

Inclusion and Diversity Booklet

20
22



Take action for a more
inclusive future today



Caution regarding forward-looking statements

Certain statements made in this booklet are forward-looking statements. All such statements are made in accordance with applicable securities legislation in Canada and the United States. Forward-looking statements in this document may include, but are not limited to, statements with respect to the Bank's objectives, priorities, strategies, inclusion and diversity commitments and targets or actions that will be taken to achieve them (including with respect to hiring practices and employment programs and strategies), the regulatory environment in which it operates, the potential impacts of—and the Bank's response to—the COVID-19 pandemic, and certain risks it faces. These forward-looking statements are typically identified by future or conditional verbs or words such as "outlook," "believe," "foresee," "forecast," "anticipate," "estimate," "project," "expect," "intend" and "plan," and similar terms and expressions of future or conditional verbs such as "will," "may," "should," "could" or "would." Such forward-looking statements are made for the purpose of assisting the holders of the Bank's securities in understanding the Bank's vision, strategy, targets and objectives related to inclusion and diversity, and may not be appropriate for other purposes. These forward-looking statements are based on our current expectations, estimates and intentions and are subject to inherent risks and uncertainties, many of which are beyond the Bank's control.

Our ability to achieve our inclusion and diversity objectives, priorities and targets is based on a number of assumptions and is subject to a number of factors, including, among others, the general economic environment and financial market conditions in Canada, the United States, and other countries where the Bank operates; changes made to regulations that affect the Bank's business; geopolitical and sociopolitical uncertainty; the Bank's ability to satisfy stakeholder expectations on environmental and social issues; the Bank's ability to achieve its long-term strategies and key short-term priorities; the Bank's ability to recruit and retain key personnel in a competitive environment for talent;

and possible impacts of major events affecting the local and global economies, including international conflicts, natural disasters, and public health crises such as the COVID-19 pandemic, whose future impact is difficult to predict and that may continue to have repercussions on the Bank.

There is a strong possibility that the Bank's express or implied predictions, targets, projections, expectations or conclusions will not prove to be accurate, that its assumptions may not be confirmed and that its vision, strategic objectives and performance targets may not be achieved. The Bank recommends that readers not place undue reliance on forward-looking statements, as a number of factors could cause actual results to differ significantly from the expectations, estimates or intentions expressed in these forward-looking statements. These risk factors include credit risk, market risk, liquidity and funding risk, operational risk, regulatory compliance risk, reputation risk, strategic risk, environmental and social risk, and certain emerging risks or risks deemed significant, all of which are described in greater detail in the Risk Management section beginning on page 65 of the Bank's 2022 Annual Report.

The foregoing list of risk factors is not exhaustive. Additional information about these risk factors is provided in the Risk Management section of the Bank's 2022 Annual Report and may be updated in the quarterly shareholders' reports subsequently published. Investors and others who rely on the Bank's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risks they entail. Except as required by law, the Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time, by it or on its behalf. We caution investors that such forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from these statements due to a number of factors.

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Take Action for a More Inclusive Future Today

A word from our President and Chief Executive Officer



Humble, proud, attentive and determined: these are just a few words that describe National Bank's approach to building and maintaining an inclusive culture while achieving greater diversity. We want to build a work environment that welcomes, celebrates and adapts to diversity so we can make the most of this invaluable asset. This commitment guides our actions every day.

We're proud to see how dedicated our employees are to being inclusive and having the right conversations to help us move forward. Never before have we had so many opportunities to discuss inclusion and diversity. Squads are mobilizing in each sector and two new employee resource groups were added to our existing groups in the past year, representing over 6,700 employees who play an active role in promoting an inclusive work environment.

Employee resource groups stimulate conversation and promote new ideas across the Bank, helping us reframe our approach, innovate and make progress. We aim to take into account the visible and invisible aspects of diversity and to listen to the experiences, opinions and other views of employees. We believe diversity powers our performance and, even more importantly, fosters employee well-being, success, commitment and pride.

We want to create the most stimulating work environment while building inclusive, motivated teams that truly care about our clients. That's why we've rolled out various solutions to promote learning throughout the organization. We offer training on racism, unconscious bias and

interculturality. We're working to eliminate the barriers that women, employees who identify as visible minorities, persons with disabilities, Indigenous peoples and members of LGBTQ+ communities face every day and at various stages of their careers. Our coaching, mentorship and sponsorship programs, which are useful, effective and greatly appreciated, will therefore continue to play a key role over the coming years.

Another priority is creating a work environment that is free of discriminatory behaviour. As such, we are committed to preventing all forms of discrimination. As the new year gets underway, we're pursuing last fall's Zero Tolerance campaign to promote respectful conversations in branches and contact centres.

We're aware that society is undergoing a period of economic instability. Inflation, high interest rates and a slowing economy may heighten social exclusion for many—especially for members of minority groups. That's why we're promoting an advisory approach tailored to each person's circumstances.

In closing, we're aware that we still need to tackle a number of challenges. Building an inclusive culture requires commitment, perseverance and determination. Our work is paying off and we plan to keep at it. We're proud of what we've achieved together with our employees, and we'd like to thank them for their contribution to building an even more equitable and inclusive work environment, where diversity is given its proper value.

A stylized, handwritten signature in dark ink, appearing to be 'L. Ferreira'.

Laurent Ferreira

President and Chief Executive Officer

Taking Action With and for People

A word from the Chair of the Inclusion and Diversity Council and the Vice-President – Talent and Culture



We're very proud to present this third edition of the Inclusion and Diversity Booklet. Now that we've completed the first two years of our 2020–2023 plan, we'd like to take a moment to celebrate what we've achieved so far, with and for our employees, while remaining aware of the challenges that lie ahead. Our plan can continue moving forward thanks to the strong partnerships and close collaboration between the Inclusion and Diversity Council, our business sectors and our employee resource groups.

The work accomplished over the past year has allowed us to better reach internal and external audiences, strengthen the engagement of our leaders, build pride among our employees and showcase our brand. We have taken targeted action to support career advancement and the recruitment of successors in the women and visible minorities segments while laying the groundwork for actions geared toward Indigenous peoples and persons with disabilities. We've rolled out a number of key initiatives, such as a training plan focused on interculturality, to ensure our managers have the tools they need and to foster the development of our leaders. We've also started to take steps to promote our values of diversity and inclusion to clients.

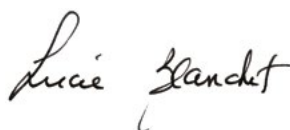
We'd like to highlight our significant progress in terms of flexibility at work. The exceptional measures we initially implemented to deal with the pandemic have enabled us to build a flexible work model that enhances our inclusive practices on a day-to-day basis.

