Royal Bank of Canada

Sustainability Report 2024

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Ideas for People and Planet™

RBC®

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Who we are

Royal Bank of Canada is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 98,000+ employees who bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank and one of the largest in the world, based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our more than 19 million clients in Canada, the U.S. and 27 other countries.

19+ million clients

98,000+ employees

29 countries

Our Purpose

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:

In Canada: the **undisputed leader** in financial services

In the United States: the preferred partner to **institutional**, **corporate**, **commercial and high net worth** clients and their **businesses**

In select global financial centres: a **leading financial services partner** valued for our expertise

We are guided by our Values:

- Client First
- Collaboration
- Accountability
- Integrity
- Diversity & Inclusion

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About this Report

Royal Bank of Canada reports on its sustainability progress annually. In 2024, we have combined two of our primary enterprise-wide sustainability disclosures, which in 2023 included our *ESG Progress Report* and *Climate Report*, into one disclosure, titled the *Sustainability Report* (the Report). The disclosure in the *2023 Climate Report* is now primarily included in the *Climate* section of this Report.

This Report provides an overview of our sustainability focus areas, impact levers and advancing sustainability topics, highlights and metrics on sustainability factors relevant to RBC. It complements information on the results of our operations and financial condition in our *2024 Annual Report* and our governance and executive compensation information in our *2025 Management Proxy Circular*.

Reporting period and comparative information

The information in this Report reflects activities undertaken during fiscal 2024, being November 1, 2023 to October 31, 2024, unless otherwise noted. In many cases, we have provided information for fiscal 2024 as well as the two preceding fiscal years to present a wider view of trends in our performance over a three-year period.

Reporting boundary and scope

This Report covers the activities of Royal Bank of Canada and its subsidiaries (referred to as RBC, we, us, our or the bank), unless otherwise noted.

Information in respect of acquired entities or businesses is included from the date that the acquisition is completed, and information in respect of divested entities or businesses ceases to be included on the date that the sale is completed. Certain key corporate events that have impacted the scope of reporting include:

- On March 28, 2024, we completed the acquisition of HSBC Bank Canada (HSBC Canada), a premier Canadian personal and commercial bank focused on globally connected clients.
- On July 3, 2023, we completed the sale of the European asset servicing activities of RBC Investor Services® and its associated Malaysian centre of excellence (the partial sale of RBC Investor Services operations) to CACEIS, the asset servicing banking group of Crédit Agricole S.A. and Banco Santander, S.A.
- On September 27, 2022, we completed the acquisition of Brewin Dolphin Holdings PLC (RBC Brewin Dolphin), a United Kingdom (UK) based wealth management company.

RBC Global Asset Management and RBC Wealth Management

As noted in this Report, certain of RBC's sustainability-related policies, commitments, targets and goals are not inclusive of the investment advisory or broker-dealer activities, or the assets under management or administration, of RBC Global Asset Management® (RBC GAM) or RBC Wealth Management® (RBC WM).

RBC GAM operates through indirectly wholly owned subsidiaries of the bank including, but not limited to: RBC Global Asset Management Inc. (including Phillips, Hager & North Investment Management), RBC Indigo Asset Management Inc., RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited and RBC Global Asset Management (Asia) Limited.

RBC WM operates through indirectly wholly owned subsidiaries of the bank including, but not limited to: (i) RBC Dominion Securities Inc. (Member–Canadian Investor Protection Fund), RBC Direct Investing Inc. (Member–Canadian Investor Protection Fund), Royal Mutual Funds Inc., RBC Phillips, Hager & North Investment Counsel Inc., RBC Capital Markets, LLC, RBC Wealth Management Financial Services Inc., Royal Trust Corporation of Canada and The Royal Trust Company; (ii) City National Bank and its subsidiaries; and (iii) Brewin Dolphin Holdings Limited and its subsidiaries.

Impact of recent amendments to the *Competition Act* (Canada)

Recent amendments to Canada's *Competition Act* require that representations to the public with respect to the environmental benefits of a business or business activities be substantiated in accordance with an internationally recognized methodology (IRM).

RBC believes that ensuring the accuracy of environmental representations and enhancing the comparability of environmental representations are important. However, given the nascent nature of climate-related metrics, there are limited and evolving recognized methodologies for claims in these areas. As a result, this limits the information we can share on certain sustainability disclosures and the progress we are making. This is particularly evident in areas where RBC was one of the first banks to produce metrics and methodologies, including those relating to our energy supply ratio (ESR) and low-carbon energy lending.

We believe that it is important to clearly communicate our performance. Despite the uncertainty caused by the changes to the *Competition Act* (Canada), where possible, we have provided details in this Report to the extent possible.

Regulations, reporting standards and frameworks

We regularly monitor the development of sustainability 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 regulations, reporting standards and frameworks, including, but not limited to:

- **Global Reporting Initiative (GRI) Standards** – our assessment of our sustainability focus areas was informed by GRI Standards. For further details, refer to the *Sustainability focus areas* section.
- **Office of the Superintendent of Financial Institutions (OSFI) *Guideline B-15* – Climate Risk Management (OSFI *Guideline B-15*)** – OSFI *Guideline B-15* sets out expectations for the management and disclosure of climate-related risks for Canadian federally regulated financial institutions (FRFIs). Refer to *Appendix 4* for an index of the fiscal 2024 OSFI *Guideline B-15* disclosure expectations.
- **International Financial Reporting Standards (IFRS) Sustainability Standards** – issued by the International Sustainability Standards Board (ISSB), IFRS S1 *General Requirements of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* aim to be the global baseline for sustainability-related disclosures. IFRS S1 and IFRS S2 fully incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and the TCFD was disbanded in October 2023.
- **Sustainability Accounting Standards Board (SASB) Standards** – SASB Standards are a source of guidance for applying the ISSB's IFRS Sustainability Disclosure Standard IFRS S1. Refer to *Appendix 3* for an index that shows how our disclosures are informed by or align with SASB Standards.

Commitments, targets, and goals

Commitments, targets and goals expressed for a specific year refer to those that we aspire to achieve by the end of that specific fiscal year, unless otherwise noted.

Assurance

PricewaterhouseCoopers LLP (PwC) has performed a limited assurance engagement for a select number of RBC performance indicators that are identified with this symbol [a]. Refer to *Appendix 7* for PwC's independent limited assurance report.

Currency and measurement

All amounts in this document are presented in Canadian dollars unless otherwise noted. Amounts that are denominated in foreign currencies are converted to Canadian dollars at the prevailing exchanges rate at the applicable dates. Balances denominated in U.S. dollars as at October 31, 2024 are converted to Canadian dollars using the spot exchange rate (C$1.00 = US$0.718). Measurements used in this Report are metric.

Glossary, footnotes and endnotes

Key terms used throughout the Report are defined in the Glossary in *Appendix 2*. The Glossary, as well as the footnotes and endnotes referenced throughout this Report, provide additional information, including definitions, citations and explanations as deemed necessary, and may further define our metrics and criteria for measurement. As such, they represent a critical element of this Report. Refer to *Appendix 1* for the endnotes.

Cautionary statement and important notice

Refer to *Appendix 8* for the Caution regarding forward-looking statements and *Appendix 9* for Important notice regarding this report.

CEO message

Our Purpose is to help clients thrive and communities prosper.

This guides our client growth strategy, shapes our inclusive culture and inspires Team RBC to help make a lasting and positive impact across society.

I believe we are one of the world's most trusted and successful organizations in part because of our unwavering commitment to creating long-term value for those we serve. This remains a staple of our vision and a demonstration of our commitment to help put ideas into action and make progress toward a better future.

In this Report, you can read about how RBC's sustainability strategy and goals are closely aligned with the belief that our clients' ability to thrive relies on our communities' ability to prosper. It's why we've announced a commitment of $2 billion in community investments [1] by 2035 to support community ideas that help seed, scale and sustain solutions in three key areas: supporting the transition to a low-carbon and resilient economy, equipping people with the skills for a thriving future and driving more inclusive opportunities for prosperity.

Yet, in a world that's getting more complex, these commitments and actions are taking on even greater importance.

We know many people, families and businesses are facing the challenges of keeping up with a rapidly changing economy and society, as well as the impacts of a warming planet. This is contributing to a more polarized political landscape, and a shifting legal and regulatory landscape that we must adapt to, particularly in our home markets.

Expectations of RBC are high, and I want you to know that we are steadfast in our efforts to continue building a bank that helps our stakeholders navigate the opportunities that change can bring and create a positive impact for our business, our clients and across society.

Take, as an example, our work to support and engage with clients to achieve their goals, including on climate. RBC's goal is to be the bank of choice for the transition to a low-carbon and resilient economy. We're seeing a lot of climate innovation across the buildings, food, transportation and energy sectors — just to name a few — and it's important to unlock more capital to scale solutions and build on our collective momentum.

I'm proud of the significant amount of work within the bank to measure and monitor our progress. We'll continuously strive to do that and stay on the frontlines of helping to support our clients in the transition, even as we adapt and refine our approach in a shifting external policy, legal and regulatory environment.

We'll bring this same commitment to our work to help equip people with the skills for a thriving future, and our efforts to drive more fair and inclusive opportunities for prosperity.

Everything you read in this Report is made possible by our 98,000+ employees who aim to make a meaningful difference for our clients and communities, every day. Together, we'll continue to build a purpose-driven bank that is a pillar of strength in our society and the economies in which we operate, and we look forward to sharing our progress on that journey.

Dave McKay

President & Chief Executive Officer (CEO)

[1] Includes donations and community investments made by RBC, RBC Foundation or RBC Foundation USA, employee volunteer grants and gifts in kind, as well as contributions to non-profits and non-registered charities.

Our approach and highlights

A purpose-driven approach to create long-term, sustainable value

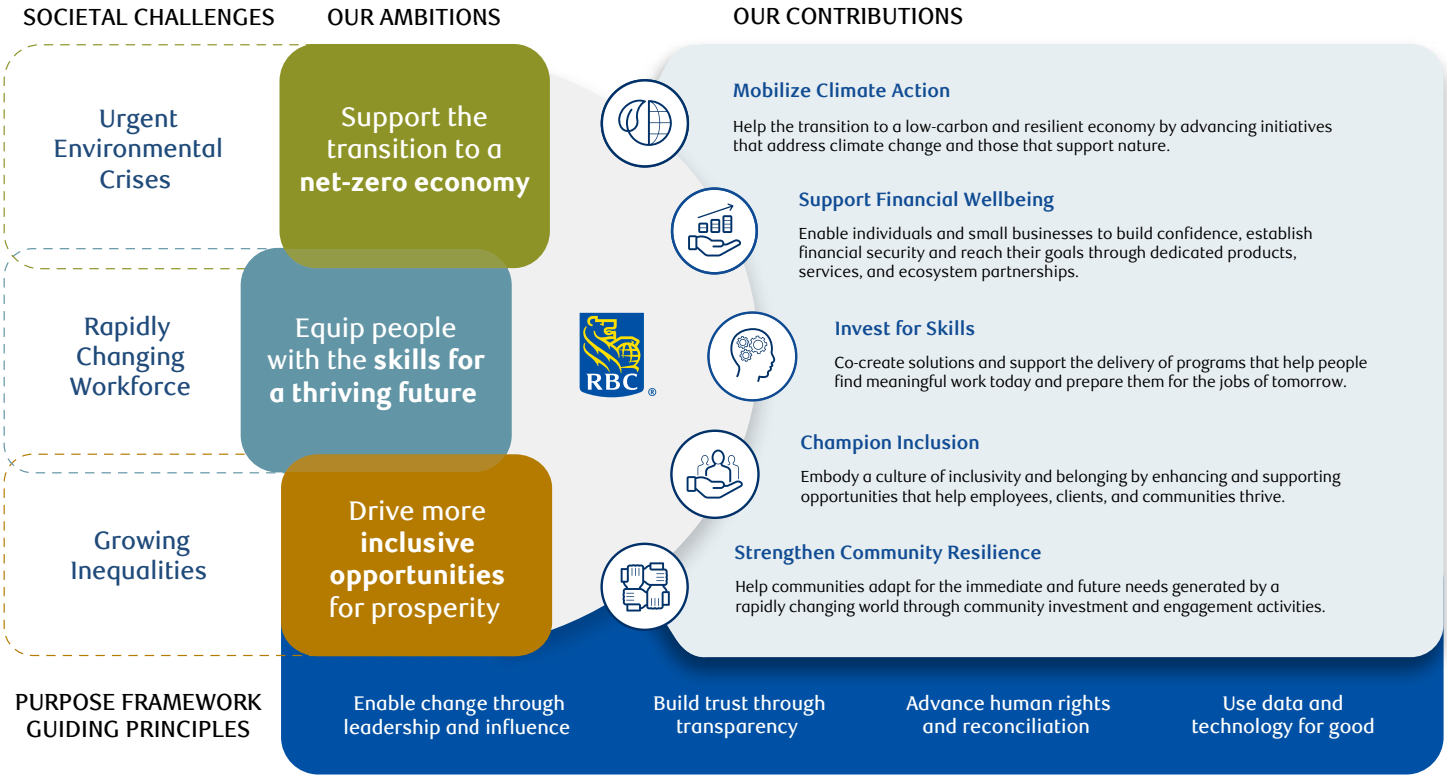
RBC has a long history of supporting sustainability matters and initiatives. From the days of RBC's first community investment in 1891, we have been active in the communities we operate in, and we engage on important issues relevant to our business and society.

Our Purpose Framework – *Ideas for People and Planet*™ aims to address certain pressing societal challenges that could impact the success of our business, both today and into the future: urgent environmental crises, a rapidly changing workforce and growing inequalities. It identifies our three ambitions which can help address these challenges and where we believe we can have a meaningful impact: support the transition to a net-zero economy, equip people with skills for a thriving future and drive more inclusive opportunities for prosperity. Our ambitions aim to align to RBC's strategy and goals, which are focused in areas where our impact can be meaningful to the businesses we are in and the communities we operate in.

In 2025, the RBC Board of Directors approved the strategies that underpin these three ambitions: the revised RBC Climate Blueprint, The RBC Skills Blueprint and The RBC Inclusive Opportunities Blueprint. The following section provides an overview of these blueprints and key highlights for 2024.

We will measure and track our progress and evolve our strategies to be responsive to the needs of our clients and communities.

RBC Purpose Framework – *Ideas for people and planet*



The RBC Climate Blueprint

The RBC Climate Blueprint, which represents our climate strategy, was originally published in 2019 and was last revised in 2025. It outlines the priorities and actions to support our goal to be the bank of choice for the transition to a low-carbon and resilient economy.

Our strategy is to support our clients across sectors in the transition, while focusing first on the areas that we believe present the greatest opportunities and risks [2]. RBC provides financing to support the growth of low-carbon energy, while also providing financing to meet current energy needs, including traditional sources of energy such as oil and gas. RBC is playing its role in helping our clients in the transition to a low-carbon economy, including supporting clients in high-emitting, hard-to-abate sectors in their efforts to decarbonize.

The transition will depend on the collective efforts and actions of a wide range of parties, and to advance climate solutions, RBC is engaging, informing, and collaborating with others. As part of this journey, we are committed to integrating climate considerations into our business and operations, including reducing emissions in our operations and supply chain.

We will continue to update our climate strategy to reflect the impact certain external factors, such as the complex and evolving nature of climate-related measurement methodologies and legislative and regulatory changes, may have on our strategy.

For more information about our climate strategy, refer to *Strategy overview in Climate*.

Goal

To be the bank of choice for the transition to a low-carbon and resilient economy

Strategic priorities

Advise and finance client actions that support the transition	Engage with others in advancing climate solutions	Integrate climate considerations into our business and operations
Actions		
Engage and support clients to help them succeed in the transition	Help scale climate solutions through equity and community investments	Advance climate risk management practices
Increase green and decarbonization financing	Convene industry and share economic research and insights	Enable our employees to make informed climate-related business decisions
		Reduce emissions in our operations and supply chain

Refer to the *Glossary* for definitions of certain key words in the Blueprint.

[2] As noted in this Report, certain of RBC's sustainability-related policies, commitments, targets and goals are not inclusive of the investment advisory or broker-dealer activities, or the assets under management or administration, of RBC Global Asset Management (RBC GAM) or RBC Wealth Management (RBC WM). Refer to *About this Report* for information on RBC GAM and RBC WM.

Key 2024 highlights

Advise and finance client actions that support the transition

Completed the first year of client engagement under *RBC's Client Engagement Approach on Climate – Energy Sector*, which outlines RBC Capital Markets' approach to engagement with its energy sector clients on their plans for the transition

Increased our lending to pure play low-carbon energy entities (increased by 104% for wind and 20% for nuclear from 2023)

Developed our own methodology to calculate our energy supply ratio, which is being tracked and reported internally

Established a strategy to provide advice for the construction and acquisition of new green buildings and the retrofitting of existing buildings, across RBC business lines

Engage with others in advancing climate solutions

Released The **RBC Climate Action Institute's inaugural annual report on Canada's net-zero progress**, exploring the challenges and opportunities for Canada's climate journey [3]

Allocated $22 million in climate investments, for a cumulative amount of $167 million since 2022, to support the development and scaling of climate solutions through equity fund and direct investing, progressing towards our goal to allocate $1 billion by 2030 [4]

RBC Tech for Nature® supported 140+ community investment partners in areas such as agriculture, energy and nature-based climate solutions through $29 million in community investments, an increase of 38% from 2023. Since 2019, RBC, RBC Foundation and RBC Foundation USA have invested $90 million of the $100 million commitment by 2025 to help address climate change and biodiversity loss, with the remainder to be invested in 2025

Integrate climate considerations into our business and operations

Continued to build on our approach to employee enablement and launched mandatory training on climate for Commercial Banking advisors

Announced plans to accelerate the retrofit of RBC's Canadian branch network where we are responsible for heating, ventilation and air conditioning (HVAC) equipment by investing $35 million over three years (2025-2027) in the first phase through the installation of energy efficient, low-carbon heating and cooling systems such as heat pumps, which will replace aging equipment

[3] In January 2025, The RBC Climate Action Institute released *Climate Action 2025: A year for rewiring*, its second annual progress report on Canada's net-zero journey.

[4] While our approach may evolve over time under this category of investment, we intend to prioritize allocating capital toward solutions that will lead to greenhouse gas (GHG) emissions reductions in Canada and globally. Our investment commitments eligible to count towards this goal may also include support for climate solutions with outcomes linked to biodiversity, nature and/or adaptation, among others. We aspire to achieve this goal by 2030; however, market conditions, among other factors – many of which are beyond our control and the effects of which can be difficult to predict – could impact our ability to invest capital to advance climate solutions over this timeframe. For more details, refer to *Appendix 8: Caution regarding forward-looking statements* and *Appendix 9: Important notice regarding this report*. For purposes of tracking progress towards this goal, our eligible investment commitments made from 2022 onward are included.

The RBC Skills Blueprint

RBC has an interest in helping those within and beyond our workforce develop skills to thrive as the world of work changes. Providing our employees and communities where we operate with support to develop in-demand skills and pursue meaningful careers is important to sustain our culture of high performance and to help improve lives in our communities.

Goal

Help our employees and communities where we operate keep pace with the changing world of work to drive mobility, innovation and resilience

Strategic priorities

Advance a skills centric approach to help enable employees to serve our clients	Collaborate with others to help individuals and organizations navigate the changing world of work	Support skills development in our workforce
Actions		
Uncover insights into employee skills, market demands and talent needs that will help our employees help our clients	Help individuals gain in-demand skills needed to access meaningful employment opportunities	Help employees gain skills and experiences to build meaningful careers at RBC
Empower employees with tools to explore career pathways matched to their skills and RBC's business needs	Work with organizations in our communities that support career transition, progression and re-credentialing	Foster a culture that embraces skill development and reskilling of our employees
Move talent across the organization to drive collaboration and simplify decision making	Use our scale and knowledge to deliver insights and actions on the changing skills landscape	

Refer to the *Glossary* for definitions of certain key words in the Blueprint.

Key 2024 highlights

Advance a skills centric approach to help enable employees to serve our clients

Supported making data-driven decisions by creating new reports and a toolkit that leverages data from our HR platform to provide senior leaders with a view of core skills adoption and development opportunities for their teams

Collaborate with others to help individuals and organizations navigate the changing world of work

Through the RBC Foundation Green Skills Scholarships Program, RBC Foundation, in partnership with Universities Canada, awarded scholarships of up to $5,000 to 40 students aged 25+ in 2024 committed to returning and reskilling within buildings and construction, agriculture and food production, transportation, waste management and recycling, and renewable energy

Through RBC Emerging Artists, RBC and RBC Foundation donated over $10 million in 2024 to approximately 200 charities and not-for-profit organizations to help equip the next generation of creatives with skills for a thriving future. Since 2004, investment in arts organizations have reached over $140 million, supporting over 51,500 creatives

Through RBC Future Launch®, RBC and RBC Foundation provided $59 million in 2024, helping set up Canadian youth in the communities we operate in with skills needed for a thriving future. Since 2017, RBC Future Launch has reached over 8.4 million Canadian youth and provided $451 million of the $500 million commitment by 2025 through more than 960 partner programs

RBC continued its thought leadership in areas such as economic growth opportunities, skills and others. **As of June 2024, more than 26,000 young people had participated in the RBC Young People and Economic Inclusion Longitudinal Study (launched in 2022), a collaboration between RBC and the Youth and Innovation Project at the University of Waterloo**, to provide insights into the obstacles facing Canadian youth, with a focus on employment

Support skills development in our workforce

Through Leap, our upskilling program, RBC focuses on skills development through self-directed learning, hands-on activities and interactive discussion groups. **5,584 participants completed Leap pathways resulting in 69,768 learning hours**

29,966 employees accessed on-demand learning in our learning management systems to build and sharpen their technical, personal and business skills, a 38% increase from the 21,711 employees in 2023

Over 3 million hours collectively invested by our workforce in building their technical, personal and business skills [5]

[5] Refer to the *Glossary* for the composition of training hours. Excludes City National Bank as this subsidiary has not been integrated onto our primary HR platform.

The RBC Inclusive Opportunities Blueprint

In the face of widening inequalities, providing fair and inclusive opportunities is important for the wellbeing of society and for the long-term success of our business. RBC looks for ways to turn ideas into action and help our clients become more financially stable, improve the strength and resilience of our communities, and develop our employees' career potential. While we recognize that we cannot do this alone, we are dedicated to doing our part.

Goal

Be known by our clients, communities, and employees for providing fair and inclusive opportunities for prosperity

Strategic priorities

Help clients achieve their financial aspirations	Contribute to building inclusive and resilient communities	Support our employees in their pursuit of a meaningful career
Actions		
Provide clients with financial products that help meet their varied and evolving financial needs	Provide access to advice, programs, and opportunities to help small businesses start, manage, and grow	Recruit from a range of backgrounds with the intention of creating access for under-served populations
Help clients take actions to improve their personal financial wellbeing	Fund projects and initiatives that drive opportunities for prosperity	Foster inclusive and supportive environments that enable a sense of belonging and wellbeing
Support more clients to own assets and grow them over time	Leverage our position, knowledge and resources to promote actions that help strengthen community resilience	Create career pathways where our employees are supported in pursuing their professional aspirations

Refer to the *Glossary* for definitions of certain key words in the Blueprint.

Key 2024 highlights

Help clients achieve their financial aspirations

Announced the launch of Global Credit Connect with Nova Credit, a cross-border credit bureau, to help eligible RBC newcomer clients leverage their international credit history in Canada, which can then be used in applications for RBC credit products and solutions

Continued to help Canadians navigate their personal relationships with money by expanding My Money Matters™ (originally launched in October 2023), a website with content, resources and tools (visited over 2.5 million times since launching) and **continued to expand access to Mydoh®**, RBC's money management application for households, which reached over 230,000 Canadians since 2021, helping youth build their financial literacy skills

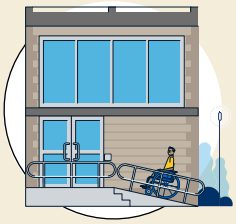
NOMI Find & Save®, a tool that uses predictive technology to understand clients' personalized transaction patterns and to help them save, **has helped our clients put aside more than $7 billion into savings since its launch in 2017**

Contribute to building inclusive and resilient communities

Launched Ownr® Blueprint, a free, step-by-step digital business planning tool that is tailored to help aspiring and existing entrepreneurs create a comprehensive business plan

In connection with the HSBC Canada acquisition, **RBC committed to provide $7 billion in financing for the construction, retrofitting, and renovation of affordable and sustainable housing** in Canada over five years

Established the RBC Foundation Community Infrastructure Fund with the goal of helping increase accessibility and environmental sustainability in our communities. In 2024, RBC Foundation provided over $6 million to 35 projects across Canada to support retrofits, repairs and upgrades of existing community spaces, as well as the construction of new spaces



Support our employees in their pursuit of a meaningful career

Employees continued to grow their career and to access opportunities in the organization, with **72% of positions filled by internal candidates in 2024**, up from 68% in 2023 [6]

Launched a new wellness platform that provides learning resources, health-related challenges and community connections to support employees in improving health and wellbeing while earning rewards for their wellness activities

[6] Excludes City National Bank and RBC Brewin Dolphin as these subsidiaries have not been integrated onto our primary HR platform.

2024 dashboard

We report on select metrics and initiatives that reflect progress against our strategies and demonstrate our performance. By clicking on each metric, you will be guided to the sections in the Report where additional context, metrics, and initiatives are provided to offer a comprehensive view of our efforts. Looking ahead, we plan to further refine and update our metrics to present the progress we are making against our evolving sustainability strategies, as well as to reflect applicable regulatory changes, updated industry and market standards, and improved data and methodologies.

Cross-cutting metrics that contribute to multiple Purpose Framework ambitions

$184MM
Total cash donations and community investments [7]
2023: $173MM | 2022: $155MM

61.1
Client Experience Score [8]
2023: 60.0 | 2022: 59.6
Goal: Maintain performance over the prior year

Climate: To be the bank of choice for the transition to a low-carbon and resilient economy

$12.5BN
Lending to pure play low-carbon energy entities – authorized basis [9]
2023: $9.4BN | 2022: n.a.

1%
Reduction in absolute financed emissions for oil and gas (authorized basis) [10], [11]
2023: n.a. | 2022: n.a.

63%
Reduction in global operational emissions against our 2018 baseline [12]
2023: 57% | 2022: 49%
Goal: 70% reduction by 2025 against our 2018 baseline

Skills: Help our employees and communities where we operate keep pace with the changing world of work to drive mobility, innovation and resilience

$88MM
Total invested in direct and indirect training and career development for RBC employees [13]
2023: $94MM | 2022: $76MM [14]

3.2MM
Total hours of instructor-led and web-based training for RBC employees [15]
2023: 2.9MM | 2022: 1.6MM [14]

84%
Opportunity for RBC employees to learn new skills [16]
2023: 86% | 2022: 85%

Inclusive opportunities: Be known by our clients, communities, and employees for providing fair and inclusive opportunities for prosperity

$7BN
$ saved by using NOMI Find & Save [17]
(cumulative since 2017)
2023: $5BN | 2022: $3BN

$15.5BN
Small business loans and acceptances
(Canada) [18]
2023: $13.7BN | 2022: $12.7BN

77
Employee Wellbeing Composite Score [19]
2023: 77 | 2022: 77

70%
Career growth opportunities for all RBC employees [20]
2023: 73% | 2022: 72%

(7) All periods presented are for the year ended October 31. Includes donations and community investments made by RBC, RBC Foundation or RBC Foundation USA, employee volunteer grants and gifts in kind, as well as contributions to non-profits and non-registered charities. Figures include community sponsorships and investments made to the RBC Communities Together Fund, RBC Emerging Artists, RBC Future Launch and RBC Tech for Nature.

(8) 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 the Ipsos Customer Satisfaction Index and J.D. Power's various client satisfaction studies. The score is measured on a scale from -100 to 100, where 100 represents the highest achievable score. Results include the Personal Banking, Commercial Banking and Insurance segments. Results do not include Wealth Management and Capital Markets segments.

(9) For information about our authorized lending to pure play low-carbon energy entities, refer to *Advise and finance client actions that support the transition* in *Climate*.

(10) Absolute financed emissions for the oil and gas sector (Scope 1, 2, & 3 in million tonnes (Mt) of carbon dioxide equivalent (CO_2e)) decreased by 1%. This was driven by business efforts to manage our portfolio and external market conditions, and was partly offset by incremental oil and gas exposure acquired from HSBC Canada.

(11) Measurement of our absolute financed emissions on an authorized basis for the oil and gas sector is based on methodologies, assumptions, estimates and judgment believed to be reasonable at the time of the measurement. Each of these is subject to inherent risks and uncertainties and may be inaccurate, resulting in disclosed measurements subsequently being determined to have been inaccurate. A number of factors, many of which are beyond our control and the effects of which can be difficult to predict, could affect the amount of our absolute financed emissions for the oil and gas sector in a period, and there can be no assurance that actions we take to bring down our absolute financed emissions for the oil and gas sector over time will result in the reductions we aspire to achieve. These factors include: clients' progress towards their own stated emission reduction targets, changes in the borrowers' enterprise value driven by various factors including market capitalization, availability of client emission data (including issues associated with data lags), and changes in emissions estimates driven by changes in data quality. For future reporting periods, we intend to review methodological enhancements on an ongoing basis, and, when deemed appropriate, to update our measurement methodologies to enhance the comparability of this metric over time. We have restated the 2023 absolute financed emissions from 71.4 g of CO_2e per megajoule (MJ) to 68.6 g CO_2e/MJ to reflect better data quality. For more details on what is included in our oil and gas absolute financed emissions, and on data considerations, limitations and data challenges, refer to *Appendix 5: Methodology and data challenges for relevant metrics*. Also refer to *Appendix 8: Caution regarding forward-looking statements* and *Appendix 9: Important notice regarding this report*.

(12) Inclusive of our global operations, Scope 1, 2 (market-based) and Scope 3 (business travel) reported GHG emissions, using a baseline of 2018. We have restated comparative figures for certain metrics associated with our global emissions from our operations. Refer to *Restatement of emissions from our operations* and *Table 16: Global emissions from our operations, for the year ended October 31* in *Climate* for further details.

(13) Refer to the *Glossary* for the composition of training investments. All periods presented are for the year ended October 31.

(14) The 2022 comparative figures for training investments and hours exclude BlueBay Asset Management and RBC Brewin Dolphin as the subsidiaries had not been integrated onto our primary HR platform. BlueBay Asset Management was integrated onto our primary HR platform in 2023. In addition, in 2023, we expanded the scope of our training investments and hours to include business-segment led training and informal learning hours, including learning hours in leadership development programs, inclusion learning events, and hours spent in learning applications. The 2022 comparative figures were not restated as the information is not available.

(15) Refer to the *Glossary* for the composition of training hours. All periods presented are for the year ended October 31 and exclude City National Bank as the subsidiary has not been integrated onto our primary HR platform. While RBC Brewin Dolphin has not been integrated onto our primary HR platform, the data for 2023 and 2024 has been collected through other means. In 2024, we expanded the scope of the metric to include RBC Brewin Dolphin, and the 2023 figure has been restated to be on a comparable basis. In addition, we have restated the 2023 comparative figure to adjust for the impact of errors in the calculation. The 2023 amount previously presented was 3.0 million hours.

(16) Represents the percentage of 2024 Employee Engagement Survey participants that responded Agree or Strongly agree to the following: I have the opportunity to learn new skills. Refer to the *Glossary* for further information on our 2024 Employee Engagement Survey.

(17) All periods presented are cumulative balances since 2017, and are as at October 31. RBC NOMI Find & Save is a tool that uses predictive technology to understand clients' personalized transaction patterns and to help them save.

(18) All periods presented are as at October 31. Represents small business loans and acceptances in Canada.

(19) The Employee Wellbeing Composite Score is our measure for understanding our employees' sentiments about their wellbeing. It is a composite of select questions in our annual Employee Engagement Survey. Refer to the *Glossary* for further information on our 2024 Employee Engagement Survey.

(20) Represents the percentage of 2024 Employee Engagement Survey participants that responded Agree or Strongly agree to the following: All employees have career growth opportunities at RBC. Refer to the *Glossary* for further information on our 2024 Employee Engagement Survey.

n.a. not applicable

Sustainability focus areas

Through our business, operations, employees, community investments as well as our research and insights, we aim to make an impact on people and planet, across various sustainability topics.

Each year, we conduct an exercise to reflect and review sustainability topics where our business strategy and operations may have an impact on the economy, environment and people, as disclosed in this Report. In 2024, we commissioned Ernst & Young LLP, an independent consultancy, to facilitate a cross-enterprise review to update our approach in line with the evolving sustainability disclosure landscape as well as legislative and regulatory changes. Following a three-step process as described below, we reviewed our existing focus areas, strategies and policies to create a list of relevant sustainability topics. For this list of topics, we assessed the associated sustainability impact, both negative and positive. To gather insights and test preliminary results of this assessment, we gathered input from internal stakeholders that represent the views of key external groups including clients, investors, suppliers, regulators and community partners. In addition, we surveyed a sample of investors to gather their perspective.

The exercise confirmed our continued focus on several sustainability focus areas, some of which are categorized as levers to drive impact (sustainability impact levers), and includes an additional category of advancing sustainability topics.

1 Create a list of relevant topics

We considered our existing strategies, policies and prior assessments against the evolving sustainability landscape, including disclosure developments in jurisdictions we operate in, peer disclosure in the banking sector, and environmental, social and governance (ESG) rating agency reports, among others. In this step, we developed a comprehensive list of relevant sustainability topics.

2 Assess the impacts

Next, we conducted a preliminary assessment of the severity and likelihood of actual and potential positive and negative impacts on people, the economy and the environment associated with each of the sustainability topics. Using a proprietary scoring framework, severity was assessed based on the intensity and scope of the impact, as well as the ability to remediate for negative impacts.

3 Determine topics for reporting

To gather insights related to the sustainability impacts, we conducted a series of interviews and workshops with senior leadership across our business segments, Executive Sustainability Council, ESG Disclosure Council and members of RBC's Board of Directors. We also conducted surveys with a sample of investors. These insights helped us validate focus areas covered in this year's Report, advancing sustainability topics that RBC is continuing to make progress on, and impact levers that influence RBC's impact on these sustainability areas.

Sustainability focus areas

Key topics where we, through our business, operations, employees, community investments as well as our research and insights, have the potential to make an impact on people and the planet, and remain essential to our Purpose Framework.

Business conduct
Following sound business practices with proper controls in place including related to anti-money laundering, anti-terrorist financing, anti-corruption and anti-competitive behaviours, consumer protection, and implementing risk management practices.

▶ *Conduct and trust* | *Lobbying and political contributions* | *Risk management* | *Climate-related risk management*

Climate change
Strategic actions to manage opportunities and risks related to the low-carbon transition and the physical impacts of climate change, including advising and financing our clients' actions that support the transition, and integrating climate considerations into our business and operations.

▶ *Climate* | *Community investments and donations*

Economic inclusion
Process where unfair barriers and biases based on any identity-based characteristics are addressed such that individuals can more equitably participate in and contribute to economic opportunities.

▶ *Help provide fair and inclusive access to financial services* | *Economic inclusion*

Employee inclusion
Fair and inclusive access to workplace opportunities where individuals, regardless of their race/ethnicity, gender, sexual orientation, disability status, or any other identity-based characteristics, have the same ability to participate in these opportunities and the same prospects of success given the same level of talent and ability, and the same willingness to use this talent and ability.

▶ *Human capital* | *Appendix 6: Additional human capital metrics*

Employee skills and learning development
Helping our employees keep pace with the changing world of work to drive mobility, innovation and resilience.

▶ *Developing employees*

Employee wellbeing
Supporting the overall health (physical and mental) and wellbeing of employees in the workplace environment.

▶ *Employee wellbeing*

Financial wellbeing
Design and delivery of products, services, resources, and partnerships that meet the varied and evolving needs of RBC clients, including offerings that help clients take actions to meet their current needs comfortably and grow assets over time to enable future financial security.

▶ *Financial wellbeing*

Human rights
Taking steps to ensure business practices strive to minimize and address potential human rights impacts including human slavery and child labour, human trafficking, workplace-related rights, and discrimination.

▶ *Human rights*

Privacy and cybersecurity
Appropriate use and storage of sensitive and/or personal data and safeguarding data from cyberattacks.

▶ *Privacy* | *Cybersecurity*

Advancing sustainability topics

Areas where RBC's approach is evolving, with ongoing efforts to respond to changing circumstances in a dynamic landscape.

Affordable housing
Housing that meets national/regional affordable housing definitions in the applicable jurisdiction; e.g., Canada Mortgage and Housing Corporation in Canada, U.S. Department of Housing and Urban Development, and UK Regulation of Social Housing or other regional equivalents.

▶ *Affordable and sustainable housing*

Nature
Impacts and dependencies on biodiversity and ecosystems across land, ocean, freshwater and air.

▶ *Our approach to nature*

Reconciliation
Further to the Truth and Reconciliation Commission of Canada's Call to Action 92 to corporate Canada, advancing Indigenous economic inclusion, accelerating talent, investing in communities, fostering accountability and leadership, and cultivating a sustainable environment (including free prior and informed consent, the energy transition and nature).

▶ *Indigenous reconciliation*

Responsible artificial intelligence
Use of artificial intelligence technology to realize operational efficiencies and help deliver financial products and services, while upholding standards of Privacy & Security, Accountability, Fairness, as well as Transparency & Responsible Disclosure.

▶ *Responsible artificial intelligence*

Impact levers

Sustainability focus areas that are mechanisms which help enable RBC to respond to client and/or community needs on a particular sustainability topic either directly or through offerings. This includes the following:

Community investment
Directing philanthropic actions to address RBC's identified societal and environmental ambitions. Includes eligible funding or financial support as defined in the guidelines of RBC's Community Investment.

▶ *Community investments and donations*

Responsible investment
A broad range of approaches for incorporating ESG considerations into the investment process, where appropriate, based on client demand and needs.

▶ *Responsible investment*

Responsible procurement
Consideration of environmental and social factors in the supply chain such as supplier inclusion and human rights risk management.

▶ *Responsible procurement and supplier risk management*

Sustainable finance
Financial activities that take into account environmental, social and governance factors.

▶ *Sustainable finance*

Governance

Approach to governance

We are committed to high standards of governance that are consistent with regulatory expectations and evolving best practices that are aligned with our strategy and risk appetite. We believe that good governance is more than overseeing RBC and its practices – it requires transparency, accountability and integrity. It means having an independent Board of Directors that actively engages with stakeholders, understands the business and its risks, constructively challenges management, navigates the complexities of a changing world, and upholds robust standards and principles to guide RBC in delivering on its Purpose of helping clients thrive and communities prosper, while enhancing value for its shareholders.

The Board of Directors

Directors are the stewards of RBC, exercising independent judgment in overseeing management and safeguarding the interests of shareholders and other stakeholders. The Board makes major policy decisions, participates in strategic, financial and risk planning, oversees major transactions and reviews management's performance and effectiveness. The Board is led by an independent, non-executive Board Chair, which enhances management's accountability and the Board's independent oversight.

The Board sets the tone from above and champions the values of trust, integrity and good governance. It oversees our strategic and corporate objectives, and determines our plans for achieving and monitoring performance through our governance structure. The Board is committed to continuously improving its corporate governance principles, policies and practices.

For more information on our Board and corporate governance structure, visit our *Corporate Governance* website.

Board composition

The Board derives its strength from the balanced and varied competencies, skills and experience of its members, which is critical to successful Board oversight. We firmly believe that the Board should reflect the diversity of our clients, employees, shareholders and the communities we operate in. The Governance Committee oversees Board renewal and nominates Directors for election to the Board. The Governance Committee's purpose is to build a Board that is composed of Directors who possess the talent and experience to support the future strategic objectives of RBC, with strong risk discipline in the context of a financial services transformation shaped by an increasingly competitive global marketplace, evolving expectations of regulators and other stakeholders, and by macroeconomic, technological and geopolitical developments. RBC shareholders elect the Directors at each annual meeting to serve until the next annual meeting.

Table 1: Board composition

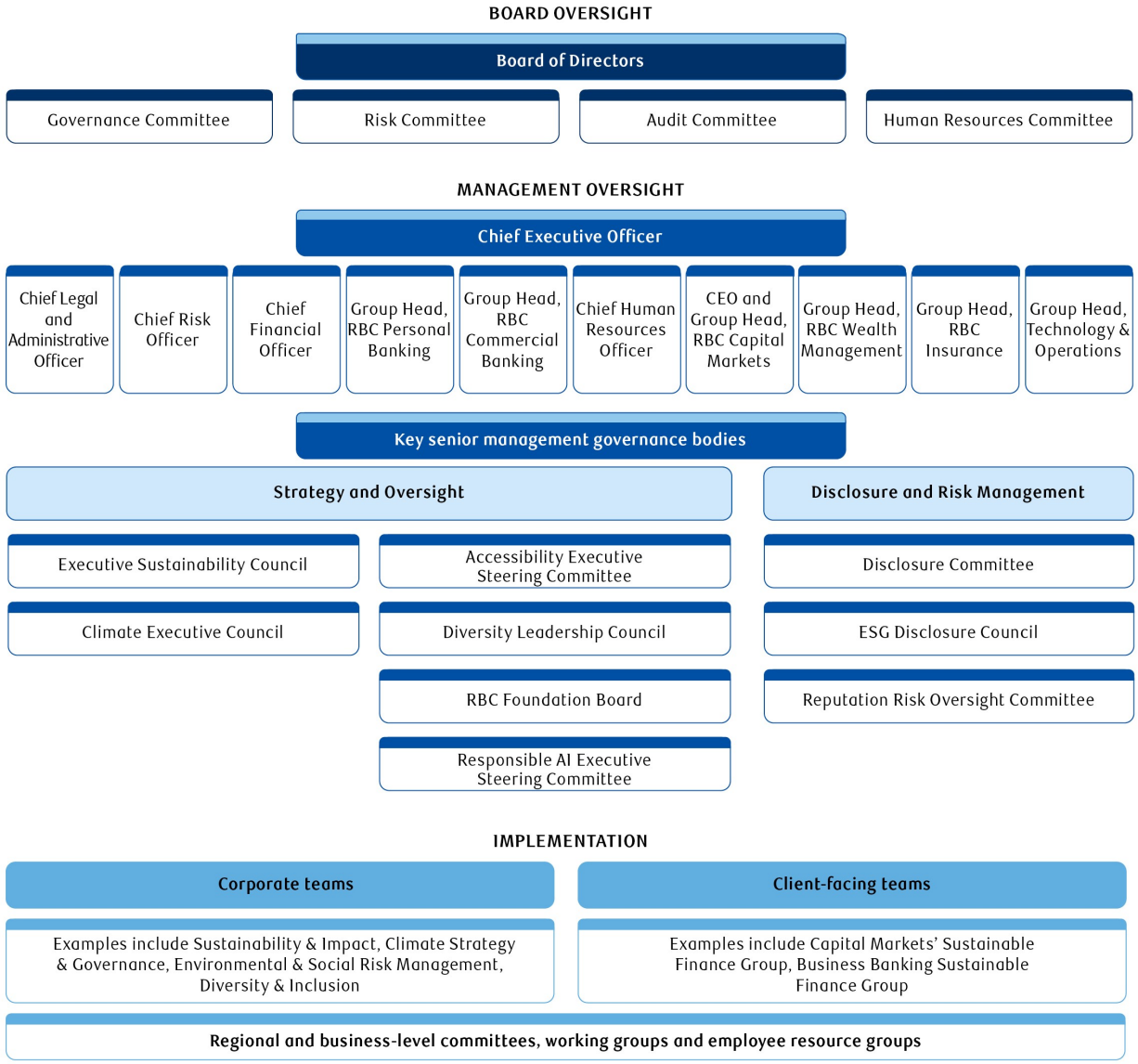
	2024	2023	2022
Number of Board members [1]	**13**	13	12
Percentage of independent Directors [2]	**92%**	92%	92%

(1) Refer to the *Directors* section on page 14 of our *2025 Management Proxy Circular*. The information in this table represents the composition of the group of Board nominees standing for election at the 2025 meeting of common shareholders, as of February 11, 2025.
(2) The *Bank Act* (Canada) 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*.

Sustainability governance and oversight model

Our sustainability governance model is designed to balance the Board and its Committees' oversight of sustainability-related matters with subject-matter expertise rooted within functions and businesses across the bank. The following model depicts the organizational structure for the governance of sustainability-related matters at RBC.

Figure 1: Governance of sustainability-related matters at RBC



Board oversight of sustainability

The Board and its Committees provide oversight of the bank's strategic approach to sustainability matters, including climate change, with specific subject-matter expertise, groups and functions responsible for relevant programs, products, policies and performance rooted within the business segments and functions across the bank.

