

Royal Bank of Canada

Environment, Social and Governance (ESG)

Performance Report 2021

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Caution regarding forward-looking statements

From time to time, Royal Bank of Canada and its subsidiaries (RBC, we, us or our) 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 Environmental, Social and Governance (ESG) Performance Report 2021 (the Report), in other filings with Canadian regulators or the U.S. Securities and Exchange Commission (SEC), in other reports to shareholders and in other communications. Forward-looking statements in this document include, but are not limited to, statements relating to our vision, commitments, goals and targets, as well as our economic, environmental, social and governance-related impacts and objectives. We have included forward-looking information in this document to assist our stakeholders in understanding our vision, commitments, goals and targets, as well as our economic, environmental, social 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”, “expectation”, “aim”, “foresee”, “forecast”, “anticipate”, “predict”, “intend”, “estimate”, “commit”, “goal”, “plan”, “strive”, “objective”, “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 vision, commitments, goals and targets, and economic, environmental, social 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 climate-related conditions and weather events, our ability to gather and verify data and successfully implement various initiatives throughout the company under expected time frames, the compliance of various third parties with our policies and procedures, the legal and regulatory environment, regulatory compliance

(which could lead us to being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties and fines), strategic, reputation, competitive, legal and regulatory environment, and systemic risks and other risks discussed in the risk sections and Impact of COVID-19 pandemic section of our Annual Report for the year ended October 31, 2021 (2021 Annual Report) and the Risk management section of our Quarterly Report for the three-month period that ended January 31, 2022 (Q1 2022 Report to Shareholders). In addition, as we work to advance our climate goals, external factors outside of RBC’s reasonable control may act as constraints on their achievement, including varying decarbonization efforts across economies, the need for thoughtful climate policies around the world, more and better data, reasonably supported methodologies, technological advancements, the evolution of consumer behaviour, the challenges of balancing interim emission reduction targets with an orderly and just transition, and other significant considerations such as legal and regulatory obligations.


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 2021 Annual Report, as updated by the Economic, market and regulatory review and outlook section in our Q1 2022 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. While certain matters discussed in this document may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with securities laws and regulations, even if we use the word “material”.

Additional information about these and other factors can be found in the risk sections and Impact of COVID-19 pandemic section of our 2021 Annual Report and in the Risk management section of our Q1 2022 Report to Shareholders.

Important notice regarding this Report

This Report includes certain information that highlights our progress to date in advancing how we manage climate-related risks and opportunities and in implementing the Task Force on Climate-Related Financial Disclosures (“TCFD”) recommendations. This Report is provided solely for informational purposes, and does not constitute an offer or a solicitation to buy or to sell any security, product or service in any jurisdiction; nor is it intended to provide investment, financial, legal, accounting, tax or other advice, and such information should not be relied or acted upon for providing such advice.

Climate metrics and data and other information contained in this Report, including but not limited to those relating to scenario analysis, financed emissions, carbon-related assets and emissions from our own operations are or may be based on significant assumptions, estimates and judgements. In addition, as discussed herein, some of the information provided, including regarding financed emissions, is based on estimated data with very limited support. Given their inherent uncertainty and complexity, and the significant issues with some of the underlying data, assumptions, estimates and judgements believed to be reasonable at the time of preparation of the Report may subsequently turn out to be inaccurate. In addition, many of the assumptions, estimates, standards, methodologies, metrics and measurements used in preparing this Report continue to evolve and may differ significantly from those used by other companies and those that may be used by us in the future. Legislative and regulatory changes, market developments and/or changes in data availability and reliability could materially affect the assumptions, estimates, standards, methodologies, metrics and measurements used by us and/or other companies, and could materially affect the comparability of the information and data across industries or companies and from one reporting period to a subsequent reporting period, as well as our ability to achieve our commitments, goals and targets. Any commitments, goals and targets discussed in this Report, including but not limited to our net-zero related commitments, goals and targets, are aspirational and there can be no assurance that any such commitments, goals or targets will be achieved. See “Caution regarding forward-looking statements”.

PricewaterhouseCoopers LLP (“PwC”) has performed a limited assurance engagement for a select number of RBC performance indicators, which have been identified with an  symbol throughout this Report. Other than these select number of identified RBC performance indicators, the information contained within this Report is unaudited. You can read more about the scope of PwC’s work, including the metrics and data in scope of the assurance on page 78 of this Report.

This Report is intended to provide information from a different perspective and in more detail than that required to be included in our mandatory securities filings and other regulatory reports, including filings with Canadian securities regulators and the SEC. While certain matters discussed in this Report may be of interest and importance to our stakeholders, the use of the terms “material”, “significant”, “important” or similar words or phrases should not be read as necessarily rising to the level of materiality used for the purposes of securities or other laws and regulations. We have no obligation to update the information or data in this report.



All information and data in this Report is as of or for the fiscal year ended October 31, 2021, unless otherwise noted.

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Icon legend

The following icons are found throughout this Report:

-  Our Priorities
-  Independently assured key performance indicator

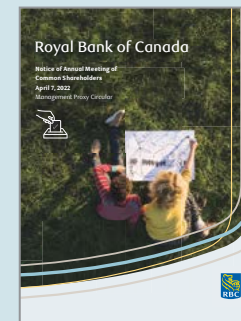
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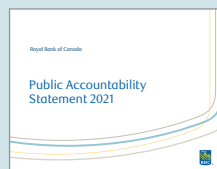
This Report is part of a broader suite of disclosures. For more information, please review the additional publications listed below.



2021 Annual Report



2022 Management Proxy Circular



2021 Public Accountability Statement



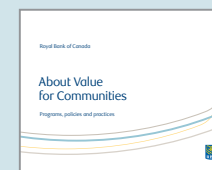
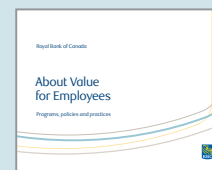
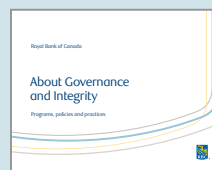
2021 TCFD Report



RBC Climate Blueprint



2021 Diversity & Inclusion Report



Policy and program background papers

2021 Highlights

By the numbers

29

countries

87,000+

employees

17 million

clients

Governance & Integrity

Established
the Climate Strategy
Steering Committee and
the ESG Disclosure
Council (ESG DC)

46%¹ & 23%¹
of Royal Bank of Canada
Directors have self-
identified as women
and Black, Indigenous
and People of Colour
(BIPOC²), respectively

**82 average
percentile**
ranking on priority
ESG indices³

Employees

#2 globally
in the 2021 Refinitiv
Diversity & Inclusion
Index, ranking over 11,000
publicly listed companies

91% of employees
feel proud to be part
of RBC⁴

**94% of RBC
employees and
contractors**
have completed Anti-
Racism Awareness
Training

51%⁵ & 37%⁶
of new hires are
women and BIPOC,
respectively

Clients

**Highest in Customer
Satisfaction**
among the Big Five Retail
Banks, 5 out of the last
6 years (J.D. Power)

**Winner of Celent
Model Bank 2021
Award for Digital
Onboarding**

\$597+ billion
total value of assets
under management by
RBC Global Asset
Management® (RBC GAM)
that integrate material
ESG factors⁷

\$83.8 billion
in sustainable finance

Launched the **RBC ESG
Market-Linked GIC**

Communities

\$140+ million⁸
given globally through
cash donations and
community investments

**\$100 million
commitment**
to help Black
entrepreneurs reach their
full potential through the
**RBC Black Entrepreneur
Program**

\$23 million raised
by employees and retirees
for 5,000+ charities
through our annual
Employee Giving
Campaign in Canada

Provided **\$265+ million**
through RBC Future Launch®
since 2017, **reaching
over 3.6 million
Canadian youth**

Planet

Net-zero
emissions in our
lending by 2050

Carbon neutral
in our operations

Joined the
**Net-Zero Banking
Alliance (NZBA)**

Issued second **Green
Bond**, a US\$750 million
issue in partnership
with a syndicate that
included diverse-owned
broker dealers

Published
**\$2 Trillion
Transition:
Canada's Road
to Net-Zero**

CEO Message

“RBC is contributing to a more inclusive, sustainable and prosperous future.”



Creating our shared future is a shared responsibility.

For our part, RBC is contributing to a more inclusive, sustainable and prosperous future. And we do so by harnessing the power of Purpose. That means fully leveraging our resources, capabilities and influence to help address issues that matter most to those we serve.

It is evident in the way we create meaningful value through our focus on Environmental, Social and Governance (ESG). Our aim is to tackle some of society's greatest challenges in the communities where we live and work. To do so, we integrate ESG into our strategies and operations, which enables us to align our actions with the broader aspirations of our stakeholders. We offer tailored solutions, insights and advice and bring forward broader industry learnings and thought leadership to make a meaningful impact. And, in all cases, we set ambitious goals and measure our progress to ensure we are accountable for our actions and our outcomes are transparent.

Through our efforts in 2021 we continued to earn top rankings on key priority ESG indices. This Report brings to life the initiatives behind our performance. I want to highlight four areas of focus where we harnessed the power of our Purpose to better serve our employees, clients, communities and the planet.

Enabling our employees to thrive in a rapidly evolving world of work

Profound and pervasive changes are taking place in workplaces around the world. Our aim is to remain an employer of choice in this new world and, to

do so, we continuously invest in our people and their future success, as well as sustain a strong and caring culture that attracts and retains top talent.

In our learning and development programs, for instance, we're focused on future skills, such as adaptability, creativity and problem-solving, to enable employees to thrive regardless of where they work and what they do. Through career coaching, mentoring and learning opportunities, we also support and grow the digital and technical skills and capabilities of our people, all of which are critical in creating meaningful value for our clients today and well into the future. And to support employees' mental health and well-being, we expanded various employee resources and programs, including increased benefits as well as, more broadly, encouraged our people to recharge when needed.

RBC's culture and values help unlock the full potential of our employees. In doing so, we support and sustain a diverse and inclusive workplace, which is an essential ingredient in driving innovation and growth at RBC. Last year, we met with – and learned from – more than 500 students from underrepresented groups on how to better engage and hire them. And we continued to expand our diverse leadership team, reflective of the communities we serve. In 2021, I'm pleased that 43% of all executive appointments were members of BIPOC communities – well over our goal of 30% – and almost double from the previous year.

CEO Message

Creating meaningful value for our clients

Last year, as the uncertainty of the global pandemic led to elevated client activity, we were well-positioned to remain ever-present in their lives, enabled by our bionic blend of people and technologies. During the first 12 months of the pandemic, for instance, video consultations with RBC advisors grew to 44%. At the same time, we found new ways to create value for our clients. RBC Vantage, for instance, provides retail banking clients with more ways to save and earn RBC Rewards points and other personalized benefits. And our corporate clients gained a greater understanding of how ESG is shaping markets at RBC Capital Markets' annual Global ESG Conference.

And we continued to reimagine the client experience through innovations that, in many cases, go beyond traditional banking. Commercial clients gained direct access to RBC Insight Edge, which helps uncover market trends, explore new locations and markets, and make other data-driven business planning decisions. We offered free trials of this platform to 110,000 small business clients struggling at the peak of the COVID-19 pandemic.

Championing inclusive growth in our communities

Our society cannot move forward if people and communities are at risk of falling behind. Last year we drew public attention to the challenges many Indigenous youth face when they find themselves on the wrong side of the digital divide. During our research and consultations, one obstacle we continuously heard about was too many Indigenous youth aren't prepared for the rapidly evolving workforce, often because they lack relevant training.

To help address such challenges, RBC Future Launch, our 10-year, \$500 million commitment to prepare youth for the jobs of tomorrow, doubled the amount of money Indigenous scholarship recipients could receive, now \$10,000 per year for up to four years. RBC also introduced a scholarship of equal value for Black youth.

Additionally, RBC launched a new financing solution that provides loans of up to \$250,000 for Black entrepreneurs in Canada as part of our five-year, \$100 million commitment to directly address the challenge many Black entrepreneurs face in accessing the capital and resources that are critical to their success.

Placing our planet on a more sustainable path

Our ambition is to play a leadership role in accelerating the transition to a net-zero world. To do so, our efforts are embedded in our enterprise strategy, and are overseen by the bank's climate steering committee, comprising senior executives from across our businesses. That ensures our ideas and initiatives permeate across the bank, and are regularly addressed around my leadership table and with the Board.

In 2021, we committed to achieving net-zero emissions in our lending by 2050, with supporting net-zero goals disclosed in our most recent Task Force on Climate-related Financial Disclosures (TCFD) report. We also joined the NZBA, which builds on our ongoing efforts to work collaboratively with stakeholders from around the world to reduce emissions, and support an orderly and just transition to our net-zero future.

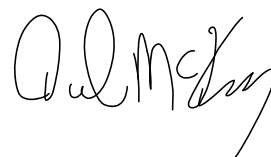
Last year we also announced our intent to allocate \$500 billion in sustainable financing by 2025, making RBC the largest financier of the net-zero transition in Canada. This announcement is part of our larger efforts to support the net-zero plans of clients.

The power of our Purpose

No single organization or sector has the resources to solve the complex challenges, or seize the boundless opportunities, in the coming years.

But RBC believes it can create a future where our employees are fully equipped, encouraged and engaged to be their best in a new world of work, and where our clients' unique and evolving needs are met through our bionic blend of people and technologies. We are also helping to create a future where the full potential of people and their communities can be realized, and where a healthier environment and cleaner economy provides us all with greater opportunities to thrive and prosper.

The power of our Purpose will help us get there together.



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

About this Report

Scope

This Environmental, Social and Governance (ESG) Performance Report (the “Report”) includes information about Royal Bank of Canada and its subsidiaries (referred to as “RBC”, “we”, “us” or “our” in this Report). This Report provides an overview of our priorities, key performance indicators and highlights from 2021 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 [2021 Annual Report](#) and our governance and executive compensation information in our [2022 Management Proxy Circular](#) (available at rbc.com). A set of background papers provides additional information on the policies, procedures and programs regarding our priorities and supports this Report. Previous reports as well as our background papers are available on our [Corporate Citizenship Reporting and Performance](#) website.

Reporting period

All data and examples in this Report reflect activities undertaken during the 2021 fiscal year (November 1, 2020 – October 31, 2021), unless otherwise noted. In many cases, we have provided data for fiscal 2021 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, 2021 (C\$1.00 = US\$0.808; C\$1.00 = 0.590£). Measurements used in this Report are metric, except where otherwise noted.

Endnotes

The endnotes on page [75](#), referenced throughout this Report, further define our performance indicators and criteria for measurement.

About this Report

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)⁹ 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 underpin our purpose-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). The RBC Disclosure Committee reviews this ESG Performance Report. In 2021, RBC established a subcommittee of the Disclosure Committee called the ESG DC. The ESG DC is responsible for the executive direction and oversight of ESG disclosures and to support controls and strategy alignment and integration across the organization. The ESG DC better enables RBC to respond to the evolving ESG reporting ecosystem, growing investor demands and the need for enhanced controls and governance. In addition to the increased oversight from the ESG DC, quarterly consultations on ESG disclosure are conducted by a disclosure advisory group 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 78 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 of 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
- 27 other countries

Who We Are

87,000+ 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 value and an exceptional experience for our clients

Shareholders

Maximizing total shareholder returns through the achievement of top-half performance compared to our global peer group over the medium term

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

- Attracting and retaining talent
- Creating experiences that enable our people
- Strengthening a diverse and inclusive culture

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

- Premium growth and ROE driven by diversified, market-leading franchises
- Strong balance sheet and prudent risk management
- Returning capital to shareholders, including dividend growth
- Disciplined expense management while investing for the future

- Generating and distributing economic value
- Preparing young people for the future of work
- Supporting an inclusive and responsible supply chain
- Advancing financial literacy and inclusion

- Helping clients as they transition to net-zero
- Holding ourselves accountable
- Informing and Inspiring a sustainable future
- Advancing net-zero leadership in our own operations



Governance & Integrity

- Responsible governance practices
- Strong risk culture and conduct
- Effective risk management
- Respect for human rights

Our approach to ESG

RBC's ability to manage ESG matters is fundamental to our long-term success. It enables us to deliver on our Purpose to help clients thrive and communities prosper, and create meaningful value for our diverse stakeholder groups, which include our clients, employees, communities and shareholders. We employ a disciplined approach to defining our strategy, priorities and signature programs. It starts with understanding the key drivers of economic prosperity and the forces of change that present opportunity and challenge to those we serve. We then focus on where we have the social licence and opportunity to contribute in meaningful ways, and partner with others to work on important solutions. We also use "more than money" levers to multiply the impact of our work, including thought leadership, the power to connect and convene, the expertise and generous spirit of employees, and the bank's own assets as an enterprise, including our leading brand and scale. And finally, we measure the impact of our ESG priorities and signature programs by tracking outcomes and then using this data to inform our programming decisions and strategy development. By taking these steps, we create meaningful value for our stakeholders.

Environment

Climate change is one of the most pressing issues of our age. We are committed to helping clients as they transition to net-zero, holding ourselves accountable, informing and inspiring a sustainable future, and advancing net-zero leadership in our operations.

Social

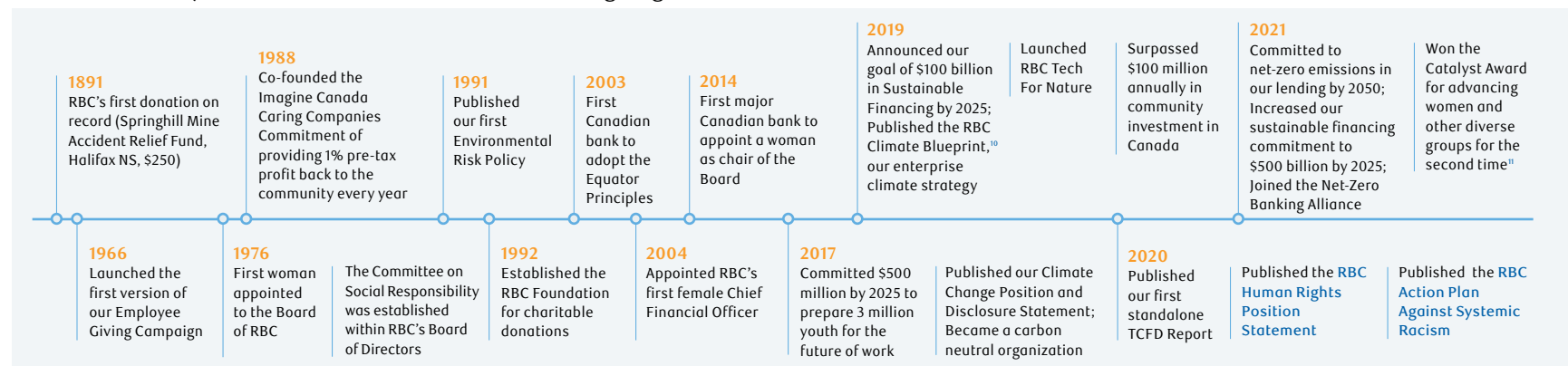
The COVID-19 pandemic and other events have shone a spotlight on systemic racism in our society, and the uncovering of unmarked graves at former residential schools served as a stark reminder of the challenges faced by Indigenous peoples and communities in Canada. We are committed to being a leader in diversity and inclusion, within our own operations, with suppliers and in the communities we serve. Additionally, our approach to community investment focuses on significant societal issues, including youth and creating more inclusive opportunities for communities to thrive.

Governance

Good governance is fundamental to our business, and it underpins everything that we do. Our governance model balances the strategic oversight of the Board on ESG matters, with specific subject-matter expertise, groups and functions responsible for relevant programs, products, policies and performance rooted within the business units across the bank.

Our ESG journey

For more than 150 years, RBC has been committed to creating long-term, sustainable value for our stakeholders.



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. As the COVID-19 pandemic continued to impact the way we worked and lived in 2021, we challenged ourselves to ensure we were focused on what was important to us, and reflected on our priorities and the implications of our personal and collective actions. We asked big questions about what was important to us, our stakeholders and society at large. As an organization, it required us to focus on and prioritize what mattered most.

Furthermore, identifying ESG priorities aligns with our enterprise risk appetite, which is to ensure we identify and manage the top and emerging risks, as disclosed in our 2021 Annual Report, and incorporate them into our existing risk management assessment, measurement, monitoring and escalation processes. This requires management to conduct a forward-looking assessment of risks to the organization.

How we identify our ESG priorities

Each year we conduct a review of our stated ESG priorities with a focus on areas of increasing importance to external stakeholders and to RBC. 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. 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 better understand how stakeholder expectations have shifted during these challenging times.

