

Royal Bank of Canada

# Environment, Social and Governance (ESG)

Performance Report 2020



## 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 2020 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 digital strategy, 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”, “strive”, “target”, 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 (which could lead to us being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties and fines),

strategic, reputation, legal and regulatory environment, competitive and systemic risks and other risks discussed in the risk sections and Significant developments: COVID-19 section of our Annual Report for the year that ended October 31, 2020 (2020 Annual Report) and the Risk management and Impact of COVID-19 pandemic sections of our Quarterly Report for the three-month period that ended January 31, 2021 (Q1 2021 Report to Shareholders); including business and economic conditions, information technology and cyber risks, Canadian housing and household indebtedness, geopolitical uncertainty, privacy, data and third-party related risks, regulatory changes, environmental and social risk (including climate change), and digital disruption and innovation, culture and conduct, 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 the emergence of widespread health emergencies or public health crises such as pandemics and epidemics, including the COVID-19 pandemic and its impact on the global economy and financial market conditions and our business operations, and financial results, condition and objectives.

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 the Economic, market and regulatory review and outlook section and for each business segment under the Strategic priorities and Outlook headings in our 2020 Annual Report, as updated by the Economic, market and regulatory review and outlook and Impact of COVID-19 pandemic sections in our Q1 2021 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 and Significant developments: COVID-19 section of our 2020 Annual Report and in the Risk management and Impact of COVID-19 pandemic sections of our Q1 2021 Report to Shareholders.

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## Icon legend

The following icons are found throughout this Report:

-  Our Priorities
-  Independently assured key performance indicator

### Connect with us

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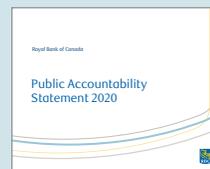
This report is part of a broader suite of disclosures. For more information, please review the additional publications listed below.



2020 Annual Report



2021 Management Proxy Circular



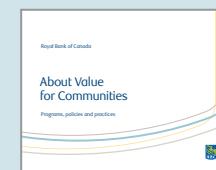
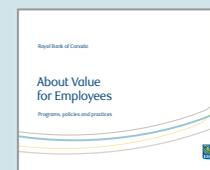
2020 Public Accountability Statement



2020 TCFD Report



RBC Climate Blueprint



Policy and program background papers

# 2020 Highlights

## By the numbers

36  
countries

86,000+  
employees

17 million  
clients

### Governance & Integrity

**2020 Corporate Governance Award**, Corporate Secretary Magazine

**Published**  
[RBC Human Rights Position Statement](#) and [RBC Action Plan Against Systemic Racism](#)

**42%<sup>1</sup> & 17%<sup>1</sup>** of Royal Bank of Canada Directors are women and Black, Indigenous and People of Colour (BIPOC), respectively

**86% average percentile** ranking on priority ESG indices<sup>2</sup>

### Employees

**#4 globally** in the 2020 Refinitiv<sup>3</sup> Diversity & Inclusion Index, ranking over 9,000 publicly listed companies

**91% of employees** feel they are well supported by RBC<sup>4</sup>

**86% of employees** indicated they felt able to raise concerns about matters affecting their work<sup>4</sup>

**51%<sup>5</sup> & 35%<sup>6</sup>** of new hires are women and BIPOC, respectively

### Clients

**#1 Most Valuable** Canadian Brand 2020, BrandZ<sup>‡</sup>



**620,000+ clients** have benefitted from RBC Client Relief programs

**\$12.5 billion** of socially responsible investments (SRI) and impact assets under management by RBC companies<sup>7</sup>

**\$73.3 billion** in sustainable finance, building towards our target of \$500 billion by 2025

### Communities

**\$142.2 million<sup>8</sup>** given globally through cash donations and community investments, including support to mitigate the economic impact of the COVID-19 pandemic

**\$50 million investment** from now until 2025 to create meaningful and transformative pathways to prosperity for 25,000 BIPOC youth

**\$23.9 million raised** by employees and retirees for 4,300+ charities through our annual Employee Giving Campaign in Canada

### Planet

**Commitment to net-zero** emissions in our lending by 2050

**Carbon neutral** in our operations

**1<sup>st</sup> financial institution** in Canada to sign a renewable energy power purchase agreement

**2020 CDP score of A-** for our Climate Change response



# CEO Message

***“Creating a more inclusive, sustainable and prosperous future.”***



In 2020, the devastating effects of the global pandemic were far-reaching in our communities. Many lives were lost. Lockdowns slowed the virus' spread but led to severe economic shocks. Industries contracted. Businesses closed. And workers were displaced. The stress and strain of the crisis exposed and, in some cases, widened inequalities.

RBC's immediate response focused on the safety and financial security of those we serve. We closed branches and reduced hours of operation to slow the spread of the virus, as well as mobilized our resources to address urgent client concerns and initiated a wide range of financial relief programs. We assured employees no jobs would be lost in 2020 because of the pandemic. And on top of existing commitments, we earmarked millions of dollars for programs addressing the needs of our most vulnerable citizens.

Importantly, insights and opportunities also emerged from the pandemic that can help society become more inclusive, sustainable and therefore more prosperous. Five macro themes that gained prominence in 2020 have been a part of RBC's focus for years. Indeed, they validate our long-standing efforts, which earned us an average 86 percentile ranking in four top tier ESG indices last year. They have also inspired us to look for new and meaningful ways to fulfill our Purpose – helping clients thrive and communities prosper. Some of the ways we did just that in 2020 are listed below.

**To build a truly inclusive economy, we must break down more barriers.**

Our long-standing efforts to attract and retain a diverse and inclusive workforce that reflects the communities we serve has earned RBC a positive global reputation. But the tragic death of George Floyd demanded that we take a closer look in the mirror. RBC leadership – starting with me – engaged with Black and Indigenous employees to better understand their day-to-day realities, and shared these and other insights with all employees. This ongoing initiative marks a small but important step forward in educating our employees about unconscious bias as well as sustaining a work culture that speaks up for inclusion.

Tangible goals will help accelerate and measure our progress. For instance, RBC has set a goal to increase the number of BIPOC executives from 20% to 30% as well as double our investment in a leadership program focused on the development of BIPOC talent. Our discussions also led to bolstering existing commitments to foster social and economic mobility in the community. We took an important step forward with a commitment to provide \$100 million in small business loans over five years to Black entrepreneurs.

## Global responses are vital in addressing global threats.

The speed and scale of our response to the global pandemic showed a willingness from governments, businesses and civil organizations to pull out all the stops to protect the health, safety and financial well-being of those they serve. We must act with the same collaborative spirit in tackling climate change, as it presents far greater threats to society than COVID-19.

That's why we support investment activities of clients and communities focused on accelerating cleaner economic growth, a key tenet of the RBC Climate Blueprint. Indeed, our bank has committed to net-zero emissions in our lending portfolios by 2050, aligning with global goals set out in the Paris Agreement. Our first step is to measure and disclose our financed emissions for key sectors starting in our 2022 Task Force on Climate-related Financial Disclosures (TCFD) Report. We have also set a \$500 billion sustainable financing target by 2025, which builds on our previous \$100 billion target achieved last year – five years ahead of schedule.

Additionally, our support of international initiatives and partnerships, such as The Financial Stability Board's recommendations for more effective climate-related disclosures, which we published in our Annual Report and our TCFD Report, will help stakeholders – including our shareholders – develop a clear picture of RBC's opportunities and risks related to climate change.

## Setting youth up for success in the new world of work.

Starting a career in a tough economic environment can be difficult. It's all the more challenging when the workplace of tomorrow demands new and evolving skill sets. We all have a vested interest in the next generation of workers finding meaningful employment.

RBC Future Launch® – our 10-year, \$500-million commitment to supporting young people – helps them do just that through practical work experiences, skill-development opportunities, networking solutions and mental well-being services. Last year, pivots to the program were required. We created virtual forums to ensure participation in networking events and skill-development programs could continue. In fact, the new format

enabled us to reach more youth living in rural and remote areas, as well as Indigenous youth on reserve. We also announced a \$50-million investment over the next five years to support the aspirations of BIPOC youth, with investments in areas such as skills development and mentoring. To date, we have invested a total of \$201 million in RBC Future Launch since 2017.

## Digital is creating a new world of possibilities.

The mass migration to the online world supported our need to socially distance and, in turn, reduce the virus' spread. It also ushered in new ways for individuals to work, shop and engage as well as for organizations to create value.

RBC has been preparing for this digital-first future for years. Our ability to move over 80% of our employees – across 36 countries – outside of bank premises was the result of ongoing investments made in our digital infrastructure. Employees who remained on our frontlines received special compensation and additional days of paid leave. And our innovation strategies have enabled millions of individuals and institutions to shape their own banking experiences, save time, enjoy greater conveniences as well as benefit from new and differentiated solutions.

But the magnitude of change demands careful stewardship. Cyber threats can undermine the trust required in a well-functioning digital economy. That's why, in 2020, we continued 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.

Many small businesses, which are vital to our local economies, were not prepared for the sudden shift to digital and online commerce. RBC helped spearhead a national movement that brought government, chambers of commerce and other leading brands together to help owners and entrepreneurs navigate through the lockdowns and build up their e-commerce capabilities.

Technological transformations must also be guided by human experiences. Remote work, for instance, may reduce the stress of daily

## CEO Message

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commutes but can lead to a greater sense of isolation. RBC surveyed employees to find out what they needed to be their best, stay connected and remain safe and healthy in virtual environments. Their feedback not only influenced policies and programs to manage through 2020, but will also shape the future of work at RBC for years to come.

### Vibrant communities are expanding virtually.

In the earliest days of the pandemic, many charitable organizations were overwhelmed by the immediate spike in demand for basic necessities and services, leaving those with the least to suffer the most. RBC mobilized quickly to support food security, mental health and pandemic response and preparedness causes in the communities we serve. We also provided financial relief to our charitable partners, which enabled them to focus on serving people rather than raising funds during this critical period.

More broadly, as digital platforms permeate our lives more deeply, our collective challenge is to harness the power of networks to protect and preserve the spirit of community. 2020 was a harbinger for such initiatives. For instance, the RBC Emerging Artists Project partners with organizations across Canada to help musicians, actors, authors and visual artists gain exposure and grow their careers. But venue closures required new approaches to support a sector vital to community life. This included the creation and support of virtual forums to help our artists showcase their talent and earn income. All told, more than 800 of these opportunities came about in 2020.

Supporting the digital delivery of programs marks a new way RBC will create long-term value in the community. It enables our partners to reach significantly more individuals, regardless of geography, more efficiently.

Yet, here too, risks must be managed. Many of our most vulnerable citizens and communities do not have access to reliable internet or digital infrastructure. Efforts to ensure they are not left behind will be an important focus at RBC. To this end, we will work with corporate partners to improve access to technology and support technology capacity building in the charitable sector in the coming years.

As challenging as the pandemic has been – and will continue to be – the stage has been set to build a more inclusive and sustainable future. RBC is primed to do its part. We'll use our size and scale to advance the public interest, work with like-minded partners to deliver with greater impact, speak up on issues that matter and be accountable for our actions.

Our aim is not just to leave these difficult days behind us, but ensure better days remain in front of those we serve, our communities and the planet. For us, that's what it means to create long-term and meaningful value.



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

# About this Report

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## 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). This Report provides an overview of our priorities, key performance indicators and highlights from 2020 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 [2020 Annual Report](#) and our governance and executive compensation information in our [2021 Management Proxy Circular](#) (available at [rbc.com](http://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 2020 fiscal year (November 1, 2019 – October 31, 2020), unless otherwise noted. In many cases, we have provided data for fiscal 2020 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 spot exchange rate, as at October 31, 2020 (C\$1.00 = US\$0.751; C\$1.00 = 0.578£). Measurements used in this Report are metric, except where otherwise noted.

## Endnotes

The endnotes on page [66](#), referenced throughout this Report, further define our performance indicators and criteria for measurement.

## About this Report

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### 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)<sup>9</sup> 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. 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 underpins 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 corporate citizenship strategy and ESG reporting is part of the mandate of the Governance Committee of the Board of Directors of Royal Bank of Canada (the Board), and the RBC Disclosure Committee reviews this ESG Performance Report. 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, Corporate Citizenship, 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 have identified these with an  symbol throughout the Report. PwC has provided an independent limited assurance report on page 68 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

86,000+ 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

#### Communities

Building a better future for the communities we serve

#### Planet

Supporting clean economic growth and the transition to a net-zero economy



### How We Strive to 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

- Maximize total shareholder returns through the achievement of top half performance compared to our global peer group over the medium term
- 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 emissions in our lending by 2050
- Achieve net-zero emissions in our global operations annually
- 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 culture and conduct
- Effective risk management

# Our ESG priorities

As a global bank, it is important that we identify, understand and respond to the ESG factors that matter most to our stakeholders and our business. The events of 2020 required all of us to pause, listen and reflect on our priorities and implications of our personal and collective actions. We asked big questions about what is important to us, our stakeholders and society at large. As an organization, it required us to focus on and prioritize what matters most.

## How we identify our ESG priorities

Each year we conduct a review of our stated ESG priorities with a focus on stakeholder expectations and business impacts coupled with our ongoing monitoring of priority ESG reporting frameworks, ESG rating agencies, industry trends and independent research.

In 2019, we conducted a peer benchmarking and validation exercise to identify leading practices and emerging trends in assessing ESG priorities, and engaging and communicating with stakeholders. An outcome of this exercise was the need to improve our assessment process and find new ways to monitor and analyze stakeholder expectations and sentiment on key ESG factors.

In 2020, we commissioned Deloitte, an independent provider, to facilitate a forward-looking assessment to identify the ESG issues of greatest importance to our stakeholders, employees and business objectives, taking into consideration the immense global changes experienced over the course of the year. Through the use of digital and artificial intelligence (AI)-enabled capabilities, in addition to human-centred research and engagement, we gained a unique perspective and insights that helped us define and prioritize our list of 2020 ESG priorities. Based on this assessment, the current ranking of our ESG priorities, relative to our 2019 priorities, is presented in the table below.

Our ESG priorities	2020 Stakeholder interest	2020 Business impact	Relevant stakeholder groups
Diversity & inclusion	1 ↑	1 ↑	Employees, Investors, Shareholders and Rating Agencies
Climate change	2 ↑	5 ↑	Employees, Clients, Investors, Shareholders, Rating Agencies and Governments
Building & attracting talent	3 ↑	12 ↓	Employees
Responsible governance practices ●	4 ↑	8 ↓	Investors, Shareholders, Rating Agencies, Suppliers and Governments
Exceptional employee experience	5 ↓	9 ↑	Employees
Conduct & trust ●	6 ↓	2 ↓	Employees, Clients
Digital enablement	7 ↑	10 ↓	Clients
Responsible investing	8 ↑	14 ↓	Clients
Community & social impact	9 ↑	3 ↑	Employees, Clients and Governments
Privacy & cyber security ●	10 ↓	4 ↓	Clients, Employees
Risk management ●	11 ↓	11 ↓	Investors, Shareholders and Rating Agencies
Client satisfaction & loyalty	12 ↓	6 ↓	Clients
Financial literacy & inclusion	13 ↑	15 ↓	Clients
Economic value generated & distributed	14 ↑	7 ↑	Clients, Governments
Sustainable finance	15 ↓	13 ↑	Clients
Responsible procurement	16 ↓	16 –	Suppliers

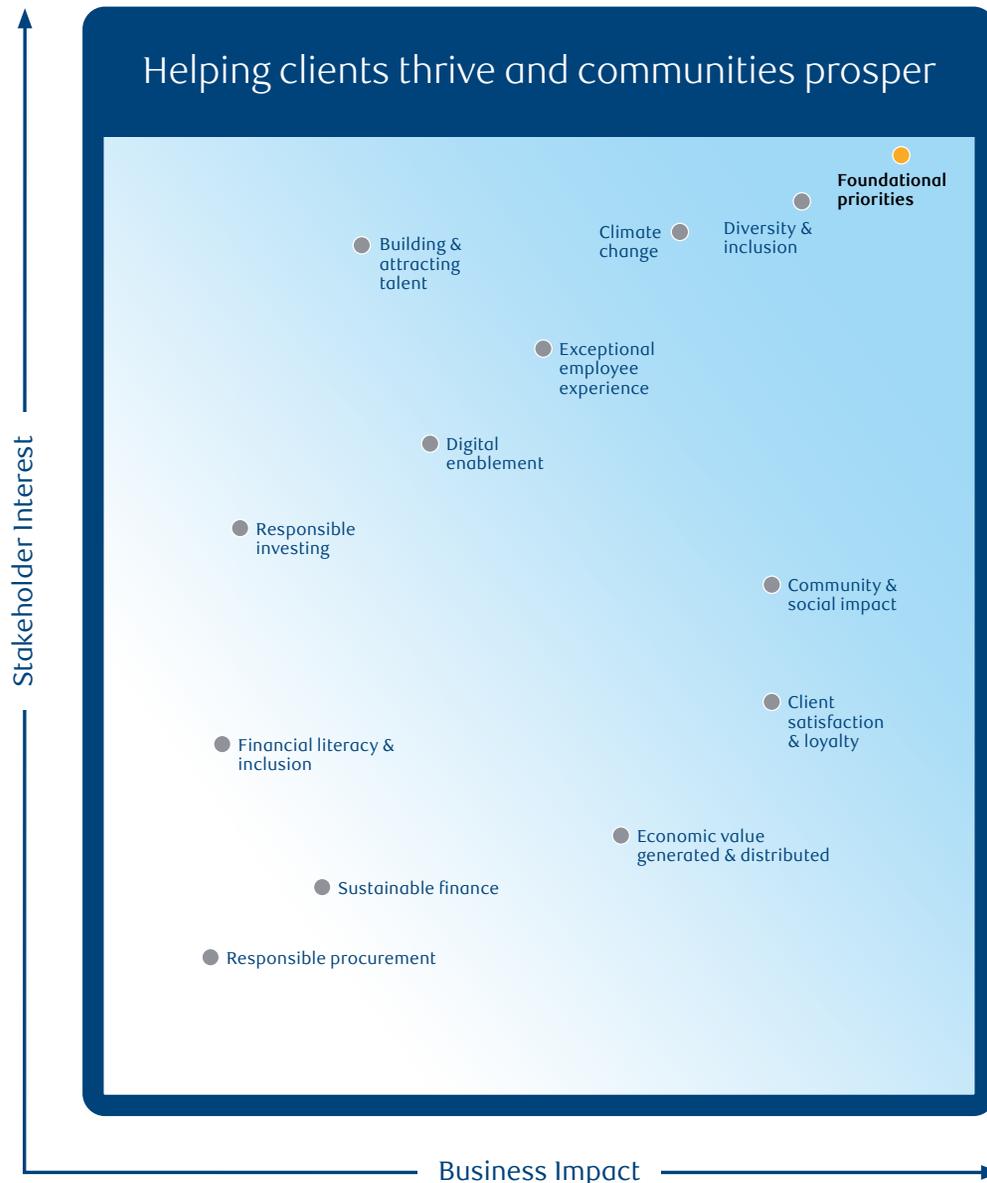
● Foundational priorities; please see next page for more information.

