

Human Rights Statement

Respecting and protecting human rights and freedoms are among National Bank's fundamental values. We are committed to creating and maintaining a safe, healthy work environment that is free from all forms of workplace discrimination, harassment, violence and intimidation throughout the organization.

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Overview and scope

This statement sets out National Bank's guiding principles, commitments and expectations in terms of human rights. It outlines how the Bank applies its principles in its activities and relationships with stakeholders, with respect to its various roles:

- > Employer with more than 29,000 employees
- > Provider of products and services to its clients
- > Corporate citizen in the communities it serves
- > Partner of local and international organizations

The Bank promotes, respects and prioritizes the protection of human rights for its employees, its clients and the communities it serves, as set out in the applicable legislation of the countries in which it operates.

The Bank subscribes to the values set out in the Canadian Charter of Rights and Freedoms and recognizes statements and principles related to human rights and freedoms, such as:

- > United Nations Universal Declaration of Human Rights
- > International Labour Organization Declaration on Fundamental Principles and Rights at Work
- > United Nations Guiding Principles on Business and Human Rights
- > United Nations Principles for Responsible Banking

The Bank also aims to contribute to the [United Nations Sustainable Development Goals](#). For more information, please consult the Bank's Report on Environmental, Social and Governance (ESG) Advances, available in the [Corporate responsibility](#) section of [nbc.ca](#).

The Bank's [Code of Conduct](#) states that its employees, directors and officers must comply with the applicable laws, wherever we do business. The Code also contains provisions to maintain a respectful, welcoming, humane and stimulating workplace, and prohibits all forms of discrimination, harassment and physical or psychological violence. All employees, directors and officers must attest annually that they comply with the Code, and they regularly receive training on this subject. Suppliers must also comply with the [Supplier Code of Conduct](#).

Guiding principles, commitments and expectations

- > Respect, promote and protect human rights in all of the Bank's sectors of activity.
- > Foster employee empowerment and accountability to avoid actions contrary to this Human Rights Statement.
- > Exercise due diligence when it comes to human rights and require stakeholders to do the same.
- > Promote financial security by providing tools and raising awareness among clients and employees of the importance of adopting the right behaviours, especially with regard to personal information.
- > Openly and transparently communicate the Bank's human rights-related activities.
- > Support organizations committed to promoting human rights.

Inclusion and diversity

Inclusion and diversity are an integral part of the Bank's corporate culture. In addition to complying with Canada's Employment Equity Act, the Bank values diversity in all forms and applies a zero-tolerance policy for any form of discrimination based on race, national or ethnic origin, colour, religion, age, sex (including pregnancy), sexual orientation, gender identity or expression, marital status, family status, genetic characteristics, conviction of an offence for which a pardon has been granted, or disability (physical or mental), as stipulated in our [Policy on the Prevention of Workplace Discrimination](#).

This zero-tolerance policy also applies to all forms of workplace harassment and violence, as set out in our [Policy on the Prevention of Workplace Harassment and Violence](#), and addresses all employees, officers and members of management—regardless of employee status or position—as well as consultants, suppliers and members of the Board of Directors. Furthermore, the policy applies to all work environments (on site and remote) and to any situation having an impact on work.

The Bank has adopted a strategy, targets and areas of action in inclusion and diversity. Five priority employee segments were identified as part of the Bank's strategy: women, visible minorities, persons with disabilities, Indigenous persons and members of LGBTQ2+ communities.

The Bank's commitment to offering an environment that is open and respectful of individual differences is expressed through a number of initiatives:

- > Partnerships and donations and sponsorships program
- > Accommodation program for employees and clients
- > Program for clients who are newcomers to Canada
- > Ongoing internal communication, training and awareness-raising activities
- > Evolution of our practices to ensure equity and eliminate bias and discrimination
- > Employee resource groups

For more information, consult the Inclusion and Diversity Booklet available in the [Take action for a more inclusive future today](#) section of [nbc.ca](#).

Gender equality

The Bank promotes the professional development and advancement of women within the organization and in the community. The Bank's commitment is expressed through concrete initiatives, such as an employee resource group dedicated to women's leadership and partnerships with organizations that help advance women. The Bank signed the United Nations Women's Empowerment Principles in 2020. These principles promote gender equality in the workplace, marketplace and community.