In 2021, we refreshed our ESG priority matrix by re-examining the ranking of our ESG topics and identified new topics that were a focus for RBC and of interest to our external stakeholders this year. Updates were made based on our interactions with stakeholders and our ongoing monitoring of priority ESG reporting frameworks, ESG rating agencies, industry trends and independent research. The results of this analysis informed our list of ESG priorities, where we believe we can have the most significant positive impact on our stakeholders, communities and business. By focusing our efforts where we have the greatest influence, we strive to set an example while creating meaningful value for our stakeholders. All topics noted in the matrix are important to RBC, and we continuously monitor their evolving importance with external stakeholders.

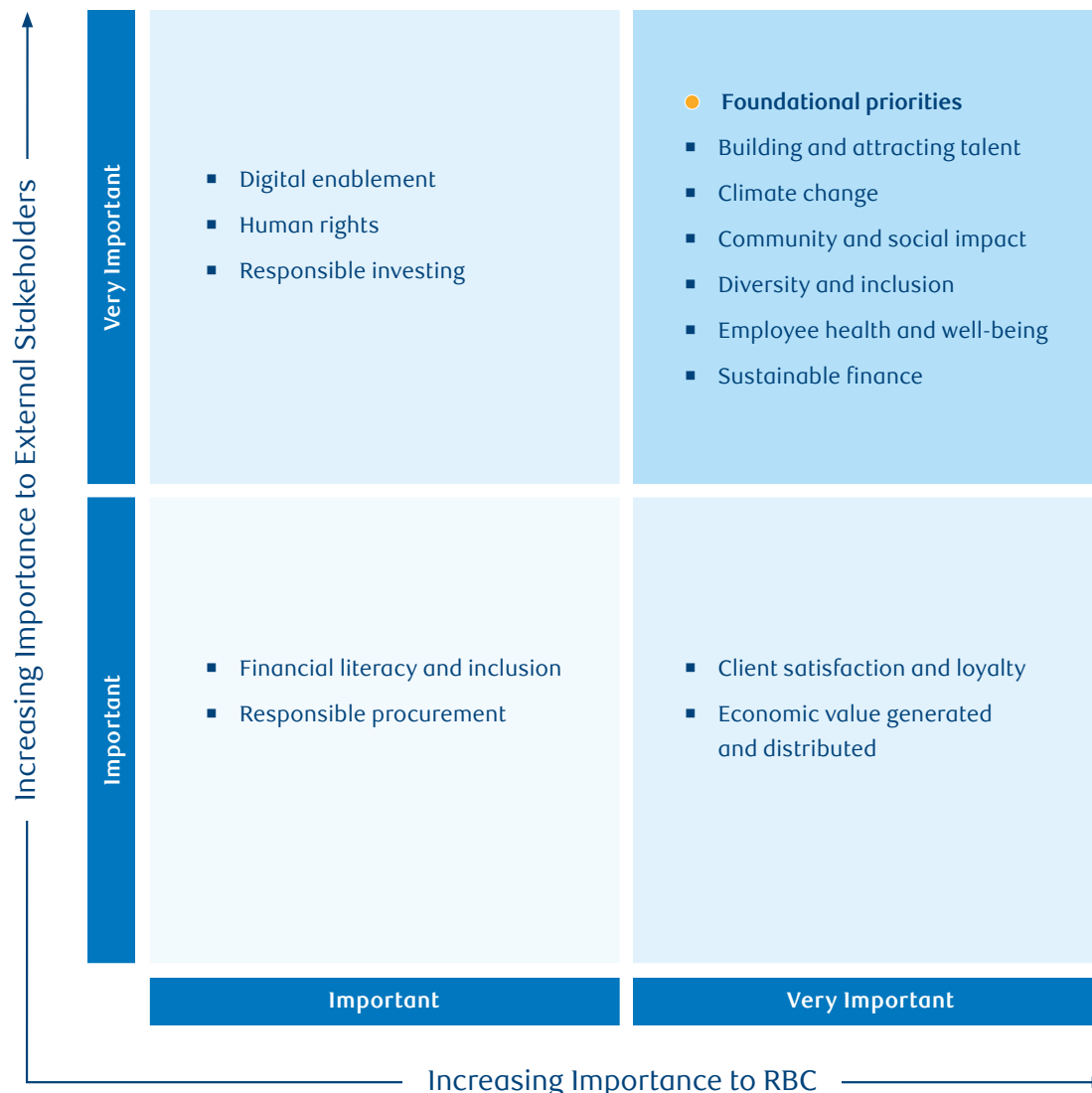
Continuously improving our ESG reporting

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 80 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. For more information on how we engage with our stakeholders throughout the year, please see Appendix II on page 87.

Our ESG priorities

The following matrix illustrates the key ESG priority areas where we are concentrating resources and activities to have impact and create value. This prioritization also informs and guides our ESG reporting strategy.

Changes to our 2021 ESG priorities include the increased emphasis and attention on climate change, both from external stakeholders and RBC. We also added two new priorities: human rights and employee health & well-being.



- **Foundational priorities** are those that we identify as fundamental to RBC's strategic success. Prioritizing 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 and trust
 - Privacy and cyber security
 - Risk management

Statement of Performance

Performance metrics	Goals	2021	2020	2019
Overall – Average percentile ranking on priority ESG indices³	↑	82 ①	86	81
Governance & Integrity				
Percentage of independent directors	Substantial majority	92% ¹²	92%	92%
Percentage of women directors	>35%-45%	46% ¹	42%	43%
Percentage of BIPOC directors	–	23% ¹	17%	N/A
Value for Employees¹³				
Percentage of women executives	48% ¹⁴	44% ①	46%	46%
Percentage of BIPOC executives ²	23%	23% ①	21%	20%
Percentage of women in senior management ¹⁵	–	40% ①	40%	40%
Percentage of BIPOC in senior management ^{2, 15}	–	36% ①	35%	34%
Percentage of positions filled by internal candidates	–	68% ¹⁶	69%	67%
Total voluntary turnover rate ¹⁷	–	10.6%	7.1%	9.3%
Total turnover rate ¹⁷	–	12.6%	9.1%	12.4%
Absentee rate (percentage of total days scheduled) ¹⁸	↓	0.81%	1.03%	1.05%
Inclusive Experiences Composite Score ¹⁹	–	82% ①	N/A	N/A
Value for Clients				
Client Experience Score ²⁰	↑	62.4	64.1	62.2
Relationship share ²¹	>13% ²²	19% ①	19%	18% ²³
Percentage of financial service transactions performed through self-serve channels ²⁴	↑	94% ①	92%	88%
90-day digital active user rate ²⁵	↑	57% ①	54%	52%
Total value of assets under management by RBC GAM that integrate material ESG factors ⁷	↑	\$597.2 billion	\$518.5 billion	467.2 billion
Total value of sustainable finance	\$500 billion by 2025	\$83.8 billion	\$73.3 billion	\$40.8 billion

- ↑ Goal associated with continuous improvement over the prior year or the three-year rolling average.
- N/A Goals or performance metrics are not applicable.
- We do not currently have goals associated with these performance metrics. We continue to advance our performance management and reporting program, including consideration of goal-setting for additional ESG performance metrics in future reporting.
- ① PricewaterhouseCoopers (PwC) provided limited assurance over this figure in 2021. Please see page 78 for PwC's Independent Limited Assurance Report.

For further details on the criteria for measurement please see the endnotes on page 75.

Statement of Performance

Performance metrics	Goals	2021	2020	2019
Value for Communities				
Economic value generated and distributed ²⁶	N/A	\$35.1 billion	\$32.1 billion	\$31.1 billion
Total cash donations and community investments ⁸	–	\$142.0 million	\$142.2 million	\$130.0 million
Total amount invested in youth-related organizations	–	\$64.1 million	\$64 million	\$60.1 million
Number of young people reached through RBC Future Launch ²⁷	–	3.6 million	2.5 million	1.9 million
Percentage of diverse ²⁸ participants – RBC Future Launch	–	84%	83%	82%
Percentage of youth participants that feel better prepared for the future – RBC Future Launch ²⁹	–	75%	71%	77%
Total amount invested in financial literacy programs	↑	\$3.6 million	\$5.0 million	\$4.8 million
Value for Planet³⁰				
Greenhouse gas (GHG) emissions intensity from energy use (tonnes of CO ₂ e/m ²)	↓	0.032 ^①	0.041	0.046
Total GHG emissions (tonnes of CO ₂ e ³¹)	Reduce by 70% by 2025	68,232	98,217	128,873
Percentage of electricity from renewable and non-emitting sources for all properties	Increase to 100% by 2025	84%	78%	77%
Scope 3 – Initial estimates of financed emissions (tonnes of CO ₂ e)	We intend to disclose interim financed emission reduction targets for clients in the oil & gas, power & utilities, and automotive & transportation sectors by spring 2023.	45 million tonnes	–	–

- ↑ Goal associated with continuous improvement over the prior year or the three-year rolling average.
- N/A Goals or performance metrics are not applicable.
- We do not currently have goals associated with these performance metrics. We continue to advance our performance management and reporting program, including consideration of goal-setting for additional ESG performance metrics in future reporting.
- ① PricewaterhouseCoopers (PwC) provided limited assurance over this figure in 2021. Please see page 78 for PwC's Independent Limited Assurance Report.

For further details on the criteria for measurement please see the endnotes on page 75.

Governance & Integrity



Our Priorities

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



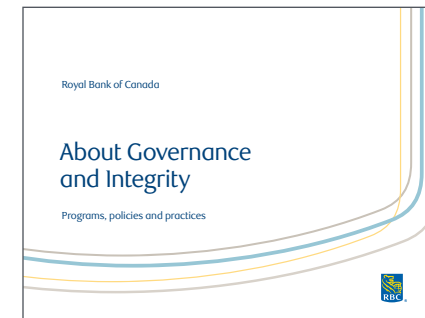
Our approach to corporate governance

We believe good governance is not just about overseeing RBC and its practices, but doing so in a way that's transparent, independent of management and ethical. It involves the Board actively engaging with all stakeholders, knowing the business and its risks, challenging management where necessary, understanding the risks and opportunities of a changing industry and economy, setting robust standards and principles that will guide RBC to success and helping clients thrive and communities prosper – all to ensure we're constantly enhancing value for our shareholders.

The strengths of our corporate governance start at the top and are fostered throughout the organization by a proactive governance culture that has consistently adopted industry-leading standards.

We are committed to high standards of governance that are consistent with regulatory expectations and evolving best practices and aligned with our strategy and risk appetite.

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



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](#)
[2022 Management Proxy Circular](#)
[Statement of Corporate Governance Practices](#)
[Director Independence Policy](#)
[Code of Conduct](#)
[2021 Annual Report](#)

Performance metrics	Goals	2021	2020	2019
Number of Board members	N/A	13	12	13
Percentage of independent directors	Substantial majority	92% ¹²	92%	92%
Percentage of women directors	>35%-45%	46% ¹	42%	43%
Percentage of BIPOC directors	–	23% ¹	17%	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 fair 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 12, 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 fair outcomes for clients and employees
- 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

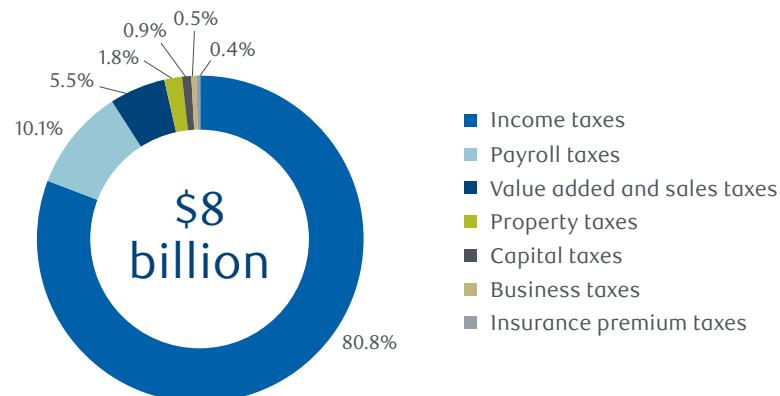
For more information

[Code of Conduct](#)
[Office of the Ombudsman](#)
[RBC Global Approach to Anti-Money Laundering](#)
[Statement on Lobbying and Political Contributions](#)
[About Governance and Integrity](#)
[2021 Annual Report](#)

Conduct and trust

Performance metrics	Goals	2021	2020	2019
Sales conduct and business practices				
Percentage of employees who completed the Code of Conduct training on time	>98%	99.3%	99.2%	99.3%
AML, ATF, economic sanctions				
Percentage of employees who completed the Combating Money Laundering and Terrorist Financing training on time	>98%	99.1%	98.9%	99.1%
Lobbying activity				
U.S. non-deductible lobbying activity expenditures as at calendar year-end (USD)	N/A	\$220,279	\$185,579	\$203,919
Tax				
Total Canadian taxes (income, capital and other taxes)	N/A	\$6.6 billion	\$2.7 billion	\$2.9 billion
Total other international taxes (income and other taxes)	N/A	\$1.4 billion	\$1.2 billion	\$1.1 billion
Total income and other taxes ³²	N/A	\$8 billion	\$3.9 billion	\$4 billion
Effective total tax rate ³³	N/A	27.6%	28.2%	26.3%

Total income and other taxes



Conduct and trust



2021 Highlights

Promoting positive culture and conduct

We strive to maintain open, healthy workplaces where speaking up and diversity of thought are central to our ability to attract and retain the talent we need to deliver value to our clients, communities and investors.

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, senior management, Human Resources or Compliance so their issues are resolved quickly and objectively.

Our global Conduct Hotline is a confidential channel for all employees and contract workers to report misconduct. Employees and contract workers can use the hotline to report and track the status of their report anonymously. RBC received 294 hotline reports in fiscal 2021.³⁴

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 from retaliation, and any retaliation is treated as a breach of our Code of Conduct.

Conduct and trust



2021 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 29 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 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 and other 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 [UK 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 risk-aware culture and 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. They 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 in their operations, and our E&S Risk team reviews and provides advice in respect of higher risk E&S transactions, providing both account managers and clients with expert advice, at the same time as mitigating RBC's E&S risk.

For more information

[2021 Annual Report](#)

[2021 TCFD Report](#)

[Environmental and Social Risk Management](#)

Performance metrics	Goals	2021	2020	2019
Risk management training				
Percentage of employees who completed the Introduction to Risk Management at RBC training on time	>98%	99.6%	98.7%	99.8%
E&S risk management ³⁵				
Number of credit risk assessments reviewed for E&S risk	N/A	1,924	1,852	1,912
Value of all credit risk assessments reviewed for E&S risk	N/A	\$16.4 billion	\$15.4 billion	\$13.7 billion



2021 Highlights

- We participated in a climate scenario analysis pilot project with the Bank of Canada and the Office of the Superintendent of Financial Institutions (OSFI) to build our knowledge and understanding of our potential exposure to climate-related transition risks.
- We joined the Partnership for Carbon Accounting Financials (PCAF) and are measuring and reporting our financed emissions for key sectors.
- We committed to net-zero emissions in our lending by 2050, aligned with the global goals of the Paris Agreement.
- We joined the NZBA as part of a global, industry-led initiative to accelerate and support efforts to address climate change.

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 Values and Code of Conduct guide us and set 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.

Our Human Rights Position Statement, which is adopted at the highest levels of our organization, 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.

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; LGBTQ+ people; and migrant workers and their families.

RBC's enterprise-wide Human Rights Working Group, made up of senior representatives from key business units and functions, oversees our 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. Our Sustainability and Enterprise ESG team manages these efforts and advances our human rights strategy on a day-to-day basis.

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: RBC Indigenous Partnership Report 2021](#)



2021 Highlights

- In line with the expectations of the UN Guiding Principles, we began our enterprise-wide human rights salience assessment to better understand how our business activities could potentially impact the human rights of our stakeholders. In 2021, we reviewed our salient human rights risks across a number of our functions and business segments.
- In 2021, we established a Monitoring and Reporting sub-group of our broader Human Rights Working Group with the mandate to set objectives and key performance indicators to measure our success in operationalizing the commitments in our Human Rights Position Statement, and continuously improve our approach to human rights.
- This past year, we created an enhanced human rights due diligence framework for our supplier risk management assessments. Under this framework, suppliers flagged for human rights risk are subject to an enhanced review of their human rights risk profile and how their policies and practices align with the UN Guiding Principles on Business and Human Rights. RBC will aim to prevent and mitigate adverse impacts to which we may be directly linked to by taking appropriate action to mitigate such risks, which may include the exercise of leverage in our business relationships.

Value for Employees



Our Priorities

- Attracting and retaining talent
- Creating experiences that enable our people
- Strengthening a diverse and inclusive culture



Inspiring and growing talent to set RBC apart

For more than 150 years, RBC employees – across Canada and around the world – have brought our Purpose and Values to life for our clients and communities. Our collective success depends on attracting and retaining the right talent, and enabling and empowering people to be their best within a strong and inclusive culture.

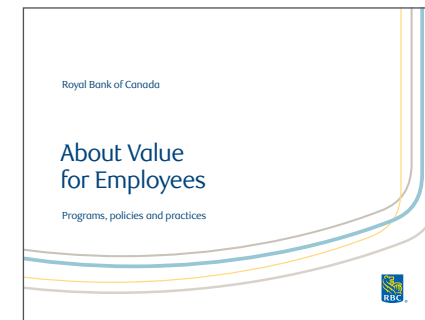
While the COVID-19 pandemic continued to impact our global operations in 2021, the health and well-being of our employees remained our top priority. At the same time, we enabled our teams to navigate uncertainty, adapt to new ways of working and prepare for the future. And we remained focused on strategic investments to build and attract skills and gain from the diverse perspectives needed to thrive today and in the future. In a world where change is a constant and client expectations are evolving, our goal is to ensure employees feel supported, trusted and inspired to succeed.

Awards and Recognition⁺



- Best Workplaces in Canada – Great Place to Work Institute
- Canada's Top 100 Employers – Mediacorp Canada Inc.
- Canada's Top Employers for Young People – Mediacorp Canada Inc.
- 50 Most Engaged Workplaces – Achievers
- 2021 Top Companies in Canada – LinkedIn
- Canada's Best Diversity Employers – Mediacorp Canada Inc.
- 2021 Catalyst Award – Catalyst
- Member of the Bloomberg Gender-Equality Index
- Member of the Refinitiv Diversity & Inclusion Index
- 2021 Best Places to Work: RBC Wealth Management U.S. – Minneapolis/St. Paul Business Journal

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.





Attracting and retaining talent

In an increasingly competitive talent market, it's important for RBC and our culture to stand out in meaningful ways to current and future employees. This begins with the recruiting and hiring process, and in 2021 we leveraged technology to improve the experience for both hiring managers and candidates. With virtual workplaces creating more options for candidates than ever before, our recruitment programs and campaigns showcased our unique culture and the compelling career opportunities at RBC to attract a diverse talent pool that reflects the communities we serve.

Leaders play a critical role in inspiring and retaining our talented employees around the world. With a focus on enhancing key leadership skills, RBC enabled people managers through targeted learning pathways, new peer-to-peer networks and renewed employee listening initiatives. A robust people manager community will be especially important as we continue to design and navigate both virtual and hybrid workplaces.

To recognize extra efforts throughout the pandemic and support mental well-being during challenging times, RBC provided every employee with a subscription to Headspace, a mindfulness and meditation app, and an additional day off to focus on wellness. We enhanced our support in other ways, including an increase from \$3,000 to \$5,000 in psychology benefits in Canada and a new program, *Together, we're perfectly human*, which provided additional resources and helped to reduce stigma through executives and employees sharing personal stories of their mental health journeys.

For more information

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

Performance metrics	Goals	2021	2020	2019
Average tenure of employees	–	11 years	11 years	11 years
Employees who are under 30 ³⁶	–	18%	18%	18%
Contract workers (percentage of total employees) ³⁷	–	1,624 (1.8%)	1,485 (1.7%)	1,901 (2.2%)
Percentage of employees covered under collective bargaining agreements ³⁸	–	1.5%	1.8%	1.8%
Absentee rate (percentage of total days scheduled) ¹⁸	↓	0.81%	1.03%	1.05%
Total turnover rate ¹⁷	–	12.6%	9.1%	12.4%
Total voluntary turnover rate ¹⁷	–	10.6%	7.1%	9.3%
Voluntary turnover rate – Canada	–	11.2%	7.4%	10.0%
Voluntary turnover rate – International ¹⁷	–	8.5%	6.0%	7.3%
Total involuntary turnover rate ¹⁷	–	1.9%	2.0%	3.0%
Involuntary turnover rate – Canada	–	1.4%	1.4%	2.3%
Involuntary turnover rate – International ¹⁷	–	3.7%	4.0%	5.4%

Attracting and retaining talent



2021 Highlights

Enhancing our virtual recruitment approach

Equipping our recruitment team with tactics and technologies to find and place candidates quickly has never been more important. By participating in a wide range of virtual events to engage both new and experienced professionals, RBC continued to ensure a broad reach and effective approach to attracting the right talent.

