



2019 **Environment, Social
and Governance (ESG) Report**

Scotiabank

About Scotiabank



Scotiabank is a leading bank in the Americas.
We are guided by our purpose, *for every future™*.

We help our customers, their families and their communities achieve success through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking and capital markets. With a team of more than 100,000 employees and assets of over \$1 trillion (as at October 31, 2019), Scotiabank trades on the Toronto Stock Exchange (TSX: BNS) and New York Stock Exchange (NYSE: BNS). For more information, please visit www.scotiabank.com and follow us on Twitter @ScotiabankViews.

How we create value:

(as at October 31, 2019)

Employees

100,000+ employees

\$8.44 billion salaries and benefits

\$78.1 million invested in training and development

Communities

Nearly \$100 million community investment through donations, sponsorships and other forms of assistance

\$3.8 billion total taxes paid

Customers

\$592 billion in loans

\$3 billion committed to women-led businesses in Canada in the first three years of The Scotiabank Women Initiative™, launched in December 2018

Environment

Committed to mobilize **\$100 billion** by 2025 to reduce the impacts of climate change

Shareholders

13.9% Return on Equity

\$4.2 billion in dividends

Suppliers

Purchase goods and services from approximately 15,000 suppliers globally

We are here *for every future*TM

A future where our customers and employees have opportunities to reach their fullest potential, and communities and the natural world are healthy and vibrant.

We know that the long-term success of our Bank is fundamentally intertwined with the futures of those around us. When the world around us thrives, we are better positioned to create economic, social and environmental value. And that, in turn, benefits everyone.

Since our founding in 1832, we have enabled progress. Today we are a leading Bank in the Americas. The size and scope of our international operations gives us a greater opportunity than ever to help shape the future of our world.

We focus on areas where Scotiabank can have the biggest impact – enabling customers, employees and communities to realize their futures, mobilizing finance to address important social and environmental challenges and building trust by acting with integrity in everything we do – in order to create a more sustainable world.

Scotiabank®  **for every future.**

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ESG at a Glance

Throughout 2019, we continued to improve our environmental, social and governance (ESG) practices.

ENVIRONMENT

- Announced Scotiabank's Climate Commitments, including our commitment to mobilize \$100 billion by 2025 to reduce the impacts of climate change
- Issued USD\$500 million Green Bond of which proceeds are used to fund eligible assets under the Scotiabank Green Bond Framework, including renewable energy, green buildings and public transportation
- Reduced our greenhouse gas emissions by 17% from a 2016 baseline, achieving our target of 10% early; established a new target of 25% by 2025
- Implemented a Climate Change Risk Assessment tool in corporate and commercial lending to assess the physical and transition risks clients may face due to climate change

SOCIAL

- 35% of VP+ roles held by women globally, and 39% in Canada
- Employee engagement score increased to 81%
- Launched three new programs to help upskill and reskill employees for the digital economy: LinkedIn Learning, Pluralsight and the Digital Discovery Zone
- Committed \$3 billion in capital over the first three years of The Scotiabank Women Initiative™ (launched in December 2018) to advance women-led businesses in Canada
- Made over 500,000 follow-up calls to retail customers across Canada, the Caribbean, Chile, Colombia, Mexico, Peru, Uruguay and Central America through our customer experience and Net Promoter System – The Pulse
- Contributed nearly \$100 million globally in communities where we operate in the form of donations, sponsorships and other forms of assistance

GOVERNANCE

- For the second consecutive year, ranked by the Dow Jones Sustainability Index as within the top 1% of global financial institutions for corporate governance
- 38% of directors on our Board are women
- Strengthened our commitment to Human Rights by being the first Canadian bank to sign onto both the UN LGBTI Standards of Conduct for Business and the UN Women's Empowerment Principles
- Published a new Privacy Commitment that formalizes the principles of our approach to using customer information responsibly and keeping customers' data safe

About This Report

Scotiabank's 2019 Environment, Social and Governance (ESG) Report outlines our performance related to ESG factors that are important to our stakeholders. We continue to engage with stakeholders on these topics to inform our approach to ESG and will continue to report on our progress.

Scotiabank has used the Global Reporting Initiative (GRI) framework for this annual report since 2005. This report is prepared in accordance with the GRI Standards, fulfilling the requirements of a Core report. This report marks the first time we are voluntarily linking our ESG reporting to the Sustainability Accounting Standards Board (SASB) standards.

Scotiabank reaffirms its support of the Ten Principles of the United Nations Global Compact (UNGC) in the areas of human rights, labour, environment and anti-corruption. This report also constitutes our UNGC Communication on Progress and describes the actions we are taking to integrate the Ten Principles into our business strategy, culture and operations. Fundamental to this commitment is our global Human Rights Statement and approach.

www.scotiabank.com/sustainability

Scope of Reporting

The scope of this report and associated GRI Index includes information for fiscal 2019 (November 1, 2018 - October 31, 2019) for Scotiabank and its fully owned or major operating subsidiaries globally, unless otherwise stated. All currency is stated in Canadian dollars unless otherwise noted, and may be subject to currency exchange rate fluctuations.

We are supporters, signatories or members of the following:



Companion Documents

The following documents are companion pieces to the ESG report:



[2019 Annual Report](#)



[2020 Management Proxy Circular](#)



[2018 Employment Equity Narrative Report – Canada](#)



[2019 Public Accountability Statement \(PAS\) – Canada](#)

ESG Reporting Indexes:

- [Task Force on Climate-related Financial Disclosures](#)
- [UN Global Compact Communication on Progress](#)
- [Global Reporting Initiative](#)
- [Sustainability Accounting Standards Board](#)

*1832 Asset Management, MD Financial Management and Jarislowsky, Fraser Limited are signatories of PRI



A Message from Our President and CEO

Since the Bank's founding in 1832, Scotiabankers have aspired to enable a better, more prosperous future for our customers and the communities in which we live and work. In fact, we recently rearticulated our Bank's purpose to reflect our commitment to delivering *for every future*. It is a responsibility that we take seriously.

In particular, over the past year, we have undertaken many critically important efforts that demonstrate our dedication to sustainable business practices. Scotiabank's [Climate Commitments](#) are a good example. They are our pledge to all of our stakeholders to proactively address the challenges of our changing climate and the opportunities that will arise from a transition to a low-carbon economy.

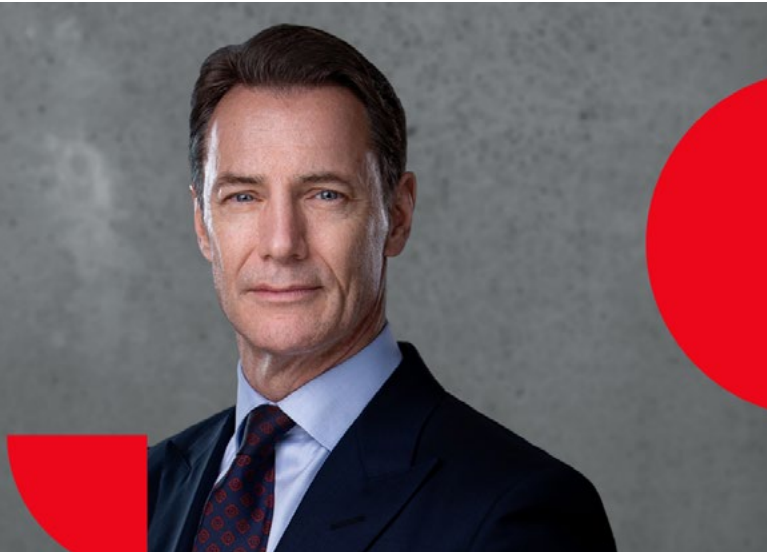
One of our commitments is to mobilize \$100 billion by 2025 to reduce the impacts of climate change. To that end, we issued Scotiabank's first Green Bond, allocating USD\$500 million over three-and-a-half years toward environment-related assets including renewable energy, green buildings, and public transportation. In addition, we report annually to the CDP (formerly the Carbon Disclosure Project) and continue to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in both this report and our 2019 Annual Report.

I am also proud to recognize our support for women-owned, women-led businesses in Canada through The Scotiabank Women Initiative™, launched in December 2018. We believe that all business leaders should have access to the capital and advice they need to build a thriving business. By any measure, this initiative has been a tremendous success. We have committed \$3 billion in funding for women-led businesses in the first three years of the program.

We are also committed to women within Scotiabank's business. Globally, 35% of our VP+ leaders, and 39% in Canada are women. We continue to make progress in this area and will maintain our focus on enabling women to succeed in each of the countries where we operate. Our commitment to diversity was further demonstrated by signing onto the UN LGBTI Standards of Conduct for Business, which support the Bank's efforts to honour the human rights of lesbian, gay, bisexual, trans, and intersex people. These initiatives support Scotiabank in operationalizing our [Human Rights Statement](#), which was updated in 2019.

I want to close by sincerely thanking all Scotiabankers for their generosity over the past year. In 2019, Scotiabankers contributed more than 350,000 volunteer hours to causes they care deeply about, and Scotiabank contributed nearly \$100 million globally through donations, sponsorships and other forms of assistance. Looking forward, we will continue to be a leading and positive force in our communities *for every future*.

Brian J. Porter
President and Chief Executive Officer



A Message from Our Chair

The Bank's purpose, *for every future*, articulates how we approach decision-making across Scotiabank, including the decisions made by your Board of Directors. The Board's deliberations reflect an acute awareness of the positive impact that Scotiabank has on the communities in which we operate, including as an employer of more than 100,000 Scotiabankers. Positioning the Bank for success requires us to carefully balance the interests of our diverse stakeholders so that we can continue to drive long term value for the Bank.

Governance and oversight of the bank's economic, environmental and social impacts and risks is a shared Board responsibility and is also overseen by each Board committee, a reflection of the complexity and inter-connectivity of these issues.

The Board dedicated a significant amount of time to ESG issues in 2019. Not only do ESG issues permeate decision-making at the Bank, they also present opportunities for Scotiabank to proactively demonstrate how we are addressing related challenges and opportunities in society more broadly. The Board and its committees have been involved each step of the way, including reviewing the Bank's renewed purpose and our strategic ESG priorities.

Scotiabank has taken leading positions on climate change, diversity and inclusion, and the promotion and safeguarding of human rights. Through all of its decisions, the Board is committed to safeguarding the trust placed in Scotiabank as a leading bank in the Americas, including keeping the Bank safe and having strong governance processes that foster robust decision-making. Taken together, these actions will enable our customers, employees and communities to thrive.

We are *for every future*. As we face the challenges and embrace the opportunities that the next decade brings, your Board remains anchored by the same belief that has guided Scotiabank since its founding days – we are stewards of the trust our stakeholders have placed in us.

Aaron W. Regent

Chair of the Board of Directors

Global Trends

Global trends are transforming our business – how we serve our customers, how we work and how we interact with communities and the environment. The scale and complexity of these global trends present both opportunities and challenges for sustainable development. By prioritizing and taking action on these issues, our business can drive economic growth and positive social impact.

Guided by our [Climate Commitments](#), we aim to play an active role in supporting the transition to a low-carbon, more resilient economy by accelerating climate solutions through our core business activities and enabling our customers, employees and communities to thrive.

We are committed to building and protecting trust by acting with integrity in everything that we do. With every decision we make, we consider the corresponding environmental, social and economic impacts.

Our mission is to be a digital leader, which means we have a tremendous opportunity to bring relevant, appropriate solutions to customers across our footprint. Our focus on digital transformation builds value for both our Bank and our customers.

Rising expectations of corporations

Stakeholders expect businesses to demonstrate a higher purpose and create positive impacts in society.

Climate change

Climate change is significantly impacting natural systems and communities across the globe. Efforts to address climate change will require a significant mobilization of capital.

Digital transformation

Technology continues to transform many facets of daily life and banking has been especially affected by the advent of digital technologies.

Trends shaping our business

Emerging economies

Economic influence is shifting with a rapidly growing middle class in emerging markets.

The opportunity gap

The opportunities available in many communities remain unequal despite global economic growth.

Shifting demographics

The average age of populations in the developed world is rising. Socially conscious Millennials are now of voting age and constitute much of the labour force.

To respond to global shifts in economic influence, we are equipping people in emerging economies with tools, training and knowledge to build their financial futures. By doing so, we are helping build a better, more inclusive economy.

By providing access to financial products, services and advice, we can help customers improve their financial futures, grow their businesses and support the financial well-being of individuals, families and communities.

When young people in the community succeed, families, businesses and entire societies are positioned to benefit for years to come. In order to attract and retain clients, access top talent and enhance the Bank's reputation, we must demonstrate socially responsible business practices.

ESG Performance

We aim to track, monitor and report on ESG performance metrics most relevant to our business and to our stakeholders.

ENVIRONMENT				
Metric	2017	2018	2019	Target
Capital mobilized towards reducing the impacts of climate change	n/a	n/a	\$16 billion	\$100 billion by 2025
% decrease in Scope 1 and 2 GHG emissions from 2016 (Global)	7.74	8.87	17.40	Exceeded target of 10% by 2021 New target of 25% by 2025
Greenhouse gas emissions (Global, tonnes CO ₂ e)				
Scope 1	15,527	15,729	15,221	
Scope 2	114,183	111,990	99,393	
Scope 3	18,060	20,020	20,168	
Total emissions (Scope 1, 2, 3)¹	147,770	147,740	134,782	
Internal Carbon Price	\$15	\$15	\$15	Increase to \$30 per tonne CO ₂ e in 2020, rising to \$60 by 2022

SOCIAL				
Metric	2017	2018	2019	Target
INVESTING IN OUR EMPLOYEES				
Employee engagement score (Global, %)	79	79	81	≥74 (Financial Services Norm)
% of women in Executive roles (1 or 2 reporting lines from the CEO)	32	35	34	
% of women in Senior Management (VP+):				
Global	33	34	35	≥37% in 2021
Canada	39	39	39	≥45% in 2021
International (excludes Canada)	20	21	24	
% of employees with disabilities (Canada) ²	3.8 (2016)	3.7 (2017)	3.4 (2018)	
% of visible minority employees (Canada) ³	28.4 (2016)	26.7 (2017)	24.1 (2018)	
% of Aboriginal people employees (Canada) ⁴	1.2 (2016)	1.1 (2017)	0.9 (2018)	
Total investment in employee training and career development (millions)	70	74	78	
Voluntary employee turnover rate ⁵	13	16	12	
% of employees that think Scotiabank is socially responsible	88	86	92	

ESG Performance

SOCIAL				
Metric	2017	2018	2019	Target
EMPOWERING OUR CUSTOMERS				
Increase in Small Business loans (% year-over-year growth in value authorized; Canada)	9.2	11.4	8	Increase by 14% in 2020
Increase in access to banking for Aboriginal communities (% year-over-year customer growth; Canada)	7	10	10.6	Increase by 11% in 2020
Customer Experience – Number of follow-up calls made to retail customers (approximate)	200,000	430,000	525,000	
Increase in access to banking – Number of Scotiabank Peru customers with Billatera Movil (BIM) product (enabling mobile banking free from cell and data charges) (approximate) ⁶	90,000	104,000	104,500	
Increase in access to banking – Total Colpatria Zero-Fee accounts opened in Colombia	366,897	403,612	448,000	
INVESTING IN COMMUNITIES				
% of community investment to support young people (Global)	60	70	70	Direct 70% of community investment toward young people in the community
Total value of community investment (approximate, millions) ⁷	\$80	\$80	\$100	
Total number of hours volunteered by employees	403,500	371,000	350,595	
GOVERNANCE				
Metric	2017	2018	2019	Target
Gender diversity of the Board (% women) ⁸	33	38	38	At least 30% each gender
% of employees that attested to the Scotiabank Code of Conduct ⁹	100	100	100	100%
Inclusion in the Dow Jones Sustainability Index (DJSI) North America	Not met	Achieved	Achieved	Maintain inclusion in the DJSI North American Index
Board independence (# of independent directors) ¹⁰	13 of 15	14 of 16	12 of 13	

¹ Calculated in accordance with GHG Protocol of the World Resources Institute and the World Business Council for Sustainable Development, including emissions factors for electricity purchases, natural gas and fuel. Scope 2 emissions are calculated using a location-based method. Scope 3 emissions include business travel. Refer to pp. 18 and 72 in the GRI index for additional data and notes.

^{2,3,4} Data from previous year's Employment Equity Report, available on our website. Representation is disclosed on a voluntary survey basis and is reflective of Canadian-based employee population responses only.

⁵ Voluntary employee turnover rate includes Resignations and Retirements and excludes casual staff and affiliates and subsidiaries where breakdowns are not available due to different reporting systems.

⁶ As of November 12

⁷ Through donations, sponsorships and other forms of assistance. In 2019, we updated the methodology to include non-cash investments and other cash investments not previously included.

⁸ As of October 31

⁹ As of December 2. Excludes approved exceptions.

¹⁰ As of October 31

SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDGs) and associated targets, adopted by all UN member states in 2015, collectively create an agenda to transform the world by overcoming barriers to economic, social and environmental progress by 2030. Of the 17 SDGs, we identified six toward which we can make the greatest contribution.

How We Contribute



TARGET 1.2
TARGET 1.3
TARGET 1.4

We develop and offer financial products, services, education and training to meet and respond to the unique needs of a diverse customer base. This includes no or low-fee accounts in several key markets to promote financial inclusion among low-income, seniors, students and the underbanked. We also make charitable contributions to a variety of organizations who are working to address the root causes of financial hardship.



TARGET 3.2
TARGET 3.4
TARGET 3.8

We provide benefits and resources to help our employees and their families lead healthy, balanced lives. We promote long-term mental and physical health in our communities, directing 70% of our philanthropic contributions toward investments in young people, and we encourage employee volunteering and donations with matching programs.



TARGET 4.1
TARGET 4.3
TARGET 4.4
TARGET 4.5

We work to promote financial knowledge and education across our international footprint, both directly with customers and in partnership with other organizations. By educating our employees, customers and youth about financial responsibility today, we seek to enable everyone to realize their financial goals. Thousands of training offerings are available to our employees, and we provide financial support to a variety of academic institutions across our international footprint.



TARGET 5.1
TARGET 5.5

We actively work to remove barriers for women in the workplace and have set targets to ensure the advancement of women in leadership, including representation in VP+ roles globally and in Canada. Across our key markets including in Canada, Colombia, Chile and Peru, we lead initiatives to support the advancement of women in business and the economy.



TARGET 8.2
TARGET 8.3
TARGET 8.5
TARGET 8.6
TARGET 8.7
TARGET 8.8
TARGET 8.10

Through salaries, benefits and taxes paid, Scotiabank makes a significant contribution to employment and economic growth across our footprint. From 2018, we have committed to invest \$250 million over 10 years to provide employees with the tools and opportunities they need to adapt and thrive in the digital economy. For our business customers of all sizes, we offer products, services and solutions designed to help them grow prosperously in their communities. We also have measures in place to address equal pay for equal work, increase youth employment, protect labour rights in our business and supply chain (including modern slavery and human trafficking) and improve access to financial services.



