

Royal Bank of Canada

Enterprise Diversity & Inclusion Report

2019



About this Report

Scope

The Enterprise Diversity & Inclusion Report (the “Report”) includes information about Royal Bank of Canada (RBC, we, ours or us) and its operations in Canada, the US, the British Isles and Europe.

This Report sets out a comprehensive view of our diversity and inclusion (“D&I”) priorities, programs and performance that demonstrate our respect for and appreciation of differences in identity such as age, gender, ethnicity, national origin, sexual orientation, disability, indigenous status, gender expression/identity, education, religion and other dimensions that are intrinsic to who we are. We showcase global information, where possible, and regional information in our material operating geographies. We recognize that each region faces different challenges in driving equitable opportunities for under-represented groups. As such, we have tailored our programming to address the challenges relevant to our business and operating environment. We may use different nomenclature to describe the demographic groups relevant to regional requirements. Background papers and supplementary information on the policies, procedures and programs are available at rbc.com/community-social-impact and rbc.com/diversity-inclusion.

Reporting period

All data and other statements contained in this Report are current as of the 2019 fiscal year (November 1, 2018 to October 31, 2019), unless otherwise noted. In many cases, we have provided data for fiscal 2019 as well as the two preceding years to provide a view of trends in our performance.

Currency and measurement

All amounts in this document are in Canadian dollars unless otherwise noted.

Stakeholders

This Report is published for all stakeholders of RBC worldwide. Our stakeholders include current and prospective clients, investors, employees, the socially responsible investment research community, suppliers, governments, regulators, non-governmental organizations (NGOs) and community organizations.

Accountability is one of RBC’s Values, which underpin our principles-led organization. We are accountable to our stakeholders and provide relevant disclosure on topics that matter to them. We use data-driven insights to drive better decision-making and effective programs that remove barriers, provide equal opportunities and deliver the most value for their beneficiaries. This transparency is intentional and supported by our efforts to improve our programs, policies and initiatives to deliver on our ambitious goals.

D&I Highlights

Leadership

46%

of our executives are women.* That’s an increase of 8% in just under five years.

Employees

90%

believe management supports diversity in the workplace: recognizing, respecting and leveraging differences.**

Awards



REFINITIV 
TOP 100 COMPANY 2019
Diversity and Inclusion Index



Suppliers

28%

of our supplier spend in the US in 2019 was with diverse suppliers.†

Community

\$26M

of our donations portfolio in Canada was attributed to D&I-related commitments.

* Represents employees in our business in Canada that self-identify as women, which are governed by the Employment Equity Act (Canada).

** Based on employee responses in our annual Employee Opinion Survey (EOS), administered by Willis Towers Watson.

† Certified Diverse Suppliers receive certification from the following organizations: CAMSC, CCAB, CGLCC, IWSCC, WBE Canada, NMSDC, NGLCC, NVBDC, WBENC, MSDUK and WeConnect International UK. Self-Declared Diverse Suppliers are identified in the RBC supplier registration process and include US-based small businesses.

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Our vision in practice



Dave McKay
President & CEO, Royal Bank of Canada

“We don’t view inclusivity as optional. It underpins our culture at RBC, helping us attract top talent, driving innovation and growth, and fueling our ability to create value for our clients and communities.

But we also know that being a diverse and inclusive company takes commitment. It requires leadership to speak up and the will to have the uncomfortable conversations needed to truly drive change. We’re proud of the progress we’ve made to date and will continue steadfast along this journey to make our workplaces and communities more inclusive and welcoming for everyone.”

Our diversity and inclusion (D&I) vision is to be among the most inclusive workplaces and successful companies, putting diversity into action to help employees, clients and communities thrive. Diversity and growth are not just integrated, but inseparable. This belief is at the heart of RBC’s Value of “Diversity & Inclusion – We embrace diversity for innovation and growth”.

D&I is more than just a [Value](#); it’s our strength. It’s one of the ways we bring RBC’s purpose of “Helping clients thrive and communities prosper” to life. Companies thrive when they are open to new ideas and new people. As do economies and our world. That is why the world’s most innovative businesses, cities and economies are the most diverse.

For us, diversity has long been a gateway to the world, and to success. At a time of both challenges and opportunities in the world, rather than turn inward, we believe that there’s a growing need to shine a light on diversity and inclusion. We believe a powerful recipe for success is the combination of what each of us brings as unique individuals together with a common purpose and goals. That leads to new insights and innovation.

By coming together and sharing our unique perspectives, we grow as an organization and as individuals. This helps RBC attract and retain the best talent. And it helps us better serve and meet the needs of our increasingly diverse client markets. We continuously and consciously create opportunities for our diverse workforce to collaborate, foster new ideas and unlock each other’s potential.

Our diversity and inclusion priorities, objectives and commitments are guided by three key areas that form the [Blueprint](#) of our effort:

Employees

- Attracting, developing and enabling a diverse and inclusive workforce to drive better decision-making. To increase the diversity and inclusion of our workforce, we must create equitable opportunities for all employees to reach their potential, regardless of personal identities. This requires the active and visible engagement of inclusive leaders who can profile issues, lead new approaches and champion solutions.

Clients

- Providing personalized advice and solutions that reflect the diversity of clients. We strive to provide exceptional client experiences, including best-in-class financial solutions, advice and services to all our clients. We also believe that our business clients can achieve more success through leveraging diversity, and we are committed to being a catalyst within the business community.

Communities

- Helping communities prosper by providing ongoing support through research, partnerships, volunteerism and sponsorships. We recognize and believe that our success depends on the health and prosperity of the communities where we live and work.

For more information on the long-term value we create for our stakeholders, refer to our [2019 Environmental, Social and Governance \(ESG\) Performance Report](#).



Board diversity and leadership

The RBC Board of Directors (the Board) is committed to D&I at all levels as it gives RBC access to a wider pool of talent and drives creativity, innovation and growth.

RBC plays a leadership role in promoting board diversity in corporate Canada. We were one of the first signatories of the 2012 Catalyst Accord, a call to action to increase the representation of women on Boards in corporate Canada. Women make up 43% of the Board, as of February 11, 2020, including the chair of the Board. RBC is also a founding member of the Canadian chapter of the 30% Club, which has an objective of 30% women on boards by 2020. To assist in meeting our diversity objectives and ensuring there are no systemic barriers or biases in our policies and practices, the Board has approved the Board Diversity Policy. The Board currently has a diversity goal of ensuring at least 30% of directors are women.

Representation on our Board of Directors*	% Women
Canada	
Directors of Royal Bank of Canada**	43%
Directors of RBC Dominion Securities Inc.	20%
Directors of RBC Global Asset Management Inc.	29%
Directors of RBC Investor Services Trust	71%
Directors of RBC Life Insurance Company	33%
Directors of Royal Bank Mortgage Corporation/Royal Trust Corporation of Canada/The Royal Trust Company	43%
United States	
Directors of RBC US Group Holdings LLC	33%
Directors of City National Bank	33%
Directors of RBC Capital Markets LLC	0%
British Isles and Europe	
Directors of RBC Europe Limited	37%
Directors of RBC Investor Services Bank S.A.	0%
Directors of Royal Bank of Canada (Channel Islands Limited)	29%

* Includes a subset of RBC's subsidiaries that are internally ranked as warranting the highest governance standards and oversight based on regulatory complexity, reputational risk and size – known internally at RBC as the “Level 1 subsidiaries”. This list excludes three Level 1 Caribbean subsidiaries.

** As of February 11, 2020

Every year, the Governance Committee of the Board completes a self-assessment that measures, among other things, its effectiveness in guiding the Board toward its diversity objectives. It also reviews the Board's composition and any anticipated vacancies in light of our Board Diversity Policy and objectives. Gender and non-gender diversity, including diversity in age, geography, background and ethnicity, are important factors that the governance committee always considers.

In regard to subsidiary governance, RBC takes an enterprise-wide approach. The Board and its committees oversee subsidiary governance at the enterprise level, and the governance committee coordinates this oversight.

Diversity of the RBC executive team

Diversity is integrated into our approach to talent management. We consider all dimensions of diversity, including gender and non-gender representation, when we hire and promote executives and senior managers, including the CEO and executive officers reporting to the CEO (the Group Executive). We do not establish specific diversity targets at the Group Executive level due to the small size of this group and the need to carefully consider a broad range of criteria, most importantly, the appropriate matching of business needs to drive long-term value for our stakeholders and the proven skills and capabilities of new appointees.



† Represents employees in our business in Canada that self-identify as women, which are governed by the Employment Equity Act (Canada).

‡ Statistics Canada

Workforce composition

We have made significant progress on diversity and inclusion within our global workforce, and this is reflected in the representation of women and minorities at all levels of the organization, summarized below. While we are encouraged and inspired by our progress to date, we recognize there is more work to be done. We remain focused on advancing diversity across our organization, particularly in leadership representation among diverse groups.

Enterprise workforce

Performance metrics	Targets	2019	2018	2017
Total number of employees	-	85,193	84,263	80,504

Canadian workforce

Performance metrics	Targets	2019	2018	2017
Women	-	58%	58%	59%
Women in middle management and above	-	45%	45%	45%
Women executives	48% ¹	46%	45%	44%
Minorities ²	-	37%	36%	35%
Minorities in middle management and above	-	39%	38%	36%
Minority executives	19%	19%	20%	17%
Persons with disabilities overall ³	-	7%	7%	7%
Persons with disabilities (Employment Equity) ⁴	4.7%	3.6%	3.7%	4.1%
Indigenous Peoples ⁵	1.6%	1.3%	1.3%	1.4%
LGBT+ ⁶	2.0%	1.7%	1.3%	1.1%

¹ In FY18 our target was 45%. Our multi-year goal is 50% women executives.

² In Canada, minorities are defined as persons (other than Indigenous Peoples) who are non-Caucasian in race or non-white in colour. Based on employee self-identification.

³ Total percentage of employees in Canada who self-identify as having a long-term or recurring physical, mental, sensory, psychiatric or learning impairment.

