

ABOUT Value for Clients

Programs, policies and practices

This is part of a series of documents that provide additional information on the programs, policies and practices related to the citizenship priorities of Royal Bank of Canada (RBC®). The series supplements our annual corporate citizenship reporting, which provides an overview of our priorities, key performance indicators and annual highlights of corporate citizenship issues relevant to financial services companies in general, and to RBC in particular. It complements the information on the results of our operations and financial condition provided in our Annual Report and governance and executive compensation information disclosed in the Management Proxy Circular (available at [rbc.com](https://www.rbc.com)).

Our vision is to be among the world's most trusted and successful financial institutions. We are committed to providing exceptional client service, and we seek to build lasting relationships, deliver excellent value and provide differentiated client experiences. We commit to listening with empathy, understanding client needs and offering the right advice and solutions based on those needs. As a financial services company, our first and most important responsibility is doing our jobs as bankers well, serving our clients with integrity every day and safeguarding the trust they put in us. This is fundamental to how we operate. We take responsibility for our products and services, from the ways in which we develop and sell them to the impact they have on the communities where we operate. RBC serves more than 16 million clients in Canada and around the world. We strive to earn our clients' trust by serving them responsibly, providing them with access to the financial products, services and advice they need to make the best decisions possible and meet their goals.



Our Priorities

- Client satisfaction and loyalty
- Digital enablement
- Data privacy and cyber security
- Products and services with positive social or environmental impacts
- Socially responsible investments
- Financial literacy

Client satisfaction and loyalty

We are a business whose sustainable success is based on trust, measured by how effectively we earn our clients' satisfaction and loyalty. We monitor how well we satisfy our clients through client research to understand customer needs and also evaluate all drivers of client satisfaction. We also measure our competitiveness by comparing our customer experience to that of our key competitors, using the type of product relationships we have with clients as an indicator of loyalty.

Satisfaction measurement

We have a well-established customer experience measurement program, administered by our Client Knowledge & Insights department, a team of in-house research professionals. We set and monitor quantitative targets to improve client satisfaction and loyalty, and measure all components of the client experience on a regular basis. Given the proprietary nature of our customer experience measurement program, we only disclose select metrics in our [Corporate Citizenship Report](#), [Annual Report](#) and [Management Proxy Circular](#).

In Canada, client-service training incorporates our client-experience target 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, including direct feedback from clients following visits to branches, visits to our online banking sites or calls to our 24/7 call centres
- Research conducted by external benchmarking organizations, including anonymous client surveys
- External performance rankings

Survey results are often linked to specific branch employees, which increases accountability and facilitates employee coaching. In this way, real-time client comments are directly addressed and serve to improve customer service. Similar practices are in place across other channels, including online and telephone banking.

In addition, this research informs the development of business strategies and subsequent tactics, including the provision of financial advice and product development, by providing powerful insight into which products and features resonate with clients, and where we need to improve.

Treating clients fairly

Treating our clients fairly is an important part of how we do business. RBC abides by consumer protection and market conduct rules and regulations designed to protect financial services clients including adhering to a number of voluntary external codes to protect consumers. For more information on our commitments and details about the relevant industry codes, please visit rbc.com/voluntary-codes-public-commitments.html.

Client complaint process

We enable employees to resolve client concerns at first point of contact, as we believe this approach leads to improved customer satisfaction and loyalty. If we are unable to resolve a client's concerns through our normal channels, the client may appeal to the RBC Office of the Ombudsman. The Ombudsman investigates both sides of the issue in an effort to help the client and RBC resolve their problems fairly, professionally and efficiently, while respecting the dignity and privacy of all parties.

Certain disputes that remain unresolved after being reviewed by the Ombudsman may be directed by the complainant to external ombudservices and regulatory bodies. The process for leading clients through the complaint process, including escalation to the Ombudsman if necessary, is outlined in the "Make a Complaint" section of rbc.com/customer-care/. Every year, the Office of the Ombudsman produces an annual report, available at rbc.com/ombudsman, which provides information on the Ombudsman activity during the fiscal year.