TARGET 13.1
TARGET 13.2
TARGET 13.3

Scotiabank's Climate Commitments outline five areas that the Bank is focused on to address climate change. These commitments position us to play an essential role in the transition to a low-carbon, more resilient economy and help accelerate climate solutions through our core business activities.

[Learn more](#) about how we are making progress toward the SDGs and associated targets.

ESG Awards and Recognition

Scotiabank is proud to be recognized for our ESG performance through awards, inclusion on global sustainability indices and other recognitions.

MEMBER OF
**Dow Jones
 Sustainability Indices**
 In Collaboration with RobecoSAM



REFINITIV™
TOP 100 COMPANY 2019
 Diversity and Inclusion Index



Great Place to Work Awards



Scotiabank was recognized internationally as a **Great Place to Work in 2019**

- Top 25 Best Workplaces in the World
- #6 Best Workplace in Latin America (for the Multinational category)
- #4 in Peru (For companies with more than 1,000 employees)
- One of the Best Workplaces in Financial Services and Insurance in Canada

Awards and Recognition in Canada and Abroad

- Named **Bank of the Year** by The Banker magazine in Canada, the Bahamas and Trinidad and Tobago
- One of 30 companies recognized with the **Socially Responsible Company Award** granted by the Mexican Center for Philanthropy (CEMEFI)
- **Best Diversity Program, as well as the Absence Management Award**, recognized by Benefits Canada's 2019 Workplace Benefits Awards
- 3rd on the 2019 LinkedIn **Top Companies in Canada**
- **#1 Best Mobile Banking App experience** from JD Power Canada

Environment

Published in late 2019, Scotiabank's Climate Commitments are the Bank's formal pledge to our stakeholders to proactively work with the risks and opportunities presented by our changing climate. We are well underway on our journey to mobilize \$100 billion by 2025 to reduce the impacts of climate change through lending, investing, financing and advisory, as well as investments in the Bank's direct operations and communities.

Scotiabank is committed to transparency on climate-related risks and will continue to align our climate-related disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have taken steps this year to further integrate climate change risks into the credit process. Scotiabank is working to decarbonize our own operations, this year doubling our internal carbon price and increasing our emissions reduction goal. Finally, we are committed to collaboration and dialogue within and beyond our business to increase the level of cooperation and ambition for climate action.

We are here *for every future*, to enable our clients and partners to navigate the climate challenge and seize the opportunities that lie ahead.

Daniel Moore
Group Head & Chief Risk Officer



Environment

for the future of
our planet



2019 Highlights

- Announced Scotiabank's Climate Commitments, including our commitment to mobilize \$100 billion by 2025 to reduce the impacts of climate change
- Issued USD\$500 million Green Bond of which proceeds are used to fund eligible assets under the Scotiabank Green Bond Framework, including renewable energy, green buildings and public transportation
- Reduced our greenhouse gas emissions by 17% from a 2016 baseline, achieving our target of 10% early
- Implemented a Climate Change Risk Assessment tool in corporate and commercial lending to assess the physical and transition risks clients may face due to climate change

Looking Forward

- Continue to operationalize Scotiabank's Climate Commitments including establishing a Climate Change Centre of Excellence
- Increase our internal price on carbon to \$30 per tonne of CO₂e in 2020, from \$15, and further increase to \$60 by 2022
- Reduce greenhouse gas emissions by our new target of 25% by 2025 (from 2016)

Our Climate Commitments

Why it Matters

Climate-related factors are significantly impacting natural systems and communities across the globe and pose one of the most significant risks to the global economy and society as a whole. As a Bank, we have both a responsibility and an opportunity to act.

Our Approach

By financing solutions that support the transition to a low-carbon economy, factoring climate-related risks and opportunities into lending and investment decisions and reducing our own environmental and carbon footprint, we are helping lay foundations that will sustain our business for generations to come.

Climate Strategy

Scotiabank supports the principles of the Paris Agreement, which brings the global community together to take collective action to mitigate climate impacts and adapt to new climate realities.

In 2019, we developed an enterprise-wide climate strategy and announced the Bank's five Climate Commitments. The Commitments outline how we will continue to support our customers in the transition to a low-carbon economy and decarbonize our own operations. Assessing and appropriately managing environmental and climate risks is critical to our long-term operations, customer relationships and business success.

Governance and Reporting

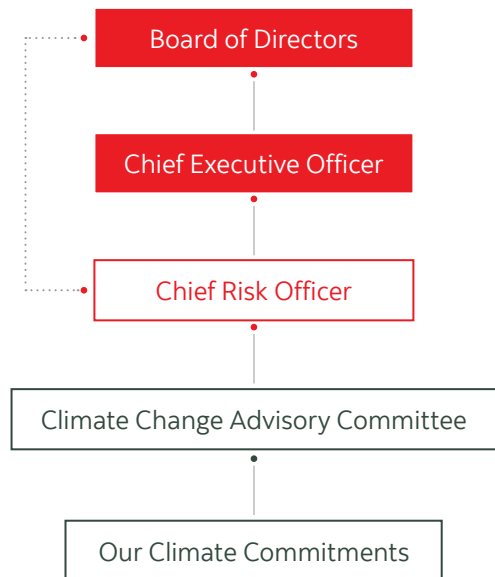
At Scotiabank, both the Board and management have a role to play in ensuring our Climate Commitments are met. Several Board committees provide ongoing oversight including the Risk Committee, Corporate Governance Committee and the Audit and Conduct Review Committee (please refer to p. 70 of the 2019 Annual Report for more information on the role of each committee).

In 2019, the full Board approved the Bank's climate strategy and Climate Commitments, which helped formalize work underway across the Bank.

Scotiabank's Climate Commitments

- 1 **Mobilize \$100 billion**
by 2025 to reduce the impacts of climate change.
- 2 **Ensure robust climate-related governance and transparency in our reporting.**
- 3 **Enhance integration of climate risk assessments in our lending, financing and investing activities.**
- 4 **Decarbonize our own operations and find innovative solutions to reduce the Bank's impact on the changing climate.**
- 5 **Establish a Climate Change Centre of Excellence to mobilize internal and external collaboration, dialogue and information sharing and contribute to the global conversation on climate change.**

Our Climate Commitments



At the management level, climate-related risk is overseen by the Group Head & Chief Risk Officer, who reports directly to the CEO and has unfettered access to the Risk Committee of the Board. This is aided by a Climate Change Advisory Committee made up of senior officers across business lines and control/stewardship functions. The Advisory Committee meets quarterly and is accountable for monitoring progress against targets.

Scotiabank supports the recommendations of the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD). In addition to this report, our approach to climate-related governance, strategy, risk management and metrics and targets have been included in our 2019 Annual Report on pp. 104-105. A TCFD Index is included on p. 62 of this report.



We participate in both global and national initiatives focused on furthering the adoption of the TCFD recommendations among financial institutions. In 2019, we joined a pilot project led by the UN Environment Programme Finance Initiative focused on harmonizing

industry-wide approaches for climate scenario analysis in bank lending portfolios. We are also a participant in the Canadian Bankers Association's Climate Change Disclosure Working Group, which is focused on developing consistent methodologies and metrics for TCFD reporting.

Each year we report third-party verified data on our operational energy use and carbon footprint through our ESG report. We participate in the annual CDP Climate Change reporting process – our submission covering fiscal 2018 is available on our [website](#).

Climate Change Risk Management

In 2019, we developed an enhanced due diligence process for assessing the risks our corporate and commercial clients may face due to climate change. The Climate Change Risk Assessment (CCRA) process evaluates both the physical (acute and chronic) and transition (reputational, market, technology, legal and compliance) risks a client may face, and their awareness level of such risks. The CCRA is conducted at the transaction level and helps to inform credit decisions. This process will also support data collection to enable the Bank to effectively mitigate and manage risk across sectors, and will support stress testing and scenario planning of our loan book. Banking officers and credit adjudicators participated in mandatory training on assessing climate-related risk to ensure effective implementation of the CCRA.

Through our participation in the Canadian Bankers Association's Climate Change Disclosure Working Group, we led a workshop in 2019 on the development of a sector sensitivity methodology for climate change that identifies key physical and transition risk drivers to determine potential materiality and opportunities. The results were embedded into the risk profiles of the 28 main industry sectors to which the Bank lends.

Our Climate Commitments

Decarbonizing Our Operations

In 2019, we achieved a reduction of Scope 1 and 2 GHG emissions of 17% from a 2016 baseline, achieving our target of 10% two years early. This is due to energy efficiency initiatives at the Bank, as well as lower emission energy sources in some of the countries where we operate. We have set a new target of a 25% reduction from the 2016 baseline by 2025. We aim to achieve this target by expanding many of our ongoing efficiency upgrades and targeting heating, ventilation and air conditioning (HVAC) retrofits at several international locations, including in Mexico, Chile, Costa Rica, Dominican Republic, South and East Caribbean, Jamaica, the Bahamas and Panama. In 2019, Scope 3 emissions from business travel remained consistent with the previous year.

Our GHG emissions are verified on an annual basis by an independent third party, and a verification statement can be found on our website.

We have increased our internal carbon price in 2020 from \$15 to \$30 per tonne of CO₂e, and it will rise to \$60 by 2022. The proceeds from this initiative totaled nearly \$2 million in 2019, and are allocated to projects that may require higher upfront costs in order to secure longer-term energy and emissions reductions. For example, a portion of these funds supported solar photovoltaic installations at select branches in Jamaica in 2019.

	GHG Emissions (tonnes CO ₂ e)*			
	2016	2017	2018	2019
Canada				
Scope 1	13,262	14,985	15,184	14,961
Scope 2	44,106	42,431	38,880	36,485
International (excludes Canada)				
Scope 1	438	542	545	260
Scope 2	80,947	71,752	73,111	62,908
Global				
Scope 1	13,700	15,527	15,729	15,221
Scope 2	125,053	114,183	111,990	99,393
Scope 3	15,445	18,060	20,020	20,168
Total	154,198	147,770	147,740	134,783**

* Calculated in accordance with the Greenhouse Gas Protocol of the World Resources Institute and the World Business Council for Sustainable Development (www.ghgprotocol.org), including emission factors for electricity purchases, natural gas and fuel. Scope 2 emissions are calculated using a location-based method.

** The completeness and accuracy of our GHG emissions has been verified by an independent verifier. In 2019, proxy data amounting to 8% of our Scope 2 emissions was not subject to verification.

Note: As per the GHG Protocol, Scope 1 emissions for 2016-2018 have been restated to reflect a change in our reporting methodology. These figures replace previously published data.

Our Climate Commitments

We have reduced our Scope 1 and 2 GHG emissions by 17% since 2016.

Other operational efficiency initiatives that contributed to our overall emissions reduction in 2019 include:

- HVAC retrofits at 190 locations across our Canadian branch network
- Energy retrofits across our international network, including HVAC retrofits at main building locations in Peru and lighting retrofits at office locations in Mexico, Costa Rica and Peru
- Several building system upgrades in progress at our head office locations in the Bahamas, Dominican Republic and Jamaica, which include cooling towers, heat exchangers, and elevators
- Densified head office space standards and adopted new workplace strategy that includes flexible, unassigned workstations
- Thermostat replacement program to upgrade to internet-enabled devices that automatically adjust temperatures

All new branches in Canada now go through the Green Globes certification process – a nationally recognized green building assessment and certification. There are currently 46 branches in Canada with Green Globes certifications, 11 of which were certified in 2019.

Our major office locations with environmental accreditations include:

- **Scotiabank Plaza in Toronto, Canada** – LEED Platinum
- **Broadgate Tower in London, United Kingdom** – BREEAM certified
- **Brookfield Place in New York, USA** – LEED Gold
- **Brookfield Place in Calgary** – LEED Gold
- **Major office in Winnipeg** – LEED Gold

Reducing Paper Use

Scotiabank's strategic focus on digital products and customer adoption continues to help reduce the amount of paper usage across the Bank. By driving customer awareness about the benefits of digital banking and electronic statements, Scotiabank delivered over 400 million digital statements in 2019 in Canada, representing a 10% reduction in paper statements from 2018 (or 4.5 million fewer paper statements).

Mobilizing Capital

Scotiabank is committed to mobilizing \$100 billion by 2025 to reduce the impacts of climate change. This includes lending, investing, financing and advisory, contributions to the Bank's direct operations and support for communities where it operates to reduce climate-related impacts. It also includes the creation of new products and services that will enable capital to be directed toward climate change mitigation and adaptation initiatives.

As of October 31 2019, Scotiabank has mobilized **\$16 billion** toward our commitment of \$100 billion by 2025 to reduce the impacts of climate change.¹ This includes lending, finance and advisory services aligned to our Green and Transition Taxonomy, which covers renewable energy, green buildings and clean transportation, among other categories. Below are some recent examples that contribute to our target:

November 2018: Scotiabank acted as a Joint Bookrunner for **Duke Energy Carolinas USD\$1 billion Green Bond**. Proceeds were used to pay or reimburse the payment of existing and new Eligible Green Expenditures, including solar energy and energy storage investments.

December 2018: Scotiabank acted as Joint Lead Arranger and Joint Bookrunner for a **\$150 million term loan financing for Mississagi Power**, a portfolio of four hydroelectric power generation facilities with installed capacity of 488MW, located on the Mississagi River in Ontario and owned by **Brookfield Renewable Partners L.P.**

September 2019: Scotiabank acted as the Joint Bookrunner to **International Finance Corporation's (IFC) \$750 million five-year Green Bond**. IFC is a member of the World Bank Group and this was their first Canadian dollar green bond. The proceeds were used for projects such as renewable energy, green buildings, sustainable forestry and energy efficiency.

October 2019: Scotiabank acted as a Sole Lender to **Consumers Energy Company (CEC) on a USD\$250 million sustainability-linked revolver**. CEC owns and operates electric generation, transmission and distribution facilities; and gas transmission, storage and distribution facilities. The sustainability-linked revolver includes an annual pricing mechanism that provides preferential pricing based on the company's sustainability performance, as measured by a) total GWh generated and/or purchased from renewable sources and b) percentage of total energy generation coming from renewable sources.

December 2019: Scotiabank acted as Joint Bookrunner and Joint Lead Agent on **Mississagi Power's \$628 million Green Bond Private Placement**. **Mississagi Power** has over 60 years of operating history.

December 2019: Scotiabank acted as a Participant on the new **\$1 billion 5-year secured revolving credit facility for The AES Corporation (AES)**. AES generates and distributes electric power in 13 countries through gas, coal, renewables, oil and other sources. The revolving credit facility includes a sublimit for 'Green' borrowings (e.g. investments in renewable energy projects) which receive a discount on the drawn margin.

2018

December 2018: Scotiabank acted as Administrative Agent and Joint Lead Arranger for a **USD\$190 million term loan refinancing for Smoky Mountain Holdings LLC**, a portfolio of four hydroelectric power generation facilities with net installed capacity of 392MW and 86 miles of transmission lines located in Tennessee and North Carolina and owned by **Brookfield Renewable Partners L.P.** and institutional investors.

2019

July 2019: Scotiabank issued its **USD\$500 million Green Bond** of which proceeds were used to fund assets aligned to the Scotiabank Green Bond Framework. This includes the categories of Renewable Energy, Clean Transportation and Green Buildings.

October 2019: Scotiabank acted as Global Coordinator and Joint Bookrunner for Chilean company **ARAUCO's USD\$1 billion two tranche sustainable issuance**. ARAUCO is a global, diversified forestry company offering a wide variety of sustainable, quality products mainly for the paper, construction, packaging and furniture industries. Proceeds will be allocated according to the Company's Sustainability Bond Framework.

October 2019: Scotiabank was a Joint Bookrunner on **MidAmerican Energy's USD\$850 million 30-year Green Bond deal**. Proceeds from this offering were used to fund the costs of renewable resources such as MidAmerican's Wind XI, Wind XII, and repowering projects.

December 2019: Scotiabank has a **USD\$200 million commitment to the Meridiam Infrastructure North America Fund III (MINA III) capital call facility**. MINA III's investment mandate includes investing in impact driven infrastructure projects in North America and other non-European OECD countries, in three key sectors: mobility of people and goods, energy transition and social infrastructure. The Fund plans to invest in sustainable and climate resilient assets in accordance with Meridiam's ESG policy, with the aim of benefitting local communities.

¹Since November 1, 2018

Our Climate Commitments

Climate Change Centre of Excellence

Our Climate Change Centre of Excellence will mobilize internal and external collaboration, dialogue and information sharing and contribute to the global conversation on climate change. For example:

- In June 2019, Scotiabank hosted its inaugural ESG Conference in Toronto, Canada in order to contribute to the dialogue on ESG within capital markets. The conference included topics such as how conscious investing can create a better society; climate change, energy transition, and environmental stewardship in a global context; and theory and practices of ESG while investing for alpha.
- Scotiabank is participating in the Canadian Standards Association Technical Committee to develop a Canadian-specific National Standard of Canada for “Green and Transition Finance” which will define ‘Green’ and ‘In Transition’ sectors, enabling these sectors to be recognized in global green and transition financial instruments.
- We supported the Intact Centre on Climate Adaptation at the University of Waterloo in Canada on a research report about how climate risk affects investments. The report identifies top physical climate risk factors per industry sector that portfolio managers should consider as most material to affect a company’s performance.

Scotiabank’s Climate Change Centre of Excellence will help contribute to the global conversation on climate change by encouraging collaboration, dialogue and information sharing.

Environmental Policy

Scotiabank’s Environmental Policy governs our approach to managing our impact on the environment. The Policy applies to both Canadian and international operations, as well as to all wholly owned or controlled subsidiaries of the Bank. Our Environmental Principles shape our Environmental Policy and define our approach to managing our direct and indirect environmental impacts.

Environmental Principles

- 1 Comply with applicable environmental laws and regulations and voluntary standards and initiatives adopted by the Bank.
- 2 Contribute to operational efficiency that is consistent with reducing environmental impacts and promoting responsible actions.
- 3 Incorporate environmental risk assessment and mitigation criteria into risk management procedures.
- 4 Contribute to ongoing dialogue with relevant stakeholders, such as customers, employees, government, NGOs and industry associations.
- 5 Measure and report publicly on the Bank’s environmental performance on at least an annual basis.

ESG Focused Lending and Investment

Why it Matters

Lending and investment support economic progress, allow people to pursue ambitions and create more widespread future opportunities. Applying a sustainable lens to finance and investment activities helps us mitigate risks, enhance returns and enable a better, more sustainable future for both Scotiabank and our stakeholders.

Our Approach

As an international financial institution and asset manager, we base our finance and investment decisions on a number of factors, including risks and opportunities related to environmental and social considerations, and offer tools to help direct investors do the same.

Environmental and Social Risk Management

In addition to Scotiabank's enhanced due diligence processes to address climate-related risks, we maintain robust processes to address environmental and social risks in our credit lending and due diligence processes. These activities are guided by a suite of policies including our enterprise Environmental Policy and credit risk policies, as well as formal escalation processes for deals with higher environmental and social risks or that are related to higher-risk sectors or geographies.