⁴ Proportion of employees in Canada who self-identified as persons with disabilities and who also (a) consider themselves to be disadvantaged in employment by reason of that impairment, or (b) 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 (see the Employment Equity Act (Canada)).

⁵ Based on employee self-identification. 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.

⁶ According to [Statistics Canada](#) from a survey conducted in 2014, 1.7% of Canadians aged 18 to 59 considered themselves to be homosexual (gay or lesbian), and 1.3% considered themselves to be bisexual. We are setting a goal for 2.0% to meaningfully move the dial on LGBT+ representation in the workplace.

Our D&I operating model

We follow a “hub and spoke” operational approach to managing our D&I strategy, programs and performance using a decentralized organizational model that reflects our belief that D&I should be embedded in each part of our business. Our model for D&I is governed by our Global Diversity Leadership Council (DLC) and supported by our platform/business unit DLCs, our D&I centres of excellence, all aspects of Human Resources (e.g. Recruitment, Learning & Development, Employee Relations, Compensation, Leadership Development, HR business partners) and our employee resource groups (ERGs).

The Global DLC, established and chaired by the president and CEO since 2001, sets our vision for diversity. It comprises senior executives from across businesses and functions, and representatives from our ERGs. The Global DLC helps ensure RBC is making measurable progress in achieving its diversity goals. In addition, most business units have their own DLCs to help align strategies and advance D&I regionally. As part of DLC meetings, employee representatives from our ERGs are regularly invited to discuss opportunities and barriers to inclusion.

Our global centre of excellence (CoE), led by a senior director and supported by the senior vice president of leadership development, drives the nodal network of D&I leaders, ambassadors and supporters; and sets the strategy and goals for D&I across the enterprise. Our D&I CoEs are supported by teams across the enterprise and platforms, including Inclusive Recruitment, Workplace Accommodation, Learning & Development, Compensation, Employee Relations, HR business partners, HR initiative managers, Brand, Marketing, Communications, Corporate Citizenship, Procurement, Operations and other functions.

Global DLC



Chair
Dave McKay
President & CEO

DLC Composition

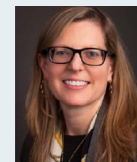
53% Women
47% Men
24% Minorities



Helena Gottschling
Chief Human Resources Officer



Nadine Ahn
Senior Vice President
& CFO,
Capital Markets Finance



Jules Andrew
Senior Vice President,
Enterprise Operations
& Payments



Amy Cairncross
Senior Vice President,
Communications



Alison Chick
Vice President,
Health and Wellness
Ventures



Cam DesBrisay
Executive Vice President,
Wholesale Credit Risk



Gopal Bansal
Senior Director,
Global Diversity &
Inclusion



Rino D'Onofrio
Head,
Canadian Insurance
Business



Rebecca Louzado
Director,
Cultural & Community Marketing
RBC NextGen (ERG Rotation)



Neil McLaughlin
Group Head,
Personal & Commercial Banking



William Onuwa
Chief Audit Executive



Kelly Pereira
Senior Vice President,
Leadership Development



Stacey Petersen
Senior Director,
Strategy, Direct Investing
RBC Pride (ERG Rotation)



Patti Shugart
Managing Director & Head,
Corporate Banking & Global Credit



John Stackhouse
Senior Vice President,
Office of the CEO



Damon Williams
CEO,
RBC Global Asset Management

The power of our ERG network

We believe ERGs create a sense of belonging in order to empower our employees, allowing individuals to bring their best self to work. It is a platform for our employees to connect with colleagues across the organization and the globe as shown here.

DLCs and ERGs across the organization

RBC Diversity Leadership Council (DLC)

Dave McKay, President & CEO and RBC DLC Chair

Business/Function DLCs



ERGs

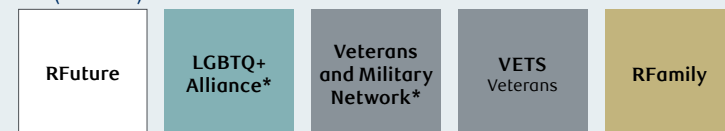
Canada



US



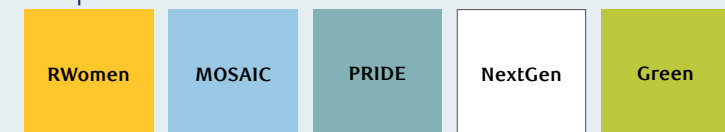
US (Cont'd)



UK



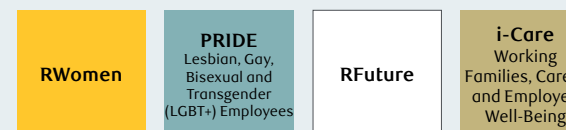
Europe



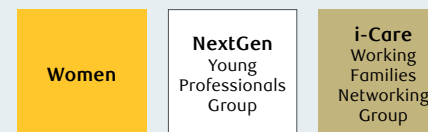
International



Channel Islands



Caribbean



- Women ERG
- Minorities/People of Colour ERG
- Persons with Disability (PwD) ERG
- LGBTQ+ ERG
- Indigenous Peoples ERG
- Gen Y & Z ERG
- Working Families ERG
- Veterans ERG
- Environmental ERG

* The groups depicted are part of City National Bank's colleague resource groups (CRGs).

The DLCs across all our regions are committed to embedding D&I into all business units. They are cross-platform senior management forums charged with establishing our strategy and focus. DLCs determine key goals and ensure specific initiatives are implemented to address the needs of RBC employees, clients and the communities where we operate. Over 250 senior leaders from across our business units are members of our DLCs.

At the grassroots level, our ERGs bring employees together and provide a forum to help them develop both personally and professionally by providing access to networking and professional development opportunities, support for recruitment and retention efforts, mentoring, and engagement with the community. They create a more inclusive, cohesive culture and connect employees with their colleagues, clients and the community – driving a sense of belonging and an inclusive culture. Each of our ERGs has an executive sponsor and includes a mix of employees across management and non-management roles. We're now 41 ERGs strong, representing nearly 27,000 participants globally. This is an increase of approximately 2,000 members from 2018 to 2019.

Policies and practices

RBC has a comprehensive set of policies and practices related to employment equity, equal opportunity and anti-discrimination. We proactively review and update these policies to set global best practices, and address emerging or evolving issues and regulatory changes. The company-wide diversity-focused policies and practices include the [RBC Code of Conduct](#), Respectful Workplace Policy, RBC Equal Employment Opportunity Policy, RBC Accommodation Policy, Compassionate Leave Policy and RBC Workplace Accessibility Guidelines. To support a more relaxed and inclusive workplace culture, we also introduced a new “dress for your day” policy. For more information about our policies and programs, please see our [About Value for Employees](#) background paper.

RBC is committed to equality and has implemented a number of initiatives that support parents and an expanded family care and maternity leave in the US.* For example, we implemented a parental buddy program that connects existing parents with expectant parents to provide guidance and support, and a partnership with Milk Stork, a breast milk service that provides cooler kits for



transporting or sending breast milk when a mother is travelling for work. In CNB, effective January 2020, we significantly increased our parental leave policy, and doubled our adoption benefit. In RBC Wealth Management® US (US WM), we doubled the maximum financial advisor leave of absence payout in 2020.

* Excluding City National Bank

Performance measures and compensation tied to diversity initiatives

RBC's annual performance enablement process assesses employee effectiveness against the RBC Leadership Model, which includes these two behavioral pillars: "Speak up for the good of RBC" and "Unlock the potential of our people". These pillars consider whether employees demonstrate leadership behaviours such as "Building trust by being inclusive, candid and sincere" and "Drawing out and valuing diverse views".

Diversity metrics are embedded in leadership goals across the company. For example, in US WM, diversity is one of 15 defined criteria for the discretionary portion of the annual bonus for each complex and branch director. This discretionary portion represents 25% of the total bonus pool, and the results are determined solely at the discretion of management based on all defined business factors. US WM also has three internal D&I awards, with monetary incentives, to recognize employees whose activities or behaviours demonstrate outstanding D&I contributions.



Our D&I objectives

Employees

- Building and maintaining a pipeline of diverse leaders
- Supporting our commitment to pay equity
- Driving inclusion across our workforce

Clients

- Embedding D&I in our business operations

Communities

- Strengthening social and economic development through partnerships

Building and maintaining a pipeline of diverse leaders

Our D&I vision is to be among the most inclusive and successful companies, putting diversity into action to attract, retain and enable the best talent and increase leadership diversity. We challenge unconscious bias in our staffing, hiring and talent review processes, and embed diversity goals in our recruitment and staffing practices. Our approach involves setting representational goals at both the enterprise and business unit/platform levels and establishing clear accountabilities to reach goals, assess gaps and develop holistic strategies to meet and sustain objectives. We are committed to meaningfully improving women and minority executive representation across our businesses.

To reach our targets for diverse representation in executive positions and new executive appointments, we are strengthening our pipeline of top talent and driving inclusion at all position levels. In order to do so, we set targets and goals to strengthen diverse representation in senior roles, including 50% of our vice-president and above appointments going to women and 20% to minorities. In 2019, 40% were women, and 27% of our new executive appointments were minorities. To support the development of a strong pipeline of top talent, we deploy various programs, initiatives and policies, which include:

Leadership development programs for women and minorities

- **Women in Leadership** is a 10-month program we offer to high-potential women leaders. It provides accelerated, intensive training to enhance their leadership

For more information on our programs and initiatives in the US, the British Isles and Europe, please refer to RBC in the US on page 21 and RBC in the British Isles and Europe on page 28.

capabilities. The objective is to accelerate them to executive roles. Since its inception, 175 women have completed the program.

