

Royal Bank of Canada

# Sustainability Accounting Standards Board (SASB) Index 2019



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## SASB Disclosure

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

In recent years, we have witnessed increased interest from the investor community in disclosure that aligns with the SASB standards. This is the first year Royal Bank of Canada and its subsidiaries (referred to as “RBC”, “we”, “us” or “our” in this index) have reported our alignment with these standards in this index which covers fiscal 2019, includes information about RBC but excludes information about City National Bank (City National), unless otherwise noted. City National’s corporate social responsibility information is available at [cnb.com](http://cnb.com). We continually endeavour to expand and improve upon our environmental, social and governance (ESG) disclosure, based on dialogue with our stakeholders and evolving best practices.

### Scope

This index covers the SASB sector standards that we have determined to be most relevant to our business activities: Asset Management and Custody Activities; Commercial Banks; Consumer Finance; Investment Banking and Brokerage; and Mortgage Finance. As a diversified financial institution, RBC’s operations fall into several SASB sector standards and we have outlined our alignment to those sector standards below. Disclosure metrics that appear in more than one sector standard are grouped together and indicated as such. We do not currently disclose all disclosure topics and/or accounting metrics included in these sector standards; however we will continue to evaluate them for disclosure in the future.

As the SASB sector standards have been developed from a U.S. perspective, there are some sector standards that are not entirely applicable to Canadian-based financial institutions such as RBC; however, where possible, we have attempted to disclose information based on similar Canadian requirements.

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE
Disclosure metrics appearing in multiple sector standards			
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information, (3) number of account holders affected	FN-CB-230.1 FN-CF-230a.1	RBC did not experience any material operational risk loss events, including privacy breaches, in fiscal 2019. Please refer to pages 39-40 of the <a href="#">2019 ESG Performance Report</a> for our approach to privacy and data security and page 83 of the <a href="#">2019 Annual Report</a> <sup>1</sup> for a discussion of RBC's operational risks.
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2 FN-CF-230a.3	Please refer to pages 48 and 83 of the <a href="#">2019 Annual Report</a> on our approach to data security risks. Additional supplementation can be found on pages 39-40 of the <a href="#">2019 ESG Performance Report</a> , and also on pages 5-6 of <a href="#">About Value for Clients</a> .
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals and (4) all other employees	FN-AC-330a.1 FN-IB-330a.1	Please refer to pages 29-32 of the <a href="#">2019 ESG Performance Report</a> and pages 30-31 of the <a href="#">2020 Proxy Circular</a> for our gender and racial representation within RBC. Additional supplementation can be found on page 6 of the <a href="#">2019 Enterprise Diversity &amp; Inclusion Report</a> .
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1 FN-CB-510a.1 FN-IB-510a.1	For a description of our significant legal proceedings, please refer to page 201, Note 26 (Legal and regulatory matters) of our <a href="#">2019 Annual Report</a> .  We do not disclose the total amount of monetary losses.
	Description of whistleblower policies and procedures	FN-AC-510a.2 FN-CB-510a.2 FN-IB-510a.2	Please refer to pages 53-54 of the <a href="#">2019 Annual Report</a> for information on conduct and risk culture within RBC, and page 19 of the <a href="#">2019 ESG Performance Report</a> for further description of our global Conduct Hotline. Please also refer to <a href="#">RBC's Office of the Ombudsman website</a> .
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1 FN-IB-550a.1	On November 22, 2019, we were re-designated as a G-SIB by the Financial Stability Board. This designation requires us to maintain a higher loss absorbency requirement (common equity as a percentage of Risk Weighted Assets) of 1%. We have also been identified as a domestic systemically important bank (D-SIB) by the Office of the Superintendent of Financial Institutions Canada (OSFI). As the D-SIB capital requirement is equivalent to the G-SIB requirement of 1% of RWA, the G-SIB designation had no further impact to the loss absorbency requirements on our CET1 ratio.
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	FN-CB-550a.2 FN-IB-550a.2	Please refer to pages 51-52, 66, 71-72, 87 and 90 of the <a href="#">2019 Annual Report</a> for RBC's approach and incorporation of stress testing within the Enterprise, Market Risk, Liquidity Risks, and Capital Management sectors of RBC.

