



RBC
Blueprint
for Doing Better™

Royal Bank of Canada

2009 Corporate Responsibility Report and Public Accountability Statement



Contents

About this report	3	Community	55
Profile of RBC	4	The RBC Community Blueprint™	56
Vital statistics	5	Donations	56
Message from the CEO	6	Education	58
Corporate responsibility at RBC	7	Environment	58
Vision	7	Health and wellness	59
Values	7	Arts and culture	60
Strategy	7	Amateur sport	60
Priorities	7	Social services	62
Structure	8	Employee contributions	62
Recognition	8	Diversity	63
Affiliations	8	Donations: How we give	64
Stakeholders	9	Aboriginal people (summary)	65
Reporting	10	Diversity (summary)	68
Governance and ethics	12	Royal Bank of Canada Public Accountability Statement	71
Practices and leadership	12	Royal Bank Mortgage Corporation Public Accountability Statement	77
Risk management	14	RBC Life Insurance Company Public Accountability Statement	77
Principles and policies	15	Global Reporting Initiative Index	78
Mutual funds and governance	19		
Economic impact	20		
Return to shareholders	20		
Taxes	20		
Employment	21		
Small business	21		
Economic development	24		
Innovation and entrepreneurship	28		
Purchasing	29		
Marketplace	30		
Access to banking and insurance	30		
Product responsibility	34		
Consumer protection	35		
Workplace	37		
Principles and policies	38		
Diversity and inclusion	40		
Rewards	41		
Engagement	43		
Environment	45		
Environmental management	46		
Charting our progress	46		
RBC Environmental Blueprint 2009 Interim Report Card	47		
Priority environmental objectives	48		
Equator Principles	49		
Sustaining the RBC Environmental Blueprint™	50		
Priorities for 2010	50		
Our environmental footprint	51		
SOFT Footprint Report	53		

Symbols used in this report:

	For more information online
	Canada
	United States
	Caribbean
	United Kingdom
	See Aboriginal people (summary)
	See Diversity (summary)

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 results of operations and financial condition provided in our 2009 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 2009 Annual Report and on our website.

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 by contacting:

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RBC Corporate Responsibility Report and
Public Accountability Statement
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Canada
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Stakeholders

This report is published for all the major stakeholders of Royal Bank of Canada and its subsidiaries, which together operate under the master brand name RBC®. Our major 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 2009 fiscal year (November 1, 2008 – October 31, 2009), 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 currency amounts in this document are in Canadian dollars unless otherwise stated. U.S. dollars are converted using the fiscal 2009 average (C\$1.00 = US\$.858). 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 on our website and on page 78 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 2010 in Canada, anticipated provision for credit losses, consumer lending and business spending in Canadian Banking, as well as statements with respect to our medium-term objectives, our vision, our strategic goals and priorities and environmental objectives for 2010, and our bank and insurance branch expansion plans.

We caution readers not to place undue reliance on these statements, as a number of risk factors – many of which are beyond our control and the effects of which can be difficult to predict – include credit, market, operational liquidity, and funding risks, including general business, economic and financial market conditions, including the ongoing impact from the market environment, the lack of liquidity in certain markets, the level of activity and volatility of the capital markets, including recessionary conditions in Canada, the United States and certain other countries in which we conduct business. Our ability to successfully execute on our strategic goals and priorities, 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 2009 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 our website.

 rbc.com
rbc.com/pas
rbc.com/responsibility

Profile of RBC

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, and among the largest banks in the world, based on market capitalization.
- › We are one of North America's leading diversified financial services companies, and provide personal and commercial banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis.
- › We employ approximately 80,000 full- and part-time employees, who serve more than 18 million personal, business, public sector and institutional clients through offices in Canada, the U.S. and 53 other countries.

Our structure

- › **Canadian Banking:** We provide personal and business financial services in Canada. Through our leading national distribution network, we reach more than 10 million clients through our extensive network of branches and automated teller machines (ATMs), proprietary and specialized sales forces, online channels and contact centres.
- › **Wealth Management:** We serve affluent and high net worth clients in Canada, the United States, Latin America, Europe and Asia with a full suite of investment, trust and other wealth management solutions. We also provide asset management products and services directly, through other RBC distribution channels and through third-party distributors to institutional and individual clients. 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 as measured by assets under administration and assets under management, respectively, and we have strong and growing businesses in the U.S. and internationally. With more than 4,000 client-facing advisors in 24 countries, we help clients grow, protect and transfer their wealth.

- › **Insurance:** Insurance comprises Canadian Insurance, U.S. Insurance and International & other. In Canada, we offer our products and services through our growing proprietary channels, including retail insurance branches, call centres, and our career sales force as well as through independent insurance advisors and travel agencies. In the U.S., we offer products through independent marketing organizations, call centres, financial institutions and our career sales force. Outside North America, we operate in reinsurance markets globally.
- › **International Banking:** We offer a broad range of financial products and services to individuals, business clients and public institutions through our banking businesses in the U.S. and Caribbean. We also provide an integrated suite of products to institutional investors worldwide through our joint venture, RBC Dexia Investor Services (RBC Dexia IS), of which we have a 50% ownership interest.
- › **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 significant U.S.-dollar fixed-income and currencies presence, and expanded our equity sales and trading businesses. 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 Operations, Technology and 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 our risk and compliance objectives, and ensuring the safety and soundness of our organization.

Vital statistics*

Economic impact (\$ billions)	2009	2008	2007
Revenue	\$29.11	\$21.58	\$22.46
Market capitalization	\$77.69	\$62.83	\$71.52
Taxes incurred	\$2.34	\$2.08	\$2.09
Employee compensation and benefits	\$9.0	\$7.8	\$7.9
Goods and services purchased	\$5.1	\$4.7	\$4.4
Debt financing for businesses in Canada (authorized)	\$134	\$144	\$138

Marketplace	2009	2008	2007
Countries we operate in	55	50	38
Clients (millions; approximate)	18	17	15
Bank branches (Canada)	1,197	1,174	1,146
ATMs (Canada)	4,214	4,149	3,946
Bank branches (United States)	438	439	350
ATMs (United States)	486	503	395
Bank branches (Caribbean)	125	127	45
ATMs (Caribbean)	330	312	78
Bank branches (China)	1	1	1

Workplace	2009	2008	2007
Employees	77,673	80,100	71,760
Employees in full-time equivalent (FTE) positions	71,186	73,323	64,815
Employees (Canada)**	54,725	56,112	54,960
Employees (United States)	13,093	14,082	12,181
Employees (Caribbean and other international countries)	9,855	9,906	4,619
Amount invested in formal training (including direct and indirect expenditures)	\$125 million	\$149 million	\$166 million

Workforce diversity (Canada)***	2009	2008	2007
Women	68%	69%	69%
Women in management	54%	54%	55%
Visible minorities	27%	26%	25%
Visible minorities in management	25%	25%	24%
People with disabilities	3.7%	3.8%	3.9%
Aboriginal people	1.6%	1.6%	1.6%

Environment	2009	2008	2007
Office paper use (kilograms/FTE)	56	59	60
CO ₂ e emissions from energy use**** (tonnes/m ²)	.10	.09	.05
CO ₂ e emissions from employee travel (tonnes/FTE)	.34	.36	.38
Transactions assessed under Equator Principles	6	5	6

Community (\$ millions)	2009	2008	2007
Investments in community causes (total of donations and sponsorships)	\$105.1	\$99.0	\$82.8
Donations	\$52.6	\$51.5	\$47.7
Community and national sponsorships	\$52.5	\$47.5	\$35.1

* All figures refer to our worldwide operations and all currency references are to Canadian dollars, unless otherwise noted.

** Active employees

*** Figures represent Employment Equity data as of October 31 for each year presented, for our businesses in Canada governed by the Employment Equity Act. Given variations in legal definitions and restrictions in legislation around the world, comprehensive data on these four designated groups (women, visible minorities, people with disabilities, Aboriginal people) is available only in Canada.

****Energy data coverage increased in 2009 and affected this indicator.

Message from the CEO

In each of the past two years, both Moody's and the World Economic Forum declared Canada as home to the world's soundest banks. For our part, RBC is one of the largest and most profitable financial institutions in the world. We operate in 55 countries with approximately 80,000 employees serving 18 million clients, and the scale of our operations continues to grow.

You might ask how this is possible during a global financial crisis.

The answer isn't exciting. It won't make headlines. It probably won't win awards for business innovation.

RBC has survived and thrived, in part, because we take a balanced, long-term view of the world. We have a conservative risk profile. We have sound risk management policies, processes and practices. We have a high-quality balance sheet, which we manage prudently. We lend responsibly, diversifying our book and limiting our credit exposure to any single company or sector. We've diversified our business geographically and across business lines.

Financial services companies must be safe and stable through good times and bad. If the recent economic crisis has reminded us of anything, it is that banks truly are engines of prosperity and an integral component of the economic system. The actions and performance of banks have a significant impact on people, communities and countries. As such, we must take a balanced view on behalf of all our stakeholders and hold a steady course, without being buffeted by short-term trends or pressures from special interest groups on single issues.

A balanced approach.

At RBC, we believe that's how we can best help create a better future. That is how, in both certain and uncertain times, we can continue to provide smart, straightforward financial advice to help our clients chart the best path forward. That's how we can provide shareholders with a good return. That's how we can continue to pay taxes and provide good jobs.

We know that our strong workplace, environmental and community programs are integral to our ability to serve our clients well and create shareholder value. They're also a source of immense pride for our employees. And we take our responsibility for those very seriously.

Financial services companies must be safe and stable through good times and bad. If the recent economic crisis has reminded us of anything, it is that banks truly are engines of prosperity and an integral component of the economic system.

But we also know that it's not our job to solve all the world's problems, or take over the role of government. To be frank, this can be a point of debate among some of our stakeholders. At RBC, we have cast our vision higher. Our goal is to be a responsible bank, acting with integrity every day and charting a stable course so that we are there for our clients, shareholders, employees and communities, today and tomorrow.

I invite you to read this report and visit rbc.com for additional details about our financial, social and environmental performance throughout 2010.

We welcome your feedback.



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 the communities where we live and work.

Vision

Our 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.”

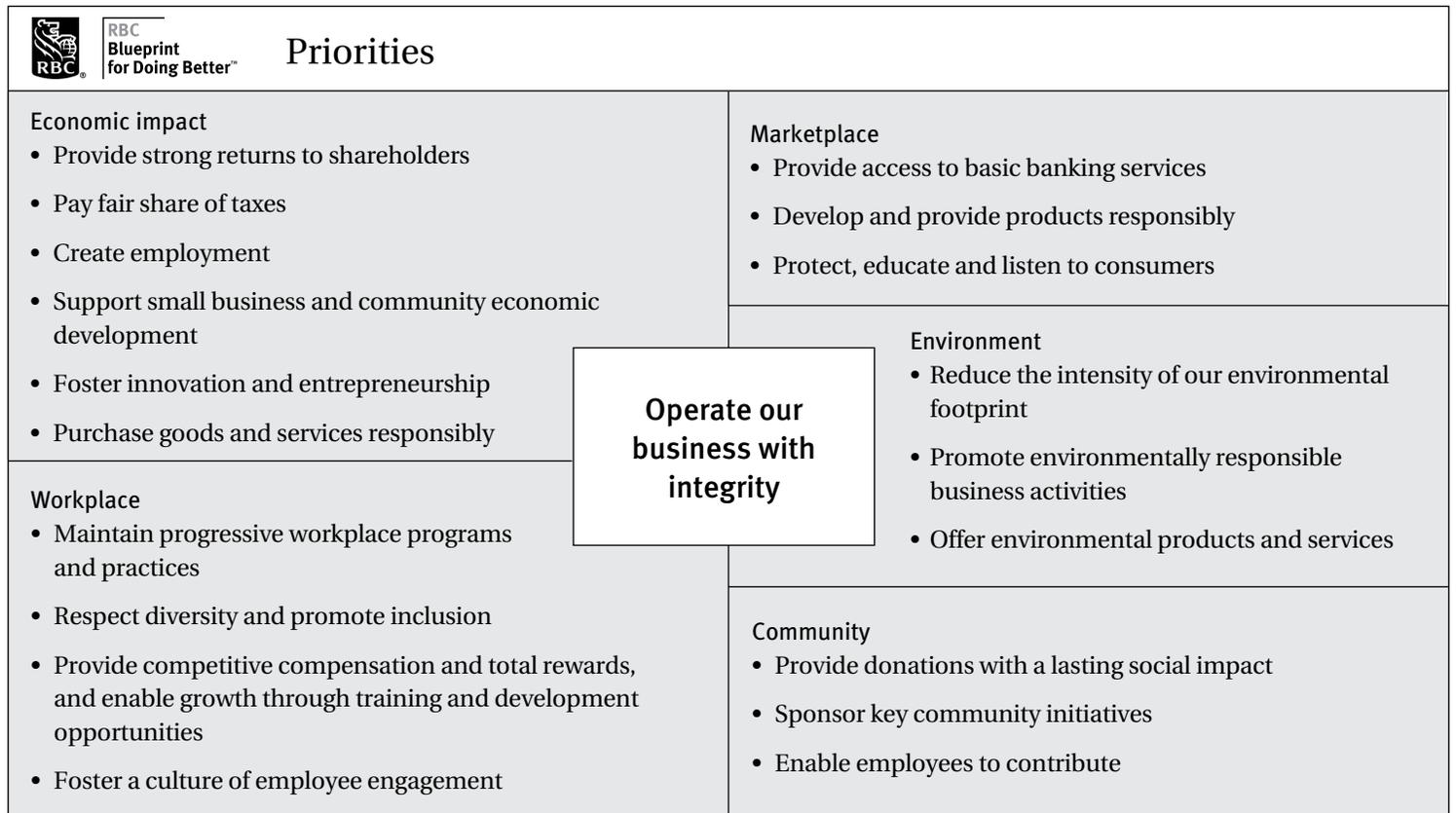
Our five core values address the behaviours that make a company sustainable, and they are part of every RBC employee’s training and are a significant driver of compensation:

- 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

Our strategic goals are:

- › in Canada, to be the undisputed leader in financial services;
- › in the U.S., to be a leading provider of capital markets, wealth management and banking services by building on and leveraging our considerable capabilities;
- › outside North America, to be a premier provider of select capital markets, wealth management and banking services in markets of choice.



Structure

Board oversight and responsibility

Various board committees, including the Corporate Governance and Public Policy Committee, the Conduct Review and Risk Policy Committee, and the Human Resources Committee, are responsible for different segments of sustainability.

Staff oversight and responsibility

Our Corporate Citizenship department encompasses corporate responsibility, corporate environmental affairs and donations.

Key staff in other departments are responsible for programs and performance in issue-specific areas including Finance, Investor Relations, Group Risk Management, Procurement, Corporate Real Estate, Human Resources, Community Sponsorships and Government Relations.

Employees worldwide are responsible for community relations at the local level. Each of our business units has its own framework 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 receive annual recognition for our corporate responsibility programs and performance. In 2009, we were named to the following lists:

- Global 100: Most Sustainable Corporations in the World
- Canada's Top 100 Employers
- Canada's 10 Most Admired Corporate Cultures
- Canada's 50 Most Socially Responsible Corporations
- Canada's Best 50 Corporate Citizens
- Best Workplaces in Canada
- Canada's Greenest Employers
- Canada's Best Diversity Employers

Indices

We continue to be listed on Canadian and global indices used by socially responsible investors to identify financial, social and environmental leaders, including the following in 2009:

- Dow Jones Sustainability World Index (10th consecutive year) and Dow Jones Sustainability North America Index
- Jantzi Social Index (ninth consecutive year)
- FTSE4Good Index (ninth consecutive year)

Affiliations

We are involved with a number of leading organizations around the world to steward corporate responsibility:

- › We are 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) is a founding member of the Minnesota Keystone Program, where businesses commit at least 2% of pre-tax earnings to charitable contributions in the community.
- › We are 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 that have made a commitment to operate in a socially, environmentally and financially responsible manner.
- › We are a member of the Global Business Coalition on HIV/ AIDS, Tuberculosis and Malaria.
- › RBC Asset Management Inc. and Phillips, Hager & North Investment Management Ltd. are members of the Canadian Coalition for Good Governance, promoting best corporate governance practices in companies its members consider for investment.
- › We are a founding member of the Canadian Centre for Ethics and Corporate Policy.
- › We are a member of the Conference Board of Canada, its Corporate Community Investment Council, Effective Work Environment Research Council, Corporate Ethics Management Council and Business Council for Sustainability.
- › In terms of workplace practices, we are a member of a number of organizations, including Catalyst, the Canadian Council of Rehabilitation and Work, the Vanier Institute of the Family, the Financial Industry Partnering for Aboriginal Relationships, the Toronto Region Immigrant Employment Council, 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, the Conference Board

of Canada's Business Council for Sustainability, the Environmental Bankers Association in the U.S., the Ontario Municipal Affairs and Housing Brownfield Stakeholders Group, the United Nations Environment Programme Finance Initiative (UNEP FI) and its North American Task Force.

- ▶ We are a founding member of the Canadian Aboriginal and Minority Supplier Council and the National Minority Supplier Development Council in the U.S.

 rbc.com/responsibility/approach/recognition

Stakeholders

Stakeholders help shape our approach to corporate responsibility. Our major stakeholders include employees, clients, current and prospective investors, suppliers, governments, regulators, non-governmental organizations (NGOs) and community partners. We have a number of strategies and processes in place to discover and address what really matters to them, as outlined in this section.

Clients

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

Most of our businesses track client satisfaction as a key measure of performance and use 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

We have 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 (issues such as health and safety, social climate)
- Identification with corporate values and strategy

We conduct a comprehensive survey across the organization 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 we do not share the results externally.

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.

Investor Relations communicates the views, concerns and perceptions of investors, analysts and rating agencies to the Group Executive 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 reports to shareholders and Annual Reports, our quarterly earnings releases, analyst calls, various external websites and our annual Corporate Responsibility Reports and Public Accountability Statements.

Socially responsible investors/researchers

We regularly provide information to the socially responsible investment community. However, we believe that the proliferation of sustainability ratings, indices and information requests from NGOs and other interested parties can divert a company's resources from designing, implementing and managing actual social and environmental programs. As a result, in order to focus our energy and resources on the indices that are most relevant to our stakeholders, we regularly perform a strategic review of socially responsible investments (SRI)

researchers, rating agencies and analysts worldwide. We evaluate the most prominent research companies and rating agencies, as well as smaller or emerging agencies from regional markets. We analyze the relevance of each to our priority geographic markets, as well as the likelihood of our shareholders or potential shareholders to use research from companies or agencies in markets in which we have little or no presence. From this list, we select the research agencies to which we proactively respond, and we regularly provide information to them for the creation of their indices, ratings and rankings for analysts and SRI investors.

Suppliers

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

Governments

We have ongoing relationships with all levels of government. In Canada, 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, Forest Ethics, World Wildlife Fund and Nature Conservancy of Canada. We encourage clients and the public to contact us with inquiries or concerns.

For more, see page 50 of this report.

Reporting

We have 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, NGOs, community partners, students and corporate responsibility

practitioners. 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. In 2009, we launched an innovative “create your own report” function. Our stakeholders can select the content they’re interested in, click one button, and a customized Corporate Responsibility Report will be provided as a PDF, which can be reviewed online or saved electronically.

To be environmentally responsible, we have reduced the length of our printed reports over the years.

› Corporate Responsibility Report and Public Accountability Statement:

This annual report, available online as a PDF, 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 as required by Canadian regulators. Print copies are available at no cost, on request, by contacting:

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› **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 Reports to Shareholders, Annual Report and Management Proxy Circular:** These publications are geared to investors, analysts and regulators, and provide disclosure about our operations and financial condition, as well as information related to corporate governance, executive compensation and risk management.

- › **Global Reporting Initiative (GRI):** We observe the reporting guidelines suggested by the Global Reporting Initiative. Both our website and this 2009 Corporate Responsibility Report and Public Accountability Statement contain a GRI index showing where all of our GRI-related sustainability information can be found. See our index on page 78.
- › **Sustainability survey submissions:** We regularly and proactively provide information to a number of key socially responsible research companies for the creation of indices, ratings and rankings they provide or sell to analysts and investors. For all the other research companies and rating agencies, we continue to enhance our online reporting at rbc.com/responsibility in order to provide sufficient information about our sustainability performance.
- › **Issue-specific reports:** We provide 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 and Aboriginal Partnership Report, which are available 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 in our GRI index
 - Download a PDF of our 2009 Corporate Responsibility Report and Public Accountability Statement
 - Use our "create your own report" tool to select only the content you're interested in
- › **Future reporting plans:** We plan to enhance the quality of our online disclosure as new metrics emerge and as expectations of shareholders, clients, NGOs and employees change. However, we recognize that the performance metrics that are important to a socially responsible investor may differ from the material financial metrics typically evaluated by investors.

Governance and ethics

“Integrity in all that we do” is a key value at RBC. It permeates our practices, leadership and disclosure, our risk management framework, and the principles, codes 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

Issues

- › **Executive compensation:** Shareholders, regulators and the general public are demanding increasing levels of accountability and transparency regarding executive compensation. Over the past few years, we have adopted many significant and leading governance practices in this area.
- › **Risk management:** It is widely believed that weaknesses in risk management and internal controls among some financial institutions contributed to industry and economic distress during the financial crisis. Effective management of risk is a core competency at RBC, supported by a strong risk culture and an effective enterprise risk management framework.
- › **Anti-money laundering, anti-terrorism and economic sanctions:** Illegal activities, including terrorism, require access to funds. Financial institutions are required to be increasingly vigilant in monitoring for possible illegal activities and to avoid financing them. Our Global Anti-Money Laundering 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 terrorist financing risks.

Practices and leadership

Our dynamic approach to corporate governance responds 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 and risk

oversight, ensure that standards exist to promote ethical behaviour throughout the organization and drive continuous improvement in governance practices.

Code of Conduct

Our Code of Conduct establishes written standards designed to promote integrity and ethical behaviour that apply to the Chairman of the Board and members of the Board of Directors, senior management and all employees. The Code sets out fundamental principles that guide the Board in its deliberations and shape the organization’s business activities globally. The Code has been filed with securities regulators at sedar.com and sec.gov.org.

 rbc.com/governance

For more, see page 15 of this report.

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, we have adopted many significant and leading governance practices:

- › We’ve adopted a policy to provide shareholders with an advisory vote on our approach to executive compensation at each Annual Meeting of Common Shareholders.
- › We’ve also adopted a policy that will allow RBC to recoup incentive awards that have already been paid, and cancel unvested performance-based incentive awards for RBC executives and employees of RBC Capital Markets® who engage in conduct that is detrimental to the organization.
- › 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 fifteen 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 the Group Executive is six times the last three years' average base salary, except the Co-Heads 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.

New global peer group

Our new global peer group, effective in 2010, will consist of 20 financial institutions, 19 excluding us — seven large Canadian financial institutions (Bank of Montreal, Canadian Imperial Bank of Commerce, Manulife Financial Corporation, National Bank of Canada, Power Financial Corporation, The Bank of Nova Scotia and The Toronto-Dominion Bank); five U.S. financial institutions (Bank of America Corporation, JPMorgan Chase & Co., The Bank of New York Mellon Corporation, U.S. Bancorp and Wells Fargo & Company); five European financial institutions (Banco Bilbao Vizcaya Argentaria Group, Barclays PLC, BNP Paribas, Credit Suisse Group AG and Deutsche Bank Group) and two Australian financial institutions (National Australia Bank and Westpac Banking Corporation).

- › 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

Our practices build on our previous governance initiatives, which include, among many others:

- › Ensuring independent leadership of the Board of Directors. We were 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.

Director suitability

The Corporate Governance and Public Policy Committee of the Board of Directors is composed solely of independent directors. The Committee determines criteria for selecting and assessing potential and current directors and acts as the nominating committee responsible for recommending to the Board individuals qualified to become Board members.