The impact of these actions and the real progress we've observed in terms of our inclusive culture and our diversity demonstrate that we're on the right track. Our inclusion index has increased to 90% and more than 6,700 employees are now involved in our various employee resource groups. We're aware that we'll need to keep working to amplify our actions over the coming year so we can resolve issues affecting Indigenous peoples and persons with disabilities.

The Council is counting on the discipline and dedication of our employees in executing our plan, the alignment between internal and external resources to intensify our impact and the engagement and commitment of our leaders and employee resource groups.

Building, promoting and developing our culture also means listening to employee feedback and experiences. That's why the support we offer and the programs we design will continue to benefit from close collaboration with employees. Focusing on the employee experience allows us to ensure the Bank remains a career destination of choice where people can achieve their full potential by contributing to the success and well-being of their colleagues, our clients and the community.

We'd like to thank each and everyone of you for embracing our values and making a difference to our organization and our society as a whole.



Lucie Blanchet

Executive Vice-President – Personal Banking
and Client Experience



Lucie Houle

Vice-President – Talent and Culture

Inclusion and Diversity Council¹

The Council is composed of leaders engaged with the business sectors and our employee segments working in collaboration with the employee resource groups.



¹ Composition of the Inclusion and Diversity Council at the time of printing.

OUR ONE MISSION

We exist to have a
POSITIVE IMPACT in
people's lives.

By building *long-term*
relationships with our
clients, employees
and communities.

People first.

About Our Booklet

This booklet is dedicated exclusively to the topic of inclusion and diversity. It primarily focuses on our employees and relates to the Canadian operations of National Bank. It was drawn up by a team reporting to the Vice-President – Talent and Culture and results from collaboration with numerous Employee Experience practice leads and representatives of our business sectors and employee resource groups (ERGs).

Our booklet is aligned with the environmental, social and governance (ESG) principles adopted by our Board of Directors, which demonstrate how the Bank is committed to sustainable development and to balancing the interests of its different stakeholders.

Inclusion and diversity fall under our social commitments and contribute to the United Nations (UN) Sustainable Development Goals, in particular Goal 5, “Gender equality,” and Goal 10, “Reduced inequalities.”

SOCIAL



We enrich communities

- › We maximize the potential of individuals and the community
- › We promote inclusion and diversity
- › We foster entrepreneurship, financial literacy, philanthropy and support for health and education

Key United Nations Sustainable Development Goals covered by our principles



Scope

Our booklet brings together relevant content related to the Bank’s priorities, commitments and actions in terms of inclusion and diversity, as well as the results to date. The information presented covers the period from January 1 to December 31, 2022, and includes current activities as well as activities included in the 2020–2023 plan. We’ve set measurable targets and will be transparent in sharing our progress by updating this booklet annually. The initiatives set out in this booklet are regularly reviewed and updated to ensure they remain relevant and accurate. They are therefore subject to change.

Governance

For many years, the Bank has relied on a rigorous framework to ensure ongoing sound governance of our inclusion and diversity practices. Chaired by the Executive Vice-President – Personal Banking and Client Experience, the Inclusion and Diversity Council is made up of employees and executives from all Bank sectors. The Council is responsible for regularly communicating and following up with each sector, the Senior Leadership Team and the Human Resources Committee of the Board of Directors. The Human Resources Committee is responsible for approving orientations and the three-year plan, in addition to overseeing the rollout of acquisition, development and engagement strategies in terms of inclusion and diversity. Quarterly reports on the Bank’s progress are presented to the Senior Leadership Team and the Human Resources Committee.



Stakeholders

This booklet is part of the Bank's ongoing dialogue with its employees and other stakeholders, including clients, the community, shareholders, investors, suppliers, interest groups, international organizations and regulatory authorities. These interactions allow us to perform various impact analyses, improve our practices and aim for the highest disclosure standards, among other things.

Complementary documents to this report on inclusion and diversity at the Bank

These documents are available on our website at [nbc.ca](https://www.nbc.ca) under [About us](#).



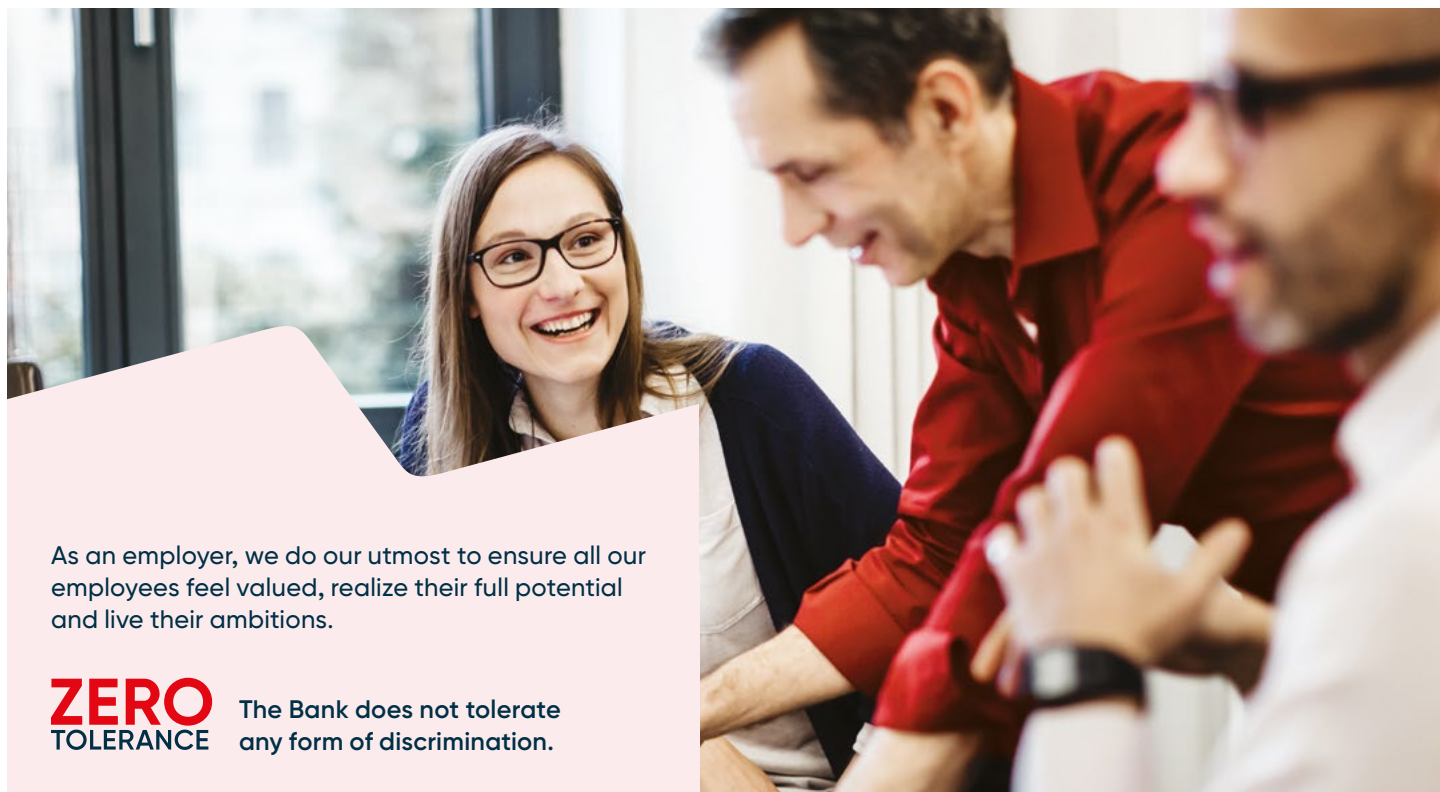
- [Report on Environmental, Social and Governance \(ESG\) Advances](#)
- [Management Proxy Circular](#)
- [Annual Report](#)
- [Code of Conduct](#)
- [Human Rights Statement](#)
- [Policy on the Prevention of Workplace Harassment and Violence](#)
- [Policy on the Prevention of Workplace Discrimination](#)
- [Stakeholder Engagement Guidelines](#)
- [Management's commitment to relationships with Indigenous peoples](#)