Integrity in marketing and sales communications

RBC is committed to providing clients with investment, banking and insurance information they can easily understand and use. Our brochures and websites describe our products and services simply, using examples for increased clarity. We review contract, policy and statement language regularly so that 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, which prohibits false and misleading advertising, and provincial consumer protection laws, which govern conduct concerning claims that may be false or misleading.
- In producing our marketing material, we also follow the guidelines and standards of practice of various self-regulatory bodies, such as Advertising Standards Canada and the Canadian Marketing Association.
- 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 comply with Financial Services Authority laws governing marketing communications, advertising, promotion and sponsorship.

Caribbean

- We have multiple regulators across the Caribbean, and we comply with all their disclosure and marketing requirements.

United States

- Advertising and communications with the public are highly regulated by numerous entities.
- In producing our marketing material, we follow the guidelines and standards of practice of various regulatory bodies, such as the Financial Industry Regulatory Authority, Inc. (FINRA), U.S. Securities and Exchange Commission (SEC) and Employee Retirement Income Security Act (ERISA).

Protecting our brand

As a financial services company, our brand is a very important driver of our success. We maintain brand health through our Vision, adherence to our Values, the quality and engagement of our people, the level of our clients' experience and satisfaction, and the likelihood they will recommend us to others. To this end, we monitor and measure brand awareness and health through quantitative benchmarks, performance rankings, as well as accolades and awards given to us by various benchmarking organizations.

Brand-specific metrics such as brand/sub-brand awareness, likelihood to recommend and ad campaign impact are collected across the organization and reported back to our Chief Brand Officer and brand management experts, who consolidate the inputs and measure the overall health of our master brand. RBC operates under a decentralized "hub and spoke" marketing model, maintaining a team of dedicated brand management and communications professionals, who manage and safeguard our brand reputation and health.

Digital enablement

Digital banking (online and mobile) and innovation are a strategic priority for RBC. We're building a Digitally Enabled Relationship Bank™ and changing how we work. Changing demographics and rapid advancements in digitization are expected to drive change in client preferences, needs and service models, requiring a greater focus on delivering a digitally integrated, multi-channel experience for our clients and client-facing professionals.

We're collaborating with a diverse set of partners to explore new technology, and investing in the digital ecosystem to help drive the future prosperity and economic success of Canada. We're doing this by:

- Providing an exceptional and secure experience that's available when, how and where it's most convenient for clients
- Using digital channels to better understand our clients so we can deliver solutions tailored to their preferences

- Not just digitizing our existing products, but rethinking how we deliver services and advice
- Investing in innovation that will help drive Canada's future prosperity and economic success
- Working with leading universities to partner with the best, brightest and boldest minds
- Supporting the advancement of machine learning and artificial intelligence in Canada

For more information, see www.digitalatrb.com/.

Data privacy and cyber security

RBC's commitment to retaining the trust of our clients is integral to everything we do. Our commitment is reflected in our dedication to protecting our clients' privacy and safeguarding the personal, business and financial information entrusted to us. This will always be a top priority at RBC. As data privacy and cyber security are of critical importance to creating long-term value for RBC's business, we continually monitor our systems for malicious threats and respond accordingly in an effort to ensure we maintain high privacy and security standards. We continue to advance our cyber defense capabilities to support our business model, protect our systems and enhance the experience of our clients on a global basis by employing industry best practices and collaborating with experts to provide our clients with confidence in their financial transactions.

Data privacy

The RBC Privacy Risk Management program is global in nature; its oversight is managed by specialists in each country where we operate. The Chief Privacy Officer provides the direction and oversight of our Privacy Risk Management globally, including our Privacy Policy. This Policy contains principles that describe how we collect and use client information, how it may be shared

and with whom, and our security practices. We follow comprehensive privacy policies and security practices in compliance with laws, and our rigorous security safeguards and internal controls ensure the privacy and security of information entrusted to us.

