

Royal Bank of Canada

About Value for Employees

Programs, policies and practices



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



Our priorities

- Creating exceptional experiences
- Inspiring a diverse and inclusive workforce
- Attracting and retaining the best talent
- Growing and developing our employees

Oversight of our workplace policies and programs is led by the Board of Directors and the Board's Human Resources Committee. The Committee is responsible for assisting the Board in overseeing key policies and programs relating to compensation and pension plans, compensation risk management, key talent management strategies and practices, compensation for the chief executive officer (CEO) and members of the group executive, management succession plans for executive officers and key senior leadership roles. Our executives and management are responsible for providing employees with direction on workplace strategies, policies and programs.

Our Human Resources and Global Compliance departments provide comprehensive semi-annual reports to the Ethics & Compliance Committee, the Group Risk Committee, the Risk Committee of the Board and the Human Resources Committee of the Board on metrics with respect to our [Code of Conduct](#) and many of the topics covered in this document.

Creating exceptional experiences

We recognize putting employees at the centre of how we deliver work experiences continuously positions us as a top employer. Our three focus areas are:

- Listening to feedback from our employees
- Designing and transforming better experiences
- Fostering mental health and employee well-being

Listening to feedback from our employees

Employee engagement and recognition of RBC as an employer of choice are core measures of strategic human capital at RBC. We conduct regular employee surveys to identify how well RBC is delivering on what matters most to employees and how well employees understand what matters most to RBC.

The Employee Opinion Survey (EOS) measures employee engagement and the drivers of engagement. We use this information for trend analysis, external benchmarking and to develop action plans to address any gaps or emerging issues. Results are presented to the senior management of the company, the Board of Directors, individual business and functional unit managers, and other employees so we can all take action in areas where improvement is needed and celebrate our successes where feedback is positive.

We compare our employee survey results to past years' performances, as well as to the results of other top-performing North American companies including financial institutions. Our results have historically exceeded the North American High Performing Companies Norm (provided by Towers Watson).

Each year we also poll our employees to better understand what they think about our corporate citizenship activities and reputation in areas such as community and social impact and environmental sustainability.

Resolving problems and concerns

It is important for great workplaces to have an environment where everyone feels safe and comfortable in voicing ideas and opinions as well as in speaking up. This allows the company to deliver better solutions, be more innovative and manage risks more effectively. We encourage open communication and the resolution of employee concerns locally whenever possible. Our Reporting Concerns intranet site, available to all employees worldwide, contains contact information for discussing and reporting any concerns about discrimination, harassment, violence and workplace accidents. In addition, the RBC Reporting Hotline is a communication channel for the confidential and anonymous reporting of concerns and

allegations of wrongdoing relating to accounting, auditing or internal accounting controls of RBC.

In Canada and the Caribbean, RBC employees also have access to advice and counsel from our Human Resources Employee Relations group as well as the Employee Resolution Hotline, a helpline for employees where they can receive assistance in managing issues. In addition, the RBC Standard on Reporting Misconduct and the internal Speak UP web page outline the options available to all employees and contract workers who wish to escalate a concern.

Employees with unresolved concerns may also contact our Employee Ombudsman, a confidential and impartial resource within the Office of the Ombudsman, which in turn reports these matters directly to the Audit Committee of the Board. The Employee Ombudsman aims to help employees explore options to find solutions, and assists them in removing barriers that may be preventing due process or the appropriate consideration of their concerns.

Health and wellness

Our Code of Conduct outlines our commitment to providing safe workplaces for all our employees. The RBC Blueprint for Well-Being and Mental Health clearly articulates our vision with objectives and priorities for protecting the psychological health and safety of employees in the workplace. It aims to end stigma within our corporate culture and promote employees' mental health and well-being. In addition, we also have specific workplace safety policies in many of our locations. Our business is primarily conducted in an office environment, and consequently presents very few traditional occupational health and safety risks.