↑ ↓ Change in ranking compared to 2019

– No change in ranking compared to 2019

## Our ESG priorities

A number of activities informed the identification, ranking and placement of our 2020 ESG priorities, including continuous stakeholder engagement, ESG reporting frameworks, ESG rating agencies, industry trends, independent research and the assessment we commissioned with Deloitte in 2020. By focusing on priorities, we can concentrate resources on activities where we can have the greatest impact and create the most value. This prioritization also informs and guides our ESG reporting strategy.



● **Foundational priorities** are those that we identify as fundamental to RBC’s strategic success. Continuing to prioritize these topics allows us to deliver on our Purpose and to create long-term and meaningful value for our employees, clients, communities and shareholders. Our foundational priorities are:

- Responsible governance practices
- Conduct & trust
- Privacy & cyber security
- Risk management

## Continuously improving our ESG reporting

By increasing our engagement and collaboration with internal teams and business leaders, we aim to increase the transparency in our disclosures, which influences how we manage our ESG priorities. 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 (see Appendix I on page 70 for more information), GRI, IIRC, TCFD, 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](mailto:corporatecitizenship@rbc.com). For more information on how we engage with our stakeholders throughout the year, please see Appendix II on page 77.

# Statement of Performance

Performance metrics	Targets	2020	2019	2018
<b>Overall – Average percentile ranking on priority ESG indices<sup>2</sup></b>	<b>↑</b>	<b>86</b> ⓘ	81	81
<b>Governance &amp; Integrity</b>				
Percentage of independent directors	Substantial majority	<b>92%</b> <sup>10</sup>	92%	92%
Percentage of women directors	35%-45%	<b>42%</b> <sup>1</sup>	43%	38%
Percentage of BIPOC directors	–	<b>17%</b> <sup>1</sup>	N/A	N/A
<b>Value for Employees<sup>11</sup></b>				
Percentage of women executives	48% <sup>12</sup>	<b>46%</b> ⓘ	46%	45%
Percentage of BIPOC executives <sup>13</sup>	20%	<b>21%</b> ⓘ	20%	20%
Percentage of women in middle management and above	–	<b>45%</b> ⓘ	45%	45%
Percentage of BIPOC in middle management and above <sup>13</sup>	–	<b>41%</b> ⓘ	40%	39%
Percentage of positions filled by internal candidates	N/A	<b>69%</b> <sup>14</sup>	67%	64%
Total voluntary turnover rate <sup>15</sup>	–	<b>7.1%</b>	9.3%	9.5%
Total turnover rate <sup>15</sup>	–	<b>9.1%</b>	12.4%	12.6%
Absentee rate (percentage of total days scheduled) <sup>16</sup>	<b>↓</b>	<b>1.03%</b>	1.05%	1.09%
<b>Value for Clients</b>				
Client Experience score <sup>17</sup>	<b>↑</b>	<b>64.1</b> <sup>18</sup>	62.2 <sup>19</sup>	59.4
Relationship share <sup>20</sup>	>13% <sup>21</sup>	<b>19%</b> ⓘ	18% <sup>22</sup>	21%
Percentage of financial service transactions performed through self-serve channels <sup>23</sup>	<b>↑</b>	<b>92%</b> ⓘ	88%	86%
90-day digital active user rate <sup>24</sup>	<b>↑</b>	<b>54%</b> ⓘ	52%	50%
Total value of SRI and impact assets under management by RBC companies <sup>7, 25</sup>	<b>↑</b>	<b>\$12.5 billion</b>	\$8.8 billion	\$7.8 billion
Total value of sustainable finance	\$500 billion by 2025	<b>\$73.3 billion</b>	\$40.8 billion <sup>26</sup>	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 significant ESG performance metrics in future reporting.
- ⓘ PricewaterhouseCoopers (PwC) provided limited assurance over this figure in 2020. Please see page 68 for PwC's Independent Limited Assurance Report.

For further details on the criteria for measurement and explanations for significant fluctuations year over year, please see the endnotes starting on page 66.

## Statement of Performance

Performance metrics	Targets	2020	2019	2018
<b>Value for Communities</b>				
Economic value generated and distributed <sup>27</sup>	N/A	<b>\$32.1 billion</b>	\$31.1 billion	\$29.9 billion
Total cash donations and community investments <sup>8</sup>	–	<b>\$142.2 million</b>	\$130.0 million	\$115.6 million
Total amount invested in youth-related organizations	–	<b>\$64 million</b>	\$60.1 million	\$46.2 million
Number of young people reached through RBC Future Launch <sup>28</sup>	–	<b>2.5 million</b>	1.9 million	1.5 million
Percentage of diverse <sup>29</sup> participants – RBC Future Launch	–	<b>83%</b>	82%	82%
Percentage of youth participants that feel better prepared for the future – RBC Future Launch <sup>30</sup>	–	<b>71%</b> <sup>31</sup>	77%	77%
Total amount invested in financial literacy programs	↑	<b>\$5.0 million</b>	\$4.8 million	\$3.1 million
<b>Value for Planet<sup>32</sup></b>				
Greenhouse gas (GHG) emissions intensity from energy use (tonnes of CO <sub>2</sub> e/m <sup>2</sup> )	↓	<b>0.041</b> ⓘ	0.046	0.055
Total GHG emissions (tonnes of CO <sub>2</sub> e) <sup>33</sup>	Reduce by 70% by 2025	<b>98,217</b>	128,873	152,580
Percentage of electricity from renewable and non-emitting sources for all properties	Increase to 100% by 2025	<b>78%</b>	77%	75%

- ↑ 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 significant ESG performance metrics in future reporting.
- ⓘ PricewaterhouseCoopers (PwC) provided limited assurance over this figure in 2020. Please see page 68 for PwC's Independent Limited Assurance Report.

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# Governance & Integrity



## Our Priorities

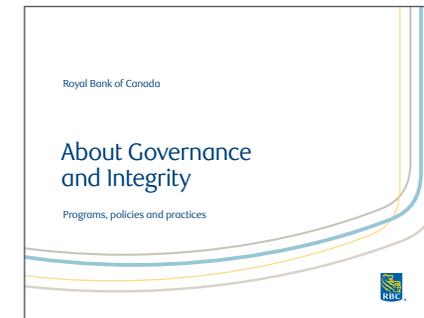
- Responsible governance practices
- Conduct and trust
- Risk management
- Human rights



# Integrity is one of our most important values

We are committed to high standards of governance that are consistent with regulatory expectations and evolving best practices, and align with our strategy and risk appetite. We believe that good governance is not just about overseeing RBC and its practices, but doing so in a way that is transparent, independent of management and ethical. It involves the Board actively engaging with all stakeholders, knowing the business and its risks, constructively challenging management, understanding the challenges and opportunities of a changing industry and economy, and setting robust standards and principles that will guide RBC in delivering its Purpose of helping clients thrive and communities prosper – while enhancing value for our shareholders.

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



## Awards and Recognition



- 2020 Corporate Governance Awards, Best Governance by a Cross-Listed Company – 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 the core principles highlighted in our Corporate Governance Framework.

The Board supports diversity and inclusion at all levels, in tandem with RBC's diversity and inclusion strategy. We strive to ensure our director recruitment and succession planning efforts include a wide variety of expertise, perspectives and backgrounds, and take into consideration other important factors such as gender and non-gender diversity, ethnicity, race, ancestral origin, age, geography, background, sexual orientation and other dimensions of diversity. In particular, the Board considers the level of representation of women, BIPOC and other diverse groups when considering candidates to nominate. Ensuring directors have access to an extensive program of educational opportunities on emerging issues is also a key governance priority for the Board.

### For more information

[RBC Corporate Governance Framework](#)  
[2021 Management Proxy Circular](#)  
[Statement of Corporate Governance Practices](#)  
[Director Independence Policy](#)  
[Code of Conduct](#)  
[2020 Annual Report](#)

Performance metrics	Targets	2020	2019	2018
Number of Board members	N/A	12	13	13
Percentage of independent directors	Substantial majority	92% <sup>10</sup>	92%	92%
Percentage of women directors	35%-45%	42% <sup>1</sup>	43%	38%
Percentage of BIPOC directors	–	17% <sup>1</sup>	N/A	N/A



## 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 employees. Our organizational direction establishes the expectation of good conduct outcomes as the operating norm for the organization, including 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 and contract workers 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 Culture and Conduct Risks Framework

Based on our assessment of stakeholder interest, as discussed in “Our ESG priorities” on page 11, our discussion of conduct and trust concentrates on our:

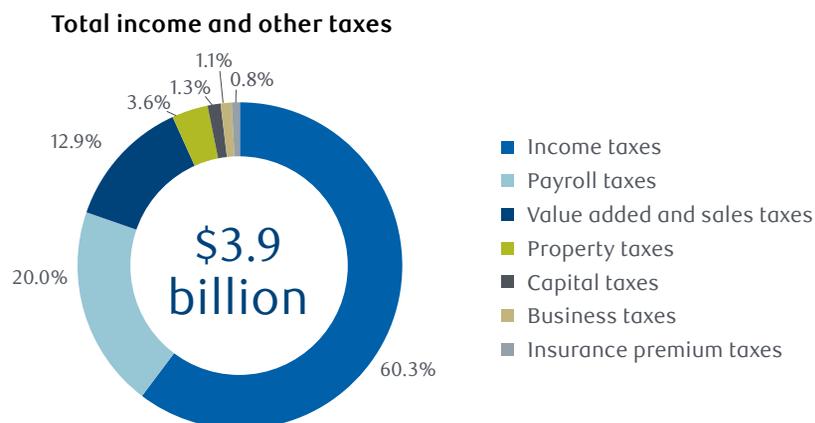
- Enterprise Culture and Conduct Risks Framework and business focus on making sure our behaviours, judgments, decisions and actions lead to positive outcomes for clients
- Anti-money laundering (AML), anti-terrorist financing (ATF) and economic sanctions policies and programs (please refer to the Governance 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](#)  
[About Governance and Integrity](#)  
[2020 Annual Report](#)

## Conduct and trust

Performance metrics	Targets	2020	2019	2018
<b>Sales conduct and business practices</b>				
Percentage of employees who completed the Code of Conduct training on time <sup>34</sup>	>98%	<b>99.2%</b>	99.3%	99.2%
<b>AML, ATF, economic sanctions</b>				
Percentage of employees who completed the Combating Money Laundering and Terrorist Financing training on time <sup>34</sup>	>98%	<b>98.9%</b>	99.1%	99.1%
<b>Lobbying activity</b>				
U.S. non-deductible lobbying activity expenditures as at calendar year-end (USD)	N/A	<b>\$185,579</b>	\$203,919	\$217,835
<b>Tax</b>				
Total Canadian taxes (income, capital and other taxes)	N/A	<b>\$2.7 billion</b>	\$2.9 billion	\$3.8 billion
Total other international taxes (income and other taxes)	N/A	<b>\$1.2 billion</b>	\$1.1 billion	\$1.3 billion
Total income and other taxes <sup>35</sup>	N/A	<b>\$3.9 billion</b>	\$4.0 billion	\$5.0 billion
Effective total tax rate <sup>36</sup>	N/A	<b>28.2%</b>	26.3%	27.7%



## Conduct and trust

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### 2020 Highlights

#### Promoting a positive conduct and culture

We strive to maintain open, healthy workplaces where speaking up and diversity of thought and inclusion are central to our ability to attract and retain the talent we need to deliver value to our clients, communities and investors. In 2020, we conducted a series of well-being surveys to listen to employees as they adapted to new challenges and uncertainty during the COVID-19 pandemic and social injustice movement. 86% of respondents indicated they felt able to raise concerns about matters affecting their work.<sup>4</sup>

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.

Our global Conduct Hotline is a confidential channel for 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 received 278 reports in fiscal 2020, which was the first full year of Hotline reporting.

RBC is committed to ensuring employees experience a fair and transparent process when 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 by 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.

## Conduct and trust



### 2020 Highlights

#### Tax

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

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. Oversight of our tax policy and the management of tax risk is the responsibility of the Group Executive, the Chief Financial Officer (CFO) and the Senior Vice President, Taxation.

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. 84% 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 our full compliance and full disclosure to tax authorities of our statutory obligations
- Ensuring all inter-company transactions are conducted in accordance with applicable transfer pricing requirements
- 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:** We raise awareness 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. Our independent internal Conduct Hotline was created in 2019 for reporting these issues.
  - **Our suppliers and service providers:** Since 2018, the Supplier Code of Conduct has explicitly communicated our expectation of suppliers' tax compliance.
  - **Our clients:** 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 potential for an E&S issue associated with us, a client, a transaction, a product, a supplier or an activity to have a negative impact on our financial position, operations, legal and regulatory compliance, or reputation. E&S issues include, but are not limited to, site contamination, waste management, land and resource use, biodiversity, water quality and availability, climate change, environmental regulation, human rights (including, but not limited to, Indigenous Peoples' rights) and community engagement. GRM is responsible for developing and maintaining policies to identify, assess, monitor and report on E&S risk, and to regularly review and update E&S risk policies. These policies seek to identify sectors, clients and business activities that may expose us to E&S risk, establish requirements to manage, mitigate and monitor E&S risk, including when to apply enhanced due diligence and escalation procedures. Business segments and functional areas are responsible for incorporating E&S risk management requirements within their operations.

## For more information

[2020 Annual Report](#)

[2020 TCFD Report](#)

[Statement of Corporate Governance Practices](#)

[RBC Corporate Governance Framework](#)

[Environmental and Social Risk Management](#)

Performance metrics	Targets	2020	2019	2018
<b>Risk management training</b>				
Percentage of employees who completed the Introduction to Risk Management at RBC training on time <sup>34</sup>	>98%	98.7%	99.8%	99.0%
<b>E&amp;S risk management<sup>37</sup></b>				
Number of credit risk assessments reviewed for E&S risk	N/A	1,852	1,912	1,849
Value of all credit risk assessments reviewed for E&S risk	N/A	\$15.4 billion	\$13.7 billion	\$17.9 billion

## 2020 Highlights

- We are collaborating with the Office of the Superintendent of Financial Institutions (OSFI) and the Bank of Canada on a pilot program to assess financial institutions' potential risk exposures related to a transition to a lower-GHG economy using scenarios that are relevant to Canada.
- We continued our commitment to the TCFD recommendations by publishing our fourth annual TCFD disclosure.
- Through the Canadian Bankers Association TCFD Working Group, we continued to collaborate with our Canadian peers on the development of consistent and comparable approaches to conducting climate risk assessments and disclosures.



## Human rights

At RBC, we recognize that respecting human rights is a shared responsibility of all enterprises regardless of where they operate globally. It aligns with our Purpose, Vision and Values and has long been reflected in our policies and practices. Our Code of Conduct guides us and sets expectations for our behaviour and decision making, and our Supplier Code of Conduct also sets expectations around human rights, labour and employment standards for our suppliers and subcontractors.

In acknowledgment of this responsibility, we published our first Human Rights Position Statement in 2020. Adopted at the highest levels of our organization, this statement sets out our commitment to respect internationally recognized human rights in line with the United Nations Guiding Principles on Business and Human Rights, and to strive to avoid causing or contributing to adverse human rights impacts through our own business activities and being directly linked to adverse impacts through our business relationships. While holding ourselves to the highest standards of integrity plays a critical role in achieving our Purpose and our Vision, it was important to bring our beliefs and commitments together in one statement.

As part of our commitment, we will give particular attention to the rights of vulnerable groups who bear a disproportionate risk of adverse human rights impacts. These include, at minimum, women; national, ethnic, linguistic and religious minorities; children; persons with disabilities; LGBT+ people; and migrant workers and their families.

### For more information

[Human Rights Position Statement](#)

[Modern Slavery Act Statement Code of Conduct](#)

[Supplier Code of Conduct](#)

[RBC Diversity and Inclusion](#)

[About Governance and Integrity](#)

[A Chosen Journey](#)



### 2020 Highlights

- Published RBC's first Human Rights Position Statement and established an enterprise-wide Human Rights Working Group including senior representatives from key business units and functions. This group oversees human rights governance efforts, including assessing our salient human rights risks, reviewing our policies and due diligence processes, and developing ways to measure the effectiveness of our approach to human rights.
- Established the Global Business Activities & Human Rights communication channel for our stakeholders to report any human rights concerns related to RBC business activities worldwide. This channel is facilitated by an independent third party and is available globally 24 hours a day, seven days a week, 365 days a year.
- This past year, with the aim of continuously improving our processes and practices for preventing modern slavery from occurring in our business or supply chain, we engaged our Internal Audit team to perform a review of the accuracy and completeness of the assertions made in our 2019 Modern Slavery Act Statement. The review focused on the governance, consultation and due diligence processes underlying our Statement, and its findings will help inform our programs, policies and initiatives directed at preventing modern slavery in our business and supply chain.

# Value for Employees



## Our Priorities

- Attracting and retaining talent
- Creating enriching experiences that enable growth
- Fostering a diverse and inclusive culture



# Investing in our future

Over a history spanning more than 150 years, one thing hasn't changed – our strength is and always will be our people. It's why we remain focused on attracting and retaining talent, creating enriching experiences that enable growth, continuing to enhance the brand our people represent and fostering a diverse and inclusive culture.

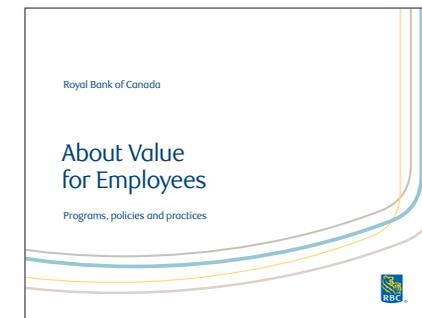
In a year where the COVID-19 pandemic accelerated change across our personal and professional lives, we found new ways to listen, engage and support our workforce. We were the first Canadian bank to commit to no job losses due to the pandemic in 2020, and we quickly introduced a broad range of health, safety and wellness programs to support our employees. In addition to making significant investments in technology to enable our virtual workplace, we have updated our flexible work options to reimagine both how and where work gets done in the future.

