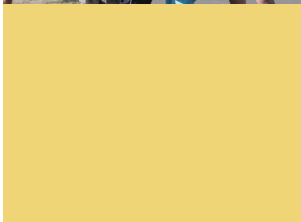
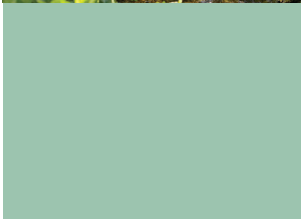
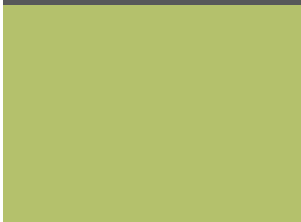




## 2008 Corporate Responsibility Review

*Create a better  
future*



# *What is a bank's responsibility?*

The turmoil in global financial markets may lead some to question whether “corporate responsibility” can survive tough economic times. The answer really depends on how you define corporate responsibility.

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

In our first ‘social report,’ dated 1985, my predecessor Rowland Frazee said, “We believe that our most fundamental social contribution is to do our jobs as bankers well.”

We have maintained that philosophy to this day. We continually strive to do our jobs as bankers well, to have a positive economic impact and serve the marketplace with integrity. This approach, coupled with our consistent financial strength, sound risk management policies and diversified business mix have enabled us to withstand many of the market shocks and pressures of 2008. Workplace,



environmental and community programs round out our corporate responsibility approach, enabling us to serve our clients well and create a sustainable global business.

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

I invite you to visit [rbc.com/responsibility](http://rbc.com/responsibility) for our full Corporate Responsibility Report and Public Accountability Statement. Please tell us how we can continue to help create a better future.

A handwritten signature in black ink, appearing to read 'G. Nixon', written in a cursive style.

Gordon M. Nixon  
President and Chief Executive Officer

**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.**

*Create a better future*

### *Vision*

RBC's vision is "always earning the right to be our clients' first choice."

We believe that our approach to corporate responsibility fully supports our vision. By continuing to demonstrate integrity in our business practices, striving to create a better workplace, marketplace and communities, and by caring for the environment, we are confident that we will continue to earn the right to be our clients' first choice.

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™.

Two of our newer focus areas are diversity and the environment, while we continue to help create better communities.

## *Values*

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

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



## *Awards*

A company's reputation is built in part by what people say about it. We feel privileged to have received recognition for our corporate responsibility programs and performance in 2008 including:

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

## *Indices*

RBC is listed on stock indices used by socially responsible investors to identify financial, social and environmental leaders, including:

- Dow Jones Sustainability World Index and Dow Jones Sustainability North America Index (listed for nine years)
- Jantzi Social Index (listed for eight years)
- FTSE4Good Index (listed for eight years)
- Carbon Disclosure Leadership Index (listed for four years)

At RBC we are bound by shared values, committed to helping our clients and proud of being a top employer.

Create a better workplace

### *RBC employment worldwide*

For the fiscal year ended October 31, 2008

	Number of employees
Canada	56,112
U.S.	14,082
Caribbean and other international	9,906
<b>Total</b>	<b>80,100</b>

### *Investments in employees*

Compensation and benefits	\$7.8 billion
Training and career development (direct and indirect expenditures)	\$149 million

### *Workforce diversity (Canada)*

	2008	2007	2006
Women	69%	69%	70%
Women in management	54%	55%	55%
Visible minorities	26%	25%	24%
Visible minorities in management	25%	24%	21%
People with disabilities	3.8%	3.9%	3.2%
Aboriginal people	1.6%	1.6%	1.6%

## *Priorities*

- Provide competitive compensation and total rewards and enable growth through training and development opportunities
- Foster a culture of employee engagement
- Maintain progressive workplace practices
- Respect diversity and promote inclusion



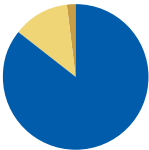
## *2008 Highlights*

- Named one of Canada's Top 100 Employers, recognizing organizations with innovative programs to attract and retain talented employees
- Sustained high employee engagement as indicated in our 2008 global employee opinion survey
- Provided flexible and effective working environments for employees, supported by our regular workplace policy review process
- Updated and enhanced an interactive online tool to help employees understand the impact of their planned retirement date on pension payments and healthcare costs
- Launched MOSAIC, an employee resource group that provides newcomers to Canada and visible minorities at RBC with mentoring and networking opportunities
- Piloted a Virtual Job Fair that focused on providing an accessible and engaging environment for people with disabilities; received 700 applications on the first day

We aim to promote prosperity by contributing to the communities in which we live and work.

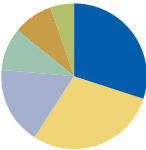
Create better communities

2008 Donations worldwide



Canada	\$44,145,000
United States	\$ 6,470,000
Other	
International	\$ 889,000
<b>Total</b>	<b>\$51,504,000</b>

2008 Donations by cause – Canada



Education	30%
Health	29.3%
Social services	17.3%
Civic	9.4%
Arts and culture	8.9%
Environment	5.1%

2008 DONATIONS BY REGION	
Newfoundland	\$ 325,012
Prince Edward Island	246,000
Nova Scotia	1,471,618
New Brunswick	809,095
Quebec	6,386,866
Ontario	18,309,969
Manitoba	1,389,077
Saskatchewan	1,166,100
Alberta	4,041,536
British Columbia	4,210,768
Yukon, NWT, Nunavut	161,500
National organizations (Canada)	5,627,459
United States	6,470,000
Other International	889,000
<b>Total</b>	<b>\$ 51,504,000</b>



