanced our public website to make it easier for consumers to obtain important information about privacy, information security, and fraud prevention from one central site. Visit the site at [rbc.com/privacysecurity](http://rbc.com/privacysecurity).

In the United States, RBC Bank also hosted a series of “Shred-A-Thons” in 2008, where we offered free document shredding services and educational literature to consumers and businesses. Hundreds of thousands of pounds of personal identity papers were shredded and consumers received information about identity theft.

#### Fraud prevention

RBC has stringent security policies and practices, supported by around-the-clock resources to prevent, detect and investigate potential fraud. Our guarantees for online banking and self-directed brokerage clients offer 100% reimbursement for funds lost through unauthorized transactions in their accounts. We continue to focus on operations introducing simpler processes with positive results – as evident in a significant decrease in the turnaround time for fraud

claims resulting in a quicker reimbursement to our clients. We continue to tailor fraud-education initiatives including up-to-date tips and alerts, brochures and client presentations.

In the Caribbean, we offer fraud monitoring in a number of countries where we offer card services. This initiative began in 2007 and has made RBC unique in many countries in the region. In 2008, we set up the only full-scale Fraud Monitoring Department among Trinidad and Tobago’s banks, using the Risknet fraud monitoring tool. Risknet is a fraud-control product used for managing card fraud.

**Treating customers fairly**

RBC abides by a number of “market conduct” rules and regulations designed to protect financial services clients, such as the Canadian cost of borrowing and other disclosure requirements, U.S. fair lending requirements and U.K. Treating Customers Fairly (TCF) regime. In addition, the Canadian banking industry has developed a number of voluntary codes to protect consumers, to which our Canadian businesses have committed.

For more information, see [rbc.com/voluntary-codes-public-commitments](http://rbc.com/voluntary-codes-public-commitments)

**Know Your Client rules**

Know Your Client rules are key to the protection of all our clients. Our employees are required to make all necessary efforts to understand a client’s profile, and financial and personal objectives before making recommendations relevant to their banking, investment, insurance and other financial services needs. Our due diligence also covers compliance with applicable securities, consumer protection, anti-money laundering, anti-terrorism and economic sanctions legislation.

For more information, see pages 14 to 16

**Mutual funds governance**

Our goal is to help develop and follow best practices in the mutual fund industry. RBC Asset Management is a member and our employees are active leaders in the Investment Funds Institute of Canada. RBC Asset Management is also a founding member of the Canadian Coalition for Good Governance. Our publication *Mutual Funds and Governance: Taking Care of Your Investments* highlights our commitment to independent fund governance and to protecting the interests of mutual fund investors.

**Responsiveness**

RBC has a fully embedded client loyalty strategy, of which client satisfaction is the end goal. Our strategy includes three parts: organize the company around clients; make it easy for employees to serve clients; and increase client loyalty.

**Client satisfaction**

We have a well-established customer satisfaction research program to measure client loyalty on a regular basis. This measure

is tied to employees’ performance management and customer satisfaction training. We set and monitor quantitative targets to improve customer satisfaction and loyalty. Our extensive research evaluates all drivers of client loyalty and satisfaction, including how RBC compares to our key competition.

**Clients surveyed**  
(thousands)

	Canada	U.S.	Caribbean
2008	492	0*	16.5
2007	492	135	–
2006	415	97	–

\* U.S. operations were focused on the integration of Alabama National BanCorporation in 2008.

**Acting on feedback**

They say what gets measured gets improved. Every year, RBC businesses track client satisfaction and use feedback to make improvements. Client research helped provide direction for a number of new initiatives or improvements in 2008. Some are highlighted below.

*Canada*

- More green banking options such as paperless statements
- Banking products and services tailored for newcomers to Canada
- New banking channels and functionalities
- Product features that reward customers for their loyalty
- New Family Financial Kit to help parents of young children organize their family’s financial future
- Enhanced capacity for giving advice in order to meet clients’ banking and financial needs
- More relevant marketing and communication materials
- Enhanced disability insurance product with the option to convert to a long-term care insurance policy between the ages of 55 and 65
- Introduction of a new, combined term and critical illness insurance option
- Improved response time and resolution of client investigation requests

*United States*

- Remote Deposit Capture lets clients encode deposit items from their place of business instead of having to visit the bank
- Redesigned website for easier navigation based on contemporary architecture standards
- New bill payment platform gives clients the ability to receive billing electronically

*Caribbean*

- New Customer Experience Blueprint and Client Experience Programme serves as an operational framework that covers all aspects of a customer’s experience with RBC, enabling us to better attract, serve and retain customers.

### Client complaint process

Our formal process for handling client concerns is outlined on our website and in our Straight Talk<sup>®</sup> brochures. If clients believe an issue to be unresolved following receipt of a response from the RBC representative dealing with their concern, they may appeal to the Office of the Ombudsman, which examines decisions made by RBC companies and reviews their compliance with proper business procedures. The Office ensures clients get a fair and impartial hearing and are treated with consideration and respect. We also respect the dignity and privacy of all parties involved in the proceedings. Certain disputes that remain unresolved after being reviewed by the Ombudsman may be directed to a number of agencies and regulators listed on rbc.com and in our Straight Talk brochures.

## Access to banking and insurance

### Reaching out to clients 24/7

RBC is a leader in introducing convenient alternatives for people to access their money and finances anywhere, anytime. We continue to expand and improve our branch networks, including online and telephone banking, and full-service banking machines, as outlined in the Marketplace chart on page 5.

#### Canada

We opened 28 new bank branches/facilities in 2008 and expect to open as many as 25 more in 2009. Over half of our branches are open extended hours, and we continue to look for opportunities to offer extended hours wherever there is a demand. We continued to expand our retail insurance branch network with 14 new locations added in 2008. We have the largest sales force in Canada, including mobile specialists who go to our clients' homes any day of the week a client chooses. These include mortgage specialists, insurance representatives, investment and retirement planners, and specialized sales forces for business and commercial clients. Our clients can bank online or by phone, or use our ATMs anytime they want. In 2008, we introduced Mobile Banking, which lets clients access RBC<sup>®</sup> Online Banking over their Internet-enabled mobile phone or handheld device.

#### Banking and insurance network in Canada

	Branches	Bank machines (ATMs)	Insurance branches
2008	1,174	4,149	35
2007	1,146	3,946	21
2006	1,117	3,847	9

#### Online banking client enrollments\*

(millions)

2008	4.8
2007	4.2
2006	3.5

\* Includes personal and business clients in Canada enrolled for online banking services as of each fiscal year-end (October 31).

#### Branches in local communities

RBC has programs for assessing the impact of any decisions to add or remove branches in local communities. In Canada, we comply with federal legislation in our commitment to:

- Provide clients and communities with four months' advance notice of network reconfigurations/branch closures (six months' notice in the case of rural communities where there is no other financial institution within a 10 km radius)
- Ensure community leaders and public officials are aware of our reconfiguration initiatives and have an understanding of service alternatives for the affected communities.

#### United States

RBC Bank has 439 banking centres and over 500 ATMs serving the southeastern U.S. In 2008, we added 103 banking centres to our footprint with the completion of the Alabama National Bancorporation (ANB) in Georgia, Alabama and Florida. We offer telephone and Internet banking, and our customers can use their Pocket Check and credit cards at more than 800 Presto! ATMs located in Publix Super Markets. We specialize in serving individuals, businesses, business owners and professionals, and we offer customers the new option of remote deposit capture, which allows them to transmit scanned cheques to us for posting and clearing. Busy consumers with wireless global positioning satellite devices can now easily locate an RBC branch or ATM anywhere in continental North America.

#### Caribbean

With the acquisition of RBTT in 2008, RBC increased its presence in the Caribbean to 127 branches and 312 ATMs, including a number of ATMs in off-site locations such as gas stations, public transport hubs and supermarkets. Across the Caribbean we have ATMs that dispense U.S. currency and we are the only Trinidad and Tobago bank that has U.S. currency ATMs. In several Caribbean countries, RBC clients can bank via telephone or online.

### Account opening

RBC is committed to ensuring the process of opening an account is as straightforward as possible, while still meeting regulatory requirements. Using plain language and available in multiple languages, our documents clearly outline the requirements for opening an account and meeting our verification of funds policy.

In 2008, RBC adopted a new workflow system that automates the processing of forms required to open an account. Rather than paper moving via mail, forms and supporting documentation are now scanned at the branch level and forwarded electronically in a more accurate and timely fashion. This has significantly reduced the amount of time it takes to open an account.

In 2008, RBC Bank in the U.S. introduced the One Degree Sales Platform, reducing the time required for opening a new account from 30 minutes to six minutes.

## Special groups

RBC provides banking access to a host of traditionally underserved groups through customized products, services, channels and community-based programs.

### Low-income and underserved clients

RBC is committed to providing banking access to low-income and previously underserved clients through initiatives like:

- Our low-cost Canadian deposit account, one of the industry's most flexible, offering 15 monthly debit transactions for a low, flat fee
- Affordable mortgage options and first-time buyer workshops in the U.S.
- Access to basic banking for remote Aboriginal communities offered through innovative partnerships with local agents
- U.S. branch offices that service low- and moderate-income communities. In July 2008, 19% of our U.S. bank branches were in such communities.

### People with disabilities

For clients with disabilities, RBC's goal is to ensure equal access to premises and services. RBC has a strong record of making accessibility improvements and involving our clients and other stakeholders in the process. In 2008, we launched Accessible RBC Banking, a dedicated website that informs clients on general accessibility issues and RBC standards and tools.

For more information, see [rbc.com/accessibility](http://rbc.com/accessibility)

### Branches

We're committed to applying barrier-free design standards wherever we operate and approximately 90% of RBC bank and insurance branches in Canada and the U.S. are wheelchair accessible. In the Caribbean, the vast majority of our branches are wheelchair accessible. Our physical locations are audited periodically for accessibility to identify and remove barriers to people with disabilities. In Canada, every new RBC branch must be wheelchair accessible and, wherever possible, we exceed legal requirements for access. All RBC U.S. banking and administrative facilities built or renovated since 1990 have met or exceeded *Americans with Disabilities Act* (ADA) requirements.

### ATMs

RBC worked with the Canadian Standards Association (CSA) to shape the industry standard for barrier-free ATMs, and we were the first bank worldwide to provide audio-enabled ATMs. Our prototype has been adopted as the de facto standard by both the CSA and other standards bodies around the world.

More than 700 of our branch ATMs in Canada are wheelchair accessible. Our ATM surround design exceeds the knee space requirement outlined in the CSA barrier-free design, so that people in wheelchairs have easier access. In 2008, clients had access to 745 "talking" RBC bank machines across Canada. Clients can easily find a talking ATM using the search tool on our website.

### Telephone banking

Royal Direct® has a special number that can be accessed using a teletype writer (TTY) device, giving hearing-impaired clients in Canada and the United States 24/7 access to our telephone banking services. Relay Services can also be used to talk to a representative about banking needs, particularly for more complex requirements.

### Online banking

Our goal is to make our websites accessible and usable for our clients. Our online standards enable access using a broad range of technologies such as different browsers including adaptive devices used by persons with disabilities. RBC is a pioneer in applying the web content accessibility guidelines developed by the World Wide Web Consortium.

### Print materials

RBC clients can receive print materials in a number of alternative formats, including large type, audio cassettes, Braille and e-text. More than 800 RBC clients receive Braille statements. In 2008, we improved these statements based on community feedback and new standards.

### Seniors

RBC is sensitive to the specific banking and insurance needs and concerns of the growing population of seniors. We offer specialized deposit and insurance options for seniors, including free banking and monthly rebates on bank accounts. We also provide training and presentation material to employees across Canada, enabling them to meet with groups of seniors to discuss financial fraud.

In the U.S., through the acquisition of ANB in 2008, RBC Bank introduced a new, no-fee chequing account for seniors that pays interest on balances over \$1,000 and provides free basic cheques.

### Students and youth

RBC offers a variety of banking and credit products tailored to meet young people's needs. For clients under 19 in Canada, the RBC Leo's Young Savers Account® includes 15 free debit transactions monthly along with educational materials and access to tools to help youth and their parents increase their financial awareness. In 2008, RBC launched the Family Financial Kit for parents of Canadian children aged 0 to 5 to assist them in better organizing their finances, protecting their family from the unexpected, and planning for their children's future and education.

In the U.S., RBC Bank offers students and their families a number of web resources to help choose, plan and finance a college education. This includes advice on choosing the right college, descriptions of financing and aid programs, and a number of tools to calculate the costs and value of higher education.

### **Newcomers to Canada**

RBC wants to be the financial institution of choice for newcomers to Canada and to serve the needs of the communities and cultures they represent. We are committed to making it easier for newcomers to succeed. In 2008, we launched a Welcome to Canada package which focuses on the key financial decisions every newcomer faces in their first few months in Canada. Available in 14 languages, the package includes introductory discounts on products and services to meet immediate banking needs while providing guidance and advice to achieve future financial goals. We also expanded our Equity Program for New Immigrants to Canada, which enables eligible new Canadians to obtain mortgage financing without having to provide traditional confirmation of employment/income to support their ability to service a mortgage. The client must demonstrate they have sufficient resources to service the mortgage.

### **People who speak different languages**

- As a group, RBC employees speak more than 100 languages.
- Combined, RBC call centre employees speak 60 languages.
- We have a dedicated telephone number for Mandarin and Cantonese-speaking clients (1-888-769-2598).
- In 2008, RBC launched telephone service in more than 150 languages on 1-800-ROYAL®-1-1. Within minutes, a customer service representative can connect a client to one of 2,600 language interpreters via a three-way confidential conference call.
- Combined, our mobile mortgage specialists speak more than 35 languages.
- Our Welcome to Canada website is available in French, English and simplified Chinese.
- We have dedicated Chinese language telephone representatives and a Chinese language option on our banking machines at 1,861 locations across Canada. This number continues to grow as we expand our network.
- Consumers can use our online branch and ATM locator to search our network by location, hours and language preference.
- In the U.S., RBC Bank has about 451 employees who are bilingual. Of these, 200 speak Spanish fluently. All of our banking machines are bilingual.
- RBC Bank continues to offer a telephone language interpretation service to assist clients who cannot speak English.
- RBC branches in the Dutch Caribbean are multilingual, in keeping with the demographics in those countries.

### **Aboriginal communities**

In addition to eight Canadian branches located on reserves and six branches “North of 60,” RBC has established five agency banking outlets in Aboriginal communities in Alberta, British Columbia, Manitoba, and Ontario. These agencies provide access to financial services using RBC systems and infrastructure in remote areas. There are currently three more agencies under consideration for Saskatchewan, Ontario, and Newfoundland.

Our dedicated team of specialized Aboriginal banking market managers, account managers and risk managers understands the unique lending issues and financial service needs of Aboriginal governments, businesses and communities. The team harnesses its expertise to provide proactive financial advice and solutions to our Aboriginal banking clients across Canada.

Fifty-six First Nations participate in our On-Reserve Housing Loan Program, which helps more families enjoy the long-term benefits of home ownership and investing. A number of mortgage and housing policy changes now allow bands to offer housing to non-First Nations peoples, improving the reserve’s economic viability.

### **Microcredit**

Microcredit or “microfinance” is considered an effective approach to alleviating global poverty. Microfinance consists of small loans usually of less than \$200 that are provided by organizations or financial institutions to individuals so that they can establish or expand small, self-sustaining businesses. Many of these loans are given to women, and the loans are generally facilitated through a financial institution’s retail delivery channel located on the ground in developing nations.

We are often asked if RBC is involved in microcredit. We are not. In fact, we are not in the retail banking business in developing nations outside of the Caribbean region. Internationally, we serve corporate, institutional, public sector and business clients with investment banking, trading, correspondent banking and reinsurance needs. In terms of retail services, we provide private banking and wealth management services for high net worth individuals internationally. We do support charitable programs that provide small loans for individuals to pursue education or business opportunities in the Caribbean, but the direct provision of microcredit is not part of our business strategy.

We serve low-income clients in Canada and the United States and provide credit and financing expertise to small businesses in Canada, the United States and the Caribbean. We report our provision of credit to small businesses in Canada annually in this publication. See page 63.

# Workplace

At RBC, we are bound by shared values, committed to helping our clients and proud of being a top employer. Our strong culture of employee engagement is reflective of our commitment to diversity and inclusion. We provide an enriching employee experience with opportunities to pursue rewarding and challenging work with talented and supportive colleagues, learning and development opportunities, benefits that have the flexibility to meet employees' needs, fair and competitive compensation, and support for work/life effectiveness.

Priorities	2008 Performance highlights
Maintain progressive workplace policies and practices	<ul style="list-style-type: none"> <li>• Our regular workplace policy review process ensures we provide flexible and effective working environments for employees</li> <li>• Updated and enhanced an interactive online tool to help employees understand the impact their planned retirement date will have on their pension payments and healthcare costs in retirement</li> </ul>
Provide competitive compensation and total rewards, and enable growth through training and development opportunities	<ul style="list-style-type: none"> <li>• Invested \$149 million in formal training and career development initiatives, including direct and indirect expenditures</li> <li>• Sponsored employee savings and share ownership programs through which the majority of employees are RBC shareholders</li> </ul>
Respect diversity and promote inclusion	<ul style="list-style-type: none"> <li>• Launched MOSAIC, an employee resource group that provides newcomers to Canada and visible minorities at RBC with mentoring and networking opportunities</li> <li>• Piloted a Virtual Job Fair that focused on providing an accessible and engaging environment for people with disabilities; received 700 applications on the first day; 83 of those applicants have already joined RBC's Pursue Your Potential program</li> </ul>
Foster a culture of employee engagement	<ul style="list-style-type: none"> <li>• Sustained high employee engagement as indicated in our 2008 global employee opinion survey</li> <li>• Recognized as one of Canada's Top 100 Employers by Mediaworld Canada Inc., which profiles organizations with innovative programs to attract and retain talented employees</li> <li>• Recognized as one of Canada's Most Admired Corporate Cultures</li> </ul>

## Issues

- Changing demographics. We continue to recognize the impact of possible talent shortages in the next decade and believe that solutions should be multi-faceted, including expanding the sources of new employees, developing the capabilities of existing employees and extending the working life of retirement-eligible employees.
- Healthcare costs. The cost of employee healthcare in Canada, and in other countries around the world, continues to increase. Escalating healthcare costs are a real issue for companies sponsoring healthcare programs. RBC continues to look for ways to proactively manage future increases in the cost of our healthcare programs. We do this by raising awareness among employees and engaging them to become smart consumers of healthcare services and to lead a healthy lifestyle.

## RBC employment worldwide

As at October 31, 2008

	Number of employees	Full-time equivalent positions
Canada*	56,112	49,999
United States	14,082	13,452
International	9,906	9,872
Total	80,100	73,323

\* See page 62 for a regional breakdown.

## Principles and policies

Every employee at RBC is guided by our vision of "Always earning the right to be our clients' first choice," and our values of Service, Teamwork, Responsibility, Diversity and Integrity.