- **Showcasing our talent:** Videos and digital content featured employees and their unique experiences to reinforce RBC as a place where your imagination makes an impact. The campaign showcased our revamped [Life at RBC – Our Stories](#) webpage, encouraging potential talent to explore what it's like to work at RBC.
- **Recruitment partners:** We continued to develop strong partnerships with a number of external organizations to recruit employees. Some of our recruitment partners include the Canadian Council on Rehabilitation and Work (CCRW), Big City Bright Future Programme, SEO London, The Bennett Edge, Specialisterne, Spinal Cord Injury Ontario, Canadian Mental Health Association, Uncovering Prospects, Inside Out, Jopwell, National Black MBA Association and People of Color Platform – Twin Cities, UNCF, Ready, Association of African American Financial Advisors (AAAA) and Mossier. We also partner with over 20 accessibility offices on campuses to promote RBC's commitment to hire persons with visible and invisible disabilities.

Attracting diverse talent through listening, engagement and choice

A diverse and inclusive workforce fosters innovation and new ideas. Through our *Diversity Works Here*® event series, RBC deployed unconscious bias education to more than 1,000 hiring managers to help them conduct better interviews. We expanded our outreach efforts by hosting listening sessions with over 500 students representing LGBTQ+, BIPOC communities, newcomers, and persons with disabilities to understand barriers and opportunities to better engage and hire. We leveraged the Career Edge Internship Program to provide opportunities for persons with disabilities, newcomers and new graduates. Career Edge has a strong success rate, with 55% of participants converting to full-time employment in the past 12 months.

A variety of community outreach programs help diverse new talent discover RBC, and provide us the opportunity to build a more inclusive workforce.

Attracting and retaining talent



2021 Highlights

- **RBC Virtually Together:** Expanding on the success of 2020, we virtually onboarded more than 1,500 summer students to roles across our global businesses and functions. Highlights included the RBC Onboarding Café (powered by Ten Thousand Coffees), where students could network with peers and leaders (87% adoption by students); Diversity & Inclusion sessions including a “Belonging at RBC” event with presentations by six enterprise employee resource groups; a virtual swag bag with a one-year LinkedIn Learning License and a subscription to Headspace; and a partnership with Olympian Sarah Wells on the Believe Impact Program, where students built community impact projects. Out of the 300 participants, 91% said the program made their internship more meaningful, and 97% felt it enabled their ability to connect with students across RBC.
- **Campus recruitment:** Aiming to attract early talent across RBC through rotational, co-op and post-graduate opportunities, we welcomed students in all years and programs from more than 90 post-secondary institutions globally. In 2021, 50% of all summer student opportunities were awarded to BIPOC youth and 46% to women, surpassing our student diversity goals of 40% of summer interns identifying as BIPOC.³⁹
- **RBC Career Launch® Program:** Since 2014, this one-year paid internship has bridged the school to work transition for more than 700 recent college and university graduates. In 2021, our second virtual cohort (53% women, 53% visible minorities) joined RBC from 18 communities across Canada – supporting our clients through operations centres, bringing their valuable skills to charitable community partners and partnering with our head office teams.
- **Indigenous Peoples Development Program (IPDP):** In 2017, we launched the IPDP to recruit recent graduates who self-identify as Indigenous (First Nations, Inuit or Métis) Peoples of Canada. The two-year experiential learning program helps them develop the skills and network they need to build their professional experience, with the opportunity to gain exposure to different aspects of finance, auditing, risk management, technology, marketing, capital markets or human resources. To date, we have hired 40 Associates for this program, and in 2022, we intend to hire an additional 22 Associates. In 2020, 50% of participants were promoted and 68% in 2021. This year, IPDP Associates gave back to the local Indigenous communities by working with nine charitable organizations and contributed a total of 5,740 hours to meaningful projects.

Digital talent

As a digitally enabled relationship bank, RBC hires future skills – such as data, design, app development and product ownership – to create seamless client experiences. Throughout the pandemic it has become even more important to attract and retain people with these skills. With a focus on meaningful connections, career coaching, mentoring, learning and growth opportunities, RBC delivers exceptional experiences to our digital talent. In addition to completing a market analysis to ensure we offer competitive compensation, we expanded our existing Tech Hubs and announced plans to welcome 300 tech employees over the next three years to our new Calgary Innovation Hub. Our efforts resulted in over 600 digital talent hires across RBC in 2021, with a 95% offer acceptance rate.

Attracting and retaining talent



2021 Highlights

Developing talent

We strive to accelerate and advance the skills, capabilities and internal networks of our leaders through a variety of programs, including:

- **Leadership Development Program (LDP):** This is a rotational program that builds a pipeline of talent for future leadership opportunities, with a focus on one of five streams: Finance, Internal Audit, Group Risk Management, Enterprise and Personal & Commercial Banking (P&CB). The two-year program consists of four six-month rotations, where employees collaborate with leaders on complex assignments, developing skills and learning through mentorship and formal training. The current cohort comprises 53% women and 71% BIPOC.
- **The Ignite Leadership Development program:** A 10-12 month leadership program for nominated high-potential BIPOC talent aimed at accelerating their trajectory to senior management. The program helps address common challenges, provides opportunities to develop and practice key leadership behaviours and enables cross-bank networking with peers and senior leaders. It also includes formal coaching by an external executive coach and the opportunity to leverage skills and gain experience by partnering with a charity to solve their biggest business challenges. In 2021, Ignite participants helped four prominent charities solve relevant and timely business challenges, donating over 945 hours over an intensive two weeks. To date, 92 diverse leaders have completed this program and 29% of participants have been promoted.
- **Diverse talent sponsorship:** RBC's talent review process includes focusing on the development and sponsorship of potential leaders who are women and BIPOC candidates. A reference guide provides leaders with an understanding of the purpose and differences between coaching, mentoring and sponsorship, and how each applies to the development and advancement of top talent.
- **Women in Leadership:** A global, 10-12 month leadership program offered to nominated, high-potential, senior non-executive women. This program helps women enhance their leadership capabilities, build strategic influence and increase networks and exposure to senior leadership. Since its inception in 2013, 221 women have completed the program and 29% have been promoted.

Inspiring human-centric leadership

Recognizing the critical role of leaders to inspire and retain our talent, RBC rolled out our renewed **People Manager Strategy**. A key focus was on developing human-centric and future-focused capabilities (e.g., empathy, problem solving, building trust, hybrid team dynamics) to strengthen our caring culture and provide the guidance and reassurance teams need in the changing world of work. We built and released solutions aligned with three strategic pillars:

- **Simplify and focus the role:** We used storytelling to better connect RBC's Leadership Model to the manager role, providing clarity to elevate people management across RBC. Digital resources (e.g., Dear People Manager video and podcast series) were leveraged and integrated into relevant people strategies and initiatives.
- **Build capability:** We modernized our people manager curriculum to develop key skills managers need to thrive, and provided flexible options to meet current needs and an effortless path to learning. Based on feedback, the program scored 98% for content relevance, 98% for readiness to apply new skills and 95% for likelihood to recommend.
- **Enable the role:** We expanded the categories asked in our annual Employee Engagement Survey (EES) to better understand manager effectiveness, engagement and enablement, and we identified opportunities to ask managers for feedback on key topics. For example, a crowd sourcing tool gathered input on how managers want to learn, connect and grow from one another, resulting in more than 200 managers participating and contributing over 260 ideas that will inform our future people manager community. Collectively, expanding how we listen to our managers has allowed us to better measure their effectiveness and respond to their needs.



Creating experiences that enable our people

To keep pace with the changing world of work, and meet both the needs and expectations of our workforce, we delivered enriching experiences to enable our people who, in turn, drive positive impact for our clients, communities and each other.

The need to stay connected across a virtual workplace has reinforced the importance of deepening human-centric skills. At RBC, we see adaptability, resiliency, problem solving and imagination as critical to helping us navigate the road ahead. That's why we are creating a future of work where employees receive training, support and a breadth of diverse work experiences that encourage them to be curious, try new things and improve how we do things.

For more information

[Work at RBC](#)

[Life at RBC](#)

Performance metrics	2021	2020	2019
Total hours of instructor-led and web-based training	1.4 million	1.3 million	1.5 million
Total invested in direct and indirect training and career development ⁴⁰	\$63.9 million ⁴¹	\$66.9 million	\$87.3 million
Total invested per FTE in formal training and development ⁴⁰	\$749 ⁴¹	\$797	\$1,054
Average hours of formal training per FTE	17	16	17
Average hours of formal training per management level employee	9.4	10.2	13.2
Average hours of formal training per non-management level employee	13.8	13.6	14.3
Percentage of positions filled by internal candidates	68% ¹⁶	69%	67%
Employee Engagement Survey (EES) 2021 response rate ⁴²	76%	N/A	N/A
EES 2021 Engagement Score ⁴²	88%	N/A	N/A
Men	87%	N/A	N/A
Women	89%	N/A	N/A
Visible minority	88%	N/A	N/A
Persons with disabilities	84%	N/A	N/A
Indigenous Peoples	87%	N/A	N/A
LGBTQ+ people	84%	N/A	N/A



2021 Highlights

Always-on employee listening

To better understand the diverse needs, preferences and workstyles of our global businesses and employees, RBC continues to use a variety of listening initiatives such as Pulse Surveys, an annual engagement survey, diversity and inclusion listening sessions, targeted interviews and focus groups.

In April 2021, we launched a new **Employee Engagement Survey (EES)**, a major milestone on our journey to reimagine how we listen and bring feedback to life across RBC. The survey was designed to create a better survey experience for employees, including fewer questions with more open-ended options to gain a better understanding of sentiment. At the same time, an improved dashboard was developed to provide people managers with greater insight into their teams' results, with access to real-time data and AI assisted insights.

Overall, employees remain highly engaged and feel proud to be a part of RBC. Answering “Strongly Agree” and “Agree”, employee engagement shows:

- 94% feel they **contribute to RBC's success**
- 91% are **proud to be a part of RBC**
- 90% are **willing to go above and beyond**

Despite the challenges posed by the pandemic, employees continued to feel well-supported by RBC. With work-life balance at the forefront, many crave some form of flexibility day to day and see the benefits of both in-person and remote working environments.

Providing an effortless path to learning

In a world where change is the only constant, we are transforming the way we enable continuous learning experiences and accessible development programs. To support professional growth while keeping our workforce safe, we accelerated virtual offerings and micro-learning resources on topics that were top of mind for employees.

- **Inclusion and belonging:** To strengthen our culture of inclusion, new virtual programming and mandatory anti-racism training built awareness and engagement to ensure RBC is a place where people feel they belong and can be their authentic selves.
- **Speaking openly about mental health:** We introduced new resources to help identify the signs of mental health concerns, strategies for prioritizing well-being and techniques to help us confidently address individual needs. This included a new e-learning module, virtual instructor-led training, conversation guides, a video learning series, job aids and supporting resources.
- **Hybrid work:** From fully on premises to fully remote or anywhere in between, today's world of work requires more intentional effort to build relationships, clarify expectations and adapt to new habits and routines. This year, we introduced webinars and learning resources to help employees and people managers adapt to hybrid workplaces, re-establish team norms and stay engaged, productive and connected.
- **Change management:** Managing through uncertainty and ambiguity requires thoughtful planning to consider the impacted stakeholders, implications for the change and ways to mitigate and manage risks. This year, we introduced a new virtual workshop on planning for successful change to help employees apply an agile change methodology.



2021 Highlights

LIFT Performance Enablement

Our “always on” approach to elevating performance and unlocking potential includes a focus on building habits to set ambitious goals, having regular check-ins, giving and receiving feedback, recognizing contributions that exemplify our Leadership Model behaviours and having ongoing conversations about development opportunities. Our LIFT Roadmap provides a year-at-a-glance view of strategies to integrate LIFT Habits, and over 25,000 employees subscribe to the monthly Grow & Develop newsletter, which provides micro-learning on the latest in-demand skills and capabilities.

Building skills needed for today and tomorrow

As the world of work continues to change – due to economic factors, technological innovation and post-pandemic conditions – so does the need to evolve our skills. We endeavour to help employees learn as fast as the world is changing by building relevant skills and resilience to respond and adapt.

- **Top skills:** We published a list of the most common skills required for work across RBC to help guide employees’ development plans. We leveraged initial data from a new job architecture framework along with insights from RBC’s Humans Wanted report and our HR team. Each skill was matched with relevant learning opportunities in a variety of formats to support continuous growth.
- **Leap reskilling:** Combining self-directed and social learning in a book-club-like learning environment, Leap offers a way to develop skills while connecting our employees across departments and geographies. Throughout 2021, this program more than doubled with over 2,400 employees developing critical skills for the future to increase their career mobility.
- **Technical skills assessment:** We introduced a new platform that supports our talent acquisition team and hiring managers to ensure new hires in critical tech talent roles have the required skills for current jobs, and are able to adapt and acquire new skills in the years ahead.
- **Adaptive Micro-Learning:** With 24,000 users, this learning platform is focused on the development of high-performing employees and delivering measurable business results by leveraging the latest in learning methods – for example, micro-learning bursts, AI and data analytics – to deliver a personalized upskilling experience.
- **Capital Markets Emerging Talent Program:** This first-ever developmental experience delivered across multiple teams in Capital Markets enhanced 32 technical and essential skills in a conference-style program including real case studies, hands-on experience and group programs.

Creating experiences that enable our people



2021 Highlights

Enabling our future of work

The pandemic has challenged assumptions about how and where work is done across our global workforce. With an objective to hold onto the best of everything we've learned and recapture what we've missed from our pre-pandemic world, teams are establishing work arrangements to match their needs and strategies. While we know that a virtual workplace is possible for many roles, we also realize there are undeniable benefits to being in person for the moments that matter. That's why we established enterprise guiding principles to inform planning and ensure a consistent employee experience.

- **Flexible work is here to stay:** Hybrid work arrangements will be supported where feasible and optimal for the business, clients and employees.
- **Our approach starts with our business strategy:** Platforms have the flexibility to adopt a tailored approach for specific teams, roles and regions, while enterprise standards set the parameters for consistency and scale.
- **Proximity still matters:** Being close to our employees and the communities we serve is core to our culture and will remain so in the future; for the majority, this means residing within a commutable distance to the office.
- **Strategic investment is required:** To fully enable our employees, we will invest in technology, infrastructure and skill development to operate in a more flexible environment.
- **Inclusive culture with growth opportunities:** Employees should have a consistent and meaningful employee experience with access to development opportunities regardless of their work arrangement or location.

Creating experiences that enable our people



2021 Highlights

Knowing that the key to our hybrid future is staying flexible, we created the **Future of Work Portal**, which is regularly updated to provide the resources employees need, based on their everyday experience and work arrangement. Customized content includes:

- **For people managers:** Conversation guides and playbooks to encourage new ways of working and support their teams' current and future work experience
- **For onsite employees:** Technology support and collaboration tools, welcome kits with the latest health and safety information and guidelines for their RBC location
- **For fully remote or hybrid employees:** Playbooks, learning opportunities and virtual collaboration tools to establish new habits and routines

Return to premises

Throughout the pandemic, the health and well-being of our employees has been a top priority and the starting point for all of our decisions. We've taken a risk-based approach to returning to premises that considers external factors such as new COVID-19 variants, infection trends, local vaccination rates and government restrictions, as well as business needs and internal protocols. While we've successfully welcomed many employees back to RBC premises in some jurisdictions, joining those who stayed on site in client-facing and other critical roles, our approach is flexible to adapt to changing conditions.

As a result of our efforts, RBC was recently recognized by the International WELL Building Institute (IWBI), earning the WELL Health-Safety Rating for 11 Toronto and Greater Toronto Area locations. We've continued to evolve our health and safety measures and now require all RBC employees, who are able, to be fully vaccinated to work on our premises in the regions where we are permitted to do so.

We've continued to take steps to ensure our workplaces support the health and well-being of our employees and clients, such as our daily health pre-screener, physical distancing measures, mask requirements and Plexiglas barriers in branches. As we've done throughout this time, we expect to evolve our approach as we move forward.



Strengthening a diverse and inclusive culture

Our strong culture is a reflection of our Vision, Values and the diverse group of people around the world who bring RBC's Purpose to life every day. We believe a relentless focus on diversity and inclusion is essential to attract, retain and enable the best talent. During 2021, we made measurable progress on our diversity and inclusion commitments and continued to respond to important issues across our communities. Entering the second year of a global pandemic and responding to an uncertain landscape on many fronts, we continued to listen to the needs and views of employees to understand how to create a sense of belonging and inclusion across our virtual workplace.

As a change leader, we are delivering on the commitments we set last year as part of our Actions Against Systemic Racism. In 2021, we launched the Black Entrepreneur Startup Program (BESP) in collaboration with Futurpreneur Canada, invested \$1 million in Black Innovation Capital (BIC) and US\$5 million in L'Attitude Ventures, which invests in early-stage Latino-led businesses, and launched the RBC Black Entrepreneur Business Loan (BEBL). We have also made significant progress in advancing leaders from the BIPOC community across RBC. In particular, BIPOC executive appointments represented 43% of all appointments in 2021, up from 23% in 2020, and surpassing our goal of 30% for the year.

We received recognition as one of two Catalyst award winners globally in 2021, reflecting our ongoing focus on advancing women in leadership. In 2021, women represented 41% of all executive appointments and 54% of all promotions globally. In 2021, RBC placed second out of 100 global companies according to the Refinitiv Diversity & Inclusion Index rating, with an overall score of 81%.⁴³ We are inspired by the talented people behind these numbers and the leaders across RBC who demonstrate their commitment to strengthen an even more inclusive future for their employees, clients and communities.

For more information

[Speak Up For Inclusion
RBC Diversity and
Inclusion](#)
[RBC Action Plan Against
Systemic Racism](#)
[2021 Diversity &
Inclusion Report](#)

Performance metrics ¹³	Goals	2021	2020	2019
Global				
Total number of employees ⁴⁴	–	87,830	86,451	85,193
Canada				
Percentage of women	–	57%	57%	58%
Percentage of women in senior management ¹⁵	–	40% ^①	40%	40%
Percentage of women executives	48% ¹⁴	44% ^①	46%	46%
Percentage of women executive appointments ⁴⁵	50%	41%	36%	40%
Percentage of BIPOC ²	–	39%	39%	39%
Percentage of BIPOC in senior management ^{2, 15}	–	36% ^①	35%	34%
Percentage of BIPOC executives ²	23%	23% ^①	21%	20%
Percentage of BIPOC executive appointments ^{2, 45}	30%	43%	23%	27%
Percentage of persons with disabilities overall ⁴⁶	–	7%	7%	7%
Percentage of persons with disabilities (Employment Equity) ⁴⁷	4.7%	3.3%	3.4%	3.6%
Percentage of Indigenous Peoples ⁴⁸	1.6%	1.3%	1.4%	1.3%
Percentage of LGBTQ+ ⁴⁹	2.0%	2.6%	2.2%	2.0%
Strengthening Inclusion				
Inclusive Experiences Composite Score ¹⁹	–	82% ^①	N/A	N/A

Strengthening a diverse and inclusive culture



2021 Highlights

Building employee awareness of diversity and inclusion

Following up on the more direct conversations around social justice, equity, inclusion and belonging that were accelerated in 2020, RBC committed to enhancing our existing unconscious bias training and introducing the new mandatory RBC Anti-Racism Awareness Training Program for all those who work at RBC. With a 94% completion rate, this module has given employees the opportunity to deepen awareness, gain perspective and develop greater empathy around issues of race, bias and racism.

In 2020, we launched an innovative online course called 4 Seasons of Reconciliation, which has helped employees better understand Indigenous Peoples, Canada's history with Indigenous communities and the importance of truth and reconciliation. We are proud to have extended this course to Canadians more broadly in 2021.⁵⁰

We continued to engage employees in our ongoing video campaign and related learning materials, encouraging employees and the public to continue to speak up for inclusion. "That Little Voice" was the second in a series of videos, and combined with "Speak Up for Inclusion", has reached more than one million views since its inception.

We also introduced a new way of measuring inclusive experiences and established baseline measures in our annual Employee Engagement Survey to actively manage employee sentiment across three pillars of inclusion: psychological safety, belonging and respect/trust.