Our Privacy Risk Management program is based on the Organisation for Economic Co-operation and Development (OECD) privacy principles, which include cyber security as part of the Security Safeguards principle.

For more information, please visit rbc.com/privacysecurity/.

Cyber security

Cyber security has become an increasingly problematic issue, not only for the financial services sector, but also for other industries in Canada and around the globe. Cyber attacks in the industry are increasing in sophistication and are often focused on compromising sensitive data for inappropriate use or disrupting business operations.

Leading in Cyber Security and Risk is one of the six pillars of our technology strategy. Our cyber security strategy is based on the NIST (National Institute of Standards and Technology) Cyber Security Framework, which has become the industry standard for managing cyber security risk.

The Chief Information Officer provides an annual update on cyber security, including material incidents, to the Board of Directors and the Risk Committee of the Board bi-annually. In addition, Group Risk Management and Enterprise IT executives provide quarterly reports on cyber security risks to the Board.

As the use of online and mobile banking grows, so does the risk of fraud and scams. Banks must protect their clients' information from unauthorized access or use. At RBC, we have stringent privacy practices and use a range of technologies and security mechanisms to ensure the safety, confidentiality and integrity of client information and transactions. We employ advanced technology and security procedures to help protect against unauthorized transactions, as defined in our [Electronic Access Agreement](#).

RBC has stringent security policies and practices, supported by around-the-clock resources to prevent, detect and investigate potential fraud. We have developed and maintain sophisticated systems and processes for ensuring the security of online transactions. For example:

- We have designed our fraud detection systems to detect unusual or suspicious behaviour.
- We require valid documentation as “Know Your Client” identification for accounts opened online.
- We provide a guarantee against unauthorized online or mobile transactions (rbccroyalbank.com/online/online-banking-security-guarantee.html).

In addition, we have automated some of our fraud prevention calls in an effort to reach clients faster regarding their information security and to reduce the potential for any negative impact on them.

For more information on data privacy and cyber security, please see our [Annual Report](#).

Products and services with positive social or environmental impacts

Green products, services and advice

RBC offers green products, services and advice that contribute to environmental sustainability or that empower clients to reduce their environmental footprint or transition to more sustainable business models.

We offer environmental products and services, such as electronic statements, homeowner mortgage and loan products that support improvements in energy efficiency, solar panel financing for homeowners and businesses, socially

responsible investments and advisory, carbon trading and clean energy financing services, and business advice on environmental sustainability. Please see our [Green Products and Services page](#) for more information.

For business clients, the [RBC Greening Your Business Advice Centre](#) offers videos, articles and webinars to assist in discovering the business opportunities in environmental sustainability.

Many regions across North America are experiencing more violent and frequent storms, one of the many emerging realities of climate change. To help protect homeowners, RBC Insurance has developed advice on ways to prevent water, wind and hail damage. Please see the [Insurance Home & Property Insurance Advice Centre](#).

Green bonds

Green bonds have emerged as a popular instrument for supra-nationals, development banks, governments and large corporations to unlock private capital for a variety of growing environmental initiatives. RBC Capital Markets® ensures clients have access to this emerging fixed income product, and has acted as Lead Manager on several green bond issuances with notable global issuers including the World Bank, European Investment Bank and Province of Ontario. RBC Capital Markets signed the Green Bond Principles in April 2014.

Carbon trading

Carbon trading is a market approach to reducing greenhouse gas emissions. Since 2008, RBC Capital Markets has offered carbon trading capabilities for credits traded through a number of regulatory and voluntary markets including the European Union Emissions Trading Scheme (EU ETS), California Cap-and-Trade Program, Regional Greenhouse Gas Initiatives and Climate Action Reserve.