Scotiabank's Environmental and Social Risk team collaborates with credit and lending teams across our business, including Corporate, Commercial, International, Small Business and Wealth Management, helping them to assess environmental and social risks for transactions in diverse sectors. In 2019, this team responded to more than 1,100 internal requests for technical advice and counsel on loan transactions involving real estate as security, and guidance on procedures or methods for conducting sound due diligence and adhering to the Bank's environmental and social risk processes.

Responsible Investment

As an international financial institution, Scotiabank's asset management businesses are committed to responsible investing. Incorporating ESG factors into investment processes helps to enhance returns and manage risks, ultimately helping to deliver on our commitment to clients.

1832 Asset Management

One of Canada's largest asset managers with approximately \$140 billion in assets under management, and wholly-owned by Scotiabank, 1832 Asset Management has considered ESG factors throughout its investment process for many years. Its commitment to responsible investing was formalized in 2018 when it became a signatory to the UN-supported Principles for Responsible Investment (PRI), and published its Responsible Investment Policy, available on our [website](#). 1832 Asset Management is also a member of the Canadian Coalition for Good Governance (CCGG) and an active member of its Environmental and Social Committee.

ESG Focused Lending and Investment

1832 Asset Management uses multiple sources of ESG research across the fundamental equity and credit investment teams when conducting fundamental research on existing and prospective investment securities. This information is incorporated into the risk-return assessment of each security. In 2019, a specific ESG section was added into investment reports and quarterly review processes to formalize the integration of ESG considerations.

Direct engagement between investment professionals and the investee companies is a key component of the investment process, enabling better, more informed investment decisions. Meetings with company management are leveraged to ask questions on a range of themes, including those that are ESG-related. In 2019, key ESG themes for 1832 Asset Management included greenhouse gas emissions, electric vehicle transition, renewable power mix, labour relations, board independence, executive compensation and its alignment with stakeholders, regulatory exposure and legal liabilities.

Jarislowsky Fraser

As one of Canada's largest institutional money managers, Jarislowsky Fraser, acquired by Scotiabank in 2018, has built a reputation as a long-term investor in quality businesses. It is a signatory to the PRI and a founding member of the CCGG. Jarislowsky Fraser's President and CEO Maxime Menard was appointed to the CCGG's board in 2019, serving on both the Public Policy and Finance/Audit committees.

Jarislowsky Fraser applies a fully integrated approach to sustainable investing across all investment mandates through ESG integration in investment analysis, engagement, and proxy voting. ESG analysis, as part of the firm's fundamental research process, provides an additional lens to identify sustainable business models and mitigate risk. The investment team

has deep sector expertise and long-term relationships with companies, which allows for a differentiated view of ESG risks and opportunities. Proprietary tools developed by Jarislowsky Fraser's Sustainable Investment and Investment Strategy Committees ensure ESG integration is consistent, robust and systematic. Proxy voting decisions are made in-house and fully integrated into the investment process with research analysts responsible for reviewing and recommending all proxy votes to the Investment Strategy Committee.

As part of their overall approach to climate risk management, Jarislowsky Fraser measures and reports the carbon footprint of its portfolios. This process is used to compare both the overall and sector level emissions versus benchmarks, as well as identify the highest emitting companies (to the extent that data is available) in the portfolio. The information is included as part of the internal quarterly risk review process and helps to inform the Investment Strategy Committee's awareness of the climate risk exposure in each portfolio. Broadly speaking, the carbon intensity of Jarislowsky Fraser's portfolios is materially lower than their respective benchmark indices. More information on portfolio carbon footprinting and Jarislowsky Fraser's approach to assessing climate risk can be found in the firm's 2019 [Climate-Related Financial Disclosures report](#) prepared in alignment with the TCFD recommendations.

In addition to engaging with companies in its portfolios on a range of material ESG issues, Jarislowsky Fraser also participated in several PRI-led collaborative engagements on topics related to methane, cybersecurity and climate change transition. In 2019, the firm acted as the lead investor on three PRI-coordinated engagements with oil and gas producers in Canada and the United States that helped drive improved company understanding and disclosure on ESG and climate change impacts.

ESG Focused Lending and Investment

ESG Investment Products

Scotiabank provides several specialized investment products to clients who have a desire to manage their exposure to fossil fuels and other ESG factors. Notably: The [ESG Equity Guided Portfolio](#) is a fossil-fuel-free global equity guided portfolio that also excludes weapons, tobacco and alcohol companies that was launched in 2019 through Scotia Wealth Management Global Portfolio Advisory Group (GPAG). ESG rankings are applied to securities that are included in the GPAG's core equity guided portfolios.

Jarislowky Fraser launched a suite of actively managed fossil-fuel-free funds in 2017 in response to growing client interest in diversified products that exclude the energy sector, with the exception of certain renewable energy entities, as well as non-energy sector companies that own significant fossil fuel reserves or have material revenues related to fossil fuels. The funds aim to deliver a materially lower carbon footprint than their relevant benchmarks and provide increased exposure to green bonds as an important mechanism to finance energy transition.

MD Financial Management, also a PRI signatory and acquired by Scotiabank in 2018, launched the MD Fossil Fuel Free Fund™ suite in 2016. The MD Fossil Fuel Free Bond Fund and the MD Fossil Fuel Free Equity Fund are unique in that they screen out companies with the largest fossil fuel reserves in the world and also eliminate all exposure to the extraction, processing and transportation of fossil fuels. The funds also look to invest in innovative businesses that provide solutions to climate change and help reduce energy use, leading to sustainable, long-term returns for clients. In 2019, a survey conducted by MD with more than 150 physician clients indicated significant client interest in sustainable investment solutions, with climate change representing the greatest area of interest.

Sustainable Investing for Retail Investors

[Scotia iTRADE](#) offers sustainable investing tools for direct investors in Canada who want to combine financial investments with positive social impact. In partnership with Sustainalytics, comprehensive ESG performance ratings are provided for over 1,200 companies on the Toronto Stock Exchange and Russell® 1000 Index. Users can choose to focus on specific issues such as deforestation, water scarcity, labour standards and governance issues to help identify companies to invest in. In 2019, over 20,000 users interacted with the sustainable investing tool.

In 2019, we continued to deliver an online series of learning modules for customers interested in learning more about sustainable investing. In these online modules, sector experts from Sustainalytics and Scotia iTRADE explain the importance of understanding ESG risks and opportunities and demonstrate how clients can strengthen the alignment of their investment portfolio to their personal values. To promote further education and awareness, clients have access to additional content and videos on sustainable investing through the Scotia iTRADE website.

Sustainable Finance for Green Vehicles

In 2019, Scotiabank in Mexico continued to offer customers an incentivized credit plan to purchase an electric or hybrid vehicle through the CrediAuto's Green Credit Program. The program offers benefits like a preferential interest rate and a cash-back "environmentally friendly bonus" to make cleaner-running vehicles accessible to more people.

Social

We know that a sustainable future is good for business. Scotiabank's success is fundamentally intertwined with the futures of those around us. When our customers and employees can reach their fullest potential, and communities are healthy and vibrant, we are better positioned to create economic, social and environmental value.

This year we have made progress in providing more access to financial products and services that serve those who need them most. Most notably, through The Scotiabank Women Initiative™, launched in December 2018, we have committed to provide \$3 billion in financing to women-led businesses in Canada over the program's first three years. Along with mentorship and education, the funds will support many women to unlock the potential of their businesses.

Engaged Scotiabank employees who feel a sense of belongingness in their workplace and communities are the key to our success. In 2019, our formal endorsement of the UN Women's Empowerment Principles and UN LGBTI Standards of Conduct for Business are further signals of our commitment to create a safe and inclusive workplace for all.

Scotiabank contributed almost \$100 million dollars globally in 2019 to the communities where we operate. About 70% was directed to young people, helping them reach their infinite potential. Also, we are proud that Scotiabankers contributed over 350,000 volunteer hours to a variety of causes close to their hearts.

Meigan Terry

Senior Vice President, Global Communications and Social Impact



Social

for the future
of our employees,
customers and
communities



2019 Highlights

- 35% of VP+ roles held by women globally, and 39% in Canada
- Employee engagement score increased to 81%
- Committed \$3 billion in capital over the first three years of The Scotiabank Women Initiative™, launched in December 2018, to advance women-led businesses in Canada
- Made over 500,000 follow-up calls to retail customers across Canada, the Caribbean, Chile, Colombia, Mexico, Peru, Uruguay and Central America through our customer experience and Net Promoter System – The Pulse
- Contributed nearly \$100 million globally in communities where we operate in the form of donations, sponsorships and other forms of assistance

Looking Forward

- Continue to make progress toward increasing the percentage of women in VP+ roles to a minimum of 37% globally and 45% within Canada by 2021
- Continue to grow the value of loans authorized to Small Business customers in Canada by another 14% in 2020, having achieved 8% growth in 2019
- As part of our \$250 million reskilling initiative, continue the roll-out of three new exciting programs to help upskill and reskill employees for the digital economy: LinkedIn Learning, Pluralsight and the Digital Discovery Zone

Investing in Our Employees

Why it Matters

Our most important investment is the one we make in our people. Our customer focus starts with taking care of our employees around the world. Working to grow and diversify talent and engage employees helps promote our performance-oriented culture and ensure opportunities *for every future*.

Our Approach

We continuously strive for higher levels of engagement, foster an internal culture of diversity, trust and well-being and invest in knowledge and skills for the ongoing transition to the digital economy. By doing these things, we seek to enable all employees to build their future.

In 2019, our employee engagement score increased to 81%.

Employee Engagement

In 2019, we launched a new, more agile employee experience program called ScotiaPulse in order to transform how we as an organization receive and action feedback. The ScotiaPulse survey is completely voluntary and confidential.

Our employee engagement score increased to 81%, from 79% in 2018, with balanced results among women and men. Results indicated that the strong score is linked to employee confidence in leaders to make the right decisions and create an inspiring vision, having clear performance objectives and the Bank's strong customer focus and commitment to social responsibility and inclusion.

Talent Development

We strive to offer our employees a positive, passionate, performance-driven culture with opportunities for growth. In 2019, over 18,000 employees moved into new roles in the Bank in Canada, filling 43% of all vacancies.

As part of our reskilling initiative, we launched three exciting programs for employees: LinkedIn Learning, Pluralsight and the Digital Discovery Zone. First announced in 2018, our reskilling initiative includes a commitment to investing \$250 million over 10 years to provide employees with the tools and opportunities they need to adapt and thrive in the digital economy.

Employee Engagement Index	2016	2017	2018	2019
Scotiabank	77%	79%	79%	81%
Industry Average*	74%	74%	75%	74%

*External benchmark provided by Qualtrics/IBM Kenexa World Norms and based on 3-year rolling global average benchmarks of the Financial Services industry.

Investing in Our Employees

LinkedIn Learning

LinkedIn Learning provides a modern, multilingual learning experience for employees with relevant, constantly updated content for today's modern world. It was rolled out to more than 90,000 employees globally, and in its first month, nearly 10,000 employees logged in and viewed more than 120,000 videos.

Pluralsight

Pluralsight is a learning platform that supports the upskilling of employees in the digital, analytics and IT space of our business. Pluralsight was first rolled out in 2019 as a pilot to approximately 6,400 full-time employees in five countries and will be expanded to reach a larger audience in 2020.

The Scotiabank Digital Discovery Zone

The Scotiabank Digital Discovery Zone curates multi-channel digital content and live speaking events featuring Scotiabank talent, industry experts and thought leaders in digital technology. Events are webcast with real-time Spanish closed caption translation and archived so that employees can experience sessions at their convenience. Over 60 sessions were offered and attended by nearly 8,000 employees.

Scotiabank also continues to deliver our global management and leadership development program iLEAD, which provides skill building and development tools at key transition points in an employee's career. In 2019, employees participated in over 50,000 leadership courses.

Scotiabank invested \$78.1 million in employee training and development, an increase from 2018 that reflects our growing employee population. Employees participated in over 2.6 million courses in 2019 across the various learning channels and platforms offered at Scotiabank.

Our annual performance and development cycle is an essential part of supporting our employees. It enables employees to set, align, track and report progress against their performance and development goals and provides a consistent measurement framework that allows managers to effectively recognize and reward high performance. In 2019, 95% of eligible employees received a performance and career development review.

Promoting a Culture of Diversity and Inclusion

We believe an environment that champions diversity of thought, provides equal opportunity for advancement and allows diverse employees to achieve their fullest potential helps make our Bank stronger – allowing us to attract and retain the very best talent.

The Scotiabank Inclusion Council is chaired by our President and CEO Brian Porter and is comprised of senior leaders from across the Bank. In 2019, the Council met seven times and completed the formalization of the Bank's Inclusion Framework. The framework will help teams across the Bank to align as an organization on inclusion goals, while also allowing for adaptation based on regional needs.

92% of employees believe that Scotiabank is building an inclusive workplace – a top driver for employee engagement Bank-wide.

Employee Training	2016	2017	2018	2019
Total training investment (millions)	\$71.5	\$69.9	\$73.9	\$78.1
Average training hours per full-time employee (including compliance training)	29	33	42	40
Average training hours per full-time employee (excluding compliance training)	22	25	33	27

Investing in Our Employees

Our Inclusion Pillars are:

Grow an Environment to Thrive

- Check your biases
- Be a champion for inclusion year round

Attract the Very Best

- Promote inclusive hiring practices
- Cultivate future leaders

In 2019, we developed an inclusive hiring practices guide and implemented monitoring and tracking for senior executives to reinforce diverse hiring practices. We also introduced a mandatory Conscious Inclusion training module for all employees globally. We launched the Humans of Scotiabank series internally to highlight stories and celebrate diverse employees from all walks of life. Please refer to p. 51 for more information on gender identity and accommodation.

In 2019, Scotiabank supported 13 formal Employee Resource Groups (ERGs) and over 69 global and national chapters. Activating nearly 30 inclusion campaigns in 2019, these employee-led groups help establish grassroots initiatives that amplify our inclusive culture and develop a sense of community amongst employees.

Advancing Women in Leadership

In 2019, Scotiabank became a signatory of the UN Women's Empowerment Principles, demonstrating the Bank's commitment to advancing women while aligning well with other women-focused efforts underway at the Bank.

We continue our focus on advancing women in leadership and have established a target to increase the percentage of women in Vice President roles or higher (VP+) to a minimum of 37% globally and to 45% within Canada by 2021.

Regional women's networks help adapt our inclusion framework to address gender inclusion issues to local contexts. Scotiabank has over 30 women's groups or networks globally, ranging from the Gender Network – Asia Chapter to the Women in Leadership network in Canada.

In 2019, Scotiabank Chile launched the Women in Leadership program, consisting of two main initiatives to advance more women into management and executive positions at the Bank. The first initiative was executed in partnership with the Chilean organization, *Mujeres en Alta Dirección*, and consisted of personal and professional development workshops and mentoring sessions for women at the Director and Vice President-levels. The second initiative focused on career design and personal brand workshops for managers and senior managers, and was carried out in partnership with *Woom Up*, a professional development organization for women in Chile.

This year Scotiabank Peru also launched programs to provide opportunities for emerging women leaders to strengthen leadership and networking skills, including events featuring women leaders from outside the Bank and the Empowering Women meeting series to provide employees with opportunities to meet with senior leaders at the Bank. Please refer to p. 52 for more information on equal pay.



Investing in Our Employees

Women in Leadership (as of October 31, 2019)	2019
Percentage of women in executive positions (1-2 reporting lines from CEO): Global	34%
Percentage of women in VP+ roles:	
Global	35%
Canada	39%
International (excludes Canada)	24%
Percentage of women in all management positions, including junior, middle and senior management (of total management workforce):	
Global	46%
Canada	47%
International (excludes Canada)	45%

A Focus on LGBT+ Inclusion

In 2019, Scotiabank was the first Canadian bank to sign the UN LGBTI Standards of Conduct for Business, complementing the efforts of Scotiabank Pride, our employee-led group dedicated to ensuring everyone feels safe and open to be their true selves.

We implemented several steps to help ensure LGBT+ inclusion in the workplace, including a new global LGBT+ Ally certification program, launched in collaboration with IBM, to help create and maintain welcoming spaces for

our customers and employees. This online course focuses on the importance of taking an active role as an LGBT+ Ally at Scotiabank and provides ways that Scotiabankers can be active supporters to each other and our customers. Please refer to p. 52 for more details.

Investing in Our Employees

Scotiabank Pride Connection



Scotiabank is a member of Pride Connection, a network of companies that seeks to promote inclusive work spaces for sexual and gender diversity and generate ties to attract LGBT+ talent. Scotiabank Pride employee resource groups have expanded across Canada, Chile, Colombia, Dominican Republic, Peru, Puerto Rico, Uruguay, Asia and the United States. In 2019, over 2,500 Scotiabankers marched in Pride parades and attended flag raisings, including in our key markets:

Canada: In 2019, Scotiabank was the lead sponsor and host for the Pride at Work Canada, workplace inclusion conference, sending an important signal to Scotiabankers about the importance of workplace inclusion.

Chile: As a member of the Pride Connection Chile Network, Scotiabank was present at the Pride Parade in Santiago for the first time in 2019. Scotiabank Chile also held internal talks on sexual diversity and non-discrimination to emphasize the importance of all employees being agents of change in creating more inclusive environments.

Colombia: Colpatría (a Scotiabank subsidiary in Colombia) participated in the Pride parade for the first time in 2019. As part of the Pride Connection Colombia Network, we ran a campaign to raise awareness during Pride month and held a forum on the benefits of diversity for businesses and the economy. Colpatría also formed a partnership with the *Camara de Comercio LGBT+* (Chamber of Commerce LGBT+) in Colombia to promote a more open forum with the LGBT+ community on diversity and inclusion.

Mexico: In Mexico, Scotiabank is part of the organizing committee for the Pride Connection Summit, and sponsored this year's fourth annual event. Scotiabank Mexico was also designated by the HRC Foundation (a non-profit organization) as a "Best Place to Work for the LGBT+ Community."

Peru: Scotiabank Peru is an active founding member of Pride Connection Peru. Scotiabank Peru celebrated Pride through the #ScotiabankProud awareness campaign, the #BienvenidosTodos [video](#), and by lighting up the main office building with the Pride colours.

Empowering Our Customers

Why it Matters

Providing access to financial services and an understanding of how to use them is an essential part of building a more inclusive society for everyone. Financial inclusion is an enabler of many of the Sustainable Development Goals.

Our Approach

By advancing financial education and literacy, expanding access to financial services and offering helpful, relevant products and services, we enable customers to achieve their financial goals. With proper financial education and tools, customers can build skills and confidence to manage their financial futures.

Customer Experience

At Scotiabank, our goal is to be a leader in customer experience across our footprint. To help improve customer experience, we utilize The Pulse, our customer experience system which leverages Net Promoter Score (NPS) as the primary metric, enabling a global consistent approach for gathering real-time feedback and acting on it to improve customer experience.

The Pulse is fully live across our retail branches, contact centres and digital channels in Canada, the Caribbean, Chile, Colombia, Mexico, Peru, Uruguay and Central America, with nearly 15 million survey invitations sent to retail customers in 2019, and over 500,000 follow-up calls made. The Pulse for our commercial customers is now live across Mexico, Peru, Chile, Colombia and Canada. Nearly 12,000 responses were received from commercial customers and over 6,000 follow-up phone calls were made.