Healthy people and a healthy workplace are basic requirements for carrying out a business strategy. This strategy rests on talent, innovation and resilience, especially in times of disruption and continual change. There is growing awareness of the prevalence of health issues – particularly mental health issues and stress – and their impact on individuals, caregivers, support networks, workplaces and the wider community. As a result, the need for advice and additional support is

rising exponentially, particularly regarding mental health concerns. We believe that employers need to play an active role in fostering healthy workplaces that support physical and mental well-being. We also believe we have a responsibility to help eliminate any stigma associated with some conditions.

Mental health issues, including work-related stress, can have an impact on knowledge-based workplaces such as ours. We have resources to help address mental health issues, including an employee assistance program whereby employees and their dependants have access to free and confidential counselling, consultations and online resources.

We also have a robust ergonomic/workplace accommodation program. The goal is to ensure that our workplace is accessible to everyone, regardless of their ability/disability and to ensure RBC workstations, work processes, equipment and tools are designed to make sure employees are safe at work and they have the tools that they require to do their job.

We are of the view that healthier employees also tend to be happier and more productive – not just at work, but also in their home and communities. We provide tips, tools and advice to empower employees to make healthy choices, such as wellness campaigns, programs, events and more.

Work/life balance

It can be a challenge to attain an optimal balance between work and life. Our policies and programs provide flexibility and support to our employees. These include:

- Access to personal work/life counselling services
- Maternity, paternity, parental and family responsibility leaves
- Emergency backup eldercare and childcare in several major centres
- Gradual return from leave, or an alternative work arrangement, for eligible employees
- Phased retirement for eligible employees who wish to work three or four days per week for a defined period prior to retirement
- Flexi-place option for eligible employees who wish to work part or all of the work week off-site, usually from home

- Flex-time options for eligible employees, with assigned core hours and flexible start and finish times, within limits, as established by the employee's manager

Inspiring a diverse and inclusive workforce

Our vision for diversity and inclusion is:

To be among the most inclusive and successful companies, putting diversity into action to help employees, clients and communities thrive.

RBC has long understood that diversity is not only the right thing to do, but also the smart thing to do. We understand the ethical case for ensuring equal opportunity for all and also the tangible social and economic benefits a diverse and inclusive workplace brings. Basic definitions and simply respecting employment and regulatory requirements are important foundations, but only foundations. Our framework includes fostering inclusion and using diversity of thought for sustainable growth and prosperity.

Our purpose is to help clients thrive and communities prosper. This is why we exist and it inspires us to give our best every day. Our values represent what we stand for and what we expect of one another. We embrace diversity for innovation and growth by speaking up for inclusion, and we empower people to grow and achieve more, seek out and respect different perspectives to challenge conventional approaches and identify and act on the opportunities and needs that client diversity brings.

Diversity and inclusion is embedded in our culture. We believe we can achieve progress in areas that are under-explored and lead change through ideas and action. Ultimately we focus on helping people succeed, making a positive impact on our clients and in the communities where we live and work.

The [RBC Diversity & Inclusion Blueprint 2020](#) sets the direction for our priorities, objectives and commitments up to the year 2020. It aligns with our organizational purpose and focuses on attracting and developing the best

talent, providing advice and solutions for diverse client markets, and enabling the social and economic development of our communities through partnerships, research, volunteerism and corporate citizenship. At the core of this vision is a focus on three pillars: talent, clients and communities.

In particular, we support the employment, financial services and community needs of:

- Women
- Minorities
- Newcomers to Canada
- Indigenous peoples
- Persons with disabilities
- Lesbian, gay, bisexual and transgender (LGBT+) people
- Youth

Equal opportunity

We believe in creating equal opportunities for employees, regardless of their race, age, gender, disability, religion, sexual orientation or ethnic origin; and in operating in a way that does not reinforce stereotypes or establish barriers. We also promote diversity and inclusion, and proactively use our diverse workforce to generate innovative business strategies.

