



What it means to be

**Canada's most
international bank**

Bahamas • United States

Dominican Republic • **Canada** • Uruguay

Colombia • St. Lucia • Aruba • Netherlands Antilles • India

Hong Kong • Grenada • Malaysia • St. Vincent • **Peru**

Antigua & Barbuda • British Virgin Islands • Guyana • Curaçao • Thailand • El Salvador • Panama

Singapore • Turks & Caicos • **Mexico** • Belize • St. Maarten

United Kingdom • Jamaica • Anguilla • United Arab Emirates • Puerto Rico

Chile • Trinidad and Tobago • Costa Rica
• Australia • Cayman Islands • Haiti

Brazil • St. Kitts & Nevis



How to use this report

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX




GLOSSARY

Designed to be downloaded and viewed with Adobe Reader

In keeping with the Bank's commitment to operational eco-efficiency, this report is produced in an interactive PDF format and designed to be viewed with Adobe Reader and an Internet connection. In addition to saving paper and costs, the format enables us to provide links to online documents and media. The PDF can also be viewed offline, but any external material will not be accessible.

Note: We, our, us, Scotiabank and the Bank mean The Bank of Nova Scotia, and, as appropriate, any of our subsidiaries.



Symbol keys

-  Supporting content (external links)
-  Navigate to a different section
-  Play a video

How to search

The report is fully searchable through your Adobe PDF Reader interface.


Disclosure keys

-  Indicates a Global Reporting Initiative (GRI) disclosure. Click to view the full GRI Index
-  Indicates a UN Global Compact (UNGC) disclosure. Click to view the full UNGC Index.

Navigation

The web-like navigation provides easy access to content.

Back and forward

Navigate with the page back and forward icons or click the  symbol to go to the table of contents.

Disclosure links

GRI and UN Global Compact icons are featured at the top of certain pages to identify relevant content.



Contents

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

1 INTRODUCTION 4

- 1.1 ABOUT THIS REPORT 5
- 1.2 PRESIDENT AND CEO MESSAGE 6
- 1.3 CHAIRMAN MESSAGE 7
- 1.4 ABOUT SCOTIABANK 8
- 1.5 BUSINESS HIGHLIGHTS 10
- 1.6 FINANCIAL HIGHLIGHTS 11

2 CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE 12

- 2.1 CSR GOVERNANCE 13
- 2.2 STAKEHOLDER
ENGAGEMENT 15
- 2.3 KEY PERFORMANCE
INDICATORS 17

3 CORPORATE GOVERNANCE 19

- 3.1 HOW SCOTIABANK
OPERATES 20
- 3.2 POLICIES AND PROCEDURES 22
- 3.3 MANAGING RISK 25
- 3.4 PRIVACY, SECURITY
AND FRAUD 26
- 3.5 PUBLIC POLICY 28

4 MARKETPLACE 29

- 4.1 CUSTOMER FOCUS 30
- 4.2 ACCESS TO FINANCE 33
- 4.3 FINANCIAL EDUCATION 42
- 4.4 CASE STUDY 45



5 EMPLOYEES 46

- 5.1 EMPLOYEE ENGAGEMENT 47
- 5.2 DIVERSITY AND INCLUSION 52
- 5.3 LABOUR RELATIONS 56
- 5.4 COMPENSATION
AND BENEFITS 59
- 5.5 CASE STUDY 62

6 ENVIRONMENT 63

- 6.1 OPERATIONAL
ECO-EFFICIENCY 64
- 6.2 CLIMATE CHANGE 72
- 6.3 RESPONSIBLE FINANCING 74
- 6.4 CASE STUDY 78

7 COMMUNITY INVESTMENT 79

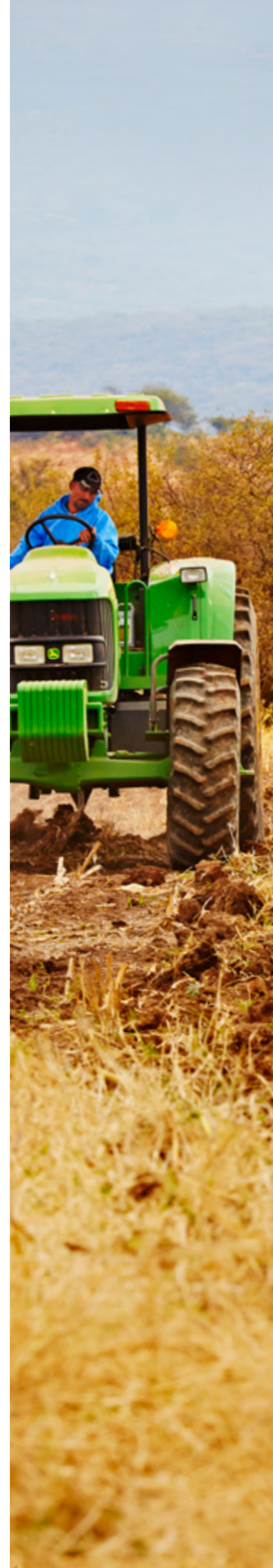
- 7.1 APPROACH TO COMMUNITY
INVESTMENT 80
- 7.2 SCOTIABANK BRIGHT
FUTURE 81
- 7.3 CASE STUDY 84

8 PUBLIC ACCOUNTABILITY STATEMENT 85

- 8.1 AFFILIATES 86
- 8.2 EMPLOYEES 87
- 8.3 CORPORATE DONATIONS 88
- 8.4 TAXES 89
- 8.5 DEBT FINANCING 90
- 8.6 BRANCHES AND ABMS 93

9 DISCLOSURE INDEX 98

10 GLOSSARY 109



1.0

Introduction

• INTRODUCTION

ABOUT THIS REPORT

PRESIDENT AND
CEO MESSAGE

CHAIRMAN MESSAGE

ABOUT SCOTIABANK

BUSINESS HIGHLIGHTS

FINANCIAL HIGHLIGHTS

CSR GOVERNANCE,
ENGAGEMENT AND
PERFORMANCE

CORPORATE
GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY
INVESTMENT


PUBLIC
ACCOUNTABILITY
STATEMENT

DISCLOSURE INDEX

GLOSSARY


As Canada's most international bank, Scotiabank has a unique opportunity to make a positive economic, social and environmental impact in the 55 countries in which it operates. The focus of its corporate social responsibility (CSR) strategy has evolved from donating to community causes to being a strategic imperative that helps drive value for the Bank, its shareholders and society at large. "What it means to be Canada's most international bank" is the title of this year's CSR Report and came from the fact that building strong relationships where the Bank operates is vital for earning the trust of stakeholders and developing strategies that will make a meaningful difference.

1st 
CANADIAN COMPANY
TO BE NAMED WORLD'S
BEST MULTINATIONAL
WORKPLACE

\$5.3 
BILLION
SPENT ON SUPPLIER
GOODS AND SERVICES

\$81 
MILLION
INVESTED IN
EMPLOYEE TRAINING

85% 
EMPLOYEE
ENGAGEMENT RATE

27% 
WOMEN IN VP+
POSITIONS GLOBALLY

\$65 
MILLION
CONTRIBUTED GLOBALLY IN
DONATIONS, SPONSORSHIPS
AND OTHER FORMS OF
COMMUNITY ASSISTANCE

INTRODUCTION

- ABOUT THIS REPORT
 - PRESIDENT AND CEO MESSAGE
 - CHAIRMAN MESSAGE
 - ABOUT SCOTIABANK
 - BUSINESS HIGHLIGHTS
 - FINANCIAL HIGHLIGHTS
- CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE
- CORPORATE GOVERNANCE
- MARKETPLACE
- EMPLOYEES
- ENVIRONMENT
- COMMUNITY INVESTMENT
- PUBLIC ACCOUNTABILITY STATEMENT
- DISCLOSURE INDEX
- GLOSSARY

INTRODUCTION

About this report

Scotiabank's CSR Report articulates the Bank's performance and achievements related to environmental, social and governance priorities, and outlines how the Bank engages with its stakeholders.

Scotiabank has been using the Global Reporting Initiative (GRI) framework for CSR reporting since 2005. GRI is a non-profit organization that provides a comprehensive sustainability reporting framework, which sets out the principles and indicators by which organizations measure and report their economic, environmental and social performance.

In 2013, GRI introduced a new framework, called G4, which Scotiabank is in the process of reviewing. This CSR Report will act as a transition report, incorporating certain components of G4, such as a materiality assessment and enhanced CSR governance and stakeholder engagement sections.

With the rapidly changing nature of reporting, Scotiabank's 2014 CSR Report has allowed the Bank to develop a dynamic and interactive approach to how information is presented. Information that is directly related to a GRI indicator is identified with interactive links to demonstrate how sustainability is integrated into the Bank's business strategy.

In Canada, Scotiabank is required by law (the Bank Act) to produce an annual Public Accountability Statement (PAS) for

customers and other interested stakeholders, to describe the Bank's contribution to the economy, the environment and society. As many of the PAS reporting requirements overlap with the Bank's CSR Report, they have been combined into this document. To support the Bank's efforts to reduce its environmental footprint, the CSR Report is no longer offered in print.

As a signatory to the UN Global Compact (UNGC), Scotiabank's CSR Report also meets the UNGC's Communication on Progress reporting requirement.

Scope of reporting

This CSR Report includes information from November 1, 2013, to October 31, 2014, for the following affiliates of Scotiabank in Canada: Scotia Capital Inc., The Mortgage Insurance Company of Canada, National Trust Company, Scotia Mortgage Corporation, Scotia General Insurance Company, Hollis Canadian Bank, Montreal Trust Company of Canada, Scotia Life Insurance Company, The Bank of Nova Scotia Trust Company, RoyNat Inc., and Scotia Merchant Capital Corporation.



1.2

President and CEO message

INTRODUCTION

ABOUT THIS REPORT

• PRESIDENT AND CEO MESSAGE

CHAIRMAN MESSAGE

ABOUT SCOTIABANK

BUSINESS HIGHLIGHTS

FINANCIAL HIGHLIGHTS

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Dear Stakeholders,

It is my pleasure to introduce Scotiabank's 2014 Corporate Social Responsibility Report. 2014 was a year of transition for Scotiabank in many ways, but we continued on a long tradition of practising ethical leadership and giving back to the communities in which we operate. Indeed, as we embark on Scotiabank's 184th year, my second as President and CEO, we remain firmly committed to doing business in a socially responsible way and will continue to seek out new ways to support communities in Canada and across our global footprint.

Scotiabank is the third largest bank in Canada and among the 25 largest and soundest banks in the world. For more than 125 years, we have been fortunate to have a meaningful international footprint spanning a number of dynamic and fast growing economies in North America, Latin America, the Caribbean & Central America and parts of Asia. While the opportunities for our businesses are great, I also strongly believe we have a responsibility that extends beyond our fiduciary obligation as a deposit-taking institution. Everywhere we operate, our Bank and employees contribute to communities' well-being and vitality.

In my interactions with many of our shareholders, customers, employees and key stakeholders around the world, it is clear that the Bank is widely viewed as having a strong global brand. And operating in a socially responsible manner in all our businesses across all our geographies is a key part of our brand.

We have a strong foundation of integrity, trust and ethical behaviour in all of our businesses. Combined with our unique international footprint, our strong foundation allows us to prudently lend to individuals as well as businesses of all sizes. By doing so, we create jobs, drive economic opportunity and – most importantly – help our customers to become better off.

We are committed to having a positive impact – in the countries, societies and communities in which we live and work. Not only does Scotiabank employ more than 86,000 people, many in high-skill, high-wage positions, the Bank plays an important role in providing financial services to vulnerable groups, which in turn gives them access to the formal economy, contributing to the economic and social development of these communities. For example, approximately 60% of

Scotiabank's microfinance clients in Peru are women, empowered to create positive change for their families and communities.

On behalf of all Scotiabankers – who not only assist our customers to become better off every single day but volunteered more than 650,000 hours to support important causes last year – I would like to thank our 21 million customers around the world for their business. It is a privilege for us to serve both our customers and communities. I would also like to thank our many partners around the world who assist in our efforts to build stronger communities. Together, our future is exceedingly bright.



Brian J. Porter



1.3

Chairman message

INTRODUCTION

ABOUT THIS REPORT

PRESIDENT AND
CEO MESSAGE

• CHAIRMAN MESSAGE

ABOUT SCOTIABANK

BUSINESS HIGHLIGHTS

FINANCIAL HIGHLIGHTS

CSR GOVERNANCE,
ENGAGEMENT AND
PERFORMANCE

CORPORATE
GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY
INVESTMENT

PUBLIC
ACCOUNTABILITY
STATEMENT

DISCLOSURE INDEX

GLOSSARY

Dear Stakeholders,

Corporate social responsibility (CSR) is an important part of Scotiabank's history – and an equally important part of its future. In its efforts to drive stronger growth and enhance long-term shareholder value, the Bank remains firmly committed to making a positive difference in Scotiabank's communities.

Guided by governance

Clear values and effective corporate governance are the foundation of the Bank's efforts. Its corporate governance policies provide a framework of accountability and responsible business practices that begin with an independent, committed and highly effective Board of Directors.

Board independence remains a priority – all of the directors nominated for election at Scotiabank's 2015 annual meeting of shareholders are independent of the Bank except for one, the President and CEO. The Board also continues to be committed to diversity and inclusion, which includes age, ethnicity, geographic background and gender. With regards to gender, in 2014, more than 30% of directors were women.

The Board's Corporate Governance Committee, which is charged with advising on ways to enhance corporate governance consistent with emerging best practices, is composed entirely of independent directors. In December 2013, the Committee assumed oversight of CSR matters, including responsibility for reviewing the Bank's CSR strategy and progress against its stated priorities, and for monitoring global trends in corporate disclosure of non-financial performance.

Committed to making a meaningful difference

One of the strengths of Scotiabank is its ability to strike a balance between global corporate philosophy and local practice and culture. As Canada's most international bank, the Bank has taken to heart the importance of building strong relationships in the many countries in which it operates. By regularly engaging with local stakeholders, the Bank deepens its understanding of customer and community needs and is better able to respond in meaningful ways. Through these efforts,

the Bank has developed customized products, services and financial education programs to meet local market needs and it has provided extensive support to local charities and not-for-profit initiatives.

I would like to thank President and CEO Brian Porter and his senior management team for their strong, responsible leadership. I would also like to thank the more than 86,000 Scotiabankers who bring the Bank's CSR agenda to life every day. Through them, Scotiabank will continue to make a positive difference around the world.

Tom C. O'Neill

Thomas O'Neill



1.4

About Scotiabank

INTRODUCTION

ABOUT THIS REPORT

PRESIDENT AND
CEO MESSAGE

CHAIRMAN MESSAGE

• ABOUT SCOTIABANK

BUSINESS HIGHLIGHTS

FINANCIAL HIGHLIGHTS

CSR GOVERNANCE,
ENGAGEMENT AND
PERFORMANCE

CORPORATE
GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY
INVESTMENT

PUBLIC
ACCOUNTABILITY
STATEMENT

DISCLOSURE INDEX

GLOSSARY

Scotiabank is a leading financial services provider in over 55 countries and Canada's most international bank. Through its team of more than 86,000 employees, Scotiabank and its affiliates offer a broad range of products and services. Scotiabank integrates CSR into all its business activities with the belief that success is measured by more than financial results: it is also measured by customer satisfaction and employee engagement, strong governance practices and support for communities the Bank serves.

We are dedicated to helping our customers become better off

We understand and anticipate our customers' needs, and provide them with the best advice and solutions. We do this by knowing our customers and working together to create value for them. We are committed to building strong and long-lasting relationships with customers, communities and each other.



Scotiabank volunteers in Valparaiso, Chile, support Maria Ayuda, an organization that works with disadvantaged children.