Table 2: Board oversight responsibilities

Key responsibilities		Sustainability matters addressed by the Board and Board Committees Key 2024 highlights
		Environmental sustainability (including climate) Social sustainability
Board		
■ Responsible for the bank's business plan, strategy, risk appetite and culture ■ Oversees our strategic approach to sustainability, which includes how we manage climate-related risks and opportunities (including target setting and monitoring progress towards those targets), community investment, as well as our enterprise approach to social matters including diversity and inclusion	Environmental	Engaged with management on the evolving climate change landscape and trends and received an update on the bank's climate strategy and actions in response
	Environmental	Received an update on the bank's climate strategy, including external perspectives, *RBC's Client Engagement Approach on Climate – Energy Sector* and trends in client activities
	Environmental, Social	Received an update on the Personal Banking retail strategy, which included a discussion on sustainable finance
	Environmental, Social	Reviewed and approved the Enterprise Risk Appetite Framework (ERAF) which incorporates consideration of environmental and social (E&S) related risks
	Environmental, Social	Reviewed the Sustainable Finance Framework, as updated in 2024
Audit Committee [1]		
■ Oversees the bank's financial reporting, and related internal controls and disclosure controls and procedures, including the E&S-related disclosures in the bank's Annual Report ■ Supports the Governance Committee in overseeing annual enterprise sustainability reporting	Environmental, Social	Oversaw the bank's annual financial reporting process and recommended the bank's Annual Report, including E&S-related disclosures, for approval by the Board
	Environmental, Social	Received updates on the evolving environmental, social and governance (ESG) disclosure landscape, including regulatory and standard-setting developments in relation to climate change such as OSFI *Guideline B-15*, and the bank's advocacy actions in response (also received by the Governance Committee)
	Environmental, Social	Received an update on RBC's ESG disclosure strategy and controls including an overview of RBC's ESG reporting journey and mandatory disclosure requirements, supplemented with industry insights on the evolving landscape (jointly with the Governance Committee)
	Environmental, Social	Reviewed the *2023 Climate Report*, *ESG Progress Report* and *Public Accountability Statement*

Governance Committee [1]		
■ Advises the Board on sustainability matters, including climate change, and provides oversight and coordination over sustainability for the Board and its Committees ■ Advises on the status and adequacy of the bank's efforts to meet high standards of environmental and social responsibility ■ Oversees sustainability disclosures including annual enterprise sustainability reporting	●	Reviewed the *Client Engagement Approach on Climate – Energy Sector*
	● ●	Reviewed and approved the 2023 *Climate Report*, *ESG Progress Report* and *Public Accountability Statement*
	●	Received updates on trends on investor and proxy advisor perspectives regarding ESG, including climate as well as updates on stakeholder engagement including the Board's response to ESG-related shareholder proposals
	● ●	Received an update on the evolving ESG disclosure landscape, including OSFI *Guideline B-15* and the greenwashing amendments to the *Competition Act* (Canada)
	●	Reviewed and approved the *2023 Statement Regarding Modern Slavery* (Canada, UK and Australia) and reviewed the *RBC Human Rights Position Statement*
	●	Received updates on the third-party racial equity audits of the bank's employment practices and business and commercial practices (also received by the Human Resources Committee) and a presentation of the initial development of RBC's Reconciliation Action Plan framework
	● ●	Reviewed and discussed Sustainability & Impact's 2025 strategy (jointly with the Audit Committee) and reviewed and recommended the Board approve the 2025 global community investment commitment and the RBC Foundation budget
Human Resources Committee		
■ Oversees the bank's compensation principles, policies and programs ■ Recommends for Board approval, CEO and Group Executive compensation, including incentives, which consider environmental sustainability, social and governance factors ■ Responsible for talent management and human resources strategies	● ●	Reviewed and recommended the Board approve CEO and Group Executive compensation for fiscal 2024, which considered environmental sustainability, social and governance practices in the bank's short-term incentive program and a discretionary climate-based modifier [2] related to progress towards the strategic priorities of *The RBC Climate Blueprint* [3] to the mid- and long-term incentive program as more fully described in the *Compensation discussion and analysis* section on page 61 of our *2025 Management Proxy Circular*
	●	Received updates on executive staffing and progress on representation goals at each regular meeting
	●	Received updates on the third-party racial equity audits of the bank's employment practices and business and commercial practices (also received by the Governance Committee)
Risk Committee		
■ Oversees significant and emerging risks to the bank, including E&S risks ■ Recommends for Board approval our ERAF, which incorporates consideration of E&S risks when making risk management decisions	● ●	Approved the updated Enterprise Policy on Capital Adequacy which incorporated climate-related risks pursuant to OSFI *Guideline B-15*
	●	Reviewed the results of annual stress testing, which included climate-related physical and transition risk events (jointly with the Audit Committee)
	● ●	Received updates on E&S risks, including industry trends, regulatory developments and stakeholder perspectives in relation to climate change
	● ●	Reviewed and recommended the Board approve the ERAF and approved the Enterprise Risk Management Framework (ERMF), which incorporate consideration of E&S risk

(1) Beginning January 30, 2025, the Audit Committee assumed responsibility for approving the bank's annual enterprise sustainability reporting. Previously, the Governance Committee was responsible for approving the bank's annual enterprise sustainability reporting.
(2) Excludes the CEO and Group Head, RBC Capital Markets, who participates in the Capital Markets Compensation Program. Refer to the *Sustainability-related factors in executive compensation* section on page 77 of our *2025 Management Proxy Circular* for our discussion of how sustainability factors are incorporated into the Capital Markets Compensation Program.
(3) The Board approved CEO and Group Executive compensation in December 2024 (fiscal 2025), prior to the adoption by the Board of the revised *The RBC Climate Blueprint*, *The RBC Skills Blueprint* and *The RBC Inclusive Opportunities Blueprint*.

For further details on the Board oversight of sustainability, refer to the *Sustainability matters* section on page 33 of our *2025 Management Proxy Circular*.

To best support the bank in achieving its Purpose to help clients thrive and communities prosper, all Directors are required to have experience in environmental, social or governance matters, which they have acquired in a variety of ways, including through their professional experience or their educational background. Experience in environmental matters (including climate-related matters) includes experience as a senior executive, director or advisor at a major organization in the integration of environmental or climate-related topics into businesses, including strategy, risk management, disclosure and impact measurement or an organization focused on climate- or environmental sustainability-related matters. Experience in social matters is acquired through managing or overseeing human resources, inclusion, health and safety, community development and investment, or social sustainability matters either as a senior executive, director or advisor or through involvement with charitable and not-for-profit organizations advancing community, diversity and social initiatives.

Effective sustainability oversight and Board engagement require Directors to keep pace with the rapidly evolving and complex sustainability landscape. We take a coordinated approach to education with the Board and its Committees. For further details, refer to the *Focus on continuous education* section on page 45 of our *2025 Management Proxy Circular*, which includes education sessions on sustainability-related matters.

Management oversight of sustainability

We take a disciplined approach to define our sustainability focus areas and signature programs, considering the drivers of economic prosperity and the forces of change that affect those we serve.

Overall accountability for setting and overseeing our strategic sustainability priorities in line with our Purpose Framework lies with Group Executive members as follows:

- Setting and overseeing progress against our climate strategy, as set out in *The RBC Climate Blueprint*, is led by our Chief Legal and Administrative Officer.
- Setting and overseeing progress against *The RBC Inclusive Opportunities Blueprint* and *The RBC Skills Blueprint* is led by our Chief Human Resources Officer.

The Board and Group Executive provide oversight, and execution is supported by governance bodies, businesses and functions.

Strategy and oversight

The Executive Sustainability Council (ESC), formerly known as the ESG Executive Council, is designed to provide strategic advice on sustainability topics, including climate. In 2024, the membership of the ESC was refreshed with Group Executive delegates for each business segment and function. The ESC is chaired by the Senior Vice-President, Sustainability & Impact. The ESC's recommendations are put forward to members of the Group Executive for input, as required.

In addition, in 2024, we continued to evolve our climate governance, establishing a Climate Executive Council (CEC) to oversee the bank's climate strategy, including progress against goals and targets, and making decisions related to strategic climate matters. The CEC also provides recommendations to the Group Executive on significant climate decisions for management approval, such as updates to our strategy, targets and goals. The CEC is chaired by the Vice-President, Climate Strategy & Governance and is comprised of Group Executive delegates from select business segments and functions. With the establishment of the CEC, we retired the Climate Steering Committee and Climate Performance Reporting Forum.

To guide decision making on common areas and help ensure connectivity across the ESC and CEC, there is some overlap in the membership.

In addition to the ESC and CEC, there are other senior management governance bodies and forums, including, but not limited to, the following:

- **Accessibility Executive Steering Committee** – sets the broader strategic direction and near-term priorities for removing barriers that can impede the full participation of Persons with Disabilities at RBC and monitors feedback from Persons with Disabilities on RBC's progress.
- **Diversity Leadership Council** – drives the achievement of RBC's inclusion strategy.
- **RBC Foundation Board** – provides leadership, advice and oversight on matters pertaining to community investments.
- **Responsible Artificial Intelligence (AI) Centre of Excellence, which includes the Responsible AI Executive Steering Committee** – provides oversight and support in the implementation of responsible AI practices throughout the organization, where we convene experts across the enterprise.

Disclosure and risk management

The RBC Disclosure Committee reviews and approves certain sustainability-related disclosures, including this Report. The ESG Disclosure Council (ESG DC), a sub-committee of the Disclosure Committee, is responsible for providing executive direction and oversight of sustainability-related disclosures and supporting controls and governance across the organization. The ESG DC enables RBC to respond to the evolving sustainability reporting ecosystem, growing investor demands and the need for enhanced controls in this evolving space.

The Reputation Risk Oversight Committee provides advice, decisions and risk oversight on transactions, client and third-party relationships, products, services, initiatives, and strategies with potentially significant reputation risk, including E&S risk.

The Group Risk Committee oversees the ERMF, which includes E&S risk. The ERMF is further described in the *Risk management* section.

For further details on the management of E&S risks, including climate risk, refer to the *Environmental and social risk management* and *Climate-related risk management* sections in *Climate*.

Engaging with shareholders and other stakeholders

RBC engages with our shareholders and other stakeholders year-round on a range of topics, including strategic, financial, and risk-related matters within the broader macro and operating environment as well as climate, human capital and inclusion, and governance. The Board encourages all stakeholders to provide timely and meaningful feedback, facilitates constructive engagement and regularly reviews the bank's engagement with shareholders and stakeholders for alignment with best practices.

For more information, visit our *Investor Relations* website.

Sustainability-related factors in executive compensation

Accountability and transparency around executive compensation remain an important focus for issuers, shareholders, and other stakeholders.

As a global bank, we recognize the responsibility to identify, understand and respond to the sustainability-related risks and opportunities that matter most to our stakeholders and our business. We continue to evolve and refine our sustainability strategies by taking into consideration lessons learned and adapting to a dynamic and rapidly changing environment. In addition, we are focused on accountability and transparency – including disclosing how we tie our sustainability-related strategies, commitments, targets and goals to the variable compensation of our executive officers.

Individual performance objectives for the CEO and Group Executive[1] in our short-term incentive program are tied to RBC's financial performance, client outcomes and contribution to our risk and strategic objectives, including environmental sustainability, social and governance practices.

Since 2023, the CEO and Group Executive[1] mid-term incentive (MTI) and long-term incentive (LTI) programs include medium-term climate-based commitments related to progress towards the strategic priorities of the RBC Climate Blueprint[2]. This climate-focused assessment provides additional incentive for the CEO and Group Executive to accelerate RBC's progress towards these priorities, and enables the Board to recognize their efforts by applying a modifier to MTI and LTI incentive awards, taking into consideration their actions supporting our climate strategy.

For more information about executive compensation at RBC, including a detailed description of our approach to executive compensation and the philosophy and principles it is based on, refer to the *Compensation discussion and analysis* section on page 61 of our *2025 Management Proxy Circular*.

Conduct and trust

Our Vision is to be among the world's most trusted and successful financial institutions. As such, RBC has 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, judgment, decisions, actions and inactions of the organization and its employees. We believe that strong governance principles, systems and control processes underpin our employees' shared expectations of each other and are key to maintaining our culture of integrity. We strive to achieve the highest standards of conduct to build the trust of our clients and other stakeholders.

One of our priorities is to uphold principles, policies and procedures that promote integrity and help ensure we remain compliant with applicable laws and regulatory requirements. We believe in transparency and accountability, cornerstones of responsible governance, and we intend to continue to enhance our practices and reporting in response to both regulatory changes and emerging best practices.

Our approach to conduct and trust concentrates on our:

- Enterprise Culture and Conduct Risks Framework and business focus on helping to ensure our behaviours, judgments, decisions and actions lead to fair outcomes for clients and employees
- Anti-money laundering/anti-terrorist financing (AML/ATF), sanctions, anti-bribery and anti-corruption (ABAC) program, which are collectively referred to as our Financial Crimes Program
- Policies on lobbying and making political contributions (refer to the *Lobbying and political contributions* section)
- Paying our fair share of taxes (refer to the *Tax* section)

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 have 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 ERMF
- Risk-appetite limits and statements
- Regulatory conduct rules, practices and policies
- Performance management processes

Board of Directors

The Board sets and expects the highest standards of conduct at RBC to build and maintain the trust of our clients, employees and shareholders, as well as the communities we operate in. Additionally, the Board, with management, sets the tone from above and promotes an open and transparent culture at RBC.

The Governance Committee of the Board oversees the management of culture and conduct in relation to our Values, Code of Conduct, Supplier Code of Conduct, and Enterprise Culture and Conduct Risks Framework. The Governance Committee monitors emerging trends and best practices through Board and Board Committee reporting on culture and conduct risks such as client outcomes, organizational and employee conduct and risk culture, as well as the impact on the integrity of the financial markets we operate in and on our reputation.

Code of Conduct

Our Values and Code of Conduct guide our behaviour and decision making when we interact with our clients, investors, employees and the communities we operate in. The spirit and intent of the Code of Conduct helps to foster a culture that is built on trust, dignity and respect for all. Employees and contract workers are required to complete our Code of Conduct training program, and commit to and acknowledge the Code of Conduct within thirty days of their start date, and annually thereafter. Directors must acknowledge each year that they have read and understand the Code of Conduct and certify that they are in compliance with it. Our Code of Conduct is reviewed and updated biennially and approved by the Board.

At RBC, overall employee performance is assessed based on results and behaviours. Inappropriate behaviour that is a breach of the Code of Conduct and non-completion of mandated responsibilities are considered when assessing an employee's performance. Non-adherence to the Code of Conduct can negatively impact an employee's performance evaluation and associated remuneration, and may result in disciplinary action, including termination of employment.

Human Resources and Group Risk Management produce periodic enterprise culture and conduct risks reporting, which provides a holistic view of conduct across RBC that is presented to the Governance Committee of the Board. Reporting may include:

- RBC Code of Conduct training completion rates, as presented in *Table 3* below
- Analysis of Code of Conduct breaches and remedial actions taken
- Description of initiatives relating to the Code of Conduct

Table 3: RBC Code of Conduct training

	Goals	**2024**	2023	2022
Employees that were in compliance with the RBC Code of Conduct training [1]	>98%	**99.3%**	99.2%	98.6%

(1) Represents completion rates for RBC Code of Conduct training. All periods presented exclude City National Bank and RBC Brewin Dolphin. City National Bank employees are required to complete RBC Code of Conduct training; however, the subsidiary has not been integrated onto our primary HR platform, which is the source of our completion rates. RBC Brewin Dolphin will be integrated onto our primary HR platform and will adhere to RBC training in 2025, including the RBC Code of Conduct training. The 2022 comparative figure excludes BlueBay Asset Management as the subsidiary had not been integrated onto our primary HR platform.

Promoting positive culture and conduct

We strive to maintain workplaces where speaking up and diversity of thought are central to our culture. The RBC Leadership Model, which sets out key behaviours expected of our employees, encourages speaking up for the good of RBC, and our Code of Conduct requires all employees to report actual or possible misconduct, including their own. In some circumstances, reporting misconduct is also referred to as whistleblowing and the definition of whistleblowing varies between jurisdictions. Given this, speaking up and reporting misconduct are not limited to this commonly used term. Employees are encouraged to speak to their manager, senior management, Human Resources or Compliance so their concerns are addressed.

Our global Conduct Hotline provides a confidential channel for employees and contract workers, senior management and Directors to report misconduct that may violate the Code of Conduct, policies and laws, or is otherwise unethical and could put RBC at risk. The hotline is secure, fully accessible, available 24/7, administered by a third party, and reports may be made anonymously. We received 646 hotline reports in 2024 (2023: 544 reports; 2022: 407 reports).

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

RBC is committed to no retaliation for employees who raise concerns or make a report of actual or possible misconduct. We actively monitor for retaliation, which means, in appropriate cases, periodically following up with employees who raise concerns to identify actions or behaviours that could be found to be retaliatory, and reviewing key indicators such as performance ratings and compensation decisions made in relation to those who report misconduct. All people managers are accountable for maintaining an environment that prohibits retaliation, promptly escalating concerns and reports of possible or actual misconduct, as required, and following up until addressed.

Supporting policies

Identification and management of conflicts of interest

The *Bank Act* (Canada) and other governing legislation, regulations and guidelines require us to maintain appropriate controls and processes to identify, assess, manage and monitor conflicts of interest. The RBC Enterprise Conflicts of Interest Policy and its supplementary Control Standards outline the expectations to appropriately manage any conflicts between the interests of RBC or its employees, contract workers and the interests of RBC's suppliers, clients, public officials, external auditors or other third parties.

Where a conflict exists, or appears to exist, the parties involved must take appropriate steps to manage the conflict, including, in certain circumstances, eliminating it entirely. If more than one conflict of interest exists for a particular situation, the conflicts must be addressed and managed together.

The Governance Committee of the Board establishes and monitors procedures to resolve conflicts of interest as part of its oversight of conduct review. Where the personal or business interests of Directors and executive officers may conflict with those of RBC, they must disclose the nature and extent of the conflict of interest as soon as possible, in writing or by requesting to have it entered in the minutes of the applicable Board or Board Committee meeting. In the event of a conflict of interest, the Director or executive officer subject to the conflict of interest will leave the meeting when the issue is discussed and, in the case of a Director, will not vote or participate in the decision.

For all other employees, management of conflicts of interest is covered in the Code of Conduct.

The Audit Committee of the Board has a policy that requires its pre-approval of audit and other services (within permissible categories of non-audit services) performed by our external auditor. The policy prohibits RBC from engaging our external auditor for prohibited categories of non-audit services, which include services that provide for a contingency or commission fee arrangement or otherwise could compromise the auditor's independence, such as bookkeeping services, actuarial services, and internal audit outsourcing, among other services.

Financial Crimes Program

Our global Financial Crimes Program is designed to deter, detect and report suspicious activity, including the misuse of its products, services and delivery channels related to money laundering and/or terrorist financing, bribery and corruption, and/or other activities that may violate applicable economic sanctions.

The Financial Crimes Program is also designed to mitigate the risk of RBC's products or services being used for financial crimes to protect our clients, shareholders, staff and communities as well as to help achieve compliance with the applicable laws and regulations in the jurisdictions we operate in. Our global framework, policies and procedures define our risk appetite and set out the minimum anti-money laundering, anti-terrorist financing, economic sanctions, anti-bribery and anti-corruption requirements with which RBC must comply with.

Our Financial Crimes Program helps us maintain the highest level of professional and ethical standards in the conduct of all of our business affairs and places the highest importance upon our reputation, honesty and integrity. To supplement the Code of Conduct, RBC has a mandatory online anti-money laundering, anti-terrorist financing and economic sanctions training program that all employees must complete annually. In addition, RBC provides annual targeted online anti-bribery and anti-corruption training to employees who have a higher risk of exposure to bribery and corruption.

Refer to *RBC's Global Approach to Financial Crimes* for further information.

Table 4: RBC AML/ATF and economic sanctions and ABAC training

	Goals	**2024**	2023	2022
Employees and contractors that were in compliance with the RBC AML/ATF and economic sanctions training requirement [1]	>98%	**99.2%**	99.0%	98.2%
Employees and contractors that were in compliance with the RBC ABAC training requirement [2]	>98%	**99.1%**	99.0%	98.0%

(1) Represents completion rates for RBC AML/ATF and economic sanctions training. All periods presented exclude City National Bank and RBC Brewin Dolphin as these subsidiaries have not been integrated onto our primary HR platform. The 2022 comparative figure excludes BlueBay Asset Management as the subsidiary had not been integrated onto our primary HR platform. City National Bank, RBC Brewin Dolphin and Blue Bay Asset Management employees were required to complete subsidiary-specific AML/ATF and economic sanctions training for the periods noted. BlueBay Asset Management was integrated onto our primary HR platform in 2023.

(2) Represents completion rates for targeted RBC ABAC training for employees who have a higher risk of exposure to bribery and corruption. All periods presented exclude City National Bank and RBC Brewin Dolphin as these subsidiaries have not been integrated onto our primary HR platform. The 2022 comparative figure excludes BlueBay Asset Management as the subsidiary had not been integrated onto our primary HR platform. Relevant City National Bank, RBC Brewin Dolphin and Blue Bay Asset Management employees were required to complete subsidiary-specific ABAC training for the periods noted. BlueBay Asset Management was integrated onto our primary HR platform in 2023.

Anti-competitive behaviour

The RBC Enterprise Compliance Anti-Trust and Competition Law Policy and Control Standards apply to all RBC employees and contract workers globally and address common elements in anti-trust and competition laws that apply in the major jurisdictions we operate in. Additionally, an anti-trust and competition law training program is available to all staff globally and is mandated for employees who are in roles and positions with higher anti-competition risk exposure.

RBC employees are responsible for recognizing and avoiding anti-competitive behaviour by raising or reporting any concerns or potential breaches and taking timely actions to promote adequate business conduct.

Fiduciary risk

RBC's Fiduciary Risk Policy requires the identification, assessment, management and mitigation of any fiduciary risk inherent in our operations or arising from our specific activities and relationships with clients across RBC and its subsidiaries. The Fiduciary Risk Policy requires that controls be established to mitigate fiduciary risk, which include effective oversight and monitoring by business segments and functional units.

Lobbying and political contributions

RBC public policy and advocacy

RBC believes active and constructive engagement in consultations on public policy is an important part of being a responsible corporate citizen. Open dialogue between government and regulatory bodies, the public and the business community can lead to a greater understanding of issues and contribute to informed government and regulatory body decision-making, benefiting our shareholders, other stakeholders and the communities we operate in.

We are committed to high ethical standards in all our relationships with government and regulatory body officials. We participate in policy advocacy by communicating in a legal and appropriate manner with policymakers and regulators primarily on issues that impact our business, and we report our lobbying activity as required to help ensure transparency and accountability.

Governance and management oversight

RBC has internal and external policies that govern our behaviour in matters of corporate citizenship. The Governance Committee of the Board is accountable for keeping the Board informed on issues related to government relations, and the status and adequacy of efforts to develop and maintain effective relationships with governments and regulators. The Governance Committee receives regular reports on advocacy initiatives in Canada and the United States (U.S.), including information on the focus of our advocacy efforts, engagement with key officials on regulatory and legislative reform and involvement with trade associations and other industry participants. In the U.S., the Board of Directors of RBC USA Holdco Corporation reviews yearly reports on activities related to the RBC USA Holdco Federal Political Action Committee (RBC Holdco PAC).

Lobbying

Transparency and accountability are fundamental to maintaining integrity in our lobbying efforts. Together with RBC's Code of Conduct, ABAC, Enterprise Lobbying Policy, Canadian and U.S. lobbying procedures, and required annual training and other controls, we strive to ensure we are compliant with applicable laws respecting communication with government officials in every jurisdiction in which we operate, including any reporting requirements. Under these policies and procedures, senior management authorization is required for employees to lobby on behalf of RBC. The Vice-President of Government Affairs has overall responsibility for these policies and procedures as well as reports filed by RBC.

The majority of our lobbying activities take place in Canada, particularly at the federal level, and in the U.S.

In Canada, reportable communications and additional information can be found at:

- Office of the Commissioner of Lobbying of Canada
- Alberta
- British Columbia
- Manitoba
- New Brunswick
- Newfoundland and Labrador
- Nova Scotia
- Ontario
- Quebec
- Saskatchewan
- Yukon

In the U.S., the U.S. Congress provides public access to our federal lobbying disclosure reports, including reporting on RBC's quarterly expenditures on lobbying-related activities, the subject matter of issues that RBC lobbies on and the name(s) of any individual(s) registered to lobby on RBC's behalf at disclosures.house.gov. As at December 31, 2024, RBC had two registered federal lobbyists in the U.S. (as at December 31, 2023: two; as at December 31, 2022: two).

Certain employees are registered as lobbyists at the state and local levels. These activities mainly encompass procurement lobbying.

Table 5: Key financial sector policy positions in calendar year 2024

Issue	Primary government office and other relevant stakeholders	Key developments and RBC's positions/activities
Consumer issues	Government of Canada	RBC participated, both directly and through industry associations, in discussions to improve the framework relating to consumer protection for federally regulated banks.
Technology/data use	Government of Canada and other relevant stakeholders	RBC participated, both directly and through industry associations, in discussions regarding updates to the policy and regulatory framework to reflect technological changes. Important areas of focus included consultations on issues like open banking and privacy legislation.
Payments system	Government of Canada and other relevant stakeholders	RBC participated in government consultations on payments-related issues, including on the oversight of the retail payment system, interchange fees and efforts to modernize the Canadian payments system.
Taxation	Government of Canada and other relevant stakeholders	RBC advocated, both directly and through industry associations, for the principle of tax neutrality, and in favour of an efficient tax system that supports growth, investment and international competitiveness.
Structural issues	Government of Canada	RBC participated, both directly and through industry associations, in discussions regarding the structure of the financial services sector in Canada.
Banking	U.S. Senate, U.S. House of Representatives, Federal Reserve System, Securities and Exchange Commission, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation	RBC participated, both directly and through industry associations, in discussions and written comments on issues related to capital framework and liquidity requirements for banks, the Sunshine Protection Act, deposit insurance, and federal fair access.
Financial institutions/ investments/ securities	U.S. Senate, U.S. House of Representatives, SEC	RBC participated, both directly and through industry associations, in discussions and advocacy efforts on issues related to climate-related disclosure proposals, treasury clearing proposals, conflicts of interest proposals, U.S. insider trading disclosure requirements, Department of Labor's Fiduciary Rule, and the application of emerging technologies.
Tax	U.S. Senate, U.S. House of Representatives, U.S. Department of the Treasury	RBC participated, both directly and through industry associations, in discussions and advocacy efforts related to reforming the U.S. tax code, including the Low-Income Housing Tax Credit, infrastructure finance, and revisions to international tax policy.

Memberships and associations

In addition to our direct engagement with government officials, we are also members of associations that may have interactions with government officials on matters of interest to the financial services industry. These associations promote public policy objectives important to RBC, our clients and the broader community. Membership in, or financial support of, these various groups does not mean that RBC supports every position taken by these organizations or their other members. Where these positions differ from those of RBC, we are committed to voicing our views as appropriate.

The following are key organizations and trade associations RBC belongs to or is affiliated with that may engage in lobbying governments and that we currently pay membership fees to:

$50,000–200,000

- Business Council of Canada
- Loan Syndications and Trading Association
- Canadian Chamber of Commerce
- UK Finance
- Structured Finance Association
- Association for Financial Markets in Europe
- Institute of International Bankers

Over $200,000

- Bank Policy Institute
- Canadian Bankers Association
- Canadian Life and Health Insurance Association
- Futures Industry Association
- Investment Industry Association of Canada
- Securities Industry and Financial Markets Association
- Investment Funds Institute of Canada

In the U.S., trade associations annually report to their members the percentage of membership dues that are attributed to lobbying activity expenditures. These expenditures are non-deductible as defined under Section 162(e) of the *Internal Revenue Code* (United States) and are reported during the calendar quarter in which the dues are paid. During calendar 2024, the total amount for RBC was US$267,095 (calendar 2023: US$315,652; calendar 2022: US$226,607).

RBC, RBC Foundation and RBC Foundation USA community investments

RBC, RBC Foundation and RBC Foundation USA community investments are intended to support our Purpose Framework ambitions to support the transition to a net-zero economy, equip people with skills for a thriving future and drive more inclusive opportunities for prosperity. Community investments, including donations made through RBC, RBC Foundation or RBC Foundation USA, include strict guidelines with respect to the nature of these community investments, including that they not be used for political advocacy or for religious or sectarian purposes.

RBC, RBC Foundation and RBC Foundation USA do not make donations to charitable, not-for-profit or other organizations for purposes of political advocacy.

Political contributions and involvement

The RBC Code of Conduct states that RBC employees who make political contributions or perform political activities must do so on their own behalf, at their own expense and on their own time, and not as representatives of RBC or using RBC resources of any kind. Employees are informed that certain jurisdictions impose restrictions on political contributions and engagement, including volunteer activities and lobbying, by corporations and their employees. Employees are advised to review various jurisdictional laws, regulations and policies before making a political contribution. Employees who have questions are informed of how to seek clarity and guidance with their managers and Compliance.

Effective January 1, 2018, RBC does not use corporate funds to donate to political candidates or parties.

In Canada, corporations are prohibited from making political contributions directly to federal candidates or political parties.

In the U.S., RBC's political activities, including political contributions, are restricted by federal and state laws and regulations, including those regarding the administration of the one Political Action Committee (PAC) that RBC operates at the U.S. federal level, the RBC Holdco PAC. The RBC Holdco PAC provides opportunities for eligible employees to support federal candidates whose views the RBC Holdco PAC believes are consistent with RBC's commitment to a fair, transparent and competitive U.S. financial marketplace. It is supported by voluntary contributions of eligible RBC employees who are U.S. citizens or lawful permanent residents residing in the U.S. The RBC Holdco PAC's day-to-day activities are overseen by a Board of Directors, which approves RBC Holdco PAC contributions to candidates.

RBC does not operate or contribute to any "Super PACs". RBC does not operate any PACs at the state level. Federal, state and local pay-to-play rules further limit corporate and individual employee contributions.

RBC publicly discloses employee contributions to the RBC Holdco PAC as required by law. All reportable political contributions are available at the *Federal Election Commission*. This database includes RBC Holdco PAC contributions, as well as reportable contributions by RBC employees.

During 2024, contributions to candidates totalled US$40,500 (2023: US$40,500; 2022: US$38,500).

In addition, RBC makes contributions in the U.S. to a limited number of state- and local-level ballot initiatives as permitted by law. Contributions that are reportable by RBC to the Municipal Securities Rule Making Board can be found at *Electronic Municipal Market Access*.

Tax

The Audit Committee of the Board 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 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 disclosed to the relevant tax authorities as required by law. In 2024, 89% (2023: 87%[3]; 2022: 84%) of our revenue was earned in Canada and the U.S., and we provide tax information for these countries on page 111 of our *2024 Annual Report*, as well as for our other international operations. In addition, we provide tax information annually on a country-by-country basis to the Canada Revenue Agency.

Taxation and Group Risk Management regularly review the activities of RBC and its subsidiaries to assess whether we are compliant with applicable tax laws and other regulations.

Our approach to taxation

Our tax strategy is designed to provide transparency and support our business strategy, and is aligned with our Vision and Values. We seek to maximize shareholder value by structuring our businesses in a tax-efficient manner while also considering reputation risk by being in compliance with all applicable laws and regulations. Our Enterprise Tax Risk Management Policy requires that we:

- Act with integrity and in a straightforward, open and honest manner in all tax matters.
- Align tax strategy with our business strategy, supporting only bona fide transactions with a business purpose and economic substance.
- Conduct all intercompany transactions in accordance with applicable transfer pricing requirements.
- Comply with applicable tax laws and disclose our statutory obligations to tax authorities.
- Endeavour to work with the tax authorities to build positive long-term relationships and, where disputes occur, address them constructively.

We manage tax risk by:

- Continuously striving to enhance 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 global Conduct Hotline provides a confidential channel for reporting these and other issues.
  - **Our suppliers and service providers** – our *Supplier Code of Conduct* explicitly communicates our expectation of suppliers' tax compliance.
  - **Our clients** – there is a statement on our approach to tax risk on pages 110-111 of our *2024 Annual Report* as well as in our *UK Tax Strategy Statements*. The latter is part of our continued commitment to comply with the UK *Code of Practice on Taxation for Banks*. These statements spell out our zero tolerance for client transactions that are pursued to evade tax obligations.

Total income and other taxes

Table 6: Total income and other taxes, for the year ended October 31 (1)

Billions of Canadian dollars, except percentage amounts	**2024**	2023	2022
Total Canadian taxes (income, capital and other taxes)	**$ 3.5**	$ 3.7	$ 4.9
Total other international taxes (income and other taxes)	**$ 1.8**	$ 1.4	$ 1.6
Total income and other taxes (2)	**$ 5.3**	$ 5.1	$ 6.5
Effective total tax rate (3)	**26%**	27%	28%

(1) Effective November 1, 2023, we adopted IFRS 17 *Insurance Contracts* retrospectively and restated the period ended October 31, 2023. Results for the period ended October 31, 2022 are reported in accordance with IFRS 4 *Insurance Contracts*. Refer to Note 2 of our 2024 Annual Consolidated Financial Statements on page 163 of our *2024 Annual Report* for further details on these changes.
(2) 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. Refer to page 111 of our *2024 Annual Report* for more information.
(3) Calculated as total income and other taxes as a percentage of income before income taxes and other taxes. Refer to Table 12 of our *2024 Annual Report* for more information.

Table 7: Breakdown of total income and other taxes, for the year ended October 31 (1)

Billions of Canadian dollars	**2024**	2023	2022
Income taxes	**$ 3.2**	$ 3.2	$ 4.8
Payroll taxes	**$ 1.1**	$ 1.0	$ 0.9
Value added sales taxes	**$ 0.7**	$ 0.6	$ 0.5
Property taxes	**$ 0.2**	$ 0.1	$ 0.1
Business taxes	**$ 0.1**	$ 0.1	$ 0.1
Capital taxes (2)	**$ —**	$ 0.1	$ 0.1
Insurance premium taxes (2)	**$ —**	$ —	$ —
Total income and other taxes	**$ 5.3**	$ 5.1	$ 6.5

(1) Effective November 1, 2023, we adopted IFRS 17 *Insurance Contracts* retrospectively and restated the period ended October 31, 2023. Results for the period ended October 31, 2022 are reported in accordance with IFRS 4 *Insurance Contracts*. Refer to Note 2 of our 2024 Annual Consolidated Financial Statements on page 163 of our *2024 Annual Report* for further details on these changes.
(2) Amounts appear as $nil due to rounding.

Risk management

We are in the business of managing the risks inherent to the financial services industry and our view of risks is dynamic, reflecting the pace of change in the financial services industry. The ability to manage risk is a core competency of the bank, and is supported by our risk-aware culture and risk management approach. The Board oversees the implementation of our ERMF, while employees at all levels of the organization are responsible for managing the day-to-day risks that arise in the context of their mandates. The Risk Committee of the Board assists the Board in overseeing our risk management, which includes evaluating Group Risk Management's performance against its key priorities, reviewing the mandate of the Chief Risk Officer, and overseeing that policies, processes and procedures, as well as appropriate organizational structure, budget and resources are in place to manage RBC's significant risks.

Risk culture is a subset of our overall culture that influences how, individually and collectively, we take and manage risks. Our risk culture helps us identify and understand risks, openly discuss risks and act on the organization's current and perceived future risks. Our risk culture practices are grounded in our existing risk management and human resource practices and protocols. When combined with the elements of effective leadership and values, these practices provide a base from which the resulting risk culture and conduct outcomes can be assessed and monitored, and practices can be sustained and/or further enhanced. We seek to ensure that our business activities and transactions provide an appropriate balance of return for the risks assumed and the costs incurred; however, we seek to ensure all risk-taking activities and exposures are within the Board-approved risk appetite, corresponding constraints and risk limits.

Refer to our *2024 Annual Report* for information on our:

- Risk drivers
- Risk governance
- Risk appetite
- Risk measurement (including stress testing)
- Risk control (including the ERMF)
- Culture and conduct risk
- Approach to managing principal risks

Table 8: RBC Introduction to Risk Management training

	Goals	**2024**	2023	2022
Employees that were in compliance with the RBC Introduction to Risk Management at RBC training [1]	>98%	**99.7%**	98.9%	98.3%

(1) Represents completion rates for the RBC Introduction to Risk Management training. All periods presented exclude City National Bank and RBC Brewin Dolphin. Beginning in June 2024, City National Bank employees were required to complete the RBC Introduction to Risk Management training; however, the subsidiary has not been integrated onto our primary HR platform, which is the source of our completion rates. Prior to this, City National Bank employees were required to complete subsidiary specific risk management training. RBC Brewin Dolphin employees were required to complete subsidiary specific risk management training for all periods presented. The 2022 comparative figure excludes BlueBay Asset Management as the subsidiary had not been integrated onto our primary HR platform.

Development of products and services

RBC has an enterprise-wide policy that sets out a process for assessing the risks of the financial products and services we develop or offer, and lays out a clear approval process. Approval levels correspond to the level of risk identified, and we evaluate products and services for a range of risks to help ensure they align with our risk appetite and applicable laws and regulations. We also strive to ensure that products and services are reviewed regularly following their initial approval.

Business continuity and crisis management

Our business continuity management program helps our businesses prepare to deal with disruptions in operations or service to clients.

The RBC Business Continuity Program is global in nature and is applicable to all regions, business segments and Corporate Support, and subsidiaries. The objective of the program is to continue to provide services to our clients and to protect shareholder interests and help ensure stability of the markets in which we operate, in case of a significant disruptive event. RBC has plans and procedures in place to respond to and manage through a variety of incidents, while focusing on the continuity of operations. RBC conducts regular business continuity testing and exercises to help ensure our readiness and practice timely and coordinated responses to emergency situations, including operational disruptions, and external events such as building, city-wide and regional disruptions, cyber attacks and environmental disasters. We also conduct regular recovery exercises to validate our business continuity plans, as well as contact exercises to confirm our ability to reach employees during emergency situations.

Our Enterprise Crisis Management Team, which comprises senior executives from across the organization, is responsible for maintaining continued service to our clients during a crisis or major service interruption. The Enterprise Crisis Management Team is supported by a global network of regional, business-line and local-incident management teams. These teams are on call continuously to address situations that may pose significant risk to our employees, our reputation or our ability to serve clients.

Environmental and social risk management

E&S risk is the potential for an E&S issue associated with RBC, a client, transaction, product, supplier or activity, to have a negative impact on us, including our financial position, operations, legal and regulatory compliance, or reputation. It refers to the risk that we face as a result of the manner in which we, a supplier, or a client manages E&S issues or relationships with stakeholders and communities. Because different stakeholders and communities may have divergent views on E&S issues, any actual or perceived action or inaction by us in the management of an E&S issue may be perceived negatively by at least some stakeholders and, as a result, may increase our E&S risks.

E&S issues include, but are not limited to, climate change, site contamination, waste management, land and resource use, biodiversity, water quality and availability, environmental regulation, human rights (including, but not limited to, social and racial inequality and Indigenous Peoples' rights), inclusion, and community engagement.

E&S risks are unique and transverse in nature and may impact our principal risks in different ways and to varying degrees, including, but not limited to, strategic, operational, credit, reputation, and compliance risks.

We seek to integrate E&S risk considerations into our risk management approach. We manage E&S risk by leveraging existing policies and processes which govern our principal risks. Our Enterprise Policy on Environmental and Social Risk (E&S Risk Policy)[4] supports these policies and processes by outlining our principles for E&S risk management and setting out standards for how E&S risks arising from our activities are identified, assessed, measured, managed, mitigated, monitored and reported.

As a signatory to the Equator Principles, a voluntary, international financial industry framework for identifying, assessing and managing E&S risks for project finance, we have a procedure that outlines our governance for managing E&S risks related to certain project finance-related transactions and report annually on projects assessed according to the Equator Principles risk management framework.

We also have policy guidelines[5] in place for sensitive sectors and activities, which address our financing activities to clients and projects operating in the coal-fired power generation and coal mining sectors, the Arctic ecosystem, the Arctic National Wildlife Refuge, and United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites.

We continue to evolve our approach to E&S risk by leveraging existing risk management capabilities, and building new capabilities where required, including for purposes of incorporating regulatory guidance, industry best practices and improved data analytics to identify, assess, measure, manage, monitor and report on potential E&S impacts on clients, portfolios, and our operations. We recognize that the integration and maturity of our E&S risk management capabilities will continue to evolve, and that achieving a mature level of E&S risk management will be iterative and take time.

Refer to the *Climate-related risk management* section in *Climate* for information about our approach to climate-related risk management.

Sustainability impact levers

Sustainability impact levers focuses on the sustainability focus areas that are mechanisms which help enable RBC to respond to client and/or community needs on a particular sustainability topic, either directly or through offerings. These mechanisms include community investments, responsible investment, responsible procurement and supplier management, and sustainable finance.

Community investments and donations

RBC's community investments and donations aim to support our ambition to help communities prosper, by leveraging our resources and capabilities, and also by collaborating with multi-sector experts to help co-create solutions with the people who have a deep understanding of community and societal impact topics.

In 2024, RBC, RBC Foundation and RBC Foundation USA provided $184 million in cash donations and community investments globally[6]. Our efforts were enabled by a network of approximately 3,000 charitable partners. A significant portion of the cash donations – more than $86 million – is from the RBC Foundation, a separate legal entity that reports financial information to the Canada Revenue Agency.

As a company that has received Imagine Canada certification[7], RBC invests a minimum of 1% of its domestic net income before income taxes[8] in support of charitable and non-profit initiatives in Canada, including through the RBC Foundation. We have surpassed the 1% annual target since 2020. To build on this commitment, and in recognition of our global footprint, in 2022, we set a community investment target of 1% of net income before taxes (based on a five-year rolling average) in RBC's other core markets (the U.S., the UK and Europe) by 2025.

RBC, RBC Foundation and RBC Foundation USA support our communities in many ways, including through:

- **Donations** to registered charities
- **Support** to non-profits and organizations providing significant community benefits
- **Community sponsorships** that align with our brand and business goals and deliver societal, 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

Table 9: Cash donations and community investments provided by RBC, RBC Foundation and RBC Foundation USA, for the year ended October 31 (1)

Millions of Canadian dollars	**2024**	2023	2022
Cash donations	**$ 133**	$ 128	$ 110
Community investments (2)	**$ 51**	$ 45	$ 45
Commercial initiatives (3)	**$ 133**	$ 117	$ 74
Total amount donated by employees through RBC Celebration of Impact (formerly Employee Giving Campaign) (4)	**$ 27**	$ 24	$ 22

(1) Includes donations and community investments made by RBC, RBC Foundation or RBC Foundation USA, employee volunteer grants and gifts in kind, as well as contributions to non-profits and non-registered charities. Figures include community sponsorships and investments made to the RBC Communities Together Fund, RBC Emerging Artists, RBC Future Launch and RBC Tech for Nature.

(2) In addition to RBC's and RBC Foundation's own calculations, we engaged London Benchmarking Group (LBG) Canada to assess our data and calculate our Canadian community investments using methodology under the LBG measurement framework, which helps to account for the broader impacts of our financial contribution. LBG is a network of corporate community investment professionals that work together to apply, develop and enhance the LBG measurement framework. Since there are no generally accepted accounting principles to inform how community investments are reported, different companies have historically taken different approaches to arrive at their numbers. The LBG measurement framework provides an approach to measuring the real value and impact of corporate community investment to both business and society. As an external third party, LBG Canada provides a standardized approach to valuing community investments and reviews each participant's reported community investments to verify whether or not the approach has been followed.

(3) Commercial initiatives refer to Global Sponsorship Spend (Rights Fees) related activities led by RBC Regional Marketing teams across the organization that aim to build our brand identity and awareness globally, positively shift perceptions of RBC and create a positive impact in communities. Our Global Sponsorship Spend has increased with strategic investments across the bank. The 2022 comparative figures excludes City National Bank, Blue Bay Asset Management and RBC Brewin Dolphin as the data is not available for that period.

(4) All periods presented exclude City National Bank and RBC Brewin Dolphin as these subsidiaries have not been integrated onto our global employee giving and volunteering platform. The 2022 comparative figures excludes BlueBay Asset Management as data is not available for that period.

Table 10: Cash donations and community investments by region provided by RBC, RBC Foundation and RBC Foundation USA, for the year ended October 31 [1]

Millions of Canadian dollars	**2024**	2023	2022
Canada	**$ 141**	$ 128	$ 120
U.S.	**$ 37**	$ 38	$ 30
Other international	**$ 6**	$ 7	$ 5

(1) Includes donations and community investments made by RBC, RBC Foundation or RBC Foundation USA, employee volunteer grants and gifts in kind, as well as contributions to non-profits and non-registered charities. Figures include community sponsorships and investments made to the RBC Communities Together Fund, RBC Emerging Artists, RBC Future Launch and RBC Tech for Nature.

Areas of focus

RBC has identified the societal challenges impacting our clients and communities and where it believes it can create positive impact. Community investments are a key lever to drive this impact. To help unlock the talent and entrepreneurial spirit of our community investment partners and better respond to the needs of communities, we have anchored the majority of our community investments around the three ambitions in the RBC Purpose Framework.

Equip people with the skills for a thriving future

Advanced technologies are creating millions of rewarding careers, but livelihoods are also being displaced and industries dislocated by the rapid shift in skills required.

We aim to support community investment partners that provide people with skill building, reskilling, upskilling, mentorships, apprenticeships, work experience, work readiness and exposure opportunities.

To help Canadian youth access meaningful employment through work experience, skill-development opportunities, networking solutions and mental wellbeing support and services, RBC has committed to providing $500 million by October 31, 2025 through RBC Future Launch. In 2024, through RBC Future Launch, RBC and RBC Foundation provided $59 million in cash donations and community investments, which brings the total investment in RBC Future Launch to $451 million, reaching over 8.4 million Canadian youth through over 960 partner programs since the program's inception in 2017. When surveyed, approximately 78% of youth participating in RBC Future Launch programs and services indicated they feel better prepared for the future of work.

RBC supports organizations that provide opportunities to advance creatives and their career paths in genres such as visual arts, music, theatre, dance, literature and film. In 2024, through RBC Emerging Artists, RBC and RBC Foundation donated over $10 million to approximately 200 charities and not-for-profit organizations to help equip the next generation of creatives with skills for a thriving future, with exposure, networking and training opportunities. Since 2004, our investments in arts organizations have exceeded $140 million, supporting over 51,500 creatives. Through the program, students, educators and creatives gain a better understanding of commercial opportunities in the arts sector, and as small business owners, they benefit from a suite of programs and services across RBC to help grow their careers.

For further information, refer to the *Equipping people with the skills for a thriving future* section in *Social capital*.

Support the transition to a net-zero economy

Climate change and biodiversity loss are two of the biggest environmental challenges facing the planet, and the impact people are having on the environment is placing us on an unsustainable path. We aim to support community investment partners helping to advance positive environmental change.

RBC Tech for Nature, funded by RBC and RBC Foundation, is a multi-year commitment to support solutions that help preserve the world's greatest wealth: our natural ecosystems. We work with community investment partners to leverage technology and innovation capabilities to help solve pressing environmental challenges. In 2024, RBC Tech for Nature supported over 140 community investment partners in areas such as agriculture, energy and nature-based climate solutions through $29 million in community investments, an increase of 38% from 2023. Since 2019, RBC and RBC Foundation have invested $90 million of the $100 million commitment by 2025 to help address climate change and biodiversity loss, with the remainder to be invested in 2025.

For further information, refer to the *Engage with others in advancing climate solutions* section in *Climate*.

Drive more inclusive opportunities for prosperity

Disparities are widening and concerns around affordability are impacting the resilience of our communities. We aim to support community investment partners that address inequality by responding to local needs or addressing issues at a systemic level, which includes tackling root causes with long-term solutions.

In 2024, we supported organizations that aimed to increase financial wellbeing by helping people build financial confidence and manage their current and future financial situations. In Canada, this includes the LEAP Pecaut Centre for Social Impact, Momentum Community Economic Development Society, and Windmill Microlending. We also supported organizations that help address barriers to prosperity, including Egale Canada, the National Circle for Indigenous Agriculture and Food, the Rick Hansen Foundation, and Jack.Org.

RBC has a deep history of collaborating with Indigenous organizations in Canada, and in 2024, we continued to support the areas we believe will have the greatest impact on Indigenous communities. This includes the Gord Downie and Chanie Wenjack Fund, Indspire, Focus Forward for Indigenous Youth, Taking It Global – Connected North, Outside Looking In – Future Leaders, RBC Future Launch Indigenous Youth Scholarship, and Jack.org – Jack Talks for Indigenous Youth.

For further information, refer to the *Financial wellbeing* and *Economic inclusion* sections in *Social capital*.

Other community investments

In addition to the above, we strive to support other pressing community needs through community investments such as the following:

- Throughout 2024, urgent action was required to respond to tragic humanitarian and environmental crises. RBC, together with the RBC Foundation and RBC Foundation USA, mobilized in times of need and provided nearly $2.1 million in humanitarian and relief support efforts globally, including disaster response efforts in Canada.
- RBC Foundation has established the Community Infrastructure Fund with the goal of helping increase environmental sustainability and accessibility of buildings in our communities. In 2024, RBC Foundation provided over $6 million to 35 projects across Canada to support retrofits, repairs and upgrades of existing community spaces, as well as the construction of new spaces.

Responsible investment

At RBC WM and RBC GAM, responsible investment is an umbrella term used to describe a broad range of approaches for incorporating material ESG considerations into the investment processes. These approaches may not be available in all regions in which RBC WM and RBC GAM operate and do not apply to all investment types. Examples of investment types that would not integrate ESG factors include, but are not limited to, money market, buy-and-maintain, passive and certain third-party sub-advised strategies or certain currency or derivative instruments. These approaches are not mutually exclusive; multiple approaches can be applied simultaneously within the investment process. RBC WM and RBC GAM may offer investment options to meet the demand of clients interested in responsible investment, described as follows:

- **ESG integration** – Ongoing incorporation of material ESG factors[9] into investment decision-making with an aim to identify potential risks and opportunities and improve risk-adjusted, long-term returns.
- **ESG screening and exclusion** – Applying positive or negative screens to include or exclude assets from the investment universe.
- **Thematic ESG investing** – Investing in assets involved in a particular ESG-related theme or seeking to address a specific ESG issue.
- **Impact investing** – Investing in assets with the intent to generate a measurable positive social or environmental impact.