We know that having an engaged workforce is key to fulfilling our Purpose to help clients thrive and communities prosper. As we navigate these extraordinary times together, we are focused on providing relevant support. We are proud of how our employees rose to the challenge during this unprecedented time, and we will take this unique opportunity to reimagine how we can engage and enable our teams and strengthen our culture of inclusion.

## Awards and Recognition



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.



- Best Workplaces in Canada – Great Place to Work<sup>2</sup> Institute
- Canada's Top 100 Employer – Mediacorp Canada Inc.
- Canada's Top 10 Most Admired Corporate Cultures by Waterston Human Capital<sup>138</sup>
- Member of the Refinitiv<sup>3</sup> Diversity and Inclusion Index
- Canada's Best Diversity Employers – Mediacorp Canada Inc.
- Member of the Bloomberg Gender-Equality Index
- Canada's Top Employers for Young People – Mediacorp Canada Inc.



## Attracting and retaining talent

Having the right people, with the right skills, in the right roles, has never been more important. Expanding our community outreach has helped attract talent that would not usually consider careers in banking, but who bring fresh perspectives to both our business and our brand. And while the COVID-19 pandemic has increased everyone's reliance on technology, creating human connections has been central to improving the candidate experience.

We are seizing every opportunity to attract diverse talent, deepen our always-learning culture and provide an effortless path so employees can develop the skills needed both today and tomorrow.

### For more information

[Work at RBC](#)  
[Life at RBC](#)

Performance metrics	Targets	2020	2019	2018
Average tenure of employees	–	<b>11 years</b>	11 years	11 years
Employees who are under 30 <sup>39</sup>	–	<b>18%</b>	18%	18%
Contract workers (percentage of total employees) <sup>40</sup>	–	<b>1,485 (1.7%)</b>	1,901 (2.2%)	N/A
Percentage of employees covered under collective bargaining agreements <sup>41</sup>	–	<b>1.8%</b>	1.8%	2.1%
Absentee rate (percentage of total days scheduled) <sup>16</sup>	↓	<b>1.03%</b>	1.05%	1.09%
Total turnover rate <sup>15</sup>	–	<b>9.1%</b>	12.4%	12.6%
Total voluntary turnover rate <sup>15</sup>	–	<b>7.1%</b>	9.3%	9.5%
Voluntary turnover rate – Canada <sup>15</sup>	–	<b>7.4%</b>	10.0%	10.0%
Voluntary turnover rate – International <sup>15</sup>	–	<b>6.0%</b>	7.3%	7.9%
Total involuntary turnover rate <sup>15</sup>	–	<b>2.0%</b>	3.0%	3.1%
Involuntary turnover rate – Canada <sup>15</sup>	–	<b>1.4%</b>	2.3%	2.2%
Involuntary turnover rate – International <sup>15</sup>	–	<b>4.0%</b>	5.4%	5.4%

## Attracting and retaining talent



### 2020 Highlights

#### Attracting diverse talent with fresh ideas and skills

Having a diverse workforce that reflects our clients and communities has always been a competitive advantage. Targeted campaigns included our Diversity Works Here® event series (20+ workshops and 50+ webinars), Career Edge Internship (have onboarded 1,200+ persons with disabilities, newcomers and new graduates since 1996) and Indigenous Peoples Development Program (97% increase in applicants and 40% increase in hires since 2019). We also expanded our talent outreach with 15 virtual events attracting over 1,000 participants and aimed at supporting the job search and business hiring needs of newcomers to Canada, persons with disabilities and members of the BIPOC community. In 2020, 51%<sup>5</sup> of our new hires were women, and 35%<sup>6</sup> were from the BIPOC community. We also had one of our most diverse student cohorts with 43%<sup>42</sup> women and 44%<sup>42</sup> BIPOC.

#### Finding the best talent

We began the year by relaunching our JobEx careers portal with a refreshed user experience that put candidates at the centre. When the pandemic struck, we kept candidates informed of RBC's robust health and safety measures for employees working on-site, and adapted many of our open roles to the new work-from-home reality. We refreshed the online experience for French-speaking candidates and those in the U.S., the U.K., Europe and Asia Pacific regions through improved navigation, localized employee value propositions and customized job search opportunities. Over 2,000 employees<sup>43</sup> attended inclusive recruitment training sessions to improve the virtual hiring and onboarding experience for both candidates and hiring managers.

#### Early talent programs

Our campus recruitment teams maintain strong relationships with post-secondary institutions to attract and engage early talent through rotational, co-op and post-graduate opportunities across RBC. In 2020, over 1,300 Canadian students experienced Explore RBC, an innovative talent initiative that lets students match their interests with opportunities across the bank (e.g., client-facing, head office, operations and automation, and technology and digital). And our on-campus branches at 19 post-secondary institutions across Canada prepare students for the future of work (e.g., providing financial literacy, budgeting, and resume and interview coaching) and attract diverse talent from all degree programs, not just finance and business students. Specific initiatives include:

- **Our first-ever virtual summer student experience:** With the COVID-19 pandemic exacerbating the already difficult transition young people face from school to work, we quickly mobilized to virtually onboard more than 1,400 summer students globally. Cross-functional teams came together to design virtual programming that provided students with the confidence, experience and skills they need to succeed. Highlights included “Know RBC Mondays”, a speaker series with our CEO and senior executives,

access to micro-learnings and multiple Future Launch digital resources, virtual networking opportunities through RBC Café (over 11,000 connections made) and participation in RBC Tomorrow (an innovation challenge) where students presented 46 unique business solutions. Feedback indicates our efforts paid off as 92% of Canadian, 96% of U.S. and 100% of our U.K. students who were surveyed said their overall experience was good or excellent.

## Attracting and retaining talent

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### 2020 Highlights

- **Rotational and Co-op Programs:** We firmly believe that all young people should have the opportunity to gain practical work experience prior to graduation. In 2020, we welcomed 650+ students to co-op and rotational placements across RBC.
- **Leadership Development Program (LDP):** Designed to build future leaders, this accelerated two-year program consists of four six-month rotations where LDP associates collaborate with leaders on complex assignments while developing their skills through formal training. In 2020, we held eight virtual events targeting Master/MBA students, received over 1,300 applications and hired 24 individuals (50% women and 70% BIPOC).
- **RBC Indigenous Peoples Development program:** This two-year rotational program enables recent graduates to develop the skills and network needed to build their professional experience while also giving back to local Indigenous communities. For example, our 2020 associates contributed a total of 7,200 hours in project-based assignments. Since 2018, we have hired 24 individuals from this program.
- **RBC Career Launch® Program:** Since 2014, this one-year paid internship has prepared over 600 recent graduates (58% women, 46% BIPOC) for the jobs of tomorrow with practical work experience across our branches, head office and local charity partners. In March, in response to the COVID-19 pandemic, we quickly shifted the program so our 2020 associates could work remotely, with their first six-month rotation supporting our Wealth Management and Personal & Commercial Banking operations teams. As a result of the program, 84% of our alumni who responded to our program survey felt the experience increased their confidence, 88% felt they gained valuable skills and 82% of our most recent graduating class secured employment at RBC and other organizations.

### Digital talent

Being a digitally enabled relationship bank means hiring future skills such as data, design and product development to enable RBC to create seamless and exceptional client experiences. We focus on delivering the same exceptional employee experiences to retain and engage our digital talent, which includes a diverse range of self-directed learning opportunities to support ongoing growth. In 2020, we made 695 digital hires across RBC with an offer acceptance rate of 95%.



## Creating enriching experiences that enable growth

We are continuously looking for new ways to inspire and enable our people to be their best. Our programs aim to help employees keep pace with the changing world of work and gain the experiences and skills they need when, where and how they want.

Over 80% of employees moved to work from remote locations in the early stages of the COVID-19 pandemic. We created a centralized COVID-19 pandemic intranet site where employees could access the latest government and public health guidance and a diverse array of support resources. For employees working on-site, this included enhanced health and safety standards (e.g., mask guidelines, a digital health pre-screener and daily desk check-in app, client interaction guidelines, and physical distancing protocols), along with regularly updated resources to help them work safely.

Employees look to RBC as a trusted source of guidance and reassurance, so we implemented a series of employee well-being surveys<sup>4,44</sup> and touchpoints with leaders to understand what employees needed, adjusted our routines and delivered new programs and resources based on their feedback. To enable meaningful learning and development programs while keeping our workforce safe, we accelerated our virtual offerings on topics that were top of mind for employees. Our employees invested more time on e-learning as a result. Based on positive employee feedback, we expect to continue expanding our offerings through virtual delivery platforms into 2021.

### For more information

[Work at RBC](#)  
[Life at RBC](#)

Performance metrics	Targets	2020	2019	2018
Total hours of instructor-led and web-based training	–	1.3 million	1.5 million	1.7 million
Total invested in direct and indirect training and career development <sup>45</sup>	–	\$66.9 million <sup>46</sup>	\$87.3 million	\$86.9 million
Total invested per FTE in formal training and development <sup>45</sup>	–	\$797 <sup>46</sup>	\$1,054	\$1,061
Average hours of formal training per employee:	–	16	17	21 <sup>47</sup>
Management level	–	10.2	13.2	13.5
Non-management level	–	13.6	14.3	16.4
Percentage of positions filled by internal candidates	–	69% <sup>14</sup>	67%	64%

## Creating enriching experiences that enable growth



### 2020 Highlights

#### Deepening our always learning culture

The pandemic has shown us what a growth mindset is all about. In a world where change is the only constant, we are focused on transforming the way we enable employees to learn what, when and how they want.

- **Experiential learning:** In an always learning culture, we are not confined to classroom settings or instructor-led programs. This year showed the value of learning-by-doing as cross-functional teams came together to test new ways of working, and create solutions for consumer and business problems faster than ever before.
- **RBC Learn:** This self-serve digital platform lets employees choose from a diverse range of skill paths (e.g., digital literacy, design thinking, business agility and resilience) based on their personal needs and interests.
- **Live, Learn, and Lead Together:** An employee support hub created in 2020, this site generated 300,000+ views/downloads of content (e.g., tip sheets, articles, huddle guides) and 15,000+ registrations for webinars on topics to enable employees across our virtual workplace (e.g., mental health and well-being, engaging remote teams, resilience, and leading through uncertainty).
- **Grow & Develop Newsletter:** 22,000+ employees subscribed to these monthly micro-learning opportunities covering the latest in-demand skills and capabilities needed to stay competitive in the future of work.

#### Developing skills for the future

RBC's success has always been anchored in our ability to adapt quickly and drive to impact. As innovation, technology and change continue to disrupt every industry, we are focused on helping our employees develop their skills and build diverse careers to thrive today and tomorrow.

- **Enterprise Business Agility:** We introduced a new curriculum to help businesses and functions set measurable objectives based on key performance indicators, collaborate for faster decisions, align investments with outcomes, prioritize work and pivot quickly. As of 2020, over 230 change agents have been trained, resulting in 85 executives now implementing business agility practices within their teams.
- **LEAP Reskilling:** This program combines assessments, coaching, learning and on-the-job practice to help employees move into new and different work across RBC. In 2020, over 1,100 employees across the enterprise participated in this program.
- **Upskilling:** By deepening our always learning culture and constantly upgrading skills, we can close gaps and ensure employees are future ready and have rewarding career paths. Through taking on new and different growth opportunities, employees elevate their capabilities and build more dynamic careers. This year approximately 18,000 employees moved into new roles across the enterprise.
- **Axonify:** An adaptive micro-learning platform that has enabled over 8,000 client advisors to upskill in a fun, engaging and personalized learning experience that drives high sustainment of knowledge, skill application and business outcomes.
- **Digital Learn Hub:** More than 30,000 Personal & Commercial Banking advisors have learned new digital skills to help serve clients differently.

## Creating enriching experiences that enable growth

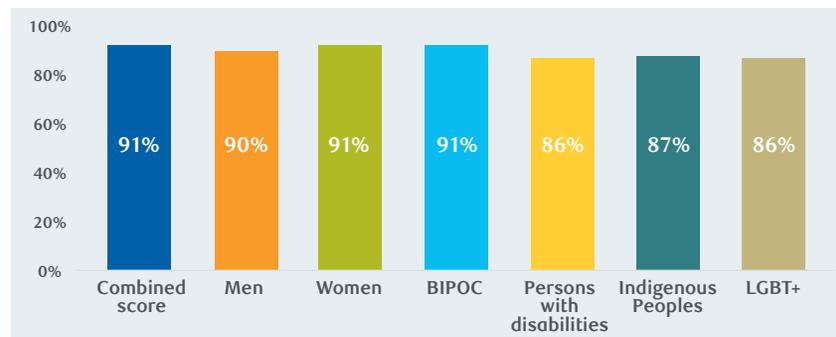


### 2020 Highlights

#### Listening differently to support our employees

A series of well-being surveys<sup>4,44</sup> conducted from April to June 2020 helped us to better understand how employees were feeling and how we could design support to address their needs and preferences. More than 60,000 employee comments identified “flexibility to work”, the “need to stay connected with their team”, and to “feel supported by their managers and RBC” as critical opportunities. Our number one priority – to protect the health and safety of our clients and employees – was reaffirmed as 82%<sup>4</sup> of respondents were confident that RBC could address their concerns about a safe re-entry to the workplace.

#### Percentage of employees who felt well supported by RBC, by designated group<sup>4</sup>



Overall scores were strong, with 91% of all employees feeling that they are well supported by RBC. We reviewed demographic information and recognized that the scores for Indigenous, persons with disabilities and LGBT+ employees were somewhat lower than our overall average. We regularly work to understand the sentiment and experiences of our employees, which informs our work and strategy.

#### Promoting a holistic approach to well-being

Acknowledging the interdependencies of our financial, mental and physical health has never been more important. By listening to employees, we delivered webinars on topics they told us were impacting their well-being (e.g., managing stress and anxiety, work-life balance from home, keeping teams motivated, etc.). Our 2020 wellness campaigns also saw record employee participation with more than 22,000 employees taking part in each campaign, helping to reduce the stigma surrounding mental health concerns and inspire crucial conversations to speak openly about mental health. In June 2020, RBC was recognized by The Great Place to Work<sup>3</sup> Institute on its Canada’s Best Workplaces for Mental Wellness 2020 list for the second consecutive year.

#### Inspiring meaningful virtual performance conversations

LIFT, our approach to performance enablement across RBC, introduced a new rating scale that uses simple, outcome-focused language to reflect both what employees achieve (their goals) and how they achieve it (RBC’s Leadership Model Behaviours). With limited opportunity for in-person conversations, we designed new manager check-in guides and a podcast series to help all colleagues adapt their performance routines to our virtual workplace.

#### Reimagining rewards and recognition

As RBCers rose to the unique challenges across our business, we reimagined how we recognize and celebrate their impact. Combining our appreciation for our employees with their enthusiasm for their communities, we introduced several recognition-focused engagement campaigns to enable employees to direct over \$2.5 million<sup>48</sup> to driving community impact across the globe. As a change from our traditional annual gatherings, we held 150 virtual performance galas and a global One RBC™ celebration, where RBC leaders and celebrity guests recognized employees for their accomplishments.



## Fostering a diverse and inclusive culture

We believe diversity and inclusion is an engine for innovation and economic resilience, supporting better workplaces and communities, even in challenging times. Throughout 2020, we continued to reinforce the core value of diversity and inclusion at RBC.

Socio-political issues across our global communities drew attention to the systemic racism and bias that have disadvantaged BIPOC for far too long. As a global organization, we recognize our opportunity and responsibility to take action, drive change and create a more inclusive workplace and society.

One of our greatest opportunities during the year was listening more deeply to gain a better understanding of people's diverse lived experiences. It has helped our leaders learn, give transparent guidance, coaching and reassurance to their teams. It inspired us to reflect on additional actions we can take to bring about greater inclusion in our workplace and communities.

We have been making steady progress on the representation of women in executive roles, from 38% to 46%, and BIPOC executives, from 16% to 21% since 2015.<sup>11</sup> Our executive appointment goals are a key enabler for ensuring we are driving forward on representation, and there is opportunity to do more. We continue to enable our leaders across our business segments to support our enterprise staffing goals in different ways, and we remain focused on having a strong pipeline to support diverse candidate slates and further develop the skills, capabilities and experiences of our talent across the enterprise.

### For more information

[Speak Up For Inclusion  
RBC Diversity and  
Inclusion Blueprint 2020](#)  
[RBC Diversity and  
Inclusion](#)  
[RBC Action Plan Against  
Systemic Racism](#)

Performance metrics <sup>11</sup>	Targets	2020	2019	2018
Total number of employees <sup>49</sup>	–	86,451	85,193	84,263
Percentage of women	–	57%	58%	58%
Percentage of women in middle management and above	–	45% <sup>①</sup>	45%	45%
Percentage of women executives	48% <sup>12</sup>	46% <sup>①</sup>	46%	45%
Percentage of women executive appointments <sup>50</sup>	50%	36%	40%	–
Percentage of BIPOC <sup>13</sup>	–	39%	39%	38%
Percentage of BIPOC in middle management and above <sup>13</sup>	–	41% <sup>①</sup>	40%	39%
Percentage of BIPOC executives <sup>13</sup>	20%	21% <sup>①</sup>	20%	20%
Percentage of BIPOC executive appointments <sup>50</sup>	20%	23%	27%	–
Percentage of persons with disabilities overall <sup>51</sup>	–	7%	7%	7%
Percentage of persons with disabilities (Employment Equity) <sup>52</sup>	4.7%	3.4%	3.6%	3.7%
Percentage of Indigenous Peoples <sup>53</sup>	1.6%	1.4%	1.3%	1.3%
Percentage of LGBT+ <sup>54</sup>	2.0%	2.2%	2.0%	1.8%

## Fostering a diverse and inclusive culture

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### 2020 Highlights

#### Actions against systemic racism

We know we are not immune to biases, which is why we took additional steps to listen to our employees, clients and community partners on how we can do better. Using this feedback, we are taking action against systemic racism by redefining inclusive leadership: we are enhancing Unconscious Bias training, and making anti-racism and anti-bias training mandatory for all employees; increasing BIPOC executive staffing goals from 20% to 30% in 2021; doubling our investment in Ignite, a leadership development program for BIPOC employees; and adding diversity and inclusion objectives to people manager goals starting in 2021. For more information, please see our [Action Plan Against Systemic Racism](#).