Contact us

If you have any comments about this booklet, please email us at diversity@nbc.ca.

Strong Foundations for an Inclusive, Diverse Environment



As an employer, we do our utmost to ensure all our employees feel valued, realize their full potential and live their ambitions.

**ZERO
TOLERANCE**

The Bank does not tolerate any form of discrimination.

Zero tolerance for workplace discrimination, harassment and violence

The Bank greatly values the quality of the environment it offers employees and takes steps to promote an open, respectful workplace, free from discrimination. The Bank has therefore drawn up policies and practices intended to ensure employment equity and respect for human rights while fighting workplace discrimination, harassment and violence. Prohibited grounds of discrimination are set out in the *Canadian Human Rights Act*.

Our equity policies and practices apply at all times to all Bank premises and remote work environments and to any professional or work-related events off Bank premises.

The Bank has created a framework to ensure ongoing sound governance of practices intended to prevent workplace harassment, discrimination and violence.

Respectful, impartial dispute resolution

The Employee Ombudsman's Office facilitates the resolution of disputes that employees and managers at all levels may encounter in the course of their work. It also handles reports anonymously when required. Reporting to the President and Chief Executive Officer, the Ombudsman's Office is responsible for weighing the concerns and interests of the parties involved in a fair and impartial manner. It can present options adapted to the situation or direct the parties involved to the appropriate resources. It can also encourage dialogue between the parties involved in an informal complaint. Advisors in the Ombudsman's Office are required to ensure the confidentiality of their discussions and the facts that are brought to their attention. An incident does not need to be escalated before a file can be opened.

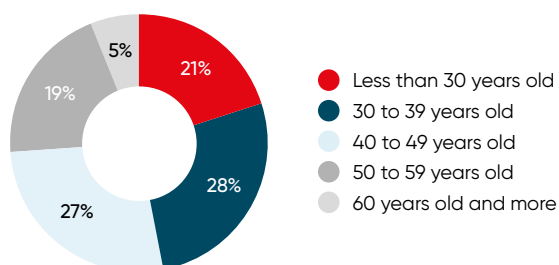
Overview of our workforce today

The Bank sees employee diversity as a great source of wealth and is proud to have employees in different age groups, from different origins, with different gender identities and sexual orientations. Our employees reflect the diversity of the communities we serve and support our values of openness and inclusion.

52.7%

of our employees have been at the Bank for over 5 years and **14.1% have been with us for more than 20 years.**

Breakdown of employees by age group



Representation of women

52.9%

Women represent 52.9% of our workforce and nearly **45% of our senior management employees.**

Representation of persons with disabilities

2.6% Persons with disabilities represent 2.6% of our workforce; **79% of them are in professional or management functions.**

Representation of Indigenous peoples

0.6% Members of Indigenous communities represent 0.6% of our employees and **76% of them are in professional functions.**

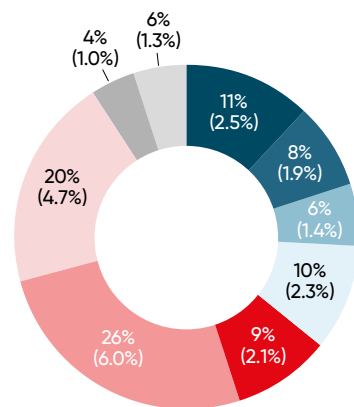
Representation of cultural communities and visible minorities



According to employees' answers to the self-assessment questionnaire, nearly **5,200 of our employees** consider themselves to be members of a cultural community, and more than **140 different countries** of origin are represented.

Our employees speak over **65 languages**; the most common are French, English, Spanish, Arabic, Italian and Portuguese. Furthermore, **23.6%** of our employees identify as members of a visible minority.

The table below shows the representation of employees who consider themselves to be members of a visible minority by origin.¹



- Southeast Asian
- Non-White West Asian
- East Asian
- South Asian or East Indian
- Non-White Latin American (including Indigenous Peoples from Central and South America)
- Black
- Non-White North African or Arab
- People of mixed origin
- Other visible minority

¹ Based on the definition set out in the *Employment Equity Act* and Statistics Canada classifications. Data in parentheses indicates percentage representation of total number of employees.

The table below shows the representation of different employee segments by level.

Current workforce profile ¹	As at December 31, 2022	As at December 31, 2021	As at December 31, 2020
Women			
Percentage at National Bank	52.90%	53.80%	54.70%
Percentage in STEM roles ⁱ	17.70%	17.30%	n/a ⁴
Percentage in professional roles	47.90%	47.70%	47.80%
Percentage in sales force management roles ⁱⁱ	53.70%	54.80%	55.60%
Percentage across the sales force	55.60%	56.70%	58.10%
Percentage in management roles ⁱⁱⁱ	50.30%	50.80%	50.80%
Percentage in intermediate management roles ^{iv}	78.00%	81.40%	79.50%
Percentage in senior management roles ^v	44.60%	44.20%	44.10%
Percentage in executive officer and officer roles ^{vi}	33.10%	31.40%	30.00%
Percentage in executive officer roles	33.30%	40.00%	36.40%
Visible minorities²			
Percentage at National Bank	23.60%	23.10%	23.20%
Percentage in professional roles	25.20%	24.20%	24.40%
Percentage in management roles	16.70%	15.60%	15.40%
Percentage in intermediate management roles	20.30%	20.60%	18.80%
Percentage in senior management roles	16.00%	14.60%	14.60%
Percentage in executive officer and officer roles	6.90%	5.80%	4.70%
Percentage in executive officer roles	0%	0%	0%
Persons with disabilities²			
Percentage at National Bank	2.60%	2.60%	2.90%
Percentage in management roles	2.00%	1.90%	2.20%
Percentage in senior management roles	2.10%	2.00%	2.30%
Indigenous peoples²			
Percentage at National Bank	0.60%	0.60%	0.80%
Percentage in management roles	1.00%	1.00%	0.90%
Percentage in senior management roles	0.90%	0.80%	0.70%
LGBTQ+			
Percentage at National Bank	2.80%	2.69%	n/a ⁴
Number of employees ¹	19,094	17,901	17,344
Percentage of employees who have completed our diversity and inclusion training	99%	97%	97%
Percentage of employees who have completed our unconscious bias training	65%	70%	n/a ⁴
Percentage of employees with more than one year of service who have completed their self-identification ³	94%	93%	97%