The Board derives its strength from the background, diversity, qualities, skills and experience of its members. Directors are elected by the shareholders at each Annual Meeting of Common Shareholders to serve for a term expiring on the date of the next Annual Meeting. Every year, the Committee reviews the

credentials and performance of candidates proposed for election to the Board and assesses their competencies and skills against those that the Committee considers the Board, as a whole, should possess. In doing so, it considers the qualifications of each candidate under applicable laws, regulations and rules and the skills, diversity, geographies and areas of expertise already represented on the Board.

Based on its assessment of the existing strengths of the Board and the changing needs of the organization, the Committee determines the competencies, skills and personal qualities it should seek in new Board members to add value to the organization. The Committee considers all qualified candidates identified by members of the Board of Directors, by management and by shareholders and maintains a list of potential candidates for the Board.

The Committee reviews biographical information and the results of background checks and internal and external due diligence reviews, appraising the integrity and suitability of candidates in accordance with procedures established by the Committee and our Assessment of Responsible Persons Policy. This Policy reflects the principles and expectations of Guideline E-17 “Background Checks on Directors and Senior Managers of Federally Regulated Entities” of the Office of the Superintendent of Financial Institutions Canada (OSFI).

With a view to assessing their ability to represent the interests of shareholders effectively, candidates are also evaluated on such qualities as business judgment, independence, business or professional expertise, international experience and residency, and familiarity with geographic regions relevant to our strategic priorities.

This assessment involves exercising the Committee’s independent judgment. The Committee uses the same process for evaluating all potential candidates, including those recommended by shareholders.

 rbc.com/governance

For more, see our Management Proxy Circular.

Risk management

Risk is inherent in virtually all aspects of a financial services company’s 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 culture and an effective enterprise risk management framework.

Enterprise risk management framework

Our 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 (including all the legal entities under which we operate) remains in compliance with the requirements set out by our home regulator, OSFI and other relevant regulators around the world. 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 and governance, risk appetite, risk profile, 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 measured and managed is important both for internal understanding and alignment and to ensure an accurate and consistent view of risk across the organization through a variety of reporting and disclosure mechanisms.

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, 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 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.

For more, see page 54 of our 2009 Annual Report.

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 compliance and regulatory risk. It applies to all of our businesses and operations, legal entities and employees globally, and confirms the shared accountability of all our employees to ensure we maintain robust and effective regulatory risk and compliance controls.

Business continuity and crisis management

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

Our Enterprise Crisis Management team, comprising senior executives from across the organization, is responsible for ensuring continued service to our clients during any crisis/ incident or major service interruption. The Enterprise Crisis Management team is supported by a global network of regional, business-line and local incident management teams. These teams are on call around the clock to address any situation that may pose material risk to our staff, our reputation or our ability to serve clients.

We conduct regular crisis simulations to test our readiness and timely response to all emergency situations, including but not limited to, a departmental disruption, building, city-wide or regional disruption, or a pandemic incident.

Principles and policies

Financial services companies, perhaps more than any other business, depend on confidence and trust. As a global organization, we respect and comply with laws and regulations that govern our businesses in the jurisdictions in which we operate.

We have 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. To ensure we operate with integrity, we also adhere to a number of other principles, codes and policies, 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.

Code of Conduct

All our employees worldwide and members of our Board 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.

Our Code of Conduct includes the following principles:

- Upholding the law
- Confidentiality
- Fairness
- Corporate responsibility
- Trust
- Objectivity
- Integrity
- Individual responsibility

Anti-corruption, anti-bribery

Our Code of Conduct includes broad principles that address anti-bribery and anti-corruption concerns. To supplement our Code of Conduct and enhance understanding of regulations as well as the specific requirements of the Canadian *Corruption of Foreign Officials Act* and the U.S. *Foreign Corrupt Practices Act*, we launched a new enterprise-wide Anti-Corruption and Anti-Bribery Policy in 2009, which prohibits RBC entities and persons acting on behalf of RBC entities from offering, promising, paying or authorizing the payment, directly or indirectly, of anything of value — such as a bribe or kickback — to any government official to influence or reward any act of such official. The Policy is designed to establish consistent standards across RBC to address corruption and bribery of foreign and other government officials and related internal controls. The Policy is supported by a web-based training program that is mandatory for certain employees because of the nature of the business activities they perform for RBC and/or the geographic regions in which they conduct their business.

Anti-money laundering

To monitor for possible money laundering, RBC companies are required by various regulators to apply appropriate scrutiny and monitoring measures to clients, especially clients whose business activities are known to be susceptible to criminal activity or who 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.

We actively participate in global industry groups dealing with anti-money laundering and anti-terrorist financing. We consult with national Financial Intelligence Units globally, such as 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) and conferences. Annual anti-money laundering training is mandatory for all employees including senior executives.

Anti-terrorism and economic sanctions

RBC has in place enterprise-wide policies that require all our businesses and global operations to abide by all applicable economic sanctions and anti-terrorist financing regulations. Our businesses and their directors, officers and employees will not knowingly do business with, knowingly enter into transactions with, provide or assist in providing (directly or indirectly) financial services to or for the benefit of states, entities, organizations and individuals targeted by any economic sanctions or anti-terrorist financing regulations. These policies apply in all jurisdictions where we operate and to all states, entities, organizations and individuals subject to economic sanctions by virtue of their residency and/or citizenship. Similarly, we will not knowingly take any steps that indirectly would assist or result in our doing any business we would not be allowed to do directly because of an applicable economic sanction or anti-terrorist financing regulation.

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

Tax havens

We operate in 55 countries and support 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 and our employees are also 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 the Code of Conduct and working with international organizations to enhance policies and rules that govern the global financial system.

Identification and management of conflicts of interest

The *Bank Act* (Canada) and other governing legislation and regulation require RBC to maintain appropriate controls and processes to identify and manage conflicts of interest. The risks presented by a conflict of interest that cannot be eliminated must be managed to an acceptable level and must also comply with our Code of Conduct, laws and regulations. Such management must include approval of the activity by a management level appropriate to the risk. If more than one conflict of interest exists for a particular situation, the conflicts must be addressed and managed together.

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, in confidence and without fear of retaliation, on a 24/7 basis.

The Ombudsman for RBC personally monitors messages received by telephone and email, and files a report on all reported issues to the Audit Committee of the Board of Directors. The employee name and any other personal information is removed from the report and kept in strict confidence by the Ombudsman, who is the only person who can contact the employee for further information.

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, see page 35 of this report.

Fiduciary risk

Our businesses and subsidiaries are expected to identify, assess, manage and mitigate any fiduciary risk inherent in our 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.

Know your client (client due diligence)

We have 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 perform enhanced due diligence on high-risk clients. We also with applicable regulatory guidance concerning anti-money laundering, anti-terrorism and economic sanctions, as well as with suitability requirements that protect our clients.

The environment

We first adopted a formal environmental policy in 1991, and we update it regularly. Our policy applies to all of our 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)

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.

Development of products and services

RBC has a formal policy that sets out a defined, rigorous process for the initial and subsequent risk assessment and approval of products. 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 correspond to the level of risk identified for a particular product or service.

Political contributions and lobbying

Our 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.

Canada

We do not make corporate donations to federal political parties through any part of our company in Canada, and political donations to municipal politicians are not permitted. We make political donations to provincial parties to the extent permitted by law and internal policy. Our participation in provincial political donations is limited and restricted depending on the respective province and territory.

Of the provinces that accept political donations, all are on the public record as follows:

Province	Public records of contributions
Newfoundland and Labrador	Records of contributions over \$100 are on the Elections Newfoundland & Labrador website
Prince Edward Island	Records of contributions over \$250 are on the Elections PEI website
Nova Scotia	Records of contributions over \$50 are on the Elections Nova Scotia website
New Brunswick	Records of contributions over \$100 are available in paper at Elections NB offices
Quebec	The province does not accept political donations
Ontario	Records of contributions over \$100 are on the Elections Ontario website
Manitoba	The province does not accept political donations
Saskatchewan	Records of contributions over \$250 are publicly available in paper at Elections Saskatchewan
Alberta	Records of contributions over \$375 are on the Elections Alberta website
British Columbia	Records of contributions over \$250 are on the Elections B.C. website

We have 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, our 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.

United States 🌐

In the United States, we do not provide political donations to any party at any level of government or to political action committees (PACs). However, our U.S. employees are personally permitted to raise money 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.

Voluntary codes and public commitments

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 made by companies, associations and other organizations used as a form of consumer protection in place of government legislation.

The Canadian banking industry has developed several voluntary commitments and codes designed to protect consumers and serve them better. These include:

- › **Canadian Code of Practice for Consumer Debit Card Services:** Industry and consumer practices and responsibilities related to debit cards;
- › **CBA Code of Conduct for Authorized Insurance Activities:** Minimum standards that apply to bank representatives who promote authorized insurance products in Canada;
- › **Pledge to Small Business:** A commitment governing openness, accountability, the credit process and complaint handling;
- › **Principles of Consumer Protection for Electronic Commerce — A Canadian Framework:** A guide to protecting clients in online transactions;
- › **Undertaking on Unsolicited Services:** Assurances related to the marketing and provision of new unsolicited services and the provision of modified or replacement services;
- › **Guidelines for Transfers of Registered Plans:** A guide on what to expect and where to get help when transferring a registered savings plan (RSP) between financial institutions;

- › **Memorandum of Understanding — Low Fee Accounts:** A commitment to offer a standard low-cost account to clients;
- › **Index-Linked Deposits Undertaking:** A description of rights of rescission for index-linked deposit products purchased by telephone;
- › **Visa[†] Zero Liability Policy:** The elimination of client liability for certain fraudulent Visa transactions;
- › **Visa E-Promise:** Protection for Visa cardholders who shop online, by mail or by phone;
- › **Online Payments:** Consumer and industry responsibilities related to the use of online payments systems in Canada;
- › **Plain Language Mortgage Documents:** A CBA commitment to improve the readability of residential mortgage documents;
- › **What You Need to Know About Coercive Tied Selling:** A legally required, explanatory guide on coercive tied selling that also contains contact information for questions, complaints and concerns;
- › **Cheque Holds:** A commitment to reduce cheque hold periods.

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
- The Universal Declaration of Human Rights
- The International Chamber of Commerce Business Charter for Sustainable Development
- OECD Guidelines for Multinational Enterprises
- The Canadian Human Rights Act
- 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 funds and governance

Mutual fund management at RBC is undertaken within RBC Global Asset Management, which is comprised of RBC Asset Management Inc. and Phillips, Hager & North Investment Management Inc. (“Phillips, Hager & North”) in Canada, and in the U.S., RBC Global Asset Management (U.S.) Inc. These companies are actively committed to fostering strong mutual fund governance. They put their clients’ interests first, through a culture of delivering value, choice and transparency.

Building on a long tradition of independent fund governance, RBC Asset Management Inc. and the Board of Governors of the 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.

As institutional investors in firms around the world, the RBC Global Asset Management companies also focus on the quality of corporate governance. RBC Asset Management Inc. and Phillips, Hager & North are active members of the Canadian Coalition for Good Governance. All three companies exercise their mutual funds’ proxies in accordance with comprehensive proxy voting guidelines and disclose their funds’ proxy voting records. Phillips, Hager & North is an active advocate for best practices in corporate governance and engages directly with companies on corporate governance issues.

RBC Asset Management Inc. and Phillips, Hager & North 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 those seeking socially responsible investments.

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	2009 Performance highlights
Provide strong returns to shareholders	<ul style="list-style-type: none"> • See our 2009 Annual Report
Pay fair share of taxes	<ul style="list-style-type: none"> • Incurred tax expense of \$2.34 billion worldwide
Create employment	<ul style="list-style-type: none"> • Provided employment to 77,673 people, with \$9 billion in employee compensation and benefits • Supported organizations that promote literacy and help unemployed or underemployed people secure jobs
Support small business and community economic development	<ul style="list-style-type: none"> • Served 632,000 small business clients in Canada, the United States and the Caribbean • Promoted homeownership with a 9% increase in average residential mortgage business in Canada; RBC is the largest provider of home equity financing in Canada
Foster innovation and entrepreneurship	<ul style="list-style-type: none"> • Dedicated more than \$700 million for emerging technology companies around the world
Purchase goods and services responsibly	<ul style="list-style-type: none"> • Purchased goods and services totalling \$5.1 billion from suppliers of all sizes worldwide

Vital statistics			
(\$ billions)	2009	2008	2007
Revenue	\$29.11	\$21.58	\$22.46
Market capitalization	\$77.69	\$62.83	\$71.52
Taxes incurred	\$2.34	\$2.08	\$2.09
Employee compensation and benefits	\$9.0	\$7.8	\$7.9
Goods and services purchased	\$5.1	\$4.7	\$4.4
Debt financing for businesses in Canada (authorized)	\$134	\$144	\$138

Issues

› **Capital constraints:** Many financial institutions are retreating from businesses in the face of capital constraints, government ownership, new regulatory hurdles or refocused strategic priorities. In contrast, our strength, stability and diversified business model, combined with our risk management and financial performance, have given us an unprecedented range of strategic opportunities. We are actively looking to invest in key business areas, as well as to explore potential acquisitions that meet our strict economic, strategic and cultural criteria.

› **Supply-chain management:** Increasingly, companies are being asked to account for and report on the environmental and social impact of the activities of their suppliers. While we aim to promote sustainable business practices and economic development within our supplier base, where possible and appropriate, we are also aware that this may add a burden of increased reporting and compliance requirements, and associated costs for small- and medium-sized suppliers.

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.

Taxes

Our tax expense of \$2.34 billion in 2009 includes income, capital, property, payroll, business, municipal, and goods and services taxes.

Employment

Most of the world's advanced economies have taken a hit to their labour forces in the form of lost jobs during the recession. In addition to providing employment to 77,673 people worldwide, RBC has a long history of supporting programs for people who are unemployed or underemployed.

Mentorship and skills development

Finding the right job takes skills, opportunities, contacts and good advice. We invest in organizations that help fight unemployment through specialized, targeted programs such as:

- › In the U.S., our Summer Diversity Internship program, established to expose visible minority students who are rising juniors at local universities to careers in banking. At the end of a two-year rotation, successful interns are considered for full-time positions;
- › The National Screen Institute's New Voices, an annual, Winnipeg, Manitoba-based program for young Aboriginal adults that connects participants with film and television professionals and provides practical, on-the-job experience;
- › The Minerva Helping Women Work program in British Columbia, a career mentoring program for women who need to return to work for financial reasons but are experiencing barriers.

At-risk groups

It can be hard for people with physical, psychological, financial or social challenges to find work at the best of times. In a difficult economy, they may face even more barriers to employment such as lack of experience. We back organizations that help break down these barriers and open the door to new opportunities through confidence-building, training and job placement support. For instance, we support:

- › Operation Springboard, a program that enables at-risk youth and adults across Canada to reach their full potential;
- › Choices for Youth, which provides outreach and engagement programs for homeless and at-risk youth in the St. John's, Newfoundland area;
- › Eva's Phoenix in Toronto, a transitional housing project and successful working model for training and employment of homeless youth;
- › The City of Toronto's Mural Transformation Project, which provides part-time employment and full-time summer employment to vulnerable youth, helping them develop skills and increase self-esteem;
- › Project Work Toronto, which provides services to intellectually disabled Toronto youth;
- › The Graffiti Art Program in Winnipeg, Manitoba, an art-based, life skills training program that provides challenged young

people with the tools necessary to overcome barriers in a safe and tolerant environment;

- › The Regina Adult Learning Centre in Saskatchewan, 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;
- › Multiworks Vocational Training Corporation in Meadowlake, Saskatchewan, which offers vocational services and life skills training to adults with disabilities;
- › Twin Cities RISE! program, which helps low-income individuals escape poverty by preparing them for living-wage jobs in the Minneapolis-St. Paul, Minnesota metropolitan area;
- › Seattle, Washington-based FareStart, which gives low-income residents an opportunity to train and be placed in long-term employment in the food industry.

Small business

RBC was founded on the initiative of eight Halifax merchants in 1864, and we have recognized the importance of small business as an economic driver ever since. We have 632,000 small business clients in Canada, the U.S. 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 financial solutions.

Leadership

Canada 

- › RBC is a market leader, serving approximately one in every four business clients in Canada.
- › We have over 600 senior account managers, business and personal, devoted to managing the needs of small business owners in Canada, as well as a dedicated team of small business advisors who are available 24/7 to provide immediate assistance to clients over the phone.
- › Across the country, we are one of the leading lenders to small businesses.

United States 

- › RBC Bank® has 438 banking centres, which have primary responsibility for managing, growing and acquiring small business clients with less than US\$1 million in annual sales and US\$250,000 in single name credit.
- › We have approximately 120 bankers who serve business clients, including 70 relationship managers dedicated to businesses with less than US\$10 million in annual sales.

Caribbean 

- › We serve approximately 9,000 small business clients in the Caribbean.

Access to credit

We are committed to helping small, commercial and corporate businesses prosper. Providing debt financing or credit is one of the ways we help businesses succeed, whether they are starting, maintaining or expanding their operations. We offer a host of credit solutions tailored to meet the needs of diverse businesses at various stages of their life cycles.

As part of our annual Public Accountability Statement, we disclose 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 73 of this report.

In the U.S., Community Reinvestment Act (CRA) reporting requirements include the annual submission of information relating to RBC Bank's assessment area, community development loans, and small business and farm lending. We report the aggregate number and dollar amount of loans for each geography in which the small business or farm loan was originated. Loans to businesses are reported by loan amounts of:

- US\$100,000 or less
- More than US\$100,000 but less than or equal to US\$250,000
- More than US\$250,000

We are also required to report on loans to businesses and farms with gross annual revenues of US\$1 million or less.

Advice and products

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. Here are some of our accomplishments in 2009:

Canada 

- › Helped save small business clients time and money by offering them a new electronic payment option for paying their employees and vendors, along with electronic delivery of remittance information;
- › Launched a bundled offering of online cash management services for small business clients who have outgrown our basic online banking offering;
- › Enhanced our online small business credit application, speeding up the credit approval process and making it simpler for clients;
- › Streamlined our branch account opening process in order to deliver better advice for clients;

United States 

- › Enhanced online functionality to enable small business clients to view both business and personal accounts online;
- › Enhanced our treasury management online and remote deposit capabilities to expand services to meet small business client needs;

- › Launched an electronic credit application process to streamline and speed up the credit approval process;
- › Launched a strategic partnership with Paychex to provide state-of-the-art payroll services to our small business clients.

Agricultural businesses

Canada 

We are Canada's largest non-government private lender to agriculture and agribusiness and serve 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 and risk managers to meet farmers' and agribusinesses' needs. We support Canadian farmers by providing:

- › **Specialized products and services:** Farms and agribusinesses are different from other businesses. That's why we offer a suite of farm financing and account options that include mortgages, term and operating loans, deposit and savings accounts, as well as other specialized services. In addition, we participate in federal and provincial programs such as the *Canadian Agricultural Loans Act (CALA)* and the Hog Industry Loan Loss Reserve Program (HILLRP) in order to offer our clients additional services.
- › **Dedicated specialists:** Farmers and agribusinesses have access to 200 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. The publication includes articles by RBC associates and clients, as well as renowned agricultural economist Dr. David Kohl, who tackles tough questions in farm finance, farm succession and management. Through the RBC Agri-Speaking Series, we bring renowned speakers to our clients. For instance, Dr. Kohl and Jolene Brown cross the country to speak to gatherings of our clients and producers about farm business management and farm succession.
- › **Community involvement.** Our commitment reaches into Canada's rural communities. For over 45 years, the 4-H Interprovincial Exchange has helped young Canadians get first-hand agricultural experience in other parts of the country. The new RBC 4-H Rural-Urban Youth Outreach Program was launched in 2009 and will foster the creation of 4-H clubs in cities, as well as facilitate a rural-urban exchange program. Many of our employees are leaders in 4-H clubs in their local communities and are involved in chapters of the

Canadian Association of Farm Advisors and the Canadian Agrimarketing Association, as well as other industry organizations.

United States

We support 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 financial institution.

Not-for-profit organizations

Not-for-profit (NFP) organizations are a significant economic force in countries throughout the world. In Canada, the value added, or gross domestic product, of the core non-profit sector amounted to \$35.6 billion* in 2007, the most recent year for which statistics are available, which accounted for 2.5% of the

total Canadian economy. This share increases to 7% when hospitals, universities and colleges are included.

Canada

- › We support the NFP sector by providing customized services, account packages and expertise, as well as other forms of support to meet the specific needs of a given NFP client.
- › More than 75 of our 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. Many of our NFP account managers volunteer in their communities.
- › We provide additional support to the NFP sector by hosting and supporting education and networking sessions, providing education materials about fraud mitigation and governance, and sponsoring organizations such as the Canadian Society of Association Executives, dedicated to managing many of Canada's most progressive associations and foundations.

Resources for business owners

Guidebooks

We provide information to business owners at all stages of their life cycle, helping them manage their business and personal financial matters. We publish guidebooks on:

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

Online tools and tips

We provide a wide range of online resources to help aspiring entrepreneurs and existing business owners find the information they need for their business. In 2009, we launched a website (rbc.com/business-advice) that provides industry-specific, practical advice and tips to small business and commercial owners. Topics on the site include managing business risk, succession planning, employee loyalty, financing, managing cash flow, global business and practice financial management. Advice is available through multiple media, including videos featuring industry experts, whitepapers, guides, articles and webinars.

In the United States, we launched the Small Business Resource Center, which offers a broad range of free services, advice and tools for small business owners.

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 or transition planning is a growing concern for business owners. In 2009, we made significant progress on our strategy to help more business owners with succession planning from a business and wealth management perspective. Several of our business segments collaborated to bring a broad range of succession planning expertise to business owners across Canada. For instance, we trained a significant number of client-facing advisors in Business Financial Services and Wealth Management to help them identify business owners with succession planning needs and to provide solutions. We also invested in resources such as a white paper and comprehensive guidebooks to ensure that our advisors can meet the complex needs of business owners in transition. During the year, we expanded our seminars and events series, which we delivered in nine locations across Canada to business owners, farmers and agribusinesses. These events provided participants with valuable information, including access to experts in a variety of areas and resources to draw on as they plan their transition.

CICA/RBC Business Monitor

We 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 responses from leading chartered accountants, with the overall goal of obtaining a barometer of economic activity.

Seminars

In the U.S., our retail branches and commercial teams host local market seminars, providing advice from local leaders such as accountants and attorneys. These educational events facilitate networking between business owners.

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

Economic development

Banks play an important role in the economy. By efficiently channelling funds to productive uses, they can help create and grow wealth. In addition to supporting small business, we engage in a number of business and philanthropic activities that help stimulate and grow the economy in our communities including:

- Mortgages, investments and other services that promote responsible home ownership
- Direct and indirect investments in community development projects
- Funding, advisory services and support for economic partnerships
- Specialized programs that help newcomers and Aboriginal communities prosper
- Research and sharing of knowledge
- Initiatives that promote basic and economic literacy
- Investments in innovation and entrepreneurship

Responsible lending and home ownership

Responsible home ownership can have a positive economic impact. We provide home equity or mortgage financing products as part of our retail business offering in Canada, the U.S. and the Caribbean, and we consistently take a responsible approach to mortgage financing. We also help fund or provide advice for affordable housing development projects around the world.

Canada

We are the largest provider of home equity financing in Canada, with average residential mortgages increasing 9% in 2009, supported by historically low interest rates and an improved housing market. We offer mortgage products that help first-time buyers achieve home ownership such as:

- › Our Equity Program for New Immigrants, which helps eligible new immigrants who may not meet traditional criteria obtain mortgage financing by demonstrating their ability to service the loan through other resources;
- › Participation in the Ontario Affordable Housing Program and the Partnership Enhancement Flexibilities Program of the Canadian Mortgage and Housing Corporation in Alberta;
- › The Leasehold Mortgage Program, launched in 2009, that provides First Nations members with greater flexibility and choice when it comes to financing the purchase or construction of a home. It also helps create marketable housing in reserve communities.

