

2018 RBC US Group Holdings LLC

# Diversity & Inclusion Report



# About this Report

## Scope

The RBC US Group Holdings LLC Diversity & Inclusion Report (the “Report”) includes information related to the U.S. operations of Royal Bank of Canada (“RBC”), under RBC US Group Holdings LLC, including the following material operating subsidiaries: RBC Capital Markets, LLC, RBC Global Asset Management (U.S.) Inc., RBC Bank (Georgia), N.A. and City National Bank. Where we reference “RBC Group Holdings LLC” throughout this Report, we are referring to the material operating subsidiaries listed above. Select metrics contained in this Report may have different scopes and are noted as having such.

This Report provides an overview of our performance, practices and policies related to diversity and inclusion (“D&I”). It is supported by a set of background papers and supplementary information, which provide additional information on the policies, procedures and programs regarding our priorities, available at [rbc.com/community-social-impact](http://rbc.com/community-social-impact) and [rbc.com/diversity-inclusion](http://rbc.com/diversity-inclusion).

## Reporting period

All data and other statements contained in this Report are current as of the 2018 fiscal year (November 1, 2017 to October 31, 2018), unless otherwise noted. In many cases, we have provided data for fiscal 2018 as well as the three preceding years to provide readers with a view of trends in our performance over a multi-year period.

## Currency and measurement

All amounts in this document are in U.S. dollars unless otherwise noted.

## Stakeholders

This Report is published for all stakeholders of RBC and its subsidiaries. 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 believe we are accountable to our stakeholders regarding relevant environmental, social and governance (ESG) issues and should provide relevant disclosure on topics that matter to them. We also believe our stakeholders should have access to timely information in a format that best suits their needs. This Report and the associated linked supplementary reports and background papers form the RBC disclosure suite, which reports on relevant D&I matters that are material to our stakeholders.

## Our vision in practice

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.

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. Diverse perspectives contribute significantly to enabling our businesses to succeed. We continuously and consciously ensure that ideas are fostered through our diverse workforce while collaborating and unlocking each other’s potential.

The **RBC Diversity & Inclusion Blueprint 2020** sets the direction for our priorities, objectives and commitments in Canada, the U.S. and the other countries where 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.

### Board diversity and leadership

D&I has always been a core value at RBC. The RBC board is committed to it at all levels as it gives RBC access to a wider pool of talent and drives creativity, innovation and growth.



**Dave McKay**  
CEO, Royal Bank of Canada

*“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 and inclusion.”*

RBC has played 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. 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. In 2018, 42% of the members of the Board of Directors of RBC were women and Kathleen Taylor has been the Chair of the Board since 2014. To assist in meeting our diversity objectives and ensure there are no systemic barriers or biases in our policies and practices, the RBC board has approved the Board Diversity Policy. The RBC board currently has a diversity objective of ensuring at least 30% of directors are women.

Every year, the RBC governance committee 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.

Representation on the Board of Directors at RBC		
Directors of Royal Bank of Canada		
42% Women	58% Men	
Directors of RBC US Group Holdings LLC		
33% Women	67% Men	
Directors of RBC Global Asset Management (U.S.) Inc.		
60% Women	40% Men	0% Minority <sup>1</sup>
Directors of RBC Bank (Georgia), N.A.		
50% Women	50% Men	17% Minority
Directors of City National Bank		
33% Women	67% Men	11% Minority
Directors of RBC Capital Markets LLC		
0% Women	100% Men	29% Minority

<sup>1</sup> Minority 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.

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. Our policies on subsidiary board composition and functioning enhance our strong governance help us accelerate gender and non-gender representation on our subsidiary boards, and leverage the subsidiary board experience to build talent for growth across the organization.

Diversity is a cornerstone of our subsidiary governance framework. Each year we advance the subsidiary director selection process to accelerate board diversity, in line with our vision and reflective of our Leadership Model. Nearly 100 women have been appointed to subsidiary boards since 2017 and over 40% of all subsidiary director appointments in 2018 were women. Recently, we enhanced restrictions on interlocking directorships and board tenure to ensure a robust and continual board renewal process. Applying tighter discipline to board renewal practices supports our diversity agenda, reinforces the value of our boards on our talent development journey and recognizes the value of strong, effective subsidiary boards.