FOCUS PRIORITIES

In 2014, Scotiabank set out to focus on three areas that will have the greatest impact and drive long-term value creation for its shareholders. The Bank's focus priorities are:

- Being more focused on customers
- Enhancing leadership depth, deployment and diversity
- Being better organized to serve customers while reducing structural costs

About Scotiabank

Where we operate



NORTH AMERICA: Canada, Mexico, United States **CENTRAL & SOUTH AMERICA:** Belize, Brazil, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Guyana, Nicaragua, Panama, Peru, Uruguay, Venezuela **CARIBBEAN:** Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Bonaire, British Virgin Islands, Cayman Islands, Cuba, Curaçao, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Puerto Rico, St. Kitts and Nevis, St. Lucia, St. Maarten, St. Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos, U.S. Virgin Islands **ASIA/PACIFIC:** Australia, China, Hong Kong SAR – People’s Republic of China, India, Korea (Republic of), Malaysia, Singapore, Taiwan, Thailand, Vietnam **EUROPE & MIDDLE EAST:** Egypt, France, Ireland, Luxembourg, Netherlands, Russia*, Turkey, United Arab Emirates, United Kingdom.

* October 31, 2014 was the date of official closure of our representative office in Russia.

INTRODUCTION

ABOUT THIS REPORT

PRESIDENT AND
CEO MESSAGE

CHAIRMAN MESSAGE

• ABOUT SCOTIABANK

BUSINESS HIGHLIGHTS

FINANCIAL HIGHLIGHTS

CSR GOVERNANCE,
ENGAGEMENT AND
PERFORMANCE

CORPORATE
GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY
INVESTMENT

PUBLIC
ACCOUNTABILITY
STATEMENT

DISCLOSURE INDEX

GLOSSARY

Business highlights*

INTRODUCTION

ABOUT THIS REPORT

PRESIDENT AND
CEO MESSAGE

CHAIRMAN MESSAGE

ABOUT SCOTIABANK

• BUSINESS HIGHLIGHTS

FINANCIAL HIGHLIGHTS

CSR GOVERNANCE,
ENGAGEMENT AND
PERFORMANCE

CORPORATE
GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY
INVESTMENT

PUBLIC
ACCOUNTABILITY
STATEMENT

DISCLOSURE INDEX

GLOSSARY

SERVING OVER

55 COUNTRIES
WORLDWIDE



TOTAL NET INCOME

\$7,298
MILLION

MORE THAN

21 MILLION
CUSTOMERS
GLOBALLY



1st
CANADIAN
COMPANY

TO BE NAMED **WORLD'S BEST**
MULTINATIONAL WORKPLACE
BY GREAT PLACE TO WORK® INSTITUTE.

CANADA'S BANKS NAMED
SOUNDEST IN THE WORLD



7th
YEAR
IN A ROW

BEST CORPORATE/INSTITUTIONAL
INTERNET BANK IN



16 INTERNATIONAL
MARKETS

\$527 MILLION

IN **MICROFINANCE** LOANS

650,000



EMPLOYEE
VOLUNTEER HOURS

OVER

86,000
EMPLOYEES **GLOBALLY**



* All monetary values are in Canadian dollars.

Financial highlights

INTRODUCTION

ABOUT THIS REPORT

PRESIDENT AND
CEO MESSAGE

CHAIRMAN MESSAGE

ABOUT SCOTIABANK

BUSINESS HIGHLIGHTS

• FINANCIAL HIGHLIGHTS

CSR GOVERNANCE,
ENGAGEMENT AND
PERFORMANCE

CORPORATE
GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

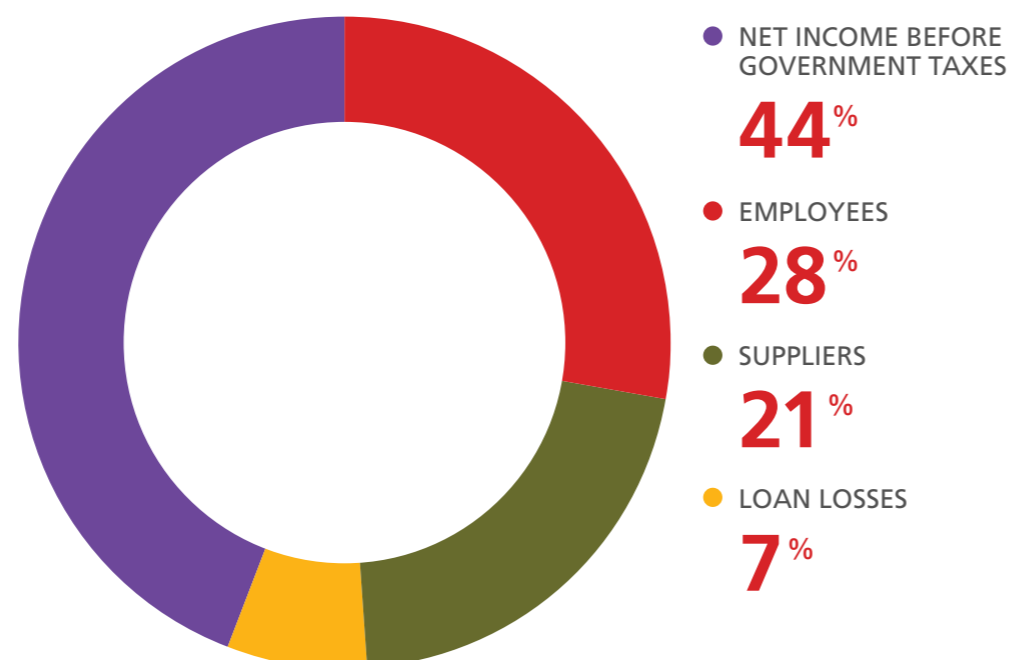
COMMUNITY
INVESTMENT

PUBLIC
ACCOUNTABILITY
STATEMENT

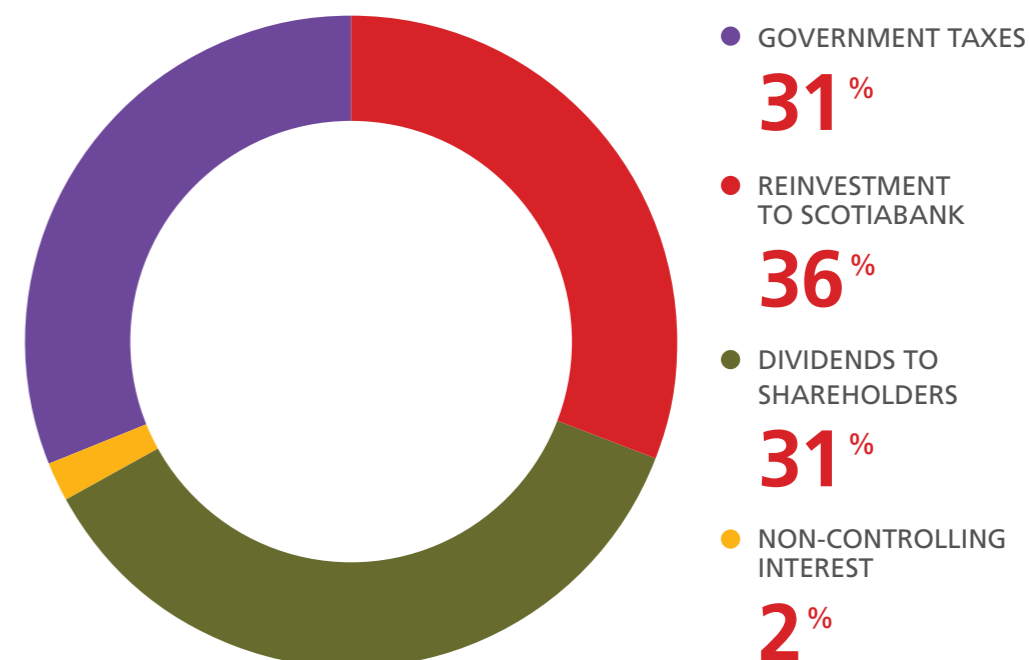
DISCLOSURE INDEX

GLOSSARY

Total Revenue (TEB)* Allocation



Net Income Allocation



* See the Bank's 2014 Annual Report for complete financial details, including page 17 for a discussion of non-GAAP measures.

INTRODUCTION

• CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CSR GOVERNANCE

STAKEHOLDER
ENGAGEMENT

KEY PERFORMANCE
INDICATORS

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

CSR governance, engagement and performance

While CSR has always been a fundamental part of how it operates, Scotiabank continues to refine its CSR governance and management practices, and enhance its stakeholder engagement processes. As the Bank grows, it recognizes the need to deepen its understanding of stakeholders' expectations and to ensure that feedback is taken into consideration during business process and strategic reviews. These are crucial steps towards expanding its business sustainably and making a positive difference in society.

Scotiabank's CSR priorities



Corporate Governance

Adopting best practices and balancing stakeholder interests



Marketplace

Helping customers become better off



Employees

Providing a place for talented employees to thrive



Environment

Reducing the Bank's environmental footprint and managing risk



Community Investment

Making a positive difference through financial support and volunteering



2.1

CSR governance

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

- CSR GOVERNANCE
- STAKEHOLDER
ENGAGEMENT
- KEY PERFORMANCE
INDICATORS

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

CSR was added to the mandate of the Corporate Governance Committee of Scotiabank's Board of Directors as of December 2013. The Committee is responsible for:

- Reviewing the Bank's CSR strategy and reporting, including reports on the Bank's environmental and social performance and benchmarking of the Bank's social responsibility performance and practices; and
- Reviewing global trends and practices in corporate disclosure of non-financial performance.

Scotiabank's Vice President, CSR, presents the Bank's CSR priorities and progress to the Bank's Operating Committee, made up of the President and CEO and senior executives, as well as the Corporate Governance Committee to discuss CSR priorities and ensure the implementation of the Bank's CSR strategy in all business lines and support functions.

CORPORATE GOVERNANCE COMMITTEE MANDATE

PRIORITY ISSUE

In order to achieve CSR objectives, strong leadership, support and oversight by Scotiabank's Board of Directors and management are important. This is especially true as the Bank seeks to integrate CSR priorities into its core business activities.

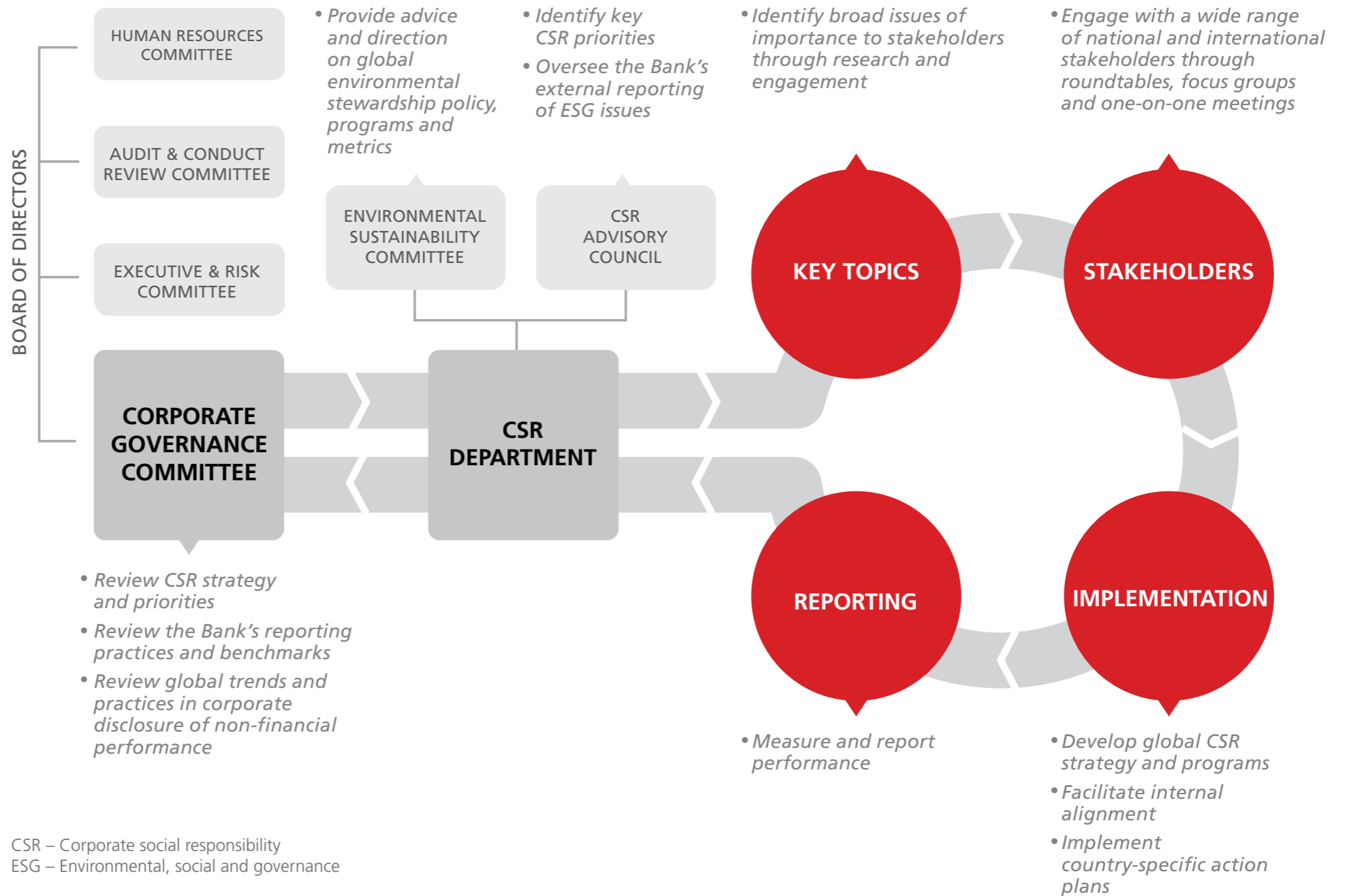


Charles Dallara, N. Ashleigh Everett, Tom O'Neill, Indira V. Samarasekera, Susan Segal, Barbara S. Thomas, C.J. Chen

2.1

CSR governance

CSR governance and stakeholder engagement



2.2

Stakeholder engagement

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CSR GOVERNANCE

- STAKEHOLDER ENGAGEMENT

KEY PERFORMANCE INDICATORS

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Stakeholders are important to the Bank's CSR progress. Ongoing, two-way dialogue with its stakeholders helps prioritize issues of greatest concern both to the Bank's business and to society.

While informal stakeholder dialogue is ongoing, the Bank conducts formal engagement sessions. In 2014, the scope of these sessions was changed in two ways:

Scope of feedback

In the past, stakeholder engagement sessions focused on receiving feedback on the CSR Report and communication vehicles to ensure the Bank was communicating the type of information that stakeholders wanted to see. This year, the scope was expanded to gauge stakeholder expectations around the Bank's CSR strategy and priority CSR areas. The questions posed were broader than usual and designed to find out what stakeholders feel is the role that financial institutions should play in various social, governance and environmental challenges faced by society.

Scope of geography

In the past, Scotiabank's formal stakeholder engagement sessions were predominantly

conducted in Canada. In 2014, the Bank held three Canadian sessions, as well as three international sessions (in Mexico City, Mexico; Lima, Peru; and Santiago, Chile), to provide a global perspective on its strategy and specific feedback from key markets.

Each session included representatives from key stakeholder groups:

- Customers
- Investors
- Government
- Suppliers
- Non-governmental organizations (NGOs) and community development organizations
- Global sustainability initiatives (such as the United Nations Global Compact and other international voluntary associations)
- Industry associations
- Academia

The Bank is using this feedback to evaluate material issues, inform the development of a global CSR strategy relevant to each of its key countries, and determine which issues should be driven through CSR versus day-to-day business activities.