Refer to *About this Report* for further information on RBC GAM and RBC WM.

RBC Global Asset Management

RBC GAM believes that being an active, engaged, and responsible investor empowers us to enhance the risk-adjusted, long-term performance of our portfolios and is consistent with our fiduciary duty.

RBC GAM's *Approach to Responsible Investment* describes the actions we are taking related to ESG integration, active stewardship, and client-driven solutions and reporting[10]. These actions seek to deliver on our aim of maximizing our clients' investment returns without undue risk of loss, in accordance with the investment objectives, strategies, and restrictions of each investment mandate.

At RBC GAM, investment teams incorporate material ESG factors[9] into their investment decisions for applicable types of investments[10]. RBC GAM considers material ESG factors in proxy voting and engagement with issuers, and may also participate in responsible investment industry initiatives, where applicable. RBC GAM strives to align solutions with client demand and to provide its clients with transparent and meaningful reporting on its responsible investment activities.

RBC Global Asset Management – 2024 highlights

- RBC GAM published its fourth annual climate report, the *RBC Global Asset Management Climate Report 2023*, guided by the recommendations of the Task Force on Climate-related Financial Disclosures. This report was the second report published in line with the regulatory requirements of the UK Financial Conduct Authority ESG Sourcebook.
- Updated RBC GAM's *Approach to Responsible Investment* to include additional content on governance, climate change and nature, and human rights.
- RBC GAM remains a signatory to the UK Stewardship Code 2020, which aims to enhance the quality of engagement between asset managers and companies to help improve long-term risk-adjusted returns to investors. RBC GAM's *2023 Stewardship Report* met the expected standard of reporting of the Financial Reporting Council.

RBC Wealth Management

To serve the needs of clients interested in responsible investments, RBC WM has three strategic priorities:

Priority	Priority description	2024 highlights
Thought leadership	RBC WM looks to grow their clients' knowledge around the topic of responsible investing and the way it is applied to an investment portfolio.	■ Continued to distribute a weekly publication highlighting three news stories about responsible investment-related developments globally. ■ Continued to publish a quarterly newsletter that expands on the weekly publication and provides content for clients. ■ Continued to create a suite of client-facing documents that help define the responsible investing space.
Advisor adoption	RBC WM believes it is important for their advisors to be able to discuss responsible investing with their clients to meet evolving market preferences.	■ Newly hired advisors and client associates received training on responsible investing and uses of ESG data. ■ Continued to develop a range of resources that advisors can use to help clients understand the various applications of responsible investment.
ESG data and solutions	RBC WM needs to have a consistent source of ESG data and then create investment solutions based off this data set.	■ RBC WM investment teams looked at ESG data, risks and opportunities to evaluate investments and create portfolios. ■ Launched RBC WM's second solution in the U.S. market, named Global Carbon Innovators, leveraging ESG integration and thematic investing.

Responsible procurement and supplier risk management

The *RBC Supplier Code of Conduct* (SCOC) sets expectations for suppliers to, among other things, abide by applicable employment standards, labour, non-discrimination, and human rights laws in jurisdictions in which they operate, and to have appropriate environmental management policies and procedures in place to comply with applicable environmental laws. Suppliers are required to acknowledge the SCOC and we report internally on those acknowledgements. We also have risk assessment and due diligence programs in place through which suppliers' alignment to the principles set out in the SCOC is assessed. As for acquired entities or businesses, we develop integration plans to cover third parties, which include deployment of the SCOC acknowledgement. Third parties that are not aligned to or do not acknowledge the SCOC may be disqualified as potential suppliers to RBC or may be placed on a watchlist and subjected to additional monitoring.

Supplier inclusion

RBC's Supplier Inclusion strategy aims to support an inclusive supplier community in a variety of ways, including by actively participating in various global forums such as councils, knowledge forums and supplier roundtables, among other initiatives.

Sustainable finance

In 2019, we first announced our commitment to sustainable finance. We developed a methodology to report progress towards our sustainable finance commitment and set out this methodology in our Sustainable Finance Framework, noting that it may be updated and modified as needed.

Since first announcing our commitment, industry practices for measuring and reporting on sustainable finance have evolved. We have reviewed our methodology and have concluded that it may not have appropriately measured certain of our sustainable finance activities as presented on a cumulative basis.

Separately, in June 2024, Canada's *Competition Act* was amended to introduce new provisions governing representations about the environmental benefits of products and business activities.

In light of these developments, we will no longer be using this methodology going forward, and we are also retiring our sustainable finance commitment. Finally, we are considering potential changes to our overall approach to sustainable finance, including our Sustainable Finance Framework. We intend to disclose any material changes in a future sustainability report. We remain committed to sustainable finance and to reporting on our sustainable finance activities in a clear and transparent manner in compliance with applicable laws.

Climate

Climate describes RBC's approach to managing climate-related risks and opportunities, and our strategic actions related to our goal of being the bank of choice for the transition to a low-carbon and resilient economy.

Strategy overview

Our climate strategy, as outlined in *The RBC Climate Blueprint*, is anchored in our goal to be the bank of choice for the transition to a low-carbon and resilient economy. We advance our climate strategy through our role as a bank and take actions that we believe are relevant to the long-term success of our business.

In executing on our strategy, we are staying engaged with and supporting our clients by:

- Initiating and then continuing a discussion about the transition;
- Understanding how we can support them and where they see barriers to the transition; and
- Providing advice and products to support their progress.

We are also continuing to contribute to climate action by engaging with others through climate investments, community investments and through the work of the RBC Climate Action Institute. In addition, we continue to integrate climate considerations into our business and operations, including reducing emissions associated with the real estate we occupy.

In 2021, we set an ambition to achieve net-zero emissions in our lending by 2050[4]. We are working towards this ambition and our climate strategy outlines how we intend to make progress. Achieving net-zero emissions in our lending will ultimately require changes in government policy, technology and consumer demand that requires collective efforts and actions across a wide range of stakeholders. While the pace of change is uncertain and we do not expect progress to be linear, we remain committed to supporting the transition to a low-carbon and resilient economy. We will continue to recalibrate our strategy where appropriate to reflect changing circumstances.

For more information on our 2024 key highlights, refer to *The RBC Climate Blueprint*, and for an in-depth look at our progress against our three strategic priorities, refer to the subsequent sections within *Climate*.

Advise and finance client actions that support the transition

Overview

As part of our climate strategy and consistent with our role as a bank, we focus on advising and financing client actions that support the transition to a low-carbon and resilient economy in two ways:

- **Engage and support clients** – we work with clients on their plans for the transition and develop capabilities to provide advice and financing to support clients in the transition; and
- **Portfolio actions** – we work to increase our lending to low-carbon activities as a proportion of our portfolio mix over time. We also measure and manage our high-carbon activity lending.

We have initially focused on sectors that we believe present the greatest opportunities to support and engage with our clients through the transition, when considering such factors as: the size of our client portfolio, where we see commercially viable opportunities and levers RBC can use to support clients in their efforts to transition, as well as those sectors contributing to our highest financed emissions. Our sectors of focus are oil and gas and power generation (referred to collectively as the energy sector in this Report), automotive, real estate and agriculture - with some of our actions going beyond these sectors and the intention to expand coverage over time.

These clients are within the Capital Markets, Commercial Banking and Personal Banking business segments. These business segments offer products, advice and tools to large corporations and institutional investors (Capital Markets), small to mid-sized businesses (Commercial Banking and City National Bank) and individual clients (Personal Banking)[4]. Refer to the *Responsible investment* section in *Sustainability impact levers* for information about RBC WM and RBC GAM's approach to responsible investment.

Energy

Sector overview

The energy sector is a leading source of emissions globally[11] and in Canada[12]. As a bank headquartered in a major energy producing and exporting economy, RBC has a role to play in supporting clients achieve their objectives for the transition, while continuing to provide financing to meet current energy needs, including from traditional sources of energy.

As energy demand continues to grow, we focus our low-carbon energy financing on three key areas, including, renewable energy (e.g., solar, wind and hydro electricity); nuclear energy; and electricity transmission, distribution and energy storage (e.g., battery technology). Scaling these areas of the energy system is an important step in supporting the transition to a low-carbon energy system that is less reliant on fossil fuels and produces lower GHG emissions.

Engage and support clients

RBC's Client Engagement Approach on Climate – Energy Sector formalized the business' engagement with its energy sector clients on their plans for the transition. It applies to RBC Capital Markets' clients that fall within RBC's 2030 interim emissions reduction targets (Interim Targets)[13, 14] for the oil and gas and power generation sectors. This approach includes a transition readiness framework, a tool used to assess energy sector client transition plans, and our response to support clients on their transition journey. The transition readiness framework allows RBC to assess these RBC Capital Markets clients according to five bands of maturity based on their reporting and/or commitments they have publicly disclosed or communicated to RBC. Refer to the figure below for more details.

Table 11: Maturity scale under RBC Client Engagement Approach on Climate – Energy Sector

Maturity scale and description	
1. Non-committed	■ No commitment to reduce emissions communicated to RBC.
2. Early	■ Various stages of transition plan development and implementation, with increasingly ambitious criteria in the progression from Early to Intermediate.
3. Emerging	
4. Intermediate	
5. Advanced	■ Reflects what could be needed for a 1.5°C-aligned transition as well as some of the highest standards of transition plans in the sector.

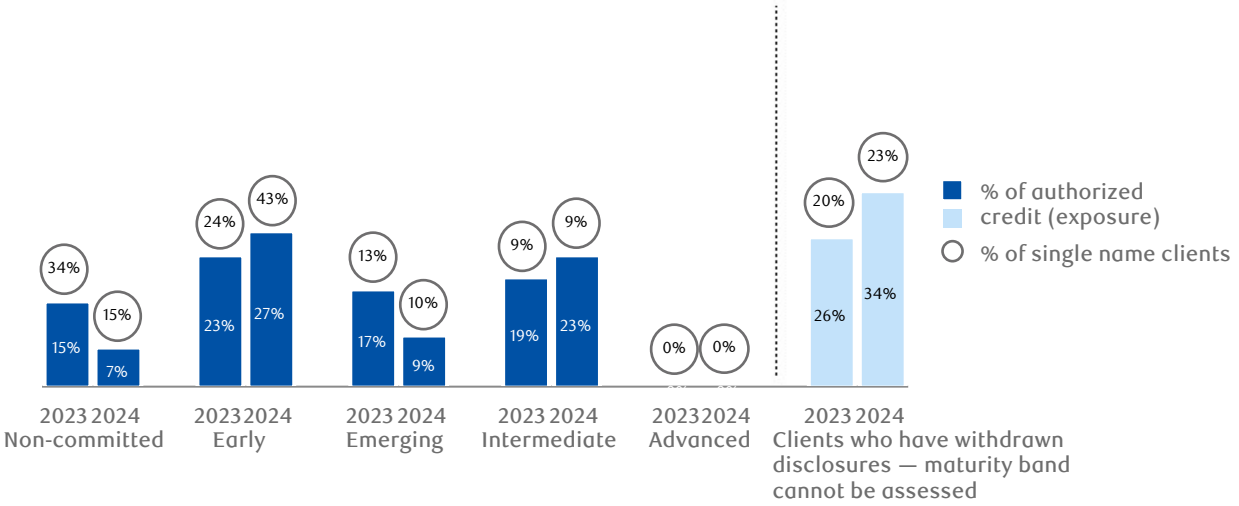
We completed the first assessment of RBC Capital Markets' clients' transition plans in 2023. Following this assessment, we focused on engaging with clients assessed to be in the Non-committed band of the transition readiness framework, since these clients could be subject to higher transition risk, to understand their circumstances and assess opportunities to help them progress.

We engaged with 85% of clients based on authorized exposure in the Non-committed band as of October 31, 2024 across both our oil and gas and power generation portfolios. We now understand why they have not made a commitment to reduce and/or report their emissions, and whether or when we can expect them to progress. A summary of our learnings and 2024 assessment results are outlined below.

In 2025, we intend to continue engaging with clients in the Non-committed maturity band where we notice an opportunity to support their progress. We also intend to engage further with clients in the Early band of the transition readiness framework and explore opportunities in providing financing to support their transition needs.

Oil and gas

Figure 2: Results for oil and gas sector clients assessed using the transition readiness framework [(1), (2)], as at October 31



(1) RBC Capital Markets clients, as described in *RBC's Client Engagement Approach on Climate – Energy Sector*. The estimate of the portfolio impacted by clients that have withdrawn or reduced disclosures does not account for portfolio mergers and acquisitions (M&A) activity; for example, a client would not be included in the 'clients that have withdrawn or reduced disclosures' population if they had a disclosure in 2023 but were subsequently acquired by a client who withdrew or reduced disclosure in 2024.

(2) No clients met the Advanced maturity band criteria in 2023 or 2024. Progressing to the Advanced band is challenging for most clients, as the criteria includes having 1.5°C aligned targets.

Our clients continue to navigate an evolving regulatory and legal environment, including amendments to the *Competition Act* (Canada), as described in *About this Report*. 34% of our oil and gas sector clients (on an authorized exposure basis) have withdrawn or reduced the scope of their climate and sustainability-related disclosures since our 2023 assessment, or have added disclaimers that the disclosure is for informational purposes only. Because we cannot accurately assess the maturity band of those clients, we have removed them from the maturity bands and shown them as 'clients who have withdrawn disclosures' in *Figure 2* above. This has only impacted 2024 data; however, for comparability, we have also shown the 2023 impact. We will continue to review our approach in assessing client plans in light of their limited disclosure.

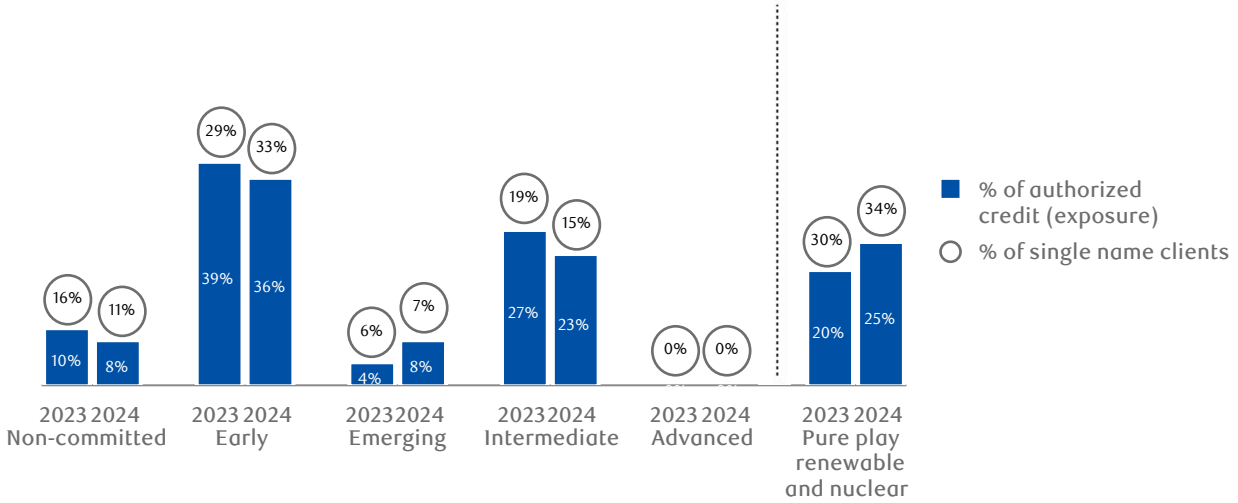
The exposure to Non-committed clients decreased year-over-year from 15% to 7%, as set out in *Figure 2* above. Drivers of this progress include successful engagement with clients, who began disclosing emissions and plans to reduce them. Many of our Non-committed clients are owned by private equity firms. In some cases, we engaged directly with these private equity firms, who were already working with their portfolio companies on emissions reduction initiatives and were well positioned to provide us with information related to these initiatives. M&A activity was also a factor as clients with more robust climate plans acquired smaller, less mature clients who may not have had a similar plan.

The remaining Non-committed clients in our portfolio tend to be relatively small private clients, new companies, or royalty companies. Newer companies (e.g., recently formed) are often too early in their journey to have formulated a climate plan, but are a good example of a client type that is often receptive to climate engagement. Royalty companies differ from operators as they largely act as a financial service provider. They do not have direct control over the emissions that result from the underlying oil and gas assets. As a result, it is more difficult for these clients to progress through the maturity bands.

We also explored other challenges relevant to clients in other maturity bands, including methane abatement and Scope 3 emissions reporting. We continue to deepen our understanding on these topics through research and by engaging with clients and industry experts. Our observation is that in both areas, inconsistency of calculation and reporting methodologies with limited standardized guidance is a defining challenge for our clients. We will continue to work with our clients and non-governmental organizations to understand the opportunities and challenges of these topics.

Power generation

Figure 3: Results for power generation sector clients assessed using the transition readiness framework [(1), (2)], as at October 31



(1) RBC Capital Markets clients, as described in *RBC's Client Engagement Approach on Climate – Energy Sector*.
(2) No clients met the Advanced maturity band criteria in 2023 or 2024. Progressing to the Advanced band is challenging for most clients, as the criteria includes having a net-zero by 2035 commitment.

The exposure to Non-committed clients decreased from 10% in 2023 to 8% in 2024, driven by client progression, M&A activity, growth in pure play low-carbon energy clients, as well as client additions and departures which occurred as part of the regular course of business. Most of the remaining Non-committed clients in our portfolio are primarily natural gas power generation companies with only a single asset, or municipal power generation co-operatives. These types of clients face unique considerations and constraints for decarbonization given their nature and corporate structure.

Exposure to pure play[14] low-carbon energy clients increased from 20% in 2023 to 25% in 2024 of total in-scope sector exposure. This was driven by focused efforts to grow our business in this area, in line with our goal to increase our lending to renewables and other low-carbon energy.

We identified that 9% of authorized exposure in the Early band is to clients that have emissions reduction targets that are aligned to a below 2°C pathway rather than 1.5°C, limiting their ability to progress to the Emerging band. We were encouraged to see two clients raise their ambition and set 1.5°C-aligned targets in 2024. Regulation and public policy have a significant impact on the ability of power generation clients to set 1.5°C-aligned emissions reduction targets or to accelerate timelines for either net-zero and/or for phasing out unabated coal power generation. For example, a client with a goal to phase out unabated coal power generation later than 2030 may operate in a jurisdiction currently prioritizing affordability and managing increased energy demand over coal phase out, which could significantly limit the client's ability to gain regulatory approval for the required capital spend needed to phase out unabated coal power generation.

Portfolio actions

Our portfolio actions related to the energy sector include:

1. Increasing financing to low-carbon energy and decarbonization finance, and
2. Measuring and managing financing to high-carbon energy.

To support and measure the progress of our portfolio actions, RBC has developed a methodology to calculate our ESR, in line with the *commitment* we made in April 2024 following a shareholder proposal submitted by the New York City Comptroller's Office. An ESR measures low-carbon energy and decarbonization financing compared to high-carbon energy financing and is intended to help depict the evolution of energy financing over time.

Recent changes to the *Competition Act* (Canada) mean that we are unable to disclose our ESR at this time (refer to *About this Report* for more details). Although we have not publicly disclosed the metric, we have provided details on the methodology in a manner consistent with the approach outlined in the *White Paper on an ESR for Bank Disclosures* published by the Institute for International Finance (IIF). We have shared the details that we can, subject to compliance with applicable laws and regulations, as we navigate this evolving legislative and regulatory environment. For additional details on our methodology, including how our approach differs from those of other banks and third-parties, refer to *Appendix 5: Methodology and data challenges for relevant metrics*.

In addition, we disclose Partnership for Carbon Accounting Financials (PCAF) financed emissions on outstanding exposure in the *Climate metrics* section. These metrics are provided as they are common industry metrics. For details on our methodologies for climate-related metrics and measurement challenges, refer to *Appendix 5: Methodology and data challenges for relevant metrics*.

1. *Increased financing to low-carbon energy*

To support the transition to a low-carbon and resilient economy, economies will need to grow the supply of energy using less emissions-intensive sources. This requires two actions: the rapid scale-up of low-carbon energy and, in parallel, a reduction of emissions from traditional energy sources. To support the growth of low-carbon energy, in 2024, we set two goals:

i. To increase our lending to low-carbon energy including renewables to $35 billion by 2030, and

ii. To triple our lending to renewable energy across RBC Capital Markets and Commercial Banking to $15 billion by 2030.

We have developed our own internal methodology to measure our progress in our low-carbon energy lending. We include pure play low-carbon energy entities and mixed-energy entities (those with both high-carbon and low-carbon energy activities) to support their transition. However, we are no longer able to disclose progress against the goals we set given recent regulatory developments (refer to *About this Report* for more details). While we cannot disclose progress against our goals, the details below are intended to demonstrate the progress we have made. We will continue to track and report progress internally.

Progress in 2024

Table 12: Authorized lending to pure play low-carbon energy entities, as at October 31

Billions of Canadian dollars, except for percentage amounts		**2024**		2023	% change [1]
Solar	$	**2.5**	$	2.2	16%
Wind	$	**2.2**	$	1.1	104%
Hydroelectric	$	**0.9**	$	0.7	35%
Nuclear	$	**0.7**	$	0.5	20%
Electricity control, transmission, distribution and storage	$	**6.2**	$	4.9	27%
Total authorized lending to pure play low-carbon energy entities	$	**12.5**	$	9.4	34%

(1) In some cases, the percentage amounts may not reflect the unrounded values.

We have increased our authorized lending to pure play low-carbon energy entities by 34% from 2023. This growth in exposure to low-carbon energy entities, alongside our power generation clients' actions to transition to low-carbon energy sources, contributed to progress towards our Interim Target for the power generation sector. Refer to *Interim Targets* for more information.

Mixed-energy entities

In addition to pure play low-carbon energy entities, we lend to mixed-energy entities – those engaged in both low-carbon and high-carbon activities. Lending to mixed-energy entities is one of the areas where we believe there is the greatest opportunity to impact real-world emissions reductions. We believe that we can support entities that have incorporated low-carbon energy into their business mix in increasing the proportion of their low-carbon activities through our financing and advisory services and ongoing engagement with them.

In 2024, 48% of the business mix of these entities, as measured by revenue or another available proxy, represented low-carbon activities, an increase from 46% in 2023. However, because most of our lending to these entities is in the form of general corporate purpose loans, it is difficult to determine how much of the funds we lend are allocated to low-carbon versus high-carbon activities.

2. Measure and manage lending to high-carbon energy clients

We measure progress of our lending to high-carbon energy clients both in terms of:

i. Absolute financed emissions (oil and gas only) on an authorized basis, and

ii. Interim Targets (physical emissions intensity).

Absolute financed emissions (oil and gas only)

As part of the transition to a low-carbon economy, absolute financed emissions from the oil and gas sector should decline over time. Absolute financed emissions measures total financed emissions associated with our authorized lending to the oil and gas sector. This provides a view of whether absolute emissions from the sector are increasing or decreasing over time. It also measures the impact of actions we are taking to bring down our absolute financed emissions from the sector over time through *RBC's Client Engagement Approach on Climate - Energy Sector* and portfolio actions.

For the year ended October 31, 2024, Scope 1, 2, and 3 absolute financed emissions[15], on an authorized basis, decreased by 1% to 68.2 Mt of CO_2e from 68.6 Mt of CO_2e in 2023 (restated from 71.4 Mt of CO_2e to incorporate more up-to-date data). This was driven by business efforts to manage our portfolio and external market conditions, and was partly offset by incremental oil and gas exposure acquired from HSBC Canada. Figures for both years reflect higher levels of measurement uncertainty. Refer to *Appendix 5: Methodology and data challenges for relevant metrics* for details.

Interim Targets

We set Interim Targets in 2022 for three key sectors – oil and gas, power generation, and automotive – using data, methodologies, climate scenarios and other information available to us at the time.

When we published our Interim Targets, we stated that they were aspirational and based on certain assumptions we believed to be reasonable at the time, including assumptions about future stakeholder actions outside of our control, and that our ability to achieve these Interim Targets would depend on the collective efforts and actions across a wide range of stakeholders, including our clients and policymakers. We also acknowledged that these assumptions may subsequently turn out to be inaccurate, given their inherent uncertainty and complexity, and that the Interim Targets may need to be changed and may not be achieved.

We believe that the facts and circumstances upon which we set our Interim Targets have since changed, and that assumptions that we believed to be reasonable in 2022 are no longer appropriate. For example, some jurisdictions are discontinuing incentives for electric vehicles (EVs), geopolitical developments have led to greater uncertainty in energy forecasts, and key technologies such as carbon capture, utilization and storage (CCUS) have not seen anticipated progress towards deployment. In addition, there are significant and continued uncertainties about the climate policies and regulatory frameworks in the jurisdictions we operate in. This policy uncertainty continues to risk slower momentum on decarbonization efforts going forward. These changes, among others, have had, and may continue to have, significant impacts on our progress against our Interim Targets.

Consistent with our previously disclosed intention to periodically review our Interim Targets in light of changing circumstances, we are in the process of evaluating our Interim Targets to determine if they remain appropriate or should be revised. As we review our Interim Targets, we will consider and evaluate how developments may impact the appropriateness of our long-term ambition of net-zero in our lending by 2050, and whether we are using appropriate metrics to track our progress.

Performance against our Interim Targets for the energy sector is below, refer to the *Automotive* section for our performance in the automotive sector.

Progress in 2024

Table 13: Performance against our energy Interim Targets, for the year ended October 31

Physical emissions intensity	Targets	**2024**	2023	2022	2021	2020	2019
Oil and gas – Scope 1 & 2 in grams of CO_2e/MJ	5.0 g CO_2e/MJ by 2030 (1)	**7.1**	7.1	7.2	7.6	7.4	7.7
	35% reduction by 2030 (2)	**(8)%**	(8)%	(7)%	(1)%	(4)%	n.a.
Oil and gas – Scope 3 in grams of CO_2e/MJ	63.2 – 50.2 g CO_2e/MJ by 2030 (3)	**74.4**	73.2	72.7	71.4	70.6	71.0
	11% – 29% reduction by 2030 (4)	**5%**	3%	2%	1%	(1)%	n.a.
Power generation – Scope 1 in grams of CO_2e/kilowatt hour of electricity (kWh)	156 g CO_2e/kWh by 2030 (5)	**214.7**	251.7	295.3	278.3	310.9	339.7
	54% reduction by 2030	**(37)%**	(26)%	(13)%	(18)%	(8)%	n.a.

(1) The 2019 - 2023 oil and gas physical emissions intensity Scope 1 & 2 results have been restated to incorporate more up-to-date data, as well as additional client reported emissions data, the latter of which places less reliance on proxies as outlined in *Appendix 5: Methodology and data challenges for relevant metrics*. We restated oil and gas physical emissions intensity Scope 1 & 2 from 7.6 g CO_2e/MJ to 7.7 g CO_2e/MJ in 2019, from 8.1 g CO_2e/MJ to 7.4 g CO_2e/MJ in 2020, from 7.8 g CO_2e/MJ to 7.6 g CO_2e/MJ in 2021, from 7.3 g CO_2e/MJ to 7.2 g CO_2e/MJ in 2022, and from 7.2 g CO_2e/MJ to 7.1 g CO_2e/MJ in 2023.
(2) As a result of restating our 2019 baseline, in line with our percentage reduction of 35%, we have restated the end point target from 4.9 g CO_2e/MJ to 5.0 g CO_2e/MJ.
(3) The 2019 - 2023 oil and gas physical emissions intensity Scope 3 results have been restated to incorporate more up-to-date data, as well as additional client reported emissions data, the latter of which places less reliance on proxies as outlined in *Appendix 5: Methodology and data challenges for relevant metrics*. We restated oil and gas physical emissions intensity Scope 3 from 70.8 g CO_2e/MJ to 71.0 g CO_2e/MJ in 2019, from 71.1 g CO_2e/MJ to 70.6 g CO_2e/MJ in 2020, from 75.5 g CO_2e/MJ to 71.4 g CO_2e/MJ in 2021, from 74.4 g CO_2e/MJ to 72.7 g CO_2e/MJ in 2022, and from 74.2 g CO_2e/MJ to 73.2 g CO_2e/MJ in 2023.
(4) As a result of restating the 2019 baseline, in line with our percentage reduction of 11%, we have restated the lower limit and end point target from 63.0 g CO_2e/MJ to 63.2 g CO_2e/MJ.
(5) The 2019 - 2023 power generation physical emissions intensity Scope 1 results have been restated to incorporate more up-to-date data, as well as additional client reported emissions data, the latter of which places less reliance on proxies as outlined in *Appendix 5: Methodology and data challenges for relevant metrics*. We restated power generation physical emissions intensity Scope 1 from 340.0 g CO_2e/kWh to 339.7 g CO_2e/kWh in 2019, from 315.0 g CO_2e/kWh to 310.9 g CO_2e/kWh in 2020, from 296.0 g CO_2e/kWh to 278.3 g CO_2e/kWh in 2021, from 304.0 g CO_2e/kWh to 295.3 g CO_2e/kWh in 2022, and from 260.0 g CO_2e/kWh to 251.7 g CO_2e/kWh in 2023.
n.a. not applicable

Physical emissions intensity target: Oil and gas (Scope 1 & 2)

Our oil and gas Scope 1 & 2 physical emissions intensity has decreased by 8% compared to our 2019 baseline. This is driven by factors such as continued shifts in our portfolio with reduced lending to some of our more emissions-intensive clients, increased lending to clients with lower emissions, decarbonization efforts by clients, M&A activity within the sector, less reliance on emissions estimates and natural fluctuations in our portfolio when viewed at a single point in time (fiscal year-end). Progress has been limited to date on this Interim Target due in part to slower than anticipated adoption of decarbonization technology, such as carbon capture, as well as limited government policy to support the decarbonization of the sector.

RBC's Interim Target for this sector is informed by Canada's Emissions Reduction Plan (ERP) which describes the measures that are intended to ensure that Canada reduces emissions across the entire economy to reach its emissions reduction target of 40 to 45 percent below 2005 levels by 2030 and put Canada on a path to achieve net-zero emissions by 2050. We believe this Interim Target, while not aligned to a science-based 1.5°C temperature outcome pathway, is supportive of our ultimate ambition to achieve net-zero in our lending by 2050, especially in conjunction with the actions we are taking to reduce our absolute financed emissions in the sector over time (as described above). As we review our Interim Targets, we will assess the appropriate approach to subsequent interim targets to achieve our ultimate ambition to achieve net-zero in our lending by 2050.

Refer to *Appendix 5: Methodology and data challenges for relevant metrics* for further details on our scenario selection.

Physical emissions intensity target: Oil and gas (Scope 3)

Our oil and gas Scope 3 physical emissions intensity has increased by 5% compared to our 2019 baseline. This increase is due in part to better availability of client reported emissions data in more recent years which tends to be higher than emissions proxy values. Progress on this Interim Target relies on changes to the emissions associated with the end use of oil and gas products (e.g., increased proportion used as non-combustion petrochemical feedstock). Progress on this Interim Target has been slow given the overall pace of the transition. Despite better availability of client reported emissions data, we continue to rely heavily on emissions proxies.

Refer to *Appendix 5: Methodology and data challenges for relevant metrics* for further details on the challenges and data limitations related to oil and gas Scope 3 emissions.

Physical emissions intensity target: power generation

Our power generation Scope 1 physical emissions intensity has decreased by 37% compared to our 2019 baseline. This was driven by a combination of factors, including our efforts to grow lending to low-carbon energy, as well as client actions in transitioning to low-carbon energy sources. The U.S. *Inflation Reduction Act* (IRA), driving increased lending to renewables, was a positive contributing factor to our progress against this Interim Target. Factors such as uncertainty regarding the future of supportive policies for low-carbon energy (including the IRA) and broader economic uncertainty pose a risk to RBC's ability to maintain our current pace of progress towards this target.

Automotive

Sector overview

Emissions from the transportation sector are a significant source of global emissions, and the second largest source of emissions in Canada, with passenger vehicles being a significant contributor[16]. The electrification of vehicles, especially cars, has increased in recent years in Canada[17] as well as globally, largely concentrated in China, Europe and the U.S.[18] However, challenges to scaling vehicle electrification remain, such as the need for supportive policies, affordability, widespread charging infrastructure and battery manufacture and supply chains.

In 2024, we continued to support our clients in this sector through engagement and financing efforts.

Engage and support clients

RBC Personal Banking is continuing to support Canadians in the adoption of EVs through collaborations with manufacturers, Avion Rewards™ campaign incentives and educational support along the EV buying and ownership journey through our *Electric Car Cost Calculator*.

In addition, RBC Capital Markets serves large automotive manufacturing clients. Many of these clients have made commitments to reduce their overall emissions and have set targets to increase sales of EVs in the future, and we intend to support them as they work towards meeting these commitments.

Portfolio actions

To monitor our financing of EV purchases through Personal Banking, we measure the growth in EVs financed by RBC. We have done this since the launch of the RBC Clean Energy Vehicle Program in 2019. In 2024, RBC financed 5.4 times more EVs than in 2019[19] which we believe demonstrates that our continued focus on EVs is tracking at pace with the growth of this market in Canada, which has also quadrupled over the same period[20].

Table 14: Performance against our automotive Interim Targets, for the year ended October 31

Physical emissions intensity	Targets	**2024**	2023	2022	2021	2020	2019
Scope 1, 2 & 3 tank-to-wheel ($g\ CO_2e/km$)	96 $g\ CO_2e/km$ by 2030 (1)	**163.9**	174.5	173.4	176.5	180.2	180.6
	47% reduction by 2030 (2)	**(9)%**	(3)%	(4)%	(2)%	—%	n.a.

(1) The 2019 to 2023 automotive manufacturing physical emissions intensity Scope 1, 2, and 3 results have been restated to incorporate more up-to-date and additional client-reported emission data, which places less reliance on proxies as outlined in *Appendix 5: Methodology and data challenges for relevant metrics*. We restated automotive manufacturing physical emissions intensity Scope 1, 2 & 3 from 192.0 $g\ CO_2e/km$ to 180.6 $g\ CO_2e/km$ in 2019, from 198.0 $g\ CO_2e/km$ to 180.2 $g\ CO_2e/km$ in 2020, from 200.0 $g\ CO_2e/km$ to 176.5 $g\ CO_2e/km$ in 2021, from 189 $g\ CO_2e/km$ to 173.4 $g\ CO_2e/km$ in 2022, and from 187 $g\ CO_2e/km$ to 174.5 $g\ CO_2e/km$ in 2023.
(2) As a result of restating our 2019 baseline, in line with our percentage reduction of 47%, we have restated the end point target from 102 $g\ CO_2e/km$ to 96 $g\ CO_2e/km$.
n.a. not applicable

Our automotive Scope 1, 2 & 3 physical emissions intensity has decreased by 9% compared to our 2019 baseline. This was driven by decreasing emissions intensities of some of our clients primarily from growing EV sales. Influences on the trajectory of this Interim Target include lack of consistent policy to support increased EV adoption.

Real estate

Sector overview

The buildings sector accounts for over a third of global energy consumption and emissions[21]; commercial real estate accounts for a significant portion of emissions from buildings in Canada[22], the U.S.[23] and Europe[24]. It is also one of the most significant sectors for RBC in terms of our lending exposure to high-emitting, hard-to-abate sectors. The technology needed to achieve emissions reductions in this sector may be feasible today; e.g., with electric heating and cooling, energy efficient insulation, and energy-efficient designs for new buildings. However, significant challenges remain, including the economics of retrofitting buildings prior to their end-of-life, inconsistent energy efficiency standards across jurisdictions, and lack of building-level emissions data or energy efficiency estimates. Decarbonization in this sector will also require supportive public policy and action by multiple stakeholders.

In 2024, we formalized our climate strategy for the commercial real estate sector with actions identified at both the client and portfolio level across Commercial Banking, RBC Capital Markets, and City National Bank.

Engage and support clients

We are focusing on providing advice for clients on the construction and acquisition of new green buildings as well as the retrofitting of existing buildings. To better engage and support our clients, we plan to leverage lessons learned through our own experience in retrofitting RBC's branch network. Our clients can also benefit from awareness raised through The RBC Climate Action Institute's thought leadership and industry action in this sector through Climate Smart Buildings Alliance, a coalition of building sector leaders in Canada whose goal is to support climate action in the Canadian real estate industry.

Portfolio actions

Our strategy aims to add green buildings to our lending portfolios. In addition, we are working to enhance our ability to identify and track green buildings in our portfolios through increased engagement with our clients. As data availability and quality are key challenges in this sector, we are working to establish processes, tools and capabilities to help us better understand the needs of our clients and the emissions in our portfolio. We believe this can help us track the evolution of our portfolio over time.

While our work in the commercial real estate sector this year was undertaken with a view that we would set an Interim Target for the sector, given what we learned about the sector and considering the early stages of the journey we are on, we have chosen not to set an Interim Target at this time. We plan to review our strategy and metrics as we collect data and insights over time, as the policy and external landscapes evolve, and our clients advance on their decarbonization.

Residential real estate

The residential real estate sector is an emerging focus for RBC's climate strategy given the significance of the sector's emissions footprint and our lending exposure to this sector. RBC is supporting the financing of new certified green homes through the RBC Green Home Mortgage Program and we continue to explore opportunities to support energy-efficiency improvements in homes.

Agriculture

Sector overview

The agriculture sector is a major source of emissions globally, contributing to 10% of Canada's emissions[25]. It is an important sector to Canada, both economically and in relation to food security, as well as to our business. Many emissions reducing practices and technologies are already employed by the sector, such as precision agriculture, cover cropping and no-tillage, and there are opportunities for clients to use practices that sequester carbon, which can create opportunities for companies (e.g., agri-food businesses) to offset their carbon footprints. However, farmers face several barriers to reducing emissions while increasing food production, including lack of data and unclear return on investment. We do not have sufficient reliable data or pathways to establish an interim emissions reduction target for this sector. In 2024, we continued to support our clients through our engagement and financing efforts and to build our understanding of the factors influencing the sector's decarbonization.

Engage and support clients

RBC recognizes that many agriculture clients can benefit from additional support to advance environmental management practices such as improving soil health, water quality and biodiversity. In 2024, RBC's Commercial Banking segment expanded the implementation of its digitally-enabled tool – the RBC Climate Explorer: Agriculture, which was piloted in 2023. This helps our agriculture clients understand their emissions, identify options to reduce them, and understand their return on investment in adopting sustainable practices. Commercial Banking has trained advisors on the tool to support climate-related conversations with agriculture clients.

Commercial Banking also has a lending program for select on-farm equipment used for sustainable agriculture practices – this product offers flexible terms matching the loan repayment to the farm's realization of return-on-investment in operating cash flow. In addition, our advisors are providing producers with information about government grants and programs that can help reduce their financial risk of making such investments.

Portfolio actions

RBC continues to review approaches to measuring progress on supporting our clients and reducing emissions from our lending in this sector. This includes looking to address challenges such as a lack of reliable climate data and unclear transition pathways in the subsectors across our portfolio.

We are engaging with industry peers and organizations to help advance methodologies and best practices for improving climate-related measurement in this sector. In 2024, RBC contributed to a whitepaper by the RMI Center for Climate-Aligned Finance on identifying and addressing challenges to measuring and setting and targets for financed emissions in the Canadian Agriculture sector, covering both technical and broader economic considerations.

For our PCAF financed emissions for agriculture, refer to *Climate metrics*.

Engage with others in advancing climate solutions

The transformation of our economies and societies to transition to a low-carbon and resilient economy will depend on the collective efforts and actions of a wide range of parties. As part of the strategic priorities of *The RBC Climate Blueprint*, RBC is engaging with others in advancing climate solutions by convening industry and sharing economic research and insights, and through equity and community investments. Ultimately, these efforts are designed to help create conditions that support our business and clients in the transition.

The RBC Climate Action Institute

The RBC Climate Action Institute provides research and advances ideas that contribute to Canada's climate progress. Its work reflects RBC's strategic climate priorities by:

- Developing and executing research on climate policy and actions to help advance Canada's net-zero progress, based on economic analysis and sector expertise[26]; and
- Convening and engaging stakeholders to inform opportunities for Canada's net zero progress.

The RBC Climate Action Institute published its second annual flagship report, *Climate Action 2025: A year for rewiring* in January 2025. This progress report builds on the inaugural report released February 2024 and analyzes climate action in Canada, examining what is working well and where there is more to do. The research report outlines the implications of its findings for meeting Canada's 2030 emissions targets and actionable ideas for industry and government to advance Canada's climate progress.

The RBC Climate Action Institute convenes coalitions to tackle common industry challenges that can impact Canada's progress towards net-zero. Two coalitions launched in 2023, the Canadian Alliance for Net-Zero Agri-Food and the Climate Smart Buildings Alliance, continue to advance projects that support decarbonization in the Canadian agriculture and building sectors, respectively. The coalitions' work includes pilots to test new approaches and industry pacts to promote voluntary decarbonization efforts. To learn more, refer to *The RBC Climate Action Institute* website.

Climate investments

Access to financing is required to promote the innovation and adoption of solutions needed for the transition. Certain solutions for climate mitigation are in the early stages of technological or market maturity and are not yet suitable for bank financing. Investing in climate solutions allows RBC to support innovation at earlier stages than through traditional lending arrangements alone. RBC's investments support companies whose goals are to develop and scale climate solutions.

In 2024, RBC set a goal to allocate $1 billion by 2030 to support the development and scaling of climate solutions by investing in venture capital and growth equity funds, as well as directly in companies[27]. In 2024, RBC committed $22 million in new climate investments, totalling $167 million since 2022. While market conditions had some impact on our progress, our focus during the year was to align resources and processes to effectively evaluate, make, and manage new climate investments. This includes improving our approach to better support funds and portfolio companies, generating additional value for our business. For more information, refer to the *RBC Climate Investments* website.

Community investments

In 2024, RBC Tech for Nature allocated $29 million to support over 140 organizations in areas such as agriculture, energy and nature-based climate solutions; an increase of 38% from 2023. Since 2019, RBC, RBC Foundation and RBC Foundation USA have allocated $90 million of the $100 million commitment by 2025 to help address climate change and biodiversity loss, with the remainder to be invested in the upcoming year. For details on our community investment strategy going forward, refer to the *Community investments and donations* section in *Sustainability impact levers*.

Table 15: Cumulative climate and community investments, for the year ended October 31

Millions of Canadian dollars	Goal	2024	2023	2022
Climate investment commitments (1)	$1 billion to support climate solutions (2) by 2030	**$ 167**	$ 145	$ 95
Community investments – RBC Tech for Nature	$100 million by 2025	**$ 90**	$ 61	$ 40

(1) Cumulative climate investment commitments at the end of 2024 have been revalued using the spot exchange rate as at October 31, 2024. During 2024, RBC made one new commitment of $21 million. The remaining increase, $1 million, is due to the impact of foreign exchange translation.

(2) While our approach may evolve over time under this category of investment, we intend to prioritize allocating capital toward solutions that will lead to GHG emissions reductions in Canada and globally. Our investment commitments eligible to count towards this goal may also include support for climate solutions with outcomes linked to biodiversity, nature and/or adaptation, among others. We aspire to achieve this goal by 2030; however, market conditions, among other factors – many of which are beyond our control and the effects of which can be difficult to predict – could impact our ability to invest capital to advance climate solutions over this timeframe. For more details, refer to *Appendix 8: Caution regarding forward-looking statements* and *Appendix 9: Important notice regarding this report*. For purposes of tracking progress towards this goal, our eligible investment commitments made from 2022 onward are included.

Industry and policy engagement

RBC maintains ongoing engagement with stakeholders such as clients, employees, investors, regulators, non-governmental organizations and the communities we operate in. Our engagement helps us understand the perspectives of our stakeholders and informs our business activities, including as they relate to climate.

RBC engages in climate-related industry initiatives to help solve common challenges, focusing on those that support our climate strategy and its execution[28]. RBC is a member of or signatory to several organizations and initiatives that convene the financial services sector in relation to climate, including PCAF and RMI's Center for Climate-Aligned Finance.

We may engage directly with government officials and regulators, as well as through industry groups that advocate on public policy matters of interest to the financial services industry, such as climate-related disclosure standards and prudential regulation. Through industry groups, RBC may provide feedback on climate-related laws, regulations and standards and contribute to the development of voluntary industry guidelines. RBC's membership in, or financial support of, industry groups is based on the understanding that we may not always align with their positions or those of other members on every issue. We make independent decisions, and when our views diverge, we may offer appropriate feedback, either privately or publicly, as needed.

For information about RBC's activities related to lobbying and political contributions, refer to the *Lobbying and political contributions* section in *Governance*.

Integrate climate considerations into our business and operations

As part of the strategic priorities under *The RBC Climate Blueprint*, we are working to integrate climate considerations into our business and operations. We are focusing on advancing our climate-related risk management practices, enabling our employees to make informed climate-related business decisions, and reducing emissions in our operations and supply chain.

Managing risk is a core competency for RBC and is supported by our risk-aware culture. For details on our approach to managing climate-related risks, refer to the *Climate-related risk management* section.

Enable our employees to make informed climate-related business decisions

RBC is working to integrate climate as a consideration in relevant business processes to enable our employees to incorporate climate in their daily work. We are in the early stages of this work and intend to continue building on our efforts over time. Areas where we are integrating climate-related considerations are discussed below.

Decision-making processes

RBC is working to integrate climate considerations into relevant decision-making processes, including as part of undertaking due diligence to support our E&S Risk Policy in lending decisions. For instance, our RBC Capital Markets and Corporate Client Group in Commercial Banking follow an enhanced due diligence process for certain transactions[29]. Business teams submit relevant climate-related information to the business committees and credit adjudication teams for consideration in the transaction risk assessment and approval process. This information is gathered through RBC's E&S Review questionnaire which includes questions related to transition and emissions reporting, as well as specific operational practices (e.g., flaring for oil and gas clients).

Where significant climate-related issues or other potential reputation risks are identified as part of these procedures, transactions may be escalated to the enterprise Reputation Risk Oversight Committee for further review and decisioning.

Governance

RBC has defined accountabilities across our organization and established governance over climate-related matters, including through Group Executive and Board oversight. In 2024, we continued to evolve our climate governance, establishing the CEC to oversee the bank's climate strategy, including progress against goals and targets, and decisions related to strategic climate matters. For additional information, refer to the *Management oversight of sustainability* section in *Governance*.

Employee enablement

Building employee knowledge and expertise on climate equips our employees to more effectively integrate climate-related considerations in their daily work and better support clients in the transition. RBC has an online learning module offering an introduction to climate, available to all employees. In addition, our business segments are taking steps to enable employees to make informed climate-related business decisions. For example, RBC Capital Markets offers online training that covers climate-related topics among other sustainability matters and training related to its enhanced due diligence process for E&S risk management, which includes climate-related issues.

In 2024, we continued to build on our approach to employee enablement. Our Commercial Banking segment launched mandatory training on climate for their advisors. The training was designed to help advisors support clients on their transition journeys. In addition, our Personal Banking segment hosted a leadership summit on climate to enhance awareness among its executives and other leaders.

We will continue to look for opportunities to enhance how we enable our employees to engage on climate-related issues. For instance, in 2025, Commercial Banking expects to continue to build climate knowledge through additional courses developed in collaboration with Green Economy Canada.