#### Understanding and continuously improving

We believe we can't unlock the full potential of the workplace without providing an environment where everyone feels heard and respected, and can see the full diversity of our communities reflected across the organization.

- **Black Voices Heard Listening Circles & Indigenous Listening Circles:** More than 700 Black and Indigenous employees took the time to share their experiences and ideas to help inform how we can create a more inclusive workplace. These sessions will continue across RBC in the year ahead. We have created “Uncomfortable Conversations” a centralized hub where all employees can access learning resources on anti-racism and information about our ongoing diversity and inclusion initiatives.
- **That Little Voice:** Released in January 2020, this video series depicts several uncomfortable scenarios revealing experiences of bias – stereotyping, inappropriate jokes and racist comments – that many of us witness but are unsure how to address. We created learning and discussion guides to provide practical advice on how we can all Speak Up for Inclusion®. This video series generated over 500,000 impressions on social media and complemented ongoing efforts to educate and inform our employees, clients and the community about unconscious bias, encourage radical candor and create a safe place to speak about inclusion.
- **Indigenous learning program:** In 2020, RBC became the first Canadian bank to launch an innovative Indigenous online course, 4 Seasons of Reconciliation, to promote a better understanding of Indigenous people and their place in Canada's history. The program is mandatory for our retail banking colleagues, and since its launch in June, over 18,000 employees have commenced their learning journey.

## Fostering a diverse and inclusive culture



### 2020 Highlights

#### Diversity in leadership

We believe a stronger future relies on a pipeline of diverse leaders, so 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. The representation of women and BIPOC in executive and senior management roles is an important measure of our progress in building a diverse leadership pipeline, and we set specific, time-bound goals to increase the diversity of our leadership.

#### Balancing life and work

Our virtual workplace requires everyone to balance their own unique circumstances. Our goal is to ensure our workplace provides employees with the flexibility and support they need to adapt and thrive.

- **Flexible work arrangements:** Focusing on inclusion is essential when working remotely may make us feel less connected with others. Our employees have always had options available to balance their personal and professional needs. As the pandemic causes all businesses to reimagine how and where work gets done, we are reminding employees about options such as reduced hours, modified work weeks, job sharing and other flexible work arrangements. 89%<sup>4</sup> of our employees who participated in our well-being surveys stated that they “have the flexibility to do their job”, while 83%<sup>4</sup> stated “I feel well connected to my team.”
- **Childcare support:** Working parents have faced tremendous pressures due to the pandemic, particularly at its height in 2020. RBC’s Employee Care Program is available 24 hours a day, 7 days a week, to help our employees access support, including emergency backup child care and trained counsellors. In addition to flexible work arrangements, we provided on-site employees with up to 20 days of paid leave so they could manage any disruptions to child care. We offered “Support for Kids (and their grown-ups)” virtual programming, which included summer coding camps and on-demand storytime. RBCers also took the initiative to create the Kids@home Marketplace, with content and programs to share crafts, games and learning opportunities.

#### Leading with empathy and creating safe spaces

While technology continues to transform the way we work, there’s no substitute for having compassionate leaders who listen and encourage our employees. The pandemic has shone a spotlight on the importance of virtual inclusion and equipping our leaders with resources and tactics to help both them and our workforce adapt to a new way of living and working. We deployed several innovative virtual learning events for our employees and leaders, including the Executive Speaker Series on Human-Centric Leadership, a webinar series aimed to help leaders adapt the way they communicate and coach in our virtual workplace. Offerings addressed topics such as “The Power of Vulnerability”, “Improving Psychological Safety”, “Leading Through Uncertainty”, “Virtual Inclusion” and “Supporting Your Team’s Mental Health”, and also included over 1,100 employee communications and 260+ virtual town halls across businesses and functions in 2020.

## Fostering a diverse and inclusive culture



### 2020 Highlights

#### Supporting our commitment to pay equity

We are committed to the principles of pay equity for all our employees. We undertake actions to address pay disparities between men and women performing equal or comparable work. We conduct gender-based compensation analyses as part of regular 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.

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, to surface gender-based pay differences.

We performed gender equity in pay analytics in 2020 on six years of data, investigating our business segments and functions, analyzing over 1,200 business units, and close to 65,000 employees.<sup>55</sup> As a result of our work, we built new tools, repeatable procedures and training activities to increase manager awareness of potential biases that could impact performance evaluations or compensation. The table below describes our adjusted<sup>56</sup> median pay differences (women remuneration as a percentage of men remuneration)<sup>57</sup> for fiscal 2019 for federally regulated employees in Canada governed by the Employment Equity Act.

Position group	Median remuneration (adjusted) of women as a percentage of men <sup>57</sup>	Representation of women in position group
Vice Presidents and Senior Vice Presidents	93% <sup>58</sup>	49%
Senior management	98%	43%
Management and experienced professionals	98%	58%
Administrative and operational employees	99%	77%

Our commitment to diversity and inclusion is an ongoing journey. In 2020, as part of our [Action Plan Against Systemic Racism](#), we committed to enhancing our pay equity reporting to encompass racial and ethnic pay equity analysis. We will continue to seek out feedback and reflect on how we can take new actions that bring about the inclusion we all want and expect.

# Value for Clients



## Our Priorities

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



# Reimagining our collective future – partnering with our clients when it is needed most

The phrase “creating value for clients” took on new meaning in 2020. The reality of the pandemic meant that we had to reach even higher to actively support our clients and help them navigate this unprecedented environment. In a year when many are hurting – some are worried about how they are going to support themselves and their families, others are struggling to keep their businesses afloat, and all are worried about their health – helping our clients thrive has never been more important.

In many ways, the pandemic has accelerated us toward a future we have long been preparing for, as our clients seek out new ways to bank and be served. The pandemic has accelerated digital adoption, changing consumer behaviours and how organizations create value. Additionally, it has become clear that helping small businesses make the short- and long-term transition to more digitally scaled operations is more important than ever before – keeping this vital sector of our economy viable and vibrant. As more and more business is conducted in the digital realm, we remain committed to safeguarding our clients’ private information and are investing in the technology and systems to do so.

Helping to reimagine our collective future is critical for clients and communities to thrive and prosper. Even as the events of the past year continue to challenge society, they have also presented us with opportunities to accelerate the pace of progress or, in some cases, adjust the course we are on. We are motivated by the role we play in building a more sustainable future. Taking these bold steps now will help advance our journey toward a more inclusive, digital and sustainable age.

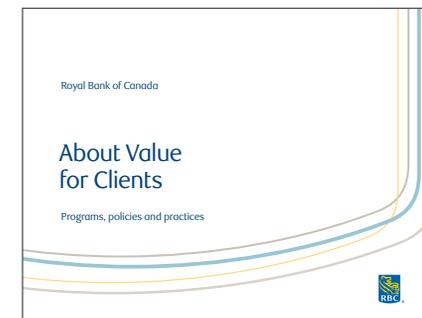
## Awards and Recognition



## J.D. POWER

- Ipsos Financial Service Excellence Awards 2020
  - Won in 10 out of 11 categories
  - #1 in Customer Service Excellence, Net Promoter Score (Likelihood to Recommend), Financial Planning and Advice, and Online Banking
- #1 in Customer Satisfaction among the Big Five Retail Banks, a position RBC has now held for 4 out of the past 5 years, J.D. Power 2020
- North American Retail Bank of the year for the 3rd consecutive year, Retail Banker International Awards 2020
- #1 in Investor Satisfaction with U.S. Full-Service Brokerage Firms, J.D. Power 2020

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.



- Innovative Client Solution, Family Wealth Report Awards 2020
- Best Private Bank for Digitally Empowering Relationship Managers (North America), PWM Wealth Tech Awards 2020
- 2020 Celent Model Bank of the Year



## Client satisfaction and loyalty

In 2020, we continued our journey to create differentiated experiences and deliver meaningful value for our clients. This year it was especially important we deliver on our Purpose, to help our clients thrive and communities prosper, as the COVID-19 pandemic significantly impacted many of our clients and their communities. With our brand, we led by example, and acted fast on behalf of those we serve to provide relief, insights, stability and trust, in the most difficult of times. In response to this global pandemic, our teams quickly pivoted and took decisive actions early on to ensure our clients had the advice, support and information they needed to navigate through the crisis. We remain committed to working closely with our clients and meeting their needs during this challenging time. Despite the disruption, our advisors and specialists continued to engage with clients and deliver data-driven insights and solutions to them. Due to social distancing requirements, the majority of the interactions were done remotely and virtually, enabled by our leading digital tools and capabilities. We also accelerated our focus on innovation and digital strategies to further enhance our differentiated client experience. We strive to deliver anytime, anywhere solutions to our clients across all channels, seamlessly integrating mobile and digital services into our clients' lives.

We continue to gather client feedback and track our client experience across our platforms on a regular basis – to ensure we are on the right track and are learning about opportunities where we can continue to improve the client experience.

In 2020, leveraging our reputation and the strength of our brand, we focused on:

- Helping our clients through the pandemic
- Delivering meaningful insights, advice and solutions
- Accelerating our focus on innovation and digital strategies

### For more information

[COVID-19 Update](#)

[MyAdvisor®](#)

[RBC iShares –  
New Sustainable ETFs](#)

[RBC Insight® Edge](#)

Performance metrics	Targets	2020	2019	2018
Client Experience score <sup>17</sup>	↑	64.1 <sup>18</sup>	62.2 <sup>19</sup>	59.4
Relationship share <sup>20</sup>	>13% <sup>21</sup>	19% 	18% <sup>22</sup>	21%
Relationship share <sup>20</sup> – peer average	N/A	13%	12%	16%

## Client satisfaction and loyalty



### 2020 Highlights

#### Helping our clients through the pandemic

- To support our clients in financial need as a result of the COVID-19 pandemic, RBC administered a number of government programs and we also launched various temporary relief programs for individuals and businesses, including payment deferrals, refinancing and credit limit increases. Since the start of the pandemic, we have provided payment deferrals on more than \$90 billion of loans.
- Personal & Commercial Banking, in close partnership with RBC Global Asset Management® companies, took proactive steps to inform and reassure retail investment clients and support branch advisors through the depth of the pandemic crisis, including:
  - Holding virtual events for 5,600+ clients
  - Developing advisor investment sessions for 2,850+ specialists
  - Creating 48 podcast episodes to share our experts' investment insights with clients and the public
- RBC Insurance® companies offered relief programs to help alleviate day-to-day financial pressures for both our personal and business clients. Examples include working with Aviva to extend savings to our auto insurance clients who experienced reduced driving patterns, and providing our group benefits clients with increased access to mental health and wellness services. Many of our actions contributed to the improvement in RBC Insurance's overall client satisfaction scores throughout the pandemic.
- 92% of permissioned investment advisors in Wealth Management Canada interacted with clients during the early phases of the pandemic using the Advisor's Virtual Assistant™ (AVA™) mobile application. We also held national virtual client events including Royal Trust® events in partnership with the National Institute of Aging at Ryerson University and David Chilton, where nearly 10,000 people participated.

#### Delivering meaningful insights, advice and solutions

- MyAdvisor, RBC's digitized advice platform, helps clients set up personalized plans to meet their financial goals. To respond to their changing needs, clients can make adjustments in real-time – by themselves or with the help of a financial advisor, remotely or in-branch. During the pandemic, this platform enabled clients to continue to connect with advisors and receive advice remotely. Increasingly, clients are choosing to connect with financial advisors on live video; video appointments jumped to 20% from 2% between April and September 2020 alone. By the end of October 2020, over two million Canadian clients had connected to the expertise of a live advisor to develop a personalized plan.

#### Investing in innovation and digital strategies

- Small business clients took advantage of nearly 85,000 offers from RBC Insight Edge – a digital solution that provides real-time market insights to help clients grow their business. The commercial version of RBC Insight Edge is currently supported by approximately 100 commercial relationship managers across Canada, with a digital solution that will expand client reach in 2021.
- Our Wealth Management U.S. business launched the new digital Account Opening and Servicing (AOS) platform. This platform has transformed our manual, multi-stage, multi-day paper-based account opening process into a significantly improved web-based experience. The new process has reduced the onboarding stage from approximately 30 days to a few hours. AOS has also created a new Master Services Agreement, which has consolidated the 5-10 required client signatures per account to an industry-leading “one-click” client digital-signing experience.
- Our Wealth Management Canada business reached a major milestone in their eDelivery campaign of over 50% of accounts switched to paperless. This achievement was due to the efforts of our advisor teams, who participated in the “E-for-a-Tree” campaign in partnership with Tree Canada. To date, we have planted over 22,880 trees for clients who have switched to eDelivery.

## 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 more cost-effective ways.

We are proud to champion Canadian innovation, particularly the transformational technologies of machine learning and AI. We 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 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 digital ID verification and security
- Reimagine everyday banking experiences to differentiate ourselves and delight our clients with simplicity and connection to advice

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 to simplify how clients pay bills. We continue to 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](#)

[Remote Account Open](#)

Performance metrics	Targets	2020	2019	2018
Percentage of financial service transactions performed through self-serve channels <sup>23</sup>	↑	92% 	88%	86%
90-day digital active user rate <sup>24</sup>	↑	54% 	52%	50%

## Digital enablement



### 2020 Highlights

#### Digital banking products

**Personalized experiences:** Our goal is to deliver world-class experiences that are highly personalized to the individual. At a macro level, we are creating unique experiences in the RBC Mobile app for specific segments, like students, entrepreneurs and self-directed investors. At a micro level, we are tailoring advice and insights to the individual through the NOMI suite of capabilities.

**Ask NOMI:** Found in the RBC Mobile app, Ask NOMI uses AI to answer questions, help clients navigate the app and simplify tasks like transaction searches, assisting clients in making important decisions about their finances. Ask NOMI speaks to clients in 12 languages,<sup>59</sup> connecting them to the right information in the language most comfortable for them. Since launching in March 2020, approximately 570,000 customers have asked more than 3.8 million questions through Ask NOMI.

#### Digital insights

**Personalized insights:** We are using data-driven insights to help personal and business clients stay on top of their finances. NOMI Insights® helps clients manage their everyday finances by providing timely and personalized alerts, reminders and tailored insights based on spending and saving habits. More than 490 million insights<sup>60</sup> have been read by clients using NOMI Insights.

**Budgets and savings:** NOMI Find & Save® uses predictive technology to help clients save, even when they think they may not be able to. To date, clients using this feature have saved on average \$349 per month.<sup>61</sup> Also, 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. Since its launch in April 2019, clients have set over 1.5 million budgets using NOMI Budgets to help better control their spending.

#### Connecting from anywhere

**Remote ID Verification (IDV):** We now offer clients the ability to digitally verify their identities remotely and in branch. The RBC Mobile app uses AI to check a client's government-issued identification against the security features and characteristics of driver's licences and passports. By validating our clients' identities in our mobile app, and against government standards, we can better detect fraud and notify clients when they are at risk.

**Remote account opening:** After launching IDV, we fully digitized the account opening experience for personal and business clients, allowing them to open deposit accounts from wherever it's most convenient for them – either on their own or with an advisor on the phone. RBC Direct Investing Inc. has also launched an end-to-end digital account opening process for new-to-RBC clients, who can now easily be approved for a new account online in just a few clicks.

#### Championing ethical AI

**Responsible AI:** 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 leading the way in the responsible and ethical use of AI. For example, Borealis AI developed RESPECT AI™, a new online hub that brings open source research code, tutorials, academic research and lectures to the AI community, helping to make ethical AI available to all.



## Privacy

We have a clear approach to how we think about our clients' personal information. Transparency is key. People need to know how their personal information is being used and shared. And organizations must help people exercise control over which personal information is used and shared.

We continue to invest heavily in cutting-edge information security 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.

RBC is managing privacy risk effectively in the face of the heightened risk due to the COVID-19 pandemic and ongoing regulatory change. We have enhanced our privacy risk assessment technology to enable us to meet current and future challenges as we look for more ways to drive value through data and move towards assessing risk across end-to-end business processes.

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 privacy principles, which include cyber security as part of the Security Safeguards principle, as well as Canadian, U.S. and European Union privacy regulations. (Our approach to cyber security is discussed on page 43.)

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 in accordance with RBC's standards; and (3) we require 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 and contract workers are required to complete a privacy fundamentals course biannually, which is supplemented with monthly enterprise-wide privacy awareness communications.

RBC did not experience any major privacy breaches in 2020. 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 officers.<sup>62</sup>

### For more information

[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. 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 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

[2020 Annual Report](#)

[RBC Cyber Security Centre](#)



### 2020 Highlights

- **Digital risk profile:** The change in the risk threat landscape due to the COVID-19 pandemic accelerated advancements in digital transformation requiring greater investments in infrastructure to support our distributed workforce, enhancing capacity and resiliency along with heightened data protection. Clients' rapid adoption of digital services along with the rollout of government programs further required enhancements in our fraud risk and control practices.
- **Maturing our capabilities:** We are ensuring our cyber policies, standards and controls keep pace with the threat landscape and regulatory environment, and we continue to harness emerging technologies such as AI to combat cyber-crime and strengthen our end-to-end view of risks and controls across the enterprise. We continue to upskill our security staff to ensure they keep pace with the changing cyber risk profile.
- **Strategic partnerships:** Cyber Policy Exchange with the Ryerson Catalyst program enabled RBC to provide thought leadership to government bodies. We also expanded intelligence partnerships with law enforcement and defense agencies in Canada and internationally.

# 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 Management<sup>63</sup> (RBC GAM) and RBC Wealth Management<sup>®</sup> (RBC WM) businesses. For example, RBC GAM's Corporate Governance and Responsible Investment (CGRI) team leads the responsible investment strategies and initiatives across RBC, executes proxy voting activities, liaises with industry affiliations, maintains subject-matter expertise and supports the ESG integration and active stewardship activities of our investment teams.