- The **Ignite Leadership Development program** is a 10-month program designed for high-performing, culturally diverse talent aimed at accelerating their trajectory to senior management. To date, over 50 diverse leaders have completed this program. Through the Ignite program, we address common challenges, provide opportunities to develop and practice key leadership behaviours and enable cross-enterprise networking with peers and senior leaders. It also includes formal coaching by an external executive coach and the opportunity to leverage skills and gain experience by partnering with a charity to solve their biggest business challenges.
- To prepare our early-in-career talent for leadership roles, RBC hosted **Early in Career Women's Dialogues**, a leader-led interactive workshop with 100 women, featuring authentic and candid stories from executive women at RBC and lessons from top women leaders from around the world. The program focuses on forging a personal path to success, taking ownership of their voice, network and career, and gaining the confidence to step up to lead. Learnings continue through quarterly calls with senior leaders for mentorship and to drive ongoing conversations.

2019

40%

of executive
appointments
were women*

27%

of executive
appointments
were minorities*



* Based on employee self-identification. Compared to our goal of 50% women executive appointments and 20% minority executive appointments.

- **RLaunch** is a global program that offers permanent roles to women returning after a period of voluntary absence from the capital markets industry.

Outreach and recruitment of women and minorities

- The two-year RBC **Leadership Development Program** builds a pipeline of future leaders, targeting associates from various Master's programs. The current associates in the Enterprise, Personal & Commercial Banking (P&CB), Finance, Risk, and Audit streams comprise 50% women and 58% minorities.
- We collaborate with multiple organizations across Canada to support the integration of newcomers into the workforce. In 2019, we hosted and participated in 16 newcomer events, offering mentorship, coaching and career development advice to over 1,500 new Canadians.
- In partnership with ACCES Employment, we delivered an RBC webinar series providing job search and financial literacy advice to pre-arrival immigrants. The 16 employment and career related webinars generated over 3,200 registrations globally.
- We continue to participate in the Career Edge – Internationally Qualified Professionals internship program for newcomers. In 2019, we provided 32 newcomer internship work experiences at RBC, and 14 interns received permanent job offers with us after the internship.



Outreach and recruitment of persons with disabilities

We continue to develop strong partnerships with a number of external organizations to ensure we take a meaningful approach to recruiting employees with visible and invisible disabilities.

- Some of our recruitment partners include CCRW, Career Edge, The Bennett Edge, Specialisterne, Spinal Cord Injury Ontario, CMHA – Canadian Mental Health Association, Ready, Willing&Able and Abilocity. We also partner with over 20 accessibility offices on campuses to promote RBC's commitment to hiring persons with disabilities.
- In 2019, we created RBC's own **Diversity Works Here** event series to invite candidates to RBC to meet with our recruiters and hiring managers. Over 200 professionals and students with disabilities participated in our events for persons with visible and invisible disabilities.

Diversity in talent acquisition and retention

Challenging unconscious bias in staffing, hiring and talent review processes

Hiring

Employees hired in 2019*:

50% **35%**
women minority

Promotion**

Employees promoted in 2019*:

54% **40%**
women minority

* Represents employees in our business in Canada, which are governed by the Employment Equity Act (Canada).

** Promotions represent an action of moving an employee to a higher position or rank.

Outreach and recruitment of Indigenous Peoples

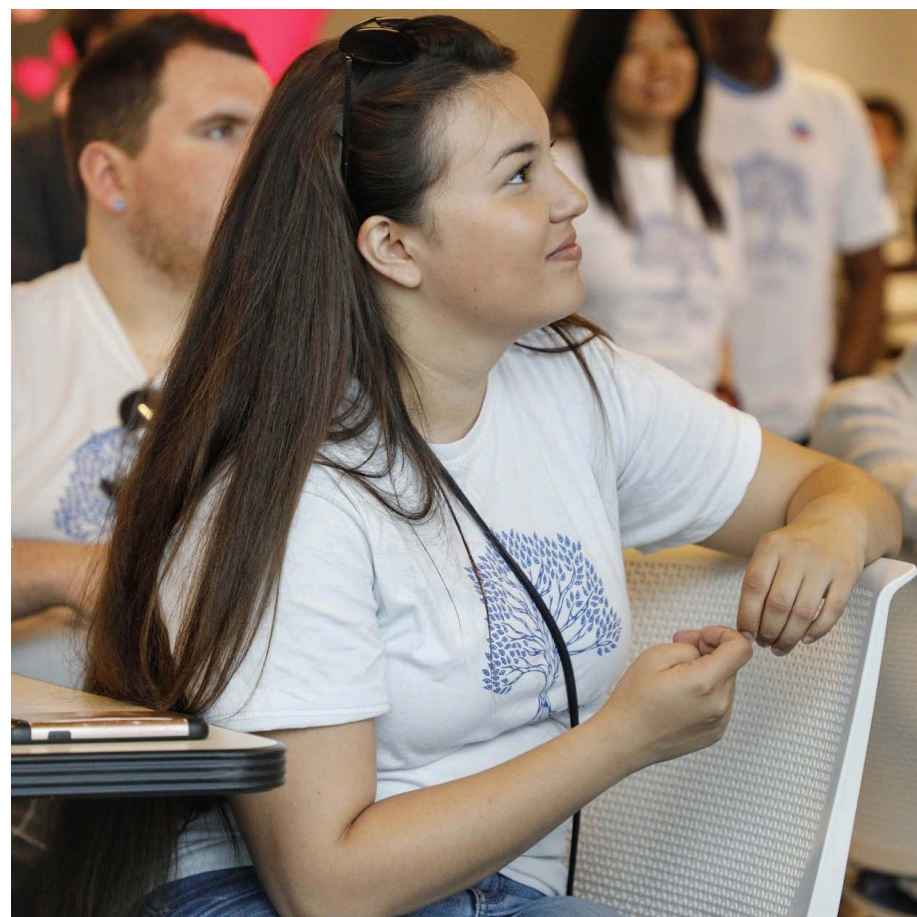
Removing barriers for Indigenous Peoples continues to be one of our priorities.

- We leverage a strategic program called **Pursue Your Potential (PyP)** to offer support to our Indigenous employment candidates. PyP gives candidates access to a recruitment coordinator who will assist with resume and interview coaching, and provide useful information to facilitate the job search. To date, 87 Indigenous employees have been hired through this program.
- The **RBC Indigenous Summer Internship Program (ISIP)** offers on-the-job experiential learning and training to Indigenous students enrolled in post-secondary education. In 2019, the program employed 32 student interns; four were offered permanent positions. Since the program's inception, RBC has hired 321 Indigenous interns, and more than 24 interns got permanent roles. In 2019, to attract students to the ISIP Program, we participated in various student recruitment fairs including:
 - University of New Brunswick
 - Fanshawe College Career Panel
 - Wilfred Laurier University Student Employment Session
 - St. Mary's University Student Employment Session
- In 2017, we launched the **Indigenous Peoples Development Program** to recruit recent graduates who self-identify as Indigenous (First Nations, Inuit or Metis) Peoples of Canada. The two-year experiential learning program helps them develop the skills and network they need to build their professional experience, with the opportunity to gain exposure to different aspects of finance, auditing, risk management, technology, marketing or human resources. In 2019, we hired nine additional individuals, for a total of 25 associates taking part in the program by June 2020.

Outreach and recruitment of LGBT+

We are a proud long-term supporter of LGBT+ rights in our workplace and in the community. We're committed to ensuring employees can bring their true self to work, and that they feel comfortable doing it.

- Our online recruitment application system has the option for LGBT+ individuals to self-identify to receive more targeted recruitment assistance where needed.
- Our benefits for employees includes a spouse or partner of the same or opposite sex.*
- **Proud Partnership Program (P3)** is a six-month mentorship program for LGBT+ employees and allies to provide an opportunity for a deepened sense of belonging, engagement and career planning through connection and positive interaction.



* Applicable to some regions in the Caribbean that RBC operates in.

Supporting our commitment to pay equity

We are committed to the principles of gender equity in pay and we undertake actions to prevent pay disparities between men and women performing work of equal or comparable value. We conduct gender-based compensation analyses as part of our annual compensation review processes, and review pay differences, taking into consideration factors such as position level and tenure, business or function, and geography, all of which may contribute to differences in pay between men and women. We address any gender-based concerns identified in the year-end pay decision-making process through pay adjustments, where we identify that individual factors do not explain a difference in pay. Outside the annual compensation review process, we review compensation when we move employees to new roles, taking into account external and internal pay benchmarks and the skills and experiences the new incumbent brings to the role. In addition, we complete gender and pay equity analyses and filings annually, where required, to comply with Canadian federal Employment Equity legislation, provincial and federal Pay Equity legislation. Since there are a number of variables that are considered in establishing pay levels, we periodically carry out statistical analyses to eliminate factors that may explain variations in pay, including levels of proficiency and performance, education, accreditation and role accountabilities, in order to surface gender-based pay differences.

In 2019, we began leveraging a business intelligence tool to help us determine the weight of variables that contribute to pay differences and, once adjusted for, identify if and where pay inequity exists across our Canadian, US⁷ and UK⁸ operations. We assessed employees⁹ across different types of compensation (i.e. fixed salary, bonus, equity or commissions).

The table below describes our adjusted median pay differences (women's remuneration as a percentage of men's remuneration)¹⁰ for federally regulated employees in Canada governed by the Employment Equity Act.

Employee position group	Median remuneration (adjusted) of women as a percentage of men's ¹¹	Representation of women in position group
Vice presidents and senior vice presidents	97%	46%
Senior management	98%	44%
Management and experienced professionals	98%	59%
Administrative and operational employees	101%	78%

We are committed to closing the gaps and are taking the necessary steps to further analyze contributing factors and make appropriate adjustments. As we mature our pay equity analytics and enhance our systems and business intelligence tools, we will deepen our insights into areas of opportunity and implement appropriate, enterprise-wide measures to address contributing factors. With accessible insights, coupled with relevant and timely education and communication, we will continue to strengthen equity across our organization, reduce subjectivity in our processes and further mitigate the risk of biases.

⁷ Excluding City National Bank.

⁸ Excluding Blue Bay Asset Management.

⁹ To perform our analysis, we needed to exclude select populations to drive accuracy, including part-time employees, contingent workers, contract workers, individuals on long-term leaves of absence, individuals on unique multi-variant incentive plans that span multiple years and individuals going through phased-in retirement.