Performance management

Since 2023, the CEO and Group Executive[1] mid-term incentive (MTI) and long-term incentive (LTI) programs include a medium-term climate-based commitment related to progress towards the strategic priorities of The RBC Climate Blueprint[2]. This climate-focused assessment provides additional incentive for the CEO and Group Executive[1] to accelerate RBC's progress towards these priorities, and enables the Board to recognize their efforts by applying a modifier to the MTI and LTI awards, taking into consideration their actions supporting our climate strategy.

The Board recognizes that managing climate-related risks and opportunities is multi-faceted, and that RBC has taken measures to continue momentum on its climate journey. After reflecting on RBC's commitments and actions taken to date, the Board has assessed RBC's in-year progress against medium-term climate-based commitments to be on track, and no further modification was applied to the 2024 MTI and LTI awards granted. For further information on executive compensation, refer to the *Management oversight of sustainability* section in *Governance* and our *2025 Management Proxy Circular*.

Our approach to nature

Nature and climate change are inextricably linked given the significant role nature plays in emissions reductions, and in adaptation and resilience. Our efforts related to nature are in the initial stages and we intend to provide additional information as it becomes more integrated in our strategy and business.

Our E&S Risk Policy, which is supported by enhanced due diligence, considers nature-related risks such as land and resource use and water quality and availability. Our Policy Guidelines for Sensitive Sectors and Activities[5] address our financing with clients and projects operating in the Arctic ecosystem, Arctic National Wildlife Refuge, and UNESCO World Heritage Sites. For more details, refer to the *Environmental and social risk management* section in *Governance*.

We also support solutions related to nature through market-based mechanisms as well as community investments. The RBC Capital Markets Environmental Markets Solutions Group helps corporate and institutional clients operationalize their climate strategies, which could include advice and solutions related to carbon credit procurement and trading, renewable energy procurement and trading, financing for carbon credit projects, or carbon-themed structured investment products. The carbon credits sourced may include projects supporting nature, such as improved forest management or sustainable agriculture. Through RBC Tech for Nature, RBC, RBC Foundation and the RBC Foundation USA support organizations in areas such as agriculture and other nature-based climate solutions to help address climate change and biodiversity loss.

Climate data

RBC continues to develop an internal, centralized hub for climate-related data. This aims to support our internal teams to more easily access relevant and reliable data for decision making, risk management, reporting and to support client needs. For instance, we are working to advance how we measure and assess climate-related risk and enhance our ability to collect and use data for client insights and emissions measurements. The hub includes data warehousing and analytics capabilities for internal and third-party data assets and is supported by a centralized and cross-functional team.

Reduce emissions in our operations

RBC is committed to reducing emissions associated with our operations and supply chain. Our strategy focuses on the emissions associated with the real estate we occupy, where we have the greatest control and influence. Our efforts to reduce emissions associated with suppliers are in the planning phase.

In 2019, RBC set a goal to reduce global emissions from our own operations by 70%[30] against our 2018 baseline[31] by 2025. In 2024, we reduced global emissions by 63% relative to our 2018 baseline[31]. In assessing progress and the steps required to achieve a 70% reduction, we believe it will take beyond 2025 to reach this goal. For example, more time is required to make the necessary capital investments in RBC-occupied buildings in coordination with our landlords. We will continue to work with landlords and other stakeholders on reducing operational emissions and apply the learnings to our work going forward in the strategic actions set out below. As a result, we have retired this goal, and we intend to set a new goal in the year ahead in line with our strategy.

RBC set a goal in 2019 to increase our sourcing of electricity from renewable and non-emitting sources to 100% by 2025. We have since replaced this with a goal to source 100% renewable electricity and revised our methodology to measure progress against this goal to align with RE100 Principles[32], as further described in *Restatement of our emissions from operations*. In 2024, we met our goal of sourcing a 100% of our electricity from renewable sources. This was achieved by sourcing energy attribute certificates (EACs), in line with RE100 Principles, such as renewable energy certificates (REC), and power purchase agreements (PPAs), as further described below.

Refer to *Table 16: Global emissions from our operations, for the year ended October 31* for details of our performance against our goals.

Overview of strategic actions

As we continue to focus on delivering emissions reductions in our operations, we are working toward longer-term reductions through two strategic actions, as outlined below.

1. ***Reducing emissions from fossil fuel consumption***

RBC is focusing on reducing heating fuel emissions in both the buildings we own and those we lease. In 2024, we announced plans to install heat pumps in our Canadian branch network where we are responsible for HVAC by 2035. Over the next three years (2025-2027), RBC is investing $35 million into this effort. Through this initiative, we are working to replace over 1,500 HVAC units across our retail network.

In spaces we lease where we do not have control over the HVAC equipment, we are working with landlords to help reduce emissions through our Landlord Engagement Program. This involves identifying measures to reduce emissions when designing major renovations and new builds where RBC leases space, such as electrifying heating and cooling. We also continue to promote energy efficiency in our owned and leased buildings through measures such as smart building technologies (e.g., smart thermostats).

2. ***Increasing the generation of renewable energy***

We plan to continue to source 100% of our electricity from renewable energy, with the aim of sourcing from the regions in which we operate. This helps to stimulate the market for renewable energy and supports the broader decarbonization of the electricity grids we rely on. RBC procures renewable electricity through long-term PPAs, onsite renewable energy projects, and other sources of RECs. As RBC continues to source RECs, we will look to support new projects that create additionality and provide social benefits.

RBC is also working to address emissions from business travel and our supply chain, such as through the purchase of Sustainable Aviation Fuel and exploring the opportunity to establish a supplier engagement program.

Carbon credit investments

While RBC prioritizes emissions reductions in our operations, we also purchase and retire carbon credits to compensate for our residual reported operational emissions (as described in *Table 16: Global emissions from our operations, for the year ended October 31*). Carbon credits are not counted for purposes of measuring our reported annual operational emissions. We believe purchasing carbon credits that demonstrate key qualities such as additionality and permanence provide capital to support projects that contribute to climate action; for example, by helping to scale new technologies or expand natural carbon sinks. To support these objectives, RBC is one of the founding buyers of carbon removal credits from Deep Sky's first commercial direct air capture project in Canada, agreeing to purchase 5,000 carbon removal credits over a period of 10 years.

RBC purchases credits from third-party verified projects and technologies that help reduce emissions. The carbon credits are verified by third-party carbon credit registries such as Climate Action Reserve, Verra, and American Carbon Registry, as well as additional third-party validation/verification bodies, and fulfill the criteria of the carbon credit registries to demonstrate additionality and permanence. We conduct due diligence as part of our procurement process and take into account location, technology, vintage and additional community and/or environmental benefits and impacts.

In 2024, we purchased and retired carbon credits of a 60,368 tonnes of CO_2e (tCO_2e), which is equivalent to the total market-based emissions from our own operations for 2024 (2023: 88,729; 2022: 68,471). The carbon credits purchased and retired in 2024 are to match the 2024 total market-based emissions and are not applied to prior years' emissions due to restatements. Refer to *Restatement of emissions from our operations* for further information.

Emissions from our operations

Table 16: Global emissions from our operations, for the year ended October 31 provides our global operational emissions for the last three years and our 2018 baseline. We report on our operational emissions with multi-year data calculated in accordance with the GHG Protocol[33] for the emissions from our operations for the following scopes:

- Scope 1 (Direct) – Fuels: Heating fuels, such as natural gas used to heat our branches, major properties, and data centres. We also include emissions associated with business travel in company-owned and leased modes of transportation.
- Scope 2 (Indirect) – Electricity and district energy: Purchased electricity, cooling and steam used in our branches, major properties, data centres, and co-location data centres. The emissions associated with our electricity consumption depend on which source is used to produce electricity in each of the jurisdictions we operate in.
- Scope 3 (Indirect) – Business travel (Category 6): Business-related travel, including by car, rail, and air.

For additional methodology details on these metrics, refer to *Appendix 5: Methodology and data challenges for relevant metrics*.

Restatement of emissions from our operations

In 2024, we reviewed our methodologies for the measurement of Scope 2 market-based emissions, against the GHG Protocol[33], and for renewable electricity against RE100 Principles. We identified calculation errors in our measurement of Scope 2 market-based emissions which have led to our restatement of certain operational emissions metrics, as described below. In addition, as a result of our revised goal related to renewable electricity and the related methodology changes (as described above), we have restated the percentage of electricity from renewable sources to align with the updated goal and RE100 Principles.

Renewable electricity

To align with our updated goal and methodology changes, we have matched all indirect electricity consumed (including renewable, non-renewable and non-emitting electricity, measured in megawatt-hour (MWh) with RECs. We had previously only matched our non-renewable and non-emitting electricity consumption with RECs. The percentage of electricity from renewable sources has been restated as a result.

We replaced the prior metric on electricity sourced from renewable and non-emitting sources with the percentage of electricity from renewable sources. We also restated our electricity sourced from renewable sources from 100% to 58% in 2023 to reflect our updated methodology.

Scope 2 market-based

GHG emissions reductions from RECs (tCO_2e) and related Scope 2 market-based emissions (tCO_2e) have also been restated for 2023, 2022, and our 2018 baseline as a result of updates to our methodology to align with the GHG Protocol[33]. Similar to RE100 Principles, the GHG Protocol requires an entity to match total electricity consumption with RECs, rather than only electricity from non-renewable and non-emitting sources, which we had previously done. In addition, we had previously matched energy consumed from steam with RECs, which is not aligned with the GHG Protocol.

We restated GHG emissions reductions from RECs (tCO_2e) from 63,713 to 48,871 in 2023, from 35,379 to 21,843 in 2022, and from 4,718 to 8,048 in 2018 as a result of updates to our methodology. Scope 2, market-based emissions are a product of GHG emissions reductions from RECs, and were also restated as a result.

Table 16: Global emissions from our operations, for the year ended October 31

Tonnes of CO_2e unless otherwise noted		**2024**	2023	2022	Baseline year (2018)
Scope 1	a	**23,090**	23,873	22,840	24,821
Scope 2 location-based [1]	a	**68,051**	63,713	65,577	102,009
GHG emissions reductions from RECs [2]	a	**(61,333)**	(48,871)	(21,843)	(8,048)
Scope 2 market-based [1], [2]		**6,718**	14,842	43,734	93,961
Scope 3 business travel [3]	a	**30,560**	32,216	17,419	45,629
Total Scope 1 & 2 (location-based) and Scope 3 (business travel) emissions		**121,701**	119,802	105,836	172,459
Total Scope 1 & 2 (market-based) and Scope 3 (business travel) emissions [2]		**60,368**	70,931	83,993	164,411
Change in total global operational emissions against our 2018 baseline (%) [2], [4]		**(63)%**	(57)%	(49)%	n.a.
GHG emissions intensity from energy use (tonnes of CO_2e/m^2) [2], [5]	a	**0.014**	0.018	0.032	0.055
Percentage of electricity from renewable sources for all properties [2], [6]	a	**100%**	58%	16%	6%

a PwC provided limited assurance over this figure in 2024. Refer to *Appendix 7: Independent limited assurance report*.

(1) Under the GHG Protocol[33], there are two methods to calculate Scope 2 emissions from electricity: location-based and market-based. The GHG Protocol Scope 2 Guidance defines the location-based method as a method for Scope 2 emissions accounting that reflects emissions from electricity using the average emission factors for the electricity grids that are providing electricity to the organization's facilities. The GHG Protocol Scope 2 Guidance defines the market-based method as a method for Scope 2 emissions accounting that reflects emissions from electricity that a reporting company has purposely chosen (or their lack of choice). In the market-based method, emissions factors are derived from contractual instruments, including "any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims". As such, to calculate the Scope 2 market-based emissions, our indirect energy consumed (measured in MWh) is matched with RECs sourced from within the same region, and the emissions measurement is adjusted based on the emissions factor for the RECs sourced.

(2) We have restated comparative figures (including the 2018 baseline) for GHG emissions reductions from RECs, Scope 2 market-based emissions, Total Scope 1 & 2 (market-based) and Scope 3 (business travel) emissions, Change in total global operational emissions against our 2018 baseline (%), GHG emissions intensity from energy use, and Percentage of electricity from renewable sources for all properties accordingly, where applicable as a result of the change in approach, as described above in *Restatement of emissions from our operations*.

(3) Under Scope 3, RBC reports the emissions resulting from employees' business travel calculated according to Category 6 of the GHG Protocol[33]. Scope 3 emissions for employee business travel is based on bookings through a third-party system and through travel agencies. It is aggregated and converted into emissions based on either fuel usage or distance conversion. Emissions factors used are sourced from publicly available government sources. Data is representative of RBC's Scope 3 employee business travel globally. The reporting cycle for Scope 3 emissions remains November 1 to October 31. Conversely, the reporting cycle for our Scope 1 & 2 energy data for buildings (natural gas, fuel oil, propane, chilled water, steam and electricity) is August 1 to July 31, to ensure there is enough time for data collection, review and approval.

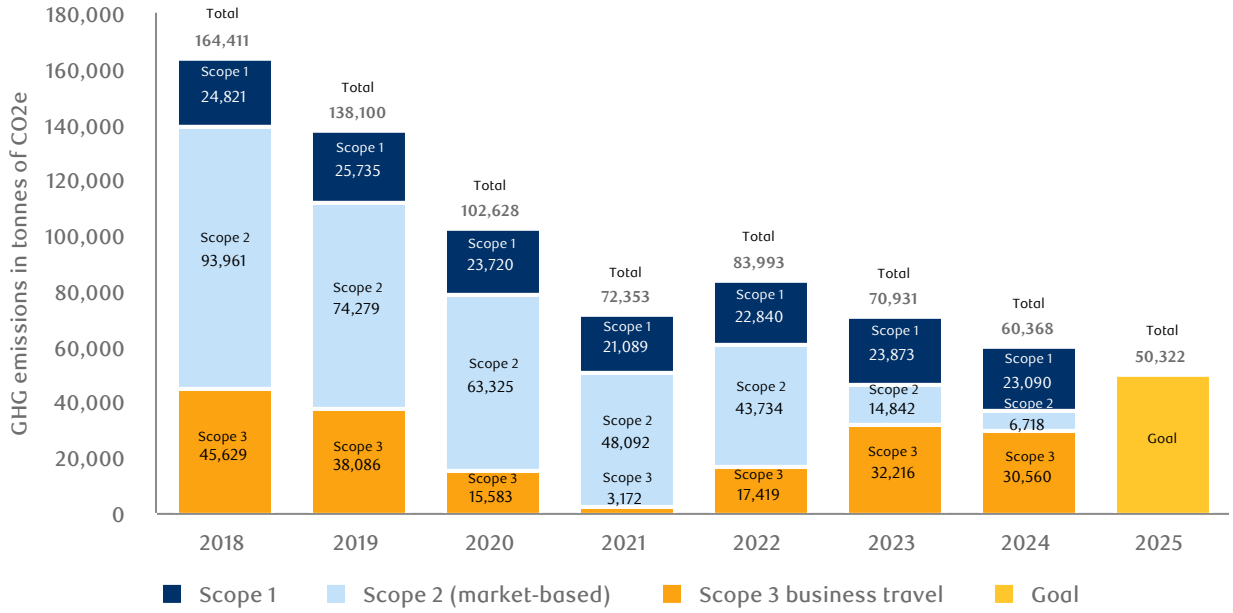
(4) Inclusive of our global operations, Scope 1 & 2 (market-based) and Scope 3 (business travel) reported GHG emissions, against our 2018 baseline. This metric reports our progress against our goal to reduce operational emissions by 70% by 2025 using our 2018 baseline.

(5) GHG emissions intensity from energy use is calculated using Scope 1 (e.g., natural gas) from property-related emissions and Scope 2 (e.g., electricity, steam) market-based emissions from energy use divided by total floor area for our global operations for the time occupied by RBC during the year.

(6) RBC has sourced 390,509 MWh of RECs in 2024. To date, RBC has signed two PPAs, from which we source renewable electricity from utility scale solar power installations, as well as a wind farm. In 2024, our PPAs accounted for 18% of RBC's electricity demand in Canada. This represents 13% of RBC's global electricity consumption.

n.a. not applicable

Figure 4: Total global emissions from our operations in tonnes of CO_2e, for the year ended October 31



Performance relative to 2018 baseline

Our total global operational emissions decreased by 63% relative to our 2018 baseline. This is driven by a 7% decrease in Scope 1 emissions, a 93% decrease in Scope 2, (market-based) emissions, and a 33% decrease in our Scope 3 (business travel) emissions. The Scope 2, market-based emissions reduction of 93% relative to the 2018 baseline is due to an increase in our sourcing of RECs and corresponding emissions reductions, and is supported by our efforts to reduce electricity consumption from the source, which together amounted to a 33% reduction of Scope 2 (location-based) emissions. The remaining balance of Scope 2, market-based emissions represent emissions from consumed steam.

Performance relative to 2023

Our total global operational emissions decreased by 15% relative to 2023, driven by the change in approach in 2024, as explained in *Restatement of emissions from our operations*, which resulted in an increase in our sourcing of RECs and corresponding emissions reductions.

Climate-related risk management

RBC's approach to climate-related risk management seeks to integrate climate-related risk considerations into existing risk management practices.

Risk management overview

RBC defines climate-related risk as the potential negative impacts of climate change on our financial results, financial and operational resilience, reputation, business model or strategy. Climate risk is categorized into transition risk and physical risk.

Transition risk

Risks related to the process of adjustment towards a low-carbon economy. These risks can emerge from current or future government policies, legislation, and regulation to limit carbon emissions, as well as technological advancements, and changes in market and customer sentiment towards a low-carbon economy.

Physical risk

Risks from the increasing severity and frequency of climate-related extremes and events (i.e., acute physical risks), longer-term gradual shifts of the climate (i.e., chronic physical risks), and indirect effects of climate change such as public health implications (e.g., morbidity and mortality impacts).

We consider climate-related risk to be a transverse risk that can impact our principal risks in different ways and to varying degrees. Because of this, our approach to climate-related risk management seeks to integrate climate-related risk considerations into our existing risk management practices.

The ERMF serves as the foundation for RBC's approach to risk management and promotes RBC's risk management principles, approach, and governance. The ERMF provides an overview of how significant risks are managed at an enterprise-wide level through its four components: risk identification and assessment, risk measurement, risk controls, and risk monitoring and reporting. The ERMF is further reinforced and supported by a number of additional Board-approved risk frameworks and various risk policies thereunder, including those that specifically address climate-related risk.

Figure 5: RBC's climate risk management approach

The ERAF outlines the foundational aspects of our approach to risk appetite. Our risk appetite provides clear boundaries, sets an overall tone for balancing risk-reward trade-offs, and articulates the bank's approach to risk-taking to help ensure RBC's long-term viability. Together, these two frameworks guide how RBC approaches and manages risks, including climate-related risk.

Identification, assessment, and management of climate-related risks

At RBC, we manage climate-related risk by leveraging existing risk policies and processes governing our principal risks. The table below provides examples of how physical risk and transition risk may impact our principal risks, and examples of the resulting potential impact on our business, including on financial performance, financial position and cash flows, and which could occur over the short-, medium-, and/or long-term[34]. These potential climate-related impacts are illustrative in nature, and do not represent an exhaustive list, nor have we assessed these potential impacts as reasonably likely to occur. The examples of activities to mitigate specific potential impacts emerge from our principal risk management policies and processes and illustrate our approach to integrating climate-related risk considerations into our existing risk management practices.

Principal risk	Principal risk management policies and processes	Potential impacts of climate-related risk on principal risk
Strategic The risk to earnings, capital or liquidity arising from adverse or suboptimal strategic business decisions, improper implementation or execution of strategic initiatives, or inadequate responses to changes in the external operating environment by RBC or a particular business unit.	Executive oversight of strategic risk is the responsibility of the heads of the business segments and their operating committees, the Enterprise Strategy and Transformation group, the Group Executive and the Board. The Enterprise Strategy and Transformation group supports the management of strategic risk through the strategic planning process, articulated within our Enterprise Strategic Planning Policy, ensuring alignment across our business, financial, capital and risk planning. This group also has a team dedicated to climate.	Potentially impacted by our inability to articulate our climate strategy, engage with clients and/or attract business opportunities related to the global transition to a low-carbon and resilient economy. Example: Failure to execute our climate strategy and attract business opportunities related to the global transition to a low-carbon economy could result in loss of market share. To mitigate, senior executives oversee the execution of our climate strategy through the CEC, and regular reporting on our climate strategy and progress to the Group Executive and the Board.
Reputation The risk of adverse impact on stakeholder perceptions of RBC due to: i) perceived or actual misalignment between stakeholder perceptions of RBC and the actions or inactions of RBC, its employees, or individuals or groups affiliated with RBC; ii) negative or shifting public sentiment on existing, evolving, or emerging industry or global issues; or iii) negative outcomes relating to any risk inherent to the financial services industry, including ineffective management of these risks, or situations beyond RBC's control such as external events or systemic risks.	Our Enterprise Reputation Risk Management Framework recognizes reputation risk as a transverse risk which can manifest as an outcome of other risk types, including climate-related risks. This framework outlines governance authorities, roles and responsibilities, and controls and mechanisms to manage our reputation risk.	Potentially impacted by our inability to meet our climate-related commitments, goals and targets, and balance sometimes conflicting stakeholder expectations, and/or result from increased scrutiny around our climate-related disclosures and activities. Example: The provision of financing to clients and projects in high-emitting sectors could result in negative public sentiment towards RBC, potentially resulting in an increased cost of capital or reduced access to finance. To mitigate, our Policy Guidelines for Sensitive Sectors and Activities[5] address our financing activities to clients and projects operating in the coal-fired power generation and coal mining sectors. Matters related to climate-related risk with potentially significant reputation risk are escalated as necessary to the Reputation Risk Oversight Committee for advice, decisions, and risk oversight.
Compliance The risk of potential non-conformance with laws, rules, regulations and prescribed practices in any jurisdiction in which RBC operates.	Our Regulatory Compliance Management Framework outlines how we manage and mitigate regulatory compliance risks associated with failing to comply with, or adapt to, current and changing laws and regulations, including climate-related regulations, in the jurisdictions in which we operate.	Potentially impacted by increasingly complex and evolving climate-related policies and regulations in applicable jurisdictions, divergent requirements across jurisdictions, increasing regulatory enforcement and litigation risks, as well as increasing data demands to meet disclosure and regulatory reporting requirements. Example: Increasingly complex and evolving climate-related policies and regulations could result in a failure to comply with such policies and regulations or a failure to meet regulatory expectations. To mitigate, we monitor, assess, and respond to climate-related developments and regulations across the jurisdictions we operate in.

Principal risk	Principal risk management policies and processes	Potential impacts of climate-related risk on principal risk
Operational The risk of loss or harm resulting from people, inadequate or failed internal processes, controls and systems, or from disruptive external events.	The Enterprise Operational Risk Management Framework sets out the processes to identify, assess, monitor, measure, report, and communicate on operational risk. Our risk-based, all hazards, enterprise-wide business continuity management program considers multiple scenarios to address the consequences of a disruption and focus on the recovery of people, technology, facilities and third-party arrangements. Our approach to, and requirements for, business continuity management are outlined in policies and standards embedded across RBC and the related risks are regularly measured, monitored, reported and integrated into our operational risk management and control framework.	Potentially impacted by more frequent and intense weather events as well as the pricing or availability of inputs such as energy, water and insurance. Example: Severe weather events could interrupt the continuity of our business operations. To mitigate, all RBC business units are required to have a formally documented business continuity plan that supports the business risk appetite and takes into account known threats, risks, vulnerabilities or exposure, including severe but plausible weather events.
Credit The risk of loss associated with an obligor or counterparty's potential inability or unwillingness to fulfill contractual obligations on a timely basis.	The Enterprise Credit Risk Management Framework provides an overview of our approach to the management of Credit Risk including principles, methodologies, systems, roles and responsibilities, reports, and controls. Additional supporting policies exist that are designed to provide further clarification of roles and responsibilities, acceptable practices, limits and key controls within the enterprise. The allocation of the Board-approved credit risk appetite is supported by the establishment of risk approval authorities and risk limits, delegated by the Board to the President and CEO, and the Chief Risk Officer.	Potentially impacted by a disorderly transition, clients and sectors not aligned with the transition to a low-carbon economy, increasing/worsening physical impacts from climate change, reduced insurance availability and coverage, or increased risk of stranded assets. Potential reduction in sources of financing for climate-sensitive and carbon-intensive sectors. Example: Our clients may be impacted by transition risk, including through emerging regulatory and legal requirements, changing business and consumer sentiment towards products and services, technological developments, and changes in stakeholder expectations which impacts the risk profile of our loan portfolio. To mitigate, limits on exposures to certain sectors considered to be sensitive to transition risk and physical risk are adjusted to reflect elevated credit exposure to climate-related risks.

Principal risk	Principal risk management policies and processes	Potential impacts of climate-related risk on principal risk
Market The risk of the impact of market prices upon our financial condition of the bank.	The Enterprise Market Risk Framework is the governance and control framework for the management of market risk within RBC. Additionally, as an element of the ERAF, the Board approves our overall market risk appetite. Key controls and requirements for managing market risk include: i) the requisite infrastructure being in place for products prior to transacting; ii) a structure of market risk authorities and limits that reflect risk appetite at various levels; and iii) the use of various market risk measures to report and monitor market risk exposures against risk appetite and limits.	Potentially impacted by price volatility for energy and commodities, as well as debt, equity and other securities in industries where climate risk is not yet accurately reflected in pricing. Example: Transition to a low-carbon economy could result in mark-to-market losses on securities impacted by climate-related risks. To mitigate, our market risk stress testing program is used to identify and control risk due to large changes in market prices and rates. We use climate narratives in stress testing to measure the systemic impact of climate-related risk shocks. Our “energy crisis scenario” captures the beginning of a transition to a low-carbon economy, based upon the historical energy sell-off of 2015-2016 with adjustments for transition-related risk factors.
Liquidity The risk that RBC may be unable to generate sufficient cash or its equivalents in a timely and cost-effective manner to meet our commitments. Liquidity risk arises from mismatches in the timing and value of on-balance sheet and off-balance sheet cash flows.	Our liquidity risk management activities are conducted in accordance with internal frameworks and policies, including the ERMF, the ERAF, the Enterprise Liquidity Risk Management Framework, the Enterprise Liquidity Risk Policy, and the Enterprise Pledging Policy. Collectively, our frameworks and policies establish liquidity and funding management requirements appropriate for the execution of our strategy and ensuring liquidity risk remains within our risk appetite.	Potentially impacted by disruptions in financial markets driven by a disorderly transition and/or more frequent and intense weather events which potentially trigger secondary impacts such as deposit volatility and increased funding cost due to credit downgrade and market volatility. Example: A severe natural disaster temporarily disrupting financial markets may lead to a secondary impact on liquidity, such as a sharp increase in cash outflow or an increase in funding cost due to a credit downgrade or an inability to monetize liquid assets. To mitigate, RBC carries out an annual enterprise-wide stress test. The scenarios tested include physical and transition climate narratives, and assess the sufficiency of liquid assets during times of stress.
Insurance The potential financial loss that may arise where the amount, timing and/or frequency of benefit and/or premium payments under insurance and reinsurance contracts are different than expected.	Our Insurance Risk Management Framework provides an overview of our processes and tools for identifying, assessing, managing, mitigating and reporting on the insurance risks that RBC faces.	Potentially impacted by the indirect negative effects on public health due to climate change and by travel disruptions due to severe weather events. Example: Public exposure to increases in average global temperatures and in the frequency and severity of extreme weather events may lead to increased morbidity rates. To mitigate, morbidity rates are stressed as part of the Own Risk and Solvency Assessment process conducted by RBC Insurance®.

Given the transverse nature of climate-related risks, there are challenges in isolating their potential impacts. Data limitations, data quality and challenges related to isolating climate-related impacts within our principal risks mean that we are not currently able to measure the potential impacts over the short-, medium-, or long-term[34] with a reasonable degree of certainty. We continue to evolve our approach to manage climate-related risks by leveraging existing risk management capabilities, and building new capabilities where required, including for the purposes of incorporating regulatory guidance; industry best practices, and improved data analytics to identify and assess, measure, control, monitor and report on potential climate-related impacts on clients, portfolios, and our operations. We recognize that the integration and maturity of our climate risk management capabilities will continue to evolve, and that achieving a mature level of climate risk management is iterative and will take time.

Climate scenario analysis

Climate scenario analysis remains a core component of our approach to assess the impact of climate-related risks (physical risk and transition risk) on our risk profile, business model and strategy.

In 2024, we expanded on the Bank of Canada (BoC) transition risk model framework used in the 2021 BoC/OSFI pilot project that RBC participated in. This model analyzes transition risk within our wholesale corporate loan portfolio across various high-emitting sectors. We also expanded our existing physical risk scenario analysis capability by developing an internal flood model in 2024. We are aiming for this flood risk model to be operational in 2025 and are exploring new data sources and hazards to expand future modelling capabilities. The following table summarizes our approach to climate scenario analysis.

Table 17: Approach to climate scenario analysis

Temperature increase by 2100	~2°C More transition risk		~4°C More physical risk
Reference scenarios	Immediate transition	Delayed transition	IPCC RCP 8.5 (1)
Risk drivers considered for scenarios	Technology, policy, markets		Fluvial flooding
Businesses assessed	Capital Markets, Commercial Banking, City National Bank		Personal Banking
Portfolio assessed	Wholesale lending aligned to BoC transition risk model framework (2)		Home equity finance
Portfolio geography	Canada, U.S., UK, and Europe		Canada
Time horizon for analysis	2024 to 2050 (Short-, medium- and long-term)		2024 to 2050 (Short- and long-term)
Credit assessed	Probability of default, loss given default and expected loss		Expected loss

(1) IPCC RCP 8.5: The Intergovernmental Panel on Climate Change (IPCC) has developed Representative Concentration Pathways (RCP) scenarios which project different levels of GHG emissions that can then be leveraged to generate climate projections. RCP 8.5 is the highest GHG concentration resulting in the highest temperature projections and most pronounced effects of climate change.
(2) BoC segments include: coal, crops, electricity, energy intensive industries, forestry, livestock, oil and gas, refined oil products, and transportation.

To help ensure that our bank is adequately capitalized against unexpected events resulting from climate change, we assess the impact of climate-related risks across multiple principal risks in our existing Enterprise-Wide Stress Testing (EWST) program[35]. In 2024, we enhanced our approach by incorporating forward-looking climate scenarios, increased geographic hazard coverage, and assessed transition risks across a broader set of climate-relevant sectors in our EWST.

In addition, we also participated in OSFI's Standardized Climate Scenario Exercise supporting the understanding of the impacts of transition and physical risk on our portfolios.

We plan to continue to enhance our climate scenario analysis capabilities, which may include expanding the scenarios and inputs used and addressing model limitations. As we develop our analytics and models, we will also be working with a third-party data provider to enhance the quality of our output. We plan to continue to refine our approach and methodology to generate more granular insights in the future. We consider climate scenario analysis to be a useful tool to help inform future strategic planning (including through identification of *climate-related opportunities*), evolve risk management strategies, and meet regulatory and stakeholder expectations.

Monitoring and reporting climate-related risk

Oversight of climate-related risk

The Board oversees our management of and enterprise approach to E&S risk, including climate-related risk, and how we conduct our business to meet the high standards of E&S responsibility.

The Risk Committee of the Board oversees significant and emerging risks to the bank, including E&S risk such as climate-related risk. Each year, the Risk Committee recommends for Board approval the ERAF, which incorporates consideration of E&S risk, including climate risk, when making risk management decisions.

We have a second line of defence, the E&S risk team, which is responsible for monitoring and reporting on significant climate-related risks to senior management and the Risk Committee of the Board on a regular basis.

Risk appetite related to climate-related risk

Our ERAF articulates our quantitative and qualitative risk appetite statements alongside their supporting measures and constraints. We have integrated climate into our ERAF as a qualitative statement, which requires E&S considerations when making risk decisions:

- Undertake only risks we understand; make thoughtful and future-focused risk decisions, taking environmental and social considerations into account.

The ongoing monitoring and reporting of our risk profile, and our risk exposure against our risk appetite, enable proactive risk management and oversight.

Climate-related risk factors have been incorporated into our risk limit setting and risk appetite articulation.

Reporting of climate-related risk

Enterprise and business segment risk monitoring and internal reporting are critical components of our enterprise risk management program, and support the ability of senior management and the Board to effectively perform their risk management and oversight responsibilities, including climate-related risk management.

Quarterly enterprise risk reporting to senior management and the Risk Committee of the Board includes an ESG risk heatmap which includes climate-related risk topics.

Climate metrics

RBC reports on our performance against certain of our climate commitments, goals and targets, as well as other measures that reflect our climate strategy. We also provide metrics recommended by industry standards and consistent with our previous disclosures, such as our PCAF financed emissions and carbon-related assets, as defined in the TCFD[36] Implementation Guidelines.

Measuring climate performance presents many challenges related to data availability (including temporal lags), data quality and evolving methodologies. We continue to invest in our data capabilities to improve our measurement capabilities. To help address challenges relating to climate measurement and reporting, RBC is working with relevant industry organizations to develop and improve industry comparable standards and methodologies.

As our approach to climate continues to evolve and mature, and as part of delivering our updated climate strategy, we will also continue to periodically review our climate-related metrics with the aim to disclose the metrics that are most aligned to our strategy. We intend to consult relevant stakeholders and continue to be transparent in our disclosure decisions.

Progress against our climate strategy may not be linear due to the complex and evolving nature of the external environment in relation to climate. For details on external impacts on our strategy and progress, refer to *Strategy overview*. For details on measurement challenges in relation to specific metrics, refer to *Appendix 5: Methodology and data challenges for relevant metrics*.

Restatements to reflect improved and up-to-date data

As we continue to report our performance in future disclosures, our measurements, including where applicable, in respect of our baseline period, baseline, targets and performance against targets, may be restated to reflect the availability of more up-to-date data and evolving standards and methodologies. We expect data availability and quality to continue to improve through more widespread, timely, and accurate client reporting, evolving standards and methodologies, and availability of additional data sources.

Metrics index

Summary of metrics to measure progress against our climate strategy 68
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Carbon-related assets 71
Other environmental metrics 72

Summary of metrics to measure progress against our climate strategy

RBC monitors and manages its performance against measurable climate commitments, goals, and targets in line with its climate strategy. We also monitor metrics that indicate progress against our strategy, such as client transition plans and absolute financed emissions for oil and gas. These are summarized below and outlined in relevant sections as noted by page references. Additionally, we use the ESR for internal reporting. Refer to *Advise and finance client actions that support the transition*.

Table 18: Summary of metrics to measure progress, as at and for the year ended October 31

			Goals	2024	2023	2022	Baseline [1]
Advise and finance client actions that support the transition							
Emissions from our lending	Physical emissions intensity: Interim Targets [3]	Lending to pure play low-carbon energy entities ($ billion) [2]	—	**$12.5**	$9.4	n.a.	n.a.
		Oil and gas – Scope 1 & 2 (grams of CO_2e/MJ)	5.0 g CO_2e/MJ by 2030	**7.1**	7.1	7.2	7.7
			35% reduction by 2030	**(8)%**	(8)%	(7)%	2019
		Oil and gas – Scope 3 (grams of CO_2e/MJ)	63.2 – 50.2 g CO_2e/MJ by 2023	**74.4**	73.2	72.7	71
			11% – 29% reduction by 2030	**5%**	3%	2%	2019
		Power generation – Scope 1 (grams of CO_2e/kWh)	156 g CO_2e/kWh by 2030	**214.7**	251.7	295.3	339.7
			54% reduction by 2030	**(37)%**	(26)%	(13)%	2019
		Automotive – Scope 1, 2 & 3 (Mt of CO_2e)	96 g CO_2e/km by 2030	**163.9**	174.5	173.4	180.6
			47% reduction by 2030	**(9)%**	(3)%	(4)%	2019
	Absolute financed emissions [4]	Oil and gas – Scope 1, 2 & 3 (Mt of CO_2e)	—	**68.2**	68.6	n.a.	2023
Engage with others in advancing climate solutions							
Investments in climate solutions		Community investments (cumulative, $ million)	$100 million by 2025	**$90**	$61	$40	n.a.
		Climate investment commitments (cumulative, $ million) [5]	$1 billion to support climate solutions by 2030 [6]	**$167**	$145	$95	n.a.
Integrate climate considerations into our business and operations							
Global emissions from our operations [7]		Total Scope 1 & 2 (market-based) and Scope 3 (business travel) emissions (tonnes of CO_2e)	50,322 tonnes by 2025	**60,368**	70,931	83,993	164,411
			70% reduction by 2025 [8]	**(63)%**	(57)%	(49)%	2018
		Percentage of electricity from renewable sources (%) [9]	100% by 2025	**100%**	58%	16%	n.a.

Refer to the following page for footnotes.

a PwC provided limited assurance over this figure in 2024. Refer to *Appendix 7: Independent limited assurance report*.

(1) As a result of data limitations, we did not recalculate our baseline for the HSBC Canada acquisition.

(2) For information about our authorized lending to pure play low-carbon energy companies, refer to *Advise and finance client actions that support the transition*.

(3) We have restated certain physical emissions intensity comparative figures to incorporate more up-to-date data, as well as additional client reported emissions data, the latter of which places less reliance on proxies. Refer to *Table 13: Performance against our energy Interim Targets* and *Table 14: Performance against our automotive Interim Targets* in *Advise and finance client actions that support the transition* for further information.

(4) Measurement of our absolute financed emissions on an authorized basis for the oil and gas sector is based on methodologies, assumptions, estimates and judgment believed to be reasonable at the time of the measurement. Each of these is subject to inherent risks and uncertainties and may be inaccurate, resulting in disclosed measurements subsequently being determined to have been inaccurate. A number of factors, many of which are beyond our control and the effects of which can be difficult to predict, could affect the amount of our absolute financed emissions for the oil and gas sector in a period, and there can be no assurance that actions we take to bring down our absolute financed emissions for the oil and gas sector over time will result in the reductions we aspire to achieve. These factors include: clients' progress towards their own stated emission reduction targets, changes in the borrowers' enterprise value driven by various factors including market capitalization, availability of client emission data (including issues associated with data lags), and changes in emissions estimates driven by changes in data quality. For future reporting periods, we intend to review methodological enhancements on an ongoing basis, and, when deemed appropriate, to update our measurement methodologies to enhance the comparability of this metric over time. We have restated the 2023 absolute financed emissions from 71.4 g CO_2e/MJ to 68.6g CO_2e/MJ to reflect better data quality. For more details on what is included in our oil and gas absolute financed emissions, and on data considerations, limitations and data challenges, refer to *Appendix 5: Methodology and data challenges for relevant metrics*. Also refer to *Appendix 8: Caution regarding forward-looking statements* and *Appendix 9: Important notice regarding this report*.

(5) Cumulative climate investment commitments at the end of 2024 have been revalued using the spot exchange rate as at October 31, 2024. During 2024, RBC made one new commitment of $21 million. The remaining increase, $1 million, is due to the impact of foreign exchange translation.

(6) While our approach may evolve over time under this category of investment, we intend to prioritize allocating capital toward solutions that will lead to GHG emissions reductions in Canada and globally. Our investment commitments eligible to count towards this goal may also include support for climate solutions with outcomes linked to biodiversity, nature and/or adaptation, among others. We aspire to achieve this goal by 2030; however, market conditions, among other factors – many of which are beyond our control and the effects of which can be difficult to predict – could impact our ability to invest capital to advance climate solutions over this timeframe. For more details, refer to *Appendix 8: Caution regarding forward-looking statements* and *Appendix 9: Important notice regarding this report*. For purposes of tracking progress towards this goal, our eligible investment commitments made from 2022 onward are included.

(7) We have restated comparative figures for certain metrics associated with our global emissions from our operations. Refer to *Restatement of emissions from our operations* for further details.

(8) Inclusive of our global operations, Scope 1, Scope 2 (market-based) and Scope 3 (business travel) reported GHG emissions, against our 2018 baseline. Refer to *Table 16: Global emissions from our operations* in *Integrate climate considerations into our business and operations* in *Climate* for further details.

(9) We replaced our previous goal set in 2019 to increase our sourcing of electricity from renewable and non-emitting sources to 100% by 2025 with a goal to source 100% renewable electricity, and revised our methodology to measure progress against this goal to align with RE100 Principles[32].

n.a. not applicable

PCAF financed emissions

RBC continues to disclose absolute financed emissions on an outstanding basis, a commonly-used metric by financial institutions in line with the PCAF Standard.

We continue to report our PCAF financed emissions for the sectors for which we have set Interim Targets and for the agriculture sector. For further details on our methodology, refer to *Appendix 5: Methodology and data challenges for relevant metrics*.

Table 19: PCAF financed emissions by sector [1], for the year ended October 31

Millions of tonnes of CO_2e			**2024**	2023	2022	**PCAF data score [2] (2024)**
Energy	Oil and gas	Scope 1 & 2 [3]	**2.1**	2.6	3.0	**2.8**
		Scope 3 [4]	**38.8**	42.9	45.5	**4.4**
	Power generation	Scope 1 & 2 [5]	**1.0**	1.0	1.7	**3.9**
Automotive	Manufacturing	Scope 1 & 2 [6]	**0.01**	0.01	0.01	**2.0**
		Scope 3 [7]	**0.2**	0.4	0.4	**4.0**
Agriculture		Scope 1 & 2 [8]	**1.8**	1.2	n.a.	**4.0**

(1) 2023 and 2024 metrics are presented with higher levels of measurement uncertainty. Refer to *Measurement considerations for emissions from our lending f*or additional details.
(2) PCAF data scores indicate varying levels of data accuracy. The five data quality scores range from 1 (more certain) to 5 (less certain). When Scope 1 & 2 have different data quality scores, we assign the lower PCAF data quality score to the measurement. PCAF data quality scores may fluctuate year over year as they are a weighted average of client emissions data quality and can shift with the relative outstanding balances for each client in a given year.
(3) We restated oil and gas Scope 1 & 2 financed emissions from 2.9 Mt of CO_2e to 3.0 Mt of CO_2e in 2022 and from 2.8 Mt of CO_2e to 2.6 Mt of CO_2e in 2023 to incorporate more up-to-date data, as well as additional client reported emissions data, the latter of which places less reliance on proxies. Refer to *Appendix 5: Methodology and data challenges for relevant metrics* for details.
(4) We restated oil and gas Scope 3 financed emissions from 42.3 Mt of CO_2e to 45.5 Mt of CO_2e in 2022, from and from 46.3 Mt of CO_2e to 42.9 Mt of CO_2e in 2023 to incorporate more up-to-date data, as well as additional client reported emissions data, the latter of which places less reliance on proxies. Refer to *Appendix 5: Methodology and data challenges for relevant metrics* for details.
(5) We restated power generation Scope 1 & 2 financed emissions from 1.3 Mt of CO_2e to 1.7 Mt of CO_2e in 2022 and from 1.5 Mt of CO_2e to 1.0 Mt of CO_2e in 2023 to incorporate more up-to-date data, as well as additional client reported emissions data, the latter of which places less reliance on proxies. Refer to *Appendix 5: Methodology and data challenges for relevant metrics* for details.
(6) We restated automotive Scope 1 & 2 financed emissions from 0.02 Mt of CO_2e to 0.01 Mt of CO_2e in 2023 to incorporate more up-to-date data, as well as additional client reported emissions data, the latter of which places less reliance on proxies. Refer to *Appendix 5: Methodology and data challenges for relevant metrics* for details.
(7) We restated automotive Scope 3 financed emissions from 0.8 Mt of CO_2e to 0.4 Mt of CO_2e in 2023 to incorporate more up-to-date data, as well as additional client reported emissions data, the latter of which places less reliance on proxies. Refer to *Appendix 5: Methodology and data challenges for relevant metrics* for details.
(8) We restated agriculture Scope 1 & 2 financed emissions from 1.4 Mt of CO_2e to 1.2 Mt of CO_2e in 2023 to reflect updated data sources and changes to the methodology in order to enhance accuracy.
n.a. not applicable

Carbon-related assets

Carbon-related assets is one of the metrics recommended by the TCFD[36] Implementation Guidelines. This metric has been subsequently reported by banks for several years and provide a comparable climate-related metric for the financial sector.

Carbon-related assets are those most impacted by transition risks and physical risks of climate change. For more information on the types of climate-related risks, refer to the *Climate-related risk management* section.

RBC measures carbon-related assets by selecting relevant industry classification codes (Standard Industry Classification (SIC) codes) for the four sectors identified by the TCFD[36] Implementation Guidelines published in October 2021.

The four sectors identified by the TCFD[36] Implementation Guidelines are broadly defined whereas RBC's SIC codes are more granular. This is why RBC maps its internal SIC codes to the four TCFD[36] sectors according to a governance process developed internally. RBC's calculation of carbon-related assets includes assets of borrowers within energy (oil and gas, coal and electric utilities), transportation (air, maritime, rail, trucking and automobiles), materials and buildings (metals and mining, chemicals, construction materials, capital goods, real estate management and development) and agriculture, food and forest products (beverages, agriculture, packaged food and meats, paper and forest products) sectors. In relation to electric utilities borrowers, as per the TCFD[36] Implementation Guidelines, we have excluded those clients whose business relates to renewables and hydro-electric power.

Credit risk exposure is calculated as the amounts that present credit risk exposures under the Committee on Banking Supervision (Basel) defined classes and reflects exposures at default as defined under Basel regulation. The classification of our sectors aligns with our view of credit risk by industry. These amounts represent our total on- and off-balance sheet credit risk exposure for each sector as at October 31 of the relevant year, and excludes counterparty credit risk.

The percentage of total credit risk exposure represents our credit risk exposure to carbon-related assets as a percentage of our total credit risk exposure.

Table 20: Carbon-related assets credit risk exposure, as at October 31

Billions of Canadian dollars, except percentage amounts	**2024**	2023	2022
Total credit risk exposure	**$ 1,807.6**	$ 1,664.4	$ 1,594.3
Total carbon-related assets (1)	**$ 302.2**	$ 258.2	$ 243.5
Total carbon-related assets as a percentage of total credit risk exposure	**16.7%**	15.5%	15.3%
Carbon-related assets by sector			
Materials and buildings	**$ 193.6**	$ 162.1	$ 149.5
Percentage of total credit risk exposure	**10.7%**	9.7%	9.4%
Energy (2)	**$ 39.4**	$ 40.0	$ 43.9
Percentage of total credit risk exposure	**2.2%**	2.4%	2.8%
Transportation	**$ 36.0**	$ 29.2	$ 25.6
Percentage of total credit risk exposure	**2.0%**	1.8%	1.6%
Agriculture, food and forest products	**$ 33.2**	$ 26.9	$ 24.6
Percentage of total credit risk exposure	**1.8%**	1.6%	1.5%

(1) Metrics in 2022 were not adjusted for roundings.
(2) Includes oil and gas, coal and electric utilities. In relation to electric utilities borrowers, as per the TCFD[36] Implementation Guidelines, we have excluded those whose business relates to renewables and hydro-electric power in our measurement of carbon-related assets.

Other environmental metrics

This section contains our environmental metrics in addition to our operational emissions.

