

RBC Diversity & Inclusion Blueprint 2020



**Diversity
works here.**

Content

A Message from RBC President and CEO Dave McKay

Introduction

Alignment with our Purpose, Vision and Values

Why Diversity & Inclusion Matters

Vision and Priorities

Our Commitments

Advancing the Diversity & Inclusion Blueprint

The RBC Diversity & Inclusion Blueprint 2020 sets the direction for our priorities, objectives and commitments in Canada, the U.S. and the countries in which we operate. 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.

A Message from Our President and CEO



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.

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".

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 & 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.

Diversity & inclusion is a key enabler in bringing to life RBC's purpose of helping clients thrive and communities prosper. We're proud of the progress we've made and we're also motivated by a strong sense of what is still to come.

We believe diversity & inclusion strengthens us and we are committed to taking actions to make sustainable progress in our company and the communities we serve.

A handwritten signature in black ink that reads "Dave McKay". The signature is fluid and cursive.

Dave McKay
President and CEO
RBC

Our Diversity & Inclusion Vision

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



Introduction

RBC believes diversity & inclusion is an engine for innovation and economic prosperity. By actively using our diversity, we better develop ideas and people, and ensure our company's continued growth. We do this by creating opportunities that empower people to grow and achieve more. We seek out diverse perspectives, recognizing the value of diversity of thought to challenge the status quo.



Diversity & inclusion is embedded in our culture. But we believe in doing more to realize opportunities and address challenges. We also 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.

We are inspired and encouraged by the diversity & inclusion efforts of others. RBC strives to remain a diversity leader in Canada and to continue to strengthen our diversity & inclusion initiatives in the United States and internationally. We believe the best people are attracted to and thrive in inclusive settings. We believe leadership and contributing as a thought leader translates into being a catalyst for change and an enabler of progress.

This Diversity & Inclusion Blueprint sets out our forward-looking vision and outlines our priorities and commitments. It builds on past achievements and successes and supports RBC's purpose of "*Helping clients thrive and communities prosper*".

Alignment with Our Purpose, Vision and Values

RBC's 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 are a people business. We care about our colleagues, clients and communities. Our values reflect this and guide, unite and inspire us in our day-to-day actions and decision-making. Our five values are:

- Client First: We will always earn the right to be our clients' first choice
- Collaboration: We win as One RBC
- Accountability: We take ownership for personal and collective high performance
- **Diversity & Inclusion: We embrace diversity for innovation and growth**
- Integrity: We hold ourselves to the highest standards to build trust

Anchoring our beliefs about Diversity & Inclusion in our values system provides high visibility and continuous reinforcement. RBCers believe in the power of inclusion and a commitment to making a difference in the communities we serve. The Diversity & Inclusion Blueprint is one way we bring our purpose and values to life.

Diversity & Inclusion: We embrace diversity for innovation and growth

- Speak up for inclusion and empower people to grow and achieve more
- Seek out and respect different perspectives to challenge conventional approaches
- Identify and act on the opportunities and needs that client diversity brings

Why Diversity & Inclusion Matters

RBC has long believed 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.



Diversity, Inclusion and Diversity of Thought

For RBC, *diversity* refers to any dimension that is used to distinguish groups and people from one another. And it means a 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. RBC shares the growing recognition that diversity also refers to *cognitive diversity* such as differences in mental models, problem solving frameworks and perceptions in how to see the world.

We define *inclusion* as a state of being valued, respected and involved. It is how diversity is put into action. It's about recognizing the needs of each individual and having the right conditions so that each person has the opportunity to achieve their full potential. Inclusion is reflected in an organization's culture and practices, in addition to its programs and policies. It results in individuals feeling they can bring their entire selves to work and contribute their ideas, experiences and talents to the fullest.

In simple terms, diversity is the mix, and inclusion is the mix working well together. We believe diversity is a fact and inclusion is a choice we make as individuals and as leaders.

Together, diversity & inclusion enable *diversity of thought* – creative thinking that embodies varied perspectives, life experiences, cultures and ways of looking at the world to generate insight and superior results. At RBC, we know the true power of diversity & inclusion is achieved when this creativity is put to a common purpose.



