

Royal Bank of Canada

Environment, Social and Governance (ESG)

Performance Report 2019



Caution regarding forward-looking statements

From time to time, we make written or oral 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. We may make forward-looking statements in this 2019 Environmental, Social and Governance (ESG) Performance Report, in filings with Canadian regulators or the U.S. Securities and Exchange Commission (SEC), in reports to shareholders and in other communications. Forward-looking statements in this document include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals, our tax equity investments, as well as our social, economic, environmental and governance-related impacts and objectives. We have included forward-looking information in this document to assist our stakeholders in understanding our financial performance objectives, vision and strategic goals, as well as our social, economic, environmental and governance-related impacts and objectives. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals, and social, economic, environmental and governance-related impacts and objectives will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-

looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include credit, market, liquidity and funding, insurance, operational, regulatory compliance, strategic, reputation, legal and regulatory environment, competitive and systemic risks and other risks discussed in the risk sections of our Annual Report for the year that ended October 31, 2019 (2019 Annual Report) and the Risk management section of our Quarterly Report for the three-month period that ended January 31, 2020 (Q1 2020 Report to Shareholders); including information technology and cyber risk, privacy, data and third-party related risks, geopolitical uncertainty, Canadian housing and household indebtedness, regulatory changes, digital disruption and innovation, climate change, the business and economic conditions in the geographic regions in which we operate, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency, and environmental and social risk.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Material economic assumptions underlying the forward-looking statements contained in this document are set out in our 2019 Annual Report in the Economic, market and regulatory review and outlook section and for each business segment under the Strategic priorities and Outlook headings, as updated by the Economic, market and regulatory review and outlook section in our Q1 2020 Report to Shareholders. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.



Additional information about these and other factors can be found in the risk sections of our 2019 Annual Report and in the Risk management section of our Q1 2020 Report to Shareholders.

Contents




CEO Message	4
About this Report	6
How we deliver value	8
Our ESG priorities	9
Statement of Performance	11
Governance & Integrity	13
Value for Employees	22
Value for Clients	33
Value for Society	46
Value for Planet	56
Independent Limited Assurance Report	63
Appendices	64

Icon Legend

The following icons are found throughout this Report:

-  Our Priorities
-  Independently assured key performance indicator

Connect with us

-  facebook.com/rbc
-  instagram.com/rbc
-  twitter.com/@rbc
-  www.youtube.com/user/rbc
-  linkedin.com/company/rbc

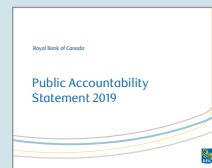
This report is part of a broader suite of disclosures. For more information, please review the additional publications listed below.



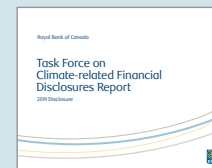
2019 Annual Report



2020 Management Proxy Circular



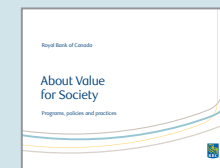
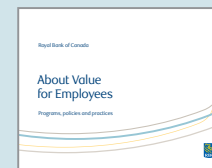
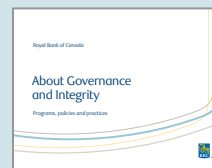
2019 Public Accountability Statement



2019 TCFD Report



RBC Climate Blueprint



Policy and program background papers

CEO Message

“On any journey, we can only move forward when we know where we stand and what we stand for.”



The technological revolution sweeping the world is a key driver of economic growth. It is also a major source of disruption.

Its promise and peril are evident in the communities where we live and work.

For example, artificial intelligence (AI) and machine learning are being deployed for good to address complex environmental challenges, and help individuals find new career pathways. Yet many of the same technologies are being used to harm institutions and individuals alike through cyber theft. In other cases, they are automating work, and eliminating jobs.

While we at RBC are optimistic about the future, we are also in a privileged position to help those we serve – and our society at large – be better prepared for it. To us, that’s what being Purpose-led is all about: we strive to help clients thrive and communities prosper.

This report reveals many of the ways we lived up to our Purpose in fiscal 2019. It highlights how our \$130 million of donations and community investments were put to work. And it speaks to the kind of bold convictions and commitments we make to deliver positive outcomes and create the most value for those we serve.

On these pages, you will find our actions underpinned in the following five ways:

We evaluate our performance in ways that go beyond financial results.

This includes our time and resources to help employees grow, develop and achieve their career aspirations. We work hard to create meaningful value for our clients, which goes beyond traditional banking services. And we look for ways to help prepare RBC employees, and youth, for the future of work. This balanced scorecard approach has been part of our DNA for decades.

Our size and scale provide us with huge advantages, including our ability to advance the public interest.

None is more pressing than climate change. RBC’s unique role enables us to support clean economic growth in a number of ways. In 2019, as part of our Climate Blueprint, we announced a new business target of \$100 billion in sustainable financing by 2025. This goal supports investments in companies and projects that are widely recognized as contributing to the low-carbon, sustainable economy of the future.

We speak up on matters to help make our communities healthier, more prosperous and inclusive.

A disruptive age often breeds divisive rhetoric. In 2019, around the world, we heard political leaders fan the flames of nationalism and protectionism. In our view, a splintering society is not a sustainable one. It's a big reason why we are a strong advocate for inclusion.

In 2019, we invited people from all walks of life to have a frank conversation about prevalent misperceptions on gender, race, religion, sexual orientation and ability. Our "Speak Up for Inclusion" video generated widespread attention on social media and, more importantly, extended the dialogue on an issue that has a direct impact on our economic and social well-being. We will expand on our efforts in 2020.

RBC forms strategic partnerships to make a greater impact.

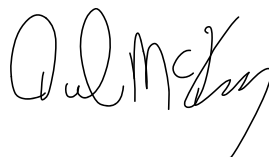
Organizations must operate with humility, understanding they cannot be everything to everyone. Creating meaningful value requires partnerships between like-minded organizations, whose competencies complement each other and, when combined, elevate any given offering. Consider one way we are looking to manage cyber risk. We partnered with government, academia, law enforcement and other businesses to establish a Canadian hub to strengthen the talent pool required to keep our citizens safe from potential threats.

And in helping Canadian youth prepare for the jobs of tomorrow, in 2019, the RBC Future Launch® initiative expanded its national network of charitable partners to 435, increasing the number of people who benefit from these high-impact programs. Indeed, close to two million youth participated in RBC Future Launch®. Feedback has been positive and the overwhelming majority of participants now feel better prepared for the future.

We take ownership for our actions.

On any journey, we can only move forward when we know where we stand and what we stand for. Consider our efforts to become one of the most diverse and inclusive workplaces. Tracking representation is one important way to hold ourselves accountable. Importantly, this year, we began sharing quarterly diversity and inclusion performance updates with all RBC employees so they remain informed and engaged in our journey. But we know that's not enough. That's why we are also committed to building inclusion by understanding different experiences and viewpoints from our employees that enable our people to perform at their highest level.

Times of transformation are always a test of leadership. For us, it's important to remain present and purposeful in the communities where we live and work. That's because RBC is on the same journey, inspired by similar aspirations, guided by common goals. RBC is, and will continue to be, a positive force in the lives of those we serve. By doing so we will help maximize the benefits and minimize the risks in a world of change and disruption.



Dave McKay
President & Chief Executive Officer, Royal Bank of Canada

About this Report

Scope

This Environmental, Social and Governance (ESG) Performance Report (the “Report”) includes information about Royal Bank of Canada and its subsidiaries (referred to as “RBC”, “we”, “us” or “our” in this Report) and excludes information about City National Bank (City National), unless otherwise noted. City National’s Corporate Social Responsibility Report is available at cnb.com. This Report provides an overview of our priorities, key performance indicators and highlights from 2019 on ESG factors relevant to financial services companies in general, and to RBC in particular. It complements information on the results of our operations and financial condition in our [2019 Annual Report](#) and our governance and executive compensation information in our [2020 Management Proxy Circular](#) (available at rbc.com). A set of background papers provides additional information on the policies, procedures and programs regarding our priorities and supports this Report. Previous reports as well as our background papers are available on the [Corporate Citizenship Reporting and Performance](#) website.

Reporting period

All data and examples in this Report reflect activities undertaken during the 2019 fiscal year (November 1, 2018 – October 31, 2019), unless otherwise noted. In many cases, we have provided data for fiscal 2019 as well as the two preceding years to present a wider view of trends in our performance over a three-year period.

Currency and measurement

All amounts in this document are in Canadian dollars unless otherwise noted. U.S. dollars and British pounds are converted using the fiscal 2019 average exchange rate (C\$1.00 = US\$0.759; C\$1.00 = 0.586£). Measurements used in this Report are metric, except where otherwise noted.

Endnotes

The endnotes on page [61](#), referenced throughout this Report, further define our performance indicators and criteria for measurement.

Reporting frameworks

We regularly monitor the development of international ESG reporting regulations, standards and frameworks for their relevance and usability, along with the expectations of our stakeholders regarding these standards. The structure and content of this Report are informed by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB)¹ standards, the International Integrated Reporting Council (IIRC) Integrated Reporting Framework and the United Nations Sustainable Development Goals (SDGs).


Stakeholders

This Report is published for all RBC stakeholders and subsidiaries. Our stakeholders include current and prospective clients, investors, employees, suppliers, governments, regulators, non-governmental organizations (NGOs) and community organizations. Accountability is one of our Values that underpin our principles-led organization. We believe we are accountable to our stakeholders regarding our ESG performance, and we should provide relevant disclosure on topics that matter to them. We also believe our stakeholders should have access to timely information in a format that best suits their needs. This Report, associated linked supplementary reports and background papers form the RBC disclosure suite.

Oversight

Accountability for our ESG strategy is part of the mandate of the Governance Committee of the Board of Directors, and the RBC Disclosure Committee reviews all ESG disclosures. In addition, quarterly consultations on ESG disclosure are conducted by a cross-functional disclosure advisory committee that includes experts from Finance/External Reporting, the Law Group, Group Risk Management, Investor Relations, Communications, Regulatory and Government Affairs, and Human Resources.

Review and assurance

PricewaterhouseCoopers LLP (PwC) has performed a limited assurance engagement for a select number of RBC performance indicators. We've identified these with an  symbol throughout the Report. PwC has provided an independent limited assurance report on page 63 documenting their limited assurance engagement.

How we deliver value

Helping clients thrive and communities prosper

Guided by our Vision to be among the world's most trusted and successful financial institutions, and driven by our Purpose, we aim to be:

- The undisputed financial services leader in Canada
- The preferred partner to corporate, institutional and high net worth clients and their businesses in the U.S.
- A leading financial services partner valued for our expertise in select global financial centres



Our Business

What We Do

- Personal & Commercial Banking
- Wealth Management
- Capital Markets
- Insurance
- Investor & Treasury Services

Where We Operate

- Canada
- United States
- 34 other countries

Who We Are

85,000+ employees bring our Vision, Values and strategy to life so we can help clients thrive and communities prosper. How we achieve success is as important as what we achieve.



Who We Deliver Value For

Employees

Providing meaningful work and growth opportunities for our people

Clients

Creating meaningful value and an exceptional experience for our clients

Shareholders

Delivering long-term returns to our shareholders

Society

Building a better future for the communities we serve

Planet

Supporting clean economic growth and the transition to a low-carbon economy



How We Create Value

- Build and attract talent
- Create experiences that enable growth
- Drive a diverse and inclusive culture

- Nurture deep, multifaceted relationships with clients
- Innovate digitally-enabled experiences and insights
- Provide security and privacy through strong technology and data foundations
- Provide products and services with positive social and environmental impact

- Maintain a track record of positive earnings and dividend growth
- Earn credit ratings that are among the highest globally
- Keep a strong capital position and a high-quality balance sheet

- Generate and distribute economic value
- Prepare young people for the future of work
- Support an inclusive and responsible supply chain
- Advance financial literacy and inclusion

- Achieve net-zero carbon emissions annually in our global operations
- Advance our capabilities in climate risk management and climate-related disclosures
- Speak up for smart climate solutions
- Invest in technology to address complex environmental challenges



Governance & Integrity

- Responsible governance practices
- Strong risk conduct and culture
- Effective risk management

Our ESG priorities

It's important that we identify, understand and respond to the ESG factors that matter most to our stakeholders and our business.

By focusing on these key priorities, we can concentrate resources on activities where we can have the greatest impact and create the most value. Prioritizing ESG factors also guides our reporting strategy. Our disclosure focuses on our ESG priorities as well as the metrics and targets we use to measure our performance in these areas.

Legend

- Governance & Integrity
- Value for Employees
- Value for Clients
- Value for Society
- Value for Planet



How we identify our ESG priorities

Each year we conduct a review of the ESG factors that matter most to our stakeholders and that have a potential financial or reputational impact on RBC. Beyond this, we also regularly analyze stakeholder feedback, industry trends and independent research.

Identifying ESG priorities aligns with our enterprise risk appetite, which is to ensure we identify and manage the top and emerging risks, as disclosed in our [2019 Annual Report](#), and incorporate them into our existing risk management assessment, measurement, monitoring and escalation processes. This requires management to conduct a forward-looking assessment of risks to the organization.

In 2019, we conducted a review of our stated ESG priorities, comparing them to the disclosure requirements of key ESG rating agencies, and to the areas of interest expressed to us by stakeholders throughout the year. We examined how rating agencies assessed financial institutions (FIs), which ESG factors they considered most relevant and what year-on-year changes they made to the weightings assigned to each ESG factor. For example, we found that rating agencies increased the weighting of the scores for climate change and sustainable finance in 2019.

Following our internal review, we commissioned Deloitte to review and validate our understanding and ranking of our ESG priorities. The validation included benchmarking against our Canadian and global peers to identify leading practices and emerging trends in identifying ESG priorities, and in engaging and communicating with stakeholders. As a result of their assessment, we updated our matrix of ESG priorities to show the increased importance of climate change (because of increased stakeholder interest and its impact on the business) and the banking industry's growing focus on how workforce practices, data privacy and cyber security can impact our business.

Continuously improving our ESG disclosure

We currently engage with investors on ESG priorities, and we will continue to do this in fiscal 2020, which will inform our disclosure next year. In addition, we plan to further enhance our engagement approach on our ESG disclosure with internal and external stakeholders in fiscal 2020.

We aim to increase our transparency and disclosure on how we manage our ESG priorities by increasing engagement and collaboration with internal teams and business leaders. Our approach is to continuously improve, with a focus on 1) disclosing the most relevant performance metrics and 2) embracing the principles and guidance of prevailing ESG reporting standards, including those associated with the SASB, GRI, IIRC, Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB), as well as local and national regulations in the regions where we operate. We invite our stakeholders to provide feedback on our disclosure by sending an email to corporatecitizenship@rbc.com.