## Guiding workplace principles

What we stand for as an employer is defined in a set of workplace principles. They guide our continuing efforts to support the mutual success of employees, clients and shareholders.

- *Passion for client success.* We value people who are passionate about putting clients first and about continuously improving our ability to help our clients succeed.
- *Diverse needs and contributions of individuals.* We embrace diversity in people, skills and ideas. We cultivate an environment where people with diverse backgrounds and approaches come together to create winning solutions for clients.
- *High-performance work environment.* Our passion for winning fuels our desire to be the best that we can be. We have the people and the resources to enable a high-performance work environment, and we make sure that results are appropriately recognized and rewarded.
- *Professional growth.* We provide career opportunities through meaningful growth, as well as the tools, support and training to ensure success in roles. In return, we expect employees to grow and excel with the spirit of a professional and to share responsibility for career development.
- *Excellence in people management.* We understand the essential role leaders play in engaging employees to deliver top performance. We're committed to developing effective and inspiring leaders and people managers who enhance the employee experience and employee engagement.
- *Partner for mutual success.* We believe that winning as individuals, as teams and as an organization requires a shared sense of purpose built on open communication, mutual respect and personal accountability for results.

## Policies

Our policies complement our workplace principles. Employee conduct is governed by an overarching Code of Conduct and other more specific policies. The Code is described on page 14. The Human Resources Committee and the Corporate Governance and Public Policy Committee of the Board of Directors regularly review and approve revisions to the Code of Conduct. Successful completion of our Code of Conduct online learning program is a condition of employment for all RBC employees.

## Supplementary policies and issues

Supplementary policies cover a number of additional workplace issues such as employment equity, hours of work, compensation and harassment. We do not have formal policies on every issue. For instance, RBC does not have a formal policy statement on child or forced labour, given the nature of our business as a financial institution operating in developed nations. However, we do include child labour provisions in outsourcing and procurement contracts involving developing nations.

## Rewards

Employees value both monetary and non-monetary rewards. We recognize that no two employees have identical needs, so our Total Rewards program is built to provide flexibility and choice and promote a shared accountability for success.

Our Total Rewards framework encompasses:

- Fair and competitive compensation including performance-based incentives
- Short- and long-term savings and wealth accumulation programs
- Flexible benefits that provide employees with the ability to choose the coverage needed
- A positive, safe and flexible working environment
- Learning and career growth opportunities.

### Employee compensation and benefits\*

2008	\$7.8 billion
2007	\$7.9 billion
2006	\$7.3 billion

\* These figures are provided for RBC's global operations.

## Compensation, incentives and wealth accumulation programs

At RBC, our compensation includes salary, an annual bonus, long-term incentives, commissions and other variable pay. We participate in over 100 external benchmarking surveys annually to ensure our compensation remains competitive. Our employee share ownership plans and retirement savings plans provide long-term savings and wealth accumulation opportunities.

Our short-term incentive bonus program rewards employees for their contribution to their business unit's performance and our overall performance. Also, depending on the type of work they do, some employees may participate in variable compensation programs such as sales commissions and sales target achievement bonuses.

Retirement savings programs help employees plan for retirement. In Canada, our pension plan offers flexibility and choice to help employees address their diverse needs. The program offers the security of a defined benefit plan with the flexibility of a defined contribution plan. Employees can choose to participate in either option and can supplement their retirement savings by either making optional contributions to the pension plan or by joining the RBC savings program. Depending on the options they choose, employees may receive employer matching contributions. In the United States, RBC offers a flexible 401(k) program.

Our employee share ownership plans are part of our Total Rewards program and help align employee, investor and company objectives. In Canada, approximately 70% of eligible employees are RBC shareholders through the plans.

## Benefits

We offer a core package of benefits plus a flexible optional benefits program that give employees access to competitive and affordable benefits. Part-time employees are eligible for benefits coverage.

## Health, safety and wellness

Our Code of Conduct states our commitment to providing safe workplaces for all our employees. We also have more specific workplace safety policies in most of our locations. All employees and their dependents have access to the EmployeeCare program, which is an extensive support program that helps manage all aspects of their work and personal lives, with confidential access to information and counselling. In 2008, we:

- Continued to integrated wellness features into our Canadian and U.S. benefits programs. Employees can earn wellness credits, which can be put towards purchases in their benefits package
- Encouraged employees to lead healthy lifestyles through a series of campaigns and communication initiatives that addressed nutrition, physical activity, stress management and wellness initiatives
- Provided employees with referrals to appropriate medical and support networks.

## Flexibility

We provide employees with the opportunity to:

- Work flexible hours or modified work schedules
- Work from home or off-site locations
- Reduce work hours through job sharing
- Buy an additional week of vacation
- Take an unpaid leave for personal reasons such as for education or personal development.

Our environment provides managers the flexibility to deal with workplace situations on a case-by-case basis.

## Career development and learning

We provide professional training and development to help employees build successful careers. Formal training and development programs are an important complement to learning on the job and in 2008, we invested \$149 million in formal training and development programs (direct and indirect expenditures), which include:

- A global online learning system that provides employees with access to training resources and opportunities from work and from home
- A career information guide entitled *Winning Careers at RBC* and confidential access to Career Advisor, a comprehensive online career management resource kit. More than 14,000 employees have made use of it since it was introduced in 2006

- Comprehensive formal training programs to help new employees be successful. Over 4,400 employees completed the entry training programs for Client Service Representative, Account Manager, and contact centre Sales and Service Representative positions
- Access to thought leaders to provide current and leading edge progressive talent management practices.

## Recruitment

Our primary approach is to promote from within RBC and we continue to offer growth and development opportunities for employees. Building for the future also includes recruiting for new talent and some of our key activities for 2008 included:

- Visits to more than 70 university, college and technical/business campuses
- Internship programs for new college and university graduates
- More than 34% of the people hired at RBC in 2008 were referred by our own employees. Our employee referral program, Star Finder, was enhanced in 2008 to reward employees who referred candidates that were successfully hired
- The Pursue Your Potential™ program, designed to help employees with disabilities and Aboriginal people explore career opportunities and understand the recruitment and selection process. Candidates have access to a dedicated point of contact within our recruitment group and are provided with meaningful feedback on interviews. Qualified candidates are also referred to other areas of RBC if an initial application is unsuccessful.

## Diversity and inclusion

### Workforce composition progress report

The composition of our workforce is an important measure of how well our diversity efforts are working. Diversity initiatives can take several years to show results, making year-over-year comparisons less meaningful than longer-term ones.

### Diversity in our workplace in Canada\*

	2008	2007	2006	1998
Women	69%	69%	70%	75%
Women in management	54%	55%	55%	53%
Visible minorities	26%	25%	24%	12%
Visible minorities in management	25%	24%	21%	13%
People with disabilities	3.8%	3.9%	3.2%	2.9%
Aboriginal people	1.6%	1.6%	1.6%	1.1%

\* Figures represent employment equity data as of October 31, 2008, for our businesses in Canada that are 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 is available only in Canada.

## Leadership

To create and sustain a diverse, inclusive and collaborative work environment, people at all levels of the organization must be engaged. Our President and CEO chairs the RBC Diversity Leadership Council, created to establish strategies and goals, and to have RBC senior-level diversity champions in place in North America and the United Kingdom. In addition, individual business units have diversity leadership councils that help advance diversity and inclusion.

Our leaders are also active outside the RBC workplace. We believe progress in diversity is a societal objective and we can learn from one another. Our leaders participate in various public discussions, panels and workshops that focus on promoting diversity in the workplace.

## Raising diversity awareness

RBC promotes diversity by sharing our knowledge and encouraging discussion of its impact on business, communities and the economy. For example, RBC sponsors a study by Catalyst Canada and Ryerson University on the career development and advancement of visible minorities in corporate Canada. In 2008, Catalyst Canada released the fourth part of this study that addressed workplace fit and stereotyping of visible minorities in corporate Canada. The study showed that, like organizations in other countries, Canadian businesses appear to be suffering from “imperfect execution” of diversity and inclusion policies. The study also highlights strategies for companies to help them leverage the talents of visible minority employees more fully.

In 2008, we created the RBC Diversity Blueprint™ which sets out our corporate diversity strategy, priorities and objectives. The purpose of the blueprint is to outline how we will continue to improve our diversity position in Canada, strengthen our existing diversity and inclusion efforts in the U.S. and internationally, and where necessary, develop new initiatives that support our commitment to diversity.

For more information, see page 59

## Training and mentoring

RBC is committed to ongoing learning, coaching and mentoring to ensure we develop and support a rich and diverse workforce. Employee diversity training initiatives include:

- *Business Excellence through Diversity*: Workshops were attended by over 380 employees globally.
- *Respectful Workplace*: Almost all U.S. employees completed this program that helps individuals understand and comply with our Code of Conduct and respectful workplace policy, which state that all employees have the right to work in an environment free from harassment, discrimination and offensive behaviour.
- Extensive self-study materials are available through our internal website, *Destination Diversity*.
- *RBC Diversity Dialogues*: Our reciprocal mentoring program was expanded to more than 200 employees. This program connects two people with different professional experiences and backgrounds to learn about leadership and diversity from each other.

## Employee resource groups

Employee resource groups are self-governing networks of employees that help their members develop personally and professionally through peer mentoring, coaching and networking. These groups help cultivate an inclusive work environment by fostering a better understanding of their needs. Groups that are formally recognized by RBC receive an annual budget and communications support from the company.

In Canada, we have employee resource groups representing Aboriginal employees (Royal Eagles); lesbian, gay, bisexual and transgendered employees (PRIDE); and employees with disabilities (REACH). This year, RBC launched a new employee resource group – MOSAIC, which supports new Canadians and visible minorities.

In the U.S., we have groups representing gay and lesbian employees (GLADE) and minority employees (MEA). As well, women brokers are supported by the Women’s Association of Financial Consultants, a resource group that fosters the productivity and success of women financial consultants through a wide range of information, events and programs.

## Programs to support diversity

We participate in a number of external and internal programs that support diversity. For instance, for the past 12 years, we have successfully partnered with the Career Edge organization to provide paid internships to students. Since 2003, approximately 300 employers have provided meaningful work experiences to over 920 Career Bridge interns. RBC has provided internship positions to over 70 qualified professionals through the Career Bridge program for newcomers to Canada, including 28 in 2008. RBC has also

provided over 85 internships for graduates with disabilities through the Ability Edge program, including 21 in 2008. Approximately 70% of interns in both programs join RBC as full-time employees following their internships.

We are also committed to increasing the representation of Aboriginal people within our workforce, through proactive recruitment and programs:

- Since the RBC Aboriginal Student Awards Program was launched in 1992, we have awarded 77 scholarships totalling \$866,000 to Aboriginal students across Canada. In 2008, we awarded eight scholarships and will be expanding the program in 2009 by offering two additional scholarships.
- In 2008, the *Pursue Your Potential* recruitment program was expanded to include Aboriginal people, helping them explore career opportunities and understand the recruitment and selection process.
- A total of 44 students across Canada participated in the RBC Aboriginal Stay in School Program during the summer 2008 school break.
- In October 2008, as part of FIPAR (Financial Industry Partnering for Aboriginal Relationships), RBC helped launch a new website designed to educate Aboriginal youth on career opportunities within the financial industry.

Many of our internal policies and programs promote diversity at all levels of the company by providing the flexibility and support that many employees need to manage work and life. This includes:

- Access to personal work/life counselling services
- Maternity, parental and family responsibility leave
- The option of returning from leaves gradually or in an alternative work arrangement
- Emergency backup eldercare and childcare in several major centres.

## Engagement

### People management

We have 8,000 people who manage others across the organization. Managers play a critical role in creating an engaging work environment, and RBC invests in a number of resources to support them, including:

- 360-degree reviews that provide managers at all levels with anonymous feedback from their peers, direct reports and their own managers so they can advance their personal development
- Tailored employee opinion survey data from within a manager's own unit so the manager can develop and review key action plans with employees

- A monthly news flash with advice and information targeted specifically to managers
- A series of online webcasts designed to help managers and employees learn about various performance management topics
- An online resource that provides coaching, information, tools and forms
- A series of learning modules in our management training program, enhanced in 2008 to target learning based on the experiences of people managers and make it easier for managers to access the program's resources and tools. In 2008, more than 3,800 managers completed at least one of these modules
- Support material to help facilitate employee discussions about what our new brand and growth strategy means for employees and how it aligns to our business objectives. The CREATE strategy embodies and simplifies our role – to focus on serving our clients and collaborating with each other to help clients succeed.

### Employee opinion surveys

Our goal is to continue to be one of the top-performing companies in North America. A large part of this success depends on listening and responding to our employees, and we have conducted regular employee opinion surveys since 1981. We compare our survey results with top-performing North American companies and financial institutions and our own past results. We celebrate our successes and take action on areas for improvement.

#### 2008 Employee opinion survey

In 2008, the response rate of our global survey was 70%.

Results showed:

- High levels of employee engagement and high Vision & Values scores, up from the last full employee survey and above the benchmarks
- Compared to other high-performing companies, we are significantly above the benchmarks in all eight categories where we have the comparison available
- More than 90% of those employees who responded report that working at RBC has met or exceeded their expectations, including over one-third who say working at RBC has exceeded their expectations.

#### Top employer

In 2008, RBC ranked among the top 100 employers in Canada. The competition, held annually by Media Corp Inc., profiles organizations with innovative programs that attract and retain talented employees. RBC was also named one of Greater Toronto's Top Employers. Additionally, RBC was again recognized in 2008 through Waterstone Human Capital's Canada's Most Admired Corporate Cultures award.

## **Information and education**

RBC recognizes the importance of keeping employees informed. In 2008, our initiatives included:

- The use of avatar technology to inform employees about privacy and information security and to educate employees about retiree benefits
- Online webcasts aimed at helping employees understand careers at RBC and how to effectively manage performance
- A comprehensive internal website to help employees understand what our new brand and growth strategy means for clients and for employees
- A convenient and flexible quarterly audio broadcast, featuring our President and CEO, to communicate progress on strategic goals, financial results and key messages to employees
- Brief video clips to provide employees with some insight into how to manage a successful career. Topics include coaching others, networking and mentoring, taking ownership of your career, changing world of work, and generations at work
- Leaders' blogs to listen, respond and engage employees in dialogue to deepen their understanding of the issues and better align them to react quickly, effectively and collaboratively to the needs of the day.

## **Employee concerns**

RBC encourages open communication and the resolution of employee concerns locally whenever possible. In addition, employees with unresolved concerns may approach our Employee Ombudsman, within the Office of the Ombudsman. This confidential and impartial resource provides a way for employees to manage and resolve workplace conflict through discussion, coaching and mediation. In 2008, the Employee Ombudsman opened 968 cases from all RBC businesses and functions.

# Environment

## RBC Environmental Blueprint™

RBC is committed to proactive and prudent management of the environmental aspects of our business. The RBC Environmental Blueprint describes the policies, programs, and guidelines planned or underway to support this commitment. We believe that fulfilling our environmental goals will lead to short- and long-term benefits for clients, shareholders, employees and the communities in which we live and conduct business.

Priorities	2008 Performance highlights
Reduce the intensity of our environmental footprint	<ul style="list-style-type: none"> <li>Converted all office paper purchased in Canada, the U.S. and the British Isles to paper certified by the Forest Stewardship Council, the Program for the Endorsement of Forest Certification or to 100% recycled content</li> <li>Opened 36 new green-powered branches in Canada, giving us a total of 76 Canadian branches powered by 5,042 MWh* of certified “green” emission-free power, and reducing our carbon footprint by 2,095 tonnes</li> <li>Expanded our energy data coverage to 65% of our global floor area compared to 35% coverage in 2007. This is the first year we reported energy data for major leased premises in Canada, the United States and British Isles, including energy reporting for our key data and processing centres</li> </ul>
Promote environmentally responsible business activities	<ul style="list-style-type: none"> <li>Performed detailed environmental credit risk assessments on 650 transactions in Canada and the United States</li> <li>Applied the Equator Principles to five large projects</li> <li>Trained Capital Markets and Risk Management staff on climate change and carbon markets</li> </ul>
Offer environmental products and services	<ul style="list-style-type: none"> <li>Launched our greenhouse gas (GHG) emission trading desk with capabilities to transact on exchanges in Canada, the United States and the European Union</li> <li>Launched the RBC Energy Saver™ mortgage in Canada which offers clients a \$300 rebate on a home energy audit</li> <li>Expanded our electronic statement program, switching more than 1.3 million accounts from paper to electronic statements</li> </ul>

### Issues and trends

RBC is mindful of environmental issues and emerging trends and, where possible, incorporates measures to address these challenges in policies and programs. Some of the trends we are observing include:

- While all companies must take responsibility for the environmental impact of their direct operations and purchasing activities, financial institutions are also expected to assess the environmental impact of the activities of the clients to whom we provide credit.
- Financial institutions are increasingly expected to provide services that allow clients to reduce their impact on the environment and adapt to unavoidable environmental impacts, such as climate change and water scarcity.
- Financial institutions are increasingly expected to develop and adhere to lending and procurement policies that promote sustainable development.

- There is a growing demand for quality and quantity in environmental and social reporting. The proliferation of sustainability ratings, indices and NGO information requests can divert resources away from designing, implementing and managing environmental programs.
- There has been a growing level of NGO opposition to providing financing to carbon intensive sectors, especially for oil sands development and coal-fired power generation.
- There is growing consumer suspicion of exaggerated or false claims regarding a company’s environmental performance or the environmental virtues of a product or service, known as “greenwash.”

\* The original PDF version of the RBC 2008 Corporate Responsibility Report and Public Accountability Statement, published in February 2009, contained incorrect data for the amount of green power purchased in 2007 and 2008. We have corrected and restated the amounts here, as of April 30, 2009. Please note that the 2008 Corporate Responsibility Review (print version) contains the misstated data for amount of green power purchased.

## Priority activities

RBC believes that prudent environmental management in our business means focusing on activities that mitigate risk, enhance returns, and protect or enhance our corporate reputation. Our three priorities are to:

- Reduce the intensity of our environmental footprint
- Promote environmentally responsible business activities
- Offer environmental products and services.

## Environmental management

Since our first Environmental Policy was drafted in 1991, RBC has been committed to environmental management and continuous improvement. To support this commitment, we published the RBC Environmental Blueprint in 2007, a clear articulation of our corporate environmental policy, priorities and objectives. It sets out how we will approach environmental matters pertaining to operations, business activities, products and services, employees, compliance, reporting transparency and partnerships. The RBC Environmental Blueprint also presents 44 medium- and long-term environmental commitments with a pledge to report progress on these commitments on an annual basis.