Helping others

RBC facilitates home ownership by supporting not-for-profit organizations that are dedicated to the cause such as:

- **Habitat for Humanity:** Once again in 2009, RBC supported this organization across North America with employee volunteers and corporate donations, helping to build 57 homes. We are the founding partner of Habitat for Humanity's Sustainable Building Program, which aims to increase the number of energy-efficient homes constructed.
- **Homegrown Homes:** Operated through the City of Peterborough, Ontario and founded by community stakeholders, this organization is dedicated to providing affordable homes for low-income residents by renovating and/or relocating existing houses and buildings and renting them out at affordable rates.
- **YWCA Calgary:** Provides safe and affordable housing for women and children in crisis or transition.

United States

Challenging economic and housing market conditions continued in the U.S. in 2009. RBC Bank participated in a number of initiatives to help promote responsible home ownership among a variety of groups including renters and historically underserved clients. For instance, in 2009:

- › The RBC Tax Credit Equity Group invested US\$74 million in 10 affordable housing developments nationwide. All of these developments featured green attributes and two will be LEED certified;
- › We allocated US\$200 million in mortgage loans for current renters and historically underserved clients in the markets where we operate. Our homeownership initiative is a community-based partnership designed to bring together non-profit organizations, community leaders and housing professionals to increase homeownership throughout the southeastern U.S. We are confident that the market is ripe for first-time homebuyers, so we have engaged in this homeownership initiative, which includes pre-qualification workshops designed to help clients prepare to purchase a home;
- › We 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 grants for US\$68.8 million in total project costs to generate 693 units of affordable housing in three states;
- › We partnered with the Federal Home Loan Bank and Housing for New Hope of Durham, North Carolina to construct The

Williams Square Apartments development, 24 units of affordable housing for chronically homeless people;

- › In New York City, we syndicated tax credits on Melrose Commons, 63 units of very affordable housing that are partially wind-powered;
- › RBC Bank introduced nine Community Development Mortgage Originators, tasked with providing homeownership education, as well as mortgage financing for low-income and first-time homebuyers.

United Kingdom 

In the U.K., our infrastructure finance team of over 50 professionals is a market leader in added-value advisory services and funding to U.K. and other European infrastructure projects. In 2009, we completed four social housing capital markets transactions, raising over £896 million.

Community development projects

Some investments generate financial as well as social or environmental returns. We help foster economic growth in low- and moderate-income communities by engaging in business activities with a social purpose. We help communities access public and private financing sources for economic development and we also provide direct financing.

- › In the U.S., we participated in a number of loan consortia in North Carolina, South Carolina, Florida and Alabama in 2009 to provide financing for community development projects that benefit low- and moderate-income citizens. We participated in 13 such projects during the year, and our portion of the loans was US\$653,000.
- › We participated 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, North Carolina. We made available US\$700,000 of a total US\$20 million loan pool servicing Birmingham, Alabama.

We also support not-for-profit organizations that promote economic development and growth in Canadian communities such as:

- Frontiers Foundation, an Aboriginal voluntary service organization that promotes the advancement of economically and socially disadvantaged communities;
- The Foundation for Rural Living, an intermediary between rural communities and local charities to help foster community economic development and build a sustainable capacity for growth in rural areas of Ontario.

Public/private partnerships

Financial services companies have a hand in helping build towns and cities when we provide financing or advice for major infrastructure projects such as hospitals, schools, roads, bridges, power plants and transit systems. That's where partnerships between government, business and civil society organizations can come in. We provide advice and financial services to public/private partnerships (PPP) through our offices in London, Toronto, Sydney, New York, Paris and Madrid. Here are some examples from 2009:

- › In the U.S., we are serving as financial advisor to the Georgia Department of Transportation's PPP program as they procure transportation projects that address regional capacity constraints and congestion issues. We are advising a private sector concessionaire as it bids to develop additional commuter rail lines in the Denver, Colorado metro area and the Port of Oakland, California for their Outer Terminal PPP concession. We have also supported various infrastructure acquisitions and transactions for utilities, municipal car parking and energy pipelines.
- › In Europe, we are active in advising on and funding Fife Hospital and Southwark Schools, and we have an ongoing mandate for a large Swedish PPP transaction. We also support the secondary market for PPP equity (acting for both the buy and sell sides). In addition, we have supported a number of infrastructure acquisitions and processes, including Freightliner, the sale of the Greater Gabbard offshore wind project, and we are assisting Ofgem on the first transitional tender process for Offshore Transmission, covering nine offshore wind projects.

Other partnerships for economic development

Canada 

- › In 2009, we agreed to sponsor the Conference Board of Canada's new Centre for the North, which will help government, business, community and Aboriginal leaders achieve a shared vision of sustainable prosperity in the North and define the actions required to realize that vision.
- › The Toronto Region Research Alliance serves as a neutral convenor to build consensus and align the region's institutions, leaders and resources to address shared priorities. It is also a unified and sustained advocacy voice for the Toronto region on these priorities and related research and development issues.
- › The RBC Multicultural Festival is a program of the Multicultural Association of Nova Scotia that creates opportunities to develop new and strengthen existing relationships among ethnocultural groups and other organizations engaged in cultural activities.

United States

- › The Robin Hood Foundation partners with more than 140 of the best poverty-fighting non-profit organizations in New York City.
- › The Carolinas Gateway Partnership is a unique regional economic development group for the Rocky Mount, North Carolina metropolitan area. The PPP helped transition the area from textile and tobacco processing jobs to food processing, pharmaceuticals, transportation and distribution.
- › Rocky Mount/Edgecombe Community Development Corporation in Rocky Mount, North Carolina fosters community economic development, individual asset development and prosperity.

Caribbean

- › In Trinidad & Tobago, we partnered with the Business Development Company Limited to recognize innovation, export development, market penetration and diversification in the local manufacturing sector through the Prime Minister's Exporter of the Year Awards.
- › We entered into a US\$1 million partnership with the College of The Bahamas for the building of a business training school and to provide free training programs to small business entrepreneurs.
- › In Jamaica, we partnered with the Women's Resource and Outreach Centre to announce the findings of a project that examined the involvement of women in corporate governance in Jamaica.
- › We partnered with the Jamaica Stock Exchange for their annual conference, which brought together Jamaica's largest players in the financial sector.

Newcomers

We believe 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 new immigrants succeed, and we support programs and organizations that promote the interests of immigrants including:

- › Career Bridge, an innovative, paid internship program that helps immigrants who are internationally qualified professionals find work in their professional fields. Since 2003, approximately 350 employers have provided meaningful work experiences to over 1,000 Career Bridge interns including 108 internships at RBC;
- › Top 25 Canadian Immigrants of 2009, a national people's choice award that lets Canadians vote directly for outstanding Canadian immigrants who have made a difference since their arrival in Canada. This first-ever awards program of its

kind was jointly sponsored by RBC and Canadian Immigrant Magazine;

- › The Toronto Region Immigrant Employment Council (TRIEC), a multi-stakeholder council working to improve access to employment for immigrants so they are better able to use their skills, education and experience. In partnership with TRIEC, RBC continues to be a key sponsor of the annual Immigrant Success Awards, recognizing Toronto region employers and individuals that recruit, retain and promote skilled immigrants in the workplace;
- › 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;
- › 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.

For information on specialized products and services for newcomers to Canada, see page 32.



For a summary of all our diversity initiatives, see page 68.

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 people*, businesses and governments based on understanding, trust and respect. We encourage dialogue between businesses, governments and individuals to identify and resolve relevant economic issues.

In response to a corporate challenge from the Assembly of First Nations, RBC signed a Memorandum of Understanding in 2007 and provided a two-year action plan that outlined commitments to various initiatives. These initiatives were designed to support community and social development and create economic opportunities for First Nations communities across Canada. We committed to increase partnerships with First Nations governments and businesses, 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.

* Aboriginal people in Canada comprise the First Nations, Inuit and Métis. There are currently over 600 recognized First Nations governments or bands encompassing 1,172,790 people spread across Canada.

In 2009, Phil Fontaine, former National Chief of the Assembly of First Nations, was appointed Special Advisor to RBC to provide advice and counsel that will help us deepen our relationships with Aboriginal governments, communities and businesses in Canada.

Some of the programs we support that promote Aboriginal economic development include:

- › The Aboriginal Human Resource Council, formed in 1998 as a national public/private, not-for-profit organization to advance the full participation of Aboriginal people in Canada's labour market;
- › Council for the Advancement of Native Development Officers (CANDO), a national, Aboriginal-controlled, community-based organization, directed by a volunteer board of elected economic development officers, trained to help build economic capacity in their communities and organizations;
- › Canadian Aboriginal and Minority Supplier Council (CAMSC), which aims to boost employment and economic development efforts. The council delivers programs to facilitate procurement opportunities between major corporations in Canada and suppliers of all sizes owned and operated by Canadian Aboriginal people and minorities;
- › The Aboriginal Financial Officers Association of Canada (AFOA), which is the centre for excellence and innovation in Aboriginal finance and management. AFOA focuses on the capacity development and day-to-day needs of Aboriginal professionals who are working in finance and management — today's leaders and those of the future.



For a summary of all our Aboriginal initiatives, see page 65.

Research and sharing of knowledge

Financial institutions have a duty to contribute to the public policy discussion of economic and social issues when they have relevant knowledge and experience. Our involvement in 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.

We maintain 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. We are 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.

 rbc.com/economics

Basic literacy

Countless studies have shown the importance of basic functional literacy to economic well-being. That's why we provide financial support to initiatives like:

- › Frontier College, which helps communities across Canada increase literacy with the help of more than 2,500 volunteers and 250 community partners;
- › The Immigrant Learning Center, a Massachusetts-based adult education centre that provides free English classes to immigrant and refugee adults to give them sufficient knowledge to lead productive lives in the United States;
- › The Literacy Foundation, dedicated to improving Quebec's literacy rate through assistance and referral programs for children and adults;
- › A fund to build libraries in the earthquake-devastated zone of Sichuan, China.

Financial literacy

In 1924, we developed our first budget book, the first of many money management tools created to help clients organize their finances. In the years since, RBC has continued to promote financial literacy – an understanding about credit, debt and savings – to clients, prospective clients and the public at large.

In 2009, we introduced the online RBC Advice Centre to promote financial literacy by providing financial advice and tools. We also supported a host of financial literacy initiatives around the world.

Canada 

- › YourMoney, a seminar developed by the Canadian Bankers Association in partnership with the Financial Consumer Agency of Canada, is delivered in classrooms across Canada by our employees. In 2008-2009, 59 employees volunteered to deliver 137 seminars across Canada, helping 4,117 high school students understand topics such as how to handle credit or start a business.
- › Junior Achievement's Economics of Staying in School program includes seminars and educational materials on career planning and financial awareness. Approximately 460 employee volunteers delivered this program across Canada, reaching 9,700 students in 2009.

- › The Canadian Foundation for Economic Education program is a basic economic and financial literacy program with complementary resources that are suited to the learning needs of the average Canadian.
- › The Canadian Centre for Financial Literacy, which was created by Social and Enterprise Development Innovations, is known for its work to improve the social and financial circumstances of low-income Canadians. The centre partners with businesses, governments and communities to achieve its goal of increasing the financial literacy of over 230,000 lower-income Canadians by 2013.
- › In Calgary, Momentum Community Economic Development Society's Money Management program delivers workshops to low-income people with a goal of helping individuals take control of their personal finances and develop money management knowledge and skills.

United States

- › We sponsored How To Do Your Banking, a financial education series for high school students, which reached 2,160 students through 12 schools in the 2008-2009 school year.
- › We developed and funded Savvy Cents, a financial literacy education program that helps participants of all ages and financial knowledge levels set financial goals, budget and build wealth.

Caribbean

- › We conducted a series of public economic symposia in the Bahamas and Barbados that relate to the economic crisis.
- › In partnership with the Jamaica Bankers Association, employees took part in a week of activities to educate high school students on the importance of saving and investing.

Innovation and entrepreneurship

Innovation is widely recognized as a key ingredient of productivity and economic prosperity. We take a leadership role in promoting innovation and the commercialization of research. 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 more than \$700 million dedicated to investment in emerging technology companies around the world.

We also support projects and organizations that promote learning, innovation and entrepreneurship such as these in 2009:

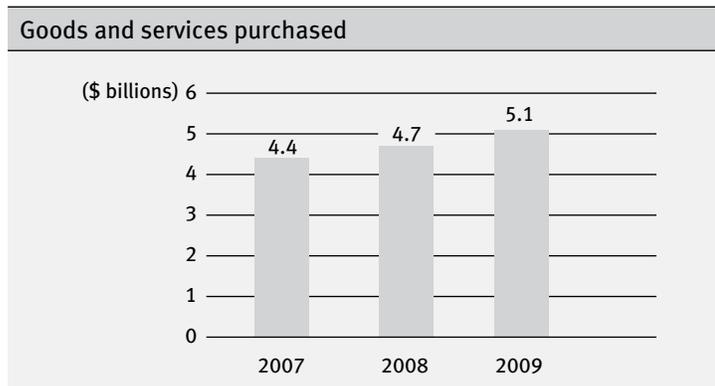
- › The RBC Next Great Innovator Challenge® is an annual contest to encourage college and university students from across Canada to think of innovative ideas about how financial services are delivered. Since 2006, the challenge has empowered the next generation of business leaders to make their mark. Some ideas have gone all the way to the top, such as the RBC Better Student Life, or have been tested and refined in our Applied Innovation lab.

 nextgreatinnovator.com

- › CleanTech North helps early-stage cleantech companies realize their potential. It was launched and sponsored in 2009 by a consortium of industry subject matter experts that includes RBC, and will help accelerate the trajectory of promising cleantech companies to global markets.
- › The Canadian Institute for Advanced Research (CIFAR) 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 RBC Ask a Business Consultant program, offered by Youth Employment Services, enables participants to learn to launch and stabilize a small business.
- › Evergreen supports the development and operation of an urban greening entrepreneurship program for youth seeking to be business leaders.
- › Business is Jammin is an Atlantic Canada initiative that focuses on providing business skills and entrepreneurship learning to black youth.
- › The Council for Entrepreneurial Development promotes high-growth, high-impact entrepreneurial companies in North Carolina's Research Triangle region.
- › We donated a former branch building to the Montezuma Downtown Development Authority in Georgia. Valued at US\$414,000, the building will be transformed into an entrepreneurial business incubator.

Purchasing

In 2009, we spent \$5.1 billion on goods and services from international, national, regional and local suppliers of all sizes.



Practices and highlights

We promote fair purchasing practices and strive to support, wherever possible, the communities in which we operate. We do 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 developed a new responsible procurement policy and guidelines, which will increase the due diligence regarding social and environmental factors in our procurement activities.

Approach

Our Procurement group is responsible for sourcing products and services. Our procurement policies are inclusive and aim to promote sustainable business practices and economic development where possible and appropriate. We consider 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 on an ongoing basis.

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

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	2009 Performance highlights
Provide access to basic banking	<ul style="list-style-type: none"> Expanded our offering for newcomers to Canada with a comprehensive Welcome to Canada banking package Opened 25 new bank branches and added 14 new retail insurance locations in Canada
Develop and provide products responsibly	<ul style="list-style-type: none"> Expanded socially responsible investment options by introducing a new version of the Phillips, Hager & North Community Values Funds Revised our lending policy to avoid providing implicit or indirect financing for transactions involving the manufacture or trading of equipment or materiel for nuclear, chemical or biological warfare, landmines or cluster bombs
Protect, educate and listen to consumers	<ul style="list-style-type: none"> Developed company-wide employee training on privacy and information security Shortened processing times for debit card transactions in the United States

Vital statistics			
	2009	2008	2007
Countries we operate in	55	50	38
Clients (millions; approximate)	18	17	15
Bank branches (Canada)	1,197	1,174	1,146
Insurance branches (Canada)	49	35	21
ATMs (Canada)	4,214	4,149	3,946
Bank branches (United States)	438	439	350
ATMs (United States)	486	503	395
Bank branches (Caribbean)	125	127	45
ATMs (Caribbean)	330	312	78
Bank branches (China)	1	1	1

Issues

- Financial crisis and access to credit:** The financial crisis and resulting economic downturn posed difficult conditions for our clients in 2009, but our employees worked diligently to help them by extending credit and providing advice and service that leveraged our global capabilities and expertise as well as our competitive and financial strengths.
- Responsible lending:** Financial services companies can be accused of "loose" lending in good times, and "tight" lending in bad times. We believe that our strong risk management culture and balanced approach help us ensure that our clients only take on debt that they can repay, which is in the client's best interest as well as the interests of our shareholders.

- Direct versus indirect impact:** Some interest groups think that financial services companies bear a level of responsibility for the environmental and social impacts of our clients' businesses, and that banks should adjust or curtail their lending activities based on their assessments of their clients. It can be a challenge to determine the line that separates a company's direct and indirect impact. We believe our role is to take a balanced view on behalf of all our stakeholders without being buffeted by short-term trends or pressures from single-issue interest groups.
- Information security:** The dramatic rise in clients' use of online, telephone and ATM banking over the past few years is associated with increased potential of fraud and security breaches that are outside our control. We try to mitigate that potential risk with stringent practices, education and online guarantees that protect our customers.

Access to banking and insurance

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 the United States, RBC Bank upgraded the process for approving new retail checking account applications in 2009.

Branch, ATM and online banking network

RBC is a leader in introducing convenient alternatives for people to access their money and review their finances anywhere, anytime. We continue to expand and improve our branch network including online and telephone banking, and full-service banking machines.

Canada 

Online banking client enrolments* (millions)	
2009	5.5
2008	4.8
2007	4.2

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

Online banking active users* (percentage of RBC customers)	
2009	25%
2008	23%
2007	21%
2006	19%

* RBC customers who are actively using online banking solutions (measured by transactions).

In Canada, we opened 25 new bank branches in 2009 and expect to open as many as 20 more in 2010. 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 2009. 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 advisors, investment and retirement planners, and specialized sales forces for business and commercial clients. Our clients can bank, open accounts, obtain quotes and purchase insurance online or by phone, or use our ATMs anytime they want.

Bank branch closures and openings

RBC has programs for assessing the impact of any decisions to add or remove bank 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 or 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 banking centres and ATMs serving the southeastern U.S. We opened one new banking centre in 2009. We offer telephone and online banking, and our customers can use their debit cards 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 option of remote deposit capture, which allows them to transmit scanned cheques to us for posting and clearing. Busy clients with wireless global positioning satellite devices can now easily locate an RBC branch or ATM anywhere in continental North America. U.S. consumers can also get online quotes for our term life or travel insurance.

Caribbean 

Following our acquisition of RBTT, we consolidated three sub-branches in the Bahamas in 2009. We have 330 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 bank in Trinidad & Tobago that offers U.S. currency ATMs. In several Caribbean countries, RBC and RBTT clients can bank via telephone or online.

Diverse groups

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



For a summary of all our diversity initiatives, see page 68.

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;
- › A rebate on banking or free banking for almost half of our Canadian customers;
- › A remote banking program that meets the needs of Aboriginal clients who cannot travel easily to urban areas where branches are located;
- › Affordable mortgage options and first-time buyer workshops in the U.S.;
- › Branches that service low- and moderate-income communities in the United States. In 2009, 16% of RBC Bank branches were in such communities, and we opened a new branch serving the predominantly minority and underserved south side of Rocky Mount, North Carolina.

People with disabilities

For clients with disabilities, our 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 as outlined below.

Branches

› We're committed to applying barrier-free design standards wherever we operate. Approximately 90% of our 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 branch we open must be wheelchair accessible, and, wherever possible, we exceed legal requirements for access. All of our U.S. banking and administrative facilities built or renovated since 1990 have met or exceeded *Americans with Disabilities Act* (ADA) requirements.

ATMs

› We 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 1,000 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 2009, clients had access to 1,201 talking RBC bank machines across Canada. Clients can easily find a talking ATM using the search tool at rbc.com/accessibility.

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. In 2009, we introduced new, unified, online standards for our public sites (rbc.com, rbcroyalbank.com, rbcinsurance.com) to make them more accessible and easier to use. As more of our sites move to the new standards, they will become fully accessible, and will offer visitors the option of resizing fonts to improve legibility.

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.

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 clients in Canada receive Braille statements.

 rbc.com/accessibility

Seniors

We are 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 in Canada. 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., RBC Bank offers a new, no-fee checking account for seniors that pays interest on balances over \$1,000 and provides free basic checks.

Students and youth

RBC offers a variety of banking and credit products tailored to meet young people's needs. For students, we offer a free student bank account, including 25 debit transactions monthly, and for clients under 19 in Canada, a free RBC Leo's Young Savers Account including 15 debit transactions monthly. We also provide educational materials and access to tools to promote financial awareness among youth and their parents. In 2009, we launched the betterstudentlife.ca site, providing students with the tools and resources to assist with money management.

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

Newcomers to Canada

We want to be the financial institution of choice for newcomers to Canada and to serve the needs of the communities and cultures they represent. Furthermore, we value and recognize the important contributions that newcomers to Canada have made to our social and economic prosperity. We are committed to making it easier for newcomers to succeed.

Over the past several years, we have conducted research and sought feedback from within our organization and from individuals in China and India. Our goal is to find ways to eliminate barriers and obstacles for newcomers as they move, get settled and put down roots in Canada. This ongoing research

enables us to reach out to multicultural communities, tailor our products and services to meet their needs and strengthen our relationships with multicultural clients.

In 2009, we:

- › Expanded our Welcome to Canada website to provide additional resources and advice to newcomers on how to start a business;
- › Launched an online, international remittance capability. The service enables personal online banking clients to send up to \$1,000 overseas daily for a wide range of purposes such as ongoing family support, weddings, funerals, baptisms, cultural celebrations, emergencies and vacation plans. Our established relationships with international correspondent banks means funds can be transferred quickly and securely to almost any country in the world;
- › Extended language capabilities to client contact points beyond telephone service. Personal and business clients can now interact with us in over 170 different languages at major personal and business contact centres.

People who speak different languages

As a group, our employees speak more than 100 languages and consumers can use our online branch and ATM locator to search our network by location, hours and language preference.

Canada 

- › Combined, our call centre employees speak 60 languages.
- › We have a dedicated telephone number for Mandarin- and Cantonese-speaking clients (1-888-769-2598).
- › RBC offers telephone service in more than 150 languages at 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.

United States 

- › In the U.S., RBC Bank has about 450 employees who are bilingual. Of these, approximately 200 speak Spanish fluently. All of our banking machines are bilingual, offering service in English and Spanish.
- › RBC Bank offers a telephone language interpretation service to assist clients who cannot speak English.

Caribbean 

- › 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 introduced a remote banking program to serve the banking needs of Aboriginal people who cannot travel easily to urban areas where branches are located.

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 community members. 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.

To further support access to capital in the Aboriginal market, we entered into agreements with the following Aboriginal Capital corporations:

- National Aboriginal Capital Corporation Association
- Taleawtxw Aboriginal Capital Corporation in British Columbia
- Miziwe Biik Development Corporation
- Waubetek Business Development Corporation
- Société de crédit commercial autochtone/Native Commercial Credit Corporation.

In 2009, we provided capital for projects in Aboriginal communities that included administration offices, a community meeting place, a commercial kitchen for community meals, a marina, tree farm licences, a bingo hall, a regional government ministries office, a hotel, a housing program, two community centres, two office buildings, a museum and an amphitheatre.



For a summary of all our Aboriginal initiatives, see page 65.

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. 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.

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.

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 for a financial services company, mortgages and loans, bank accounts, insurance offerings and credit cards are all considered products for which we must take responsibility. That’s why we ensure that all the products and services we develop align with our vision and values and are guided by our comprehensive Code of Conduct.

Development of products and services

We have 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 a host of 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.

 rbc.com/voluntary-codes-public-commitments

Responsible investing

As investors continue to express an interest in socially responsible investing (SRI), we have reinforced our commitment to offering products that incorporate

environmental, social and governance (ESG) criteria in the investment process.