Materiality








The Bank conducted an environmental, social and governance (ESG) materiality issue analysis in 2014 to identify the issues considered to be of significance to the organization and its stakeholders. The analysis was based on feedback from the external stakeholder engagement process and members of the internal CSR Advisory Council. It included insights into investor, industry, societal and regulatory trends and issues gathered from media scans and research.

From the analysis, 25 issues were considered to be important for Scotiabank to address and manage. Seven issues were identified as top priorities and will be the focus of the Bank's global CSR strategy.

2.2

Stakeholder engagement

Topics of greatest importance to stakeholders

Focus Area	Canada	Mexico	Peru	Chile
 Customer Impact	Customer service	Customer service	Customer service	*Customer service; customer outreach; customer privacy; fair design and sale of financial products and services
 Community Impact	Impact of operations on communities	Impact of operations on communities	Economic value generated and distributed	Impact of operations on communities
 Human Rights	International agreements and declarations of human rights	Impact from operations on disadvantaged populations	Impact from operations on disadvantaged populations	Human rights considerations on significant investment agreements
 External Governance	Commitment to external initiatives	Environmental and social components applied to business lines	*Environmental and social components applied to business lines and social/environmental themed products	*Commitment to external initiatives and social/environmental themed products
 Internal Governance	*Training (to manage social, environmental and ethical considerations) and sustainable procurement	Management and board leadership and oversight	Management and board leadership and oversight	*Fair compensation practices and training (to manage social, environmental and ethical considerations)
 Labour	Diversity and equal opportunity, equal remuneration for men and women, and fair labour practices	Employee learning and development	Diversity and equal opportunity, equal remuneration for men and women, and fair labour practices	Diversity and equal opportunity, equal remuneration for men and women, and fair labour practices
 Environmental Impact	Climate change	Product/service impact	Climate change	Total waste

* Indicates two or more issues were ranked equally.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CSR GOVERNANCE

- STAKEHOLDER ENGAGEMENT

KEY PERFORMANCE INDICATORS

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

2.3

Key Performance Indicators

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CSR GOVERNANCE

STAKEHOLDER ENGAGEMENT

• KEY PERFORMANCE INDICATORS

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES



ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Indicators	2014	2013	2012	
 Economic	Salaries and employee benefits (global)	\$6,743 million	\$6,407 million*	\$5,802 million*
	Debt financing to business (Canada)	Over \$115 billion	Over \$105 billion	Over \$100 billion
	Taxes (global)	\$2.9 billion	\$2.9 billion	\$2.6 billion
	Amount spent on goods and services from suppliers (global)	\$5.3 billion	\$4.5 billion	\$4.0 billion
	Return on equity	16.1%	16.6%*	19.9%*
 Social	Investment in employee training (global)	\$81 million	\$72 million	\$63 million
	Employee engagement rate (global)	85%	84%	84%
	Women in VP+ positions (global)	27%	25%	24%
	Women in senior management (NOC 13 [†] in Canada)**	34.8%	33.3%	33.8%
	Visible minorities in senior management (Canada)*	15.1%	13.6%	13.9%
	Aboriginal employees (Canada)**	1.1%	1.2%	1.2%
	Persons with disabilities (Canada)**	3.0%	3.2%	3.3%
	Locations serving Aboriginal customers (Canada)	27	27	27

* Restated number.

** This data is calculated based on definitions provided under the Employment Equity Act (Canada) and excludes employees of provincially regulated entities.

† National Occupational Classification (NOC) Major Group 13 refers to finance, insurance and related business administrative occupations.

Continue 

2.3

Key Performance Indicators

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CSR GOVERNANCE

STAKEHOLDER ENGAGEMENT

• KEY PERFORMANCE INDICATORS

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES



ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Indicators		2014	2013	2012
	Environmental			
	Energy consumption (Canada)	1,386,000 GJs	1,286,156 GJs	1,296,627 GJs
	Greenhouse gas emissions (Canada)	72,586 tonnes	71,153 tonnes	80,144 tonnes***
	Business travel (air/rail)	51,977,780 km	62,519,510 km**	54,731,914 km
	Paper consumption (Canada)	4,502 tonnes	4,516 tonnes	4,503 tonnes
	Environmental disposal of computer equipment	8,085 items	6,483 items	4,096 items
	Number of financed projects meeting Equator Principles requirements	8	6	15
	Bright Future			
	Total donations (global)	\$65 million	\$62 million	\$53 million
	Number of global employee volunteer hours through formal community involvement programs	650,000 hours	424,000 hours	500,000 hours

** This data is calculated based on definitions provided under the Employment Equity Act (Canada) and excludes employees of provincially regulated entities.

*** Numbers have been restated to account for amended provincial emissions factors for electricity generation. Unallocated energy losses have been removed from these factors. Scotiabank continues to expand the geographic scope of its reporting boundary with the objective of reporting total emissions.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

• CORPORATE GOVERNANCE

HOW SCOTIABANK OPERATES

POLICIES AND PROCEDURES

MANAGING RISK

PRIVACY, SECURITY AND FRAUD

PUBLIC POLICY

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY



Corporate governance

A solid foundation of openness, integrity and accountability helps Scotiabank build and maintain strong, enduring relationships wherever it operates. The Bank benefits from a long history of internal audit and compliance procedures and a comprehensive, well-articulated risk appetite framework. It strives to meet or exceed all local, Canadian and international corporate governance standards and requirements, and considers the interests of diverse stakeholders around the world in a balanced way.

38% 

PROPORTION OF WOMEN AMONG THE NOMINATED DIRECTORS AT SCOTIABANK'S 2015 ANNUAL MEETING

100% 

GUIDELINES FOR BUSINESS CONDUCT

All employees and directors of Scotiabank and its global subsidiaries must annually acknowledge their compliance with the Bank's Guidelines for Business Conduct.

4.3

4.9

UN1

UN4



Scotiabank relies on the talents, ideas, diversity and commitment of thousands of employees around the world to deliver outstanding service to its customers and achieve its corporate goals.

3.1

How Scotiabank operates

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

- HOW SCOTIABANK OPERATES
- POLICIES AND PROCEDURES
- MANAGING RISK
- PRIVACY, SECURITY AND FRAUD
- PUBLIC POLICY

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Board of Directors

Elected annually by shareholders, Scotiabank's Board of Directors supervises the management of the business and affairs of the Bank, with a view to creating long-term shareholder value. The Board is also responsible for setting the tone for a culture of integrity and compliance throughout the organization. Shareholders vote for individual directors – not a slate of directors. A majority voting policy has been in place for the election of directors since 2005.

The Bank requires the majority of directors to be independent, and currently the only non-independent director is the President and Chief Executive Officer. The Bank also has an independent Chairman of the Board and has separated the roles of Chairman and Chief Executive Officer since 2004.

The Board is made up of local, regional, national and international business and community leaders, who are selected for their financial acumen, business experience, knowledge of financial institutions, risk management experience, integrity, and demonstrated sound, independent business judgment. Board composition and skills are assessed both individually and collectively.

The Board approved a board diversity policy in 2013, which acknowledges its commitment to consider diversity and inclusion criteria such as gender, age, ethnicity, geographic background and CSR experience in reviewing director candidates. At fiscal year-end, five of the 15 directors were women (more than 30%). The Board has also put in place term limits for directors and committee chairs, to strike a balance between knowledge of Bank affairs and additional expertise on the Board and its committees.

To ensure that all directors commit the appropriate time and attention to Scotiabank's affairs, the Board has approved guidelines limiting the number of outside public company directorships that directors may hold and has attendance requirements.

+ MANAGEMENT PROXY CIRCULAR

See more information on the Board of Directors and committees, executive compensation, and guidelines for submitting a shareholder proposal



DID YOU KNOW?

As a signatory of the Catalyst Accord, Scotiabank is one of 27 Canadian corporations that have pledged to increase the overall proportion of FP500 board seats held by women to 25% by 2017. Since 2004, women have consistently constituted at least 20% of the Bank's directors. The Bank has met its obligations under the Catalyst Accord every year since signing. We have already met their call to action, as women represent 38% of nominated directors at the 2015 annual meeting of shareholders.

3.1

How Scotiabank operates

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

- HOW SCOTIABANK OPERATES
- POLICIES AND PROCEDURES
- MANAGING RISK
- PRIVACY, SECURITY AND FRAUD
- PUBLIC POLICY

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Governance practices

Scotiabank believes that a strong and effective corporate governance framework is critical for the sound functioning of a financial institution and contributes to a safe and sound banking system.

The Bank's Guidelines for Business Conduct provide a framework for ethical behaviour based on the Bank's values and applicable laws and regulations. All directors, officers and employees must annually acknowledge their adherence to the Guidelines for Business Conduct. Directors are also subject to the Directors' Addendum, which addresses conflicts of interest of particular concern to directors.

Four Board committees provide oversight and guidance – Audit and Conduct Review, Corporate Governance, Executive and Risk, and Human Resources committees. Each committee has a written charter defining members' roles and responsibilities. The Board has delegated responsibility for overseeing Scotiabank's governance culture to the Corporate Governance Committee.

The Corporate Governance Committee is composed entirely of independent directors. The Committee advises the Board on ways to enhance corporate governance consistent with emerging best practices. In December 2013, the Corporate Governance Committee also assumed oversight of CSR matters, including responsibility for reviewing Scotiabank's CSR strategy and reporting, and reviewing global trends in corporate disclosure of non-financial performance.

A robust risk governance framework is a crucial part of Scotiabank's corporate governance. The Board approves the Bank's overall risk strategy, including its key risk policies and risk appetite frameworks, and receives a quarterly report on the Bank's risk profile and performance against defined goals. As part of the Board's review of the Risk Appetite Framework, the Executive and Risk Committee reviews its alignment with Scotiabank's strategic plan.

The Board is always looking for ways to strengthen its corporate governance policies and procedures in response to evolving market and industry practices, regulatory changes and Scotiabank's supervisory environment. Once a year, the

Corporate Governance Committee reviews and recommends changes to policies and documents (including charters and mandates for Board committees, the Board, the non-executive Chairman and committee chairs).

+ CORPORATE GOVERNANCE POLICIES

> MORE ON RISK MANAGEMENT



DID YOU KNOW?

The Subsidiary Governance Policy outlines expectations for governance practices at Scotiabank subsidiaries. The Board expects subsidiary governance practices to reflect the same values as those at Scotiabank. Executive offices oversee the implementation of controls and processes at the subsidiary level, similar to those approved by the Board for Scotiabank.

3.2

Policies and procedures

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

HOW SCOTIABANK OPERATES

• POLICIES AND PROCEDURES

MANAGING RISK

PRIVACY, SECURITY AND FRAUD

PUBLIC POLICY

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Directors and employees

The Bank's commitment to doing the right thing, and acting with integrity, is critical to its success as a business. Here are the key policies that guide the way the organization engages with stakeholders:

PRIORITY ISSUE

Ethical business practices are fundamental to Scotiabank. To ensure Board members and employees are equipped to fulfill their accountabilities, the Bank has put in place mandatory training programs on business conduct and governance issues. It confirms compliance with training requirements through robust audit processes.

Policy	Scope	Compliance Training	Audit or Assurance Processes
 Guidelines for Business Conduct  GUIDELINES FOR BUSINESS CONDUCT	Global*	All employees and directors (without exemption) are required to acknowledge compliance with the Guidelines on an annual basis.	Internal and external audits to ensure completeness of the acknowledgement process
 Whistleblower Policy – supplement to the Guidelines for Business Conduct  WHISTLEBLOWER POLICY AND PROCEDURES	Global*	Through the annual acknowledgement of the Guidelines for Business Conduct	Internal and external audits to ensure completeness of the acknowledgement process
 Internet and Email Code of Conduct – supplement to the Guidelines for Business Conduct	Global*	Through the annual acknowledgement of the Guidelines for Business Conduct	Internal and external audits to ensure completeness of the acknowledgement process







* Applies to all employees and directors of Scotiabank and its global subsidiaries.

Continue 

3.2

Policies and procedures

Directors and employees (continued)

Policy	Scope	Compliance Training	Audit or Assurance Processes
 Anti-Corruption/ Bribery	Global* Includes sections dedicated to political donations and dealings with public officials and politically exposed persons	Select groups of employees are required to complete a mandatory online course each year. A risk-based approach is used to tailor the course to the needs of employees based on their roles.	Internal audit to evaluate the design and operating effectiveness of the Global Anti-Corruption Program
 Anti-Money Laundering (AML)  AML/ANTI-TERRORIST FINANCING AND SANCTIONS POLICY	Global* Includes direction on dealing with politically exposed persons	All employees must take and pass a centrally administered online training course (which includes a knowledge test) at commencement of employment, and then biannually in Canada and annually outside of Canada. Training and awareness are embedded into day-to-day operations and coaching of frontline employees. Specialist training programs are targeted to select employees in designated functions.	Subject to annual internal audits by Scotiabank's Internal Audit department Three-year reviews by Office of the Superintendent of Financial Institutions (the Bank's Canadian regulator) and Financial Transactions and Reports Analysis Centre of Canada (the Canadian government's AML financial intelligence unit)
 Personal Information Privacy Protection policies and guidelines  PRIVACY CODE	Global*	All employees must complete an online information security and privacy course every two years.  MORE ON INFORMATION SECURITY AND PRIVACY	

* Applies to all employees and directors of Scotiabank and its global subsidiaries.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

HOW SCOTIABANK OPERATES

• POLICIES AND PROCEDURES

MANAGING RISK

PRIVACY, SECURITY AND FRAUD

PUBLIC POLICY

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

3.2

Policies and procedures

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

HOW SCOTIABANK OPERATES

• POLICIES AND PROCEDURES

MANAGING RISK

PRIVACY, SECURITY AND FRAUD

PUBLIC POLICY

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Suppliers

Expectations for Scotiabank suppliers and third-party agencies are aligned with the principles set out in the Guidelines for Business Conduct and the Anti-Corruption/ Bribery Policy and Guidance. Vendors must comply with relevant laws and particularly with anti-corruption legislation. They are prohibited from assigning work to another agent or subcontractor without the Bank's express consent, and from using funds to confer improper benefits on public officials.

In 2014, the Bank assembled a working group to integrate sustainability criteria into its supply chain management process. New questions relating to environmental, social and labour/human rights matters were added to standard Request for Proposal (RFP) documents and the Bank's working group was charged with evaluating responses during the supplier selection process. Specialized training was also provided to representatives from the Bank's Strategic Sourcing, CSR, Real Estate, Information Technology and Security, Legal, Audit and Compliance groups.

Supplier evaluation criteria

Supplier Strength	Suppliers must demonstrate financial stability, intelligent strategic direction, solid alliances and partnerships, with proven success and growth. Scotiabank must be convinced that selecting the supplier presents minimal financial and operational risk to the Bank.
Service Capabilities	Suppliers must be able to satisfy all the service requirements outlined in the RFP.
Financial Considerations	Suppliers must provide highly competitive offerings both at the beginning of the relationship and on an ongoing basis. Successful suppliers must address the total cost of ownership (TCO) aspect of their services. Providing competitive and consistent pricing significantly enhances the potential of winning a business opportunity.
Quality	Preference is given to suppliers exhibiting a proven quality track record and that have quality control monitoring and reporting programs in effect.
Technology and Process Improvement	Suppliers that have deployed electronic support processes and/or have developed software tools associated with their product and service offering are highly valued. Suppliers that promote continuous improvement to increase productivity and reduce client costs are preferred.
Account Management	Suppliers must be committed to providing unsurpassed service and support to Scotiabank. The supplier must demonstrate experience with large accounts.
Corporate Culture	Suppliers must provide evidence that they share key components of Scotiabank's culture, including respect for the communities in which the supplier operates and commitments to meeting social, economic, environmental and ethical responsibilities.
Implementation Plan	Suppliers must have sound implementation strategies that will have minimal impact on Scotiabank operations.