### Structure and responsibility

The RBC Corporate Environmental Affairs (CEA) group, ultimately reporting to the Chief Operating Officer, has oversight responsibility to implement the RBC Environmental Blueprint. CEA works with RBC's business and functional units to undertake activities including, but not limited to, the following:

- Develop, maintain and communicate environmental policies, procedures, and guidelines
- Engage with internal and external stakeholders to advance and launch initiatives necessary to meet our objectives
- Monitor relevant laws and regulations, as well as other requirements to which RBC adheres
- Monitor key activities and track performance, including cost-effectiveness of initiatives
- Assess the need for improvements
- Report periodically to our stakeholders, RBC's Group Executive and the Corporate Governance and Public Policy Committee of the Board of Directors on our progress in implementing the RBC Environmental Blueprint.

RBC's business and functional units provide input into environmental strategy and policy, share information on and assist with efforts to reduce our environmental footprint, address risks and promote and leverage business opportunities.

### Key environmental issues

There is no shortage of important environmental issues facing our communities, and it is a challenge for any organization to determine where resources should be focused for greatest impact. RBC has developed criteria to help identify our key environmental issues as those that:

- have an impact on our business activities or the business activities of our suppliers or clients,
- are affected by our business activities or the activities of our suppliers or clients, and/or
- are important to a wide array of stakeholders.

We have chosen three priority environmental issues for our organization – climate change, biodiversity and water.

#### 1. *Climate change*

Climate change presents environmental, social and financial challenges to the global economy, human health and to our own businesses and operations. We believe it is vitally important that we all contribute to efforts to reduce GHG emissions and effectively adapt to the impacts of climate change.

#### 2. *Biodiversity*

Biodiversity, or “biological diversity,” refers to the variety of different species, the genetic variability of each species and the variety of different ecosystems that they form. Environmental degradation resulting from human activity and the forces of climate change is disrupting the natural biodiversity of habitats and ecosystems. RBC recognizes that the identity, cultural beliefs and economies of some indigenous peoples are intrinsically tied to their region's history, biodiversity and natural landscapes. Critical natural systems and the abundant biodiversity they support must be preserved in order to maintain healthy communities, cultural values and shareholder value.

#### 3. *Water*

Water is the most important natural resource on earth, and without it, all life would cease. Access to clean fresh water, the preservation and management of watersheds and water conservation are becoming increasingly urgent environmental concerns, both globally and in many of the regions in which we operate. Climate change, pollution and inefficient water usage are factors contributing to a growing water crisis.

## RBC Environmental Blueprint: report card on 2008 commitments

The RBC Environmental Blueprint is a five-year workplan, comprising 44 medium- and long-term commitments. Eight of these 44 commitments were earmarked for implementation in 2008, and our progress on each of these is summarized below. For a full, current overview of our progress on all 44 commitments in the RBC Environmental Blueprint, see [rbc.com/environment](http://rbc.com/environment).

Commitment	Status	Progress
Release an environmental policy or policies for RBC Procurement	●	Developed a Responsible Procurement Policy (draft as of October 31)
Undertake a carbon risk assessment of our lending portfolio	●	Analyzed the exposure of borrowers in our loan and investment portfolio to climate change risks and regulations (report anticipated in winter 2008/2009)
Examine sector-specific guidelines for transactions	◐	Drafted sector specific guidelines for the chemical industry and forestry sector
Continue to expand the amount of “green power” we purchase	●	Opened 36 new green-powered branches in Canada
Continue to improve our energy efficiency by expanding various program elements of EnergySmart to help employees enterprise-wide reduce our greenhouse gas emissions	◐	Revised electrical, mechanical and architectural standards at Canadian branches, and expanded the lighting retrofit program  Drafted the Employee Environmental Stewardship Guidelines which include guidance on responsible energy use (draft as of October 31)
Continue to transition our paper supply to more sustainable sources including FSC and post-consumer recycled content	●	Converted all office paper in Canada and the United States to FSC; significant acquisitions of FSC paper for envelopes, marketing materials and client statements in Canada
Continue to enhance SOFT (Sourcing, Operations, Facilities and Travel) Footprint data collection and management	◐	Made significant steps in expanding our data coverage in the United States  Shifted all utility data reporting to actual consumption (instances of using cost-derived energy data historically)
Appoint members of an expert Advisory Panel for the RBC Blue Water Project®	●	Convened the panel in January and held five meetings in 2008

### Status key

- 
**Significant action taken**  
 May include research, the drafting and/or implementation of new policies and programs, and the development of performance metrics where possible. May also include a significant level of engagement with external and/or internal stakeholders
- 
**Some action taken**  
 May include research, policy and/or program design; however, work remains before the commitment is fully met. May also include some communication with external and/or internal stakeholders

## Environmental priorities

We know that our actions can make a significant and positive contribution to helping solve some of the problems posed by our key environmental issues: climate change, biodiversity and water. This section presents a discussion of our priority activities and the progress made in 2008.

### Reduce the intensity of our environmental footprint

RBC is committed to reducing our energy use, GHG emissions, paper consumption and water use. We are also committed to reducing the negative environmental impacts associated with the waste we generate and our procurement activities. We know that improving our operational efficiency, reducing our consumption of resources, and decreasing emissions associated with our business activities can lead to positive environmental and economic results.

#### Reduce GHG emissions and energy use

While we emit GHGs directly through the use of fossil fuels in some of our heating systems, most of our GHG emissions are indirect, through the use of purchased electricity and employee travel. We use energy to heat and cool buildings and to run our technology infrastructure and lighting systems. This is an area where we have focused a considerable amount of effort to reduce our impacts as it represents a significant proportion of our environmental footprint and significant opportunities for reducing costs.

In 2008, RBC:

- Opened 36 new green-powered branches in Canada. At the end of October 2008, we had 76 Canadian branches powered by 5,042 MWh of certified “green” emission-free power, which represents a GHG emissions reduction of approximately 2,095 tonnes per year
- Updated the electrical, mechanical and architectural standards for our Canadian branch network to eliminate excess capacity and to improve energy efficiency
- Performed 19 lighting retrofits in Canadian branches with an estimated energy savings of 463,000 kWh and a reduction in GHG emissions of approximately 80 tonnes per year
- Piloted Project Reflection, a new and progressive office environment design that will significantly reduce our carbon footprint by optimizing the use of office space, which lowers lighting and HVAC requirements
- Initiated a server virtualization program at our data centres in Ontario, which resulted in the removal of 480 physical servers (270 converted to virtual and 210 decommissioned)
- Incorporated climate change and energy-efficiency considerations into the RBC procurement decision-making process through the RBC Responsible Procurement Policy (draft as of October 31)

- Incorporated employee travel, videoconferencing and “how to save energy in the workplace” guidelines into the RBC Employee Environmental Stewardship Guidelines (draft as of October 31)
- Offset the carbon emissions associated with the production of the RBC Annual Report, Management Proxy Circular and Corporate Responsibility Report through the purchase of and retirement of certified emission reduction credits recognized under the Kyoto Protocol
- Participated in Earth Hour 2008, a global event co-ordinated by the World Wildlife Fund (WWF) to symbolize that individuals can make a difference in the fight against climate change. In collaboration with our landlords, RBC arranged for 26 of our major office buildings across Canada to power down all non-essential lighting and electrical equipment.

#### Responsible procurement

RBC’s procurement impacts are extensive and globally far-reaching, as each year we purchase over \$4.7 billion of products and services. We currently subject our purchases to environmental screening, but recognized the need to formalize an enterprise-wide policy to address the environment and social impacts associated with our procurement activities.

In 2008, RBC:

- Developed the RBC Responsible Procurement Policy (in draft as of October 31, 2008) that will increase the acquisition of environmentally and socially preferable products and services. The policy addresses three components of the procurement due diligence process.
  1. RBC will evaluate the level of regard suppliers have for the environment and society by considering the extent to which they demonstrate that their business activities are environmentally responsible, that working conditions at their facilities are safe, that workers are treated with respect and dignity, and that business decisions and operations are conducted in an honest and ethical manner.
  2. RBC will review the environmental benefits and lifecycle impacts of a product being offered, including evidence of third party certification(s) and an evaluation of a product’s environmental impacts associated with the extraction of raw materials, manufacturing process, packaging, transportation, production longevity and end-of-life disposal.
  3. RBC will review the environmental benefits of a particular service being offered, including evidence of third-party certification(s), environmentally responsible transportation, and other environmentally responsible programs and initiatives.

- Gave preference to paper and forestry products sourced from Forest Stewardship Council (FSC) certified sources.
- Piloted Project Reflection, which included the procurement of furniture and fittings of the highest environmental standards.

In November 2007, RBC Insurance discontinued the use of styro-foam and paper cups at their Meadowvale location in Mississauga, Ontario. Instead of disposable cups, each employee was given a reusable mug, which results in an annual cost savings of nearly \$20,000 and eliminates nearly 375,000 styrofoam and paper cups from our waste stream annually.

### Responsible paper use

As a large financial services institution, RBC uses a great deal of paper, both internally and in materials distributed to our clients. We have made a commitment to conserve forest resources and support sustainable forest management

In 2008, RBC:

- Converted all office paper purchased in Canada and the United States to FSC certified sources
- Converted all office paper in the British Isles to either FSC, Program for the Endorsement of Forest Certification or 100% recycled content
- Converted over 1.3 million RBC accounts in Canada to electronic statements. Since project inception in 2006, over 3.2 million accounts have been converted, resulting in paper savings of approximately 511 metric tonnes
- Changed the RBC Corporate Responsibility Report and Public Accountability Statement to an online electronic format, with a brief executive summary produced in print, reducing our paper requirements by 9.3 tonnes compared to the printing requirements in 2007
- Began installing new software and hardware in ATMs that will provide clients with the option to decline paper receipts using a new withdrawal option called “My Quick Cash.” The upgrade process is expected to be completed across the entire Canadian ATM network (over 4,000 units) by mid-2010
- Developed the Common Account Open system where account approval forms and supporting documentation are now scanned and saved at the branch level, with copies sent electronically rather than sending paper copies.

### FSC certification and third-party service providers

FSC is a certification and labelling system for paper and forestry products that are derived from responsibly managed forests. In addition to our efforts to convert our office paper to FSC, RBC is actively transitioning our paper print products to FSC certified paper. Paper print products are typically procured from third-party service providers and consist of printed client statements, envelopes, marketing materials, banking forms, reports and other high-end print products. The FSC has developed chain of custody requirements that govern public reporting on FSC usage, including the use of third-party service providers. Highlights of RBC’s transition to FSC include:

- Creation of an environmental committee to identify opportunities to apply environmental best practices related to print procurement.
- Our key outsourcing partner responsible for printing of client statements is undertaking the FSC chain of custody certification audit in early 2009.
- 84% of the envelopes procured in Canada by RBC Production Management were made from FSC paper and 65% of work produced by RBC internal print sites in Canada was on FSC paper.

### Responsible waste management

Waste minimization through demand management, reuse and recycling are the preferred methods of reducing solid waste. However, where solid waste cannot be eliminated we are committed to careful management and disposal. In 2008, we developed a strategy to expand recycling in branch properties, and continue to work with landlords to improve and optimize diversion programs for recyclables and organics.

In 2008, RBC:

- Initiated a Canadian recycling pilot project intent on expanding recycling programs at properties where “free” municipal commercial recycling programs are underutilized
- Incorporated employee waste management and recycling guidelines into draft Employee Environmental Stewardship Guidelines
- Incorporated recycling, waste reduction and packaging minimization considerations into the draft RBC Responsible Procurement Policy
- Continued our Furniture Reuse Program that diverts furniture from landfills by finding ways to reuse or donate the furniture to charities. In 2008, this program diverted an estimated 30 tonnes of material from landfill
- Leased the majority of our electronic equipment from a single service provider with an established responsible asset recovery program. We return most of the leased assets to our supplier for either resale or disposal. Our supplier manages designated facilities for dismantling, hazardous and recyclable materials recovery and responsible disposal with processes that meet applicable

local, provincial/state and federal laws and regulations. A small proportion of electronic equipment is owned by RBC, and when this equipment must be retired, our electronic waste disposal program contracts a service provider who specializes in electronic waste dismantling, recovery and responsible disposal.

### Reduce water consumption

Watershed conservation and access to clean fresh water are considered to be two of the key contributors to human health and economic development around the world. While RBC's level of direct water consumption is relatively small, we are committed to reducing our water use where practical.

In 2008, RBC:

- Incorporated guidance on employee use of reusable water containers, water cooler or tap water into the draft Employee Environmental Stewardship Guidelines
- Updated the mechanical standards for water fixtures, plumbing and boilers for the Canadian branch network
- Established internal guidelines for hosting "green" meetings including tips for conserving water and "tap water preferred" policies. These guidelines also govern hospitality services at the RBC Annual Meeting of Common Shareholders and at RBC executive dining rooms in Canada.

### SOFT footprint

Our environmental footprint is a result of our Sourcing, Operations, Facilities and Travel (SOFT) activities. We track our SOFT Footprint to:

- Identify areas where we can reduce our direct environmental impact
- Identify cost management opportunities
- Track trends in resource use and emissions
- Improve reporting accuracy and transparency.

Our summary SOFT Footprint Report is presented on page 44 and a more detailed report with additional performance metrics is available at [www.rbc.com/environment](http://www.rbc.com/environment).

#### Note:

Caution should be used before making any year-over-year comparisons of RBC's environmental footprint. This is because the environmental data we are reporting represents only those performance indicators that we are able to measure at any point in time. Each year we strive to measure and report more data from more parts of the company.

For 2008, we have included data for some of our more emission intensive areas, such as major leased premises in Canada, the U.S. and the British Isles (such as data centres) and branches in the U.S. Due to this more comprehensive reporting in 2008, our reported CO<sub>2</sub>e emissions are higher than those in 2007.

### 2008 Trends

In 2008, we have access to enhanced information regarding energy use across RBC due to a significant increase in **data coverage**. This is the first year RBC was able to track and report direct and indirect energy use for major leased premises in Canada, the United States and the British Isles. We are now able to track and report energy consumption for our key data and processing centres: facilities that use large quantities of purchased electricity. Gaps in energy use data are associated with properties in some parts of the United States, the Caribbean and other international locations.

There was a minor increase in the **energy intensity** (energy use per m<sup>2</sup>) of our branch network in 2008 compared to the previous two years. We believe the increase is attributable to the snowy and cold winter experienced in many parts of Canada and the U.S. in 2008, in contrast to the exceptionally warm winters of 2006 and 2007, which were two of the warmest on record according to Environment Canada. In short, colder weather increases heating requirements, increasing energy consumption and associated greenhouse gas (GHG) emissions across RBC's branch network.

**Office paper use** in 2008 was virtually unchanged from 2007 on a per employee basis. In 2008, approximately 15% of office paper was certified sustainably sourced paper (mostly FSC certified). Virtually all office paper in Canada, the U.S. and the U.K. was converted to certified sustainably sourced paper in September 2008.

**Employee air and automobile (rental) travel** decreased on a per employee basis in 2008, while rail travel increased. Data coverage for air travel in 2008 does not include our recently acquired RBTT operations in the Caribbean. This was the first year we were able to track and report employee business travel in personal vehicles. This represents a significant amount of automobile travel, with over 35 million kilometres logged by Canadian and U.S. employees in 2008.

RBC's reported **GHG emissions** are higher in 2008 due to much greater data coverage than in previous years. Our GHG emissions intensity (GHG emissions per m<sup>2</sup>) appears to have increased in 2008; however, this is a result of our improved data coverage that now includes more energy and emission intensive parts of our company such as major leased premises in Canada, the United States and the British Isles, as well as branches in the United States. Major leased premises have a greater energy intensity than branches, corresponding to higher GHG emissions intensity. Also, the inclusion of U.S. energy data has a considerable impact on GHG emissions intensity because U.S. electricity generation is typically more carbon intensive (i.e. coal-fired power plants) than Canadian electricity generation.

We have not reported the indirect GHG emissions associated with paper consumption because we are concerned about the challenges in accurately calculating these emissions for a Canada-based paper supply chain. We will continue to work with our suppliers and other GHG experts to determine how best to report these figures with confidence.

## SOFT (Sourcing, Operations, Facilities and Travel) footprint

	2008	2007	2006	Units
<b>Intensity factors</b>				
Global full-time equivalent (FTE) employees	73,323	64,815	60,539	FTE
Global floor area	2,292,056	1,979,954	1,942,733	m <sup>2</sup>
<b>Energy footprint (1)</b>				
<i>Direct energy use (2)</i>				
Branches (3)	66,727	58,085	46,919	MWh
Major leased premises (4)	80,646	n.a.	n.a.	MWh
Total direct energy use all properties	147,372	58,085	46,919	MWh
Data coverage (as a % of global floor area) (6)	60	29	27	%
<i>Indirect energy use (7)</i>				
Branches	191,209	137,369	130,726	MWh
Major leased premises	257,098	n.a.	n.a.	MWh
Total indirect energy use all properties	448,307	137,369	130,726	MWh
Data coverage (as a % of global floor area)	65	35	34	%
Green power purchases (8)	5,042 (9)	2,831 (9)	2,464	MWh
<i>Total energy use</i>				
Branches	257,936	195,454	177,645	MWh
Major leased premises	337,744	n.a.	n.a.	MWh
Total energy use all properties	595,679	195,454	177,645	MWh
<i>Energy intensity</i>				
Energy intensity – branches	.308	.286	.270	MWh/m <sup>2</sup>
Energy intensity – major leased premises	.515	n.a.	n.a.	MWh/m <sup>2</sup>
<b>Paper footprint</b>				
Office paper	3,886	2,907	2,491	tonnes
Certified sustainably sourced paper	15	n.a.	n.a.	%
Coverage (as % of global FTE)	90	75	77	%
Office paper use per FTE	.059	.060	.054	tonnes/FTE
Marketing and direct mail paper	5,560	6,643	5,155	tonnes
Certified sustainably sourced paper	42	n.a.	n.a.	%
Coverage (as % of global FTE)	80	75	77	%
<b>Travel footprint</b>				
Air travel	171,620,791	188,843,521	169,387,881	km
Data coverage (as % of global FTE)	90	95	95	%
Air travel per FTE	2,611	3,010	2,878	km/FTE
Rail travel	1,085,261	938,594	1,030,707	km
Data coverage (as % of global FTE)	99	96	96	%
Rail travel per FTE	16.5	15.6	18.3	km/FTE
Automobile travel (rental vehicles)	6,724,378	7,625,641	5,607,746	km
Data coverage (as % of global FTE)	99	99	99	%
Automobile travel per FTE (rental vehicles)	102	122	95	km/FTE
Automobile travel (business travel in personal vehicles)	35,060,483	29,875,080	26,332,244	km
Data coverage (as % of global FTE)	87	93	93	%
Automobile travel per FTE (business travel in personal vehicles)	553	496	467	km/FTE
<b>GHG emissions (measurable)</b>				
CO <sub>2</sub> e emissions from energy use (5)	137,390	36,424	32,838	tonnes
CO <sub>2</sub> e emissions intensity from energy use (5)	.092	.053	.050	tonnes/m <sup>2</sup>
CO <sub>2</sub> e emissions from employee travel	23,219	23,737	20,931	tonnes
CO <sub>2</sub> e emissions intensity from employee travel	.355	.382	.359	tonnes/FTE
Carbon reductions from green power purchases	(2,095)	(1,680)	(1,360)	tonnes
Total CO <sub>2</sub> e emissions (5)	158,514	58,481	52,409	tonnes

The environmental data reported has been provided to RBC by third-party suppliers, vendors and service providers and includes information that was available in January 2008, the time of preparing this SOFT Footprint Report. We continue to work to improve the reliability and coverage of the environmental data so that it accurately reflects the RBC enterprise-wide SOFT Footprint.

