



# CORPORATE CITIZENSHIP: Environmental, Social, and Governance (ESG) Investor Report 2017



ROYAL BANK OF CANADA  
**Corporate Citizenship**  
 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)  
 INVESTOR REPORT 2017



## Material ESG issues

We strive to be forward-looking so that we can achieve our Purpose of helping clients thrive and communities prosper. We identify and respond to existing and emerging global issues that present risks and opportunities for our business segments and our stakeholders. We have the skills and experience to make a meaningful and valuable difference when it comes to managing these issues. The pace of global change continues to accelerate and our operating environment is becoming more and more complex. To achieve sustainable growth we must address issues such as technological disruption, shifting demographics and societal expectations for corporate behaviour. When appropriate, our response to these issues may be to change the way we do business. Where these issues reside within our sphere of influence, and where they are most material to us, we will move beyond a reactive response and drive positive change. Beyond considering global economic and social trends and their impact, we regularly analyse stakeholder feedback, industry trends and reports, and independent research. This helps us understand the issues that matter most to our stakeholders — including our clients, shareholders and investors, and employees — and to our business.



"Best Talent" includes these priorities: Leaders Driving Sustainable Growth, Training in the New World of Work and Leadership, Employee Experience, Key topics that relate to these priorities include diversity and inclusion, employee engagement, learning and development, and mental health and well-being.  
 Risk Management includes the topic of environmental and social (ES&S) Risk Management.

## Identification of our material ESG issues

In 2017, we commissioned a globally recognized sustainability consultancy to review our material ESG issues with the objective of validating our current understanding of the issues most relevant to our business and of most interest to our stakeholders. We also surveyed 350 employees and interviewed business leaders across RBC on their views of our most material issues. And we benchmarked ourselves against our top-ranked global and Canadian peers.

Value for Society	2017	2016	2015
<b>Community and social impact</b>			
Cash donations	\$66.2 million	\$70.0 million	\$70.0 million
Community investments*	\$13.8 million	\$14.7 million	\$14.4 million
Commercial initiatives†	\$75.1 million	\$65.1 million	\$68.3 million
<b>Environmental Sustainability</b>			
<b>Environmental footprint reduction‡</b>			
Scope 1 (heating fuel) emissions from energy use (tonnes CO <sub>2</sub> e)	36,676 t	33,230	25,640
Scope 2 (electricity and steam) emissions from energy use (tonnes CO <sub>2</sub> e)	96,937 t	95,049	84,280
Total GHG emissions (tonnes CO <sub>2</sub> e)	133,613	128,279	109,920
Total GHG emissions intensity (tonnes CO <sub>2</sub> e/\$1T)	2.08	2.08	2.10
Total energy use, all properties (MWh)	633,975	593,448	492,718

\*Net proceeds from various events and sponsorships. Please see page 16 for Net's extensive statement.  
 †Community investments include but are not limited to: employee volunteerism, contributions to our clients that are not regulated financial gifts, technology and/or equipment support and continuing investment program management.  
 ‡"Environmental footprint" as defined by United Nations Reporting Group, refers to business-related activities in the community, usually undertaken by the business segments in order to support the needs of the company, primarily to respond with their services and other policies, in partnership with charities and community-based organizations.  
 ††† All data are representative of all properties in Canada, the U.S. and the United Kingdom, representing 95% of our global fleet when including the various bank branches in various energy use priority lists in the location of the Nation for the first time in 2017.

## Awards and recognition

As a financial services company, our brand is an important driver of our success. We have built our reputation through adherence to our Purpose and values, the quality and engagement of our people, and the maintenance of a high standard of client satisfaction. In 2017, we were recognized with the following awards:

- Dow Jones Sustainability North America Index member
  - FTSE4Good Index member
  - Corporate Knights' Global 100 Most Sustainable Corporations in the World
  - Corporate Knights' Best 50 Corporate Citizens in Canada
  - Values 1000 World 100 Index member
- Awards related to specific topics can also be found in other chapters.

This focus on youth and our additional community investments are illustrated below, along with the associated United Nations Sustainable Development Goals (SDG) for these areas. For more details on SDG targets and indicators mapped to our priorities and projects, please see our RBC Community & Social Impact Portal.

## How our focus areas link to the United Nations Sustainable Development Goals (SDGs)

**Youth**

Support youth in preparing for the future of work by providing opportunities for practical work experience, growing professional networks and developing the skills of the future.

**SDG 8 - Decent work and economic growth, target 8.5**

**SDG 4 - Quality education, targets 4.2, 4.3, 4.5, 4.6, 4.7, 4.8, 4.9, 4.A, 4.B, 4.C, 4.D, 4.E, 4.F, 4.G, 4.H, 4.I, 4.J, 4.K, 4.L, 4.M, 4.N, 4.O, 4.P, 4.Q, 4.R, 4.S, 4.T, 4.U, 4.V, 4.W, 4.X, 4.Y, 4.Z**

**Environment**

Support organizations that promote environmental sustainability, with a focus on providing access to drinkable, sustainable, healthy water now and for future generations.

**SDG 6 - Clean water and sanitation, targets 6.1, 6.2, 6.3, 6.4, 6.5, 6.6**

**Arts**

Support arts organizations that have a focus on helping emerging artists bridge the gap from academic success to professional achievement.

**SDG 5 - Gender equality, target 5.2**

**SDG 4 - Quality education, target 4.7**

**SDG 10 - Reduced inequalities, target 10.2**

**Local needs and priorities**

Support organizations addressing challenges in the communities where they operate, including diversity, support for diversity is embedded in all our investment areas and provides a lens through which we assess our divestment portfolio to ensure our investments are inclusive to their impact.

**SDG 10 - Reduced inequalities, target 10.2**

**Partner and System Support**

Support developing partner capabilities, disseminating sector-wide innovations and thought leadership to advance the discourse on relevant systemic issues.

**SDG 17 - Partnership for the goals, targets 17.1 and 17.2**

\*This is a partial list of the RBC awards that address ESG. A more complete assessment can be published in our RBC Community & Social Impact Portal.