Statement of Performance

Performance metrics	Targets	2019	2018	2017
Overall – ESG Composite Index²	↑	81 ①	81	79
Governance & Integrity				
Percentage of independent directors ³	Substantial majority	92%	92%	92%
Percentage of women directors ⁴	>30%	43%	38%	38%
Percentage of women executives ⁵	48%	46% ①	45%	44%
Percentage of visible minority executives ^{5,6}	19%	19% ①	20%	17%
Value for Employees				
Employee Engagement Index score ⁷	>82	86 ①	86	85
Diversity and Inclusion (D&I) Index score ⁸	↑	87	86	85
Percentage of women in middle management and above	–	45% ①	45%	45%
Percentage of visible minorities in middle management and above ⁶	–	39% ①	38%	36%
Percentage of positions filled by internal candidates	N/A	67%	64%	69%
Total voluntary turnover rate ⁹	–	9.3%	9.5%	9.1%
Total turnover rate ⁹	–	12.4%	12.6%	13.1%
Absentee rate (percentage of total days scheduled) ¹⁰	↓	1.05%	1.09%	1.15%
Value for Clients				
Client Experience score ¹¹	↑	60.6	59.4	56.9
Relationship share ¹²	>12% ⁴⁸	18% ①	21%	23%
Percentage of financial service transactions performed in self-serve channels ¹³	↑	88% ①	86%	84%
90-day digital active user rate ¹⁴	↑	52% ①	50%	47%
Total value of socially responsible investments (SRI) and Impact assets under management by RBC companies ¹⁵	↑	\$7.7 billion	\$7.0 billion	\$5.8 billion
Total value of sustainable finance	\$100 billion by 2025	\$25.9 billion	N/A	N/A

- ↑ Target associated with continuous improvement over prior year or three-year rolling average.
 N/A Targets or performance metrics are not applicable.
 – We do not currently have targets associated with these performance metrics. We continue to advance our performance management and reporting program, which will include target-setting for material ESG performance metrics in future reporting.
 ① PricewaterhouseCoopers (PwC) provided limited assurance over this figure in 2019. Please see page 63 for PwC's Independent Limited Assurance Report.

For further details on the criteria for measurement and explanation for significant fluctuations year over year, please see the endnotes on [page 61](#).

Statement of Performance

Performance metrics	Targets	2019	2018	2017
Value for Society				
Economic value generated and distributed ¹⁶	N/A	\$31.1 billion	\$29.9 billion	\$28.6 billion
Total cash donations and community investments ¹⁷	–	\$130.0 million	\$115.6 million	\$100.0 million
Total amount invested in youth-related organizations	–	\$60.1 million	\$46.2 million	\$31.6 million
Number of young people reached through RBC Future Launch	–	1.9 million ⁷¹	1.5 million	N/A ⁷³
Percentage of diverse ¹⁸ participants – RBC Future Launch	–	82%	82%	N/A ⁷³
Percentage of youth participants that feel better prepared for the future – RBC Future Launch	–	77%	77%	N/A ⁷³
Total amount donated to financial literacy programs	↑	\$4.8 million	\$3.1 million	\$2.3 million
Value for Planet				
Greenhouse gas (GHG) emissions intensity from energy use (tonnes of CO ₂ e/m ²)	–	0.046 ¹⁹ ⓘ	0.055 ²⁰	0.062 ²⁰
Total Scope 1 and 2 emissions (tonnes of CO ₂ e) ²¹	Reduce by 15% by 2023	99,136 ¹⁹	121,465 ²⁰	118,926 ²⁰
Percentage of electricity from renewable and non-emitting sources for all properties	Increase to 90% by 2023	77%	75%	72%

- ↑ Target associated with continuous improvement over prior year or three-year rolling average.
- N/A Targets or performance metrics are not applicable.
- We do not currently have targets associated with these performance metrics. We continue to advance our performance management and reporting program, which will include target-setting for material ESG performance metrics in future reporting.
- ⓘ PwC provided limited assurance over this figure in 2019. Please see page 63 for PwC's Assurance Statement.

For further details on the criteria for measurement and explanation for significant fluctuations year over year, please see the endnotes on [page 61](#).

Governance & Integrity



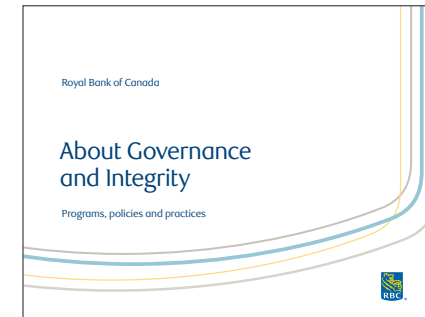
Our Priorities

- Responsible governance practices
- Conduct and trust
- Risk management

Integrity is one of our most important values

Our high standards of governance are consistent with regulatory expectations and evolving best practices, and align with our strategy and risk appetite. We believe good governance is not just about overseeing RBC and its practices, but doing so in a way that's transparent, independent of management and ethical. It involves the Board and management actively engaging with our stakeholders, knowing the business and its risks, and understanding the challenges and opportunities of a changing industry and economy. Setting robust standards helps us ensure we are constantly enhancing value and delivering on our stated Purpose: to help clients thrive and communities prosper.

For more information on our programs, policies and practices related to governance and integrity, please see our [Governance and Integrity](#) background paper.



Awards and Recognition



- Best Overall Corporate Governance, 2019 Excellence in Governance Awards – Governance Professionals of Canada
- Best Engagement, 2019 Excellence in Governance Awards – Governance Professionals of Canada
- Best Overall Governance – International, 2019 Corporate Governance Awards - Corporate Secretary Magazine

Responsible governance practices

We are committed to the ongoing pursuit of strong and effective governance practices. The Board works closely with management to improve how we operate by making sure our governance approach incorporates evolving industry trends, regulatory expectations and global best practices. Our approach to responsible governance is based on these core principles.

Conduct and culture	By setting the tone, the Board champions the values of trust, integrity and good governance.
Stewardship	Directors are the stewards of RBC, exercising independent judgment in overseeing management and safeguarding the interests of stakeholders.
Strategic oversight	Directors are key advisors to management, advising them on strategic direction, objectives and action plans, taking into account business opportunities and RBC's risk appetite.
Risk oversight	The Board oversees the frameworks, policies and systems used to identify and manage risks to the businesses, and seeks to embed a strong risk management culture throughout RBC.
Independence	Independence from management is fundamental to the Board's effective oversight, and mechanisms are in place to ensure its independence.
Accountability	Transparency is a hallmark of good governance. The Board is committed to clear and comprehensive financial reporting and disclosure, and constructive shareholder and stakeholder engagement.
Continuous improvement	The Board is committed to continuously improving its corporate governance principles, policies and practices.

For more information

[RBC Corporate Governance Framework](#)
[2020 Management Proxy Circular](#)
[2019 Statement of Corporate Governance Practices](#)
[Director Independence Policy](#)
[Code of Conduct](#)
[2019 Annual Report](#)

Responsible governance practices

The Board supports diversity and inclusion at all levels, in tandem with RBC's diversity and inclusion efforts. We strive to ensure our director recruitment and succession planning efforts include a wide variety of expertise, perspectives and backgrounds. Ensuring directors have access to an extensive program of educational opportunities on emerging issues is a key governance priority for the Board.

Performance metrics	Targets	2019	2018	2017
Number of Board members	N/A	13	13	13
Percentage of independent directors	Substantial majority	92% ³	92%	92%
Percentage of women directors	>30%	43% ⁴	38%	38%

Conduct and trust

Our Vision is to be among the world's most trusted and successful financial institutions. As a financial services company, we have an obligation to serve our clients with integrity and safeguard the trust they put in us. We define conduct as the manifestation of culture through the behaviours, judgments, decisions and actions of the organization and its individuals. Our organizational direction establishes the expectation of good conduct outcomes as the operating norm for the organization, all employees and third-party service providers operating on behalf of RBC. Our Values and our Code of Conduct guide our behaviour and decision-making when we serve our clients and when we interact with investors, our fellow employees and our communities. All employees must successfully complete compliance training, and commit to and acknowledge the Code of Conduct annually.

How we achieve our results is as important as the results we achieve. This mindset is embedded in our culture, mandates and compensation programs. We produce regular and holistic reporting and dashboards for the Board on conduct and reputation risks, including updates from business segments and trend analyses.

We have risk behaviour expectations in place to promote our risk-aware culture of “doing what’s right”. These are articulated in our:

- Values
- Code of Conduct
- Risk Management Principles, including the Enterprise Risk Management Framework
- Risk appetite limits and statements
- Regulatory conduct rules, practices and policies
- Performance management processes
- Enterprise Conduct Framework

Based on our assessment of stakeholder interest, as discussed in “Our ESG priorities” on page 9, our discussion of conduct and trust concentrates on our:

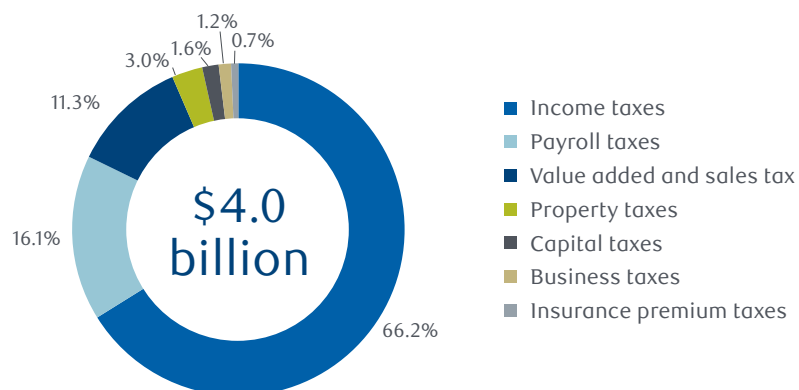
- Enterprise Conduct Framework and business focus on making sure our behaviours, judgments, decisions and actions lead to positive outcomes for clients
- Anti-money laundering (AML), anti-terrorist financing (ATF) and economic sanctions policies and programs (please refer to the Governance and Integrity background paper for more on our approach to this topic)
- Policies on lobbying and making political contributions (please refer to the Statement on Lobbying and Political Contributions background paper for more on our approach to this topic)
- Paying our fair share of taxes

For more information

[Code of Conduct](#)
[Office of the Ombudsman](#)
[RBC Global Approach to Anti-Money Laundering](#)
[Statement on Lobbying and Political Contributions](#)
[2019 Annual Report](#)

Performance metrics	Targets	2019	2018	2017
Sales conduct and business practices				
Percentage of employees who completed the Code of Conduct training on time	>98%	99.4%	99.2%	99.1%
AML, ATF, economic sanctions				
Percentage of employees who completed the Combating Money Laundering and Terrorist Financing training on time ²²	>98%	99.2%	98.9%	98.7%
Lobbying activity				
U.S. non-deductible lobbying activity expenditures as at calendar year-end (USD)	N/A	\$203,919	\$217,835	\$197,911
Tax				
Total Canadian taxes (income, capital and other taxes)	N/A	\$2.9 billion	\$3.8 billion	\$3.9 billion
Total other international taxes (income and other taxes)	N/A	\$1.1 billion	\$1.3 billion	\$1.1 billion
Total income and other taxes ²³	N/A	\$4.0 billion	\$5.0 billion	\$5.1 billion
Effective total tax rate ²⁴	N/A	26.3%	27.7%	28.6%

Total income and other taxes





2019 Highlights

Promoting healthy conduct and culture

We strive to maintain open, healthy workplaces where speaking up and diversity of thought are central to our ability to attract and retain the talent we need to deliver value to our clients, communities and investors. In 2019, as part of our annual Employee Opinion Survey (EOS), 92% of our employees indicated that they felt they were treated with respect. This is an example of the strong and consistent response to key EOS questions that reflect our risk conduct and culture. We are confident that overall our workplaces are healthy and our workforce is engaged.

The RBC Leadership Model, which sets out key behaviours expected of our workforce, encourages speaking up for the good of RBC, and our Code of Conduct requires all employees to report misconduct. Employees are encouraged to speak to their manager, Human Resources manager or Compliance so their issues are resolved quickly and objectively. However, other channels are available if they are not comfortable with these ones.

On April 30, 2019, we introduced our global Conduct Hotline. This is a confidential channel for all employees to report misconduct. A third party independent of RBC administers the Conduct Hotline, and employees can use it to report and track the status of their report anonymously. The Conduct Hotline has received 185 reports since its launch in April (as at the end of fiscal 2019).

RBC is committed to ensuring employees have a fair and transparent experience in having their concerns heard and addressed in accordance with our Values. Investigations are conducted as appropriate by trained professionals in Human Resources, Compliance, the Law Group, Privacy/Information Security, Internal Audit and Corporate Investigation Services or independent, external investigators. In addition to addressing misconduct, we proactively take note of any learnings from the investigations and make recommendations, as appropriate, to enhance our workplace.

RBC is committed to protecting employees from retaliation when they raise concerns. We actively monitor for retaliation including by following up with employees after an investigation is closed, and annually reviewing key indicators such as performance ratings, compensation and employment status. All people managers are accountable for protecting employees who raise concerns about retaliation, and any retaliation is treated as a breach of our Code of Conduct.



2019 Highlights

Tax

Our Audit Committee oversees our financial reporting including our tax reporting. We discuss our tax position with the Audit Committee on a regular basis and our tax strategy with the Audit and Risk Committees.

Our approach to taxation is grounded in principles that are reflected in our Code of Conduct, is governed by our Enterprise Tax Risk Management Policy and incorporates the fundamentals of our risk drivers. Group Executives, including the chief financial officer (CFO) and the senior vice-president of Taxation, oversee the taxation policy and manage tax risk.

With operations in 36 countries, we are subject to Canadian and international tax legislation and other regulations, and our activities are fully disclosed to the relevant tax authorities. 85% of our revenue is earned in Canada and the United States and we provide tax information for this geography in our published financial statements. In addition, we provide tax information annually on a country-by-country basis to the Canada Revenue Agency (CRA). Taxation and Group Risk Management (GRM) regularly review the activities of RBC and its subsidiaries to ensure we are compliant with tax and other regulations.

We commit to:

- Acting with integrity and in a straightforward, open and honest manner in all tax matters
- Ensuring our tax strategy aligns with our business strategy, supporting only bona fide transactions with a business purpose and economic substance
- Ensuring we are compliant with tax authorities and providing full disclosure pursuant to our statutory obligations to them
- Ensuring all inter-company transactions are conducted at arm's length
- Endeavouring to work with tax authorities to build positive long-term relationships and, where disputes occur, address them constructively

We manage tax risk by:

- Continuously enhancing the control environment with coherent risk frameworks, practical policies, guiding principles and procedures
- Establishing a zero-tolerance position on tax evasion and raising awareness of this position with:
 - **Our employees:** Through training and courses on the RBC Code of Conduct, risk framework, and tax policies and procedures. Employees are required to report possible instances of tax avoidance by following the Suspicious Activity Reporting procedures. An independent internal Conduct Hotline was created in 2019.
 - **Our suppliers and service providers:** Since 2018, the Supplier Code of Conduct has explicitly communicated our expectation of suppliers' own tax compliance.
 - **Our customers:** There is a statement on our tax risk approach in our Annual Report as well in our [U.K. Tax Strategy Statement](#). The latter is part of our continued commitment to comply with the Code of Practice on Taxation for Banks. These statements spell out our zero tolerance for client transactions that are pursued to evade tax obligations.

Risk management

As a financial services company, we are in the business of managing risks as we aim to create maximum value for our shareholders, clients, employees and communities. The ability to manage risk is one of our core competencies, and is supported by our strong conduct and risk culture and an effective risk management approach.

Environmental and social (E&S) risk is the risk that an environmental or social issue associated with a client, transaction, product, supplier or activity will lead to operational, legal, reputational or other risks, or increase the risk of financial losses. GRM is responsible for developing and maintaining policies to identify, assess, monitor and report on E&S risk, and for regularly reviewing and updating them. E&S risk policies seek to identify sectors, clients and business activities that may be exposed to E&S risk; apply enhanced due diligence and escalation procedures, as necessary; and establish requirements to manage, mitigate and monitor E&S risk. We continually update our E&S risk policies and support our business segments and corporate functions in incorporating E&S risk management requirements in their operations.