Energy use

Table 21: Energy use, for the year ended October 31 [1]

	2024	2023	2022
Heating fuel use, Scope 1 (MWh)			
Branches	**72,857**	78,729	78,467
Major properties [2]	**39,293**	43,568	38,650
Data centres and processing centres	**107**	132	122
Electricity and steam use, Scope 2 (MWh)			
Branches	**177,643**	176,758	181,594
Major properties [2]	**164,754**	161,037	172,873
Data centres and processing centres	**90,218**	72,885	70,871
Total energy use, all properties (MWh)	**544,872**	533,109	542,577
Total energy intensity, all properties (MWh/m^2)	**0.27**	0.26	0.26

(1) Data is representative of all properties in Canada, the U.S., the UK, the British Channel Islands, Belgium, Switzerland, Germany, Spain, France, Ireland, Italy, the Netherlands, Luxembourg, Sweden, Hong Kong, China, Singapore, Japan, Australia, Malaysia, and the Caribbean, representing 99% of our global floor area. Data is reflective of a complete year; however, due to variations in billing cycles, the reporting months may not reflect the RBC fiscal year of November 1 to October 31.
(2) Major properties are inclusive of all leased and owned office premises across RBC's global portfolio.

Green building certification

In 2024, RBC had 851,119 m^2 of green building certified office space, representing 40% of all applicable leased and owned buildings in RBC's global portfolio. This is inclusive of certifications and recertifications from Leadership in Energy and Environmental Design (LEED) and similar green building rating systems, such as Building Owners Managers Association, Canada Green Building Council, and others (2023: 702,760 m^2; 2022: 716,871 m^2).

Waste

In 2024, RBC diverted 87% of its waste from landfills across our operations measured in Canada, the U.S., the UK, continental Europe, Asia and the Caribbean. This metric includes operational waste – such as single stream recycling, compost, trash and shredded paper, as well as electronic waste – and waste from special projects. Specifically for electronic waste, 481 tonnes out of a total of 483 tonnes were diverted from landfill. This category includes electronic devices and peripherals, which are collected by service providers for recycling, reuse or, when necessary, disposal in landfills. Data for our operations in the Caribbean is only included in the electronic waste category.

Water use

In 2024, RBC's water consumption intensity was 0.5 m^3/m^2 (2023: 0.4 m^3/m^2; 2022: 0.3 m^3/m^2). Water use intensity is calculated using RBC's water consumption divided by the total floor area of all measured properties. This includes all properties for which we have water consumption data across Canada, the U.S., the UK, and the British Channel Islands. This does not include our operations where water consumption data is incomplete, including our operations in continental Europe, Asia, and the Caribbean.

Human capital

Human capital focuses on our own workforce, highlighting our efforts and initiatives to develop, support, and empower our employees. Our employees are the starting point of our success as a global organization. We are focused on identifying, attracting, and retaining high-performing talent, while supporting the needs of our more than 98,000 employees by providing them with tools, resources, and experiences to help them develop their career potential and pursue their professional aspirations. This includes identifying and developing new and emerging skills, offering opportunities to innovate and grow, providing flexible benefits, and fostering a culture of inclusion and fairness. At RBC, we aim to create an environment where employees can pursue meaningful careers, be their authentic selves, give back to the community and feel a true sense of belonging.

The following sections provide an overview of our approach to human capital, outlining the initiatives and programs we use to support our employees and enable a high-performance culture.

Culture

RBC's Purpose of helping clients thrive and communities prosper is built on a culture centred on our Values of Client First, Collaboration, Accountability, Integrity, and Diversity & Inclusion. Our employees and their ideas, insights and innovations help drive this culture and bring our Vision, Values, culture and strategy to life.

In 2024, through the acquisition and integration of HSBC Canada, we focused on bringing our two organizational cultures together. We gathered dedicated resources to support the integration, in an effort to create a smooth transition and minimize disruption for employees who joined RBC as part of the acquisition.

An important element of our culture is our Leadership Model, which outlines the key behaviours and capabilities we expect from our employees, as described in four key pillars:

- Drive to impact
- Adapt quickly and always learn
- Unlock the potential of our people
- Speak up for the good of RBC

We believe that leadership at all levels is important. Regardless of team size, strong leadership drives focus, collaboration, performance, and meaningful employee experiences, all of which contribute to RBC's culture. We focus on strengthening the capabilities of current leaders, as well as creating opportunities for emerging leaders to bring forward new ideas and support our ambitions for the future.

RBC's enterprise leadership and people manager strategies are designed to establish consistent practices, accountabilities, and development opportunities across the organization, creating a foundation for our businesses and functional areas to build on. The core accountabilities expected of our people managers are integrated into our enterprise people manager goals, against which all people managers are assessed as part of LIFT, our performance enablement process. We provide tools, resources and learning opportunities to develop and enhance the core capabilities that people managers need to succeed and unlock the potential of our people, as discussed further in the *Developing employees* section in *Human capital*. We regularly seek feedback to improve our approach and better support our employees as their needs change.

For further details on how we manage our culture, refer to the *Conduct and trust* section in *Governance*.

Employee engagement

We seek to listen to our employees on an ongoing basis and to provide them with the tools, programs and support to help meet their unique needs. Overall, in 2024, through our annual Employee Engagement Survey, we found that employees continue to be engaged and feel proud to be a part of RBC, reflecting our employees' connection to our Values.

Table 22: Employee Engagement Survey responses [1]

	2024	2023	2022
Annual Employee Engagement Survey response rate	**75%**	74%	73%
Employees who feel they contribute to RBC's success [2]	**92%**	93%	93%
Employees who feel proud to be a part of RBC [2]	**87%**	88%	89%
Employees who are willing to go above and beyond [2]	**86%**	87%	88%
Employee Engagement Score [3]	**85**	86	86
Men	**85**	86	86
Women	**85**	86	87
BIPOC [4]	**86**	87	87
White [4]	**86**	87	87
Indigenous Peoples [4]	**85**	84	86
Persons with Disabilities [4]	**82**	83	82
LGBTQ+ [4]	**81**	85	82

a PwC provided limited assurance over this figure in 2024. Refer to *Appendix 7: Independent limited assurance report*.

(1) In 2024, our annual global Employee Engagement Survey was conducted between April 24 to May 8, 2024. Full-time, active employees who had been with RBC for a minimum of three months as at April 22, 2024 were eligible to participate. As the acquisition of the HSBC Canada was completed on March 28, 2024, HSBC Canada employees who joined RBC did not participate in the 2024 Employee Engagement Survey. RBC Brewin Dolphin employees did not participate in the 2022 Employee Engagement survey as the acquisition was completed after the survey period. Refer to the *Glossary* for further details on the scope of the Employee Engagement Survey.

(2) These Employee Engagement Survey questions form part of the Employee Engagement Score, which is described in footnote (3) below.

(3) Engagement is an outcome measure of employee alignment, commitment and enablement as evidenced by employees' responses to select questions in our annual Employee Engagement Survey.

(4) Refer to the *Glossary* for definitions of BIPOC, Indigenous Peoples, Persons with Disabilities and LGBTQ+. The breakdown of Employee Engagement survey results by representation categories depends on the availability of data. For Indigenous Peoples, Persons with Disabilities and LGBTQ+, all periods presented exclude City National Bank and RBC Brewin Dolphin as the subsidiaries have not been integrated onto our primary HR platform. For BIPOC and White, all periods presented exclude RBC Brewin Dolphin as the subsidiary has not been integrated onto our primary HR platform; however, the metrics include City National Bank as the information for these categories is available through other means. The 2023 and 2022 comparative figures exclude BlueBay Asset Management.

We strive to provide an environment where employees have opportunities to communicate feedback throughout the year through various channels. For example, we conducted periodic survey check-ins with employees who joined RBC from HSBC Canada to support their transition.

In addition to closed-ended survey questions, employees can also provide feedback on what they view as the key focus areas for improvement and how RBC can continue to deepen their sense of belonging. This additional open-ended insight is used to supplement the quantitative feedback received, to facilitate more specific action planning and a more effective business response.

This ongoing engagement with our employees through various channels helps us to refine and enhance our programs.

Workforce composition and inclusion

Maintaining a workplace where our employees are supported to perform at their best, effectively collaborate, drive innovation, and grow professionally helps to bring our Purpose to life and generate value for our clients and the communities we operate in. RBC strives to deliver this support through policies and programs that are intended to foster greater inclusion and fairness for all employees.

Our focus on inclusion is especially important given the increasing complexity we see in the broader operating environment. It is important to have a wide range of perspectives as our organization navigates challenges related to business and economic conditions and geopolitical uncertainty, among other top and emerging risks. We must continue to adapt as the world changes, and our diverse group of global employees are integral in supporting us in that effort.

For more details on RBC's priorities on inclusion, refer to our *website*.

Representation

As we work to continue to provide fair and inclusive opportunities for all employees, we monitor our employee representation to identify areas where we could provide further opportunities and support.

Table 23: Overall representation, as at October 31 [1]

	2024	2023	2022
Total employees [2]	**98,588**	94,885	95,634
Women	**52%**	52%	53%
Men	**48%**	48%	47%
BIPOC [3]	**44%**	41%	39%
Asian [4]	**29%**	27%	26%
Black [4], [5]	**5.4%**	5.2%	4.6%
Mixed [4], [5]	**2.1%**	2.0%	1.7%
Other [4]	**7.1%**	6.6%	6.5%
LGBTQ+ [3]	**2.5%**	2.4%	2.3%
Persons with Disabilities [3], [6]	**4.3%**	4.1%	4.6%

(1) Our workforce representation metrics for 2023 and 2024 are presented for our global operations. 2022 comparative figures for representation categories exclude BlueBay Asset Management and RBC Brewin Dolphin as these subsidiaries had not been integrated onto our primary HR platform. BlueBay Asset Management was integrated onto our primary HR platform in 2023. While RBC Brewin Dolphin has not been integrated onto our primary HR platform, the data for 2023 and 2024 has been collected through other means.
(2) The number of total employees is presented for our global operations and refers to the number of individuals employed globally on a full-time or part-time basis. The number of total employees excludes individuals on long-term leaves of absence and on phased-in retirement arrangements. The number of total employees differs from the full-time equivalent (FTE) metric that is presented in Table 1 of our *2024 Annual Report* and that is used for certain metrics in the *Developing employees* section in *Human capital*, for which part-time employees are included on an equivalent basis, among other differences.
(3) Refer to the *Glossary* for definitions of these terms.
(4) Asian, Black, Mixed and Other are calculated global fields based on locally configured and regionally reflective self-declarations. Refer to the respective regional definitions in *Appendix 6: Additional human capital metrics* for more information, where appropriate.
(5) In 2024, we changed our methodology to include employees in Canada and the UK who self-identify as Black and another race/ethnicity within both Black and Mixed; previously these employees were included only within Mixed. Our methodology did not change in the U.S., where individuals can self-identify as either Black or Mixed. The 2023 comparative figure for Black has been restated to reflect this change – the amount previously presented was 4.9%. The 2022 comparative figure for Black has not been restated as the information is not available.
(6) The increase in representation of Persons with Disabilities globally in 2024 is primarily attributable to more U.S. employees updating their self-disclosure in 2024; this representation remained consistent or decreased in other regions in 2024. Refer to *Table 43: U.S. workforce composition* in *Appendix 6: Additional human capital metrics* for further information.

As our organization continues to grow, representation continues to shift, supported by our efforts to continue to provide fair and inclusive opportunities and broader labour market conditions. In 2024, our representation of women remained stable, and we experienced increases among other reported employee demographics. We continue to identify opportunities to evolve our actions to further support people from under-served populations, including continuing to enhance our hiring and talent management practices to be more inclusive.

Leadership representation

A diverse organization starts with our most senior leaders and a strong talent pipeline that will generate the ideas and innovation to drive long-term value. We align our talent strategies and succession planning with our business strategies and our Leadership Model.

Table 24: Leadership representation, as at and for the year ended October 31

	2024	2023	2022
Women in Group Executive positions	**42%**	30%	30%
Women executives (Canada) (1), (2)	**43%**	43%	42%
BIPOC executives (Canada) (1), (2)	**27%**	24%	23%
Women in senior management (Canada) (1), (3)	**40%**	41%	40%
BIPOC in senior management (Canada) (1), (3)	**40%**	39%	37%

PwC provided limited assurance over this figure in 2024. Refer to *Appendix 7: Independent limited assurance report*.
(1) Metrics are presented for our operations in Canada governed by the *Employment Equity Act* (Canada). As at October 31, 2024, the total number of employees governed by the *Employment Equity Act* (Canada) was 58,916 (October 31, 2023: 55,983; October 31, 2022: 55,206).
(2) Executives include enterprise level Vice-President, Senior Vice-President, Executive Vice-President and Group Executives as measured by Global Grades (e.g., position level).
(3) Senior management refers to roles up to two levels below executives as measured by Global Grades (e.g., position level), which includes roles that are titled Senior Director and Director; however, titles vary depending on the business segment or function.

Our leadership representation reflects our ongoing efforts with respect to evolving routines for comprehensive succession planning and executive appointment. The percentage of BIPOC executives in Canada increased to 27% as at October 31, 2024, and 35%[37] of new executive appointments in 2024 were BIPOC executives. The percentage of women executives in Canada remained stable at 43% as at October 31, 2024, and 44%[37] of new executive appointments in 2024 were women executives. We continue to identify opportunities to evolve our actions to foster an inclusive leadership pipeline.

Inclusion

We strive to foster an inclusive and supportive environment where all employees can bring their authentic selves to work and have the opportunity to pursue a meaningful career. We believe that employees who feel greater belonging and connection within our organization are better enabled to perform at their best – individually and within teams – and are more likely to stay at RBC. The resulting stability helps our team grow together and maintain strong, consistent relationships with our clients.

We help foster a sense of inclusion for our employees in a variety of ways, including supporting our employees in building their professional networks, providing them with opportunities to share their feedback and through learning and development opportunities.

Employee Resource Groups

Our network of Employee Resource Groups (ERGs) is open to all employees. ERGs provide opportunities for allyship, networking, coaching, and career development in addition to giving back to the communities we operate in through volunteerism. While ERGs vary by country, they bring together employees with shared interests and identities such as early-in-career employees, women, BIPOC, Persons with Disabilities, caregivers, LGBTQ+ employees and veterans.

Some highlights of their actions in 2024 include:

- The ERGs in Canada came together for a National ERG session to provide an opportunity to celebrate the importance and impact of these groups, and to discuss how to help employees shape their careers and foster a greater sense of inclusion and belonging.
- iCare, an ERG for new parents and other caregivers, hosted its first global RBC caregiving discussion about breaking down some of the stigma surrounding certain types of caregiving and bringing more awareness to the important role caregivers play in our communities.

Hearing from our employees

An important element of developing and maintaining our inclusive culture is by listening to our employees, and we do this in a number of ways. The insights we gather are used to inform and improve the actions we take such as adapting programs, introducing new policies or sharing information that will help to enhance employee experiences.

Throughout the year, we survey employees on a range of topics about their experiences at work and their perceptions of RBC and our people managers. In select surveys, including in our annual Employee Engagement Survey, we include a series of questions related to employees' experiences with inclusion and belonging. The composite of responses is referred to as our Inclusive Experiences Composite Score, which is our measure for understanding the experiences of our employees across experiential pillars that include, but are not limited to, a sense of connection and belonging, respect, trust, and career opportunities. The Diversity Leadership Council is a key recipient of these results in an effort to support taking action.

The following table presents our Inclusive Experiences Composite Score from our annual Employee Engagement Survey.

Table 25: Inclusive Experiences Composite Score

	2024	2023	2022
Overall	**81**	82	82
Men	**82**	82	82
Women	**81**	82	82
BIPOC [1]	**81**	82	82
White [1]	**83**	84	84
Indigenous [1]	**82**	80	83
Persons with Disabilities [1]	**77**	77	77
LGBTQ+ [1]	**79**	81	80

PwC provided limited assurance over this figure in 2024. Refer to *Appendix 7: Independent limited assurance report*.

(1) The breakdown of Employee Engagement Survey results by representation categories depends on the availability of data. For Indigenous Peoples, Persons with Disabilities and LGBTQ+, all periods presented exclude City National Bank and RBC Brewin Dolphin as the subsidiaries have not been integrated onto our primary HR platform. For BIPOC and White, all periods presented exclude RBC Brewin Dolphin as the subsidiary has not been integrated onto our primary HR platform; however, the metrics include City National Bank as the information for these categories is available through other means. The 2022 and 2023 comparative figures exclude BlueBay Asset Management.

While our overall Inclusive Experiences Composite Score across different representation categories remained relatively stable in 2024, there was a desire from employees for more career development opportunities. For further details on how RBC is helping employees develop a skills-based future, refer to the *Developing employees* section in *Human capital*.

In addition to surveys, we meet with groups of employees throughout the year to learn more about their views on specific topics or issues raised. These more in-depth sessions provide us with insights on actions we have taken so far and help us generate new ideas and actions to address the needs of our employees in supporting greater inclusion and belonging across the organization.

For example, to help enhance our culture of accessibility and further enable the participation of all, we continue to seek the input of Persons with Disabilities, caregivers and allies as part of implementation of our Accessibility Plan pursuant to the *Accessible Canada Act*. In addition to a survey that was sent in 2024 to members of REACH, RBC's ERG for Persons with Disabilities and allies, we conducted consultations with employees with disabilities. These discussions helped us to better understand the accessibility needs of our employees and identify further actions we could take as an organization. This is along with our always-on feedback channel for time-based, continuous insights from employees with questions about accessibility.

Learning opportunities and events

RBC offers learning and development programs on a range of topics to all our employees to support their ability to learn more about each other and the communities we operate in. These courses and programs are available to employees on-demand, wherever they are located.

Throughout the year, we also learn from the achievements of our employees and from external guest experts at events and learning sessions as they speak about their career journeys and how they have helped, and continue to help, to create more inclusive places to work. These sessions provide greater awareness and recognition of the efforts that individuals are making to support greater collaboration and connection to what is important to our clients and communities.

Racial equity audits

In 2024, we committed to engaging an independent, third-party to conduct an assessment of our employment practices, and of our commercial and business practices, to identify potential adverse impacts on communities of colour and Indigenous people, along with recommendations to help address those potential impacts[38]. Refer to our *website* for ongoing important updates in respect of the assessments.

Talent acquisition and retention

Talent acquisition

At RBC, we take a forward-thinking approach which aims to discover, attract and retain talent by planning for the future needs and the goals of the business, building recruitment strategies to attract high-performing talent. We will continue to strive to expand and build new pipelines of talent that reflect the diverse client segments, markets and communities we serve.

We are committed to fostering an inclusive and supportive workplace where we embrace a wide range of qualities and fresh perspectives that candidates bring to RBC. As part of our goal of continuing to provide fair and inclusive opportunities for all employees, we aim to recruit from a range of backgrounds with the intention of creating access for under-served populations.

Table 26: New hires, for the year ended October 31 (1)

	2024	2023	2022
Men	**49%**	51%	48%
Women	**50%**	49%	51%
BIPOC	**64%**	61%	43%

(1) New hires excludes summer interns, students and co-ops. Data is based on self-identification and gender was not self-identified by 1% of new hires in 2024. All periods presented exclude City National Bank and RBC Brewin Dolphin as these subsidiaries have not been integrated onto our primary HR platform. HSBC Canada employees who joined RBC at the acquisition date are not included in new hires. The 2022 comparative figures for men and women excludes Blue Bay Asset Management as it had not been integrated onto our primary HR platform. The 2022 comparative figure for BIPOC is presented for our operations in Canada and the U.S. as information for other regions is not available for this period.

In 2024, 64% of new hires were BIPOC, reflecting the influence of immigration on the demographics of the Canadian labour market. The percentage of new hires that are women remained relatively stable in 2024.

At RBC, we strive to offer meaningful work experiences that help to attract high-performing talent and provide opportunities for those individuals to network with peers and leaders, explore RBC, and build skills. Some examples of these programs in Canada include:

- **RBC Wealth Management Generalist Program** – A two-year rotational program that is intended to develop future leaders in RBC Wealth Management. The program is offered to a select number of individuals each year who exhibit leadership potential and a versatile mindset, and welcomes applicants with diverse work or education backgrounds.
- **RBC Analyst Program** – A program dedicated to developing future leaders at RBC in one of our core product or functional areas. Individuals are entrusted to solve complex problems and develop strategies that drive growth and profitability, working alongside leaders across the business.
- **Leadership Development Program** – A two-year rotational program for Masters graduates designed to build a pipeline of talent for future leadership. Participants develop leadership skills through experiential learning, mentorship and formal training.
- **Indigenous Development Program** – Provides Indigenous Peoples in Canada who are recent graduates the opportunity to learn and work at RBC through a two-year learning program. Participants develop skills and networking relationships in different areas of RBC to help participants expand their career potential.
- **Career Edge Internship Program** – As part of our strategic collaboration with Career Edge, the program is designed to help RBC recruit and onboard diverse talent, including Persons with Disabilities, newcomers to Canada, and new graduates.

We are also focused on helping create career pathways where our existing employees are supported in pursuing their professional aspirations. We seek to empower our employees with tools to explore career pathways matched to their skills and RBC's business needs, which can lead to internal mobility opportunities.

Table 27: Percentage of positions filled by internal candidates, for the year ended October 31

	2024	2023	2022
Percentage of positions filled by internal candidates [1]	**72%**	68%	66%

(1) All periods presented exclude City National Bank and RBC Brewin Dolphin as these subsidiaries have not been integrated onto our primary HR platform. In prior years, the figure was not available for 2022 due to the implementation of a new HR platform mid-year in 2022 and the incongruence of data definitions across the multiple systems. This incongruence was subsequently resolved and we have presented the 2022 comparative figure.

The increase in 2024 in the percentage of positions filled by internal candidates indicates a continued focus on mobility and of helping to support our employees in their pursuit of a meaningful career, including employees who joined RBC from HSBC Canada and were hired into existing teams to fill open positions after the acquisition date.

Talent retention

At RBC, we strive to ensure that the employee experience remains compelling as the world of work changes. We listen to and learn from our employees about their experiences, and believe that a sense of belonging and wellbeing, career growth, purpose at work, supportive leadership, and competitive compensation and benefits all contribute to the employee experience at RBC.

Our purpose-driven and high-performance culture serves as the foundation for our employee experience. Our commitment to the employee experience is articulated in *The RBC Inclusive Opportunities Blueprint* priority of supporting our employees in their pursuit of a meaningful career, and *The RBC Skills Blueprint* priority of supporting continuous skills development in our workforce. *Human capital* outlines our efforts to advance on these strategic priorities, as well as our offerings to employees of a combination of competitive salary and variable incentive programs.

Table 28: Turnover rate and average tenure, as at and for the year ended October 31

	2024	2023	2022
Total turnover rate [1], [2]	a **11.8%**	13.0%	17.3%
Canada	a **12.0%**	13.2%	17.6%
International [1], [2]	a **10.6%**	12.1%	16.1%
Total voluntary turnover rate [1]	**9.5%**	9.7%	14.7%
Canada	**9.9%**	10.1%	15.5%
International [1]	**7.7%**	8.1%	11.8%
Total involuntary turnover rate [1], [2]	**2.3%**	3.3%	2.6%
Canada	**2.1%**	3.1%	2.1%
International [1], [2]	**2.9%**	3.9%	4.3%
Average tenure of employees [3]	**10 years**	10 years	10 years

a PwC provided limited assurance over this figure in 2024. Refer to *Appendix 7: Independent limited assurance report*.

(1) Refer to the definition of turnover in the *Glossary*. Total and International turnover for all periods presented excludes City National Bank and RBC Brewin Dolphin as the subsidiaries have not been integrated onto our primary HR platform. The 2022 comparative figures also exclude BlueBay Asset Management as the subsidiary had not been integrated onto our primary HR platform.

(2) We have restated the 2023 comparative figures to reflect a change in methodology for calculating involuntary turnover, which previously included the impact of divestitures. In 2023, involuntary turnover included the impact of the divestiture of our European asset servicing activities of RBC Investor Services and its associated Malaysian centre of excellence. The figures previously reported for 2023 were: Total turnover rate: 15.5%; Total turnover rate – International: 24.8%; Total involuntary turnover rate: 5.8%; and Involuntary turnover rate – International: 16.7%.

(3) The 2022 comparative figure excludes BlueBay Asset Management and RBC Brewin Dolphin as these subsidiaries had not been integrated onto our primary HR platform. BlueBay Asset Management was integrated onto our primary HR platform in 2023. While RBC Brewin Dolphin has not been integrated onto our primary HR platform, the data for 2023 and 2024 has been collected through other means.

The decrease in total turnover in 2024 was largely driven by a decrease in total involuntary turnover as a result of lower terminations. In 2023, our commitment to cost containment led to rationalizing expenses by simplifying how we work and reducing our team size.

Total voluntary turnover remained stable compared to 2023, reflecting the continued support we provided to help our employees identify new and emerging opportunities, and to pursue meaningful work experiences. In 2024, the majority of HSBC Canada employees who joined RBC at the completion of RBC's acquisition of HSBC Canada remain with RBC, including employees who were hired into existing teams to fill open positions.

Developing employees

At RBC, we are focused on helping our employees keep pace with the changing world of work to drive mobility, innovation and resilience. As part of this goal, we are focused on advancing a skills centric approach that helps to enable employees to serve our clients while continuing to support in-demand skills development in our workforce. We strive to achieve this through an always on learning culture that helps sustain our high-performance culture, by aiming to provide learning experiences that are personalized and available as needed. We also aim to provide our employees with development opportunities that continue to help foster inclusive and supportive environments, and create access to opportunities for under-served populations. Learning is at the core of our employees' personal and professional growth, and empowers them to build meaningful careers at RBC. There are three pillars to RBC's Learning Strategy:

- Drive the next phase of future growth by helping equip our employees with the skills they need to succeed.
- Build a skills-based future that enables employees to navigate their careers at RBC.
- Encourage continuous learning by providing engaging experiences that integrate into the flow of work.

Each pillar is outlined below.

Drive the next phase of future growth by helping equip our employees with the skills they need to succeed

LIFT is RBC's always on approach to elevating performance, which aims to help our employees achieve their goals and unlock their potential. It encourages meaningful conversations between employees and their people managers throughout the year as a way to measure progress and identify new development opportunities. In 2024, we integrated new resources within LIFT to build people managers' skills around delivering effective feedback to employees, with a focus on providing constructive feedback to help employees focus on their personal growth and development throughout the year. Mentorship is a key element in career development, so RBC has developed new resources such as scenario-based conversation guides for mentors and mentees that focus on how to build effective relationships. We also partnered with a third-party vendor to help facilitate connections for networking and mentorship.

Our primary HR platform facilitates goal setting, progress tracking, feedback exchange, development planning and digital profiles detailing career and skill interests. We believe in empowering employees to take charge of their career growth and provide a range of guidance and support through career webinars, workshops and toolkits to help them understand how to build current and future skills.

Build a skills-based future that enables employees to navigate their careers at RBC

RBC is leveraging digital, data and responsible AI in an effort to proactively address both immediate and longer-term employee needs. In a world where skills will increasingly drive productivity and performance, RBC is committed to help upskilling employees and leaders with a renewed focus on learning and development aligned to business outcomes. We provide a range of development opportunities from on-the-job learning and mentorship to formal training.

By leveraging digital profiles, where employees can add skills information to their digital profiles, employees can actively manage and shape their future career paths. This inputted skills information has given people managers greater visibility into existing skills that may have gone unnoticed.

To support making data driven decisions, we have created new reports and a toolkit that leverages data from our primary HR platform to provide senior leaders a view of core skills adoption and development opportunities for their teams.

These skill insights not only help inform conversations between people managers and employees, but have also been important in shaping new innovative learning initiatives. We are actively piloting new tools and technologies that can dynamically leverage skill information, and provide employees with insights and options to enhance their skills, gain exposure to new opportunities and work across different teams.

Encourage continuous learning by providing engaging experiences that integrate into the flow of work

Our employees have access to a wide range of learning opportunities to build new skills, gain experience and expand their knowledge. Curated learning journeys provide our employees with up to date, relevant resources for skill development. These journeys offer a clear, organized pathway that saves time by allowing employees to choose from different types of learning based on their preferences. Options include self-paced resources like on demand podcasts, articles, and conversation guides, as well as collaborative learning experiences, virtual and in-person instructor led training.

In 2024, 29,966 employees accessed on-demand learning in our learning management systems, a 38% increase from 2023 (2023: 21,711 employees; 2022: 15,695 employees). With this shift in learning preference, we noted an increased demand to support more flexible learning opportunities to support employees. Employees engaged in on-demand learning to develop their technical, business and personal skills.

One of RBC's most popular learning experiences is Leap, which is an accelerated skills development program that connects employees from various parts of RBC to engage in self-directed learning, hands-on activities, and interactive discussion groups. Leap enables employees to obtain in-demand skills through a variety of foundational pathways (e.g., problem solving, decision making and critical skills) and technical skills pathways (e.g., data, digital and AI), each of which are designed to provide participants with opportunities to learn and practice new skills and behaviours. In 2024, 5,584 participants completed Leap pathways resulting in 69,768 learning hours (2023: 2,377 participants and 49,684 learning hours, respectively; 2022: 2,003 participants and 36,021 learning hours, respectively).

In addition, we strive to create learning opportunities that can integrate into the flow of daily work. For example, one of our learning management systems uses algorithms to analyze a learner's performance, knowledge gaps, and learning history, and based on this data it will dynamically present questions that are relevant to the learner's needs. This data helps people managers identify gaps and customizes learning to help employees address them. RBC continues to pilot and test new learning technologies to proactively equip our employees with skills for the future.

Training investments and hours

The following table presents our training investments and hours.

Table 29: Training investments and hours, for the year ended October 31 [1]

	2024	2023	2022 [2]
Total invested in direct and indirect training and career development ($ million)	**$ 88**	$ 94	$ 76
Total hours of instructor-led and web-based training (million) [3]	**3.2**	2.9	1.6
Per full-time equivalent (FTE)			
Total invested in training and development per FTE	**$ 923**	$ 1,033	$ 827
Average hours of training per FTE [3]	**36.2**	33.9	18.0
Per employee			
Average hours of training per management level employee [3]	**16.5**	12.0	8.0
Average hours of training per non-management level employee [3]	**27.9**	25.8	15.1

(1) Refer to the *Glossary* for the composition of training investments and hours.
(2) The 2022 comparative figures exclude BlueBay Asset Management and RBC Brewin Dolphin as the subsidiaries had not been integrated onto our primary HR platform, BlueBay Asset Management was integrated onto our primary HR platform in 2023. In addition, in 2023, we expanded the scope of our training investments and hours to include business-segment led training and informal learning hours, including learning hours in leadership development programs, inclusion learning events, and hours spent in learning applications. The 2022 comparative figures were not restated as the information is not available.
(3) All periods presented exclude City National Bank as the subsidiary has not been integrated onto our primary HR platform. While RBC Brewin Dolphin has not been integrated onto our primary HR platform, the data has been collected through other means. Management level employees excludes executives. In 2024, we expanded the scope of our training hours metrics to include RBC Brewin Dolphin, and the 2023 figures have been restated to be on a comparable basis. In addition, we have restated 2023 comparative figures to adjust for the impact of errors in the calculation, including an overstatement in the total hours of instructor-led and web-based training for non-management level employees, and an overstatement of the number of FTE. The 2023 figures previously reported were: Total hours of instructor-led and web-based training: 3.0 hours; Average hours of training per FTE: 33 hours; Average hours of training per non-management level employee: 27.3 hours.

The decrease in 2024 in the total amount invested in direct and indirect training and career development was due to lower direct training costs in certain business including Wealth Management and City National Bank, as well as lower training facilitation costs primarily for Personal Banking and Commercial Banking.

Hearing from our employees

In our annual Employee Engagement Survey, we include a series of questions related to employees' sentiments about career growth, including whether employees feel that they are able to achieve their career objectives and whether they feel they have the opportunity to learn new skills. The composite of responses is referred to as the Career Growth Composite Score. In addition, as people managers perform an important role in coaching and mentoring our employees, we include a series of three questions in our annual Employee Engagement Survey related to people manager effectiveness, which is referred to as the People Manager Effectiveness Composite Score.

Table 30: Career Growth and People Manager Effectiveness Scores

	2024	2023	2022
Career Growth Composite Score	**74**	75	74
People Manager Effectiveness Composite Score	**83**	83	83

We continue to observe stability in our Career Growth Composite Score. In 2024, 84% of respondents said they feel they have the opportunity to learn new skills at RBC (2023: 86%; 2022: 85%), and 70% of respondents agree there are career growth opportunities for all employees (2023: 73%; 2022: 72%). We continue to identify opportunities to support employees to develop their skills and pursue meaningful careers.

Technical talent

At RBC, we continue to focus on becoming a digitally enabled bank, leveraging technology to drive innovation, efficiency and growth. Our approach prioritizes both technological advancements and the development of our employees.

We have a dedicated strategy for critical technology talent that specialize in emerging innovation, as well as a distinction program that elevates the impact and experience of our high-performing technical talent and provides them with enhanced learning, development, and leadership opportunities. We invest in our early tech talent, offering meaningful work through hands-on experience with emerging technologies, a sense of community and wellbeing with our networks, career mentorship and development through innovation labs.

Through our ecosystem of internal and external tech partnerships, which include academic institutions and industry partners, we are looking to attract, develop and retain diverse tech talent, promote RBC as a digitally forward organization and connect our workforce to the most relevant industry opportunities for growth.

Diverse talent

We believe that providing fair and inclusive opportunities for all employees is a central tenet to success at RBC, which in turn can help broaden economic opportunity in the communities we serve.

Table 31: Promotions, for the year ended October 31 (1)

	2024	2023	2022
Men	**47%**	46%	47%
Women	**53%**	54%	53%
BIPOC	**48%**	45%	43%

(1) Promotions are defined as an upward change in Global Grade (e.g., position level). The metrics are based on employee self-identification and the calculation excludes students, summer interns and co-ops. All periods presented exclude City National Bank and RBC Brewin Dolphin as these subsidiaries have not been integrated onto our primary HR platform. The 2022 comparative figures for men and women excludes Blue Bay Asset Management as the subsidiary had not been integrated onto our primary HR platform. The 2022 comparative figure for BIPOC is presented for our operations in Canada and the U.S. as information for other regions is not available for this period.

Leadership development

With the goal of enabling a high-performance culture and delivering value to our stakeholders, RBC is dedicated to creating an environment where employees can grow and reach their career potential. Talent management, leadership development and succession planning at RBC are built on a framework aligned with our business strategies and Leadership Model, which outlines the behaviours we expect from all employees. For those who we identify as demonstrating strong leadership qualities, along with an aptitude and desire to advance toward senior leadership positions, we invest in experiences that are designed to help accelerate their development. Our goal is to provide differentiated experiences for high-potential talent, preparing them for broader and more complex roles while building leadership capabilities.

We complement our internal talent strategies with skills-based recruitment to source critical capabilities, address succession gaps and foster diverse thinking. We remain dedicated to building a strong and diverse pipeline of leaders with the experiences and abilities to help support the financial wellbeing of our clients and strengthen the resilience of the communities we operate in.

As part of broader talent discussions across the organization, we regularly create and refresh our succession plans to advance our talent management strategy. These succession plans support career development, and help us focus on in-demand skills.

RBC invests in enabling and developing leaders through a variety of learning programs, tools and resources. Participants from across the bank are nominated by business leaders in annual talent discussions and range from senior managers to senior directors. Each year we evolve our programs in an effort to provide relevant, differentiated and accelerated development opportunities for select new hires and high-potential talent. These curated experiences help increase leadership confidence, grow a strong leadership community, and accelerate skills to help advance and retain talent that will drive RBC business strategies and help us deliver on our Purpose.

We offer various enterprise and platform leadership development programs intended to build future-focused skills and enhance enterprise exposure and visibility for talent. We continuously adapt our approach to best serve the evolving needs of our employees and business.

Employee wellbeing

RBC recognizes the importance of supporting our employees in their pursuit of a meaningful career. We are focused on fostering inclusive and supportive environments that enable a sense of belonging and wellbeing. Wellbeing includes emotional, mental, physical, social, and financial wellbeing.

In our annual Employee Engagement Survey, we include a series of questions related to employees' sentiments about their wellbeing, and the composite of responses is referred to as the Employee Wellbeing Composite Score. From our 2024 Employee Engagement Survey, we found that the Employee Wellbeing Composite Score remained stable at 77 (2023: 77; 2022: 77), demonstrating a consistent focus on wellbeing even as our organization and employees navigate challenging conditions.

Benefits

We strive to support our colleagues and their families across the various stages of their careers and lives through a robust offering of mental and physical health benefits, insurance coverage, parenting and caregiver support, and leave and flexible work programs. Eligible full-time and part-time employees participate in our benefit programs, based on offerings in their regions.

In 2024, RBC launched the RBC Wellness+ Platform, a new interactive online portal intended to help employees improve their health and wellbeing. Designed using behavioural science, this new global digital platform gives employees the opportunity to track their wellness activities, participate in health-related challenges, events and community groups, find helpful wellness content and earn rewards for their wellness activities.

RBC also recognizes the importance of family to the wellbeing of employees. We offer our employees maternity, parental and family responsibility leaves globally, including up to 78 weeks of childcare leave in Canada, made up of maternity leave and parental leave or a combination of both, as well as options for a gradual return from childcare leave. We also provide a paid childcare benefit to all qualifying employees, including birth parents and non-birth parents, for up to 12 weeks in Canada (which may vary in other regions).

Additionally, our policies and programs provide flexible options to support employees' emotional, mental and social wellbeing, which may vary by region, including:

- Access to counselling services to assist employees in navigating personal, work and other life circumstances, including mental health support;
- Emergency backup eldercare and childcare in several major centres;
- Flexible work arrangements, including phased retirement for eligible employees who wish to work a reduced work week for a defined period prior to retirement, and flextime options where eligible employees work their assigned core hours with flexible start and finish times, within limits established with the employees' people managers;
- A comprehensive range of leave policies – including paid, unpaid, or a combination of both – to provide support for employees who must be absent from work to attend to personal or family needs; and
- Hybrid work arrangements, where eligible employees spend part of their time working on RBC premises to enable in-person connections, while maintaining the flexibility to spend part of their time working remotely.

We also strive to support employees' financial wellness in a number of ways, including through the Defined Contribution Pension Plan in Canada. Eligible employees receive an automatic contribution from RBC towards their retirement savings, along with an additional matching amount for those who contribute. A series of enhancements to the program have been introduced since 2022, including increased automatic contributions from RBC. For example, effective January 1, 2024, RBC increased the maximum automatic employer contributions from $3,000 to $4,500. Eligible employees benefit from these enhancements regardless of whether they make their own contributions.

In addition, eligible RBC employees can take advantage of discounts on a variety of programs and products, including financial services benefits that can help them save on mortgages and other big purchases, as well as plan for their financial and life goals. For instance, in Canada, the Royal Employee Savings and Share Ownership Plan (RESSOP) provides eligible employees with the opportunity to contribute from 1% to 10% of their eligible earnings to a variety of investment options and receive an automatic 50% match from RBC on the first 6% of contributions, subject to certain vesting conditions. Bank-negotiated low management fees for the RESSOP investment options combined with the RBC matching give employees an extra boost to support their financial and life goals. Eligible employees can also receive RBC matching funds, up to the same RESSOP limits, when paying off their RBC education loans or mortgages.

Compensation

As part of RBC's total rewards, we strive to offer our employees a combination of competitive salary and variable incentive programs to help attract, engage, and retain a high-performing global workforce. These programs are designed to be competitive in the markets we operate in, reward employees for their contributions to RBC's performance, and align to the interests of employees and shareholders.

Pay transparency

RBC is committed to the principles of pay equity. Over the years, we have evolved our practices to support transparency and promote pay equity.

We have established robust compensation review processes to help identify and strive to rectify any pay disparities among employee groups performing equal or comparable work. We proactively analyze compensation across gender, race and ethnicity and consider a range of additional factors including position level, tenure, specialized skills, business or function, and geography.

To meet our commitment to the principles of pay equity:

- Where individual performance factors do not explain a difference in pay, we endeavour to address pay equity discrepancies through our annual year-end base salary and bonus review process.

- In addition to our annual pay review process, as employees move to new roles across the organization, we review their compensation using external and internal pay benchmarks and take into account the skills and experiences that they bring to the role.
- We use a tailored business analytics tool to measure and manage pay equity for gender and race, adjusting for known variables that impact pay such as business and position level.

These regular assessments help us understand disparities in compensation, while factoring in performance, skill, education, accreditation, and specific accountabilities of the role. Insights from these assessments have helped us build new tools, procedures and training that helps people managers interrupt bias and maintain objectivity.

We submit regular reports on gender equity and racial equity that relate to pay, as mandated by the federal *Employment Equity Act* (Canada), provincial and federal pay equity legislation, and the UK Gender Pay Gap reporting regulation. In addition, in accordance with the *Pay Equity Act* (Canada), the bank established the required pay equity committees in Canada in 2023, and the required pay equity plans were developed in 2024.

We continue to enhance our strategies to understand and act on identified and potential pay inequities. Our goal is to drive increased equity and strengthen our inclusive and supportive culture, while working to attract, retain and advance under-served talent and create opportunities for all employees to reach their career potential.

The following table presents pay transparency information for 2023 and 2022. Information for 2024 has not been provided as the data was not available at the time of publication, and we intend to report 2024 information in our *2025 Sustainability Report*.

Table 32: Pay transparency, for the year ended October 31

	2023	2022
Median remuneration of women:men (adjusted) [1]		
Overall	95%	95%
Executives (Vice-President/Senior Vice-President)	93%	93%
Senior management	98%	98%
Management and experienced professionals	98%	98%
Administrative and operational employees	100%	99%
Median remuneration of BIPOC:white (adjusted) [1]		
Overall	99%	98%
Executives (Vice-President/Senior Vice-President)	97%	92%
Senior management	102%	101%
Management and experienced professionals	101%	100%
Administrative and operational employees	100%	99%

(1) The median remuneration (adjusted) for: (i) women as a percentage of men's remuneration; and (ii) BIPOC employees as a percentage of white employees' remuneration includes the following forms of compensation: salary, bonuses, and equity (based on the share value at the grant date). It does not include commission or commission-only employees. Represents employees in our business in Canada that are governed by the *Employment Equity Act* (Canada). Excludes employees in RBC Capital Markets due to the use of incomparable position groups.

Social capital

Social capital focuses on our efforts to contribute in building inclusive and resilient communities, helping individuals and communities develop skills to drive mobility, innovation and resilience, as well as to help clients achieve their financial aspirations. Social capital also addresses our work towards maintaining the trust and satisfaction of our clients, while protecting their privacy and safeguarding their data.

The following sections provide an overview of our approach to social capital, outlining the initiatives and programs we employ to help drive more inclusive opportunities for prosperity and to equip people with the skills for a thriving future.

Advancing human rights and reconciliation

Human rights

At RBC, respect for human rights aligns with our Purpose, Vision and Values. Our enterprise-wide human rights program captures feedback from ongoing engagement with senior representatives from key business units and functions, and includes oversight over our human rights risks, the review of our policies and due diligence processes and assessment of the effectiveness of our approach to human rights.

We continue to integrate our commitment to respect human rights into operational policies and procedures across the organization, and we disclose the operationalization of this commitment in our various human rights related disclosures, such as our *Approach to Human Rights* – which includes our Human Rights Position Statement, and our *Statement Regarding Modern Slavery* for Canada, the UK and Australia. RBC is a member of the Business for Social Responsibility Human Rights Working Group, a global business network and consultancy, and in 2024 became a member of Shift Financial Institutions Practitioners Circle[39].

RBC's Approach to Human Rights

RBC's Approach to Human Rights outlines our commitment to respect human rights as set out in the United Nations Guiding Principles on Business and Human Rights. Operating with integrity and holding ourselves accountable is a central tenet of how we do business, and one that is paramount to upholding relationships built on a foundation of trust and respect among our employees, clients, suppliers, and the communities we serve. RBC's Approach to Human Rights also outlines our commitment to respecting the inherent rights of Indigenous Peoples to self-determination in accordance with international and domestic law and our work with Indigenous Peoples and communities to better understand approaches to operationalizing the principle of Free, Prior and Informed Consent.

In addition, RBC's Statement Regarding Modern Slavery describes the policies and processes that are in place across our enterprise to prevent slavery and human trafficking in our operations and supply chain.

2024 highlights related to our human rights program include:

- Enhancements and expansion of tools and technology for monitoring supplier risk.
- Enhancements to human rights content in our mandatory Code of Conduct training.
- Developed targeted training for select procurement and third-party risk management staff based on Public Safety Canada's *2024 Annual Report to Parliament on the Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada).
- Commenced work to enhance supplier awareness of RBC's existing human rights grievance mechanism.

Indigenous reconciliation

RBC's Truth and Reconciliation Office

In 2024, RBC launched a Truth and Reconciliation Office under the Indigenous banking banner RBC Origins™, which brings the Truth and Reconciliation Office together with the Indigenous Banking team. The intent is to apply the principles, norms and standards of a reconciliation framework to RBC's corporate policy and core operational activities involving Indigenous Peoples and their lands and resources.

RBC Origins is bringing to life RBC's Purpose Framework, which identifies advancing human rights and reconciliation as a guiding principle. RBC aims to do this by deepening our understanding of reconciliation activities and environmental stewardship practices, and honouring the rich and complex heritage, origin stories, practices and principles of Indigenous communities.

RBC has been working in collaboration with Indigenous community members, organizations and businesses across five ambition areas: economy, people, communities, environment and leadership. RBC's Truth and Reconciliation Office is developing RBC's inaugural Reconciliation Action Plan in response to the Truth and Reconciliation Commission of Canada's Call to Action 92, by conducting consultations with First Nations, Inuit, and Métis groups through Listening Circles. Our Reconciliation Action Plan will help align meaningful and measurable actions to support reconciliation efforts with Indigenous communities and continue to build our transparency and accountability.

RBC's Commitment to Indigenous Rights

In line with our recognition of the importance of Free, Prior and Informed Consent and our commitment to respect the rights identified in the *United Nations Declaration on the Rights of Indigenous Peoples*, as set out in our Human Rights Position Statement, through 2023 and 2024 RBC expanded the application, above a certain lending threshold, of its E&S Review assessment. The E&S Review assessment addresses, among other E&S risks, the requirement for consideration of Free, Prior and Informed Consent whenever a client's operations may impact Indigenous Peoples or communities. The E&S Review assessment, as well as training on the completion of the assessment, were operationalized over 2023 and 2024.

To help us deliver on our commitment, we have established various communication channels for employees and other stakeholders to report concerns relating to the integrity of RBC's relationship with Indigenous Peoples.

Affordable and sustainable housing

RBC supports its commercial clients with both conventional and insured lending, including construction and term financing for the construction and renovation of housing. To support rental affordability and sustainability, RBC participates in Canada Mortgage and Housing Corporation (CMHC) insured lending programs for multi-unit rental housing[40], and in connection with the HSBC Canada acquisition on March 28, 2024, RBC committed to providing $7 billion in financing for the construction, retrofitting and renovation of affordable and sustainable housing in Canada over five years.

From April 1 to October 31, 2024, RBC provided $2.1 billion[41] in direct and indirect financing for properties that include affordable and sustainable housing units.

For more information on affordable housing, refer to our *2024 Public Accountability Statement*.

Equipping people with the skills for a thriving future

RBC intends to help prepare job-ready individuals for a rapidly changing workplace and the opportunities it will present. Investing in a more adaptive, flexible, and inclusive workforce by providing access to relevant learning opportunities will help support career preparedness and progression.

Since 2017, RBC Future Launch has been supporting a diverse range of programs that help young Canadians make a seamless and successful transition into a meaningful career through work experience, skill-development opportunities, networking solutions and mental wellbeing support and services.