This year we closed the gap to the customer experience market leader in three of our five key markets. For example in 2019, we launched new digital products in all markets, including a new digital onboarding process for branches in Colombia; established

dedicated teams to fix pain points and root causes in Peru, Colombia and Mexico; enhanced and broadened employee training in all markets with a focus on main customer issues; and leveraged feedback during acquisitions to quickly react to customer's needs in those markets. In 2020, our focus will be on building omni-channel experiences through our key customer journeys.

Low and No-Fee Banking

Some customers may avoid joining the formal financial system because of fees. At CreditScotia, Scotiabank's subsidiary in Peru, The Free Account allows free transactions throughout the country, as well as withdrawals without commissions from automatic banking machines of allied banks abroad. The account requires no minimum opening balance and does not charge fees for transfers. The Free Account aims to provide customers with an easy and secure option to make deposits and payments instead of relying on cash, and allows customers to access funds at no additional cost from locations outside of the country. In 2019, over

Empowering Our Customers

790,000 new Free Accounts were opened and approximately 48% of these clients were new to banking entirely.

CreditScotia's Mobile Wallet – known as Billetera Movil, or BIM – is a cell phone-based banking tool that makes sending and receiving money easier, without incurring cell phone fees or using data. As of the end of 2019, over 100,000 BIM accounts have been registered, totalling an approximate average of over 4,600 monthly transactions.

At Colpatría, our subsidiary in Colombia, the Zero Fee account eliminates traditional transaction fees, minimum deposit amounts and consultation fees for customers. In 2019, more than 44,000 Zero Fee accounts were opened, reaching 448,000 total accounts since the product launched. Approximately 75% of these new accounts were opened through digital channels, including mobile applications.

Other examples of access to financial products and services available in Canada can be found in Scotiabank's 2019 Public Accountability Statement at www.scotiabank.com.

Supporting Women in Business

Scotiabank is committed to equality for women to help grow and strengthen the global economy. We do this through education and awareness, partnership and by offering tailored products and services.

In Chile, Scotiabank's annual Women's Advancement Award for Entrepreneurship recognizes successful entrepreneurs for their leadership, dedication and financial responsibility. In 2019, six outstanding businesswomen were selected for recognition with the finalist receiving a cash prize to support her business and six months of business mentorship. Scotiabank also sponsored the Women in Commerce in the Digital Age forum in Chile, in which approximately 400 women participated in talks and workshops.

During the month of March, in honour of International Women's Day, we offered a lower interest rate to women in Colombia who applied for a consumer loan, in order to recognize the important role women play in economic development.

In honour of International Women's Day in March, we launched campaigns in both Colombia and Peru to raise awareness of the gender pay gap. For the month of March, Colpatría offered a lower interest rate to women who applied for a consumer loan in order to raise awareness of inequalities in gender pay while also recognizing the significant role women play as engines of economic development. In Peru, the *Scotiabank Premio Igualitario* ([Scotiabank Equal Prize](#)) was launched to raise awareness that on average, women need to work an additional 156 days per year to receive the same compensation as men. Launched in partnership with El Comercio, PWC, Aequales and Wunderman Thompson, the initiative invites other organizations to join and commit to fighting gender pay inequality in Peru.

To celebrate Plan International's International Day of the Girl in August, four young women shadowed four of Scotiabank's senior leaders including Brian Porter, President and CEO of Scotiabank, as well as the President and CEO of Tangerine Bank, Country Head of Scotiabank in Peru, and the President of Colpatría in Colombia. Each of the four "Girl Ambassadors" spent the day participating in meetings with senior management and attending and speaking at townhalls.

Growing Small Business

Access to financing continues to be a key ingredient in the creation, growth and productivity of small- and medium-sized businesses. We strive to support our business customers' long-term success through specialized products, programs and partnerships.

In Canada, we introduced the Virtual Advice Team – a new, convenient way for select small business customers to access expert business banking advice and solutions virtually, regardless of where they operate. We also expanded our Specialty Business Banking teams to further enhance our ability to

Empowering Our Customers

The Scotiabank Women Initiative™ Commits \$3 Billion to Women-led Businesses

On December 5, 2018, we launched The Scotiabank Women Initiative, a comprehensive program supporting women-led, women-owned businesses in Canada through three key pillars: Access to Capital, Mentorship and Education.

Women are a growing economic force in Canada and there is a real opportunity to ensure we are empowering women by prioritizing equality and providing solutions to help them take their businesses to the next level. Women-owned businesses represent over \$117 billion of economic activity in Canada¹ and employ over 1.5 million Canadians,² however, women-owned enterprises receive only 4% of venture capital investment dollars in Canada.³



Recognizing the opportunity to support women with the many challenges they face on their path to success, we wanted to build a viable and holistic program that offers tangible benefits to our clients.

The program is designed to challenge existing stereotypes, and help women take their businesses to the next level through a range of tailored offerings. It also aims to raise awareness of unconscious bias and address the systemic areas in financial services that impact the growth potential of women-led businesses.

We aspire to become the banking partner of choice for women-led businesses and contribute to the overall growth of the economy. We have achieved several notable milestones, including:

- Committed to deploy \$3 billion in capital to women-led businesses in our first three years
- Engaged more than 1,500 women through Un-Mentorship Boot Camps™, regional mini boot camps and group mentorship sessions across Canada
- Formed [The Scotiabank Women Initiative Advisory Board](#) of Scotiabank executives, who provide expertise to help women grow their businesses through facilitated small group mentorship sessions
- Developed an online [Knowledge Centre](#) for self-directed learning
- Announced four partnerships including [Disruption Ventures](#), [Forum for Women Entrepreneurs](#), [She's Next, Empowered by Visa](#) and [Réseau des Femmes d'affaires du Québec](#).
- Announced the initiative would be expanded to Global Banking and Markets clients, and completed [research focused on entrepreneurs in Canada](#)

To ensure the program is continuously evolving and meeting the needs of women business leaders, strategic partnerships will continue to be identified to expand our offerings and provide additional, practical solutions to women-owned and women-led businesses.

Visit scotiabankwomeninitiative.com to learn more.

1. The Canadian Taskforce for Women's Business Growth, 2011

2. Startup Canada

3. Ottawa To Address Startups' Gender Gap, The Globe and Mail, November 16, 2016, p. 78, www.globeinvestor.com/servlet/ArticleNews/story/GAM/20161109/RBCDWOMENENTREPRENEURS

Empowering Our Customers

In Mexico, we helped develop the IDEA Agribusiness Incubator, an entrepreneurial program that promotes small agribusinesses, an essential part of rural Mexico's economy.

deliver expert advice to key customer segments including Agriculture, Healthcare and Franchisees.

We continue to value our longstanding partnership with the Canadian Federation of Independent Business, supporting members with exclusive discounts on banking products and services for their personal, small business and commercial needs. We continued to simplify our credit approval processes and enhanced our digital business onboarding platform to refine the process of opening a business account and include the ability to apply for a small business credit card. In response to our focus on customers, small business loans grew by 8% year-over-year and our Small Business Net Promoter Score improved by 12.3%.

In Chile, Scotiabank piloted a series of workshops for small- and medium-sized enterprise clients hosted by Scotiabank Chile's chief economist. In 2019, 80 business clients participated in the pilot, with future workshops planned across the country in 2020.

In the Dominican Republic, we continued the *Mi Empresa* (My Company) project in partnership with the Barna Management School providing training to over 55 small business clients on financial decision-making, marketing, human resources and

corporate governance, bringing the total to over 400 clients since its initial launch. We also host an annual workshop series in the Dominican Republic for small business, providing seminars and workshops to over 500 local businesses in 2019.

Small agribusinesses are an essential part of the economic fabric of rural parts of Mexico. In partnership with the Chapingo University Foundation, Scotiabank developed the IDEA Agribusiness Incubator – an entrepreneurial program for students – to encourage students to launch their own successful agribusinesses. 2019 marked the program's second year, reaching more than 5,000 students in Texcoco, Mexico. Scotiabank volunteers participated as mentors to the young entrepreneurs and served as judges in pitch competitions, in which finalists were awarded seed capital to grow their ventures.

In Jamaica, Scotiabank continued its partnership with ActionCoach to provide a 17-week coaching program to a select group of small business clients through the Scotiabank Vision Achiever program. Supporting 17 small business clients in 2019, the program has been expanded to include non-Scotiabank customers as part of a strategic decision to encourage the development of more small businesses in Jamaica.

Newcomers to Canada

Scotiabank's [StartRight](#) program addresses the unique banking needs of Newcomers in Canada and helps them establish a firm footing to reach their financial goals. In 2019, we expanded our Scotiabank Student GIC program to students from Pakistan wishing to study in Canada. Through this program students from abroad can open an account and transfer funds before moving to Canada to help secure their study permit and make their transition to Canada easier. We established an offer for No Monthly



Empowering Our Customers

Account Fees for one year for new Permanent Residents and Foreign Workers who have landed within three years to help ease their transition as they settle in Canada. We also reduced the down payment requirement to 10% (previously 25%) for Permanent Residents interested in purchasing a vehicle.

In 2019, Scotiabank continued its support of Canada InfoNet (previously CanPrep), a national pre-arrival program delivered by JVS Toronto in partnership with Toronto Region Immigrant Employment Council and other Canadian community organizations. Canada InfoNet provides career and employment preparation guidance to immigrants who have been granted visas but have not yet arrived in Canada. As part of this program, a Virtual Employment Connections Fair was held in 2019 with more than 1,000 job-seekers registering for a webinar helping Newcomers with their job search. Scotiabank also made a multi-year pledge to a Canadian non-profit organization called Pathways to Education to help provide Newcomer youth with the resources, opportunities and guidance they need.

This year, we created a new financial literacy presentation for Scotiabank Financial Advisors to help educate Newcomers and students about banking in Canada and help them better manage their finances.

Aboriginal Banking in Canada

In 2019, Scotiabank operated 27 Aboriginal Banking Centres across Canada – including four on reserves – to provide Aboriginal communities and businesses with our full range of banking services. We proudly align to the Canadian Council for Aboriginal Business' Progressive Aboriginal Relations review process and maintained our prestigious Gold Level standing.

Also in 2019, Scotiabank opened a second Gord Downie & Chanie Wenjack Legacy Space to spread awareness about the

intergenerational trauma caused by the residential school system in Canada, while increasing engagement on the path toward reconciliation. Scotiabank is the only financial institution to have a Legacy Space that is open to the public, which is located at a retail branch in Toronto city centre.

Scotiabank was also invited to be a member of the Canadian Chamber of Commerce Task Force on corporate/Indigenous engagement, with the goal of developing opportunities for Indigenous and non-Indigenous businesses to collaborate more effectively.

To best serve our Aboriginal customers, we recognize that we must stay informed about the cultures, histories and traditions of Aboriginal communities. In 2019, we launched Scotiabank's Aboriginal Financial Services Cultural Competency Program for employees – featuring new educational materials released each quarter, workshops, traditional teachings and community events.

Financial Education and Awareness

We work to advance financial literacy in a variety of ways across our footprint. We continue to offer the [Scotiabank Retirement Savings Calculator](#) and [Money Finder Calculator](#) free online to help customers plan for their future financial success. We celebrated Financial Literacy Month in November 2018, with an employee awareness campaign and customer program using the hashtag #InvestInYou.

In Colombia, Colpatria has established a Financial Education Committee to equip both customers and employees with the information and tools necessary to make good financial decisions. In 2019, the Bank launched a series of free webinars covering a range of topics from the Colombian economy to personal finance.

In Chile, Scotiabank provided financial education workshops and an online learning

Empowering Our Customers

course directed at employees of business clients and local university students. The training focused on financial health, responsible use of credit and cybersecurity. In total, over 700 people participated in workshops and the online course in 2019.

In Costa Rica, as part of a government initiative to promote financial education, three lectures were delivered by Scotiabank volunteers at the Latin American University of Science and Technology (ULACIT) to approximately 1,200 students. We also organized financial knowledge seminars with nearly 1,500 employees from over 40 different companies in the country on subjects such as budgeting, saving, and reducing debt.

In Peru, we completed a partnership with CARE Peru to help improve the economic situation of families living in poverty. Scotiabank provided funding and volunteers and to date, more than 3,500 small business representatives have received training to help grow their business. In 2019, nearly 60% of small businesses who participated were led by women.

Please see p. 41 for more information.

More than 3,500 representatives from small businesses in Peru have received training to help grow their businesses through our partnership with CARE Peru.



Investing in Our Communities

Why it Matters

When communities thrive, customers, families, businesses and entire societies do too. Unlocking a future of sustained success depends on healthy, resilient communities.

Our Approach

We have a long history and strong culture of investing in the communities where we operate. Communities are a critical part of the economic and social fabric of the world. By investing in communities, we are helping build a more vibrant, prosperous future.

Community Investment and Social Impact

In 2019, we contributed nearly \$100 million globally in communities where we operate through donations, sponsorships, volunteerism and other forms of assistance.

Scotiabank employees volunteered over 350,000 hours through employee volunteering programs and through Bank-

led employee volunteer days. Through the Scotiabank Employee Volunteer Program and the Scotiabank Team Community Program, we encourage Scotiabankers to raise funds for charities that are important to them by matching a portion of the funds raised.

In 2019, Scotiabank pledged \$15 million over five years to the United Way Greater Toronto, in addition to employee-raised funds. At the time of the announcement, the donation was the largest corporate commitment in United Way Greater Toronto's history.

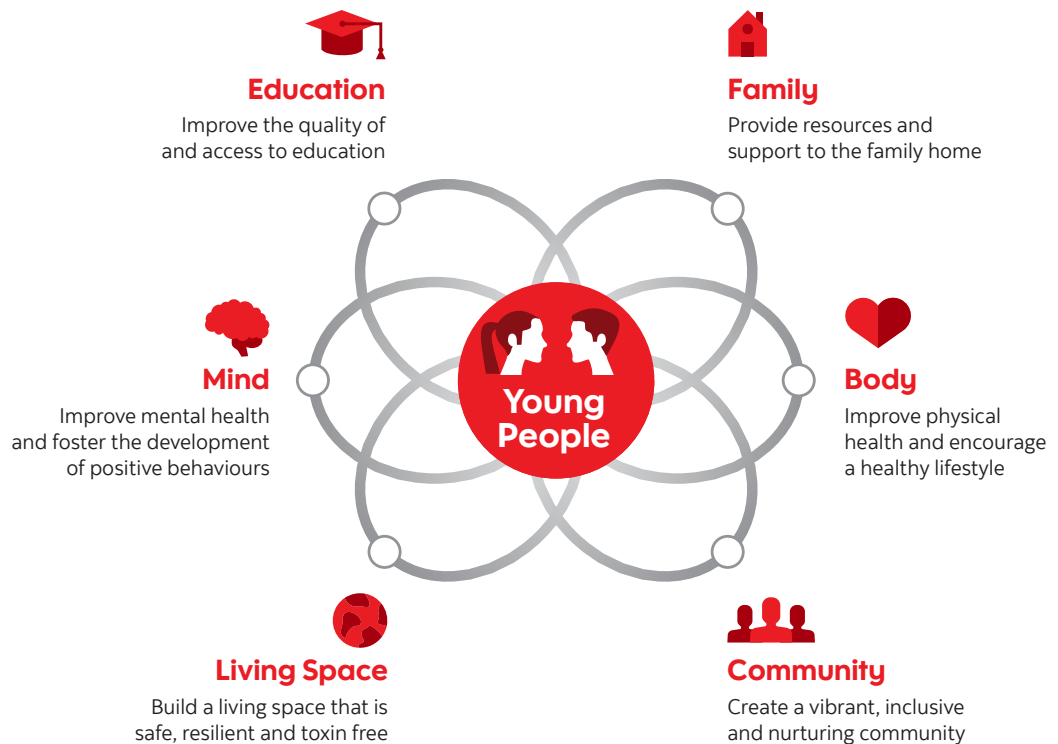
In 2019, Scotiabank donated nearly \$500,000 to support disaster relief, including a \$100,000 donation to the Red Cross to support communities in the Bahamas and surrounding areas in the wake of Hurricane Dorian.



Investing in Our Communities

Young People in the Community

Our focus on Young People in the Community seeks to encourage positive youth development by directing resources toward six areas that help youth thrive: education, family, body, community, living space and mind.



Body

In 2019, we offered Scotiabank Girls HockeyFest in six cities across Canada. Available at no cost to young girls, Scotiabank Girls HockeyFest provides on- and off-ice skills training, advice for healthy living and encouragement from elite athletes who want to help inspire a new generation of girls and young women to reach their goals both on and off the ice.

In 2019, nearly 600 children in Dominican Republic took part in the Scotiabank Little League Classic baseball tournament, promoting values like effort, teamwork, companionship and respect. More than 4,000 children have benefitted since its creation in 2014.

In the Caribbean, we continued our support for the SickKids Foundation with an additional \$1 million donation to support their SickKids-Caribbean Initiative. The program is committed to providing outstanding pediatric care, research and education for children living with cancer and blood disorders in the Bahamas, Barbados, Jamaica, St. Lucia, St. Vincent and the Grenadines and Trinidad and Tobago.

Mind

In 2019, Scotiabank committed to invest \$100,000 to the Skylark Foundation – helping provide high-quality mental healthcare services to children, youth and their families in Toronto, Canada.

Investing in Our Communities

Scotiabank Futbol Club Uses Soccer to Encourage Youth Development



The game of soccer is an important part of Latin American culture. The Scotiabank Futbol Club (SFC) is a regional community grassroots platform that focuses on the development of children and youth through sports. SFC positively impacts ten Latin American countries and four Caribbean countries by promoting values like leadership, respect, integrity, teamwork, discipline and responsibility among youth. Since its inception six years ago, SFC has impacted more than 450,000 children through a variety of programs, partnerships and sponsorships, including:

FutbolNet Festivals: For the past three years, we have run a series of FutbolNet Festivals as part of a partnership with FC Barcelona and the Barça Foundation. Each four-day FutbolNet Festival brings together boys and girls from marginalised communities across Latin America and uses a sports-based methodology to teach them positive values such as respect, integrity, teamwork and conflict resolution. In 2019, we led a series of six FutbolNet Festivals and supported more than 6,000 boys and girls across five countries. More than 200 Scotiabankers volunteered their time. In total, more than 18,000 children have benefited from FutbolNet Festivals.

NextPlay Cup: The Scotiabank Concacaf NextPlay Cup provides boys and girls in the Caribbean with an opportunity to learn, practice football skills and develop values like hard work, fair play, teamwork and respect. The community-oriented grassroots program works together with the public school system to use football as a tool for education and positive social change. The first edition of the NextPlay Cup impacted more than 1,600 kids across over 160 schools in the Bahamas, Barbados, Jamaica and Trinidad and Tobago.

Campeonato Infantil: The Campeonato Infantil program (or children's national soccer tournaments) runs throughout the year and supports several remote regions and marginalized communities, spanning seven countries in Latin America. The winning teams of each tournament are awarded a life-shaping trip to Barcelona – where they participate in a sports and cultural program with FC Barcelona, taking part in training clinics with FCB legends, friendly matches with FCB Academy teams, attend an FC Barcelona match at the legendary Camp Nou Stadium and visit the city's most iconic attractions. Now in their sixth year, the tournaments span seven countries and impact over 30,000 boys and girls each year.