Diversity in leadership

The only way we can truly represent the communities we serve and harness the potential of our people is to grow the diversity of leaders across our bank. We remain committed to expanding our leadership bench and pipeline, with a particular focus on women, BIPOC, persons with disabilities and LGBTQ+ individuals. Our talent management, leadership development and succession planning strategies are designed to develop a team of leaders who reflect diverse thought, voices and abilities, and are able to drive our business strategies and performance forward in a purpose-driven way.

At a time when **women** and the **BIPOC community** are disproportionately impacted by the pandemic, we are building on our momentum to remove barriers to equity, at all levels and career stages. To retain and advance untapped talent, we have ongoing training and development programs for underrepresented groups, and we involve and encourage leaders to build and strengthen diverse teams by embedding diversity and inclusion goals into people leaders' performance expectations.

Knowing that investing in early talent enables future success, over 50% of all summer opportunities went to BIPOC youth in 2021, exceeding our goal of 40%, and with a specific focus on recruiting from Black and Indigenous communities, to bring broader perspectives to our teams and create career opportunities for a more diverse group of students.³⁹

We continue to develop strong partnerships with external organizations and campuses to recruit employees from diverse backgrounds, which in turn will ensure our pipeline draws from a broader talent pool.

Strengthening a diverse and inclusive culture



2021 Highlights

Increased transparency to support pay equity

RBC is committed to the principles of pay equity for all employees, regardless of their gender or race/ethnicity. We take action to address pay disparities, when identified, across groups of employees performing equal or comparable work. We conduct regular gender- and race-based compensation analyses as part of our compensation review processes and review pay differences, taking into consideration factors such as position level and tenure, specialized skills, business or function, and geography, all of which may contribute to differences in pay.

We measure and manage gender equity and racial equity in pay using a custom business analytics tool, which helps us identify potential differences in pay across groups of employees, adjusting for known variables that impact pay, including observable personal and occupational characteristics such as platform and position level.

In addition, we complete gender equity and racial equity in pay analyses and filings annually, where required, to comply with the Canadian federal Employment Equity Act, provincial and federal Pay Equity legislation, and the UK Gender Pay Gap reporting regulation.

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. As a result of these efforts, we have built new tools, repeatable procedures and training activities to increase manager awareness and avoid potential biases that could affect performance evaluations and compensation.

Median remuneration of women to men (adjusted) ^{51, 52}	2020	2019
Executives (VP/SVP)	94%	93%
Senior management	97%	98%
Management and experienced professionals	97%	98%
Administrative and operational employees	101%	99%
Median remuneration of BIPOC to White (adjusted) ^{51, 53}		
Executives (VP/SVP)	96%	94%
Senior management	101%	101%
Management and experienced professionals	99%	99%
Administrative and operational employees	100%	99%

The past two years have reaffirmed that diversity and inclusion is indeed a journey, and we need to be ready to adapt and respond to challenges along the way. We remain committed to continuing to evolve our practices and programs to drive increased equity and strengthen our inclusive culture.

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

2021 was another year defined by the COVID-19 pandemic, and it presented both challenges and opportunities for RBC and those we serve in ways we couldn't have predicted as the year began. It also became clear that the COVID-19 pandemic has accelerated and reshaped our world and our future in permanent ways – transforming the way we live, work, shop and connect with each other. These changes represent tectonic shifts that won't revert back to the way things were.

At RBC, we have a strong vision for the future. We know that to remain successful requires us to operate in two worlds – our traditional businesses and the pivot to a far more digital world. Doing so takes more innovation, integration and breaking down business silos of what we do so we can redefine and deepen relationships and create more value for our clients.

We are uniquely positioned to create long-term value for our clients through the power of our ideas, investments in talent and technology, and differentiated advice, products and services.

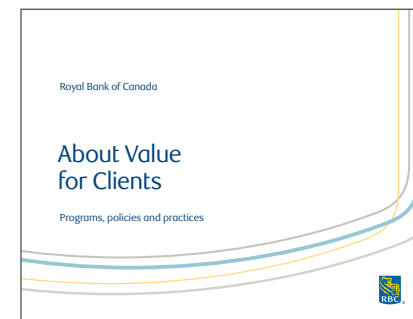
Awards and Recognition[‡]



J.D. POWER

- Ipsos Financial Service Excellence Awards 2021
 - Top ranking in 11 categories, including Recommend to Friends or Family and Customer Service Excellence
- J. D. Power 2021 Highest Customer Satisfaction Award
 - Highest in Customer Satisfaction Among the Big Five Retail Banks for the second consecutive year and five out of the past six years
- Best Payments Innovation Award from The Digital Banker as part of the Global Retail Banking Innovation Awards 2021
- Euromoney Private Banking and Wealth Management Survey 2021; 21 first-place awards including:
 - Best Private Banking Services Overall in North America and Canada
 - Best in Serving Business Owners in North America and Canada
 - Best ESG/Impact Investing Services – Canada
- Family Wealth Report Awards 2021
 - RBC WM was awarded “Innovative Client Solution”
- PWM Wealth Tech Awards 2021
 - RBC WM was awarded “Best Private Bank for Digitally Empowering Relationship Managers, North America”

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



Client satisfaction and loyalty

In 2021, 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 continued to impact many of our clients and their communities. With our brand, we led by example, and acted on behalf of those we serve to provide relief, insights, stability and solutions, in the most difficult of times. 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 continued to accelerate 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 2021, leveraging our reputation and the strength of our brand, we focused on:

- Delivering meaningful insights, advice and solutions to help our clients thrive
- Collaboration across the bank and strategic partnerships
- Accelerating our focus on innovation and digital strategies

For more information

[MyAdvisor](#)
[RBC Insight Edge](#)
[GrantMatch](#)
[RBC ESG Market-Linked GIC](#)
[RBC Vantage](#)
[RBC InvestEase](#)
[RBC Insurance – Maple](#)
[Virtual Care](#)

Performance metrics	Goals	2021	2020	2019
Client Experience Score ²⁰	↑	62.4	64.1	62.2
Relationship share ²¹	>13% ²²	19% 	19%	18% ²³
Relationship share ²¹ – peer average	N/A	13%	13%	12%

Client satisfaction and loyalty



2021 Highlights

Delivering meaningful insights, advice and solutions

- RBC Insight Edge™ is an award-winning, first-of-its-kind Canadian platform for real-time data and insights that helps Canadian businesses plan for recovery and gain competitive edge with real-time market insights. On June 17, 2021, RBC Insight Edge became available for direct access through a subscription to commercial clients and small to medium retail business clients. Helping owners make more data-driven decisions about their business, customers and markets, RBC Insight Edge is part of RBC's overall pursuit to help Canadian businesses scale and manage their operations through enhanced digital capabilities and insights that go beyond traditional banking. RBC offered Insight Edge free trials to 110,000 small business clients struggling as a result of the COVID-19 pandemic.
- Wealth Management Canada (WM Canada) hosted over 3,000 high net worth clients of RBC Dominion Securities® and RBC PH&N Investment Counsel® at virtual events on topics related to physical and financial well-being. The events featured expert speakers from Women's Brain Health Initiative, National Institute on Ageing, YWCA, RBC Economics as well as PH&N Investment Counsel's Chief Investment Strategist.
- In 2021, RBC's Creditor Insurance team improved our ability to help clients make informed decisions by enhancing our What If Protection Tool for advisors. This tool enables a consistent and client-focused insurance conversation using three easy steps to understand the impact that a loss of income could have on their finances. In addition, the Creditor Insurance team made it easier for clients to access information online, enabling faster, more confident protection decisions digitally. This year the RBC Mobile Banking and Online Banking channels enhanced clients' ability to add LoanProtector® insurance (creditor), including Life, Life + Disability, and Life + Critical Illness protection.

Deepening client relationships through collaboration and strategic partnerships

- RBC established a new partnership with GrantMatch, a software-enabled services firm that specializes in securing government grants and incentives for diverse North American businesses across many sectors. RBC business clients can now access the GrantMatch Funding Assessment & Strategy Tool to search for funding opportunities as well as to connect with experts in government incentive programs.
- In July 2021, P&CB in partnership with RBC Capital Markets® launched the RBC ESG Market-Linked GIC, which allows investors to support a global portfolio of companies that focus on things they care about. To be included in the index, all companies must pass a set of rigorous ESG standards; in addition, investors get protection of their original investment and the confidence that comes from investing with RBC.
- RBC InvestEase® is a low-cost, low-effort, smart online investing service, with access to human support that allows clients to start investing with as little as \$100. In addition to our standard portfolios, we offer responsible investing portfolios, which are built with a focus on companies that score highest on a wide range of ESG factors, including carbon emissions, labour management, product safety and quality, and business ethics. These portfolios are ideal for clients wanting to make a positive impact on the world without necessarily sacrificing returns.
- In response to feedback from clients that family caregiving and elder care was one of their top concerns, WM Canada launched a new partnership with Elder Caring Inc. and its principal, Audrey Miller. Through educational articles, events and one-on-one consultations, Audrey introduces strategies to help clients and their families care for loved ones as they age. RBC Royal Trust®, part of WM Canada, has also partnered with experts to help Canadians and their caregivers navigate and prepare for aging-related decisions and life events. The National Institute on Ageing (NIA) is helping RBC Royal Trust improve awareness of the importance of financial,

Client satisfaction and loyalty



2021 Highlights

incapacity and estate planning for older Canadians by providing sound information and resources needed to achieve financial well-being and general peace of mind about the unpredictable future.

- To provide best-in-class services to RBC GAM relationship management teams, distribution partners and clients, we've developed various innovative tools. MyInvestment Portfolio (MyIP), which RBC GAM launched in partnership with P&CB, is one of these tools. MyIP is a fully integrated client discovery, portfolio construction and management platform integrated into RBC P&CB's MyAdvisor® platform.
- The health and wellness of Canadians and being there for our clients continues to be a strong focus for RBC Insurance®. In addition to creating new health and wellness partnerships in 2021, we made many of our existing solutions available virtually. In February, RBC Insurance launched its Mental Wellness Campaign, supported by a series of short videos, to encourage Canadians to do a small act of mental health hygiene and awareness every day. RBC Insurance's Find a Psychologist service was launched in partnership with Strata Health and the Ontario Psychology Association, enabling Ontarians (and their family members) to quickly find professional support based on their needs. Also in 2021, a new partnership with Maple Virtual Care offered RBC Insurance Group Benefit Solutions members direct online access to doctors for a consultation, often within minutes, by video, instant message or phone call – no appointment necessary.

Accelerating our focus on innovation and digital strategies

- P&CB launched RBC Vantage™, Canada's newest everyday banking offering. RBC Vantage brings together a comprehensive collection of powerful benefits that RBC clients can enjoy every day with any personal bank account, with no minimum balance requirements. RBC Vantage delivers a client experience that provides more value: clients can now earn RBC Rewards® points on debit purchases and have more ways to save on monthly account fees. New interactive tools strengthen our clients'

confidence in making critical financial decisions with personalized advice tailored to their unique needs.

- In 2021, WM Canada continued to focus on enhancements to improve our online experience based on direct feedback from clients and advisors. In addition to delivering over 150 fixes and enhancements, the all-new WM mobile experience in the RBC Mobile app was launched and now serves RBC PH&N Investment Counsel, RBC Royal Trust and RBC Dominion Securities clients. Currently, 50% of our clients have gone paperless and receive their documents electronically through RBC WM Online. Through our partnership with Tree Canada, WM Canada planted over 26,000 trees – one for each client household that went paperless. In 2021, this initiative saved over 3,500 trees, 18,000 kg of waste, 2.4 million litres of water and 479,000 kg of CO₂.
- RBC GAM has continued to accelerate the development of new digital capabilities across our distribution channels to enhance the experience of advisors and clients. In 2021, we launched a series of new features on the integrated MyIP/MyAdvisor enterprise platform. These features extend the trade fulfilment and auto-rebalancing capabilities to all branch retail investment accounts, enable advisors to create non-model multi-fund portfolios to meet customized client needs and introduce new capabilities in the RBC Mobile app.
- RBC Insurance has made it easier for our clients to do business with us through a number of digital enhancements, including our Online Insurance portal, which enables clients to have full view of their insurance policies and coverages, and access a number of self-serve features. We also launched a "Go paperless" campaign on Earth Day to increase enrolment in Online Insurance, electronic statements and policies, and reduce paper consumption by 10% in our home and auto business, saving over 850,000 sheets of paper in 2021.

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. In 2016, 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 also leading the way in the responsible and ethical use of AI. For example, Borealis AI developed RESPECT AI™, an online hub that brings open source research code, tutorials, academic research and lectures to the AI community, helping bring ethical AI to all.

Our digital strategy has four objectives:

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

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](#)

[RESPECT AI](#)

Performance metrics	Goals	2021	2020	2019
Percentage of financial service transactions performed through self-serve channels ²⁴	↑	94% 	92%	88%
90-day digital active user rate ²⁵	↑	57% 	54%	52%

Digital enablement



2021 Highlights

Personalized experiences and insights

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.

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. This year, more than 775 million insights⁵⁴ were read by clients using NOMI Insights.

AI-driven digital money management tools

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 more than \$420 per month.⁵⁵ 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 more than 2.2 million budgets using NOMI Budgets to help better control their spending.

Cashflow forecasting: NOMI Forecast provides clients with a quick seven-day forecast of their future cashflow and, paired with other NOMI capabilities, offers a more holistic view of their account activity. It removes the stress of tracking when bills need to be paid, the amount due and how it impacts future cashflow by showing clients their upcoming preauthorized payments from any deposit account. NOMI Forecast is also the first time Borealis' AI technology has been integrated into a retail banking offering, setting the stage for RBC to deliver next generation cashflow forecasting and insights in the palms of clients' hands.

Connecting from anywhere

Remote account opening: Clients can 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.

Advice when you need it: MyAdvisor provides RBC clients with digital access to their personalized plan and connects them to an RBC advisor in their community on live video, by phone or in person at a branch. It has been especially useful during the pandemic since clients can connect with an advisor safely and remotely from the comfort of their own home. The use of the live video option to meet with advisors has soared to 44% from 3% from March 2020 to March 2021. We have now onboarded 2.8 million Canadians on the platform with a personalized plan, helping them stay more closely connected to their finances.

Trust and security

2-Step Verification (2SV): By validating our clients' identities in our mobile app through multi-factor authentication, we can better protect our clients against fraud and notify them when they're at risk. Since the client manages the verification process in the RBC Mobile app, there is no need to manually enter a security code sent to them by email or text. With the press of a single button, they can seamlessly continue with their banking needs knowing their information and accounts are protected. Since no security code is used, there is no threat of it being intercepted.

Remote ID Verification (IDV): Clients can digitally verify their identities both remotely and in the branch. The RBC Mobile app uses AI to check a client's government-issued identification against the security features and characteristics of their driver's licence or passport. By validating our clients' identities in our mobile app, and against government standards, we can better detect and prevent fraud.



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.

RBC is managing privacy risk prudently 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/Privacy 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 47.)

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 Fundamentals of Privacy and Security course annually or biannually, depending on business requirements, which is supplemented with monthly enterprise-wide privacy awareness communications.

RBC did not experience any major privacy breaches in 2021. We manage actual and potential privacy incidents and complaints through well-established processes. Our policy requires privacy incidents to be tracked centrally and reviewed by Compliance/Privacy Officers.⁵⁶

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. In 2021 we continued to make investments in the program and conducted multiple scenarios and simulations to test our resiliency strategy.



2021 Highlights

- **Digital risk profile:** We are managing the risks of the continued evolving digital threat landscape resulting from workforce adoption of hybrid workplace arrangements and client adoption of digital services through layered security solutions including multi-factor authentication and behaviour analytics.
- **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 and machine learning to combat cyber crime and strengthen our end-to-end view of risks and controls across the enterprise. We continue to upskill our staff to ensure we keep pace with the changing cyber risk profile.
- **Third-party relationships:** As the convergence of third-party and cyber risk continues, RBC is evolving the way we assess supply chain risks and the level of exposure arising from third-party relationships, and we are enhancing our resilience through continued improvements in our operational risk programs.
- **Strategic partnerships:** The Cybersecure Catalyst program at Ryerson University enables RBC to provide thought leadership and innovation in cyber security. We continue to expand intelligence partnerships with law enforcement and defense agencies in Canada and internationally.


Responsible investing


Our commitment to integrate ESG factors into our investment process spans the entire organization, including the investment platforms of our RBC GAM⁵⁷ and RBC Wealth Management® (RBC WM) businesses.


RBC GAM

RBC GAM’s Corporate Governance and Responsible Investment (CGRI) team leads the responsible investment strategies and initiatives across RBC GAM, 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 to maximize 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](#)

[2021 Corporate Governance & Responsible Investment Annual Report](#)

[2021 Responsible Investment Survey](#)
[RBC iShares ESG Advanced ETFs](#)

Performance metrics	Goals	2021	2020	2019
Total value of assets under management by RBC GAM that integrate material ESG factors ⁷	↑	\$597.2 billion	\$518.5 billion	\$467.2 billion

Responsible investing



2021 Highlights

RBC GAM

Fully integrated ESG

All of our investment teams integrate material ESG factors into their investment processes. We believe the integration of material 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 2021, we continued to focus on enhancing ESG knowledge firm-wide. ESG education sessions were held featuring both internal and external experts. We discussed a range of topics in these sessions, including climate change, human rights and executive compensation best practices. Education sessions were held both firm-wide and for our internal ESG Champion network. This year, we also enhanced the avenue in which new developments in responsible investment are disseminated across the firm by producing an internal RBC GAM ESG newsletter.
- All investment teams assess material climate-related risks and opportunities in their investment processes. To assist in integrating climate risks and opportunities into the investment process, climate scenario analysis dashboards are produced on a quarterly basis in approximately 100 core portfolios. These dashboards provide detailed analysis of climate-related metrics and factors that may be used in investment decision making.

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 2021, our investment teams held 1,651 engagements with issuers directly and an additional 38 engagements collaboratively with other investors.⁵⁸
- We continue to collaborate with our partners on issues specific to our investments and other market-wide considerations. New collaborative initiatives include becoming a signatory to the Responsible Investment Association (RIA) Canadian Investor Statement on Climate Change as well as being a founding member of Climate Engagement Canada.

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^{59, 60} for 2021:

	Canada	U.S.	Overseas ⁶¹	Overall
Proposals	3,432	11,669	21,786	36,887
Votes WITH management	2,926	9,111	19,564	31,601
Votes AGAINST management	506	2,558	2,222	5,286
Percentage of votes AGAINST management	14.7%	21.9%	10.2%	14.3%

Responsible investing



2021 Highlights

Client-driven solutions and reporting

In 2021, we expanded our responsible investment product lineup in the various regions in which we operate. For more information, please refer to rbcgam.com.

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 CGRI annual and semi-annual reports, highlighting firm-wide responsible investing activities and updates. In addition, our CGRI and investment teams publish topical reports on material ESG factors throughout the year. For more information, please refer to our Insights at rbcgam.com.
- As a formal supporter of the TCFD, we published our first [RBC GAM TCFD Report](#) in 2021. This report describes how we are considering climate-related risks and opportunities in four key areas: governance, strategy, risk management, and metrics and targets.
- We filed a UK Stewardship Code report in line with the Financial Reporting Council's new principles and met their expected standard. As a result, RBC GAM is now a signatory to the [UK Stewardship Code 2020](#).
- RBC GAM supports the principles of the Paris Agreement and the global goal of achieving net-zero carbon emissions by 2050 or sooner. Our net-zero ambition was released in 2021 and sets out our expectations and actions in this area.
- We published our 2021 annual [RBC GAM Responsible Investing Survey](#) of over 800 institutional investors and investment consultants across the U.S., Canada, Europe and Asia.

RBC WM

As a leader in responsible investing, RBC WM is committed to a better future. RBC WM investment teams offer investment options in all three of the applications of responsible investing described below. These investment options span all investment vehicles and platforms at RBC U.S. Wealth Management (RBC USWM) and RBC WM Canada.



Responsible investing



2021 Highlights

The metrics below measure investments in our vetted and recommended responsible investing (RI) solutions in both markets.

Performance metrics	Goals	2021	2020	2019
RI assets under management by USWM	↑	\$9.4 billion	\$6.6 billion	\$4.4 billion
RI assets under management by WM Canada	↑	\$2.1 billion	\$0.7 billion ⁶²	N/A

RBC USWM

Interest in responsible investing continued to grow at RBC USWM in 2021; efforts were focused on the continued expansion of information and investment solutions available to clients. There were three key focus areas in 2021:

- **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. In 2021, we launched a client questionnaire designed to help clients better articulate what responsible investing means to them.
- **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 2021, 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 2021, the PAG team considered ESG risks when making investments using an ESG-aware approach. In 2021, PAG hired a responsible investing and ESG portfolio manager to launch more dedicated ESG solutions in the coming year.