3.3

Managing risk

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

HOW SCOTIABANK OPERATES

POLICIES AND PROCEDURES

- MANAGING RISK
- PRIVACY, SECURITY AND FRAUD
- PUBLIC POLICY

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Effective risk management requires a strong and pervasive risk management culture. The business lines are responsible for developing and executing business plans that are aligned with the Bank's risk management framework, and they are accountable for the risks they incur. Understanding and managing these risks is a fundamental element of each business plan. Business lines work in partnership with Global Risk Management, the Bank's centralized risk management group, to ensure that risks arising from their business are thoroughly evaluated and appropriately addressed.

Risk education programs and documented policies and procedures are jointly available in Global Risk Management and the business lines.

Decision-making on risk issues is highly centralized. The interaction between senior risk officers and business line heads at committee meetings is robust, with constructive discussions and objective challenge by all participants in order to fully address all relevant risks applicable to a transaction.

Risk management framework

Effective risk management requires clear articulation of the Bank's risk appetite and how the Bank's risk profile will be managed in relation to that appetite. The Bank's Risk Appetite Framework consists of a risk appetite statement and key risk appetite measures.

Together, application of the risk appetite statement and monitoring of the key risk appetite measures help to ensure the Bank stays within appropriate risk capacities.

+ 2014 ANNUAL REPORT (MD&A)

See a complete discussion of our approach to risk management



3.4

Privacy, security and fraud

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

HOW SCOTIABANK OPERATES

POLICIES AND PROCEDURES

MANAGING RISK

• PRIVACY, SECURITY AND FRAUD

PUBLIC POLICY

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Customer privacy

Scotiabank's commitment to the privacy, integrity and security of customer information is specified in the Guidelines for Business Conduct. Each and every employee is accountable for all confidential information in their possession, including information disclosed to third parties for administrative functions. Any breach is treated as a serious matter and may result in discipline up to and including termination.

Scotiabank's robust privacy strategy incorporates policies, guidelines, physical security and hardware and software solutions. Highly trained and skilled employees follow strict procedures for securely accessing, using, storing,

transmitting and disposing of customer personal and other confidential information. In response to the increasing complexities of an online world, all employees are required to take a privacy and information security e-learning course.

If the Bank or a subsidiary experiences a privacy breach, it follows detailed privacy breach management procedures, recognizing that breaches can have serious adverse consequences for the customers involved if they are not carefully managed. Among other things, the procedures outline when to notify regulators, individuals affected by the breach and other parties.

+ GUIDELINES FOR BUSINESS CONDUCT

+ PRIVACY CODE



DID YOU KNOW?

Scotiabank's anti-corruption/ bribery processes and policies are benchmarked against guidelines developed by international organizations including: the World Economic Forum, Transparency International and the United Nations (UN Global Compact and Office on Drugs and Crime). The Bank shares experiences and best practices with Canadian peers and affiliated global financial institutions.

3.4

Privacy, security and fraud

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

HOW SCOTIABANK OPERATES

POLICIES AND PROCEDURES

MANAGING RISK

• PRIVACY, SECURITY AND FRAUD

PUBLIC POLICY

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Information security

Scotiabank has a comprehensive information security and control structure founded on the Board-approved Information Security Policy and the associated governance framework, policies, directives and standards. The Information Security and Control function is led by the Senior Vice President and Chief Information Security Officer.

The information security program is based on four cornerstones of security: integrity, confidentiality, availability and continuity. Supported by accredited subject matter experts, Information Security and Control creates and maintains information security policies, standards and risk assessment tools. Security standards address applications, operating systems, networks, databases, web servers and other technologies, and cover disciplines such as logical access control, change control, back-up and retention, disaster recovery, contingency planning and physical access and environmental control.

Security awareness programs are vigorously promoted among employees and contractors:

- A mandatory security and privacy awareness computer-based training course is integrated into the orientation process for new employees. All employees are required to complete and pass the course every two years.
- Specialized security training and accreditations are mandatory for Information Security and Control employees. Secure application code development training is required for developers of web-based applications.
- To reinforce expectations and address evolving needs, the Bank regularly updates its internal Information Security website, conducts awareness campaigns and makes targeted awareness presentations to business functions.

Information security challenges are compounding over time. Online threats targeting bank and customer systems are growing in complexity. Employee and customer engagement models are increasingly reliant on mobile, consumer-driven technologies that provide compelling business opportunities, but also place enormous pressure on ensuring the security

of sensitive data. Information Security and Control's approach is to advise Scotiabank business partners of the risks of new products and solutions so that they can weigh them against the business benefits. The goal is to help Scotiabank businesses make the most prudent decisions based on a thoughtful analysis of risks and benefits.



DID YOU KNOW?

Scotiabank employees and contractors are required to review and sign off annually on privacy and security guidelines:

- Scotiabank Guidelines for Business Conduct
- Internet and Email Code of Conduct
- Personal Information Privacy Protection Guidelines

3.5

Public policy

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

HOW SCOTIABANK OPERATES

POLICIES AND PROCEDURES

MANAGING RISK

PRIVACY, SECURITY AND FRAUD

• PUBLIC POLICY

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Scotiabank is proud to be an active and informed participant in discussions on public policy issues that affect the financial sector and the Bank's operating environment. As one of Canada's leading corporate citizens, the Bank also works to support the political process and democratic institutions.

Public policy discussions

The Bank participates in public policy discussions through direct engagement with all levels of government on both domestic and international issues. The Bank also participates in discussions as a member of the Institute of International Finance (IIF) and other industry associations. This past year, Scotiabank was involved in discussions on:

- The adoption of a single securities regulator in Canada
- Expanding Canada's trade relationships
- Reforms to Canadian financial sector regulation
- Working with provincial/municipal governments through the Toronto Financial Services Alliance to build Toronto as a global financial hub.

Financial support

Scotiabank provides support or sponsorship for events, programs and forums that encourage public policy discussions and awareness of issues such as the C.D. Howe Institute, the Canadian Council for the Americas and the Canadian Chamber of Commerce.

In addition, the Bank was a significant contributor to the work of the Institute of International Finance (IIF) in 2014, and provided funding to numerous conferences and non-governmental organizations focused on public policy.

Political donations

Scotiabank donates to political parties in Canadian provinces that allow corporate donations, subject to legislated limits. Federally, municipally and in five provinces, political donations are not permitted. The Bank's contributions are all made public on the websites of provincial election offices.

As a rule, Scotiabank does not make political donations in foreign jurisdictions.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

• MARKETPLACE

CUSTOMER FOCUS

ACCESS TO FINANCE

FINANCIAL EDUCATION

CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Marketplace



Scotiabank is dedicated to helping customers become better off. Attaining this goal requires more than simply the right products and services. It also means removing barriers and increasing access to financial services, and it means providing education, tools and advice to help customers make knowledgeable, responsible financial decisions. Wherever the Bank operates, it strives to be respectful, inclusive and responsive to customers' needs.

\$527
MILLION



MICROFINANCE LOANS

The Bank provided CAD\$527 million in microfinance loans to over 145,000 customers in Chile, Peru, Dominican Republic and Jamaica.



350,000 MOBILE WALLETS

Approximately 350,000 Haitians used mobile wallets to conduct 1.4 million transactions in 2014.

Scotiabank has more than 21 million customers around the world and it strives to provide the best possible service.



4.1

Customer focus

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

- CUSTOMER FOCUS
- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Being more customer focused in its decision-making and actions is one of the Bank's top priorities. Customers have an unprecedented number of choices for financial services and Scotiabank must demonstrate at every opportunity that it is attuned to customers' needs and is passionate about helping them.

The Bank relies on a number of research and survey vehicles to gather customers' views on its products and services. This feedback helps identify areas for improvement, which are then translated into performance targets throughout the organization.

"Through Your Customers' Eyes" (TYCE) is a survey of randomly selected Canadian retail and small business banking customers who provide information on loyalty and satisfaction. The Scotiabank Canadian retail customer loyalty index is based on this survey.

Scotiabank Retail Customer Loyalty (International) – Top Box

2012	43%
2013	41%*
2014	40%

The customer loyalty index is a composite score, which is the average of the proportion of "top box" responses (highest ranking on a five-point scale) across four loyalty questions. Results declined in Chile, Colombia and the English Caribbean Region in 2014, lowering the overall loyalty index measure. Nevertheless, the Bank achieved its goal of outperforming its industry peers (based on Scotiabank's International Business competitive study).

* The TYCE International Banking survey includes customers in Mexico, Peru, Chile, Colombia, Uruguay, Central America and the Caribbean region.

Scotiabank Retail Customer Loyalty (Canada) – Top Box

2012	56%
2013	58%
2014	57%

Top box refers to the proportion of customers who provided the highest rating based on a five-point rating scale. Lower levels of customer loyalty in the Prairie and British Columbia/Yukon regions moved the overall loyalty index down one percentage point to 57%. The small decline is in line with a general trend within the Canadian banking industry.



DID YOU KNOW?

Scotiabank received several honours in the 2014 awards and rankings by *Global Finance* magazine, including Best Internet Bank in 23 countries in Latin America and the Caribbean; World's Best Emerging Market Bank in Latin America, Barbados, US Virgin Islands, Jamaica, Trinidad and Tobago, and Turks and Caicos; and World's Best Foreign Exchange Provider in Canada, Peru and Jamaica.

4.1

Customer focus

Addressing customers' concerns

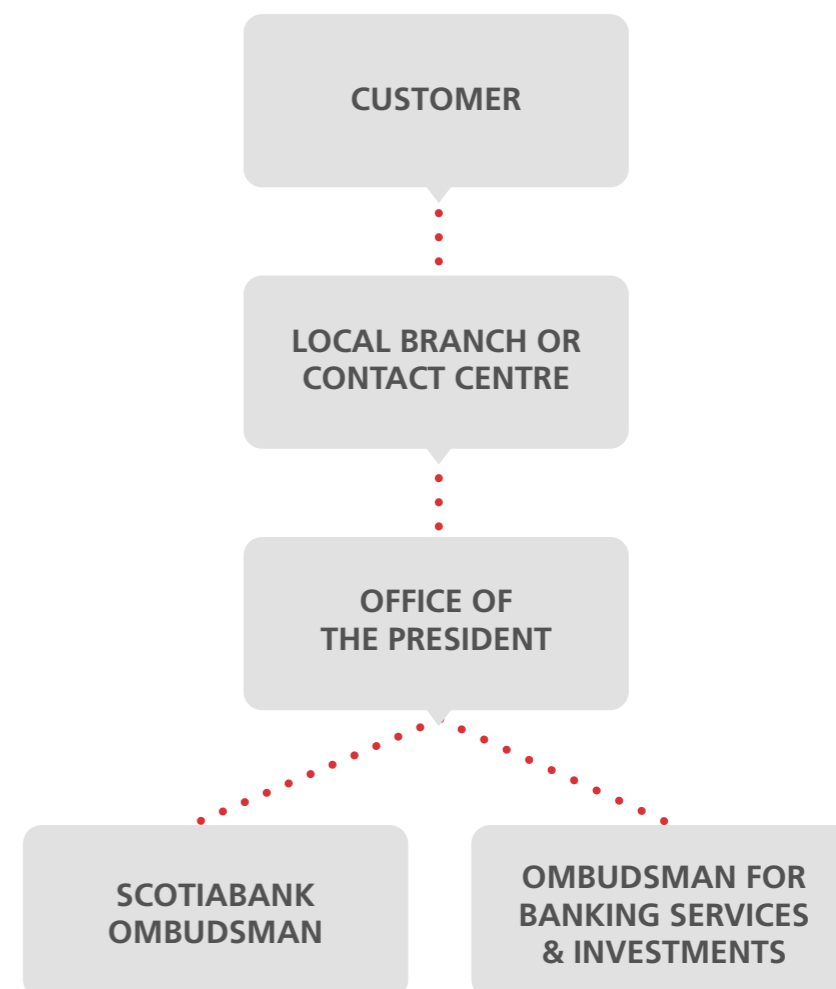
Scotiabank has more than 21 million customers around the world and it strives to give them all the best possible service. However, should customers have concerns or complaints, the Bank has an established an internal process for providing fair and timely solutions, and a target of resolving 80% or more of complaint cases within five business days.

In Canada, if a complaint cannot be resolved at the local branch or contact centre, or by the Office of the President, customers can contact the Scotiabank Ombudsman, an office that provides impartial feedback and reports directly to the CEO. They also have the option of contacting the Ombudsman for Banking Services and Investments, a free service for Canadian customers to help resolve banking and investment disputes.

Internationally, the Bank follows a similar process, although specifics may vary according to country regulatory requirements or local needs.

MORE THAN **21** MILLION CUSTOMERS AROUND THE WORLD

TARGET OF RESOLVING **80%** OF COMPLAINT CASES WITHIN FIVE BUSINESS DAYS



INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

- CUSTOMER FOCUS
- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

4.1

Customer focus

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

- CUSTOMER FOCUS
- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Complaints received by the Office of the President

	2014	2013	2012
Number of customer complaints	12,654	11,633	10,597
Percentage of customers surveyed who were fully satisfied with the handling of their complaint	76%	83%	84%

Complaints are categorized by service, policy, campaign, credit, pricing, marketing, statements/documents and compliance to review for trends and recommend change.

The Scotiabank Ombudsman Office received 572 complaints in fiscal 2014, of which 560 were resolved within the year:

- 76.6% were closed in 30 days or less – exceeding the 75% target
- 20.2% were closed in 60 days or less
- 3.2% were closed in 90 days or less.

The 12 outstanding complaints were received just before the end of the fiscal year and will be resolved in fiscal 2015.

+ MORE ON RESOLVING CUSTOMER COMPLAINTS

4.2

Access to finance

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

PRIORITY ISSUE

Serving all customers, including the economically disadvantaged, is the number one issue for Scotiabank stakeholders. A key focus for the Bank is ensuring access to finance by removing social and physical barriers and offering specialized programs for vulnerable customer segments.

One aspect of helping people become better off is making sure they are able to access banking services. Scotiabank is committed to ensuring that everyone has access to basic banking, including a basic transactional account, at a minimal cost.

Physical access

The Bank makes significant efforts to accommodate the needs of people with disabilities. Since 2003, all new and renovated branches and facilities in Canada meet or exceed the Canadian Standards Association (CSA) accessibility guidelines. Internationally, the Bank aims for CSA compliance in all new branches and all significant renovations. In Puerto Rico, it complies with ADA (Americans with Disabilities Act) guidelines.

Scotiabank Automated Banking Machines (ABMs) are designed for easy accessibility:

- They have a minimum standard height for the card reader, keypad, passbook printer, screen and transaction receipt slot to provide better access for customers in wheelchairs.
- ABMs in most branches have features such as grab bars to assist persons with mobility impairments, and audio navigation as well as contrasting colour and screen LED lights to help direct customers to the transaction they have chosen.

- Audio capability for the visually impaired in ABMs in Puerto Rico and U.S. Virgin Islands is consistent with ADA guidelines.
- ABMs in most of our Latin America branches are accessible through specially designed doors, ramps and lobbies that allow enough space to move around in a wheelchair.

In Costa Rica, major renovations at the Bank's 35 branches in 2014 ensured that all locations have designated areas specifically for people with disabilities, pregnant women and seniors. All branches also have wheelchair ramps and designated parking spaces to facilitate entry.



DID YOU KNOW?

The Bank has targeted 100% accessibility in all public areas of its existing Canadian branches... and was at 95% by fiscal year-end 2014.