Socially responsible investing

Socially responsible investing (SRI) integrates social values and the traditional investment process, providing a way for individuals to act on their concerns. The 2015 Canadian Responsible Investment Trends Report states that 31% of the Canadian investment industry is made up of SRI assets. Consequently, SRI has emerged as a viable investment approach for Canadians who want to achieve competitive investment returns while ensuring that their money is managed in accordance with certain social and environmental priorities. RBC Wealth Management® (U.S.) and RBC Global Asset Management (RBC GAM) lead our efforts in socially responsible investing.

At RBC, we offer a number of options for individual investors who are interested in SRI.

Canada

- RBC Global Asset Management Inc.'s SRI mutual funds, which include the RBC Jantzi Funds and the Phillips, Hager & North Community Values Funds
- For more information, please visit funds.rbcgam.com/investment-solutions/socially-responsible-investments/index.html.
- Segregated accounts for institutional clients that are managed by the RBC Global Asset Management team on an SRI basis
- A carbon trading desk
- Bankers specialized in solar technology and renewable energy in our RBC Capital Markets group
- A team of specialized cleantech lenders in our Commercial Banking group
- A team responsible for implementing RBC's social finance and impact investing activities

United States

- Our SRI Wealth Management Group has over 30 years of responsible and sustainable investment experience. This group provides personalized SRI services to high net worth individuals and institutional clients across the United States. For more information, please visit rbcwmfa.com/sri/.
- Our RBC Capital Markets Tax Credit Equity Group invests in green affordable housing.
- Our Minneapolis-based RBC Global Asset Management (U.S.) Inc. team manages the Access Capital Community Investment Strategy (which invests in debt securities that support community development across the United States).

Financial literacy

At RBC, we have a meaningful role to play in helping our clients gain a critical life skill by improving their level of financial literacy. We work with our clients and the general public to help them develop the knowledge, skills and confidence they need to make financial decisions and improve their financial well-being. We provide information and advice at all client touchpoints and support not-for-profit organizations that deliver financial education programming. In Canada, our financial literacy outreach is geared to youth, students, newcomers and seniors.

As the financial world grows in complexity, and with consumer debt on the rise, people need to be more knowledgeable than ever about their finances. Yet increasingly, many are having difficulty staying on top of their financial affairs. The financial services industry, and banks in particular, have a critical role to play in helping to increase the financial literacy of consumers of all ages.

In Canada, RBC has been promoting financial literacy since at least 1924, when we developed our first budget book. This was the first of many money management tools that we have created over the years to help clients manage their finances. RBC continues to promote financial literacy — knowledge of credit, debt savings, investment and insurance — to clients, prospective clients and the public at large. Today's tools include websites, online applications, publications and seminars that help clients plan for their financial future.

For clients, consumers and employees, we deliver a number of financial literacy programs, including the ones listed in the table below:

RBC proprietary initiatives	
In-branch advice seminars	We deliver presentations in branches across Canada on topics such as fraud, borrowing, investments and key life events.
Learning Money with Leo	We've designed free, practical and fun tools to help parents teach their children (aged three to six) about the concept and value of money. An iPad app and online printable resources are available.
RBC Better Student Life	We offer online advice to students to help them manage their finances.
RBC banking tutorials for new Canadians	Our online lessons contain helpful information on financial topics, from saving for a child's education to purchasing a car, available in multiple languages.
Debt reduction planner and debt consolidation calculator	We offer free online tools to help Canadians improve cash flow and reduce debt.
Financial advice campaigns	Our advice campaigns feature advice on topics such as debt reduction, using credit wisely, cyber security, whether to buy or lease a car, and tax-free saving. We offer this advice through advertisements, emails, and Twitter+ and Facebook+ postings.
myFinanceTracker®	We've created a customizable online tool that automatically categorizes transactions, tracks expenses and provides advanced budgeting capabilities, empowering personal banking and credit card clients to make sound financial decisions.
Community-based advice seminars	We offer financial literacy seminars for specific community groups on their premises.
Personalized advice	Our highly trained front-line staff deliver personal and financial advice to clients. We have more than 400 branches across the country that, combined, offer advice and assistance in more than 200 languages.
The RBC Advice Centre	Our Advice Centre is an online source of information on financial trends and issues, with calculators, customized tools and advice on saving and investing, everyday banking, business, home ownership and mortgages to help Canadians improve their financial literacy. A "Key Life Moments" portal features specialized advice for students, new Canadians, snowbirds and other groups. We also publish a biweekly email containing advice on financial topics, and send it to more than one million clients. It provides information on such topics as saving for a child's education, using an RRSP for the down payment on a first house and avoiding identity theft.
The RBC insurance Advice Centre	RBC Insurance offers information and online advice to individuals, families and business owners to help them assess their need for personal insurance, retirement solutions, credit protection and business insurance.
Employee financial literacy	A program exclusively for employees with easy-to-understand information about the many resources available. It provides advice and helps employees take action on their financial future and goals.