### Diversity of the RBC executive team

Diversity is integrated in our approach to talent management, which is highlighted in more detail below. We consider all dimensions of diversity, including gender and non-gender representation, when we hire executives and senior managers. This includes the CEO and executive officers reporting to the CEO (the group executive). Twenty-two percent of our group executive members are women. 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. We have diversity targets set at the executive level and above. (See *Workforce composition* below.)

### Diversity of the executive teams of RBC US Group Holdings LLC

Over the past four years, we have steadily increased the representation of women on the executive teams of RBC US Group Holdings LLC.

Performance indicator	2018	2017	2016	2015
Women Executives	27%	24%	17%	13%
Minority Executives	15%	17%	15%	11%

Fifty percent of the material operating subsidiaries within RBC US Group Holdings LLC are led by women. On February 1, 2019, Kelly Coffey became CEO of City National Bank, and since 2012, Tracy Stevenson has been the President and CEO of RBC Bank (Georgia).

Our approach to governance was recognized with two awards from Governance Professionals of Canada in 2018: Best Overall Corporate Governance and Best Practices to Enhance Boardroom Diversity. For more information on our overall commitment and approach to D&I at RBC, please refer to our **RBC Diversity and Inclusion Blueprint 2020**.



**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 of them for leadership roles, and that’s something RBC and City National are deeply committed to doing.”*

# Our D&I governance and operating model

We follow a “hub and spoke” operational approach to managing our diversity and inclusion (D&I) strategy, programs and performance using a decentralized organizational model that reflects our belief that D&I should be embedded in 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 Global D&I center of excellence, all aspects of Human Resources (Recruitment, Learning & Development, Employee Relations, Leadership Development, etc.), our HR business partners and initiative managers, and our employee resource groups (ERGs).

D&I is an organizational priority, which is why the Global DLC, established and chaired by the president and CEO since 2001, sets our diversity strategy and goals. It comprises senior executives across businesses and functions and representatives from our ERGs. The Global DLC meets quarterly to discuss strategy and action plans and helps ensure RBC is making measurable progress in achieving its diversity goals. In addition, many individual 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.

## RBC Diversity Leadership Council Members



**Chair –  
Dave McKay**  
*President & CEO*



**Helena Gottschling**  
*Chief Human Resources Officer*



**Nadine Ahn**  
*Senior Vice President & CFO,  
Capital Markets Finance*



**Jules Andrew**  
*Senior Vice President,  
Enterprise Operations & Payments*



**Gopal Bansal**  
*Senior Director,  
Global Diversity & Inclusion*



**Amy Cairncross**  
*Senior Vice President,  
Communications*



**Alison Chick**  
*Vice President,  
Health and Wellness Ventures*



**Cam DesBrisay**  
*Executive Vice President,  
Wholesale Credit Risk*



**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)*



**Harry Samuel**  
*CEO,  
RBC Investor & Treasury Services*



**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*

**DLC Composition**  
50% Women  
50% Men  
23% Minority

## Our Global DLC is supported by business/function DLCs and employee resource groups

**RBC Diversity Leadership Council (DLC)**  
Dave McKay, President & CEO and RBC DLC Chair

### Business/Function DLCs

Internal Audit Services DLC	Personal & Commercial Banking DLC	Wealth Management DLC	Chief Financial Officer DLC	Capital Markets DLC	Technology & Operations DLC
Chief Audit Officer DLC	Human Resources DLC	Insurance DLC	Global Risk Management DLC	Caribbean Banking DLC	Investor & Treasury Services DLC Continental Europe & Malaysia