Human rights

We are committed to respecting human rights and ensuring that all of our employees are treated fairly and are free from discrimination in the workplace. The RBC Respectful Workplace Policy sets out our commitment to maintaining a workplace free from harassment, discrimination, violence, retaliation and other disrespectful and inappropriate behaviour. It sets expectations for all employees to contribute to a safe, respectful and professional workplace. The Policy also outlines when, where and how employees can report their concerns.

Our businesses are expected to abide by all non-discrimination or human rights legislation in the various jurisdictions where we operate. These laws generally prohibit discrimination on various grounds such as race, colour,

religion/creed, age, gender, marital status, sexual orientation and disability. Even where laws do not prohibit discrimination, or where they allow for differential treatment, our businesses are still committed to non-discrimination principles to ensure we do not operate in any way that is contrary to our Code of Conduct, that perpetuates stereotypes or that establishes barriers.

In addition, we are aware of the UN Framework and Guiding Principles on Business and Human Rights (the “Ruggie” framework), a global standard aimed at preventing adverse impacts on human rights resulting from or linked to corporate business activities.

The RBC Code of Conduct also reflects the spirit of the Universal Declaration of Human Rights, and states, “RBC companies are committed to promoting equal opportunity in all dealings with employees, customers, suppliers and others.”

Suspected violations of our Code of Conduct provisions with respect to human rights are reported to Human Resources, which ensures that appropriate action is taken to review and address the issue. Human Resources also provides regular reporting on human rights policy violations to RBC’s management and Board of Directors.

By adopting, supporting and implementing positive policies, RBC creates a more representative, inclusive and productive work environment for all employees.

Freedom of association and collective bargaining

We operate in many countries around the world, each with varying positions on unionization. However, the majority of our workforce is employed in North America, where unionization is not the prevalent system for managing employee relations in the financial services industry.

Where employees are represented by unions, we proactively engage in dialogue with those unions on matters that may affect the employees they represent. We strive to create an environment where individuals do not feel they need to be represented by a third party, while respecting each employee’s right to choose.

Labour Relations Framework

In 2014, RBC produced the Integrated Labour Relations Framework to provide a frame of reference for fostering positive labour relations with employees and their employee associations, staff representations and unions (collectively referred to as “employee representatives”) as they exist throughout the enterprise.

Indigenous employment

We are committed to increasing the representation of Indigenous people within our workforce through proactive recruitment programs. We support programs that ease the transition of Indigenous employees to our workplace. For more information, please see our [Indigenous Partnership Report](#).

Indigenous awareness training is required for all RBC recruiters. In addition, the training is available to all RBC employees through our online learning system.

Additional resources

- The [Diversity & Inclusion Blueprint 2020](#) outlines enterprise priorities and objectives.
- The [Employment Equity Report](#) outlines our equity initiatives and accomplishments for our Canadian federally regulated businesses and functions.
- For more information and access to the above listed reports, please visit rbc.com/diversity.

Attracting and retaining the best talent

Identifying and building early talent

Our goal is to build early talent by continuing to increase engagement, attraction and retention rates. We believe that by understanding young people’s skills, goals, dreams and expectations, we can provide a supportive and challenging experience that will encourage them to remain with RBC for the long term. We also aim to engage early talent in the design and adoption of new ways of working.

Attracting and building digital talent

In order to maintain RBC’s position as a leading employer of choice for digital talent, we have deepened our understanding of the key drivers and motivators that attract best talent. Our goal is to attract, develop, reward and retain the critical talent segments we need for our digital bank initiatives by applying flexible and creative talent practices as well as opportunities for professional development.

Growing and developing our employees

Fostering an “always learning” workforce

RBC thrives when employees have the opportunity to learn and grow and ultimately excel in a positive and dynamic environment. Our culture of always learning and performing is supported by a substantial focus on and investment in learning and development. RBC supports employees in their development by providing a variety of learning and growth opportunities such as on-the-job experiences, courses, conferences, internal and external coaches, and mentoring. We are transforming the way people learn through more digital, social and personalized experiences and solutions to individual needs. In today’s rapidly changing world, we are bringing learning to where employees are and when they need it.