As part of RBC Future Launch, RBC collaborated with the Youth and Innovation Project at the University of Waterloo to launch the RBC Young People and Economic Inclusion Longitudinal Study in 2022, to provide insights into the obstacles facing Canadian youth, with a focus on employment. As of June 2024, more than 26,000 young people had participated in the study. Results from the first cohort of the study include new insights with regards to attitudes about in-person versus hybrid work, access and impact of work-integrated learning opportunities and general resilience across demographic groups.

Table 33: RBC Future Launch (Canada) impact metrics

	2024	2023	2022
Percentage of youth participants that feel better prepared for the future – RBC Future Launch (Canada) [(1), (2)]	**78%**	76%	76%
Percentage of Indigenous RBC Future Launch beneficiaries (Canada) [(1), (3)]	**4%**	6%	6%
Total amount invested by RBC and RBC Foundation in youth-related organizations – RBC Future Launch (Canada) ($ million)	**$ 59**	$ 65	$ 63
Cumulative number of young people reached through RBC Future Launch since its inception in 2017 (Canada) (million)	**8.4**	6.9	5.3

(1) Data collected using the RBC Future Launch survey. Surveys are distributed by RBC Future Launch collaborators to their beneficiaries post-program completion.
(2) Represents the percentage of respondents who answered Agree or Strongly agree to the following statement: "I feel better prepared for the workforce after participating in this program."
(3) Based on respondents to the RBC Future Launch beneficiary survey that self-identify as First Nations, Métis, Inuit or international Indigenous Peoples.

RBC and RBC Foundation, through initiatives such RBC Future Launch and RBC Emerging Artists, support various programs that aim to provide people with skills, some examples of which include:

Work experience

The Youth Works Program, a joint program with the Children's Aid Foundation of Canada, is a national pre-employment development program aimed at empowering youth exiting the child welfare system with skills, guidance and experiences to help find and secure employment. With RBC Foundation's support, over 2,700 youth have participated in the Youth Works Program since the program's inception in 2017.

Mentorship and networks

Ten Thousand Coffees collaborates with schools to build networks, knowledge sharing and mentoring to drive skills and careers. In 2024, with RBC and RBC Foundation's support through RBC Future Launch, Ten Thousand Coffees reached over 95,000 youth, helping to equip them with the skills to thrive in the future job market and connected over 3,000 mentees, providing networking opportunities to increase knowledge and expand connections.

Career navigation

RBC Upskill®, powered by Future Fit AI, is a free AI-enabled career exploration tool that served approximately 2,500 users in 2024. It provides a skills assessment through understanding career-relevant skills, education, interests and work experience of each user, and recommends upskilling and reskilling opportunities that strengthen career readiness and mobility.

Additionally, World of Choices Skilled Trades Summits, a collaboration with JA Canada, aims to integrate experiential learning opportunities into skilled trades. The summit events reached over 46,000 youth in 2024, with 69% reporting they feel better equipped to make decisions about careers in skilled trades[42].

Post-secondary education

Green skills for the future of work: RBC worked with 23 post-secondary institutions across Canada, committing over $15 million to support green skills programs in the areas of zero emission vehicles, sustainable agriculture, construction and renewal energy.

Additionally, through the RBC Foundation Green Skills Scholarships Program, RBC Foundation, in partnership with Universities Canada, awarded scholarships of up to $5,000 to 40 students aged 25 years and over in 2024 committed to returning and reskilling within buildings and construction, agriculture and food production, transportation, waste management and recycling, and renewable energy.

Skills for cultural and creative community

RBCxMusic® First Up program, powered by MusiCounts, is designed to help 30 Canadian emerging artists and music professionals annually to directly address the barriers they face in building their professional careers through mentorship, exposure opportunities, financial compensation and skills development.

Employee volunteerism

RBC strives to provide opportunities for its employees to support communities in ways that align with their individual interests.

Employees have more than 1.4 million hours of recorded volunteer time since we first began to track their efforts in 2016. In 2024, employees in 18 countries as well as Canadian retirees volunteered 317,600 hours as individuals or in teams. This includes:

- The RBC Communities Together Fund (CTF) is an employee-driven program designed to help employees and their local community partners address pressing needs in their area with funds and volunteering. The CTF enables teams of three or more employees to choose a local charity, apply for a $1,500 grant to support a need identified by that charity, and then complete a two-hour volunteer activity in support of the need. In 2024, over 6,000 employees in six countries were engaged in 2,500 volunteer projects, which resulted in $3.8 million in grants and nearly 37,300 volunteer hours.
- The Social Impact Leadership Program (SILP) pairs emerging RBC leaders with volunteer opportunities tailored to their skillset to help address challenges being faced by community organizations. The 12-week program aims to integrate business with community-minded activities and helps build a pipeline of future leaders who think beyond their immediate roles in our organization to make a difference in the communities where we live and work. In 2024, 85 employees participated in SILP, providing pro-bono services for 12 community investment partners, which resulted in $0.6 million[43] in value for community organizations.

In addition, in 2024 our global Celebration of Impact (formerly the Employee Giving Campaign) raised nearly $27 million, supporting over 11,800 charities in nearly 100 countries around the world.

RBC Race for the Kids™ maintained a hybrid model in 2024, which included scheduling independence for live races to execute according to market circumstances and charitable partner priorities, while consolidating all virtual races into one Global Race weekend. In 2024, RBC Race for the Kids raised over $11 million for local youth charities across the globe. Since its inception in 2009, RBC Race for the Kids has hosted over 470,000 participants and raised over $100 million in fundraising, helping to set up youth for a thriving future in our communities.

Responsible artificial intelligence

Responsible AI is core to RBC's business. We aim to be an AI leader in financial services and use cutting-edge science to inform business and client transactions, while seeking to protect them from fraud and other security risks.

We strive to use AI in a manner that respects diversity and human integrity, enhances financial wellbeing and helps to achieve our Purpose of helping clients thrive and communities prosper. RBC believes there is an opportunity to play an important role in how AI will shape the future. As part of our commitment to advancing the development of responsible AI and machine learning, RBC Borealis™, RBC's data and innovation hub, developed *RESPECT AI™*, an online hub that brings open source research code, tutorials, academic research and lectures to the AI community, helping to make responsible AI available to all.

In 2024, RBC was ranked first in Canada, and third overall among 50 global financial institutions for AI maturity in the *Evident AI Index*[44]. The index scores financial institutions across four key pillars: Talent, Innovation, Leadership and Transparency.

RBC has a robust and established risk governance framework that includes governance of AI models. RBC adheres to its Responsible AI principles in development and deployment of AI models in the enterprise. To provide oversight and support in the implementation of responsible AI practices throughout the organization, RBC established a Responsible AI Centre of Excellence, including a Responsible AI Executive Steering Committee, where we convene experts across the enterprise. The following set of Responsible AI principles have been adopted:

- **Privacy and Security** – at RBC, we are committed to responsible data practices – from how we use data to how we protect it. We maintain data integrity and confidentiality through robust information security and data handling practices.

- **Accountability** – we follow protocols to ensure that AI systems are compliant with industry standards and regulatory guidelines. All AI systems must meet requirements throughout the development lifecycle, including in testing, validation and monitoring.
- **Fairness** – our AI systems must uphold RBC's core Values of Integrity and Diversity & Inclusion, and also mitigate unfair biases. To uphold these core values, RBC tests for fairness and strives to continuously improve our models.
- **Transparency and Responsible Disclosure** – we want our clients and stakeholders to understand how and when we use AI. We seek to provide relevant information so that those affected by the outcome of an AI system can understand the factors that led to a decision.

One way we action our responsible AI principles is by adopting a graduated approach in emerging areas of AI such as Generative AI (Gen AI). In 2024, we used Gen AI technology in internal-facing applications in our Advice Centre to help enable employees to improve response times in managing client inquiries and providing service to our customers. This technology helped us realize operational efficiencies and deliver financial products and services, while upholding standards of Privacy and Security, Accountability, Fairness, as well as Transparency and Responsible Disclosure. We recognize that AI is an advancing topic, both within and beyond financial services. RBC supports the development of Responsible AI in Canada through collaborations, sponsorships and homegrown intellectual property.

In addition, through RBC Borealis we offer to help foster AI talent at different stages of their educational journey to develop skills in AI, including Let's SOLVE it, a mentorship program that provides undergraduate students with guidance, resources and industry contacts to help them gain technical training and hands-on experience, while working to leverage data and AI to help solve social challenges.

We also collaborate with external institutes and research organizations, including CIFAR and the Vector Institute, as well as other accelerators and organizations that help to foster the AI ecosystem in Canada.

Privacy

Privacy commitment

Effective privacy and information management practices continue to grow in importance, as demonstrated by the continued development of complex regulations in the jurisdictions in which we operate. Privacy and data related risks have also heightened as a result of the evolving threat landscape and associated data breach risks. RBC is dedicated to protecting the personal information entrusted to us. This commitment is fundamental to the way we do business and is reflected in our Code of Conduct as well as our privacy policies and practices.

Privacy principles

RBC's Privacy Risk Management Program is anchored on fair information practice principles established by the Organization for Economic Co-operation and Development, as well the relevant privacy regulations in the jurisdictions we operate in. RBC's Enterprise Privacy Principles are further outlined below:

- **Accountability** – we protect the personal information we process in accordance with applicable legal and regulatory requirements and responsible use.
- **Purpose and transparency** – we inform individuals of the purpose for which their personal information will be used before and/or at the time it is collected and ensure the purpose is within the reasonable expectations of the individual.
- **Data minimization and retention** – we limit the personal information we collect only to what is necessary to fulfill the purpose(s) for which it was collected. We retain personal information in compliance with business, legal and regulatory record keeping requirements and aligned with our internal policies and retention schedules.
- **Legal basis for processing and consent** – we process personal information only where there is an adequate legal basis to do so, and with the appropriate meaningful consent of our clients and employees.
- **Safeguarding** – we safeguard the personal information entrusted to us against unauthorized access, use, alteration and destruction, and we ensure that safeguarding efforts are commensurate with the sensitivity of the personal information.

- **Individual rights** – we have the appropriate policies and procedures in place designed to ensure individuals can exercise their rights with respect to their personal information.

Governance

RBC has a Global Privacy Office, led by the Chief Privacy Officer, which is responsible for overall governance of the privacy program. The Global Privacy Office works with businesses and functions in the jurisdictions we operate in, providing expert advice and overseeing compliance with RBC's privacy policies and practices.

The key components of our Privacy Program include:

- **An Enterprise Privacy Risk Management Policy** and procedures that set out the legal and regulatory requirements that must be followed when processing personal information.
- A *Global Privacy Notice* which articulates how we collect, use, share and protect personal information. Furthermore, it includes how individuals can request access to their personal information, correct it and withdraw consent.
- **Mandatory Privacy Training** for all employees and contract workers which covers RBC's internal privacy practices and procedures.
- **Ongoing Privacy Risk Assessments** of our key business processes, enabling RBC to meet current and future challenges while safeguarding personal information.
- **Established Privacy Incident and Breach Management Processes**, including notification to impacted individuals, where required.
- **Privacy Risk Monitoring and Reporting** to evaluate our approach to privacy risk management, and proactively identify emerging risks and regulatory developments.

Cybersecurity

RBC's cybersecurity strategy

RBC's cybersecurity strategy focuses on enhancing our security practices with adaptive, scalable protections and intelligent risk management capabilities that aim to outpace cyber threats, meet supervisory expectations and foster digital trust. The Global Cybersecurity team comprises dedicated technology and cybersecurity professionals who manage a comprehensive program that aims to protect the organization. Leveraging new technologies and a global intelligence network, RBC aims to rapidly respond to threats emerging from an industrialized criminal landscape.

Informed by regulatory requirements in the jurisdictions we operate in, our policies and standards are developed and reviewed in an effort to stay ahead of emerging cybersecurity requirements. Chief among industry best practices is the National Institute of Standards and Technology (NIST) Cybersecurity Framework which has been adopted by RBC. An independent maturity assessment against the NIST Cybersecurity Framework is completed annually to compare capabilities with industry best practices.

Our internal frameworks and standards are designed to promote ongoing alignment to industry best practices and supervisory expectations. Regular assessments of our controls are completed for operational effectiveness and to identify any weaknesses that need to be addressed to reduce risk exposure.

RBC strives to consistently educate clients and our workforce on cybersecurity best practices.

Pillars of our cybersecurity strategy

- **Resilient services** – strive to provide real-time protection of our business operations against known and emerging threats.
- **Intelligence-led security** – leverage AI and machine learning that power deeper insights and rapid response to insider threats and digital crime.
- **Governance, risk and compliance** – broaden control adoption to drive enhanced risk management, regulatory compliance and continuous testing.
- **Security culture** – deepen cyber awareness across RBC and promote a culture of cybersecurity in the communities we operate in.

RBC employees are empowered to help identify and report any electronic messaging that seems suspicious to help the global security operations centre stay informed of potential threats. All RBC employees are required to complete the mandatory Fundamentals of Privacy and Security course every two years. RBC employees are tested on a regular basis through a comprehensive phishing simulation to help ensure they are informed and prepared to identify cybersecurity threats and how to mitigate them.

Client awareness

We continue to encourage clients to be aware and to remain diligent in relation to potential cyber issues, and to develop content for all age groups – and different cybersecurity awareness levels – with the aim to advance their security awareness to help building stronger cyber communities.

We have *online resources* which allow individuals to learn about the latest cybersecurity best practices. The content includes how to spot and prevent phishing attempts, leveraging the security features of personal computing devices, and training on the intricacies of social engineering malware and ransomware. As new threats emerge, the client content reflects these new scams and instructs clients on how to mitigate them.

Cyber talent and innovation

RBC is a founding partner of the Rogers Cybersecure Catalyst (the Catalyst), a non-profit organization founded by Toronto Metropolitan University, which aims to foster collaborations and innovation in the cybersecurity ecosystem and build a diverse cyber talent pipeline to help solve the security challenges of the future.

Since the inception of the Catalyst, RBC has:

- Provided mentorship to 64 start-up and scale-up companies, resulting in stronger cyber resilient solutions.
- Helped support the certification of almost 700 new cybersecurity professionals in Canada.
- Provided input into policy reports with the aim of opening discussion of cybersecurity and digital privacy policy in Canada.
- Supported the CyberStart Canada program, which offers secondary and post-secondary students free access to a gaming platform and micro-credentials designed to build cybersecurity skills and awareness.

In 2024, the Catalyst launched a number of new and enhanced initiatives with RBC's support:

- The RBC FinSec Incubator, which helps early-stage cyber and fintech companies enhance product security and resilience to achieve product-market fit. The first cohort launched in September with four founding organizations, all of which were either founded or co-founded by women.
- Certifications for Leadership in Cybersecurity, which is a new flagship cybersecurity training program.

Client trust and satisfaction

Measuring client satisfaction and loyalty

RBC measures client satisfaction and loyalty by tracking our clients' experience across our various platforms and by gathering their ongoing feedback. We strive to translate this feedback into an improved client experience. We measure our client experience and loyalty both internally and against our key competitors, as monitored and reported by independent industry benchmarking surveys.

Our customer experience measurement program is administered by independent research consulting companies and technology vendors. We set and monitor objectives with a focus on continually improving client satisfaction and loyalty and measure components of the client experience on a regular basis. Given the proprietary nature of our customer experience measurement program, we disclose only select metrics in this Report.

In Canada, client-service training incorporates our client-experience objective and is tied to employees' performance management. We rely on a range of information sources to track client satisfaction and loyalty, including:

- Our own research and surveys, such as direct feedback from clients following visits to branches, visits to our digital banking sites and calls to our 24/7 call centres;

- Research conducted by external benchmarking organizations such as through anonymous client surveys; and
- External performance rankings

Survey results for client satisfaction and loyalty are linked to branch employees, which increases accountability and facilitates employee coaching, allowing us to directly address client comments and improve our service in real-time.

In addition, this research informs the development of our business strategies and tactics by providing insight into which products and features resonate with clients, and where we need to improve.

Table 34: Client Experience Score [1] and relationship share [2] – goals and progress

	Goals	2024	2023	2022
Client Experience Score	→ [3]	**61.1**	60.0	59.6
Relationship share	>13% [4], [5]	**18%**	18%	19%
Relationship share – peer average [5]	—	**13%**	11%	12%

(1) 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 the Ipsos Customer Satisfaction Index and J.D. Power's various client satisfaction studies. The score is measured on a scale from -100 to 100, where 100 represents the highest achievable score. Results include the Personal Banking, Commercial Banking and Insurance segments. Results do not include Wealth Management and Capital Markets segments.
(2) As determined through the Canadian Financial Monitor, a syndicated publication administered by Ipsos, which surveys approximately 18,000 Canadian individuals annually. Relationship share is the percentage of customers in Canada that hold multiple RBC products (transaction accounts, investments, borrowing and credit cards products).
(3) Goal associated with maintaining performance over the prior year.
(4) Our goal is to exceed the Canadian peer average. Goal is determined based on the fiscal year-end results in the Canadian Financial Monitor, a syndicated publication provided by Ipsos.
(5) Canadian peers include: The Bank of Nova Scotia, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, Bank of Montreal, National Bank of Canada, and Fédération des Caisses Desjardins du Québec. Effective April 2024, HSBC Canada is included as part of RBC.

Client complaints process

In Canada, we enable employees to deal with client complaints at the first point of contact with the client, as we believe this approach leads to improved customer satisfaction and loyalty. If we are unable to resolve or close a client's complaint at the first point of contact, the client may escalate their concern to RBC Client Care. Should a client be dissatisfied with the outcome of the review performed by RBC Client Care, the client can appeal to the Client Complaints Appeal Office (CCAO). The CCAO is the most senior designated office appointed to deal with appealed complaints within RBC. Certain complaints that remain unresolved after being reviewed by the CCAO may be directed by the client to external complaint and regulatory bodies.

Complaint resolution processes are also in place in other jurisdictions we operate in.

The Governance Committee of the Board oversees the Financial Consumer Protection Framework which includes oversight of RBC's complaint resolution process.

Integrity in marketing and sales communications

RBC strives to provide clients with investment, banking and insurance information they can easily understand and use. We review contract, policy and statement language regularly so our clients can more easily evaluate our products' suitability for their needs.

Canada

- Advertising is highly regulated at both the federal and provincial levels under legislation such as the *Competition Act* (Canada), which prohibits false and misleading advertising, and provincial consumer protection laws, which govern conduct concerning claims that may be false or misleading.
- When we produce our marketing materials, we also follow the guidelines and standards of practice of various self-regulatory bodies, such as Advertising Standards Canada and the Canadian Marketing Association. In addition, we use consumer research as a best practice in creating and optimizing marketing materials and mitigating risk.
- We subscribe to a number of voluntary codes of conduct relating to the responsible sale of financial products and services. For example, we follow voluntary Canadian banking industry guidelines for plain language mortgage documents and apply many of those guidelines to other documents such as account applications.

United Kingdom

- We have a responsibility to follow Financial Conduct Authority and Prudential Regulation Authority laws and regulations governing marketing communications, advertising, promotion and sponsorship.

Caribbean and the United States

- We have multiple regulators across the Caribbean and the U.S., and are subject to the disclosure and marketing requirements in the applicable state and federal jurisdictions.

Financial wellbeing

As part of RBC's ambition to drive more inclusive opportunities for prosperity, we aim to help our clients achieve their financial aspirations by helping build confidence and financial security through a coordinated effort across our products, services, and collaborations. Our aim is to:

- **Simplify finances** – provide transparent and easy-to-use products and services for clients to better manage their money.
- **Help clients to achieve their financial aspirations** – deliver digital tools and personalized advice that helps clients effectively plan for the future and to reach their long-term aspirations.
- **Create better relationships with money** – help people develop financial knowledge, skills and confidence to build a strong foundation with money for the long-term.
- **Help provide fair and inclusive access to financial services** – better meet diverse needs and circumstances for those that face unique barriers in accessing financial services.

This past year, RBC continued to build on our existing suite of assets for supporting financial wellbeing and for the fourth time in the past five years, RBC led the big 5 Banks in Overall Satisfaction in the J.D. Power 2024 Canada Retail Banking Satisfaction Study.

Simplify finances

RBC continues to work to help make it easier for our clients to manage their money. We do this by developing safe and secure digital banking products that give clients better insight into their finances and enable them to personalize their digital experience.

For example, NOMI® is our digital assistant feature integrated into the RBC® Mobile app. NOMI uses AI to provide personalized insights to help clients build confidence in managing their money. Its suite of capabilities include:

- **NOMI Forecast** – provides clients with a seven-day view into their future cash flow to include bill payments, e-transfers, investment contributions and salary payments. More than 1 million people have used NOMI Forecast to track their future cash flow since its launch in September 2021.
- **NOMI Insights®** – provides clients with timely and personalized alerts, reminders and tailored insights based on spending and saving habits.
- **NOMI Find & Save** – uses predictive technology to understand clients' personalized transaction patterns and to help them save. To date, this feature has helped our clients put aside more than $7 billion into savings since its launch in 2017 (October 31, 2023: more than $5 billion; October 31, 2022: more than $3 billion).
- **NOMI Budgets** – recommends a personalized monthly budget, and provides regular updates, encouraging clients to stay on budget. Since its launch in April 2019, clients have set approximately 4.9 million budgets using NOMI Budgets.

In addition, RBC strives to deliver a seamless experience for clients regardless of location – helping clients to traverse our channels to self-serve or connect with advisors in person or remotely. There are more than 9.8 million digitally active clients at RBC, which represents an increase of 9% since 2023.

Table 35: Digital adoption and self-serve transactions

	Goals	2024	2023	2022
Financial service transactions performed through self-serve channels [1]	↑ [2]	**95%**	94%	94%
Digital personal adoption rate [3]	↑ [2]	**63%**	62%	61%

(1) Self-serve channels include automated teller machines, interactive voice response, Online Banking and Mobile Banking for both Personal Banking and Commercial Banking in Canada.
(2) Goal associated with continuous improvement over the prior year or the three-year rolling average.
(3) Digital personal adoption rate is calculated using 90-day digital active personal clients in Canada during the period from August 1 to October 31.

Select examples of how RBC is working to make daily banking easy, helpful and convenient for our clients through digital innovation include:

- **Remote account open** – clients can open deposit, credit, direct investing and foreign currency accounts wherever it is most convenient for them - either on their own or with an advisor, remotely or in person. Many of our branches have been equipped to serve clients through the remote account opening process.
- **Asynchronous messaging** – chat messaging in the RBC Mobile app and online banking can answer simple client questions 24 hours a day, helping them with common tasks online. Clients are able to transition into an asynchronous chat with an advisor to support their needs.
- **Safe and Secure** – built within the RBC Mobile app, clients can use their personal identification number with their client card or biometrics to securely authenticate themselves on their mobile phone.

Help clients to achieve their financial aspirations

RBC is dedicated to helping our clients plan for the future and achieve their long-term aspirations through personalized advice and solutions. Select examples include:

- **MyAdvisor®** – RBC clients have digital access to their personalized plan and to an RBC advisor through multiple channels, including live video, by phone or in person at a branch. The aim is to provide advice when our clients need it, often from the comfort of their own home. Since 2017 we have onboarded more than 4.52 million Canadians to the platform with a personalized plan, helping them stay more closely connected to their finances.
- **Houseful™** – Houseful is a real estate technology platform that supports clients throughout their home ownership journey with a combination of personalized tools, market insights, and access to real estate and mortgage experts. Houseful has supported over 12 million consumers in Canada through access to these real estate resources.
- **Epilogue‡ Wills** – RBC's partnership with Epilogue Wills is focused on increasing awareness of the importance of estate planning and bringing a low-cost digital alternative to individuals with less complex estates, aiming to improve access for Canadians to a will and power of attorney.
- **Newcomer advisors** – RBC's team of newcomer advisors provide financial literacy in relation to banking in Canada and support clients with their financial needs. Our newcomer advisors engage with the communities they work in and help newcomers get settled through community partners.
- **Artie the Executor Helper™** has been designed to calculate the complexity of an estate and to educate executors on their role, the tasks that need to be completed and how to complete them by providing a customized executor checklist, pre-filled letters and a personalized dashboard.
- **Small businesses** – RBC strives to make it easier for Canadian entrepreneurs to successfully start, manage and grow small businesses through our offerings and collaborations that offer unique solutions beyond traditional banking products and advice. These solutions include:
  - **Ownr:** For entrepreneurs in Ontario, Quebec, Alberta and British Columbia, Ownr is a quick and affordable way to register and incorporate their business online, while automating important legal and compliance filings.
  - **Ownr Blueprint:** Launched in 2024, Ownr Blueprint is a free, step-by-step digital business planning tool that is tailored to help aspiring and existing entrepreneurs create a comprehensive business plan that includes sections around financial planning, customer insights, competitive and market analysis, branding, marketing, and operational strategy.

- **RBC Insight Edge™ for small businesses:** A dashboard solution that offers subscribed retail businesses with real-time data insights around customer trends, competitive benchmarks and market intelligence to support business decisions.
- **Xero‡:** Xero offers online accounting software that helps RBC clients run small businesses, with features like invoicing, bill payments, payroll, and bank reconciliation. To make accounting even easier, business owners can sync Xero with their bank, automate tasks, collaborate in real time and connect it to other applications they use.
- **Sherweb‡:** A part of the RBC Go Digital™ program, Sherweb offers RBC business clients exclusive advice and solutions to support their adoption of cloud-based innovations and technologies to help improve productivity, security and digital transformation.

Our loans and acceptances to small businesses in Canada were $15.5 billion as at October 31, 2024 (October 31, 2023: $13.7 billion; October 31, 2022: $12.7 billion).

Create better relationships with money

We deliver financial education across multiple digital and in-person platforms, including free online content and courses, interactive tools, in-person workshops and community partnerships with financial education providers and community organizations.

- **My Money Matters** – launched in October 2023, *My Money Matters* is a website with content, resources, and tools to help Canadians navigate their personal relationships with money. Since 2023, the website was visited over 2.5 million times.
- **Mydoh** – RBC continued to expand Mydoh, RBC's money management app for households. In 2024, RBC expanded Mydoh to Quebec and went subscription-free to continue helping parents across Canada educate youth about money management. Since 2021, Mydoh has reached over 230,000 Canadians, helping youth build their financial literacy skills.
- **Free online courses developed in partnership with Canadian universities** – in collaboration with professors from McGill University, Ivey Business School at Western University, and Guelph University, RBC helps individuals and small business owners with free personal finance courses to build confidence and skills for a thriving future. More than 380,000 people have registered for the free online courses in financial literacy, entrepreneurship and agriculture management since 2019.
- **Advice and financial literacy events** – across Canada, RBC hosts advice events tailored to local community needs on topics such as estate planning, tax tips for newcomers and retirement. Additionally, we host events focused on youth and parent financial literacy, with topics such as money management, budgeting, saving and building good credit habits. In 2024, RBC GAM collaborated with over 1,000 advisors in our Personal Banking segment to deliver investment education events to over 12,000 clients.
- **Aging Well Hub** – RBC WM has created the *Aging Well Hub* to help Canadians age with independence and control by providing thought leadership and actionable insights created in conjunction with experts in these areas such as Audrey Miller of Elder Caring Inc., Cleveland Clinic Canada, National Institute on Ageing, Women's Age Lab at Women's College Hospital, Women's Brain Health Initiative, Baycrest Foundation and David Chilton. Leveraging these insights, clients and their families can have informed conversations with an RBC WM advisor to create and implement a customized plan to guide them through the aging journey, including eldercare planning, incapacity solutions, legacy and estate planning and retirement planning.

Help provide fair and inclusive access to financial services

RBC strives to help improve access to financial services for individuals that face unique barriers including, but not limited to, youth and young adults, seniors, Persons with Disabilities, Indigenous Peoples and newcomers to Canada.

- **Youth and young adults** – RBC is committed to helping youth thrive by providing resources to youth and their parents, to support them to easily and comfortably access advice, banking services and financial products specific to their life-stage needs and goals. In addition to financial education initiatives already outlined, RBC offers the following products and services for youth and young adults:
  - **RBC Advantage® Banking Account for students** is a no-monthly-fee account for full-time students that provides unlimited debit transactions, free Interac e-Transfer‡ transactions, the ability to use other banks' automated teller machines in Canada with no RBC fee, and the ability to earn points on debit transactions. In addition, clients with the RBC Advantage Banking Account for students also qualify for a full rebate of the ION+™ credit card monthly fee, providing clients with access to credit when they need it, and helping them accumulate Avion Rewards points and take advantage of savings.
  - **RBC Leo's Young Savers Account®** is a no-monthly fee account for kids aged 0-12 to help parents teach their kids about money and the importance of saving while they are young. The account features free unlimited debit transactions and free Interac e-Transfer transactions.
- **Seniors** – we continue our longstanding commitment to help senior Canadians live engaged and comfortable lives by providing them with ongoing education, client-centric advice and products and services that help meet their needs. We strive to help seniors manage and protect their money and continue to create awareness of important issues by:
  - Providing fraud and scam awareness training to all client-facing advisors;
  - Enhancing client awareness of various scams through education and reminders; and
  - Engaging seniors in proactive conversations to address their needs and minimize risk of financial abuse.

  We are committed to finding solutions that help empower aging Canadians through specialized financial planning and wealth management resources, products and education. Refer to our *2024 Public Accountability Statement* for more details on our commitment to supporting the Canadian Bankers Association's *Code of Conduct for the Delivery of Banking Services to Seniors*.
- **Persons with Disabilities** – our *2023 - 2026 Accessibility Plan* outlines how RBC aims to identify, remove and prevent barriers for Persons with Disabilities and meet relevant requirements of the *Accessible Canada Act*. To better accommodate Persons with Disabilities, we aim to provide barrier-free experiences, such as:
  - Enhancing physical accessibility in the design of our new branches and renovations;
  - Taking into account technologies commonly used by Persons with Disabilities when we develop digital products, and by striving to meet Web Content Accessibility Guidelines; and
  - Addressing communication accessibility by offering access to clients through various means such as telephone and teletypewriter services, print materials in a wide range of formats and service offerings in multiple languages.

  Refer to our *2024 Public Accountability Statement* for more information on our work to help provide Persons with Disabilities with access to financial services.
- **Indigenous Peoples** – RBC remains focused on providing fair and inclusive opportunities for Indigenous clients, communities, businesses, not-for-profits and governments, by delivering specialized advice and solutions through tailored financial services, such as banking, capital and investment management; for example:
  - RBC provides tailored support through specialized national teams such as our Indigenous Commercial Banking team and our Indigenous Trust and Investments team, as well as RBC Royal Trust® Services. RBC also offers home financing through specialized programs tailored to meet the needs of our Indigenous clients and communities.
  - To serve the rich and diverse communities across Canada, RBC has nine on-reserve branches across British Columbia, Manitoba, Quebec, Ontario and Alberta, and three on-reserve commercial banking centres across Ontario, Saskatchewan and Manitoba. To help provide access to financial services for remote communities, RBC also has six agencies, which are locations where basic banking services, such as deposits, withdrawals and bill payments, are supported by an agent acting on behalf of RBC.

  For more information, refer to the *Indigenous reconciliation* section.

- **Newcomers to Canada** – RBC strives to help meet the unique needs of newcomers to Canada, by providing advice and solutions including:
  - Newcomers to Canada can access RBC Newcomer Advantage®, which offers no-monthly-fee banking for a year with an eligible chequing account and up to a $15,000 credit card limit with no credit history required, as well as specialized advice.
  - Full-time international students in Canada can access a no-monthly-fee student banking account. In addition, RBC offers a selection of student credit cards with incentives and up to a $2,000 credit limit, with no credit history required, so that international students can start building their credit history on arrival.
  - In 2024, RBC announced the launch of Global Credit Connect with Nova Credit, a cross-border credit bureau, to help eligible RBC newcomer clients leverage their international credit history in Canada, which can then be used in applications for RBC credit products and solutions.
  - RBC has established strategic collaborations with entities such as ICICI Bank Canada, and newcomer-serving organizations, such as Applyboard‡ and BorderPass‡, to provide RBC products to cater to the specific banking needs of their Canada-bound clients, allowing them to easily begin their financial journey in Canada.
  - In 2024, the RBC International Student Guaranteed Investment Certificate Program, which meets the proof of financial support requirement for study permits, was extended to students from additional countries.
  - RBC offers mortgage and auto loan options to newcomers who have little-to-no Canadian credit history.

Economic inclusion

RBC supports diverse entrepreneurs and small businesses by helping to facilitate participation in economic opportunities. Certain populations may not have the same opportunities in accessing the capital, education and mentorship required to build a business. Through our wide range of advice and solutions for small and medium businesses, we seek to help entrepreneurs with strong ideas from all backgrounds to compete, thrive and succeed.

Some of the programs we have in place to foster economic inclusion include the following:

- Our RBC Black Entrepreneur Program (BEP), which has introduced two particular initiatives for Canadian Black entrepreneurs:
  - The RBC Black Entrepreneur Business Loan[45] offers loans of up to $250,000 to eligible Canadian Black entrepreneurs at various stages of their business journey, along with advisory support.
  - The Black Entrepreneur Startup Program (BESP)[46], developed in partnership with Futurpreneur‡, supports Canadian Black entrepreneurs aged 18-39 by providing small business loans, mentorship and business resources.

  The BEP is part of our original $100 million five-year commitment (2020-2025)[47] to support Canadian Black entrepreneurs in starting and growing their businesses through targeted financing solutions, educational resources and professional networks. Since inception in 2021, RBC has committed nearly $49 million of the $100 million, including more than $16 million[48] in financing to over 500 Canadian Black entrepreneurs and supporting over 8,700 entrepreneurs with advice, education and mentorship. While we continue to make progress, we do not expect to meet our $100 million commitment by 2025 as originally intended, due to a combination of factors[47], and we intend to extend the period of the commitment beyond 2025.
- Our BIPOC Emerging Producer Lending Program offers financing for eligible projects that include Canadian Radio-television and Telecommunications Commission-licensed broadcast content, with budgets between $500,000 and $2 million, to film or media BIPOC producers in Canada.
- We committed $1 million to BKR Capital (formerly known as Black Innovation Capital) in 2021, a venture capital fund that supports the growth of pre-seed and seed-stage Canadian technology businesses led by Black entrepreneurs, and $5 million to Wellington Venture Investment Fund I, L.P. in 2023 to help assist predominantly Black, Latino and women entrepreneurs, among others.

- In 2024, we also committed $2 million to Sandpiper Ventures, a venture capital fund that exclusively invests in early-stage Canadian women-led businesses. The fund aims to provide women founders with deep industry experience, valuable networks, and access to growth and development partners, as well as new market opportunities.
- We help Canadian clients access resources through our continued partnership with Coralus (formerly known as SheEO), a not-for-profit organization that supports women and non-binary led ventures to enhance their networks and expertise.
- In collaboration with Women of Influence+, RBC continued its sponsorship of the RBC Canadian Women Entrepreneur Awards in 2024. For more than 30 years, this event has helped cast a light on women-led innovation and achievement by recognizing women entrepreneurs across business sizes and industries who make significant contributions to the Canadian economy and communities.
- We aim to help advance the growth and prosperity of Indigenous communities by supporting Indigenous entrepreneurs through national sponsorships and regional leadership. For example, we recently supported the 2024 Pow Wow Pitch Competition, the 2024 Indigenous Youth Entrepreneurship Forum, the 2nd Annual AFOA BC and Bear's Lair Youth Summit, and the Indigenomics – SHE and Bay Street event.

In addition to the programs above, in 2024, RBC committed to conducting a Racial equity audit of its business and commercial practices. For further information, refer to *Racial equity audits* in *Human capital*.

Appendices

Appendix 1: Endnotes

1. Excludes the CEO and Group Head, RBC Capital Markets, who participates in the Capital Markets Compensation Program. Refer to the *Compensation discussion and analysis* section of our *2025 Management Proxy Circular* for details of how sustainability-related factors are incorporated into the Capital Markets Compensation Program.
2. The Board approved CEO and Group Executive compensation in December 2024 (fiscal 2025), prior to the adoption by the Board of the revised *The RBC Climate Blueprint*, *The RBC Skills Blueprint* and *The RBC Inclusive Opportunities Blueprint*.
3. Effective November 1, 2023, we adopted IFRS 17 *Insurance Contracts* retrospectively and restated the period ended October 31, 2023. Results for the period ended October 31, 2022 are reported in accordance with IFRS 4 *Insurance Contracts*. Refer to Note 2 of our 2024 Annual Consolidated Financial Statements on page 163 of our *2024 Annual Report* for further details on these changes.
4. Certain of RBC's sustainability-related policies, commitments, targets and goals are not inclusive of the investment advisory or broker-dealer activities, or the assets under management or administration, of RBC GAM or RBC WM. Refer to *About this Report* for information on RBC GAM and RBC WM.
5. Refer to *RBC's Policy Guidelines for Sensitive Sectors and Activities* which address our lending activities.
6. Includes donations and community investments made by RBC, RBC Foundation or RBC Foundation USA, employee volunteer grants and gifts in kind, as well as contributions to non-profits and non-registered charities. Figures include community sponsorships and investments made to the RBC Communities Together Fund, RBC Emerging Artists, RBC Future Launch and RBC Tech for Nature.
7. The Imagine Certification (formerly Caring Companies) awards a Trustmark to companies that give back at least 1% of pre-tax profits to the communities where their employees live and work.
8. In addition to RBC's and RBC Foundation's own calculations, we engage London Benchmarking Group (LBG) Canada to assess our data and calculate our Canadian community investments using methodology under the LBG measurement framework, which helps to account for the broader impacts of our financial contribution. LBG is a network of corporate community investment professionals that work together to apply, develop and enhance the LBG measurement framework. Since there are no generally accepted accounting principles to inform how community investments are reported, different companies have historically taken different approaches to arrive at their numbers. The LBG measurement framework provides an approach to measuring the real value and impact of corporate community investment to both business and society. As an external third party, LBG Canada provides a standardized approach to valuing community investments and reviews each participant's reported community investments to verify whether or not the approach has been followed.
9. References in this Report to material ESG factors refer to ESG factors that in our judgment are most likely to have an impact on the financial performance of an issuer, security and/or investment portfolio.
10. Information related to RBC GAM's approach to responsible investment does not apply to certain funds, investment strategies, asset classes, exposure or security types that do not integrate ESG factors. Examples of investment types that would not integrate ESG factors include, but are not limited to, money market, buy-and-maintain, passive, and certain third-party sub-advised funds/strategies or certain currency or derivative instruments. ESG factors are considered by our investment teams to varying degrees and weights, depending on the investment team's assessment of that ESG factor's potential impact on the risk-adjusted, long-term performance of the security and/or the fund. For funds where ESG factors do not form a part of their investment objective, ESG factors are generally not likely to drive investment decisions on their own, and in some cases, may not impact an investment decision at all. RBC GAM has a general approach to active stewardship, proxy voting, and engagement that addresses ESG matters among other matters. References to active stewardship do not apply to certain investment strategies where proxy voting and/or engagement are not used. Examples of what would not conduct certain active stewardship activities include, but are not limited to, quantitative investment strategies that do not conduct engagements, passive, and certain third-party sub-advised strategies. RBC GAM does not manage proxy voting for certain third-party sub-advised strategies.
11. Energy production and consumption accounts for more than three-quarters of total GHG emissions globally. Source: *International Energy Agency*.

12. The oil and gas sector was Canada's largest source of GHG emissions, accounting for 30% of total national emissions in 2023. Source: *Government of Canada*.
13. RBC's 2030 Interim Target for the oil and gas sector covers the upstream, downstream and integrated sub-sectors, and excludes midstream and services. RBC's 2030 Interim Target for the power generation sector covers electricity generation and excludes clients primarily involved in the transmission and distribution of power, and non-generation companies in the broader power and utilities sector.
14. Clients whose business is primarily in renewable or nuclear energy are out of scope of *RBC's Client Engagement Approach on Climate – Energy Sector*, even though they are within scope of the Interim Target for the power generation sector. This is because these clients have businesses that are assumed to already be significantly aligned with a net-zero future and do not require engagement regarding their transition plans.
15. Measurement of our absolute financed emissions on an authorized basis for the oil and gas sector is based on methodologies, assumptions, estimates and judgment believed to be reasonable at the time of the measurement. Each of these is subject to inherent risks and uncertainties and may be inaccurate, resulting in disclosed measurements subsequently being determined to have been inaccurate. A number of factors, many of which are beyond our control and the effects of which can be difficult to predict, could affect the amount of our absolute financed emissions for the oil and gas sector in a period, and there can be no assurance that actions we take to bring down our absolute financed emissions for the oil and gas sector over time will result in the reductions we aspire to achieve. These factors include: clients' progress towards their own stated emission reduction targets, changes in the borrowers' enterprise value driven by various factors including market capitalization, availability of client emission data (including issues associated with data lags), and changes in emissions estimates driven by changes in data quality. For future reporting periods, we intend to review methodological enhancements on an ongoing basis, and, when deemed appropriate, to update our measurement methodologies to enhance the comparability of this metric over time. We have restated the 2023 absolute financed emissions from 71.4 g CO_2e/MJ to 68.6 g CO_2e/MJ to reflect better data quality. For more details on what is included in our oil and gas absolute financed emissions, and on data considerations, limitations and data challenges, refer to *Appendix 5: Methodology and data challenges for relevant metrics*. Also refer to *Appendix 8: Caution regarding forward-looking statements* and *Appendix 9: Important notice regarding this report*.
16. The transportation sector accounted for 23% of total national emissions in 2023, making it the second largest source. Passenger cars and light trucks made up around 50% of sector emissions in 2023. Source: *Government of Canada*.
17. EVs and plug-in hybrid EVs now account for 13.5% of new car sales and 3% of Canadian car stock. Source: *RBC Climate Action Institute, Climate Action 2025: A year for rewiring* (page 29).
18. Globally, electric cars accounted for 2% of all cars sold in 2018 and grew to around 18% of all cars sold in 2023. The majority of electric car sales globally in 2023 were in China (60%), Europe (25%) and the U.S. (10%). Source: International Energy Agency, *Global EV Outlook 2024*.
19. Total number of loans to finance EVs through RBC's relationships with its Original Equipment Manufacturer partners operating exclusively in the EV space.
20. The EV fleet in Canada has quadrupled since 2019. Source: *The Climate Action Institute, Climate Action 2025* (page 29).
21. Includes energy used for constructing, heating, cooling and lighting homes and businesses, as well as the appliances and equipment installed in them. Source: *International Energy Agency*.
22. Commercial and institutional buildings make up 52% of Canada's building sector emissions. Source: Government of Canada, *The Canada Green Buildings Strategy*.
23. Based on 2022 GHG emissions for commercial compared to residential. Source: U.S. Environmental Protection Agency, *Inventory of U.S. GHG Emissions and Sinks* 1990-2022.
24. Based on 2022 GHG emissions in the European Union by sector. Source: European Parliament, *GHG emissions by country and sector*.
25. The agriculture sector accounted for 10% of total national emissions in 2023. Source: *Government of Canada*.

26. Research is conducted independently by the RBC Climate Action Institute research team for the purposes of sharing insights and ideas to contribute to Canada's climate progress, and represents opinions of the authors as of the date of publication, and no endorsement of any such research is given or implied by RBC or any of its affiliates.
27. While our approach may evolve over time, we intend to prioritize allocating capital toward solutions that will lead to GHG emissions reductions in Canada and globally. Our investment commitments eligible to count towards this goal may also include support for climate solutions with outcomes linked to biodiversity, nature and/or adaptation, among others. We aspire to achieve this goal by 2030; however, market conditions, among other factors—many of which are beyond our control and the effects of which can be difficult to predict—could impact our ability to invest capital to advance climate solutions over this timeframe. Refer to *Appendix 8: Caution regarding forward-looking statements* and *Appendix 9: Important notice regarding this report*. For purposes of tracking progress towards this goal, our eligible investments made from 2022 onward are included in the *Engage with others in advancing climate solutions* section in *Climate*.
28. RBC exited the Net-Zero Banking Alliance in January 2025.
29. Select Capital Markets and Corporate Client Group funds clients and products are excluded from the due diligence process.
30. Inclusive of our global operations, Scope 1, Scope 2 (market-based) and Scope 3 (business travel) reported GHG emissions, against our 2018 baseline.
31. The 2018 baseline has been restated, refer to the *Restatement of emissions from our operations* section in *Climate* for more information.
32. *RE100* is a global corporate renewable energy initiative with guiding principles on reaching 100% renewable electricity.
33. The GHG Protocol is the leading global corporate standard for measuring and managing GHG emissions. To guide companies in the task of identifying and calculating the emissions they create and contribute to across the value chain, the *GHG Protocol Corporate Accounting and Reporting Standard* categorizes 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. The GHG Protocol further outlines Scope 3 indirect emissions into 15 categories. RBC measures our Scope 3 emissions related to business travel (category 6) as part of our operational emission calculations. In 2021, we also began measuring and reporting on our Scope 3 emissions related to loans and investments (category 15) for the first time, also referred to as financed emissions.
34. Our assessment of climate-related risks and opportunities considers three time periods, defined as short-term (0-3 years), medium-term (3-5 years), and long-term (5-30 years). The short- and medium-term time periods align with our financial performance objective time horizons; however, timeframes in which climate-related risks and opportunities manifest vary, and may extend beyond the traditional strategic, capital and/or financial planning timelines for the long-term.
35. RBC's EWST evaluates key balance sheet, income statement, leverage, capital, and liquidity impacts arising from risk exposures and changes in earnings to understand our performance drivers under stress. Refer to the *Enterprise risk management* section of our *2024 Annual Report* for more information on our EWST program.
36. The TCFD developed a framework to help organizations more effectively disclose climate-related risks and opportunities through their existing reporting processes. The recommendations are structured around four thematic areas that represent core elements of how organizations operate: Governance, Strategy, Risk Management, and Metrics and Targets. For more information, refer to *Implementing the Recommendations of the TCFD (October 2021)*.
37. A new executive appointment is the appointment of an internal employee or external hire as a first-time Vice-President, Senior Vice-President, or Executive Vice-President. HSBC Canada executives who joined RBC at the acquisition date are not included in executive appointments. For women executive appointments our 2023 and 2022 comparative figures are 43% for each period. For BIPOC executive appointments our 2023 and 2022 comparative figures are 25% and 31%, respectively. Based on self-identification.