For more information on the representation of women at the Bank, consult the Inclusion and Diversity Booklet in the [Take action for a more inclusive future today](#) section of [nbc.ca](#).

Indigenous communities

The Bank aims to have an open, constructive dialogue with clients, employees and partners from Indigenous Communities. We're committed to better understanding their history and the unique realities they face so we can meet their needs. We believe the business community plays a key role in societal progress, and we feel privileged to be able to contribute to this goal. As such, we're proud to participate in the Progressive Aboriginal Relations program set up by the Canadian Council for Aboriginal Business.

For more information, consult the Leadership's Commitment on Indigenous Relations available in the [Codes and commitments](#) section of [nbc.ca](#).

Pay equity

Equity, diversity and inclusion are part of the Bank's 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 our compensation practices which aim to recognize our employees' contribution fairly, transparently and equitably, while ensuring their financial wellbeing.

Equity is a key criterion in our compensation programs. We have a rigorous employment system based on neutral, unbiased criteria, salary scales revised annually based on external salary studies and bonus programs for all positions. The principles of equity are central to our management cycle and a fundamental part of setting compensation policies and practices. We are firmly committed to complying with the laws that govern us as a federally-regulated employer.

Actions against modern slavery, forced labour and human trafficking

The [Commitment to the Fight Against Modern Slavery](#) sets out the commitment made by the Bank to fight modern slavery, forced labour and human trafficking through its activities and relationships with partners. This commitment is renewed annually. It describes the measures in place at the Bank to achieve this. It is made under the United Kingdom's Modern Slavery Act 2015.

Actions against child labour

The Bank adheres to the UN Universal Declaration of Human Rights and the International Labour Organization Declaration (in particular Conventions 138 and 182 on child labour) and has a zero-tolerance policy for child labour.

Actions against financial crimes

The Bank has developed an Anti-Money Laundering and Anti-Terrorist Financing Program (AML/ATF Program), an Anti-Corruption Program and a Sanctions Program to prevent the use of the Bank's products and services for the purpose of money laundering, terrorist financing, or sanctioned activity, including human trafficking and modern slavery.

For more information, consult the [Anticorruption and Anti-Money Laundering/Anti-Terrorist Financing \(AML/ATF\) programs](#) section of [nbc.ca](#).

Freedom of expression and opinion

The Bank keeps an open, ongoing dialogue with employees, getting them involved in business decisions and discussions and requesting their feedback on various topics. Employees can express themselves through regular

meetings, weekly and annual surveys, and by using collaboration tools that promote transparency and encourage them to share opinions, ideas and feedback.

Clients can share their comments and suggestions via a number of channels: at a branch, by phone, by email or on social media. The Bank also uses satisfaction surveys, focus groups and online panels to get feedback from clients.

Freedom of association and collective bargaining

The Bank encourages open dialogue with employees and offers them a fair and equitable work environment where they can communicate their opinion and concerns directly, without needing to go through a representative.

Health, safety and wellbeing

Health is a priority for the Bank. That's why it encourages employees to take charge of their physical and mental health by providing information, tools and resources to help them adopt a healthy lifestyle.

The Bank's Employee and Family Assistance Program (EFAP) offers completely confidential professional support for employees and their families who are going through difficult times. In addition to this service, the EFAP provides specialized services to assist managers with emotionally difficult and delicate situations related to their management role.

The Bank gives its employees the opportunity to work remotely as their duties permit and promotes work-life balance. In 1980, it became the first company in Quebec to offer employees a daycare facility at work. The Bank takes pride in its continued support for employees who are parents.

Although the banking sector sees few work-related accidents, we take them very seriously. Above everything, our health and safety initiatives aim to ensure all Bank employees feel comfortable and work in a safe environment at all times. Our health and safety policy defines the roles and responsibilities of all employees and describes the Bank's liability framework in terms of health and safety at work. It aims to ensure compliance with Canadian legislation.