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 material 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](#)

[2020 Corporate Governance & Responsible Investment Annual Report](#)

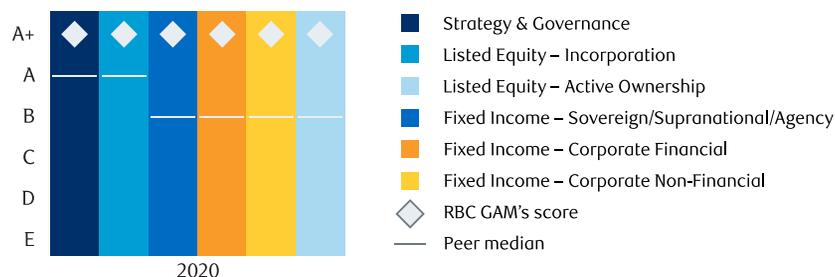
[2020 Responsible Investment Survey](#)

[RBC iShares ESG Advanced ETFs](#)

Performance metrics	Targets	2020	2019	2018
SRI assets under management by GAM (Canada) <sup>7</sup>	↑	\$3.3 billion	\$2.7 billion	\$2.8 billion
Impact assets under management by GAM (U.S.) <sup>7</sup>	↑	\$1.9 billion	\$1.7 billion	\$1.5 billion
SRI assets under management by WM (U.S.) <sup>25</sup>	↑	\$6.6 billion <sup>64</sup>	\$4.4 billion <sup>64</sup>	\$3.5 billion
SRI assets under management by WM (Canada) <sup>65</sup>	↑	\$0.7 billion	N/A	N/A
<b>Total value of SRI and impact assets under management by RBC companies<sup>7,25</sup></b>	↑	<b>\$12.5 billion</b>	\$8.8 billion	\$7.8 billion
<b>Total value of assets under management by RBC GAM that integrate material ESG factors<sup>66</sup></b>	↑	<b>\$518.5 billion</b>	\$467.2 billion	\$421.1 billion

## Responsible investing

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:



### 2020 Highlights

#### RBC WM

##### RBC U.S. Wealth Management (USWM)

Responsible investing became a focus for RBC USWM in 2020; efforts were focused on the continued expansion of information and investment solutions available to clients. There were three key focus areas in 2020:

- Thought leadership and education:** USWM produced several publications and newsletters to aid advisors and clients in educating themselves in and understanding responsible investing. Understanding the different forms of responsible investing and how to apply them to a portfolio is at the core of any conversation.
- Managed solutions:** In 2019, USWM launched the RBC ESG Select Portfolios. This suite of portfolios followed USWM global asset allocation guidelines and was constructed using mutual funds and exchange traded funds (ETFs). In 2020, USWM refined and expanded its suite of responsible investing solutions.
- ESG consideration in Portfolio Advisory Group (PAG) equity portfolios:** The PAG team performs research on and constructs equity portfolios. In early 2020, the decision was made to consider ESG risks when building these portfolios. This is an important step towards ESG integration. PAG is now considering ESG risks when making investments and plans on further integration in the years to come.

## Responsible investing

### RBC WM Canada

In 2020, WM Canada made a concerted effort to expand responsible investing practices. In June 2020, WM Canada launched the RBC Multi-Asset Portfolio Solutions (MAPS) ESG Global Balanced Portfolio. This solution provides investors with a globally diversified multi-asset model portfolio constructed with a strategic approach and ESG factors built into each investment.

Beyond that, WM Canada is following a similar strategy to the one laid out for USWM.

### RBC GAM

#### Fully integrated ESG

All of our investment teams integrate material ESG factors into their investment processes. We believe the integration of ESG factors may enhance the long-term performance of our portfolios. We view the integration of ESG as a competitive advantage in our investment process and continue to advance our work in this area.

- In 2020, the CGRI team focused on enhancing our ESG knowledge firm-wide. They produced research reports and analysis on ESG factors, and hosted a number of education sessions on ESG topics including human rights and climate change.
- Earlier this year, we published [Our approach to climate change](#), which details the actions we are taking to integrate climate change considerations into our investment processes, including conducting a climate scenario analysis of our portfolios.

#### Active stewardship

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

- In 2020, our investment teams engaged with 1,217 companies directly and an additional 38 companies collaboratively with other investors.<sup>67</sup>
- We have participated in a number of collective investor initiatives, including becoming signatory to Climate Action 100+ and the Responsible Investment Association (RIA) Statement on Diversity & Inclusion, among others.

Proxy voting is a key part of our engagement process as it provides an important way for us to convey RBC GAM's views to boards and management. Below is a summary of our voting statistics<sup>68,69</sup> for 2020:

	Canada	U.S.	Overseas <sup>70</sup>	Overall
Proposals	3,326	11,127	17,025	31,478
Votes WITH management	2,854	8,862	15,515	27,321
Votes AGAINST management	472	2,265	1,510	4,247
Percentage of votes AGAINST management	14.2%	20.4%	8.9%	13.5%

## Responsible investing

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### 2020 Highlights

#### Client-driven solutions and reporting

In 2020, we expanded our ESG-integrated product line to include the RBC iShares ESG Advanced ETFs. These six new ETFs cover world equities and Canadian fixed income and seek to provide exposure to companies with high ESG ratings while extensively screening out controversial industries that may pose elevated headline and ESG risks.

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 on 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 throughout the year. This year, we also enhanced our ESG client reporting to include a quarterly ESG Spotlight piece for institutional clients.
- We provide annual reporting through the PRI Reporting Framework. This year we also updated our submission to the [Japan Stewardship Code](#).
- We published our 2020 annual [RBC GAM Responsible Investing Survey](#) of over 800 institutional investors and investment consultants across the U.S., Canada, Europe and Asia.

# Sustainable finance

We believe sustainable finance represents a growth opportunity for our business and our clients. In April 2019, RBC announced a commitment to provide \$100 billion in sustainable finance by 2025. We are pleased to announce that, after just two years, we have surpassed that goal.

The global sustainable finance market has grown rapidly over the last few years. This is a reflection of the increasing efforts of institutional investors, companies and governments to address the twin challenges of climate change and socioeconomic inclusion. These forces, combined with our global banking expertise and our focused strategy to integrate environmental, social and governance factors into our business, have enabled us to achieve our target significantly ahead of schedule. To learn more about our approach and the services we provide, please visit our Sustainable Finance website.

Our Sustainable Finance Commitment is a key pillar in our enterprise climate change strategy, the [RBC Climate Blueprint](#). As we look ahead, supporting our clients in the transition to a net-zero, inclusive economy by 2050 remains our priority. To effect meaningful action, we have revised our sustainable financing target, from \$100 billion to \$500 billion by 2025.

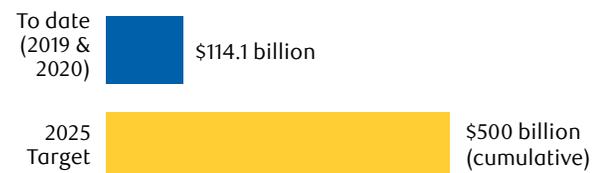
We look forward to continuing to help our clients achieve their sustainability goals by delivering advice and solutions that also aim to have a positive impact on the world. We remain committed to working with industry, government, financial institutions, civil society and academia to promote consistent tracking and measurement of sustainable finance activities, and to evolve our methodology as needed to reflect global best practices.

**For more information**

- [RBC Capital Markets Sustainable Finance Group](#)
- [RBC Capital Markets ESG Hub Sustainable Finance Commitment](#)
- [RBC Sustainable Bond Framework](#)

Performance metrics <sup>71</sup>	2020	2019
Credit extended <sup>72</sup> to eligible clients and projects	\$8.8 billion	\$7.4 billion
Value of green loans and sustainability linked loans <sup>73</sup>	\$2.9 billion	\$1.2 billion <sup>26</sup>
Value of green, social and sustainability bonds <sup>74</sup> underwritten	\$5.9 billion	\$4.8 billion
Value of eligible U.S. municipal bonds underwritten	\$36.5 billion	\$21.4 billion <sup>26</sup>
Capital raised for eligible clients and projects	\$3.9 billion	\$3.4 billion
Value of M&A deals for eligible clients and projects	\$13.5 billion	\$1.1 billion
Tax credit investment closed <sup>75</sup> in affordable housing	\$1.5 billion	\$1.4 billion
Tax credit investment closed <sup>75</sup> in renewable energy	\$0.3 billion	\$0.1 billion
<b>Total value of sustainable finance</b>	<b>\$73.3 billion</b>	<b>\$40.8 billion<sup>26</sup></b>

## Progress on our commitment to \$500 billion in sustainable financing by 2025



## Sustainable finance



### 2020 Highlights

- RBC is proud to support the growth and diversification of the sustainable debt market. In 2020, we:
  - Provided \$8.8 billion in financing for sustainable bonds and loans, representing 64% growth over 2019
  - Published the [Sustainable Bond Framework](#) under which RBC can issue green, social or sustainability bonds
  - Published our first [RBC Green Bond Report](#) to provide details on the allocation of proceeds from our inaugural Green Bond in April 2019 to a portfolio of eligible green assets
  - Hosted our seventh annual Sustainable Bond Conference
  - Collaborated with the Canadian Standards Association and a group of Canada’s largest banks, pension funds and insurance companies to develop transition finance principles and activities to support the development of the transition finance market in Canada
- As a trusted partner, the RBC Capital Markets® businesses seek to deliver innovative solutions and ideas to our clients. In 2020, we:
  - Launched the ESG Stratify brand in Global Research, providing industry-specific insights and analyses using proprietary ESG methodologies
  - Launched the ESG Scoop report series to take a deep dive into topics related to ESG investing in U.S. equities
  - Published our second annual Global ESG Best Ideas List, which considers ESG factors alongside fundamental financial analysis
  - Published a report for clients called “Greening the Financial System”. The report provides an overview of regulatory approaches to mitigate climate change risk and “green” the financial system, while offering practical guidance on developing a climate risk management strategy
  - Published our Sustainability Matters client newsletter highlighting key themes and insights, and providing analysis of current events and emerging trends and their impact on the ESG landscape
- RBC Capital Markets convenes clients to help educate and demystify the rapidly evolving world of ESG. In 2020, we:
  - Launched the [ESG Hub](#) to showcase the insightful content produced across RBC Capital Markets, reinforcing our commitment to ESG across all sectors and industries, and making it easy for clients to find relevant content
  - Delivered the Unlocking ESG: Navigating the Sustainable Finance Ecosystem, a five part webinar series for corporate clients to distill and encourage ESG best practices
  - Delivered the Navigating the Energy Transition webinar series, providing deep industry dives into climate ready solutions, supporting our position as a thought leader in the energy transition
- Our Community Investments group provides equity for low income housing and renewable energy technologies through tax credit programs in the U.S. By structuring advantageous tax credit opportunities for investors, Community Investments stimulates the development of affordable multi-family and senior housing communities, as well as wind and solar energy projects. As of October 31, 2020, this team oversees the property management of more than 93,000 affordable homes, 1,038 affordable housing tax credit assets under administration, and has raised \$1.2 billion in RBC Renewable Energy Tax Credit Direct Investments and Syndication since its inception.
- RBC continues to be active in the North American and European carbon markets, trading over 665 million tonnes of CO<sub>2</sub>-equivalent credits in 2020, a growth of 20% over fiscal year 2019.
- 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-emission vehicles. We have seen an 82% increase in hybrid and electric vehicle financing since fiscal year 2018.
- RBC became a founding contributor to the Institute for Sustainable Finance – the first ever collaborative hub that brings together academia, government and the private sector to advance Canada’s sustainable finance capacity through education, training and research.

# Value for Communities



## 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

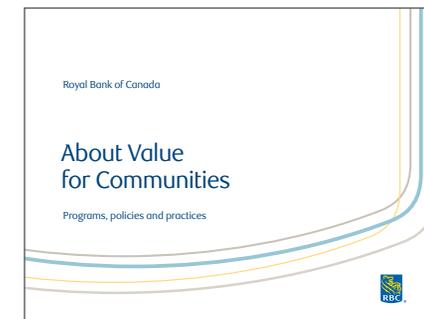
Creating a positive social impact is integral to how we do business and core to our culture. As a purpose-driven company, we have a responsibility to help create positive social and economic impact in our communities. We are guided by our Purpose: to help clients thrive and communities prosper. It mobilizes us to create meaningful value in everything we do as a bank, but also in ways that extend beyond our walls. That's because we know RBC is part of something larger than itself.

Our approach to addressing pressing issues fuses together our collective resources, talents and connections, and enables us to bring people together in common cause to make positive change. This includes working with our community partners, subject matter experts, and the public and private sectors to promote and celebrate inclusion and vibrancy in our communities.

Using our [Impact Measurement Framework](#), we measure and manage the impact we have made in our focus areas, and communicate this to our communities.

The world is transforming at an unprecedented pace, impacting the places where we live and work. We will continue to leverage our leadership and harness our resources to help create solutions and opportunities for those we serve.

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



## Awards and Recognition



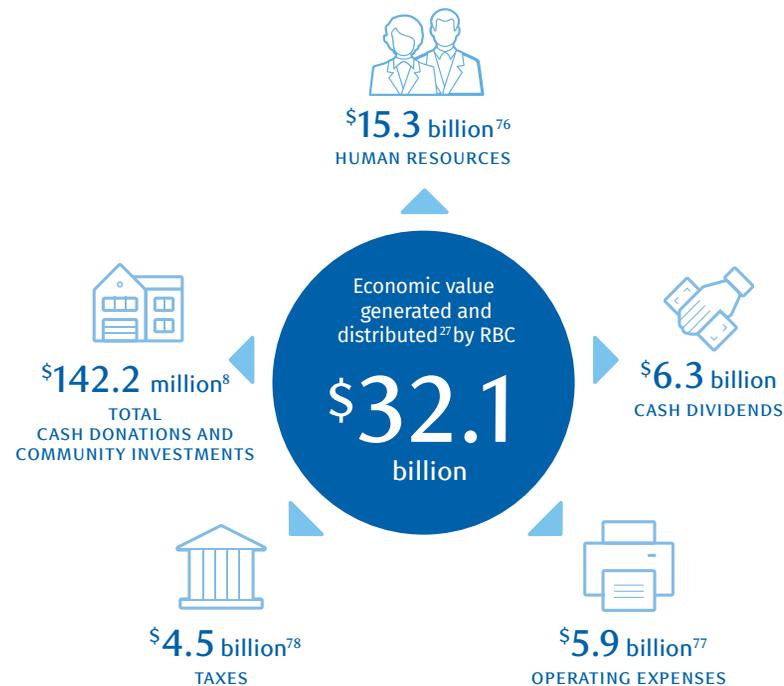
- Member of the Dow Jones Sustainability North American Index
- Member of the FTSE4Good Index
- 2020 Top Corporation Award in Supplier Diversity, WBE Canada

## 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 2020, we earned revenue of \$47.2 billion and distributed \$32.1 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 [2020 Annual Report](#). For more information on our community investment activities, see page 55.

According to the GRI, “economic value generated and distributed”<sup>27</sup> 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 where we operate.





# 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 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	2020	2019	2018
Total value of goods and services purchased globally <sup>79</sup>	\$8.8 billion	\$9.4 billion <sup>80</sup>	\$8.6 billion



## 2020 Highlights

### Responsible procurement and supplier management

In 2020, 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 and look for opportunities to reduce the climate-related impacts of its supply chain.

In 2020, RBC engaged its top 92 suppliers to complete the survey, which represented an increase of 19 suppliers over 2019. Of the 74% of suppliers who responded, 91% had already integrated climate-related opportunities into their long-term business objectives, and 85% indicated they have emission reduction initiatives in place.

2020 Enterprise spend breakdown by category



## Responsible procurement and supplier diversity



### 2020 Highlights

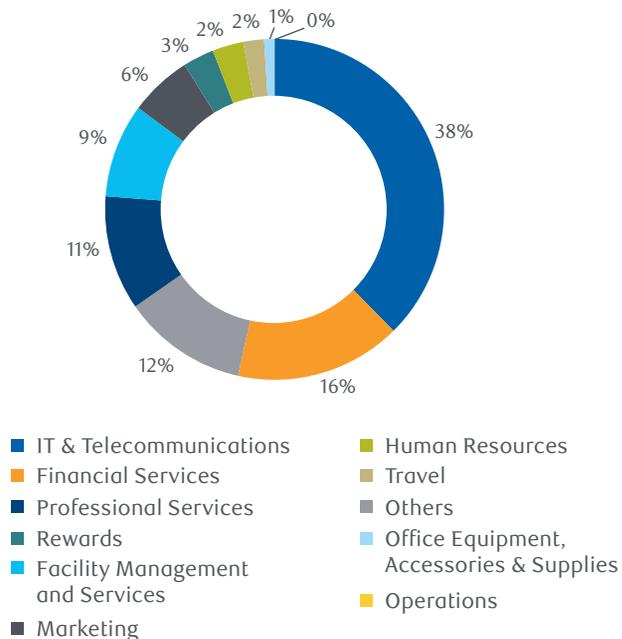
#### Procurement and supplier diversity

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

In 2020, RBC continued to strengthen the supplier diversity program in Canada, the U.S. and the U.K., promoting inclusive supply chain opportunities to Indigenous, women, BIPOC, LGBT+, persons with disabilities and veteran owned businesses. In support of certified diverse suppliers,<sup>81</sup> and addressing the challenges posed by the COVID-19 pandemic, the program pivoted to guide diverse business owners to various pandemic relief fund support from the financial services industry by hosting joint webinar sessions with Canadian Supplier Diversity Councils. In addition, RBC offered actionable insights, ideas and strategies for diverse suppliers through the Chatter That Matters podcast series to help small businesses deal with and recover from the challenges created by the pandemic.

RBC's Global Procurement team has set an aspirational goal of including a diverse supplier in the majority of competitive sourcing events and has mandated specific supplier diversity questions as part of the formal competitive sourcing assessment methodology.

#### 2020 Category breakdown of global diverse supplier spend<sup>82,83</sup>





## Community and social impact

We recognize we have an important role to play in addressing societal challenges. Accordingly, we have refined our community investment approach for over five years which focuses 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 provided \$109.8 million in cash donations and \$32.4 million in community investments globally in 2020. This includes over \$70 million from the RBC Foundation®, a separate legal entity that reports financial information to the 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, including:

- Donations to registered charities as gifts
- Support to non-profits and organizations providing significant community benefit
- Community sponsorships that align with our brand and business goals and deliver social, environmental or economic benefits
- Volunteer efforts of employees and retirees, with financial support from RBC to their charitable partners
- Other community investment activities including gifts in-kind and employee activities in support of community development during working hours
- Financial products and services that generate social and environmental benefits as well as financial returns

### COVID-19 pandemic response, relief and recovery

The COVID-19 pandemic increased demand for community services while also impacting charitable organizations' ability to deliver their services to those who need them most. To support these evolving community needs, we focused our response on donating over \$11 million of our total cash community investments in support of global causes, including food security, mental health and pandemic preparedness and response. To that end, we donated to multiple organizations including Food Banks Canada, Feeding America, the Global Mental Health Fund and the World Health Organization's COVID-19 Solidarity Response Fund. In addition, we provided relief to our charitable partners through critical support measures, including introducing funding flexibility for operations so they could keep their lights on and their doors open, as well as pledging no interruptions to their funding.