## *Priorities*

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



## *2008 Highlights*

- Contributed \$99 million to community causes world-wide with more than \$51.5 million in donations and \$47.5 million in sponsorship of community events and national organizations
- Celebrated the first year of the RBC Blue Water Project®
- Qualified as an Imagine Canada “Caring Company,” with at least 1% of pre-tax profits (measured on a five-year rolling average) donated to charity
- Donated more than \$1.8 million to Aboriginal initiatives in Canada
- Launched the RBC Wicket Cricket™ Program to help Canadian schools and communities introduce cricket to their physical education programs
- Sponsored “Let’s Do Something Giant” awards in the United States, recognizing individuals for their community service or athletic accomplishments
- Expanded Employee Volunteer Grants program internationally. Since the program’s inception in 1999, we have donated \$7.2 million in recognition of our employees

We are committed to proactive and prudent management of the environmental aspects of our business.

## Create a better environment

### Our footprint

KEY INDICATORS	2008
Global floor area	2.292 million m <sup>2</sup>
Greenhouse gas emissions from energy use	.092 tonnes per m <sup>2</sup>
Green-powered branches (Canada)	76
Energy used in branches (Canada and U.S.)	.308 MWh/m <sup>2</sup>
Office paper used per employee (FTE)	.059 tonnes
Sustainably sourced office paper (Canada, U.S., British Isles) as of October 31, 2008	100%

### Continuous improvement

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

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

## *Priorities*

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



## *2008 Highlights*

- Converted all office paper purchased in Canada, the U.S. and the British Isles to paper certified by the Forest Stewardship Council, the Program for the Endorsement of Forest Certification or to 100% recycled content
- Switched more than 1.3 million accounts from paper to electronic statements
- Committed \$13.2 million in RBC Blue Water Project grants to 64 organizations globally to support watershed protection and access to clean drinking water. The RBC Blue Water Project is a 10-year, \$50 million philanthropic commitment
- Performed full environmental credit risk assessments on 650 transactions in Canada and the United States
- Applied the Equator Principles to five large projects
- Trained Capital Markets and Risk Management staff on climate change and carbon markets
- Launched a greenhouse gas emission trading desk to transact on exchanges in Canada, the United States and the European Union

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. 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.

# Create a better marketplace

## Access to banking

NETWORK	2008
Bank branches (Canada)	1,174
ATMs (Canada)	4,149
Bank branches (United States)	439
ATMs (United States)	503
Bank branches (Caribbean)	127
ATMs (Caribbean)	312
Bank branches (China)	1

### Special groups

We provide banking access to a host of traditionally underserved groups through customized products, services, channels and community-based programs. This includes services to low-income clients, people with disabilities, seniors, students, Aboriginal people, newcomers to Canada and people who speak languages other than English or French.

## *Priorities*

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



## *2008 Highlights*

- Added more green banking options for retail clients
- Expanded Socially Responsible Investment (SRI) options by acquiring Phillips, Hager & North Investment Management Ltd. and Access Capital Strategies LLC
- Expanded line-up of banking products and services designed for newcomers to Canada
- Expanded branch and ATM network in Canada, the United States and the Caribbean
- Launched a telephone service that can assist clients in more than 150 languages
- Enhanced customer and employee awareness of privacy and information security, building on the privacy policy we have had in place since 1991
- Hosted “Shred-A-Thons” in the United States to help clients prevent identity theft

## *Priorities*

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

# *Create prosperity*

## *2008 Highlights*

- Earnings of \$4.5 billion and a return on equity of 18%
- Incurred taxes of \$2.08 billion worldwide
- Provided employment to 80,100 people, with \$7.8 billion in employee compensation and benefits paid
- Supported organizations that promote literacy and help unemployed or underemployed people secure jobs
- Served more than half a million small business clients in Canada, the United States and the Caribbean
- Announced plans to launch the BlackBerry Partners Fund, a US\$150 million venture capital fund
- Developed innovative financing solutions to help fund major infrastructure projects in Canada and the United Kingdom
- Purchased goods and services totalling \$4.7 billion from suppliers of all sizes worldwide

## Vital statistics\*

ROYAL BANK OF CANADA (RY on TSX and NYSE) and its subsidiaries operate under the master brand name RBC. We are Canada's largest bank as measured by assets and market capitalization, one of North America's leading diversified financial services companies and among the largest banks in the world, as measured by market capitalization. We provide personal and commercial banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis.

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

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

WORKPLACE	2008	2007	2006
Employees	80,100	71,760	69,480
Employees in full-time equivalent (FTE) positions**	73,323	64,815	60,539
Employees (Canada)	56,112	54,960	54,742
Employees (United States)	14,082	12,181	10,580
Employees (Caribbean and other international)	9,906	4,619	4,158

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

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

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

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

\*\*\* For an explanation of 2008 figures, see page 10.



## For additional copies or to provide feedback

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This publication is also available at [rbc.com/responsibility](http://rbc.com/responsibility) and in audio format on request. RBC publie aussi ce document en français.

Our full 2008 Corporate Responsibility Report and Public Accountability Statement is available electronically at [rbc.com/responsibility](http://rbc.com/responsibility) and [rbc.com/pas](http://rbc.com/pas). Printed copies are available, at no cost, by request to the editor at the above address. Some elements of our 2008 Public Accountability Statement are also covered in this Review.

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