RBC WM Canada

WM Canada continued to make a concerted effort to expand responsible investing practices. In 2021, WM Canada worked to drive adoption by advisors and clients through thought leadership and adding additional investment vehicles to the platform. Beyond that, WM Canada is following a similar strategy to the one laid out for USWM.

Sustainable finance

Our approach to sustainable finance integrates ESG insights and traditional financial analysis and market perspectives. 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, and after just two years we surpassed that goal. In 2021, we increased our commitment to provide \$500 billion in sustainable finance by 2025.

This commitment supports companies and projects that are widely recognized as contributing to a net-zero, inclusive economy of the future. Achieving this goal and supporting our clients in the transition to a net-zero economy are key pillars of our enterprise climate change strategy, the RBC Climate Blueprint. To learn more about our approach and the services we provide, please visit our Sustainable Finance website.

We look forward to continuing to help our clients achieve their sustainability goals by delivering advice and solutions that also aim to create positive outcomes for clients, communities and our planet. 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](#)

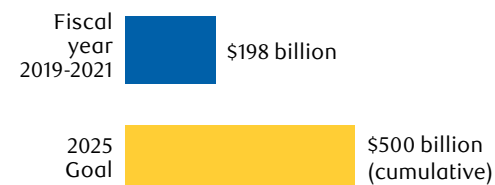
[RBC Capital Markets ESG Hub](#)

[Sustainable Finance Commitment](#)

[RBC Sustainable Bond Framework](#)

Performance metrics ⁶³	2021	2020	2019
Credit extended to eligible clients and projects ⁶⁴	\$7.3 billion	\$8.8 billion	\$7.4 billion
Value of green loans and sustainability linked loans ⁶⁵	\$17.5 billion	\$2.9 billion	\$1.2 billion
Value of sustainable bonds underwritten ⁶⁶	\$15.6 billion	\$5.9 billion	\$4.8 billion
Value of eligible U.S. municipal bonds underwritten ⁶⁷	\$23.0 billion	\$36.5 billion	\$21.4 billion
Capital raised for eligible clients and projects ⁶⁸	\$7.4 billion	\$3.9 billion	\$3.4 billion
Value of M&A deals for eligible clients and projects ⁶⁹	\$9.8 billion	\$13.5 billion	\$1.1 billion
Tax credit investment closed ⁷⁰ in affordable housing	\$0.9 billion	\$1.5 billion	\$1.4 billion
Tax credit investment closed ⁷⁰ in renewable energy	\$0.2 billion	\$0.3 billion	\$0.1 billion
Value of sustainable bond holdings ⁷¹	\$2.1 billion	N/A	N/A
Structured notes ⁷²	\$0.01 billion	N/A	N/A
Total value of sustainable finance	\$83.8 billion	\$73.3 billion	\$40.8 billion

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



Sustainable finance



2021 Highlights

- RBC is proud to support the growth and diversification of the sustainable debt market. In 2021, we:
 - Provided \$33.1 billion in financing for sustainable bonds and loans
 - Issued a five-year US\$750 million green bond in July, representing RBC's second green bond issuance to date and the first under RBC's Sustainable Bond Framework. Notably, we included four diverse-owned dealers in the transaction, including veteran-owned, minority-owned and female-owned dealers.
 - Published our second annual [RBC Green Bond Report](#) to provide details on the allocation of proceeds from our inaugural EUR500 million green bond to a portfolio of eligible green assets
 - Hosted our eighth annual Sustainable Bond Conference
- Since formalizing our ESG strategy in July 2020, RBC Capital Markets has made considerable progress embedding ESG across the business and expanding the scope of products and services offered. As part of our strategy, RBC Capital Markets seeks to deliver ESG ideas and insights through thought leadership and events. In 2021, we:
 - Created value for investors through ESG Stratify™, our fully integrated ESG equity research offering
 - Published our Sustainability Matters client newsletter, providing analysis of current events and emerging trends and their impact on the ESG landscape
 - Hosted our inaugural Global ESG Conference, featuring 46 sessions over three days, including high-profile keynotes, engaging panel discussions and intimate fireside chats. The conference was attended by over 2,100 global registrants from 950 organizations.
 - Delivered *Unlocking ESG: Navigating the Sustainable Finance Ecosystem*, a webinar series for corporate clients to promote ESG best practices
 - Delivered *Navigating the Energy Transition*, an ongoing webinar series that provides deep industry dives into climate ready solutions, supporting our position as a thought leader in the energy transition
- In 2021, RBC announced the creation of the ESG Credit Group within RBC Capital Markets. The team works closely with the Sustainable Finance Group, Loan Portfolio Management, Corporate Banking and Enterprise Risk to integrate ESG considerations into the lending process and support the measurement of financed emissions from our lending activity.
- In 2021, RBC also created the Energy Transition Working Group within RBC Capital Markets. The group's mandate is to originate and execute equity, debt and advisory mandates to capitalize on the build-out of a lower carbon energy future. The group draws on the expertise of our Global Energy and Global Power, Utilities and Infrastructure investment banking teams.
- Our Community Investments group provides equity for affordable multi-family and senior housing communities, as well as wind and solar energy projects in the U.S. As of October 31, 2021, this team oversees the management of more than 96,600 affordable homes, has 1,069 affordable housing tax credit assets under administration and has financed over 2.1 gigawatts of energy capacity generated by 35,000 renewable energy assets since its inception.
- RBC continues to be active in the North American and European carbon markets, trading over 1.5 billion tonnes of CO₂-equivalent credits in 2021, a growth of 135% over fiscal year 2020.
- RBC maintains strong partnerships with vehicle manufacturers to provide key financing options for low- and zero-emission vehicles. Through the Clean Energy Vehicle Financing Program, the amount of financing we provide annually for hybrid and electric vehicles more than doubled between 2018 and 2021.
- RBC joined the Rocky Mountain Institute (RMI) Center for Climate-Aligned Finance in February 2021 as a strategic partner to work collaboratively with our clients and other financial institutions on supporting the transition to a net-zero economy.

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 positive social impact is integral to how we do business and core to our purpose-driven culture. As a purpose-led company, we are committed to creating positive social and economic impact in the communities where we live and work, and we play an essential role in the areas of the environment, diversity and inclusion, financial literacy, inclusive economic growth and prosperity, and building a more sustainable economy. 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 key stakeholders including our clients, employees and shareholders.

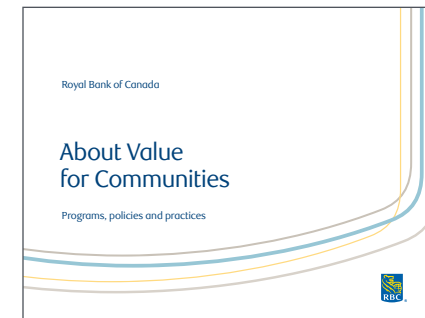
The world is transforming at an unprecedented pace. We will continue to leverage our leadership to engage in important conversations and take a stand on issues that matter while harnessing our resources to help create solutions and opportunities for those we serve.

Awards and Recognition[†]



- Member of the Dow Jones Sustainability North American Index
- Member of the FTSE4Good Index
- In 2021, the RBC Supplier Diversity Program was a finalist for the Women Business Enterprises (WBE) Canada Excellence Awards for Most Improved Supplier Diversity Program.

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.

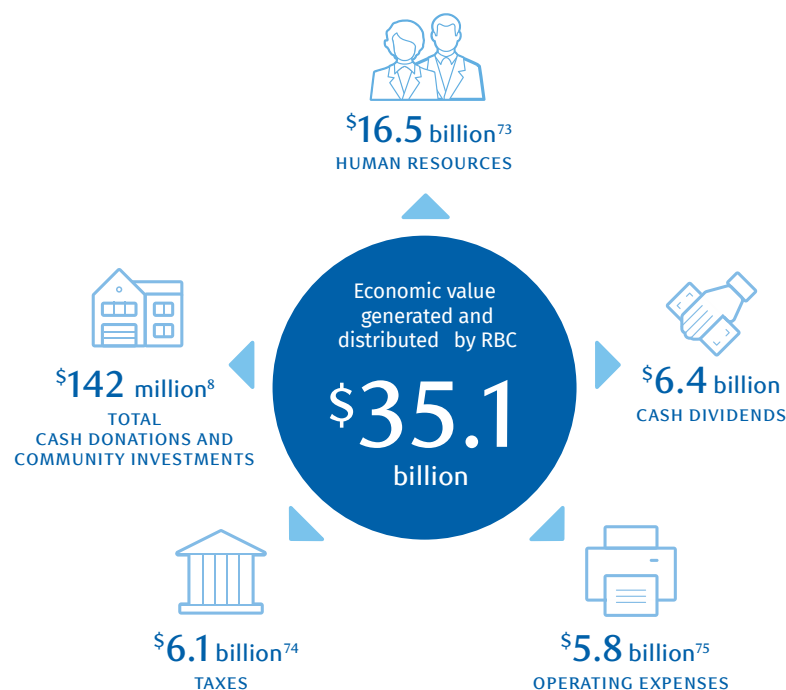


Economic value generated and distributed

For RBC, generating and distributing economic value is about how we fulfil 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 2021, we earned revenue of \$49.7 billion and distributed \$35.1 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 [2021 Annual Report](#). For more information on our community investment activities, see page 59.

According to the Global Reporting Initiative (GRI), “economic value generated and distributed”²⁶ 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	2021	2020	2019
Total value of goods and services purchased globally ⁷⁶	\$8.8 billion	\$9.0 billion ⁷⁷	\$9.6 billion ⁷⁷



2021 Highlights

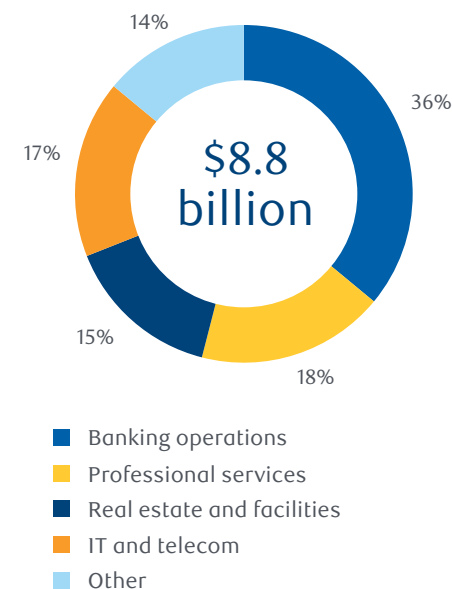
Responsible procurement and supplier management

In 2021, RBC paused its use of the CDP supply chain survey due to cross-industry changes in operations as a result of the COVID-19 pandemic. RBC also began work to better understand climate commitments that key suppliers have made, and is exploring opportunities to directly engage with suppliers in important categories of enterprise spend. This work will continue in 2022 and is focused on identifying climate-related risks and opportunities throughout the supply chain, including measurement of GHG emissions in key areas.

How we do business is as important as what we do, and RBC remains committed to working with its suppliers to minimize and reduce their environmental impact. Our Procurement team uses a standard set of Request for Proposal (RFP) questions that assess factors important to RBC including diversity & inclusion and environmental impact. Responses to these questions are assigned mandatory weights and form part of RBC's overall supplier evaluation process.

We are committed to ensuring that our procurement strategy and RFP process reflect RBC's Purpose, Vision and Values, and that our suppliers meet the expectations of both RBC and our clients to act as good corporate citizens.

2021 Enterprise spend breakdown by category



Responsible procurement and supplier diversity



2021 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 2021, RBC continued to strengthen the supplier diversity program in Canada, the U.S. and the UK, promoting inclusive supply chain opportunities to Indigenous-, women-, BIPOC-, LGBTQ+-, persons with disabilities- and veteran-owned businesses. In support of certified diverse suppliers,⁷⁸ and addressing the challenges posed by the COVID-19 pandemic, the program helps 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.

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, which focuses on significant societal issues, and we have 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 \$106 million in cash donations and \$36 million in community investments globally in 2021, including total contributions exceeding \$13 million since the onset of the pandemic to mitigate the human and economic impacts of COVID-19. A significant portion of the cash donation contribution 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

Disaster and humanitarian relief

Throughout 2021, urgent action was required to respond to tragic humanitarian and environmental crises. RBC and RBC Foundation mobilized to support community partners in these significant times of need, including:

- In response to the discoveries of thousands of unmarked graves at former Residential School sites, a \$250,000 donation to the Indian Residential School Survivor Society to expand their 24-hour helpline and onboard Traditional Healers
- In response to the ongoing humanitarian crisis in Afghanistan, a commitment of \$200,000 split equally between the Afghan Women's Organization and Windmill Microlending to support the over 20,000 refugees arriving in Canada

Additional support was directed through regional Red Cross branches for relief efforts in response to wildfires and floods in Western Canada, Hurricane Elsa in Barbados, the magnitude 7.2 earthquake in Haiti and Hurricane Ida in the Southern United States.

For more information

[RBC Impact Measurement Framework](#)
[RBC Future Launch](#)
[RBC Emerging Artists Project](#)
[RBC Tech for Nature](#)
[RBC Action Plan Against Systemic Racism](#)
[2021 Public Accountability Statement](#)

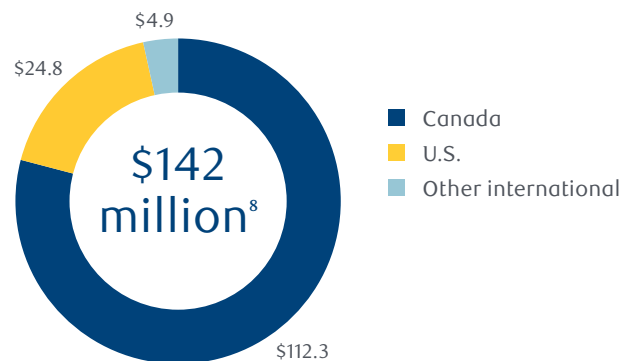
Community and social impact

Impact Measurement Framework

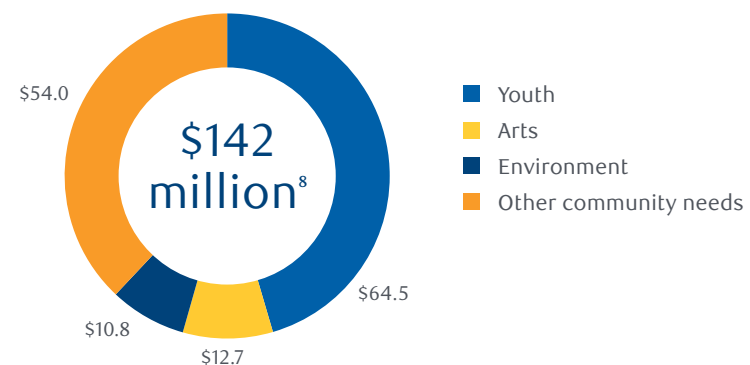
In 2018, we developed the [Impact Measurement Framework](#) (IMF) to help guide our investment decision making and ensure our overall impact on society is managed appropriately. The RBC IMF measures impact by quantifying potential benefits across six pillars – social, environment, economic, employee, 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 89 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	2021	2020	2019
Cash donations	\$106.0 million	\$109.8 million	\$111.4 million
Community investments	\$36.0 million⁷⁹	\$32.4 million ⁷⁹	\$19.4 million
Commercial initiatives ⁸⁰	\$56.0 million⁸¹	\$61.0 million ⁸¹	\$80.2 million
Total amount donated by employees through our annual Canadian Employee Giving Campaign	\$23.0 million	\$23.9 million	\$19.4 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 has compounded the challenges facing young people as they prepare for a dramatically changing workforce, but it has also strengthened our resolve to help them chart their path. In 2021, we intensified our focus on delivering greater utility to Canadian youth in response to the social equity gap that emerged in the wake of the COVID-19 pandemic. Whether it was access to employment, job-ready networks or mental health services, RBC Future Launch, our 10-year, \$500-million commitment to support young people, increased reach and impact where it mattered most.

The COVID-19 pandemic has also accelerated the evolution of our community relationships into transformational partnerships that support youth in very practical and meaningful ways. Scaling our partnerships from 130 to over 500 has provided the base from which we can adapt relationships, programs and utility to fit the current and emerging needs of young people. As a result of our efforts, we've reached 3.6 million youth since 2017, and over 880,000 of them have reported feeling better prepared for the future of work. The program also continues to unlock partner capabilities to deliver economic impact, such as enabling economic growth for entrepreneurs, supporting small businesses to hire youth employees, providing access to training in cloud computing and digitizing over 40 programs to be accessible globally.

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 \$265 million since 2017 in cash community investments and other support through 550+ partnerships, we have increased the number of youth reached through high-impact programs. In 2020, we committed to providing \$50 million in focused funding through RBC Future Launch, to create meaningful and transformative pathways to prosperity for up to 25,000 BIPOC youth by 2025, with investments in areas such as skills development and mentoring. In 2021, we contributed nearly \$17 million towards our goal. We have also created tools, programs and partnerships to leverage RBC's scale, influence and assets, thus multiplying the impact of our substantial financial commitment. In 2021, over 400,000 youth accessed tools such as [RBC Upskill](#), [Future Launch at Home](#), [Magnet](#), [Riipen](#) and [Prepped](#).

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, employees across RBC and most importantly young Canadians, to ensure what we build is relevant and applicable.

Performance metrics	2021	2020	2019
Percentage of diverse ²⁸ participants	84%	83%	82%
Percentage of youth participants that feel better prepared for the future ²⁹	75%	71%	77%
Total amount invested in youth-related organizations	\$64.1 million	\$64.0 million	\$60.1 million
Number of young people reached through RBC Future Launch ²⁷	3.6 million	2.5 million	1.9 million

Community and social impact

RBC Tech for Nature

RBC Tech for Nature™ is our multi-year commitment to accelerate tech-based sustainability solutions. Using a more-than-money approach, RBC is bringing together charitable partners, technology experts, the public and the private sectors, 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 72 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, the LGBTQ+ community, 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 [2021 Public Accountability Statement](#).

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 2021, we supported over 250 organizations with nearly \$10 million to create exposure, networking and training opportunities to help over 6,300 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 2021, 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 with innovative and digital solutions that create exposure and performance opportunities for emerging artists. We also increased investments in Indigenous programs to enable the creative economy by helping artists transition from emerging to emerged. Students, educators and emerging artists are gaining a clearer understanding of opportunities in the arts sector, resulting in thriving and successful careers across all genres.

Engaging employees as agents of social change

RBC employees around the world have continued to find unique and safe ways to support their communities in the face of uncertainty. In 2021, employees and retirees volunteered over 109,000 hours in their local communities. With the uncertainty of the COVID-19 pandemic still affecting charities around the world, we committed to increasing our skills based volunteering programming to benefit both employees and their communities. This was part of ensuring that both employees and community members had a chance to work together toward solutions for long-term change. The 12-week Social Impact Learning program and four-day Ignite Hackathon moved to a virtual format to bring together over 275 global RBC employees to provide nearly \$4 million in pro-bono services and work to develop and implement an actionable solution to a challenge identified by RBC's community partners. Both programs focused on BIPOC communities and RBC future leaders in tandem with RBC's diversity and inclusion strategy.

Together, our employees and retirees raised over \$23 million for more than 5,000 charities across Canada during our annual Employee Giving Campaign. For the first time the campaign was completely virtual, increasing the number of employees who participated. The goal of the campaign is to make it easy for employees to support the charities of their choice through volunteering their time, making personal donations and creating virtual team events to support their community.

With the continued impact of the COVID-19 pandemic on live events, RBC employees, charities and communities came together virtually for the second year to participate in the global RBC Race for the Kids™ event. In Canada, there were over 17,000 participants, including over 8,000 RBC employees, family and friends, raising more than \$4.5 million to support our Canadian charitable partners, with a focus on youth.

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. The compounding effects of the COVID-19 pandemic have eroded the financial resilience of many individuals, materially impacting their financial well-being.

The increased prevalence of these stressors has placed a heightened importance on financial inclusion and literacy for RBC, our clients, and communities. In Canada, our efforts are geared to low-income individuals, seniors, persons with disabilities, youth and young adults, Indigenous Peoples and newcomers. We offer a suite of 25+ solutions around financial literacy and inclusion, either directly through RBC or through partners, that target different needs such as an AI-powered predictive and personalized money savings solution, money management apps, a customizable online finance tracker, and personal finance education. Since 2019, we have offered free online personal finance education to individuals across Canada, in both official languages, in partnership with McGill University. We also provide financial literacy education through other partner organizations including BGC Canada, International Development and Relief Foundation (IDRF), Katimavik and TakingItGlobal. The [Value for Clients](#) section of this report has more information on our solutions including NOMI Find & Save, RBC Vantage and MyAdvisor. Also, a detailed list of solutions can be found in the [About Value for Communities](#) background paper. Our support for financial literacy initiatives is also summarized on pages 14-17 of our [2021 Public Accountability Statement](#).