### Employee Resource Groups<sup>1</sup>

#### Canada

<b>RWomen</b> – CM	<b>WITO</b> Women in Technology & Operations	<b>REACH</b> Employees with Disabilities	<b>PRIDE</b> Lesbian, Gay, Bisexual, Transgender (LGBT) Employees	<b>WAB</b> Women's Advisory Board – WM	<b>Royal Eagles</b> Indigenous Employees	<b>NextGen</b> Young Professionals Group	<b>MOSAIC</b> Minority & Newcomer to Canada Employees
<b>AWL</b> Advancing Women in Leadership	<b>CB Women's Forum</b> – P&CB	<b>RFuture</b> – CM					

#### USA

<b>RWomen</b> – CM	<b>WITO</b> Women in Technology & Operations – WM	<b>MEA</b> Multicultural Employee Alliance – CM/WM	<b>VETS</b> Veterans – CM/WM	<b>WAFSA</b> Women's Assn. of Financial Advisors - WM	<b>PRIDE</b> Lesbian, Gay, Bisexual and Transgender (LGBT) Employees – WM/CM	<b>RFuture</b> – CM	<b>RHEART</b> – CM
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#### British Isles

<b>RWomen</b> – CM/WM	<b>PRIDE</b> Lesbian, Gay, Bisexual and Transgender (LGBT) Employees	<b>i-Care</b> Working Families Networking Group	<b>MEA</b> Multicultural Employee Alliance	<b>RFuture</b>
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#### International

<b>RWomen</b> – CM Australia & Hong Kong	<b>RWomen</b> – I&TS Luxembourg & Australia
<b>MEA</b> Multicultural Employee Alliance Hong Kong	<b>PRIDE</b> Hong Kong

#### Caribbean

<b>Women</b>	<b>i-Care</b> Working Families Networking Group	<b>NextGen</b> Young Professionals Group
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- Women ERG
- Minorities/People of Colour ERG
- PwD ERG
- LGBT ERG
- Aboriginal Peoples ERG
- Gen Y & X ERG
- Working Families ERG
- Veterans ERG

<sup>1</sup> The ERGs depicted do not include the colleague resource groups (CRGs) of City National Bank, which are described on page 12.

The DLCs across all our regions are committed to embedding D&I into the DNA of RBC, in 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 lead our business DLCs.

Our success comes from the 84,000+ employees who bring our Purpose and Strategy to life. At the grassroots level, our ERGs bring employees together and provide a resource 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 are an effective vehicle for creating a more inclusive, cohesive culture and for connecting employees with other 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 all ranges of management and non-management roles.

### Our D&I centers of excellence

Within our platforms and relevant functions, our D&I centers of excellence (“CoEs”) enable our lines of business and core functions to think and act in a manner reflective of our Value of Diversity & Inclusion. Our Global Centre of Excellence, led by a senior director and supported by the SVP of Leadership Development, drives the nodal network of D&I leaders, ambassadors and supporters; and sets the direction and vision for D&I across the enterprise.

RBC US Group Holdings LLC D&I efforts are led by the platform heads of RBC Wealth Management (U.S.), RBC Capital Markets and City National Bank. **City National Bank** has an SVP of Multicultural Strategies who leads all diversity initiatives. **RBC Wealth Management** has a head and managing director 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 City National Bank.

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.

### 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. The company-wide diversity-focused policies and practices include the **RBC Code of Conduct**, Respectful Workplace Policy and RBC Equal Employment Opportunity Policy. For more information about our policies and programs, please see our **About Value for Employees** background paper.

### Performance measures and compensation tied to diversity initiatives

RBC’s annual performance evaluation 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 behaviors such as “Building trust by being inclusive, candid and sincere” and “Drawing out and valuing diverse views”.

Additionally, within RBC WM-U.S., 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. RBC WM-U.S. also has three internal D&I awards, with monetary incentives, to recognize employees whose activities or behaviors reflect outstanding D&I contributions.