For more information

[2019 Annual Report](#)

[2019 TCFD Report](#)

[2019 Statement of Corporate Governance Practices](#)

[RBC Corporate Governance Framework](#)

[Environmental and Social Risk Management](#)

Performance metrics	Targets	2019	2018	2017
Risk management training				
Percentage of employees who completed the Introduction to Risk Management at RBC training on time	>98%	99.8%	99.6%	99.8%
E&S risk management				
Number of credit risk assessments reviewed for E&S risk	N/A	1,912	1,849 ²⁵	1,239 ²⁵
Value of all credit risk assessments reviewed for E&S risk	N/A	\$13.7 billion	\$17.9 billion	\$14.2 ²⁵ billion



2019 Highlights

- In line with our commitment in the RBC Climate Blueprint to advance our capabilities in climate risk management, we conducted climate scenario analyses on parts of our credit portfolio.
- We continued our commitment to TCFD recommendations by publishing our third annual TCFD disclosure.
- Through the Canadian Bankers Association TCFD Working Group, of which RBC was the Chair in 2019, we collaborated with our Canadian peers on the development of consistent and comparable approaches to conducting climate risk assessments and disclosures.

Value for Employees



Our Priorities

- Building and attracting talent
- Creating experiences that enable growth
- Driving a diverse and inclusive culture



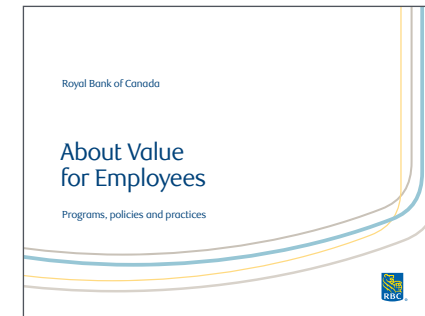
Inspiring talent that sets RBC apart

Our success over the last 150 years is anchored by our ability to adapt, evolve and innovate. With globalization and five generations in the workplace, our talent pool is more diverse than ever – in backgrounds, experiences, skills and mindsets.

Our workforce is future ready. We are using emerging technologies to improve our processes, boost productivity and allow our people to focus on more value-adding work. We are empowering employees to gain new skills and capabilities, and discover unexpected career paths across RBC. And we are harnessing their diverse knowledge and perspectives to innovate and deliver exceptional client and employee experiences.

Our Leadership Model continues to reinforce the expectations for employees to unlock each others' potential, drive to impact, adapt quickly and always learn. This chapter describes the leading talent practices that are helping us change the way we work and empower our workforce to thrive now and in the future.

For more information on our programs, policies and practices related to how we provide value to our employees, please see our [About Value for Employees](#) background paper.



Awards and Recognition



- Best Workplaces in Canada – Great Place to Work[‡]
Institute Canada
- Top 100 Global Companies for Gender Equality – Equileap
- Member of the Refinitiv²⁶ Diversity and Inclusion Index
- Canada's Best Diversity Employers – Mediacorp Canada Inc.
- Member of the Bloomberg Gender-Equality Index

Building and attracting talent

In today's competitive talent marketplace, employees want to pursue exciting work that enriches their careers. We are focused on providing our employees with meaningful work and development opportunities that inspire them to build long-term careers at RBC. And we are driving ongoing enhancements to our talent practices to ensure we are matching the right people with the right skills to the right roles across the organization.

Given the evolving nature of work, a variety of tools and technologies are helping us anticipate the needs and wants of our employees, and deliver the unique opportunities and customized career pathways that today's workforce expects.

For more information

[RBC Careers](#)
[Career, Community
and Connection](#)

Performance metrics	Targets	2019	2018	2017
Average tenure of employees	–	11 years	11 years	11 years
Full-time employees in Canada who are under 30	–	18%	18%	16%
Contract workers (percentage of total employees) ²⁷	–	1,901 (2.2%)	N/A	N/A
Percentage of employees covered under collective bargaining agreements ²⁸	–	1.8%	2.1%	2.3%
Percentage of positions filled by internal candidates	–	67%	64%	69%
Percentage of employees who are proud to be part of RBC ²⁹	↑	95%	95%	94%
Percentage of employees who indicated the following: "RBC's purpose of 'Helping clients thrive and communities prosper' inspires my best efforts." ²⁹	↑	86%	86%	85%
Absentee rate (% of total days scheduled) ¹⁰	↓	1.05%	1.09%	1.15%
Total turnover rate ⁹	–	12.4%	12.6%	13.1%
Total voluntary turnover rate ⁹	–	9.3%	9.5%	9.1%
Voluntary turnover rate – Canada ⁹	–	10.0%	10.0%	9.6%
Voluntary turnover rate – International ⁹	–	7.3%	7.9%	7.6%
Involuntary turnover rate – Canada ⁹	–	2.3%	2.2%	3.5%
Involuntary turnover rate – International ⁹	–	5.4%	5.4%	5.6%



2019 Highlights

Digital talent

To maintain our position as an employer of choice for digital talent, we have identified the future skills that are critical for us to create seamless and exceptional client experiences for a digitally-enabled relationship bank in areas such as data, design and product development. RBC is continuing to provide flexible talent practices that enable us to better attract, develop and retain digital talent with modern and personalized learning paths. In 2019, nearly 700 digital roles were filled at RBC with a 95% external job-offer acceptance rate.

Early talent

Investing in youth is a win-win. Through our learning opportunities, young people can develop the skills they need to succeed in today's economy, and bring fresh perspectives to drive innovation. We hire over 3,000³⁰ students from 100 colleges and universities every year. In 2019, 40% of the students were women and 47% were visible minorities. We continue to diversify our student population: in 2019, 50% were first and second year students and 50% were third and fourth year students. Technology & Operations' summer cohort was 41% women in 2019 – compared to 23% in 2018.

Exceptional work-integrated learning experiences

We are enabling graduates and early talent to gain meaningful work experience through diverse placements that develop their skills and help launch their careers. Some examples are:

- **RBC Career Launch Program:** An annual one-year paid internship was awarded to 100 recent college and university graduates. Since its inception in 2014, the program has helped over 500 alumni across eight provinces, of which 54% were women and 50% were visible minorities. As a result of the program, 89% felt the experience they gained in the program increased their confidence, and 84% felt they had gained valuable skills that are helping them succeed today. Our most recent graduating class achieved an 85% employment rate after participation in the program.
- **RBC Indigenous Peoples Development program:** This two-year rotational program enables recent graduates to develop the skills and network needed to build up their professional experience. 13 individuals were hired through this program.
- **RBC Analyst program:** Initially introduced in 2013 as an undergraduate recruitment program for Personal & Commercial Banking supporting functions, we've now expanded it to RBC Ventures Inc., and the program receives 1,000+ applicants annually. Nine individuals were hired through this program.
- **RBC Amplify®:** This intensive summer innovation program puts students' skills to the test by asking participants to solve business problems, build solutions and pitch products throughout the summer. In 2019, the 84-person cohort across 21 different RBC teams filed 15 provisional patents.



2019 Highlights

Targeted talent strategies

Our talent strategy focuses on acquiring, developing and retaining talent with the right capabilities needed to execute our business strategy. Our workforce mix – employees and contract workers – is an important aspect of our talent strategy. The rise of the “gig” economy, characterized by short-term contract work, has been well documented. Where work is short-term, either driven by a temporary surge in demand or a temporary need for highly specialized skills, we may contract talent for the flexibility or deep expertise they provide. We have robust policies and processes that limit the engagement of contract or temporary workers to certain work only and for limited timeframes, and ensure they are compensated in line with our compensation principles. We expect all employees, including contingent workers and contract workers, to adhere to our Code of Conduct, and we require them to complete our Code of Conduct training and sign off annually within 30 days of their hiring. In addition, RBC provides equal opportunity for advancement and growth in the workplace by filling open positions based on business need, candidate merit and the RBC Values.



Creating experiences that enable growth

We are continually looking for ways to improve employees' experiences at RBC so they can perform their best, excel in their careers and be recognized for what they do. Our success is fueled by highly engaged employees. That is why we are focused on ensuring our high employee engagement is a differentiated strength and our employees continue to feel that RBC is a great place to work.

To better understand and respond to the needs and expectations of our workforce, we are using our employee listening strategy to identify the critical "moments that matter" to our employees. Our people have helped us identify key factors – meaningful work, supportive management, positive and flexible work environments, growth opportunities and trust in leadership – that positively impact their daily work life.

By engaging our workforce to share their ideas and feedback, we are better able to design programs and deliver the experiences that attract talent and inspire, develop and empower our people.

For more information

[RBC Careers](#)
[Career, Community and Connection](#)

Performance metrics	Targets	2019	2018	2017
Employee Opinion Survey (EOS) response rate	–	93%	92%	92%
Employee Engagement Index score ⁷	>82	86 ^①	86	85
Men	↑	86	86	85
Women	↑	86	86	84
Minorities	↑	86	86	86
Persons with disabilities	↑	82	82	81
Indigenous Peoples	↑	87	85	84
LGBT+ people	↑	83	82	83
Performance Enablement score ³¹	↑	86	86	84
Total hours of instructor-led and web-based training	–	1.5 million	1.7 million	1.3 million
Total invested in direct and indirect training and career development ³²	–	\$87.3 million	\$86.9 million	\$83.2 million
Total invested per FTE in formal training and development ³²	–	\$1,054	\$1,061	\$1,064
Average hours of formal training per employee:	–	17	21 ³³	16
Management level	–	13.2	13.5	10.7
Non-management level	–	14.3	16.4	13.8
Percentage of employees who indicated the following: "I am confident I can learn new skills to be successful as my job changes."	–	93%	93%	93%



2019 Highlights

Record employee engagement

The annual EOS administered by Willis Towers Watson (WTW) continues to provide an important pulse check on employee sentiment and the areas where we can further unlock their potential. In 2019, our Employee Engagement Index score hit a new record, four points higher than the benchmark for high-performing companies.

LIFT performance enablement

Our approach to performance enablement across RBC (LIFT) is all about providing growth and development opportunities, regular feedback and coaching and a simple performance review experience. While our performance enablement EOS scores have increased two points over the last two years, we're making further enhancements to improve goal setting, simplify performance assessment and increase manager capability to further enable our people through better coaching and feedback conversations.

Differentiated learning experiences

We're fostering a culture of lifelong learning to ensure our people gain great experiences while building skills for the future. Examples include:

- **RBC Learn:** This self-serve digital platform offers a customized learning experience to build future-ready skills. As at October 31, 2019, 77% of learners say RBC Learn helped them feel empowered to continue to learn and develop skills to be successful.
- **RBCx:** This is a nine-week program where cross-functional teams use design thinking and innovation methodologies to solve real business challenges. In 2019, 65 employees participated and RBCx has over 100 alumni from across the organization.
- **Spark!:** Our new internal online platform enables employees to connect and work on projects outside their daily job description. Spark! hosted over 1,000 active users this year.
- Teams such as **OMNI** (250 employees) and **RBC Ventures** (300 employees) use design thinking and the pace of a startup to digitally-enable our people and clients, and create solutions for consumers and to business problems.

Reskilling

For employees whose roles are impacted by automation, we offer reskilling through role and skill-based pathways so they can take on new and different work at RBC. For example, in 2019 a group of Wealth Management operations employees whose roles were eliminated learned new skills to take on automation developer, programmer or data analyst roles. In our 2019 Employee Opinion Survey, 93% of employees indicated they are confident they can learn new skills to be successful as their job changes.

Enabling our people leaders

This year, we conducted internal and external research, brainstorming sessions and manager interviews to identify critical areas for improvement. Solutions delivered included a new intranet site as a centralized resource, a redesigned monthly bulletin built with manager feedback, simplified notification tools to easily cascade information and a listening approach to obtain regular feedback from managers.

Driving a diverse and inclusive culture

Diversity and inclusion is more than just one of our core values; it represents what we stand for, what we expect of one another and how we treat each other. We believe diversity and inclusion is an engine for innovation and economic prosperity. By actively driving diversity and encouraging inclusion, we generate fresh perspectives, inspire and empower our people to deliver their best, and ensure our workforce reflects the diversity of the clients and communities we serve.

We are committed to taking action to drive sustainable progress in diversity and inclusion in our company and the communities we serve. We strive to be among the most inclusive and successful companies in the world, building a culture where everyone can thrive and bring their whole authentic selves to work. We are increasing diversity across the organization and are committed to meeting our goals.

For more information

[Speak Up For Inclusion
RBC Diversity and
Inclusion Blueprint 2020
Employment Equity
Report](#)
[RBC US Group Holdings
LLC D&I Report](#)

Performance metrics	Targets	2019	2018	2017
Total number of employees ³⁴	–	85,193	84,263	80,504
Women	–	58%	58%	59%
Women in middle management and above ⁵	–	45% ⁽¹⁾	45%	45%
Women executives ⁵	48% ³⁵	46% ⁽¹⁾	45%	44%
Visible minorities ^{5, 6}	–	37%	36%	35%
Visible minorities in middle management and above ^{5, 6}	–	39% ⁽¹⁾	38%	36%
Visible minority executives ^{5, 6}	19%	19% ⁽¹⁾	20%	17%
Persons with disabilities overall ^{5, 36}	–	7%	7%	7%
Persons with disabilities (Employment Equity) ^{5, 37}	4.7%	3.6%	3.7%	4.1%
Indigenous Peoples ^{5, 38}	1.6%	1.3%	1.3%	1.4%
Diversity and Inclusion Index score ⁸	↑	87	86	85



2019 Highlights

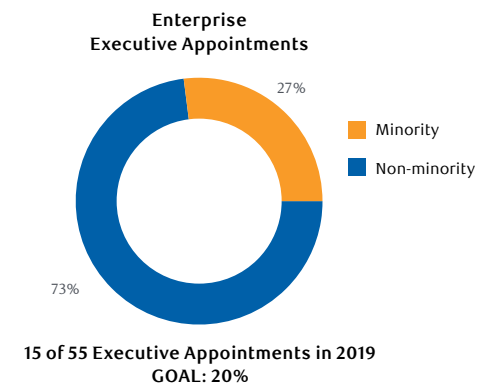
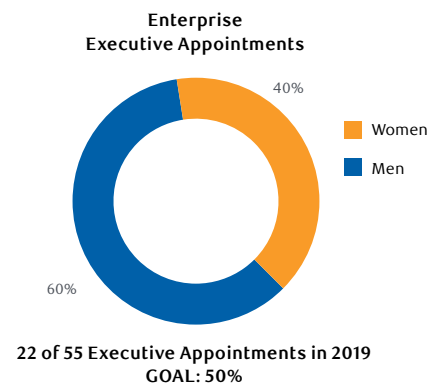
Strengthening our pipeline of diverse leaders

Leaders who have diverse skillsets and backgrounds fuel diverse perspectives. To strengthen our pipeline of future leaders, we align talent management strategies and succession planning with our business strategies and our Leadership Model.

In our approach to succession planning, we assess, identify and develop executives and high-potential talent to build their leadership capabilities and ensure we have a diverse group of leaders who drive our performance. Our CEO and senior leaders are champions of our enterprise talent agenda and have specific performance objectives relating to talent management and succession planning. The representation of women and minorities in executive and senior manager roles is an important measure of our progress in building a diverse leadership pipeline. In 2018, we disclosed our ambitious targets for executive representation and new executive appointments. This year, we identified opportunities to do more to accelerate these efforts as we did not reach our target for new women executive appointments.