Finally, at a time when charities couldn't deliver their programs in person, we directed funding to support our charitable partners to create solutions that enabled them to deliver programs digitally. These ensure critical community programs continue during lockdowns, allow more individuals to access programs and will help our charitable partners exit the pandemic in a stronger position than before.

### For more information

[RBC Impact Measurement Framework](#)  
[RBC Future Launch](#)  
[RBC Emerging Artists Project](#)  
[RBC Tech for Nature™](#)  
[RBC Action Plan Against Systemic Racism](#)  
[2020 Public Accountability Statement](#)

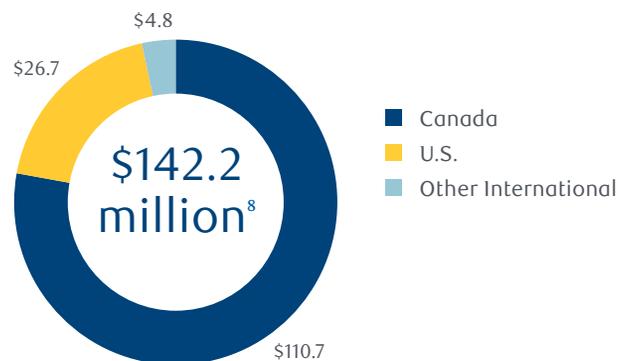
## Community and social impact

### Impact Measurement Framework

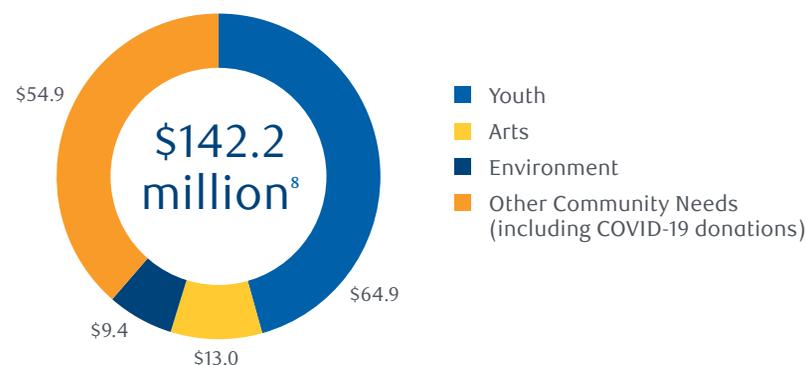
In 2018, we developed the [Impact Measurement Framework](#) (IMF) to help guide our investment decision making and ensure our overall impact on society is managed appropriately. The RBC IMF measures impact by quantifying potential benefits across six pillars – social, environment, economic, employee, business and brand – as one holistic view of the value we add through all of our initiatives and investments across the enterprise, at any level of aggregation. 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 III on page 79 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](#).

Performance metrics	Targets	2020	2019	2018
Cash donations	–	<b>\$109.8 million</b>	\$111.4 million	\$100.7 million
Community investments	–	<b>\$32.4 million<sup>84</sup></b>	\$19.4 million	\$14.9 million
Commercial initiatives <sup>85</sup>	–	<b>\$61.0 million<sup>86</sup></b>	\$80.2 million	\$69.0 million
Total amount donated by employees through the annual Canadian employee giving campaign	–	<b>\$23.9 million</b>	\$19.4 million	\$19.8 million

Cash donations and community investments by region (in millions)



Cash donations and community investments by cause (in millions)



## Community and social impact

### RBC Future Launch

The COVID-19 pandemic compounded the challenges facing young people as they prepare for a dramatically changing workforce, but it also strengthened our resolve to help them chart their path. Through programs like Future Launch – our 10-year, \$500-million commitment to supporting young people – we have reimagined how we can continue providing youth with opportunities.

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 systemic 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 health services. By investing \$201 million since 2017 in cash community investments and other support through 500+ partnerships, we have increased the number of youth reached through high-impact programs. In 2020, we announced a commitment of \$50 million from now until 2025 through RBC Future Launch to create meaningful and transformative pathways to prosperity for 25,000 BIPOC youth, with investments in areas such as skills development and mentoring. 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 are intentional in our collaborations, including with partners, colleagues across RBC and most importantly young Canadians, to ensure what we build is relevant and applicable.

Performance metrics	Targets	2020	2019	2018
Percentage of diverse <sup>29</sup> participants	–	83%	82%	82%
Percentage of youth participants that feel better prepared for the future <sup>30</sup>	–	71% <sup>31</sup>	77%	77%
Total amount invested in youth-related organizations	–	\$64.0 million	\$60.1 million	\$46.2 million
Number of young people reached through RBC Future Launch <sup>28</sup>	–	2.5 million	1.9 million	1.5 million

## Community and social impact

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### RBC Emerging Artists Project

The RBC Emerging Artists Project seeks to advance artists' career trajectories in visual arts, music, theatre, performance, literature and film. In 2020, we donated over \$9 million in Canada to over 200 organizations to create exposure, networking and training opportunities to help over 4,200 emerging artists establish and grow their careers.

With the closure of venues, galleries and performance spaces, the COVID-19 pandemic has had a significant impact on the arts community. In 2020, we were particularly dedicated to maintaining the intention and integrity of the RBC Emerging Artists Project and worked closely with our partners to support programs that provided innovative and digital solutions that create exposure and performance opportunities for emerging artists. To this end, in 2020 over \$1.4 million of the total \$9 million that we donated was used to fund more than 800 exposure opportunities where artists were paid for their work.

### RBC Tech for Nature

RBC Tech for Nature is our multi-year commitment to accelerate tech-based sustainability solutions. Data and technology have the power to transform and improve the world we live in. Using a more-than-money approach, RBC is bringing together charitable partners, technology experts, the public and the private sector, as well as our own unique capabilities, to build the type of multi-partner coalitions needed to work towards solving our shared environmental challenges.

For more information on RBC Tech for Nature, please see page 65 in the Value for Planet chapter.

### Diversity and inclusion

At RBC, we believe that diversity and inclusion provide an advantage in developing intellectual capital and ensuring our company's continued growth in Canada and around the world. By drawing on the strength of diversity, we can meet new challenges and help create prosperity for our communities. As a result, the theme of diversity underscores our community programs. Across our entire community investment portfolio, we proactively look for opportunities to support Indigenous Peoples, LGBT+, women, newcomers, persons with disabilities, racialized communities and individuals of low-socioeconomic status.

For more information on how we supported Canadian communities through our programs highlighted above, please see pages 3-8 of our [2020 Public Accountability Statement](#).



## 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. This has been particularly important as the events of the past year have undermined the dreams, plans and everyday hard work of so many.

We continue to offer a variety of resources to cater to each person'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 2020 financial literacy initiatives, please see pages 13-16 of our Public Accountability Statement.

### For more information

[2020 Public Accountability Statement](#)

[ACCES Employment](#)

[RBC Indigenous Student Awards Program](#)

[Futurpreneur<sup>†</sup>](#)

[McGill Personal Finance Essentials](#)

[About Value for Communities](#)

Performance metrics	Targets	2020	2019	2018
Total amount donated to financial literacy programs	↑	\$5.0 million	\$4.8 million	\$3.1 million
Total amount invested in financial literacy programs for youth	↑	\$1.8 million	\$1.7 million <sup>87</sup>	N/A

# Value for Planet



## Our Priorities

- Supporting clients in the net-zero 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 48) and Risk Management (page 22) sections.



# Climate change: Transitioning to a net-zero economy

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 net-zero 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. It also affirms our support for the principles of the Paris Agreement and the international goal to hold global warming to below 2° Celsius.

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 net-zero 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.

To align with the global goals of the Paris Agreement, RBC is committed to net-zero emissions in our lending by 2050. We believe that setting interim targets will be critical to ensure we are on track to meet this long-term goal. A first step will be to measure and report our financed emissions for key sectors starting in our 2022 TCFD Report, requiring investments in people, tools, data and analytics. These foundational elements will help us establish an enterprise climate risk appetite, set interim reduction targets and build out climate-related stress testing programs.

RBC supports the Financial Stability Board's TCFD recommendations and is committed to producing annual disclosures that consider these recommendations. We include TCFD disclosures in our Annual Report, and we produce 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.

## Signatory to or supporter of

- CDP
- United Nations Principles for Responsible Investment
- The Green Bond Principles
- TCFD recommendations

## Memberships and Partnerships

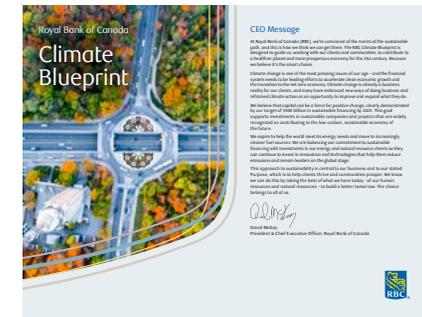
- Climate Bonds Initiative
- UNEP Finance Initiative
- Smart Prosperity
- Carbon Pricing Leadership Coalition
- Business Renewable Centre Canada
- Partnership for Carbon Accounting Financials
- RMI's Center for Climate Aligned Finance

## Awards and Recognition

- Canada's Greenest Employers
- BOMA Climate Leadership Award
- CoreNet Global's REMmy Awards (for real estate)



For more information on our climate-related commitments, please see the [RBC Climate Blueprint](#), [RBC Climate Blueprint video](#) and our [2020 TCFD Report](#).



## 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, in 2021, committed to achieving net-zero carbon emissions in our global operations annually. We continue to accomplish this through energy and emissions reduction programs in our property network and IT infrastructure, by procuring renewable energy through a power purchase agreement (PPA) and by sourcing renewable energy credits and high quality carbon offsets to account for emissions we cannot eliminate. Each year, we aim to be less reliant on carbon offsets. To this end, we have set two additional targets: a reduction in our absolute GHG emissions by 70% with a baseline year of 2018 and an increase in our sourcing of electricity from renewable and non-emitting sources to 100%, both by 2025.

Due to the COVID-19 pandemic, our GHG emissions from business travel decreased by over 60%. Decreases in our absolute GHG emissions were driven by a combination of factors including lower occupancy rates in our office spaces due to stay-at-home requirements, our continued operational efficiency programming, our increased focus on and investment in renewable energy for our operations and the continued decarbonization of electrical grids globally.

Performance metrics <sup>32</sup>	Targets	2020	2019	2018
Scope 1 emissions (tonnes of CO <sub>2</sub> e)	↓	23,268 	24,814	24,174
Scope 2 emissions (tonnes of CO <sub>2</sub> e)	↓	77,668 	89,769	102,009
GHG reductions from green power purchases (tonnes of CO <sub>2</sub> e)	↓	-14,288 	-15,447	-4,718
Total Scope 1 and 2 emissions (tonnes of CO <sub>2</sub> e)	↓	86,648	99,136	121,465
Scope 3 – business travel (tonnes of CO <sub>2</sub> e)	↓	11,569 	29,737	31,115
Total GHG emissions (tonnes of CO <sub>2</sub> e) <sup>33</sup>	Reduce by 70% by 2025	98,217	128,873	152,580
GHG emissions intensity from energy use (tonnes of CO <sub>2</sub> e/m <sup>2</sup> )	↓	0.041 	0.046	0.055
Carbon credits purchased (tonnes of CO <sub>2</sub> e)	↓	98,217 	128,873	159,915 <sup>88</sup>
Percentage of electricity from renewable and non-emitting sources for all properties	Increase to 100% by 2025	78%	77%	75%

See Appendix IV on page 81 for more environmental metrics, including Leadership in Energy and Environmental Design (LEED) certified office space, paper use and water consumption.

## Achieving net-zero carbon emissions in our global operations

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### 2020 Highlights

- Entered into a long-term renewable energy PPA – a first for a Canadian financial institution – with BluEarth Renewables. This PPA directly supports the construction of two solar farms in Alberta, which are anticipated to create more than 300 new construction jobs and inject \$70 million into Alberta’s economy. Together, they are expected to provide Alberta’s electricity grid with roughly 80,000 MWh of renewable energy annually, enough to power more than 6,400 homes for a year. These installations will cover 300 acres – the size of 170 soccer fields – and represent two of Canada’s largest solar farms once they are constructed in 2021.
- Was recognized by two leading real estate industry associations for achievements in real estate sustainability. Two RBC retail branches received a BOMA Corporate Real Estate Sustainability Trailblazers award for Performance Leadership in electricity and gas use reduction. The two RBC locations reduced energy use by 36% and 25% respectively. RBC was also the recipient of the BOMA Climate Leadership award. This award recognizes performance in four key areas: emission reduction, commitment to corporate social responsibility, employee engagement and community action.
- Partnered with Energy Metrics and Jones Lang LaSalle and were recipients of the CoreNet Global REMmy award for the retail IoT/smart devices program. A significant portion of RBC’s retail network’s basic HVAC functions are now remotely managed, allowing more precise management of the temperature and run time depending on occupancy. The energy conservation impact of this strategy is 9,000 MWh saved annually.



## 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 into a cleaner one depends on the policy and business decisions we make 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. Clean innovation is at play in every sector of the economy, and we believe it will be an important driver of economic growth and prosperity.



### 2020 Highlights

- RBC is a founding member of the Business Renewables Centre (BRC) Canada, a community where buyers can learn how to source renewable energy directly from the project developers. The idea behind the BRC is to increase non-utility procurement and grow renewable energy development in the country. Together with the BRC, we hosted a webinar with Bullfrog Power and BluEarth Renewables, discussing the lessons learned from our first renewable energy PPA. We hope to encourage wider adoption of PPAs in Canada to accelerate renewable energy growth and bring new low-carbon sources of power to the electricity grid.
- As a trusted partner, RBC Capital Markets delivers innovative solutions and ideas to clients, and offers advice to demystify the rapidly evolving world of ESG. For example, RBC Capital Markets published the [Greening the Financial System](#) report for clients, which provides an overview of regulatory approaches to mitigate climate change risk and “green” the financial system, while offering practical guidance on developing a climate risk management strategy. For more details on how we educate clients and offer research in the area of sustainable finance, see the Sustainable Finance section under Value for Clients (p.48).
- RBC Economics published “[How Carbon Capture Can Help a Net Zero Strategy, and Boost the Economy](#)”, a paper on clean technology, the role of carbon capture, utilization and storage in reducing emissions from heavy industry, including oil and gas, and the potential positive economic impact of investing in scaling these technologies now.
- In collaboration with the United Nations Environment Programme Finance Initiative and other Canadian members, we expressed our collective support for the recommendations of the Final Report of Canada’s Expert Panel on Sustainable Finance – Mobilizing Finance for Sustainable Growth. The group committed to working together and with other members of Canada’s financial sector alongside federal and provincial governments and regulators, professional bodies and other stakeholders to address societal challenges and ensure long-term prosperity for Canadians.



## 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 to 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.



### 2020 Highlights

- Through RBC Tech for Nature, we provided over \$9 million to 124 universities and charities that are solving pressing environmental challenges by leveraging technology and innovation capabilities.
- RBC Tech for Nature accelerated building out an innovation ecosystem for early stage ventures working on solutions to complex environmental challenges. As a national partner of the AquaHacking Challenge, an organization that helps develop and scale water-tech start-ups, we supported the development and launch of 17 new ventures in 2020. We also partnered with The Centre for Social Innovation's Earth Tech Accelerator, which supports social entrepreneurs working on climate or freshwater technology solutions in Canada, and which in 2020 helped raise \$4 million for clean-tech start-ups. Through the Rideau Hall Foundation, RBC Tech for Nature supported the Arctic Inspiration Prize and North Star Accelerator, which helps advance environmental and social projects in Canada's North.
- RBC Tech for Nature's support is enabling the Nature Conservancy of Canada (NCC), Canada's largest national land conservation organization, to expand its Land Information System (LIS 2.0) with the right technology infrastructure to establish a spatial database where conservation data can be shared, analyzed and used by Canadian land trusts. This will help NCC improve conservation planning and outputs, allowing for greater and more impactful conservation outcomes.
- Earth Rangers is a leading youth environmental organization offering programming that instills environmental knowledge, positivity and confidence in children to inspire them to take action and help the planet. RBC Tech for Nature's support led to the Earth Rangers' mobile app, which uses gamification to encourage youth members across Canada to take real-world environmental actions, see the resulting impact and receive awards for their participation.

