

Royal Bank of Canada

# RBC's Approach to Human Rights

NOVEMBER 2023



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## Introduction

At Royal Bank of Canada and our subsidiaries (“RBC”, “we”, “us” or “our”), our Purpose is helping clients thrive and communities prosper. Our Human Rights Position Statement (“Statement”) is a representation of our commitment to respect human rights and was approved by RBC’s Group Executive and reviewed by the Governance Committee of the RBC Board of Directors.

Operating with integrity and holding ourselves accountable is a central tenet of how we do business, and one that is paramount to upholding relationships built on a foundation of trust and respect among our **employees, clients, suppliers** and the **communities** we serve, partner with and operate in.

## Our Human Rights Position Statement

At RBC, our core **Purpose, Vision and Values**, and seeking to respect others in our pursuit of doing what’s right, are fundamental principles that support and guide RBC’s commitment to respecting human rights across our organization.

**RBC’s Code of Conduct** (“Code”) is the roadmap we follow. It lays the foundation for how we work together in a respectful, transparent and fair environment. We also expect RBC third-party suppliers to follow similar principles and share our commitment to ethics and integrity as set out in the **RBC Supplier Code of Conduct**. It articulates RBC’s expectations with respect to a supplier’s business integrity, responsible business practices, treatment of individuals and the environment, and respect for human rights. We continue to evolve processes, including due diligence processes, that seek to identify, assess and, where relevant, address risks to human rights.

RBC is committed to respecting human rights, including those of any clients, employees and third parties we conduct business with or who may be affected by our business activities – either directly or indirectly – and to taking the actions set out in this Statement to meet the responsibility of businesses like ours to respect human rights as set out in the United Nations Guiding Principles on Business and Human Rights (the “UN Guiding Principles”).

We recognize the role of governments to protect human rights. If applicable laws in countries in which we operate are inconsistent with our commitment to respect human rights, RBC will seek ways to promote respect for human rights in accordance with the UN Guiding Principles and our Values.

We give particular attention to the rights of vulnerable groups who bear a disproportionate risk of adverse human rights impacts. These include, at a minimum, women; national, ethnic, racial, linguistic and religious minorities; children; Persons with Disabilities; LGBTQ+ people; and migrant workers and their families. We also respect the inherent right of Indigenous Peoples to self-determination in accordance with international and domestic law, and are working with Indigenous Peoples and communities to better understand approaches to operationalizing the principle of Free, Prior and Informed Consent.

RBC’s commitment to respecting human rights means we have particular regard to those rights set out in the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the United Nations Declaration on the Rights of Indigenous Peoples (“UNDRIP”). RBC recognizes that a number of jurisdictions in which we operate, including Canada, are implementing UNDRIP by taking various measures (such as

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ensuring laws are consistent with UNDRIP and developing action plans to operationalize it). Directed by the UN Guiding Principles, RBC strives to avoid causing or contributing to adverse human rights impacts through our own business activities and aims to prevent and mitigate adverse impacts to which we may be directly linked by taking appropriate action. In line with the UN Guiding Principles, we will assess severity by evaluating the scale, scope and irremediability of such impacts. We undertake reviews and updates on the policies and procedures that govern our actions to help us meet our commitments.

We will work to continue integrating our commitment to respect human rights into operational policies and procedures across the organization, including upon review or initiation of supplier contracts and relationships. As part of this work, we will continue to prioritize those risks to human rights we deem to be the most likely and having the greatest impact within our organization, arising in our supply chains and from business relationships.

We intend to assess and refine key performance indicators to measure our success in operationalizing the commitments in this Statement and continuously improve our approach to human rights. RBC will leverage statements such as this one to hold ourselves accountable.

In the development of this Statement, we were informed by internal and external parties, including employees, Indigenous leaders, investors, clients, civil society and community representatives. We adopt this Statement at the highest levels of our organization, and it supersedes our Human Rights Position Statement previously published on this webpage.

## Our Commitment to Action

We have set out below key aspects of how we integrate our commitment to respect human rights into operational policies and procedures across the organization.

As a financial institution with a diversified business model,<sup>1</sup> we have implemented policies and procedures in our operations that are designed to identify key areas of potential impact to human rights. Those areas include: human slavery and child labour, as well as human trafficking, which are addressed in RBC's [Statement Regarding Modern Slavery](#); Indigenous rights; workplace-related rights; discrimination; and the fundamental right to privacy.

RBC is committed to identifying, removing and preventing accessibility barriers with a view to supporting the full and equitable participation of Persons with Disabilities who engage with our organization. Our Accessibility Office coordinates accessibility improvements across RBC, and we receive feedback from our clients, community partners and employees to inform our actions and enhance accessibility.

RBC's Code of Conduct and RBC's Supplier Code of Conduct prohibit unlawful harassment and discrimination. RBC is committed to fostering diversity and inclusion and to respecting and appreciating our differences in identity and other dimensions that are intrinsic to all people. RBC seeks to operate in a way that treats people fairly wherever we do business.

