

Equitable compensation for all

At National Bank, equity, diversity and inclusion are part of our core values and guide us in everything we do. Our commitment to building a work environment that welcomes, celebrates and adapts to differences is reflected in how we apply our compensation practices, which aim to recognize our employees' contributions fairly, transparently and equitably while ensuring their financial wellbeing. Although the regulatory framework encourages us to investigate and enhance our practices, equity is central to our management cycle and plays a fundamental role in the development of our compensation programs: rigorous employment system based on neutral, bias-free criteria; salary ranges reviewed annually in accordance with external salary watches; and bonus programs for all positions.

In 2022, we mandated an external firm to analyze our compensation practices for over 18,000 employees across Canada from a neutral, objective standpoint. In concrete terms, the statistical analysis enabled us to compare the salary positioning of employees in designated groups (women, Indigenous persons, visible minorities and persons with disabilities) with employees who are not members of these groups. Similar functions were compared by applying neutral, bias-free criteria, such as overall experience, performance history and the scope of the responsibilities associated with the position.

The table below shows the results of the analysis:

SALARIES (CANADA) ¹ - 2022			
Positions	WOMEN ³	VISIBLE MINORITIES ³	PERSONS WITH DISABILITIES ³
Senior management	98.4%	99.7%	99.7%
Management	100.1%	99.6%	99.6%
Clerical	100.1%	99.8%	99.8%
All levels ²	99.5%	99.7%	99.7%

Notes

1 Includes salary paid on an annualized basis.

2 Excluding executives, employees who make direct sales with no base salary, employees on leave for more than one year, employed retirees and students.

3 Compared to people who do not identify as members of the designated group.

The overall results for all positions combined show that the wage gap is below 1% for the targeted groups, encouraging us to keep delivering on our commitment to increase representation across all roles at the Bank.

- In general, women earn 99.5 cents on every dollar earned by men. Although we have achieved salary parity for clerical and management employees, the analysis found a gap remains between men and women at the senior management level.
- Members of visible minorities and persons with disabilities earned an average of 99.7 cents for every dollar earned by those who did not identify as members of these groups.
- Wage gaps for Indigenous persons were not statistically significant due to the small population size. To see what concrete actions have been rolled out to enhance representation, refer to the 2022 Inclusion and Diversity Booklet.

Although we have achieved salary parity in a number of segments, a gap remains. We must be vigilant and

maintain equitable practices that support our values of diversity, equity and inclusion. The Bank has long implemented an internal governance structure for its compensation programs and practices to ensure employee compensation is aligned with its commitment to equitable treatment. The analysis of our practices is a part of this governance framework. We also hold discussion and skills development workshops with leaders to ensure compensation practices are applied in a uniform, bias-free way. We encourage employees to express themselves in various forums to make sure they understand the criteria underlying our compensation decisions and share any concerns that require our attention.

A number of initiatives will continue to be proposed to review our compensation programs and ensure they are aligned with our One Mission. We're still working to improve our inclusive employee benefits offer to ensure we remain a top employer.

For more information on the Bank's diversity strategy, partnerships and data, consult our [Inclusion and Diversity Booklet: Take action for a more inclusive future today.](#)