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

# Workforce composition

## RBC enterprise

Performance metrics	2018	2017	2016	2015
Total number of employees <sup>1</sup>	84,263	80,504	80,193	77,664
Women	58%	59%	61%	62%
Women in middle management and above	45%	45%	46%	46%
Women executives <sup>2</sup>	45%	44%	41%	39%
Minorities <sup>3</sup>	36%	35%	34%	33%
Minorities in middle management and above	38%	36%	35%	34%
Minority executives	20%	17%	16%	15%
Persons with disabilities overall <sup>4</sup>	7%	7%	7%	8%
Persons with disabilities (Employment Equity) <sup>5</sup>	3.7%	4.1%	4.5%	4.7%
Indigenous Peoples <sup>6</sup>	1.3%	1.4%	1.5%	1.5%

<sup>1</sup> Includes City National Bank and Blue Bay Asset Management and refers to the number of individuals employed globally full-time and part-time, which differs from the full-time equivalent (FTE) statistic. The number of FTEs is reported in our 2018 Annual Report on page 13. The metrics for women, minorities, persons with disabilities and Indigenous Peoples represent Employment Equity data as of October 31 for each year presented for our businesses in Canada, governed by the Employment Equity Act. Given variations in legal definitions and restrictions in legislation around the world, comprehensive data on these four designated groups are available for our Canada operations only.

<sup>2</sup> FY18 target was 45%. Our multi-year goal is 50% women executives.

<sup>3</sup> 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.

<sup>4</sup> Total percentage of employees in Canada who self-identify as having a long-term or recurring physical, mental, sensory, psychiatric or learning impairment.

<sup>5</sup> 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)).

<sup>6</sup> 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.



## RBC US Group Holdings LLC

RBC US Group Holdings LLC is committed to vibrant diversity in our workforce, seeking colleagues from all cultural and experiential backgrounds. The wide variety of perspectives they bring enriches our workplace and enhances our ability to serve the needs of our clients and communities.

Performance indicators <sup>1</sup>	2018	2017	2016	2015
<b>Total number of employees<sup>2</sup></b>	<b>13,355</b>	<b>12,415</b>	<b>11,710</b>	<b>11,313</b>
<b>Full-time</b>	<b>13,144</b>	<b>12,207</b>	<b>11,507</b>	<b>11,080</b>
<b>Part-time<sup>3</sup></b>	<b>211</b>	<b>208</b>	<b>203</b>	<b>233</b>
<b>Executives</b>	<b>92</b>	<b>95</b>	<b>87</b>	<b>89</b>
<b>Management</b>	<b>2,080</b>	<b>1,898</b>	<b>1,774</b>	<b>1,670</b>
<b>Women</b>	<b>43%</b>	<b>43%</b>	<b>43%</b>	<b>42%</b>
<b>Women in management</b>	<b>40%</b>	<b>41%</b>	<b>42%</b>	<b>42%</b>
<b>Women executives</b>	<b>27%</b>	<b>24%</b>	<b>17%</b>	<b>13%</b>
<b>Minority<sup>4</sup></b>	<b>34%</b>	<b>33%</b>	<b>31%</b>	<b>30%</b>
Asian	16%	15%	14%	13%
Black or African American	5%	5%	5%	5%
Hispanic or Latino	11%	10%	10%	9%
All other <sup>5</sup>	2%	3%	2%	3%
<b>Minorities in management</b>	<b>35%</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>
<b>Minority executives</b>	<b>15%</b>	<b>17%</b>	<b>15%</b>	<b>11%</b>

<sup>1</sup> Executives and managers as defined by the U.S. Equal Employment Opportunities Commission and aligned to EEO-1 filings.

<sup>2</sup> 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.

<sup>3</sup> Part-time includes temporary staff.

<sup>4</sup> Minority 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.

<sup>5</sup> All other includes Native Hawaiian or Other Pacific Islander, American Indian or Alaskan Native, and two or more races.

## Our diversity and inclusion (D&I) objectives

- Building and maintaining a pipeline of diverse leaders
- Supporting our commitment to pay equity
- Driving inclusion across our workforce
- Enabling D&I in our business operations
- 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 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.

#### Enterprise highlights

As stated in our 2018 ESG Report, for our RBC-wide enterprise, we set targets and goals to strengthen our representation in senior roles, including 50% of our vice-president and above appointments going to women and 20% to minorities.

**Women in Leadership** is a 10-month program we offer to high-potential, non-executive women leaders. It provides accelerated, intensive training to enhance their leadership capabilities. The objective is to accelerate them to executive roles.