Diversity data for the Bank's Board of Directors is detailed in the [Management Proxy Circular](#).

¹ Regular active employees working in Canada.

² As defined under the *Employment Equity Act*.

³ In 2021, the Bank reviewed and relaunched its self-identification form for all employees working in Canada. Certain variations compared to 2020 may be due to a lower self-identification rate.

⁴ Calculated for the first time using 2021 data.

ⁱ STEM: These functions include, but are not limited to, the following positions: computer programmers, web developers, statisticians, logisticians, engineers, physicists, scientists.

ⁱⁱ Percentage of employees in a Level 1 to 9 management function in the sales force.

ⁱⁱⁱ Percentage of employees in a Level 1 to 9 management function.

^{iv} Percentage of employees in a Level 1 to 4 management function.

^v Percentage of employees in a Level 5 to 9 management function.

^{vi} Percentage of employees in a Vice-President or higher function (executives) approved by the Senior Leadership Team and members of the Senior Leadership Team.

Making employee well-being a priority

The Bank's success is tied to the well-being of our employees. By creating an inclusive work environment that promotes a feeling of belonging, we can contribute to employee development and foster a positive employee experience.

We believe inclusion and diversity issues deserve to be discussed in a transparent manner at all levels of our organization. To respond appropriately to these issues, we try to maintain an open dialogue and regularly ask employees for their opinions. That's why we integrate specific questions about inclusion and diversity into our internal surveys on various aspects of the employee experience. These questions attest to the value we assign to these topics.

We are especially proud of the engagement of our various employee segments in 2022. Our engagement index¹ has remained high for a third consecutive year. This highlights our major strengths, including a client-centric culture, a focus on our One Mission, which involves putting people first, and a willingness to make a commitment to optimizing performance, individually and collaboratively.

Employee engagement index ²	2022	2021	2020	2019
Overall	88	87	86	82
Women	89	87	87	82
Visible minorities	86	86	84	80
Persons with disabilities	83	82	82	77
Indigenous peoples	93	89	83	82

The inclusion index reports on a key aspect of our corporate culture. Standing at 90%, it demonstrates the engagement of our employees and highlights how inclusion is perceived within our organization. The Inclusion Index demonstrates the positive perception that the Bank offers an environment that supports inclusion and diversity and allows us to focus our efforts on ensuring a positive experience for all employees. These results help us direct our efforts to ensure a positive experience for all employees.

Inclusion index ³	2022
Overall	90
Women	90
Visible minorities	87
Persons with disabilities	86
Indigenous peoples	94



"Openness and respect for diversity are central to the Bank's values. The Bank's actions to support employee well-being are very stimulating and encourage us to live our personal and professional ambitions every day."

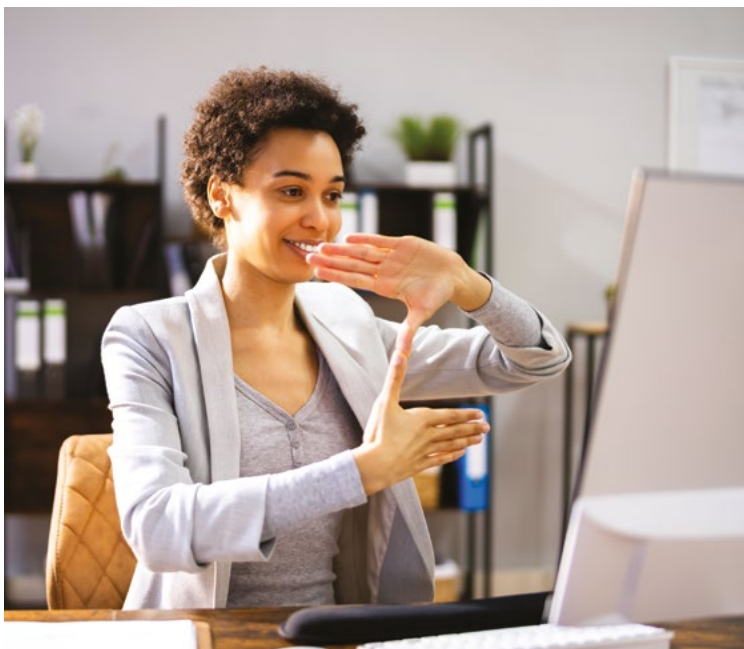
Marie-Josée Dumais, Senior Manager, Talent Management Strategies

¹ Refer to the performance indicators on page 27.

² The employee engagement index was established based on the My Voice, Our Experience internal survey, which was completed by 12,716 employees in fall 2022. The index measures how motivated a team is to contribute to the success of the organization, to go above and beyond to achieve business objectives. We measure engagement using 5 statements.

³ The inclusion index is an index of perception and was established based on the My Voice, Our Experience internal survey, which was completed by 13,149 employees in summer 2022. The index is composed of seven statements.

An Inclusive Work Environment That Promotes the Success of Each Person



We're proud of the Bank's achievements in terms of inclusion and diversity over the years. Now we're building on those foundations, supported by the employee voice and experience, as we pursue our efforts to move toward greater inclusion for all. To do so, we've set specific targets to be achieved by December 31, 2023, based on clear guidelines and established in collaboration with the Inclusion and Diversity Council. Our vision:

Create the most stimulating work environment in the country while building an inclusive culture and a diverse talent pool to support our social commitment.



Our **action plan for 2020–2023** clearly defines the areas of action that we will focus on in the coming years, based on the following priorities:

- › **An open and inclusive environment**, free from racism and discrimination, where all of our employees feel recognized and can reach their full potential
- › **Diverse teams** that are representative of our clients and the communities we serve and access to top talent
- › **A strong position as a top employer** that puts people first and is recognized for **its social engagement** and **sound governance**



"Our ambition to build the most stimulating work environment means we need to create an inclusive culture for our clients, our employees and the community."