4.2

Access to finance

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Plain language

The Bank's commitment to clear, succinct, easy-to-understand language is aimed at helping customers make the right financial decisions. All customer-facing documentation – including product marketing, product applications and agreements as well as required disclosures – is written according to Scotiabank's Clear Language Policy, so that customers know exactly what they are agreeing to and can make informed choices.



Scotiabank's Clear Language Policy ensures that customers know exactly what they are agreeing to and can make informed choices.

Serving Aboriginal communities in Canada

Scotiabank has 27 Aboriginal Banking Centres across Canada, including four on-reserve branches, all of which provide basic banking, savings, investment and credit products and services. The Bank's Aboriginal banking strategy spells out its priorities and commitments to making an enduring positive impact on Aboriginal communities and businesses – through banking as well as employment and community development. Led by the National Director of Aboriginal Financial Services, Scotiabank's strategy brings together all areas of the Bank involved in Aboriginal relations.

The strategy is aligned with the Progressive Aboriginal Relations (PAR) review process of the Canadian Council for Aboriginal Business (CCAB). The PAR designation process includes independent verification of company reports on outcomes and initiatives (in the areas of employment, business development, community investment and community engagement) and a juried review by Aboriginal business people.



DID YOU KNOW?

Based on its performance over the previous three years, Scotiabank was re-certified to the CCAB Gold level for Progressive Aboriginal Relations in 2014.

4.2

Access to finance

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Financial inclusion

With its strong presence in Latin America and the Caribbean, Scotiabank has a unique opportunity to advance financial inclusion and economic development by providing access to basic financial services to previously unbanked communities.

ACCESS TO MICROFINANCE IN 2014

6,000
POINT OF SALE
(POS) TERMINALS,

430
BRANCHES

16,800
CORRESPONDENT
TELLERS

Microfinance

Scotiabank's Consumer Finance and Microfinance operations in Peru, Chile, Colombia, Dominican Republic, Uruguay, Jamaica and Mexico harness the Bank's expertise, global network and microfinance programs to enable low-income individuals to start micro-businesses that create financial independence and promote community development. Scotiabank defines microfinance clients as self-employed or micro-business owners with annual gross revenues below CAD\$150,000 who need financing to invest in the development and growth of their businesses. The programs have served to:

- **Create an innovative model for access to credit** – As a regulated entity with clear and transparent terms, the Bank brings clients into the formal economy by providing small loans – so they don't have to turn to unregulated entities charging high interest rates for financing.
- **Increase access to financial services** – To sustain the micro-enterprises, the Bank has 6,000 point of sale (POS) terminals, 430 branches and 16,800 correspondent tellers in supermarkets, appliance stores, home centres, motorcycle shops, furniture stores and service stations.
- **Enhance business skills** – Financial literacy training equips clients with the skills and knowledge necessary to use financial products and services to help their business succeed.
- **Improve physical and financial health** – The Bank ensures that microfinance clients focus on their long-term financial needs and address a range of areas from health to wealth management. It provides medical insurance coverage to clients who lack access to public and private health care, creating a culture of risk management and financial protection. In Uruguay, the Bank launched free health seminars as well as free medical consultations and access to medicines.
- **Empower women entrepreneurs** – Microfinance is a key tool for supporting the goals and aspirations of women. In Peru and Chile, Scotiabank initiated an annual award program to recognize and honour women who have established their own businesses and are an important source of employment and community development. In Chile, 2,200 applications were submitted for the award in 2014, a 46% increase over the previous year.

4.2

Access to finance

Microfinance loans

(As at October 31, 2014)	Total loans (CAD\$)	Average loan size (CAD\$)	Number of customers
Peru (Crediscotia)	\$422 million	\$5,280	113,252
Chile (Banco Desarrollo)	\$56 million	\$7,200	8,000
Dominican Republic (Soluciones)	\$47 million	\$2,887	22,310
Jamaica (CrediScotia)	\$3 million	\$1,609	1,619
Total	\$527 million		145,181

Note: Scotiabank launched microfinance pilot programs in Mexico and Colombia in October 2014. Statistics are unavailable for these countries as the programs were launched one month before fiscal year-end.



DID YOU KNOW?

Approximately 60% of Scotiabank's microfinance clients in Peru are women. Scotiabank's annual award program, *Premio a la Mujer Microempresaria* (Micro-entrepreneur Award for Advancement of Women), recognizes their contributions to the economic and social development of their communities.



The Women's Association for Capacity Building for Financial Inclusion in Ica, Huancavelica and Piura, Peru, is an organization that benefits from Scotiabank's access to finance programs.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

4.2

Access to finance

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Mobile wallets

Scotiabank has teamed up with governments, financial services partners and telecommunications providers in Haiti and Peru to bring safe, fast and easy financial services to unbanked people. The mobile wallet gives account holders the ability to perform basic financial transactions through their mobile (non-smart) phones.

In Haiti, Digicel TchoTcho Mobile, in partnership with Scotiabank, has been available for four years and its usage has steadily grown. Most significantly, TchoTcho Mobile has transformed the distribution of humanitarian aid in the country, by enabling aid agencies to track where, when and how aid is used. Recipients receive aid through their mobile wallet and redeem it for groceries or other supplies at the point of sale, circumventing distribution logistics, long lines and the risk of theft or misappropriation. In 2014, TchoTcho Mobile distributed more than USD\$1.2 million to 84,000 beneficiaries of the Haitian

government's *Ti Manman Cheri* (Dear Little Mother) program which pays a monthly stipend to poor women who keep their children in school.

In Peru, Scotiabank is partnering with the Peruvian National Bankers Association (ASBANC), the Ministry of Finance and Telecommunications and the two largest telecommunications operators in the country to provide mobile banking services to low-income people with no access to traditional banking. It is estimated that more than 10 million Peruvians are unbanked, with most living in remote areas where even the government has difficulty reaching them to provide social payments.

The mobile money solution will allow users to make deposits, withdrawals and payments through their phones. It has been designed for low levels of financial education. The product will be piloted in 2015 and is expected to attract as many as 5 million users by 2020.

Scotiabank Peru is also partnering on a mobile wallet business-to-business project with a large beverage distribution company. Convenience stores are one of the main distribution channels for consumer goods and most transactions are cash – including transactions between stores and their vendors. The mobile wallet and payment platform will eliminate cash management and improve efficiency throughout the distribution channel. Scotiabank is currently the only bank offering a mobile wallet for vendors' payments. However, the Bank aims to get more financial institutions involved through ASBANC and expand the solution to points of service for end users as well.

4.2

Access to finance

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Low-cost banking options

Scotiabank Chile offers a number of specialized products and services:

- The 4x1 plan for low-income customers offers a chequing account, a line of credit, and credit and debit cards for one basic fee. The plan includes a three-month grace period before the first account maintenance fee is charged.
- The Zero Scotia plan for people entering the workforce includes a bundle of standard products (chequing account, line of credit, debit and credit cards). No maintenance fees are charged if the products are used for three automatic bill payment services. Customers can apply for additional credit at preferential rates.
- The Scotia Young Professional plan is directed at professionals under the age of 30 who recently graduated from university and are beginning to enter the workforce. The plan includes 36 months of free banking.

In Puerto Rico, the basic bank account for seniors has no monthly service charge as long as a minimum balance of USD\$500 is maintained. The Bank also offers the ScotiaMax Plus account free of charge if the account receives direct deposit payments, and the ETA account for depositing federal income such as Social Security payments for a \$3 monthly fee.

In Colombia, the *Crédito Fácil Condesa* credit card was created specifically for low-income customers, enabling the Bank, through its subsidiary Colpatria, to provide banking system access to a large segment of Colombia's leading energy company's customer base. Credit cards have been developed with other energy companies as well to give people with limited income or informal work status a means to access credit. The Bank offers low-cost youth savings accounts to foster a saving culture among young people.

Banking agents

Scotiabank Peru has a large network of 5,629* banking agents who provide basic services on behalf of the Bank in convenience stores and other small retail outlets. These agents provide access to finance for customers who might not be able to afford a traditional bank account or who live in remote locations. It's a first step towards financial inclusion for these people and a much safer option for their money. Valid identification is all that is needed to open an account.

*As of September 2014



DID YOU KNOW?

Scotiabank Peru is the first bank in the country to offer banking services at traditional newsstands. The "kiosco bancario" model expands access to banking and brings newspaper vendors into the formal economy. There are currently 40 smart kiosks in the capital city of Lima.

4.2

Access to finance

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT




COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Financial services summary



Customer Segment	Basic Banking	Savings, Investment and Credit Products
 All	<ul style="list-style-type: none"> Scotiabank Basic Banking Account (Canada) 	<ul style="list-style-type: none"> Bank the Rest Savings Program (Canada) helps customers improve their savings habits while making everyday debit purchases. Scotia Power Savings Account provides an online, high-interest savings option.
 -19 Youth	<ul style="list-style-type: none"> Student Banking Advantage Account (Canada) is a no-fee banking account with unlimited debit transactions for full-time university or college students. Getting There Savings Program for Youth (Canada) is a no-fee account with unlimited debit transactions for children under 19 years of age. Scotia Plus Achiever Account (international locations) is a no-fee, higher-interest account for young savers. 	<ul style="list-style-type: none"> L'earn Visa card for students provides benefits including no annual fee, accelerated Moneyback rewards program and up to a 21-day interest-free grace period on purchases. Student SCENE Visa card provides benefits including no annual fee, SCENE rewards points that can be redeemed for free movies and other entertainment rewards, and at least a 21-day interest-free grace period on purchases. Scotiabank Educational Savings Plan is available in 17 Caribbean and Central American countries. Scotiabank Be Money Plan (many international locations) offers a high-interest savings account with no banking fees for full-time students.
 +60 Seniors	<ul style="list-style-type: none"> In Canada, customers aged 60 or over automatically receive a discount on the applicable monthly account fee. 	<ul style="list-style-type: none"> Helpful online RRIF/LIF/LRIF illustrator tool, literature and advice available for seniors.

[Continue](#)

4.2

Access to finance

Financial services summary (continued)

Customer Segment	Basic Banking	Savings, Investment and Credit Products
 Newcomers to Canada	<ul style="list-style-type: none"> Landed immigrants and foreign workers receive \$100 when they open an eligible chequing account, can secure their valuables with a free safety deposit box for one year and can purchase gold and other precious metals through services provided by ScotiaMocatta. International students get the Student Banking Advantage Plan or the Getting There Savings Program for Youth with unlimited debit transactions, can join the SCENE rewards program for free, and can earn bonus points with a SCENE ScotiaCard debit card. 	<ul style="list-style-type: none"> Landed immigrants and foreign workers can build their credit history with an unsecured credit card, get a Scotia U.S. Dollar Daily Interest Account or a Scotia Euro Daily Interest Savings Account, and take advantage of a number of Scotiabank StartRight programs such as: <ul style="list-style-type: none"> Scotiabank StartRight Auto Finance Program lets newcomers buy a car with specially designed financing at select dealerships Scotiabank StartRight Mortgage Program is a specially designed mortgage solution to assist with purchasing a home in Canada Scotiabank StartRight for Business program helps newcomer entrepreneurs to build their credit history. International students in Canada can get an unsecured SCENE Visa card or an unsecured L'earn Visa card with great rewards and no annual fee, and open a Scotia U.S. Dollar Daily Interest Account or a Scotia Euro Daily Interest Savings Account.
 Aboriginals	<ul style="list-style-type: none"> 27 Aboriginal Banking Centres (Canada), including four on-reserve branches, offer all of the Bank's basic banking services. 	<ul style="list-style-type: none"> Niche on-reserve lending programs are available to individuals and band councils across Canada for on-reserve housing.

[Continue >](#)

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

4.2

Access to finance

Financial services summary (continued)

Customer Segment	Basic Banking	Savings, Investment and Credit Products
 Small Business	<ul style="list-style-type: none"> In Canada, over 1,700 branch-based small business advisors deliver practical tools, resources and banking services that help small businesses grow and succeed. Scotiabank provides small business banking services in 20 countries across the Caribbean and Latin America, including account plans for business, cash management services, and Scotia OnLine Financial and Merchant Services (Chase Paymentech). 	<ul style="list-style-type: none"> Running Start <i>for Business</i> offers a Business Plan Writer and complementary accounting software to help a business get off to a strong start. Products include: Scotia Flex and Scotia One Account Plan for agricultural clients, Scotia Power Savings <i>for business</i> which provides a higher interest savings option, Scotia Momentum <i>for business</i> Visa card which gives businesses a cash-back option to strengthen cash flow, ScotiaLine <i>for business</i> Visa, ScotiaFlex <i>for agriculture</i>, ScotiaFlex <i>for business</i>, Scotia creditor life and disability insurance, Scotia professional student line of credit, term loans <i>for business</i> and business investment accounts.
 Micro-business	Microfinance operations in Chile, Peru, Dominican Republic and Jamaica manage microfinance subsidiaries with total loans in 2014 of CAD\$527 million and financial literacy and business planning resources in select countries.	

Note: Scotiabank launched microfinance pilot programs in Mexico and Colombia in October 2014. Statistics are unavailable for these countries as the programs were launched one month before fiscal year-end.



DID YOU KNOW?

Scotiabank has 3,942 ABMs in Canada and 4,737 ABMs at international locations.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

- ACCESS TO FINANCE
- FINANCIAL EDUCATION
- CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

4.3

Financial education

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

ACCESS TO FINANCE

- FINANCIAL EDUCATION CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

PRIORITY ISSUE

Banks have a responsibility to help customers make the right financial decisions. Scotiabank products and services are designed to meet genuine customer needs and they are explained in clear and simple language. The Bank also offers a vast array of educational programs and resources.

Financial education is about giving people access to education, resources and advice that enable them to make knowledgeable, responsible financial decisions, while instilling the confidence they need to save and invest for a bright future.

Scotiabank products and services help improve financial literacy in many of the communities the Bank serves around the world. Scotiabankers have embraced the opportunity and use a combination of online tools and resources, in-person seminars and workshops, one-to-one conversations and local partnerships to guide and educate customers (and non-customers) at the level that's right for them.

The Bank's personal banking websites offer easy-to-read information, educational videos and tutorials, and innovative tools, to help people make some of life's biggest decisions and budget for some of the simpler things. Most resources are available free of charge to all site visitors, whether or not they're Scotiabank customers.



2014 TOOL USAGE

Number of visits to select pages of Scotiabank's Canadian website in 2014:

- + Account Selector tool: **560,550**
- + Mortgage payment calculator: **480,013**
- + Tax Free Savings Account product page: **194,538**
- + Mortgage free faster calculator: **92,731**
- + Money finder calculator: **14,360**
- + Scotiabank hockey season calculator (designed to help parents plan their children's annual hockey expenses): **739**

4.3

Financial education

Financial education initiatives

Select Financial Literacy Initiatives

2014 Impact



Employees

- Scotiabank Vitality intranet site offers financial tools and resources for budgeting, saving, retirement planning and debt management. Scotiabank Vitality is available to employees, retirees and family members.

- Total accesses for fiscal 2014 – 76,660



Students

- The Student Centre on scotiabank.com includes a budget calculator to help students figure out how much money they will need to complete post-secondary education.

- Student budget calculator – 22,308 visitors

+ SSBC.SCOTIABANK.COM

- In Chile, the 1,2,3 Entrepreneur program provides entrepreneurship and financial education for students. Students work through business cases, learning hard and soft business skills. Top projects are presented at an entrepreneurship fair.

- 740 students in the first year of 1,2,3 Entrepreneur



Newcomers to Canada

- Scotiabank sponsors the Centre for Education & Training (TCET), a not-for-profit organization that helps immigrants transition to Canada, and Scotiabankers provide free financial literacy workshops to newcomers.
- The Scotiabank StartRight program for newcomers offers customized products, multilingual services and resources to help newcomers to Canada get their financial lives in order and ease their transition to a new country.

- Usage is not publicly disclosed.