The **Ignite Leadership Development** program is an eight-month program designed to accelerate high-performing, culturally diverse talent to senior management and executive roles. A first of its kind in the industry, the

program is sponsored by RBC senior executives, with the aim of accelerating post-program lateral moves and promotions across the organization.

#### RBC US Group Holdings LLC highlights

Diversity for growth and innovation is one of RBC's core values and part of its business strategy. We know that 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, color, 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 and 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 including (but not limited to) USC, UCLA, Pepperdine, Claremont McKenna, Cal Poly Pomona, CSUN, CSULA, Loyola Marymount, Spelman, Chapman, Howard, Yale, Columbia, Boston College, Cornell, Duke, University of Florida, Georgetown, Michigan, Indiana University, University of Pennsylvania, New Jersey Institute of Technology, Rutgers University and Stevens Institute of Technology. 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. An exhaustive list is available on request. We value our external partnerships, such as Seizing Every Opportunity, which affords us the opportunity to add diverse talent to our pipeline.

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

- **RBC CM Pathways Diversity Scholarship**, a dual scholarship-internship opportunity for a select group of ethnically diverse students (i.e. 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 careers in finance, culminating in an early interview opportunity for junior year internships.

- **RBC CM 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 RLaunch Program**, which offers permanent roles to people returning after a period of voluntary absence from the industry. Following a highly successful launch, the program is paying dividends in terms of gender diversity and attracting talented candidates.
- **Women in Leadership initiative**, designed to provide high potential, non-executive women across the organization with necessary development experiences and opportunities to increase their exposure in ways that advance their careers.

## Supporting our commitment to pay equity

We are committed to the principles of pay equity and we undertake actions to prevent pay disparities between employees performing work of equal or comparable value. We conduct 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 pay equity concerns identified in the year-end pay decision-making process through pay adjustments, where we conclude 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.

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 pay differences. Through these various analyses, RBC validates that we have comparable levels of pay between men and women as well as between minority and non-minority employees, assuming they demonstrated the same or comparable skills, experience, performance and accountabilities within the same businesses or functions and geographies.

## 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.

### Enterprise highlights

We focus on creating an inclusive culture where our employees feel valued, experience a sense of belonging and feel safe to take risks at work without fear of retaliation or reprisal by monitoring the “safe to speak up” and “treated with respect” areas of our Employee Opinion Survey (EOS), and taking quick action to address any emerging gaps or concerns.

A number of clients, members of the community, and employees, including RBC leaders, were invited to have a frank and honest conversation about inclusion. They shared what we could all do to create safe, productive and inclusive workplaces and societies. We created a **video** to reignite the conversation on D&I with leaders, colleagues, clients and communities, and generated 100,000+ views of our video and 200,000+ impressions.

We increased our D&I Index score again in 2018 to 86%. Our D&I Index score is used to measure inclusiveness at RBC through our annual EOS, which was administered in spring 2018. The Index is a composite of seven items on fairness, openness, flexibility and diversity support.

- We continue to increase our employee sentiment that “I am treated with respect at RBC” year over year.
- We continue to increase our employee sentiment that “It is safe to speak up” over the previous year, indicating our efforts are creating a more inclusive environment with room for improvement.

We expanded participation in our D&I Essentials Learning Program, continued our Unconscious Bias training, and introduced a new Inclusive Leadership module to our Leadership Essentials Program for senior managers.

We increased our cross-enterprise engagement of employees in our employee resource groups (ERGs) to strengthen individuals’ sense of belonging: we’re now 38 ERGs strong, representing 25,555 participants globally.

The RBC Indigenous Peoples Talent Development Program is specially designed for 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. There are four rotations with one unique rotation where they work with an Indigenous community organization. Upon completion, associates have an opportunity to build their career with a business group in their chosen field.