For more information

[2021 Public Accountability Statement](#)
[ACCES Employment](#)
[RBC Indigenous Student Awards Program](#)
[Futurpreneur](#)
[McGill Personal Finance Essentials](#)
[About Value for Communities](#)

Performance metrics	Goals	2021	2020	2019
Total amount donated to financial literacy programs	↑	\$4.0 million	\$5.0 million	\$4.8 million
Total amount invested in financial literacy programs for youth	↑	\$1.7 million	\$1.8 million	\$1.7 million



2021 Highlights

- McGill Personal Finance Essentials (MPFE) course:** RBC Future Launch partnered with McGill University's Desautels Faculty of Management and the Globe and Mail to offer free, bilingual personal finance education to individuals across Canada. Launched in 2019, the MPFE course is a complimentary online learning experience, taught by McGill University professors, intended to enhance participants' knowledge and skills related to their own personal finances, on their own time. The course is divided into eight modules covering key topics such as budgeting and

saving, the time value of money, investing, real estate and behavioural finance. All participants who complete the learning modules and tests receive an attestation of course completion. To date, the MPFE course has surpassed 200,000 registered users. Approximately two-thirds of participants were under the age of 35.



2021 Highlights

- **Financial Literacy for Indigenous Peoples course:** In October 2021, RBC launched a course aimed at providing Indigenous Peoples with access to resources and information on managing personal finances. Created in partnership with the First Nations Child & Family Caring Society, the course provides practical advice and guidance on managing money with confidence and planning for the future. It was created in response to a recommendation by First Nations youth who gathered in 2019 to discuss the need for changes to child welfare and provide thoughts on the compensation for First Nations children, youth and their families that was ordered by the Canadian Human Rights Tribunal earlier that year. The course is divided into five modules covering key topics such as basics about money and banking, budgeting, managing debt and credit, and saving and investing. Each module is accessible in written PDF form and also includes online multimedia material, such as short introduction videos featuring RBC's Indigenous employee resource group, the Royal Eagles. The entire course can be viewed in approximately two hours and completed at their own pace.
- **Financial literacy outreach initiatives:** RBC continued its efforts to deliver financial literacy advice to youth in 2021 through virtual workshops. Through its Future Launch Champions network of over 130 talented professionals across the bank, RBC delivered 94 workshops on financial literacy, reaching over 2,100 youth. Of those, 40 workshops were conducted in partnership with BGC Canada, focused on teaching the basics of banking and the power and risks of credit, with the goal of providing participants with increased confidence in handling their money through effective budgeting.
- **Mydoh:** We are committed to helping youth build better banking behaviours through Mydoh, the financial literacy app that is backed by Smart Cash Card. Since its launch in 2020, Mydoh has launched a first-of-its-kind innovation in Canada – a secure, numberless, physical Smart Cash Card for kids (card details are only available in the app). Mydoh has also been named the North American winner of the 2021 Gartner Eye on Innovation Award for Financial Services.
- **Arrive®:** RBC continues to invest in a beyond-banking venture called Arrive, where the objective is to help newcomers achieve their life, career and financial goals in Canada. Arrive is a free digital platform for newcomers. Through the Arrive app and content hub, newcomers can access personalized tools, resources and learning modules. The Arrive content hub also provides newcomers with workshops and webinars to prepare for life in Canada, on topics such as searching for a job and accessing healthcare and housing. In 2021, on average, more than 87,000 newcomers a month accessed the Arrive platform, demonstrating a significant need for relevant information and support during these uncertain times.
- **On Campus Advisor network:** Students across Canada have greater access to advice, tools and resources through our RBC On Campus Advisor network, engaging students by delivering financial literacy content in a fun and interactive way. Across 20+ Canadian campuses, domestic and international students have access to free in-person and digital advice sessions to help them feel comfortable talking about money and better prepare for their school year and financial future. In 2021 over 69,700 students across the country participated in the RBC On Campus Mission: Tuition Virtual Scavenger Hunt, where they answered questions and learned about financial literacy topics that are hyper-relevant to students. After playing, 88.8% felt more prepared to discuss their finances.

Value for Planet



Our Priorities

- Help clients as they transition to net-zero
- Hold ourselves accountable
- Inform and inspire a sustainable future
- Advance net-zero leadership in our own operations

BluEarth Renewables' Yellow Lake and Burdett Solar Facility in Alberta, Canada – RBC is proud to have a power purchase agreement with this facility.⁸²

Reimagining a sustainable future

Global plans to drastically reduce greenhouse gas emissions to achieve net-zero by 2050 require the largest change to our economies in our lifetime, and one that RBC is fully committed to supporting.

The RBC Climate Blueprint (Blueprint) is our enterprise climate change strategy to accelerate clean economic growth and support our clients in an inclusive transition to a net-zero economy. The Blueprint was updated in 2021 and now outlines four strategic priorities that are anchored by our strengths in finance, investment, risk management, innovation, economic and policy research, and community investments.

In 2021, we committed to aligning our lending activities to net zero emissions by 2050, which also aligns with the goals of the Paris Agreement. To support our net-zero ambition, we joined the NZBA, a global, industry-led initiative to accelerate and support efforts to address climate change. It is a time for action, which is why, along with our Blueprint and NZBA commitments, we also present details in this chapter on our net-zero lending plan and examples of how our strategy is creating impact today.

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, we produce a standalone TCFD report and we have a climate hub on [rbc.com](https://www.rbc.com). We recommend readers review these additional disclosures that complement the content in this chapter.

Signatory to or supporter of

- Net-Zero Banking Alliance (NZBA)
- CDP
- Equator Principles Association
- United Nations Principles for Responsible Investment
- The Green Bond Principles
- TCFD recommendations

Memberships and Partnerships

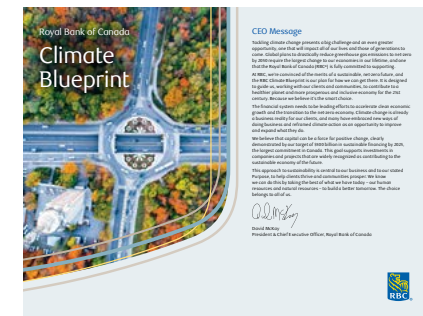
- Climate Bonds Initiative
- United Nations Environment Programme Finance Initiative
- Smart Prosperity
- Business Renewable Centre Canada
- Partnership for Carbon Accounting Financials
- RMI's Center for Climate Aligned Finance
- Sustainable Finance Action Council

Awards and Recognition

- Canada's Greenest Employers



For more information on our climate-related commitments, please see the [RBC Climate Blueprint](#), [RBC Climate Blueprint video](#) and our [2021 TCFD Report](#).



RBC Climate Blueprint

Our strategy was updated in 2021 and is designed to position us as a partner for clients and our communities as they look to invest in activities to transition to a net-zero economy, ultimately deepening client relationships and developing new markets that build resiliency and accelerate clean economic growth.

Our Strategic Priorities		Our Actions and Commitments		
	Help clients as they transition to net-zero	Work with our clients to understand and support their transition plans and facilitate \$500 billion in sustainable financing by 2025⁸³	Expand our products, services and client solutions to help businesses and individuals accelerate their climate goals and overcome barriers for adoption	Provide more investment options for clients with climate-related objectives and more tools for investment teams to understand climate-related risks and opportunities
		Achieve net-zero emissions in our lending by 2050 , with interim targets aligned with our clients' plans and NZBA commitments, with transparent measurement and reporting	Further embed climate factors and data in our decision-making to anticipate future impacts within our enterprise risk appetite and make client by client decisions	Partner with our industry peers, standard setting bodies, government and other players to advance shared methodologies, accounting frameworks and disclosure best practices
		Produce research on climate issues and policies, and convene stakeholders , to stimulate and effect meaningful actions and incentives for progress across all sectors	Foster climate innovation including new investment vehicles and platforms such as RBC Tech for Nature™ , our pledge of \$100 million by 2025 to universities and charities developing solutions to address climate change ⁸⁴	Champion and support climate literacy and awareness to accelerate the pace and scale of the climate transition across all parts of society
		Reduce greenhouse gas emissions by 70% by 2025⁸⁵	Increase our sourcing of electricity from renewable and non-emitting sources to 100% by 2025	Maintain carbon neutrality in our global operations with a decreasing reliance on offsets annually
	Advance net-zero leadership in our own operations			



Help clients as they transition to net-zero

Our key businesses have an assigned executive to climate change and are configured to address the sustainable financing, responsible investment and client needs associated with the net-zero transition. We are partnering closely with our clients to help them achieve their sustainability objectives and support global efforts to achieve net-zero emissions. We believe these efforts will have a meaningful impact in successfully achieving net-zero and supporting economic prosperity. A selection of business highlights can be found below with additional highlights presented in our [Value for Clients](#) section and the [2021 TCFD Report](#).

Key 2021 Highlights

Enterprise

- To support our clients, RBC committed to deploy \$500 billion in sustainable finance by 2025, increasing from a previous commitment of \$100 billion, which was achieved in 2020. In 2021, we facilitated \$83.8 billion in sustainable finance, up 14.3% from the previous year.
- In July 2021, we announced the successful completion of a five-year US\$750 million Green Bond offering. The proceeds will finance or refinance a portfolio of assets primarily in the categories of renewable energy, green buildings, sustainable land use and clean transportation.

Capital Markets

- Is the number one dealer in underwriting green bonds and maintains the largest market share of Canadian public sector green bond deals in Canada.
- Is active in the North American and European carbon markets, trading over 1.5 billion tonnes of CO₂-equivalent credits in 2021, a growth of 135% over fiscal year 2020.
- Through the US Community Investments group, financed over 2.1 gigawatts of renewable energy capacity generated by 35,000 renewable energy assets since inception in 2015.
- Hosted our first annual Global ESG Conference and our eighth annual Sustainable Debt Conference.

Global Asset Management

- Published a standalone [TCFD report](#) on climate-related risks and opportunities that includes disclosures on carbon emissions and climate scenario analysis for assets under management.
- Published our [net-zero ambition](#). This confirms RBC GAM's support for the global goal of achieving net-zero emissions by 2050 or sooner, and establishes commitments to measure and monitor net-zero alignment with our investment approach and provide transparency and disclosure on net-zero to our clients.
- Measured and monitored portfolio GHG emissions, asset stranding risk, temperature alignment, and conducted a scenario analysis for 100+ core equity and fixed income funds on a quarterly basis.

Personal & Commercial Banking

- Our Clean Energy Vehicle Financing Program maintains strong partnerships with vehicle manufacturers to provide key financing options for hybrid and electric vehicles. The amount of financing we provide annually for green vehicles has more than doubled between 2018 and 2021.
- RBC is one of the only Canadian financial institutions with a dedicated, national cleantech practice through [RBCx™](#), the technology and innovation banking group of RBC. To support the growth of the cleantech sector, we work with a number of external partners and venture capital firms to identify and overcome the hurdles to commercialization.
- In partnership with RBC Capital Markets, we launched the RBC ESG Market-Linked GIC for retail clients. In order to be included in the index, all companies must pass a set of rigorous ESG standards.

Hold ourselves accountable

We are making investments in people, capabilities, data and analytics that will help us achieve our net-zero lending commitment. An important initial step is our first disclosures of our Scope 3 financed emissions. This baseline is a foundational dataset that helps us establish an enterprise climate risk appetite, set interim financed emission reduction targets and build out climate-related stress testing programs.

Financed emissions

In 2021 RBC joined PCAF⁸⁶ to align with a globally recognized GHG emissions accounting and reporting standard and advance our capabilities in measuring the emissions associated with our lending and investments (GHG Protocol, Scope 3, category 15, “financed” emissions). We have conducted an initial measurement of the emissions associated with our portfolio across all six PCAF asset classes. This first disclosure represents our clients’ Scope 1 and 2 emissions. For this exercise we have combined two of the six assets classes, business loans and project finance, as the calculation methodology is similar for both asset classes. Due to limitations in emissions data availability, this first disclosure for all six asset classes is overwhelmingly at PCAF data quality Score 5, which PCAF defines as uncertain (estimated data with very little support). Consequently, we are viewing our initial results as estimates of our total financed emissions. Our goal is to improve our data quality score over time, as both emissions data availability and our capabilities related to measuring our financed emissions improve.

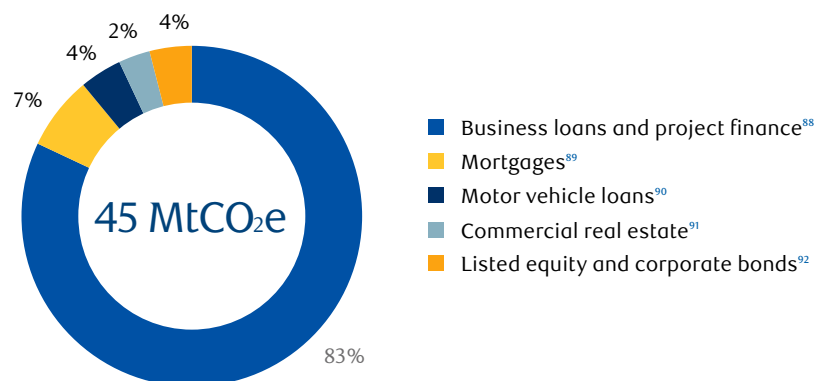
Initial results

In total our initial estimates are that RBC’s portfolio of financed emissions account for approximately 45MtCO₂e, with business loans and project finance collectively representing 83% of our total financed emissions.⁸⁷ Business loans, project finance and mortgages combined make up 90% of RBC’s total financed emissions.

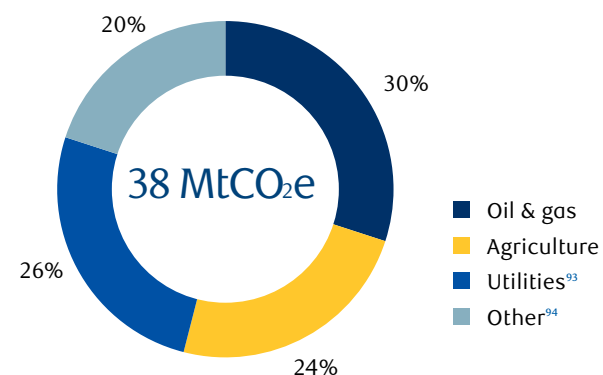
Our top three emitters: oil & gas, agriculture and utilities

Measuring our financed emissions has given us an initial look at the financed emissions, broken down by sector, within the business loans and project finance PCAF asset classes. This has helped us to prioritize specific areas of our portfolio as part of our net-zero strategy.

Initial estimates of RBC’s financed emissions by asset class⁸⁷



Initial estimate of emissions from RBC’s Business Loans and Project Finance⁸⁸



Hold ourselves accountable

Net-zero lending

Achieving net-zero emissions in our lending will require absolute GHG emissions reductions across a number of key sectors that are both high-emitting and critical to the Canadian economy. These sectors include, but are not limited to, oil & gas, utilities, agriculture, industrial products, transportation and mining & metals.

It is our ambition to capture a disproportionate share of the business opportunity presented as the economy works to decarbonize. We are encouraged to see that many of our clients in these key sectors are committing to reducing their GHG emissions, accelerating meaningful action and making multi-decade investments in cleaner production and products, and alternative energy sources. And we believe that clients who are strategic, have credible GHG emissions reduction plans and execute against those plans will be successful in the net-zero transition. The challenge is how to accelerate the transition with a focus on getting to net-zero with a sense of urgency while at the same time managing and planning complex change across geographies and economies.

The early actions we are taking related to our net-zero lending commitment focus on understanding and tracking our clients' plans to reduce GHG emissions, plans that aggregate up to our targets with a view of net-zero by 2050. This includes consideration of client and sector-level emissions (absolute- and intensity-based), client GHG emissions reduction plans and progress in achieving these, being mindful of sectoral transition pathways. We will continue to work with clients to help them improve transparency and reporting and, where appropriate, make this a requirement of the financing relationship. We will continue to evaluate clients on several key factors through our [Environmental and Social Risk Management](#) process with client-by-client risk decisions. We disclose what we will and will not finance in our published [Policy Guidelines for Sensitive Sectors and Activities](#).

As the next step in our journey towards net-zero lending by 2050, we will work with our clients to support their climate-related disclosures and decarbonization plans. Having established an initial view of our financed emissions through the PCAF methodology, and in line with our NZBA commitments, we are initially prioritizing our efforts to focus on key high-emitting sectors within our portfolio. Focusing our actions will support us in delivering meaningful progress towards our climate goals and to improve data accuracy, given the constraints we currently face within businesses, sectors, and clients that are at varying levels of maturity with respect to data, technologies, disclosures and transition plans.

To this end, we have established the following specific goals for certain key high-emitting sectors,⁹⁵ in accordance with our NZBA commitments:

- In 2022, we will update our primary enterprise-wide Environmental and Social Risk Policy to reflect our enhanced climate commitments and objectives as well as the strategic choices we are already making towards these goals.
- For Capital Markets clients in high-emitting sectors in our oil & gas, power & utilities, and automotive & transportation portfolios, we will endeavor to have by the end of fiscal 2025:
 - Clients representing 80% of available loan balances⁹⁶ reporting their Scope 1 and 2 emissions to RBC.
 - Clients representing 65% of available loan balances⁹⁶ disclosing a plan to reduce their GHG emissions to RBC.
- By the spring of 2023, or earlier if possible, we intend to disclose interim financed emission reduction targets for clients in high-emitting sectors in our oil & gas, power & utilities, and automotive & transportation portfolios. Subsequently within 12 months of disclosing such targets, we will disclose how we are advancing plans to achieve those targets.

We have chosen to focus on Capital Markets clients in high-emitting sectors within our oil & gas, power & utilities, and automotive & transportation portfolios at this time because they represent a significant portion of the emissions in our overall portfolio, and client-level emissions data and transition scenarios are more readily available. As we progress along our net-zero journey, we will expand our efforts to obtain this information from other sectors and clients as part of meeting our broader commitments under the NZBA.



Inform and inspire a sustainable future

Thought leadership and research publications

We are working with governments, regulators, clients, environmental groups and the global financial sector to understand what's needed from each of us to achieve a net-zero future – and to share those insights as widely as we can – because we believe a shared understanding of the challenges can lead us to better solutions for all. And we will continue to fund, partner, listen and bring together communities, Indigenous leadership, technology experts, and public and private sectors to discover and innovate new climate solutions where it matters most.

For more information

[The \\$2 Trillion Transition: Canada's Road to Net-Zero 2021 TCFD Report](#)

RBC Economics

Provides timely economic forecasts and analysis on important topics and issues.

The \$2 Trillion Transition: Canada's Road to Net Zero is our flagship net-zero report that charts a path through the challenges and opportunities facing Canada in the green transition. Canada has ambitious targets for achieving net-zero – reduce emissions by 40% by 2030, and achieve net-zero by 2050.

Border carbon taxes are moving from idea to reality. How exposed is Canada?

This report examines the potential impacts of a carbon-focused international trade environment on Canadian export competitiveness, after the EU announced plans for implementing a border carbon adjustment.

Why isn't Canada investing enough in green projects, despite ambitious climate targets? This report examines the state of sustainable finance in Canada, specifically highlighting where current flows are not aligned with the task of decarbonizing the Canadian economy.

RBC Disruptors

An RBC podcast series co-hosted by John Stackhouse and Trinh Theresa Do about reimagining Canada's economy in a time of unprecedented change.

The Climate Conversations (special four-part miniseries) features provocative insights from the leading thinkers on climate change, including renowned climate scientist Katharine Hayhoe and the UN Special Envoy on Climate Action and Finance, Mark Carney. The Climate Conversations also explore how Canada's major industries – including oil & gas and agriculture – are reducing their emissions, and what challenges they need to overcome as they implement solutions.

Why Blockchain Holds the Key to a Greener Planet: Blockchain is much more than a mere financial tool, it might just hold the key to better climate change solutions. In this special Earth Day episode, Disruptors spoke with two experts: Joseph Pallant, founder of the Blockchain for Climate Foundation and director of climate innovation for Ecotrust Canada; and Carolyn DuBois, executive director of The Water Program of The Gordon Foundation.

RBC ESG Stratify

ESG Stratify encompasses all of RBC Capital Markets' ESG thought leadership and insights to deliver the very latest ESG insights from our industry experts.

