

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.

For a second year, 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 Peoples, 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:

Total compensation paid (Canada) - 2023		
	Women ²	Visible minorities ²
All employees¹	99.5%	99.7%
Senior management	98.5%	99.7%
Management	99.9%	99.6%
Clerical	100.8%	99.8%

Notes

1. Excluding executive positions, employees with no base salary, employees on leave for more than one year, interns, retired employees and employees who receive bonuses under a specialized program.
2. Compared to people who do not identify as members of the designated group.

The overall results for all positions combined show that the total average wage gap for the designated groups is below 1%. These results encourage us to keep delivering on our commitment to increase representation across all roles at the Bank.

- In general, the total average compensation paid to women is 99.5% of that paid to men, with the gap mainly being due to differences in the compensation paid to men and women at the senior management level.
- The total average compensation paid to visible minorities is 99.7% of that paid to persons who do not identify with this diversity segment.
- The total average compensation paid to Indigenous Peoples is 99.5% of that paid to persons who do not identify with this segment.

- The total average compensation paid to persons with disabilities is 99.9% of that paid to persons who do not identify with this segment.
- In our previous compensation statement, the data presented only accounted for base salary. The analysis conducted by the external firm obtained similar results for base salary only and for total compensation paid. This demonstrates that our practices are fair and equitable overall.

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 our diversity strategy, partnerships and data, and to see what concrete actions we have taken to increase representation, consult our [Inclusion, Diversity and Equity Booklet: Take action for a more inclusive future today.](#)