# Endnotes

- <sup>1</sup> See page 33-34 of our 2021 Management Proxy Circular. This information represents our Board composition as of February 9, 2021.
- <sup>2</sup> Average percentile ranking compiled from our four top-tier ESG ratings/rankings, including Sustainalytics, MSCI ESG Rating, FTSE4Good and RobecoSAM's Corporate Sustainability Assessment (informing the DJSI). This metric was formally called ESG Composite Index.
- <sup>3</sup> Formerly known as Thomson Reuters.
- <sup>4</sup> Data collected using RBC's employee well-being surveys that were conducted from April to June 2020, with an average participation rate of 55%. Scores reflect the sum of the "Strongly Agree" and "Agree" responses from all three surveys, divided by the total responses for the question.
- <sup>5</sup> Global; excludes summer interns, students and co-ops.
- <sup>6</sup> North America; excludes summer interns, students and co-ops.
- <sup>7</sup> Assets managed by RBC Global Asset Management 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). For further definitions, please refer to [www.rbcgam.com/cgri](http://www.rbcgam.com/cgri).
- <sup>8</sup> Includes contributions to non-profits or non-registered charities, employee volunteer grants, community sponsorships, community-benefiting program costs and gifts in-kind for the period of November 1, 2019 to October 31, 2020. Figure does not include brand 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.
- <sup>9</sup> For more information, please see <https://www.sasb.org/>.
- <sup>10</sup> See page 35 of our 2021 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.
- <sup>11</sup> Metrics, and targets where applicable, for women, the BIPOC community, persons with disabilities and Indigenous Peoples represent Employment Equity data as at October 31, for each year presented, for our businesses in Canada governed by the Employment Equity Act. Given variations in the legal definitions and restrictions in legislation around the world, comprehensive data on these four designated groups are available only in Canada. Based on employee self-identification.
- <sup>12</sup> The fiscal year 2018 target was 45%; the fiscal year 2019 and fiscal year 2020 target was 48%. Our multi-year goal is 50% women executives.
- <sup>13</sup> In 2020, we adjusted our external reporting on this key performance indicator to align with the Black, Indigenous and People of Colour (BIPOC) nomenclature, rather than the Canadian government prescribed term "visible minorities". 2019 and 2018 values have been restated accordingly to reflect BIPOC.
- <sup>14</sup> In 2020, 17,985 employees moved into new roles across the enterprise.
- <sup>15</sup> Rates include all RBC global operations, excluding hourly employees, students, co-ops, RBC Career Launch participants, and City National Bank and BlueBay Asset Management employees.
- <sup>16</sup> Information covers approximately 80% of operations. Absences include workplace injury, incidental sick days and family responsibility leave as reported using our Vacation and Absence Manager system.
- <sup>17</sup> The Client Experience score aggregates client satisfaction and loyalty scores across our business segments using independent professional research and technology companies, and evaluates our competitiveness through industry benchmarks including Ipsos Customer Satisfaction Index and J.D. Power's various client satisfaction studies. 2020 results cover 48.9% of operations (by revenue) and include Personal & Commercial Banking and RBC Insurance. 2020 results do not include RBC Dominion Securities®, PH&N, RBC Capital Markets or RBC Investor & Treasury Services.
- <sup>18</sup> Due to the COVID-19 pandemic, client surveys were paused from March to July before resuming in August 2020.
- <sup>19</sup> 2019 value has been restated.
- <sup>20</sup> As determined through Canadian Financial Monitor, administered by Ipsos Reid, which surveys 18,000 Canadian individuals annually. Data based on RBC results for the fiscal year. RBC includes Personal Banking and RBC Wealth Management. The peer average was 13% in 2020.
- <sup>21</sup> Our target is to exceed the Canadian peer average.
- <sup>22</sup> 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.
- <sup>23</sup> Self-serve channels include ATMs (automated teller machines), IVR (interactive voice response), Online Banking and Mobile Banking for both Personal and Business clients.
- <sup>24</sup> 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) to total clients.
- <sup>25</sup> SRI assets under management by Wealth Management (U.S.) have been restated for 2019 and 2018 as previous reports had currency stated in USD, not CAD. As a result, the total value of SRI and impact assets under management by RBC companies has been restated for 2019 and 2018.
- <sup>26</sup> The value of this metric for fiscal 2019 has been revised due to the updated definitions of "Social Project categories" in the International Capital Market Association Social Bond Principles report (updated June 2020) and enhancements to data tracking.
- <sup>27</sup> 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.
- <sup>28</sup> Cumulative, year over year.
- <sup>29</sup> 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, BIPOC, LGBT+, person with a disability.
- <sup>30</sup> Data collected using the RBC Future Launch survey. Percentage reflects the number of respondents who answered "Strongly Agree" or "Agree" to the statement "I feel better prepared for the work after participating in this program", divided by the total number of respondents.
- <sup>31</sup> Decrease in percentage in 2020 is due to a combination of disruptions to programs due to the COVID-19 pandemic, a change in methodology (greater weighting on higher reach, lower cost programs) and an increase in survey participation.
- <sup>32</sup> Our reporting in 2018, 2019 and 2020 represents 99% of our global floor area.
- <sup>33</sup> 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 70% reduction compared to our fiscal 2018 GHG emissions (Scope 1, Scope 2 and Scope 3) minus emissions offset from renewable energy purchases. Aligned with the science-based target methodologies based on the guidance for real estate and office properties.
- <sup>34</sup> Data collection methodology changed in 2020. 2018 and 2019 values have been restated to reflect the updated methodology.
- <sup>35</sup> 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 95 of the 2020 Annual Report for more information.
- <sup>36</sup> Calculated as total income and other taxes as a percentage of income before income taxes and other taxes. See page 24 of the 2020 Annual Report for more information on our taxes expensed.
- <sup>37</sup> Credit risk assessments reviewed for E&S risk do not reflect the total level of credit issued by the business, but the level of credit issued where the E&S team had formal input. Transactions that require an E&S risk review are defined by RBC's E&S Risk Management policies. There is not a direct correlation between the number and value of credit risk assessments reviewed for E&S risk.
- <sup>38</sup> This award recognizes best-in-class Canadian organizations for having cultures that have helped them enhance performance and sustain a competitive advantage: <https://waterstonehc.com/cma/awards/winners/https://waterstonehc.com/cma/awards/winners>.
- <sup>39</sup> Performance metric name has been updated from 2019 to better represent the data being disclosed. Data collection methodology remains the same. Metric represents all RBC employees under 30 excluding hourly, inactive leave of absence, income protection, City National Bank and BlueBay Asset Management employees.
- <sup>40</sup> Contract workers at RBC as at October 31, 2020, with various term assignments. The number of contractors can vary throughout the year based on a number of factors given our business needs. In 2020, we employed between 1,400 and 1,800 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.
- <sup>41</sup> All employees represented are in our European and Caribbean operations.
- <sup>42</sup> Global; based on employee self-identification.
- <sup>43</sup> Approximately 1,000 participants attended the Remove Hiring Bias Training globally, and over 1,100 participants attended the Overcome Imposter Phenomenon event.
- <sup>44</sup> The 2020 Employee Opinion Survey (EOS) was deferred and replaced by a series of well-being surveys due to the rapid onset of the COVID-19 pandemic in March 2020. The purpose of the well-being surveys was to gather employee feedback on their holistic wellness and what has been top of mind during the pandemic. We will reinstate our annual EOS in 2021, continuing the ongoing tracking of employee engagement and managing its key drivers.

## Endnotes

- <sup>45</sup> 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).
- <sup>46</sup> Due to the pandemic, we shifted our in-person training to virtual learning, which significantly reduced our variable costs such as travel, food and beverage expenses. While the overall training cost was reduced, our employees invested more time on e-learning through our digital learning platforms. Over 300,000 views/downloads of content were generated through the Live, Learn, and Lead Together hub and over 15,000 webinar registrations on various topics. Formal training and development does not include e-learning.
- <sup>47</sup> 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.
- <sup>48</sup> This value is a combination of two new RBC initiatives launched in 2020 to provide innovative ways to engage and empower our employees while keeping them safe in the community. The Power of Purpose program allowed employees to nominate and celebrate their colleagues for their acts of kindness in the community. An additional \$2 million in gift donations enabled all employees globally to direct \$25 to their charity of choice.
- <sup>49</sup> Includes City National Bank and BlueBay 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 2020 Annual Report on page 15. This figure excludes individuals on long-term leaves of absence, phased-in retirements and intermittent hourly, temporary hourly employees.
- <sup>50</sup> Of the total enterprise executive appointments in 2020, 28 are first-time appointments (i.e., external hires and internal promotion/progression), and 11 are new SVP+ appointments. Represents data for our businesses in Canada governed by the Employment Equity Act. Our fiscal 2020 goals for women were 50% and 20% for BIPOC. In 2020, we extended the fiscal 2021 goal to 30% for BIPOC new executive appointments.
- <sup>51</sup> Total percentage of employees in Canada who self-identify as having a long-term or recurring physical, mental, sensory, psychiatric or learning impairment.
- <sup>52</sup> Proportion of employees in Canada who self-identify 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.
- <sup>53</sup> 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 or Métis.
- <sup>54</sup> Based on employee self-identification. LGBT+ is the acronym for Lesbian, Gay, Bisexual, and Transgender (LGBT+).
- <sup>55</sup> 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 2020 was nearly 65,000 employees across all platforms, excluding City National Bank and BlueBay Asset Management.
- <sup>56</sup> 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. We did not adjust for education, certifications or performance.
- <sup>57</sup> The median remuneration (adjusted) of women as a percentage of men's remuneration includes the following forms of compensation: salary, bonus and equity (share value at grant date). It does not include commission or commission-only employees. Information presented is for fiscal year 2019, our last completed payroll year that captured bonuses paid and equity granted after fiscal year-end. Represents employees in our business in Canada that are governed by the Employment Equity Act. Excludes approximately 1,600 employees in the federally regulated RBC Capital Markets and RBC Investor & Treasury Services entities due to the use of incomparable position groups.
- <sup>58</sup> In 2020, we updated the statistical methodology applied to determine the median remuneration (adjusted) of women as a percentage of men for Vice Presidents and Senior Vice Presidents. Under this updated methodology, the median remuneration (adjusted) of women as a percentage of men for Vice Presidents and Senior Vice Presidents was 94% for fiscal 2018.
- <sup>59</sup> The 12 languages are English, French, Portuguese, Cantonese, Mandarin, Urdu, Arabic, Farsi, Hindi, Punjabi, Spanish and Tagalog.
- <sup>60</sup> Represents insights read during the 2020 fiscal year, November 1, 2019 to October 31, 2020
- <sup>61</sup> Based on 12-month average for active NOMI Find & Save clients during fiscal 2020.
- <sup>62</sup> 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.
- <sup>63</sup> 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.
- <sup>64</sup> 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 and 2020 figures are not directly comparable to previous years.
- <sup>65</sup> 2020 is the first year we are reporting on this metric.
- <sup>66</sup> 2020 is the first year we are reporting on this metric. Assets managed by RBC Global Asset Management that are beneficially owned by clients, as of October 31 for each of the years presented. All of RBC GAM investment teams integrate material ESG factors as part of the investment process. As a result, the total value of ESG integrated assets under management also includes SRI and Impact assets. For further definitions, please refer to [www.rbcgam.com/cgri](http://www.rbcgam.com/cgri).
- <sup>67</sup> 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.
- <sup>68</sup> 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.
- <sup>69</sup> 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 share-blocking restrictions or other logistical impediments.
- <sup>70</sup> Overseas includes all countries outside of Canada and the U.S.
- <sup>71</sup> For more information about our methodology for tracking sustainable finance business activities, please see our Sustainable Finance Commitment ([http://www.rbc.com/community-sustainability/\\_assets-custom/pdf/OurCommitment\\_EN.PDF](http://www.rbc.com/community-sustainability/_assets-custom/pdf/OurCommitment_EN.PDF)).
- <sup>72</sup> Credit extended is the total authorized amount as at October 31, 2020.
- <sup>73</sup> 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.
- <sup>74</sup> Designated Green, Social and Sustainability Bonds that align with the International Capital Market Association Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.
- <sup>75</sup> Tax credit investments closed represents the total equity committed. These amounts represent investments raised through the RBC Capital Markets Tax Credit Equity Group.
- <sup>76</sup> Includes salaries, benefits and other compensation.
- <sup>77</sup> Includes occupancy, equipment, communications and professional fees.
- <sup>78</sup> Includes income taxes, payroll taxes, value added and sales taxes, property taxes, insurance premium taxes, business taxes, capital taxes.
- <sup>79</sup> Spend data includes City National Bank.
- <sup>80</sup> 2019 value has been restated.
- <sup>81</sup> Certified Diverse Suppliers receive certification from the following organizations: CAMSC, CCAB, CGLCC, IWSCC, WBE Canada, NMSDC, NGLCC, DisabilityIN, NVBDC, WBENC, MSDUK and WeConnect International UK.
- <sup>82</sup> Global diverse supplier spend includes certified diverse supplier spend in Canada, the U.S. and the U.K., self-declared diverse supplier spend and U.S. based small business spend.
- <sup>83</sup> Self-declared diverse suppliers are identified in the RBC supplier registration process and include U.S. based small businesses.
- <sup>84</sup> In 2020, RBC included community sponsorships and community-benefiting program costs as permitted by Imagine Canada's Caring Company criteria.
- <sup>85</sup> 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.
- <sup>86</sup> Due to the COVID-19 pandemic, government officials imposed a series of restrictions that led to the cancellation of in-person and large-scale live events in 2020. As a result, a significant number of RBC-sponsored programs were cancelled, postponed or shifted to a digital format, leading to a substantial year-over-year reduction in spending.
- <sup>87</sup> 2019 was the first year we reported on this metric.
- <sup>88</sup> In fiscal 2018 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 2020 Environmental, Social and Governance (ESG) Performance Report**

**To The Board of Directors and Management of Royal Bank of Canada (“RBC”)**

We have undertaken a limited assurance engagement in respect of the select key performance indicators detailed below (“the selected information”) contained in the RBC 2020 ESG Performance Report (“the Report”) for the year ended October 31, 2020.

**Selected information**

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

<i>Performance indicator</i>	<i>Report page(s)</i>
Average Percentile Ranking on Priority ESG Indices	4, 13, 80
Percentage of women in middle management and above Percentage of women executives	13, 32, 79
Percentage of BIPOC in middle management and above Percentage of BIPOC executives	13, 32
Relationship share	13, 38
Percentage of financial service transactions performed in self-serve channels	13,40
90 day digital active user rate	13, 40
Scope 1 emissions (tonnes of CO2e)	62
Scope 2 emissions (tonnes of CO2e)	62
GHG reductions from green power purchases (tonnes of CO2e)	62
GHG emissions intensity from energy use (tonnes of CO2e/m2)	14, 62
Scope 3 – business travel (tonnes of CO2e)	62
Carbon credits purchased (tonnes of CO2e)	62

**Management’s responsibility**

Management is responsible for preparation of the selected information in accordance with the definition of each performance indicator as presented in the Endnotes section of the Report in pages 66 and 67 (the criteria). Management is also responsible for such internal control as management determines necessary to enable the preparation of the selected information that is free from material misstatement.

**Our responsibility**

Our responsibility is to express limited assurance conclusion on the selected information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the *International Standards on Assurance Engagements (ISAE) 3000, Attestation Engagements Other Than Audits or Reviews of Historical Financial Information* and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*. These standards require us to conclude whether anything has come to our attention that causes us to believe that the selected information is not fairly stated, in all material respects.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement in preparing the selected information in accordance with the criteria are likely to arise.

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. 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. 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;
- reviewing the consistency of the selected information with related disclosures in the Report; and
- limited testing of the retirement of carbon credits to underlying financial records.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The selected information has been prepared to assist RBC’s management to report to the Board the selected information in accordance with the criteria. As a result, the selected information may not be suitable for another purpose. Our report is intended solely for the use of RBC. We neither assume nor accept any responsibility or liability to any third party in respect of this report.

**Our independence and quality control**

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that RBC’s selected information prepared in accordance with the criteria for the year ended October 31, 2020, is not fairly stated, in all material respects.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Toronto, Ontario  
March 16, 2021

# Appendices

# Appendix I: SASB Index

## SASB Disclosure

The Sustainability Accounting Standards Board (SASB) Foundation is an independent, non-profit standard-setting organization that develops and maintains robust reporting standards that enable businesses around the world to identify, manage and communicate financially material sustainability information to their investors. SASB standards are evidence based, developed with broad market participation, and are designed to be cost-effective for companies and decision-useful for investors. For more information, visit [sasb.org](https://sasb.org).

### Scope

This index covers the SASB sector standards that we have determined to be most relevant to our business activities: Asset Management and Custody Activities; Commercial Banks; Consumer Finance; Investment Banking and Brokerage; and Mortgage Finance. As a diversified financial institution, RBC's operations fall into several SASB sector standards, and we have outlined our alignment with those sector standards below. Disclosure metrics that appear in more than one sector standard are grouped together and indicated as such. We do not currently disclose all disclosure topics and/or accounting metrics included in these sector standards; however we will continue to evaluate them for disclosure in the future. As the SASB sector standards have been developed from a U.S. perspective, there are some sector standards that are not entirely applicable to Canadian-based financial institutions such as RBC; however, where possible, we have attempted to disclose information based on similar Canadian requirements.

Topic	Accounting metric	Code	Response
Disclosure metrics appearing in multiple sector standards			
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information, (3) number of account holders affected	FN-CB-230.1 FN-CF-230a.1	As at October 31, 2020, our operational risk losses remain within our risk appetite. Please refer to pages 42-43 of the 2020 ESG Performance Report for our approach to privacy and data security and page 90 of the <a href="#">2020 Annual Report</a> <sup>5</sup> for a discussion of RBC's operational risks.
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2 FN-CF-230a.3	Please refer to pages 55 and 90 of the <a href="#">2020 Annual Report</a> on our approach to data security risks. Additional supplementation can be found on pages 42-43 of the 2020 ESG Performance Report, and also on pages 5-6 of <a href="#">About Value for Clients</a> .
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals and (4) all other employees	FN-AC-330a.1 FN-IB-330a.1	Please refer to pages 32-35 of the 2020 ESG Performance Report and page 34 of the <a href="#">2021 Management Proxy Circular</a> for our gender and BIPOC representation within RBC. Additional supplementation can be found on our Diversity & Inclusion <a href="#">website</a> .

<sup>5</sup> Certain disclosures in the 2020 Annual Report to Shareholders may be updated in subsequently filed quarterly reports to shareholders.

## Appendix I: SASB Index

Topic	Accounting metric	Code	Response
Disclosure metrics appearing in multiple sector standards			
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1 FN-CB-510a.1 FN-IB-510a.1	For a description of our significant legal proceedings, please refer to pages 210-211, Note 25 (Legal and regulatory matters) of our <a href="#">2020 Annual Report</a> . We do not disclose the total amount of monetary losses.
	Description of whistleblower policies and procedures	FN-AC-510a.2 FN-CB-510a.2 FN-IB-510a.2	Please refer to pages 55, 57 and 60-61 of the <a href="#">2020 Annual Report</a> for information on culture and conduct risk within RBC, pages 32-33 of our <a href="#">2021 Management Proxy Circular</a> for information on culture and conduct, and page 20 of the 2020 ESG Performance Report and pages 32-33 of our <a href="#">2021 Management Proxy Circular</a> for further description of our global Conduct Hotline. Please also refer to <a href="#">RBC's Office of the Ombudsman website</a> .
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1 FN-IB-550a.1	On November 11, 2020, we were re-designated as a G-SIB by the Financial Stability Board. Please refer to page 97 of the <a href="#">2020 Annual Report</a> . This designation requires us to maintain a higher loss absorbency requirement (common equity as a percentage of Risk Weighted Assets) of 1%. We have also been identified as a domestic systemically important bank (D-SIB) by the Office of the Superintendent of Financial Institutions Canada (OSFI). As the D-SIB capital requirement is equivalent to the G-SIB requirement of 1% of RWA, the G-SIB designation had no further impact to the loss absorbency requirements on our CET1 ratio.
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	FN-CB-550a.2 FN-IB-550a.2	Please refer to pages 59, 73, 78-79, 93 and 96-97 of the <a href="#">2020 Annual Report</a> for RBC's approach and incorporation of stress testing within the Enterprise, Market Risk, Credit Risks, Liquidity Risks, Systemic Risk, and Capital Management frameworks of RBC.