To reach these targets, we are strengthening our pipeline of top talent and driving inclusion at all position levels. We are committed to attracting and retaining talented women and minorities, supporting and enabling their development and advancement in leadership and key client-facing roles. Across our workforce:

- 50% of employees³⁹ hired during the year were women and 35% self-identified as a minority
- 54% of the promotions⁴⁰ this year were for women and 40% self-identified as a minority
- Our retention rate⁴¹ for women is 90% compared to 89% for men and 89% for minority and non-minority employees





2019 Highlights

Driving inclusion across our workforce

We want our employees to feel valued, to experience a sense of belonging and to feel safe to speak up without fear of retaliation or reprisal. We regularly monitor the “safe to speak up” and “treated with respect” areas of our EOS, and take quick action to address any emerging gaps or concerns.

In 2019, we increased our Diversity and Inclusion Index score for the second consecutive year. The Index is a composite of seven items on fairness, openness, flexibility and managerial support as measured through our annual EOS. We believe it’s critical to measure how our employees feel about the environment they work in: whether they feel it’s safe to speak up and they are treated with respect.

Performance metrics	Targets	2019	2018	2017
I am treated with respect at RBC	↑	92	92	91
It is safe to speak up	↑	80 ⁴²	79	77
Management supports diversity in the workplace: recognizing, respecting and leveraging differences	↑	90	89	88
My manager solicits diverse perspectives as a way to uncover good ideas.	↑	83	82	81

To promote ongoing dialogue about inclusion, we invited people to have a frank conversation about inclusion, on camera. The discussions highlighted that many misperceptions are still prevalent when it comes to gender (including identity and expression), race, religion, sexual orientation and ability. Our “Speak Up for Inclusion” video series generated over 200,000 impressions on social media. The videos complemented our efforts to educate our employees about unconscious bias (which has reached over 46,500 employees since 2014), encourage radical candour and create a safe place to speak about inclusion.



2019 Highlights

Supporting our commitment to gender equity in pay

We are committed to the principles of gender equity in pay and we undertake actions to prevent pay disparities between men and women performing work of equal or comparable value. We conduct gender-based compensation analyses as part of our annual compensation review processes, and review pay differences, taking into consideration factors such as position level and tenure, business or function, and geography, all of which may contribute to differences in pay between men and women. We address any gender-based pay concerns identified in the year-end pay decision-making process through pay adjustments, where we identify that individual factors do not explain a difference in pay. Outside the annual compensation review process, we review compensation when we move employees to new roles, taking into account external and internal pay benchmarks and the skills and experiences the incumbent brings to the role. In addition, we complete gender and pay equity analyses and filings annually, where required, to comply with Canadian federal Employment Equity legislation and provincial and federal Pay Equity legislation. Since there are a number of variables that are considered in establishing pay levels, we periodically carry out statistical analyses to eliminate factors that may explain variations in pay, including levels of proficiency and performance, education, accreditation and role accountabilities, in order to surface gender-based pay differences.

In 2019, we began leveraging a business intelligence tool to help us determine the weight of variables that contribute to pay differences and, once adjusted for, identify if and where pay inequity exists across our Canadian, U.S.⁴³ and U.K.⁴⁴ operations. We assessed employees⁴⁵ across different types of compensation (i.e. fixed salary, bonus, equity or commission). The table below describes our adjusted median pay differences (women remuneration as a percentage of men remuneration)⁴⁶ for federally regulated employees in Canada governed by the Employment Equity Act.

Position group	Median remuneration (adjusted) of women as a percentage of men ⁴⁷	Representation of women in position group
Vice Presidents and Senior Vice Presidents	97%	46%
Senior management	98%	44%
Management and experienced professionals	98%	59%
Administrative and operational employees	101%	78%

We are committed to closing the gaps and are taking the necessary steps to further analyze contributing factors and make appropriate adjustments. As we mature our pay equity analytics and enhance our systems and business intelligence tools, we will deepen our insights into areas of opportunity and implement appropriate, enterprise-wide measures to address contributing factors. With accessible insights coupled with relevant and timely education and communication, we will continue to strengthen equity across our organization, reduce subjectivity in our processes and further mitigate the risk of biases.

Value for Clients



Our Priorities

- Client satisfaction and loyalty
- Digital enablement
- Privacy
- Cyber security
- Responsible investing
- Sustainable finance



Differentiated advice and insights to enhance our clients' banking experience

Client satisfaction increased in 2019 across our five business segments – and in many cases, we are leading our Canadian and global peers. Thanks to data driven insights and our employees' ideas, we are developing deeper, more meaningful relationships with our clients and attracting new ones. Our goal is to add 2.5 million new clients by fiscal year 2023. Our volume of business, revenue and market share growth speaks to the trust clients put in us, and the value we continue to create for them. It also tells us the significant investments we are making in talent, technology and our trusted global brand are paying off.

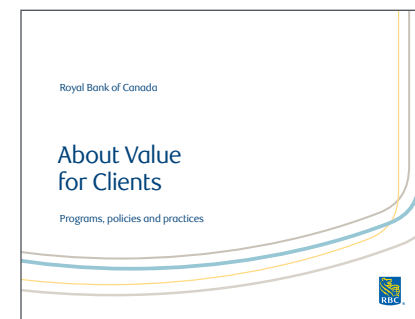
RBC will continue to partner with organizations that have market-leading brands and capabilities. These partnerships help us differentiate our offerings and provide new services and experiences for clients. We will sustain our technological leadership by investing significantly in our digital and innovation strategies, enabling RBC to deliver even more insights and advice that create value for our clients. Our differentiated technology and data foundation are supporting significant business growth, operational efficiencies and leading-edge capabilities. RBC's next-generation delivery platforms, including cloud computing, are helping us bring products and services to market quickly, scale with our clients and leverage world-class AI and analytics.

Awards and Recognition



- Ipsos Financial Service Excellence Awards 2019
 - Top ranking in all 11 categories
 - #1 for Financial Planning and Advice, Online Banking and Call Centre Agent
- Loyalty360 Customer Awards 2019
 - Platinum Award in Customer Experience and Engagement
 - Bronze Award in Loyalty and Advocacy
 - Innovation Award
- Best Customer-Facing Digital Services, Family Wealth Report Awards 2019
- Best Private Bank for Digitally Empowering Relationship Managers (North America), PWM Wealth Tech Awards 2019

For more information on our programs, policies and practices related to how we provide value to our clients, please see our [About Value for Clients](#) background paper.



Client satisfaction and loyalty

Helping clients thrive is part of our Purpose, and we are continually innovating to create meaningful value for our clients. Our differentiated client experience is not just about new products, features and functions. It's about building new business models across our platforms, leveraging data to create insights and services, and developing valuable partnerships for our clients' benefit. We are a recognized leader among Canadian banks for the service and advice we provide clients. We actively track our client experience across our platforms, and clients provide feedback regularly. This listening- and action-oriented learning culture translates into an improved client experience.

In 2019, we focused on the following priorities:

- Delivering meaningful insights and advice
- Partnering with organizations that have market-leading brands and capabilities to differentiate our offerings
- Investing in innovation and digital strategies


For more information

[RBC Ventures Inc.](#)

[Ownr™](#)

[RBC Private Banking Premier](#)

[RBC iShares](#)

Performance metrics	Targets	2019	2018	2017
Client Experience score ¹¹	↑	60.6	59.4	56.9
Relationship share ¹²	>12% ⁴⁸	18% 	21%	23%
Relationship share ¹² – peer average	N/A	12%	16%	17%



2019 Highlights

Delivering meaningful insights and advice

- For our business clients, real-time data and insights are game changers. We launched RBC Insight Edge™, a Canadian first, which provides our advisors with actionable insights to help our 27,000+ retail business clients make more informed decisions to grow their businesses. Likewise, we've scaled RBC Elements™, a team of data scientists, for RBC Capital Markets clients. Our research and data science team has redefined what is possible when it comes to data analytics to produce differentiated research. To date, they have delivered more than 70 unique reports to clients globally.
- Wealth Management Canada (WMC) and Personal & Commercial Banking co-created RBC Private Banking Premier, a unique banking and credit service for high-net-worth WMC clients who have simpler banking and credit needs but still expect personalized attention to meet their day-to-day financial needs. Since its inception, we have implemented this service in 137 RBC Dominion Securities® and RBC Phillips, Hager & North Investment Counsel® branches with promising results. 70% of clients referred to date have taken advantage of its added value.

Partnering with organizations that have market-leading brands and capabilities to differentiate our offerings

- To bring more choice and expertise to the Canadian exchange-traded fund (ETF) market, we introduced RBC iShares, a strategic alliance between RBC Global Asset Management (GAM) and BlackRock Canada. This partnership connects our clients to the largest and broadest ETF lineup in Canada with over \$60 billion in assets across 150 ETFs.

- RBC Ventures Inc. supports innovation and the development of technologies by co-investing and partnering to develop new products and services that range from helping clients search for a home and manage household chores to assisting with mobility needs. With these services, we are playing a more integral role in people's lives. To date, 17 ventures are making life easier for our clients. These include Ownr, which has helped nearly 12,000 Canadians start small businesses, and Dipp®, a digital platform that helps owners acquire new customers and grow their revenues.

Investing in innovation and digital strategies

- We piloted the Wealth Management AI bot, NORA, in Canada, the U.S. and Singapore. Its core function is to process information from disparate public sources and produce a single in-depth profile on a prospective business client. NORA's data and integration techniques are saving our advisors an average of 6.5 hours of preparation time per profile and helping them serve our large business clients with more timely and relevant advice.
- We launched Advisor's Virtual Assistant™ (AVA™), an iOS and Android® app that helps advisors connect with clients while they're on the go. RBC is the first Canadian financial institution to bring this type of digital tool to advisors. With AVA they can easily search and view client and portfolio details, contact clients, use voice-to-text capabilities to take detailed notes and review client portfolios.

Digital enablement

Our digital and innovation strategies are fundamental to creating exceptional client experiences, driving customer loyalty and acquiring new clients. They also help us mitigate some of the risks associated with digital disruption as we work to differentiate our business and drive value for clients. We are committed to designing and building products, processes, technology and services in faster, simpler and cost-effective ways by collaborating with an ever broader range of global partners.

We are proud to champion Canadian innovation, particularly the transformational technologies of machine-learning and AI. We have established the research institute Borealis AI™ to pursue curiosity-driven, applied and fundamental research in machine learning and are distinguishing ourselves as one of the leading voices on AI in Canada. We are not only driving our own innovation, but helping to secure Canada's position as a global destination for AI research and ventures.

Our digital strategy has four objectives:

- Be the leading Canadian app in the financial services market, revolutionizing the mobile customer experience through personalization and valuable customer interactions
- Become the North American leader in digital client acquisition and sales
- Be the most trusted global bank through joint leadership in authentication and biometrics
- Reimagine everyday banking experiences to differentiate us and delight our clients with simplicity

Our focus on digital innovation is to make daily banking easy, helpful and convenient for our clients. For example, with Mobile Bill Pay, we paired AI with Optical Character Recognition (OCR) to simplify how clients pay bills. In 2019, we continued our focus on developing digital banking products that give clients better insight into their finances, enable them to personalize their digital experience and empower them to access financial advice when and where they want.

For more information

[NOMI®](#)

[RBC Mobile Student Edition](#)

[MyAdvisor®](#)

[RBC InvestEase®](#)

Performance metrics	Targets	2019	2018	2017
Percentage of financial service transactions performed through self-serve channels ¹³	↑	88% 	86%	84%
90-day digital active user rate ¹⁴	↑	52% 	50%	47%



2019 Highlights

Digital banking products

NOMI Budgets: For many, budgets can be difficult to set up and manage. NOMI Budgets helps clients by taking the thinking – and the manual calculator work – out of setting up a budget. It takes a close look at a client's spending and recommends a personalized monthly budget based on their habits. It focuses on five key categories and keeps the client on track by sending regular updates through the mobile app's budget tracker. By simplifying the budgeting process, we are making it easier for Canadians to manage their spending and make responsible financial decisions. With the introduction of NOMI Budgets this year, we have helped more than 430,000 customers create and manage more than 730,000 budgets.

Personalized experiences: We are delivering a unique mobile experience that is customized to an individual's needs. A first-of-its-kind, RBC Mobile Student Edition provides clients under the age of 22 easy access, customizable features, a familiar design and quick touch definitions to help them learn how to manage their finances. We have also released a suite of powerful mobile banking enhancements for business owners that will help them gain valuable financial insights and seamlessly manage their business anywhere, anytime.

Digital insights

Personalized insights: We are using data-driven insights to help clients stay on top of their finances. NOMI Insights® helps clients manage their everyday finances by providing timely and personalized trends, alerts and overviews based on spending and saving habits. Since its launch, we have delivered more than 750,000 insights to clients. Released this year, a

version of NOMI Insights that is tailored to businesses provides owners with insights on their monthly cash flow and purchases across several spending categories. This helps them make informed financial decisions backed by relevant data.

NOMI Find & Save®: Research⁴⁹ shows Canadians are setting less and less money aside in savings. With NOMI Find & Save, we are helping clients save, even when they think they may not be able to. NOMI Find & Save uses predictive technology to find money clients can spare and automatically sets it aside for them. To date, clients using this feature have saved on average \$197 per month.

Digital advice

MyAdvisor: This service digitally connects a client with an advisor on an online advice platform. Once connected, both can view and adjust a dynamic “dashboard” that shows the client's savings and investment goals – and establish actions to achieve those goals – all in real time. Clients can choose to connect with an advisor by live video, phone or in person.

RBC InvestEase: A digital, automatic investing service, providing a hands-off investment experience and ongoing portfolio monitoring. Clients can get a personalized portfolio recommendation online in minutes and sign up at www.rbcinvestease.com. They can invest in a Tax-Free Savings Account, a Registered Retirement Savings Plan or a non-registered account. RBC InvestEase portfolios include a mix of fixed income and equity ETFs.



Privacy

RBC has a clear approach to how we think about data. Transparency is key. People need to know how the data is used. And organizations must help people exercise control over what personal information is shared and used.

We have made significant investments in cutting-edge technology to protect our customers and our business every day. We have nearly doubled our investment in cyber security technology over the last five years. A federal government advisory committee on AI is co-chaired by an RBC executive who oversees Borealis AI, our research institute. RBC also collaborates with a wide range of stakeholders on industry-wide strategies including training, commercial acceleration and applied research and development.

The RBC Global Privacy Office is part of the Regulatory Compliance group. The Chief Privacy Officer provides the strategic vision for global privacy risk management, and designated compliance officers are responsible for privacy advice, oversight and challenge across every business. Our privacy risk management program is based on the Organisation for Economic Co-operation and Development (OECD) privacy principles as well as Canadian, U.S. and European Union privacy regulations, which include cyber security as part of the Security Safeguards principle. (Our approach to cyber security is discussed on page 40.)

[Our Privacy and Security](#) webpage and our Global Privacy Notice articulate how we collect, use, share and protect information. When we engage third-party service providers to process personal information on our behalf: 1) we share only the information necessary to perform the services; 2) we require them to protect the information, adhering to RBC's standards; and 3) we ask them to notify us of any actual or suspected privacy breaches so we can work together to contain, remediate and, where required, report them. All employees are required to complete a privacy fundamentals course biannually, which is supplemented with monthly enterprise-wide privacy communications.