38. The bank's commitment to conduct these third-party racial equity audits led to the withdrawal of two shareholder proposals submitted in connection with the 2024 meeting of shareholders of RBC. For more information, refer to Schedule A: Shareholder proposals of our *2024 Management Proxy Circular*.
39. Shift is a non-profit organization that provides advisory support to businesses, governments and other stakeholders on implementation and operationalization of the UN Guiding Principles on Business and Human Rights.
40. Based on CMHC's *MLI Select* affordability, accessibility and energy efficiency criteria for multi-unit rental housing projects. Eligible projects that contain affordable housing units may also include certain components that meet some of the energy efficiency or accessibility criteria.
41. This amount includes financing that meets CMHC's *MLI Select* affordability and/or energy efficiency criteria.
42. Represents the percentage of respondents who answered Strongly Agree or Agree to the following statement: I am better equipped to make decisions about careers in skilled trades.
43. Volunteer hours contributed by employees for this program are tracked separately and multiplied with average compensation rates to estimate the value of the services provided.
44. The October 2024 Evident AI Index covers 50 of the largest banks in North America, Europe, and Asia. Each bank is assessed on over 100 individual indicators drawn from millions of publicly available data points specific to four pillars: Talent, Innovation, Leadership, and Transparency.
45. Provides eligible Black entrepreneurs in Canada with business loans of up to $250,000 with a variable term rate loan with up to a 10-year repayment period and interest-only payments for the first year. We began distributing funds through the program in November 2021.
46. Provides eligible young Black entrepreneurs aged 18-39 with mentorship, advice, networking and financing of $5,000–75,000 to support their startup ventures (up to $50,000 funded by RBC and up to $25,000 loaned by the Business Development Bank of Canada) in the form of a non-revolving term loan, with a 5-year repayment period and interest-only payments for the first year. Participants who are keen to scale their businesses even further are also eligible for up to $40,000 in follow-up financing funded by RBC, based on the first two years of successful business performance. We began distributing funds through the BESP in March 2021.
47. We do not expect to meet our $100 million commitment by 2025 as originally intended due to a combination of factors including the time required to operationalize the underlying initiatives, the challenging macroeconomic environment for financing, and the need to introduce additional financial education, support and advice to better address client needs. We continue our efforts to learn and meet the evolving needs of the entrepreneurs as we support their journey through these programs, and therefore we intend to extend the period of this commitment beyond 2025 so that the programs in progress can be completed.
48. Often a potential client will find other products and services that support their entrepreneurship journey that may better match their needs, including the government-backed Canadian Small Business Financing Loans and other products that are not captured in our authorized amounts.
49. Including upstream supply of feedstock, used for power generation, sourced from sustainable agriculture and forestry, and meeting the lifecycle emissions threshold.
50. New hydroelectricity development projects >25 MW must have a power density of over 10 W/m^2 or operate with lifecycle emissions below a threshold of 50 g CO_2e/kWh. Includes refurbishment of existing hydroelectricity facilities, provided the size of the dam or reservoir is not increased.
51. Includes research and development related expenditures. Must be in accordance with applicable laws and within jurisdictions that have adequate regulations governing nuclear safety which adhere to standards defined by the International Atomic Energy Agency addressing site selection, operational safety, waste management, and responsible materials sourcing.
52. Exposure is defined as lending on an authorized basis as at October 31, 2024. Authorized exposures, or exposures measured on an authorized basis, reflect our total lending commitment. We refer to authorized exposures because they are a more stable data point than outstanding loan balances, which fluctuate with amounts drawn.

53. Emission factors are a way to estimate the emissions of our clients. We use both internally-developed and external emission factors that are generally developed using a variety of third-party data sources and provide sector averages to estimate financed emissions for clients who do not report publicly or to RBC.

Appendix 2: Glossary

Additionality

The GHG emission reductions or removals from the mitigation activity shall be additional; for example, they would not have occurred in the absence of the incentive created by carbon credit revenues.

Advancement

The development or improvement of an individual's career, economic or wellbeing status.

BIPOC

Black, Indigenous and People of Colour includes all individuals who self-identify as a race/ethnicity other than White or who "prefer not to say". In Canada, this includes those that self-identify as Indigenous. 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 Metis. For purposes of Board and employee-related representation metrics in this Report, BIPOC includes all individuals who self-identify as a race/ethnicity other than White or who "prefer not to say".

Carbon budget

A carbon budget is the amount of carbon dioxide emissions allowed over a period of time to limit the earth's temperature from exceeding a certain threshold.

Carbon credits

The *GHG Protocol Corporate Accounting and Reporting Standard*[33] defines carbon credits as discrete GHG reductions used to compensate for (i.e., offset) GHG emissions elsewhere. Credits are calculated relative to a baseline that represents a hypothetical scenario for what emissions would have been in the absence of the mitigation project that generates the credits.

Carbon credit registries

Carbon credit registries develop standardized protocols for project registration in order to issue carbon credits, track credits in the marketplace, and ensure that the environmental benefits associated with the carbon credits are not being allocated to multiple entities. Carbon registries have their own established standards, verification requirements and monitoring protocols for projects to ensure that carbon credits have been verified and meet requirements.

Carbon sequestration

The process of capturing and storing atmospheric carbon dioxide to reduce the amount of carbon dioxide in the atmosphere.

Climate-related opportunities

Efforts to help mitigate and adapt to climate change can produce climate-related opportunities for an entity. Refer to *Strategy overview* in *Climate* for further information.

Climate solutions

Technology, products, services or actions that help mitigate or adapt to the impacts of climate change. Solutions include those that support GHG emissions reductions and/or the low-carbon transition, but also those that support outcomes linked to society's resilience to the physical impacts of climate change (e.g., adaptation of infrastructure, nature and/or biodiversity gains).

Decarbonization finance/financing

We define decarbonization finance as including two elements: 1) the decarbonization activity and 2) the client having a sufficiently robust transition plan. Decarbonization activities are those that help reduce emissions from high-emitting, hard-to-abate sectors. Refer to *Appendix 5: Methodology and data challenges for relevant metrics* for details.

Employee Engagement Survey

Our annual global Employee Engagement Survey was conducted between April 24 to May 8, 2024. Full-time, active employees who have been with RBC a minimum of three months as at April 22, 2024 were eligible to participate. Students, co-ops, interns and RBC Career Launch® associates, along with contingent workers (i.e., workers not on RBC payroll), were not eligible to participate. As the acquisition of HSBC Canada was completed on March 28, 2024, HSBC Canada employees who joined RBC did not participate in the Employee Engagement Survey in 2024. Over 68,000 employees completed the survey for an overall response rate of 75%. The Employee Engagement Survey is one of the key ways we collect feedback about our employees' experiences. It is an important opportunity for our employees to share how they are feeling about working at RBC – what is working well and ideas for what can be improved, and feedback helps inform decisions on investments in programs, resources and benefits – from skill development to technology tools to wellbeing support, and more. The Employee Engagement Survey asks a series of questions, and survey results presented in the Report for individual Employee Engagement Survey questions represent the percentage of employees that responded Agree or Strongly Agree to the questions. Composite scores presented in this Report are a composite of results for specified questions in the Employee Engagement Survey, where employees responded Agree or Strongly Agree to the questions that make up the composite. As the composite score is a combination of results, it is not presented as a percentage. The maximum composite score is 100.

Energy attribute certificate (EAC)

A contractual instrument used to convey information about a unit of energy, including the resource used to create the energy and the emissions associated with its production and use. Certificate ownership (or certificate retirement on one's behalf) determines a credible renewable energy usage claim. Examples include the North American REC and the Guarantee of Origin in Europe.

Energy supply ratio

The ESR is a measure of RBC's energy sector financing, capturing lending, facilitation, and renewable energy tax credit (RETC) investments for low-carbon energy, decarbonization and high-carbon energy in a single metric. For details on the calculation of ESR, refer to *D. Energy supply ratio* in *Appendix 5: Methodology and data challenges for relevant metrics*.

Equator principles

Voluntary, international financial industry framework for identifying, assessing and managing E&S risk in project finance. RBC was the first Canadian bank to sign the Equator Principles in 2003, and we recommitted to the revised Principles in 2006, 2013, and 2020.

Fair and inclusive opportunities

An opportunity that allows for those with the same level of talent and ability, and the same willingness to use them, to participate in ways where they have the same prospects of success. It involves removing barriers and biases that hinder one's ability to participate and contribute.

Financial wellbeing

Refers to the extent to which individuals can cover their current and ongoing financial commitments, build enough savings to feel comfortable in the future and make the money choices that allow them to live a fulfilling life. To enable financial wellbeing, RBC strives to simplify finances, help clients to achieve their financial aspirations, create better relationships with money, and help provide fair and inclusive access to financial services.

Green buildings

Green buildings meet one of the following criteria: 1) Construction, development, operation, acquisition and maintenance of residential or commercial buildings (including homes) that either: have received, or expect to receive, certification according to third-party verified building standards; or achieved, based on a third-party assessment, GHG emissions performance in the top 15% of their city, province/state or country; 2) Refurbishments or retrofits of residential or commercial buildings that help reduce GHG emissions, including projects or activities that achieve, or are expected to achieve, based on a third-party assessment, energy savings of at least 30% over the baseline energy consumption.

Green finance/financing

Refers to financing towards activities aligned to the categories listed in the International Capital Market Association *Green Bond Principles* and the Loan Market Association / Loan Syndications and Trading Association / Asia Pacific Loan Market Association *Green Loan Principles*. Examples of categories listed in the Principles include renewable energy, energy efficiency, environmentally sustainable management of living natural resources and land use, clean transportation and green buildings. We are currently reviewing our detailed eligibility criteria for specific activities within each category and may update our definition at the conclusion of this review.

Green hydrogen

Produced via electrolysis powered by low-carbon energy sources.

Green skills

The knowledge, abilities, values and attitudes needed to live in, develop and support a sustainable and resource-efficient society. This includes skills in renewable energy expertise, waste management and recycling, and sustainable agriculture and food production.

Greenhouse gas emissions

GHGs are gases released into the atmosphere due to natural and anthropogenic (human-caused) activities that absorb and re-emit infrared radiation. The primary GHGs in the Earth's atmosphere are carbon dioxide, water vapour, methane, nitrous oxide, and ozone.

Group Executive

Comprised of the President and Chief Executive Officer, and the Chief Officers and Group Heads who report directly to him.

High-carbon energy

For the purposes of the ESR, high-carbon energy measures RBC's oil and gas and high-carbon power generation financing, and the sub-sector boundaries are aligned with those used for our PCAF financed emissions. For oil and gas, this includes the upstream, downstream, midstream and integrated sub-sectors.

In-demand skills

Refers to relevant technical capabilities or knowledge that enable individuals access to quality jobs and diverse career pathways (e.g., trades, artificial intelligence, technology, agriculture, and green skills).

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. For purposes of Board and employee-related representation metrics in this Report, Indigenous Peoples includes all individuals who self-identify as Indigenous or Indigenous and another race/ethnicity.

Innovation

Refers to practices that enable employees at every level to use and develop their skills, knowledge, experience and creativity to the fullest possible extent.

LGBTQ+

Refers to individuals who self-identify as lesbian, gay, bisexual, transgender, queer, plus all non-straight, non-cisgender identities. For purposes of Board and employee-related diversity metrics in this Report, LGBTQ+ is based on self-identification.

Low-carbon economy or low-GHG economy

An economy with minimal output of GHG emissions.

Low-carbon energy

Low-carbon energy activities include the construction, development, operation, acquisition, maintenance and connection of: renewable energy sources (e.g., solar, wind, tidal, geothermal, waste biomass and renewable biofuels and hydroelectricity), other low-carbon energy sources (e.g., nuclear and green hydrogen), as well as electricity transmission and distribution systems, energy storage (e.g., battery technology) and efficiency improvements (e.g., smart grids). Refer to *Appendix 5: Methodology and data challenges for relevant metrics* for details.

Meaningful career

Describes a pathway composed of roles and experiences that make an individual feel fulfilled and valuable – where their job and day-to-day efforts are both appreciated and connected to something that transcends their personal interests.

Mixed-energy entities

For entities that have exposure to low-carbon energy and other activities, including high-carbon energy activities, authorized lending exposure is allocated based on the business mix of these entities, as measured by revenue or another available proxy.

Mobility

Refers to flexibility, agility, and adaptability in talent deployment and development opportunities.

Nature

Impacts and dependencies on biodiversity and ecosystems across land, ocean, freshwater and air.

Net-zero

Where GHG emissions from human activity are in balance with emissions reductions. At net-zero, GHG emissions are still generated, but an equal amount of emissions is removed from the atmosphere as is released into it, resulting in zero increase in net emissions.

Non-emitting sources

Sources which include nuclear power generation.

Permanence

The GHG emission reductions or removals from the mitigation activity shall be permanent or, where there is a risk of reversal, there shall be measures in place to address those risks and compensate for reversals.

Persons with Disabilities

Includes those who have long-term physical, mental, intellectual or sensory impairments, which in interaction with various barriers, may hinder their full and effective participation in society on an equal basis with others. Different jurisdictions also follow local regulatory definitions of disability.

For example, in Canada, for regulatory reporting purposes under the *Employment Equity Act*, Persons with Disabilities means persons who have a long-term or recurring physical, mental, sensory, psychiatric or learning impairment and who: consider themselves to be disadvantaged in employment by reason of that impairment, or 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. The *Accessible Canada Act* defines disability as any impairment, including a physical, mental, intellectual, cognitive, learning, communication or sensory impairment – or a functional limitation – whether permanent, temporary or episodic in nature, or evident or not, that, in interaction with a barrier, hinders a person's full and equal participation in society. The *Canadian Human Rights Act* defines disability as any previous or existing mental or physical disability and includes disfigurement and previous or existing dependence on alcohol or a drug.

For purposes of Board and employee-related diversity metrics in this Report, Persons with Disabilities is based on self-identification.

Physical risks

Chronic and acute risks related to the physical impacts of climate change. Chronic refers to long-term changes in climate patterns (e.g., higher temperatures, increased precipitation) and acute refers to extreme weather events (e.g., increased intensity and frequency of storms). For more information, refer to *Implementing the Recommendations of the TCFD (October 2021)*.

Power Purchase Agreements (PPAs)

A long-term financial agreement between a renewable energy buyer and a renewable energy seller where the buyer guarantees the seller a fixed price for renewable energy from the project. Entering into a PPA before the project is finalized helps the energy seller secure financing and supports the growth of renewable energy projects.

Principal risks

We define risk as the potential vulnerabilities in the short-, medium-, or long-term that may impact our financial results, financial and operational resilience, reputation, business model or strategy. Risk can be realized through losses or an undesirable outcome with respect to volatility of earnings in relation to expected earnings, capital adequacy or liquidity. Our principal risks are the key risks that most significantly affect the achievement of our strategic objectives and include credit, market, liquidity, insurance, operational, compliance, reputation and strategic risks. The classification of our principal risks provides a common language and foundation for the broader risks taxonomy and enables a disciplined identification and assessment of risks. There are certain activities that we undertake that will give rise to several risks. There are also certain risks that are transverse (e.g., reputation, compliance, climate and conduct risks) that can impact or manifest in other risk types.

Prosperity

Consists of opportunities for wellbeing and advancement.

Pure play low-carbon energy

Refers to entities that engage primarily in low-carbon energy activities. Low-carbon energy activities are identified by RBC's industry classification codes, which are allocated using revenue or another available proxy, such as energy generation source.

RBC Emerging Artists

RBC's long-standing priority to support organizations that provide the best opportunity to advance an artist's career trajectory in genres such as visual arts, music, theatre, dance, literature, and film.

RBC Future Launch

RBC's $500 million commitment by 2025 to empower Canadian youth for the jobs of tomorrow through work experience, skill-development opportunities, networking solutions, and mental wellbeing supports and services.

RBC Purpose Framework – Ideas for People and Planet (the Purpose Framework)

The Purpose Framework aims to address certain pressing societal challenges that could impact our collective success and undermine our prosperity: urgent environmental crises, a rapidly changing workforce, and growing inequalities. It identifies three sustainability ambitions which can help address these challenges and where we believe RBC can have a meaningful impact: support the transition to a net-zero economy, equip people with skills for a thriving future and drive more inclusive opportunities for prosperity. Underpinning the Purpose Framework are strategies that support our three ambitions. The Purpose Framework allows our stakeholders to better understand our aims enabling enhanced collaboration in areas of mutual interest.

RBC Tech for Nature

Starting in 2019, RBC's $100 million commitment by 2025 to help address climate change and biodiversity, funded by RBC, RBC Foundation and RBC Foundation USA.

Recredentialing

Refers to the process of verifying or reverifying education, licenses and certificates, including for the purposes of ensuring that the training, education and/or experience obtained in another country meets the federal, provincial or territorial standards.

Renewable electricity

Energy produced from renewable sources such as hydroelectricity, wind and solar.

Renewable energy

Renewable energy is defined as the construction, development, operation, acquisition, maintenance and connection of the following renewable energy generation sources: wind, solar, geothermal with direct emissions of less than 100 g CO_2e/kWh, waste biomass and renewable biofuels with life-cycle emissions less than 100 g CO_2e/kWh sourced from sustainable agriculture and forestry residues or from non-recyclable municipal solid waste, tidal and hydroelectricity. New hydroelectricity development projects >25 MW must have a power density of over 10 W/m^2 or operate with lifecycle emissions below a threshold of 50 g CO_2e/kWh (includes refurbishment of existing hydroelectricity facilities, provided the size of the dam or reservoir is not increased).

Renewable energy certificate (REC)

A type of EAC that is issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy source. By purchasing a REC, the owner is able to claim the environmental benefits - the reduced carbon footprint - of that renewable energy. When RECs are sold, what is transferred is not the electricity produced, but the attributes that make it renewable energy.

Reputation Risk Oversight Committee

Provides advice and decisions on transactions, client and third-party relationships, products, services, initiatives, and strategies with potentially significant reputation risk, including environmental and social risk.

Resilient or resilience

The capacity to anticipate, cope with, recover from, or adapt to shock, disruption, stress or changing factors in the external environment. In the context of climate, this refers to the resilience of the economy to the effects of climate change. In the context of skills, this refers to the capacity of an individual to adapt to industry shifts, technological advancements in the workplace, organizational changes, and career pivots. In the context of communities, this refers to communities being resilient to a wide range of risks while maintaining an acceptable level of functioning without compromising long-term prospects of sustainability development, peace and security, human rights, and wellbeing for all.

Responsible investment

Umbrella term used to describe a broad range of approaches for incorporating ESG considerations into the investment process. These approaches are not mutually exclusive; multiple approaches can be applied simultaneously within the investment process. The approaches include: ESG integration, ESG screening and exclusion, and thematic ESG investing.

Retrofitting

Retrofitting refers to upgrades to the overall energy efficiency of a building. This may involve upgrading a building's energy-consuming systems (e.g., HVAC, lighting), or replacing windows and doors, or adding insulation.

Stakeholders

Our stakeholders include current and prospective clients, investors, employees, suppliers, governments, regulators, non-governmental organizations, and community organizations.

Sustainable Aviation Fuel

An alternative fuel made from non-petroleum feedstocks that reduces emissions from air transportation.

Training investments and hours

Training investments reflect the total amount invested in internal and external training courses, including training support, design, delivery and associated costs (e.g., travel and materials). Training hours encompass the cumulative time devoted to various learning initiatives, including technical, business and compliance related training from our Learning Management System. In addition, training hours include business-segment led training and informal learning hours, including learning hours in leadership development programs, inclusion learning events, and hours spent in learning applications.

Transition risks

Risks related to the process of adjustment towards a low-carbon economy. These risks can emerge from current or future government policies, legislation, and regulation to limit carbon emissions, as well as technological advancements, and changes in market and customer sentiment towards a low-carbon economy.

Transition

Refers to the economic, energy, technological, and societal transformation that is required to achieve the significant GHG emissions reductions necessary for a low-carbon or net-zero world. This will impact all sectors, and is highly dependent on substantial GHG emissions reductions in high-emitting sectors.

Turnover

Turnover rate is calculated as the number of employee separations during the period divided by the average number of employees during the period. The calculation of the metric excludes co-ops (fixed term) and students. Voluntary turnover represents when employees choose to leave RBC, such as resignations and retirements. Involuntary turnover represents when employment is terminated by RBC, such as restructuring by reorganization, dismissals and terminations for cause. Involuntary turnover excludes the impact of divestitures.

Under-served populations

Groups who have been denied a full opportunity to participate in aspects of economic, social, and civic life. These groups may include, but are not limited to, people who are socio-economically disadvantaged, geographically isolated, educationally disenfranchised, or those who have been historically excluded due to race, gender, sexual orientation, disability status, or other identity-based factors.

United Nations Guiding Principles on Business and Human Rights

Set of guidelines to prevent and address human rights abuses committed in business operations.

Wellbeing

Wellbeing is a positive state experienced by individuals and societies. Wellbeing includes emotional, mental, physical, social, and financial wellbeing and the ability of people and societies to contribute to the world with a sense of meaning and purpose.

Appendix 3: SASB index

SASB Standards

The SASB Standards identify the sustainability-related risks and opportunities that are considered to be the most relevant to investor decision-making in 77 industries. In August 2022, the ISSB assumed responsibility for the SASB Standards when the Value Reporting Foundation, the global non-profit that previously maintained the SASB Standards, consolidated into the IFRS Foundation.

The SASB Standards are a source of guidance for applying the ISSB's IFRS Sustainability Disclosure Standard IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*.

The ISSB is committed to maintaining and enhancing the SASB Standards and encourages their continued use. Although the ISSB's full IFRS Sustainability Disclosure Standards are not currently applicable to RBC, the SASB Standards are a useful source of reference as they were developed using a rigorous and transparent standard-setting process and are being maintained and enhanced by the ISSB. For more information, visit SASB's *website*.

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 we are a diversified financial institution, RBC's operations fall into several SASB sector standards, and we have outlined our alignment with these 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.

Topic	Accounting metric	Code	Response
Disclosure metrics appearing in multiple sector standards			
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	FN-CB-230a.1 FN-CF-230a.1	Refer to the following: ■ *Privacy* and *Cybersecurity* in this Report ■ *Operational risk* in our *2024 Annual Report* (pages 104-106) RBC does not disclose the number of data breaches, percentage that are personal data breaches or the number of account holders affected.
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2 FN-CF-230a.3	Refer to the following: ■ *Privacy* and *Cybersecurity* in this Report ■ *Privacy and data related risks* and *Operational risk* in our *2024 Annual Report* (pages 68, 104-106)
Employee Diversity & Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals and (d) all other employees	FN-AC-330a.1 FN-IB-330a.1	Refer to the following: ■ *Workforce composition and inclusion* and *Appendix 6: Additional human capital metrics* in this Report ■ *2025 Management Proxy Circular* (pages 38-39)

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	Refer to the following: ■ Note 24 *Legal and regulatory matters* of our *2024 Annual Report* for a description of RBC's significant legal proceedings (pages 236-237) RBC does not disclose the total amount of monetary losses that occur as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.
	Description of whistleblower policies and procedures	FN-AC-510a.2 FN-CB-510a.2 FN-IB-510a.2	Refer to the following: ■ *Culture and conduct risk* in our *2024 Annual Report* (pages 69, 106) ■ *Culture and conduct* and *Financial reporting hotline* in our *2025 Management Proxy Circular* (pages 31-32) ■ *Conduct and trust* in this Report ■ *RBC Client Complaints Appeal Office website*
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1 FN-IB-550a.1	Refer to the following: ■ *Basel III* in our *2024 Annual Report* for a description of our designation as a G-SIB by the Financial Stability Board (pages 114-115) ■ G-SIB assessment indicators in our *2025 Q1 Report to Shareholders* (page 42)
	Description of approach to integrate 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	Refer to the following: ■ *Stress testing* in our *2024 Annual Report* (page 73) ■ Stress testing to identify and control risk due to Credit Risk, Market Risk, Liquidity Risk, Systemic Risk and Capital Management in our *2024 Annual Report* (pages 75, 85, 90, 110, 114)

Topic	Accounting metric	Code	Response
Asset Management & Custody Activities			
Transparent Information and Fair Advice for Customers	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment- related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	Refer to the following: ■ Note 24 *Legal and regulatory matters* of our *2024 Annual Report* for a description of RBC's significant legal proceedings (pages 236-237) RBC does not disclose the number and percentage of licensed employees and identified decision-makers with a record of investment related investigations, consumer-initiated complaints, private civil litigation, or other regulatory proceedings.
	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	Refer to the following: ■ Note 24 *Legal and regulatory matters* of our *2024 Annual Report* for a description of RBC's significant legal proceedings (pages 236-237) RBC does not disclose the 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.
	Description of approach to informing customers about products and services	FN-AC-270a.3	Refer to the following: ■ *Client trust and satisfaction: Integrity in marketing and sales communication* in this Report ■ *Integrity in Dealing with RBC Clients, Communities and Others* in the *RBC Code of Conduct* (pages 8-12)

Topic	Accounting metric	Code	Response
Asset Management & Custody Activities			
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	Refer to the following: ■ *Responsible investment* in this Report for a description of RBC's approach to incorporating ESG risk factors in investment management and advisory RBC does not disclose the amount of assets under management by asset class.
	Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	Refer to the following: ■ *Responsible investment* in this Report for a description of RBC's approach to incorporating ESG risk factors in investment management processes ■ *RBC GAM Our Approach to Responsible Investment* (pages 7-8, 10-11)
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	Refer to the following: ■ *RBC GAM Our Approach to Responsible Investment* (pages 13-15)
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-AC-410b.1	RBC GAM publishes an annual Climate Report. Refer to RBC GAM's *website* for its most recent Climate Report.
	Total amount of assets under management (AUM) included in the financed emissions disclosure	FN-AC-410b.2	RBC GAM publishes an annual Climate Report. Refer to RBC GAM's *website* for its most recent Climate Report.
	Percentage of total assets under management (AUM) included in the financed emissions calculation	FN-AC-410b.3	RBC GAM publishes an annual Climate Report. Refer to RBC GAM's *website* for its most recent Climate Report.
	Description of the methodology used to calculate financed emissions	FN-AC-410b.4	RBC GAM publishes an annual Climate Report. Refer to RBC GAM's *website* for its most recent Climate Report.

Topic	Accounting metric	Code	Response
Asset Management & Custody Activities			
Activity Metrics	Total assets under management (AUM)	FN-AC-000.A	Refer to the following: ■ *2024 Annual Report* for assets under administration and assets under management (pages 31-32)
	Total assets under custody and supervision	FN-AC-000.B	Refer to the following: ■ *2024 Global Systemically Important Banks (G-SIBs) Disclosures*, a framework that 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 that qualify for programmes designed to promote small business and community development	FN-CB-240a.1	Refer to the following: ■ *Debt financing for Canadian businesses* in our *2024 Public Accountability Statement* (pages 7-8) for the number of loans and authorized amount to small, commercial and corporate businesses in Canada
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	Refer to the following: ■ *Help provide fair and inclusive access to financial services* in this Report for details on RBC's approach to access to financial services for seniors, youth and young adults, Indigenous Peoples, newcomers to Canada and Persons with Disabilities RBC does not disclose the number of no-cost retail chequing accounts provided to previously unbanked or underbanked customers.
	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	FN-CB-240a.4	Refer to the following: ■ *Help provide fair and inclusive access to financial services* in this Report for details on RBC's approach to access to financial services for seniors, youth and young adults, Indigenous Peoples, newcomers to Canada and Persons with Disabilities RBC does not disclose the number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers.

Topic	Accounting metric	Code	Response
Commercial Banks			
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FN-CB-410a.2	Refer to the following: ■ *Climate-related risk management* in this Report ■ *2024 Annual Report* for Environmental and social risk management (pages 68, 111-113)
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-CB-410b.1	Refer to the following: ■ *Climate metrics* in this Report for financed emissions
	Description of the methodology used to calculate financed emissions	FN-CB-410b.4	Refer to the following: ■ *Appendix 5: Methodology and data challenges for relevant metrics* in this Report
Activity Metrics	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	Refer to the following: ■ Note 14 *Deposits* in our *2024 Annual Report* on consolidated demand deposits (includes chequing and savings accounts) (pages 214-215) ■ Table 19 on Personal Banking in our *2024 Annual Report* for the average value deposits in our Personal Banking segment ■ Table 23 on Wealth Management in our *2024 Annual Report* for the average value of deposits in our Wealth Management segment 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	Refer to the following: ■ *Loans and Acceptances by Portfolio and Sector* in our *2024 Annual Report* (page 132)

Topic	Accounting metric	Code	Response
Consumer Finance			
Customer Privacy	Number of account holders whose information is used for secondary purposes	FN-CF-220a.1	Refer to the following: ■ *How We Use Your Information* in the *RBC Global Privacy Notice* for policies and procedures regarding how customer data is used. RBC does not disclose the number of account holders whose information is used for secondary purposes.
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	FN-CF-220a.2	Refer to the following: ■ Note 24 *Legal and regulatory matters* of our *2024 Annual Report* for a description of RBC's significant legal proceedings (pages 236-237) RBC does not disclose the total amount of monetary losses as a result of legal proceedings associated with customer privacy.
Selling Practices	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	FN-CF-270a.5	Refer to the following document: ■ Note 24 *Legal and regulatory matters* of our *2024 Annual Report* for a description of RBC's significant legal proceedings (pages 236-237) RBC does not disclose the total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products.
Activity Metrics	Number of (1) credit card accounts and (2) prepaid debit card accounts	FN-CF-000.B	Refer to the following document: ■ Note 5 *Loans and allowance for credit losses* in our *2024 Annual Report* (page 187) RBC does not disclose the number of credit card accounts and prepaid debit card accounts.

Topic	Accounting metric	Code	Response
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 environmental, social and governance (ESG) factors, by industry	FN-IB-410a.2	Refer to the following: ■ *Climate investments* in this Report RBC does not disclose the number and value of investments or loans incorporating ESG factors by industry.
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment banking and brokerage activities	FN-IB-410a.3	Refer to the following: ■ *Integrate climate considerations into our business and operations* in this Report RBC does not disclose how ESG is incorporated into investment banking and brokerage activities.
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	Refer to the following: ■ Note 24 *Legal and regulatory matters* of our *2024 Annual Report* for a description of RBC's significant legal proceedings (pages 236-237) RBC does not disclose the total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care.
	Description of approach to ensuring professional integrity, including duty of care	FN-IB-510b.4	Refer to the following: ■ *Conduct and trust* in this Report
Employee Incentives & Risk-taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	FN-IB-550b.1	Refer to the following: ■ *2025 Management Proxy Circular* (pages 73-78, 102-103)
	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	FN-IB-550b.2	Refer to the following: ■ *2025 Management Proxy Circular* (pages 73-78, 102-103)

Topic	Accounting metric	Code	Response
Mortgage Finance			
Lending Practices	(1) Number and (2) value of residential mortgages of the following types: (a) combined fixed- and variable-rate, (b) prepayment penalty, and (c) total	FN-MF-270a.1	Refer to the following: ■ *Residential mortgages and home equity lines of credit* and *Average LTV ratios* in our *2024 Annual Report* for the total value of mortgages (pages 82-83) RBC does not disclose the number and value of fixed- and variable-rate residential mortgages or the pre-payment penalty.
	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure	FN-MF-270a.2	Refer to the following: ■ *Gross impaired loans by portfolio and geography* in our *2024 Annual Report* for the gross impaired loans (page 133) RBC does not disclose the number and value of residential mortgage modifications, foreclosures and short sales or deeds in lieu of foreclosure.
	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of mortgage loan originators	FN-MF-270a.3	Refer to the following: ■ Note 24 *Legal and regulatory matters* of our *2024 Annual Report* for a description of RBC's significant legal proceedings (pages 236-237) RBC does not disclose the total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of mortgage loan originators.

Topic	Accounting metric	Code	Response
Mortgage Finance			
Discriminatory Lending	(1) Number, (2) value, and (3) weighted average Loan-to-Value ratio of mortgages issued to (a) minority and (b) all other borrowers	FN-MF-270b.1	Refer to the following: ■ *Residential mortgages and home equity lines of credit* and *Average LTV ratios* in our *2024 Annual Report* (pages 82-83) RBC does not disclose the number, value and weighted average LTV of mortgages issued to minority and other borrowers.
	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	FN-MF-270b.2	Refer to the following: ■ Note 24 *Legal and regulatory matters* of our *2024 Annual Report* for a description of RBC's significant legal proceedings (pages 236-237) RBC does not disclose the total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending
	Description of policies and procedures for ensuring non-discriminatory mortgage origin	FN-MF-270b.3	Refer to the following: ■ *RBC's Approach to Human Rights Statement* ■ *RBC's Code of Conduct*
Activity Metrics	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	FN-MF-000.A	Refer to the following: ■ *Residential mortgages and home equity lines of credit* in our *2024 Annual Report* (page 82) ■ Note 5 *Loans and allowance for credit losses* of our *2024 Annual Report* (page 187) for loans and allowance for credit losses RBC does not disclose the number and value of mortgages originated.

Appendix 4: OSFI Guideline B-15 index

In Canada, OSFI *Guideline B-15* sets out expectations for the management and disclosure of climate-related risks for federally regulated financial institutions (FRFIs) and aims to support FRFIs in developing greater resilience to, and management of, these risks. Chapter 2 of OSFI *Guideline B-15* sets out climate-related disclosure expectations, including expectations aligned with IFRS S2 *Climate-related Disclosures* issued by the ISSB, and will be effective in at least three phases, beginning for Domestic Systemically Important Banks (D-SIB) for fiscal 2024.

The following index references disclosures provided to address OSFI *Guideline B-15* expectations that are effective for RBC for fiscal 2024:

Disclosure element	Disclosure expectation	Reference
Governance		
a)	Describe the governance body(ies) (e.g., board of directors, committee, other) or individual(s) responsible for oversight of climate-related risks and opportunities, including their identity, responsibilities, skills and competencies, process around staying informed including the frequency of meetings, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress towards those targets, and a description of whether and how climate-related considerations are factored into their remuneration.	*Governance*: *Approach to governance*, *Sustainability governance and oversight model* *2025 Management Proxy Circular*
b)	Describe management's role in monitoring, managing, and overseeing climate-related risks and opportunities, including the identity of the management-level position or committee as applicable, its governance processes, controls, and procedures, and how oversight is exercised over that position or committee.	*Governance: Approach to governance*, *Management oversight of sustainability*
Strategy		
a)	Describe the climate-related risks and opportunities the FRFI has identified that could reasonably be expected to affect its cash flows, access to finance or cost of capital, including:	*Climate*: *Climate-related risk management* *The RBC Climate Blueprint* *Climate*: *Strategy overview*
	The classification of each climate-related risk as either physical or transition risk	*Climate: Climate-related risk management*
	The expected timeframe for the occurrence of effects associated with each risk and opportunity (short, medium, or long term)	*Climate: Climate-related risk management* *Climate*: *Strategy overview*
	The FRFI's definitions of 'short term', 'medium term', and 'long term' in relation to strategic decision-making planning horizons	*Climate*: *Strategy overview* *2024 Annual Report* (page 26)

Disclosure element	Disclosure expectation	Reference
Strategy		
b)i	**Business model and value chain** Describe:	
	The current and anticipated effects of climate-related risks and opportunities on the FRFI's business model and value chain	*Climate: Climate-related risk management* *Climate: Strategy overview* *Climate: Advise and finance client actions that support the transition*
	Where in the FRFI's business model and value chain the climate-related risks and opportunities are concentrated	*Climate: Climate-related risk management* *Climate: Strategy overview* *Climate: Advise and finance client actions that support the transition*
	Strategy and decision making Disclose information about current and anticipated:	
	Changes to the FRFI's business model, including its resource allocation, to address climate-related risks and opportunities	*Climate: Advise and finance client actions that support the transition* *Climate: Integrate climate considerations into our business and operations*
	Direct mitigation and adaptation efforts	*Climate: Integrate climate considerations into our business and operations*
	Indirect mitigation and adaptation efforts	*Climate: Advise and finance client actions that support the transition*
	Financial position, financial performance, and cash flows Describe:	
	How climate-related risks and opportunities have affected the FRFI's financial position, financial performance, and cash flows for the reporting period	*Climate: Climate-related risk management* *Climate: Strategy overview*
	How the FRFI expects its financial position, financial performance, and cash flows to change over the short, medium, and long term, given its strategy to manage climate-related risks and opportunities	*Climate: Climate-related risk management* *Climate: Strategy overview*
Risk Management		
a)	Disclose information about the FRFI's processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks. In meeting this disclosure expectation, the FRFI should explain how it has applied Principle 3 in Chapter 1 of this Guideline.	*Climate: Climate-related risk management*
b)	Disclose information about the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities including information about whether and how the FRFI uses climate-related scenario analysis to inform its identification of climate-related opportunities.	*Climate: Climate-related risk management*
c)	Disclose information about the extent to which, and how the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the FRFI's overall risk management process.	*Governance: Approach to governance, Sustainability governance and oversight model* *Governance: Approach to governance, Management oversight of sustainability* *Climate: Climate-related risk management*

Disclosure element	Disclosure expectation	Reference
Metrics and Targets		
a)	Disclose metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process.	*Climate*: *Climate-related risk management* *Climate*: *Strategy overview* *Climate*: *Climate metrics*
b)i	Disclose separately the FRFI's Scope 1 and location-based Scope 2 absolute gross GHG emissions for the period. Disclose the measurement approach, inputs, and assumptions the FRFI uses to measure its Scope 1 and Scope 2 GHG emissions, and the underlying reasons for these decisions. Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions. If the reporting standard used by the FRFI is not the GHG Protocol Corporate Standard, disclose how the reporting standard used by the FRFI is comparable.	*Climate*: *Integrate climate considerations into our business and operations* *Appendix 5: Methodology and data challenges for relevant climate metrics*
c)	Disclose any quantitative and qualitative climate-related targets the FRFI has set to monitor progress towards achieving its strategic goals, including: ▪ The objective of the target; ▪ The period over which the target applies; ▪ The base period from which progress is measured; ▪ Any revisions to the target and an explanation of those revisions. Disclose information about the FRFI's approach to setting and reviewing each target and how it monitors progress against each target. Disclose information about the FRFI's performance against each climate-related target and an analysis of trends or changes in the FRFI's performance. For any GHG emissions target disclosed (and the corresponding metrics, if applicable), disclose it both gross of, and net of, carbon offsets, if applicable, and explain the type of offset (for example, carbon credit, nature-based, other.)	*Climate*: *Strategy overview* *Climate*: *Advise and finance client actions that support the transition* *Climate*: *Engage with others in advancing climate solutions* *Climate*: *Integrate climate considerations into our business and operations* *Climate*: *Climate metrics* *Appendix 5: Methodology and data challenges for relevant metrics*

Appendix 5: Methodology and data challenges for relevant metrics

This appendix describes our methodologies and definitions for metrics within *Climate*.

A. Client engagement approach on climate – Energy sector

This section provides an overview of our approach to assessing client plans for the transition, which is conducted by RBC Capital Markets.

Maturity band assessment

The assessment of client plans for the transition was conducted by RBC Capital Markets.

Clients assessed in a particular maturity band met all criteria for that band. If a client met most of the criteria for that band but not all, they were assessed to be in the lower band for which they met all criteria.

The assessment was based on public disclosures by clients and from clients' written disclosures provided directly to RBC.

RBC relied on the accuracy of client disclosures when making its assessment. The assessment was binary ('yes' or 'no') in nature and sought to determine whether the client had made a disclosure that would meet the assessment criteria.

RBC did not assess the qualitative nature of the disclosure. For example, when assessing the criteria for whether the client had a policy to evaluate offset projects, the assessment team looked to confirm whether such a policy had been disclosed, rather than the qualitative nature of the policy.

Refer to *Advise and finance client actions that support the transition* for results of our Client engagement approach on climate – Energy sector.

B. Low-carbon energy lending

This section describes our methodology to measure our low-carbon energy lending, including the eligible activities we consider to be low-carbon. To our knowledge, an IRM does not exist (refer to *About this Report* for more details).

Eligible activities under low-carbon energy are:

- renewable energy: construction, development, operation, acquisition, maintenance and connection of the following renewable energy generation sources:
  - Wind
  - Solar
  - Geothermal with direct emissions of less than 100 g of CO_2e/kWh
  - Waste biomass and renewable biofuels with life-cycle emissions less than 100 g of CO_2e/kWh; sourced from sustainable agriculture and forestry residues or from non-recyclable municipal solid waste[49]
  - Tidal
  - Hydroelectricity[50]
- other low-carbon energy: construction, development, operation, acquisition, maintenance and connection of the following energy generation sources:
  - Nuclear[51]
  - Hydrogen produced via electrolysis powered by low-carbon energy sources i.e., green hydrogen

- transmission, distribution and storage: construction, development, operation, acquisition and maintenance of:
  - Electricity transmission and distribution systems
  - Batteries and other energy storage devices
  - Efficiency improvements for transmission and distribution of energy such as smart grids

For measuring authorized lending to low-carbon energy entities, we analyze activities at the borrower entity level, as opposed to the parent entity level.

Pure play low-carbon energy

Pure play refers to entities that engage primarily in low-carbon energy activities. Low-carbon energy activities are identified by RBC's industry classification codes, which are allocated using revenue or another available proxy, such as energy generation source.

Mixed-energy entities

For entities that have exposure to low-carbon energy and high-carbon energy activities (and/or other unrelated activities), authorized lending exposure is allocated based on the business mix of these entities, as measured by revenue or another available proxy.

Refer to *Advise and finance client actions that support the transition* for information about our portfolio actions.

C. Decarbonization finance

This section defines what we consider to be decarbonization financing, which includes two elements: 1) the decarbonization activity and 2) the client having a sufficiently robust transition plan. Decarbonization activities are those that help reduce emissions from high-emitting hard-to-abate sectors, such as energy.

Activity category (1)	Types of activities
Carbon capture	Construction, development, operation, acquisition and maintenance of assets for CCUS in industrial facilities in high-emitting hard-to-abate sectors. This includes, for example, CCUS used in: ■ Bio-energy plants ■ Chemical production ■ Cement factories ■ Oil and gas facilities (1)
Electrification of industrial operations	Construction, development, operation, acquisition and maintenance of assets for the electrification of conventional (non-electric) industrial operations in high-emitting hard-to-abate sectors. This includes, for example: ■ Electric arc furnaces for steel production ■ Electric kilns for cement production ■ Electrification of industrial heating or cooling processes

Lower emissions intensity fuels	Development, production or distribution of low-carbon intensity fuels [(2)], including liquid fuels with a carbon intensity ≤ 50 g CO_2e/MJ or gaseous fuels with a carbon intensity ≤ 36 g CO_2e/MJ. Examples of eligible fuel types include: hydrogen, ethanol, renewable diesel, co-processing of biocrude, sustainable aviation fuel, synthetic fuel and renewable natural gas (either synthetic natural gas from biomass or derived from processing biogas).
Methane emissions reduction	Activities that help reduce methane emissions from operations towards a specified reduction target [(3)]. This includes, for example: ■ Methane leak detection and repair ■ Installation of emissions control devices

(1) CCUS for the purpose of upstream enhanced oil recovery is excluded.
(2) Biogas production from landfill gas capture must be from closed or decommissioned landfill with a gas-capture efficiency of greater than 75%. Waste biomass sourced from sustainable agriculture and forestry residues or from non-recyclable municipal solid waste.
(3) Client's target must be aligned with an industry initiative or recognized standard such as the Global Methane Pledge, the Government of Canada's Methane Strategy, or the World Bank's Zero Routine Flaring by 2030 Initiative.

In addition to considering the activity, RBC intends to classify transactions as decarbonization finance only if the client has a transition plan that either:

1. Meets all of the following criteria:

- 1.5°C-aligned emissions reduction targets for all relevant scopes, based on a credible pathway;
- Time-bound actions to reduce emissions;
- Board oversight of the transition plan;
- Emissions reporting for all relevant scopes on both an absolute and intensity basis;
- Progress reporting towards emissions reduction targets; and
- Reporting aligned with a recognized framework (e.g., TCFD[36]).

2. In sectors where RBC has established a transition readiness framework, the transition plan is assessed as Emerging or higher under the framework for the sector. Details on transition readiness frameworks are available in the *Client Engagement Approach on Climate: Energy Sector* report.

In this situation, RBC will primarily consider only dedicated use-of-proceeds transactions as decarbonization finance. The exception to this is general corporate purpose transactions relating to entities whose core business comprises an eligible decarbonization activity (e.g., a company whose only business is developing CCUS technology).

Refer to *Advise and finance client actions that support the transition* for information about our portfolio actions.

Note that for the purpose of the ESR, decarbonization finance only includes activities undertaken by clients in the energy sector. For example, this excludes CCUS for chemical production and cement factories.

D. Energy supply ratio (ESR)

This section describes the methodology that we have developed to calculate our ESR, which is a measure of RBC's financing of low-carbon relative to high-carbon energy supply.

ESR formula [(1), (2)]

$$\frac{\textit{Low-carbon energy financing} + \textit{decarbonization financing}^{(3)}}{\textit{High-carbon energy financing}}$$

(1) Financing refers to lending, facilitation, and renewable energy tax credits (RETCs).
(2) Refer to the *Glossary* for definitions of low-carbon energy, decarbonization and high-carbon energy.
(3) Only includes activities undertaken by clients in the energy sector, refer to *C. Decarbonization finance* for further information.

To develop our ESR, we used a decisioning approach that aligns with the approach outlined in the *White Paper on an ESR for Bank Disclosures* published by the IIF, anchored to three guiding principles:

1. Strive for consistency with definitions and methodologies used across our existing climate-related disclosures, frameworks, and commitments;
2. Maintain credibility and transparency in key design decisions by considering applicable external frameworks, standards, or guidelines published by credible industry and legislative bodies where available; and
3. Continue to refine as data sources and methodologies improve over time.

As a result of our design decisions, our ESR is not directly comparable to other banks' or third-party ratios and differs in certain key areas, as outlined below:

- We use authorized lending balances at a point in time (instead of newly originated/refinanced amounts only), reflecting the total authorized lending amounts rather than the amount drawn. We made this choice because we believe it is a more conservative and stable measure. It is also consistent with our existing measurement approaches for other reported climate-related metrics, such as our interim emissions reduction targets and our low-carbon energy lending. For clarity, authorized lending includes syndicated lending, bilateral lending and project finance.
- We take into account all financing activity, including lending, facilitation and RETC activity, with the exceptions noted in our methodology.
- For clients that engage in both low- and high-carbon activity, we split our financing based on the share of total revenue reported, not projections or forward-looking models of the use of proceeds. Where we do not have total revenue information, we use other metrics as appropriate, in line with RBC's enterprise standards for the allocation of industry codes to business clients. Some clients, particularly those in the power generation sector, produce energy from a mix of low-carbon and high-carbon sources (e.g., renewables and unabated fossil fuels). Our process is governed with second line of defence oversight. This approach is also used to measure our low-carbon and renewables lending, and our financed emissions.

The following provides a detailed description of our ESR design decisions grouped into four categories: (1) Energy sector scope and definition, (2) Scope of products, services, investments, and data sources, (3) Measurement approach, and (4) Adjustment approach.

Decision category 1: Energy sector scope and definition

The numerator measures the sum of low-carbon energy and decarbonization financing (associated with energy financing), defined as follows:

- Low-carbon: eligible activities as described above under *B. Low-carbon energy lending*
- Decarbonization: eligible activities as described above under *C. Decarbonization finance*

The denominator measures RBC's oil and gas and high-carbon power generation financing, and the sub-sector boundaries are aligned with those used for our PCAF financed emissions. For oil and gas, this includes the upstream, downstream, midstream and integrated sub-sectors.

Decision category 2: Scope of products, services, investments, and data sources

For the purpose of the ESR, we define financing as follows:

Lending	Authorized loan balances for Capital Markets, Commercial Banking, and City National Bank clients in relevant sectors, including syndicated and bilateral lending, and project finance. ■ Certain product types that do not represent incremental lending exposure, such as letters of credit fronting and swing lines are not included. Other product types such as lease receivables, credit cards and bullion loans are also not included. ■ Capital Markets bridge loans are not included as they are non-permanent additions to companies' capital structures and often convert to facilitation activity (which is counted) over time. ■ We do not include any lending exposure held by RBC Insurance.
Facilitation	Capital Markets' share of facilitation activity, specifically debt capital markets (DCM) and ECM (equity capital markets) transactions where Capital Markets held a bookrunner role, for a given period (fiscal 2024). ■ Certain facilitation activities are not included: securitized products (such as asset-backed securities and utility securitizations), covered bonds, derivatives, advisory services including M&A, and secondary ECM issuances where the issuer does not receive any of the proceeds. ■ Facilitation of syndicated lending is not included as RBC's authorized loan balances to clients are already captured in the ESR under lending. ■ Debt and equity placement activity for private companies is included to the extent that these transactions are captured in the data sets sourced from third-party data providers. ■ Where feasible, data is sourced from multiple third-party sources, and various data attributes are compared to validate data accuracy and completeness.
RETCs	Investment in, and capital raising for RETCs for a given period (fiscal 2024).