¹⁰ The difference in median compensation between men and women, adjusted for observable personal and occupational characteristics, including platform, position level, age, geography, RBC tenure, people manager tenure, etc.

¹¹ The median remuneration (adjusted) of women as a percentage of men's remuneration values stated above include the following forms of compensation: salary, bonus and equity (share value at grant date). It does not include supplementary or commissions-only employees. We adjusted for RBC tenure, position level, platform, age, region and people manager tenure. We did not adjust for education, certifications or performance. Information presented is for fiscal year 2018, our last completed payroll year that captures bonuses paid and equity granted after fiscal year-end. It represents employees in our business in Canada, is governed by the Employment Equity Act. Excludes ~1,600 employees in the federally regulated RBC Capital Markets® and RBC Investor & Treasury Services® entities due to the use of incomparable position groups.

Driving inclusion across our workforce

Diversity, inclusion and bias can be uncomfortable topics. Often the best way to navigate these complex ideas is through honest and open conversation. None of us has all the answers, but we can remain curious and ask questions without relying on assumptions or jumping to conclusions. In order to speak up for inclusion, we need to speak about inclusion.

Across our global workforce we strive to further strengthen the inclusiveness of our culture and develop inclusive leadership capabilities. This means putting the hard issues on the table to rapidly accelerate awareness and develop leadership skills for building an inclusive team environment. We are committed to addressing

these areas by creating opportunities that empower people to be aware of and accept others, and by fostering an inclusive culture so people can bring their whole selves to work and contribute their ideas, experiences and talents to the fullest.

We want our employees to feel valued, to experience a sense of belonging and to feel safe to speak up without fear of retaliation or reprisal. To gauge our effectiveness, we monitor key categories of inclusivity from our annual Employee Opinion Survey (EOS) administered by Willis Towers Watson. We are committed to taking quick action to address any emerging gaps or concerns revealed through our survey results.

Performance metrics	Target	2019	2018	2017
D&I Index score ¹²	↑	87	86	85
I am treated with respect at RBC	↑	92	92	91
It is safe to speak up	↑	80 ¹³	79	77
Management supports diversity in the workplace: recognizing, respecting and leveraging differences	↑	90	89	88
My manager solicits diverse perspectives as a way to uncover good ideas	↑	83	82	81
Employee Engagement Index score ¹⁴	>82	86	86	85
Men	↑	86	86	85
Women	↑	86	86	84
Minorities ²	↑	86	86	86
Persons with disabilities ³	↑	82	82	81
Indigenous Peoples ⁵	↑	87	85	84
LGBT+ people	↑	83	82	83

¹² Our Diversity and Inclusion Index score is a measure of fairness, openness, diversity support and flexibility as evidenced in employee responses to select items in the annual Employee Opinion Survey, completed by >92% of our global workforce and administered by Willis Towers Watson.

¹³ Five points higher than Willis Towers Watson's high-performing company benchmark.

¹⁴ Engagement is a measure of employee alignment, commitment and enablement as evidenced by employees' responses to select questions in the annual Employee Opinion Survey, administered by Willis Towers Watson. Willis Towers Watson's high-performing-company benchmark for employee engagement was 82 in 2019.

We increased our Diversity and Inclusion Index score for the second consecutive year to 87 in 2019, and have increased our Employee Engagement Index score by at least one point across all diverse segments since 2017. The Diversity and Inclusion Index score is a composite of seven items on fairness, openness, flexibility and managerial support as measured through our EOS. We believe it's critical to measure how our employees feel about their work environment: whether they feel it's safe to speak up and whether they are treated with respect. Cultivating a culture of psychological safety leads to engaged employees who fuel our success.

Inclusion starts with an individual's sense of belonging, and extends to the workplace and the atmosphere we create for our employees. As an employer, we have a critical role to play by engaging our employees on, and advocating for, inclusion. That is why we are focused on ensuring high employee engagement across all segments. Our Employee Engagement Index score is a measure of employee alignment, commitment and enablement, also measured through EOS results.

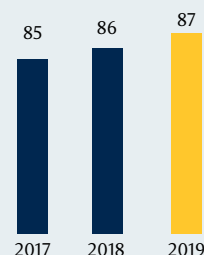
Advocacy

To promote ongoing, thoughtful dialogue about inclusion, we invited people to have a frank conversation about inclusion, on camera. The discussions highlighted that many misconceptions are still prevalent when it comes to gender (including identity and expression), race, religion, sexual orientation and ability. But when we acknowledge and address our conscious and unconscious biases, we open the door to real conversations. Our "Speak Up for Inclusion" video series generated 200,000+ organic impressions on social media, and complemented our continued efforts to educate our employees about unconscious bias (which has reached over 46,500 employees since 2014) to encourage radical candour and create a safe place to speak about inclusion. We also launched our new [Diversity Hub](#) as a central resource of tools, stories and more for people to learn about diversity and inclusion.

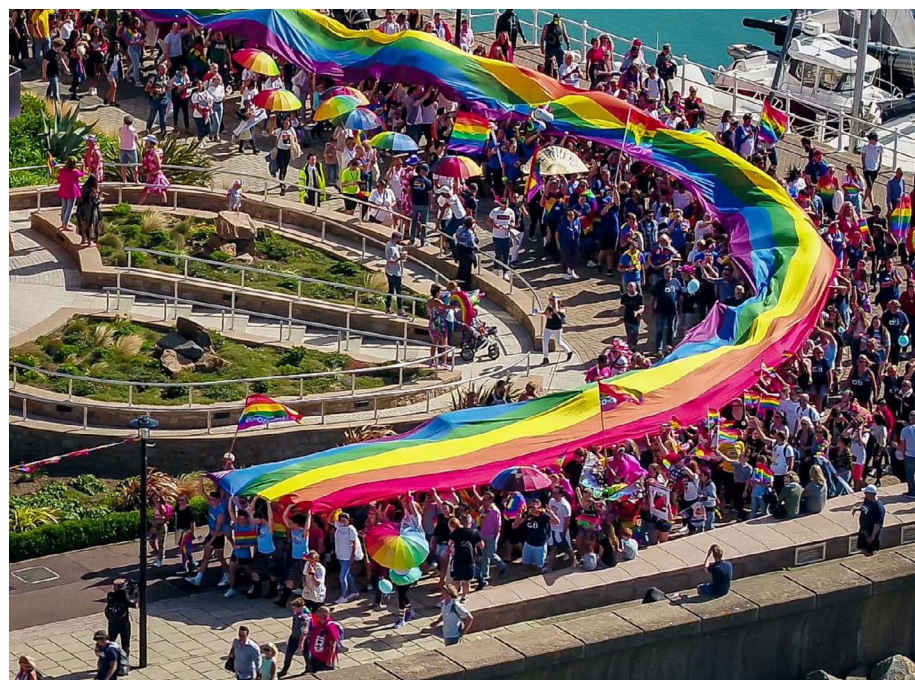
Building on that work, we're shifting our focus on driving more inclusive behaviours by challenging internal dialogues we all have when faced with uncomfortable situations. We all have that little voice in our head telling us how to act. Through the new "[That Little Voice](#)" series, we want to encourage everyone to pay attention to the voices we're not listening to or the dialogue we are ignoring – with ourselves and those around us.

Diversity across the enterprise

D&I Index score



Employee Engagement Index score



Learning and development

In 2019, we enhanced our learning programs to incorporate more diverse and inclusive topics, including our Transgender: Leading Inclusively educational material that attracted more than 2,500 views on our employee website. We partnered with Catalyst this year in piloting the Men Advocating for Real Change (MARC) Leaders Immersive Workshop. This workshop gave 34 men in senior leadership and 8 women in middle management the opportunity to sharpen their awareness of gender inequality, develop critical inclusive leadership strategies and enhance their overall leadership effectiveness.

We continued our training on unconscious bias, and we also included a new Inclusive Leadership module for Leader Essentials, a management development program for

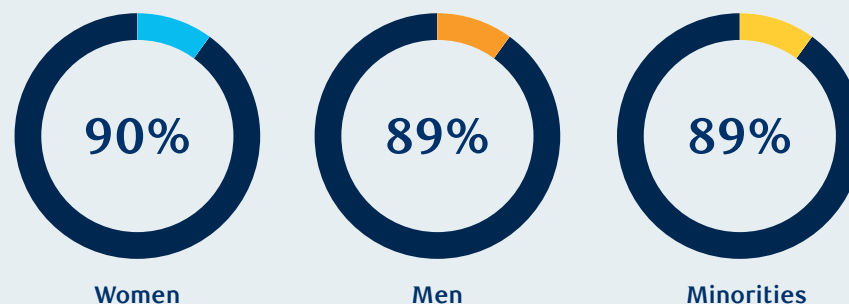
senior leaders at RBC. All our employees have access to and are encouraged to participate in the D&I Essentials online training, which includes nine modules: Diversity & You, Addressing Unconscious Bias, Gender Diversity, Generational Diversity, LGBT+, Cross Cultural Communications in the Workplace and a few others. Over 46,500 employees have engaged in unconscious bias training since 2014.

In addition to ongoing engagement with our employees through ERGs, we recognize that advocating for greater inclusion and acceptance in the workplace is a collective responsibility. By continuing to promote inclusivity across RBC, we create a more fulfilling and productive workplace for our employees, clients and communities.



Retention rate in 2019*

A quick breakdown



* The percentage of employees who remained with the organization. Represents salaried employees who are at work, including those on maternity/parental leave, but excludes students, co-op students and interns.

Embedding D&I in our business operations

Products and services that drive social impact

Over the past few years, we've developed a number of initiatives to support D&I for our clients. RBC announced its [\\$100 billion commitment to sustainable finance](#) by 2025, which includes socioeconomic advancement and empowerment of underrepresented groups. In 2019, we made progress by committing \$25.9 billion to sustainable finance.

