

Royal Bank of Canada

# UK Gender Pay Report

2019



# Diversity & Inclusion at RBC

Diversity and inclusion 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. We're proud of the progress we've made and we're motivated by what's still to come.

At RBC, we are committed to providing a diverse and inclusive workplace where all employees are encouraged to achieve their full potential, regardless of age, ethnicity, sexual orientation, belief, disability or gender. Diversity and Inclusion is one of our core values, which guide, unite and inspire us in our day-to-day actions and decision-making. As a people business, we strive to achieve a diverse and inclusive workforce which reflects the diversity of the clients and communities we serve.

Our [RBC Diversity & Inclusion Blueprint 2020](#) sets our direction, priorities, objectives and commitments in Canada, the UK and other countries in which we operate. This includes our focus 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.

RBC has played a leadership role in promoting board diversity globally and is a member of the 30% Club, an organization founded in the UK which is focused on increasing the proportion of women on boards of directors. The Board of Directors of Royal Bank of Canada has put in place the Board Diversity Policy to assist us in meeting our diversity objectives. The policy includes increasing gender representation on the RBC Board and the boards of directors of our subsidiaries. Women currently compose 43% of RBC's Board of Directors, including the Chair of the Board. In the UK, women currently make up 38% of the Board of RBC Europe Limited and 71% of the Board of RBC Investor Services Trust.

The representation of women in executive and senior manager roles is another important measure of our progress in building a diverse leadership pipeline. We are focused on accelerating the development of women to strengthen our succession bench through a broad range of initiatives globally, including in the UK. In this report, we have provided a summary of the actions we are taking specific to the UK to support the advancement of women into leadership.



**Dave Thomas**  
CEO, RBC Europe Limited

*"I am proud of our ongoing work to foster an inclusive culture where employees have the support, opportunities and resources to achieve their full potential. As this report shows, however, there is more work to be done to improve gender representation at RBC. With the full support of employees at all levels of the organization we are moving in the right direction and will continue to drive for positive change."*

Representation on our Board of Directors	% Women	% Men
Directors of Royal Bank of Canada*	43%	57%
Directors of RBC Europe Limited	38%	62%
Directors of RBC Investor Services Trust	71%	29%

\* As of February 11, 2020





## Building and maintaining a pipeline of diverse leaders

As a signatory to the UK's Women in Finance Charter (WIFC), a pledge for gender balance across financial services established by Her Majesty's Treasury, RBC has committed to increasing the representation of women at senior levels (defined by RBC as director-level or higher) in the British Isles. RBC has made steady progress towards this goal and publishes its results annually on the company website. Overall, female representation in senior management roles has increased from 19% in 2017 to 21% in 2019.<sup>1</sup>

### Recruitment and promotion

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

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

### Professional development

As part of our focus on retaining and developing talented people, our employee resource groups (ERGs) across the UK host a series of events every year. These cover networking, skills workshops and learning, career development opportunities, mindfulness, and mentoring opportunities. **RWomen**, our employee network focused on promoting gender balance, has organized a broad range of events on topics including personal brand, unconscious bias, and career and goal planning. **RBC Pride** has hosted internal and industry-wide events for LGBT+ employees and straight allies, including senior champions. **RFuture**, a support and networking group for future leaders, has hosted technology and innovation expos, agile roadshows, lunch and learn sessions with senior leaders and guest speakers, and informal networking opportunities. For more information on our ERGs across the UK, please see our [2019 Enterprise Diversity & Inclusion Report](#).



**Peter Dixon**  
CFO, RBC Europe

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



<sup>1</sup> Senior management includes employees in Managing Director and Director roles in line with our reporting to the UK's HM Treasury's Women in Finance Charter.

## Supporting our commitment to pay equity in the UK

Distinct from the concept of pay equity in gender, the gender pay gap measures the difference between the average pay for men and women regardless of roles, position levels, skills and experience.

Our UK gender pay gap, calculated as the mean and median of all consolidated UK legal entities, unadjusted for occupational and regional differences, highlights that there are proportionally fewer women than men in higher paying, senior roles. Whilst we are pleased that we are moving in the right direction, we are actively working to continue to increase the representation of women in senior roles and narrow the gender pay gap. This starts with improved female representation at the graduate level, the rollout of RLaunch to support experienced women returning to the industry after a career break, mentoring at all levels, a buddy programme and significant enhancements to policies and support for all employees. For more information, please refer to the D&I objective above on building and maintaining a pipeline of diverse leaders.

Since 2017, the mean gender pay gap has decreased by 3% and the percentage of women in our top pay quartile has increased by 2% across the UK. The gender pay gap is the difference (mean and median) between the hourly rate of pay of male employees and that of female employees. This is expressed as a percentage of the hourly rate of pay of male employees. For more information on our UK Gender Pay Regulatory Reporting, see page 7.

It is a legal requirement for all UK employers with more than 250 employees to publish the following:

- The difference between the average hourly pay rates of men and women
- The difference between the average bonuses of men and women
- The proportions of men and women who receive bonuses
- The relative proportions of men and women in each quartile pay band of the workforce

Our legal entities in the UK, subject to the legal requirement, are RBC Investor Services Trust (RBC IS), RBC London Branch (RBC LB) and RBC Europe Ltd. (RBC Europe).