In addition to our own extensive financial literacy initiatives, we support other initiatives that promote financial literacy around the world.

Initiatives supported by RBC

Canada

YourMoney seminars	RBC employees deliver financial literacy seminars developed by the Canadian Bankers Association in partnership with the Financial Consumer Agency of Canada in classrooms across Canada, helping high school students understand topics such as how to handle credit or start a business.
It All Adds Up (We Act/Free The Children)	RBC developed this program with Free The Children to help students learn key vocabulary for understanding money matters, develop their ability to set and achieve personal financial goals, plan cost-effective fundraisers and more. Students at the elementary level learn to track and analyze their needs and wants, while students at the secondary level create a personal budget to help them begin preparing for life after high school.
Junior Achievement's Economics of Staying in School	RBC contributed more than \$200,000 to this program, which provides seminars and educational materials on career planning and financial awareness.
Canadian Foundation for Economic Education (CFEE) workshops	RBC committed \$100,000 for a workshop series to help recent and established Canadian immigrants improve their economic and financial literacy.
Omega Foundation (SmartSAVER)	RBC supports the SmartSAVER web portal created by the Omega Foundation. This portal helps low income families take advantage of Registered Education Savings Plans and the Canada Learning Bond by providing RESP information to families. It also guides parents in completing the CLB application form, which is forwarded to RBC, where the parent can then open the RESP.
Elsbeth Heyworth Centre for Women	We donated \$20,000 to help empower immigrant women who are survivors of domestic violence by providing them with skills to manage their day-to-day financial affairs.
Edmonton Financial Literacy Society – Making Ends Meet	RBC contributed \$5,000 to provide high-quality financial education to people seeking to become financially solvent.
Wellspring Cancer Support Network	RBC supported the expansion of a financial literacy program for cancer patients through Wellspring, providing tools they need to identify and apply for government programs, understand long-term disability benefits, deal with legal and tax issues and use their financial resources effectively when dealing with a cancer diagnosis.
Centre for Information & Community Services of Ontario	RBC has been supporting the New Immigrant Salon Series since 2011, which includes workshops on financial literacy.
YWCA – skill development	RBC supports the “My Life – My Say” skills-based employment education and financial literacy program, which helps low income, unemployed and underemployed young women assess their personal strengths and chart a realistic course towards meaningful employment and future economic security.
Momentum Community Economic Development Society	RBC supports the Money Matters Program (MM\$), which works with people who are living with mental health and/or addiction challenges to increase their personal financial management skills and move towards more sustainable living.

Initiatives supported by RBC

Caribbean

Junior Achievement RBC donated \$18,800 for programs that show young people how to generate and manage wealth, create jobs and apply entrepreneurial thinking in the workplace.

Bahamas Institute of Financial Services G12 Programme We donated \$2,000 to help promote financial literacy among grade 12 students.

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When we say "RBC" we're referring to all of our businesses and functions around the world.