<sup>1</sup> Certain disclosures in the 2019 Annual Report to Shareholders may be updated in subsequently filed quarterly reports to shareholders.

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE
<b>Asset Management and Custody Activities</b>			
Transparent Information and Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	FN-AC-270a.2	For a description of our significant legal proceedings, please refer to page 201, Note 26 (Legal and regulatory matters) of our <a href="#">2019 Annual Report</a> .  We do not disclose the total amount of monetary losses.
	Description of approach to informing customers about products and services	FN-AC-270a.3	Please refer to page 10 of RBC's <a href="#">Code of Conduct</a> , as well as page 4 of <a href="#">About Value for Clients</a> and pages 35-36 of the <a href="#">2019 ESG Performance Report</a> .
Incorporation of Environmental, Social and Governance Risk Factors in Investment Management and Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	FN-AC-410a.1	Please refer to the following documents: <ul style="list-style-type: none"> <li>• <a href="#">2019 ESG Performance Report</a> (pages 41-43)</li> <li>• RBC GAM CGRI <a href="#">Annual and Semi-Annual Reports</a></li> </ul>
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	Please refer to the following documents: <ul style="list-style-type: none"> <li>• <a href="#">2019 ESG Performance Report</a> (pages 41-43)</li> <li>• <a href="#">2019 TCFD Report</a></li> <li>• RBC GAM CGRI <a href="#">Annual and Semi-Annual Reports</a></li> </ul>
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	Please refer to the following documents for disclosure related to GAM: <ul style="list-style-type: none"> <li>• RBC GAM <a href="#">Proxy Voting Guideline</a></li> <li>• RBC GAM CGRI <a href="#">Annual and Semi-Annual Reports</a></li> </ul>
Asset Management Activity Metrics	(1) Total registered and (2) total unregistered assets under management (AUM)	FN-AC-000.A	Please refer to page 20 of the <a href="#">2019 Annual Report</a> for assets under administration and assets under management.  RBC does not disclose the breakdown between registered and unregistered assets under management.
	Total assets under custody and supervision	FN-AC-000.B	Please refer to the 2019 <a href="#">Global Systemically Important Banks Disclosures (G-SIB)</a> . This framework includes an assessment methodology for determining importance of international banks to the global financial industry, including assets under custody.

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE
Commercial Banks			
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	Please refer to the following documents: <ul style="list-style-type: none"> <li>• <a href="#">2019 Public Accountability Statement</a> (pages 9-10)</li> <li>• <a href="#">2019 ESG Performance Report</a> (pages 51-53)</li> </ul>
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	Please refer to the following documents for details of RBC's financial inclusion policies and programs: <ul style="list-style-type: none"> <li>• <a href="#">2019 Public Accountability Statement</a> (pages 11-13)</li> <li>• <a href="#">About Value for Society</a> (pages 11-13)</li> </ul> <p>RBC does not disclose the number of no-cost retail chequing accounts provided to previously unbanked or underbanked customers.</p>
	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	FN-CB-240a.4	Please refer to the following documents for details of RBC's financial inclusion policies and programs: <ul style="list-style-type: none"> <li>• <a href="#">2019 ESG Performance Report</a> (page 55)</li> <li>• <a href="#">2019 Public Accountability Statement</a> (pages 11-13)</li> <li>• <a href="#">About Value for Society</a> (pages 11-13)</li> </ul> <p>RBC does not disclose the number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers.</p>
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	Please refer to page 59, Table 44 (Credit Risk Exposure by portfolio, sector and geography) of the <a href="#">2019 Annual Report</a> .
	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FN-CB-410a.2	Please refer to the following documents and/or webpages: <ul style="list-style-type: none"> <li>• <a href="#">2019 Annual Report</a> – Environmental &amp; Social Risk (page 88)</li> <li>• Environmental &amp; Social Risk Management <a href="#">webpage</a></li> <li>• <a href="#">About Governance &amp; Integrity</a> (pages 9-11)</li> <li>• <a href="#">2019 ESG Performance Report</a> (page 21)</li> <li>• <a href="#">2019 TCFD Report</a> (pages 8, 10, and 13)</li> </ul>
Commercial Banks Activity Metrics	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	RBC reports the average value of Personal Banking and Commercial Banking deposits within our P&CB segment (refer to pages 27-28 in the <a href="#">2019 Annual Report</a> ) and Wealth Management segment (refer to pages 32-33 in the 2019 Annual Report). Also refer to page 182 (Note 14: Deposits) in the 2019 Annual Report outlining consolidated Demand Deposits which include chequing and savings accounts. <p>RBC does not disclose the number of accounts or the breakdown of chequing and savings accounts.</p>
	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	FN-CB-000.B	RBC reports the value of loans by industry within Wholesale and by product within Retail (please refer to page 105 in the <a href="#">2019 Annual Report</a> , Table 75: Loans and Acceptances by Portfolio and Sector).