Where men and women with similar roles, skills and experiences are paid the same, differences in average pay between the genders will still arise when women and men are not proportionally represented throughout all the roles in the organization. The gender pay gap in our UK operations highlights that there are proportionally fewer women than men in higher paying, senior roles. Whilst we are moving in the right direction, with a 2% increase in women in our top pay quartile across the UK since 2017, we recognize we need to continue to increase the representation of women in senior roles and narrow the gender pay gap.

### Gender pay gap for our consolidated entities in the UK

Mean <sup>2</sup>					Median <sup>3</sup>			
Fiscal year	2017	2018	2019	3 Year Difference	2017	2018	2019	3 Year Difference
<b>Gender Pay Gap</b>	42%	40%	<b>39%</b>	(3%)	39%	40%	<b>39%</b>	0%
<b>Bonus Gender Pay Gap</b>	64%	67%	<b>63%</b>	(1%)	69%	69%	<b>67%</b>	(2%)

<sup>2</sup> Mean pay is the total pay for all employees divided by the number of employees in the entity.

<sup>3</sup> Median pay is the middle of the pay distribution, with half of the employees in the entity earning more and half earning less.

## Driving inclusion across our workforce

RBC's global commitment to a diverse and inclusive workplace is implemented across the UK through the regional diversity strategy, which sets out the principles by which actions and areas of focus are determined. A regional diversity committee for the British Isles was established in 2004. The UK Diversity Committee includes senior representatives from Capital Markets, Investor & Treasury Services, Wealth Management, Functions and local ERGs. The committee is now chaired by the CEO of RBC Europe Limited.

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

### Family-friendly policies

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

Changes include:

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

### Work-life balance

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



**Joanna Meager**

Head, RBC Investor & Treasury Services UK

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

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

### Improving employee well-being

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

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

## Supplementary information

RBC embraces the opportunity to make positive change in society and we believe collaboration results in better outcomes. On gender balance, we partner in the UK with Business in the Community, Women in Banking and Finance, We Are the City, City Women's Network, 100 Women in Finance. On work-life balance, we partner with Working Families and City Parents. We also work with Business in the Community and Stonewall to help us create a more inclusive workplace.

We believe leadership and contributing as a thought leader translates into being a catalyst for change and an enabler of progress. RBC strives to remain a leader in D&I in Canada, the US, the UK and other countries where we operate. For more information on our enterprise programmes and initiatives, please see our [2019 Enterprise Diversity & Inclusion Report](#).

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

### Supporting information:

- [About Value for Employees Background Paper](#)
- [2019 ESG Performance Report](#)
- [2019 Public Accountability Statement](#)
- [Diversity and Inclusion Blueprint 2020](#)
- [Diversity website](#)
- [Supplier Diversity website](#)
- [Supplier Code of Conduct](#)
- [Employee Code of Conduct](#)

# Appendix – UK Gender Pay Regulatory Reporting

## Changes in gender pay by legal entity in the UK

	RBC IS								RBC LB								RBC EUROPE							
	Mean				Median				Mean				Median				Mean				Median			
	2017	2018	2019	3 Year Trend	2017	2018	2019	3 Year Trend	2017	2018	2019	3 Year Trend	2017	2018	2019	3 Year Trend	2017	2018	2019	3 Year Trend	2017	2018	2019	3 Year Trend
Gender Pay Gap	26%	20%	21%	(5%)	28%	27%	29%	1%	35%	33%	35%	0%	30%	29%	33%	3%	51%	51%	49%	(2%)	57%	55%	51%	(6%)
Bonus Gender Pay Gap	46%	39%	30%	(16%)	62%	68%	61%	(1%)	64%	63%	59%	(5%)	60%	55%	55%	(5%)	65%	72%	69%	4%	86%	86%	82%	(4%)

## Changes in proportion of women by pay quartile and entity

	CONSOLIDATED ENTITIES				RBC IS				RBC LB				RBC EUROPE			
	2017	2018	2019	3 Year Trend	2017	2018	2019	3 Year Trend	2017	2018	2019	3 Year Trend	2017	2018	2019	3 Year Trend
Upper	13%	15%	15%	2%	27%	28%	28%	1%	14%	16%	16%	2%	8%	8%	10%	2%
Upper Middle	23%	24%	26%	3%	26%	32%	31%	5%	23%	24%	24%	1%	20%	25%	26%	6%
Lower Middle	37%	39%	40%	3%	40%	42%	51%	11%	33%	35%	38%	5%	39%	37%	38%	(1%)
Lower	57%	57%	57%	0%	64%	60%	60%	(4%)	53%	54%	55%	2%	61%	64%	59%	(2%)

## Proportion of women and men that received a bonus in 2019

	CONSOLIDATED	RBC IS	RBC LB	RBC EUROPE
Women	88.1%	92.7%	87.3%	87.0%
Men	89.1%	90.6%	88.7%	89.2%

We confirm the above information is accurate.

**Dave Thomas**  
CEO, RBC Europe Limited

**Joanna Meager**  
Head, RBC Investor & Treasury Services UK