- Usage is not publicly disclosed.

+ SCOTIABANK STARTRIGHT PROGRAM

- Scotiabank hosts webinars through Prepare for Canada program in India, the Philippines, the United Kingdom and the Middle East to help people transition to life in Canada.

- More than 4,000 people have attended Prepare for Canada webinars since the program launch in 2013.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

ACCESS TO FINANCE

- FINANCIAL EDUCATION CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

4.3

Financial education

Financial education initiatives (continued)

Select Financial Literacy Initiatives

2014 Impact



Small business owners

- In Canada, the Get Growing for Business website provides tools, videos and articles on a wide range of business topics and is continually updated by drawing from experts such as Arlene Dickinson, Scotiabank Business Champion.

+ GETGROWINGFORBUSINESS.SCOTIABANK.COM

- In Latin America and the Caribbean, the Bank offers financial literacy seminars and workshops on topics such as building a business plan, cash flow management, marketing basics, customer service and the benefits of bookkeeping.

- 154,301 visitors

- Provided free financial education to 3,000 entrepreneurs in Peru, responding to an unmet need identified as a priority by both state and local governments.
- More than 1,500 entrepreneurs attended the Workshops for Entrepreneurs series in the Dominican Republic.



Investors

- Scotia iTRADE®, an online trading and investment platform, includes leading-edge tools and educational resources for investors at all stages from novice to advanced. In 2014, iTRADE® released 10 interactive learning modules, self-paced tutorials that allow clients to practise before getting into the market.
- iTRADE® offered 202 free webinars in 2014 to help customers increase their knowledge, become better traders and investors and make more informed investment decisions.

+ LEARNING MODULES

- In Costa Rica and Trinidad and Tobago, the Bank rolled out Investing in You, a regional financial literacy program that educates customers on basic investing principles and strives to build a long-term investment culture.

- After viewing an interactive learning module, 90% of users said the content will help their overall investment goals and 99% said they would watch another module.

- More than 7,000 people participated in iTRADE webinars.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

ACCESS TO FINANCE

- FINANCIAL EDUCATION CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

4.4

CASE STUDY: Business model for the future



INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

CUSTOMER FOCUS

ACCESS TO FINANCE

FINANCIAL EDUCATION

• CASE STUDY

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY



Mexico ranks 12th worldwide in the agribusiness sector, producing 268 tonnes of food annually with an approximate value of USD\$5.5 trillion. The sector has a vital role to play in supporting economic development, today and for generations to come. Scotiabank Mexico aims to be the financial advisor of choice to customers that are committed to producing more and better food, making more efficient use of natural resources and strengthening their local communities.

“Scotiabank gave us the right start. It is a bank that believes in people who have the commitment and passion to grow.”

– Eduardo Ramírez Peña
Owner/Propietario, Posta El Cuatro

Posta El Cuatro is one such customer. It is a Mexican company, based in Jalisco and Guanajuato, with more than 20 years’ experience in staple food production. Posta El Cuatro’s mission is profitable, efficient food production while contributing to the socio-economic development of the region. The operation is certified to the ISO 9001:2008 quality management standard and has earned the internationally recognized Bioagricert certificate for organic compost production since 2012.

Posta El Cuatro uses a biodigester to convert organic material such as animal manure into renewable energy and nutrient-rich compost. The energy is consumed on-site to power the farming operations. The compost, which is spread on the fields, increases soil quality and results in improved grass as well as agave,

avocado and lemon trees. Not only does the process turn waste into a valuable resource, it also reduces greenhouse gas emissions (eliminating nearly all methane emissions) and lowers operating costs.

“For Agribusiness at Scotiabank Mexico, it is very important to do more with less. We support customers like Posta El Cuatro with a high level of technology and advice, and we create customized financing plans that best suit their needs,” says José Luis Meza Villarreal, Executive Director, Agribusiness, Scotiabank Mexico.



VIDEO: Learn more about Posta El Cuatro’s sustainable business model.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

• EMPLOYEES

EMPLOYEE
ENGAGEMENT

DIVERSITY AND
INCLUSION

LABOUR RELATIONS

COMPENSATION
AND BENEFITS

CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Employees



Scotiabank relies on the talents, ideas, diversity and commitment of thousands of employees around the world to deliver outstanding service to its customers and achieve its corporate goals. The Bank strives to build strong relationships with its employees by providing them with enriched work experiences in an environment where they are respected, engaged and rewarded for their contributions. These efforts have earned the Bank accolades as a great place to work and enhanced its ability to attract and retain the right people.

85%



EMPLOYEE ENGAGEMENT

The employee engagement score rose to 85% in 2014.

Source: ViewPoint engagement survey

1st

CANADIAN
COMPANY



**RECOGNIZED AS ONE
OF THE WORLD'S
BEST MULTINATIONAL
WORKPLACES BY
GREAT PLACE TO
WORK® INSTITUTE**

Employee experience is all about the interactions that employees have with their managers, co-workers, customers and their work environment.

5.1

Employee engagement

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

- EMPLOYEE ENGAGEMENT
- DIVERSITY AND INCLUSION
- LABOUR RELATIONS
- COMPENSATION AND BENEFITS
- CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Employee experience

Employee experience is all about the interactions that employees have with their managers, co-workers, customers and their work environment. To meet its goals, the Bank prioritizes employee experience, in order to keep employees engaged and committed to delivering excellent customer experiences.

The Bank's focus on the employee experience has helped drive high engagement scores in its annual employee survey, ViewPoint. The Employee Engagement Index score rose to 85% in 2014.

Employee Engagement Index (%)*

	2014	2013	2012
Scotiabank	85%	84%	84%
Average norm among global financial services organizations	71%	72%	72%

* This index measures the passion and commitment employees have for their job, co-workers and organization, which in turn compels them to "go the extra mile."

Here are some of the other elements that contribute to outstanding employee experiences:

Job satisfaction

Pride on the job comes from doing great work for customers, providing opportunities for customers to realize their dreams, and seeing customers succeed as a result of the help they've received from a Scotiabank employee. In Canada, 89% of Scotiabankers (Scotiabank employees) agreed that they are continually improving the quality of products and services for customers (source: ViewPoint engagement survey).

Work atmosphere

Scotiabankers take the time to celebrate accomplishments – and to get involved in Bank-sponsored community causes. Their spirit comes through in the ways they recognize one another for a job well done. In 2014, Scotiabankers sent close to 995,000 peer certificates to one another.



DID YOU KNOW?

Scotiabank Live is an internal global online community for Scotiabankers to connect, communicate and collaborate with one another across businesses and geographies in support of the Bank's customers. President and CEO Brian Porter frequently communicates through Scotiabank Live, giving employees a window into the Office of the President and CEO and raising overall transparency.

(Note: Scotiabank Live is currently being developed for Chile but is not available in Colombia or Uruguay.)

Employee engagement

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

- EMPLOYEE ENGAGEMENT
- DIVERSITY AND INCLUSION
- LABOUR RELATIONS
- COMPENSATION AND BENEFITS
- CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Communication

Scotiabank's culture encourages open, honest and direct communication. There are a variety of ways for employees to ask questions or say what's on their minds – from face-to-face meetings with managers to focus groups and anonymous surveys. Most channels are designed so that senior managers can gather and act on the feedback. The typical communication process for major changes, issues or topics is as follows:

- The CEO and/or Group Heads communicate with senior leaders;
- The CEO and /or Group Heads provide information via email or posting to Scotiabank Live, Scotiabank's global internal employee collaboration site;
- Department leaders call a "huddle" to gather the team together, review the information and address comments and concerns; and
- Depending on the complexity of the topic, a Scotiabank Live site may be established to house Q&As, provide updates and allow for follow-up questions.

Flexible work options in Canada*

	2014
Flextime	834
Job sharing	106
Compressed work week	572
Work alternate location (part-time)	173
Work alternate location (full-time)	315
Change from full-time to part-time	28
Phased retirement	28

* Only includes regular status employees (excludes contract and casual), as only regular status employees are eligible for flexible work options.



Brian Porter communicates through Scotiabank Live's *CEO on the go* platform, giving employees a window into the office of the President and CEO.

5.1

Employee engagement

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

- EMPLOYEE ENGAGEMENT
- DIVERSITY AND INCLUSION
- LABOUR RELATIONS
- COMPENSATION AND BENEFITS
- CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Career development

The size and scope of Scotiabank means that employees might have completely different career experiences, all while working for the same organization. Development opportunities are available at every phase and level. The Bank encourages a blended approach to development that includes on-the-job experiences, peer and manager feedback, knowledge development and education.

Leadership is critically important to the Bank's business and is one of its three focus priorities. The leadership strategy focuses on enhancing leadership depth, diversity and deployment. The Bank has put in place a number of processes and programs to effectively execute the strategy.

Talent identification

The Leadership Resource Planning (LRP) process is used to identify talent, create succession plans for key roles and commit to development action plans. Outcomes from LRP planning sessions are presented to the Human Resources Committee of the Bank's Board of Directors. For employees aspiring to senior leadership roles, the LRP process facilitates alignment between organizational needs and their personal aspirations, experiences and potential.

The Talent Profile is another important tool for identifying and developing talent. The tool gives senior managers and above (in most countries) a means to showcase

their accomplishments and self-assess their capabilities against leadership competencies. It is often used for development and career planning discussions between employees and their managers.

For senior executives, capabilities are assessed against newly created Executive Leader Qualities, which leaders must consistently demonstrate across a variety of situations.

Aligning the identification and development of Scotiabank employees to organization-wide competencies and leader qualities enables focused development and helps to strengthen and deepen the organization's leadership capability.

5.1

Employee engagement

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

- EMPLOYEE ENGAGEMENT
- DIVERSITY AND INCLUSION
- LABOUR RELATIONS
- COMPENSATION AND BENEFITS
- CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Leadership development

iLEAD, the Bank's global leadership development program, includes curricula to support employees at various stages of their careers, particularly during transitions to new roles. New Manager Foundations and Core Management Skills curricula help new managers develop the skills required to manage their people, emphasizing culture, coaching skills and team development. The Personal Leadership Development curriculum helps employees advance their leadership skills aligned with Scotiabank's 10 general behavioural competencies. Resources such as online courses, books and articles are available to support employees in developing these competencies at their own pace. In 2014, the curricula was expanded to include the following:

- Leadership Foundations to support senior managers, directors and VPs. This curriculum focuses on developing the core leadership competencies of strategic thinking, strategic influencing, strategic relationship building, cross-cultural leadership and change leadership.
 - The Leadership Development Assessment program provides senior leaders the opportunity to complete various online assessments and participate in a day-in-the-life of a senior executive simulation. This new program provides insight into individual development needs and informs development plans.
- Also in 2014, Scotiabank partnered with Duke Corporate Education – ranked number one in custom corporate education by *Financial Times* and *Business Week* – to develop the iLead Executive Program. This customized three-week program is aligned to the all-Bank focus priorities and the Executive Leader Qualities and is intended to strengthen and deepen senior leadership capability.

Measurement

Key dimensions related to communication, commitment, execution and the importance of development are measured to gauge capability and performance in support of Scotiabank's priorities and needs. Scotiabank measures key metrics such as the number of women new to the VP and above pool as it represents one measurement of our efforts to advance women in leadership.



DID YOU KNOW?

Leadership is one of Scotiabank's focus priorities.

Employee engagement

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

- EMPLOYEE ENGAGEMENT
- DIVERSITY AND INCLUSION
- LABOUR RELATIONS
- COMPENSATION AND BENEFITS
- CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Turnover

Although the Bank's voluntary employee turnover rate in Canada increased from 2013 to 2014, it remains low relative to that of other Canadian banks, according to Saratoga Human Capital Benchmarks study in which the Bank participates annually.

Total Voluntary* Employee Turnover (Canada)

2014	2013	2012
11.2%	10.2%	9.4%

* Voluntary denotes those who have left due to resignation, voluntary settlement, retirement or contract expiration.

Workplace incidences*

	2014	2013	2012
Major workplace accidents resulting in lost-time occurrences	143	142	140
Minor workplace accidents, reportable and requiring medical attention, but not involving lost work time beyond day of injury	104	101	110
Other reportable occurrences as defined by Canada Labour Code Part II	107	109	126
Total number of days lost due to injury	996.5	1,230.5	1,676

* Represents reported workplace incidences in Canada during the calendar year.

5.2

Diversity and inclusion

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

EMPLOYEE ENGAGEMENT

• DIVERSITY AND INCLUSION

LABOUR RELATIONS

COMPENSATION AND BENEFITS

CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

As an organization whose business model is based on diversification, Scotiabank recognizes the value of diversity for deepening customer relationships, generating innovative thinking, managing risk and ultimately driving business sustainability. The Bank also understands the importance of a culture of inclusion – where all employees feel valued, respected, free to express new ideas or alternative points of view, and equally enabled to reach their full potential.

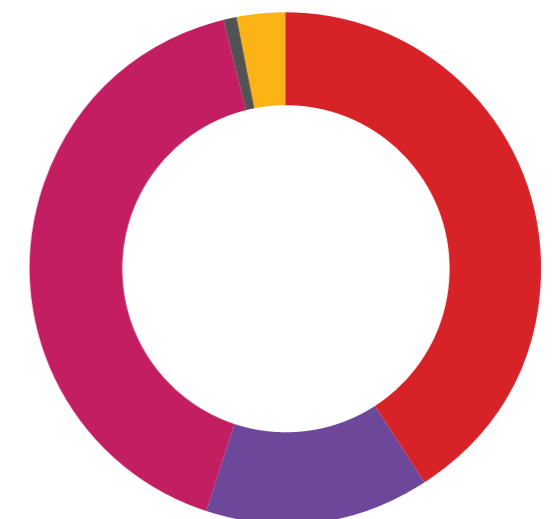
The Bank's commitment to diversity and inclusion starts at the top. The President and Chief Executive Officer is its champion,

and members of the senior management team become executive champions for the Bank's employee resources group. Various communication vehicles are used to build awareness and engagement. The external Diversity and Inclusion website is where the Bank shares its commitment, beliefs and goals with all stakeholders. It is where employees tell their own stories about their experiences as Scotiabankers. The parallel internal website, the Diversity and Inclusion Fountain, is a hub for news, learning and getting involved.

+ DIVERSITY AND INCLUSION

Employee Population: Geographic Breakdown by Region

Region	%
Canada	41.7%
Caribbean/ Central America	14.5%
Latin America	40.0%
Chile	4.4%
Mexico	15.9%
Peru	13.0%
Colombia	6.7%
Asia/Pacific	0.9%
Other	2.9%
Total	100%



Diversity and inclusion

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

EMPLOYEE ENGAGEMENT

• DIVERSITY AND INCLUSION

LABOUR RELATIONS

COMPENSATION AND BENEFITS

CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Approach

Scotiabank's programs and policies are designed to attract, retain and engage a diverse workforce. The Bank has adopted an approach that guides and governs the work globally but provides flexibility to adapt to local country situations. Programs are operationalized through five pillars and supported by innovative communications. The five pillars and guiding principles are as follows:

- Committed leadership – visible and audible
- Engaging customers – insightful and collaborative
- Engaging employees – wide-ranging and interactive
- Enabling diverse talent – transparent, non-discriminatory and accessible
- Engaging communities – authentic and collaborative

Employee resource groups

Ten employee resource groups (ERG) create a sense of community where people can connect with colleagues who have similar backgrounds or interests. More than just internal support systems, these groups offer professional development for members, engage in community outreach and provide valuable insights into the development of new products, services and policies.

- Scotiabank Aboriginal Network
- Scotiabank Young Professionals
- Scotiabank's Women's Connection
- Scotiabank Intercultural Alliance
- Scotiabank Caribbean Network
- HOLA Scotiabank (Hispanic)
- Scotiabank South Asian Alliance
- Scotiabank Alliance for Mental Health
- Scotiabank Diversability Alliance
- Scotiabank Pride



DID YOU KNOW?