RBC did not experience any major privacy breaches in 2019. We manage actual and potential privacy incidents and complaints through well-established processes. Our policy requires all privacy incidents to be tracked centrally and reviewed by privacy personnel.⁵⁰

For more information

[RBC Privacy Policy](#)

[RBC Global Privacy Notice](#)

[Digital Channel Privacy](#)

[RBC Privacy and Security](#)

Cyber security

Globally, the volume and sophistication of cyber-attacks continue to evolve and increase; the resulting implications could include business interruptions, service disruptions, financial loss, theft of intellectual property and confidential information, litigation, enhanced regulatory attention and penalties, and reputational damage. The downstream impact of this is litigation, and regulatory attention and penalty. We continue to enhance our security capabilities, educate our customers and workforce, and deepen our relationships with governments, law enforcement and academia to ensure our cyber defenses remain effective in thwarting the threats targeting the financial sector.

We have a dedicated team of technology and cyber security professionals that manage a comprehensive program to help protect the organization against breaches and other incidents by ensuring appropriate security and operational controls are in place. We continue to strengthen our cyber-control framework and to improve our resilience and cyber security capabilities including 24-hour monitoring and alerting of potentially suspicious security events and incidents. Throughout the year, we continued to make investments in the program and conducted multiple scenarios and simulations to test our resiliency strategy.

For more information

[2019 Annual Report](#)

[RBC Cyber Security Centre](#)



2019 Highlights

- **Strategic partnerships:** In 2019, we partnered with the Government of Canada, Ryerson University, law enforcement and Rogers Communications, and invested \$5 million to create the Rogers Cybersecure Catalyst, a new national centre for education, innovation and collaboration in cyber security, to strengthen the breadth of the cyber talent pool, with an emphasis on gender diversity.
- **Risk and control landscape:** We are ensuring our cyber policies, standards and controls keep pace with the threat landscape and regulatory environment, and we are harnessing emerging technologies such as AI to combat cyber-crime and strengthen our end-to-end view of risks and controls (and their effectiveness) across the enterprise.

Responsible investing

Our commitment to integrating ESG factors into our investment process spans the entire organization, including the investment platforms of our RBC Global Asset Management⁵¹ (RBC GAM) and U.S. Wealth Management (USWM) businesses. For example, RBC GAM has a dedicated Corporate Governance and Responsible Investment (CGRI) team who assists the investment teams with the advancement of ESG integration through research, thought leadership, company engagement, proxy voting, collaboration with other investors and engagement with lawmakers and regulators.

RBC GAM's approach to responsible investment comprises three pillars. We take specific actions under each of these pillars to deliver on our duty of maximizing our clients' investment returns without undue risk of loss.



Fully integrated ESG – All investment teams integrate relevant ESG factors into their investment processes.



Active stewardship – We convey our views through thoughtful proxy voting, engagement with issuers and regulatory bodies, and collaboration with other like-minded investors.



Client-driven solutions and reporting – We align our solutions with client demand and provide transparent and meaningful reporting.

For more information

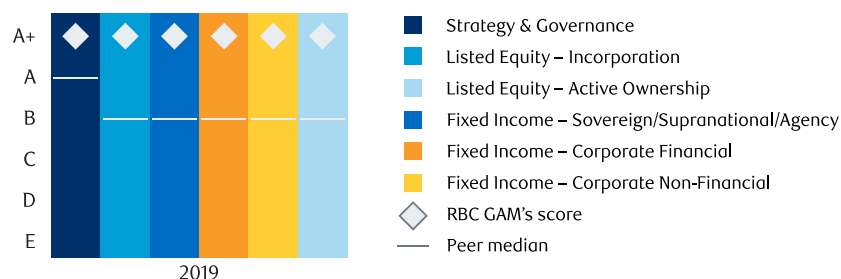
[RBC Global Asset Management – Responsible Investment](#)

[2019 Corporate Governance & Responsible Investment Annual Report](#)

[2019 Responsible Investment Survey](#)
[iShares Sustainable Core ETFs](#)

Performance metrics	Targets	2019	2018	2017
SRI assets under management by GAM (Canada) ⁵²	↑	\$2.7 billion	\$2.8 billion	\$2.4 billion
Impact assets under management by GAM (U.S.) ⁵³	↑	\$1.7 billion	\$1.5 billion	\$1.4 billion
SRI assets under management by Wealth Management (U.S.) ⁵⁴	↑	\$3.3 billion	\$2.7 billion	\$2.0 billion
Total value of SRI and Impact assets under management by RBC companies¹⁵	↑	\$7.7 billion	\$7.0 billion	\$5.8 billion

RBC GAM and BlueBay Asset Management LLP are also signatories to the United Nations Principles for Responsible Investment (PRI). The PRI evaluates signatories' approaches to the Principles based on its [assessment methodology](#). The PRI ratings for RBC GAM and BlueBay Asset Management LLP are as follows:



2019 Highlights

USWM

In 2019, USWM brought together a number of smaller, grassroots efforts to form one responsible investing platform where RBC advisors and clients can access all of RBC WM's best thinking around responsible investing. The site was designed for ease of use and scalability.

Building on this platform, USWM launched RBC ESG Select Portfolios. This suite is designed to provide investors easy access to an active, ESG-integrated, global asset allocation strategy through a combination of solutions, including exchange-traded funds and mutual funds.

RBC GAM

Fully integrated ESG

We integrate ESG factors into our investment process when doing so may have a material impact on our investment risk or return. As a general rule, we will not exclude any particular investment or industry based on ESG factors alone. However, we believe it is important to consider those factors within our overall investment process. We view the integration of ESG as a competitive advantage in our investment process and continue to make strides in this regard.

- All investment teams formally integrate ESG in a manner that complements its investment process. In 2019, the CGRI team formally mapped out the processes of individual investment opportunities for filling in ESG data gaps and sharing best practices across teams.
- Another focus for the year has been the integration of climate-related risks and opportunities into the investment process and to provide ESG data solutions for our investment teams.

Active stewardship

The goal of our engagement program is to effectively communicate our views on material ESG issues as an investor. It also allows us to better understand how our investee companies approach ESG issues.

- In 2019, our investment teams engaged with 677 companies directly and an additional 33 companies collaboratively with other investors.⁵⁵
- We have participated in a number of regulatory engagement initiatives, both collectively through industry organizations and directly.

Proxy voting is a key part of our engagement process as it provides an important way for us to convey our views to boards and management. Below is a summary of our voting [statistics](#)^{56,57} for 2019:

	Canada	U.S.	Overseas ⁵⁸	Overall
Proposals	3,421	11,044	17,234	31,699
Votes WITH management	2,933	9,212	15,504	27,649
Votes AGAINST management	488	1,832	1,730	4,050
Percentage of votes AGAINST management	14.3%	16.6%	10.0%	12.8%

Client-driven solutions and reporting

In 2019, we expanded our ESG-integrated product line to include the RBC Sustainable Core ETFs. These six new ETFs cover world equities and Canadian fixed income.

In addition, we believe that transparency and accountability are as important for us as they are for the companies we invest in. We endeavour to provide our clients with meaningful and regular reporting of our ESG stewardship activities.

- We produce the CGRI annual and semi-annual reports. In addition, our CGRI and investment teams publish topical reports on material ESG factors.
- We published our 2019 annual RBC GAM Responsible Investing Survey of nearly 800 institutional investors and investment consultants across the U.S., Canada, Europe and Asia.
- We provide annual reporting through the PRI Reporting Framework.

Sustainable finance

We believe sustainable finance represents a growth opportunity for our business and our clients. We have committed to providing \$100 billion in sustainable finance by 2025 and are on track to meeting this target after one year of reporting. This is a key commitment in our enterprise climate change strategy, the [RBC Climate Blueprint](#), to support our clients in the transition to a low-carbon economy.

To achieve this goal, we are investing in our own capabilities. In 2019, RBC established the Sustainable Finance Group in Capital Markets to respond to growing demand for sustainable finance products and from corporate and institutional clients globally who view ESG factors as important considerations in their corporate strategy and investment process. This is in addition to well established capabilities in our enterprise Sustainability Group, Group Risk Management and RBC GAM.

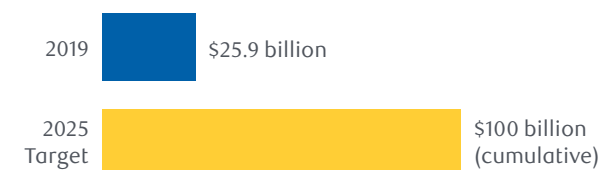
We recognize the importance of transparency and have committed to disclosing our progress against our sustainable financing target. To determine what counts, we have developed a methodology for our Sustainable Finance Commitment, which identifies eligible environmental and social categories, the types of financing and the accounting methodology we are applying. The sustainable finance market is evolving rapidly, with new criteria being developed and innovative products and services becoming available. We understand this complexity and are committed to working with industry, government, financial institutions, civil society and academia to promote consistency and comparability, and to evolve our methodology as needed to reflect the changing landscape.

For more information

[Sustainable Finance Commitment](#)
[Green Bond Framework](#)

Performance metrics	2019
Value of green, social and sustainability bonds ⁵⁹ underwritten	\$4.8 billion
Value of eligible U.S. municipal bonds underwritten	\$6.4 billion
Tax credit investments closed ⁶⁰ in affordable housing	\$1.4 billion
Tax credit investments closed ⁶⁰ in renewable energy	\$0.1 billion
Capital raised for eligible clients and projects	\$3.4 billion
Value of M&A deals for eligible clients and projects	\$1.1 billion
Credit extended ⁶¹ to eligible clients and projects	\$7.4 billion
Value of green loans and sustainability linked loans ⁶²	\$1.3 billion
Total value of sustainable finance	\$25.9 billion

Progress on our commitment to \$100 billion in sustainable financing by 2025





2019 Highlights

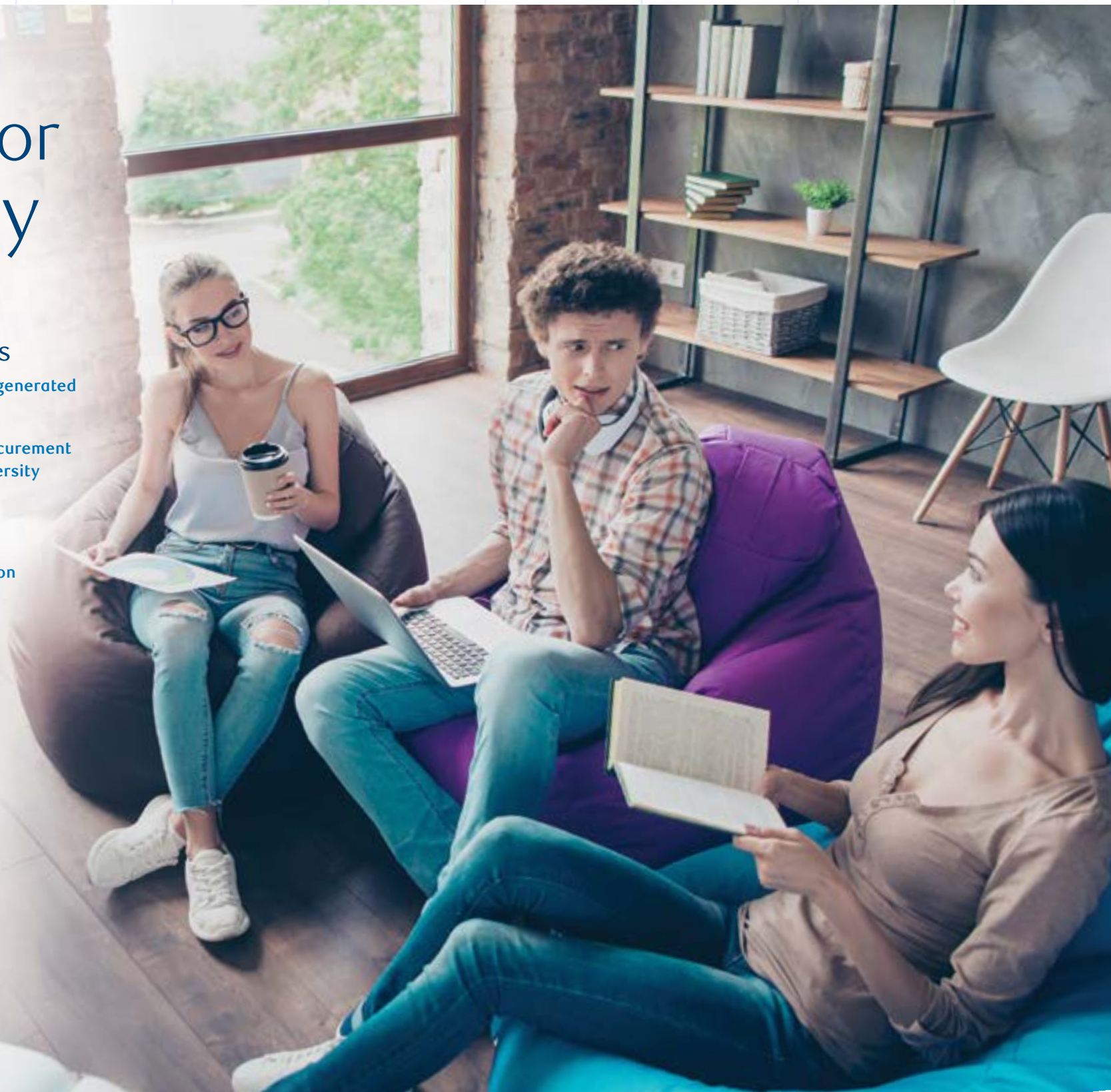
- RBC is proud to support the growth and diversification of the sustainable debt market:
 - In 2019, we established our Green Bond Program and issued our inaugural €500-million green bond to fund a portfolio of largely renewable energy and green building assets.
 - We led 31 green, social and sustainability bond transactions for our clients, totaling \$4.8 billion.
 - We hosted our sixth annual Green Bond Conference in Toronto and published our latest research on the global green bond market.
 - RBC Capital Markets is proud to be one of only five global underwriters, and the only Canadian bank, to be elected to the Advisory Council of the Green Bond Principles and Social Bond Principles Executive Committee.
- Transition finance is emerging as an opportunity to provide capital to carbon-intensive companies that are implementing projects to significantly reduce their associated GHG emissions. RBC is helping establish this new market by working with the Canadian Standards Association and a group of Canada's largest banks, pension funds and insurance companies to develop a taxonomy that can be used for transition-oriented financing.
- We are integrating ESG factors into our Capital Markets advisory business, as evidenced by the RBC Global ESG Best Ideas report published for clients in July 2019. Developed by RBC Capital Markets' Equity Research Department, this report consists of 39 Outperform and Top Pick rated global equities in our coverage universe that also meet the criteria determined by the Sustainable Finance Group's proprietary ESG framework.
- RBC is a founding partner of the [Equality Fund](#), a consortium of Canadian and international organizations committed to providing funding and technical assistance to women's organizations and movements that work to advance gender equality and the empowerment of women and girls. As a member of the consortium, RBC is contributing its expertise in responsible investing and sustainable finance to provide counsel on how to structure and manage the Equality Fund.
- Our Tax Credit Equity Group (TCEG) provides equity for low-income housing and renewable energy technologies through tax credit programs in the United States. By structuring advantageous tax credit opportunities for investors, TCEG stimulates the development of affordable multi-family and senior housing communities, as well as wind and solar energy projects. As at October 2019, our team had overseen the property management of more than 86,000 affordable homes and 988 affordable housing tax credit assets under administration, and had raised \$970 million in RBC Renewable Energy Tax Credit (RETC) Direct Investments and Syndications since its inception.
- RBC continues to be active in the North American and European carbon markets trading over 500 million tonnes CO₂-equivalent worth of credits in fiscal year 2019, a growth of 7% over fiscal year 2018.
- RBC maintains strong partnerships with vehicle manufacturers to provide key financing options for hybrid and electric vehicles. In 2019, we launched the Clean Energy Vehicle Financing Program to further support our clients who want to purchase low and zero emissions vehicles. We have seen a 66% increase in hybrid and electric vehicle financing since fiscal year 2018.