Excerpt from an interview with Laurent Ferreira, President and Chief Executive Officer, during the quarterly employee conference call in December 2022.

Our strategy

Building on the experiences shared by our employees and industry best practices, our strategy relies on raising awareness to change mindsets, promote openness and engagement, and hold managers accountable. We're continuing to take action to fight unconscious bias and create the necessary conditions to support all employees in their development and advancement.

Three areas of action provide a framework for various initiatives across the Bank:

- 1 Discuss
- 2 Engage
- 3 Act daily

1 Discuss



Communication with employees is the cornerstone of a truly inclusive work environment. Promoting the importance of inclusion and diversity depends on open communication and regular conversations that help us change mindsets and raise awareness of associated issues.

To **encourage and facilitate conversations within the company**, we will:

- › Hold discussion workshops to reinforce employee awareness of unconscious bias.
- › Establish and roll out a strategy for developing competencies associated with inclusive leadership in our managers and their teams.
- › Improve access to existing materials and tools (internal educational and informational sites) to reach various target audiences, facilitate conversations and enhance the quality of interactions.
- › Use our various internal communication channels (employee resource groups, corporate social networks, etc.) to better understand the employee experience and hold ongoing conversations about our commitments, our achievements and the resources available to promote inclusion for all.
- › Facilitate the Culture Club interactive discussion and awareness platform, created by employees and open to anyone who wants to discuss societal issues or current events. The contributors to this platform are Bank employees. External contributors may also be invited, as needed.

2 Engage



Leading the Bank toward greater inclusion will require more **executive accountability** and **heightened governance of our practices and initiatives**. The Inclusion and Diversity Council pays specific attention to these aspects as part of its mandate. By including representatives of the various employee segments in the Council, we can better understand all levels of the organization.

By connecting leaders, employee resource groups and expert teams via formal and informal forums, we're working to roll out the following initiatives:

- › Promote inclusion and diversity across the organization by means of focus groups led by managers and employees in each sector who will be responsible for implementing the sector's action plan.
- › Integrate specific representation targets into the executive performance dashboard and communicate them internally and externally.
- › Assess the progress of our initiatives and make quarterly reports on our progress to the Senior Leadership Team and the Human Resources Committee of the Board of Directors.

3 Act daily



We want all of our employees to feel recognized and be able to achieve their full potential at the Bank. That's why we work to ensure our talent management practices support the professional development of our employees. We optimize our recruitment processes on a regular basis to make sure a strong talent pool is available to the organization. We strive to create favourable conditions that **support our employees in their careers** by taking the following actions:

- › Set up focus groups within the Bank, supported by our annual surveys, to identify employees' concerns and work with them to adjust some of our programs to deliver an optimal work experience.
- › Assess our human resources practices to ensure equality and eliminate bias and discrimination at every step (recruitment, performance appraisal, compensation, succession).
- › Implement development initiatives specific to each employee segment in collaboration with our employee resource groups.
- › Make mentoring activities more accessible to our different employee segments.

We also want to ensure the Bank has **access to a strong succession pool made up of talented employees who represent our diverse society**. We will therefore:

- › Build internal and external talent pools and pre-qualify candidates for key functions.
- › Roll out the leadership development program to our succession pool.
- › Lead targeted initiatives in schools, universities and organizations that specifically support women, visible minorities, persons with disabilities and Indigenous peoples, allowing us to develop pools of candidates in those segments.

Live your ambitions

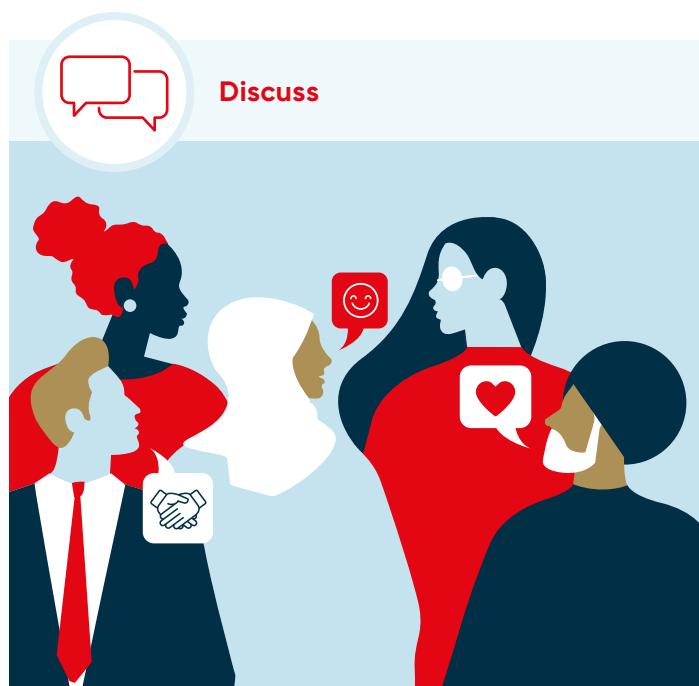


Lastly, **we need to optimize our recruitment processes and experience** so we can reinforce our position as a top employer. To achieve this goal, we need to:

- › Highlight talent in various employee segments as part of our recruitment strategies, with support from our employee resource groups.
- › Train recruitment teams and managers and give them the tools they need to work together to neutralize any form of bias that may arise during recruitment.
- › Draft bias-free job postings that mention the accommodation measures offered to candidates during the interview process.

Our 2022 achievements

In 2022, a number of initiatives from each of the areas of action in our 2020–2023 plan were rolled out to foster an inclusive culture at the Bank and build diverse teams.



Discuss

- › Published a monthly information bulletin exclusively dedicated to inclusion and diversity, endorsed and shared by the members of the Inclusion and Diversity Council with their sectors and via the company's internal social networks.
- › Presented a calendar of events intended to highlight, celebrate and commemorate various topics, raise awareness of different realities and build a culture of inclusion.
- › Rolled out various initiatives, such as focus groups, workshops, book clubs, empathy circles and human library activities, to create safe spaces that foster communication and learning.
- › Shared testimonials, articles and videos related to inclusion and diversity, on topics such as racism, accessibility, women's leadership, Black History Month, the National Day for Truth and Reconciliation and affirming your identity, which sparked opportunities for conversation on the various communication and collaboration channels used by our employees.