- › RBC Global Asset Management helps financial advisors meet the needs of clients who want to invest in a responsible manner by offering SRI mutual funds and segregated accounts.
- › RBC Asset Management Inc. offers the RBC Jantzi Funds, which use ESG investment screens provided by Jantzi-Sustainalytics (formerly Jantzi Research Inc.).
- › Phillips, Hager & North offers the Phillips, Hager & North Community Values Funds, which invest in companies that conduct themselves in a socially responsible manner. In 2009, Phillips, Hager & North broadened the SRI options available to financial advisors with the introduction of a Series C version of the Community Values Funds.
- › Managed by Minneapolis-based RBC Global Asset Management (U.S.) Inc., the Access Capital Community Investment Fund invests in debt securities that support community development across the United States.
- › In addition, RBC clients have access to all the SRI funds in the Canadian marketplace through our network of advisors.

Responsible lending

We provide 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. 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 49.

There are certain types of clients and transactions that RBC avoids in all cases. These include, but are not necessarily limited to, those involving:

- › The direct financing of companies manufacturing or trading in equipment or materiel for nuclear, chemical or biological warfare, landmines or cluster bombs;
- › Financing of internet gambling businesses;
- › Granting of credit to entities subject to economic sanctions or those on our “no credit” lists;
- › Credit transactions where the objective appears to engage directly or indirectly in illegal activity, or to mislead regarding financial statements or regulatory reporting;
- › Credit transactions involving undocumented agreements, disbursements or funds transfer;

- ▶ Granting of credit to a business or individual engaged in activities inconsistent with generally accepted standards of ethical behaviour in the community;
- ▶ Situations where it is clear that RBC would be providing implicit or indirect financing support for transactions involving any of the above activities.

RBC has a number of anti-corruption controls that 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 terrorist financing.

For more information on our policies in this area, see pages 15 to 16 of this report. For a full overview of our risk management policies and protocols, see our 2009 Annual Report.

Green products and services

One of our priorities is to provide products and services that help our clients reduce their environmental impact. This includes electronic statements and online banking and bill payments. In 2009, we continued to offer incentives for clients to switch to electronic statements, purchase energy-efficient products for their homes, buy a hybrid vehicle and switch to green power. We offer clients socially responsible investment products, where environmental and social screening has been applied to the investment decision-making process. We also trade greenhouse gas emission credits and provide financing and advisory services to the clean energy sector.

For more, see pages 49 to 50.

Consumer protection

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, and by providing timely and relevant information.

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 2009, we continued to build upon our robust framework for managing privacy, information security and records management by focusing on areas such as client and employee awareness. Reflecting the importance of

these areas, our redesign of rbc.com now contains a combined privacy and security site, making it easy for consumers to find important information on current issues that may impact them concerning privacy, information security and fraud prevention. We enhanced employee education by developing an enterprise-wide training course, providing practical guidance on everyday situations involving privacy and information security decisions.

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 introducing simpler processes with positive results — evidenced by a significant decrease in the turnaround time for fraud claims, which results 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 2009, we continued to use the recognized Risknet fraud monitoring tool 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 the 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.

Knowing our clients

Know Your Client rules are key to the protection of all our clients, as well as the world’s financial systems and our reputation. Our employees are required to undergo all the necessary training and 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, policies, procedures and solutions also cover compliance with applicable securities, consumer protection, anti-money laundering, anti-terrorism and economic sanctions legislation.

For more, see pages 15 to 17.

Client satisfaction

RBC strives to improve client loyalty by satisfying the banking, investment and insurance needs of our clients. We organize our company around client segments, and strive to make it easy for employees to serve clients, as well as for clients to do business with us.

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 we compare to our key competitors.

Clients surveyed (in thousands)			
	2009	2008	2007
Canada	492	492	492
U.S.	-	-	135
Caribbean	8	17	-

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 2009.

Canada

- › We redesigned parts of our public website, making it easier for visitors to find the information and tools they need. The new design earned the top spot in Forrester's 2009 Canadian bank public website rankings.
- › We enhanced our online banking by adding a single-fee, multi-bill payment option and joint applications for personal deposit accounts.
- › We expanded our offering for newcomers to Canada with a comprehensive Welcome to Canada banking package that includes an advice guidebook entitled Understanding Banking in Canada. The guidebook focuses on the most important financial decisions that newcomers have told us they need to make when they move to Canada.
- › We introduced the Savings Spot, featuring tools, tips and calculators to help Canadians start saving and achieving their financial goals.
- › We launched a Couples and Families site, providing advice, tools and resources to assist young couples and families in achieving their financial goals.
- › We reduced response time and paperwork for simple travel insurance claims from an average of 14 days to one day.

- › We provided travel insurance advice related to H1N1 for Canadian travellers.

United States

- › We enhanced our online banking offering so clients can gain full access to their banking using two different self-service options.
- › We shortened processing times for signature-based debit card transactions, giving clients a more real-time view of their balance.
- › We upgraded our system so that clients receive immediate credit in their available balance for the cash portion of their deposits.

Caribbean

- › We implemented a Client Experience Program, an operational framework designed to better attract, serve and retain customers, with a special focus on using feedback to provide improved products and services.

Client complaint process

Our formal process for handling client concerns is outlined in the Make a Complaint section of our website. Our focus is on enabling employees to resolve client concerns at first point of contact, as this leads to improved customer satisfaction and loyalty.

In our Canadian banking business, 90% of reported complaints are effectively resolved at first point of contact. If clients have an issue that's unresolved following receipt of a response from the 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.

Workplace

Our strong culture of employee engagement is essential to achieving our vision of “always earning the right to be our clients’ first choice.” We are connected by shared values in an environment that enables us to focus on doing what’s best for our clients, where we share our knowledge and experiences while pursuing rewarding and challenging work with talented and supportive colleagues. We value diversity, which helps us create solutions that break new ground and contribute to an inclusive workplace. We provide learning and development opportunities, benefits that have the flexibility to meet employees’ needs, fair and competitive compensation, and support for work/life effectiveness.

Priorities	2009 Performance highlights
Maintain progressive workplace programs and practices	<ul style="list-style-type: none"> Enhanced our program that allows employees to purchase additional vacation time by increasing the maximum time they can purchase to 20 days
Respect diversity and promote inclusion	<ul style="list-style-type: none"> Created the RBC Diversity Blueprint™ to set out our global diversity strategy, priorities and objectives for 2009 to 2011 Were recognized as one of Canada’s Best Diversity Employers and one of the Top Employers for Canadians Over 50 Were recognized as one of Human Rights Campaign’s Best Places to Work for our U.S. Wealth Management operations
Provide competitive compensation and total rewards, and enable growth through training and development opportunities	<ul style="list-style-type: none"> Invested \$125 million in formal training and career development initiatives, including direct and indirect expenditures (not including on-the-job and web-based training) Sponsored employee savings and share ownership programs through which the majority of employees are RBC shareholders Introduced a new employee discount program for employees in Canada, with savings offered on merchandise, travel and services
Foster a culture of employee engagement	<ul style="list-style-type: none"> Sustained high employee engagement as indicated in our 2009 global employee opinion survey Were named one of Canada’s Top 100 Employers Were named to Canada’s 10 Most Admired Corporate Cultures Hall of Fame Were named one of the Best Workplaces in Canada

Vital statistics			
	2009	2008	2007
Employees	77,673	80,100	71,760
Employees in full-time equivalent (FTE) positions	71,186	73,323	64,815
Employees (Canada)*	54,725	56,112	54,960
Employees (United States)	13,093	14,082	12,181
Employees (Caribbean and other international regions)	9,855	9,906	4,619
Amount invested in formal training** (including direct and indirect expenditures) (\$ millions)	\$125	\$149	\$166

* Active employees

** This does not include on-the-job and web-based training.

Issues

› **Pension plans:** The long-term nature of pension plans poses several risks to organizations such as asset return, inflation and longevity risks. At RBC, we are committed to sponsoring well managed and well funded pension plans. To achieve this, we have set in place a strong governance framework, which includes rigorous and regular monitoring of the pension plans’ assets and liabilities, planning a well diversified and appropriate portfolio of assets, offering meaningful investment options to plan members, and open and transparent communication to members to allow them to make good choices. Our financial strength, combined with a strong pension governance framework, will allow us to continue to provide financially sustainable pension plans to employees.

- › **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, extending the working life of retirement-eligible employees and sustaining inclusive work environments that support an increasingly diverse workforce.
- › **Economic downturn:** The global economy remains challenging, and while we have been strong relative to our peers throughout this downturn, we have a contribution to make in helping prevent similar events and to create confidence for the future. RBC continues to evolve and enhance workplace programs and practices that align with emerging industry practices and regulations to help ensure the safety and security of the banking industry.

Principles and policies

Every employee at RBC is guided by our vision, “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 Human Resources Committee and the Conduct Review and Risk 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 our employees.

Supplementary policies

Supplementary policies cover a number of additional workplace issues such as employment equity, hours of work, compensation and a respectful workplace.

Diversity/Employment Equity

Our Code of Conduct sets out our commitment to promoting equal opportunity in all our dealings with employees, clients, suppliers and others. All RBC companies abide by the non-discrimination or human rights legislation in the various jurisdictions where we operate. Where laws do not prohibit discrimination, or where they allow for differential treatment, we are still committed to non-discrimination principles and will not operate in a way that reinforces stereotypes or establishes barriers.

To provide equal opportunity, our federally regulated Canadian businesses develop Employment Equity (EE) plans while our U.S.-based businesses are regulated by affirmative action and Equal Employment Opportunity (EEO) legislation. Contained within our EE plans are programs, activities and goals to help us achieve more equitable workforces representative of the communities in which we work and live.

We maintain a formal diversity management structure, created in 2004, with responsibilities assigned within each of our businesses.

Hours of work

Our businesses have policies relating to hours of work that enable employees to provide high-quality client service, with time to pursue their other life responsibilities and interests. In addition, our Work/Life programs provide options for modified work weeks and outline processes for putting flexible work arrangements in place.

Compensation/policy on wages

Our compensation philosophy is based on a partnership model that rewards employees for performance, providing competitive compensation and benefit programs that attract and retain talented people, whose contribution helps us achieve our business objectives.

To remain competitive, we regularly review our wide range of compensation and benefit programs, ensuring our programs are competitive within each business or functional unit and competitive within each business's specific external market.

Our "Total Rewards" package includes:

- Base salary
- Performance-based incentive pay
- Employee savings and share ownership plans
- Benefit programs
- Pension programs
- Learning and career opportunities
- Workplace flexibility
- Employee wellness
- Volunteer grants program
- Educational scholarship program
- Employee discount program
- Employee assistance program

Respectful workplace

Our Code of Conduct sets out our commitment to maintaining workplaces characterized by professionalism and respect for the dignity of every individual with whom employees interact. We expect each employee to respect the diversity of other employees, clients and others with whom they interact, respecting differences such as gender, race, colour, age, disability, sexual orientation, ethnic origin and religion. We do not tolerate harassment, other disrespectful and inappropriate behaviour and retaliation as employees have every right to work in an environment that is free from such conduct.

RBC has policies designed to prevent harassment, other disrespectful and inappropriate behaviour and retaliation, and will take every reasonable measure to ensure a respectful workplace. Likewise, we expect that all employees take personal responsibility for their interactions, communications and behaviour to maintain a respectful workplace.

Any complaints of harassment, other disrespectful and inappropriate behaviour and retaliation are promptly, thoroughly and impartially investigated.

Other issues

While we do not have formal policies on every issue, we do have points of view on the following:

Freedom of association

- › We operate in 55 countries. The majority of our workforce is employed in North America, where unionization is not the prevalent system for managing employee relations in the financial services industry.
- › Where employees are represented by unions, our approach to labour relations is to proactively engage in dialogue with those unions on matters that may affect the employees they represent. We continually strive to create an environment where individuals do not feel they need to be represented by a third party, while respecting each employee's right to choose.

Human rights

- › Our businesses abide by the non-discrimination or human rights legislation, such as the Canadian Human Rights Act, in the various jurisdictions where we operate. These laws usually prohibit discrimination on various grounds, with some examples being race, colour, religion/creed, age, gender, marital status, sexual orientation and disability.
- › Where laws do not prohibit discrimination, or where they allow for differential treatment, our businesses are still committed to non-discrimination principles and will ensure that we do not operate in a way that continues stereotypes or establishes barriers. Our Code of Conduct also states that RBC will not operate in a way that continues stereotypes and establishes barriers.
- › Our Code of Conduct, which addresses relevant company activities, is reviewed regularly and approved by the Board. It is available throughout the company and on our website.

UN Global Compact

- › We are not a signatory to the UN Global Compact. We have evaluated this voluntary international code, and believe that the UN Global Compact is currently less relevant for service companies operating primarily in Canada and the United States (such as RBC) than it is for higher-impact industries operating in developing nations. However, we do have the UN Global Compact on our watch list and will re-evaluate our position on an ongoing basis.

Diversity and inclusion

RBC is considered a leader in diversity. We promote diversity by playing a leadership role and raising awareness, and through training, employee resource groups and other programs to support diversity.

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, so it's important to look at our longer-term progress.

Diversity in our workplace (Canada)*				
	2009	2008	2007	1999**
Women	68%	69%	69%	74%
Women in management	54%	54%	55%	54%
Women in executive roles	39%	39%	36%	25%
Visible minorities	27%	26%	25%	14%
Visible minorities in management	25%	25%	24%	13%
Visible minorities in executive roles	12%	12%	12%	5%
People with disabilities	3.7%	3.8%	3.9%	2.9%
Aboriginal people	1.6%	1.6%	1.6%	1.2%

* Figures represent Employment Equity data as of October 31 for each year presented, for our businesses in Canada governed by the Employment Equity Act. Given variations in legal definitions and restrictions in legislation around the world, comprehensive data on these four designated groups (women, visible minorities, people with disabilities, Aboriginal people) is available only in Canada.

** 1999 data provided for comparative purposes as many of our programs and efforts require more than one or two years to have a demonstrable effect on workforce representation.

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 senior-level diversity champions in place in North America, the Caribbean 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 workplace. For example in September 2009 the Toronto Region Immigrant Employment Council (TRIEC) announced the appointment of Gordon M. Nixon, President and CEO of RBC, as chair, and Zabeen Hirji, Chief Human Resources Officer of RBC, as co-chair of TRIEC. Founded in 2003, TRIEC creates and champions solutions to better integrate skilled immigrants in the Greater Toronto Region labour market.

We believe progress in diversity is a societal objective, and we can learn from one another. Our leaders also 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 sponsored a study by Catalyst Canada and Ryerson University on the career development and advancement of visible minorities in corporate Canada. In 2009, Catalyst Canada released the fifth and final part of this study that highlighted programs, practices and initiatives in organizations that support the development and career advancement of visible minorities. The study provides examples of initiatives that address barriers that prevent visible minority employees from forming critical relationships. The RBC Diversity Dialogues Reciprocal Mentoring initiative (see below) was featured in the study. The study also highlights strategies for companies to help them more fully leverage the talents of visible minority employees.

In 2009, we released 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.

Training and mentoring

We are 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 110 employees globally.
- **Extensive self-study materials:** These are available through our internal website, Destination Diversity.
- **RBC Diversity Dialogues:** Our reciprocal mentoring program was expanded to more than 180 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); employees with disabilities (REACH); and new Canadians and visible minorities (MOSAIC). In the U.S., we have groups representing gay and lesbian employees (GLADE) and minority employees (MEA). As well, female brokers are supported by the Women's Association of Financial Consultants, a resource group that fosters the productivity and success of female 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 13 years, we have successfully partnered with the Career Edge organization to provide paid internships to recent graduates and newcomers to Canada through three programs: Career Edge for recent graduates, Ability Edge for graduates with disabilities and Career Bridge for internationally qualified professionals.

Since 2003, approximately 350 employers, including RBC, have provided meaningful work experiences to over 1,000 Career Bridge interns. Since 1996, RBC has provided valuable work experiences to over 700 Career Edge organization interns.

In 2009 alone, RBC provided 68 paid internship opportunities, up from 52 in 2008, including five Career Edge interns, 27 Ability Edge interns and 36 Career Bridge interns. Approximately 70% of interns in the Ability Edge and Career Bridge paid internship programs join RBC as full-time employees following their internships.

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 responsibilities. These include:

- › 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;
- › Phased retirement, an option available to eligible employees who wish to work three or four days per week for a defined period prior to retirement.

Programs to support Aboriginal employment

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 88 scholarships totalling

\$1 million to Aboriginal students across Canada. In 2009, we expanded the program by awarding 10 scholarships, compared to eight in 2008.

- › The Pursue Your Potential™ recruitment program helps Aboriginal people explore career opportunities and understand our recruitment and selection process.
- › A total of 42 students across Canada participated in the RBC Aboriginal Stay in School Program during the summer 2009 school break.



For a summary of all our Aboriginal initiatives, see page 65.

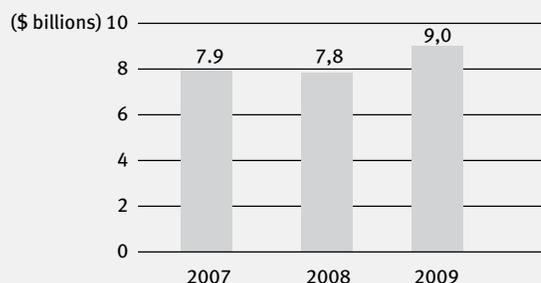
Rewards

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 (worldwide)



Compensation and incentives

For the majority of our employees, our compensation includes salary and a short-term incentive program. We participate in over 100 external benchmarking surveys annually to ensure our compensation remains competitive.

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 and savings programs

Retirement and savings programs help employees plan for retirement. In Canada, our retirement program gives employees the flexibility to choose the retirement option that is right for them. They can elect to join either the Defined Benefit (DB) option or the Defined Contribution (DC) option. Also, employees have additional flexibility to enhance their retirement income by making optional contributions to the retirement program.

To help further enhance personal or retirement savings, employees in Canada may join our retirement savings program. This program allows employees to build savings through the convenience of payroll deductions, which are matched at 50%, subject to plan limits, and the opportunity to build ownership in the company through RBC common shares. More than 70% of eligible employees are RBC shareholders through this program.

In the United States, RBC offers a flexible 401(k) program, as well as a wealth accumulation plan that provides eligible employees an opportunity to convert current income into longer-term savings.

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 also 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 dependants 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 2009, we:

- › Continued to integrate wellness features into our Canadian and U.S. benefits programs. Employees can earn wellness credits, which can be used towards premiums 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;
- › Monitored the global H1N1 situation and ensured that all employees had access to up-to-date information concerning H1N1, including preventive measures and our pandemic plan;
- › Provided employees with referrals to appropriate medical and support networks.

Flexibility

We provide many 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 up to four additional weeks of vacation
- Take an unpaid leave for personal reasons such as for education or personal development
- Phase into retirement by working three or four days per week for a defined period prior to retirement

Our work 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 2009, we invested \$125 million in formal training and development programs (direct and indirect expenditures) that 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 20,000 employees have made use of it since it was introduced in 2006;
- › Comprehensive formal training programs to help new employees be successful. Over 3,091 employees completed the training programs for client service representative, account manager and contact centre sales and service representative positions.

Our primary approach is to promote from within, and we continue to offer growth and development opportunities for employees. Building for the future also includes recruiting new talent, and some of our key activities for 2009 included:

- › Internship programs for new college and university graduates;
- › The Pursue Your Potential program, designed to help employees with disabilities and Aboriginal peoples 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.

Employee discounts

In 2009, we launched a new employee discount program in Canada, where employees can access special offers and discounts online from leading brand name companies as well as trusted local businesses. This has been very well received by employees.

We also offer employees discounts on our banking, investments and insurance products and services.

Engagement

People management

We have more than 9,000 employees 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, their 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 2009, more than 2,360 managers completed at least one of these modules.

Employee opinion surveys

Our goal is to continue to be a top-performing company. 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 including financial institutions as well as our own past results. We celebrate our successes and take action on areas for improvement.

2009 Employee Opinion Pulse Survey

The Employee Opinion Pulse Survey was conducted in April 2009. This Pulse Survey is a smaller version of the full Employee Opinion Survey and focuses on the priorities identified in the 2008 global survey. Approximately 26,000 employees were invited to participate. Results showed:

- › High levels of employee engagement and high vision and values scores, consistent with the 2008 full employee survey;
- › That employees are proud to be a part of RBC, and that they support our goals and objectives, showing an increase over 2008;
- › 95% of employees have a clear understanding of how their work contributes to our strategy and business results;
- › Employees across business groups and locations are actively engaged, optimistic and confident about the future, with 95% of the employees confirming they have confidence in our strength and stability through the challenging economic environment.

Top employer

- › In 2009, we ranked among the top 100 employers in Canada. The competition, held annually by Mediacorp Canada Inc., profiles organizations with innovative programs that attract and retain talented employees.
- › We were named one of the Best Workplaces in Canada for 2009 in an annual study by the Great Place to Work Institute Canada and The Globe and Mail.
- › We were named one of Canada's Best Diversity Employers and one of the Top Employers for Canadians Over 50 by Mediacorp.
- › U.S. Wealth Management was named one of Human Rights Campaign's Best Places to Work.
- › We were named to Canada's 10 Most Admired Corporate Cultures Hall of Fame.
- › Approximately 35% of the people we hired in 2009 were referred by our own employees, through our employee referral program.

2010 Olympic Torch Relay

RBC was a major sponsor of the 2010 Olympic Torch Relay (November 2009 to February 2010) and we offered all Canadian employees a chance to be an Olympic Torchbearer through the Employee Carry the Torch contest.

Information and education

We recognize the importance of keeping employees informed. In 2009, our initiatives included:

- › A special live webcast for employees eligible to retire to educate them about retiree benefits;
- › Online webcasts and interviews with leaders aimed at helping employees understand careers at RBC;
- › Five information bulletins to help employees make informed decisions about their Total Rewards;
- › A quarterly audio broadcast, featuring our CEO, to communicate progress on strategic goals, financial results and key messages to employees;
- › Our satellite TV channel, available to more than 1,000 locations across Canada. Employees were able to tune in to live interactive (and taped) sessions with leaders and experts about what's happening at RBC;

- › 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;
- › A robust intranet site that provides all employees with up-to-date news, popular links and market insights. It is also a vehicle for employees to stay in touch with leaders through blogs, messages and announcements.

Employee concerns

We encourage 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.

Environment

RBC is committed to proactive and prudent management of the environmental aspects of our business. The RBC Environmental Blueprint describes the policies, priorities and objectives supporting 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	2009 Performance highlights
Reduce the intensity of our environmental footprint	<ul style="list-style-type: none"> • Issued the RBC Employee Environmental Stewardship Guidelines to all RBC employees worldwide • Opened 27 new green powered branches in Canada; as of fiscal year-end, we had 96 branches powered by 8,068 megawatt hours (MWh) of EcoLogo certified green power, representing a carbon dioxide reduction of 2,749 tonnes in 2009 • Increased the proportion of certified sustainably sourced office paper across our North American and British Isles operations to 84%, compared to 15% in 2008
Promote environmentally responsible business activities	<ul style="list-style-type: none"> • Performed detailed environmental credit risk assessments on 750 transactions in Canada and the U.S. • Analyzed the exposure of borrowers and sectors in our loan and investment portfolio to climate change risks and regulations • Applied the Equator Principles to six large projects
Offer environmental products and services	<ul style="list-style-type: none"> • Loans and trading lines outstanding in excess of \$1 billion to clean energy companies in Canada, United States and British Isles • Traded over 121 million tonnes of carbon credits in 2009 through our Capital Markets emissions trading group • Launched the RBC Energy Saver™ loan, which enables Canadian clients who make a qualifying environmentally friendly purchase for their home to receive a 1% discount on a fixed rate instalment loan over \$5,000

Vital statistics			
	2009	2008	2007
Office paper use (kilograms/FTE)	56	59	60
CO ₂ e emissions from energy use* (tonnes/m ²)	.10	.09	.05
CO ₂ e emissions from employee travel (tonnes/FTE)	.34	.36	.38
Transactions assessed under Equator Principles	6	5	6

* Energy data coverage increased in 2009 and affected this indicator. Please see page 51 for details.