## Appendix I: SASB Index

Topic	Accounting metric	Code	Response
<b>Asset Management and Custody Activities</b>			
Transparent Information and Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	FN-AC-270a.2	For a description of our significant legal proceedings, please refer to pages 210-211, Note 25 (Legal and regulatory matters) of our <a href="#">2020 Annual Report</a> . We do not disclose the total amount of monetary losses.
	Description of approach to informing customers about products and services	FN-AC-270a.3	Please refer to the following documents: <ul style="list-style-type: none"> <li>▪ RBC <a href="#">Code of Conduct</a> (page 10)</li> <li>▪ <a href="#">About Value for Clients</a> (page 4)</li> <li>▪ 2020 ESG Performance Report (pages <a href="#">38-39</a>)</li> </ul>
Incorporation of Environmental, Social and Governance Risk Factors in Investment Management and Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	FN-AC-410a.1	Please refer to the following documents: <ul style="list-style-type: none"> <li>▪ 2020 ESG Performance Report (page <a href="#">44</a>)</li> </ul>
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	Please refer to the following documents: <ul style="list-style-type: none"> <li>▪ 2020 ESG Performance Report (pages <a href="#">44-47</a>)</li> <li>▪ <a href="#">2020 TCFD Report</a> (pages 25-26)</li> <li>▪ RBC GAM <a href="#">Approach to Responsible Investment</a> (page 6)</li> <li>▪ RBC GAM <a href="#">Approach to Climate Change</a> (page 4)</li> </ul>
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	Please refer to the following documents for disclosure related to GAM: <ul style="list-style-type: none"> <li>▪ RBC GAM <a href="#">Approach to Responsible Investment</a> (pages 8-9)</li> <li>▪ RBC GAM <a href="#">2021 Proxy Voting Guidelines</a></li> <li>▪ RBC GAM <a href="#">2020 CGRI Semi-Annual Report</a></li> <li>▪ RBC GAM <a href="#">2020 CGRI Annual Report</a> (pages 8-17)</li> </ul>
Asset Management Activity Metrics	(1) Total registered and (2) total unregistered assets under management (AUM)	FN-AC-000.A	Please refer to pages 24-25 of the <a href="#">2020 Annual Report</a> for assets under administration and assets under management. RBC does not disclose the breakdown between registered and unregistered assets under management.
	Total assets under custody and supervision	FN-AC-000.B	Please refer to the <a href="#">2020 Global Systemically Important Banks Disclosures (G-SIB)</a> . This framework includes an assessment methodology for determining the importance of international banks to the global financial industry, including assets under custody.

## Appendix I: SASB Index

Topic	Accounting metric	Code	Response
<b>Commercial Banks</b>			
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	Please refer to the following documents: <ul style="list-style-type: none"> <li>■ <a href="#">2020 Public Accountability Statement</a> (pages 11-12)</li> <li>■ 2020 ESG Performance Report (pages 55)</li> </ul>
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	Please refer to the following documents for details on RBC's financial inclusion policies and programs: <ul style="list-style-type: none"> <li>■ <a href="#">2020 Public Accountability Statement</a> (pages 13-16)</li> <li>■ <a href="#">About Value for Communities</a> (pages 9-11)</li> </ul> RBC does not disclose the number of no-cost retail chequing accounts provided to previously unbanked or underbanked customers.
	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	FN-CB-240a.4	Please refer to the following documents for details on RBC's financial inclusion policies and programs: <ul style="list-style-type: none"> <li>■ 2020 ESG Performance Report (page 59)</li> <li>■ <a href="#">2020 Public Accountability Statement</a> (pages 13-16)</li> <li>■ <a href="#">About Value for Communities</a> (pages 9-11)</li> </ul> RBC does not disclose the number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers.

## Appendix I: SASB Index

Topic	Accounting metric	Code	Response
<b>Commercial Banks</b>			
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	Please refer to page 66, Table 43 (Credit risk exposure by portfolio, sector and geography) of the <a href="#">2020 Annual Report</a> .
	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FN-CB-410a.2	Please refer to the following documents and/or webpages: <ul style="list-style-type: none"> <li>▪ <a href="#">2020 Annual Report</a> – Environmental &amp; Social Risk (page 95)</li> <li>▪ Environmental &amp; Social Risk Management <a href="#">webpage</a></li> <li>▪ <a href="#">About Governance &amp; Integrity</a> (pages 7-9)</li> <li>▪ 2020 ESG Performance Report (page 22)</li> <li>▪ <a href="#">2020 TCFD Report</a> (pages 16-17)</li> </ul>
Commercial Banks Activity Metrics	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	RBC reports the average value of Personal Banking and Commercial Banking deposits within our P&CB segment (refer to pages 31-32 in the <a href="#">2020 Annual Report</a> ) and our Wealth Management segment (refer to pages 37-38 in the 2020 Annual Report). Also refer to pages 191-192 (Note 14: Deposits) in the 2020 Annual Report outlining consolidated Demand Deposits, which include chequing and savings accounts. RBC does not disclose the number of accounts or the breakdown of chequing and savings accounts.
	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	FN-CB-000.B	RBC reports the value of loans by industry within Wholesale and by product within Retail (please refer to page 112 of the <a href="#">2020 Annual Report</a> , Table 74: Loans and acceptances by portfolio and sector).

## Appendix I: SASB Index

Topic	Accounting metric	Code	Response
<b>Consumer Finance</b>			
Customer Privacy	Number of account holders whose information is used for secondary purposes	FN-CF-220a.1	Please refer to the <a href="#">RBC Global Privacy Notice</a> for policies and procedures regarding how customer data is used.
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	FN-CF-220a.2	For a description of our significant legal proceedings, please refer to pages 210-211, Note 25 (Legal and regulatory matters) of our <a href="#">2020 Annual Report</a> . We do not disclose the total amount of monetary losses.
Selling Practices	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	FN-CF-270a.5	For a description of our significant legal proceedings, please refer to pages 210-211, Note 25 (Legal and regulatory matters) of our <a href="#">2020 Annual Report</a> . We do not disclose the total amount of monetary losses.
Consumer Finance - Activity Metrics	Number of (1) credit card accounts and (2) prepaid debit card accounts	FN-CF-000.B	Please refer to page 165 of the <a href="#">2020 Annual Report</a> for the amount of credit card loans. RBC does not disclose the number of credit card or prepaid debit card accounts.
<b>Investment Banking and Brokerage</b>			
Incorporation of Environmental, Social and Governance Risk Factors in Investment Banking & Brokerage Activities	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social and governance (ESG) factors, by industry	FN-IB-410a.2	Please refer to the following documents for more information on sustainable financing: <ul style="list-style-type: none"> <li>▪ <a href="#">2020 ESG Performance Report</a> (pages <a href="#">48-49</a>)</li> <li>▪ <a href="#">2020 TCFD Report</a> (pages 17-18)</li> </ul>
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	FN-IB-410a.3	Please refer to the following documents and/or webpages: <ul style="list-style-type: none"> <li>▪ <a href="#">Our Commitment to Sustainable Finance</a></li> <li>▪ <a href="#">2020 TCFD Report</a> (pages 14-28)</li> <li>▪ <a href="#">2020 ESG Performance Report</a> (pages <a href="#">48-49</a>)</li> </ul>
Professional Integrity	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	FN-IB-510b.3	For a description of our significant legal proceedings, please refer to pages 210-211, Note 25 (Legal and regulatory matters) of our <a href="#">2020 Annual Report</a> . We do not disclose the total amount of monetary losses.
	Description of approach to ensuring professional integrity, including duty of care	FN-IB-510b.4	All employees and contract workers must successfully complete compliance training, and commit to and acknowledge the Code of Conduct annually (refer to page <a href="#">18</a> of the <a href="#">2020 ESG Performance Report</a> and pages 4-5 of <a href="#">About Governance &amp; Integrity</a> ).

## Appendix I: SASB Index

Topic	Accounting metric	Code	Response
<b>Investment Banking and Brokerage</b>			
Employee Incentives & Risk Taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	FN-IB-550b.1	Please refer to page 102 of our <a href="#">2021 Management Proxy Circular</a> .
<b>Mortgage Finance</b>			
Lending Practices	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	FN-MF-270a.3	For a description of our significant legal proceedings, please refer to pages 210-211, Note 25 (Legal and regulatory matters) of our <a href="#">2020 Annual Report</a> . We do not disclose the total amount of monetary losses.
Discriminatory Lending	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660	FN-MF-270b.1	Please refer to pages 68-69 in the <a href="#">2020 Annual Report</a> for our average loan to value table ratios for residential mortgages.
	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	FN-MF-270b.2	For a description of our significant legal proceedings, please refer to pages 210-211, Note 25 (Legal and regulatory matters) of our <a href="#">2020 Annual Report</a> . We do not disclose the total amount of monetary losses.
	Description of policies and procedures for ensuring non-discriminatory mortgage origination	FN-MF-270b.3	Please refer to page 9 of RBC's <a href="#">Code of Conduct</a> and page 2 of our <a href="#">Human Rights Position Statement</a> .

## Appendix II: Engaging with our stakeholders

It is important to understand stakeholder expectations on key ESG topics that relate to our business activities. The table below provides examples of information channels that we use to receive feedback and respond to key stakeholders throughout the year. It also highlights the key ESG topics that we heard and responded to through stakeholder engagement in 2020, but this is not intended to be an exhaustive list.

Stakeholder group	Ways we interact	Key topics in 2020
Employees	<ul style="list-style-type: none"> <li>▪ Employee well-being/exit surveys</li> <li>▪ Internal assisted DIY survey tool<sup>f</sup></li> <li>▪ Focus groups, roundtable discussions and listening sessions</li> <li>▪ ThoughtExchange<sup>g</sup></li> <li>▪ Design Thinking exploration and co-creation sessions</li> <li>▪ RBC Connect (intranet)</li> <li>▪ Global Conduct Hotline</li> <li>▪ Town halls</li> <li>▪ Leadership forums</li> <li>▪ Ongoing team meetings</li> <li>▪ Employee resource groups</li> </ul>	<ul style="list-style-type: none"> <li>▪ Employee engagement</li> <li>▪ Manager effectiveness</li> <li>▪ Physical and mental well-being</li> <li>▪ Diversity and inclusion</li> <li>▪ Trust/psychological safety</li> <li>▪ Transition to remote working</li> <li>▪ Return to premises</li> <li>▪ Collaboration</li> <li>▪ Innovation</li> </ul>
Clients	<ul style="list-style-type: none"> <li>▪ Client surveys</li> <li>▪ Client outreach/client coverage</li> <li>▪ Client Care (management of client complaints)</li> <li>▪ Office of the Ombudsman</li> <li>▪ Consumer associations</li> <li>▪ Social media team</li> </ul>	<ul style="list-style-type: none"> <li>▪ COVID-19 pandemic financial relief</li> <li>▪ Client service</li> <li>▪ Remote banking and digital services</li> <li>▪ Sustainable finance</li> <li>▪ Climate change</li> </ul>
Investors, shareholders and rating agencies	<ul style="list-style-type: none"> <li>▪ Annual meeting and quarterly earnings calls</li> <li>▪ Shareholder engagement</li> <li>▪ Meetings with investors and analysts</li> <li>▪ Industry conferences</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financial results</li> <li>▪ Climate change</li> <li>▪ Risk management</li> <li>▪ Diversity and inclusion</li> <li>▪ Gender equity</li> <li>▪ Human rights</li> <li>▪ Executive compensation</li> </ul>

<sup>f</sup> This survey tool, TemboSocial<sup>®</sup>, is used to collect employee feedback specific to business initiatives.

<sup>g</sup> ThoughtExchange<sup>®</sup> is a third-party cloud-based software that incorporates a social-oriented user interface with AI to optimize group generation of ideas, including idea build-out, refinement and prioritization.

## Appendix II: Engaging with our stakeholders

Stakeholder group	Ways we interact	Key topics in 2020
Suppliers	<ul style="list-style-type: none"> <li>▪ RBC Supplier Portal</li> <li>▪ Supplier diversity events</li> <li>▪ Supplier matchmaking sessions</li> <li>▪ CDP supply chain program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Diversity and inclusion in our supply chain</li> <li>▪ Advancing equality in procurement opportunities</li> <li>▪ Addressing our shared climate-related impacts with our suppliers</li> </ul>
Government	<ul style="list-style-type: none"> <li>▪ Ongoing dialogue with regulators and policy-makers</li> <li>▪ Participation in consultations</li> <li>▪ Provide written submissions and letters</li> <li>▪ Sharing RBC thought leadership reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financial sector policy initiatives</li> <li>▪ Legislative and regulatory proposals</li> <li>▪ Youth-focused initiatives</li> <li>▪ COVID-19 pandemic financial relief</li> <li>▪ Economic trends and analysis</li> <li>▪ Sustainable finance and responsible investing</li> <li>▪ ESG disclosure standards</li> <li>▪ Climate change</li> <li>▪ Workforce labour – “Future of Work”</li> <li>▪ Technology and innovation trends</li> </ul>
Industry associations	<ul style="list-style-type: none"> <li>▪ Industry association memberships and similar multi-stakeholder groups</li> <li>▪ Participation and/or attendance in events, roundtable discussions, meetings and conferences</li> </ul>	

## Appendix III: Impact areas and alignment with SDGs

SDGs	RBC initiative – SDG target	IMF	Metric
	RBC Future Launch – 4.3, 4.4, 4.5	 	<p>2.5 million youth reached through RBC Future Launch</p> <p>83% 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, BIPOC, living with a disability, member of the LGBT+ community</p> <p>54% of RBC Future Launch participants surveyed identify as BIPOC</p> <p>\$5.0 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> <p>36% of executive appointments in 2020 were women</p> <p>51% of new hires were women</p> <p>52% of promotions were women</p>
	RBC Climate Blueprint – 7.2, 7.3, 7.A		<p>78% 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"> <li>• Scopes 1 &amp; 2 only: -12.6%</li> <li>• Scopes 1, 2 &amp; 3: -23.8%</li> </ul>
	RBC Future Launch – 8.3, 8.6 RBC Emerging Artists Project – 8.3		<p>Over 141,000 youth accessed online support through RBC Future Launch at Home</p> <p>Over 4,200 youth reached in 2020 through RBC Emerging Artists program</p> <p>\$64 million total donations to youth work readiness programs</p>
	RBC Commitment to Sustainable Finance – 9.4 RBC Tech for Nature – 9.5		<p>\$73.3 billion of sustainable finance in 2020</p> <p>\$9 million total donations through RBC Tech for Nature</p> <p>124 active RBC Tech for Nature partnerships</p>

### Appendix III: Impact areas and alignment with SDGs

SDGs	RBC Initiative – SDG target	IMF	Metric
	RBC Future Launch – 10.2		27% of RBC Future Launch participants surveyed identified as low-income <sup>o</sup>
	RBC Commitment to Sustainable Finance – 11.1		\$1.5 billion in tax credit equity investments in affordable housing
	RBC Sustainable Operations – 12.5		71% of waste generated in our operations diverted from landfill
	RBC ESG Report – 12.6		157 tonnes of e-waste diverted from landfill
	RBC Procurement – 12.7		100% of e-waste generated diverted from landfill
			86 – Average percentile ranking on priority ESG indices <sup>2</sup>
			Targeting 60% of all procurement RFX events to include a minimum of one certified diverse supplier
	RBC Future Launch – 17.16, 17.17 RBC Emerging Artists Project – 17.16, 17.17 RBC Climate Blueprint – 17.16, 17.17		613 active RBC Future Launch partnerships <sup>oo</sup> 232 active RBC Emerging Artists Project partnerships 124 active RBC Tech for Nature partnerships

<sup>o</sup> Low income participants are defined as those selecting either “Don’t meet basic expenses” or “Just meet basic expenses” on the Future Launch beneficiary survey.

<sup>oo</sup> Includes Future Launch and Future Launch Youth Mental Wellbeing partnerships that were active in fiscal 2020.

## Appendix IV: Additional environmental metrics

### Energy use

Key performance indicator	2020*	2019*	2018*
<b>Heating fuel use, Scope 1 (MWh)</b>			
Branches	83,462	90,642	90,061
Major properties	40,021	40,808	38,010
Data centres and processing centres	1,106	1,424	1,567
<b>Electricity and steam use, Scope 2 (MWh)</b>			
Branches	197,230	228,750	238,279
Major properties	182,031	212,684	224,052
Data centres and processing centres	75,663	78,754	78,788
Total energy use, all properties (MWh)	579,513	653,061	670,756
Total energy intensity, all properties (MWh/m <sup>2</sup> )	0.27	0.30	0.31

\* Data is 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 is 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.

## Appendix IV: Additional environmental metrics

### Paper

Key performance indicator	2020	2019	2018
Percentage of paper used that is Forest Stewardship Council <sup>‡</sup> (FSC) or Sustainable Forestry Initiative (SFI) certified	95%	92%	94%
Office paper use per employee (kg/FTE) <sup>†</sup>	15.6	24.9	27.6
Office paper (tonnes)	1,116	1,763	1,928
Marketing and direct mail paper (tonnes)	3,288	4,240	4,121
Total paper (tonnes)	4,404	6,003	6,049

### Green building design

Key performance indicator	2020	2019	2018
LEED certified office space (m <sup>2</sup> )	765,745	729,185	741,491

### Waste

Key performance indicator	2020	2019	2018
Percentage of waste diverted from landfill	71%	75%	81%
Major offices with waste diversion programs <sup>††</sup>	100%	100%	100%
Electronic waste diverted from landfill (tonnes)	157	265	518
Electronic waste diversion rate <sup>†††</sup>	100%	100%	100%

### Water

Key performance indicator	2020	2019	2018
Water consumption intensity (m <sup>3</sup> /m <sup>2</sup> )	0.81	0.82	0.90

<sup>†</sup> 2020, 2019 and 2018 data for all operations in Canada, the United States and the British Isles represent 91% of our global FTE count.

<sup>††</sup> Major properties are facilities with an area of greater than 25,000 ft<sup>2</sup> (2,320 m<sup>2</sup>).

<sup>†††</sup> 2020 data represent 86% 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](mailto:corporatecitizenship@rbc.com).



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