We took a number of actions to promote conversations on inclusion and diversity at the Bank. Here are our main achievements:

- › Rolled out mandatory training on preventing discrimination, harassment and violence, which has been completed by 99% of employees.
- › Published a video to raise awareness of unconscious biases, which 65% of employees have watched.
- › Rolled out a new training for all employees in the fall, "The Essentials of Inclusion and Diversity;" 53% of employees have completed it.
- › Rolled out a project supporting the development of inclusion and diversity skills among Bank managers and executives.
- › Animation and enrichment of the new Inclusion and Diversity web platform, accessible to all employees which presents new informative and internal content, educational resources, including workshops on unconscious biases, informative videos and management tools linked to inclusion and diversity.



Engage

To foster employee engagement in terms of inclusion and diversity, we amplified our impact via the following initiatives:

- › Set up working groups made up of managers and employees in all sectors. Through lunch conferences, learning workshops, testimonials and other methods, these groups are taking action to implement the sector plans drawn up by the members of the Inclusion and Diversity Council.
- › Ensured rigorous governance of representation of women and members of visible minorities in executive positions, including by following up on objectives in the shared dashboard for all executives.
- › Monitored an inclusion index integrated into the engagement survey, which allows us to assess and measure the perceptions of all our employees.

- › Delivered quarterly presentations on the progress of initiatives to the Senior Leadership Team and the Human Resources Committee of the Board of Directors. These presentations were given by the Employee Experience executive and a member of the Inclusion and Diversity Council. The Human Resources Committee ensures compliance with orientations and our three-year plan while implementing strong strategies to promote inclusion and diversity.
- › Created a new employee resource group, named R.A./I.N. (Réseau Autochtones/Indigenous Network).
- › Collaborated with a number of partners to promote a proud, inclusive community.
- › Created the Transformation and Client Inclusion Leader mandate to help us embed a culture of inclusion in our strategies and business processes.



Act daily

To help employees achieve their full potential and ensure they feel recognized, we:

- › Implemented a series of flexible measures, benefits and work arrangements that enable a better work-life balance and provide solutions to many different individual needs (work schedule arrangements, leave offers, hybrid or 100% remote work model, temporary work from anywhere, etc.).
- › Launched a sponsorship program where executives are paired with women and visible minorities to support their career development.
- › Developed a toolkit to prevent and manage discrimination, including videos, decision trees to identify and act on situations and a campaign visible to our clients (posters and voice messages).
- › Rolled out mentorship and coaching programs for various target groups, including women, visible minorities and persons with disabilities.
- › Analyzed the recruitment process by examining the experience, identified gaps and provided training on inclusion and diversity skills such as interculturality and unconscious biases for the Talent Acquisition team.
- › Expanded Supplemental Parental Benefits to all eligible new parents of born or adopted children, offering greater flexibility and a better work-life balance to all parents.
- › Established targeted recruitment strategies to create a diverse candidate pool.
- › Participated in over 20 school career events, immigration fairs and job fairs targeting different groups.
- › Carried out a workforce risk management exercise to prepare managers to systematically integrate talent diversity into their discussions so they can build inclusive strategies adapted to their reality.
- › Promoted our central value of inclusion throughout the organization every day. This is reflected in the employee initiatives rolled out to complement our corporate actions, such as:
 - Participation in discussion panels
 - Creation of employee resource groups
 - Organization of fun activities



Inclusion Network

In 2021, the Inclusion and Diversity Ambassadors program became the Inclusion Network employee resource group. In 2022, the group's membership tripled. All our employees have the opportunity to act as drivers of inclusion and diversity by becoming involved in internal networks as ambassadors, allies and advocates. They help maintain open and inclusive dialogue within the organization, promote our activities to their colleagues and raise the Bank's profile in their communities. This network unites employees while guiding and supporting the transformation to a more inclusive culture.

We've also rolled out many initiatives to promote the inclusion and development of various employee groups: women, visible minorities, persons with disabilities, Indigenous peoples and members of the LGBTQ+ communities.



"Inclusion is everyone's business. We're committed to including everyone, whatever our differences. This unifying network aims to empower and educate all our employees and help them contribute to driving change."

*Céline Manoël, Senior Manager,
Inclusion and Diversity, Employee
Experience sector*



The Bank is proud to continue serving as an Employer Partner of the Canadian Centre for Diversity and Inclusion (CCDI).

Women

To promote the development and mobility of women, increase their representation in management roles and benefit from market best practices, we've established **a number of partnerships with industry players and external organizations**. We're very proud to be:

- › **A partner of the Association of Québec Women in Finance**, an association dedicated to the professional advancement of women that aims to influence key players and decision-makers in Quebec's economic development.
- › **A partner of Women in Capital Markets**, an association that promotes equality through strategies and initiatives intended to increase the number of women in the industry and reinforce understanding of diversity and equality.
- › **A partner of Women in Governance**, an organization that supports women in their leadership development and career advancement.
- › **A partner of Women's Executive Network (WXN)**, a North American organization that propels and celebrates the advancement of professional women.
- › **A signatory of the UN Women's Empowerment Principles**, which aim to empower women to participate fully in economic life across all industries and at all levels.
- › **A signatory of the Catalyst Accord 2022**, which brings together 56 major Canadian organizations committed to promoting women in senior management.

A number of initiatives are also underway within the Bank. We've set up a **mentorship program** for women investment advisors at National Bank Financial. This program aims to increase the proportion of women in this profession by helping them achieve a better work-life balance and promoting customer service tailored to the needs of women investors. More than 150 women have benefited from this program since 2016.

The **Women in Capital Markets program** is intended to encourage women to pursue a career in financial markets by means of a one-year mentorship program that prepares them for an internship in the field. 45 women have benefited from this program since 2018.



National Bank has been a partner of the A Effect since it was launched in 2015

The A Effect is an organization dedicated to powering women's professional engagement. About 422 women working at the Bank have taken part in the program.

- › 52% of Bank participants were between the ages of 40 and 49.
- › 47% of participants have been promoted within the Bank at least once since participating in the program.
- › 29% of candidates who were promoted or made a lateral move after participating in the program transferred to a different business line.
- › 89% of women enrolled remained at the Bank after participating in the program.

Through its commitment to initiatives such as **Les Audacieuses**, a program that aims to be inclusive in attracting new female talent in IT, and **Numérique au Féminin**, which highlights women in the digital field, the Bank plays a key role in helping women access careers in IT.

The Women's Leadership Network

Created in 2012, this employee resource group promotes women's success at the Bank by encouraging networking among women and allies in different sectors. With over 1,500 members, this sharing and support community aims to give women the tools they need to access senior management and executive positions. By switching its networking and training events to virtual mode, the network was able to reach and have a positive impact on even more women across Canada and in our offices abroad. Here are some of its initiatives:

- › The *Outstanding Women* series. This monthly publication aims to recognize an employee for her exceptional social engagement and inspiring career path.
- › Conferences and webinars on virtual collaboration, the future of leadership and issues such as work-life balance, leaning out and recognizing signs of professional burnout and impostor syndrome.