The Wellness and Employee Benefits team, in collaboration with various Bank bodies, works to support our health and safety programs and ensure they run smoothly. The Bank therefore carries out regular monitoring, while management receives reports with recommendations based on the progress made towards achieving targets set at the beginning of the year to reduce risks to employee safety.

For more information, consult the Bank's ESG Report, available in the [Corporate responsibility](#) section of [nbc.ca](#).

Accessibility

National Bank continues to make significant investments in its branches and points of service to offer clients an environment that lives up to their expectations.

Branches and points of service

In 1992, the Bank made a commitment to the Canadian Human Rights Commission to ensure its branches and other buildings comply with universal accessibility standards. When renovating or designing premises, we apply the most rigorous standards in effect.

For more information, consult our [Accessibility Plan](#) on [nbc.ca](#).

Several display languages are available on ABMs throughout the Bank's network. This will increase the accessibility of our self-service solutions.

As part of the new branch experience, we've focused on improving the remote experience by allowing clients to meet with their advisors from the comfort of their own home.

Clientele

The Bank has rolled out measures to improve access to financial services and meet the specific needs of clients, including underbanked, unbanked and underserved individuals. For example:

- > Bank accounts with no fixed monthly fees offered to certain client segments identified by the Government of Canada as financially vulnerable (seniors¹, persons who have been determined to be disabled², persons aged 24 or younger), if linked to a specific package.
- > Monthly discount on most banking packages offered to certain client segments, such as persons aged 24 or younger and persons aged 60 or older.

The Bank has also implemented an offer for newcomers to Canada targeting international students, non-residents, people with work permits, refugees and asylum seekers.

For more information, consult the [Open a bank account in Canada](#) section of [nbc.ca](#).

The Bank's financing policies take into account clients' debt repayment capacity. Mechanisms are in place to assist clients who are having trouble making their payments.

All our employees must respect the principles of dignity, autonomy, integrity and equal opportunity at all times. They have access to training material to help them understand the legal accessibility requirements for products and services. Among other things, we are committed to:

- > Sharing clear information using different means of communication
- > Asking our clients if they need help using our services
- > Analyzing and carrying out any requested changes to accommodate clients with limitations, in accordance with the codes and standards in effect.

Protection of seniors

The Bank has signed on to the Code of Conduct for the Delivery of Banking Services to Seniors, a set of guiding principles on which we have based our measures for the protection of clients aged 60 and over.

The Bank undertakes to:

- > Support elderly clients
- > Take action to prevent scams, fraud and financial abuse targeting seniors
- > Recognize signs of abuse and take action
- > Communicate effectively with seniors
- > Offer products and services tailored to seniors' needs.

For more information, consult the [Protecting our clients aged 60 and over](#) section of [nbc.ca](#) as well as the Annual Report on the Protection of Seniors in the [Codes and commitments](#) section of [nbc.ca](#).

Financial literacy

The Bank believes that financial education is essential to financial health. That's why we offer a wide range of resources and tools to help our clients carefully plan their financial needs based on their projects and life stages.

The [Advice](#) section at [nbc.ca](#) includes hundreds of articles, videos and podcasts that shed light on a wide range of topics related to managing personal and business finances.

Through partnerships with different organizations, the Bank supports the creation of financial education initiatives targeting various groups, including students and newcomers to Canada.

¹ Persons aged 65 years or older on presentation of proof of eligibility for the Guaranteed Income Supplement.

² Beneficiaries of a Registered Disability Savings Plan (RDSP) aged 18 and over, upon presentation of proof of RDSP eligibility.

For more information, consult the Bank's ESG Report, available in the [Corporate responsibility](#) section of [nbc.ca](#).

Risk management

Assessing and mitigating social risk are integral to the Bank's risk management framework. Social issues play an increasingly important role in the Bank's strategies and decisions. Accounting for these risks helps promote best practices among our stakeholders.

ESG criteria are integrated into the Bank's processes. This involves carrying out due diligence as part of our credit origination processes, starting with the Corporate Banking portfolio. For this client segment, the ESG risk analysis framework includes, among others, criteria related to human rights policies.