We strive to offer all employees the opportunity to have a rewarding and varied career with RBC.

Career development and learning

Formal training and development programs are an important complement to on-the-job learning. Employees have access to a wide range of formal learning resources and opportunities – everything from traditional classroom training to interactive web-based learning programs, online resource libraries, and live and on-demand webcasts. Informal learning takes place through specific projects and work assignments.

RBC also provides the opportunity for employees to engage via external seminars and conferences, training and professional accreditation programs, and major educational sponsorships. The processes for acquiring approval for these opportunities vary by business platform.

In 2018, we piloted a new digital learning platform, RBC Learn, to improve and personalize the learning experience for employees and foster an always-learning mindset at RBC.

Performance enablement

To achieve sustainable growth in our rapidly changing and complex industry, we are modernizing our approach to performance management and enhancing the employee experience. Research shows that great managers provide candid feedback and coaching regularly. They have more engaged employees who, in turn, are more successful and have an impact on client experience and company success. Employees have told us through opinion surveys, live “jam” events, focus groups and general interaction that they want and need more frequent, timely, multi-directional feedback to support their growth and development.

That’s why we are reimagining performance management to focus on enabling employees and lifting their performance. The program focuses on building a growth mindset and a culture of feedback and coaching. It applies to all three pillars of our people and culture strategy: leaders driving sustainable growth, thriving in the new world of work and an exceptional employee experience. To enable feedback, we are launching a feedback app across RBC, which is grounded our Leadership Model, and includes the key behaviours that define how we work at RBC.

Employees’ long-term career goals are an important consideration at RBC. Every RBC employee goes through a pre-defined performance appraisal process, and managers review their individual team ratings with their direct reports. In many cases, there is also a formal calibration session to ensure individuals are rated fairly compared to others. In some cases, we use multidimensional 360° reviews for development purposes. These provide a consolidated report based on feedback from direct reports, peers and management.

We use an enterprise-wide, online talent management system to manage the performance appraisal process.

People management

Performance management is a key aspect of employee engagement at RBC. It helps employees see how their jobs fit in the bigger picture so they can align their activities with the company’s strategy, and provide the best service to our clients. As part of our continuous efforts to evolve in line with a changing industry, as well as client and employee needs, we have recently modernized our approach to performance management to enhance RBC’s employee experience.

Our new approach to performance focuses on building a growth mindset, creating a culture of real-time and ongoing feedback and coaching, and making things simple. Employees still identify the goals and behaviours that define expectations for the year. Ratings are based on the extent to which they’ve achieved their goals and developed behaviours in line with their role requirements.

In addition, we moved to more frequent manager/employee check-in conversations during the year versus limited and very formal performance reviews. This helps all parties be transparent about the employee's progress, and can make year-end reviews easier.

Our top leaders and people managers play a critical role in creating an engaging work environment throughout RBC. This is why we invest in the development of consistent management practices and learning tools to help enhance the core capabilities managers need to do their jobs: learning tools include online resources, general and tailored advice and information on RBC policies and programs, and tailored coaching. Some businesses also offer annual management leadership conferences to support business changes and share best practices. These sessions develop targeted knowledge and capabilities of all managers, supported by their executive leaders, to enable change and deliver results.

To enable feedback, we launched a feedback application across RBC that is based on our new Leadership Model capabilities and behaviours to further support individual development and reinforce the importance of

“how” we work along with “what” we achieve. 100% of employees have access to multi-dimensional feedback platforms, including the new LIFT feedback app that allows employees to ask for and provide multi-dimensional feedback on core leadership behaviours. All of the above contributes to our performance enablement philosophy, framework, employee development and engagement.

Career transition and continued support

RBC takes steps to ensure employees are treated fairly throughout their career. Whether employees are looking to transfer to a different position within the enterprise, or are in a redundant role, we strive to minimize the impact on them by considering options such as career assistance support and redeployment services.