We are unwavering in our determination to progress as a financial institution that stands for Indigenous Peoples' inclusion and prosperity – now, and for generations to come. We adopt an inclusive approach to the way we do business, provide access to employment and education, select suppliers, and support communities.

<sup>1</sup> Our business segments and geographical footprint are described in our [Annual Report](#).

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At RBC, we are dedicated to protecting privacy and safeguarding the personal information entrusted to us. Our privacy risk management program is based on the Organization for Economic Co-operation and Development privacy principles, and applicable laws and regulations.

## Our Employees

RBC is committed to prioritizing care for employees throughout their experience in the workplace. This is because it is the right thing to do, and we understand that we must enable our people to do their best work and strengthen our culture of inclusion and belonging to continue to help clients thrive and communities prosper. On our Environmental, Social and Governance ([“ESG” Reporting site](#)), we share the many offerings we have to help our employees.

Consistent with our Code of Conduct, RBC is committed to maintaining professional workplaces that respect the dignity of every individual. Our policies and procedures governing the workplace promote a healthy and productive professional environment that is free from unlawful discrimination, disrespectful and inappropriate behaviour, harassment (including sexual harassment), retaliation, and violence.

A Conduct Hotline is globally available to all employees and contract workers to report misconduct that may violate our Code of Conduct, internal policies and laws, or is otherwise unethical and could put RBC at risk. This hotline is secure, fully accessible and available 24/7. It is administered by a third party, and reports may be made anonymously.

## Our Clients

RBC strives to avoid causing or contributing to adverse human rights impacts through our own business activities. This means, for example, that for prospective and current clients and transactions, we will work to evolve existing processes that seek to identify and assess risks to human rights.

### Free, Prior and Informed Consent

RBC recognizes the importance of Free, Prior and Informed Consent and the role of Indigenous Peoples in decision-making. As a signatory to the Equator Principles, RBC is committed to assessing and managing risks (including with respect to Free, Prior and Informed Consent) for project finance-related transactions as prescribed by the Equator Principles. Moreover, RBC applies an Environmental and Social Risk Questionnaire to certain Capital Markets transactions over a specified threshold and requires enhanced due diligence for transactions where a client’s operations impact Indigenous communities or lands. We intend to extend this approach to our Corporate Client Group.

### Protecting Against Financial Crime

We have an enterprise-wide financial crimes program designed to deter, detect and report suspected money laundering and terrorist financing activities across our organization. To address the risk of our financial services being misused for financial crimes, including money laundering, terrorist financing, bribery, corruption or other activities that may violate applicable economic sanctions and human rights, we have invested in people, processes and sophisticated technology, and we leverage controls to monitor financial transactions across our global business segments. We work with law enforcement to help bring those responsible to justice.

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## Our Suppliers

The RBC Supplier Code of Conduct sets our expectations of suppliers to, among other things, abide by relevant employment standards, labour, non-discrimination, human rights laws, and to share our commitment to respect human rights as set out in our Statement. Where applicable laws do not prohibit human rights discrimination, or where they allow for differential treatment, we expect suppliers to be committed to appropriate non-discrimination principles and not to operate in a way that unfairly differentiates between individuals.

We have risk assessment and due diligence programs in place through which suppliers' alignment to RBC's principles, as articulated in the RBC Supplier Code of Conduct, are assessed. RBC aims to prevent adverse impacts we may be directly linked to by taking appropriate action to mitigate such risks, which may include terminating a supplier relationship or otherwise exercising leverage in our business relationships.

## Our Communities

As a Canadian financial institution with global reach, we understand that we are a representative of a vast collection of communities. RBC is committed to creating spaces where the rights and concerns of all communities can be identified, understood, learned and respected. Our Purpose Framework – Powering Ideas for People and Planet™ – speaks to our ambition to drive more equitable prosperity in our communities. For more details, see our [ESG Reporting site](#). Amplifying community voices and providing opportunities for advancement are fundamental components of RBC's dedication to being a socially responsible corporate citizen.

## Protecting Children

RBC's approach to safeguarding young people and empowering their financial wellbeing is guided by the following principles:

**Safety Is Paramount:** RBC screens clients and transactions for indicators of a number of illegal activities, including child sexual exploitation, human trafficking and drug trafficking, as required by law, and may terminate or not enter business relationships that pose such risks.

**Establishing and Enforcing Policies:** The RBC Supplier Code of Conduct includes the explicit statement that child labour must not be used. Furthermore, the enterprise-wide Financial Crimes program is designed to detect and report suspected instances of human slavery and human trafficking.

## Reporting Concerns

We have in place, and will continue to develop, mechanisms by which anyone, including our employees, contractors, suppliers and clients can raise their concerns with us, including those related to human rights. Our human rights reporting hotline is administered by a third party, and reports may be made anonymously. Human rights-related concerns can be submitted [here](#).