Access to water

The Bank recognizes access to water as a fundamental right. The Bank's water consumption is mainly for personal use by employees. In any major reorganization or relocation project, the Bank opts for equipment that uses water sustainably.

For more information, consult our Environmental Policy, available in the [Codes and commitments](#) section of [nbc.ca](#).

Training and awareness

Training sessions, some of which are mandatory, are made available throughout the year to teach employees about various human rights-related topics and highlight the mechanisms in place to report behaviour that goes against the Bank's stated principles.

Employees can access diversity training sessions that will teach them about inclusive behaviours and how to create a work environment free of discrimination. Through mandatory training on the prevention of workplace harassment and violence, employees learn to understand and detect harassment and violence in the workplace and discover ways to prevent and reduce it.

Given the critical role businesses play in achieving ESG goals, the Bank has rolled out initiatives to raise awareness among employees, such as podcasts and presentations. An official ESG training is also offered to help employees better understand how they can contribute to the Bank's objectives.

Governance and monitoring

The Bank aims to be proactive in ensuring respect for human rights. The resources available to employees are highlighted in regular communications and on the Bank's internal platforms. The goal is to ensure ongoing monitoring of the work environment. All employees should be able to easily get help or report a situation that goes against the Bank's policies and practices. This is achieved by holding regular surveys and assigning human resources partners to the various business sectors.

The Bank conducts regular monitoring on issues related to human rights, including workplace discrimination, harassment, violence and the protection of seniors and vulnerable people. For example, the Employee Ombudsman's Office makes quarterly and annual reports to the Bank's executives. The Client Complaint Appeal Office makes quarterly and annual reports to the Conduct Review and Corporate Governance Committee and the Risk Management Committee. It also presents an annual report to executives. The Conduct Review and Corporate Governance Committee receives an annual report on the application of the Code of Conduct, including complaints of harassment, discrimination and violence in the workplace from employees. Quarterly reports on the results of employee surveys are presented to the Human Resources Committee.

The Human Resources Committee is mandated to ensure human resources management strategies and organizational culture are aligned with the Bank's ESG practices and strategies. The Conduct Review and Corporate Governance Committee is responsible for keeping abreast of ESG best practices and overseeing the Bank's strategy in this area. The Risk Management Committee is responsible for ensuring that the risk management

framework takes ESG risks into account so that they can be adequately identified, monitored and integrated into existing risk management processes.

Reports and complaints

The Bank takes action in the event of non-compliance with its policies and practices and has reporting mechanisms and internal recourse measures in place for employees and third parties who wish to express their concerns confidentially, without risk of reprisals.

Employees, officers and directors are required to report all behaviour that goes against the [Code of Conduct](#) or any other Bank policies or rules, including any human rights violations. This obligation also applies to interns, contract workers and consultants. All suppliers also agree to report any breaches, in accordance with the [Supplier Code of Conduct](#).

Employees

Employees must report any infractions to their manager, their manager's manager or one of the resources set out in the Code. To maintain anonymity, employees can communicate with the Employee Ombudsman's Office or the Office of the Ombudsman Ethic. Reports will be kept confidential.

Clients

Clients can report any complaint concerning a product or a service, or the way in which the product or service was sold, including any occurrence of harassment, discrimination or violence involving an employee related to their business relationship with the Bank, via its various service channels.

The Client Complaint Appeal Office offers clients alternative, independent and impartial recourse for complaints not settled to their satisfaction by the Bank. Each file is reviewed confidentially in accordance with legislation, regulations and industry best practices.

Each year, the Client Complaint Appeal Office publishes data on the complaints handled over the past year. These publications are available in the [Complaint settlement](#) section of [nbc.ca](#).

Penalties

In accordance with the [Code of Conduct](#), if the principles set out in this statement are violated, the Bank's employees and officers may be subject to corrective and disciplinary measures up to and including dismissal, in accordance with the Bank's guidelines for corrective and disciplinary measures. Interns, contract employees, consultants or suppliers who do not comply with the Code are likely to have their contract cancelled. In addition, certain breaches of the Code may result in legal proceedings against the individual.

Protection against reprisals

Any person who, in good faith, reports a real or potential breach of the principles set out in this statement will not be subjected to reprisals.