Data for lending and RETC investments is sourced from internal systems. Data for facilitation is sourced externally from various third-party data providers.

Decision category 3: Measurement approach

Lending	Authorized lending balances at a point in time. This is aligned to existing measurement approaches, such as our interim financed emissions targets and our low-carbon and renewable lending commitments.
Facilitation	RBC's share of ECM and DCM deal credit for a given period, which is determined by dividing the total deal credit by the total number of bookrunners on the deal (commonly referred to as "league table credit").
RETCs	Total amount invested by RBC in the current year plus the value of RETC investments facilitated for clients in the current year.

Decision category 4: Adjustment approach

All financing is treated as general corporate purpose, including labelled issuances (e.g., green bonds) and known use of proceeds transactions. Financing is then allocated to low-carbon and/or high-carbon based on adjustment factors.

Company-level adjustment factors are determined based on business mix. Companies may be internally coded to multiple sub-sectors based on the split of their operations across sub-sectors (e.g., wind vs. solar vs. natural gas power generation). This split is performed using share of total revenue or other available proxy.

Sub-sectors are then mapped to low-carbon, decarbonization and high-carbon (as described above under *Decision category 1: Energy sector scope and definition*) to calculate adjustment factors for each company. The financing amount is then apportioned to low-carbon, decarbonization and/or high-carbon using adjustment factors, and then allocated to the numerator and/or denominator. Note that only financing related to the scope of energy supply sub-sectors is included.

Limitations

The ESR encompasses energy supply activities only and does not include energy demand sectors such as automotive.

We have developed our methodology and measurement framework on a best-efforts basis. Going forward, we will continue to enhance our ESR calculation, and may make changes to our methodology, approach and/or data sources.

Table 36: ESR Disclosure (IIF) Template

While there is no IRM for the ESR, the IIF has provided an illustrative disclosure approach in its *White Paper* to summarize design choices made by individual banks and promote transparency for investors and other stakeholders.

Category	Design decision	ESR selection
Sector scoping	Determine whether the ratio will encompass energy supply only, or both supply and demand.	√ Energy supply only
	Define the numerator and denominator of the ratio.	■ **Numerator**: Measures the sum of low-carbon and decarbonization financing, defined as follows: – *Low-carbon*, as described above – *Decarbonization*, as described above ■ **Denominator**: Measures RBC's oil and gas and high-carbon power generation financing, and the sub-sector boundaries are aligned with those used for our PCAF financed emissions. For oil and gas, this includes the upstream, downstream, midstream and integrated sub-sectors.
	Decide how to treat conglomerates and holding companies with subsidiaries engaged in energy supply.	√ Energy-focused companies and conglomerates
Scope of products, services, investments, and data sources	Select lending products for inclusion (e.g., syndicated lending, bilateral lending, project finance, etc.).	√ Syndicated lending (authorized committed amounts) √ Bilateral lending (authorized amounts) √ Project finance (authorized amounts)
	Select facilitation activities for inclusion (e.g., debt underwriting, equity underwriting, M&A advisory, etc.).	√ ECM activity (public and private where available via third-party) √ DCM activity (public and private where available via third-party) x Not included: securitized products (such as asset-backed securities and utility securitizations), covered bonds, derivatives, advisory services including M&A, and secondary ECM issuances where the issuer does not receive any of the proceeds.
	Select investment types for inclusion (e.g., RETCs).	√ Investment in, and facilitation of RETCs x Not included: climate fund and direct investments (made towards our $1 billion commitment); investments made, managed or administered by Insurance, Corporate treasury, and RBC WM, including RBC GAM.
	Decide on data sources to be used for measurement of lending, facilitation, and investment.	■ Internal data used for lending and RETCs ■ External data used for facilitation

Category	Design decision	ESR selection
Measurement approach	For lending, determine the measurement approach required based on the data source.	√ Authorized balances (stocks)
	For facilitation (including syndicated lending), determine the attribution method to calculate bank credit (League Table Credit vs. Fee Wallet methods).	√ Annual flows using League Table Credit method (deal size divided by number of bookrunners)
	For investment, determine any measurement considerations as required.	√ Annual flows of RETC volume
Adjustment approach	Allocate all in-scope lending, facilitation, and investments with known use of proceeds into the numerator or denominator.	√ Split financing between numerator and denominator using company-level adjustment factors (based on share of total revenue or other available proxy)
	For all other in-scope lending, facilitation, and investments (e.g., general corporate purpose), determine adjustment approach (i.e., whether bank credit will be allocated using a binary approach or an adjustment factor - split and apportionment of business activities).	

E. Emissions from our lending

This section describes how we calculate our metrics as well as the reporting boundaries and the scope included in each metric. For our Interim Targets, we also articulate details on scenario selection.

There are several commonly used metrics for target setting and measuring financed emissions. The metrics that RBC currently uses include financed emissions (using both authorized[52] and outstanding balances) and physical emissions intensity.

For financed emissions on an outstanding basis, we follow the guidance from PCAF. For measurement of our absolute financed emissions for the oil and gas sector, we have adapted the PCAF Standard to use authorized credit for our financing amount instead of outstanding balances. For physical emissions intensity, which we use for our Interim Targets, we strive to align our methodological approach to measurement to be consistent with peers in the financial sector. Our approach is also informed by guidance from groups such as the Net-Zero Banking Alliance. We discuss these methodologies in more detail below.

Financed emissions (PCAF)

PCAF provides guidance on how to measure financed emissions for each asset class.

Financed emissions formula

RBC calculates financed emissions for a loan by multiplying the attribution factor by the emissions of the respective client:

$$\text{Financed emissions}_c = \text{Attribution factor}_c \times \text{Client emissions}_c$$

where c denotes an individual client

Attribution factor

To measure financed emissions, RBC accounts for a portion of a financed client's emissions using an attribution factor. This factor is determined by the ratio of the institution's financing amount, which is either the outstanding balance or the authorized credit (numerator), to the value of the asset or company being financed (denominator). This is considered the attribution factor, and the specific calculation method varies slightly depending on if we are measuring a publicly listed or private client, as outlined below.

Table 37: Attribution factor for publicly listed and private clients

	Business loans for publicly listed clients	Business loans for private clients
Formula	Financing $amount_c$ / Enterprise value including $cash_c$ where c denotes an individual client	Financing $amount_c$ / (Total $equity_c$ + Total $debt_c$) where c denotes an individual client
Denominator	Enterprise value including cash (EVIC) is defined as: the sum of market capitalization of ordinary shares, market capitalization of preferred shares, and book values of total debt and minority interest. No deductions of cash or cash equivalents are made, to avoid the possibility of negative enterprise values. EVIC can be calculated at fiscal year-end or at otherwise appropriate financial cycles such as fiscal quarter-end.	Total equity + total debt is defined as: the sum of book values of total equity, total debt and minority interest. This can be calculated at fiscal year-end or at otherwise appropriate financial cycles such as fiscal quarter-end.
Numerator	Outstanding balances or authorized credit	Outstanding balances or authorized credit

Company emissions

PCAF articulates three different options to calculate company emissions for business loans:

1. **Reported emissions**: When a client directly reports their emissions data, via a company's sustainability report or other publicly available disclosures, we source this data directly from our clients or from a third-party provider. We have used a third-party as our primary data provider to source reported emissions.
2. **Physical activity-based emissions**: If directly reported emissions are unavailable, we estimate emissions using actual energy consumption (e.g., megawatt-hours of natural gas consumed) or production (e.g., tons of steel produced) data reported by clients.
3. **Economic activity-based emissions**: If neither directly reported emissions or energy consumption/ production is available, PCAF recommends using official statistical data or acknowledged environmentally extended input-output tables. These data sources provide region- or sector-specific average emission factors[53] expressed per economic activity (e.g., tCO_2e/$ million of revenue or tCO_2e/$ million of assets). RBC leverages the PCAF database, official government agencies' statistics and other industry information to estimate client emissions when physical activity or reported emission data is not available.

Physical emissions intensity

Physical emissions intensity measures a client's emissions per unit of production (e.g., the number of megawatt-hours or megajoules of energy produced). At a portfolio level, physical emissions intensity measures the exposure-weighted average of the physical emissions intensities of the clients in the portfolio. Clients who engage in lower carbon intensive activities (e.g., solar power generation) will have a lower physical emissions intensity than clients who engage in higher carbon intensive activities (e.g., coal power generation). The physical emissions intensity of an individual business loan is calculated by multiplying the attribution factor (details below) by the emissions intensity (emissions per unit of production) of the respective client. Therefore, the portfolio physical emissions intensity is calculated as follows:

$$\text{Portfolio physical emission intensity} = \Sigma_{Clients}\ \text{Attribution factor}_c \ X\ \text{Client emissions}_c / \text{Client production}_c$$

where c denotes an individual client

Attribution factor

The attribution factor reflects our authorized credit to a client relative to our total authorized credit to all clients within the sector. This approach reflects the relative weight of our financing to a client within a sector-specific financial portfolio.

$$\text{Attribution factor}_c = \text{Financing amount}_c / \text{Total sector financing}$$

where c denotes an individual client

Approach to selecting sectors, sub-sectors and emission scopes

We take into consideration the following factors when selecting sectors and sub-sectors:

- The significance and relative contribution of Scope 1, 2 and 3 GHG emissions by sub-sector
- The authorized loan exposure for the sub-sector relative to our total lending commitments
- The reliability of available data
- The availability of decarbonization pathways and scenarios to reach net-zero by 2050

To select the scope of emissions, we focus on the following: significance of the scopes of emissions; industry guidance; and the influence of double counting emissions across the value chain.

Our emission and sub-sector boundaries may vary slightly depending on the metric. For each metric below, we have provided a breakdown of which sectors, sub-sectors, and emission scopes are included.

Table 38: Sub-sector boundaries for emissions from our lending metrics

		Difference in sub-sector coverage compared to our Interim Targets	
Sector	**Interim Targets**	**Absolute financed emissions**	**PCAF financed emissions**
Oil and gas	Includes upstream (Scope 1-3) Includes downstream (Scope 1-3) Includes integrated (Scope 1-3) Excludes midstream (Scope 1-3) (1)	Includes midstream (Scope 1 & 2) Excludes midstream and downstream (Scope 3) (2)	Includes midstream (Scope 1-3)
Power generation	Electricity generation (Scope 1)	Do not report	Includes electricity generation (Scope 2)
Automotive	Light duty manufacturers (Scope 1-3) (only includes end use "tank-to-wheel" for Scope 3 emissions)	Do not report	Includes upstream "well-to-tank" (Scope 3)
Agriculture	Not applicable	Do not report	Includes grain and oilseed farming (Scope 1 & 2) Includes dairy farming (Scope 1 & 2) (3)

(1) The Interim Target scope does not include midstream due to limited data and methodology options available for setting a physical emissions intensity target. We considered that midstream has a lower emissions footprint than upstream and downstream.
(2) Scope 3 midstream and downstream emissions have been excluded from absolute financed emissions for the oil and gas sector in order to avoid double counting of emissions. These emissions are accounted for within the value chain for upstream and integrated clients Scope 3.
(3) Includes emissions from feed production.

Scenario selection for Interim Targets

Climate scenarios based in science describe how society can decarbonize such that total emissions remain within a carbon budget. Climate scenarios are produced by modelling how all parts of the economy and society work together to decarbonize, such as through unprecedented investments in new technology, infrastructure and supply chains. Scenarios incorporate a broad range of assumptions related to policies, regulations, government support, international cooperation, technology, and consumer preferences and behaviour. They provide possible views of how the transition could occur over a given timeframe.

We chose scenarios for our initial Interim Targets based on an assessment of their granularity, the relevance of their assumptions to our lending portfolio and the credibility of the scenario designers. Our ability to derive reliable pathways from scenarios may be limited by the granularity of sectoral, regional, and emissions data and assumptions. Additionally, each pathway is influenced by the scenario's assumptions about technology, policies and regulations (many of which have yet to be developed, implemented or applied at scale) and consumer preferences and behaviour, which are difficult to predict. Since this is a rapidly evolving space, we also considered the depth of experience and credibility of the scenario designers and the extent to which the scenario has been used by other organizations and stakeholders.

Table 39: Scenario selection for Interim Targets (physical emissions intensity)

Interim Target	Scenario used	Selection details
Oil and gas – Scope 1 & 2 (g CO_2e/MJ)	Canada's 2030 Emissions Reduction Plan (ERP)	This Interim Target was informed by Canada's 2030 ERP, which is the government's plan to achieve the country's 2030 Nationally Determined Contribution under the Paris Agreement. Even though the ERP does not yet provide a pathway to net-zero beyond 2030 or a temperature alignment reflective of a global carbon budget, we believe the pathway used by the ERP provides more precise data at a national level and better aligns with our loan book. (1) We believe this Interim Target, while not aligned to a science-based 1.5°C temperature outcome pathway, is supportive of our ultimate ambition to achieve net-zero in our lending by 2050, especially in conjunction with the actions we are taking to reduce our absolute financed emissions in the sector over time.
Oil and gas – Scope 3 (g CO_2e/MJ)	International Energy Agency (IEA) Net-Zero Emissions (NZE) scenario for the upper bound (29% reduction by 2030) RBC policy assessment for the lower bound (11% reduction by 2030)	We selected the IEA NZE scenario to set the upper-bound target as the data incorporated by the scenario is well-suited for determining a pathway to reduce Scope 3 oil and gas emissions. Unlike Scopes 1 and 2, Scope 3 emissions occur globally rather than locally as they are internationally traded commodities, and a global scenario such as the IEA scenario was therefore suitable. The lower-bound of 11% reduction was based on RBC's assessment of the policy landscape in key jurisdictions and an analysis of our portfolio when the target was developed. Our ability to achieve this target depends on the adoption of consistent policies by governments in those jurisdictions supporting their commitments.
Power generation – Scope 1 (g CO_2e/kWh)	IEA NZE	We selected the IEA NZE scenario (heat and electricity generation pathway) to set a Scope 1 target for the power generation sub-sector.
Automotive – Scope 1, 2 & 3 tank-to-wheel (g CO_2e/km)	IEA NZE	We selected the IEA NZE scenario as the basis to set our automotive targets. We converted from a sales-based pathway to an emissions-intensity pathway to translate the scenario into a pathway suitable to guide our targets.

(1) While the Canadian ERP shows a 40% reduction in oil and gas physical emissions intensity by 2030, RBC's target of 35% reflects both the inclusion of clients located outside of Canada and the fact that Canada's baseline is higher than RBC's baseline.

Measurement considerations for emissions from our lending

Below are some of the measurement challenges we continue to experience and how we have approached them in our disclosure.

Lags in availability of client emissions data

Measuring emissions from our lending requires us to estimate emissions or use client-reported emissions for the reporting period, however, there may be a lag in the availability of client-reported emissions data; i.e., client emissions data may not be available for the applicable reporting period. Data lag is a recognized issue across the financial industry, and the typical lag for reported emissions data that we have observed ranges from one to two years.

Following guidance from the PCAF Standard, we measure emissions from our lending using the most recent data available to us. As such, we may have a mismatch in years where our client-reported emissions data is not available for a given reporting period. For example, the emissions from our lending for 2023 and 2024 are based primarily on client-reported emissions data from 2022. The emissions from our lending for these periods therefore have a higher level of measurement uncertainty compared to earlier reporting periods, which are based primarily on client-reported emissions data aligned to those reporting periods. To reflect the impact of this data lag, we have indicated that our emissions from our lending in 2023 and 2024 have higher

levels of measurement uncertainty compared to the prior reporting periods. We anticipate this data lag to shorten as our third-party data vendors improve their data collection processes, allowing us to use more up-to-date reported data for our calculations.

Data sources and availability

We collect client emissions data from publicly available sources of information, through engagement with our clients, and through third-party data vendors. Where client-reported emissions data is unavailable from these data sources, we rely on emission factors[53] as proxies to estimate client emissions. The availability, quality and reliability of data differ considerably by sector, sub-sector and scope of emissions. For example, while many of our clients in the oil and gas sector are disclosing their Scope 1 and 2 emissions, Scope 3 emissions data is less often reported, and consequently, obtaining client-level Scope 3 emissions data continues to present a challenge for us. As more clients begin to report emissions data, it will help improve the accuracy of our measurement. However, this can also create measurement inconsistencies where client emissions data may not be reported for comparative periods. In these cases, we continue to rely on proxies to estimate client emissions for reporting periods for which we do not have client-reported data. We continue to monitor potential ways to improve data availability and quality, and to enhance relevant methodologies to improve our measurement in future disclosures.

F. Emissions from operations

RBC publicly reports multi-year data on absolute GHG emissions: Scope 1, Scope 2 (location-based) and Scope 3 (business travel), calculated according to the GHG Protocol[33].

Emissions from our operations encompass RBC's owned and leased premises and vehicles, and activities related to business travel. We used the operational control method to determine the organizational boundary for our GHG inventory.

Scope 1 and 2 emissions data for buildings that we lease or own is sourced from our property management companies. Fuel consumed directly for travel by vehicles owned or leased by RBC is covered under Scope 1.

Scope 3 emissions for employee business travel is based on bookings through our third-party system and through travel agencies. It is aggregated and converted into emissions, based on either fuel usage or distance conversion.

Baseline year emissions from operations are recalculated when significant changes occur due to one or more events. We consider both quantitative thresholds (changes that exceed 5%) and qualitative factors when determining the need for recalculations and subsequent restatements, in line with our internal guidance for the evaluation of changes to prior-period sustainability information.

Emission factors used are either sourced from publicly available government sources or from the International Energy Agency's annual emissions factors data set. Data is representative of our properties in Canada, the U.S., the UK, the British Channel Islands, Belgium, Switzerland, Germany, Spain, France, Ireland, Italy, the Netherlands, Luxembourg, Sweden, Hong Kong, China, Singapore, Japan, Australia, Malaysia, and the Caribbean. Emission factors for Canada are sourced from the *National Inventory Report* published by Environment and Climate Change Canada. We have used the 2024 edition of this report, which was the most recent iteration of the report available at the time of our emissions calculations.

Our energy reporting since 2018 represents 99% of our global floor area. The reporting cycle for our Scope 1 and Scope 2 energy data for buildings (natural gas, fuel oil, propane, chilled water, steam and electricity) is August 1 to July 31 to allow sufficient time for data collection, review and approval. The reporting for other sources of emissions remains November 1 to October 31.

Appendix 6: Additional human capital metrics

Governance

The following table presents diversity metrics for the RBC Board of Directors as well as the Boards of Directors of a subset of subsidiaries that are internally ranked as warranting the highest governance standards and oversight based on regulatory complexity, reputational risk and size.

Table 40: Board of Directors representation, as at October 31

	2024	2023	2022
RBC Board of Directors			
Women Directors of RBC [(1), (2)]	**38%**	38%	42%
BIPOC or LGBTQ+ Directors of RBC [(1), (3)]	**31%**	31%	25%
Subsidiary Boards of Directors			
Canada			
Women Directors of RBC Dominion Securities Inc.	**—%**	17%	17%
Women Directors of RBC Global Asset Management Inc.	**38%**	38%	29%
Women Directors of RBC Investor Services Trust	**57%**	71%	71%
Women Directors of RBC Life Insurance Company	**38%**	44%	44%
Women Directors of Royal Bank Mortgage Corporation	**57%**	43%	33%
Women Directors of The Royal Trust Company	**57%**	43%	33%
Women Directors of Royal Trust Corporation of Canada	**57%**	43%	33%
United States			
Women Directors of City National Bank	**36%**	50%	45%
Women Directors of RBC Capital Markets, LLC	**33%**	29%	17%
Women Directors of RBC U.S. Group Holdings LLC	**20%**	22%	33%
British Isles and Europe			
Women Directors of RBC Europe Limited	**22%**	25%	33%
Women Directors of RBC Global Asset Management (UK) Limited	**33%**	25%	33%
Women Directors of Brewin Dolphin Limited	**63%**	50%	50%
Caribbean			
Women Directors of RBC (Barbados) Trading Bank Corporation	**43%**	57%	50%
Women Directors of RBC CMA LTD	**—%**	38%	38%
Women Directors of RBC Financial (Caribbean) Limited	**25%**	25%	25%

(1) Refer to the *Directors* section on page 14 of our *2025 Management Proxy Circular*. The information in this table represents the composition of the group of Board nominees standing for election at the 2025 meeting of common shareholders, as of February 11, 2025.
(2) Based on self-identification. Pursuant to *National Instrument 58-101 — Disclosure of Corporate Governance Practices*, the bank is required to disclose the number and proportion of directors and executive officers who are women. Refer to page 38 of the *2025 Management Proxy Circular* for more details.
(3) Based on self-identification. 23% of Directors are BIPOC in 2024 (2023: 23%). The 2022 comparative figure does not include LGBTQ+ as this data was not collected for that period. Refer to the *Glossary* for definitions of BIPOC and LGBTQ+.

Additional global workforce metrics

Global workforce composition and inclusion metrics are included in *Human capital*, including in *Table 22: Employee Engagement Survey responses*; *Table 23: Overall representation*; *Table 24: Leadership representation*; *Table 25: Inclusive Experiences Composite Score*; and *Table 32: Pay transparency*. The following table presents additional global workforce metrics.

Table 41: Additional global workforce metrics, as at October 31

	2024	2023	2022
Total employees [1]	**98,588**	94,885	95,634
Full-time employees [2]	**94,306**	90,532	88,289
Part-time employees [2]	**4,282**	4,353	4,628
Total compensation and benefits (millions) [3]	**$ 21,083**	$ 18,853	$ 16,528
Workforce age			
<30 years old	**17%**	18%	19%
30-49 years old	**54%**	54%	53%
≥50 years old	**29%**	28%	28%
Average age (years) [4]	**42**	42	42
Role-based representation			
Women in technology	**26%**	26%	27%
Women in middle and/or other management [4], [5]	**51%**	51%	53%
Women in all management positions [5]	**46%**	45%	45%
Women in all non-management positions [6]	**54%**	54%	55%
BIPOC in technology	**57%**	55%	51%
BIPOC in middle and/or other management [4], [5]	**40%**	37%	36%
BIPOC in all management positions [5]	**38%**	36%	35%
BIPOC in all non-management positions [6]	**45%**	42%	39%

(1) The total number of employees is presented for our global operations and refers to the number of individuals employed globally on a full-time or part-time basis. The number of total employees excludes individuals on long-term leaves of absence and on phased-in retirement arrangements. The number of total employees differs from the full-time equivalent (FTE) metric that is presented in Table 1 of our *2024 Annual Report* and that is used for certain metrics in the *Developing employees* section of the Report, for which part-time employees are included on an equivalent basis, among other differences.
(2) The 2022 comparative figures for full-time and part-time employees exclude BlueBay Asset Management and RBC Brewin Dolphin as the information is not available.
(3) Includes salaries, variable compensation, benefits and retention compensation, and share-based compensation. For further details refer to Table 11 of our *2024 Annual Report*. The 2023 comparative figure has been restated from that previously presented as part of the adoption of IFRS 17 *Insurance Contracts*, effective November 1, 2023. Results from periods prior to November 1, 2022 are reported in accordance with IFRS 4 *Insurance Contracts*. Refer to Note 2 of our 2024 Annual Consolidated Financial Statements on page 163 of our *2024 Annual Report* for further details on these changes.
(4) The 2022 comparative figure excludes RBC Brewin Dolphin as the information is not available.
(5) Management includes all individuals assigned to managerial roles, and for City National Bank it includes EEO-1 Job Title Executive/Senior-Level Officials, First/Mid-Level Officials and Managers.
(6) Non-management includes all individuals assigned to professional and support roles and for City National Bank it includes EEO-1 Job Title Professionals, Administrative Support Workers, Operatives, Sales Workers, Service Workers and Technicians.

Regional workforce composition

The following tables present workforce composition metrics by region.

Table 42: Canadian workforce composition, as at October 31 [1]

	2024	2023	2022
Total employees	**72,769**	69,450	68,840
Full-time employees	**69,057**	65,747	64,815
Part-time employees	**3,712**	3,703	4,025
Women	**55%**	55%	56%
Men	**45%**	45%	44%
BIPOC	**47%**	45%	41%
Asian [2]	**34%**	32%	29%
Black [3]	**5.2%**	5.2%	4.6%
Indigenous [4]	**1.1%**	1.2%	1.3%
Mixed [3], [5]	**1.9%**	1.8%	1.6%
Other [6]	**6.2%**	5.5%	4.9%
LGBTQ+ [4]	a **2.9%**	2.9%	2.8%
Persons with Disabilities [4]	a **4.7%**	5.3%	6.1%
Executives [4], [7]			
Women	a **43%**	43%	42%
BIPOC	a **27%**	24%	23%
Senior Management [4], [8]			
Women	a **40%**	41%	40%
BIPOC	a **40%**	39%	37%

a PwC provided limited assurance over this figure in 2024. Refer to *Appendix 7: Independent limited assurance report*.
(1) Informed by the *Employment Equity Act* (Canada) and Statistics Canada for the metrics covered by footnotes (2), (3), (5) and (6).
(2) Asian includes Chinese, Filipino, Japanese, Korean, South Asian, Southeast Asian, and West Asian.
(3) In 2024, we changed our methodology to include employees in Canada that self-identify as Black and another race/ethnicity within both Black and Mixed; previously these employees were only included within Mixed. The 2023 comparative figure for Black has been restated to reflect this change – the amount previously presented was 4.8%. The 2022 comparative figure for Black has not been restated as the information is not available.
(4) Metrics represent Employment Equity data for our operations in Canada. These diverse segments are governed by the *Employment Equity Act* (Canada) with the exception of LGBTQ+. In 2024, the number of employees governed by the *Employment Equity Act* (Canada) was 58,916 (2023: 55,983; 2022: 55,206).
(5) Mixed includes two or more races/ethnicities.
(6) Other includes those that self-identify as other race/ethnicity, Latin-American, and South West Asian and North African.
(7) Executives include enterprise level Vice-President, Senior Vice-President, Executive Vice-President and Group Executives as measured by Global Grades (e.g., position level).
(8) Senior management refers to roles up to two levels below executive as measured by Global Grades (e.g., position level), which includes roles that are titled Senior Director and Director; however, titles vary depending on the business segment or function.

As our organization continues to grow, representation continues to shift, supported by our efforts to continue to provide fair and inclusive opportunities and broader labour market conditions. In 2024, our representation of women remained stable, and we experienced increases among some other reported employee demographics. We continue to identify opportunities to evolve our actions to further support people from under-served populations, including continuing to enhance our hiring and talent management practices to be more inclusive.

Table 43: U.S. workforce composition, as at October 31 [1]

	2024	2023	2022
Total employees [2]	**16,101**	15,810	15,044
Full-time employees	**15,916**	15,617	14,842
Part-time employees	**185**	193	202
Women	**42%**	42%	42%
Men	**58%**	58%	58%
BIPOC	**37%**	36%	35%
Asian [3]	**17%**	17%	17%
Black [4]	**5.9%**	5.5%	5.3%
Hispanic/Latinx [5]	**11%**	11%	11%
Mixed [6]	**2.3%**	2.1%	2.0%
Other [7]	**0.5%**	0.5%	0.5%
LGBTQ+	**1.6%**	1.4%	1.4%
Persons with Disabilities [8]	**6.5%**	3.0%	2.8%
Executives [9]			
Women	**23%**	23%	25%
BIPOC	**23%**	18%	18%
Senior management [10]			
Women	**33%**	33%	32%
BIPOC	**37%**	37%	37%

(1) U.S. includes City National Bank and our other operations in the U.S. Informed by the U.S. Department of the Interior for the metrics covered by footnotes (3) to (7).
(2) The 2023 comparative figure has been restated to reflect employees not previously included; the number of employees previously presented was 15,804.
(3) Asian includes a person having origins in any of the original people of the Far East, Southeast Asia, or the Indian subcontinent.
(4) Black includes a person having origins in any of the black racial groups of Africa.
(5) Hispanic/Latinx includes a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.
(6) Mixed includes two or more races/ethnicities.
(7) Other includes a person having origins in any of the original peoples of North America, and who maintain their culture through a tribe or community or Hawaii, Guam, Samoa, or other Pacific Islands.
(8) As determined by self-identification on Form CC-305 and defined by Section 503 of the *Rehabilitation Act of 1973*, as amended. The increase in representation of Persons with Disabilities in 2024 is primarily attributable to more employees updating their self-disclosure in 2024 and therefore the 2023 and 2022 comparative figures may not be comparable.
(9) For RBC U.S. operations, includes individuals in global grades 00-04 classified as Executive or Executive Equivalents. For City National Bank, includes individuals classified under the Equal Employment Opportunities Commission EEO-1 Job Title Executive/Senior-Level Officials and Managers.
(10) Senior management includes individuals classified under the Equal Employment Opportunities Commission EEO-1 Job Title First/Mid-Level Officials and Managers.

Table 44: UK and the Channel Islands workforce composition, as at October 31 [1]

	2024	2023	2022 [2]
Total employees [3]	**5,222**	5,356	2,672
Full-time employees	**4,875**	4,949	2,490
Part-time employees	**347**	407	182
Women [4]	**41%**	41%	41%
Men [4]	**58%**	58%	58%
BIPOC [5]	**20%**	18%	20%
Asian [6]	**12%**	10%	12%
Black [7]	**3.7%**	3.1%	3.1%
Mixed [8]	**2.6%**	2.6%	2.8%
Other [9]	**1.9%**	1.9%	2.1%
LGBTQ+	**2.6%**	2.4%	2.2%
Persons with Disabilities	**2.6%**	2.6%	4.3%
Executives [10]			
Women	**26%**	26%	39%
BIPOC [5]	**6.6%**	6.9%	8.0%
Senior management			
Women	**25%**	26%	22%
BIPOC [5]	**20%**	20%	21%

(1) Includes RBC operations in the UK and Channel Islands. Informed by the UK Office for National Statistics Census 2021 for the metrics covered by footnotes (5) to (9).
(2) The 2022 comparative figures for all metrics exclude BlueBay Asset Management and RBC Brewin Dolphin as the subsidiaries had not been integrated onto our primary HR platform.
(3) The 2023 comparative figure was restated to reflect employees not previously included; the number of employees previously presented was 5,312.
(4) Gender data is based on self-identification and was not self-identified by 1% of employees for all periods presented.
(5) BIPOC and race/ethnicity metrics are calculated as a percentage of the total employees who self-identified their race/ethnicity.
(6) Asian includes those individuals who have self-identified as Asian or Asian British – Indian, Asian or Asian British – Chinese, or Asian or Asian British – Any other Asian background.
(7) Black includes those individuals who have self-identified as Black or Black British – African, Black or Black British – Caribbean, Black or Black British – Any other Black background, Mixed – White and Black African, or Mixed – White and Black Caribbean. In 2024, we changed our methodology to include employees in the UK that self-identify as Mixed – White and Black African, or Mixed – White and Black Caribbean within both Black and Mixed; previously these employees were included only within Mixed. The 2023 comparative figure did not change; the 2022 comparative figure for Black has not been restated as the information is not available.
(8) Mixed includes those individuals who have self-identified as Mixed – White and Asian, Mixed – White and Black African, Mixed – White and Black Caribbean, or Mixed – Any other Mixed background.
(9) Other includes those individuals who have self-identified as South West Asian, North African or Other race/ethnicity.
(10) For the UK and Channel Islands, executives are defined as active employees who are registered as part of the UK Financial Conduct Authority's Senior Management Framework, and/or are members of the UK Capital Markets Executive Committee, Wealth Management Europe Executive Committee, RBC Investor Services Trust UK Branch Supervisory Committee, RBC BlueBay Asset Management Leadership Team and/or are in global Vice-President, Senior Vice-President, and Executive Vice-President roles.

Table 45: Other international workforce composition, as at October 31 [1]

	2024	2023	2022
Total employees	**4,496**	4,269	6,359
Women	**63%**	63%	59%
Men	**37%**	36%	40%
Women executives	**13%**	33%	18%
Women in senior management	**32%**	32%	30%

(1) Includes RBC operations in Europe (outside the UK), the Caribbean and Asia-Pacific. In 2024, we have combined our reporting for Europe (outside the UK) and Other international, and the comparative periods have been restated to be presented on a combined basis.

Additional employee mobility metrics

Employee mobility metrics, including new executive appointments, new hires, promotions and turnover are disclosed in *Human capital*. The following table presents additional employee mobility metrics.

Table 46: Additional employee mobility metrics, as at and for the year ended October 31

	2024	2023	2022
Retention rate [1], [2]			
Men	**88%**	87%	82%
Women	**88%**	87%	83%
BIPOC [3]	**87%**	85%	82%
Parental leave retention rate [4]			
Overall	**86%**	86%	86%
Women [5]	**87%**	87%	88%
Departures [6]			
Men	**46%**	47%	48%
Women	**54%**	53%	52%
BIPOC [3]	**47%**	44%	35%

(1) Retention rate represents the employees who remained with RBC as a percentage of the average number of employees during the period, and includes salaried employees who are at work including those on maternity/parental leave, but excludes co-ops and students. All periods presented exclude City National Bank and RBC Brewin Dolphin as these subsidiaries have not been integrated onto our primary HR platform. The 2022 comparative figures exclude BlueBay Asset Management as the subsidiary had not been integrated onto our primary HR platform.

(2) We have restated the 2023 comparative figures to reflect a change in methodology for calculating retention/departure rate, which previously included the impact of divestitures. In 2023, the retention/departure rate included the impact of the divestiture of our European asset servicing activities of RBC Investor Services and its associated Malaysian centre of excellence. The figures previously reported for 2023 were: Retention rate – Men: 84%; Retention rate – Women: 85%; Retention rate – BIPOC: 83%.

(3) The 2022 comparative figures for BIPOC are presented for our operations in Canada and the U.S. as information for other regions is not available for these periods.

(4) Parental leave retention rate represents the percentage of parents/women who returned from parental/maternity leave during the previous fiscal year and remained employed with RBC 12 months after their return. All periods presented exclude City National Bank and RBC Brewin Dolphin as these subsidiaries have not been integrated onto our primary HR platform. The 2022 comparative figures exclude BlueBay Asset Management as the subsidiary had not been integrated onto our primary HR platform.

(5) In 2024, we expanded the scope of the metric to be for our global operations, excluding City National Bank and RBC Brewin Dolphin as these subsidiaries have not been integrated onto our primary HR platform. In 2023, the metric was presented for our businesses in Canada governed by the *Employment Equity Act* (Canada), and we have restated the 2023 comparative figure to reflect the change in scope – the amount previously presented was 83%. In addition, we have also updated our reporting to include the 2022 comparative figure; this amount was not previously reported. The 2022 comparative figure excludes BlueBay Asset Management as the subsidiary had not been integrated onto our primary HR platform.

(6) Departures includes voluntary and involuntary departures, and represents the percentage of men, women and BIPOC employees that departed RBC during the fiscal period, out of the total departures that occurred. Voluntary departure represents when employees choose to leave RBC, such as resignations and retirements. Involuntary departure represents when employment is terminated by RBC, such as restructuring by reorganization, dismissals, and terminations for cause. The metric excludes co-ops and students. All periods presented exclude City National Bank and RBC Brewin Dolphin as these subsidiaries have not been integrated onto our primary HR platform. The 2022 comparative figures exclude BlueBay Asset Management as the subsidiary had not been integrated onto our primary HR platform. In 2023, departures included the impact of the divestiture noted in footnote (2); however, the change in methodology did not impact the 2023 reported amounts due to rounding.

Appendix 7: Independent limited assurance report

Independent practitioner's limited assurance report on Royal Bank of Canada's (RBC) select metrics as included in the RBC *2024 Sustainability Report*

To the Board of Directors of RBC,

We have conducted a limited assurance engagement on the select metrics, including the greenhouse gas emission metrics, as detailed in Exhibit 1, of RBC (the Entity) included in the RBC *2024 Sustainability Report* (the subject matter), as at October 31, 2024 and for the year then ended.

Responsibilities for the subject matter

Management of the Entity is responsible for:

- The preparation of the subject matter in accordance with the applicable criteria applied as explained in the RBC *2024 Sustainability Report* on pages 103 - 114, 138 and 141 (the applicable criteria);
- Designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the subject matter, in accordance with the applicable criteria, that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the subject matter

Non-financial data is subject to more limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality management

We have complied with independence and other ethical requirements of 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 behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the subject matter is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the subject matter.

We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information* (CSAE 3000), and, in respect of the greenhouse gas emission metrics, Canadian Standard on Assurance Engagements (CSAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the Auditing and Assurance Standards Board (CSAE 3410).

As part of a limited assurance engagement in accordance with CSAE 3000 and CSAE 3410 we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Entity's use of the applicable criteria as the basis for the preparation of the subject matter.

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Entity's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the subject matter. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the subject matter. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgment, including the identification of where material misstatements are likely to arise in the subject matter, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Entity's reporting processes relevant to the preparation of its subject matter by:
  - Making inquiries of the persons responsible for the sustainability information.
  - Inspecting relevant documentation relating to the Entity's reporting processes.
- Evaluated whether all information identified by the process to identify the information reported in the subject matter is included in the subject matter;
- Performed inquires of relevant personnel and analytical procedures on selected information in the subject matter;
- Performed substantive assurance procedures on selected information in the subject matter;
- Evaluated the appropriateness of quantification methods and reporting policies;
- Evaluated the methods, assumptions and data for developing estimates; and
- Reviewed the subject matter disclosures in the *2024 Sustainability Report* to ensure consistency with our understanding and procedures performed.

The *Carbon credit investments* section on page 57 includes a deduction from RBC's emissions for the year of 60,368 tonnes of CO_2e relating to carbon credits purchased and retired. We have performed procedures as to whether these offsets were applied during the year, and whether the description of them in the *Carbon credit investments* section on page 57 and the *Glossary* on page 108 is a reasonable summary of the relevant contracts and related documentation. We have not, however, performed any procedures regarding the external providers of these offsets, and express no conclusion about whether the offsets have resulted, or will result, in a reduction of 60,368 tonnes of CO_2e.

Limited assurance 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 the subject matter as at October 31, 2024 and for the year then ended is not prepared, in all material respects, in accordance with the applicable criteria.

Restriction on use

Our report has been prepared solely for the Board of Directors of RBC for the purpose of assisting management in reporting to the Board of Directors on its subject matter. The subject matter therefore may not be suitable, and is not to be used, for any other 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 report.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants
Toronto, Ontario
April 28, 2025

Exhibit 1

Select metrics	2024 value
Percentage of Women Executives (Canada)	43%
Percentage of BIPOC Executives (Canada)	27%
Percentage of Women in Senior Management (Canada)	40%
Percentage of BIPOC in Senior Management (Canada)	40%
Percentage of Persons with Disabilities (Canada)	4.7%
Percentage of LGBTQ+ (Canada)	2.9%
Scope 1 emissions (tonnes of CO_2e)	23,090
Scope 2 emissions, location-based (tonnes of CO_2e)	68,051
Greenhouse gas (GHG) emissions intensity from energy use (tonnes of CO_2e/m^2)	0.014
Scope 3 emissions (category 6: business travel) (tonnes of CO_2e)	30,560
GHG emissions reductions from carbon credits purchased and retired (tonnes of CO_2e)	(60,368)
GHG emissions reductions from renewable energy certificates (tonnes of CO_2e)	(61,333)
Percentage of electricity from renewable sources for all properties	100%
Inclusive Experiences Composite Score	81
Employee Engagement Score	85
Turnover Rate (Global)	11.8%
Turnover Rate (Canada)	12.0%
Turnover Rate (International)	10.6%

Appendix 8: 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 *2024 Sustainability Report* (the Report), in other filings with Canadian regulators or the U.S. Securities and Exchange Commission, in reports to shareholders and in other communications. In addition, our representatives may communicate forward looking statements orally to analysts, investors, the media and others. Forward-looking statements in this Report include, but are not limited to, statements relating to our approach to managing sustainability matters, our economic and sustainability objectives, visions, commitments, goals, metrics and targets, including the ambitions described in our Purpose Framework and the strategies outlined in *The RBC Climate Blueprint*, *The RBC Skills Blueprint* and *The RBC Inclusive Opportunities Blueprint*. The forward-looking information contained in this Report is presented for the purpose of assisting our stakeholders in understanding our vision, commitments, goals, metrics and targets, as well as our economic and sustainability-related impacts and objectives, and may not be appropriate for other purposes.

Forward-looking statements are typically identified by words such as "believe", "expect", "expectation", "aim", "achieve", "suggest", "seek", "foresee", "forecast", "schedule", "anticipate", "intend", "estimate", "commit", "goal", "plan", "strive", "objective", "target", "outlook", "timeline" and "project", and similar expressions of future or conditional verbs such as "will", "may", "might", "should", "could", "can" or "would" or negative or grammatical variations thereof.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature, 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, that our sustainability-related or other objectives, visions and strategic goals will not be achieved and that our actual results may differ materially from such predictions, forecasts, projections, expectations or conclusions. Moreover, many of the assumptions, estimates, standards, methodologies, metrics, measurements, results and commitments described in this Report continue to evolve and are based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees.

We caution readers not to place undue reliance on our forward-looking 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 but are not limited to: the need for more and better sustainability-related data and standardization of sustainability-related measurement methodologies, climate-related conditions and weather events, the need for active and continuing participation and action of various stakeholders (including governmental and non-governmental organizations, other financial institutions, businesses and individuals), technological advancements, the evolution of consumer behaviour, evolving social views on sustainability-related topics, varying decarbonization efforts across economies, the need for thoughtful climate policies around the world, the challenges of balancing emission reduction targets with an orderly and inclusive transition and geopolitical factors that impact global energy needs, our ability to gather, analyze and verify data, our ability to successfully implement various initiatives throughout RBC under expected time frames, the risk that initiatives will not be completed within a specified period, or at all, or with the results or outcomes as originally expected or anticipated by RBC, the compliance of various third parties with agreements, our policies and procedures and their commitments to us, financial market conditions, our business operations, our financial results, condition and objectives, regulatory compliance (which could lead to us being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties and fines), and cyber, strategic, reputation, legal and regulatory environment, competitive, model and systemic risks and other risks discussed in the risk sections of our annual report for the year ended October 31, 2024 (*2024 Annual Report*) and the *Risk management* section of our Quarterly Report to Shareholders for the three-month period ended January 31, 2025 (*Q1 2025 Report to Shareholders*). Additional factors that could cause actual results to differ materially from the expectations in such forward-looking statements can be found in the risk sections of our *2024 Annual Report*, as may be updated by subsequent quarterly reports. 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, as well as the inherent uncertainty of forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this Report 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 *2024 Annual Report*, as updated by the *Economic, market and regulatory review and outlook* section of our *Q1 2025 Report to Shareholders* and as may be updated further by subsequent quarterly reports.

Except as required by law, none of RBC nor its affiliates undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf. Additional information about these and other factors can be found in the risk sections of our *2024 Annual Report* and in the *Risk management* section of our *Q1 2025 Report to Shareholders* which may be updated further by subsequent quarterly reports.

Appendix 9: Important notice regarding this report

This Report does not constitute an offer or a solicitation to buy or 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. Nothing in this Report shall form the basis of or be relied upon in connection with any contract, commitment or investment decision whatsoever. The recipient is solely liable for any use of the information contained in this Report, and neither RBC nor any of its affiliates nor any of their respective directors, officers, employees or agents shall be held responsible for any direct or indirect damages arising from the use of this Report by the recipient.

RBC's activities, ambitions, strategies and approaches described in this Report, including sustainability-related metrics, data and other information relevant to such activities, ambitions, strategies and approaches (e.g., our net-zero related commitments, goals, and targets, including our Interim Targets and our ambition to achieve net-zero emissions from our lending by 2050, scenario analysis, financed emissions, carbon-related assets, and emissions from our own operations), are or may be based on assumptions, estimates and judgments. In addition, as discussed herein, some of the information provided, including regarding our Interim Targets, our performance against our sustainability-related commitments, goals and targets, and other sustainability metrics, is based on estimated data with very limited supporting documentation. For example, we have not independently verified or assessed the assumptions underlying the data we have obtained from our clients and other third parties that we use to set, track and report on our progress towards meeting our Interim Targets. Moreover, the data needed to define our pathway towards reaching our Interim Targets may be limited in quality, unavailable or inconsistent across the sectors we choose to focus on, and the process of collecting, aggregating and reporting data is protracted and highly dependent on the data our clients and other third parties make available at any given time. Given their inherent uncertainty and complexity, and the significant issues with some of the underlying data, assumptions, estimates and judgments believed to be reasonable at the time of the preparation of this Report may subsequently turn out to be inaccurate, and our commitments, goals, and targets set forth in this Report may need to be changed or withdrawn. In addition, many of the assumptions, estimates, standards, methodologies, scenarios, 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 also materially affect these assumptions, estimates, standards, methodologies, scenarios, metrics and measurements used by us and/or other companies, and could therefore 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 such as the Interim Targets, are aspirational and have been established based on the climate scenarios and pathways, data and methodologies that are reasonably available to us at the time, and certain other assumptions that we believe are reasonable and appropriate for the purposes of setting these commitments, goals and targets, including ordinary rates of growth and development of our businesses, continued progress towards stated climate ambitions by both our clients and government entities, and corresponding changes in the end-use of our clients' products. Our sustainability-related commitments, goals, and targets, as well as the disclosures of our progress against such commitments, goals and targets, have been, and in the future may need to be, restated, changed, recalibrated or withdrawn as our businesses grow, develop or change (including through mergers, acquisitions or dispositions), as legal and regulatory requirements of the jurisdictions in which we operate continue to develop, as available data improve, and as climate science, transition pathways and market practices regarding standards, methodologies, metrics and measurements evolve, which may result in us withdrawing from or modifying our membership in certain frameworks, principles and initiatives. In setting our sustainability-related commitments, goals and targets, including the Interim Targets and our ambition to achieve net-zero emissions from our lending by 2050, we recognize that there are significant gaps between our baselines and our commitments, goals and targets. The achievement of our commitments, goals, and targets discussed in this Report will depend on the collective efforts and actions across a wide range of stakeholders outside of our control, and there can be no assurance that they will be achieved. Refer to *Appendix 8: Caution regarding forward-looking statements.*

Certain of RBC's sustainability-related policies, commitments, targets and goals are not inclusive of the investment advisory or broker-dealer activities, or the assets under management or administration, of RBC Global Asset Management (RBC GAM) or RBC Wealth Management (RBC WM). Refer to *About this Report* for information on RBC GAM and RBC WM.

This Report and the information contained within it is unaudited. This Report is intended to provide information from a different perspective and in more detail than is required to be included in mandatory securities filings and other regulatory reports, including filings with Canadian securities regulators and the U.S. Securities and Exchange Commission. 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. Any references to “sustainability”, “ESG”, “net-zero”, “sustainable finance”, “green financing”, “social financing”, “decarbonization”, “low-carbon”, or similar terms in this Report are intended as references to the internally defined criteria of RBC and not to any jurisdiction-specific regulatory definition that may exist. This Report reflects our sustainability-related strategies, positions, approaches, policies, procedures, criteria, objectives, visions, commitments and goals as of the date of this Report, which are subject to change at any time in our sole discretion without notice. We have no obligation to update the information or data in this Report.

All references to websites are for your information only. The content of any websites referred to in this Report, including via website link, and any other websites they refer to are not incorporated by reference in, and do not form part of, this Report. This Report is also not intended to make representations as to the sustainability-related initiatives of any third parties, whether named herein or otherwise, which may involve information and events that are beyond our control.

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 sustainabilityandimpact@rbc.com.

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