### Notes:

- (1) Energy consumption is based on actual consumption for 2007 and 2008 and cost-derived consumption for 2006.
  - (2) Direct energy consumption refers to RBC's use of fossil fuels (natural gas, heating oil and propane).
  - (3) Branches are categorized as RBC facilities with an area of less than 25,000 ft<sup>2</sup> (<2,320 m<sup>2</sup>).
  - (4) Major leased premises are categorized as facilities with an area greater than 25,000 ft<sup>2</sup> (>2,320 m<sup>2</sup>) and all facilities with critical infrastructure (i.e. data and processing centres).
  - (5) Energy data coverage has increased in 2008 and has impacted this indicator; please see "2008 Trends" on page 43 for more details.
  - (6) Estimate of data coverage.
  - (7) Indirect energy consumption refers to RBC's use of purchased electricity.
  - (8) Green power purchases by RBC are carbon neutral and represent a reduction in GHG emissions.
  - (9) The original PDF version of the RBC 2008 Corporate Responsibility Report and Public Accountability Statement, published in February 2009, contained incorrect data for the amount of green power purchased in 2007 and 2008. We have corrected and restated the amounts here, as of April 30, 2009. Please note that the 2008 Corporate Responsibility Review (print version) contains the misstated data for amount of green power purchased.
- n.a. not available

## Promote responsible business activities

At RBC, we work with our clients and the companies we invest in to identify and manage environmental risks and support environmentally responsible businesses wherever possible. Our enterprise risk management framework includes requirements for enhanced due diligence on transactions and business activities that involve environmental and social issues that could be harmful to RBC's reputation. Our credit rules and guidelines include specific requirements for assessing environmental risk under certain circumstances, and our environmental risk management policies and procedures enable us to assess credit, legal and reputation risk arising from environmental issues in transactions. We regularly update these policies and procedures to address regulatory changes, emerging and evolving issues, and international best practices.

Our environmental risk policies form the foundation for responsible lending and cover a range of environmental risks and business activities. In addition to general policies for commercial and corporate lending, we have sector-specific and business-segment-specific environmental policies and guidelines for multi-residential properties, agriculture, public sector and project finance. This allows RBC account managers and risk managers to focus their assessment and evaluation on material environmental issues specific to that industrial sector in their discussions with clients. Transactions are reviewed for environmental issues and, where required, escalated to environmental specialists for further analysis and approval.

In 2008, RBC:

- Drafted content for a new environmental risk credit risk policy for corporate lending and investment banking
- Updated policies regarding environmental risk management for business and commercial markets
- Drafted additional sector-specific guidelines for the chemical industry and forestry sector
- Analyzed the exposure of borrowers in our loan and investment portfolio to climate change risks and regulations (report anticipated in winter 2008/2009)
- Held climate change and carbon markets training sessions for Capital Markets and Risk Management staff.

### Equator Principles

RBC was the first Canadian bank to sign the Equator Principles in 2003, and we recommitted to the revised Principles in 2006. The Equator Principles are a voluntary set of guidelines that help financial institutions address the environmental and social risks associated with project finance. To address our commitment to the Equator Principles, RBC has a Policy on Social and Environmental Review in Project Finance.

A requirement of Equator Principles signatories is to "report annually on their implementation processes and experience in applying the Equator Principles in project finance." Since our original adoption of the Equator Principles in 2003, RBC has reviewed 15 projects. In 2008, RBC participated as both project financiers and advisors for five projects.

Analysis of Equator Principles projects		2008	2007	2006
Number of projects <sup>(1)</sup>	Equator Principles Category A	0	1	1
	Equator Principles Category B	3	3	1
	Equator Principles Category C	2	2	2
	<b>Total projects reviewed</b>	<b>5</b>	<b>6</b>	<b>4</b>
By region <sup>(2)</sup>	OECD countries	5	5	3
	Other	0	1	1
By sector	Energy (oil and gas)	2	3	2
	Energy (renewable)	0	2	2
	Infrastructure	2	0	0
	Chemical	0	1	0
	Transportation	1	0	0

(1) When a project is proposed for financing, RBC categorizes the project based on the magnitude of its potential impacts and risks in accordance with the environmental and social screening criteria of the International Finance Corporation. Category A represents projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented. Category B represents projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. Category C represents projects with minimal or no social or environmental impacts. For additional information, visit [equator-principles.com](http://equator-principles.com).

(2) OECD is the Organisation for Economic Co-operation and Development. To view OECD member countries please refer to the OECD website.

## Environmental products and services

RBC seeks to offer an expanding array of products and services providing long-term environmental benefits that empower clients with options to reduce their environmental footprint.

### Electronic statements

In Canada, RBC offers electronic statements for VISA\*, Home Equity®, Royal Credit Line®, Business Deposit Accounts, RBC Day to Day Savings®, RBC Day to Day Banking®, eSavings™ accounts, and accounts from Direct Investing and Dominion Securities®.

Together with our clients, we have made great strides in reducing the amount of paper we use. Since January 2006, over 3.2 million RBC accounts have been switched from paper statements to electronic statements.

2008			
Account type	New electronic statement adoptions	Total number of electronic statement accounts	Percent of total active online accounts that are electronic statement
Personal deposit accounts	899,457	2,468,192	61%
VISA	177,461	469,241	24%
Royal Credit Line	136,138	216,997	19%
Home equity	22,196	46,861	19%
Direct investments	61,097	61,097	20%
Dominion securities	30,223	30,223	29%
<b>Total</b>	<b>1,326,572</b>	<b>3,292,611</b>	<b>42%</b>

### Socially responsible investing (SRI)

Since 2007, RBC has been helping investors reach their financial goals while incorporating broader concerns for social responsibility, environmental sustainability and corporate governance into our investment products. Through our partnership with Jantzi Research, a Canadian leader in socially responsible investment screening, we have been able to offer clients three SRI products: Jantzi Balanced, Jantzi Canadian Equity and Jantzi Global Equity funds. Using more than 100 indicators for environmental, social and governance performance, Jantzi funds provide clients with the assurance that responsible screening has been applied to the investment decision-making process. Total assets under management for the combined Jantzi Funds are now in excess of \$35 million (as of October 31, 2008).

With the acquisition of Phillips, Hager & North Investment Management in May, our clients now have additional SRI options. PH&N has been managing SRI mandates for well over a decade, offering a family of four socially responsible funds called the PH&N Community Values Investment Funds. They differ from PH&N's core funds in that their investment process includes a formal assessment of the ESG performance records of companies. PH&N Community Values Funds have assets under management of nearly \$180 million (at October 31, 2008).

As a further benefit to the environment, RBC also donated \$5 to the Nature Conservancy of Canada each time an RBC client turned off their paper statement option for an account and switched to an electronic statement between September 2007 and January 2008. We donated \$1 million, on our clients' behalf, to help protect more than 100 natural properties.

To support the growth in socially responsible investing among high net worth individuals, foundations, unions, and pension funds, RBC's SRI Wealth Management Group provides SRI expertise to clients across the United States. The specialized team of financial advisors, based in San Francisco, manages almost US\$1 billion in responsibly invested assets.

For more information, see page 27

### Carbon trading

In July 2008, Capital Markets announced global capabilities for carbon emission trading with the establishment of a carbon trading desk in Cincinnati, Ohio. By year-end, we transacted approximately 19.8 million U.S. tons of carbon credits/allowances, through over 2,000 distinct transactions, with an estimated value of over US\$300 million. Transactions were conducted on numerous exchanges including the European Climate Exchange, the Montreal Climate Exchange, the Chicago Climate Exchange and the Regional Greenhouse Gas Initiative in the northeastern United States.

### Home energy efficiency

We offer our clients information and resources to make their homes more eco-friendly, including renovation tips, as well as a downloadable brochure on how to make a home more energy efficient. In September 2008, we launched the RBC Energy Saver mortgage in Canada which offers a \$300 rebate on a home energy audit. A home energy audit is a report generated by a licensed professional who is specially trained to examine electrical, mechanical and architectural aspects of residential homes. The audit provides recommendations to help improve a home's energy efficiency and lower energy costs.

RBC also sponsored Now House\*, a sustainable housing initiative piloted by Canada Mortgage and Housing Corporation's Equilibrium initiative. Now House took a typical 60-year-old war-time bungalow and made changes to significantly increase its energy and water efficiency, demonstrating what the average home owner can do to increase the equity of their home, improve efficiency and save money.

For more information, see [rbccroyalbank.com/renovating/now-house](http://rbccroyalbank.com/renovating/now-house)

RBC is also encouraging clients to shift to green energy by offering a Clean Energy Rebate. Clients can apply for a \$25 discount towards their first month of green power purchased from Bullfrog Power, which currently sells green power to residential customers in the provinces of Alberta and Ontario.

### LEED certified affordable housing

In 2008, the RBC Tax Credit Equity Group invested US\$532 million into the development of approximately 6,700 units of affordable housing in the United States. RBC takes a 99% equity ownership position in the U.S. affordable housing projects developed under this program. Several of the housing projects were certified under Leadership in Energy and Environmental Design (LEED), including Melrose Common V in Bronx, New York; Maverick Garden in Boston, Massachusetts; Gish Apartments in San Jose, California; and Civic Commons in Portland, Oregon. We also invested US\$2.5 million in solar panel technologies for some of the housing projects, which represented the first syndication of a solar-only transaction on affordable housing in the United States.

### Clean energy projects

RBC recognizes opportunities associated with the growth in clean energy, including renewable, alternative and clean technologies, and we continue to actively support clients in these sectors. In 2008, some of the clean energy initiatives we were involved in include:

- RBC acted as Lead Arranger on a \$113 million bank financing for the Ashlu Creek hydro project in British Columbia. The project is a run-of-river, renewable energy project that uses the naturally flowing water in the creek to produce electricity. The project does not involve a dam or a reservoir. Instead, it diverts a portion of the creek's water through an underground tunnel and through turbines before returning the water back into the natural creek. The energy that is produced is enough to serve 23,000 homes and displace 219,000 tonnes of carbon dioxide emissions from an equivalent sized coal-fired power plant each year.
- RBC acted as sole bookrunner on a \$500 million bond financing for Cloudworks Energy Inc to build the Harrison Hydro project. The project consists of six run-of-river projects in British Columbia that will collectively serve a new substation, eventually providing green hydro electricity to the province and to the Douglas First Nation communities in Tipella and Port Douglas. Completion of the projects is slated for Nov 2010.
- RBC acted as sole sell-side financial advisor to Airtricity and Scottish & Southern Energy on the sale of 50% of the Greater Gabbard offshore project, a 504 MW wind farm in the outer Thames estuary in the United Kingdom. Once operational, the project will become the world's largest offshore wind farm with 140 turbines.
- RBC participated as lead financier in the development of a state-of-the-art natural gas cogeneration facility near Sarnia, Ontario. The St. Clair Energy Centre is a 570 MW natural gas-fuelled combined-cycle project currently under construction in St. Clair Township. The project's output will be sold into the power market administered by the Independent Electricity System Operator pursuant to a clean energy supply contract with the Ontario Power Authority. The St. Clair Energy Centre was selected following the Ontario Ministry of Energy's 2004 open and competitive process for new, clean energy, as Ontario moves to replace coal-fired power generation with more environmentally responsible power generation. The project was awarded with the 2007 North America Public Power Deal of the Year by *Project Finance* magazine.

## Sustaining the RBC Environmental Blueprint

Keeping the RBC Environmental Blueprint on course requires an open and proactive dialogue with our stakeholders and peers, independent and co-operative research to identify and better understand emerging environmental issues and transparent and relevant reporting of our initiatives and progress. We also recognize the importance of philanthropy to help RBC meet our goals while helping communities meet their environmental objectives. This section presents our 2008 highlights for sustaining the RBC Environmental Blueprint.

### Stakeholder engagement

RBC is active in stakeholder engagement and liaised with a number of stakeholder groups in 2008 to discuss environmental issues related to policy development, transaction review, portfolio management, operational impacts and business development opportunities.

In 2008, RBC:

- Proactively collaborated with non-governmental organizations including the Canadian Boreal Initiative, Durrell Wildlife Preservation Trust, Forest Ethics, Nature Conservancy of Canada and Rainforest Action Network
- Participated in industry associations including: Canadian Bankers Association Environmental Issues Specialist Group, Conference Board of Canada's Business Council for Sustainability, UN Environment Programme Finance Initiative – North American Task Force (co-chair), the US Environmental Bankers Association and the Excel Partnership
- Established and supported RBC environmental committees, working groups and networks including: RBC Global Environment Committee, Banking and Insurance Green Opportunities Working Group, Business Financial Services Green Strategy Team, Green IT Working Group, SRI Working Group, RBC Wealth Management USA Environmental Committee and Liberty Insurance Green Team
- Was a platinum sponsor of the 2008 Globe Conference, a biennial trade fair and conference on business and the environment. RBC also planned and moderated a session at Globe 2008 on *Financial Institutions: Mainstreaming Sustainability into the Decision Making Process*
- Gave presentations on finance and sustainability at conferences and to university classes; and discussed finance and environmental issues with federal and provincial government agencies.

### Philanthropy

RBC is committed to making a lasting social impact through responsible giving and by building strong partnerships with the charitable sector. With the successful development of the RBC Blue Water Project, we have increased our donations to environmental causes from \$300,000 in 2007 to \$3.13 million in 2008 to charities in Canada, the United States and the Caribbean.

In 2008, RBC:

- Convened the RBC Blue Water Project Advisory Panel to help develop focus areas and advise RBC on water issues. In the first nine months of the RBC Blue Water Project alone, we committed \$11.8 million to 39 organizations working in the areas of watershed protection and access to clean drinking water. By year end, we had committed a total of \$13.2 million to 64 organizations worldwide
- Donated \$200,000 to Lake Ontario Waterkeeper at a gala event attended by 700 people during the Toronto International Film Festival
- Donated \$75,000 over three years to the Conservation Foundation of Greater Toronto to support the Archetype Sustainable House, a project that demonstrates how communities can be constructed and lived in to minimize the environmental footprint and improve quality of life
- Donated \$1.2 million to support the Nature Conservancy of Canada's Force of Nature campaign, which aims to conserve over 2,000 square kilometres of Canada's most biologically significant lands and waters
- Donated \$50,000 to the 3E Initiative ("Economy, Energy, Environment"), a new project that seeks to catalyze the necessary actions to enable Canada to transition successfully to a highly efficient, low-carbon economy through collaboration with leaders from business, academia, environmental NGOs, philanthropic foundations, indigenous organizations and government agencies
- Donated \$10,000 to Al Gore's non-profit organization, The Climate Project, to support education on climate change.

### Reporting

RBC reports publicly on our progress on environmental issues and activities through our website, our annual Corporate Responsibility Report and our Annual Report. We are committed to enhancing our environmental data management and collection system to improve the quantity, quality and geographic scope of environmental performance data.

We continue to use the Global Reporting Initiative (G3) and other sources as guidance on appropriate environmental performance indicators. In addition, we respond to a variety of environmental sustainability rating organizations and indices, as appropriate,

so that our shareholders, clients and employees have access to independent assessments of our progress. In 2008, RBC responded to inquiries from sustainability indices, socially responsible investment companies and analysts including Ethical Funds Company, Jantzi Research, Carbon Disclosure Project, Dow Jones Sustainability Index and Innovest Strategic Value Advisors.

To view how our environmental reporting aligns to the GRI, please refer to the GRI Index on page 67.

### Recognition

- RBC was named to the Carbon Disclosure Leadership Index 2008 under the Carbon Disclosure Project, an honour roll recognizing world leaders in governance and disclosure of the financial risks and opportunities resulting from climate change. Among financial institutions, RBC was ranked number one in Canada, and tied for second place globally.
- RBC was named to the Dow Jones Sustainability World Index, an annual review that recognizes the world's financial, social and environmental corporate leaders. RBC was also named to the DJSI North America Index.
- In September 2008, RBC's operations in Guernsey, British Isles, were awarded the Keep Guernsey Green Award, which recognizes companies that are making a significant effort to divert their waste from the island's limited landfill sites and into recycling schemes instead.
- RBC was recognized as an environmentally aware business through EcoActive for Jersey, a government run program on the British Isle of Jersey.
- An affordable housing development in Martha's Vineyard, Massachusetts, financed by the RBC Tax Credit Equity Group, was awarded with the 2008 Urban Land Institute's J. Ronald Terwilliger Workforce Housing Models of Excellence Award. Entries are judged on criteria including extent of affordability, involvement of public/private partnership, energy cost savings and innovative building technologies that reduce cost and improve environmental efficiency.

### Research and thought leadership

Staying informed of the latest scientific research on environmental issues and environmental best practices is an important element of the RBC Environmental Blueprint. In 2008, RBC prepared the following in-house research reports on:

- Opportunities for RBC to support safe drinking water for First Nations in Canada
- Golf and the environment, to support our commitment to the RBC Canadian Open

- Water supplies in the Caribbean, to support RBC Blue Water Project grants to charities in the Caribbean
- Impacts of water scarcity on sectors and geographical regions, to better understand the risks and opportunities associated with changing water availability.

As part of the UNEP FI North American Task Force, we also commissioned a report to review sustainability indices and disclosure initiatives in North America and Europe.

## Looking ahead – Priorities for 2009

- Launch and promote Employee Environmental Stewardship Guidelines across all RBC business units globally
- Finalize and implement new electrical, mechanical and architectural standards for our Canadian branch network, which include energy-efficiency considerations that will apply to all new branch construction or branch renovation projects in Canada
- Conduct an energy audit pilot study at 10 Canadian branches to review energy efficiency and cost-savings potential for mechanical and electrical equipment
- Purchase green power for 20 new branches in Alberta and Ontario
- Finalize, publish and implement an environmental risk policy for corporate lending and sector-specific guidelines for manufacturing, waste management, mining and metals, and oil and gas sectors
- Conduct an analysis of regional differences or gaps in the consistent application of environmental risk management policies across RBC operations in Canada, the United States, the Caribbean, and the British Isles
- Complete the portfolio assessment of carbon exposure and risk
- Promote and support business opportunities in carbon markets, clean technologies and energy efficiency
- Research and report on water related risks and opportunities
- Conduct training in environmental credit risk management, climate change and carbon markets across appropriate RBC business units
- Conduct the second round of funding for the RBC Blue Water Project
- Open the RBC Centre, a new facility in Toronto. This building will aim for Leadership in Energy and Environmental Design (LEED) gold certification for new construction.