RBC iShares expanded its exchange traded fund (ETF) lineup with the launch of the iShares Sustainable Core ETFs traded on the TSX. The suite of ETFs direct unitholder capital to the most sustainable companies rated by third party ESG rating agencies. A key criterion is gender diversity on the Board, showing a sustainable approach to corporate governance. In 2018, we launched the RBC Vision Women's Leadership MSCI Canada Index ETF and RBC Impact Bond Fund. The Impact Bond Fund also allows investors to encourage change by rewarding companies that have demonstrated a commitment to gender equality as part of their approach to corporate governance.

We are also committed to integrating ESG factors into our investment process that spans the entire RBC organization, including the investment platforms of our RBC Global Asset Management® (RBC GAM) and US WM businesses. RBC GAM has a dedicated Corporate Governance and Responsible Investment (CGRI) team, who assist the investment teams with the advancement of ESG integration through research, thought leadership, company engagement, proxy voting, collaboration with other investors and engagement with lawmakers or regulators. As of 2019, we have \$7.7 billion¹⁵ of socially responsible assets under management by GAM Canada and US, and US Wealth Management.

By enhancing our Proxy Voting Guidelines, we hope to see an increase in the representation of women on the boards of our investee companies to further the objective of the [Canadian 30% Club Investor Group](#). For more information, please refer to our [Approach to Responsible Investment](#) and our latest [2019 CGRI Semi-Annual Report](#).

We also have a number of programs and initiatives to support the financial inclusion of underserved groups. For information on our financial inclusion efforts, please see our [2019 ESG Performance Report](#).

Supplier diversity in global procurement

RBC purchases goods and services from suppliers in Canada and around the world. Aligned with our commitment to a fair sourcing process, our goal is to offer equal opportunity to all suppliers, including those identified as diverse. We work with our suppliers to promote and uphold high sustainability standards in our supply chain by applying enhanced environmental and social screening criteria. We have a principles-based [Supplier Code of Conduct](#) (for which we monitor supplier acknowledgement) that articulates RBC's expectations with respect to business integrity, responsible business practices, responsible treatment of individuals and the environment. Our goal is to advance equality of opportunity globally to businesses owned by women, Indigenous Peoples, minorities, LGBT+, people with disabilities, veterans and service disabled veterans. By providing equal access to procurement opportunities to qualified suppliers, we enhance the levels of quality, service and overall value to the organization. Supplier diversity processes are also embedded in our day-to-day procurement activities.

This, in turn, positions us well to meet the requirements of our diverse customer base. For more information on supplier diversity at RBC, see our [website](#). Our 2019 highlights include:

- Established an aspirational goal of including a diverse supplier in all of Procurement's competitive sourcing events in addition to mandating supplier diversity questions and assessment methodology in all sourcing events.
- Accelerated our Supplier Development workshops, doubling the number of participants to over 50 diverse suppliers.

RBC is a founding member of the [Canadian Aboriginal and Minority Supplier Council \(CAMSC\)](#), an inaugural member of [WBE Canada](#) (a non-profit organization committed to advancing women-owned businesses as suppliers), a founding program partner of the [Canadian Gay & Lesbian Chamber of Commerce \(CGLCC\)](#), a patron member of the [Canadian Council for Aboriginal Business \(CCAB\)](#) and a founding member of the [Inclusive Workplace and Supply Council of Canada \(IWSCC\)](#).

¹⁵ Assets managed by us that are beneficially owned by clients, as of October 31 for each of the years presented, that have values-driven socially responsible screens applied to their portfolio (socially responsible investing) or portfolios that intend to generate a measurable positive social/environmental impact (impact investing).



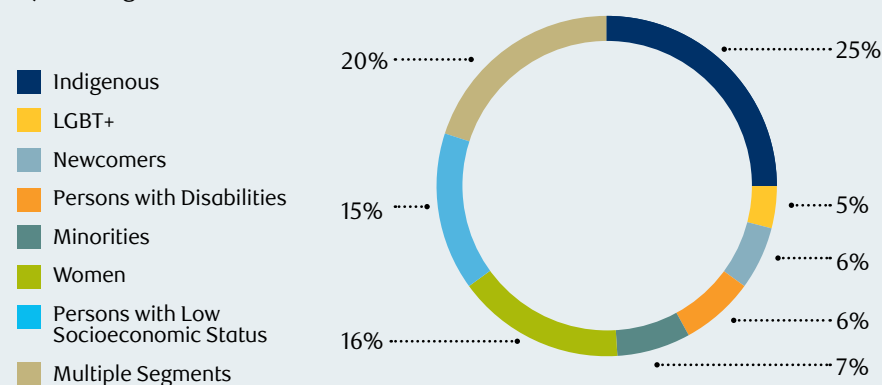
Strengthening social and economic development through partnerships

We recognize that we have an important role to play in addressing societal challenges. Through strategic partnerships, donations, sponsorship initiatives and employee volunteerism, we continue to support organizations, academic institutions and non-profit groups working to address diversity issues of importance to us and our stakeholders. Our goal is to be recognized as a leader and partner in shaping the D&I landscape.

We are one of Canada's largest corporate funders of charitable organizations, and contributed over \$111.4 million globally in cash donations to nearly 5,000 organizations in 2019. This includes \$70.5 million from the RBC Foundation®, a separate legal entity that reports financial information to the Canada Revenue Agency. As signatories to Imagine Canada's Caring Company Program, we invest a minimum of 1% of our domestic net income before income taxes in support of charitable and non-profit endeavours in Canada. This year, \$26 million of our donations portfolio in Canada was attributed to D&I-related commitments.

Percentage of cash donations

By D&I segment in Canada



In addition, donations made through the Employee Giving Campaign are also distributed to intermediaries such as large charitable organizations that reach underserved groups beyond our immediate outreach.

Awards & Recognition

We are a recognized leader in diversity and inclusion (D&I) and aim to continuously improve and strengthen our voice and ability to lead the systematic change required for sustainable growth.

Enterprise



Ranked #3 of the Top 100 Most Diverse and Inclusive Organizations Globally by Refinitiv (formerly Thomson Reuters) D&I Index



Recognized as one of the Top 100 Global Companies for Gender Equality by Equileap



Selected as one of Canada's Top 100 Employers by Mediacorp Canada Inc. for the 11th year



Named to the Bloomberg Gender-Equality Index (GEI) for the 4th year



Named one of the Best Workplaces in Canada by the Great Place to Work Institute for the 10th year



Named one of Canada's Best Diversity Employers by Mediacorp Canada Inc. for the 9th year

UK



Named one of the Top 30 Employer Working Families in the UK for the 3rd year in a row

US



Achieved 100% on the Corporate Equality Index (CEI), a national survey and report on corporate policies and practices related to LGBT+ workplace equality, for the 10th year



City National Bank named one of The Best Employers for Diversity by Forbes, moving up to #43 in 2020 from #111 in 2019



Wealth Management recognized as one of the Best Places to Work for LGBT Equality and one of the Top Companies for LGBT Empowerment by Affinity Magazine



RBC CM & WM awarded Diversity Corporate of the Year by the National LGBT Chamber of Commerce



RBC CM awarded a Catalyst Award for its integrated strategy, which embeds D&I principles into its approach to employees, clients and communities



In recognition of its diversity recruiting strategy, RBC CM received Vault's Diversity Recruiting Award in the US

Channel Islands



Fiduciary Services in Wealth Management International among 2% of organizations that have achieved the Platinum standard, which recognizes people managers for their leadership, support for their teams and continuous improvement of the business



Fiduciary Services in Wealth Management received Platinum Employer Partner status for providing employees with access to quality professional development opportunities

RBC in the US

In the US, our D&I efforts are led by the platform heads of RBC Wealth Management (US), RBC Capital Markets and CNB. CNB has an SVP of multicultural strategies who leads all diversity initiatives. RBC Wealth Management has a head of D&I, responsible for executing, overseeing, tracking and reporting on the progress of the RBC WM D&I strategy and initiatives aligned with and supporting the overall business goals. RBC Capital Markets has a director of diversity, responsible for executing, overseeing, tracking and reporting on the progress of all initiatives, programs and outcomes related to D&I. These platform heads are supported by their immediate teams as well as dedicated diverse supplier senior managers in RBC Global Procurement and community reinvestment officers at CNB.



Michelle Neal

Head of US Fixed Income,
Currency and Commodities

“Diversity & Inclusion is an essential factor in our business success. By attracting and developing a broad, diverse talent base, we can build a strong culture for our employees, bring new perspectives to our business, drive stronger outcomes for our clients and contribute to RBC maintaining a leadership position in a changing global industry.”

US workforce

Performance metrics ^{16,17}	2019	2018	2017
Women	42%	43%	43%
Women executives	25%	27%	24%
Women in management	40%	40%	41%
Minorities¹⁸:	35%	34%	33%
– Asian	16%	16%	15%
– Black or African American	5%	5%	5%
– Hispanic or Latino	11%	11%	10%
– All other ¹⁹	2%	2%	3%
Minority executives	19%	15%	17%
Minorities in management	35%	35%	34%

¹⁶ Executives and managers as defined by the US Equal Employment Opportunities Commission and aligned with EEO-1 filings.

¹⁷ Demographic data presented above include full-time, part-time and temporary staff employed as of the respective fiscal year-end. In addition to the material operating subsidiaries, the information presented includes Royal Bank of Canada (NY branch) employees as well.

¹⁸ “Minorities” includes Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, and two or more races.

¹⁹ All other includes Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, and two or more races.