The Economic Imperative

The business imperative is clear. With demographic and population shifts, globalization, advances in technology and communications, diverse perspectives serving a common purpose have huge potential to drive growth for companies and economies. Innovation and creativity are spurred by different perspectives. RBC's workforce and our client base are becoming more diverse each year, and in our view, to serve our markets, we must reflect our markets. Companies must attract and retain the right skills, the best minds, and build inclusive environments that inspire people to excel, innovate and grow. Organizations and societies can gain a competitive advantage by maximizing the potential of diverse workforces and teams.

Doing the right thing and the smart thing go hand in hand, and in our view they are part of what it means to be a sustainable business.

Vision and Priorities

Our **Diversity & Inclusion Vision**: *To be among the most inclusive and successful companies, putting diversity into action to help employees, clients and communities thrive.*

Specifically, we seek to:

- Attract the best talent from the entire talent pool
- Be a recognized leader in inclusion and leadership diversity
- Be the financial institution of choice for diverse client markets
- Leverage diversity & inclusion for the growth and success of RBC, our clients and communities

At the core of this vision is a focus on three pillars: **Talent, Clients, Communities**

We believe in full inclusion for all, but are also conscious that focusing our efforts and resources will have the most impact. We have priorities aligned with our business strategies and the opportunity to contribute to the areas of greatest need. Building on our history and achievements, we will focus on the following **priorities** through 2020:



- **Talent:** Accelerate full inclusion to attract, retain and enable the best talent and to increase leadership diversity.
- **Clients:** Lead in providing personalized advice and solutions that reflect the diversity of clients.
- **Communities:** Strengthen social and economic development through partnerships and corporate citizenship.

We believe that leadership matters. The most effective diversity efforts are those where we strive to break new ground. Underpinning these three main priorities is an active desire to lead where it makes a difference.

OUR TALENT



People are not simply the most important asset of any organization; they are investors of their human capital – their skills, energy and passion. Fully leveraging the potential of our people is critical to our competitive success. We are committed to creating opportunities and experiences that are inclusive and lead to personal and professional success for our employees.

To increase the diversity & 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.

OUR CLIENTS



We strive to provide exceptional client experiences, including best-in-class financial solutions, advice and services to all our clients. Yet we also observe historically underserved client groups such as women, cultural markets, newcomers to Canada, LGBT, Aboriginal/Indigenous peoples and persons with disabilities. We will continue to enhance elements that are important to inclusive financial services. These include accessibility, simplicity and convenience of choice – to provide clients flexibility to be able to do business anywhere, anytime, when, where and how they choose to do so.

OUR COMMUNITIES



We recognize and believe that our success depends on the health and prosperity of the communities where we live and work. RBC believes our ongoing support must be embedded in the fabric of the community through research, volunteerism, partnerships, sponsorships and education. 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 through supplier diversity development initiatives and inclusionary business practices.

Our Commitments

Through sustained organizational commitments, we aim to continue building upon previous achievements and to lead in new areas. These commitments will be reviewed annually to ensure relevancy, and are over and above living our values in our day-to-day activities.

We recognize the word “diversity” encompasses all individuals and countries, and so specific discussions on diversity depend on context. For RBC, this means we uphold a global point of view on what diversity & inclusion means, while accounting for regional differences and matters of local importance.

Talent

Inclusive Workplaces



Having the best talent requires tapping into the entire talent pool. The composition of our workforce is an important measure of how well our diversity efforts are working. We are committed to having diverse, inclusive workplaces where every individual has opportunities and access to the resources to reach their full potential. We believe that successful and sustainable diversity & inclusion efforts benefit all employees. RBC commits to:

- Strengthening a culture of inclusion and addressing barriers to career advancement
- Enabling through diversity & inclusion learning, including addressing unconscious bias and fostering inclusive leadership
- Implementing progressive work/life flexibility and accommodation practices
- Enabling and promoting work practices that foster diversity of thought and build diverse teams
- Increasing the organizational impact of our employee resource groups
- Recruiting, developing and advancing persons with disabilities, Aboriginal/Indigenous peoples and LGBT individuals

Advancement of Women and Minorities



The advancement of women and minorities into leadership roles remains a priority. We will attract and retain talented women and minorities, support and enable their development and advancement into leadership roles. RBC commits to:

- Increasing women and minorities in leadership and key client-facing roles
- Enhancing practices to identify talent earlier and accelerate development
- Advocating for increasing diversity on Boards