The Ministry of Labour and Social Welfare in Mexico awarded Scotiabank Mexico a "Gender Equality in the Workplace" certification, and for the third consecutive year, Great Places to Work ranked Scotiabank's gender equality among the best in Mexico. What's more, the Bank received a "Gilberto Rincón Gallardo" Inclusive Company Award for its commitment to good labour practices towards vulnerable groups.



Diversity and inclusion

Diversity highlights

(As at October 31, 2014)	2014	2013	2012	Government Benchmark**
Women in VP+ positions (Global)	27%	25%	24%	NA
Women in senior management (NOC 13 in Canada)*	34.8%	33.3%	33.8%	24.2%
Women (Canada)*	65.5%	66.2%	67.0%	62.6%
Visible minorities in senior management (Canada)*	15.1%	13.6%	13.9%	8.7%
Visible minorities (Canada)*	26.9%	26.7%	25.1%	23.5%
Persons with disabilities (Canada)*	3.0%	3.2%	3.3%	4.6%
Aboriginals (Canada)*	1.1%	1.2%	1.2%	2.3%

* This data is calculated based on definitions provided under the Employment Equity Act (Canada) and excludes employees of provincially regulated entities.

** Availability rate, per Employment and Social Development Canada.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

EMPLOYEE ENGAGEMENT

• DIVERSITY AND INCLUSION

LABOUR RELATIONS

COMPENSATION AND BENEFITS

CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

5.2

Diversity and inclusion

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

EMPLOYEE ENGAGEMENT

• DIVERSITY AND INCLUSION

LABOUR RELATIONS

COMPENSATION AND BENEFITS

CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Improving accessibility in Peru

In Peru, the Bank has had an Equity and Diversity Committee since 2007 and expanded the mandate to include inclusion in 2013. For the past year, the Committee has focused on improving accessibility for employees with disabilities. To date, it has reviewed HR processes, evaluated job descriptions as to how different types of disabilities could be accommodated, and identified resources, tools and assistive technologies needed to support accommodation requirements and employee success. Its work will continue in 2015.

Aboriginal employment in Canada

Scotiabank undertakes a variety of recruitment activities to promote the inclusion of Aboriginal employees in Canada. The Aboriginal Talent careers microsite profiles the Bank's relationship with the Aboriginal community, and the Scotiabank Aboriginal Network brings together employees who are passionate about Aboriginal inclusion. During recruitment and selection, applicants choosing to self-identify as Aboriginal, First Nations, Inuit or Métis have the option of receiving support from the Bank's diversity recruitment team.

In 2014, the Bank added a dedicated Aboriginal recruiter to its recruitment team. One of her first tasks was to conduct a thorough analysis of the various Aboriginal job boards and implement technology enhancements to increase the number of candidates coming forward. One of the outcomes was a 45% increase in the number of visitors to the Bank's Aboriginal Talent microsite from 2013 to 2014.

+ ABORIGINAL TALENT CAREERS MICROSITE

"Scotiabank is proud to be recognized by the Canadian Council for Aboriginal Business. We understand the need to develop strong partnerships with Aboriginal communities, individuals and businesses. This recognition acknowledges our commitment and encourages us to continue to strengthen our involvement with the Aboriginal community."

– Brian J. Porter, *President & CEO, Scotiabank, in recognition of the Bank's CCAB Gold level standing for Progressive Aboriginal Relations (PAR)*

5.3

Labour relations

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

EMPLOYEE ENGAGEMENT

DIVERSITY AND INCLUSION

- LABOUR RELATIONS
- COMPENSATION AND BENEFITS
- CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Human rights in the workplace

The Bank's Guidelines for Business Conduct describe the standards of behaviour required of all Scotiabankers, and provide guidance on how to raise issues or concerns.

Scotiabank supports the exclusion of child labour in its operations, consistent with the International Labour Organization (ILO) Convention No. 138, as well as the prevention of forced and compulsory labour, consistent with the principles stated in ILO Convention No. 29, Article 2. In countries where child labour and forced labour are evident, Scotiabank's higher standards of operating serve as a model for local industry.

In 2012, the Bank implemented its Global Principles on Non-Discrimination in the Workplace, which apply to all Scotiabank

operations and help guide Scotiabankers. The Global Principles encompass human rights and labour relations principles and are paired with a guide offering practical tips and recommendations for creating a culture of inclusion, free of discrimination.

As a Canadian-based organization, Scotiabank respects the principles embodied in the Canadian Human Rights Act (CHRA), which reflect international standards in human rights practices for both employees and customers. In addition, the Bank respects all applicable human rights and non-discrimination laws in the jurisdictions in which it operates; with due regard to the spirit and intent of international instruments on human rights, such as the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and on Civil and Political Rights, and the Declaration on Fundamental Principles and Rights at Work.

The Bank has developed a proactive working relationship with the Canadian Human Rights Commission aimed at resolving concerns in Canadian workplaces in a timely manner. Globally, employee relations managers and local HR representatives provide advice and counsel to employees and managers to address issues involving human and labour rights.

At the request of business lines and support functions, the Bank conducts training and education designed to ensure that employees fully understand their rights and obligations with respect to human rights and discrimination.

+ GUIDELINES FOR BUSINESS CONDUCT

Labour relations

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

EMPLOYEE ENGAGEMENT

DIVERSITY AND INCLUSION

• LABOUR RELATIONS

COMPENSATION AND BENEFITS

CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Freedom of association

Scotiabank is committed to treating all employees, wherever they work, with fairness and respect, in accordance with its core values. The same values drive the Bank's approach to employee and labour relations.

Following international and universal labour standards, such as the Declaration on Fundamental Principles and Rights at Work and the Conventions of the International Labour Organization on Freedom of Association and Collective Bargaining, Scotiabank:

- Respects the right of its employees to join a trade union for purposes of collective bargaining, without intimidation or undue influence from the union, employer or any other party; and
- Believes that, as an employer, it is an interested party in any union organizing activity or application for union certification and is entitled, in accordance with local law and practice, to express its point of view so that employees can make a personal decision based on correct facts and information.

The Bank's approach to labour relations is based on a respectful relationship and open communication with unions certified to represent employees. When negotiating collective agreements, the Bank bargains in good faith and acts in the best interest of all stakeholders, including customers, shareholders and employees. The Bank does not currently operate in any jurisdiction where local law prevents freedom of association or the right to join a trade union in accordance with universal labour standards prescribed by the International Labour Organization.



DID YOU KNOW?

Scotiabank has unionized employees in 14 countries, representing over 10,000 employees worldwide.

Labour relations

2014 organizational changes

As part of Scotiabank's commitment to its three focus priorities, the Bank has made a series of changes to its structure to drive a more efficient delivery of products and services to customers, to reduce costs in a sustainable manner, and to achieve greater operational efficiencies.

As the Bank seeks to simplify the operating model and become more efficient, the result can include changes to employees' jobs. All employees impacted by structural and efficiency changes are treated with fairness, respect and recognition for their important contributions to Scotiabank.

When jobs are impacted, the Bank seeks to leverage natural attrition and offers assistance in seeking alternate opportunities within the Bank whenever possible. Supporting Scotiabankers through times of change is core to upholding the Bank's values of Integrity and Respect.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

EMPLOYEE ENGAGEMENT

DIVERSITY AND INCLUSION

• LABOUR RELATIONS

COMPENSATION AND BENEFITS

CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

5.4

Compensation and benefits

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

EMPLOYEE ENGAGEMENT

DIVERSITY AND INCLUSION

LABOUR RELATIONS

• COMPENSATION AND BENEFITS CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Scotiabank's global salaries and benefits

Scotiabank is committed to providing a competitive total compensation package in the form of base pay (salary), incentive pay (both short- and long-term incentives), pension plan and benefits, which include health care, group life insurance, disability benefits, banking services, paid time off and wellness programs.

(CAD\$ millions)	2014
Salaries	\$3,680
Annual incentive compensation	\$1,669
Stock-based compensation	\$270
Pensions and other benefits	\$1,124
Total	\$6,743

Employee share ownership

Scotiabankers around the world contribute to the success of the Bank every day. Participation in the Employee Share Ownership Plan (Canada) and the Global Employee Share Ownership Plan (internationally) creates shared accountability to deliver on Bank priorities, enabling employees as shareholders to link personal performance to Scotiabank's long-term success.

(All data represents the one-year period between November 1, 2013 and October 31, 2014)	2014
Percent (%) of eligible employees who participate in ESOP (Canada)	79%
Percent (%) of eligible employees who participate in Global ESOP (international and non-401K U.S.)	39%
Total dollars contributed to matching by the Bank (ESOP Canada)	CAD\$24,957,374
Total dollars contributed to matching by the Bank (Global ESOP international and non-401K U.S.)	CAD\$5,010,426*

* Exchange rate based on average rate as at October 31, 2014.

5.4

Compensation and benefits

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

EMPLOYEE ENGAGEMENT

DIVERSITY AND INCLUSION

LABOUR RELATIONS

• COMPENSATION AND BENEFITS

CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Incentive pay

All employees are able to share in Scotiabank's success as they achieve their individual objectives and the organization attains specific business goals. For most employees, incentive compensation is delivered through an annual incentive program. For senior leaders, incentive compensation is a combination of annual, mid-term and long-term incentives.

Incentive programs ensure that each employee's pay is appropriately linked to performance – both individual and business – and is in line with the Bank's risk appetite. The incentive compensation programs also align employees' interests with the Bank's business priorities.

Annual Incentive Plan (Canada)	2014	2013*	2012
Number of participating employees	35,187	34,949	34,310
Total payout (CAD\$ millions)	227.1	245.1	227.2

Global Incentive Pay Program (international)	2014	2013*	2012
Number of participating employees	20,159	20,022	10,110
Number of countries	45	41	38
Total payout (CAD\$ millions)	90.6	96.1	36.7

* 2013 numbers have been restated to include: a group of non-executive employees who were previously included in the executive pool in Canada; groups of non-executive and unionized employees in countries that previously participated in SGIPP or local annual bonus plans.

5.4

Compensation and benefits

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

EMPLOYEE ENGAGEMENT

DIVERSITY AND INCLUSION

LABOUR RELATIONS

• COMPENSATION AND BENEFITS

CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Pensions

Scotiabank has a variety of pension arrangements, all designed to ensure that employees are provided with a source of income at retirement that complements any applicable government benefits and personal savings. By far, the largest plan is the Canadian Scotiabank Pension Plan (SPP) which is approximately 73% of the total global defined benefit pension accounting liability.

The SPP is a defined benefit pension plan which pays employees a pension based on a set formula that takes into account their earnings, years of service and expected Canada/Quebec Pension Plan benefits. Employees have the option to contribute to the SPP in order to earn an enhanced benefit. Both Bank and employee contributions are paid into a pension fund which is managed by Scotiabank. The Bank contributes to the plan in accordance with applicable legislation to ensure the SPP has sufficient funds to pay pension benefits. As of October 31, 2014, the plan had assets of CAD\$5,635 million.



Scotiabank offers various market-competitive retirement plans for employees around the world, the largest of which is the Scotiabank Pension Plan.

5.5

CASE STUDY: World's best multinational workplace



INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

EMPLOYEE ENGAGEMENT

DIVERSITY AND INCLUSION

LABOUR RELATIONS

COMPENSATION AND BENEFITS

• CASE STUDY

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY



In 2014, Scotiabank was honoured to be the first Canadian company to be named to the World's Best Multinational Workplaces list by the Great Place to Work® Institute – and particularly proud that employees' comments helped the Bank earn this distinction.

The World's Best Multinational Workplaces list recognizes 25 leading workplaces chosen from 45 countries around the world. To qualify, companies must feature on at least five regional Great Place to Work® lists over the previous 12 months, have at least 5,000 employees and have at least 40% of their workforce located

outside the country in which their company is headquartered. Scotiabank featured on regional Great Place to Work® lists in Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Mexico, Panama, Peru and Puerto Rico in 2014.

The competition process is based two-thirds on a company's score from an employee survey and one-third on its culture and human resource policies and procedures. Heavy emphasis is given to the employee experience – the trust people have in the organization they work for, the pride they take in their jobs, and how much they enjoy coming to work and being part of a diverse team. The Bank's leaders and employees tell the story best:

"I feel supported, cared for and heard."

"We have a strong culture. People are intrigued by our culture. They come to work for us and 20 years later they're still Scotiabankers. It's a great place to work."

"We like each other, we respect our customers, we work in our communities and we have great pride in what we do."

"We have a strong culture. People are intrigued by our culture. They come to work for us and 20 years later they're still Scotiabankers. It's a great place to work."

Scotiabank recognizes that its employees are its competitive advantage. Being a great workplace helps attract and retain the best candidates from around the world and creates the right environment to better serve customers.



VIDEO: Learn more about what makes Scotiabank one of the World's Best Multinational Workplaces.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

• ENVIRONMENT

OPERATIONAL
ECO-EFFICIENCY
CLIMATE CHANGE
RESPONSIBLE
FINANCING
CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Environment



As an organization with a large, global footprint, Scotiabank has both a responsibility to take action on reducing its environmental impact and an opportunity to introduce environmental policies and practices in countries where they may not be legally mandated. The Bank is also in a position to collaborate with a wide range of stakeholders to tackle broader environmental challenges facing society as a whole.

8 PROJECTS
FINANCED 

PROJECTS MEETING EQUATOR PRINCIPLES

Scotiabank financed eight projects meeting Equator Principles requirements in 2014.

87% 

GHG EMISSIONS

Scotiabank measures GHG emissions for 87% of its global operations.

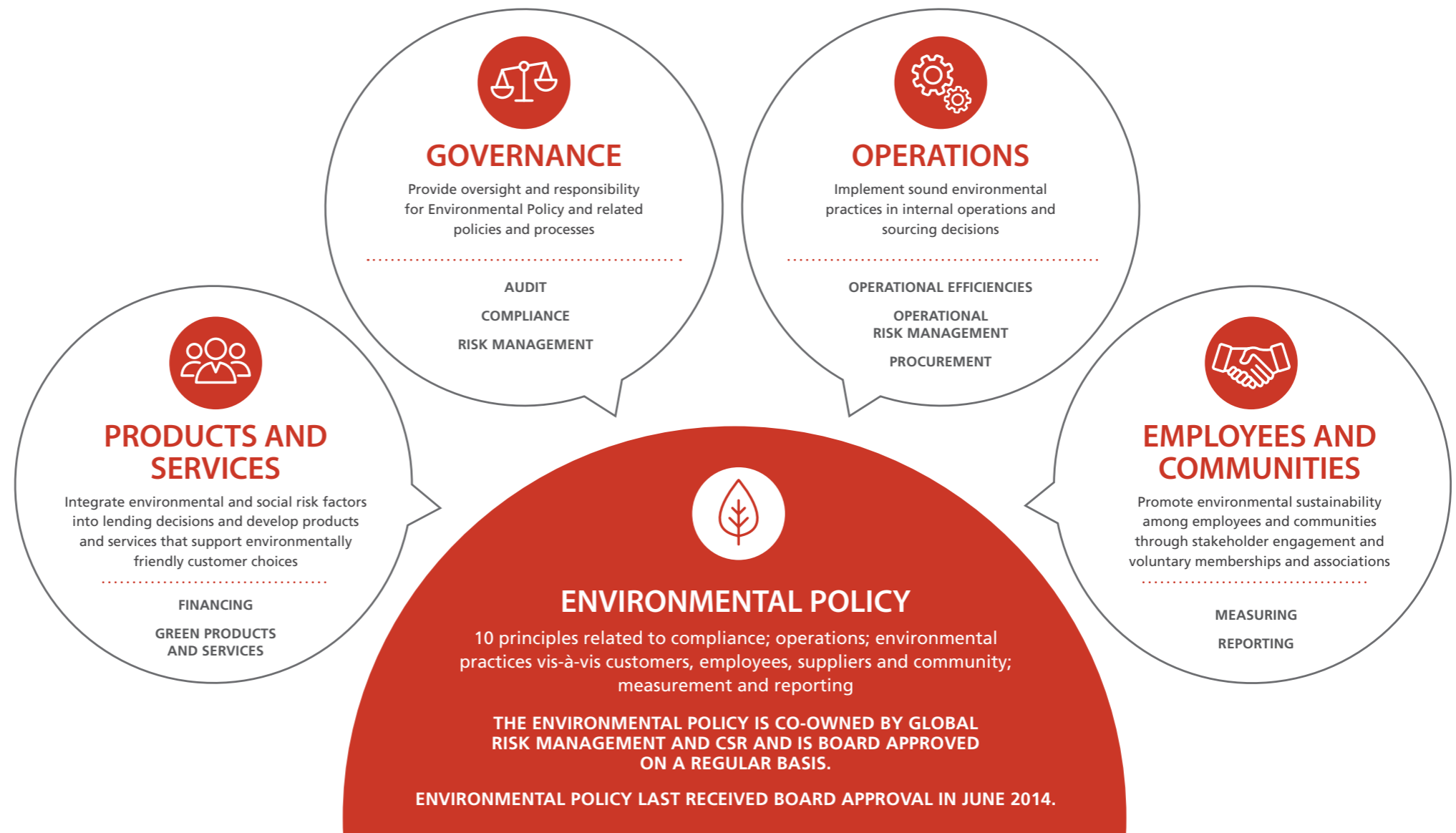


Solar panels at Foote Prints on the Sands Hotel in Negril, Jamaica. In Jamaica, the Scotiabank SmartEnergy Loan is helping customers compete more effectively and improve their ability to operate sustainable businesses.