### RBC US Group Holdings LLC highlights

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

**City National Bank:** We drive inclusion across our workforce through various programs and colleague resource groups (CRGs) by encouraging employee participation on boards and steering committees 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. Each CRG works to address the needs of the community, clients and colleagues through educational programming internally and externally, as well as philanthropic outreach tailored to meet common needs. Our CRGs include Asian American Network, Black Colleague Alliance, Latino Community Network, LGBTQ Alliance, Women’s Network Group, Young Professionals Association, Business Development Network, Mentoring Program Network, Women in Technology, Veterans and Military Network.



**Martha Tuma**  
EVP and Chief HR Officer  
City National Bank

*“We strive to create the kind of workplace that brings out the best in people and in turn, attracts the best people. We*

*believe that our shared values of integrity, inclusion, entrepreneurship and creative problem solving make us stronger and better in our service to clients, communities and each other.”*

**RBC CM:** As part of its ongoing focus on diversity, RBC expanded its diversity leadership model and added the U.S. Capital Markets Diversity Leadership Council (DLC) in 2010. Led by business heads across Capital Markets, the Council sets the strategic direction and is responsible for the implementation of our U.S. diversity strategy. Key members of the U.S. Capital Markets DLC include the global heads of Equities, co-head of U.S. Investment Banking, U.S. COO, U.S. head of HR and others. The U.S. head of the Communications, Media and Entertainment Investment Banking Group and the CM global head of D&I serve as co-chairs on the U.S. DLC, both underrepresented minorities (Latino and Black). RBC CM has six U.S. employee resource groups (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), 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 behaviors that the firm has 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 a 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.



**Doug McGregor**  
Group Head  
RBC Capital Markets and  
RBC Investor & Treasury Services  
Chairman and CEO  
RBC Capital Markets

*“Diversity & Inclusion isn’t just a value at RBC; it is a driver of better outcomes for our clients and a stronger, more engaged culture for our employees. It is important that we continue to focus on recruiting, retaining and advancing a diverse employee base – ensuring our team reflects the global clients we serve is a clear competitive advantage and helps foster perspectives that challenge conventional approaches to conducting business.”*

**Wealth Management:** The WM-U.S. 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 five WM-specific ERGs or as thought leaders for the various people-focused initiatives. The president of RBC WM-U.S. 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. The DLC is responsible for providing recommendations to further advance the RBC WM-U.S. D&I strategy. RBC WM-U.S. has five ERGs: WAFA (Women’s Association of Financial Advisors), PRIDE (LGBT), MEA (Multicultural Employee Alliance), VETS (Veterans Engagement and Troop Support) and WITO (Women in Technology & Operations).

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 2013-2016, 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 2017 and 2018, a series of supplemental sessions were held for branch leaders and people managers. In addition, employees are urged to participate and recognized for their participation in the RBC 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. There are also D&I for Leaders Program courses designed specifically for people managers.

RBC is committed to gender equality and has implemented new initiatives to demonstrate this commitment such as expanded family care and maternity leave, a parental buddy program connecting existing and 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 the mother is traveling for work.

**Support for veterans:** RBC recognizes the sacrifices made by men and women in uniform and the value that military training brings to the workplace, and has 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.

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 the firm, we make our firm a more fulfilling and productive workplace for our employees, clients and communities.

## Enabling D&I in our business operations

### Enterprise highlights

#### *Products and services that drive social impact*

Over the past few years, we've been developing a number of products and services to support D&I for our clients. In 2018, we launched the RBC Vision Women's Leadership MSCI (Morgan Stanley Capital International) Canada Index ETF and RBC Impact Bond Fund. The Fund allows investors to encourage change by rewarding companies that have demonstrated a commitment to gender equality as part of their approach to corporate governance. One criterion is a focus on women in leadership to drive better outcomes.

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 pages 60-64 of our **2018 ESG Report**.

#### *Diverse supplier procurement*

RBC purchases goods and services from suppliers in Canada and around the world. 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.