"I discovered the Women's Leadership Network in 2015. Since then, it's been a key factor in my development and much more. Through its conferences and events, it gives me priority access to ideas and advice that I'll be able to apply throughout my career at the Bank. I've also had the pleasure of learning about some of the remarkable women working within our organization. Hearing how they've tackled similar situations to those I face has been very inspiring. When I participate in activities presented by the Women's Leadership Network, I feel energized, empowered and ready to have a positive impact on the people around me."

Joannie Sirois, Product Owner, Information Technology



Our commitment to making the Bank a more inclusive and diverse company has been recognized on several occasions by external organizations. In 2022, the Bank was selected for the **Bloomberg Gender-Equality Index** for a fifth consecutive year. We also received the **Platinum Parity Certification** from Women in Governance for a third consecutive year, in recognition of our efforts to close the gender gap within our organization.

Cultural communities

The Bank has a diversified talent pool. Our employees represent more than 140 countries of origin and can communicate in over 65 different languages. We recognize that cultural diversity enriches our society, and we're proud to have a workforce that reflects the communities we serve.

The relaunch of the self-identification form for all employees has also allowed us to improve the quality of our data on the ethnic diversity of our talent.

Our innovative flexible work practices, such as temporary work from anywhere, benefit many of our employees who identify as members of cultural communities and have loved ones living abroad. By making it easier for employees to be near their loved ones at the times that matter to them, these practices promote better work-life balance and foster a positive employee experience.



"The Culture Club is a committed ambassador for our values of equity, inclusion and diversity. It provides a platform that lets me meet with colleagues from all walks of life, share their experiences and celebrate other cultures. This platform allows me to take concrete action to promote diversity and realize the Bank's ambition to build the most stimulating, open and inclusive work environment in the country, where employees from all diversity segments feel recognized and appreciated and can achieve their full potential."

*Joé Bouanda, Practice Advisor,
Operations, Delivery of Infrastructures
and Security Assets*

Culture Club

This employee resource group aims to promote diversity and take concrete action to foster inclusion within our organization. The Culture Club was founded as a response to the wave of outrage triggered by the death of George Floyd in May 2020. This interactive platform was created by employees and is open to anyone who wants to discuss societal issues or current events. The contributors to the platform are employees, and the topics addressed are shared with employee experience teams and senior management to improve employees' day-to-day lives and the quality of the service we offer our clients.

The Culture Club helps raise awareness and teach employees about inclusion and diversity through a number of activities:

- › Creating content and broadcasting educational videos.
- › Setting up employee discussion workshops.
- › Developing a mentorship program for visible minorities.
- › Collaborating on the external holiday season campaign.
- › Rolling out a calendar of religious holidays celebrated within the organization and with our clients.
- › Contributing to inclusive projects aimed at clients, such as more inclusive ABMs and leaflets for newcomers to Canada.
- › Organizing events that celebrate inclusion.

Visible minorities

We recognize the fact that our culture is enriched by diversity. But we also acknowledge that obstacles exist. To express our commitment to fighting discrimination and racism, we've drawn up and communicated a three-year strategic action plan to prioritize and raise awareness of inclusion and diversity.

We've carried out a number of actions, including:

- › Became a signatory of the BlackNorth initiative, which aims to end anti-Black systemic racism in Canada.
- › Organized focus groups and set up a discussion platform to facilitate difficult conversations by reinforcing open dialogue and listening to feedback related to discrimination and racism.
- › Signed partnerships with schools/universities and organizations supporting various cultural communities, including:
 - Black Professionals in Tech Network
 - Onyx Initiative
 - *Médias Maghreb* radio station
- › Created a mentoring and sponsorship program to increase our pool of successors who are visible minorities.
- › Implemented an internal career development program (Me, My Career) for members of the Black Professional Network.
- › Organized events to open a dialogue and raise awareness of the realities faced by racialized colleagues, especially during Black History Month;
- › Supported the Université de Montréal's citizen forum on representation of Black communities in legal professions;
- › Offered training on racism via the Institut du Nouveau Monde.

We're also pursuing other initiatives, such as:

- › Organizing focus groups and discussion forums to better understand the experience of employees who belong to visible minorities, target obstacles to their recruitment and career advancement and reinforce their engagement and feeling of belonging at the Bank.



Black Professional Network

Created in 2020, this employee resource group's mission is to attract, develop and retain top Black talent by promoting community involvement, leadership development and a culture of inclusion. This employee resource group encourages mentorship and contributes to the success of its members by organizing workshops and conferences that highlight Bank employees' commitment to real change.



"The 'Me, My career' development program provided the structure and support I needed to pursue my career objectives. Each meeting gave me greater clarity and empowered me to take on my current plan. I was able to exceed my own expectations by implementing the advice I was given. During each session, I received support and motivation from other group members. This emboldened me to pursue my career aspirations. I am deeply grateful for the professional relationships I've built thanks to this program."

Yvonne Nnadi, Digital Sales Associate, National Bank Investments

Persons with disabilities

The Bank is aware of the need to provide a suitable environment for people with visible or invisible disabilities and is committed to helping them fulfill their ambitions through various measures designed to support them in their work and enhance their everyday experience.

Our **accommodation program** allows us to modify working conditions, physical and IT work environments, work schedules and tasks to suit the specific needs and abilities of employees.

In addition to organizing work appropriately, we want to set up the necessary conditions to continue attracting persons with visible and invisible disabilities and allow them to make the most of their personal and professional talent.

Our commitment to persons with disabilities is expressed through a number of initiatives. For example, we:

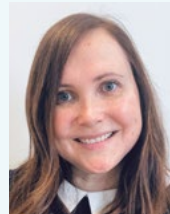
- › Created a volunteer employee committee, led by an executive on the Inclusion and Diversity Council, to develop specific initiatives and make the work environment more inclusive of persons with disabilities.
- › Created the Around Disability employee resource group.

We're also pursuing other initiatives, such as:

- › Hiring a cohort of data scientists and data engineering analysts who identify as neurodiverse and rolling out a program to promote the inclusion of neurodiverse people.
- › Collaborating with external organizations that support us in discussing and developing appropriate measures to recruit employees with visible and invisible disabilities. One of our objectives was to review the requirements for certain job postings to eliminate obstacles to hiring.
- › Developing the One on One Around Disability program, which aims to foster inclusion of persons with disabilities by providing additional support.
- › Identifying a person to be responsible for developing a recruitment pool made up of persons with disabilities.

Around Disability

In 2021, the Bank supported the creation of the Around Disability employee resource group. This group aims to showcase and share stories, experiences and events related to people with visible or invisible disabilities.