The Energy Transition series comprises one-hour panel sessions involving executives and industry experts dedicated to improving awareness on various elements of the energy transition, as well as identifying investment opportunities for corporate and institutional investors. Select titles produced in 2021 are listed below:

- Carbon capture, Use and Storage - The Opportunities, Limitations and Economics
- Exploring the Hydrogen Economy
- The Role in the Grid in Delivering Net-Zero
- Power Purchase Agreements and Financing Renewable Developments
- The Consumer Sector's Approach to the Energy Transition
- Digitization of the Energy Sector

RBC GAM ESG Insights

RBC GAM's thought leadership provides the latest investment insights and market updates to clients.

Select titles produced in 2021 are listed below:

- Understanding Carbon Markets
- Key Takeaways from COP26
- Net-Zero Greenhouse Gas Emissions: Changing Investor Attitudes
- Climate Change: Investor Attitudes and Shareholder Proposals
- An Investor's Guide to Net-Zero Emissions
- Climate Change: Active Stewardship vs. Divestment
- How Is Asia Driving EV Battery Technology?
- Capturing Asia's Decarbonisation Opportunity
- The Future of Emerging Markets: Green Infrastructure
- The Connected Revolution Through an ESG Lens

Inform and inspire a sustainable future

RBC Tech for Nature

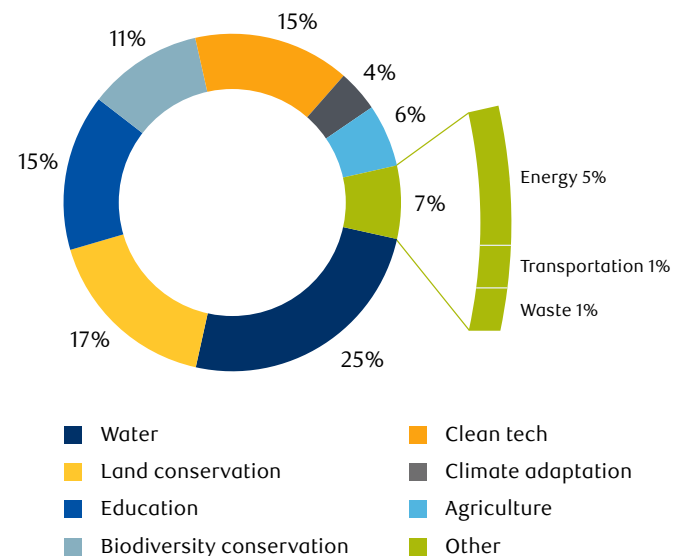
Innovative solutions, based on technologies like blockchain, AI, machine learning and digital platforms, offer immense potential to address complex environmental challenges. We are investing significantly in these technologies for enterprise purposes because we recognize their potential to offer game-changing 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.



2021 Highlights

- Through RBC Tech for Nature, we provided over \$10 million to more than 110 universities and charities that are solving pressing environmental challenges by leveraging technology and innovation capabilities. This brings our total investment to date to over \$27 million since 2019.
- We are building an innovation ecosystem for early-stage ventures working on solutions to climate change and other complex environmental challenges. We supported innovative new programs such as The RBC Women in Cleantech Accelerator, a new program by MaRS Discovery District that supports 10 leading Canadian entrepreneurs in scaling their clean technology companies, with the potential for global impact, and Accelerate from Anywhere, a joint initiative of the Centre for Social Innovation and Foresight Canada that will provide an “acceleration ramp” for over 160 early-stage cleantech entrepreneurs from across the country.
- We have a multi-year partnership with DataStream, an open access platform for sharing water data, to help drive their expansion from just three regions to right across Canada. RBC Tech for Nature has played an integral role in DataStream's growth by contributing to the design and development of the blockchain technology that is integrated with the platform. This technology enables DataStream to bring a new level of data security and transparency to water monitoring data in Canada.
- We supported Coastal Action, an environmental non-profit organization in Atlantic Canada, to pilot 3D Wave Design's cutting-edge mapping technology and living shorelines that utilize vegetation and natural materials to help prepare citizens, governments and business owners in Lunenburg and nearby Mahone Bay for the effects of rising oceans and climate change.

Breakdown by environmental sector (%)





Advance net-zero leadership in our own operations

Beyond our business segments, there are opportunities in our global operations to invest in green buildings, energy efficiency and renewable energy. Reducing GHG emissions and energy use is foundational to any corporate environmental program and an expectation of any organization that is taking action on climate change. This is why, in 2017, we became carbon neutral and committed to a goal of net-zero 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 (RECs) and high quality carbon offsets to account for emissions we cannot eliminate. Each year, we aim to be less reliant on carbon offsets.

To this end, we set two key goals in 2020 that drive our net-zero operations strategy: reduce absolute GHG emissions by 70% with a baseline year of 2018 and increase our sourcing of electricity from renewable and non-emitting sources to 100%, both by 2025.

We had a 94% decrease in emissions from business travel, which contributed to an overall reduction of 55% in total GHG emissions in 2021 over our 2018 baseline (see below). Decreases in our absolute GHG emissions were driven by a combination of factors including lower occupancy rates in our office spaces and less business travel due to COVID-19 pandemic restrictions, 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 ³⁰	Goals	2021	2020	2019
Scope 1 emissions (tonnes of CO ₂ e)	↓	20,956 ^①	23,268	24,814
Scope 2 emissions (tonnes of CO ₂ e)	↓	70,440 ^①	77,668	89,769
GHG reductions from green power purchases (tonnes of CO ₂ e)	↓	-24,712 ^①	-14,288	-15,447
Total Scope 1 and 2 emissions (tonnes of CO ₂ e)	↓	66,684	86,648	99,136
Scope 3 – business travel (tonnes of CO ₂ e)	↓	1,548 ^①	11,569	29,737
Total GHG emissions (tonnes of CO ₂ e) ³¹	Reduce by 70% by 2025	68,232	98,217	128,873
GHG emissions intensity from energy use (tonnes of CO ₂ e/m ²)	↓	0.032 ^①	0.041	0.046
Carbon credits purchased (tonnes of CO ₂ e)	↓	68,232 ^①	98,217	128,873
Percentage of electricity from renewable and non-emitting sources for all properties	Increase to 100% by 2025	84%	78%	77%

See Appendix IV on page 91 for more environmental metrics, including Leadership in Energy and Environmental Design (LEED) certified office space, paper use and water consumption.

Advance net-zero leadership in our own operations



2021 Highlights

- In 2021, we created the RBC Net-Zero Operations Working Group, focused on executing the operational goals outlined in the RBC Climate Blueprint and coordinating net-zero leadership initiatives across RBC. The Working Group has executive representation from Corporate Citizenship, Climate Strategy & Governance, Corporate Real Estate, Personal & Commercial Banking, Procurement, and Finance. The Working Group meets at least quarterly and is focused on accelerating our ambition on key emissions reduction opportunities, driving group consensus around leadership initiatives and informing the build-out of the net-zero operations strategy.
- RBC's first long-term renewable energy PPA, which we entered into in 2020 with BluEarth Renewables, began commercial operation in May 2021. The PPA – a first for a Canadian financial institution – directly supported the construction of two solar farms in Alberta, which created more than 300 new construction jobs and provides Alberta's electricity grid with roughly 80,000 MWh of renewable energy annually, enough to power more than 6,400 homes for a year. In addition to providing renewable energy for RBC's operations, the project will contribute significant and stable long-term property tax revenue to the local economy over the life of the facility.
- In 2021, for the first time, 99% of our electricity consumption in Canada came from renewable and non-emitting sources. This increase is a result of the renewable energy we receive through our power purchase agreement and through renewable energy credits purchased from provinces with an emissions-intense grid.
- In 2021, RBC ran a three-week Global Earth Day Challenge, which prompted our employees to learn more about climate change, the company's climate commitments and how they could take small actions to protect our planet. Over 10,500 RBC employees from 19 countries completed over 45,000 activities and unlocked more than \$800,000 to support eligible charities of their choice.
- RBC has developed a multi-year strategy to complete LED lighting retrofits and implement smart building sensors across our retail branch network in Canada. To date, lighting retrofits have been rolled out in over 300 branches, and smart building sensor devices have been installed at over 550 branches across Canada. In 2021, RBC completed 60 LED retrofit projects and 25 smart building sensor projects to reduce energy consumption across the RBC portfolio, which will save enough electricity to power 1,500 homes for a year.
- In the Caribbean, we are proud to have approved our first renewable energy project: a solar rooftop installation at our offices in Nassau, Bahamas. The solar installation will generate 100 kilowatts of renewable energy to satisfy part of RBC's energy needs in the country. The solar installation is expected to offset approximately 15% of the building's energy usage on an annual basis and is anticipated to be completed by Q4 2022. This project will not only reduce our operational emissions, but also contribute to mitigating impacts of climate change through increased local resilience.
- Set to open in 2022, RBC Gateway is a brand new 37-storey office in downtown Minneapolis that will soon become RBC Wealth Management's U.S. headquarters. The space aims to have an EnergyStar score of 89 out of 100, which is 39% better than the average building in the U.S. As the largest tenant in the LEED-certified space, RBC will absorb the building's many attributes that go above and beyond energy-efficiency standards, such as daylight harvesting, which cuts down on energy consumption by using natural daylight to illuminate space, integration of smart building sensors to track desk usage and ensure optimization, and sub-level metering to monitor energy usage. All of these will help RBC fulfil its bold commitment to reduce our carbon footprint in our global operations.

Endnotes

- 1 See page 35 of our 2022 Management Proxy Circular. This information represents our Board composition as of February 8, 2022. Percentage of BIPOC directors is based on self-identification data, which have been collected since 2020. Data prior to this time are not available.
- 2 Throughout this Report you will see the term “BIPOC”, which stands for Black, Indigenous and People of Colour. This term recognizes the unique histories of racism Black and Indigenous people have lived through. While the term BIPOC originated in the United States, its meaning has significance worldwide. Similar acronyms are used in different regions; for example, BAME, which is commonly used in the UK, stands for Black, Asian and Minority Ethnicity. The term BIPOC is not intended to be a catch-all as RBC recognizes that not all people experience racism in the same way.
- 3 Average percentile ranking compiled from our four top-tier ESG ratings/rankings, including Sustainalytics, MSCI ESG Rating, FTSE4Good and S&P Global's Corporate Sustainability Assessment (informing the DJSI). This metric was formerly called ESG Composite Index.
- 4 Data collected using RBC's new Employee Engagement Survey (EES), with an average participation rate of 76%.
- 5 Global; excludes summer interns, students and co-ops.
- 6 North America; excludes summer interns, students and co-ops.
- 7 Assets managed by RBC Global Asset Management that are beneficially owned by clients, as of October 31 for each of the years presented. All RBC GAM investment teams integrate material ESG factors as part of the investment approach and follow RBC GAM's approach to responsible investment. This figure includes investments in derivatives, cash, and money market instruments. Due to the nature of these instruments, ESG factors are less likely to impact the value of an investment compared to investments in asset classes like equities and fixed income. Where a material ESG risk or opportunity is identified, it is considered in the investment decision. This figure also includes funds that track an index. For funds where the investment manager does not exercise discretion, such as funds that track an index, there may be less opportunity to integrate ESG considerations as part of the investment process. This figure also includes externally sub-advised assets under management. The level of ESG integration is assessed during the selection process of all new external sub-advisors and the ESG integration approaches of existing external sub-advisors are monitored. However, these sub-advisors do not follow RBC GAM's approach to responsible investment. For further definitions, please refer to rbcgam.com/cgri.
- 8 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, 2020 to October 31, 2021. 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.
- 9 For more information, please see <https://www.sasb.org/>.
- 10 RBC launched its first Environmental Blueprint in 2007.
- 11 RBC won the Catalyst Award for advancing women and other diverse groups for the first time in 2010. RBC is one of the few companies to win this award more than once.
- 12 See page 37 of our 2022 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.
- 13 Metrics, and goals 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.
- 14 Our multi-year goal is 50% women executives.
- 15 Our 2020 ESG Report included “Women in middle management and above” and “BIPOC in middle management and above”. Middle management and above includes executives whereas the metrics reported in this 2021 ESG Report segment out executives and senior management. For further details on representation by specific management tiers, please see the 2021 D&I Report.
- 16 In 2021, 24,065 employees moved into new roles across the enterprise.
- 17 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.
- 18 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.
- 19 Introduced in fiscal 2021, Inclusive Experiences composite score is our measure for understanding the experiences of our employees across three core pillars of inclusion, including Psychological Safety, Respect/Trust and Sense of Belonging. It is based on extensive research on the drivers of inclusion and is a composite of eight questions in our annual Employee Engagement Survey (EES). Percentage reflects the number of respondents who answered “Strongly Agree” or “Agree” to the indicated eight questions. In 2021, the EES response rate was 76%.
- 20 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. Results include Personal & Commercial Banking and RBC Insurance. Results do not include RBC Dominion Securities, PH&N, RBC Capital Markets or RBC Investor & Treasury Services.
- 21 As determined through Canadian Financial Monitor, administered by Ipsos Reid, which surveys 18,000 Canadian individuals annually. Data based on results of RBC and its competitive peers for the fiscal year. RBC includes Personal Banking and RBC Wealth Management.
- 22 Our goal is to exceed the Canadian peer average.
- 23 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.
- 24 Self-serve channels include ATMs (automated teller machines), IVR (interactive voice response), Online Banking and Mobile Banking for both Personal and Business clients.
- 25 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. Online Banking and Mobile Banking are RBC's flagship digital products offered to Canadian Personal and Business Clients.
- 26 This material references the Global Reporting Initiative's Disclosure 201: Economic Performance. Distributed value comprises operating expenses, human resources, taxes, donations and community investments, and cash dividends.
- 27 Cumulative, year over year.
- 28 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, LGBTQ+, person with a disability.
- 29 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.
- 30 Our reporting in 2019, 2020 and 2021 represents 99% of our global floor area.
- 31 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. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. Under Scope 3, RBC reports the emissions resulting from employees' business travel. Our GHG emissions reduction goal 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 credits from purchases and power purchase agreements. Aligned with the science-based target methodologies based on the guidance for real estate and office properties.
- 32 Inclusive of total income and other tax expenses, including income taxes in the Consolidated Statements of Comprehensive Income and Changes in Equity, to various levels of governments globally. See page 97 of the 2021 Annual Report for more information.
- 33 Calculated as total income and other taxes as a percentage of income before income taxes and other taxes. See page 23 of the 2021 Annual Report for more information.
- 34 The number of reports received through hotlines for 2021 includes all RBC entities (City National Bank and BlueBay Asset Management as well). BlueBay's Hotline was launched in May 2021, and City National Bank's Ethics Hotline was launched in July 2019.
- 35 Credit risk assessments reviewed for E&S risk do not reflect the total level of credit issued by the business, rather 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.
- 36 Metric represents all RBC employees under 30 excluding hourly, inactive leave of absence, income protection, City National Bank and BlueBay Asset Management employees.
- 37 Contract workers at RBC as at October 31 in each respective year, with various term assignments. The number of contractors can vary throughout the year based on a number of factors given our business needs. In 2021, we employed between 1,400 and 1,700 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.
- 38 All employees represented are in our European and Caribbean operations.

Endnotes

- 39 For more information, please see https://diversity.rbc.com/rbcs-actions-against-systemic-racism/?_ga=2.223724059.1486266373.1596543773-9873350.1594732275.
- 40 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).
- 41 Due to the COVID-19 pandemic, we shifted our in-person training to virtual learning in 2020 and continued in 2021, which continues to significantly reduce our variable costs such as travel, food and beverage expenses. In 2021, we offered approximately 300 virtual instructor-led sessions that were attended by close to 10,000 employees globally, supporting the development of various professional skills such as flexibility & adaptability and inclusion & belonging. We have also seen a year-over-year increase in learners engaging with our self-directed learning platforms, with over 58,000 RBCers engaging in the resources available (up 52% from 38,000 in 2020).
- 42 2021 is the first year we are reporting on this metric as the EES is a new survey that was launched this year. Includes City National Bank and BlueBay Asset Management.
- 43 For more information, please see <https://www.refinitiv.com/en/sustainable-finance/diversity-and-inclusion-top-100>.
- 44 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 2021 Annual Report on page 14. This figure excludes individuals on long-term leaves of absence, phased-in retirements and intermittent hourly, temporary hourly employees.
- 45 Represents data for our businesses in Canada governed by the Employment Equity Act. Our fiscal 2021 executive representation goals were 50% for women and 20% for BIPOC. In 2020, we extended the fiscal 2021 goal to 30% for BIPOC new executive appointments.
- 46 Total percentage of employees in Canada who self-identify as having a long-term or recurring physical, mental, sensory, psychiatric or learning impairment.
- 47 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.
- 48 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.
- 49 According to Statistics Canada from a survey conducted in 2014, 1.7% of Canadians aged 18 to 59 considered themselves to be homosexual (gay or lesbian), and 1.3% considered themselves to be bisexual. Our goal for fiscal 2021 was 2.0% to meaningfully move the dial on LGBTQ+ representation in the workplace. Based on Statistics Canada demographics data: https://www.statcan.gc.ca/eng/dai/smr08/2015/smr08_203_2015.
- 50 For more information, please see <https://www.rbc.com/newsroom/article.html?article=125519>.
- 51 Represents data for our business in Canada governed by the Employment Equity Act. 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.
- 52 The median remuneration (adjusted) of women compared to men's remuneration adjusted for observable occupational characteristics, including platform, position level, age, geography, RBC tenure and/or people manager tenure. This includes the following forms of compensation: salary, bonus and equity (share value at grant date). It does not include commissions or commission-only employees. 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. Information presented is for fiscal 2020 and 2019, our last completed payroll years that captured bonuses paid and equity granted after fiscal year-end.
- 53 The median remuneration (adjusted) of individuals who self-identify as Black, Indigenous or Persons of Colour (BIPOC) compared to those who self-identify as White, adjusted for observable occupational characteristics, including platform, position level, age, geography, RBC tenure and/or people manager tenure. This includes the following forms of compensation: salary, bonus and equity (share value at grant date). It does not include commissions or commission-only employees. 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. Information presented is for fiscal years 2020 and 2019, our last completed payroll years that captured bonuses paid and equity granted after fiscal year-end.
- 54 Represents insights read during the 2021 fiscal year, November 1, 2020 to October 31, 2021.
- 55 Based on 12-month average for active NOMI Find & Save clients during fiscal 2021.
- 56 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.
- 57 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.
- 58 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.
- 59 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.
- 60 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.
- 61 Overseas includes all countries outside of Canada and the U.S.
- 62 2020 was the first year we reported on this metric.
- 63 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).
- 64 Loans extended to borrowers and projects qualifying under RBC's sustainable financing methodology. Credit extended is the total authorized amount as at October 31. Represents RBC Capital Markets and P&CB authorized loan amounts.
- 65 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. Credit extended is the total authorized amount as at October 31. Represents RBC Capital Markets authorized loan amounts. Reflects enhancements in data collection methodology in fiscal 2021.
- 66 Designated green, social, sustainability and sustainability-linked bonds that align with the International Capital Market Association Green, Social & Sustainability-Linked Bond Principles, and Sustainability Bond Guidelines. Deal credit (offering size) split equally among named bookrunners. RBC did not underwrite any sustainability-linked bonds in fiscal years 2020 and 2019.
- 67 Deal credit (offering size) split equally among named bookrunners.
- 68 Capital raised through Debt Capital Markets, Equity Capital Markets, Securitizations, Project Finance and Leveraged Finance Capital Markets for issuers and projects qualifying under RBC's sustainable financing methodology. Deal credit (offering size) split equally among named bookrunners.
- 69 Deal credit (total deal value) allocated in full to all advisors.
- 70 Tax credit investments closed represents the total equity committed. These amounts represent investments raised through the RBC Capital Markets Tax Credit Equity Group.
- 71 Value of green, social and sustainability bonds held by RBC. 2021 is the first year we are reporting this metric.
- 72 Value represents green structured notes. 2021 is the first year we are reporting this metric.
- 73 Includes salaries, benefits and other compensation.
- 74 Includes income taxes, payroll taxes, value-added and sales taxes, property taxes, insurance premium taxes, business taxes, capital taxes.
- 75 Includes occupancy, equipment, communications and professional fees.
- 76 Spend data excludes BlueBay Asset Management.
- 77 2019 and 2020 values have been restated as a result of a spend re-classification exercise that took place in 2021 that enhanced our existing and future spend categorization.
- 78 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.
- 79 In fiscal years 2020 and 2021 RBC included community sponsorships and community-benefiting program costs as permitted by Imagine Canada's Caring Community criteria.
- 80 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.