Our Commitments



Clients

The success of RBC depends on the success of our clients. We are committed to enabling the financial inclusion and advancement of women and diverse client markets and segments. RBC has a long history of supporting newcomers to Canada and Aboriginal/Indigenous peoples. RBC commits to:

- Enhancing programs and services for women, women entrepreneurs and women's markets
- Participating and engaging in cultural market initiatives and partner programs
- Evolving and promoting financial solutions customized to the unique needs of newcomers to Canada
- Supporting initiatives that build community capability and economic self-sufficiency for Aboriginal/Indigenous peoples in Canada
- Identifying and developing strategies for the LGBT community in key markets
- Ensuring accessibility of services and resources for persons with disabilities

Communities

Inclusive Prosperity



As a business leader RBC has the opportunity to act as a broader change agent in society. Through strategic partnerships, donations, sponsorship initiatives and employee volunteerism, we will support organizations, academic institutions and non-profit groups working to address diversity issues of importance to us and our stakeholders. We will work with businesses and suppliers to advance and leverage diversity & inclusion in our communities to enable prosperity for all. RBC commits to:

- Contributing to or supporting events and programs that address issues of importance and access to employment for women, girls, minorities, newcomers, disadvantaged youth, persons with disabilities, Aboriginal/Indigenous peoples and the LGBT community
- Strengthening partnerships with diverse supplier groups and expanding supplier diversity efforts
- Providing financial literacy and investment education awareness through programs, partnerships and resources

Thought Leadership and Active Leaders



We believe thought leadership matters. Proactive, visible and engaged leaders drive change and will accelerate the achievement of our diversity goals through their direct actions and by inspiring others. We will advance awareness of diversity & inclusion among employees, clients, businesses, governments, suppliers and in the community at large by convening experts and engaging in public dialogue. RBC commits to:

- Developing and engaging leaders to actively champion inclusion at RBC and in our communities, to share learnings and catalyze change
- Collaborating with multi stakeholders on diversity issues and solutions, and participating in independent research that inspires dialogue, thought leadership and the development of public policy

Advancing the RBC Diversity & Inclusion Blueprint

Implementing the RBC Diversity & Inclusion Blueprint is an ongoing journey that takes sustained commitment. The ongoing management and development of diversity initiatives at RBC are guided by the following:



Fundamentals for Success

- **Senior Leadership Commitment:** We believe that senior leaders are essential and must be visible champions for diversity inside and outside RBC. Having a diverse and inclusive environment is a collaborative effort that must engage all RBCers. We will help identify opportunities and support leaders in their roles as champions.
- **Employee Involvement:** We believe providing RBCers with opportunities to become personally involved in diversity initiatives is critical. RBC will continue to support and profile our diversity councils, committees and employee resource groups and ensure the “voice of our employees” is reflected in our initiatives and communications.
- **Stakeholder Engagement:** We believe collaboration results in better outcomes. RBC believes a deeper understanding of diversity issues and the links between the social and economic considerations among all stakeholders are crucial to making progress. Stakeholders include employees, prospective employees, clients, prospective clients, private and public sector organizations, investors, suppliers, community members, grassroots agencies, experts, governments, non-governmental organizations (NGOs), non-profits, academia and students.
- **Accountability and Reporting:** We believe establishing accountabilities provides clarity and helps drive productive efforts. We will establish clear accountabilities for our diversity & inclusion initiatives and commitments. RBC submits a number of employment-related reports to regulators in Canada and the U.S. In addition to these formal submissions, RBC will continue to report publicly on the full spectrum of our diversity activities through our internal and external websites, annual Employment Equity Report, Diversity & Inclusion Report, and Corporate Responsibility Report.
- **Communications:** We believe clear, consistent, open communication is essential for a healthy and productive organizational culture. We will communicate regularly about our diversity progress, share experiences and best practices.



Oversight and Responsibility

Responsibility: The RBC Diversity Leadership Council, chaired by the Chief Executive Officer, has oversight responsibility for the creation and implementation of the RBC Diversity & Inclusion Blueprint 2020.

The Council works with RBC's business and functional Diversity Councils, Human Resources, Communications, Corporate Citizenship and employee resource groups to:

- Communicate diversity strategies and policies
- Advance initiatives necessary to meet our objectives
- Monitor key activities and track performance
- Enable and anchor accountability for achieving results
- Report annually on our progress in implementing the Blueprint

In addition, RBC's business and functional units will manage the local implementation of initiatives and provide input into overall strategy.