Value for Society



Our Priorities

- Economic value generated and distributed
- Responsible procurement and supplier diversity
- Community and social impact
- Financial inclusion and literacy



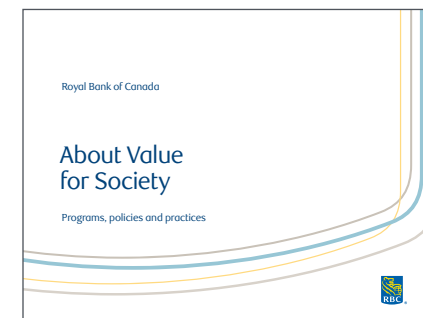
Strengthening the communities we serve

Creating a positive social impact is integral to how we do business and core to our culture. As a purpose-driven company, we have a responsibility to help create positive social and economic impact in our communities. Our Purpose inspires us every day to use our imagination and insights to build a better future for our clients and communities.

One thing that sets us apart is how we address pressing issues. Using our [Impact Measurement Framework](#), we measure and manage the impact we want to make in our focus areas, and communicate this to our communities.

We use the full breadth of our resources and capabilities to address societal challenges. We believe that helping our communities prosper today will positively impact our clients and our business over time.

For more information on our programs, policies and practices related to how we provide value for society, please see our [Value for Society](#) background paper.



Awards and Recognition



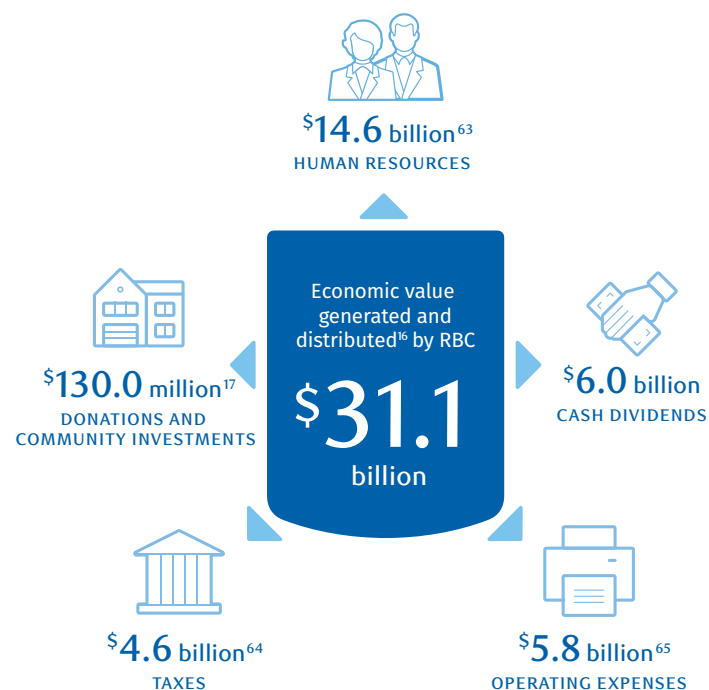
- Member of the Dow Jones Sustainability North American Index
- Member of the FTSE4Good Index

Economic value generated and distributed

For RBC, generating and distributing economic value is about how we fulfill our obligations to the economy and promote the well-being of society at large. It is a simple equation: we generate revenue from the products and services we sell; we then distribute a portion of that revenue – or economic value – to those we rely on for our success. That distribution is seen in the compensation and benefits we provide our employees, in the dividends paid to our shareholders, in meeting our tax obligations at all levels of government and in the investments we make in our communities.

In 2019, we earned revenue of \$46.0 billion and distributed \$31.1 billion in economic value. We invested the balance in our company for future growth. For more information on our operating expenses, cash dividends and tax expense, consult our [2019 Annual Report](#). For more information on our community investment activities, see page [51](#).

According to the GRI, “economic value generated and distributed” is defined as measuring the impact of a company on the economy. We are committed to showcasing our substantial role in generating and distributing economic value throughout the areas we operate in.



Responsible procurement and supplier diversity

RBC is committed to a fair sourcing process that offers equal opportunities to third party suppliers in Canada and around the world, including those third parties who identify and are certified as diverse suppliers. We work with our suppliers to promote and uphold high sustainability standards in our supply chain by applying enhanced environmental and social screening criteria. We have a principles-based Supplier Code of Conduct that articulates RBC's expectations with respect to a supplier's business integrity, responsible business practices and responsible treatment of individuals and the environment.

For more information

[RBC Supplier Code of Conduct](#)

Performance metrics	2019	2018	2017
Total value of goods and services purchased globally ⁶⁶	\$9.3 billion	\$8.6 billion	\$7.8 billion

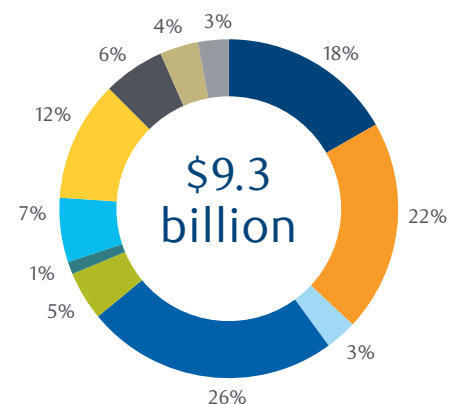


2019 Highlights

Responsible procurement and supplier management

In 2019, RBC continued its Climate Change Supplier Engagement Program. Using the CDP Supply Chain survey, this program encourages suppliers to report their GHG emissions and make reductions over time. Their reporting enables RBC to better understand the climate-related impacts of its supply chain and look for opportunities to partner with suppliers to reduce these impacts. In 2019, we engaged with our top 73 suppliers. Of the suppliers who responded, 92% had already integrated climate-related issues into their long-term business objectives, and 75% had emissions reduction targets.

2019 Enterprise spend breakdown by category



- IT & Telecommunications
- Financial Services
- Facility Management and Services
- Professional Services
- Operations
- Rewards
- Marketing
- Travel
- Human Resources
- Others
- Office Equipment, Accessories & Supplies



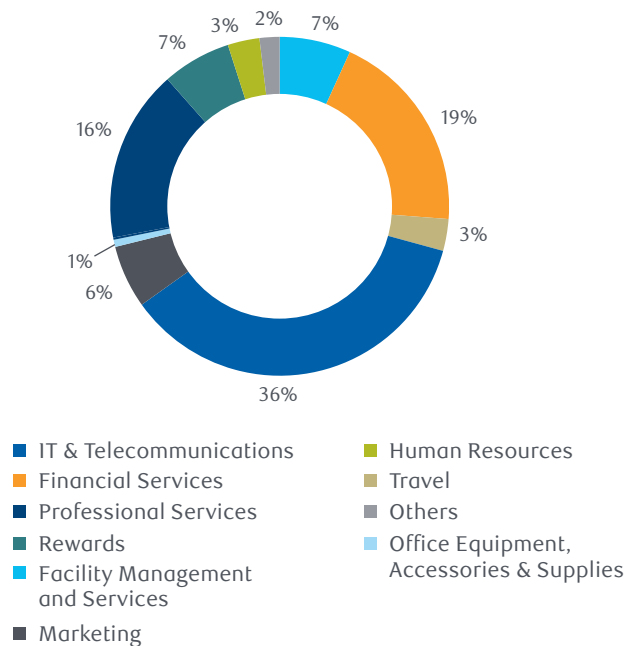
2019 Highlights

Procurement and supplier diversity

The RBC Global Procurement team is committed to an inclusive supply chain as demonstrated through its numerous initiatives.

In 2019, RBC expanded the supplier diversity program to outside Canada, promoting inclusive supply chain opportunities to Indigenous, women, visible minority/minority, LGBT+, disabled and veteran owned businesses in the U.S. and the U.K. In support of this program, RBC sponsored Canada-U.S. trade missions in Baltimore, Tampa and Atlanta to help Canadian certified diverse suppliers⁶⁷ build their profile and establish relationships to help cultivate U.S. corporate business opportunities. RBC's Global Procurement team has established aspirational goals of including a diverse supplier at the majority of their competitive sourcing events and mandating supplier diversity questions and an assessment methodology at all of their competitive sourcing events.

2019 Global Diverse Supplier Spend by Category^{68,69}



Community and social impact

We recognize we have an important role to play in addressing societal challenges. Accordingly, we refined our community investment approach in 2016 to focus on significant societal issues and developed a targeted, comprehensive and coordinated strategy to address these issues by leveraging RBC resources and capabilities. We are proud to invest significantly in the communities where we work and live; our long-term success depends on it. As one of Canada's largest corporate funders of charitable organizations, we donated \$130 million in cash donations and community investments to nearly 5,000 charitable organizations globally in 2019.

This includes \$70.5 million from the RBC Foundation®, a separate legal entity that reports financial information to the Canada Revenue Agency (CRA). As signatories to Imagine Canada's Caring Company Program, we invest a minimum of 1% of our domestic net income before income taxes in support of charitable and non-profit initiatives in Canada.

Our corporate citizenship strategy is an outward expression of our Purpose and puts communities at the centre of what we do. It is key to helping clients thrive and communities prosper. We support our communities in many ways:

- Donations to registered charities as gifts
- Community investments such as gifts in-kind (including philanthropic activities other than charitable donations)
- Community sponsorships that align with our brand and business goals or deliver social, environmental or economic benefits
- Volunteer efforts of employees and retirees, with financial support from RBC to their charitable partners, and other employee activities in support of community development
- Financial products and services that generate social and environmental benefits as well as financial returns

For more information

[RBC Impact Measurement Framework](#)
[RBC Future Launch](#)
[RBC Upskill®](#)
[RBC Emerging Artists Project](#)
[RBC Foundation](#)
[RBC Tech for Nature™](#)

Impact Measurement Framework

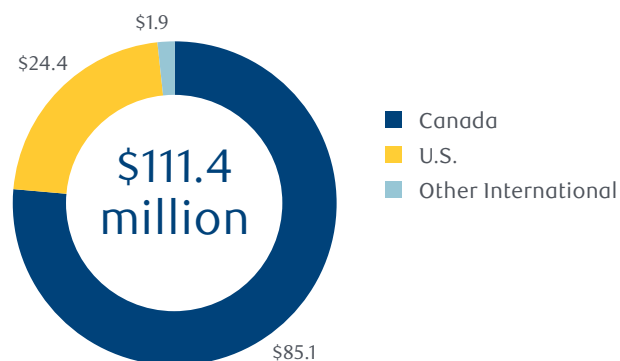
In 2018, we developed the Impact Measurement Framework (IMF) to help guide our investment decision-making and make sure our overall impact on society is managed appropriately. The RBC IMF measures impact by quantifying potential benefits across six pillars: social, environment, economic, employee, business and brand. We consulted the UN SDGs when we developed our IMF impact areas. Aligning them with the SDGs makes it easier for us to quantify our contributions to global goals. See Appendix I for more on our impact areas and the associated SDGs. For more information on how we drive positive community and social impact across these priority areas as well as our employee community involvement, please visit the [RBC Community and Social Impact website](#).



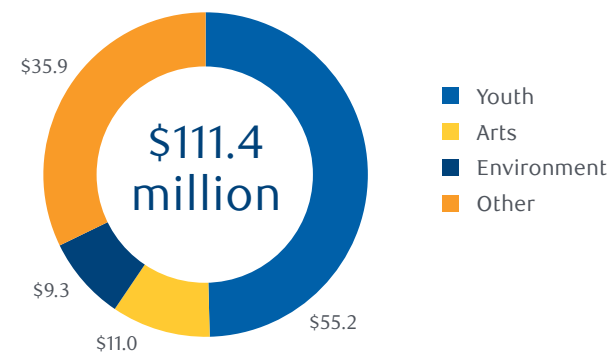
Community and social impact

Performance metrics	Targets	2019	2018	2017
Cash donations	–	\$111.4 million	\$100.7 million	\$86.2 million
Community investments	–	\$19.4 million	\$14.9 million	\$13.8 million
Commercial initiatives ⁷⁰	–	\$80.2 million	\$69.0 million	\$75.1 million
Total amount donated by employees through the annual Canadian employee giving campaign	–	\$19.4 million	\$19.8 million	\$20.1 million

Cash donations by region (in millions)



Cash donations by cause (in millions)



RBC Future Launch

RBC Future Launch is a 10-year, \$500 million commitment to help empower Canadian youth for the jobs of tomorrow. We deploy a more-than-money approach to our investments by building the capacity of our partners, strengthening their capabilities and helping them achieve their respective missions. To drive system change, our objectives include using our capabilities for good, forging targeted multi-sector partnerships and stimulating public thinking. We are dedicating our knowledge, skills and resources in partnership with organizations that are helping young people access meaningful employment through practical work experiences, skill-development opportunities, networking solutions and mental well-being services. By investing \$60.1 million in 2019 and expanding our national network to 435 active charitable partnerships, we have increased the number of youth reached through high-impact programs. We have also created tools, programs and partnerships to leverage our scale, influence and RBC assets, thus multiplying the impact of our substantial financial commitment.

This approach drives awareness across multiple sectors (educators, government, business and community organizations) and allows us to take a holistic approach to preparing youth for the future of work, including our own employees.

We have been intentional in our collaborations, including with partners, colleagues across RBC and importantly young Canadians, to ensure what we build is relevant and applicable.

RBC Future Launch co-created a model to support Work Integrated Learning (WIL), which matches post-secondary youth to employment opportunities across Canada. This model will complement our funding priority for post-secondary education institutions to accelerate the creation of 44,000 WIL spaces across industry sectors, led by the Business Higher Education Round Table. In addition, RBC Future Launch included youth mental well-being as an important pillar of its approach, with a focus on prevention and early intervention programs that provide young people access to knowledge and care, when and where they need it.

Performance metrics	Targets	2019	2018	2017
Percentage of diverse ¹⁸ participants	–	82%	82%	N/A
Percentage of youth participants that feel better prepared for the future	–	77%	77%	N/A
Total amount invested in youth-related organizations	–	\$60.1 million	\$46.2 million	\$31.6 million
Number of young people reached through RBC Future Launch	–	1.9 million ⁷¹	1.5 million	N/A ⁷²

Financial inclusion and literacy

Helping people feel empowered with the knowledge, skills and confidence they need to make smart, everyday financial decisions and work toward reaching their goals is important to RBC. We offer a variety of resources to cater to everyone's individual needs. We also support not-for-profit organizations that deliver financial education programs. In Canada, our financial literacy outreach is geared to low-income individuals, youth and young adults, persons with disabilities, Indigenous peoples, newcomers and seniors. For detailed information on our 2019 financial literacy initiatives, please see pages 11-13 in our Public Accountability Statement.