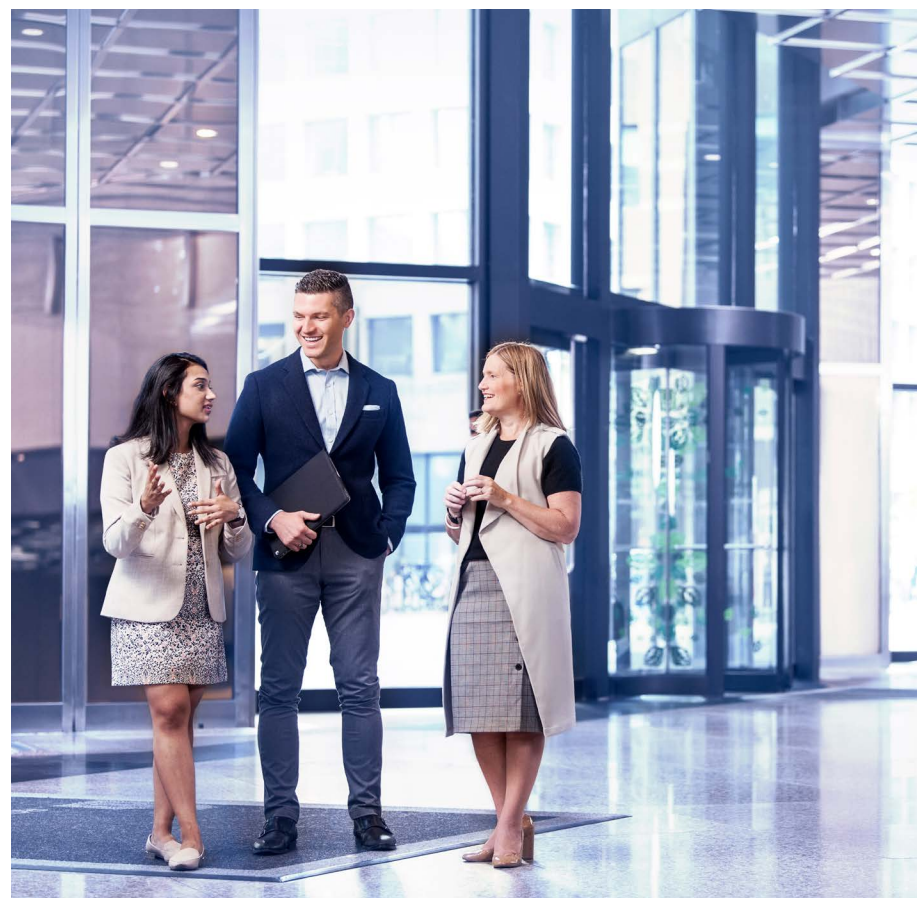
Building and maintaining a pipeline of diverse leaders

Understanding and drawing on the strength of diversity means fully engaging the talents of our people to create value, develop innovative solutions and deliver superior client service. In RBC Wealth Management and RBC Capital Markets we aim to meaningfully improve women and minority executive representation. We accomplish this by building strategic internal and external relationships that can help us source and create a pipeline of diverse candidates. We also strengthen our efforts by broadening our reach through sponsorship opportunities and partnerships with diverse organizations.

It is RBC policy to provide equal employment opportunity, initiate affirmative action principles and provide a workplace free from discrimination for all employees, without regard to their race, colour, religion, creed, sex, sexual orientation, gender identity, national origin, age, disability, marital status, pregnancy or pregnancy-related condition, civil or same sex union (as defined by applicable state law), gender expression, familial status, genetic information, citizenship, status as a disabled, recently separated, active-duty wartime or campaign badge or Armed Forces service medal veteran, membership or activity in a local human rights commission, status with regard to public assistance or any other factors protected by applicable federal, state or local legislation.

RBC provides equal employment opportunity in all of its recruitment and selection processes, terms and conditions of employment, including its hiring process, promotions, transfers, demotions, training, benefits, compensation, job assignments, layoffs and terminations. In addition, RBC provides reasonable accommodation for the known physical and mental limitations of an otherwise qualified disabled applicant or employee that will enable that individual to perform the essential functions of a job. We also provide a variety of benefits to support the needs of our diverse workforce.

We understand the value of creating a diverse, high-quality workforce that mirrors the demographics of the communities we serve. As an Equal Opportunity Employer, we are committed to promoting and maintaining a working environment where differences are valued and encouraged. To attract, hire and retain diverse top talent, we focus on campus engagement and recruitment for our summer internship programs, which provide a pipeline to full-time analyst and associate programs. We seek out diverse talent from schools across the country. Our student opportunities are posted on community, government, professional and lifestyle organization websites, through Direct Employers, Glassdoor, Indeed and



LinkedIn as well as on a number of job boards and at diversity organizations, to promote open positions. We value our external partnerships, such as Seizing Every Opportunity, which affords us the opportunity to add diverse talent to our pipeline.

US WM: With the addition of a dedicated D&I recruiter, we are focused on exhibiting inclusive hiring practices and hiring diverse talent. In 2019, we launched an inclusive recruitment strategy and promoted the use of structured interview guides and revised job postings to be gender neutral and address possible biases. We increased our diverse talent in the following areas: women branch directors by 36.4%, women financial advisors by 9.5% and people of colour by 5%.

US CM: We also have a number of programs to support a pipeline of diverse talent in CM, including:

- **RBC CM Pathways Diversity Scholarship**, a dual scholarship-internship opportunity for a select group of ethnically diverse students (e.g. Black/African American, Hispanic/Latino or Native American) interested in launching a career in finance.
- **RBC CM Women’s Advisory Program and LGBT+ Sophomore Insights Program**, multi-month early insight and development programs for diverse sophomores keen on a career in finance, culminating in an early interview opportunity for junior-year internships.
- **RBC CM Global Investment Banking MBA Women’s Immersion Program**, focused on professional development and coaching for MBA students passionate about investment banking, offering women an early interview opportunity for our Investment Banking Summer Associate Program.
- **RBC CM Veterans Symposium**, an annual half-day, in-office program for first-year full-time veteran MBA students and full-time veteran undergraduate students who are passionate about careers in banking or global markets and eligible for our summer internship programs.
- **D&I Discovery Day**, a one-day event for underclass men and women to showcase the vibrant diversity and inclusive culture of RBC CM, with a special spotlight on our ERGs and D&I initiatives for students exploring careers in finance.
- **Tech Women’s Advisory Program**, a multi-month early-insight and development program for sophomore women keen on a career in technology. Program features include a continuum of virtual and in-person programming and advisor matches with RBCers in technology roles.



Kelly Coffey
CEO, City National Bank

“If experience has taught me anything, it is that diverse teams are more creative, more productive and more profitable. Mentoring, sponsoring and supporting diverse talent is essential to preparing more colleagues for leadership roles, and that’s something RBC and City National are committed to doing.”



Driving inclusion across our workforce

Our goal is to build a more inclusive culture, where diversity is reflected and leveraged and employees have opportunities for growth and development.

US WM: Our senior management commitment to D&I dates back to 1991, when the CEO at the time became the executive sponsor of the firm's first ERG, known today as the Women's Association of Financial Advisors (WAFA). Today, the entire senior management team is involved in D&I efforts, including serving as executive sponsors of our six WM-specific ERGs or as thought leaders for the various people-focused initiatives. The president of RBC US WM serves as the executive sponsor and chair of the Wealth Management Diversity Leadership Council (WM DLC). The WM DLC was launched in 1999 and comprises 18 strategic, cross-functional leaders who head the major departments in the firm, represent the three private client groups and include the chairs of the ERGs. RBC US WM has six ERGs: WAFA (Women's Association of Financial Advisors), PRIDE (LGBT+), MEA (Multicultural Employee Alliance), VETS (Veterans Engagement and Troop Support), WITO (Women in Technology & Operations) and WE (Women Empowered), which launched in November 2019. To date, membership in PRIDE has increased by 61%, membership in MEA by 64% and membership in VETS by 4%.

As part of its efforts to create an inclusive culture, in 2013, RBC began addressing unconscious bias by introducing inclusive leadership assessment tools, engaging

leading experts and developing a white paper in partnership with Ernst & Young. As part of this corporate-wide initiative from 2013 to 2016, all RBC WM people managers, branch leaders and key stakeholders (Legal, Compliance, HR, etc.) were the first to participate in the Unconscious Bias training. In 2019, a series of supplemental sessions were held for branch leaders, people managers and senior leaders on inclusive leadership, interviewing skills and Speak up for Inclusion. Leaders receive ongoing resources to reinforce the learnings as well as information to further cultivate an inclusive team culture. New in 2020 will be the introduction of Inclusion Ambassadors. The role of the Ambassadors is to help disseminate diversity-related information within the complex and encourage employees in the branch offices to get more involved in company and community diversity efforts.

RBC recognizes the sacrifices men and women in uniform make and the value military training brings to the workplace. This is why we've partnered with external organizations such as Veterans on Wall Street (VOWS) to source top talent from a diverse pool of candidates, help veterans explore possible careers in the financial services industry and aid them in their transition from the military to the workplace. We also partner with PAWS4VETS, an organization that provides service dogs to veterans with post-traumatic stress disorder (PTSD) and other combat or service related illnesses or injuries. To date, US WM has sponsored 10 service dogs.



US CM: As part of its ongoing focus on diversity, RBC expanded its diversity leadership model and added the US Capital Markets Diversity Leadership Council (CM DLC) in 2010. Led by business heads across Capital Markets, the Council sets the strategic direction and is responsible for the implementation of our diversity strategy in the US. Key members of the US CM DLC include the global heads of equities, co-head of US Investment Banking, US chief operating officer (COO), US head of Human Resources (HR) and others. The US head of the Communications, Media and Entertainment Investment Banking Group and the CM global head of D&I serve as co-chairs. RBC CM has six ERGs with missions targeting awareness, inclusion, the community and RBC's core values: RWomen, PRIDE (LGBT+), MEA (Multicultural Employee Alliance), RVETS (Veterans Engagement and Troop Support), RFuture

(focus on the next generation of leaders) and RHEART (focus on content relative to people with differing abilities and disabilities). As part of our ongoing efforts to drive inclusion across our workforce, RBC CM employees are mandated to take courses that establish the expected behaviours at the firm in relation to diversity. Training is key to RBC CM's D&I efforts. In 2017, as a follow-up to RBC's Unconscious Bias training, RBC rolled out MicroInequities training. "MicroInequities" refers to ways in which individuals are either singled out, overlooked, ignored or otherwise discounted based on an unchangeable characteristic such as race or gender, and the training focuses on recognizing and correcting these inequities. We also rolled out our Respectful Workplace training and hosted training in partnership with PFLAG (Parents, Families and Friends of Lesbians and Gays) to educate our employees on the importance of allyship as it pertains to the LGBT+ population.

