



RBC Impact Measurement Framework

APPROACH AND METHODOLOGY OVERVIEW



Why an Impact Measurement Framework (IMF)?

RBC is an impact-driven organization and we strive to measure the value we create through our initiatives and investments. In order to do so, we developed an Impact Measurement Framework (IMF) that guides our investment decision-making and enables us to measure and manage our overall impact on society, the environment, the economy, our employees, our brand and our business.

Before the IMF, our measurement approach focused on inputs and outputs, with evaluations tailored to particular funding areas or programs. This gave us a disjointed view of our initiatives and investments that stopped short of long-term impact. The IMF allows us to measure the impact of our initiatives and investments in a deeper and more meaningful way.



THE RBC IMF ALLOWS US TO:



More accurately measure and produce insights about the impact of RBC's initiatives.



Guide better decision-making for future commitments and initiatives.



Provide evidence of the value we create and communicate our impact internally and externally.

¹ Adapted from Global Affairs Canada, Results-based Policy Statement, 2008

Guiding principles

The design, development and implementation of our IMF are guided by these principles:



Simple – Uses common language, and clear processes to facilitate greater adoption by internal and external stakeholders. Clear visualizations and cross-enterprise categorization of initiatives, investments and activities provides consistent aggregation and analysis across the business.



Agile – Builds off methodologies, instruments and tools, and leverages existing data management capabilities and external data where possible—all while embedding a continuous improvement culture to tailor our approach and pivot when needed.



Balanced - Recognizes the importance of quantifying societal impact as well as business impact: a holistic view of an intervention's* impact across all six impact pillars – social, economic, environmental, employee, business and brand.



Additive – Is mutually beneficial, helping our partners understand their program's effectiveness and value to society as much as it helps RBC. This includes timely, efficient and closed-loop reporting back to stakeholders and constituents.



Aligned to the United Nations Sustainable Development Goals (SDGs) – Integrates SDG targets and key performance indicators (KPIs) allowing us to quantify our contributions to the global goals.



Accounts for attribution – Accounts for the role of an intervention in producing the observed results, which informs how we understand our impact internally and how we communicate it externally.



*For the purpose of this document, an "intervention" refers to an initiative, project, or program implemented to address social or environmental issues.

A view of our total impact

The RBC IMF simplifies how we measure impact by aligning our initiatives and investments to six pillars: social, environmental, economic, employee, business and brand. The framework captures the quantifiable benefits across these pillars, recognizing that every one of our initiatives and investments drives impact across multiple areas. This provides one holistic view of the value we add through all of our initiatives and investments across RBC.



Impact areas

Within each of our six pillars, there are various areas where we have impact. Each impact area is connected to outcomes and indicators used to measure the impact of our investments. We leveraged globally recognized external sources and internal management definitions to define our impact areas.

Impact Areas	Definition	Sources
Social		
 Arts and Culture	Creative activity through visual art, theatre/performance, film, music, literature, and dance that contributes to the cultural fabric of a community.	Statistics Canada
 Basic Needs and Human Rights	Access to basic banking services, employment rights, the right to safe and healthy working conditions, access to education, and access to an adequate standard of living.	<ul style="list-style-type: none"> • Universal Declaration of Human Rights (UDHR) • International Covenant on Economic, Social, Cultural Rights • United Nations
 Education, Skills & Training	Access to quality education and vocational training opportunities that build relevant skills.	As informed by the goal, targets and indicators associated with United Nations Sustainable Development Goal 4 .
 Equality & Diversity	Activities that ensure individuals or groups are not treated differently or less favorably, on the basis of their ethnicity, gender, age, national origin, disability, sexual orientation, education, or religion.	Diversity and Inclusion at RBC
 Health & Well-being	Physical, mental, and social well-being.	World Health Organization
 Partner & System Support	Governance, policies, procedures and partnerships that contribute to sustainable economic growth as well as development of markets for products and services that have a positive social impact and strengthen the capacity of our partners.	RBC
Employee		
 Better Citizens	Activities that help RBC employees understand the needs in their communities, access community experiences, and get involved in causes important to them and to RBC, thereby promoting increased connection to community and ultimately resulting in better citizens.	RBC