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<b>Consumer Finance</b>			
Customer Privacy	Number of account holders whose information is used for secondary purposes	FN-CF-220a.1	Please refer to the <a href="#">RBC Global Privacy Notice</a> for policies and procedures regarding how customer data is used.
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	FN-CF-220a.2	For a description of our significant legal proceedings, please refer to page 201, Note 26 (Legal and regulatory matters) of our <a href="#">2019 Annual Report</a> . We do not disclose the total amount of monetary losses.
Selling Practices	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	FN-CF-270a.5	For a description of our significant legal proceedings, please refer to page 201, Note 26 (Legal and regulatory matters) of our <a href="#">2019 Annual Report</a> . We do not disclose the total amount of monetary losses.
Consumer Finance - Activity Metrics	Number of (1) credit card accounts and (2) pre-paid debit card accounts	FN-CF-000.B	Please refer to page 27 of the <a href="#">2019 Annual Report</a> for the number of credit card accounts.
<b>Investment Banking and Brokerage</b>			
Incorporation of Environmental, Social and Governance Risk Factors in Investment Banking & Brokerage Activities	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social and governance (ESG) factors, by industry	FN-IB-410a.2	Please refer to the following documents for more information on sustainable financing: <ul style="list-style-type: none"> <li>• <a href="#">2019 ESG Performance Report</a> (pages 44-45)</li> <li>• <a href="#">2019 TCFD Report</a> (page 13)</li> </ul>
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	FN-IB-410a.3	Please refer to the following documents and/or webpages: <ul style="list-style-type: none"> <li>• <a href="#">Our Commitment to Sustainable Finance</a></li> <li>• <a href="#">2019 TCFD Report</a> (page 6)</li> <li>• <a href="#">2019 ESG Performance Report</a> (page 44)</li> </ul>
Professional Integrity	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	FN-IB-510b.3	For a description of our significant legal proceedings, please refer to page 201, Note 26 (Legal and regulatory matters) of our <a href="#">2019 Annual Report</a> . We do not disclose the total amount of monetary losses.
	Description of approach to ensuring professional integrity, including duty of care	FN-IB-510b.4	All employees must successfully complete compliance training, and commit to and acknowledge the Code of Conduct annually (refer to page 17 of the <a href="#">2019 ESG Performance Report</a> and page 6 of <a href="#">About Governance &amp; Integrity</a> ).

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE
Mortgage Finance			
Lending Practices	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	FN-MF-270a.3	For a description of our significant legal proceedings, please refer to page 201, Note 26 (Legal and regulatory matters) of our <a href="#">2019 Annual Report</a> . We do not disclose the total amount of monetary losses.
Discriminatory Lending	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660	FN-MF-270b.1	Please refer pages 61-62 in the <a href="#">2019 Annual Report</a> for our average loan to value table ratios for residential mortgages.
	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	FN-MF-270b.2	For a description of our significant legal proceedings, please refer to page 201, Note 26 (Legal and regulatory matters) of our <a href="#">2019 Annual Report</a> . We do not disclose the total amount of monetary losses.