Issues

› **Lending to carbon-intensive industries:** There is a growing level of NGO opposition to banks that provide financing to carbon-intensive sectors, especially oil sands development and coal-fired power generation. We believe that financial services companies must carefully balance environmental concerns, society's needs and economic opportunity by providing credit responsibly to all sectors. We also believe that it is the role of a country's national and local governments,

working in partnership with key stakeholders, to determine how a country's natural resources will be developed.

› **Responsibility for client emissions:** Certain NGOs and members of the responsible investment community are asking banks to report publicly on the carbon dioxide emissions of clients to whom we provide financing services, especially those of energy companies. We believe that transparency is important and that it is the responsibility of our clients to track, report on and manage their emissions in accordance with environmental regulations, industry best practices and other applicable standards. We are concerned that by being asked to report on our clients' emissions, we might then be expected to police them, a role that rightly belongs with environmental regulators. Further, the reality is that every company and individual to whom we lend is an emitter of carbon dioxide, and there are many other types of emissions in addition to carbon dioxide that are environmentally important. This leads to a lack of clarity about where a bank would draw the line.

- › **Growth of green energy:** The emergence of incentives such as government rebates, tax credits and feed-in tariffs has enhanced the business case for renewable energy projects, and we see a corresponding growth in requests for financing in this area. We are pleased to support the renewable energy sector, and we expect this portion of our lending to grow as more companies enter this market.

Environmental management

Since our first environmental policy was drafted in 1991, we have 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, oversight and responsibility

Our Corporate Environmental Affairs (CEA) group is responsible for implementing the RBC Environmental Blueprint and for setting enterprise-wide policy for the identification, assessment, control, monitoring and reporting of environmental matters. Executive oversight is provided by our Group Executive and by the Corporate Governance and Public Policy Committee of the Board of Directors. In addition, CEA works with our businesses to:

- › Develop, maintain and communicate environmental policies, procedures, and guidelines related to managing environmental risk and reducing our environmental footprint;
- › Monitor relevant environmental laws and regulations, as well as other requirements to which we adhere;
- › Monitor key activities and track performance, including the cost-effectiveness of initiatives;
- › Engage with internal and external stakeholders to advance our understanding of important environmental issues affecting our clients, our businesses and the communities in which we operate;
- › Assess the need for and champion new initiatives to meet our environmental objectives;
- › Provide approval authority and advisory services on the management of specific environmental risks in business transactions.

Priority environmental issues

As outlined in the RBC Environmental Blueprint, we have identified three priority environmental issues:

Climate change

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

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 these species form. Environmental degradation resulting from human activity and the forces of climate change is disrupting the natural biodiversity of habitats and ecosystems. We recognize that critical natural systems and the abundant biodiversity they support must be preserved in order to maintain healthy communities and cultural values. Further, we recognize that the identity, cultural beliefs and economies of some indigenous peoples are intrinsically tied to their region’s history, biodiversity and natural landscapes.

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.

Charting our progress

The RBC Environmental Blueprint is a five-year plan that contains 44 environmental medium- and long-term commitments. We track and present our annual progress against these commitments in our Blueprint Report Card.

The RBC Environmental Blueprint 2009 Interim Report Card, provided here, summarizes action we have taken in year two of our five-year plan. The full 2009 RBC Environmental Blueprint Report Card is available on our website.

In 2008, we highlighted 12 short-term priority activities for implementation in 2009. Our progress on each of these activities is summarized in the Report Card on page 47.

 rbc.com/environment

RBC Environmental Blueprint 2009 Interim Report Card

2009 commitment	Status	2009 progress
1 Launch and promote Employee Environmental Stewardship Guidelines across all RBC business units globally	●	Launched on Earth Day 2009 to all of our employees globally. The guidelines cover electricity, water, paper, waste, recycling and travel.
2 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	●	Revised branch standards were launched July 2009. The standards will help us improve efficiency, standardize mechanical and electrical equipment, lower purchase and maintenance costs, and implement best practices.
3 Conduct an energy audit pilot study at 10 Canadian branches to review energy efficiency and cost-savings potential for mechanical and electrical equipment	●	Completed 10 energy audits in 2009. The recommendations have informed the development of the RBC Energy Plan with planned implementation in 2010.
4 Purchase green power for 20 new branches in Alberta and Ontario	●	Purchased clean, renewable green power for 27 new branches in Canada in 2009.
5 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	●	Drafted an environmental risk management policy for all corporate lending activities enterprise-wide. The policy incorporates considerations for environmental management and compliance, climate change, biodiversity and water for all borrowers operating in medium- and high-impact sectors. The policy will be implemented in 2010.
6 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	●	Completed regional gap analysis. Based on the findings, updated environmental risk management policies are being drafted for business and commercial lending activities in the United States and the Caribbean.
7 Complete the portfolio assessment of carbon exposure and risk	●	Completed the analysis of exposure of borrowers and sectors in our loan and investment portfolio to climate change risks and regulations. The analysis was conducted on approximately 100 of our largest single name clients in numerous industrial sectors.
8 Promote and support business opportunities in carbon markets, clean technologies and energy efficiency	●	<ul style="list-style-type: none"> • Held a Financing Renewable Energy workshop for our risk managers and lenders. • Drafted a white paper on green building financing. • Published an article, "The Top Four Trends on Green Buildings," on rbc.com. • Sponsored CleanTech North, an organization focused on helping early-stage Canadian cleantech companies. • Sponsored the 2009 World Green Building Council Leaders Summit. • Sponsored the SDTC Cleantech Summit in Ottawa, "Greening Canada's Economy."
9 Research and report on water-related risks and opportunities	●	<ul style="list-style-type: none"> • Conducted research on agencies responsible for water protection in Alberta. • Engaged with academics, governments and NGOs to explore water-related environmental risks in the Athabasca River.
10 Conduct training in environmental credit risk management, climate change and carbon markets across appropriate RBC business units	●	<ul style="list-style-type: none"> • Delivered environmental risk management presentations to risk managers and lenders in the Maritimes and the Caribbean. • Held a Financing Renewable Energy workshop for risk managers and lenders. • Hosted the presentation of "An Inconvenient Truth: Updated with a Canadian Perspective" to 150 employees.
11 Conduct the second round of funding for the RBC Blue Water Project™	●	Completed second year of the RBC Blue Water Project, approving new funding of \$4.5 million.
12 Open the RBC Center™, a new facility in Toronto, which aims for Leadership in Energy and Environmental Design (LEED) Gold certification for new construction	●	Opened in October 2009. The facility is LEED Gold certified.

Status key



Significant action taken

May include 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.



Limited action taken

Plans for action were deferred to 2010 or later.

Priority environmental objectives

We know that our actions can make a significant contribution to helping address our priority environmental issues: climate change, biodiversity and water. This section presents a discussion of our three priority environmental objectives and the progress made in 2009.

Reduce the intensity of our environmental footprint

We are 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. Among other highlights from 2009, we:

- ▶ Launched the RBC Employee Environmental Stewardship Guidelines to employees worldwide. The Guidelines direct our employees in making the most environmentally sustainable, and in many cases cost-effective, choices in the course of their everyday work activities. The Guidelines are divided into six categories: electricity, water, paper, waste, recycling and travel;
- ▶ Opened 27 new green powered branches in Canada. At year-end, we had 96 branches powered by 8,068 MWh of EcoLogo certified green power, representing a carbon dioxide reduction of 2,749 tonnes;
- ▶ Increased the proportion of certified sustainably sourced office paper* across our North American and British Isles operations to 84% (our proportion of sustainably sourced office paper was 15% in 2008);
- ▶ Initiated e-courier, a program that provides branches in Canada with the ability to submit documents electronically to central processing offices. This program considerably reduces the need for maintaining paper copies of documents and the need to transport these documents. An estimated 1.6 million pages of paper or the equivalent of over 200 trees were saved within the first three months of launching this project, and we expect significantly more savings as this program is fully implemented in 2010;
- ▶ Offset the carbon emissions associated with our participation in the 2010 Olympic Torch Relay, Vancouver 2010 Olympic and Paralympic Winter Games, including all emissions associated with our vehicles, air and rail travel, hotel accommodations, hospitality events, temporary branches and other related logistics. We also offset the emissions associated with our 2008 Annual Report, Management Proxy Circular and Corporate Responsibility Review (printed in 2009).

 rbc.com/environment/initiatives

To see our key environmental performance indicators, please see the SOFT Footprint Report on page 53 of this report.

Greening information technology

In 2009, we established the RBC Green IT Committee to initiate action on technology-related environmental issues, monitor the effectiveness of green IT initiatives, promote a culture of continuous improvement and encourage the sharing of best practices. Upon its inauguration, the Green IT Committee initiated a number of projects and developed metrics to track progress, including:

- A server virtualization program that has resulted in the removal and purchase avoidance of over 3,400 new physical servers;
- A printer toner cartridge remanufacturing program that successfully diverted over 70,000 toner cartridges from landfill in Canada and the U.S.;
- A copper cable recycling program that successfully diverted 1,450 kg of copper from landfills.

Promote environmentally 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 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. Our enterprise risk management framework includes requirements for enhanced due diligence on transactions and business activities involving environmental and social issues that could be harmful to our reputation. We regularly update these frameworks, policies and procedures to address regulatory changes, emerging and evolving issues and international best practices. In 2009, we:

- ▶ Performed detailed environmental credit risk assessments on 750 transactions in Canada and the United States, representing a 15% increase over 2008 transaction volumes;
- ▶ Drafted our environmental risk management policy for all corporate lending and investment banking activities enterprise-wide. The policy includes the assessment of issues related to environmental management and compliance,

* Sustainably sourced paper consists of paper products certified to the following standards: Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI) and/or the Programme for the Endorsement of Forest Certification (PEFC).

climate change, biodiversity and water for all borrowers operating in medium- and high-impact sectors;

- › Conducted an analysis of regional differences or gaps in the consistent application of environmental risk management policies for business and commercial lending across our operations in the U.S. and the Caribbean;

- › Analyzed the exposure of borrowers and sectors in our loan and investment portfolio to climate change risks and regulations. An external consultant conducted an analysis of approximately 100 of our largest single-name clients in heavy industry sectors. The analysis will help inform sector-specific environmental risk assessments.

 rbc.com/environment/lending

Equator Principles

The Equator Principles are a voluntary set of guidelines that help financial institutions address the environmental and social risks associated with project finance. RBC was the first Canadian bank to sign the Equator Principles in 2003, and we recommitted to the revised Principles in 2006. A requirement of Equator Principles signatories is to “report annually on their implementation processes and experience in applying the Equator Principles in project finance.” In 2009, RBC participated as an advisor on five projects and advised and provided project finance for one project that qualified under the Equator Principles.

Analysis of Equator Principle projects

		2009	2008	2007
Number of projects*	Equator Principle Category A	–	–	1
	Equator Principle Category B	5***	3	3
	Equator Principle Category C	1	2	2
	Total Projects Reviewed	6	5	6
By region	OECD** countries	6	5	5
	Other	–	–	1
By sector	Energy (oil and gas)	3***	2	3
	Energy (renewable)	–	–	2
	Power generation	2***	–	–
	Infrastructure	1	2	–
	Chemical	–	–	1
	Transportation	–	1	–

* When a project is proposed for financing, we categorize the project in accordance with the environmental and social screening criteria of the International Finance Corporation. Category A represents projects with potentially significant adverse social or environmental impacts that are diverse, irreversible or unprecedented. Category B represents projects with potentially 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.

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

*** We took an advisory role only in these projects, and provided no financing.

Environmental products and services

RBC seeks to offer an expanding array of products and services, providing long-term environmental benefits that help clients reduce their environmental footprint. In 2009, we:

- › Launched the RBC Energy Saver loan, which enables clients who make a qualifying environmentally friendly purchase for their home to receive a 1% discount or a \$100 home energy audit rebate on a fixed-rate instalment loan over \$5,000;
- › Converted over 1.3 million accounts in Canada to electronic statements. Since 2006, over 4.7 million accounts have been converted, resulting in paper savings of approximately 980 metric tonnes;
- › Traded over 121 million tonnes of carbon credits through our RBC Capital Markets emissions trading group. The majority of the trading volume centres around the European Union

Emissions Trading Scheme (EU ETS), the largest compliance market in the world, but we have also seen a growth in trading on the North America Regional Greenhouse Gas Initiatives (RGGI), Chicago Climate Exchange (CCX) and other voluntary markets;

- › Offered our clients seven SRI products through RBC Global Asset Management, including four Phillips, Hager & North Community Values Funds and three RBC Jantzi Funds utilizing SRI research and ESG screens developed by Jantzi-Sustainalytics. Total assets under management for the combined SRI products are now in excess of \$800 million;
- › Invested US\$73.7 million in the development of 10 affordable housing projects in the U.S. Our Tax Equity Group takes a 99% equity ownership position in the U.S. affordable housing projects developed under this program.

Lending to clean energy projects

RBC recognizes that the clean energy sector is an emerging industry, and we see both opportunities and environmental benefits in providing credit and advisory services to this sector. This is a growing part of our business. Loans and trading lines outstanding as of October 31, 2009 included:

- › **Hydroelectric:** \$840 million to Canadian public and private companies whose primary power generation capacity is derived from water. We also have \$25 million in outstanding loans to hydro projects that are under construction.
- › **Wind:** \$110 million to electricity producers whose primary method of power generation is wind. Over the past several years, we have provided financing and advisory services to companies with over 2,750 megawatts of wind power capacity, and project financing of almost 375 megawatts of new wind power capacity.
- › **Biomass:** \$100 million to several biomass projects in North America, including the production of ethanol and the generation of electricity through the combustion of biowaste and landfill gas.
- › **Solar:** \$36 million to global manufacturers of thin film photovoltaic solar modules.
- › **Advanced energy metering:** \$93 million to several global manufacturers of advanced metering systems whose products enhance energy conservation efforts.

 rbc.com/environment/what-you-can-do

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 include philanthropy as part of our mix so we can help communities meet their own environmental objectives. To sustain the RBC Environmental Blueprint in 2009, we:

- › Signed the Copenhagen Communiqué, which calls on politicians to agree to an ambitious, credible and equitable global deal on climate change;
- › Drafted a white paper on green building financing and published “The Top Four Trends on Green Buildings” on rbc.com for clients;
- › Sponsored numerous cleantech- and green building-related events, reports and organizations including CleanTech North, the Ontario Centre for Environmental Technology Advancement (OCETA), the 2009 World Green Building Council Leaders Summit, the SDTC (Sustainable Development Technology Canada) Cleantech Summit in Ottawa and the 2009 OCETA SDTC Cleantech Growth & Go-to-Market Report;
- › Established and supported seven RBC environmental committees, working groups and networks from across our businesses and regions;
- › Donated \$5.25 million to environmental charities in Canada, the U.S. and the Caribbean, up from \$3.13 million in 2008;
- › Completed a submission for the 2009 Carbon Disclosure Project, and were named to the Carbon Disclosure Project Canadian Leadership Index 2009;
- › Conducted extensive stakeholder engagement with the Alberta government, NGOs, academics, Aboriginal leaders, industry associations and corporate clients regarding the environmental and social impacts of oil sands development.

 rbc.com/environment/oversight-responsibility-and-reporting

Priorities for 2010

- 1 Continue to reduce our environmental footprint, especially relating to energy use and carbon emissions.
- 2 Implement and train employees enterprise-wide on RBC environmental policies related to Corporate Lending and Investment Banking, our U.S. and Caribbean business, Commercial Markets and Responsible Procurement.
- 3 Increase financing of small- and medium-sized renewable energy projects and green buildings.
- 4 Conduct the third round of funding for the RBC Blue Water Project.
- 5 Promote thought leadership on water quality and availability issues in North America.
- 6 Reduce paper use in Canadian Banking through e-documents programs and initiatives.

Our environmental 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 53 and a more detailed report with additional analysis is available on our website.

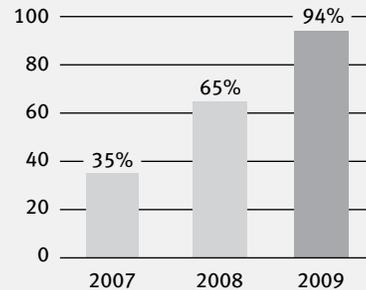
Energy data

In 2009, we expanded our energy data coverage to 94% of our global floor area, compared to 65% in 2008. We are now able to measure and report 100% of our direct and indirect energy consumption for all our properties located in Canada and the U.S. Current gaps in energy data are associated with properties in the Caribbean and other international locations.

Increased data coverage has been primarily achieved by estimating consumption at properties where metered or consumption data is unavailable. Our energy footprint is based on three categories of data:

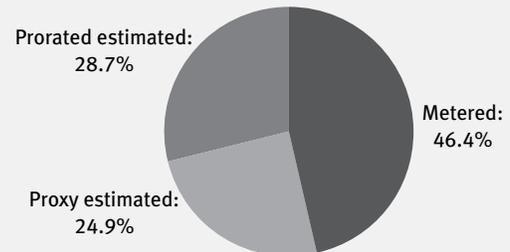
- Metered: properties where metered energy consumption is billed directly from a utility or landlord;
- Prorated estimated: major properties that do not have metered data, but where the landlord has provided consumption data for the entire building that is prorated to the area we occupy;
- Proxy estimated: energy consumption is calculated using averaged metered data for comparable buildings and applied based on the area RBC occupies.

2009 global energy data coverage



Percentage of our global floor area reporting energy data

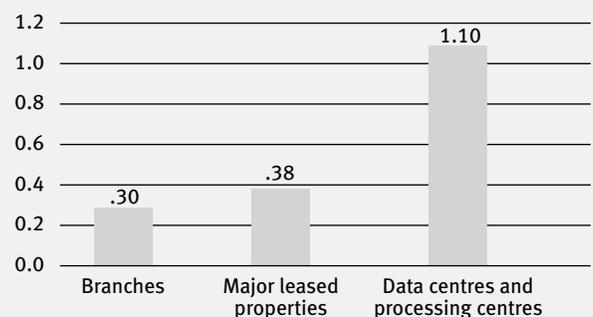
Energy data by category for North American properties



Energy intensity

In 2009 we developed a new property classification called “data centres and processing centres” to better understand the unique energy footprint associated with these properties. This new classification represents 11 properties across Canada, the U.S. and the British Isles, containing operational processes and equipment that have high electricity demands. The graph here presents the energy intensity of each of our property classifications.

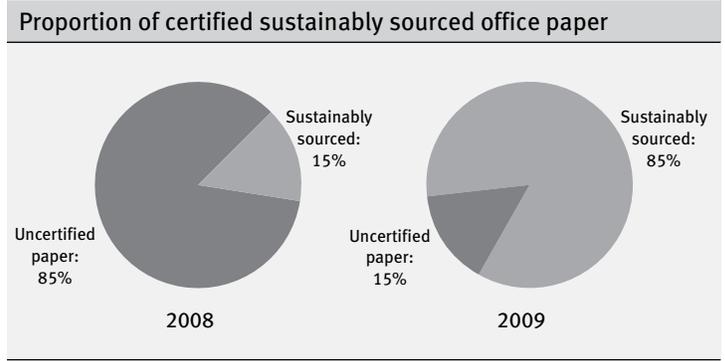
2009 energy intensity by property classification



Energy consumption per unit floor area (MWh/m²)

Office paper use

Office paper use on a per employee basis decreased in 2009, likely a reflection of programs such as e-courier that have converted some of our paper-based transactions to an electronic format. Data coverage for paper includes our Canadian and U.S. operations. It does not include operations in the Caribbean and other international locations. Our use of sustainably sourced office paper increased significantly in 2009 as seen in the graphs here. Over 98% of all sustainably sourced paper is certified by the Forestry Stewardship Council (FSC).



Business Travel

Overall business travel was down 18% in 2009. Employee air, rail and automobile rental travel decreased on a per employee basis, while business travel in personal vehicles increased by 24% in 2009. The shift away from air and rail travel to more economic modes of transportation (automobile) can be attributed to the downturn in the economy and internal cost management efforts. Data coverage for air travel in 2009 does not include our RBTT operations in the Caribbean.

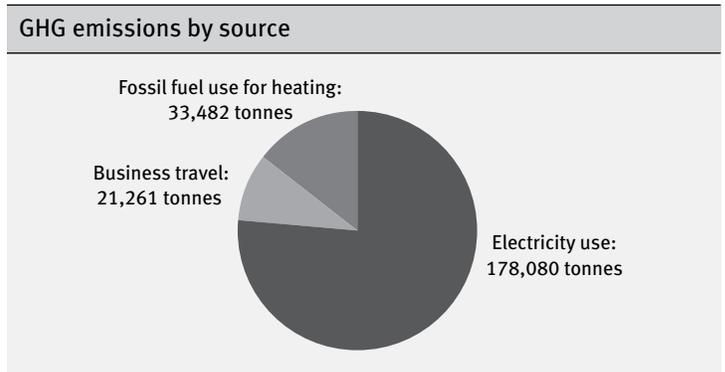
Employee business travel by mode (kilometres)

	2009	2008
Air travel	126,364,074	171,620,791
Rail travel	1,028,342	1,085,261
Rental vehicles	5,968,625	6,724,378
Personal vehicles	43,561,028	35,060,483
Total	176,922,069	214,490,913

GHG emissions

Our reported GHG emissions are higher in 2009 due to greater energy data coverage in our property portfolio. Our GHG emissions intensity (GHG emissions per m²) increased slightly in 2009. This increase is a result of improved data coverage for our U.S. locations, where the electricity supply is typically more carbon intensive (i.e. coal-fired power plants) than Canadian electricity generation.

We do not currently report the indirect GHG emissions associated with paper consumption due to the challenges in accurately calculating these emissions for a Canadian-based paper supply chain. We will continue to work with our suppliers and other GHG experts to determine how to accurately calculate and report these figures in the future.