A Diversity and Inclusion Charity Award is offered to US employees who go above and beyond to advance diversity and inclusion. Five winners are selected each year and each winner is awarded a USD\$10,000 grant to donate to a charity of their choice that meets RBC Foundation's requirements.

CNB: We drive leadership development and inclusionary practices across our workforce through various programs and colleague resource groups (CRGs); and by encouraging colleague participation on boards and volunteerism in our communities. Our CRGs consist of colleagues who share a common interest in a cultural identity and issues that affect that culture, as well as colleagues who are interested in learning about a culture other than their own. Each CRG works to address the needs of the community, clients and colleagues through educational and cultural programming internally and externally, as well as philanthropic outreach tailored to meet the needs of various communities. Our CRGs include Asian American Network, Black Colleague Alliance, Latino Community Network, LGBTQ Alliance, Women's Network, Young Professionals Association, Business Development Network, Mentoring Program Network, Women in Technology, Veterans and Military Network and Middle East North Africa Association. Seven members of CNB's executive committee sponsor the groups, assisting with visibility and guidance. City National for the third year in a row received from Forbes "The Best Employers for Diversity" designation. Additionally, City National was recognized by the Association Corporate Counsel, Black Women Lawyers Association of Los Angeles and NAWRB for championing diversity in 2019.



Embedding D&I in our business operations

Products and services that drive social impact

We seek to become the bank of choice for multicultural clients. While RBC is not a minority- or women-owned business enterprise (M/WBE), RBC Capital Markets has served as senior manager for a number of issuers seeking to expand the utilization of M/WBE firms in underwriting their debt instruments. We have partnered on specific transaction-related pursuits with many women- and minority-owned underwriting firms.

US WM also engages diverse third-party asset managers, as indicated below:

Performance indicators ²⁰	Minorities ²¹	Women	Asian	Black or African American	Hispanic or Latino
Third-party asset managers	66%	52%	31%	10%	14%
Assets under management (AUM in USD)	\$3.8 billion	\$3.6 billion	\$2.8 billion	\$0.9 billion	\$2.3 billion
% of total AUM of third-party asset managers	62.3%	59.3%	45.7%	16.4%	37.6%

Through our commitments to community reinvestment in our retail banking division of CNB, we provide a number of products and services for underserved groups as part of CNB's USD\$11 billion, five-year commitment to the community since 2016.

Scope	Commitment	2019	2018	2017
Residential mortgages funded for minority borrowers (in USD) ²²	City National Bank	\$601 million	\$376 million	\$180 million

²⁰Information gathered from third-party asset managers participating on the RBC Unified Portfolio platform. Diversity information was obtained from the eVestment database survey and does not guarantee or warrant the accuracy, timeliness or completeness of the information provided above. Third-party managers elect to disclose their diversity/ownership data. Twenty-nine of our third-party managers, representing USD\$6.1 billion (or 15% of the total AUM of third-party asset managers on the RBC Unified Portfolio platform), reported diversity data in the eVestment database. Information is presented as of December 31, 2019. Annual historical information is not available at this time.

²¹Percentage of firms that indicated some percentage of diversity ownership.

²²Reported as of the calendar year in accordance with Community Reinvestment Act requirements, and reflects cumulative residential mortgages funded since January 1, 2016.

Supplier diversity in global procurement

In the US, we are proud to be a national corporate member of the [National Minority Supplier Development Council \(NMSDC\)](#), [Women Business Enterprise National Council \(WBENC\)](#), [National Gay and Lesbian Chamber of Commerce \(NGLCC\)](#), DisabilityIN and [National Veteran Business Development Council \(NVBDC\)](#).

As a national member of these organizations, we have access to their certified supplier databases. Diverse suppliers are encouraged to self-identify as such in RBC's supplier onboarding database. Our Procurement team consults these databases when compiling supplier lists for RFXs (inclusive of Request for Information, Proposals, Request for Quote and Request for Bid), giving more opportunities to diverse suppliers to respond to more RFXs and potentially gain

more business. To improve the success rate of diverse suppliers securing business, our Supplier Diversity Program also includes instruction on how suppliers can effectively demonstrate their capabilities and be ready to compete for business with large organizations. Membership in diversity councils enable RBC to curate certified diverse suppliers to participate in sourcing activities. In 2019, We expanded the supplier diversity program outside Canada, promoting inclusive supply chain opportunities to Indigenous Peoples, women, minorities, LGBT+ and veteran-owned businesses in the US. In support of this program, we sponsored Canada-US trade missions in Baltimore, Tampa and Atlanta to help Canadian certified diverse suppliers build their profile and establish relationships to cultivate US business opportunities.

Performance indicator	2019	2018	2017
Investments in goods and services purchased from diverse suppliers in the US (in USD) ²³	\$456 million	\$354 million	\$243 million
Number of diverse suppliers in the US ²⁴	2,036	2,952	2,446
Percentage of diverse supplier spending in the US ²⁴	28%	21%	17%

Strengthening social and economic development through partnerships

We provided over USD\$24 million in funding in 2019 through RBC USA Foundation to non-profit organizations. We also support a number of programs focused on developing and placing talented minority youth in business- and industry-relevant positions, including INROADS, South Central Noonan, Telacu Scholars and Verbum Dei. The programs prepare young professionals for corporate and community leadership, while helping businesses gain greater access to diverse talent. CNB actively recruits interns and alumni from these organizations. We support a

number of not-for-profit organizations that focus on underserved communities, providing job training, placement assistance and ongoing career coaching, including Jewish Vocational Services, Harbor Regional Center and many more.

In 2019, CNB provided over USD \$5.3 million in charitable donations to 285 non-profit organizations targeting three priorities: affordable housing, economic development and financial education for low-to-moderate income communities.

²³Includes City National Bank (CNB).

²⁴Certified Diverse Suppliers receive certification from the following organizations: CAMSC, CCAB, CGLCC, IWSCC, WBE Canada, NMSDC, NGLCC, NVBDC, WBENC, MSDUK and WeConnect International UK. Self-Declared Diverse Suppliers are identified in the RBC supplier registration process and include US based small businesses.

RBC in the British Isles and Europe

RBC's global commitment to a diverse and inclusive workplace is implemented across the British Isles and Europe through the regional diversity strategy, which sets out the principles by which actions and areas of focus are determined.

A regional diversity committee for the British Isles was established in 2004. The UK Diversity Committee includes senior representatives from Capital Markets, Investor & Treasury Services, Wealth Management, Functions and local ERGs. The committee is now chaired by the CEO of RBC Europe Limited. The Channel Islands and Edinburgh Diversity Committee focuses on our wealth management businesses in the regions, and is chaired by the chief operating officer for RBC Wealth Management in the British Isles and the head of banking for Wealth Management International. The DLC in Luxembourg was created in 2014 to promote awareness and understanding of diversity, accelerate cultural change across the organization and advance diversity within the organization to create an inclusive environment for employees.



Dave Thomas

CEO, RBC Europe Limited

"I am delighted that RBC is publishing a global report on our diversity and inclusion progress, and I am proud of our ongoing work to foster an inclusive culture where employees have the support, opportunities and resources to achieve their full potential. As this report shows, there is more work to be done but with the full support of employees at all levels of the organization we are moving in the right direction and are encouraged by the incremental progress we are making."

British Isles & Europe workforce

Performance metrics	2019	2018	2017
British Isles			
Women²⁵	42%	43%	43%
Women in senior management²⁶	21%	19%	19%
Women in middle management²⁷	33%	33%	32%
Europe²⁸			
Women	45%	46%	50%
Women in senior management	30%	31%	33%
Women in middle management	50%	51%	54%

²⁵ Includes regular permanent employees and employees from another international location hosted in the UK on a long-term assignment.

²⁶ Senior management includes employees in Managing Director and Director roles in line with our reporting to the UK's HM Treasury's Women in Finance Charter.

²⁷ Middle management includes employees in Vice President and Associate Director roles or equivalent.

²⁸ Includes Luxembourg, France and seven other European countries in which RBC operates.

Building and maintaining a pipeline of diverse leaders

As a signatory to the UK's Women in Finance Charter (WIFC), a pledge for gender balance across financial services established by Her Majesty's Treasury, RBC has committed to increasing the representation of women at senior levels (defined by RBC as director-level or higher) in the British Isles. RBC has made steady progress toward this goal and publishes its results annually on the company website.

Overall, female representation in senior management roles has increased from 19% in 2017 to 21% in 2019.²⁶

Recruitment and promotion

RBC has committed to at least 25% representation of women on all interview and promotion review panels. All leaders are educated on the importance of seeking a diverse range of opinions during the decision-making process to ensure we continue to attract, retain and promote a wide pool of talented employees.

Our recruitment team submits a quarterly report to RBC's senior leadership, which tracks a range of diversity data to ensure a balanced and inclusive hiring process. Similarly, our platforms' operating committees review diversity and inclusion metrics on a quarterly basis to ensure we monitor our progress. RBC works closely with recruitment firms to ensure a broad range of candidates are presented for an interview. We also participate in a number of targeted campus recruitment events focused on diverse groups; for example female STEM students, students from Black, Asian and Minority Ethnic (BAME) backgrounds, as well as lesbian, gay, bisexual and transgender (LGBT+) students enrolled at UK universities.

Professional development

As part of our focus on retaining and developing talented people, our ERGs across the British Isles host a series of events every year. These cover networking, skills workshops and learning, career development opportunities, mindfulness, and mentoring opportunities. **RWomen**, our employee network focused on promoting gender balance, has organized a broad range of events on topics including personal brand, unconscious bias, and career and goal planning. **RBC Pride** has hosted internal and industry-wide events for LGBT+ employees and straight allies, including senior champions. **RFuture**, a support and networking group for future leaders, has hosted technology and innovation expos, agile roadshows, lunch and learn sessions with senior leaders and guest speakers, and informal networking opportunities.