# Community

For more details and for donations or sponsorship request guidelines, visit [rbc.com/donations](http://rbc.com/donations) or [rbc.com/sponsorship](http://rbc.com/sponsorship).

## RBC Community Blueprint™

Our tradition of philanthropy dates back to our roots, with donations on record as far back as 1891. We are now one of Canada's largest corporate donors. The RBC Community Blueprint aims to promote prosperity by contributing to the communities in which we live and work. Across North America and around the world, we support a broad range of community initiatives, through donations, sponsorships and employee volunteer activities.

Priorities	2008 Performance highlights
Provide donations with a lasting social impact	<ul style="list-style-type: none"> <li>Donated more than \$51.5 million to community causes worldwide, primarily in the areas of education, the environment, health, social services, arts and culture and civic causes</li> <li>In the first nine months of the RBC Blue Water Project, we committed \$11.8 million to organizations working in the areas of watershed protection and access to clean drinking water. By year-end, we had committed \$13.2 million to 64 organizations worldwide</li> <li>Qualified as an Imagine Canada "Caring Company"</li> </ul>
Sponsor key community initiatives	<ul style="list-style-type: none"> <li>Provided more than \$47.5 million in sponsorship of community events and national organizations, primarily in the areas of amateur sport, arts and culture, and Olympics-related programs</li> <li>Launched the RBC Wicket Cricket® program to help Canadian schools and communities introduce cricket to their physical education programs</li> <li>Sponsored "Let's Do Something Giant" awards in the United States, recognizing individuals for their community service or athletic accomplishments</li> </ul>
Enable employees to contribute	<ul style="list-style-type: none"> <li>Employees and pensioners worldwide contributed countless hours in volunteer activities and funds to not-for-profit groups through payroll deductions, direct giving and special events</li> <li>Expanded the Employee Volunteer Grants program internationally</li> <li>Introduced a corporate program to support employee teams in pledged events</li> </ul>

## Issues

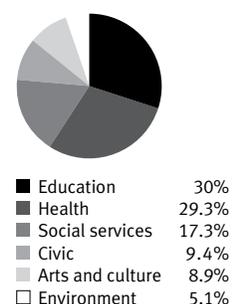
- In the coming year, the financial services industry and other sectors will be under pressure to do more with less. RBC aims to balance today's social needs and financial realities, taking a long-term view of economic, environmental and social sustainability. We have committed to maintain our 1% commitment to charitable giving in Canada in 2009.
- The global trend is for corporations to move towards "strategic philanthropy," narrowing their areas of funding to align with their business goals. This can be difficult to achieve when a company also wishes to support the causes its clients care about.
- There is an increasing expectation from socially responsible investors that companies should do more rigorous analysis and reporting of the social impact of their donations. This may cause an additional burden of performance management and reporting upon smaller charitable partners.

- We want to encourage and recognize employee volunteerism and giving, while ensuring they do not feel pressured into either.

2008 Donations worldwide



2008 Donations by cause – Canada



**Donations history**  
(\$ millions)



**2008 Donations by region**

Newfoundland	\$ 325,012
Prince Edward Island	246,000
Nova Scotia	1,471,618
New Brunswick	809,095
Quebec	6,386,866
Ontario	18,309,969
Manitoba	1,389,077
Saskatchewan	1,166,100
Alberta	4,041,536
British Columbia	4,210,768
Yukon, NWT, Nunavut	161,500
National organizations	5,627,459
United States	6,470,000
Other International	889,000
<b>Total</b>	<b>\$51,504,000</b>

**Approach**

RBC believes in contributing to communities in which we operate, across North America and around the world.

**Cornerstones**

Donations and sponsorships are the cornerstones of the RBC Community Blueprint, our vision for helping create strong communities. Both donations and sponsorships have a positive social impact, but they are undertaken with different objectives. Donations are given as gifts, with no strings attached. On the other hand, sponsorships are undertaken and deliberately negotiated for strategic marketing purposes that align with our brand and business goals and are expected to deliver a quantifiable return on investment. But there is one common theme: with both donations and sponsorships, we hope to differentiate RBC as a leading company committed to enabling the success of our clients and our communities.

**Governance**

The member companies of RBC administer charitable donations in Canada through the 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 businesses, to set policy and ratify all donations made in North America. The Foundation is staffed by five employees. To ensure our giving fulfills local needs, we also have professional grant-makers situated in each of our regional Canadian headquarters as well as in our United States and Caribbean businesses.

**Due diligence**

RBC Foundation in Canada receives about 25,000 requests for funding each year – more than 10 requests for every hour of the business day. With this many proposals, we notice when mandates of different charities overlap and we encourage synergies between organizations. Our goal is to ensure that our charitable partners have sustainable sources of funding and use their donors’ funds responsibly.

Our grant-makers follow a rigorous process when evaluating proposals to ensure our funds are invested 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 assess the charity’s fiscal management and governance practices and require that all charities provide audited financial statements.

**Social impact**

The RBC Foundation requires, where possible, that our charitable partners demonstrate the social impact of our contribution and provide details about their goals and gaps they encounter during the time they receive funding.

RBC is committed to supporting sponsorship opportunities that are important for our clients and our communities. As part of this commitment, we sponsor numerous Canadian and international programs as well as community and cultural events in the neighbourhoods where we do business.

**Targets and performance**

We are a member of Imagine Canada, which encourages philanthropy and citizenship, and are committed to donating at least 1% of pre-tax profits measured on a five-year rolling average.

For a complete list of donations over \$500 given in 2008, see [rbc.com/donations](http://rbc.com/donations)

## Donations with lasting social impact

While some companies focus their donation programs on very specific causes that align with their business goals, RBC's strategic approach is to provide a broad base of funding to a wide range of causes. This is in keeping with our position as a large, global financial institution, as we are expected to support a multitude of causes by our 17 million clients and more than 80,000 employees. As such, the RBC Community Blueprint focuses on support for federated appeals, youth, education, the environment, Aboriginal people, people with disabilities, amateur sport, arts, culture, health and wellness. RBC looks for opportunities to support diversity in all our donations.

### Education

Helping kids stay in school is a key area of focus for RBC.

- In 2008, RBC invested \$2.6 million with 95 of Canada's top community-based after-school programs. We have been funding after-school programs since 1999. Over the last 10 years, we have provided more than \$17 million in grants to 182 community-based after-school programs that offer learning and skill development opportunities to youth in the hours after classes end for the day.
- RBC supports Junior Achievement (JA), an international organization dedicated to educating and inspiring young people about business and economics. We help fund JA's Economics of Staying in School program, which encourages junior high school and high school students to reflect on the advantages of remaining in school so they can acquire the knowledge, attitudes and skills needed for long-term career success. In 2008, RBC donated more than \$435,000 to JA.
- In the U.S., RBC Bank supports Communities in Schools, the nation's leading community-based organization helping young people stay in school and develop life skills. For more than 30 years, Communities in Schools has helped provide students with five basics: a one-on-one relationship with a caring adult, a safe place to learn and grow, a healthy start and a healthy future, a marketable skill to use upon graduation, and a chance to give back to peers and community.
- RBC Bank's Tribute to Teachers program recognizes teachers for their outstanding leadership and contribution and provides cash rewards for their classrooms. In 2008, we expanded the program to recognize 50 teachers in Syracuse (New York), Minneapolis (Minnesota), Oakland (California) and across the southeastern U.S.
- In the Caribbean, RBC supports education through a number of organizations and programs including the School Leadership Centre of Trinidad and Tobago, which equips teachers with new tools, and the Prevent-a-Dropout Program in Jamaica.

RBC also provides products to help parents finance a child's education. The RBC Target Education Funds offer investment growth potential up front and become more conservative as the child approaches college or university age. Through the RBC Rewards®

program, RBC Royal Bank VISA\* cardholders can exchange their points for a cash contribution to an RBC Registered Education Savings Plan™.

RBC invests in education through scholarships, including:

- RBC Scholarship Program for our employees' children
- RBC Medical and Dental Student Scholarship
- RBC Royal Bank Financial Life Skills Scholarship
- RBC Scholarship for Undergraduates
- RBC Scholarship for New Canadians
- RBC Junior 'A' Scholarship Awards
- RBC Aboriginal Student Award Program
- A number of scholarships through programs, not-for-profit organizations and post-secondary institutions.

### Environment

Lack of access to clean fresh water is considered to be one of the major threats to human health and economic development around the world. The RBC Blue Water Project is a historic 10-year, \$50 million commitment to support charitable organizations dedicated to finding global solutions to the water crisis. The project was kicked off with a \$10-million commitment to ONE DROP\*, founded by Cirque du Soleil's Guy Laliberté. In the first nine months of the RBC Blue Water Project alone, we committed \$11.8 million to organizations working in the areas of watershed protection and access to clean drinking water. By year-end, we had committed a total of \$13.2 million to 64 organizations worldwide. Leadership grants, ranging from \$25,000 to \$500,000 each, were awarded to charitable causes that help foster a culture of water stewardship, including:

#### *Canada*

- **The Centre for Indigenous Environmental Resources.** Our contribution will fund an online education tool to improve watershed management in traditional territories in British Columbia, Nova Scotia and Alberta, where inadequate resources and capacity often limit a community's ability to engage in watershed planning.
- **Learning for a Sustainable Future.** We are supporting a Water Action Project Program for elementary and secondary school children across Canada, with a focus on underserved schools and First Nations communities.
- **The Yukon Chapter of the Canadian Parks and Wilderness Society.** Our donation will help protect the Three Rivers watershed in the Yukon, a hotspot for mineral and fossil fuel extraction, and traditional territory of the Na-cho Nyak Dun and Tet'it Gwich'in First Nations.
- **Green Communities Foundation.** Many wells and communal drinking systems are at risk of contamination in Aboriginal communities. Our grant will fund the "Well Aware" Program, providing education about well-water monitoring in Aboriginal communities in north-eastern Ontario.

- **H<sub>2</sub>O Chelsea Partners.** Many rural regions and municipalities in Quebec rely exclusively on groundwater. The health of these communities depends on monitoring, education and legislation to protect water resources. Our grant supports the development of a model for managing groundwater issues to be shared across the province of Quebec.
- **Royal Botanical Gardens.** Our grant will fund the remediation of a seriously degraded wetlands area caused by heavy industry and urban development in Hamilton, Ontario.
- **Waterlution.** RBC supports water education workshops for young leaders who are working on water issues in several locations across Canada, with a focus on water issues in First Nation communities.
- **Lake Ontario Waterkeeper's (LOW).** Our contribution supports the restoration of water quality in Lake Ontario by enabling communities through education, empowerment and access to an expert network. It will also help create a model of watershed protection for Canada and the Great Lakes.
- **Tides Canada Foundation's Great Bear Rainforest campaign.** We have pledged \$500,000 to ensure a healthy future for British Columbia's north and central coasts called The Great Bear Rainforest. Our donation will fund conservation management and sustainable economic development in First Nations communities in the region.
- **Ducks Unlimited of Canada, Project Webfoot.** RBC supports the conservation, restoration and management of wetlands to ensure they continue to provide ecological benefits for people and wildlife. Wetlands affect the availability and safety of our drinking water and protect against floods and shoreline soil erosion.

#### *United States*

- **North Carolina State Engineering Foundation.** Our grant will fund an outreach program to educate elected officials and community leaders about water management issues in this quickly growing region which suffers from limited opportunities to develop new water resources.
- **World Wildlife Fund.** There is a lack of credible data on the ecological health of the Little Tennessee River, a watershed that supports a region undergoing tremendous growth. Our grant will fund a project to monitor and map the watershed, and train community water monitors.
- **Donors Choose.** It is increasingly common for teachers to spend their own money on classroom materials, especially in rural and disadvantaged inner city communities. Our grant will help public school teachers all across the United States purchase classroom supplies for projects dealing with water.
- **Friends of the Mississippi River.** Rapid growth of the real estate and agricultural sectors are leading to increased sources of water pollution. Our grant will support community outreach and education with landowners to restore and protect sensitive natural areas and rare habitats.
- **Alabama Coastal Foundation.** Rapid urbanization and construction has caused a loss of wetlands and serious degradation of water quality in this region. Our grant will support the development of

best practices for homeowners and businesses about non-point water source pollution and wetland protection.

#### *Caribbean*

In 2008, RBC announced a US\$300,000 contribution to the Institute for **Public Health and Water Research**. In collaboration with the Global Water Partnership, the funds will support a pilot project to educate students, parents and teachers in rural communities on water harvesting, water conservation, and flood abatement.

For more information, see [rbc.com/bluewater](http://rbc.com/bluewater)

## Health and wellness

RBC supports research and programs that help improve community healthcare. Examples include:

- A three-year grant to the Centre for Activity and Aging for an exercise and education program aimed at older adults, enabling them to continue to live independently
- Mental Illness Foundation of Quebec, dedicated to the prevention of mental illness in order to reduce the suffering of affected people
- The RBC Caribbean Children's Cancer Fund, a five-year, US\$1 million commitment to support the Cancer Treatment Foundation, a charity chaired by double world-record-breaking cricketer Brian Lara, in its efforts to provide financial support for cancer treatment in children under the age of 16
- The Cidel Charity Cup in Barbados, an annual sailing and beach activity event that raises funds for a number of charities, including the Barbados Cancer Society and the Heart Foundation.

RBC is committed to helping improve outcomes for Canadian children with mental illness and their families. The RBC Children's Mental Health Project provides grants to support children's mental health programs that focus on early intervention and prevention. Examples include:

- Support to extend the Janeway Children's Hospital's Reaching Out program to all four health regions of Newfoundland and Labrador. Since 1990, the program's therapists have been developing, offering and evaluating group programs for children, youth and families in eastern Newfoundland and Labrador who face a wide range of issues.
- The Heroes Children's Mental Health Program in Calgary, developed by the Impact Society for Children and Families in Turmoil, a character development initiative that builds resiliency in youth at the junior and senior high school levels, helping them discover who they are and their unique abilities.

Our employees volunteer their time for healthcare organizations and charities around the world, such as:

- Juvenile Diabetes Research Foundation's Ride for Research, in which teams on stationary bicycles compete. In 2008, 2,813 employees across Canada raised more than \$840,000. RBC also donated \$50,000 to recognize our employee efforts.

- The Weekend to End Breast Cancer, an annual event where thousands of Torontonians help raise funds for the Campbell Family Institute at the Princess Margaret Hospital. Every year, RBC employees take on this 60-kilometre, two-day walking challenge. In 2008, more than 150 Team RBC members braved the elements and raised over \$335,000.
- Multiple Sclerosis Society's walks and bike rides across Canada, in which hundreds of RBC employees and family members take part annually. RBC also hosted a golf tournament in Toronto for the MS Society, raising \$400,000 for the cause, bringing the total raised since 1995 to \$2.65 million.
- The annual Jersey Marathon and Jersey Relay for Life in which British Isles employees raised funds for U.K. and local charities, as well as Cancer Research U.K.

### **Newcomers to Canada**

In 2008, RBC Foundation donated more than \$365,000 to initiatives dedicated to helping newcomers succeed in Canada.

### **People with disabilities**

RBC believes that full inclusion is in the best interests of our communities and our countries. We support programs that help create employability and remove barriers to education for people with disabilities. In 2008, RBC Foundation donated \$1.15 million to organizations supporting people with disabilities, including:

- Canadian Association of Independent Living Centres and their network of 28 Independent Living Resource Centres that work to promote and facilitate methods of saving for post-secondary education among parents with disabilities and parents of children with disabilities
- Prism Centre for Audiology and Children's Rehabilitation in Chatham, Ontario, to provide audiology and children's rehabilitation services, including medical clinics, occupational therapy, physiotherapy, pool recreation, social work, respite care and others
- Valley Therapeutic Equestrian Association which provides therapeutic horseback riding for children and adults with all forms of disabilities
- Grandview Children's Centre, which helps children and youth with special needs or disabilities to achieve their personal best.

### **Aboriginal people**

RBC has a proud history of strong relationships with Aboriginal communities. We are committed to serve Aboriginal people by supporting programs that enhance economic and community well-being. We focus our philanthropic community activities in three key areas: the environment, specifically water; youth literacy and education; and culture and heritage. RBC donated over \$1.9 million to Aboriginal organizations in Canada in 2008, including:

- The Bill Reid Foundation, whose mission is to preserve the art and legacy of Bill Reid, an artist who introduced the world to the art

traditions of the indigenous people of the northwest coast of North America. In 2008, RBC was a founding donor of the Gallery of Northwest Coast Art

- Anishinabek Nation 7th Generation Charity, which assists First Nations' families and children with culture, language and support services for the elderly, students, and people who are ill and differently abled. RBC supported the expansion of a community-based Aboriginal children's mental health program in the First Nation community of Aundeck Omni Kaning
- RBC's Aboriginal Stay in School Program, launched in 1994, provides "work and learn" opportunities for youth. A total of 44 students across Canada participated in this program during the 2008 summer school break
- Canadian Aboriginal Festival, Canada's largest such festival and a unique opportunity for Canadians to share and learn about the cultures, languages and heritage of North America's Aboriginal peoples
- The Ma Mawi Wi Chi Itata Centre (Ma Mawi), an organization that finds Aboriginal solutions to support and rebuild families by creating meaningful opportunities for community and family involvement that better care for children
- Saskatoon Environmentors Co-operative (Core Neighbourhood Youth Co-op), a community-based organization working with youth on self-sufficiency, co-operative principles and environmentalism. CNYC creates opportunities for youth to engage with each other and their community through creative economic activities based on environmental principles. RBC supported their Carpentry Program which provides job training skills to at-risk youth
- Five organizations that address Aboriginal water issues in Canada received RBC Blue Water Project leadership grants. See pages 52 to 53 for a complete list.
- Safe Drinking Water Foundation, which RBC continued to support in 2008 by funding the development of workshops that present to First Nations and rural communities the need for systemic reduction of their reliance on chemicals in their water treatment process.

## **Sponsorship of community events**

### **Arts and culture**

RBC believes in the power of the arts to enrich our lives and enhance our communities, and we support a wide range of initiatives that contribute to the cultural fabric of communities.

- The RBC Canadian Painting Competition, established in 1999, nurtures Canadian visual artists early in their careers. In 2008, winners were chosen from more than 1,200 works, submitted by more than 600 artists across the country. Vancouver artist Jeremy Hof was the national winner. He was awarded \$25,000 for his original work, *Layer Painting Red*. Honourable mentions Amanda Reeves and Wil Murray each received a \$15,000 prize. As part of the 10th anniversary celebrations, an additional 12 semi-finalists received prizes of

\$7,500 each, and Her Excellency the Right Honourable Michaëlle Jean, Governor General of Canada, lent her patronage to the event. The 12 semi-finalists' works will become part of the Canadiana Fund's Crown Collection and will be displayed in Canada's Official Residences including Rideau Hall and 24 Sussex Drive.