SOFT (Sourcing, Operations, Facilities and Travel) Footprint Report

Intensity factors	2009	2008	2007	Units
Global full-time equivalent (FTE) employee count	71,186	73,323	64,815	FTE
Global floor area	2,174,131	2,292,056	1,979,954	m ²
Energy footprint				
<i>Direct energy use</i> ⁽¹⁾				
Branches ⁽²⁾	87,467	66,727	58,085	MWh
Major leased properties ⁽³⁾⁽⁴⁾	89,710	76,677	n.a.	MWh
Data centres and processing centres ⁽⁵⁾	3,559	3,968	n.a.	MWh
Total direct energy use, all properties	180,736	147,372	58,085	MWh
Data coverage (as a % of global floor area)	94	60	29	%
<i>Indirect energy use</i> ⁽⁶⁾				
Branches	267,204	191,209	137,369	MWh
Major leased properties ⁽⁴⁾	202,323	176,883	n.a.	MWh
Data centres and processing centres	106,568	80,215	n.a.	MWh
Total indirect energy use, all properties	576,095	448,307	137,369	MWh
Data coverage (as a % of global floor area)	94	65	35	%
Green power purchases ⁽⁷⁾	8,068	5,042	2,831	MWh
<i>Total direct and indirect energy use</i>				
Branches	354,670	257,936	195,454	MWh
Major leased properties ⁽⁴⁾	292,033	253,560	n.a.	MWh
Data centres and processing centres	110,127	84,183	n.a.	MWh
Total energy use, all properties	756,830	595,679	195,454	MWh
<i>Energy intensity</i>				
Energy intensity – branches	.30	.31	.29	MWh/m ²
Energy intensity – major leased properties ⁽⁴⁾	.38	.44	n.a.	MWh/m ²
Energy intensity – data centres and processing centres	1.10	1.05	n.a.	MWh/m ²
Paper footprint				
Office paper	3,579	3,886	2,907	tonnes
Certified sustainably sourced office paper	84	15	n.a.	%
Coverage (as % of global FTE count)	90	90	75	%
Office paper use per FTE	56	59	60	kilograms/FTE
Marketing and direct mail paper ⁽⁸⁾	7,901	8,863	6,643	tonnes
Certified sustainably sourced marketing and direct mail paper ⁽⁸⁾	52	37	n.a.	%
Coverage (as % of global FTE count)	81	80	75	%

Travel footprint	2009	2008	2007	Units
Air travel	126,364,074	171,620,791	188,843,521	km
Data coverage (as % of global FTE count)	90	90	95	%
Air travel per FTE	1,981	2,611	3,010	km/FTE
Rail travel	1,028,342	1,085,261	938,594	km
Data coverage (as % of global FTE count)	99	99	96	%
Rail travel per FTE	16.1	16.5	15.6	km/FTE
Automobile travel (rental vehicles)	5,968,625	6,724,378	7,625,641	km
Data coverage (as % of global FTE count)	99	99	99	%
Automobile travel per FTE (rental vehicles)	94	102	122	km/FTE
Automobile travel (business travel in personal vehicles)	43,561,028	35,060,483	29,875,080	km
Data coverage (as % of global FTE count)	86	87	93	%
Automobile travel per FTE (business travel in personal vehicles)	709	553	496	km/FTE
GHG emissions (measurable)				
CO ₂ e emissions from energy use ⁽⁹⁾	211,562	137,390	36,424	tonnes
CO ₂ e emissions intensity from energy use ⁽⁹⁾	.104	.092	.053	tonnes/m ²
CO ₂ e emissions from employee travel	21,261	23,219	23,737	tonnes
CO ₂ e emissions intensity from employee travel	.34	.36	.38	tonnes/FTE
Carbon reductions from green power purchases ⁽⁷⁾	-2,749	-2,095	-1,680	tonnes
Total CO ₂ e emissions ⁽⁹⁾	230,074	158,514	58,481	tonnes

The environmental data reported has been provided to us by third-party suppliers, vendors and service providers and includes information that was available at 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 our enterprise-wide SOFT footprint.

Notes:

- (1) Direct energy consumption refers to our use of fossil fuels (natural gas, heating oil and propane).
 - (2) Branches are categorized as RBC owned or leased properties with an area of less than 25,000 ft² (<2,320 m²).
 - (3) Major leased properties are categorized as facilities with an area greater than 25,000 ft² (>2,320 m²).
 - (4) A third property classification has been added in 2009 called "data centres and processing centres." We have also applied this third property classification to 2008 data and recalculated.
 - (5) Data centres and processing centres consist of 11 back office locations across Canada, the United States and the British Isles that have high electricity demands.
 - (6) Indirect energy consumption refers to our use of purchased electricity.
 - (7) Our green power purchases are carbon neutral and represent a reduction in GHG emissions.
 - (8) 2008 data restated due to the addition of Q4 2008 data that was unavailable in previous reporting period.
 - (9) Energy data coverage increased in 2009 and affected this indicator. Please see pages 51-52 for more details.
- n.a. not available

Community

Across North America and around the world, we support a broad range of community initiatives, through donations, community sponsorships and employee volunteer activities, under a plan we call the RBC Community Blueprint™. In 2009, we contributed more than \$105 million to community causes worldwide through donations of more than \$52.6 million, and an additional \$52.5 million in sponsorship of community events and national organizations.

Priorities	2009 Performance highlights
Provide donations with a lasting social impact	<ul style="list-style-type: none"> Donated \$52.6 million to community causes worldwide, primarily in the areas of education, the environment, health, social services, arts and culture, and civic causes Under the RBC Blue Water Project, committed over \$4.6 million to fresh water initiatives in 2009, bringing our total support to more than \$21 million, pledged to 223 organizations worldwide working in the areas of watershed protection and access to clean drinking water
Sponsor key community initiatives	<ul style="list-style-type: none"> Provided \$52.5 million in sponsorship of community events and national organizations, primarily in the areas of amateur sport, arts and culture, and Olympics-related programs
Enable employees to contribute	<ul style="list-style-type: none"> 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

Issues

- Impact of economic crisis on charitable sector:** Many charities are facing serious reductions in their funding bases at the same time as demand for their services has skyrocketed. In 2009, grant requests to RBC Foundation® increased by 20%. To respond, we adjusted our donations guidelines for a number of large urban organizations that provide emergency services such as food banks. Rather than directing our funding to designated programs, we gave these organizations the flexibility to use our donations where they needed them most, including general operating expenses and salaries, areas which are not typically funded by corporations.
- Impact of economic crisis on corporate donors:** As the global economy continues to rebuild, companies will have to balance today's pressing social and environmental needs with their own financial realities. In 2009, we maintained our level of charitable giving worldwide, and we commit to focus our giving on areas that will have the greatest impact, whether it be to general operations or specific programs.
- Strategic versus transformational philanthropy:** There is a global trend among corporations towards "strategic philanthropy": the tight alignment of donations with the specific areas of business the company is pursuing. As one of

North America's leading financial institutions, we have chosen to pursue a path of "transformational philanthropy" instead, where we provide support for difficult or emerging social and environmental issues, while focusing our donations within the education, healthcare and arts communities to key issues, and continuing to provide a broad base of support across all charitable sectors.

2009 Community investments worldwide (\$ millions)			
	Donations	Community sponsorships	Total
2009	\$52.6	\$52.5	\$105.1
2008	51.5	47.5	99.0
2007	47.7	35.1	82.8
2006	42.0	41.0	83.0
2005	40.6	25.0	65.6
2004	39.0	20.0	59.0
2003	37.1	20.0	57.1
2002	37.0	20.0	57.0
2001	34.3	17.0	51.3

The RBC Community Blueprint

As a large, global financial institution with more than 18 million clients and approximately 80,000 employees, RBC is expected to provide a broad base of support to a wide range of causes, and we take this responsibility seriously.

As one of North America's leading financial institutions, we have chosen to focus our donation and sponsorship support on key issues within the educational, environmental, healthcare, athletic, arts and social service communities. At the same time, we continue to provide a broad base of support across all charitable sectors.

We refer to this approach as the RBC Community Blueprint, which lays out our vision for helping create stronger communities. Highlights from 2009 are provided on page 57 of this report.

Cornerstones

Donations and sponsorships are the cornerstones of the RBC Community Blueprint, and both can have a positive social impact, but they are undertaken with different objectives.

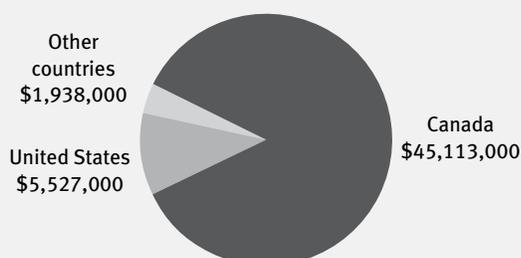
Donations are given as gifts, with no strings attached. RBC is considered one of Canada's premier philanthropic donors. We have provided an explanation of how we give on page 64 of this report.

Our tradition of philanthropy dates back to our roots, with donations on record as far back as 1891. We are one of Canada's largest corporate donors and a member of Imagine Canada, which encourages philanthropy and citizenship, and are committed to donating at least 1% of pre-tax domestic profits measured on a five-year rolling average.

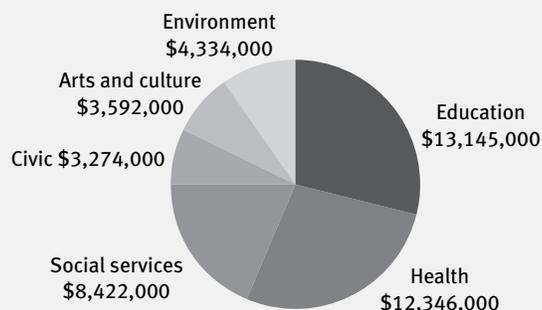
Sponsorships are undertaken and negotiated for strategic marketing purposes that align with our brand and business goals and are expected to deliver a quantifiable return on investment. We pursue sponsorship opportunities that are important for our clients, our communities and our businesses.

Donations

2009 donations (worldwide)



2009 donations by cause (Canada)



2009 donations by region

Newfoundland and Labrador	\$	458,750
Prince Edward Island		312,500
Nova Scotia		1,491,680
New Brunswick		955,933
Quebec		6,028,890
Ontario		18,078,860
Manitoba		1,872,405
Saskatchewan		872,510
Alberta		4,300,225
British Columbia		4,521,921
Yukon, Northwest Territories and Nunavut		250,716
National organizations		5,968,610
United States		5,527,000
Other countries		1,938,000
Total	\$	52,578,000

For a complete list of donations over \$500 given in 2009, visit rbc.com/donations



Environment

Priority area: RBC Blue Water Project

- Committed over \$4.6 million to fresh water initiatives in 2009;
- Announced significant grants to three universities for water research and programs;
- Pledged more than \$21 million in total support since 2007 to 223 organizations worldwide working in the areas of watershed protection and access to clean drinking water.

Education

Priority area: RBC After School Grants Project

- Invested almost \$2.4 million with 90 of Canada's top community-based after-school programs in 2009;
- Over the last 10 years, provided more than \$19 million in grants to 198 community-based after-school programs that offer learning and skill development opportunities to youth in the hours after classes end for the day.

Amateur sport

Priority areas: Olympic initiatives, hockey

- Sponsored the Vancouver 2010 Olympic and Paralympic Winter Games, as well as the Vancouver 2010 Olympic Torch Relay, the Vancouver 2010 Paralympic Torch Relay, and the RBC Olympians Program;
- 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 and the RBC Cup.

Employee contributions

- Provided 2,443 grants of \$500 each totalling \$1.2 million to organizations in recognition of the volunteer work of our employees and pensioners;
- Since 1999, we have made over 17,000 grants and donated over \$8.5 million to celebrate our employees' volunteer efforts;
- RBC employees in Canada volunteered the equivalent of almost \$600,000* during working hours for United Way, Junior Achievement and Habitat for Humanity.

* Based on an estimate of 22,404 hours at an average of \$25/hr.

Health and wellness

Priority area: RBC Children's Mental Health Project

- Donated over \$2.3 million to 55 organizations across Canada dedicated to children's mental health with a focus on early intervention and public education;
- Donated over \$5 million to community and children's hospitals across Canada, and supported health-related initiatives around the world.

Arts and culture

Priority area: RBC Emerging Artist Project

- Supported the arts through the RBC Emerging Artists Project — long-term partnerships with organizations or programs that bridge the gap between academic excellence and professional careers;
- Invested over \$900,000 in apprenticeship, internship and artist recognition programs at 43 agencies in 20 cities across Canada;
- Sponsored the RBC Painting Competition for the 11th year, providing funding and recognition for budding artists;
- Launched the RBC Emerging Filmmakers Competition in partnership with the Toronto International Film Festival Talent Lab.

Social services

Priority areas: United Way, food banks

- RBC and our employees contributed \$16.1 million to the United Way in Canada and the U.S.;
- We are the largest private sector contributor to the United Way in Canada, and one of only 77 organizations that contribute over \$1 million annually;
- RBC and our employees gave over \$600,000 to help replenish food banks and soup kitchens across Canada and in the southeastern United States.

Diversity

Respect for diversity is one of our key values, and the theme of diversity underscores all the programs within the RBC Community Blueprint.

Education



A good after-school program can give a real boost to the skills and knowledge children gain in a formal classroom, bridging the gap between schoolwork and homework, and giving children a chance to take part in a wide range of other activities where they have the chance to shine. We have been funding after-school programs since 1999. Over the last 10 years, we have provided more than \$19 million in grants to 198 community-based after-school programs that offer learning and skill development opportunities to youth in the hours after classes end for the day.

In 2009, we invested almost \$2.4 million with 90 of Canada's top community-based after-school programs.

 rbc.com/afterschool

Other initiatives to help kids stay in school

Outside of the RBC After School Project, RBC also supports programs that help kids stay in school:

- ▶ **Junior Achievement (JA)** is 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 2009, we donated more than \$450,000 to JA.
- ▶ In the U.S., we support **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 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 2009, we expanded the program to recognize 50 teachers in Minneapolis (Minnesota), Oakland (California) and across the southeastern U.S.
- ▶ In the Caribbean, we support education through a number of organizations and programs including the School Leadership Centre of Trinidad & Tobago, which equips teachers with new tools, and the Prevent-a-Dropout Program in Jamaica. We also provide products to help parents finance a child's education.

- ▶ The **RBC Target Education Funds** offer investment growth potential up front. They 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 Awards 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 10-year, \$50 million commitment to support charitable organizations dedicated to finding solutions to the water crisis. We launched the RBC Blue Water Project in 2007 with a \$10 million commitment to ONE DROP[†], founded by Cirque du Soleil's Guy Laliberté. To date, RBC has committed over \$21 million to 223 organizations globally under the RBC Blue Water Project. For a complete list, visit rbc.com/bluewater.

In 2009, we approved grants totalling over \$4.5 million, including the following:

- ▶ **Water on the Ground:** A grant of \$500,000 will help Polis Institute and Sierra Club Canada to build capacity in sustainable water management by equipping local governments with tools that support water security across Canada.
- ▶ **Kids Can Free the Children:** A grant of \$300,000 will help launch the "H2O for U" speaking tour, which will visit 100 communities across Canada to educate youth about global water issues and inspire them to conserve and protect water.
- ▶ **National Geographic Missions:** A grant of US\$200,000 will fund the conservation and research work of a Fresh Water Fellow (an international water expert) for two years. We will also extend our relationship with the National Geographic Society by sponsoring public outreach throughout 2010.
- ▶ **Atlantic Salmon Federation:** A grant of \$150,000 will support Fish Friends, a program for students in grades four to six throughout Atlantic Canada, Quebec and New England. This education program engages more than 20,000 students in over 600 schools.

University water research and programs

Universities and colleges depend on corporate funding for a range of projects, from capital campaigns to getting major pieces of research off the ground. Often, universities have a shopping list of programs to which a prospective donor can choose to direct its funding. In 2009, RBC Foundation worked with three universities in Canada to adjust the focus of our funding towards projects that deal with water issues.

- › We pledged \$1.5 million to McMaster University to establish the RBC Water and Health Initiative, comprising several areas of diverse, yet complementary, research investigations that all contain a community outreach component, with specific and measurable deliverables on water.
- › We pledged \$800,000 to Memorial University of Newfoundland and Labrador to strengthen its role as a leader in sustainable initiatives by enhancing outreach and fresh water research activities in communities throughout Newfoundland and Labrador.
- › We pledged \$500,000 to help the University of Calgary promote water stewardship by working with 50 communities in Alberta to examine the overall impact of multiple wells in a single watershed. The University will help develop relevant tools and resources to manage the ground water issues currently facing Alberta.

Health and wellness



RBC
Children's Mental
Health Project

Sometimes corporations shy away from funding causes and programs that are uncomfortable for their stakeholders. We

aren't one of those companies, and that's why we decided to focus our health funding in Canada on children's mental health. With one in every five children estimated to suffer from a mental health problem, we recognize that this is a broad and complex area that affects the families of our employees and our clients.

In order to have a significant impact, we have narrowed our focus to two areas:

- › Early intervention programs for children and families that support early action against factors that put children at risk of developing mental health problems;
- › Public education to increase awareness and reduce stigma through programs that help parents, caregivers, and professionals identify the signs of children's mental health problems and learn how to take early action.

While our Children's Mental Health Project is still in its early stages, RBC Foundation donated over \$2.3 million to 55 organizations across Canada in 2009, including:

- › The **Triple P Positive Parenting Program™**, offered by Youthlink of Scarborough, Ontario. This evidence-based parenting program enhances the knowledge, skills and

confidence of parents in order to prevent behavioural, emotional and developmental problems in their children;

- › **Kids Connect to Mental Health Workshops**, offered by the Canadian Mental Health Association, which provides information and resources, and raises awareness of mental health issues with students from elementary to high school in New Brunswick;
- › **Hull Child and Family Services' Fast Track**, an early intervention program for children aged five to 10 who are at risk of developing conduct disorder. The program involves the child, the parent and the school, with the goal of helping children become more successful at home, at school and in the community;
- › **Comfort, Play and Teach Activity Program for Parents and Infants**, offered by Invest in Kids, a national, early intervention program designed to support positive mental health in children and improve parenting knowledge and confidence. The program will be delivered in 50 First Nations communities across Canada, affecting 1,000 parents and children.

Other health and wellness initiatives

Beyond the RBC Children's Mental Health Project, we support programs that help improve community healthcare globally. RBC Foundation donated over \$5 million to community and children's hospitals across Canada in 2009, and also supported the following:

- › **Heart and Stroke Foundation**, which, through our multi-year donation, will engage the South Asian community in their heart health and conduct research to understand the unique risk factors for heart disease and stroke relevant to this community;
- › 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;
- › **PAREDOS** (Parent Education for Development in Barbados) Anger Management and Character Building program, which targeted 884 children from Barbados between the ages of five and 11, teaching them how to interact with their peers in a positive manner. The program also provided support information to parents.

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 2009, 3,326 employees across Canada raised more than \$875,000;
- › 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, our employees take on this 60-kilometre, two-day walking challenge;
- › Multiple Sclerosis Society's walks and bike rides across Canada, in which hundreds of our employees and their family members take part annually;
- › 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.

Arts and culture



We support emerging artists in their transition from academic excellence to professional careers. In 2009, we invested

over \$900,000 through RBC Foundation in apprenticeship, internship and artist recognition programs at 43 agencies in 20 cities across Canada. Here are some examples:

- › The **RBC Canadian Painting Competition**, established in 1999, nurtures Canadian visual artists early in their careers, a time when they need both recognition and financial support. Five regional, juried competitions featuring 1,200 works from more than 600 artists across the country resulted in one national winner and two honourable mentions. In 2009, Brenda Draney of Vancouver was the national winner and received a \$25,000 prize for her work entitled "Aim is Important." Martin Golland and Sasha Pierce of Toronto received honourable mentions and \$15,000 each. The winning paintings then become part of the RBC Corporate Art Collection, which consists of over 4,000 works.
- › In 2009, we launched the **RBC Emerging Filmmakers Competition** in partnership with the Toronto International Film Festival Talent Lab. Twenty-five emerging filmmakers participated in the first competition, each armed with a portable high definition camera and \$500 to develop a short film on the topic of water. Winners will receive cash prizes. This is part of our 10-year commitment to the Toronto International Film Festival (TIFF), announced in 2009. RBC is a major sponsor and Official Bank of TIFF.
- We also support the Banff International String Quartet Competition, RBC Canadian Glassmaking Award, the RBC

Museum Internship for the Emerging Professionals, the RBC Guest Conductor Program and the RBC Writer's Fellowship for New Canadians.

 rbc.com/donations/pdf/Emerging-Artists.pdf

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 our premises around the world.

Other arts initiatives

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. Outside the RBC Emerging Artists project, we support general arts programs such as:

- › MusiCan, the Canadian Academy of Recording Arts and Sciences' music education program. Our contribution helps the organization nurture and support music programs for young Canadians across the country;
- › In the United States, a number of arts organizations and programs including the United Arts Council, Community Music School, Tar River Chorus, Embassy Cultural Centre, Brass Band of Central Florida, Arts Council of Winston-Salem, Artspace and Artsplure;
- › In the Caribbean, building the Creative Arts Centre at the University of the West Indies, Cave Hill, Barbados;
- › In the United Kingdom, sponsoring the Guernsey Harbour Carnival in partnership with the Round Table. The July event attracted nearly 5,000 people and raised £10,500 for local charities.

Amateur sport

Priority area: Olympic initiatives

RBC has been a corporate sponsor of the Canadian Olympic Team since 1947, making us the team's longest-standing sponsor. 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.

Our total commitment of \$110 million included a cash contribution of more than \$70 million as well as the provision of banking services, athlete and amateur sport investments, support for the Paralympic Games, First Nations community development programs and marketing support through our network.

We also support a number of related programs, such as:

- › **Vancouver 2010 Olympic Torch Relay:** RBC was selected as co-Presenting Partner, with Coca-Cola[†], of the 2010 Olympic Torch Relay for the Vancouver 2010 Olympic and Paralympic Winter Games. This is a unique opportunity for RBC to offer Canadians a chance to participate in this Olympic celebration and share in the Olympic Spirit;
- › **Vancouver 2010 Paralympic Torch Relay:** RBC was selected as co-Presenting Partner, along with Coca-Cola, the Government of Canada and the Province of B.C., of the Vancouver 2010 Paralympic Torch Relay. Although smaller in scale and length than the Vancouver 2010 Olympic Torch Relay, the 2010 Paralympic Torch Relay will accomplish the same goal of engaging Canadians in the lead-up to Canada's first Paralympic Games;
- › **RBC Olympians Program:** 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 100 athletes and several have gone on to full-time careers with RBC.

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.

Priority area: 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 Cup. We also support a number of related programs such as:

- › The **RBC Local Hockey Leaders[®]** program, which recognizes "behind the scenes" volunteers who support hockey in their communities. 2009 marked the sixth year of this support;
- › A national scholarship program supporting 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.

Other sports involvement

RBC sponsors a number of athletic events, programs, teams and organizations around the world including these:

- › **RBC Canadian Open:** RBC will be a title sponsor until 2012. In 2009, we were also involved with special events affiliated with the actual tournament, including:
 - The inaugural **Mike Weir Charity Classic**, featuring celebrity guests such as basketball legend Michael Jordan, actor Kevin Costner and hockey all-star Martin Brodeur, as well as golf stars Stephen Ames, Anthony Kim and event host Mike Weir. More than \$275,000 was raised for the Mike Weir Foundation to support children's wellness programs;
 - The **RBC Avion Golf Challenge**, a putting competition for the general public, set on a unique six-hole golf course in the heart of downtown Toronto, with a cash prize for the winner, and a donation of \$100,000 shared by the Mike Weir Foundation and the Reach Out Centre for Kids;
- › **Canada-Snowboard:** We are an official sponsor of this federation, which includes the national team and title sponsorship of the grassroots program entitled RBC Riders. We are also a sponsor of the Canadian Freestyle Ski Association and the RBC Jumps and Bumps program;
- › **Athletics Canada:** We have sponsored Athletics Canada since 1992, helping provide resources in support of key Canadian events and athlete development programs;
- › **The RBC Wicket Cricket[®] Program:** This program is designed to help schools and communities in Canada 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 instils the value of fair play. By the end of 2009, 1,750 teachers in 1,020 schools had registered for the program, engaging more than 30,000 Canadian youth in the sport;
- › **U.S. teams and events:** Teams include the Carolina Hurricanes (hockey), the Carolina Panthers (football), and the Wyndham Championship golf tournament. In 2009, RBC Bank provided special ticket discounts and donations to clients, employees and non-profit groups, including hosting a special "Non-profit Night" where we donated 500 tickets for one game to 40 different charities;
- › **The PGA Championship in Minnesota:** U.S. Wealth Management was a premier sponsor, including a sponsor of the post-tournament youth clinic featuring Anthony Kim;
- › **Jersey Swimathon in the British Isles:** This is the island's longest running charity event, and is in partnership with the Lions Club of Jersey. In 2009, approximately 3,000 swimmers

participated in this five-day event raising £135,000 for Channel Islands Air Search and other local charities;

- › **The 2009 Jersey Marathon:** we entered 40 relay teams and 11 full marathon runners. This is a record total of 211 employees from across the British Isles, who raised over £10,000 for charity.

Social services

United Way

RBC is the largest private sector contributor to the United Way in Canada, and one of only 77 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 deductions, direct giving and employee-driven fundraising events.

Combined employee and corporate contributions in Canada and the U.S. were \$16.1 million in 2009.