Peter Dixon

CFO, RBC Europe

"The representation of women in senior roles is an important measure of progress and something the senior leadership team at RBC is committed to improving. Since joining RBC 10 months ago, I have been impressed by this commitment across the organization to build an open, fair and inclusive workplace backed by RBC's strong culture and long-held organisational belief in doing the right thing. Our culture is expressed every day by the behaviours of all RBC employees and this helps us to attract and retain talented individuals from across the industry."

In Luxembourg, we introduced a D&I conference and training for people managers, in which all 250 people managers participated.

In addition to our enterprise programs, other initiatives include:

- European Mentoring Programme and our Sponsorship Programme
- Mentorship program in Luxembourg offered to female employees to connect and interact with senior leaders about career management; 80 women so far have participated
- Partnership with the Return Hub and BAME executive search firms to identify top female talent returning to work after taking time off

We are also a signatory to the Diversity Charter Lëtzebuerg, with a commitment to promoting diversity beyond the legal and regulatory obligations of non-discrimination. The charter seeks to integrate diversity management into the corporate strategies of its signatories.



Driving inclusion across our workforce

At RBC, we believe that every employee has the right and the potential to succeed, regardless of their personal situation. That's why we continually review our employee benefits, wellness offerings, culture and policies to ensure our employees have the support they need to achieve their full potential at RBC.

Family-friendly policies

Following open forums with employees across the firm, RBC has enhanced its family-friendly policies to ensure they are inclusive of all family situations.

Changes introduced include:

- The introduction of a surrogacy leave policy
- An enhanced package of family leave entitlements, including one-to-one meetings with HR, a buddy scheme, keeping in touch days, a phased return-to-work option and dedicated coaching for managers
- An online HR one-stop shop, making it quick and easy for employees to access the information they need

Work-life balance

RBC has established a dedicated flexible working steering group, which reports quarterly to the UK Diversity Committee. The group's focus is on building the policies, procedures and culture to support an open, flexible and understanding workplace environment to support all employees. The group publishes regular internal profiles of employees, at all levels of the organization, who have found flexible working arrangements that work for them, their managers and their clients.

As part of this activity, RBC has launched the Your Time – Elective Leave Policy & Procedure for the British Isles, which establishes a generous approach to sabbatical leave, holiday purchase and volunteering leave to support charities and fundraising.

Improving employee well-being

To mark Mental Health Awareness week, RBC partnered with charities to deliver workshops across the British Isles, focused on helping employees manage their own mental health, identify early warning signs of ill health in colleagues and signpost them along with the services and support available.

Our i-CARE employee-led network, which focuses on self-care, family-care, elder-care and care in the community, offers all employees a range of support, networking and learning opportunities throughout the year. In 2019, **i-CARE UK** launched its "Walk and Talk" initiative, inviting employees to join their colleagues for a short walk at lunchtime. These sessions provide an opportunity for colleagues to get away from their desks, get some exercise and fresh air, meet like-minded individuals and share experiences and best practices for dealing with similar work or personal issues.

The **i-CARE Channel Islands** Wellness Week offered a wide range of activities such as health checks, massages, cancer screening and awareness sessions and mindfulness and social media awareness workshops. Throughout the year, employees are also invited to learning events on topics such as menopause, sleeping and healthy eating.

In Luxembourg, through our ERGs (RWomen, Mosaic, Pride, NextGen and Green), we also focus on these five pillars of inclusion with our employees: gender diversity, multicultural workforce, LGBT+, youth and the environment.



Enabling D&I in our business operations

Supplier diversity at global procurement

RBC is a corporate member of **Minority Supplier Development UK (MSDUK)** and **WeConnect International** in Europe to expand procurement opportunities for certified minority- and women-owned suppliers.



Joanna Meager

Head Investor & Treasury Services UK

"It is really important that our employees reflect the communities and clients with whom they work. Diverse representation contributes to diversity of thought which helps us make better and more holistic decisions."

Strengthening social and economic development through partnerships

RBC embraces the opportunity to make positive change in society and we believe collaboration results in better outcomes. On gender balance, we partner in the UK with Business in the Community, Women in Banking and Finance, We Are the City, City Women's Network, 100 Women in Finance. On work-life balance, we partner with Working Families and City Parents. We also work with Business in the Community and Stonewall to help us create a more inclusive workplace. In the Channel Islands, we partner with Liberate, Lean In, the Diversity Network and Team Jersey. RBC in Jersey is leveraging its position as a market leader in diversity and inclusion to share learnings with the government as well as other employers on the island.

Other partnerships and contributions to the community include the following:

- **DKMS Drive:** Our Multicultural Employee Alliance (MEA) and i-CARE ERGs partnered with DKMS to organize a blood/stem cell donor registration drive across London, Jersey and Guernsey. The purpose of the drive was to raise awareness about the issues surrounding blood, bone marrow and stem cell donation as well as the need to increase diversity/ethnic backgrounds of bone marrow donors. RBC donated £4,000 towards our employees' registration as donors.

- **Prince's Trust:** RBC employees are regularly invited to volunteer with The Prince's Trust to support a young person or small group of young people at sessions of CV writing and mock interviews, both designed to boost young people's confidence and employability skills.
- **Dragons' Den workshop:** Employees volunteered at the workshop for young entrepreneurs, designed to help young people prepare for the Business Launch Panel, provide an understanding of what the Launch Panel may be like and help them shape a more objective view of their personal capabilities and business proposition.
- **Clothing drive:** Every year, RWomen UK organizes a clothing drive for charities helping vulnerable, unemployed and low-income men and women into employment.



Gaspe House building in Jersey lit up with the Pride colours

We are also the proud sponsors of:

- **The Otter Rowing Club:** London's LGBT+-friendly rowing club established in 2014 and based at the Royal Docks in East London is the award winner of the Sports Unite Campaign, supported by the mayor of London. Its campaign promotes diversity in the LGBT+ sphere, helps people who are having mental health issues and encourages people to take up a sport for general fitness so they can contribute to their community in a meaningful way for themselves and for others.
- **Positive East Red Run:** RBC sponsors the run in collaboration with our Pride ERG. Positive East is a London charity set up 26 years ago that provides HIV testing and prevention, as well as a range of health and well-being services for people living with HIV to gain and sustain their independence. Celebrating its 10th birthday, the World AIDS Day Red Run is in support of HIV services across the UK. Last year, 2,000 people attended, raising over £125,000.
- **Dress for Success:** Every May, our employees in Luxembourg celebrate the Luxembourg Diversity Day, raising employee awareness of diversity through theatre play sessions, while supporting charitable partners like Dress for Success by hosting their preloved sales.
- **Pride in the Channel Islands:** RBC has been a founding sponsor since its inception in 2015. In 2019, we lit up our building with the Pride flag colours and we sponsored the Silent Disco tent.
- **Pride of Guernsey – Diversity & Inclusion Awards:** In 2020, we will be sponsoring this newly created award.



The Otter Rowing Club, London's LGBT+-friendly rowing club

Supplementary information

We believe leadership and contributing as a thought leader translates into being a catalyst for change and an enabler of progress. RBC strives to remain a leader in D&I in Canada, the US and in other countries where we operate.

We have also publicly stated our commitments to D&I through the signing of various amicus briefs,²⁹ including:

- **July 2019** – RBC joined more than 200 clients, peers and other corporations in signing an amicus brief in three cases set to come before the US Supreme Court in support of LGBT+ civil rights protections.
- **April 2019** – RBC joined HRC's Business Coalition for the Equality Act in support of federal protections for the LGBT+ community. RBC joined the Human Rights Campaign (HRC) Business Coalition for the Equality Act, a group of 190 leading US businesses that support federal legislation to safeguard LGBT+ persons against discrimination as a protected group.
- **November 2018** – RBC signed Business Statement on Transgender Equality. RBC partnered with more than 50 other major companies and 14 community organizations to sign the Business Statement on Transgender Equality. The Statement, put forth by Out Leadership, Human Rights Campaign and others, was created in response to potential efforts by the US federal government to narrowly define a person's gender and harm civil rights protections for transgender, intersex and gender nonconforming people.
- **October 2017** – RBC and City National signed an amicus brief opposing sexual orientation discrimination in the workplace in support of the US Supreme Court petition *Evans v. Georgia Regional Hospital*, banning sexual orientation discrimination in the workplace. RBC made several business cases positing that prohibiting sexual orientation discrimination in the workplace benefits employees, employers and the US economy.
- **February 2017** – RBC signed HM Treasury's Women in Finance Charter and publicly committed to publishing annual updates on progress against our target of 25% female representation in senior roles by 2020.
- **April 2016** – RBC signed an open letter rejecting House Bill 2, the widely publicized two-part bill that prevents local municipalities from enacting anti-discriminatory protections for its citizens and prevents transgender individuals from using the bathroom corresponding with their gender identity.
- **March 2015** – RBC Capital Markets joined 379 organizations to sign the amicus brief in support of marriage equality.

We're proud of the progress we've made and we're motivated to make continued progress in the future.

Supporting information:

- [About Value for Employees Background Paper](#)
- [2019 ESG Performance Report](#)
- [2019 Public Accountability Statement](#)
- [Diversity and Inclusion Blueprint 2020](#)
- [Diversity website](#)
- [Supplier Diversity website](#)
- [Supplier Code of Conduct](#)
- [Employee Code of Conduct](#)
- [RBC WM Equal Employment Opportunity, Affirmative Action and Non-Discrimination Policy](#)
- [RBC CM Equal Employment Opportunity, Affirmative Action and Non-Discrimination Policy](#)
- [CNB Principles of Business Conduct & Ethics](#)
- [CNB Code of Ethics](#)
- [CNB Multiculturalism website](#)
- [CNB Corporate Social Responsibility](#)

²⁹An *amicus curiae* is someone who is not a party to a case and may or may not have been solicited by a party and who assists a court by offering information, expertise or insight that has a bearing on the issues in the case; and is typically presented in the form of a brief.