Impact Areas	Definition	Sources
Economic		
 Employment & Entrepreneurship	Activities leading to job creation and entrepreneurship, including access to funding and financial services for entrepreneurs and business owners.	As informed by goal, targets and indicators associated with United Nations Sustainable Development Goal 8
 Localized Economic Contributions	Positive economic impact of business activities on local communities or geographic areas, including value from operating expenses, compensation and taxes paid, purchase of goods and services, donations, and community investments.	RBC
Environment		
 Natural Resources	Naturally occurring assets - such as minerals, fossil fuels, soil, water, land and biological resources - that provide valuable raw materials and energy for economic activities.	OECD
 Climate change	The effects of rising temperatures, changing weather patterns and extreme weather events caused by human activities that increase the concentration of greenhouse gas emissions in the earth's atmosphere.	RBC Climate Change position statement
Business		
 Business Generated	New business generated including new clients and increased revenue.	RBC
 Client Satisfaction and Retention	The ability to drive client satisfaction, loyalty and retention.	RBC
 Attract, Reward, Engage & Retain Talent	The ability to attract and retain top talent, engage, and reward employees, and strengthen their connection to RBC's purpose.	RBC
Brand		
 Brand Awareness	Awareness of RBC's initiatives among Canadians at large or other pre-determined groups, and attribution of these initiatives to RBC.	RBC
 Reputation	The impact of RBC's investments and initiatives on RBC's reputation and brand perceptions.	RBC
 Consideration	Consideration of non-clients to use RBC products and services or for existing clients to transfer additional business to RBC.	RBC

Alignment to the United Nations Sustainable Development Goals (SDGs)

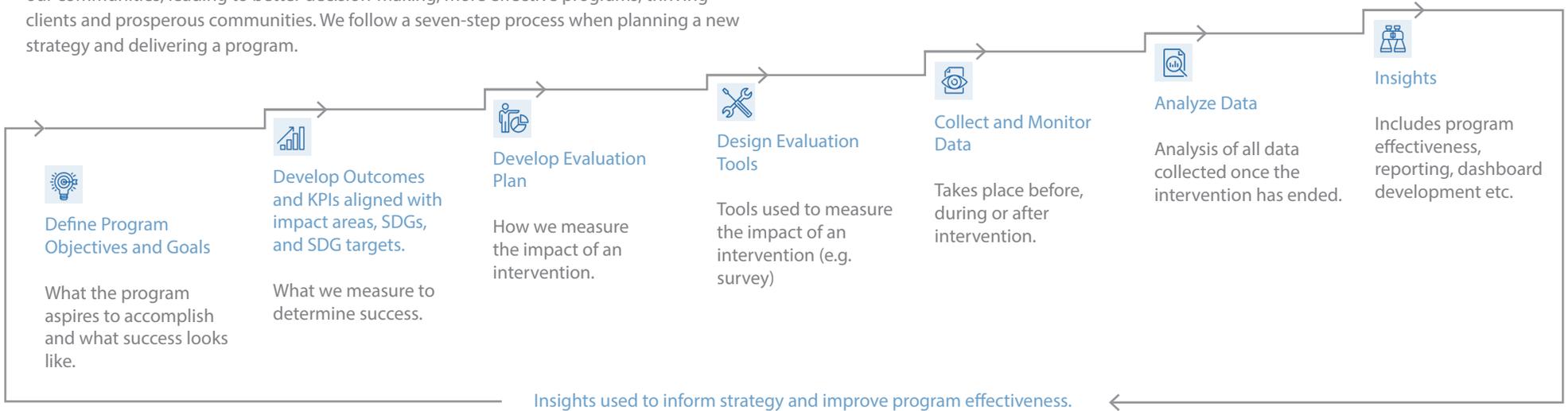
We conducted an extensive review of current best practices in impact measurement to inform the development of our IMF, including the SDGs. We consulted SDG targets and indicators when developing our IMF impact areas, outcomes and KPIs. By aligning to the SDGs, we are able to quantify our enterprise contributions to the global goals. The graphic below shows how we have aligned our framework to the United Nations SDGs.