- Our art collection was established in 1929 to support Canadian artists. Today, our collection contains more than 4,000 paintings, prints and sculptures, displayed in RBC locations around the world.
- RBC supports emerging artists. In 2008, we invested \$785,000 in apprenticeship, internship and artist recognition programs such as the Banff International String Quartet Competition, RBC Canadian Glassmaking Award, RBC Museum Internship for Emerging Professionals, RBC Guest Conductor Program, RBC Writer's Fellowship for New Canadians, The RBC/RCA Design Award, RBC New Works Project, Rumble Productions Society's TREMORS: Rumble's Festival of Emerging Arts, RBC Dare to Dance and others.
- We support MusiCan, the Canadian Academy of Recording Arts and Sciences' (CARAS) music education program, to help the organization's nurture and support music programs for young Canadians across the country.
- In 2008, RBC made a 10-year commitment to the Toronto International Film Festival, whose vision is to lead the world in creative and cultural discovery through the moving image.
- In the United States, we support a number of arts organizations and programs including the United Arts Council, Community Music School, Tar River Chorus, Mobile Opera, Embassy Cultural Centre, Brass Band of Central Florida, Arts Council of Winston-Salem, Artspace, and Artspllosure.

## Amateur sport

RBC supports amateur athletes of all levels, from the community to the Olympic level.

### Canada's Olympic Team

- RBC is the longest-standing corporate sponsor of the Canadian Olympic Team, since 1947. We are the Premier National Partner in the banking category for the 2010 Olympic and Paralympic Winter Games in Vancouver, B.C., which includes sponsorship of the Canadian Olympic Team for all Games from 2006 to 2012. RBC's total commitment of \$110 million includes a cash contribution of more than \$70 million as well as provision of banking services, athlete and amateur sport investments, support for the Paralympic Games, First Nations community development programs and marketing support through the RBC network. In 2008, RBC was selected as co-presenting partner, with Coca-Cola\*, of the Olympic Torch Relay for the Vancouver 2010 Olympic and Paralympic Winter Games.
- RBC employs current and retired Olympic and Paralympic athletes through the RBC Olympians Program, offering flexible work arrangements so that athletes can make time for training and competition. RBC Olympians act as community ambassadors, visiting schools, community groups, clients and employees. The program

also provides valuable work experience to help athletes prepare for life after sport. Since its launch in 2002, the RBC Olympians Program has employed more than 85 athletes and several have gone on to full-time careers with RBC.

- RBC is an official sponsor of the Canadian Snowboard Federation, which includes our national team and title sponsorship of the grassroots program entitled RBC Riders. We are also official sponsors of the Canadian Freestyle Ski Association and the RBC Jumps and Bumps program. Through these sponsorships, RBC helps fund the coaching and development of Canada's freestyle and snowboard athletes.

### Special Olympics

As a founding sponsor of Special Olympics Canada, RBC helps provide sport training and competitive opportunities for 31,000 Canadian athletes with intellectual disabilities. RBC employees volunteer their time as coaches and fundraisers while the RBC-supported Sport Celebrities Festival raises more than \$1 million annually.

### Hockey

- RBC has been a Premier Sponsor of Hockey Canada since 1995. In addition to supporting Canada's men's and women's national and Olympic hockey teams, RBC is title sponsor of the National Junior A Championship, the RBC Royal Bank Cup.
- In its sixth year, the RBC Local Hockey Leaders® program recognized "behind the scenes" volunteers who support hockey in their communities.
- RBC supports the post-secondary education of players from each of the regional leagues of Canada's Junior A Hockey League (CJAHL). Since 1996, RBC has contributed more than \$195,000 in support of the CJAHL, awarding both individual players and their supporting leagues through a national scholarship program.

### Athletics

In 2008, RBC sponsored a number of athletic events, programs, teams and organizations around the world, including:

- RBC Canadian Open. RBC will be a title sponsor of this PGA event until 2012.
- The RBC Wicket Cricket Program, designed to help schools and communities easily introduce cricket to their physical education programs. Geared to students from kindergarten to grade 8, the program gives physical education teachers and community recreation leaders the means to introduce kids to the basics of the game, while providing a fun physical activity that develops interpersonal skills, enhances self confidence and instills the value of fair play.
- Carolina Hurricanes hockey, Carolina Panthers football, and Wyndham Championship golf in the United States.
- In 2008, RBC Bank handed out several "Let's Do Something Giant" awards at special events in the United States, recognizing individuals for their community service or athletic accomplishments. We

donated over US\$5,000 to athletic scholarships and non-profit organizations on behalf of the award winners.

- The Bahamas National Swimming Championships, of which RBC has been the major sponsor for the past 25 years.
- National Intercol football competition among secondary schools in Trinidad and Tobago.
- The Jersey Swimathon in the British Isles, the island's longest running charity event, which we support in partnership with the Lions Club of Jersey. In 2008, the event raised £130,000 for local causes, with the principal beneficiaries being Cheshire Home and a unique hotel for the disabled, Maison des Landes.

## Employee activity and contributions

The employees and pensioners of RBC are passionate volunteers. As financial services professionals, they share their valuable knowledge. They participate on not-for-profit boards and committees, provide money-management workshops, and share their budgeting and business planning knowledge. As members of communities, they dedicate countless hours to causes they believe in.

We celebrate and thank our employees for all they do to build strong, healthy communities. We support their efforts through programs and initiatives that foster a culture of giving.

To see profiles of some of our employee volunteers, see [rbc.com/donations](http://rbc.com/donations)

### Dollars for doers

Launched in 1999, the RBC Employee Volunteer Grants Program supports community involvement. Employees and pensioners 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. Many of these grants are applied to specific projects at smaller organizations that do not even have the resources to fundraise.

Since 1999, RBC has made over 14,500 grants and donated over \$7.2 million to celebrate our employees' volunteer efforts. In 2008, we expanded the program to our international operations and provided 2,077 Employee Volunteer Grants to community organizations globally.

#### Employee volunteer grants

(number of employees receiving grants)



■ Canada  
■ United States and other international

### Team action

From walking for the cure to biking for heart, RBC volunteers have been moving for good causes for many years. In 2008, we introduced a program to help organize, support and encourage these initiatives. The program unites employee teams behind common causes while providing corporate financial support to the charity for which they are walking/running.

### Volunteer website

In 2008, RBC launched an internal website to give our employees around the world one-stop access to information and resources on our volunteer programs and initiatives. The site also enables us to share and celebrate the community work of dedicated volunteers. Canadian organizations and charities can submit volunteer opportunities to be posted on the site's volunteer bulletin board.

## United Way

RBC is the largest private sector contributor to the United Way in Canada, and one of only 54 organizations that contribute over \$1 million annually. Ours is the largest private sector employee giving campaign in Canada, with more than \$11 million contributed through payroll deduction, direct giving and employee-driven fundraising events. Combined employee and corporate contribution in Canada and the U.S. reached \$17.4 million in 2008.

### United Way donations (C\$)

	Canada	United States
Employees*	\$ 11,673,000	\$ 1,004,206
Corporate	\$ 4,367,325	\$ 340,194

\* This includes funds raised through payroll, direct giving and employee fundraising events. RBC employees around the world also help raise funds for countless community groups in addition to the United Way.

### Loaned employees (Canada)

	Employees loaned to work full-time on local campaigns	Employees who participated in community projects through United Way Days of Caring
2008	10	727
2007	14	545
2006	15	445

# Aboriginal people (summary\*)

**RBC has a proud history of strong relationships with Aboriginal communities. We are committed to serving Aboriginal people by improving access to financial services, supporting economic development, creating employment opportunities, and fostering community well-being.**

In December 2007, RBC officially joined the Assembly of First Nations' (AFN) Corporate Challenge with the signing of a Memorandum of Understanding (MoU). RBC also provided a two-year action plan that outlined commitments to various initiatives designed to support access to banking and capital, community and social development, employment, and procurement opportunities for First Nations across Canada.

## **Access to banking and specialized services**

In addition to eight Canadian branches located on reserves and six branches "North of 60," RBC has established five agency banking outlets in Aboriginal communities in Alberta, British Columbia, Manitoba, and Ontario. These agencies provide access to financial services using RBC systems and infrastructure in remote areas. There are currently three more agencies under consideration for Saskatchewan, Ontario, and Newfoundland.

Our dedicated team of specialized Aboriginal banking market managers, account managers and risk managers understands the unique lending issues and financial service needs of Aboriginal governments, businesses and communities. The team harnesses its expertise to provide proactive financial advice and solutions to our Aboriginal banking clients across Canada.

Fifty-six First Nations participate in our On-Reserve Housing Loan Program, which helps more families enjoy the long-term benefits of home ownership and investing. A number of mortgage and housing policy changes now allow bands to offer housing to non-First Nations peoples, improving the reserve's economic viability.

## **Economic development**

RBC supports the creation of wealth and economic sustainability in Aboriginal communities by facilitating the development of knowledge and resources critical to success. We promote Aboriginal interests, forging partnerships with Aboriginal peoples, businesses and governments based on understanding, trust and respect. RBC encourages dialogue between businesses, governments and individuals to identify and resolve relevant economic issues.

We support programs that promote learning and skills development among Aboriginal peoples, which leads to greater economic self-sufficiency, including:

- The Aboriginal Human Resource Council, formed in 1998 as a national public/private, not-for-profit organization with a mandate to advance the full participation of Aboriginal people in Canada's labour market on a national level
- Frontiers Foundation, a not-for-profit Aboriginal voluntary service organization that promotes the advancement of economically and socially disadvantaged communities to provide affordable housing and improvements in education
- RBC Aboriginal Student Awards Program, which has provided 77 scholarships totalling \$866,000 since the program's inception in 1992. Eight students received awards in 2008. Award recipients are also considered for summer and post-graduate employment opportunities with RBC
- Miziwe Biik Aboriginal Employment and Training Centre, committed to improving the socio-economic status of Aboriginal people through access to training and employment opportunities, business development training and support services, and employment counselling. RBC directed our support to a small business certificate course and a small business micro-loans program for Aboriginal entrepreneurs
- CAREERS, in partnership with Alberta community education systems and industry to achieve career success for youth and meet interdependent needs of youth employability and skilled labour shortages
- The Canadian Council for Aboriginal Business, a national non-profit organization that provides tools and resources to promote the full participation of Aboriginal people and communities in Canada's economy.

**\* Pages 57 to 58 provide a one-stop summary of the ways RBC supports and serves Aboriginal people. We have repeated content found in a number of other sections of this report such as Marketplace, Workplace and Community.**

## Employment

### Aboriginal people in our workplace in Canada\*

	2008	2007	2006	1998
	1.6%	1.6%	1.6%	1.1%

\* Figures represent employment equity data as of October 31 for our businesses in Canada that are governed by the *Employment Equity Act*.

We are committed to increasing the representation of Aboriginal people within our workforce, through proactive recruitment and programs:

- Since the RBC Aboriginal Student Awards Program was launched in 1992, we have awarded 77 scholarships totaling \$866,000 to Aboriginal students across Canada. In 2008, we awarded a total of eight scholarships and will be expanding the program in 2009 by offering an additional two scholarships.
- In 2008, the *Pursue Your Potential* recruitment program was expanded to include Aboriginal people, helping them explore career opportunities and understand the recruitment and selection process.
- A total of 44 students across Canada participated in the RBC Aboriginal Stay in School Program during the summer 2008 school break.
- In October 2008, as part of FIPAR (Financial Industry Partnering for Aboriginal Relationships), RBC helped launch a new website designed to educate Aboriginal youth on career opportunities within the financial industry.

## Community initiatives

We focus our Aboriginal philanthropic community activities in three key areas: the environment, specifically water; youth literacy and education; and culture and heritage. In 2008, RBC donated over \$1.9 million to Aboriginal organizations in Canada, including:

- The Bill Reid Foundation, whose mission is to preserve the art and legacy of Bill Reid, an artist who introduced the world to the art traditions of the indigenous people of the northwest coast of North America. In 2008, RBC was a founding donor of the Gallery of Northwest Coast Art
- Anishinabek Nation 7th Generation Charity, which assists First Nations' families and children with culture, language and support services for the elderly, students, and people who are ill and differently abled. RBC supported the further development of a community-based Aboriginal children's mental health program in the First Nations community of Aundeck Omni Kaning
- Canadian Aboriginal Festival, Canada's largest Aboriginal festival and a unique opportunity for Canadians to share and learn about the cultures, languages and heritage of North America's Aboriginal peoples
- The Ma Mawi Wi Chi Itata Centre (Ma Mawi), an organization that finds Aboriginal solutions to supporting and rebuilding families to better care for children by creating meaningful opportunities for community and family involvement
- Saskatoon Environmentors Co-operative (Core Neighbourhood Youth Co-op), a community-based organization working with youth on self-sufficiency, co-operative principles and environmentalism. CNYC creates opportunities for youth to engage with each other and their community through creative economic activities based on environmental principles. RBC supported their Carpentry Program which teaches a variety of carpentry skills and provides job training skills to at-risk youth
- Five organizations that address Aboriginal water issues in Canada received RBC Blue Water Project leadership grants. See pages 52 to 53.
- Safe Drinking Water Foundation, which RBC continued to support by funding the development of workshops that present to First Nations and rural communities the need for systemic reduction of their reliance on chemicals in their water treatment process.

\* Pages 57 to 58 provide a one-stop summary of the ways RBC supports and serves Aboriginal people. We have repeated content found in a number of other sections of this report such as Marketplace, Workplace and Community.

# Diversity (summary\*)

## RBC Diversity Blueprint™

The RBC Diversity Blueprint sets out our corporate diversity strategy, priorities and objectives. It outlines how we will continue to improve our diversity position in Canada, strengthen our existing diversity and inclusion efforts in the U.S. and internationally, and develop new initiatives that support our commitment to diversity.

### Leadership

To create and sustain a diverse, inclusive and collaborative work environment, people at all levels of the organization must be engaged. Our President and CEO chairs the RBC Diversity Leadership Council, created to establish strategies and goals, and put RBC senior-level diversity champions in place in North America and the United Kingdom. In addition, individual business units have diversity leadership councils that help advance diversity and inclusion.

Our leaders are also active outside the RBC workplace. We believe progress in diversity is a societal objective and we can learn from one another. Our leaders participate in various public discussions, panels and workshops that focus on promoting diversity in the workplace.

### Raising diversity awareness

RBC promotes diversity by sharing our knowledge and encouraging discussion of its impact on business, communities and the economy. For example, RBC sponsors a study by Catalyst Canada and Ryerson University on the career development and advancement of visible minorities in corporate Canada. In 2008, Catalyst Canada released the fourth part of this study that addressed workplace fit and stereotyping of visible minorities in corporate Canada. The study showed that, like organizations in other countries, Canadian businesses appear to be suffering from “imperfect execution” of diversity and inclusion policies. The study also highlights strategies for companies to help them leverage the talents of visible minority employees more fully.

### Workplace

#### Workforce composition progress report

The composition of our workforce is an important measure of how well our diversity efforts are working. Diversity initiatives can take several years to show results, making year-over-year comparisons less meaningful than longer-term ones.

### Diversity in our workplace in Canada\*

	2008	2007	2006	1998
Women	69%	69%	70%	75%
Women in management	54%	55%	55%	53%
Visible minorities	26%	25%	24%	12%
Visible minorities in management	25%	24%	21%	13%
People with disabilities	3.8%	3.9%	3.2%	2.9%
Aboriginal people	1.6%	1.6%	1.6%	1.1%

\* Figures represent employment equity data as of October 31, for our businesses in Canada that are 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 is available only in Canada.

### Training and mentoring

RBC is committed to ongoing learning, coaching and mentoring to ensure we develop and support a rich and diverse workforce. Employee diversity training initiatives include:

- *Business Excellence through Diversity*: Workshops were completed by over 380 employees globally.
- *Respectful Workplace*: Almost all U.S. employees completed this program that helps individuals understand and comply with our Code of Conduct and respectful workplace policy, which state that all employees have the right to work in an environment free from harassment, discrimination and offensive behaviour.
- Extensive self-study materials are available 24/7 through our internal website, *Destination Diversity*.
- *RBC Diversity Dialogues*: Our reciprocal mentoring program was expanded to more than 200 employees. This program connects two people with different professional experiences and backgrounds who learn about leadership and diversity from each other.

### Employee resource groups

Employee resource groups are self-governing networks of employees that help their members develop personally and professionally through peer mentoring, coaching and networking. These groups help cultivate an inclusive work environment by fostering a better understanding of their needs. Groups that are formally recognized by RBC receive an annual budget and communications support from the company.

In Canada, we have employee resource groups representing Aboriginal employees (Royal Eagles); lesbian, gay, bisexual and transgendered employees (PRIDE); and employees with disabilities (REACH). This year, RBC also launched a new employee resource group – MOSAIC, which aims to foster the career advancement of new Canadians and visible minorities through mentoring and networking opportunities.

\* Pages 59 to 60 provide a one-stop summary of the various diversity initiatives taking place across RBC. We have repeated content from a number of other sections of this report, such as Marketplace, Workplace and Community.

In the U.S., we have groups representing gay and lesbian employees (GLADE) and minority employees (MEA). As well, women brokers are supported by the Women's Association of Financial Consultants, a resource group that fosters the productivity and success of women financial consultants through a wide range of information, events and programs.

### Programs to support diversity

We participate in a number of external and internal programs that support diversity. For instance, for the past 12 years, we have successfully partnered with the Career Edge organization to provide paid internships to students. Since 2003, approximately 300 employers have provided meaningful work experiences to over 920 Career Bridge interns. RBC has provided over 70 qualified professionals in internship positions through the Career Bridge program for newcomers to Canada, and has provided over 85 internships for graduates with disabilities through the Ability Edge program. Approximately 70% of interns in both programs join RBC as full-time employees following their internships.

We are also committed to increasing the representation of Aboriginal people within our workforce, through proactive recruitment and programs.

Many of our internal policies and programs promote diversity at all levels of the company by providing the flexibility and support that many employees need to manage work and life. This includes:

- Access to personal work/life counselling services
- Maternity, parental and family responsibility leave
- The option of returning from leaves gradually or in an alternative work arrangement
- Emergency backup eldercare and childcare in several major centres.

### Marketplace

RBC provides banking access to a host of diverse groups through customized products, services, channels and community-based programs. Groups served include:

- Low-income and underserved clients
- People with disabilities
- Seniors
- Students and youth
- Newcomers to Canada
- People who speak languages other than English and French.