"As someone with a disability, I can unhesitatingly affirm that my employer promotes the values of inclusion and diversity every day. The proof? In 20 years at the Bank, I've never once felt that I was seen only as my disability. People with disabilities—minor or major, visible or invisible—are welcomed at the Bank."

*Isabelle Blais, Senior Manager,
Business Strategy and Personal and
Commercial Banking Integration*

- › Organizing events and activities to raise awareness, including video testimonials and meetings with the Human Library foundation to foster dialogue among colleagues.
- › Involving colleagues with disabilities in designing the layout of the Bank's new head office at 800 St-Jacques.
- › Participating in the DuoEmploi program by offering one-day internships in branches for persons with disabilities.

Indigenous peoples

Increasing the proportion of our employees who are members of Indigenous communities is among our priorities. We hold ongoing, open conversations with employees in these communities to reinforce their feeling of belonging and allow them to truly be themselves in the work environment. We're committed to giving everyone the same chances for success. We want to understand what obstacles Indigenous peoples face when it comes to advancing in their career and what factors would make the Bank more attractive to them as an employer.

To achieve these goals, we're undertaking a number of concrete actions:



- › Committing to the Progressive Aboriginal Relations program rolled out by the Canadian Council for Aboriginal Business. As such, the Bank is undertaking a three-year certification program to develop positive, progressive relationships with Indigenous communities.

- › Created a new employee resource group, named R.A./I.N. (Réseau Autochtones/Indigenous Network), which aims to provide a forum for support and discussion on the topic of Indigenous communities.



"Diversity is a journey, not a destination. True inclusion requires curiosity and a willingness to be open and learn about other peoples' origins, what influences them, and what realities they face. It takes courage to open up to new ideas and trust to share your vulnerabilities. I'm very proud to participate in R.A./I.N. It's great to see how this network contributes to the advancement of Indigenous people."

Teresa Lesyk, Director and Head of Cash Management



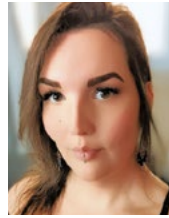
- › Creating a volunteer employee committee, led by a Bank executive on the Inclusion and Diversity Council, to develop specific initiatives and make the work environment more inclusive of people from Indigenous communities.
- › Holding activities to raise awareness, foster education and promote Indigenous talent as part of annual celebrations.
 - Celebrating National Indigenous Peoples Day on June 21.
 - Commemorating the National Day for Truth and Reconciliation on September 30.
- › Holding workshops to better understand the current and desired experience and increase the impact of our actions.
- › Improving external support processes for the teams of experts responsible for reviewing our programs and approach.

We are also actively participating outside the Bank by joining other events, discussion forums and advisory committees organized by external organizations and institutions that aim to improve the representation of Indigenous communities on the job market.

LGBTQ+ communities

At the Bank, our inclusive culture means we respect the diversity of each person. We fully support the LGBTQ+ communities and work with organizations that promote respect for the human rights of all people, irrespective of their gender identity or sexual orientation.

The Bank is aware of the challenges faced by trans and non-binary people and is committed to providing them with an inclusive work environment that improves the quality of their everyday work experience. In 2021, the Bank therefore adopted a specific support process for the employees concerned and their managers.



“Through my involvement in the MOI Network, I make a concrete contribution to ensuring the Bank provides a healthy, stimulating and inclusive work environment for members of the LGBTQ+ communities. For example, we have created a guide to facilitate onboarding of trans and non-binary individuals at National Bank. By working together, we can have a real impact on inclusion and diversity in the workplace.”

Malia Desmarais-Lamy, Senior Representative, Client Contact Centre



We're proud to be:

- › A signatory of the UN Standards of Conduct for Business Tackling Discrimination against Lesbian, Gay, Bi, Trans and Intersex People
- › A partner of the International Day Against Homophobia, Transphobia and Biphobia and Fondation Émergence
- › A partner of the Conseil Québécois LGBT, GRIS-Montréal and GRIS-Québec, RÉZO and Pride at Work Canada



The MOI Network

The MOI Network fosters a Motivating, Open and Inclusive environment. It represents and supports colleagues who are members of the LGBTQ+ communities and their allies, helping everyone feel free to express their diversity and fostering a healthy, stimulating, inclusive and diverse work environment. In keeping with the Bank's mission of putting people first, this employee resource group is committed to supporting all employees who have questions about sexual orientation and gender identity.

Some recent achievements:

- › Published a series of internal testimonials concerning the experiences of people who identify as members of the LGBTQ+ communities.
- › Participated in Toronto Pride for the first time.
- › Published a directory of training and awareness activities on the topic of LGBTQ+ experiences in Quebec in collaboration with the Conseil québécois LGBT.
- › Organized a series of events to raise awareness of the International Day Against Homophobia, Transphobia and Biphobia and Pride Month.
- › Participated in LGBTQ+ recruitment events in the IT field.
- › Participated in events and external training related to the issues faced by our communities.
- › Implemented a working group dedicated to defining the directives and tools needed to promote inclusive writing at the Bank.

Our performance indicators

The Bank continues to deploy efforts to implement promising strategies based around our three fields of action: dialogue, commitment and daily action. We measure the impact of our actions by the improvement of our performance indicators.

- › The **perception that the Bank offers an environment that fosters inclusion and diversity** is measured by the inclusion and diversity index.¹ It rose significantly from 79% in 2020 to 86% in 2021, then continued to improve, **reaching 90% in 2022 (a 4% increase).**
- › **Knowledge of the resources and tools available internally¹ to facilitate conversations and foster positive interactions within the Bank** stood at 58% in 2020. **In 2022, it jumped by 24 points to 82%.**
- › The **evolution of our talent pool in line with the representation goals/targets for each employee segment in the Bank's workforce**, to be achieved by December 31, 2023, as indicated in the table below:

Segments	Overall pool ³		Executives ⁴		Senior management employees ⁵	
	As at December 31, 2022	2023 Target	As at December 31, 2022	2023 Target	As at December 31, 2022	2023 Target
Women	52.90%	56%	33.10%	36%	44.60%	47%
Visible minorities ²	23.60%	26%	6.90%	7%	16.00%	16%
Persons with disabilities ²	2.60%	4%	n/a	n/a	n/a	n/a
Indigenous peoples ²	0.60%	1%	n/a	n/a	n/a	n/a

¹ The index was established based on the "My Voice, Our Experience" internal survey (previously known as "Taking a Look at our Organization"), which 13,149 employees responded to in summer 2022.

² As defined under the *Employment Equity Act*.

³ Regular active employees working in Canada.

⁴ Percentage of employees in a Vice-President or higher function (executives) approved by the Senior Leadership Team and members of the Senior Leadership Team.

⁵ Percentage of employees in a Level 5 to 9 management function.



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