See the RBC [Community and Social Impact Portal](#) to view our alignment to specific SDG targets.

How we drive insights

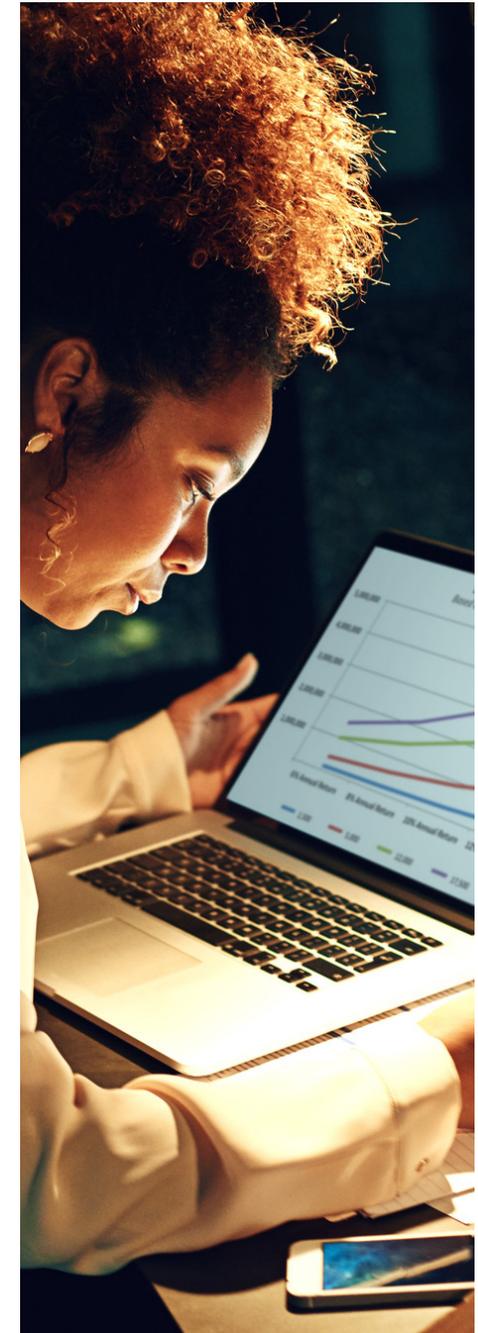
The goal of measurement is to deliver insights to our internal RBC team, our partners, and our communities, leading to better decision-making, more effective programs, thriving clients and prosperous communities. We follow a seven-step process when planning a new strategy and delivering a program.