For more information, see pages 30 to 31

### Economic development initiatives

RBC believes there are significant economic benefits when new immigrants succeed in their adopted country. In Canada, we have adapted our credit, banking, marketing, recruiting and training practices to help make this happen. In 2008, we created a banking package tailored to the needs of newcomers, increased the number of scholarship awards for new Canadians from seven to 12, and developed a number of tools and resources to help newcomers succeed in their adopted country. We also supported a number of organizations that help skilled immigrants find employment and succeed, such as:

- Career Bridge\*, an innovative paid internship program that responds to Canada's labour market demand for internationally qualified professionals and to the aspirations of qualified immigrants eager to work in their professional fields in Canada. Since 2003, approximately 300 employers have provided meaningful work experiences to over 920 Career Bridge interns, including 73 internships at RBC.
- Immigrant Access Fund, a not-for-profit group that raises funds to provide micro-loans to internationally trained newcomers in Calgary for accreditation, training and upgrading of skills
- The Toronto Region Immigrant Employment Council, a multi-stakeholder council working to improve access to employment for immigrants so they are better able to use the skills, education and experience they bring with them to Canada. In partnership with TRIEC, RBC is a key sponsor of the annual Immigrant Success Awards that recognizes Toronto Region employers and individuals that recruit, retain and promote skilled immigrants in the workplace.
- S.U.C.C.E.S.S., a multi-service agency in British Columbia that promotes the well-being of all Canadians and immigrants, encouraging their participation in the community by offering social, employment, business and economic development, training and education, and health services.

### Community initiatives

RBC believes that full inclusion is in the best interests of our communities and our countries. That's why we support programs that help newcomers succeed, promote Aboriginal interests and remove barriers to education for people with disabilities. In 2008, RBC Foundation donated \$365,000 to programs that help newcomers succeed, \$1.5 million to organizations that support people with disabilities and \$1.9 million to Aboriginal causes.

### Supplier management

We are a founding member of the Canadian Aboriginal and Minority Supplier Council. RBC has been a member of the Council's U.S. affiliate, the National Minority Supplier Development Council, since 2002.

**\* Pages 59 to 60 provide a one-stop summary of the various diversity initiatives taking place across RBC. We have repeated content from a number of other sections of this report, such as Marketplace, Workplace and Community.**

# Public Accountability Statement declaration and affiliates

## Declaration

The information documented in this Public Accountability Statement for the fiscal period ended October 31, 2008, includes the relevant activities related to Royal Bank of Canada, our prescribed affiliates and declarants, in accordance with Canadian federal regulations, pursuant to subsections 459.3 of the *Bank Act*, 489.1 of the *Insurance Companies Act* and 444.2 of the *Trust and Loan Companies Act*.

## Affiliates

The following are the prescribed affiliates whose activities are included in this Public Accountability Statement. These affiliates are subsidiaries of Royal Bank of Canada and are financial institutions with less than \$1 billion in equity, except for our securities broker, RBC Dominion Securities Inc., which has equity exceeding \$1 billion.

RBC Asset Management Inc.  
RBC Direct Investing Inc.  
RBC Dominion Securities Inc.  
RBC General Insurance Company  
RBC Insurance Company of Canada  
RBC Private Counsel Inc.  
RBC Trustees International Limited  
Royal Trust Corporation of Canada  
The Royal Trust Company

## Public Accountability Statements for Royal Bank of Canada declarants

This section provides the Public Accountability Statements for the fiscal year ended October 31, 2008 for Royal Bank Mortgage Corporation and RBC Life Insurance Company (Declarants), which are financial institutions with greater than \$1 billion in equity that are required under subsection 444.2 of the *Trust and Loan Companies Act*, and under subsection 489.1 of the *Insurance Companies Act*, respectively, to file Public Accountability Statements.

## Royal Bank Mortgage Corporation

Royal Bank Mortgage Corporation's (RBMC) primary business activity is to acquire residential and commercial mortgages from Royal Bank of Canada. RBMC funds its business by issuing guaranteed investment certificates (GICs) and Royal Money Market™ savings and chequing accounts opened through Royal Bank of Canada branches. All mortgages are administered and guaranteed to be repurchased by Royal Bank of Canada. RBMC does not have any employees as all of its activities are conducted by employees of Royal Bank of Canada. RBMC recovered \$102.7 million of income taxes (\$64.3 million, federal; and \$38.4 million, Quebec) and expensed \$9.5 million of capital taxes to Quebec for the fiscal year ended October 31, 2008. Income and capital taxes, as well as other taxes, are also included in Royal Bank of Canada's Public Accountability Statement disclosure.

## RBC Life Insurance Company

RBC Life Insurance Company (RBC LIC) is a wholly owned subsidiary of RBC Insurance Holdings Inc., which in turn is a wholly owned subsidiary of Royal Bank of Canada. RBC LIC is a federally regulated life and health insurance company and is licensed to write life and accident and sickness insurance in all provinces and territories in Canada. RBC LIC offers non-participating individual life and accident and sickness insurance, as well as group life and health policies. These products and services are offered through third-party brokers, a career sales force and direct marketing efforts. RBC LIC employed 926 full-time staff (849 in Ontario, 28 in Quebec, 23 in British Columbia, 20 in Alberta, 3 in Nova Scotia, 1 in New Brunswick, 1 in Manitoba and 1 in Saskatchewan) and 95 part-time employees in Ontario as at October 31, 2008. RBC LIC expensed \$48 million of income taxes (\$29 million, federal; \$10 million, Ontario; \$3 million, Quebec; \$2 million, Alberta; \$2 million, British Columbia; \$1 million, Manitoba; and \$1 million in total to the other provinces and territories) and \$95,000 of capital taxes for the fiscal year ended October 31, 2008. In addition, during the same period, RBC LIC expensed \$22 million of premium taxes based on a percentage of gross premiums written (\$9 million, Ontario; \$4 million, Quebec; \$3 million, Alberta; \$3 million, British Columbia; \$1 million, Manitoba; \$1 million, Saskatchewan; and \$1 million to other provinces and territories). Income and other taxes, as well as employee numbers are also included in Royal Bank of Canada's Public Accountability Statement disclosure.

Due to the specific nature of the operations of the Declarants, they do not operate bank branches or other facilities at which deposit accounts are opened through natural persons and with customers in person, or at which deposits from customers are accepted or cash is distributed to customers. In addition, the Declarants do not provide debt financing to firms in Canada and are not involved in new initiatives and technical assistance programs for financing for small business, nor are they involved in investments or partnerships in micro-credit programs. The Declarants are also not involved in initiatives to improve access to financial services for low-income individuals, senior citizens and disabled persons. All of the foregoing activities are undertaken by Royal Bank of Canada on behalf of its affiliates and are outlined in the respective sections of this Public Accountability Statement. As at October 31, 2008, the Declarants did not have prescribed affiliates.

As integrated subsidiaries of RBC, the Declarants share community development goals and participate in community-based activities, including volunteer, charitable and philanthropic activities, collectively with Royal Bank of Canada. For further details and examples of the Declarants' goals for community development, donations and related activities, please refer to the corresponding information contained in this Public Accountability Statement.

## Employment in Canada

RBC is one of Canada's largest employers, with more than 56,000 employees.

As at October 31, 2008

Provinces and territories	Number of employees	Full-time	Part-time
Newfoundland and Labrador	310	225	85
Prince Edward Island	103	70	33
Nova Scotia	1,299	941	358
New Brunswick	1,348	1,150	198
Quebec	7,373	5,560	1,813
Ontario	30,538	26,052	4,486
Manitoba	2,226	1,604	622
Saskatchewan	1,305	814	491
Alberta	4,376	3,175	1,201
British Columbia	7,141	5,078	2,063
Yukon, Northwest Territories and Nunavut	93	70	23
<b>Total</b>	<b>56,112</b>	<b>44,739</b>	<b>11,373</b>

Total number of full- and part-time employees in Canada of 56,112 is equivalent to 49,999 full-time positions, as reported on page 32.

We also have a growing number of employees in the United States and in our other international locations. As at October 31, 2008, we employed 80,100 people in full- and part-time positions worldwide.

## Taxes

In 2008, the tax expense of RBC to all levels of government in Canada was \$1.9 billion.

This amount included \$1.3 billion of income taxes, \$104 million in capital taxes and \$559 million in other taxes, which includes payroll, business, municipal, property and goods and sales taxes. In addition, our tax expense included \$148 million related to other international jurisdictions including the United States.

For the fiscal year ended October 31, 2008 (\$ millions)

Taxes by jurisdiction	Capital taxes	Income taxes	Total taxes
Newfoundland and Labrador	\$ 1	\$ 3	\$ 4
Prince Edward Island	1	1	2
Nova Scotia	4	12	16
New Brunswick	2	7	9
Quebec	30	23	53
Ontario	38	279	317
Manitoba	10	14	24
Saskatchewan	5	10	15
Alberta	–	39	39
British Columbia	13	65	78
Yukon, Northwest Territories and Nunavut	–	–	–
Federal	–	816	816
Capital and income taxes (Canada)	\$ 104	\$ 1,269	\$ 1,373
Other taxes* (Canada)			559
Canadian taxes			\$ 1,932
International taxes			148
<b>Total taxes</b>			<b>\$ 2,080</b>

\* Other taxes include payroll taxes, goods and sales taxes and municipal and property taxes.

## Debt financing for Canadian businesses

RBC is committed to helping small, commercial and corporate businesses in Canada prosper. Providing debt financing is one of the ways we help businesses in Canada to grow and succeed, whether they are starting, maintaining or expanding their operations. As at October 31, 2008, authorized amounts available to businesses in Canada totalled \$144 billion.

The following table shows the number of business clients we lend to across Canada and the amount of credit made available to them.

2008 Fiscal year ended October 31, 2008 (\$ millions)

Provinces and territories	Metrics	\$0– \$24,999	\$25,000– \$99,999	\$100,000– \$249,999	\$250,000– \$499,999	\$500,000– \$999,999	\$1,000,000– \$4,999,999	*\$5,000,000 and greater	Grand total
Newfoundland and Labrador	Number of clients	1,065	704	243	89	64	84	45	2,294
	Authorized amount	\$ 10	\$ 34	\$ 36	\$ 31	\$ 44	\$ 177	\$ 1,128	\$ 1,460
Prince Edward Island	Number of clients	361	294	114	44	52	63	–	928
	Authorized amount	\$ 3	\$ 15	\$ 17	\$ 17	\$ 39	\$ 138	\$ –	\$ 229
Nova Scotia	Number of clients	4,624	2,899	903	423	327	338	93	9,607
	Authorized amount	\$ 43	\$ 145	\$ 139	\$ 148	\$ 225	\$ 722	\$ 2,260	\$ 3,682
New Brunswick	Number of clients	2,370	1,588	513	243	147	190	61	5,112
	Authorized amount	\$ 22	\$ 78	\$ 77	\$ 85	\$ 101	\$ 419	\$ 895	\$ 1,677
Quebec	Number of clients	13,867	8,094	3,211	1,786	1,433	1,586	431	30,408
	Authorized amount	\$ 129	\$ 400	\$ 499	\$ 629	\$ 1,003	\$ 3,331	\$ 14,685	\$ 20,676
Ontario	Number of clients	46,678	29,178	10,351	4,793	3,703	3,831	1,114	99,648
	Authorized amount	\$ 422	\$ 1,454	\$ 1,575	\$ 1,682	\$ 2,593	\$ 7,904	\$ 49,206	\$ 64,836
Manitoba	Number of clients	3,867	2,931	1,147	431	338	308	100	9,122
	Authorized amount	\$ 35	\$ 152	\$ 172	\$ 150	\$ 237	\$ 688	\$ 2,604	\$ 4,038
Saskatchewan	Number of clients	4,657	4,038	1,905	655	428	330	57	12,070
	Authorized amount	\$ 45	\$ 211	\$ 295	\$ 232	\$ 297	\$ 637	\$ 1,956	\$ 3,673
Alberta	Number of clients	19,345	10,022	3,840	1,465	1,055	1,298	458	37,483
	Authorized amount	\$ 174	\$ 498	\$ 587	\$ 506	\$ 731	\$ 2,778	\$ 20,501	\$ 25,775
British Columbia	Number of clients	21,918	12,909	4,376	1,718	1,245	1,518	474	44,158
	Authorized amount	\$ 203	\$ 638	\$ 659	\$ 594	\$ 875	\$ 3,262	\$ 11,114	\$ 17,345
Yukon, Northwest Territories and Nunavut	Number of clients	454	229	87	38	29	36	–	873
	Authorized amount	\$ 4	\$ 12	\$ 13	\$ 13	\$ 21	\$ 73	\$ –	\$ 136
Total	Number of clients	119,206	72,886	26,690	11,685	8,821	9,582	2,833	251,703
	Authorized amount	\$ 1,090	\$ 3,637	\$ 4,069	\$ 4,087	\$ 6,166	\$ 20,129	\$ 104,349	\$ 143,527

\* For reasons of confidentiality, clients in certain regions with authorized amounts of \$5 million or more have been combined with another region in close proximity for reporting purposes: Prince Edward Island has been combined with Newfoundland and Labrador. Yukon, Northwest Territories and Nunavut have been combined with British Columbia.

## Canadian bank branch/facility openings, closings and relocations

2008 Fiscal year ended October 31, 2008

No Canadian bank branches or facilities were closed in 2008. For a description of how we assess the impact of branch closures, see page 29.

### Opened

Unit name	Street address	City	Province
Mascouche Branch	220 Montee Masson	Mascouche	QC
Market Place Plaza Branch	370 Queen Street East	Acton	ON
Mayfield & Highway 10 Branch	3068 Mayfield Road	Brampton	ON
Airport Road & Highway 7 Branch	9115 Airport Road	Brampton	ON
Imperial & Paisley Branch	975 Paisley Road, Unit 975A	Guelph	ON
Rutherford & Thornhill Woods Branch	1101 Rutherford Road*	Maple	ON
Major Mackenzie & Woodbine Branch	2880 Major Mackenzie Drive East	Markham	ON
Markham Road & 14th Avenue Branch	7675 Markham Road (Highway 48)	Markham	ON
Box Grove Branch	60 Copper Creek Drive	Markham	ON
Highway 7 & McCowan Branch	5051 Highway 7, Unit 101	Markham	ON
Cornwall & Trafalgar Branch	361 Cornwall Road, Unit 107	Oakville	ON
Broadway & C Line Branch	489 Broadway Street	Orangeville	ON
Kingston Road & Steeple Hill Branch	670 Kingston Road, Unit 109	Pickering	ON
High Tech & Bayview Branch	265 High Tech Road, Unit 1	Richmond Hill	ON
Mount Pleasant & Manor Road E Branch	650 Mt. Pleasant Avenue	Toronto	ON
York Mills & Leslie Branch	801 York Mills Road	Toronto	ON
Uxbridge Branch	307 Toronto Street, Unit 10	Uxbridge	ON
Major Mackenzie & Vellore Branch	3601 Major Mackenzie Drive	Woodbridge	ON
Highway 27 & Highway 7 Branch	6140 Highway 7	Woodbridge	ON
Stonebridge Village Branch	3118 Clarence Avenue South	Saskatoon	SK
Bridlewood Shopping Centre Branch	16919 24th Street South West	Calgary	AB
Tricity Shopping Mall Branch	6801 51st Street	Cold Lake	AB
Ellerslie Crossing Shopping Centre Branch	804 Parsons Road South West	Edmonton	AB
Wapiti Centre Branch	10720 – 80 Avenue	Grande Prairie	AB
Sylvan Lake Branch	3715 – 47 Avenue, Unit 200	Sylvan Lake	AB
South Courtney Branch	3195 Cliffe Avenue	Courtney	BC
College Heights Branch	6111 Southridge Avenue	Prince George	BC
University of British Columbia Branch	5960 University Boulevard	Vancouver	BC

### Relocated

From	To	City	Province
175 Hampton Road	169 Hampton Road	Quispamsis	NB
50 St. Charles Boulevard, Unit 23D	106 Beaurepaire Drive	Beaconsfield	QC
240 Place Chef Michel Laveau	2938 De La Faune Street	Wendake	QC
851 Wonderland Road South	3089 Wonderland Road South	London	ON
500 King Street West	550 Laval Drive, Unit 100	Oshawa	ON
89 – 91 St. Paul Street	80 King Street	St. Catharines	ON
183 Roncesvalles Road	179 Roncesvalles Road	Toronto	ON
420 Erb Street West	652 Erb Street West, Unit B13	Waterloo	ON
4307 130th Avenue South East, Unit 46	5222 130th Avenue South East, Unit 401	Calgary	AB
1 McRae Street	144 Elizabeth Street	Okotoks	AB
175 – 945 Columbia Street West	400 – 1210 Summit Drive	Kamloops	BC
101 – 88 Lonsdale Avenue	108 Esplanade Street East	North Vancouver	BC
1848 Main Street, Unit 132	1848 Main Street, Unit 174	Penticton	BC
705 Central Avenue	319 Ludlow Street	Saskatoon	BC
65 – 1153 Esquimalt Road	1153 Esquimalt Road, Unit 15	Victoria	BC

\* Temporary premises

## Canadian ATM (bank machine) openings and closings

2008 Fiscal year (ended October 31, 2008)

### ATMs opened

Street address	City	Province
230 – 236 Main Road	Hearts Content	NL
TransCanada Highway	Mount Pearl	NL
1314 Topsail Road	Paradise	NL
5790 Louisbourg Highway	Catalone	NS
291 Commercial Street	North Sydney	NS
1 Fraser St., Unit #3, B1v 2b8 (2 ATMs)	Sydney Mines	NS
550 University Avenue	Charlottetown	PE
2070 Boul. Lemire	Drummondville	PQ
220 Montee Masson (3 ATMs)	Mascouche	PQ
1001 Sherbrooke Ouest	Montreal	PQ
1140 Ste-Catherine Ouest (2 ATMs)	Montreal	PQ
2410 Chemin	Sainte-Foy	PQ
370 Queen Street (2 ATMs)	Acton	ON
955 Westney Road South, Units 7/8a/11–15	Ajax	ON
71 Sandwich Street	Amherstburg	ON
4995 King Street	Beamsville	ON
110 Clearbrook Trail	Bracebridge	ON
25 Peel Centre Drive	Brampton	ON
499 Main Street South	Brampton	ON
9115 Airport Road (3 ATMs)	Brampton	ON
9800 Chinguacousy Road	Brampton	ON
1 Main Street	Brighton	ON
2201 Brant Street	Burlington	ON
5111 New Street	Burlington	ON
351 Argyle Street	Caledonia	ON
11 Champlain Street	Deep River	ON
40 King Street	Dryden	ON
60 Hatt Street	Dundas	ON
265 Eramosa Road	Guelph	ON
55 Wyndham Street North	Guelph	ON
975 Paisley Road (3 ATMs)	Guelph	ON
13 –930 Upper Paradise Road	Hamilton	ON
14 –1070 Stone Church Road East	Hamilton	ON
2 King Street W, Unit 124	Hamilton	ON
447 Main Street East	Hamilton	ON
505 Rymal Road East	Hamilton	ON
4048 Carling Avenue	Kanata	ON
537 Frederick Street	Kitchener	ON
401 Kent Street at Highway 7b	Lindsay	ON
1201 Oxford Street West	London	ON
1240 Commissioners Road West (2 ATMs)	London	ON
1593 Adelaide Street North	London	ON
1795 Ernest Avenue	London	ON
3089 Wonderland Road South	London	ON