Investing in Our Communities

The Skylark Foundation helps young people and their families overcome the effects of mental health challenges.

In 2019, we completed the final year of our 5-year, \$150,000 donation to the Pacific Autism Family Centre Foundation (PAFC) in British Columbia, Canada, which seeks to bring together research, information, learning, assessment, treatment and support resources for individuals with Autism Spectrum Disorder (ASD) and their families. Funds have been used to deliver Autism Awareness Training to more than 3,500 first responders.

Education

We renewed our partnership with Junior Achievement (JA) Americas and will invest more than \$1.3 million over two years into a youth-focused programs. In 2019, these programs reached more than 41,000 young people. Student surveys indicated that 80% of students increased their financial knowledge after participating in the program. 90% of students reported that JA taught them how to manage their money, and 80% reported that JA made them realize the importance of staying in school.

In partnership with the 2019 Global Money Week campaign in Colombia, Colpatría volunteers led a workshop with more than 70 students to help build knowledge about money management, savings and entrepreneurship. In Mexico, we again partnered with the Nemi A.C. Foundation to host Calculate your Future with Scotiabank, an educational event for high school-aged youth. Over the last three years, 119 Scotiabank volunteers presented youth in 18 states across Mexico with information on savings, budgeting and setting financial goals – helping empower these youth to become agents of change in their community.

In Peru, we continued our support of Plan International's *Formando Emprendedores del Mañana* (Forming the Entrepreneurs of Tomorrow) program. Teachers received training on how to integrate entrepreneurship

into lesson plans and how to support their students with developing formal business plans. A group of 24 business plans were recognized by the Scotiabank Entrepreneurship Award and received an average of approximately \$1,200 in seed capital. Since its inception, this program has helped more than 136,000 primary and secondary school students and 5,400 teachers in the Lima and Piura regions build their financial and entrepreneurial skills.

Scotiabank has committed \$300,000 to Teach For Canada to help dedicated teachers succeed and improve the lives of students in northern First Nations communities in Canada. Teach For Canada provides support to help teachers drive impact both in the classroom and community through extracurricular programs, community activities and mentorship to First Nations youth.

In 2019, we supported two different youth challenges with Enactus, an organization that seeks to rally the energy of students to use business to address important social issues across Canada. The Scotiabank Youth Empowerment Challenge and the Scotiabank Environmental Leadership Challenge encourage post-secondary students to develop real-life solutions to challenges facing young people and the environment. In 2019, over 2,800 students volunteered approximately 130,000 hours in their communities through these programs.

Community

The Bank made a \$250,000 commitment over three years to CivicAction in Toronto, Canada to promote children's safety and well-being. Scotiabank's Senior Vice President and Chief Auditor serves as one of the co-chairs of the CivicAction Anti-Sex Trafficking Champions Council, comprised of more than 25 senior leaders from across the region who are committed to preventing sex trafficking. Scotiabank is leveraging our financial, data and anti-money laundering expertise to help address the problem.

In 2019, we renewed our partnership with Junior Achievement Americas and will be investing \$1.3 million over the next two years to advance financial education among youth.

Investing in Our Communities

Across Mexico, in partnership with 11 not-for-profit groups, we are committed to supporting over 8,000 Indigenous youth through donations of approximately \$1 million from 2018-2020. The participants receive access to various educational and health-related programs, with a focus on conserving Indigenous languages.

In Costa Rica, we continued to strengthen our partnership with FUNDEICO, a non-profit organization with more than 20 years of experience in the educational and social development of the country's Indigenous populations. In 2019, we formalized a contract that repurposes the Bank's computers and technology for computer and entrepreneurship classes for three groups of Indigenous women. Scotiabankers also participate in delivering the classes.

Living Space

In Mexico, in alliance with the United Way and other partners, we took part in five reconstruction projects to help rebuild communities affected by natural disasters. For example, in Jojutla, with the help of Happy Hearts Mexico A.C., we built the Narciso Mendoza rural elementary school, which serves approximately 150 children. In the municipality of Pantelhó, Chiapas, we rehabilitated two existing classrooms and built three more weather-resilient classrooms for the Joaquín Miguel Gutiérrez high school, benefiting over 230 young people.

Scotiabank continued the second year of its three-year partnership and \$300,000 commitment to Covenant House Vancouver's Building Futures for Vulnerable Youth Capital Campaign in Canada. Youth and staff moved into a brand-new residence, with a second building in progress, and a third planned for renovation. In total, the number of beds will increase from 79 to over 130.

Scotiabank is proud to be the National Youth Programs Sponsor for Relay Education in Canada, whose mission is to educate, inspire and assist people in building a 100% renewable energy future in Canada. Through

our work with Relay, we help educate over 18,000 kids and adults every year about renewable energy and energy conservation. We also sponsor Relay's Green Collar Careers program that builds awareness and capacity in Aboriginal youth to pursue careers that positively impact the environment.

Family

In 2019, Scotiabank continued its signature partnership with the Canadian Foundation for Economic Education (CFEE). CFEE's annual Talk With Our Kids About Money program provides parents and teachers with activities and resources to encourage conversations between parents and children about money and finance. The program reached over 8,000 schools and engaged over 750,000 students in 2019.

In Chile, the María Ayuda organization helps children who live in situations of violence, abuse and abandonment. In 2019, Scotiabank committed to donate over \$900,000 to the organization through to 2021, in order to help youth heal ties with their families and integrate back into their communities. Funds will be used to support a portfolio of 18 programs across 13 cities in Chile, providing child protection residences, outpatient treatment programs and training for those who work directly with youth.

Academic Partnerships

In 2019, Scotiabank invested more than \$6 million in over 60 different academic institutions across Canada, the United States, Chile, Mexico and Peru. Scotiabank has engaged some of the best and brightest minds in academia to solve some of the Bank's greatest digital challenges and enhance, amplify and highlight the impact of digital technologies on society. Supporting top educational institutions has given students the opportunity to participate in innovative programs, while strengthening the Bank's pipeline for talent.

Through our partnership with Teach For Canada, we have committed to donate \$300,000 to help teachers working in northern First Nations communities.

Investing in Our Communities

Scotiabank Commits Over \$3 Million to Support Big Brothers Big Sisters of Canada



In 2019, Scotiabank committed \$3.1 million to Big Brothers Big Sisters of Canada to support mentoring programs that will provide children with caring relationships that help build resiliency and help them become successful and contributing members of our communities.

For over a century, Big Brothers Big Sisters has served the diverse and ever-changing needs of Canada's marginalized and underserved communities. Their work is proven to help break the cycle of poverty, drugs and violence by encouraging healthy lifestyles, furthering education and accelerating engagement into society for Newcomers. According to research by the Boston Consulting Group, one-to-one mentoring has a Social Return on Investment of \$23-to-1 when it comes to the long-term economic, health and social outcomes for youth in the most vulnerable situations.*

The donation by Scotiabank will accelerate one-to-one mentoring relationships, directly changing the lives of hundreds of youth and their families in communities across Canada. The donation will also build the capacity for youth mentorship through support for volunteer recruitment and impact measurement initiatives.

It is estimated that at least 15,000 young people are currently waiting for a Big Brothers Big Sisters mentor across Canada, and our donation will enable life-changing mentoring relationships that ignite youth potential through guidance, support and role modeling.

Visit bigbrothersbigsisters.ca to learn more.

*To assess the economic benefits of Big Brothers Big Sisters programs, The Boston Consulting Group completed a study that compared the outcomes of children who participated in community one-to-one programs with those that did not.

Investing in Our Communities

Scotiabank entered into 15 new and renewed partnerships in 2019. For example, we have committed to provide \$500,000 over five years to the British Columbia Institute of Technology to support inter-disciplinary, tech-focused education in business, computing, financial fraud and cyber security. Our gift to Tecnológico de Monterrey in Mexico of USD\$285,000 over one year will be used to support Factory A, an acceleration program to assist 10 startups that will develop products and services for banking. We have committed USD\$1.25 million over five years to Universidad Tecnica Federico Santa Maria in Chile to support the launch of Scotiabank Center for Digital Transformation, which will execute projects, courses and events in the areas of cybersecurity, cloud computing, software development and human-centred computing. Our gift to Wilfred Laurier University will provide \$850,000 over four years to support Laurier's User Experience Design program, through experiential learning, competitions and internships.

We support more than \$3 million in scholarships that enable young individuals who do not have the financial means to pursue post-secondary education. The Scotiabank Latin America Scholarships at Rotman Business School invests \$75,000 per year to three students from Latin America who wish to pursue a Master of Financial Risk Management at the University of Toronto. The Scotiabank Scholarship in Digital Innovation at the Universidad del Pacifico in Lima, Peru provides \$20,000 a year to two students to attend a post-secondary institution on an international exchange in Canada and participate in a three-month internship on their return at Scotiabank's Digital Factory in Peru.

We donated more than \$900,000 to the María Ayuda organization in Chile to help children living in situations of violence, abuse and abandonment.

Investing in Our Communities

Scotiabank Supports Access to Finance for Survivors of Human Trafficking



At the 2019 UN General Assembly, the Liechtenstein Initiative's Finance Against Slavery and Trafficking (FAST) launched their report entitled, *Unlocking Potential: A Blueprint for Mobilizing Finance Against Slavery and Trafficking*. In accordance with the Sustainable Development Goals Target 8.7, the Blueprint provides a framework for the whole financial sector, and professional service providers, to accelerate action to end modern slavery and human trafficking.

The Blueprint includes a first-of-its-kind international initiative, The Financial Access Project, aimed at providing financial access for survivors of human trafficking. With over a dozen international banks invited to participate, the Project sought to promote basic banking services to survivors with no prior financial access or to restore access to those whom might have had their accounts compromised by their traffickers.

Through a successful collaboration with front-line survivor service provider Deborah's Gate (part of the Salvation Army's Anti-Human Trafficking Programs), Scotiabank is the first bank to design, implement and successfully pilot the Liechtenstein Initiative's Financial Access Project, providing financial services to survivors of human trafficking.

Our pilot program, developed with a trauma-sensitive approach to (re-)establishing access to the financial system, offered free, unlimited chequing and savings accounts for 12 months. The program also offered survivors financial literacy, including a detailed review of the features and functionality of their new accounts and, depending on specific needs, either a refresher or first-time overview of the fundamentals of banking. Overall, our goal was to provide the financial support and resources required in a survivor's journey to economic independence.

At Scotiabank, we are committed to fostering safer communities, and with this project we welcomed survivors of human trafficking and established new relationships with our community members. We are confident that with continued efforts, in collaboration with survivor service providers, we can make a real and lasting difference for survivors across our global footprint.

Governance

Good corporate governance is a critical part of Scotiabank's culture and fundamental to our long-term success. It provides proper oversight and accountability, strengthens internal and external relationships, builds trust with our stakeholders and protects the long-term interests of the Bank.

Since its establishment in 2014, our Corporate Governance Office has advised on our corporate governance strategies, practices and policies at the Bank and throughout our footprint as part of our subsidiary governance framework, with direct oversight from our Board of Directors.

Scotiabank's leadership in this area has again been recognised by the Dow Jones Sustainability Index; for the second year in a row, our Bank was recognised as being in the top 1% of global financial institutions for corporate governance practices.

With a forward-looking approach to emerging governance practices, our policies, procedures and practices support the Board in its oversight of the Bank and managing itself in a sound and strategic direction. A solid foundation of openness, integrity, continuous improvement and accountability is key to maintaining strong, enduring relationships with our diverse stakeholders – shareholders, customers, employees and the broader communities in which we operate. Scotiabank's commitment to strong corporate governance practices and our continued focus on being at the forefront of leading practices remains a key aspect of our culture, and an attribute that we consider critical as we continue to build long-term value for the Bank.

Julie Walsh

Senior Vice President, Corporate Secretary & Chief Corporate Governance Officer



Governance

for the future of
our Bank



2019 Highlights

- For the second consecutive year, ranked by the Dow Jones Sustainability Index as within the top 1% of global financial institutions for Corporate Governance
- 38% of directors on our Board are women
- Strengthened our commitment to Human Rights by being the first Canadian bank to sign onto both the UN LGBTI Standards of Conduct for Business and the UN Women's Empowerment Principles
- Published a new Privacy Commitment that formalizes the principles of our approach to using customer information responsibly and keeping customers' data safe

Looking Forward

- Roll-out the first bank-led certification program for employees focused on ethics in artificial intelligence in partnership with the Smith School of Business and the IEEE
- Continue to progress our Human Rights strategy through the execution of our commitments to UN LGBTI Standards of Conduct for Business and UN Women's Empowerment Principles initiatives
- Continue to invest in our capabilities to combat money laundering and terrorist financing, and its abuse of the financial system

Trust from the Top of Our Business

Why it Matters

Integrity and accountability at the highest level of Scotiabank – the Board of Directors – is vital to our success. A solid approach to governance enables us to protect the interests of shareholders and maintain the trust of all stakeholders.

Our Approach

We take a principled approach to corporate governance and are committed to leading practices to protect the long-term interests of our stakeholders. Our strong risk culture and ethical conduct are the foundation of our business and key to our success. We are committed to conducting ourselves in a way that maintains the trust and confidence of our employees, customers, shareholders and communities.

Board Diversity

Scotiabank's Board of Directors and management team actively invest to develop, promote and recruit leaders that reflect the diversity of our footprint and the customers we serve. Board directors are regional, national and international business and community leaders who contribute world-class expertise across a variety of disciplines. We are proud of the gender, age, ethnic and global diversity reflected by our Board. Twelve of our 13 Directors are independent, and five Board members (38%) are women.

Risk Culture

Effective risk management requires a strong, robust and pervasive risk management culture where every Bank employee is a risk manager and is responsible for managing risks. The Bank's risk culture is influenced by numerous factors including the interdependent relationship amongst the Bank's risk governance structure, risk appetite, strategy, organizational culture and risk management tools.

A strong risk culture promotes behaviours that align to the Bank's values, supports sound risk taking and enables employees to identify risk-taking activities that are beyond the established risk appetite.

The Bank's Risk Culture Program is based on four indicators of a strong risk culture:

- **Tone from the Top** – Clear and consistent communication on risk behaviour expectations, the importance of Scotiabank's values, and fostering an environment where everyone has ownership and responsibility for “doing the right thing”
- **Accountability** – All employees are accountable for risk management. There is an environment of open communication where employees feel safe to speak up and raise concerns without fear of retaliation
- **Risk Management** – Risk taking activities are consistent with the Bank's strategies and risk appetite. Risk appetite

Trust from the Top of Our Business

considerations are embedded in key decision-making processes

- **People Management** – Performance and compensation structures encourage desired behaviours and reinforce the Bank's risk culture

Responsible and Ethical Conduct

The Scotiabank [Code of Conduct](#) (the Code) enables us to protect our values and reputation in everything we do. We require all employees, officers and directors to acknowledge compliance with the Code on an annual basis. We formally review the Code every two years at a minimum. After a full review in 2018, we revised the Code in 2019 to improve clarity and alignment with other Scotiabank policies.

We encourage all employees to raise workplace concerns. The Bank provides employees with several options to address concerns:

- Raise concerns directly with a manager and/or supervisor, with an option to escalate to senior management directly
- Contact a human resource representative online or via telephone
- Seek support from the Staff Ombuds Office, which provides anonymous assistance with work-related issues
- Submit a report anonymously through a third-party and independent hotline, accessible 24/7 in all countries where the Bank operates

As stated in both the Code and [Whistleblower Policy](#), the Bank will protect any Scotiabanker, including contingent workers, who raises issues or reports concerns in good faith from retaliation. Retaliatory behaviour and actions are not tolerated.

Scotiabank is committed to responsible business and sales practices, and our advisors are focused on the needs of our customers. We do not compromise ethics for the sake of meeting sales, profit or other targets or goals. This core value is stated clearly in the Code and is also articulated by our Global Sales Principles. We continually monitor and enhance sales practices and processes to ensure we consistently meet our customers' needs. We value hearing from our customers about what we can do better and actively seek feedback. If a customer is unable to resolve a concern at their local branch or through our contact centre, they can raise the issue to the Office of the President or to the Office of the Ombudsman.

Scotiabank's Global Sales Principles

- 1 Put our customer first.
- 2 Be an ambassador for the Bank.
- 3 Be transparent with our customers.
- 4 Always get our customer's consent and protect their information.
- 5 Keep our customers and our Bank safe.
- 6 Act honestly and with integrity.

Trust from the Top of Our Business

Governance of Environmental and Social Issues

Oversight of our ESG impacts is a shared responsibility of the Board of Directors, and specific areas are addressed by individual Board Committees.

The Corporate Governance Committee of the Board has primary oversight of our ESG strategy and reporting, including evaluating our environmental and social performance and discussing best practices for non-financial disclosure. The Committee reviews current ESG trends and how they relate to the Bank's ESG strategy and it reviews the annual ESG report. The Corporate Governance Committee acts in an advisory capacity through a continuing assessment of the Bank's approach to corporate governance and makes policy recommendations, including on topics such as human rights.

The Risk Committee of the Board retains primary oversight of climate-related risks and opportunities, as well as any climate-related natural disasters. Climate-related risks are captured in a quarterly Enterprise Risk Management report. In 2019, the Risk Committee reviewed the potential impacts of climate factors across Scotiabank's business.

The Risk Committee also assists the Board by providing oversight to risk management, anti-money laundering / anti-terrorist financing and sanctions functions. This includes periodically reviewing and approving the Bank's key risk management policies, frameworks and limits and satisfying itself that management is operating within the Bank's Enterprise Risk Appetite Framework.

In addition, the Audit and Conduct Review Committee of the Board oversees our climate-related disclosure as part of our financial reporting and assists the Board in fulfilling its oversight responsibilities for setting standards of conduct and ethical behaviour, and the oversight of conduct risk management.

The Human Resources Committee of the Board has oversight for diversity and inclusion, leadership, succession planning and total rewards, which includes ensuring our compensation programs are consistent with our risk management programs. In 2019, they oversaw the leadership strategy and succession planning process, which includes key accountabilities for increasing the representation of women at senior management levels.

Advancing Human Rights

Why it Matters

All business enterprises have a responsibility to respect, protect and promote human rights wherever they operate, and to address human rights impacts through prevention, mitigation and remediation. For Scotiabank, human rights are a central tenet of sustainability, the success of our business and the trust of our stakeholders.

Our Approach

We are committed to upholding the UN Guiding Principles on Business and Human Rights, which provide a clear framework for businesses to embed human rights considerations into our value chains. Our strategy extends across the organization and involves stakeholders throughout the Bank. It is underpinned by our global [Human Rights Statement](#) and builds upon existing policies and programs.

Commitment to Human Rights

Respect for Human Rights is at the heart of our core values and guides the way we do business. Our Human Rights Statement was adopted at the highest level of our organization in 2016 and it articulates our approach to fulfilling the commitments we have made as an employer, financial services provider, business partner and community member. As part of a subsequent review of our statement, we noted we could be more explicit by stating we acknowledge and respect the rights of Indigenous Peoples, consistent in the countries where we operate. In recognition of our respect for human rights and the rights of Indigenous Peoples, we updated our Human Rights Statement to this effect in 2019.