At RBC, we are committed to promoting and maintaining an inclusive supply chain. Our goal is to advance equal opportunity globally to businesses owned by women, Indigenous people, minorities, LGBT+, people with disabilities

and service veterans. In the U.S., qualifying small businesses are also included. RBC ensures access to certified suppliers through the support of various supplier diversity (non-profit) councils including the Canadian Aboriginal and Minority Supplier Council (CAMSC), Canadian Council for Aboriginal Business (CCAB), Canadian LGBT+ Chamber of Commerce (CGLCC), Inclusive Workplace and Supply Council of Canada (IWSCC) and Women Business Enterprises Canada (WBE). Supplier diversity at RBC is not only about "doing the right thing" and being a responsible corporate citizen, but also about driving business value. By including diverse suppliers in sourcing decisions, RBC gains access to competitive offerings, greater innovation and culturally diverse business interactions. This, in turn, positions RBC well to meet the requirements of its diverse customer base. For more information on supplier diversity at RBC, see our **website**. Our 2018 highlights include:

- Exceeded our target spending on diverse suppliers in Canada and the U.S. and achieved a 47% year-over-year growth rate. We also exceeded our target spending on Aboriginal suppliers, achieved a 77% year-over-year growth rate and were proclaimed an Aboriginal Procurement Champion by the Canadian Council for Aboriginal Business (CCAB).
- Became the first founding member of the Inclusive Workplace and Supply Council of Canada (IWSCC) to support disabled- and veteran-owned businesses in Canada.

### RBC US Group Holdings LLC highlights

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.

RBC Wealth Management (U.S.) also engages diverse third party asset managers, as indicated below:

Performance indicators <sup>1</sup> (B = Billion)	Ownership				
	Minority <sup>2</sup>	Women	Asian	Black or African American	Hispanic or Latino
Third-party asset managers	50%	45%	23%	5%	9%
Assets under management (AUM)(\$)	\$4.4B	\$3.6B	\$2B	\$.356B	\$1.2B
% of total AUM of third-party asset managers	49%	40%	22%	4%	13%

<sup>1</sup> Information 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. 72% of our 80 third-party managers, representing \$8.9B, have reported diversity data in the eVestment database. Information is presented as of July 3, 2019. Annual historical information is not available at this time.

<sup>2</sup> Percentage of firms that indicated some percentage of diversity ownership.

## Products and services that drive social impact

Through our commitments to community reinvestment in our retail banking division of City National Bank, we provide a number of products and services for underserved groups. Below is an extract of one such commitment:

Performance indicator (M = Million)	Scope	Commitment	2018	2017	2016
Residential mortgages funded for minority borrowers <sup>1</sup>	City National Bank	\$700M	\$376M	\$180M	\$156M

<sup>1</sup> In accordance with CRA reporting requirements, investments are reported on a January 1 to December 31 basis.

## Diverse supplier procurement

In the U.S., we are proud to be a national corporate member of the National Minority Supplier Development Council (NMSDC), Women's Business Enterprise National Council (WBENC) and National Gay and Lesbian Chamber of Commerce (NGLCC).

As national member of these organizations, RBC has 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, giving more opportunities for diverse suppliers to respond to more RFXs and potentially leading them to 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.

Performance indicators (M = Million)	2018	2017	2016	2015
Investments in goods and services purchased from diverse suppliers <sup>1</sup>	\$354M	\$243M	\$219M	N/A <sup>2</sup>
Number of diverse suppliers <sup>1</sup>	2,952	2,446	3,104	N/A <sup>2</sup>
Percentage of diverse supplier spend	21%	17%	18%	

<sup>1</sup> Includes City National Bank and RBC USA expenditures through Global Procurement with certified and non-certified minority-, women-, LGBT-, veteran- and disabled veteran-owned businesses, including small businesses.

<sup>2</sup> City National Bank was acquired on Nov. 1, 2015, the start of FY16, and therefore does not have 2015 data applicable to RBC US Group Holdings LLC.



## 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 will 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 in shaping the D&I landscape.

### Enterprise highlights

We are one of Canada’s largest corporate funders of charitable organizations, and contributed over \$101 million globally to more than 6,250 organizations in 2018. This includes \$72.5 million from the RBC Foundation, a separate legal entity that reports financial information to the Canadian 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 endeavors in Canada.