Endnotes

- 81 Due to the COVID-19 pandemic, government officials imposed a series of restrictions that led to the cancellation and reduction in size of in-person and large-scale live events in 2020 and 2021. As a result, many RBC-sponsored programs were cancelled, postponed or shifted to a digital format, leading to another year-over-year reduction in spending.
- 82 Photo courtesy of BluEarth Renewables showing its Yellow Lake and Burdett Solar Facility. Since 2020, RBC has had a long-term power purchase agreement in place with this facility.
- 83 For more information, see [RBC's Sustainable Finance Commitment](#).
- 84 For more information, see [RBC Tech for Nature](#).
- 85 This goal is inclusive of our global operations, Scope 1, 2 and 3 (business travel) emissions, and uses a baseline of 2018.
- 86 The [Partnership for Carbon Accounting Financials \(PCAF\)](#) is an industry-led partnership to facilitate transparency and enable financial institutions to assess and disclose greenhouse gas emissions of loans and investments.
- 87 As of October 31, 2021. Showcased in megatons of carbon dioxide equivalent (MtCO₂e). Each of our asset classes measured covers a percentage of our total loan and investment balances. Gaps in measurement exist due to a lack of data availability both internally and externally to measure financed emissions for the entirety of our lending. In total our measurement covers approximately 95% of the total loan and investment balances related to the six PCAF asset classes. Each of the individual asset classes have some variability in the total loan and investment balances measured and will fluctuate as we refine our inclusions and exclusions. Financed emissions are calculated based on the best available score, which includes a mix of PCAF data Scores 1 to 5 (primarily Score 5 as discussed herein) and includes Scope 1 and 2 emissions. Emissions calculated using Score 5 data may be materially different from emissions calculated using Score 1 data. In addition, emissions calculated using Score 5 data have a high degree of uncertainty as to their accuracy. We continue to evaluate our approach to measuring financed emissions and will continue to refine our measurement. See "Important Notice Regarding this Report". We are working towards disclosing material methodology changes and highlighting their impact on total balances analyzed and financed emissions in future disclosures.
- 88 Covers 95% of business loan balances. PCAF Score 5 has been used for the majority of the business loans measurement. S&P Global Trucost data and S&P Global Capital IQ data have been used to measure for PCAF data Scores 1 to 4. The PCAF methodology for business loans and unlisted equity has also been applied to project finance and commercial real estate assets with an unknown use of proceeds. Unlisted equity is not currently measured as part of the business loan measurement. We expect to refine the measurement of this asset class in future disclosures as methodologies mature and data become available.
- 89 Covers 96% of Canadian residential mortgage balances. Excludes home equity lines of credit and non-Canadian mortgages, including those from City National Bank.
- 90 Covers 99% of motor vehicle loan balances related to automotive vehicles. Excludes loans associated with other vehicle types such as marine vehicles and recreation vehicles.
- 91 Covers 85% of commercial real estate mortgage balances. General purpose commercial real estate loans are currently captured within business loans.
- 92 Covers 89% of listed equity and corporate bonds. S&P Global Trucost data and S&P Global Capital IQ data have been used to measure this asset class for PCAF data Scores 1 to 4, and PCAF Score 5 has been used for the remaining balances.
- 93 The utilities sector is classified under our Business Loans asset class. This is currently being measured using PCAF Score 5 and also S&P Global Trucost data and S&P Global Capital IQ data for Scores 1 to 4. Due to a lack of granularity within our internal Standard Industry Classification codes for power generation, when using data Score 5 we are primarily using emission factors related to fossil fuel power generation. As such, emissions related to our utility portfolio may be overestimated and will be re-classified with the appropriate sectoral emission factors in future measurement and disclosure.
- 94 "Other" includes all other RBC sector groups such as consumer discretionary, industrial products, information technology, mining & metals, real estate & related, and transportation, among others.
- 95 As defined by the UNEP FI Guidelines for Climate Target Setting for Banks.
- 96 The total available loan balances are defined as the aggregate loan amounts made to clients in high-emitting sectors in oil & gas, power & utilities, and automotive & transportation portfolios in our Capital Markets business.
- 97 The year-over-year decrease in 2021 is the result of moving to a more efficient building in London, UK.



Independent practitioner's limited assurance report on select key performance indicators presented within Royal Bank of Canada's 2021 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 on the following select key performance indicators detailed below (the selected information) presented within RBC's 2021 ESG Performance Report for the year ended October 31, 2021.

Selected information

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

Performance indicator	Report page(s)
Relationship share	14, 41
Percentage of financial service transactions performed through self-serve channels	14, 44
90-day digital active user rate	14, 44
Percentage of women executives	14, 36
Percentage of women in senior management	14, 36
Percentage of BIPOC executives	14, 36
Percentage of BIPOC in senior management	14, 36
Inclusive Experiences Composite Score	14, 36
Average percentile ranking on priority ESG indices	5, 14
Scope 1 emissions (tonnes of CO ₂ e)	73
Scope 2 emissions (tonnes of CO ₂ e)	73
Scope 3 emissions - business travel (tonnes of CO ₂ e)	73
Greenhouse gas (GHG) emissions intensity from energy use (tonnes of CO ₂ e/m ²)	15, 73
GHG reductions from green power purchases (tonnes of CO ₂ e)	73
Carbon credits purchased (tonnes of CO ₂ e)	73

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 2021 ESG Performance Report on pages 75, 76 and 77 (the applicable criteria). Management is also responsible for selecting the applicable criteria used. 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, whether due to fraud or error.

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 Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other Than Audits or Reviews of Historical Financial Information*, the International Standard on Assurance Engagements (ISAE) 3000, *Attestation Engagements Other Than Audits or Reviews of Historical Financial Information*, CSAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*. These standards require that we plan and perform this engagement to obtain limited assurance about whether the selected information is free from material misstatement.

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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The procedures are selected based on our

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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.

Our engagement included, among others, the following procedures performed:

- Making enquiries of management to obtain an understanding the overall governance and internal control environment relevant to the management, aggregation and reporting of the selected information;
- Analytical reviews and trend analysis of reported data for the selected information;
- Agreeing and testing the underlying data related to the selected information on a sample basis;
- 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.

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.

Significant inherent limitations

Emissions 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.

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 during the year ended October 31, 2021, is not prepared, in all material respects, in accordance with the applicable criteria.

Purpose of statement and restriction on use of our report

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

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Toronto, Ontario
March 2, 2022

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 designed to be cost-effective for companies and decision-useful for investors. For more information, visit 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 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 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, 2021, our operational risk losses remain within our risk appetite. Please refer to the following documents: <ul style="list-style-type: none"> ■ 2021 ESG Performance Report (pages 46-47) for our approach to privacy and data security ■ 2021 Annual Report[§] (page 92) 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 the following documents: <ul style="list-style-type: none"> ■ 2021 Annual Report (pages 54 and 92) for our approach to data security risks ■ 2021 ESG Performance Report (pages 46-47) ■ About Value for Clients (pages 5-6)
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 the following documents: <ul style="list-style-type: none"> ■ 2021 ESG Performance Report (pages 36-38) ■ 2022 Management Proxy Circular (pages 35-36) for our gender and BIPOC representation within RBC ■ 2021 Diversity and Inclusion Report

[§] Certain disclosures in the 2021 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 215-216, Note 24 (Legal and regulatory matters) of our 2021 Annual Report . 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 the following documents and website: <ul style="list-style-type: none"> ■ 2021 Annual Report (pages 54, 56 and 59-60) for information on culture and conduct risk within RBC ■ 2022 Management Proxy Circular (pages 30-31) for information on culture and conduct ■ 2021 ESG Performance Report (page 21) ■ 2022 Management Proxy Circular (pages 30-31) for further description of our global Conduct Hotline ■ Please also refer to RBC's Office of the Ombudsman website
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1 FN-IB-550a.1	On November 23, 2021, we were re-designated as a G-SIB by the Financial Stability Board. Please refer to page 101 of the 2021 Annual Report . 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 risk-weighted assets, the G-SIB designation had no further impact on the loss absorbency requirements of 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 58, 73, 78-79, 96 and 100 of the 2021 Annual Report for RBC's approach to 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
Asset management and custody activities			
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 215-216, Note 24 (Legal and regulatory matters) of our 2021 Annual Report . 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"> ■ RBC Code of Conduct (page 10) ■ About Value for Clients (page 4) ■ 2021 ESG Performance Report (pages 41-43)
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 document: <ul style="list-style-type: none"> ■ 2021 ESG Performance Report (pages 48-51)
	Description of approach to incorporation of 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"> ■ 2021 ESG Performance Report (pages 48-51) ■ 2021 TCFD Report (pages 19-20) ■ RBC GAM Approach to Responsible Investment (page 6) ■ RBC GAM Approach to Climate Change (page 4)
	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"> ■ RBC GAM Approach to Responsible Investment (pages 8-9) ■ RBC GAM 2021 Proxy Voting Guidelines ■ RBC GAM Approach to Climate Change (pages 3-4, 6, 10)

Appendix I: SASB Index

Topic	Accounting metric	Code	Response
Asset management and custody activities			
Asset Management Activity Metrics	(1) Total registered and (2) total unregistered assets under management (AUM)	FN-AC-000.A	Please refer to pages 23-24 of the 2021 Annual Report 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 2021 Global Systemically Important Banks Disclosures (G-SIB) . This framework includes an assessment methodology for determining the importance of international banks to the global financial industry, including assets under custody.
Commercial banks			
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"> ■ 2021 Public Accountability Statement (pages 12-13) ■ 2021 ESG Performance Report (pages 59)
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-40a.3	Please refer to the following documents for details on RBC's financial inclusion policies and programs: <ul style="list-style-type: none"> ■ 2021 Public Accountability Statement (pages 14-17) ■ About Value for Communities (pages 9-11) 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-40a.4	Please refer to the following documents for details on RBC's financial inclusion policies and programs: <ul style="list-style-type: none"> ■ 2021 ESG Performance Report (pages 63-64) ■ 2021 Public Accountability Statement (pages 14-17) ■ About Value for Communities (pages 9-11) 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
Commercial banks			
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 42 (Credit risk exposure by portfolio, sector and geography) of the 2021 Annual Report .
	Description of approach to incorporation of ESG factors in credit analysis	FN-CB-410a.2	Please refer to the following documents and webpages: <ul style="list-style-type: none"> ■ 2021 Annual Report – Environmental & Social Risk (page 97) ■ Environmental & Social Risk Management webpage ■ About Governance & Integrity (pages 7-9) ■ 2021 ESG Performance Report (page 23) ■ 2021 TCFD Report (pages 42-46)
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 in our P&CB segment (refer to pages 30-31 in the 2021 Annual Report) and our Wealth Management segment (refer to pages 36-37 in the 2021 Annual Report). Also refer to pages 196-197 (Note 13: Deposits) in the 2021 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 in the Wholesale segment and by product within the Retail segment (please refer to page 116 of the 2021 Annual Report , Table 74: Loans and acceptances by portfolio and sector).

Appendix I: SASB Index

Topic	Accounting metric	Code	Response
Consumer finance			
Customer Privacy	Number of account holders whose information is used for secondary purposes	FN-CF-220a.1	Please refer to the RBC Global Privacy Notice 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 215-216, Note 24 (Legal and regulatory matters) of our 2021 Annual Report . 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 215-216, Note 24 (Legal and regulatory matters) of our 2021 Annual Report . 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 170 of the 2021 Annual Report for the amount of credit card loans. RBC does not disclose the number of credit card or prepaid debit card accounts.
Investment banking and brokerage			
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 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"> ■ 2021 ESG Performance Report (pages 52-53) ■ 2021 TCFD Report (pages 16-17)
	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	FN-IB-410a.3	Please refer to the following documents and webpages: <ul style="list-style-type: none"> ■ Our Commitment to Sustainable Finance ■ 2021 TCFD Report (pages 16-28, 41-46) ■ 2021 ESG Performance Report (pages 52-53)

Appendix I: SASB Index

Topic	Accounting metric	Code	Response
Investment banking and brokerage			
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 215-216, Note 24 (Legal and regulatory matters) of our 2021 Annual Report . 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 19 of the 2021 ESG Performance Report and pages 4-5 of About Governance & Integrity).
Employee Incentives & Risk Taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	FN-IB-550b.1	Please refer to pages 92-93 of our 2022 Management Proxy Circular .
Mortgage finance			
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 215-216, Note 24 (Legal and regulatory matters) of our 2021 Annual Report . 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 2021 Annual Report for our average LTV 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 215-216, Note 24 (Legal and regulatory matters) of our 2021 Annual Report . 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 Code of Conduct and page 2 of our Human Rights Position Statement .

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 2021, but this is not intended to be an exhaustive list.

Stakeholder group	Ways we interact	Key topics in 2021
Employees	<ul style="list-style-type: none"> Employee surveys Internal assisted DIY survey tool^f Focus groups, roundtable discussions and listening sessions ThoughtExchange^g Design Thinking exploration and co-creation sessions RBC Connect (intranet) Global Conduct Hotline Town halls Leadership forums Ongoing team meetings Employee resource groups 	<ul style="list-style-type: none"> Employee engagement Manager effectiveness Physical and mental well-being Diversity and inclusion Trust/psychological safety Transition to remote working Return to premises Collaboration Innovation
Clients	<ul style="list-style-type: none"> Client surveys Client outreach/client coverage Client Care (management of client complaints) Office of the Ombudsman Consumer associations Social media team 	<ul style="list-style-type: none"> COVID-19 pandemic financial relief Client service Remote banking and digital services Sustainable finance Climate change
Investors, shareholders and rating agencies	<ul style="list-style-type: none"> Annual meeting and quarterly earnings calls Shareholder engagement Meetings with investors and analysts Industry conferences 	<ul style="list-style-type: none"> Financial results Climate change Risk management Diversity and inclusion Gender equity Human rights Executive compensation Affordable housing Socioeconomic inclusion Indigenous reconciliation












^f This survey tool, TemboSocial, is used to collect employee feedback specific to business initiatives.

^g ThoughtExchange 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 2021
Suppliers	<ul style="list-style-type: none"> ▪ RBC Supplier Registration Portal ▪ Diverse supplier events and mentorship program ▪ Responsible and sustainable procurement practices and policies 	<ul style="list-style-type: none"> ▪ Diversity and inclusion in our supply chain ▪ Advancing equality in procurement opportunities ▪ Addressing our shared climate-related impacts with our suppliers ▪ Mentoring and coaching for diverse-owned business leaders
Government	<ul style="list-style-type: none"> ▪ Ongoing dialogue with regulators and policy-makers ▪ Participation in consultations ▪ Providing written submissions and letters ▪ Sharing RBC thought leadership reports 	<ul style="list-style-type: none"> ▪ Financial sector policy initiatives ▪ Legislative and regulatory proposals ▪ Youth-focused initiatives ▪ COVID-19 pandemic financial relief ▪ Economic trends and analysis
Industry associations	<ul style="list-style-type: none"> ▪ Industry association memberships and similar multi-stakeholder groups ▪ Participation in and attendance at events, roundtable discussions, meetings and conferences 	<ul style="list-style-type: none"> ▪ Sustainable finance and responsible investing ▪ ESG disclosure standards ▪ Climate change ▪ Workforce labour – “Future of Work” ▪ Technology and innovation trends
Non-governmental organizations	<ul style="list-style-type: none"> ▪ Meetings, phone calls, conversations with analysts ▪ Email communications ▪ Requests for information 	<ul style="list-style-type: none"> ▪ Climate change ▪ Risk management ▪ Financing of the fossil fuel industry ▪ Human rights ▪ Indigenous rights

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>3.6 million youth reached through RBC Future Launch</p> <p>84% 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 LGBTQ+ community</p> <p>60% of RBC Future Launch participants surveyed identify as BIPOC</p> <p>\$3.6 million total donations invested in financial literacy programs</p>
	RBC Employee Composition – 5.5		<p>44% women executives</p> <p>40% women in senior management</p> <p>41% of executive appointments in 2021 were women</p> <p>51% of new hires were women</p> <p>54% of promotions were women</p>
	RBC Climate Blueprint – 7.2, 7.3, 7.A		<p>84% of RBC's electricity consumption from renewable and non-emitting energy</p> <p>Percentage reduction in year-over-year GHG emissions</p> <ul style="list-style-type: none"> • Scopes 1 & 2 only: -21% • Scopes 1, 2 & 3: -28%
	<p>RBC Future Launch – 8.3, 8.6</p> <p>RBC Emerging Artists Project – 8.3</p> <p>Gender and Racial Pay Equity – 8.5</p>		<p>Over 300,000 youth accessed online support through RBC Future Launch at Home</p> <p>Over 4,800 youth reached in 2021 through RBC Emerging Artists Project</p> <p>18% of participants surveyed in the RBC Emerging Artists Project advanced in their careers</p> <p>\$64.5 million total in community investments to youth work-readiness programs</p> <p>Gender & racial Pay Equity metrics can be found on page 38</p>
	<p>RBC Commitment to Sustainable Finance – 9.4</p> <p>RBC Tech for Nature – 9.5</p>		<p>\$83.8 billion of sustainable finance in 2021</p> <p>Over \$10 million in total donations through RBC Tech for Nature</p> <p>Over 110 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 RBC Black Entrepreneur Program – 10.2 RBC Employee Composition – 10.2		21% of RBC Future Launch participants surveyed identified as low-income ^o \$100 million to fund small business loans to Black entrepreneurs 82% – Inclusive Experiences Composite Score
	RBC Commitment to Sustainable Finance – 11.1		\$0.9 billion in tax credit equity investments in affordable housing
	RBC Sustainable Operations – 12.5 RBC ESG Report – 12.6	  	70% of waste generated in our operations diverted from landfill 92 tonnes of e-waste diverted from landfill 100% of e-waste generated diverted from landfill 82 – Average percentile ranking in priority ESG indices ³
	RBC Future Launch – 17.16, 17.17 RBC Emerging Artists Project – 17.16, 17.17 RBC Climate Blueprint – 17.16, 17.17		Over 550 active RBC Future Launch partnerships ^{oo} Over 250 active RBC Emerging Artists Project partnerships Over 110 active RBC Tech for Nature partnerships

^o Low-income participants are defined as those selecting either “Don’t meet basic expenses” or “Just meet basic expenses” in the Future Launch beneficiary survey.

^{oo} Includes Future Launch and Future Launch Youth Mental Wellbeing partnerships that were active in fiscal 2021.

Appendix IV: Additional environmental metrics

Energy use

Key performance indicator	2021*	2020*	2019*
Heating fuel use, Scope 1 (MWh)			
Branches	78,262	83,462	90,642
Major properties	34,161	40,021	40,808
Data centres and processing centres	90 ⁹⁷	1,106	1,424
Electricity and steam use, Scope 2 (MWh)			
Branches	183,251	197,230	228,750
Major properties	164,341	182,031	212,684
Data centres and processing centres	70,570	75,663	78,754
Total energy use, all properties (MWh)	530,675	579,513	653,061
Total energy intensity, all properties (MWh/m ²)	0.26	0.27	0.30

* Data are representative of all properties in Canada, the United States, the British Isles, the Caribbean, Belgium, Switzerland, Germany, Spain, France, Ireland, Italy, the Netherlands, Luxembourg, Hong Kong, Japan, Australia and Malaysia, representing 99% of our global floor area. Data are reflective of a complete year; however, due to variations in billing cycles, the reporting months may not reflect the RBC fiscal year of November 1 to October 31.

Appendix IV: Additional environmental metrics

Paper

Key performance indicator	2021	2020	2019
Percentage of paper used that is Forest Stewardship Council [†] (FSC) or Sustainable Forestry Initiative (SFI) certified	87%	95%	92%
Office paper use per employee (kg/FTE) [†]	10.0	15.6	24.9
Office paper (tonnes)	720	1,116	1,763
Marketing and direct mail paper (tonnes)	2,402	3,288	4,240
Total paper (tonnes)	3,123	4,404	6,003

Green building design

Key performance indicator	2021	2020	2019
LEED certified office space (m ²)	801,790	765,745	729,185

Waste

Key performance indicator	2021	2020	2019
Percentage of waste diverted from landfill	70%	71%	75%
Major offices with waste diversion programs ^{††}	100%	100%	100%
Electronic waste diverted from landfill (tonnes)	92	157	265
Electronic waste diversion rate ^{†††}	100%	100%	100%

Water

Key performance indicator	2021	2020	2019
Water consumption intensity (m ³ /m ²)	0.50	0.81	0.82

[†] Data for all operations in Canada, the United States and the British Isles, representing 92% of our global FTE count.

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

^{†††} 2021 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.



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