United Way donations (C\$)			
		Canada	United States
Employees*	\$	11,505,042	\$ 896,621
RBC corporate donations	\$	3,638,706	\$ 87,450
Total employee and corporate donations	\$	15,143,748	\$ 984,071
Total given (Canada and the United States)		\$ 16,127,819	

* This includes funds raised through payroll deductions, 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
2009	9	768
2008	10	727
2007	14	545
2006	15	445

Food banks

We support programs that help meet basic needs. In 2009, RBC and our employees gave over \$592,000 to help replenish food banks and soup kitchens across Canada. In the United States, we contributed more than \$25,000 to support food banks in North Carolina and hosted food collection activities to support food banks across the southeast.

Employee contributions

Our employees and pensioners 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.

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 17,000 grants and donated over \$8.5 million to celebrate our employees' volunteer efforts.

Employee volunteer grants (number of grants)			
	2009	2008	2007
Canada	2,084	1,848	1,885
U.S. and other countries	259	229	140
Total	2,443	2,077	2,025

Team action

When our employees unite for a common cause through team participation in pledged charity fundraising events, everyone wins. Community organizations get much-needed support, we gain community visibility and our employees enjoy a fun, meaningful social outing.

While we can't take credit for employees' efforts, we recognize the enormous contribution of our employees who passionately take part in these events. Through the RBC Team Action Grant, we donated over \$150,000 to charities across Canada to recognize, celebrate and thank our employees for their participation.

Initiatives to promote volunteerism

In addition to formal programs, we have a strong culture of celebrating and valuing volunteerism. For instance, many of our employees volunteer during their workday. In Canada in 2009, we estimate that RBC employees volunteered the equivalent of almost \$600,000* during working hours for United Way, Junior Achievement and Habitat for Humanity alone.

Our internal volunteer website gives 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.

U.S. Wealth Management partners with several non-profit organizations each year to support charitable initiatives where its employees are involved. Through the RBC Foundation — USA and corporate sponsorships, grants and matching gifts support our local communities.

*22,404 hours at an average of \$25/hr.

 rbc.com/donations

Diversity

Respect for diversity is one of our key values and underpins all of our community investment decisions. We proactively look for opportunities to support diverse communities across our entire donations portfolio.

In 2009, RBC Foundation donated more than \$5.5 million to initiatives dedicated to supporting diverse communities in Canada. We focused our efforts on the following six areas, and have provided additional information about initiatives for people with disabilities and Aboriginal people on this page.

Community investments in diversity	
Aboriginal people	\$ 2,022,150
People with disabilities	1,012,950
Newcomers	761,500
Cultural markets	823,950
Women	612,750
GLBT (Gay, lesbian, bisexual, transgendered)	87,000
General*	250,000
Total	\$ 5,570,300

* An additional \$250,000 was donated to organizations or programs that focus on general diversity including the Canadian Centre for Diversity's Diversity is Good Business and Junior Achievement's Diversity in Action program.



For a summary of all our diversity initiatives, see page 68.

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 2009, RBC Foundation donated over \$1 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;
- › Grandview Children's Centre, which helps children and youth with special needs or disabilities achieve their personal best;
- › Saskatchewan Association for Community Living's Interec program, which gives children with disabilities the opportunity to experience a number of activities during the summer months, including integrated sports, cultural events, recreation and leisure programs that serve vulnerable youth, children and their families.

Aboriginal people

RBC has a proud history of strong relationships with Aboriginal communities and we support programs that enhance economic and community well-being. We focus our philanthropic community activities on three key areas: the environment, specifically water; youth literacy and education; and culture and heritage. We donated over \$2 million to Aboriginal organizations in Canada in 2009 including these:

- › **National Arts Centre (NAC) Foundation:** RBC Foundation has provided a donation to the Music Alive Program, which is an in-school music program that educates youth about music and the value of the arts. Currently NAC is using the Music Alive Program to fill a gap in the current school curriculums for Aboriginal youth, as part of its goal to encourage the diversity of Canadian arts and culture through a variety of educational outreach initiatives.
- › **The National Aboriginal Achievement Foundation (NAAF):** This is a non-profit organization dedicated to raising funds to deliver programs that provide the tools necessary for Aboriginal peoples, especially youth, to achieve their potential.
- › **RBC Aboriginal Student Awards Program:** This program has provided 88 scholarships totalling \$1 million since the program's inception in 1992. Ten students received awards in 2009. Award recipients are also considered for summer and post-graduate employment opportunities with us. Our Aboriginal Stay in School Program, launched in 1994, provides "work and learn" opportunities for youth. A total of 42

students across Canada participated in this program during the 2009 summer school break.



For a summary of all our Aboriginal initiatives, see page 65.

Newcomers

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. We have also donated over \$760,000 to support community organizations that are making it easier for newcomers when they come to Canada. Programs that we have supported include these:

- › **Institute for Canadian Citizenship:** With our support, this organization has expanded its Cultural Access Pass Program, which provides new immigrants free admission to a number of museums and galleries throughout the Greater Toronto Area.
- › **Canadian Nurses Foundation:** With a donation from RBC Foundation, the RBC Diversity in Nursing fund was established to support the re-certification of internationally educated nurses.
- › **Calgary Immigrant Women's Association's Pebbles in the Sand:** A non-traditional learn-at-your-own-pace literacy program, developed specifically to assist multi-barriered immigrant women learners while connecting them with local community resources.

Donations: How we give

Governance

The member companies of RBC administer charitable donations in Canada through 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 RBC's businesses, to set policy and ratify all donations made in North America. The Foundation is staffed by five employees. To ensure our giving fulfils 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 received about 30,000 requests for funding in 2009 — 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. In 2009, RBC approved almost 7,600 donations to charitable groups in communities across North America. Over 80% of these donations were under \$20,000, providing a broad base of support.

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 when requesting donations over \$5,000.

Social impact

RBC requires, where possible, that our charitable partners demonstrate the social impact of our contribution and provide details about the successes and challenges they encounter during the time they receive funding. Recognizing the effort that is needed to report the good works our charitable partners do with our funding, RBC has established a set of tiered guidelines for reporting, as follows:

Reporting guidelines for charitable partners	
Donation amount	Reporting
Less than \$5,000	<ul style="list-style-type: none"> • Acknowledgement of receipt of donation
From \$5,000 to \$24,999*	<ul style="list-style-type: none"> • Letter detailing how RBC funds were spent
From \$25,000 to \$99,999*	<ul style="list-style-type: none"> • Funding request must include goals and objectives • Evaluation report including key outcomes and challenges against primary goals
\$100,000* and above	<ul style="list-style-type: none"> • Funding request must include program goals and outcome measurements • Annual update must include progress against goals and measurements, how key objectives were met and challenges against primary goals • Annual update should also include percentage of funds raised against the private sector goal when the request is part of a capital campaign

* We require audited financial statements for any donation over \$5,000.

Aboriginal people



This section provides a one-stop summary of the ways we support and serve Aboriginal people, with some new content as well as content repeated here from the following sections of our 2009 Corporate Responsibility Report: Marketplace, Economic Impact, Workplace and Community.

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.

Access to banking and specialized services

In addition to eight Canadian branches located on reserves and six branches “north of 60,” RBC has introduced the Remote Banking program to serve the banking needs of Aboriginal people who cannot travel easily to urban areas where branches are located.

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 community members. 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.

To further support access to capital in the Aboriginal market, RBC created agreements with the following Aboriginal Capital corporations:

- National Aboriginal Capital Corporation Association
- Taleawtxw Aboriginal Capital Corporation in British Columbia
- Miziwe Biik Development Corporation
- Waubetek Business Development Corporation
- Société de crédit commercial autochtone/Native Commercial Credit Corporation

In 2009, RBC provided capital for projects in the Aboriginal market including administration offices, a community meeting place, a commercial kitchen for community meals, a marina, tree farm licences, a bingo hall, a regional government ministries office, a hotel, a housing program, two community centres, two office buildings, a museum and an amphitheatre.

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. We encourage dialogue between businesses, governments and individuals to identify and resolve relevant economic issues.

In response to a corporate challenge from the Assembly of First Nations, RBC signed a Memorandum of Understanding in 2007 and provided a two-year action plan that outlined commitments to various initiatives. These initiatives were designed to support community and social development, and create economic opportunities for First Nations communities across Canada. We committed to increase partnerships with First Nations governments and businesses, 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.

In 2009, Phil Fontaine, former National Chief of the Assembly of First Nations, was appointed Special Advisor to RBC to provide advice and counsel that will help us deepen our relationships with Aboriginal governments, communities and businesses in Canada.

Some of the programs we support that promote Aboriginal economic development include:

- › The Aboriginal Human Resource Council, formed in 1998 as a national public/private, not-for-profit organization to advance the full participation of Aboriginal people in Canada’s labour market;
- › Council for the Advancement of Native Development Officers (CANDO), a national, Aboriginal-controlled, community-based organization, directed by a volunteer board of elected economic development officers, trained to help build economic capacity in their communities and organizations;

*Aboriginal peoples in Canada comprise the First Nations, Inuit and Métis. There are currently over 600 recognized First Nations governments or bands encompassing 1,172,790 people spread across Canada.

- › Canadian Aboriginal and Minority Supplier Council (CAMSC), which aims to boost employment and economic development efforts. The council delivers programs to facilitate procurement opportunities between major corporations in Canada and suppliers of all sizes owned and operated by Canadian Aboriginal people and minorities;
- › The Aboriginal Financial Officers Association of Canada (AFOA), which is the centre for excellence and innovation in Aboriginal finance and management. AFOA focuses on the capacity development and day-to-day needs of Aboriginal professionals who are working in finance and management — today’s leaders and those of the future.

Employment

Aboriginal people in our workplace in Canada*			
2009	2008	2007	1999**
1.6%	1.6%	1.6%	1.2%

* Figures represent Employment Equity data as of October 31 for each year presented, for our businesses in Canada governed by the Employment Equity Act. Given variations in legal definitions and restrictions in legislation around the world, comprehensive data is available only in Canada.

** 1999 data provided for comparative purposes as many of our programs and efforts require more than one or two years to have a demonstrable effect on workforce representation.

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 88 scholarships totalling \$1 million to Aboriginal students across Canada. In 2009, we expanded the program by awarding 10 scholarships compared to eight in 2008.
- › The Pursue Your Potential recruitment program helps Aboriginal people explore career opportunities and understand our recruitment and selection process.
- › A total of 42 students across Canada participated in the RBC Aboriginal Stay in School Program during the summer 2009 school break (See Community Initiatives below).

Community initiatives

RBC has a proud history of strong relationships with Aboriginal communities and we support 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. We donated over \$2 million to Aboriginal organizations in Canada in 2009, including these:

- › **National Arts Centre (NAC) Foundation:** RBC Foundation has provided a donation to the Music Alive Program, which is an in-school music program that educates youth about music and the value of the arts. Currently NAC is using the Music Alive Program to fill a gap in the current school curriculums for Aboriginal youth, as part of the NAC’s goal to encourage the diversity of Canadian arts and culture through a variety of educational outreach initiatives.
- › **The National Aboriginal Achievement Foundation (NAAF);** a non-profit organization dedicated to raising funds to deliver programs that provide the tools necessary for Aboriginal Peoples, especially youth, to achieve their potential.
- › **RBC Aboriginal Student Awards Program:** This program has provided 88 scholarships totalling \$1 million since the program’s inception in 1992. Ten students received awards in 2009. Award recipients are also considered for summer and post-graduate employment opportunities with us. Our Aboriginal Stay in School Program, launched in 1994, provides work and learn opportunities for youth. A total of 42 students across Canada participated in this program during the 2009 summer school break.
- › **Manitoba Indian Cultural Education Centre:** This is an organization that works to promote an awareness and understanding of First Nations culture to all Manitobans. RBC donated \$30,000 to support a new teaching kitchen to encourage and create a better understanding of Indigenous cultures.
- › **Outside Looking In:** This Ontario-based organization provides opportunities for self-expression to Indigenous youth through the arts, while giving Canadians a chance to learn about Indigenous peoples through performance. RBC provided a \$35,000 donation to assist with an outreach and training program that they will deliver in four or five First Nations communities across Ontario.
- › **Membertou First Nation:** This organization engages all 13 First Nation communities in Nova Scotia. RBC donated \$25,000 to support their Family Wellness Through Literacy program, which is focused on increasing literacy and self-esteem and the ability to make healthy lifestyle choices.
- › **Ecotrust Canada:** With our donation of \$15,000, we supported the Nuu-chah-nulth Atlas Project, which will serve the people of the Clayoquot Sound region by making it possible for local individuals and organizations to track the results of their efforts to create a more diversified, sustainable and inclusive economy.

- › **RBC After School Grants Project:** In 2009, we supported seven organizations across Canada that specifically focus on programming for Aboriginal children and youth.
- › **Brandon Friendship Centre:** The centre assists in advancing and maintaining the well-being of Aboriginal people by providing a medium for the development of Aboriginal leadership in the community, promoting a deeper awareness of the culture and heritage of the Aboriginal population and developing programs and support services to meet the needs of Aboriginal people in the community as a whole.
- › **Native Child and Family Services of Toronto:** They provide a life of quality, well-being, caring and healing for children in the Toronto Native community by creating a services model that is culture-based, respecting the values of Native people, the extended families and the right to self-determination.
- › **Frontiers Foundation:** This is 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.
- › **Canadian Aboriginal Festival:** Canada's largest such festival offers a unique opportunity for Canadians to share and learn about the cultures, languages and the heritage of North America's Aboriginal peoples.

RBC Blue Water Project

In 2009, we provided RBC Blue Water Project leadership grants to two Canadian organizations with projects that will help First Nations communities:

- › **Trent University:** A grant of \$500,000 will help enhance technical and lay expertise for the protection of drinking water in northern Aboriginal communities.
- › **Nipissing First Nation:** A grant of \$50,000 will fund a source water protection plan that will be socially and economically sustainable, culturally sensitive, independent and self-governed.

Diversity



This section provides a one-stop summary of the ways RBC supports diversity, with some new content as well as content repeated here from the following sections of our 2009 Report: Marketplace, Economic Impact, Workplace and Community.

RBC is considered a leader in diversity. We promote diversity by playing a leadership role and raising awareness, and through training, employee resource groups and other programs to support diversity.

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, so it's important to look at our longer-term progress.

Diversity in our workplace (Canada)*				
	2009	2008	2007	1999**
Women	68%	69%	69%	74%
Women in management	54%	54%	55%	54%
Women in executive roles	39%	39%	36%	25%
Visible minorities	27%	26%	25%	14%
Visible minorities in management	25%	25%	24%	13%
Visible minorities in executive roles	12%	12%	12%	5%
People with disabilities	3.7%	3.8%	3.9%	2.9%
Aboriginal people	1.6%	1.6%	1.6%	1.2%

* Figures represent Employment Equity data as of October 31 for each year presented, for our businesses in Canada governed by the Employment Equity Act. Given variations in legal definitions and restrictions in legislation around the world, comprehensive data on these four designated groups (women, visible minorities, people with disabilities, Aboriginal people) is available only in Canada.

** 1999 data provided for comparative purposes as many of our programs and efforts require more than one or two years to have a demonstrable effect on workforce representation.

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 senior-level diversity champions in place in North America, the Caribbean 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. For example in September 2009 the Toronto Region Immigrant Employment Council (TRIEC) announced the appointment of Gordon M. Nixon, President and Chief Executive Officer of RBC, as chair, and Zabeen Hirji, Chief Human Resources Officer of RBC, as co-chair of TRIEC. Founded in 2003, TRIEC creates and champions solutions to better integrate skilled immigrants in

the Greater Toronto Region labour market.

We believe progress in diversity is a societal objective and we can learn from one another. Our leaders also 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 sponsored a study by Catalyst Canada and Ryerson University on the career development and advancement of visible minorities in corporate Canada. In 2009, Catalyst Canada released the fifth and final part of this study, which highlights programs, practices and initiatives in organizations that support the development and career advancement for visible minorities. The study provides examples of initiatives that address barriers that prevent visible minority employees from forming critical relationships. The RBC Diversity Dialogues Reciprocal Mentoring initiative (see below) was featured in the study. The study also highlights strategies for companies to help them more fully leverage the talents of visible minority employees.

In 2009, we released 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 develop new initiatives that support our commitment to diversity.

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 110 employees globally;
- Extensive self-study materials, available through our internal website, Destination Diversity;
- RBC Diversity Dialogues, our reciprocal mentoring program, which we expanded to more than 180 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); employees with disabilities (REACH); and new Canadians and visible minorities (MOSAIC). In the U.S., we have groups representing gay and lesbian employees (GLADE) and minority employees (MEA). As well, female 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 13 years, we have successfully partnered with the Career Edge Organization to provide paid internships to recent graduates and newcomers to Canada through three programs: Career Edge for recent graduates, Ability Edge for graduates with disabilities and Career Bridge for internationally qualified professionals.

Since 2003, approximately 350 employers, including RBC, have provided meaningful work experiences to over 1,000 Career Bridge interns. Since 1996, RBC has provided valuable work experiences to over 700 Career Edge Organization interns.

In 2009 alone, RBC provided 68 paid internship opportunities, up from 52 in 2008, including five Career Edge interns, 27 Ability Edge interns and 36 Career Bridge interns. Approximately 70% of interns in the Ability Edge and Career Bridge paid internship programs join RBC as full-time employees following their internships.

Programs to support Aboriginal employment

We are also committed to increasing the representation of Aboriginal people within our workforce, through proactive recruitment and programs. For more information, see page 66.

Marketplace

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
- People with disabilities
- Seniors
- Students and youth
- Newcomers to Canada
- People who speak different languages

Economic development initiatives

Newcomers

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 new immigrants succeed, and we support programs and organizations that promote the interests of immigrants including:

- › Career Bridge, an innovative, paid internship program that helps immigrants who are internationally qualified professionals find work in their professional fields. Since 2003, approximately 350 employers have provided meaningful work experiences to over 1,000 Career Bridge interns, including 108 internships at RBC;
- › Top 25 Canadian Immigrants of 2009, a national people's choice award that lets Canadians vote directly for outstanding Canadian immigrants who have made a difference since their arrival in Canada. This first-ever awards program was jointly sponsored by RBC and Canadian Immigrant Magazine;
- › The Toronto Region Immigrant Employment Council (TRIEC), a multi-stakeholder council working to improve access to employment for immigrants so they are better able to use their skills, education and experience. In partnership with TRIEC, RBC continues to be a key sponsor of the annual Immigrant Success Awards, recognizing Toronto region employers and individuals that recruit, retain and promote skilled immigrants in the workplace;
- › 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.

- › 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 investments

Respect for diversity is one of our key values and underpins all of our community investment decisions. We proactively look for opportunities to support diverse communities across our entire donations portfolio.

In 2009, RBC Foundation donated more than \$5.5 million to initiatives dedicated to supporting diverse communities in Canada. Specifically we focused our efforts on the following six areas:

Community investments in diversity	
Aboriginal people	\$ 2,022,150
People with disabilities	1,012,950
Newcomers	761,500
Cultural markets	823,950
Women	612,750
GLBT (gay, lesbian, bisexual, transgendered)	87,000
General*	250,000
Total	\$ 5,570,300

* An additional \$250,000 was donated to organizations or programs that focus on general diversity including the Canadian Centre for Diversity's Diversity is Good Business program and Junior Achievement's Diversity in Action program.

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.

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

Royal Bank of Canada

Public Accountability Statement

Declaration

The information documented in this Public Accountability Statement for the fiscal period ended October 31, 2009 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.

- BonaVista Asset Management Ltd.
- Phillips, Hager & North Investment Funds Ltd.
- Phillips, Hager & North Investment Management Ltd.
- RBC Asset Management Inc.
- RBC Direct Investing Inc.
- RBC Dominion Securities Inc.
- RBC General Insurance Company
- RBC Insurance Company of Canada
- RBC Phillips, Hager & North Investment Counsel Inc.
- RBC Trustees International Limited
- Royal Trust Corporation of Canada
- The Royal Trust Company

Public Accountability Statements for Royal Bank of Canada declarants

Separate Public Accountability Statements for the fiscal year ended October 31, 2009 are provided on page 77 for Royal Bank Mortgage Corporation and RBC Life Insurance Company (Declarants), which are financial institutions with greater than \$1 billion in equity and 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.

Where to find information

The information related to this Royal Bank of Canada Public Accountability Statement can be found in the following sections:

Small business	21
Community economic development	24
Access to banking	30
Community	55
Volunteer activity (employee activity and contributions)	62
Employment in Canada	72
Taxes	72
Debt financing for Canadian businesses	73
Canadian bank branch/facility openings, closings and relocations	74
Canadian ATM (bank machine) openings and closings	75

Employment in Canada

We are one of the country's largest employers, with more than 59,000 employees across Canada.

As at October 31, 2009

Provinces and territories	Number of employees*	Full-time	Part-time
Newfoundland and Labrador	361	341	20
Prince Edward Island	106	101	5
Nova Scotia	1,413	1,333	80
New Brunswick	1,484	1,453	31
Quebec	7,962	7,633	329
Ontario	32,180	30,480	1,700
Manitoba	2,402	2,189	213
Saskatchewan	1,370	1,170	200
Alberta	4,548	4,199	349
British Columbia	7,521	6,986	535
Yukon**	49	38	11
Northwest Territories**	23	21	2
Nunavut**	29	27	2
Total	59,448	55,971	3,477

* Active & inactive employees

** These numbers had been combined in an earlier version of this report.

We also have a growing number of employees in the United States and in our international locations. As at October 31, 2009 we employed 77,673 people in full- and part-time positions worldwide.

Taxes

In 2009, the tax expense of RBC to all levels of government in Canada was \$2.03 billion. This amount included \$1.3 billion of income taxes, \$161 million in capital taxes and \$546 million in other taxes.* In addition, our tax expense included \$308 million related to other international jurisdictions, including the United States.

For the fiscal year ended October 31, 2009 (C\$ millions)

Taxes by jurisdiction	Capital taxes	Income taxes	Total taxes
Canada			
Newfoundland and Labrador	\$ 3	\$ 2	\$ 5
Prince Edward Island	1	1	2
Nova Scotia	9	10	19
New Brunswick	5	7	12
Quebec	23	66	89
Ontario	82	384	466
Manitoba	13	11	24
Saskatchewan	8	8	16
Alberta	–	36	36
British Columbia	17	55	72
Yukon, Northwest Territories and Nunavut	–	1	1
Federal	–	743	743
Capital and income taxes (Canada)	\$ 161	\$ 1,324	\$ 1,485
Other taxes* (Canada)			546
Canadian taxes			\$ 2,031
International taxes			308
Total taxes			\$ 2,339

* 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, 2009, authorized amounts available to businesses in Canada totalled \$134 billion.