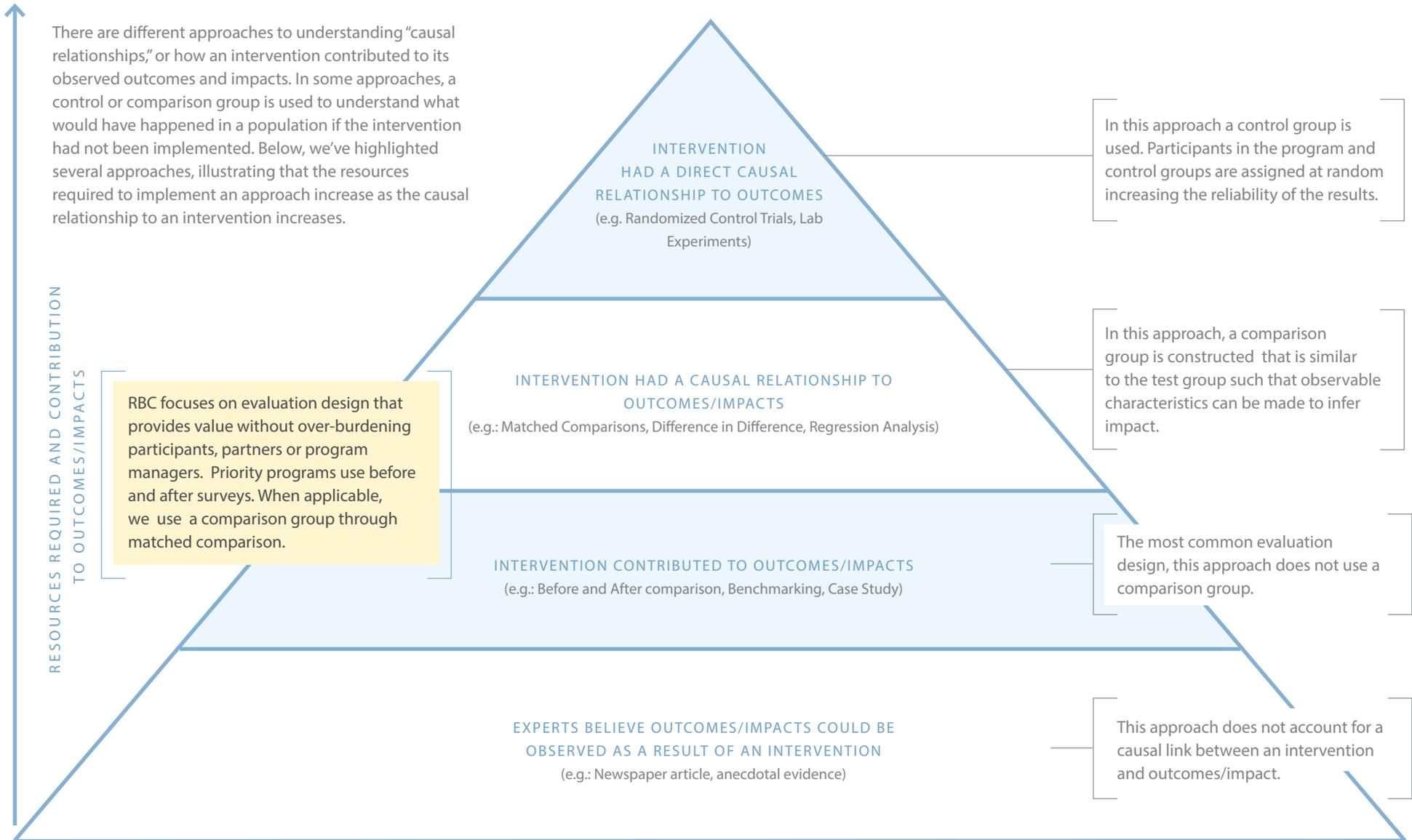
How we measure impact

We use a variety of tools and sources to measure the impact of our investments. These are selected based on the focus area and investment type. We collect data at three levels: the organizational level from charitable partners, the beneficiary level through surveys to the participants of RBC-supported programs and the systems level through external data sources.

 <p>BENEFICIARY LEVEL</p>	 <p>ORGANIZATIONAL LEVEL</p>	 <p>SYSTEMS LEVEL</p>
<p>Participant surveys For select projects, we survey the participants of RBC-supported programs so we hear directly from the beneficiary about their experience in the program.</p>	<p>Charitable partner Year End Reports RBC Foundation charitable partners complete a Year End Report within one year of receiving a grant. In it, they report back on indicators tracked throughout their program. We use this information to inform the impact of the program.</p>	<p>External Data Sources External data sources such as economic and labour force trends help us understand how our programs compare to the national average. We use this as a barometer for success.</p> <p>For some projects, we use national data as a comparison group by comparing the results of our beneficiaries to the results of a similar demographic.</p>
<p style="text-align: center;">THIRD PARTY ADVICE</p> <p style="text-align: center;">We consult third party experts to advise on the development of outcomes, key performance indicators, measurement tools and evaluation design.</p>		