In 2018, we provided \$21.2 million in donations to more than 700 charitable organizations focused on D&I, dedicating almost 29% of our donations portfolio to D&I-related commitments, with significant strategic increases in the Indigenous and women segments.

## RBC US Group Holdings LLC highlights

We provided over \$300,000 in funding in 2018 through RBC USA Foundation to non-profit organizations directly focused on D&I. We also received demographic information from ~25% of the non-profit entities funded through RBC CM USA Foundation. Of those organizations, over 90% had a focus on minority beneficiaries supporting D&I.

In addition, we provided over \$1 million in 2018, through RBC CM LLC, to non-profit organizations that support minority beneficiaries.

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.



# 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 Awards\*

	<p>Awarded <b>Best Practices to Enhance Boardroom Diversity</b> in the 2018 Excellence in Governance Awards by the Governance Professionals of Canada.</p>
	<p>Named one of the <b>Top 100 Most Diverse and Inclusive Organizations Globally</b> by Thomson Reuters D&amp;I Index and ranked among the Top 5 in Banking Services Globally.</p>
	<p>Named to the <b>Bloomberg Gender-Equality Index (GEI)</b> for the third year (2017-2019). GEI is an annual review that measures gender equality, taking into account internal company statistics, employee policies, external community support and engagement, and gender-conscious product offerings.</p>
	<p>Named one of the <b>Best Workplaces in Canada</b> for the 10th year (Great Place to Work Institute).</p>
	<p>Nine times named (between 2009 and 2019) one of <b>Canada's Best Diversity Employers</b> by Mediacorp Canada Inc. in a national competition that recognizes organizations for D&amp;I.</p>
	<p>Selected as one of <b>Canada's Top 100 Employers</b> by Mediacorp Canada Inc. for the past 11 years (2009-2019).</p>
	<p>Recognized three times (2016-2018) by the Government of Canada at the <b>Employment Equity Achievement Awards (EAAA)</b>. RBC earned the award based on its achievements and practices related to the four designated groups under the Employment Equity Act: women, Aboriginal Peoples, persons with disabilities and members of minority groups.</p>

\* We have also received a number of awards for our Supplier Diversity Program in Canada.

## RBC US Group Holdings LLC Awards

	<p>For the tenth year, achieved 100% on the <b>Corporate Equality Index (CEI)</b> (2011-2018), a national survey and report on corporate policies and practices related to LGBTQ workplace equality.</p>
	<p>For the second consecutive year, City National Bank was named one of <b>The Best Employers for Diversity</b> (Forbes).</p>
	<p>Wealth Management was recognized as one of the <b>Best Places to Work for LGBT Equality</b> and one of the <b>Top Companies for LGBT Empowerment</b> by Affinity Magazine.</p>
	<p>RBC CM &amp; WM won <b>Diversity Corporate of the Year</b> from the National LGBT Chamber of Commerce.</p>
	<p>RBC CM won a <b>Catalyst Award</b> for its integrated strategy, which embeds D&amp;I principles into its approach to employees, clients and communities.</p>
	<p>In recognition of its diversity recruiting strategy, RBC CM received Vault's <b>Diversity Recruiting Award</b> in the U.S.</p>

We have also publicly stated our commitments to D&I through the signing of various amicus briefs, 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 joins 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 U.S. businesses that support federal legislation to safeguard LGBT+ persons against discrimination as a protected group.
- November 2018 – **RBC signs 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 U.S. federal government to narrowly define a person’s gender and harm civil rights protections for transgender, intersex and gender non-conforming people.
- October 2017 – **RBC and City National sign amicus brief opposing sexual orientation discrimination in the workplace** in support of the U.S. 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 U.S. economy.
- April 2016 – **RBC signs 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 joins 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**
- **2018 ESG Performance Report & Public Accountability Statement**
- **2017 Corporate Citizenship – ESG Investor Report**
- **2016 Corporate Citizenship Report**
- **2015 Corporate Responsibility Report**
- **2017 Employment Equity Report**
- **2016 Employment Equity Report**
- **2015 Diversity & Inclusion Report**
- **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**