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 address regulatory changes, emerging and evolving issues and global best practices.

Measures of Progress



RBC endorses the principle of “what gets measured, gets done” in our approach to diversity & inclusion.

We have key metrics and will use a range of appropriate diversity performance indicators. We examine both quantitative and qualitative results. Quantitatively, we produce diversity scorecards at the enterprise level and for each business group to track key workforce metrics, including leadership diversity, as well as review results from our annual employee opinion survey.

Qualitatively, we review feedback from targeted surveys, employee roundtables, focus groups, town hall meetings, interactive intranet communications and social media, and from members of our diversity councils and employee resource groups.

In addition, we will continue to provide information to a variety of diversity-rating organizations and indices, as appropriate, so that our clients, employees, shareholders and communities have access to independent assessments of our progress.

2020 Trends



By 2025, annual consumption in emerging markets will rise to **\$30 trillion**, up from \$12 trillion in 2010¹



There are **56.7 million** Americans with disabilities with a potential disposable income of **\$645.3 billion** and **6.2 million** Canadians with disabilities with a potential disposable

income of **\$55 billion**³



Private wealth in the United States is expected to grow from some **\$14 trillion** today to **\$22 trillion** by 2020, and 50% of it will be in the hands of women²

The Aboriginal/Indigenous population in Canada could reach between **1.7 million** and **2.2 million** in 2033⁴



Hispanic and Asian immigrant children born during the late 1990's and early 2000's will be grown adults by 2025 and will constitute **25% of the US population**⁵



LGBT buying power could exceed **\$1 trillion** by 2020⁶



3 Canadians in 10 will identify as a visible minority over the next two decades⁷



Women are projected to account for **51%** of the Canadian population in 2020 and make up **48%** of the workforce⁸

Taking Action

Diversity & Inclusion provides an opportunity for us to make a difference. Working together, we can meet new challenges, fuel innovation through diversity of thought, help create prosperity and make a positive impact in the workplace, on society, and the economy. We learn from our experiences and the experiences of others. Here are some thought starters on what individuals and organizations can do to advance diversity & inclusion.



Individual

- What can you do to speak up for inclusion?
- Which area(s) of diversity & inclusion are important to you? Are you engaged in efforts?
- How can you enable diversity of thought to help foster innovation? Build diverse teams?
- Are you aware of your Unconscious Bias? Are you an inclusive leader?

Take these free tests from [Harvard University](#) and [Catalyst](#) to learn and discover more about yourself

- Unconscious Bias Implicit Association Tests
- Inclusive Leader Quiz



Organizations

- Do you have a formal, published diversity & inclusion strategy?
- How is your senior leadership engaged in or sponsoring the effort?
- Are you engaging in multi-stakeholder collaborations to help advance the agenda?
- Is the concept of inclusion understood by your employees?
- What metrics do you have in place and how are you measuring success?



**Diversity
works here.**

Note: For the purpose of this document, and due to variations in legal definitions and terminology, the term “minorities” refers to: Visible Minorities in Canada (defined as per employment equity guidelines as persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour); Ethnic Minorities/People of Color in the U.S. (defined as ethnic or racial groups); and Ethnic Minorities in the U.K. (defined as populations of non-European origin and characterized by non-Caucasian status).

2020 Trends Sources

1. McKinsey & Company Quarterly, Winning the \$30 trillion decathlon: Going for gold in emerging markets, Yuval Atsmon, Peter Child, Richard Dobbs, and Laxman Narasimhan, August 2012
2. Harvard Business Review The Female Economy, Michael J. Silverstein and Kate Sayre, September 2009
3. US Census, US Department of Labor, Statistics Canada, European Central Bank, The Return on Disability Group
4. Statistics Canada Population Projections by Aboriginal Identity in Canada, 2006 to 2031
5. PwC, Retailing 2020: Winning in a polarized world
6. Accenture Consulting, LGBT consumers: Incredible buying power, yet an audience that's not well understood
7. Statistics Canada, 2010 – Projections of the Diversity of the Canadian Population 2006 to 2031
8. Statistics Canada CANSIM Table 052-0005 – Projected population, by projection scenario (M1 medium-growth); RBC Economics Research estimates