Evidence-based insights



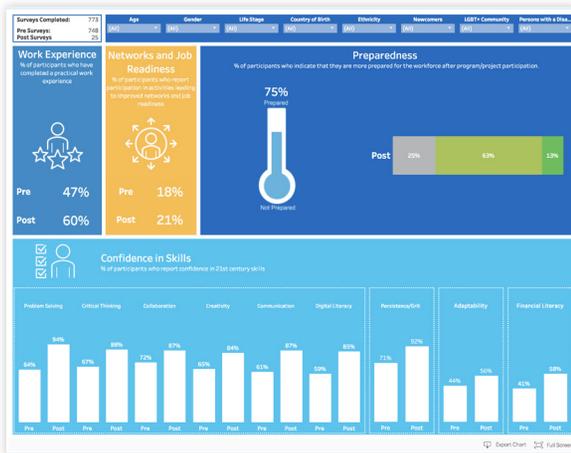
How we use the IMF

The IMF gives us a deeper understanding of the impact of our initiatives and investments. Through the IMF, we glean meaningful insights, make more informed decisions about programs, partners and strategy, and we share our insights externally with our partners and the community.



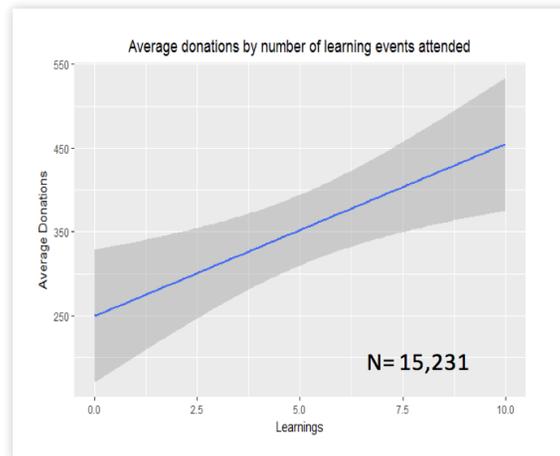
INSIGHTS

Use insights derived from our data to direct new strategies and improve program effectiveness for existing programs.



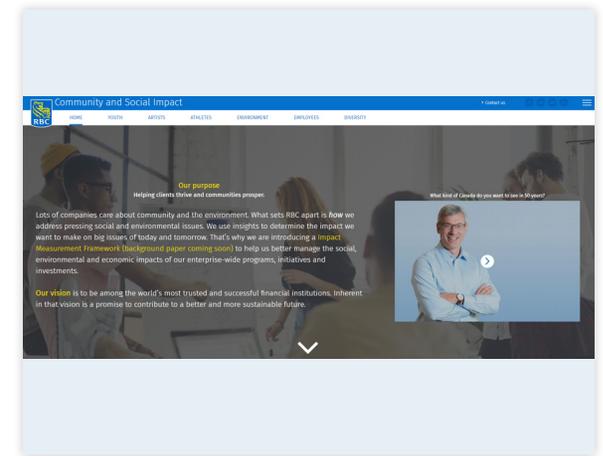
DECISION-MAKING

Collect and analyze data to help guide decision-making.



COMMUNICATION

Share our results externally on the RBC Community and Social Impact Portal. www.impact.rbc.com



Glossary of Terms

Term	Definition	Source
Investment	Financial and non-financial resources provided to achieve impact.	RBC Definition
Initiative	An initiative has a specific objective, with a defined beginning and end.	Ontario Trillium Foundation
Intervention	An initiative, project, or program implemented to address social or environmental issues.	RBC Definition
Program	A summation of projects that are focused on outcomes, benefits, and achievements.	Leading Strategic Initiatives
Project	A summation of tasks and activities that are focused on an output and / or deliverable with a defined beginning and end.	Leading Strategic Initiatives
Activity	The processes, tools, events, technology and actions that are an intentional part of a program or project's implementation.	MaRS Centre for Impact Investing