We continue our commitment to integrate human rights considerations into all aspects of our business to ensure we have a positive impact on our employees, customers and the communities in which we operate. We made progress on several priority areas identified in

our initial human rights impact assessment, including discrimination, equal pay, accommodation and supply chain (including modern slavery and human trafficking).

In May 2019, Scotiabank was the first Canadian bank to sign onto two important United Nations initiatives: the UN LGBTI Standards of Conduct for Business and the UN Women's Empowerment Principles (WEPs). Participation in these initiatives further demonstrates the Bank's continued commitment to diversity and inclusion and alignment to the Bank's approach to sustainable business.

Gender Identity

We undertook numerous projects to strengthen our commitment to our employees' right to not be discriminated against based on gender identity and gender expression in the workplace.

Advancing Human Rights

Recent progress includes:

- Enhanced our global human resources system to enable employees to voluntarily self-identify gender identity and personal pronoun preference in their employee profiles
- Added a mandatory learning module about gender identity and gender expression into inclusion training for all employees globally
- Executed customer-focused gender identity and expression inclusion training for staff in Global Contact Centres and Canadian Branches
- Launched global Gender Identity and Gender Expression Toolkit and resources hub on our employee intranet
- Launched a global LGBT+ Ally certification program in collaboration with IBM to create and maintain welcoming spaces for our customers and employees
- Enhanced benefits for employees or their dependants who are transitioning their gender
- Created Gender Transition in the Workplace Guidelines and training for managers to support employees who are transitioning their gender
- Made physical improvements to workspaces to become more inclusive, including the addition of gender-neutral and accessible washrooms in some locations

Equal Pay

As part of our commitment to diversity and inclusion, and discrimination-free decision making, we review and analyze information in relation to gender and remuneration.

A thorough review of our Canadian business was conducted in 2019 as part of our focus on human rights.

In order to ensure a like-for-like comparison, we reviewed total median remuneration by gender for roles at the same level in Canada. As the table below demonstrates, the analysis found less than a 4% variance predominantly as a result of demographic and role differences. Overall the position remained broadly flat year on year and we maintained a variance of 1% within junior roles, our largest employee population, and saw a slight improvement within Management – Seasoned Professional roles, our second largest employee population. While we have seen an improvement for some roles, we recognize we have more to do to continue to close this gap across our employee population and remain committed to ensuring remuneration design and decision making is fair, transparent and based on performance in role.

Role ¹	Total Median Remuneration ²
	Women % Relative to Men
Vice Presidents, Senior Vice Presidents	97%
Management – Seasoned Professional	96%
Professional, Administrative and Operational	99%

¹ To ensure a like-for-like comparison, all employees in full-time roles within Canada were included, excluding those in front-line sales or participating in specialized incentive plans

² Total remuneration includes base salary, short-term incentives and long-term incentives (where applicable)

Advancing Human Rights

By investing in innovative digital tools and working to improve workplace and customer accommodations, we are fostering inclusion among employees and customers with disabilities.

As part of our annual review, we also assessed the allocation of base salary adjustments, incentive awards and individual performance assessments for 2019 across women and men. We identified a marginal difference overall in favour of women compared to men, except at the managerial level where the variable pay results were marginally in favour of men due to the higher representation of men in speciality/technical fields. The proportion of employees receiving an incentive award was the same for both men and women.

We continue to provide line managers with training and tools to support bias-free decision making and continue our efforts in accelerating the advancement of women into senior roles. We believe addressing the lower representation of women in senior roles is key to addressing the variance at this level. We recognize there are some areas within the Bank that are less balanced on gender than others, and we have several programs in place to increase diversity and inclusion across the Bank. By strengthening our talent pipeline and ensuring all employees have equal access to advancement opportunities, we aim to build a high performing team and be recognized as a leader in business performance. Please see p. 29 for more on these efforts.

Workplace and Customer Accommodation

In Chile, we continued to make progress on our three-year plan focused on accommodation. A disability working group was convened to promote the increase and inclusion of people with disabilities working at Scotiabank in Chile. The working group is comprised of executives from different areas of the Bank who meet monthly to develop goals and actions to improve inclusion for people with disabilities. It reports to Chile's Inclusion Committee, which was renewed in 2019 to include new

members from the acquisition of BBVA in the country. In 2019, the working group helped introduce a new benefit program aimed at improving quality of life for people with disabilities. The program includes allowances, reimbursements, permits and benefits for service animals.

We advanced our work on accommodation in Canada by creating and delivering a mandatory accommodation training for leaders at our Contact Centres across the country. The trainings raised awareness on accessibility and accommodation, and promoted an environment where employees are comfortable asking questions about human rights and how it impacts day-to-day responsibilities. We created formalized processes for providing accommodations consistently across Canadian Contact Centre locations that meet the needs of employees and customers with various abilities, disabilities and demographics.

We also used a range of new digital tools to continue fostering inclusion among employees and customers. We redesigned the Scotiabank mobile banking application to be more accessible for everyone. The application was designed with inclusivity at its heart; barrier-free banking means the application is made to be accessible for people with a range of sight, mobility, hearing and cognitive needs.

We also piloted the LanguageLine application for employees that are hard of hearing. This tool provides video conferencing technology that allows for on-demand interpreting services through a mobile phone or tablet. This new technology allows employees who are deaf or hard of hearing to participate fully in daily activities, including team meetings and trainings, creating a more accessible and inclusive environment.

In 2019, we were proud to be recognized with a Workplace Benefits Award for absence management from Benefits Canada. This award was in recognition of our focus on

Advancing Human Rights

completely reviewing our disability policies and overall absence management program, in which we looked at both long- and short-term disability and administrative practices. Our renewed approach is driven by data and analytics and focused on supporting total well-being when it comes to absenteeism and helping employees get back to work quickly and safely. The Award recognized both our approach to providing employees at work with accommodation supports to allow them to stay in the workplace, as well as preparing employees on leave for their return to work. In the first full program year in 2018, we experienced a 14% reduction in short-term disability duration, and a decrease in cases transitioning to long-term disability by 42%.

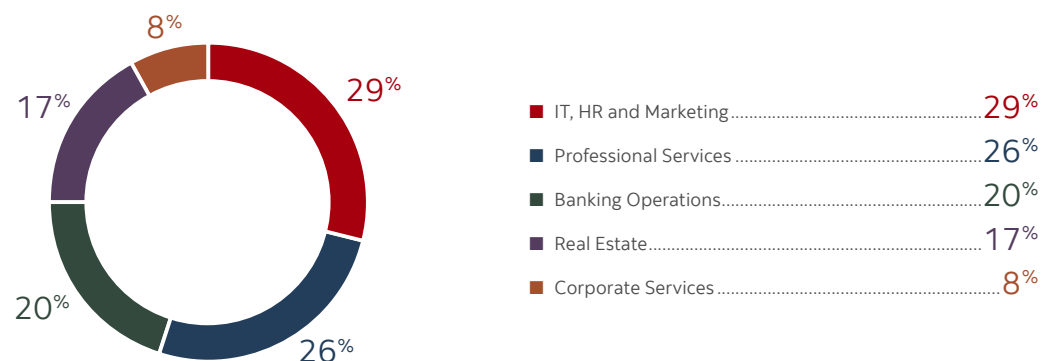
ESG in the Supply Chain

As an international bank, Scotiabank partners with thousands of suppliers globally. Our [Supplier Code of Conduct](#) helps to communicate our expectations to all current and prospective suppliers on issues related to ethical and responsible business conduct, human rights and environmental topics.

We also published our Global Procurement Policy to streamline and ensure a consistent approach to third-party arrangements. The Policy governs all procurement activities Bank-wide including all countries where we operate. Among other updates, the Policy identifies specific scenarios where the Global Procurement Services (GPS) team must be engaged and serve to strengthen and clarify the requirements for due diligence and ethical conduct for new and prospective suppliers.

For example, rules have been bolstered around mandating refreshed risk assessments, due diligence and approvals following any significant changes to existing suppliers; the enterprise-wide sanctions policy has been expressly integrated; lines of accountability and the scope of GPS involvement in the procurement process are more clearly defined; and direction on specific steps to be taken to maintain the integrity of the procurement process are better articulated.

Scotiabank's Supplier Spend, by Category



Protecting Our Customers

Why it Matters

Trust is the foundation that allows us to bank. Protecting our customers' money, privacy and data, and managing risks associated with financial crime helps ensure responsibility in our banking capacities and is critically important to enhancing customer trust.

Our Approach

We earn our stakeholders' and customers' trust and maintain our reputation through effective financial crimes risk management, customer privacy protection, cybersecurity enhancement, and ensuring an ethical approach to the use of artificial intelligence.

Combating Financial Crime

Scotiabank is strictly opposed to entering relationships with businesses or individuals engaged in illegal activities, or with businesses engaged in improper, quasi-legal or inappropriate activities. We are committed to sustaining secure financial systems in the countries in which we operate by taking the necessary action and using a risk-based approach.

We continually look for new ways to innovate to address the constantly evolving methods used by criminals to take advantage of the banking sector through money laundering, cyber-attacks, fraud and other financial crimes. We continue to invest in strengthening our defenses, while learning more about our customers by asking the right questions so that we can discover their needs, improve data and risk intelligence sharing, leverage integrated technology and processes, enhance our capability to detect and deter crimes and report suspicious behaviour.

Collaboration is paramount to combating new and traditional types of financial

crime. As one of Canada's largest financial institutions, we continue to be supportive of government efforts to improve the effectiveness of the anti-money laundering (AML) and anti-terrorist financing (ATF) regime in Canada. In partnership with academic institutions and the broader financial technology ecosystem, we are exploring innovative data encryption techniques and leveraging the power of artificial intelligence and analytics to advance our capabilities to predict, detect and deter financial crime.

Data Privacy and Security

Scotiabank has established a robust privacy program that is designed to protect the personal information entrusted to us. In 2019, Scotiabank published a new [Privacy Commitment](#) that guides the Bank's approach to privacy, including the need for employees to be accountable, safe, respectful, useful, adaptable and transparent when it comes to collecting and using personal information.

Protecting Our Customers

The Bank's Privacy Risk Management Framework was reviewed and updated in 2019 and our Privacy Risk Management Policy was finalized. The new policy outlines the principles, policies and procedures that form our global privacy standards. We also reviewed and updated our Privacy Incident and Breach Management Procedures and finalized new Privacy Impact Assessment procedures to help ensure privacy is accounted for when we engage with a new third-party or develop new or redesigned products and services. New Guidelines for the Use of Personally Identifiable Information (PII) in digital initiatives were published to provide an overview of the privacy implications that must be considered when devising a digital initiative that involves PII. In particular, the guidelines assist Scotiabank employees to distinguish between permissible and impermissible uses of PII from a privacy perspective.

As formalized in the Bank's Privacy Commitment, employees must be accountable, safe, respectful, useful, adaptable and transparent when it comes to collecting and using personal information.

In Canada, we refreshed our Canadian Privacy Agreement and the Canadian Digital Privacy and Interest-Based Advertising Policy (formerly the Cookies Policy) that describes how Scotiabank uses cookies and other technologies on its website (for example, to deliver more relevant advertising) to provide greater transparency and clarity for our customers. It describes how the Bank treats personal information in Canada – including the types of personal information we collect, when and why we collect and use personal information, and the circumstances when we share and disclose it.

In 2019, Privacy Awareness Week was promoted in all six of our major markets to drive awareness that all employees play a critical role in ensuring customer and employees' personal information is safe. All employees are required to complete online privacy training annually as part of the global mandatory training program. In 2019, we also collaborated with government and industry associations to improve privacy protection in the industry

through the Canadian Bankers Association, such as Canada's Office of the Privacy Commissioner's consultation on transfers for processing personal data.

Cybersecurity

Scotiabank employs teams of cybersecurity specialists across its global operations to identify and protect the Bank's critical infrastructure and data. We have processes in place to detect and respond to any occurrence of cyber or information security risks or threats, and well-defined strategies to help mitigate these risks at various levels throughout the organization. We have established a Board-approved cybersecurity strategy to protect the Bank and its customers and prepare for emerging cybersecurity threats.

In 2019, we finalized a new Cybersecurity Policy that enhances our approach to protecting customer data. We implemented multi-factor authentication as part of the new mobile application for Canadian retail customers, increased our focus on the Bank's critical information assets, developed a secure platform for cloud-based computing and broadened cyber training and awareness across the Bank.

In 2019, we promoted annual Cybersecurity Awareness Month to employees in each of our major markets. Examples of topics addressed included cloud security, application security, social media cyber risk, cybersecurity and risk management in banking, data loss prevention, identity theft and cybersecurity while traveling.

Protecting Our Customers

Ethics in Artificial Intelligence and Technology

Artificial Intelligence (AI) is defining a new age in customer service and risk management, and we have an unprecedented opportunity to re-imagine how AI can transform how we do business at Scotiabank. Our statement on responsible interactive AI development plays a significant role in anchoring AI development with our core AI values:

- Be useful
- Be transparent
- Be respectful
- Be safe
- Be accountable
- Be adaptable

We launched a two-day training program to support employees in applying ethical principles to Artificial Intelligence applications and processes.

At Scotiabank, our investment in AI goes beyond the smart implementation of new tools and technologies; we are committed to being leaders in the development of principles, guidelines and training for the ethical application of this powerful technology. In 2019, Scotiabank launched the first Trusted Data & AI for Canadian Business certification in Canada. In collaboration with the Smith School of Business at Queen's University and the IEEE, the world's largest technical professional organization advancing technology for humanity, the two-day program is designed specifically for Scotiabank employees to develop foundational knowledge and

understanding of ethical principles in business decision making, AI applications and processes.

In 2019, we established partnerships with academic institutions focused on better understanding the costs and benefits of AI and technology, including:

- Scotiabank is providing \$750,000 to the University of Ottawa in Canada to support The Scotiabank AI & Society Initiative to help enhance the Bank's understanding of ethics in technology.
- We made a \$1.25 million donation to the University of Alberta in Canada to fund the Scotiabank Artificial Intelligence Research Initiative in the Department of Computing Science. This initiative aims to understand and build practical tools and predictive models for fraud detection and speech to text analytics.

Appendix

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Material ESG
Topics and
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Material ESG Topics and Stakeholder Engagement

We strive to address the ESG topics that matter most to our business and stakeholders, and those on which we stand to have the greatest positive impact.

In 2017, we completed a stakeholder engagement process and materiality assessment in which stakeholders were asked to rank the importance of ESG topics. Responses were collected globally from employees, customers, investors, government, non-government organizations (NGOs), philanthropic partners and academic partners. Understanding which topics are material to stakeholders helped shape our approach to ESG.

We continuously engage with both internal and external stakeholders on a regular basis in order to understand the ESG issues that matter most to them and our business. We use a variety of formal and informal channels and methods in order to maintain strong relationships and open communication.

ENVIRONMENT

- Environmental footprint (e.g. GHG emissions, paper use)
- Environmental/social risk management in lending
- Creation of products with environmental benefits

SOCIAL

- Financial education/literacy
- Innovation/digitization
- Financial inclusion/access
- Creation of products with social benefits
- Diversity and equal opportunity
- Employee health and well-being
- Community investment and philanthropy
- Health and well-being and education of youth
- Customer service
- Talent attraction, engagement and development

GOVERNANCE

- Governance of operations
- Corporate structure
- Transparency of operations and services
- Human rights
- Fair labour practices
- Data privacy and security
- Fair design and sale of responsible products and services
- Sustainable/responsible procurement supply chain
- Commitment to external sustainability/CSR initiatives

Material ESG Topics and Stakeholder Engagement

Stakeholder Group	How We Interact	ESG Topics of Interest in 2019
Customers	<ul style="list-style-type: none"> Public engagement In-person at community events or meetings Customer feedback through The Pulse survey and follow-up calls Branch network Contact Centres Social media Conference attendance Community investment programs Annual meeting 	<ul style="list-style-type: none"> Community involvement and events Community investment and philanthropy Corporate social responsibility initiatives Cybersecurity and data privacy Customer experience improvement opportunities
Employees	<ul style="list-style-type: none"> Online through internal social networking platform, email and intranet Town halls and team meetings Regular engagement through new employee experience survey – ScotiaPulse 	<ul style="list-style-type: none"> Opportunities for continuous learning and development of new skills, with a focus on digital and technology Diverse and inclusive work environment Human rights in the workplace Knowledge and tools to enable even greater customer focus Opportunities to connect with local communities through support and volunteerism
Shareholders, investors, rating agencies and research analysts	<ul style="list-style-type: none"> Hosted Investor Day in Santiago, Chile, in January 2020 Management participation in investor conferences Shareholder proposals and enquiries Annual general meeting and quarterly earnings update calls Over 400 one-on-one investor meetings Social media 	<ul style="list-style-type: none"> Acquisitions, divestitures and repositioning of the business Share performance and valuation Canadian housing and consumer indebtedness Geopolitical and macroeconomic issues Digital transformation Financial instruments to support sustainability, e.g. Green Bonds ESG issues across the Americas and our global footprint Task Force for Climate-related Financial Disclosures (TCFD) Human Rights and Aboriginal relations Gender equality and equal pay Executive compensation Lending activities to energy sector

Material ESG Topics and Stakeholder Engagement

Stakeholder Group	How We Interact	ESG Topics of Interest in 2019
Government	<ul style="list-style-type: none"> Dialogue with policy makers and government officials Public submissions to government consultations Member of joint public-private sector Sustainable Finance Working Group of the Institute of International Finance Canadian Standards Association Technical Committee for the development of a Green and Transition Finance taxonomy for Canada 	<ul style="list-style-type: none"> Cybersecurity and financial crime Digital finance and data privacy International trade Diversity and inclusion Sustainable Finance and climate change Payments modernization in Canada
Suppliers	<ul style="list-style-type: none"> Procurement procedures Sustainability assessment of prospective suppliers Third Party Management Program 	<ul style="list-style-type: none"> Supplier Code of Conduct UK Modern Slavery Act and human rights Environmental and social risk Global Procurement Policy
NGOs, community development organizations and academia	<ul style="list-style-type: none"> Community partnerships Conferences, events and webinars Employee volunteerism Investment in academic partnerships Work with Business for Social Responsibility on human rights 	<ul style="list-style-type: none"> Helping young people thrive Financial literacy and education Support to local communities and academia
Global and national sustainability organizations	<ul style="list-style-type: none"> Public support of the Financial Stability Board's Task Force for Climate-related Financial Disclosures (TCFD) Participant in Signatory to the UN Global Compact Signatory of the UN Women's Empowerment Principles Signatory of the UN LGBTI Standards of Conduct for Business 	<ul style="list-style-type: none"> Transparency on ESG risks Climate change and carbon pricing Sustainable Development Goals Gender equality LGBT+ inclusion

Task Force on Climate-related Financial Disclosures Index



Scotiabank recognizes that climate change is one of the biggest challenges of our time. Scotiabank supports the Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD) and remains committed to the implementation of the recommendations across the Bank.