Street address	City	Province
611 Wonderland Road	London	ON
2880 Major Mackenzie Drive East (2 ATMs)	Markham	ON
5051 Highway 7, Unit 101 (3 ATMs)	Markham	ON
60 Copper Creek Drive (2 ATMs)	Markham	ON
1515 Main Street East	Milton	ON
1240 Eglinton Avenue West	Mississauga	ON
1375 Southdown Road, Units 11–15	Mississauga	ON
3221 Derry Road West	Mississauga	ON
377 Burnhamthorpe Road East	Mississauga	ON
6415 Dixie Road North	Mississauga	ON
1500 Fisher Street	North Bay	ON
6 Lakeshore Drive	North Bay	ON
801 York Mills	North York	ON
309 Hays Boulevard	Oakville	ON
361 Cornwall Road (2 ATMs)	Oakville	ON
523 Maple Grove	Oakville	ON
489 Broadway (3 ATMs)	Orangeville	ON
419 King Street West, Unit 2106	Oshawa	ON
550 Laval Drive (2 ATMs)	Oshawa	ON
600 Oshawa Boulevard North	Oshawa	ON
1190 Wellington Street	Ottawa	ON
1615 Orleans Boulevard	Ottawa	ON
1670 Heron Road	Ottawa	ON
1910 St. Laurent Boulevard, Units 20 & 23	Ottawa	ON
2121 Carling Avenue, Part Unit 35	Ottawa	ON
2269 Riverside Drive East	Ottawa	ON
50 Rideau Street (2 ATMs)	Ottawa	ON
594 Montreal Road	Ottawa	ON
1363 B Woodroffe Avenue	Ottawa/Nepean	ON
900 Greenbank Road	Ottawa/Nepean	ON
963 Second Avenue East	Owen Sound	ON
72 Grand River Street North	Paris	ON
1011 Victoria Avenue, Unit A	Petawawa	ON
1822 Whites Road, Unit 28	Pickering	ON
670 Kingston Road (4 ATMs)	Pickering	ON
365 High Tech Road, Bldg C (3 ATMs)	Richmond Hill	ON
697 Cathcart Boulevard	Sarnia	ON
2 Beckwith Street North	Smiths Falls	ON
555 Barrydown Road	Sudbury	ON
1 Promenade Circle, Units 181–183	Thornhill	ON
10 St. Clair West	Toronto	ON
1005 King Street West	Toronto	ON
1261 College Street	Toronto	ON
179 Roncesvalles Avenue	Toronto	ON
203 Humber College Boulevard, Building R	Toronto	ON
2275 Bayview Avenue (2 ATMs)	Toronto	ON
3402 Yonge Street	Toronto	ON
4700 Keele Street (13 ATMs)	Toronto	ON
4841 Yonge Street	Toronto	ON
650 Mt. Pleasant Road East (2 ATMs)	Toronto	ON
6897 Finch Avenue West	Toronto	ON

Street address	City	Province
200 Wellington Street West, Unit 200	Toronto/Downtown	ON
777 Bay Street, Unit C216	Toronto/Downtown	ON
3555 Don Mills Road	Toronto/East	ON
1245 Dupont Street	Toronto/West	ON
4890 Dundas Street West	Toronto/West	ON
899 – 901 Eglinton Avenue West	Toronto/West	ON
307 Toronto Street South	Uxbridge	ON
3080 Highway 69 North	Val Caron	ON
1500 Major Mackenzie Drive West	Vaughan	ON
440 James Street	Wallaceburg	ON
232 Dundas Street West	Waterdown	ON
425 University Avenue	Waterloo	ON
585 Weber Street North	Waterloo	ON
652 Erb Street West	Waterloo	ON
605 Rossland Road East	Whitby	ON
3601 Major Mackenzie Drive (3 ATMs)	Woodbridge	ON
1795 Henderson Highway, Unit 9	Winnipeg	MB
515 Portage Avenue	Winnipeg	MB
676 Portage Avenue	Winnipeg	MB
134 Primrose Drive	Saskatoon	SK
3118 Clarenace Avenue South (2 ATMs)	Saskatoon	SK
319 Ludlow Street (2 ATMs)	Saskatoon	SK
317 Banff Avenue, Cascade Mall	Banff	AB
116, 817-19th Street North East	Calgary	AB
1400 – 12th Avenue South West	Calgary	AB
14 – 11625 Elbow Drive South West	Calgary	AB
1440 – 52nd Street North East	Calgary	AB
148, 555 Strathcona Boulevard South West	Calgary	AB
160, 11520–24th Street South East (2 ATMs)	Calgary	AB
16919 24th Street, South West (3 ATMs)	Calgary	AB
5222 130th Avenue South East (2 ATMs)	Calgary	AB
600 Crowfoot Crescent North West	Calgary	AB
70 High Street South East	Calgary	AB
807 49th Ave South West	Calgary	AB
11300 Tuscany Boulevard North West, Unit 2050	Calgary	AB
125 1st Street East, Box 519 (Westland Plaza)	Cochrane	AB
6801 – 51 Street	Cold Lake	AB
804 Parsons Road South West (3 ATMs)	Edmonton	AB
10720 – 80 Avenue (3 ATMs)	Grande Prairie	AB
5004 – 53rd Avenue	High Prairie	AB
300 Village Avenue	Okotoks	AB
200 – 3715–47 Avenue (3 ATMs)	Sylvan Lake	AB
4705 – 50th Avenue	Valleyview	AB
4702 – 51st Street	Whitecourt	AB
30838 Maclure Road	Abbotsford	BC
2766 Dunsmuir Avenue	Cumberland	BC
1204 – 56th Street	Delta	BC
7031 – 120 Street, Unit 7133	Delta	BC
400 – 1210 Summit Drive	Kamloops	BC

Street address	City	Province
1588 Boundary Crescent (2 ATMs)	Nanaimo	BC
8925 Granville Street	Port Hardy	BC
6111 Southridge Avenue (3 ATMs)	Prince George	BC
3906 Squilax-Anglemont Road	Scotch Creek	BC
7177 152 Street	Surrey	BC
489 Robson Street	Vancouver	BC
2151 Louie Drive	Westbank	BC

ATMs closed	City	Province
530 – 546 Water Street	Harbour Grace	NL
544 – 548 Water Street	St John's	NL
950 Bedford Highway	Bedford	NS
4164 TransCanada Highway	Lower 5th River	NS
91 Church Street	Pictou	NS
22512 Highway 7	Sheet Harbour	NS
785 Main Street (2 ATMs)	Sydney Mines	NS
4701 Route 134	Cocagne	NB
396 Lincoln Road	Fredericton	NB
8040 Route 17	Kedgwick	NB
467 Landegger Drive	Nackawic	NB
101 King George Highway	Newcastle	NB
60 Main Street	Montague	PE
6715 Rue Ch Colomb	Montreal	QC
921 8th Street	Saskatoon	QC
1 – 110 Little Avenue	Barrie	ON
58 Dundas Street West	Belleville	ON
177 Paris Road	Brantford	ON
2 – 125 Steamship Bay Road	Gravenhurst	ON
22 Amiens Avenue	Kingston	ON
7481 Woodbine Avenue	Markham	ON
250 Taunton Road East	Oshawa	ON
634 Goderich Street	Port Elgin	ON
10 Trench Street	Richmond Hill	ON
462 Birchmount Road	Scarborough	ON
5892 Main Street	Stouffville	ON
1277 Yorkmills Road	Toronto	ON
1718 Queen Street East	Toronto	ON
200 Bay Street	Toronto	ON
2230 Lakeshore Boulevard West	Toronto	ON
235 Roncesvalles Avenue	Toronto	ON
4401 Bathurst Street	Toronto	ON
Highway 401 West	West Lorne	ON
2848 Pembina Highway	Winnipeg	MB
38 Lakewood Boulevard	Winnipeg	MB
631 Victoria Avenue East	Regina	SK
705 Central Avenue	Saskatoon	SK
1133 137th Avenue South East	Calgary	AB
380 Canyon Meadows Drive	Calgary	AB
5426 55th Street	Cold Lake	AB
185 – 9450-137 Avenue	Edmonton	AB
6727 177th Street	Edmonton	AB
12109 – 100th Street	Grande Prairie	AB
945 Columbia Street West	Kamloops	BC

# Global Reporting Initiative index

RBC has adopted a multi-pronged approach to sustainability reporting, and we publish information about our social, environmental and ethical performance in a number of places for various stakeholder groups. We rely on external sources, investor and stakeholder groups and global best practices in determining the relevant issues for inclusion, and strive to provide an appropriate level of detail for each group. We support the work of the Global Reporting Initiative (GRI). The index below and the information it points to constitute a report that qualifies for GRI's G3 Application Level C.

GRI #	Indicator	RBC information
<b>1. Strategy and analysis</b>		
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	What is a bank's responsibility?, page 6
<b>2. Organization profile</b>		
2.1	Name of the organization	Royal Bank of Canada
2.2	Primary brands, products, and/or services	See our 2008 Annual Report.
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. (2.4)	See our 2008 Annual Report.
2.4	Location of organization's headquarters	See our 2008 Annual Report.
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	We operate in 50 countries. For details, visit <a href="http://rbc.com/aboutus">rbc.com/aboutus</a> .
2.6	Nature of ownership and legal form	See our 2008 Annual Report and 2008 Annual Information Form.
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	See our 2008 Annual Report and 2008 Annual Information Form, or visit <a href="http://rbc.com/aboutus">rbc.com/aboutus</a> .
2.8	Scale of the reporting organization	See our 2008 Annual Report and 2008 Annual Information Form.
2.9	Significant changes during the reporting period regarding size, structure, or ownership	See our 2008 Annual Report.
2.10	Awards received in the reporting period	Recognition, page 9
<b>3. Report parameters</b>		
<b>Report profile</b>		
3.1	Reporting period	The information on this page is intended as an index to all of RBC's publicly available current sustainability reporting as of our fiscal year-end 2008. Our Corporate Responsibility website also includes additional information not published elsewhere and information that has become newly available for 2009. See <a href="http://rbc.com/responsibility">rbc.com/responsibility</a> .
3.2	Date of most recent previous report (if any)	At present, RBC does not issue a one-stop sustainability report: rather, we report various measures in existing communication pieces, such as our Annual Report, Proxy Statements, annual Corporate Responsibility Report. We produce these on an annual basis and update this index on a regular basis.
3.3	Reporting cycle (annual, biennial, etc.)	Annual
3.4	Contact point for questions regarding the report or its contents	<a href="mailto:corporateresponsibility@rbc.com">corporateresponsibility@rbc.com</a>

<b>GRI #</b>	<b>Indicator</b>	<b>RBC information</b>
<b>Report scope and boundary</b>		
3.5	Process for defining report content	Sustainability reporting, page 11 Stakeholders, page 9
3.6	Boundary of the report	This report covers activities for RBC as a whole – our operations around the world, including all our subsidiaries, unless otherwise noted.
3.7	State any specific limitations on the scope or boundary of the report	About this report, page 3
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	Effective 2008, we have excluded statutory holiday pay for part-time employees from our full-time equivalent (FTE) calculation consistent with our management reporting framework. All comparative amounts reflect the change to the FTE calculation.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Effective 2008, we have excluded statutory holiday pay for part-time employees from our full-time equivalent (FTE) calculation consistent with our management reporting framework. All comparative amounts reflect the change to the FTE calculation. In 2008, we expanded our energy data coverage to 65% of our global floor area, compared to 35% in 2007. We are now able to report energy data for properties in Canada, the U.S. and the British Isles, data not fully available in prior years. For 2008, we have included data for some of our more emission intensive areas, such as major leased premises in Canada, the U.S. and the British Isles and (such as data centres) and branches in the U.S. Due to this more comprehensive reporting in 2008, our reported CO <sub>2</sub> e emissions are higher than those in 2007.
3.12	Table identifying the location of the Standard Disclosures in the report	GRI Index, page 67
<b>Assurance</b>		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	At present, RBC does not have third-party verification or auditing of our non-financial reporting. Our annual Corporate Responsibility Report and Public Accountability Statement are reviewed by our internal Compliance department (Risk Management), by Legal department and internal subject matter experts.

## 4. Governance, commitments, and engagement

### Governance

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	See our 2008 Annual Report.
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	See our 2008 Annual Report. Leadership, page 13
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	See our 2008 Annual Report. Practices, leadership and disclosure, page 12
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	See our Management Proxy Circular.

<b>GRI #</b>	<b>Indicator</b>	<b>RBC information</b>
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	See our Management Proxy Circular.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	See our Management Proxy Circular.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Principles, codes and policies, page 14
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	See our Management Proxy Circular.
<b>Commitments to external initiatives</b>		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	External principles, charters and initiatives, page 17
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	Affiliations, page 9
<b>Stakeholder engagement</b>		
4.14	List of stakeholder groups engaged by the organization	Stakeholders, page 9
4.15	Basis for identification and selection of stakeholders with whom to engage	Stakeholders, page 9
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Stakeholders, page 9
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Stakeholders, page 9

## 5. Management approach and performance indicators

### Economic performance indicators

#### Economic performance

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	See our 2008 Annual Report. Economic impact, page 18
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Key environmental issues, page 39 rbc.com/environment

#### Market presence

EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation	Purchasing, page 25
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#### Indirect economic impacts

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Partnerships, page 24
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Economic impact, page 18

GRI #	Indicator	RBC information
<b>Environmental performance indicators</b>		
<b>Materials</b>		
EN1	Materials used by weight or volume	SOFT footprint, page 44 rbc.com/environment
EN2	Percentage of materials used that are recycled input materials	rbc.com/environment
<b>Energy</b>		
EN3	Direct energy consumption by primary energy source	SOFT footprint, page 44 rbc.com/environment
EN4	Indirect energy consumption by primary source	SOFT footprint, page 44
EN5	Energy saved due to conservation and efficiency improvements	Reduce the intensity of our environmental footprint, page 41
EN6	Initiatives to provide energy-efficient or renewable-energy-based products and services, and reductions in energy requirements as a result of these initiatives	Reduce the intensity of our environmental footprint, page 41
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Reduce the intensity of our environmental footprint, page 41
<b>Biodiversity</b>		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	rbc.com/environment
EN13	Strategies, current actions, and future plans for managing impacts on biodiversity	rbc.com/environment
<b>Emissions, effluents and waste</b>		
EN16	Total direct and indirect greenhouse gas emissions by weight	SOFT footprint, page 44
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Reduce the intensity of our environmental footprint, page 41
EN22	Total weight of waste by type and disposal method	Responsible waste management, page 42
<b>Products and services</b>		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Environmental products and services, page 46
<b>Transport</b>		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	SOFT footprint, page 44
<b>Social performance indicators</b>		
<b>Labour practices and decent work</b>		
<i>Employment</i>		
LA1	Total workforce by employment type, employment contract, and region	RBC employment worldwide, page 32
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Benefits, page 34
<i>Labour/management relations</i>		
LA4	Percentage of employees covered by collective bargaining agreements	RBC has two bargaining units in the Caribbean, with about 80 employees represented by two trade unions.

<b>GRI #</b>	<b>Indicator</b>	<b>RBC information</b>
<i>Occupational health and safety</i>		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Health, safety and wellness, page 34
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	Due to the nature of our workplace, incidents are rare and number of lost working hours is insignificant. An online Vacation and Absence Management System was introduced in October 2003 to capture absenteeism data. The data is not robust enough to report at this time. Information about accidents and injuries is collected centrally for federally regulated employees only.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Health, safety and wellness, page 34
<i>Training and education</i>		
LA10	Average hours of training per year per employee by employee category	Career development and learning, page 34. We do not report hours of training per year, but the overall investment.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Career development and learning, page 34
<i>Diversity and equal opportunity</i>		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	See our Management Proxy Circular. Diversity and inclusion, page 34
<b>Human rights</b>		
<i>Investment And Procurement Practices</i>		
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Purchasing, page 25
<b>Society</b>		
<i>Community</i>		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	Branches in local communities, page 29
<i>Corruption</i>		
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Code of conduct, page 14 Anti-money laundering, page 15
<i>Public policy</i>		
SO5	Public policy positions and participation in public policy development and lobbying	Governments, page 10 Political contributions and lobbying, page 16
<b>Product responsibility</b>		
<i>Customer Health And Safety</i>		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Product responsibility, page 26
<i>Product and service labeling</i>		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Stakeholders, page 9 Client satisfaction, page 28
<i>Marketing communications</i>		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Privacy, page 14 Code of conduct, page 14 Voluntary codes, page 17
<i>Customer privacy</i>		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	See our 2008 Ombudsman's Report available at rbc.com.

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**GRI # Indicator****RBC information**

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## 6. Financial services sector supplement

**CSR management**

CSR 1	CSR Policy. Describe social elements of the CSR policy, including corporate definition of CSR.	Corporate responsibility at RBC, page 7
CSR 2	CSR Organization. Describe the structure and relevant CSR responsibilities, including explanation of the installed procedures.	Structure, oversight and responsibility, page 8
CSR 4	Management of sensitive issues. Describe procedures for handling issues sensitive to stakeholders and responsiveness.	Stakeholders, page 9
CSR 6	Stakeholder dialogue. Describe stakeholder dialogue and involvement procedures.	Stakeholders, page 9

**Internal social performance**

INT 1	Internal CSR Policy. Describe social responsibility issues covered in the company's human resources policies.	Principles and policies, page 32 Code of conduct, page 14
INT 3	Employee satisfaction	Employee opinion surveys, page 36
INT 4	Senior management remuneration	See Executive compensation in our Management Proxy Circular.
INT 6	Female-male salary ratio	See our Employment Equity Report available at <a href="http://rbc.com/careers">rbc.com/careers</a> .
INT 7	Employee profile (gender, ethnicity, disability)	Diversity and inclusion, page 34

**Performance to society**

SOC 1	Report on contributions to charitable causes, community investments and commercial sponsorships	Community, page 50
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**Suppliers**

SUP 1	Screening of major suppliers	Purchasing, page 25
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**Retail banking**

RB 1	Retail banking policy (socially relevant elements)	Access to banking and insurance, page 29
RB 2	Report on repartition of lending business, including industrial sectors and company sizes, with specific reference to lending related to small and medium-sized enterprises.	Debt financing for Canadian businesses, page 63 Small business, page 19 See our 2008 Annual Report.
RB 3	Lending with high social benefit	Responsible lending, page 27 Microcredit, page 31

**Investment banking**

IB 1	Describe the social criteria applied by the reporting organization to its investment banking.	Responsible investing, page 27
IB 3	Report on provision of tailored and innovative products and services applying special ethical/sustainability criteria.	Product responsibility, page 26

**Asset management**

AM1	Asset management policy (socially relevant elements)	Mutual fund governance, page 17 Responsible investing, page 27
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