For more information

[2019 Public Accountability Statement](#)
[ACCES Employment](#)
[RBC Indigenous Student Awards Program](#)
[Futurpreneur[†]](#)
[McGill Personal Finance Essentials](#)

Performance metrics	Targets	2019	2018	2017
Total amount donated to financial literacy programs	↑	\$4.8 million	\$3.1 million	\$2.3 million
Total amount invested in financial literacy programs for youth	↑	\$1.7 million ⁷³	N/A	N/A

Value for Planet



Our Priorities

- Supporting clients in the low-carbon transition with our products, services and advice*
- Advancing our capabilities in climate risk management and publishing annual TCFD disclosures*
- Achieving net-zero carbon emissions in our global operations annually
- Speaking up for smart climate solutions
- Investing in technology to address complex environmental challenges

* For details on these priorities, see the Sustainable Finance (page 44) and Risk Management (page 21) sections.



Climate change: Transitioning to a low-carbon economy

RBC believes climate change is one of the most pressing issues of our time, and we have an important role to play in supporting the transition to a low-carbon economy.

We published our [Climate Change Position & Disclosure Statement \(Statement\)](#), which outlines the steps we are taking to manage climate risks and opportunities as well as our ongoing commitment to climate-related disclosures.

The Statement forms the basis for the RBC Climate Blueprint (Blueprint), our enterprise climate change strategy to accelerate clean economic growth and support our clients in the transition to a low-carbon economy. The Blueprint outlines five priorities that are anchored by our strengths in finance: investment, risk management, innovation, economic and policy research, and community investments.

RBC supports the Financial Stability Board's TCFD recommendations and is committed to producing annual disclosures that consider these recommendations. In 2019, we included TCFD disclosures in our Annual Report, and have produced a [standalone TCFD report](#). We are taking a phased approach to implementing the TCFD recommendations, aiming to integrate them over time. We are committed to continuous improvement and expect our disclosures will evolve over time.

Signatory to or supporter of

- CDP
- United Nations Principles for Responsible Investment
- Green Bond Principles
- TCFD Recommendations

Memberships and Partnerships

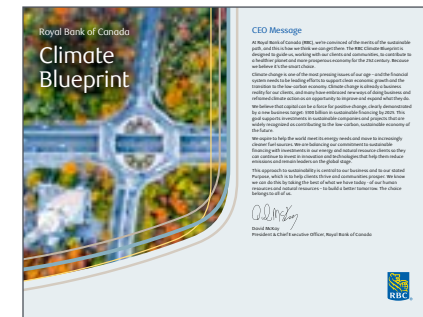
- Climate Bonds Initiative
- UNEP Finance Initiative
- Smart Prosperity
- Carbon Pricing Leadership Coalition
- Business Renewable Centre Canada

Awards and Recognition

- Canada's Greenest Employer



For more information on our climate-related commitments, please see the [RBC Climate Blueprint](#).





Achieving net-zero carbon emissions in our global operations

Reducing carbon emissions and energy use is foundational to any corporate environmental program and an expectation of any organization that is taking action on climate change. This is why, in 2017, we became carbon neutral and committed to achieving net-zero carbon emissions in our global operations annually. We accomplish this through energy and emissions reduction programs in our property network and IT infrastructure, and by sourcing renewable energy credits (RECs) and high quality carbon offsets to account for emissions we cannot eliminate. Each year, we aim to be less reliant on carbon offsets. To ensure this, we have set two additional targets: reduce our absolute GHG emissions by 15% and increase our sourcing of electricity from renewable and non-emitting sources to 90%, both by 2023. See Appendix II for more environmental metrics, including Leadership in Energy and Environmental Design (LEED) certified office space, paper use and water consumption.

Performance metrics	Targets	2019	2018	2017
Scope 1 emissions (tonnes of CO ₂ e)	–	24,814 ^①	24,174	24,676
Scope 2 emissions (tonnes of CO ₂ e)	–	89,769 ¹⁹ ^①	102,009 ²⁰	96,917
GHG reductions from green power purchases (tonnes of CO ₂ e)	–	-15,447 ^①	-4,718	-2,666
Total Scope 1 and 2 emissions (tonnes of CO ₂ e) ²¹	Reduce by 15% by 2023	99,136 ¹⁹	121,465 ²⁰	118,926 ²⁰
Scope 3 – business travel (tonnes of CO ₂ e)	–	29,737 ^①	31,115 ⁷⁴	28,625
Total GHG emissions (tonnes of CO ₂ e)	–	128,873 ¹⁹	152,580 ²⁰	147,551
GHG emissions intensity from energy use (tonnes of CO ₂ e/m ²)	–	0.046 ¹⁹ ^①	0.055 ²⁰	0.062 ²⁰
Carbon credits purchased (tonnes of CO ₂ e)	–	128,873 ^①	159,915 ⁷⁵	147,551
Percentage of electricity from renewable and non-emitting sources for all properties	Increase to 90% by 2023	77%	75%	72%



2019 Highlights

- We increased our focus on renewable energy procurement by restructuring our RECs contract with Bullfrog Power to invest in Canada's highest carbon intensity electrical grids and finance and purchase the RECs from the Fisher River Cree Nation's community solar project, the largest solar farm in Manitoba. This resulted in a 13% reduction in total GHG emissions for fiscal year 2019.
- We relocated our Europe, Middle East and Africa headquarters and consolidated our London-based teams in a new Building Research Establishment Environmental Assessment Method (BREEAM) Excellent rated building. This building in London, U.K. is expected to be the most energy efficient RBC office, worldwide.



Speaking up for smart climate solutions

Our voice matters. We were an early supporter of carbon pricing and more recently the need to develop a world-leading approach to clean innovation in Canada. Our ability to finance innovation in the decades ahead, create the technologies that will power the 21st century and help transform the economy to a cleaner one depends on the policy and business decisions made today. We are committed to informing public policy; convening stakeholders to advance the pathways for change in Canada; and contributing research and thought leadership on clean innovation, climate-related risks and opportunities, and the implications of climate policy. There is a clean innovation play for every sector of the economy and we believe this will be an important driver of economic growth and prosperity.



2019 Highlights

- RBC hosted the Transition Day of Learning, in partnership with NEI Investments, Suncor, Teck Resources and the Energy Futures Lab. We brought together over 90 investors and industry leaders to advance the dialogue on creating a clean-growth future for Canada.
- RBC supported the work of the Canadian Expert Panel on Sustainable Finance as a champion and key contributor, and we were pleased to see the publication of the Final Recommendations in June 2019.
- As a founding member of Smart Prosperity, a cross-sectoral initiative focused on accelerating Canada's transition to a stronger, cleaner economy, RBC supports its initiative to call for better policy measures. In 2019, this included a joint letter to Canada's prime minister and provincial and territorial premiers on key recommendations on how to move beyond climate plans and get to implementation.
- RBC partnered with Public Policy Forum, together with the Ivey Foundation, Suncor and Hydro Quebec, on a multi-stakeholder initiative called the Energy Future Forum, which engages a wide range of Canadians in a dialogue about what constitutes an economically dynamic, environmentally ambitious and politically acceptable energy strategy for Canada.



Investing in technology to address complex environmental challenges

Innovative solutions, based on technologies like blockchain, AI, machine learning and digital platforms, offer immense potential to address complex environmental challenges. We are investing significantly in these technologies for enterprise purposes because we recognize their potential to offer game-changing solutions for climate change and environmental challenges. We also recognize that we need to partner with the best, brightest and boldest minds to accelerate and scale the deployment of these solutions. RBC's goal is to bring the right partners together to tackle these global challenges. That's why we launched [RBC Tech for Nature](#) – our commitment to innovation, data and technologies for our shared future. RBC Tech for Nature will provide up to \$10 million in annual support to universities and charities that are developing technology solutions to address climate change.



2019 Highlights

- Through RBC Tech for Nature, we provided \$7.9 million to universities and charities that are solving pressing environmental challenges by leveraging technology and innovation capabilities.
- Together with The Natural Step, the RBC Foundation supported the Energy Futures Lab (EFL) 2.0, an initiative powered by The Natural Step Canada. The EFL is a multi-sectoral initiative that brings together the energy sector, technologists, policy makers, Indigenous leaders and funders who are focused on building the energy system the future requires. Initiatives include Energy.AI, which explores machine learning and AI to address climate change and environmental challenges in the energy and power industries.
- Together with Borealis AI, RBC supported Mila⁺: Quebec Artificial Intelligence Institute's project called [AI for Climate Change](#). The project involves visualizing climate change and using natural language processing to analyze corporate risk disclosures and identify climate risks and uncertainties related to climate change.

Endnotes

¹ For more information, please see <https://www.sasb.org/>.

² Composite index score compiled from the percentile ranking results of our four top-tier ESG ratings/rankings, including RobecoSAM's Corporate Sustainability Assessment (informing inclusion on Dow Jones Sustainability Index), Sustainalytics, MSCI ESG Rating and FTSE4Good.

³ See page 30 of our 2020 Management Proxy Circular. The Bank Act requires that the Chief Executive Officer be a member of the Board and, as Chief Executive Officer, David McKay is affiliated with RBC and is not independent. All other members of the Board are independent. Substantial majority is defined by the RBC Director Independence Policy.

⁴ See page 30 of our 2020 Management Proxy Circular. This information represents our Board composition as of February 11th, 2020.

⁵ Metrics for women, visible minorities, persons with disabilities and Indigenous Peoples represent Employment Equity data as at October 31 for each year presented, for our business 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 are available only in Canada.

⁶ In Canada, self-identified visible minorities are defined as persons (other than Indigenous Peoples) who are non Caucasian in race or non-white in colour. Based on employee self-identification.

⁷ Engagement is a measure of employee alignment, commitment and enablement as evidenced by employees' responses to select questions in the annual Employee Opinion Survey (EOS), administered by Willis Towers Watson. Willis Towers Watson's high-performing-company benchmark for employee engagement was 82 in 2019.

⁸ Our Diversity and Inclusion Index score is a measure of fairness, openness, diversity support and flexibility as evidenced in employee responses to select items in the annual EOS, completed by >92% of our global workforce and administered by Willis Towers Watson.

⁹ The RBC total turnover and voluntary departure rates remain among the lowest in Canada relative to our Canadian peer banks (source: 2-17 PwC Saratoga Human Capital Metrics Survey). Peers included in voluntary turnover include TD, BMO and BNS. Peers included in involuntary turnover include TD. Rates include all RBC global operations, excluding City National Bank and Blue Bay Asset Management.

¹⁰ Information covers ~80% of operations. Absences include workplace injury, incidental sick days and family responsibility leave as reported using our Vacation and Absence Manager (VAM) system.

¹¹ The Client Experience score aggregates client satisfaction and loyalty scores across our business segments using independent professional research companies, and evaluates our competitiveness through industry benchmarks including Ipsos Customer Satisfaction Index and J.D. Power's various client satisfaction studies. 2019 results cover 49.8% of operations (by revenue) and include Personal & Commercial Banking, RBC Wealth Management (U.S.) and RBC Insurance. 2019 does not include RBC Dominion Securities, RBC Wealth Management (Canada), PH&N, RBC Capital Markets or RBC Investor & Treasury Services.

¹² As determined through Canadian Financial Monitor, administered by Ipsos Reid, which surveyed 18,000 Canadian individuals annually. Data based on RBC results for the fiscal year. RBC includes Personal Banking and RBC Wealth Management. In 2019, the tracking of this metric changed from client households in Canada that hold multiple RBC products to client individuals in Canada that hold multiple RBC products. As a result, values in previous years are not comparable. The peer average was 12% in 2019.

¹³ Self-serve channels include ATMs (automated teller machines), IVR (interactive voice response), Online Banking and Mobile Banking for both Personal and Business clients.

¹⁴ The ratio of digitally active users (distinct clients with at least one open product who authenticated in Online Banking or Mobile Banking during the period from August 1 to October 31, 2019) to total clients.

¹⁵ Assets managed by us that are beneficially owned by clients, as of October 31 for each of the years presented, that have values-driven socially responsible screens applied to their portfolio (socially responsible investing) or portfolios that intend to generate a measurable positive social/environmental impact (Impact investing). 2018 and 2017 values have been restated due to a currency conversion error. For further definitions, please refer to www.rbcgam.com/cgri.

¹⁶ This material references Disclosures 2011 from the Global Reporting Initiative's standard GRI 201: Economic Performance. Distributed value comprises operating expenses, human resources, taxes, donations and community investments, and cash dividends.

¹⁷ Includes employee volunteer grants and gifts in kind, as well contributions to non-profits and non-registered charities for the period of November 1, 2018 to October 31, 2019. Figure does not include sponsorships. As signatories to Imagine Canada's Caring Company Program, we invest a minimum of 1% of our net income before income taxes in Canada to support local charitable and non-profit endeavours.

¹⁸ Diverse is defined here as survey respondents who self-identify as one or more of the following: non-binary gender, not born in Canada, in Canada less than five years, visible minority, LGBT+, person with a disability.

¹⁹ Decreases in absolute emissions were primarily driven by our increased focus on and investment in renewable energy for our operations, reduced energy consumption in our branch network as a result of a substantial energy retrofit program completed in 2019 and continued decarbonization of electrical grids globally.

²⁰ Increases in absolute GHG emissions and energy consumption are primarily due to the inclusion of our Luxembourg, Malaysia and Caribbean operations in our reporting for the first time in 2018. Our reporting in 2018 and 2019 represents 99% of our global floor area. Our reporting in 2017 represents 90% of our global floor area. Given the changes in our global floor area, we did not restate 2017 or 2016 figures. In 2019, we included GHG reductions from green power purchases in the calculation methodology for Total Scope 1 and 2 emissions and restated 2017 and 2018 figures using this new methodology. This change also required a restatement of our GHG emission intensity from energy use figures for 2017 and 2018.

²¹ As a responder and signatory to CDP, RBC publicly reports multi-year data on absolute and intensity-based GHG emissions (Scope 1 and Scope 2) calculated according to the GHG Protocol. The GHG Protocol classifies a company's GHG emissions into three scopes. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Our GHG emissions reduction target is calculated based on a 15% reduction against our fiscal 2018 GHG emissions (Scope 1 and Scope 2) minus emissions offset from renewable energy purchases. Aligned with the science-based target methodologies based on the guidance for real estate and office properties.

²² All employees must complete the Combating Money Laundering and Terrorist Financing course annually. Targets are adjusted to >98% to compensate for fluctuations in short-term contract workforce, summer students and other expected variances or exceptions granted.

²³ Inclusive of total income and other tax expense, including income taxes in the Consolidated Statements of Comprehensive Income and Changes in Equity, to various levels of governments globally. See page 88 of the 2019 Annual Report for more information.

²⁴ Calculated as total income and other taxes as a percentage of income before income taxes and other taxes. See page 19 of the 2019 Annual Report for more information on our taxes expensed.

²⁵ The number of credit risk assessments reviewed for E&S risks in 2017 and 2018 have been revised. The value of the credit risk assessments reviewed for E&S risks in 2017 has also been revised.

²⁶ Formerly known as Thomson Reuters.

²⁷ Contract workers at RBC as at fiscal year-end, with various term assignments. The number of contractors can vary throughout the year based on a number of factors given our business needs. In 2019, we've used between 1,900 and 2,600 contract workers in any given quarter. The number of contractors represents individuals who are retained by RBC on a contractual but not an employment basis to provide services. RBC commenced aggregation of consolidated information for contract workers for reporting purposes in 2019 and therefore prior year figures are not applicable.

²⁸ All employees represented are in our European and Caribbean operations.

²⁹ Results based on the Annual Employee Opinion Survey.

³⁰ Includes summer students, as well as co-op students that were hired for the full year.

³¹ Enablement is a measure of simplified processes, access to resources, idea implementation and nine core areas as evidenced by employees' responses to select items in the annual Employee Opinion Survey, administered by Willis Towers Watson.