Theme and Area	Reference Page
Governance	
a) Board Oversight	2019 Annual Report, p. 104 2019 ESG Report, pp. 16-17
b) Management Role	2019 Annual Report, p. 105 2019 ESG Report, p. 17
Strategy	
a) Risks and Opportunities	2019 Annual Report, p. 105 2019 ESG Report, pp. 16-19
b) Impact of climate risk and opportunities for business	2019 Annual Report, p. 105 2019 ESG Report, pp. 16-19
c) Resilience of corporate strategy, considering climate scenarios	2019 Annual Report, p. 105 2019 ESG Report, pp. 16-19
Risk Management	
a) Process to identify and assess climate risks	2019 Annual Report, p. 105 2019 ESG Report, pp. 16-19
b) Managing climate risk	2019 Annual Report, p. 105 2019 ESG Report, pp. 16-19
c) Integrating climate risk into overall risk management	2019 Annual Report, p. 105 2019 ESG Report, pp. 16-19
Metrics and Targets	
a) Metric used to assess climate-related risks and opportunities	2019 Annual Report, pp. 105-106 2019 ESG Report, pp. 18-22
b) GHG disclosure for Scope 1, 2, 3	2019 ESG Report, p. 18
c) Targets used to manage climate-related risks and opportunities and performance	2019 Annual Report, pp. 105-106 2019 ESG Report, pp. 18-22

UN Global Compact Communication on Progress Index

Scotiabank reaffirms its support of the UN Global Compact and the 10 Principles. The Index below serves as our Communication on Progress, where descriptions of our actions toward UN Global Compact principles can be found.

UN Global Compact Principles	Relevant Section and Page Reference
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Investing in Our Employees (pp. 29-30), Empowering Our Customers (pp. 32-34), Investing in Our Communities (p. 45), Trust from the Top of Our Business (pp. 48-49), Advancing Human Rights (pp. 51-54), GRI 102-8, 102-9, 102-12, 102-16, 102-14, 102-41, 201-3, 205-2, 401-1, 401-2, 402-1, 403-2, 406-1, 412-1, 414-1
Principle 2: Businesses should make sure they are not complicit in human rights abuses.	Advancing Human Rights (p. 54) GRI 102-9, 406-1, 412-1, 414-1, FS13, FS14
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Investing in Our Employees (pp. 28-31), Advancing Human Rights (pp. 51-54) GRI 102-41, 401-2, 402-1
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	Advancing Human Rights (p. 54) GRI 412-1
Principle 5: Businesses should uphold the effective abolition of child labour.	Advancing Human Rights (p. 54)
Principle 6: Businesses should uphold the elimination of discrimination in respect to employment and occupation.	Investing in Our Employees (pp. 28-31), Advancing Human Rights (pp. 51-54) GRI 102-8, 401-1, 401-2, 403-2, 404-1, 404-2, 404-3, 405-1, 406-1, 412-1
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges.	Our Climate Commitments (pp. 16, 21), ESG Focused Lending and Investment (pp. 22-24) GRI 102-11, 308-1, FS11
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Our Climate Commitments (pp. 16-21) GRI 302-1, 302-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, FS8
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Our Climate Commitments (pp. 18-20) GRI 302-4, 305-5, FS8
Anti-corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Trust from the Top of Our Business (p. 49), GRI 102-16, 205-1, 205-2

Sustainable Development Goals and Target Index

Out of the 17 SDGs, we have the greatest positive impact on six of the Goals and associated targets through our ESG priorities.



Summary of SDG Target	Relevant Reference
SDG 1: No Poverty	
1.2 Reduce at least by half all people living in poverty	Empowering Our Customers (pp. 32-33), Investing in Our Communities (pp. 38-45), GRI 413-1, FS13, FS14
1.3 Social protection systems for the poor and vulnerable	Empowering Our Customers (pp. 32-33), and Advancing Human Rights (p. 51)
1.4 Equal rights to economic resources	Empowering Our Customers (pp. 32-37), GRI 413-1, FS13, FS14
SDG 3: Good Health and Well-being	
3.2 End preventable child mortality by supporting primary healthcare	Investing in Our Communities (pp. 39, 41), GRI 401-2
3.4 Promote mental health and well-being	Investing in Our Communities (p. 41), GRI 401-2
3.8 Achieve universal health coverage	Investing in Our Communities (pp. 39, 41), GRI 401-2
SDG 4: Quality Education	
4.1 Free primary and secondary education for all girls and boys	Investing in Our Communities (pp. 41-42)
4.3 Ensure equal access for all to technical and tertiary education	Investing in Our Employees (pp. 27-28), Investing in Our Communities (p. 44), GRI 404-1
4.4 Increase youth and adult vocational skills for employment	Investing in Our Employees (pp. 27-28), Investing in Our Communities (pp. 41-42), GRI 404-1, 413-1
4.5 Eliminate gender disparities in education	GRI 404-1
SDG 5: Gender Equality	
5.1 End all forms of discrimination against all women and girls everywhere	Investing in Our Employees (pp. 29-30), Empowering Our Customers (pp. 33-34), Advancing Human Rights (pp. 52-53), GRI 201-1, 401-1, 405-1, 406-1, 412-1
5.5 Ensure equal opportunities for leadership at all levels	Investing in Our Employees (pp. 29-30), Empowering Our Customers (pp. 33-34), Advancing Human Rights (pp. 52-53), GRI 102-18, 405-1
SDG 8: Decent Work and Economic Growth	
8.2 Increase economic productivity through diversification and innovation	Empowering Our Customers (pp. 32-35), GRI 201-1, 404-1, 404-2
8.3 Promote job creation and entrepreneurship	Empowering Our Customers (pp. 33-37), Investing in Our Communities (pp. 41-42)
8.5 Full and productive employment for all people with equal pay	Investing in Our Employees (pp. 27-30), Advancing Human Rights (pp. 52-54), GRI 102-8, 201-3, 401-1, 401-2, 404-1, 404-2, 404-3, 405-1, 412-1
8.6 Reduce youth unemployment through education or training	Investing in Our Communities (pp. 41-42), GRI 401-1
8.7 Eradicate forced labour, end modern slavery, human trafficking and all forms of child labour	Investing in Our Communities (p. 45), Advancing Human Rights (p. 54), GRI 412-1
8.8 Protect labour rights and safe working environments	Investing in Our Employees (pp. 27-31), Trust from the Top of Our Business (pp. 48-49), Advancing Human Rights (pp. 53-54), GRI 102-41, 403-2
8.10 Expand access to banking for all	Empowering Our Customers (pp. 32-33), GRI 102-4, FS13, FS14
SDG 13: Climate Action	
13.1 Strengthen resilience and adaptive capacity	Our Climate Commitments (pp. 18-20), GRI 201-2, 203-1, 302-1, 302-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5
13.2 Integrate climate change measures	Our Climate Commitments (pp. 16-21), ESG Focused Lending and Investment (pp. 23-24), GRI 201-2
13.3 Improve climate change education	Our Climate Commitments (p. 21), Investing in Our Communities (p. 42), GRI 102-11, 201-2

Global Reporting Initiative Index

GENERAL DISCLOSURES

102-1	Name of the Organization The Bank of Nova Scotia (Scotiabank)																								
102-2	Activities, brands, products and services p. 3																								
102-3	Location of Headquarters The head office of the Bank is located at 1709 Hollis Street, Halifax, Nova Scotia, Canada and its executive offices are at Scotia Plaza, 44 King Street West, Toronto, Canada.																								
102-4	Location of Operations In fiscal 2019, we operated in: North America: Canada, Mexico, United States; Central and South America: Belize, Brazil, Chile, Colombia, Costa Rica, El Salvador, Guyana, Panama, Peru, Uruguay, Venezuela; Caribbean: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Bonaire, British Virgin Islands, Cayman Islands, Curacao, Dominica, Dominican Republic, Grenada, Jamaica, Puerto Rico, St Kitts and Nevis, St Lucia, St Maarten, St Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos Islands, U.S. Virgin Islands; Asia Pacific: Australia, China, Hong Kong SAR, India, Japan, Malaysia, Singapore, South Korea, Thailand; Europe: Ireland, United Kingdom																								
102-5	Ownership and legal form The Bank is a Schedule 1 bank under the Bank Act (Canada) and is publicly traded on the Toronto Stock Exchange and New York Stock Exchange. The Bank is widely held with no person or group being permitted to hold more than 10% of any class of shares of the Bank.																								
102-6	Markets served p. 3																								
102-7	Scale of the organization p. 3																								
102-8	Information on employees and other workers A. Total Workforce by Employment Contract and Gender (Headcount) <table border="1" data-bbox="405 1674 1445 1949"> <thead> <tr> <th>Gender</th> <th>Permanent</th> <th>Contract</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Women</td> <td>46,151</td> <td>3,618</td> <td>49,769</td> </tr> <tr> <td>Men</td> <td>36,671</td> <td>2,375</td> <td>39,046</td> </tr> <tr> <td>Non-binary</td> <td>102</td> <td>19</td> <td>121</td> </tr> <tr> <td>Prefer not to respond</td> <td>54</td> <td>6</td> <td>60</td> </tr> <tr> <td>Total</td> <td>82,978</td> <td>6,018</td> <td>88,996</td> </tr> </tbody> </table>	Gender	Permanent	Contract	Total	Women	46,151	3,618	49,769	Men	36,671	2,375	39,046	Non-binary	102	19	121	Prefer not to respond	54	6	60	Total	82,978	6,018	88,996
Gender	Permanent	Contract	Total																						
Women	46,151	3,618	49,769																						
Men	36,671	2,375	39,046																						
Non-binary	102	19	121																						
Prefer not to respond	54	6	60																						
Total	82,978	6,018	88,996																						

GENERAL DISCLOSURES

102-8
(cont'd)**B. Total Workforce by Employment Contract and Region (Headcount)**

Region	Permanent	Contract	Total
Americas	81,947	5,971	87,918
Asia	631	39	670
Europe	387	8	395
Oceania	13	0	13
Total	82,978	6,018	88,996

C. Total Workforce by Employment Type and Gender (Headcount)

Gender	Full-time	Part-time	Total
Women	44,194	5,575	49,769
Men	37,466	1,580	39,046
Non-binary	92	29	121
Prefer not to respond	52	8	60
Total	81,804	7,192	88,996

Notes: Headcount as of October 31, 2019. Excludes casual staff and affiliates and subsidiaries where breakdowns are not available due to different reporting systems. Please see the Annual Report (p. 20) for disclosure on the number of Full-Time Equivalent employees.

102-9

Supply Chain
p. 54

102-10

Significant changes to the organization and its supply chain

There have been no significant changes to the organizational structure, size or ownership of Scotiabank or its supply chain during 2019. Scotiabank announced divestitures in non-core markets and businesses, including selected eastern Caribbean countries, Puerto Rico, El Salvador and Thailand.

102-11

Precautionary Principle or approach

Our Environmental Policy explains our precautionary principle approach. See p. 21 for a summary of our Policy.

102-12

External initiatives

Equator Principles, United Nations Global Compact (UNGC), United Nations Environmental Programme Finance Initiative (UNEP FI), United Nations Guiding Principles on Business Conduct and Human Rights, UN LGBTI Standards of Conduct for Business, UN Women's Empowerment Principles (WEPs), Carbon Disclosure Project (CDP), Carbon Pricing Leadership Coalition, Global Reporting Initiative (GRI), Principles for Responsible Investment (PRI), Dow Jones Sustainability Index (DJSI), Task Force for Climate-Related Financial Disclosures (TCFD)

GENERAL DISCLOSURES

102-13	Membership of associations	Business Council of Canada Canadian Chamber of Commerce Toronto Financial Services Alliance	Canadian Bankers Association Institute of International Finance Responsible Investment Association	
102-14	Statement from the senior decision maker	pp. 7-8		
102-16	Values, principles, standards and norms of behaviour	Scotiabank's Values are: Respect, Integrity, Passion and Accountability. See p. 49		
102-18	Governance structure	p. 50 and 2019 Management Proxy Circular, pp. 30-31		
102-40	List of stakeholder groups	pp. 60-61		
102-41	Collective bargaining agreements	As of October 31, 2019, 12% of the total employee population at Scotiabank was covered by a collective bargaining agreement. There is a slight decrease in unionization because of operational and workforce efficiency exercises in the unionized jurisdictions, as well as an overall increase in the total number of employees worldwide.		
102-42 102-43 102-44	Identifying and selecting stakeholders; Approach to stakeholder engagement; Key topics and concerns raised	pp. 59-61		
102-45	Entities included in the consolidated financial statements	Please see list of principal subsidiaries in annual report, pp. 223-224 as of October 31, 2019.		
102-46	Defining report content and topic Boundaries			
	Material Topics	Boundary 103-1	Management 103-2	Evaluation 103-3
	Environment p. 59	Material inside and outside Scotiabank, for employees, future employees, customers, investors, communities and wider stakeholders.	pp. 16-24	Benchmarking, ESG rankings, customer and employee feedback.
	Social p. 59	Material inside and outside Scotiabank, for employees, future employees, customers, investors, communities and wider stakeholders.	pp. 27-45	Benchmarking, ESG rankings, customer and employee feedback.
	Governance p. 59	Material inside and outside Scotiabank, for employees, future employees, customers, investors, communities and wider stakeholders.	pp. 48-57	Benchmarking, ESG rankings, customer and employee feedback.

GENERAL DISCLOSURES

102-47	List of material topics pp. 59-61 and GRI 102-46
102-48	Restatements of information There are no material effects from restatements referenced in this report.
102-49	Changes in reporting p. 6
102-50	Reporting period Fiscal 2019 (November 1, 2018 to October 31, 2019), unless otherwise stated.
102-51	Date of most recent report The 2018 Sustainable Business Report was published on March 14, 2019.
102-52	Reporting cycle Annual, on fiscal year
102-53	Contact point for questions regarding the report csr@scotiabank.com
102-54	Claims of reporting in accordance with the GRI Standards The 2019 ESG Report was prepared in accordance with GRI Standards Core guidelines.
102-55	GRI content index p. 65
102-56	External assurance An independent service provider verified our greenhouse gas emissions data. The report content is approved by Senior Vice Presidents and reviewed by senior Bank executives and by the Corporate Governance Committee of the Board.

ECONOMIC

Economic Performance

201-1	Direct economic value generated and distributed See p. 3, and the Annual Report, p. 11
201-2	Financial implications and other risks and opportunities due to climate change See pp. 18-20, and the Annual Report, pp. 104-105

ECONOMIC

201-3

Defined benefit plan obligations and other retirement plans**Coverage of the organization's defined benefit plan obligations**

A. Estimated Value of Liabilities	\$4,882,485,000 as of November 1, 2018
B. Extent to which the scheme's liabilities are estimated to be covered	116% funded on a Going Concern Basis at November 1, 2018
C. Funding strategy	Follows Canadian legislative requirements for funding pension plans.
D. Employee Contributions	4% of salary if employee participates in the Contributory portion of the plan or 0% to 4% if the employee participates in the Defined Contribution portion of the plan. The employer contributes the remaining amount needed to pay the pension benefit and matches the employee contributions into the Defined Contribution portion of the plan.
E. Plan participation	32,812 (plus 3,810 in the waiting period) as of November 1, 2018

Indirect Economic Impacts

203-1

Infrastructure investments and services supported

See p. 20

Anti-Corruption

205-1

Operations assessed for risks related to corruption

100% of 604 Assessable Units (AUs) assessed risks related to corruption, 13%, or 79 AUs, assessed residual risk as High or Very High through the risk assessment.

205-2

Communication and training about anti-corruption policies and procedures

Adherence to the Scotiabank Code of Conduct (the Code) is a condition of employment at Scotiabank. All employees, directors and officers are required to receive, read and comply with the Code and any other applicable Scotiabank policies, and affirm their compliance on an annual basis. Scotiabank Code of Conduct training is provided to all new hires and annually to existing employees. This course covers the six Principles as set out in the Code along with content relating to other key employee conduct policies. One of the six Principles directly addresses bribes, payoffs and other corrupt practices. The course was rolled out to all employees globally during the 2019 Mandatory Learning Cycle. In addition to the Code training, a separate Anti-Bribery and Anti-Corruption (ABAC) course, was rolled out to all employees. This course is assigned to employees through the me@scotiabank learning platform, the International Learning Centre or local learning platforms. The Board of Directors reviews and approves the Scotiabank Anti-Bribery and Anti-Corruption Policy.

A total of 103,232 employees completed the ABAC course throughout 2019, out of a total of 103,551 employees assigned the training, a 99.7% participation rate.

ECONOMIC

205-2
(cont'd)

By Region:

Region	Completed	Assigned	% Complete
Asia	678	678	100%
Caribbean and Central America	12,389	12,407	99.9%
Europe	395	395	100%
Latin America	45,368	45,652	99.4%
North America	44,402	44,419	99.96%
Total	103,232	103,551	99.7%

By Employee Category:

Employee Category	Completed	Assigned	% Complete
Casual	1,463	1,477	99.1%
Contract	4,860	4,964	97.9%
Regular	80,829	81,026	99.8%
Student	408	409	98.8%
Not Specified*	15,672	15,675	99.98%
Total	103,232	103,551	99.7%

*Employees who do not have access to Scotiabank's centralized Learning Management System (LMS). Training completion records are tracked outside the LMS, but without the Employee Category attribute.

ENVIRONMENT

Energy

302-1

Energy consumption within the organization

Type of Energy	Canada	International (excludes Canada)
Electricity (MWhs) – Scope 2	215,351	177,329
Heat (GJs) – Scope 2	186,310	N/A
Fuel Purchases (GJs) – Scope 1	292,268	3,818
Total Electricity and Fuel (GJs)	1,253,841	642,204

The above information was collected from the best available data and methodologies, which includes information directly captured from invoices processed for payment from various utility vendors. Utility consumption figures are collected directly from invoices when entered for payment. Consumption entries are then subject to monthly audits by Real Estate and an energy consulting firm. These figures are then subject to a final audit by an independent third party for verification. The audited and verified consumption figures are then used by both third-party suppliers and Real Estate in comparing technical specifications for facilities projects and weighted average consumption estimates based on actual portfolio consumption to determine energy savings associated with any given initiative.

ENVIRONMENT

**302-1
(cont'd)**

Our Canada data is based on 953 owned and leased retail locations and the space occupied by the Bank in 131 office buildings across Canada, representing approximately 1,049,770 square metres. Our International data is based on 1,909 owned and leased retail locations and the space occupied by the Bank in 136 office buildings outside of Canada, representing approximately 1,263,440 square metres.

302-4**Reduction of energy consumption**

See p. 19

Water

303-5**Water consumption**

	Canada		International (excludes Canada)	
	Total Use (cubic metres of water)	Water Use Intensity (cubic metres per square metre)	Total Use (cubic metres of water)	Water Use Intensity (cubic metres per square metre)
2017	719,778	0.67	430,331	0.88
2018	696,067	0.65	326,099	0.72
2019	754,611	0.72	216,682	0.57

Note: The above information was collected from the best available data and methodologies, which includes information directly captured from invoices processed for payment from various water vendors. We continue to expand the geographic scope of our reporting boundary with the objective of reporting total consumption. When necessary, some buildings were estimated using consumption data found in similar regions and building types.