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

2009 fiscal year ended October 31, 2009

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	1,149	765	251	98	70	106	48	2,487
	Authorized amount \$	11	37	38	34	49	228	1,128	1,525
Prince Edward Island	Number of clients	399	314	104	58	47	54	–	976
	Authorized amount \$	4	16	17	21	35	115	–	208
Nova Scotia	Number of clients	4,950	3,029	1,013	491	355	375	89	10,302
	Authorized amount \$	46	150	157	174	247	820	2,090	3,684
New Brunswick	Number of clients	2,569	1,616	518	277	164	204	60	5,408
	Authorized amount \$	24	79	77	95	113	460	909	1,757
Quebec	Number of clients	15,289	8,861	3,497	1,880	1,557	1,699	441	33,224
	Authorized amount \$	142	440	543	665	1,087	3,553	13,615	20,045
Ontario	Number of clients	50,645	29,289	10,357	4,889	3,873	4,132	1,128	104,313
	Authorized amount \$	451	1,452	1,578	1,723	2,699	8,577	40,021	56,501
Manitoba	Number of clients	4,104	3,041	1,144	405	360	356	91	9,501
	Authorized amount \$	38	159	171	142	254	812	2,400	3,976
Saskatchewan	Number of clients	4,891	4,066	1,929	633	489	355	68	12,431
	Authorized amount \$	47	213	300	224	343	710	1,968	3,805
Alberta	Number of clients	21,336	10,751	3,849	1,502	1,177	1,407	506	40,528
	Authorized amount \$	192	533	588	524	825	2,980	20,733	26,375
British Columbia	Number of clients	24,054	13,783	4,614	1,771	1,362	1,584	465	47,633
	Authorized amount \$	223	680	698	620	955	3,266	9,715	16,157
Yukon, Northwest Territories and Nunavut	Number of clients	481	237	90	45	29	42	–	924
	Authorized amount \$	4	12	13	15	20	82	–	146
Total	Number of clients	129,867	75,752	27,366	12,049	9,483	10,314	2,896	267,727
	Authorized amount \$	1,182	3,771	4,180	4,237	6,627	21,603	92,579	134,179

* 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

2009 fiscal year ended October 31, 2009

Unit name	Street address	City	Province
Opened			
Le Plateau Branch	211 Du Plateau Boulevard	Gatineau	QC
Le Versant Branch	1540 Greber Boulevard, Suite 1	Gatineau	QC
St-Jean-Omer-Marcil & Highway 35 Branch	185 Omer-Marcil Boulevard	St-Jean-Sur-Richelieu	QC
Saint-Romuald Branch	1050 De La Rive-Sud-Boulevard	St-Romuald	QC
Middlecote & Taunton Branch	101 Middlecote Drive	Ajax	ON
First Commerce & Wellington Branch	16 First Commerce Drive, Unit 16A	Aurora	ON
Highway 50 & Ebenezer Branch	8940 Highway 50, Unit 1	Brampton	ON
Dundas & Wilmar Branch	5322 Dundas Street West, Unit 3	Etobicoke	ON
Rymal Road & Terryberry Road Branch	2166 Rymal Road East	Hannon	ON
Fairway & Lackner Branch	900 Fairway Crescent, Unit 1	Kitchener	ON
Fanshawe & Hyde Park Branch	1265 Fanshawe Park Road West	London	ON
Strandherd & Cedarview Branch	4120 Strandherd Drive	Nepean	ON
Bank & Argyle Branch	475 Bank Street	Ottawa	ON
South Keys Shopping Centre Branch	2212 Bank Street, Unit A	Ottawa	ON
Wellington & Simcoe Branch	155 Wellington Street West, Unit 138A	Toronto	ON
Wasaga Beach Branch	654 River Road West	Wasaga Beach	ON
Saddleridge Branch	40 Saddletowne Circle North East	Calgary	AB
Signal Hill Shopping Centre Branch	5717 Signal Hill Centre South West	Calgary	AB
Aspen Landing Branch	383 Aspen Glen Landing South West, Unit 107	Calgary	AB
Marda Loop Branch	C/O 3919a Richmond Road South West	Calgary	AB
Hollick-Kenyon Landing Branch	16508 – 50th Street North West	Edmonton	AB
Wye Road Crossing Branch	301 Wye Road, Unit 31	Sherwood Park	AB
Sardis Branch	45460 Luckakuck Way, Unit B	Chilliwack	BC
Capilano Square Branch	879 Marine Drive, Unit 300	North Vancouver	BC
Homer & Nelson Branch	996 Homer Street	Vancouver	BC
Closed			
Abbey Branch	Wayne & Cathedral	Abbey	SK
Climax Branch	214 Main Street	Climax	SK
Relocated			
From	To	City	Province
681 Conception Bay Highway, Suite 100	91 Conception Bay Highway	Conception Bay South	NL
515 Westmorland Road	515 Westmorland Rd, Unit C009B	Saint John	NB
2003 Lakeshore Road	360 Pearl Street, Units 1-4	Burlington	ON
1642 Upper James Street	545 Rymal Road East	Hamilton	ON
1227 Barton Street East	1145 Barton Street East, Unit 1	Hamilton	ON
1646 Bath Road	523 Gardiners Road	Kingston	ON
1050 Paramount Drive	1803 Stone Church Road East, Unit 1	Stoney Creek	ON
997 Gerrard Street East	1011 Gerrard Street East	Toronto	ON
365 Front Street West	6 Fort York Boulevard	Toronto	ON
333 Portage Avenue	370 Portage Avenue	Winnipeg	MB
1240 2a Avenue North	1240 2a Avenue North, Unit 33	Lethbridge	AB
Vancouver International Airport, Level 3 South Apo, Box 23913	Vancouver International Airport, Level 3 South Apo, Box 23913, Rm B3226.0	Richmond	BC
398 West Broadway	505 West Broadway	Vancouver	BC
2306 Highway 6	2306 Highway 6, Unit 300	Vernon	BC

Canadian ATMs (bank machines) installed and removed

2009 fiscal year-ended October 31, 2009

ATMs installed		
Street address	City	Province
91 Conception Bay Highway	Conception Bay South	NL
965 Bedford Highway	Bedford	NS
495 Granville Street	Summerside	PEI
9 Main Street	Florenceville	NB
2605 D'annemassee	Boisbriand	QC
2151 Boul Lapiniere	Brossard	QC
180 Boul Jean-Leman	Candiac	QC
975 Boul Romeo-Vachon	Dorval	QC
1-1540 Boul Greber (2 ATMs)	Gatineau	QC
211 Boulevard Du Plateau (2 ATMs)	Gatineau	QC
300 Rue Brignon	Granby	QC
1130 Boul Saint-Joseph	Hull	QC
1160 Rue Chartrand	La Plaine	QC
7031 Cote St Luc Rd	Montreal	QC
345 Boul Sir-Wilfrid-Laurier	Mont-Saint-Hilaire	QC
12 Place Triad	Pointe-Claire	QC
1700 Rue Jules-Verne	Sainte-Foy	QC
185 Boulevard Omer-Marcil (2 ATMs)	Saint-Jean-Sur-Richelieu	QC
1050 De La Rive-Sud-Blvd (2 ATMs)	St-Romuald	QC
169 Rue Victoria	Valleyfield	QC
101 Middlecote Drive (3 ATMs)	Ajax	ON
16 First Commerce Drive (3 ATMs)	Aurora	ON
1371 Highway 11 North	Barrie	ON
4725 Ontario Street	Beamsville	ON
8940 Highway 50 (3 ATMs)	Brampton	ON
618 Colborne Street	Brantford	ON
1230 Plains Road East	Burlington	ON
360 Pearl Street	Burlington	ON
RR#5 Concession 6 East	Flamborough	ON
545 Rymal Road East	Hamilton	ON
2166 Rymal Road East (3 ATMs)	Hannon	ON
900 Fairway Crescent	Kitchener	ON
1201 Oxford Street West	London	ON
1265 Fanshawe Park Road West (3 ATMs)	London	ON
6720 Meadowvale Town Centre	Mississauga	ON
4120 Strandherd Drive (3 ATMs)	Nepean	ON
175 Mulock Drive	Newmarket	ON
12 Harrison Garden Boulevard	North York	ON
1660 Merivale Road	Ottawa	ON
2212 Bank Street (3 ATMs)	Ottawa	ON
475 Bank Street (2 ATMs)	Ottawa	ON
9710 Highway 9	Palgrave	ON
129 Trunk Road	Sault Ste. Marie	ON

ATMs installed		
Street address	City	Province
353 McCarthy Road	Stratford	ON
3613 Queens Line	Tilbury	ON
1113-1115 Wilson Avenue	Toronto	ON
155 Wellington St West (6 ATMs)	Toronto	ON
207 Queens Quay West	Toronto	ON
24 Wellesley Street West	Toronto	ON
25 The West Mall (2 ATMs)	Toronto	ON
429 Roncesvalles Avenue	Toronto	ON
5322 Dundas Street West (3 ATMs)	Toronto	ON
6 Fort York Boulevard	Toronto	ON
654 River Road West (2 ATMs)	Wasaga Beach	ON
1717 Dundas Street	Woodstock	ON
743 Main Street	Birtle	MB
102 North Railway Avenue	Deloraine	MB
10 Main Street	Neepawa	MB
1015 Notre Dame Avenue	Winnipeg	MB
370 Portage Avenue	Winnipeg	MB
400 Spence Street	Winnipeg	MB
446 Pacific Street	Kerrobert	SK
249 Centre Street	Ponteix	SK
109 Mountain Street	Strasbourg	SK
107 – 383 Aspen Glen Landing South West (3 ATMs)	Calgary	AB
2035 33 Avenue South West (2 ATMs)	Calgary	AB
40 Saddletowne Circle North East (3 ATMs)	Calgary	AB
5717 Signal Hill Centre South West (3 ATMs)	Calgary	AB
10818 Jasper Ave North West	Edmonton	AB
16508 50 Street North West (3 ATMs)	Edmonton	AB
139 5th Avenue South West	High River	AB
31 301 Wye Road (3 ATMs)	Sherwood Park	AB
3210 Smith Drive	Armstrong	BC
B-45460 Luckakuck Way (3 ATMs)	Chilliwack	BC
119 Trans Canada Hwy	Duncan	BC
1-5533 Airport Way	Kelowna	BC
375 Harvey Avenue	Kelowna	BC
879 Marine Drive (2 ATMs)	North Vancouver	BC
3880 Grant McConachie Way (2 ATMs)	Richmond	BC
200 Burrard Street	Vancouver	BC
3505 Grandview Highway	Vancouver	BC
3515 West 4th Avenue	Vancouver	BC
525 West Broadway	Vancouver	BC
996 Homer Street (2 ATMs)	Vancouver	BC
2306 Highway 6	Vernon	BC

ATMs Removed		
Street address	City	Province
22 McGettigan Boulevard	Marystown	NL
2 Main Street	Stephenville Crossing	NL
222 Water Street	Summerside	PEI
313 Main Street	Florenceville	NB
2799 Main Street	Hillsborough	NB
500 Waasis Road	Oromocto	NB
515 Westmorland Road	Saint John	NB
173 Jd Gauthier Boulevard	Shippagan	NB
2 Boul Sir-Wilfrid-Laurier	Beloeil	QC
875 Montee Masson	Mascouche	QC
180 Chemin Des Patriotes Sud	Mont-St-Hilaire	QC
10111 Avenue Papineau	Montreal	QC
139 Avenue Murdoch	Rouyn-Noranda	QC
235 Boul Saint Luc	Saint-Jean-Sur-Richelieu	QC
500 Rue Principale (2 ATMs)	Ste-Foy	QC
5710 Boul Grande-Allee	St-Hubert	QC
170 Victoria Street	Alliston	ON
140 St. Andrew	Cambridge	ON
3250 Brookdale	Cornwall	ON
55 Wyndham Street North	Guelph	ON
Highway 401 Westbound	Ingleside	ON
2821 Princess Street	Kingston	ON
57 Bridge Street	Lakefield	ON
Highway 401 Eastbound (2 ATMs)	Mallorytown	ON
1 Jockvale Road (2 ATMs)	Nepean	ON
1660 Merivale Road	Nepean	ON
6 Lakeshore Drive	North Bay	ON
1751 Paul Martin Drive	Pembroke	ON
162 Main Street	Penetanguishene	ON
1395 Kingston Road	Pickering	ON
705 Kingston Road (2 ATMs)	Pickering	ON
1114 London Road	Sarnia	ON

ATMs Removed		
Street address	City	Province
132 Lakeshore Road	St Catharines	ON
2 Queen Street West	Toronto	ON
77 King Street West	Toronto	ON
1090 Don Mills Road	Toronto	ON
1092 Islington Avenue	Toronto	ON
1261 College Street	Toronto	ON
2 Queen Street West	Toronto	ON
222 Jarvis Street	Toronto	ON
3402 Yonge Street	Toronto	ON
Highway 401 East	Trenton	ON
510 1st Street	Brandon	MB
185 Scurfield Boulevard	Winnipeg	MB
3025 Portage Avenue	Winnipeg	MB
3310 Portage Avenue	Winnipeg	MB
65a Promenade Avenue	Winnipeg	MB
210 Manitoba Street East	Moose Jaw	SK
1610 11th Street West	Saskatoon	SK
2303-22nd Street West	Saskatoon	SK
3402 8th Street East	Saskatoon	SK
815 22nd Street West	Saskatoon	SK
Highway 11 South	Saskatoon	SK
1400 12 Avenue South West (2 ATMs)	Calgary	AB
1102 Highway #9 (2 ATMs)	Drumheller	AB
19840 96 Avenue	Langley	BC
8850 Walnut Grove Drive	Langley	BC
177 W 3rd Street	North Vancouver	BC
8771 Lansdowne	Richmond	BC
12666 72nd Avenue	Surrey	BC
3690 West 10th Avenue	Vancouver	BC
665 West Broadway	Vancouver	BC
2695 Quadra Street (2 ATMs)	Victoria	BC
3800 Finnerty Road	Victoria	BC

Royal Bank Mortgage Corporation Public Accountability Statement

Royal Bank Mortgage Corporation (RBMC)'s primary business activity has been to acquire residential and commercial mortgages from Royal Bank of Canada. RBMC is funded by the issuance of guaranteed investment certificates (GICs) and Royal Money Market™ savings and chequing accounts opened through Royal Bank of Canada branches. RBMC does not have any employees as all of its activities are conducted by employees of Royal Bank of Canada. RBMC incurred \$17.7 million of income taxes (\$6.3 million, federal; and \$11.4 million, Quebec) and incurred \$8.3 million of capital taxes to Quebec for the fiscal year ended October 31, 2009. 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 Public Accountability Statement

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, accident and sickness insurance in all provinces and territories in Canada. RBC LIC offers non-participating individual life, 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 883 full-time employees (789 in Ontario, 49 in Quebec, 23 in British Columbia, 18 in Alberta, 1 in Nova Scotia, 1 in New Brunswick, 1 in Manitoba and 1 in Saskatchewan) and 93 part-time employees in Canada (88 in Ontario, 3 in Quebec, 2 in British Columbia and 1 in Alberta) as at October 31, 2009. RBC LIC incurred \$55 million of income taxes (\$33 million, federal; \$11 million in Ontario; \$3 million in Quebec; \$3 million in Alberta; \$3 million in British Columbia; \$1 million in Manitoba; and \$1 million to the other provinces and territories) and \$131,000 of capital taxes for the fiscal year ended October 31, 2009. In addition, during the same period, RBC LIC incurred \$23 million of premium taxes based on a percentage of gross premiums written (\$9 million, Ontario; \$4 million, Quebec; \$4 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 number of employees are also included in Royal Bank of Canada's Public Accountability Statement disclosure.

Declarants' Public Accountability Statements

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, 2009, 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.

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
Strategy and Profile		
Strategy and Analysis		
1.1	President and CEO's statement	Message from the CEO, page 6
1.2	Key impacts, risks and opportunities	Throughout report
Organizational Profile		
2.1	Name of organization	Royal Bank of Canada
2.2	Primary brands, products and services	Profile of RBC, page 4 2009 Annual Report
2.3	Operational structure	Profile of RBC, page 4 2009 Annual Report
2.4	Location of headquarters	2009 Annual Report
2.5	Countries of operation	We operate in 55 countries. rbc.com/aboutus
2.6	Nature of ownership and legal form	2009 Annual Report 2009 Annual Information Form
2.7	Markets served	2009 Annual Report rbc.com/aboutus
2.8	Scale of organization	2009 Annual Report rbc.com/aboutus
2.9	Significant changes during reporting period	2009 Annual Report
2.10	Awards received	Recognition, page 8
Report Parameters		
3.1	Reporting period	Scope, page 3
3.2	Date of most recent report	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
3.4	Contact point on the report	corporateresponsibility@rbc.com
3.5	Process for defining report content	Reporting, page 10 Stakeholders, page 9
3.6	Boundary of report	This report covers activities for RBC as a whole — our operations around the world, including all our subsidiaries, unless otherwise noted.
3.7	Limitations on scope or boundary of report	About this report, page 3
3.8	Basis for reporting on other entities	Scope, page 3
3.9	Data measurement techniques	About this report, page 3
3.10	Explanation of any restatements	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.

GRI #	Indicator	RBC Information
3.11	Significant changes from previous report	In 2009, we expanded our energy data coverage to 94% of our global floor area, compared to 65% in 2008. We are now able to report 100% of our direct and indirect energy consumption for all of our properties located in Canada and the United States. The majority of our increased energy data coverage (>70%) came from U.S.-based properties where electricity generation is typically more carbon-intensive (i.e. coal-fired power plants) than Canadian electricity generation. Due to the increase in energy data coverage and the inclusion of more carbon intensive U.S. properties, our reported CO ₂ e emissions and emissions intensity figures have increased.
3.12	Table identifying GRI standard disclosures in the report	GRI Index, page 78
3.13	Policy and current practices with regard to seeking external assurance for the report	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.
Governance, Commitments and Engagement		
4.1	Governance structure	2009 Annual Report rbc.com/governance
4.2	Indicate whether chair of highest governance body is also an executive officer	2009 Annual Report 2010 Management Proxy Circular Practices and leadership, page 12
4.3	Independent and/or non-executive members	2009 Annual Report Practices and leadership, page 12
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to highest governance body	2010 Management Proxy Circular
4.5	Linkage between compensation and organizational performance for governance body	2010 Management Proxy Circular
4.6	Processes for the highest governance body to ensure conflicts of interest are avoided	2010 Management Proxy Circular
4.8	Mission and values statements, codes of conduct and principles	Principles and policies, page 15
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of risk	2010 Management Proxy Circular Risk management, page 14
4.10	Processes for evaluating the highest governance body's own performance	2010 Management Proxy Circular
4.12	Externally developed charters, principles or other initiatives to which the organization subscribes or endorses	External principles, charters and initiatives, page 18
4.13	Significant memberships in associations and/or advocacy organizations	Affiliations, page 8
4.14	List of stakeholders engaged by organization	Stakeholders, page 9
4.15	Basis for identification and selection of stakeholders to engage	Stakeholders, page 9
4.16	Approach to stakeholder engagement	Stakeholders, page 9
4.17	Key topics and concerns raised through stakeholder engagement and response	Throughout report

GRI #	Indicator	RBC Information
Economic Performance Indicators		
DMA*	Management approach, goals, performance, policies, contextual information	2009 Annual Report Economic impact, page 20
Economic Performance		
EC1	Economic value generated and distributed	2009 Annual Report Economic impact, page 20
EC2	Financial implications of climate change	Priority environmental objectives, pages 48 2009 Annual Report
EC3	Pension plan obligations	Workplace, page 37
Market Presence		
EC6	Use of locally based suppliers	Purchasing, page 29
Indirect Economic Impacts		
EC8	Investments that provide public benefit	Community development projects, page 25 Public/Private Partnerships, page 25
EC9	Description of indirect economic impacts	Economic impact, page 20 Community, page 55
Environmental Performance Indicators		
DMA*	Management approach, goals and performance, policies, contextual information	Environment, page 45
Materials		
EN1	Materials used by weight or volume	SOFT footprint, page 53 rbc.com/environment
EN2	Materials used that are recycled input materials	rbc.com/environment
Energy		
EN3	Direct energy consumption	SOFT footprint, page 53 rbc.com/environment
EN4	Indirect energy consumption	SOFT footprint, page 53
EN5	Energy conservation and efficiency improvements	Reduce the intensity of our environmental footprint, page 48 SOFT footprint, page 53
EN6	Energy-efficient or renewable energy-based products/services	Environmental products and services, page 49 Lending to clean energy projects, page 50
EN7	Initiatives to reduce indirect energy consumption	Reduce the intensity of our environmental footprint, page 48
Biodiversity		
EN12	Impacts on biodiversity-rich areas	rbc.com/environment
EN13	Habitats protected or restored	rbc.com/environment
Emissions, Effluents and Waste		
EN16	Total direct and indirect greenhouse gas emissions by weight	SOFT footprint, page 53
EN18	Initiatives to reduce greenhouse gas emissions	Reduce the intensity of our environmental footprint, page 48
Products and Services		
EN26	Environmental impacts of products and services	Environmental products and services, page 49
EN27	Products reclaimed at the end of their useful life	Not applicable
Transport		
EN29	Environmental impacts of logistics	SOFT footprint, page 53

* Disclosure on management approach

GRI #	Indicator	RBC Information
Social Performance Indicators		
Labour Practices and Decent Work		
DMA	Management approach, goals, performance, policies, contextual information	Workplace, page 37
Employment		
LA1	Workforce by employment type and region	rbc.com/responsibility/workplace
LA3	Benefits for full-time employees	Benefits, page 42
Labour/Management Relations		
LA4	Employees covered by collective bargaining agreements	Freedom of association, page 39
Occupational Health and Safety		
LA6	Workforce represented in formal health and safety committees	Health, safety and wellness, page 42
LA7	Rates of injury, lost days, number of work-related fatalities	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 Canadian federally regulated employees only.
LA8	Programs for serious diseases	Health, safety and wellness, page 42
Training and Education		
LA10	Training per year per employee	Career development and learning, page 42. We do not report hours of training per year but the overall investment.
LA11	Career and skill development programs	Career development and learning, page 42
Diversity and Equal Opportunity		
LA13	Composition of governance bodies and breakdown of employees by diversity indicators	2010 Management Proxy Circular Diversity and inclusion, page 40
Human Rights		
DMA*	Management approach, goals, performance, policies, contextual information	Code of Conduct, page 12 Principles and policies, page 15 Diversity and inclusion, page 40
Investment and Procurement Practices		
HR1	Significant investment agreements that include human rights clauses or that have undergone human rights screening	Responsible investing, page 34
HR2	Supplier screening on human rights	Purchasing, page 29
HR3	Employee training on human rights relevant to operations	Code of Conduct, page 12
Freedom of Association and Collective Bargaining		
HR5	Operations where freedom of association and collective bargaining may be at significant risk	Freedom of association, page 39
Society		
DMA*	Management approach, goals, performance, policies, contextual information	Economic impact, page 20 Community, page 55
Community		
SO1	Programs for managing operational impacts on communities	Bank branch closures and openings, page 31

GRI #	Indicator	RBC Information
Corruption		
S02	Number of business units analyzed for corruption risks	Principles and policies, page 15
S03	Percentage of employees trained in anti-corruption policies and procedures	Principles and policies, page 15
Public Policy		
S05	Public policy positions and participation in public policy development and lobbying	Governments, page 10 Political contributions and lobbying, page 17
S06	Political donations	Political contributions and lobbying, page 17
Product Responsibility		
DMA*	Management approach, goals, performance, policies, contextual information	Product responsibility, page 34 Consumer protection, page 35
Customer Health and Safety		
PR1	Health and safety impacts of products and services	Development of products and services, pages 17 and 34
PR5	Practices related to customer satisfaction, including results of surveys	Stakeholders, page 9 Client satisfaction, page 36
Marketing Communications		
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications	Privacy, pages 16 and 35 Code of Conduct, page 12 Voluntary codes, page 18
Customer Privacy		
PR8	Substantiated complaints regarding privacy breaches	2009 Ombudsman's Report
Additional Indicators – Financial Services Sector Supplement		
FS1	Policies with specific environmental and social components applied to business lines	Principles and policies, page 15
FS2	Procedures for assessing and screening environmental and social risks	2009 Annual Report Risk management, page 14 Responsible lending, page 34 Equator principles, page 49
FS3	Processes for monitoring client's implementation of and compliance with environmental and social requirements included in agreements or transactions	Responsible lending, page 34 Equator principles, page 49
FS4	Processes for improving employee competency to implement the environmental and social policies and procedures	Principles and policies, page 15
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Stakeholders, page 9 Principles and policies, page 15 Green products and services, page 35 Community, page 55
FS13	Access points in low-populated or economically disadvantaged areas	Access to banking and insurance, page 30 Low-income and underserved clients, page 31
FS14	Initiatives to improve access to financial services	Access to banking and insurance, page 30
FS15	Policies for the fair design and sale of financial products and services	Product responsibility, page 34 Consumer protection, page 35
FS16	Initiatives to enhance financial literacy	Financial literacy, page 27



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