³² Reported costs reflect the total amount invested in internal and external training courses, including design and delivery and associated costs (e.g. travel and materials).

³³ Increase in 2018 associated with P&CB sales force training and growth in new sales force FTE, which materially impacted our total hours of instructor-led training and average hours of formal training per employee.

- ³⁴ Includes City National Bank and Blue Bay Asset Management, and refers to the number of individuals employed globally full-time and part-time, which differs from the full-time equivalent (FTE) statistic. The number of FTEs is reported in our 2019 Annual Report on page 13. This figure excludes individuals on long-term leaves of absence, phased-in retirements and intermittent hourly, temporary hourly employees.
- ³⁵ The fiscal year 2018 target was 45%; the fiscal year 2019 target was 48%. Our multi-year goal is 50% women executives.
- ³⁶ Total percentage of employees in Canada who self-identify as having a long-term or recurring physical, mental, sensory, psychiatric or learning impairment.
- ³⁷ Proportion of employees in Canada who self-identified as persons with disabilities and who also (a) consider themselves to be disadvantaged in employment by reason of that impairment, or (b) believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment; and includes persons whose functional limitations owing to their impairment have been accommodated in their current job or workplace.
- ³⁸ Based on employee self-identification. Indigenous Peoples is a collective name for the original peoples of North America and their descendants. In Canada, the term Aboriginal Peoples is also used for individuals identifying themselves as First Nations, Inuit and Métis.
- ³⁹ Represents employees in our business in Canada, which are governed by the Employment Equity Act (Canada).
- ⁴⁰ Promotions represent an action of moving an employee to a higher position or rank, representing upward movement in the position level (PL) ladder. For RBC Capital Markets, a promotion is defined as an action of moving employees to a higher HR Class.
- ⁴¹ The percent of employees who remained with the organization. Represents salaried employees who are at work including those on maternity/parental leave, but excludes students, co-op students and interns.
- ⁴² Five points higher than Willis Towers Watson's high-performing company benchmark.
- ⁴³ Excluding City National Bank.
- ⁴⁴ Excluding Blue Bay Asset Management.
- ⁴⁵ To perform our analysis, we needed to exclude select populations to drive accuracy, including part-time employees, contingent workers, contract workers, individuals on long-term leaves of absence, individuals on unique multi-variant incentive plans that span multiple years and individuals going through phased-in retirement. Our final analyzed population in 2019 was 60,804 employees across all platforms.
- ⁴⁶ The difference in median compensation between men and women, adjusted for observable personal and occupational characteristics, including platform, position level, age, geography, RBC tenure, people manager tenure, etc.
- ⁴⁷ The median remuneration (adjusted) of women as a percentage of men values stated above include the following forms of compensation: salary, bonus and equity (share value at grant date). It does not include commissions or commissions-only employees. We adjusted for RBC tenure, position level, platform, age, region and people manager tenure. We did not adjust for education, certifications or performance. Information presented is for fiscal year 2018, our last completed payroll year that captures bonuses paid and equity granted after fiscal year-end. Represents employees in our business in Canada, which are governed by the Employment Equity Act. Excludes ~1,600 employees in the federally regulated RBC Capital Markets and RBC Investor & Treasury Services entities due to the use of incomparable position groups.
- ⁴⁸ Our target is to exceed the Canadian peer average.
- ⁴⁹ According to data from the Organization for Economic Co-operation and Development (OECD), the Canadian household savings rate has dropped steadily since 1982 with Canadians expected to save just 1.7% of their disposable household income in 2020. This is significantly less than Americans (6.9%), Australians (6.7%) and Germans (10.5%).
- ⁵⁰ We manage actual and potential privacy incidents and complaints through well-established processes that leverage a three-tier rating system (minor, moderate, major). Our policy requires all privacy incidents be tracked in a reporting tool, and each one is reviewed by a Privacy Officer to determine its severity, its root cause and the next steps.
- ⁵¹ RBC GAM is the asset management division of RBC, which includes RBC Global Asset Management Inc. (RBC GAM Inc.), RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited, RBC Investment Management (Asia) Limited, and BlueBay Asset Management LLP, which are separate, but affiliated subsidiaries of RBC.
- ⁵² SRI assets under management decreased in 2019 due to mandate changes for a number of our institutional clients.
- ⁵³ Impact assets under management by GAM (U.S.) have been restated for all three years as previous reports had currency stated in USD, not CAD.
- ⁵⁴ In 2019, we increased the USWM reporting coverage for the 2019 SRI AUM to include a greater number of advisors managing SRI AUM. Therefore, the 2019 figure is not directly comparable to previous years.
- ⁵⁵ The reported figures may not fully capture all ESG engagements as some may not be included in our tracking systems. Engagements purely on non-ESG factors are excluded.
- ⁵⁶ The proxy voting statistics include voting for all of RBC GAM with the exception of funds managed by BlueBay Asset Management LLP and externally managed sub-advised funds.
- ⁵⁷ Voting statistics account for proxy votes submitted by RBC GAM and may include instances where RBC GAM's proxy votes were rejected at the time of the meeting, which may occur due to proxy voting administration issues in foreign markets. Voting statistics exclude instances where RBC GAM intentionally did not vote due to shareblocking restrictions or other logistical impediments.
- ⁵⁸ Overseas includes all countries outside of Canada and the U.S.
- ⁵⁹ Designated Green, Social and Sustainability Bonds that align with the International Capital Market Association (ICMA) Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.
- ⁶⁰ Tax credit investments closed represents the total equity committed. These amounts represent investments raised through the RBC Capital Markets Tax Credit Equity Group.
- ⁶¹ Credit extended is the total authorized amount as at October 31, 2019.
- ⁶² Designated green loans that align with the Loan Market Association (LMA) Green Loan Principles and designated sustainability linked loans that align with the LMA Sustainability Linked Loan Principles.
- ⁶³ Includes salaries, benefits and other compensation.
- ⁶⁴ Includes income taxes, payroll taxes, value added and sales taxes, property taxes, insurance premium taxes, business taxes, capital taxes.
- ⁶⁵ Includes occupancy, equipment, communications and professional fees.
- ⁶⁶ In 2019, third party spend included City National Bank (CNB), an RBC subsidiary. 2018 and 2017 spend data has been revised to include CNB.
- ⁶⁷ Certified Diverse Suppliers receive certification from the following organizations: CAMSC, CCAB, CGLCC, IWSCC, WBE Canada, NMSDC, NGLCC, NVBDC, WBENC, MSDUK and WeConnect International UK.
- ⁶⁸ Global diverse supplier spend includes certified diverse supplier spend in Canada, the U.S. and U.K., self-declared diverse supplier spend and U.S. based small business spend.
- ⁶⁹ Self-declared diverse suppliers are identified in the RBC supplier registration process and include U.S. based small businesses.
- ⁷⁰ Commercial initiatives, as defined by the London Benchmarking Group (LBG), refers to business-related activities in the community, usually undertaken by commercial departments to directly support the success of the company, promote its corporate and brand identities and other policies, in partnership with charities and community-based organizations.
- ⁷¹ Cumulative, year over year.
- ⁷² RBC Future Launch was announced in March 2017, and programs were in effect starting in fiscal 2018.
- ⁷³ 2019 is the first year we are reporting on this metric.
- ⁷⁴ Due to a calculation error, this number was reported in FY2018 as 38,450 tCO₂e. The corrected number is 31,115 tCO₂e.
- ⁷⁵ In FY2018 we purchased 7,335 more offsets than required due to the error in our Scope 3 – business travel numbers.



Independent Limited Assurance Report in relation to Royal Bank of Canada's 2019 Environmental, Social and Governance (ESG) Performance Report

To: The Board of Directors and Management of Royal Bank of Canada ("RBC")

We have been engaged by RBC to perform an independent limited assurance engagement in respect of the select key performance indicators detailed below ("the selected information") contained in the RBC 2019 ESG Performance Report ("the Report") for the year ended October 31, 2019.

Selected Information

Our limited assurance engagement was performed on the following selected performance indicators:

Performance Indicator	Report page(s)
ESG Composite Index	11, 66
Employee Engagement Index score	11, 27
Percentage of women in middle management and above Percentage of women executives	11, 29, 65
Percentage of visible minorities in middle management and above Percentage of visible minority executives	11, 29
Relationship share	11, 35
Percentage of financial service transactions performed in self-serve channels	11, 37
90 day digital active user rate	11, 37
Scope 1 emissions (tonnes of CO ₂ e)	58
Scope 2 emissions (tonnes of CO ₂ e)	58
GHG reductions from green power purchases (tonnes of CO ₂ e)	58
GHG emissions intensity from energy use (tonnes of CO ₂ e/m ²)	12, 58
Scope 3 – business travel (tonnes of CO ₂ e)	58
Carbon credits purchased (tonnes of CO ₂ e)	58

Responsibilities of RBC Management

RBC is responsible for the preparation and presentation of the selected information, incorporated in the Report, in accordance with the reporting criteria. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the selected information that is free from material misstatements, whether due to fraud or error; developing and applying the criteria.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the selected information based on the limited assurance procedures we have performed and the evidence we have obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Revised, *Assurance engagements other than audits or reviews of historical financial information*, and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*.

Our Independence and Quality Control

In conducting our assurance engagement, we have met the independence requirements of the *Code of Ethics for Professional Accountants*. We applied International Standard on Quality Control 1 (ISQC 1), *Quality control for firms that perform audits and reviews of financial statements and other assurance and related services engagements*.

Our Procedures

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Given the circumstances of the engagement, our procedures included but were not limited to:

- Obtaining an understanding of the management systems, processes, and controls used to generate, aggregate and report the data;
- Limited testing of relevant documents and records on a sample basis;
- Limited testing and reviewing of quantitative information related to the selected information on a sample basis; and
- Reviewing the consistency of the selected information with related disclosures in the Report.
- Limited testing of the retirement of carbon credits to underlying financial records.

Limitations

Our procedures did not include providing conclusions in relation to:

- The completeness or accuracy of data sets or information relating to areas other than the Selected Information such as purchased goods and services and capital goods scope 3 categories;
- Any comparisons made by the Bank against historical data; and
- The appropriateness of definitions for internally developed criteria.

Environmental and energy-use data are subject to inherent limitations given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

The conclusions expressed in this report have been formed on the basis above.

Limited Assurance Conclusion

Based on the limited assurance procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information included in RBC's 2019 ESG Performance Report for the year ended October 31, 2019 is not prepared, in all material respects, in accordance with the relevant criteria.












PricewaterhouseCoopers LLP

Chartered Professional Accountants











February 19, 2020
Toronto, Ontario

Appendices

Appendix I: Impact areas and alignment with SDGs

SDGs	RBC initiative – SDG target	IMF	Metric
	RBC Future Launch – 4.3, 4.4, 4.5	 	<p>1.9 million youth reached through RBC Future Launch</p> <p>82% of RBC Future Launch participants surveyed identify as one or more of the following: non-binary, not born in Canada, living in Canada less than five years, visible minority, living with a disability, member of the LGBT+ community</p> <p>\$4.8 million total donations invested in financial literacy programs</p>
	RBC Employee Composition – 5.5		<p>46% women executives</p> <p>45% women in middle management or above</p>
	RBC Climate Blueprint – 7.2, 7.3, 7.A		<p>76.6% of RBC's electricity consumption from renewable and non-emitting energy</p> <p>Percentage reduction in year over year GHG emissions</p> <ul style="list-style-type: none"> - Scopes 1 & 2 only: -15.5% - Scopes 1, 2 & 3: -13.2%
	RBC Future Launch – 8.3, 8.6 RBC Emerging Artists Project – 8.3		<p>82 RBC Future Launch connecting and convening events in 2019</p> <p>11,636 youth reached in 2019 through RBC Emerging Artists program</p>
	RBC Commitment to Sustainable Finance – 9.4		<p>\$25.9 billion of sustainable finance in 2019</p>

Appendix I: Impact areas and alignment with SDGs

SDGs	RBC Initiative – SDG target	IMF	Metric
	RBC Future Launch – 10.2		Diversity and Inclusion index score ⁸ – 87
	RBC Employee Composition – 10.2		
	RBC Future Launch – 8.3, 8.6		\$1.8 billion in tax credit equity investments in affordable housing
	RBC Emerging Artists Project – 8.3		\$11 million total donations to arts-related causes
	RBC Sustainable Operations – 12.5		75% of waste generated in our operations diverted from landfill
	RBC ESG Report – 12.6		265 tons of e-waste diverted from landfill
	RBC Procurement - 12.7		100% of e-waste generated diverted from landfill
			ESG Composite Index ¹ – 81
	RBC Future Launch – 17.16, 17.17		Targeting 60% of all procurement RFx events to include a minimum of one certified diverse supplier
	RBC Emerging Artists Project – 17.16, 17.17		362 active RBC Future Launch partnerships
	RBC Climate Blueprint – 17.16, 17.17		218 active RBC Emerging Artists Project partnerships 115 active RBC Environmental Donations partnerships

Appendix II: Additional environmental metrics

Energy use

Key performance indicator	2019*	2018*	2017
Heating fuel use, Scope 1 (MWh)			
Branches	90,642	90,061	94,502
Major properties	40,808	38,010	33,031
Data centres and processing centres	1,424	1,567	1,480
Electricity and steam use, Scope 2 (MWh)			
Branches	228,750	238,279	212,373
Major properties	212,684	224,052	207,857
Data centres and processing centres	78,754	78,788	84,672
Total energy use, all properties (MWh)	653,061	670,756	633,915
Total energy intensity, all properties (MWh/m ²)	0.30	0.31	0.33

* 2019 data are representative of all properties in Canada, the United States, the British Isles, the Caribbean, Luxembourg, Hong Kong, Japan, Australia and Malaysia, representing 99% of our global floor area. Data are reflective of a complete year; however, due to variations in billing cycles, the reporting months may not reflect the RBC fiscal year of November 1 to October 31. Increases in absolute GHG emissions and energy consumption in 2018 are primarily due to the inclusion of the Caribbean, Luxembourg and Malaysia in our reporting for the first time in 2018.

Appendix II: Additional environmental metrics

Paper

Key performance indicator	2019	2018	2017
Percentage of paper used that is Forest Stewardship Council [†] (FSC [‡]) or Sustainable Forestry Initiative (SFI) certified	92%	94%	93%
Office paper use per employee (kg/FTE) [†]	24.9	27.6	31.3
Office paper (tonnes)	1,763	1,928	2,081
Marketing and direct mail paper (tonnes)	4,240	4,121	4,365
Total paper (tonnes)	6,003	6,049	6,446

Green building design

Key performance indicator	2019	2018	2017
LEED certified office space (m ²)	729,185	741,491	693,185

Waste

Key performance indicator	2019	2018	2017
Percentage of waste diverted from landfill	75%	81%	80%
Major offices with waste diversion programs ^{††}	100%	100%	100%
Electronic waste diverted from landfill (tonnes)	265	518	307
Electronic waste diversion rate ^{†††}	100%	100%	99%

Water

Key performance indicator	2019	2018	2017
Water consumption intensity (m ³ /m ²)	0.82	0.90	0.81

[†] 2019 and 2018 data for all operations in Canada, the United States and the British Isles represent 85% of our global FTE count.

^{††} Major properties are facilities with an area of greater than 25,000 ft² (2,320 m²).

^{†††} 2019 data represent 85% of our global FTE count.



Providing feedback

This Report is published for all stakeholders of RBC and its subsidiaries. We welcome your questions and feedback on our approach, or suggestions for improvement, at corporatecitizenship@rbc.com.