In 2019, our Canada figures are based on a combination of owned/leased retail locations and office buildings occupied by the Bank across Canada, representing approximately 1,049,770 square metres. This represents the full Canadian portfolio. The increase in total water use and intensity from 2018 to 2019 in Canada is mainly attributed to more accurate estimated data for some large office buildings.

Our International figures are based on a combination of owned/leased retail locations and office buildings occupied by the Bank in countries where data is available, representing a sample of the International portfolio, equal to approximately 378,193 square metres.

GHG Emissions

305-1**Direct (Scope 1) GHG emissions**

See p. 18

305-2**Energy indirect (Scope 2) GHG emissions**

See p. 18

305-3**Other indirect (Scope 3) GHG emissions**

See p. 18

ENVIRONMENT

Emissions factors

Canadian Provincial Emissions Factors*

Province	Generation Intensity (Tonnes CO ₂ e per MWH)	Emission Factor for Natural Gas (Tonnes CO ₂ e per cubic meter)	Other fuel factors**		
			Fuel Type	Factor	Units
Newfoundland and Labrador	0.0000400	0.0019010	Oil	0.003	Tonnes CO ₂ e per Litre
Prince Edward Island	0.0000140	0.0018870	Propane	0.002	Tonnes CO ₂ e per Litre
Nova Scotia	0.0006700	0.0019010			
New Brunswick	0.0003100	0.0019010			
Quebec	0.0000012	0.0018870			
Ontario	0.0000170	0.0018880			
Manitoba	0.0000019	0.0018860			
Saskatchewan	0.0006500	0.0018290			
Alberta	0.0007500	0.0019280			
British Columbia	0.0000090	0.0019260			

**Reference: GHG Protocol V4.1 2015 Release

*Reference: Canada's 2019 National Inventory Report 1990-2017: Green Gas Sources and Sinks Canada, Environment and Climate Change Canada

305-4

GHG emissions intensity

GHG Intensity Metric	Canada	International (excludes Canada)	Global
Tonnes CO ₂ e per FTE*	1.31	1.01	1.13
Tonnes CO ₂ e per square metre of real estate occupied	0.049	0.050	0.050

Note: Scope 1 and Scope 2 emissions are included in the intensity ratio. CO₂, CH₄, N₂O are gases included in the calculation.

*The intensity metric is based on the number of employees (full-time equivalent) as reported on p. 21 of the 2019 Annual Report. The methodology used to calculate the GHG and energy intensity was updated in 2019.

305-5

Reduction of GHG emissions

See pp. 18-19

Waste

306-2

Waste by type and disposal method

For paper reduction initiatives, see p. 19.

ENVIRONMENT

Supplier Environmental Assessment

308-1

New suppliers that were screened using environmental criteria

New and existing suppliers invited by Global Procurement Services to participate in formal Request for Proposals were assessed and evaluated based on a set of quantitative and qualitative criteria, which includes ESG factors. See p. 54

SOCIAL

401-1

New employee hires and employee turnover

A. Total number and percentage of new employee hires during the reporting period (by age group, gender and region).

Region	Number of employees	Percent
Americas	16,105	98.83%
Asia	119	0.73%
Europe	70	0.43%
Oceania	1	0.01%

Age Group	Number of employees	Percent
Under 30 years	9,071	55.67%
30 to 50 years	6,423	39.42%
Over 50 years	801	4.92%

Gender	Number of employees	Percent
Women	8,709	53.45%
Men	7,442	45.67%
Non-binary	99	0.61%
Prefer not to respond	45	0.28%

B. Total number and percentage of employee turnover during the reporting period, by age group, gender and region.

Region	Number of employees	Percent
Americas	18,835	99.1%
Asia	104	0.5%
Europe	65	0.3%
Oceania	0	0.0%

SOCIAL

401-1
(cont'd)

Age Group	Number of employees	Percent
Under 30 years	8,604	45.3%
30 to 50 years	8,361	44.0%
Over 50 years	2,039	10.7%

Gender	Number of employees	Percent
Women	9,997	52.6%
Men	8,900	46.8%
Non-binary	52	0.3%
Prefer not to respond	55	0.3%

	2017	2018	2019
Voluntary employee turnover	13%	16%	12%

Notes: Headcount as of October 31, 2019. Excludes casual staff and affiliates and subsidiaries where breakdowns are not available due to different reporting systems. Voluntary turnover includes Resignations and Retirements.

401-2

Benefits that are provided to full-time employees vs. benefits provided to part-time and temporary employees

Benefit	Full Time	Part Time	Temporary (Contract)
Life Insurance	✓	✓	✓ (1 year)
Health Care	✓	✓	✓ (1 year)
Disability and invalidity coverage	✓	✓	N/A for LTD ✓ (1 year) for STD
Parental leave	✓	✓	✓
Retirement provision	✓	✓	N/A
Stock ownership	✓	✓	N/A
Other: Optional Benefits			
Optional Life, AD&D, Out of Province/Country Health Insurance, Critical Illness	✓	✓	✓ (1 year)

Labour/Management Relations

402-1

Minimum notice periods regarding operational changes

A. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them:

SOCIAL

402-1
(cont'd)**In unionized locations in the English Caribbean, the following notice periods apply:**

Antigua and Barbuda: Scotiabank consults with the Union three months in advance of lay off due to lack of work.

Barbados: The Bank shall consult with the Union three months in advance of lay off due to lack of work. Additionally, consultation with employees or the Union is required at least six weeks before any dismissals which will result in a reduction of 10% or another significant number.

Grenada: The Bank shall notify the Union 90 calendar days in advance of lay off due to lack of work. Meetings are to be convened within 30 days of the Union receiving notice of position redundancies.

St. Lucia: One week of notice is required if the period of employment is more than 12 weeks but less than two years; two weeks of notice is required if the period of employment is two years or more but less than five years; four weeks of notice is required if the period of employment is five years or more but less than 10 years.

St Vincent: Scotiabank shall consult with the Union three months in advance of lay off due to lack of work.

Jamaica: Reasonable notice is required based on the circumstances of each case of an employment lay off.

In the unionized locations of Latin America the following notice periods apply:

Mexico: Scotiabank's general practice to maintain positive labour relations is to socialize the operational change in advance with the Union.

Peru: At least eight days of notice is required when there are changes related to work schedules. Also, at Crediscotia, eight weeks of notice is required for changes in work schedules.

Uruguay: Scotiabank's general practice to maintain positive labour relations is to socialize the operational change in advance with the Union.

Brazil: Four weeks of notice is required.

In the unionized locations in Asia Pacific, notice periods apply in the following jurisdictions:

Singapore: Scotiabank's general practice is to communicate with employees and their representatives (Union) prior to the implementation of significant operational changes that could substantially affect their employment terms and conditions.

Malaysia: A minimum of three months is required.

B. Notice period and provisions for consultation and negotiations where Collective Bargaining Agreements exist.

In the Caribbean the following notice periods apply:

Antigua and Barbuda: Scotiabank will call a meeting with the Union if the Union Officials request within 14 days of getting notice of lay offs.

Barbados: The Bank shall consult with the Union three months in advance of lay off due to lack of work.

Grenada: The Bank shall notify the Union 90 calendar days in advance of lay off due to lack of work.

St. Vincent: Notice is to be given within a reasonable timeframe. Scotiabank will call a meeting with the Union, if the Union Officials request within 14 days of getting notice of lay offs.

Jamaica: Local legislation provides for periods of notice based on years of service.

Trinidad and Tobago: Not less than 60 days' notice is required. Scotiabank ensures compliance with local legal provisions.

SOCIAL

402-1
(cont'd)

In the unionized locations in Latin America, notice periods to Unions are not included in the collective bargaining agreement with respect to changes that affect employees in the form of lay offs and severance and redundancies. Local labour legislation establishes the standards for terminations including notice and severance calculations. With respect to notice to bargain each jurisdiction has its own regulations. Scotiabank ensures compliance with local legal provisions.

Note: Effective October 31, 2019, the Bank officially sold its business operations in the following jurisdictions: **Grenada, St. Vincent & the Grenadines, St. Lucia**

403-2

Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities

A. Injuries by Type

Region	Minor Injury*	Disabling Injury**	Total
Canada	269	93	362

* Minor Injury refers to a workplace injury where the employee has no lost time from work

** Disabling Injury refers to an injury where the employee has lost time from work

Note: In previous years the categorization of injury types was reflective of federal health and safety reporting requirements in Canada. As Scotiabank is a global employer, the injury types have been modified to reflect future data collection from each of the countries we operate in, while remaining consistent in reporting of other financial institutions in Canada.

B. Injuries by Gender

Region	Male	Female
Canada	71	291

C. Lost Time* (Days) by Gender

Region	Male	Female	Total
Canada	426	2,407	2,833

*Lost-Time refers to time missed from work due to a workplace injury

D. Absentee Rate

	Unit	2018	2019
Employee Absentee rate	Percentage of total days scheduled in Canada	4.0%	2.6%
Data coverage	Canadian employees as a percentage of global employees	42.7%	43.6%

Due to different reporting systems globally, we are unable to report on international data. There were 250 working days in Canada during 2019.

SOCIAL

403-2
(cont'd)

Among the resources we offer are:

Topic	Scotiabank's Offering
Human Resource policies and procedures	Our new AskHR online repository makes it easier to find policies on wellness, benefits, occupational health and safety, flexible work arrangements and other workplace accommodations.
Traumatic mental stress	We provide resources and support to any employee in Canada who witnesses a traumatic mental stress event in the workplace and screen for indicators of mental stress.
Work injuries	We partnered with an impartial work injury service provider in Canada to ensure employees impacted by a work injury are given support for a safe return to the workplace.
Ergonomics and workplace	Our Ergonomic Policy outlines Scotiabank's commitment to providing optimal working conditions. We adhere to recognized standards* for office illumination, noise levels, air quality, humidity and temperature.
Stress management training	The Employee and Family Assistance Program in Canada supports employees and their families through times of personal challenges through short-term counselling services.
Employee health and well-being	Core benefits coverage is provided to all regular-status employees and contract employees after one year of continuous service in Canada. We also give these employees the option to allocate benefit credits to healthcare and well-being spending accounts.
Flexible working hours	Our Flexible Work Options Policy gives employees a variety of work arrangements, including flextime, compressed work week, job sharing, working from alternate locations, phased retirement and part-time arrangements.
Childcare facilities or contributions	Employees are provided with a paid membership to a Canada-wide provider of daycare and back-up childcare for children up to age 12.
Parental leave	Employees on maternity leave in Canada are eligible to receive a supplementary top-up to their employment insurance benefits for a six-week period.

*The standards we adhere to in Canada are IESNA for lighting and ASHRAE for temperature control, as well as all relevant government standards and regulations.

404-1

Average hours of training per year per employee

Gender	Including compliance training	Excluding compliance training	Employee Category	Including compliance training	Excluding compliance training
Female	36.9	24.4	Casual	35.4	18.6
Male	43.1	30.3	Contract	21.2	9.8
Average	39.5	26.9	Regular	40.8	28.3
			Student	35.2	9.3
			Average	39.5	26.9

For more information on employee training and investment, see pp. 27-28.

SOCIAL

404-2

Programs for upgrading employee skills and transition assistance programs

See p. 27

404-3

Percentage of employees receiving regular performance and career development reviews

95% of employees who were eligible to participate received a performance and career development review in 2019. See p. 28

405-1

Diversity of governance bodies and employees

A. As of October 31, 2019, for the Board of Directors:

B. All Employees

Age Group	Percent
Under 30 years	0%
30 to 50 years	7.7%
Over 50 years	92.3%

Age Group	Percent
Under 30 years	27.4%
30 to 50 years	55.6%
Over 50 years	17.0%

Gender	Percent
Women	38.5%
Men	61.5%

Gender	Percent
Women	55.92%
Men	43.87%
Non-binary	0.14%
Prefer not to respond	0.07%

Geography (residence)	Percent
Canada	69.2%
US	23.1%
Other/International	7.7%

Note: Headcount as of October 31, 2019. Excludes casual staff, and affiliates and subsidiaries where breakdowns are not available due to different reporting system

The Board is diverse in experience, expertise, geographic background and personal characteristics as noted in our written board diversity policy which forms part of the Board's corporate governance policies. Each director has a wealth of experience in leadership and strategy development. The combination and diversity of their skills, experience, location and gender are key as they bring unique perspectives to the Board.

406-1

Incidents of discrimination and corrective actions taken

In the context of disclosure, an "incident of discrimination" refers to an official legal action filed with the governing authority of the jurisdiction or a complaint filed through Scotiabank's internal complaints procedures where the claim of discrimination is found, either through judicial proceedings or internal formal investigation and fact-finding procedures and processes, that there is a breach or non-compliance with established corporate policies, governing statutes or regulatory regimes. Substantiated cases of sexual harassment were included within the reporting data of an "incident of discrimination."

During 2019, the Bank had, across all jurisdictions, 29 substantiated incidents of discrimination, six of which related to customer complaints.

SOCIAL

412-1

Operations that have been subject to human rights reviews or impact assessments

In 2015-2016, Scotiabank commissioned a human rights assessment to understand how the Bank impacts the human rights of its employees, customers, contractors, business partners and community members in both positive and negative ways. Scotiabank engaged two external human rights experts to conduct the assessment and develop recommendations for the Bank: The Danish Institute for Human Rights and Business for Social Responsibility (BSR). The assessment was conducted in our key markets: Canada, Mexico, Peru, Chile, Colombia and Caribbean. In February 2019 Scotiabank updated our human rights statement to more clearly define how we address Indigenous Peoples' rights in our due diligence processes. The revised version also explicitly states that we acknowledge and respect the rights of Indigenous Peoples, consistent with the laws in the countries where we operate. In addition, in 2019 we made progress on priority areas identified in the human rights impact assessment, including discrimination, accommodation and equal pay. Key projects included: the formation of a disability working group in Chile that aims to improve inclusion and increase labour participation among people with disabilities; a gap assessment which led to accommodation training at Canadian Contact Centres; and Scotiabank's adoption of the UN Global LGBTI Standards of Conduct for Business and the UN Women's Empowerment Principles. For more information see pp. 51-54.

413-1

Operations with local community engagement, impact assessments and development programs

100% of the markets where we do business are actively engaged in local community development programs. Year-end reports from our community partner organizations are provided annually, and we are increasing our focus on evaluating and comparing metrics to measure and further drive more meaningful impact through our community investment initiatives.

414-1

New suppliers that were screened using social criteria

New and existing suppliers invited by Global Procurement Services to participate in formal Request for Proposals were assessed and evaluated based on a set of quantitative and qualitative criteria, which includes ESG factors. For more information see p. 54.

415-1

Political contributions

In Canada, political contributions are not permitted federally, municipally and in many provinces. In an effort to be consistent across all our operations, Scotiabank made the decision in 2016 to end political contributions in all areas of operations.

418-1

Substantiated complaints concerning breaches of customer privacy and losses of customer data

We reported 11 privacy breaches to regulators internationally in 2019 that met regulatory reporting thresholds. However, none of these reported privacy breaches caused significant economic, environmental and social impacts; or substantively influenced the assessments and decisions of stakeholders. Of these privacy events:

- i. Eleven (11) complaints came from outside parties and were substantiated by Scotiabank in 2019.
- ii. None of these complaints came from regulatory bodies in 2019.
- iii. Outside party complaints: Canada (one theft, six leaks), Colombia (three leaks) and Cayman Islands (one leak).

Financial Sector Indicators

FS8

Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose

See p. 24

FS11

Percentage of assets subject to positive and negative environmental or social screening

The total number of project finance loans and project-related corporate loans that reached financial close during 2019 was seven. The breakdown is as follows:

Project Finance

	Category A	Category B	Category C
Sector			
Mining	0	0	0
Infrastructure	0	0	1
Oil & Gas	1	0	0
Power	0	1	1
Others	0	0	0
Region			
Americas	1	1	2
Europe, Middle East & Africa	0	0	0
Asia Pacific	0	0	0
Country Designation			
Designated Country	1	1	2
Non-Designated Country	0	0	0
Independent Review			
Yes	1	1	2
No	0	0	0

Financial Sector Indicators

FS11
(cont'd)

Project-Related Corporate Loans

	Category A	Category B	Category C
Sector			
Mining	0	1	0
Infrastructure	0	0	0
Oil & Gas	0	2	0
Power	0	0	0
Others	0	0	0
Region			
Americas	0	3	0
Europe, Middle East & Africa	0	0	0
Asia Pacific	0	0	0
Country Designation			
Designated Country*	0	3	0
Non-Designated Country	0	0	0
Independent Review			
Yes	0	2	0
No	0	1	0

Category A – Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented.

Category B – Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Category C – Projects with minimal or no adverse environmental and social risks and/or impacts.

*Designated Countries (previously named High-Income OECD Countries) are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity to protect their people and the natural environment. For the list of Designated Countries, go to: <http://www.equator-principles.com/index.php/ep3/designated-countries>

FS13

Access points in low-populated or economically disadvantaged areas by type

See pp. 36-37

FS14

Initiatives to improve access to financial services for disadvantaged people

See pp. 32-33

Sustainability Accounting Standards Board Index

This report marks the first time Scotiabank has voluntarily linked our current ESG reporting to the Sustainability Accounting Standards Board (SASB) standards. We will continue to evaluate additional industry standards and metrics in the future. Unless otherwise noted, all data and descriptions apply to our entire firm, not just the businesses within the industries identified by SASB. All data is as of or for fiscal 2019, unless otherwise noted.

Topic	Metric	SASB Code	Relevant Reference
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1 FN-CF-230a.1	See p. 79 of this report: GRI 418-1 discloses number of privacy breaches reported to regulators internationally in 2019 that met regulatory reporting thresholds.
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2 FN-CF-230a.3	See pp. 55-56 of this report, and pp. 75, 78 and 102-103 of the 2019 Scotiabank Annual Report.
Financial Inclusion & Capacity Building	1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development.	FN-CB-240a.1	See pp. 34-35 of this report for information on programs and initiatives to support small business, including our commitments through The Scotiabank Women Initiative™. More information specific to Canada, including specific information related to authorized debt financing, is also included on pp. 17-19 of the 2019 Public Accountability Statement.
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	See pp. 32-33 of this report for information on our no and low-fee banking products globally. More information specific to Canada is also included on p. 12 of the 2019 Public Accountability Statement.
	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	FN-CB-240a.4	See pp. 36-37, 41-42 and 44 of this report for information on programs and initiatives to support financial education and awareness among customers, employees and young people. More information specific to Canada is also included on pp. 13-14 of the 2019 Public Accountability Statement.
Employee Diversity and Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	See pp. 29-30 of this report for disclosures on the percentage of women in executive and non-executive management globally, in Canada, and internationally (excludes Canada).

CB = Commercial Banks Sustainability Accounting Standard

CF = Consumer Finance Sustainability Accounting Standard

AC = Asset Management & Custody Activities Sustainability Accounting Standard

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