6.1

Operational eco-efficiency

Scotiabank Environmental Policy



INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

- OPERATIONAL ECO-EFFICIENCY
- CLIMATE CHANGE
- RESPONSIBLE FINANCING
- CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

6.1

Operational eco-efficiency

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

- OPERATIONAL ECO-EFFICIENCY
- CLIMATE CHANGE
- RESPONSIBLE FINANCING
- CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Environmental governance and management

Scotiabank has a global Environmental Policy that sets out environmental objectives and priorities, and creates a foundation for the Bank's environmental initiatives. The policy consists of 10 principles:

1. Comply with all environmental legal requirements in the countries in which the Bank operates;
2. Conduct internal operations in a manner consistent with environmental protection and the principles of sustainable development, with due regard for associated benefits and costs;
3. Incorporate environmental risk assessment criteria in risk management procedures;
4. Consider the environmental performance of suppliers and contractors as well as the environmental impacts of products and services in the context of the procurement process;
5. Promote environmental responsibility by educating and motivating employees to become more involved in resource conservation at work and in environmental practices at home;
6. Pursue product and service opportunities that support environmentally friendly customer choices;
7. Contribute to an ongoing dialogue with government, non-governmental organizations, industry and other relevant stakeholder groups with respect to environmental sustainability in business;
8. Support environmental initiatives undertaken by external groups through donations and sponsorships;
9. Report publicly on the Bank's environmental performance on at least an annual basis; and
10. Independently assess adherence to these environmental principles within business lines and control functions.

The Board of Directors reviews the policy every two years and, in June 2014, approved an updated version.

The Environmental Policy is co-owned by Global Risk Management and CSR to ensure that implementation is holistic in nature. The two groups work closely with key partners within the Bank, including Information Technology and Security, Real Estate and Strategic Sourcing, to develop annual priorities and implementation plans.

6.1

Operational eco-efficiency

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

- OPERATIONAL ECO-EFFICIENCY
- CLIMATE CHANGE
- RESPONSIBLE FINANCING
- CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Certified green buildings

Scotiabank works to incorporate energy and environmental best practices into its locations. In Canada, 24 branch locations are certified under the Green Globes program.

The Bank uses Green Globes certification in Canada and aims for certification at all new branches. Green Globes is a widely recognized green building certification tool that scores the efficiency of buildings taking into account their integrated design, project management and commissioning, site development and impact, energy performance, water, waste/recycling and resources, emissions and other impacts and the indoor environment.

At international locations, Scotiabank maintains the highest standards, following all local building codes and regulations and, where feasible, implementing global environmental best practices.



6.1

Operational eco-efficiency

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

- OPERATIONAL ECO-EFFICIENCY
- CLIMATE CHANGE
- RESPONSIBLE FINANCING
- CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

2014 Greenhouse Gas Emissions (Canada and International)

Source	GHG Emissions* (metric tonnes)
Scope 1 Direct CO ₂ e emissions produced from combustion of fuels	21,641
Scope 2 Indirect CO ₂ e emissions produced from electricity and steam purchases	118,325
Scope 3 Indirect CO ₂ e emissions produced from employee travel	8,319
Total CO₂e footprint	148,285**

* 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.

** The completeness and accuracy of Scotiabank's total GHG emissions has been verified by an independent third party.

2014 Energy Consumption (Canada)

Type of Energy	Total Energy Use	Total GHG Emissions	GHG Intensity per Employee	GHG Intensity per m ²
Scope 2 Electricity (MWh)	269,676	51,470		
Scope 1 Fuel Purchases (GJ)	415,165	21,116		
Total Electricity and Fuel (GJ)	1,386,000	72,586	2.09	0.0689

2014 Energy Consumption (International)

Type of Energy	Total Energy Use	Total GHG Emissions	GHG Intensity per Employee	GHG Intensity per m ²
Scope 2 Electricity (MWh)	149,199	66,855		
Scope 1 Fuel Purchases (GJ)	7,741	525		
Total Electricity and Fuel (GJ)	544,859	67,380	1.69	0.0773

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 utility vendors. Scotiabank continues to expand the geographic scope of its reporting boundary with the objective of reporting total emissions. When necessary, some buildings were estimated using consumption data found in similar regions and building types.

The Canadian report is based on 1,046 owned and leased retail locations and the space occupied by the Bank in 167 office buildings across Canada, representing approximately 990,000 square metres.

The International report is based on 1,299 owned and leased retail locations and the space occupied by the Bank in 55 office buildings in Chile, Costa Rica, Dominican Republic, El Salvador, Jamaica, Mexico, Peru, Puerto Rico, and Trinidad and Tobago, representing approximately 795,000 square metres.

6.1

Operational eco-efficiency

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

- OPERATIONAL ECO-EFFICIENCY
- CLIMATE CHANGE
- RESPONSIBLE FINANCING
- CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Greenhouse gas emissions

Scotiabank began measuring the greenhouse gas (GHG) emissions from its Canadian operations in 2007, covering 55% of its global operations. In 2009, the Bank added international locations beginning with Chile and Peru, bringing its total coverage to 66%. The Bank continues to expand its reporting boundaries each year and currently covers 87% of global operations.

Overall, the Bank's emissions have declined from 0.08 tonnes of CO₂e per square metre in 2009 to 0.07 tonnes per square metre in 2013. The Bank actively pursues and tracks GHG emissions reduction initiatives on both a site-by-site and total portfolio basis, and it continually reviews its branch and office standards for efficiency opportunities.

The Bank does not set a formal emissions reduction target; however, over the next five years, the Bank expects to reduce emissions by between 1% and 5% per year on a portfolio size-adjusted basis through continuous review of its standards and increased environmental awareness and responsibility by its employees.

Water consumption

In Canada, Scotiabank is metered and/or invoiced for water consumption at 470 retail branch locations, representing over 2 million square feet, or roughly 40% of its Canadian retail portfolio. The Bank recognizes that water and water scarcity are environmental issues of global importance and as such it is developing a database to collect and report water data for the portion of its Canadian portfolio where data is available through local metering or invoicing.

The Bank also records water consumption at its large, owned office buildings, and is working with Property Managers to obtain accurate water consumption data for other large buildings where it leases office space.

Waste reduction

The Bank does not currently collect waste information. The Bank will perform waste audits at select large owned office properties in 2015. The goal is to include measurement of waste and waste diversion rates at large office properties by 2016.



DID YOU KNOW?

The Bank's CDP Climate Change disclosure score rose from 72 to 91 in 2014 and its performance rating jumped from C to B.



6.1

Operational eco-efficiency

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

- OPERATIONAL ECO-EFFICIENCY
- CLIMATE CHANGE
- RESPONSIBLE FINANCING
- CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Paper consumption

The greatest opportunity for reducing paper consumption is in digitizing client statements. A paperless recordkeeping option (RKO) was introduced in Canada for revolving credit statements in 2013 and for personal portfolio statements (PPS) in 2014. A total of 447,822 customers elected to enable paperless RKO for their accounts in 2014. The initiative saved approximately 11.2 million sheets of paper as well as CAD\$5.3 million in printing and mailing costs and CAD\$787,000 in stationery costs in the fiscal year.

Scotiabank Canadian Paper Consumption (tonnes)

Paper Classification	2014	2013	2012	% Change 2013/14 (decrease)	FSC*
Business forms**	2,706	2,749	2,867	(1.56)	2/5 of highest volume items
Business card	16	12	7	33.33	100%
Letterhead	7	5	7	40	100%
Bond copy paper	1,474	1,441	1,464	2.29	100%
Annual reports	74	70	71	5.71	100%
Marketing direct mail	225	239***	87	(5.86)	100%
Total weight (tonnes)	4,502	4,516	4,503	(0.31)	

* Forest Stewardship Council (FSC) is a stringent certification system for guiding responsible forest management and guaranteeing that paper is produced in a way that conserves biological diversity and fragile ecosystems, ensures social responsibility, and respects the rights of First Nations peoples and local communities.

** Scotiabank uses more than 4,500 different kinds of forms, with the majority falling into five categories: regular format, high-speed printer ABM rolls, snap sets (carbonless), envelopes and account companion booklets. Currently, two of these categories – envelopes and companion booklets – use FSC certified paper.

*** Increase due to several new initiatives including communication to new customers and introduction of new products.



DID YOU KNOW?

The Bank saved more than 11 million sheets of paper in Canada in 2014 by offering a paperless recordkeeping option for revolving credit and personal portfolio statements.

6.1

Operational eco-efficiency

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

- OPERATIONAL ECO-EFFICIENCY
- CLIMATE CHANGE
- RESPONSIBLE FINANCING
- CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Scotiabank Bond Copy Paper Consumption in International Locations in 2014

Country*	Submitted Weight (tonnes)
Barbados	41
Chile	194
Colombia	80
Costa Rica	158
Dominican Republic	56
El Salvador	79
Jamaica	15
Mexico	377
Peru	220
Total	1,220

* Data is unavailable for Bahamas, Caribbean East, Guyana, Panama, Puerto Rico, Trinidad and Tobago, and the U.K.

International initiatives

Across the organization, Scotiabankers are involved in environmental initiatives. Here are a few examples:

- In Chile, an employee program called “Ideas in Action” solicited ideas for improving internal processes. The winning ideas focused on reducing paper consumption by setting printer preferences to duplex printing and enabling virtual printing.
- In Colombia, monthly *Ecodatos* bulletins and the internal *la Revista* magazine promote environmental awareness.
- In El Salvador, plastic, paper, aluminum and glass recycling stations are available to employees and customers, as part of the “Help our planet recycle” campaign.
- In Peru, an online course on the Bank’s Environmental Policy was developed to raise awareness of the Bank’s commitment to environmental protection and the measures employees can take to reduce their impact. The course will be launched in 2015. The Bank also produces internal communications on topical environmental issues as a means of raising awareness.



DID YOU KNOW?

A paper footprint awareness campaign in Puerto Rico resulted in 80% of employees switching to paperless banking.

6.1

Operational eco-efficiency

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

- OPERATIONAL ECO-EFFICIENCY
- CLIMATE CHANGE
- RESPONSIBLE FINANCING
- CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Grassroots innovation

In Canada, Scotiabank and its business customers often use plastic cash bags made of polyethylene to transport cash to and from branches. While the use of plastic bags makes transporting cash easier and safer, plastics such as polyethylene are not readily biodegradable and can remain in landfill sites for hundreds of years. What's more, thousands of elastic bands and paper clips were being used annually to secure the contents within the bags. To reduce the environmental impact of the process, the Bank's Ontario Cash Processing Centre created a recycling program for used cash bags. Their work involved establishing new procedures for collecting and sorting the bags, elastic bands and paper clips. Once properly sorted, the "clean" bags are sent to a recycling facility where they are melted into small pellets and ultimately transformed into much-needed garbage bags. The elastic bands and paper clips are now packaged into small packets and shipped to branches and customers for reuse. As a result of the program, 1.2 million cash bags were collected and recycled in 2014; 940,000 elastic bands and 967,000 paper clips were reused.



Mark Angue, remittance teller at Scotiabank Plaza in Toronto, Canada, collects used cash bags, which are then sent to a recycling facility and transformed into small pellets to make garbage bags.

6.2

Climate change

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

OPERATIONAL ECO-EFFICIENCY

CLIMATE CHANGE

RESPONSIBLE FINANCING

CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

PRIORITY ISSUE

Climate change garners significant attention on the world stage. As such, it is important for banks to fully understand and manage their direct and indirect impacts on the issue. Scotiabank takes action through its climate change related policies, lending practices, scenario planning, green business initiatives and consumer programs.

Scotiabank recognizes the need to take action, on its own and in collaboration with others, to reduce its impact on climate change and help mitigate the adverse effects of this global challenge to ensure the needs of future generations are met.

Climate change risk

Climate change related policies

Climate change risks and opportunities are integrated into the Bank's Environmental Policy and its Credit Administration Handbook (CAH). The CAH is a credit procedures manual integral to the Bank's Credit Risk Policy.

Environmental risks material to the Bank are identified, assessed, measured and managed through the Operational Risk Management Policy. Operational risk reports are tailored for the use of business units (in their day-to-day activities), business line operational risk committees, senior management and the Board (quarterly).

Environmental risks material to Bank customers are identified, assessed, measured and managed through the Credit Risk Policy. The Environmental Policy, Credit Risk Policy and Operational Risk Management Policy are regularly reviewed and approved by the Board of Directors.

Loans

The integration of environmental and social risk factors into the Bank's lending decisions allows Scotiabank to assess material climate change risks and opportunities in the organizations to which it lends. Environmental risks associated with the business operations of each borrower and any real estate offered as security are considered in the Bank's credit evaluation. This includes an environmental assessment and commentary on climate change. Scotiabank is also a member of the Equator Principles, whose principles include: (i) an alternatives analysis completed by the client for projects whose Scope 1 and 2 greenhouse gas emissions are expected to exceed 100,000 tonnes of CO₂ equivalent per annum, and (ii) public reporting by the client of Scope 1 and 2 greenhouse gas emission levels for projects emitting in excess of 100,000 tonnes of CO₂ equivalent annually during the operational phase.

[> LEARN MORE ABOUT RESPONSIBLE FINANCING](#)

6.2

Climate change

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

OPERATIONAL ECO-EFFICIENCY

CLIMATE CHANGE

RESPONSIBLE FINANCING

CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Enterprise-level scenario planning

The Bank integrates climate change considerations into enterprise-level scenario planning, analyzing situations such as extreme weather events that could pose significant operational risk. Operational Risk Management facilitates sessions with Real Estate, Business Continuity Management, Human Resources and Information Technology and Security to determine the materiality of such scenarios. Topics include how the scenario could occur, as well as the potential loss impact and the likelihood and frequency of loss to the Bank. The information collected in these sessions is refreshed annually. Climate change related losses are also gathered as part of the Bank's ongoing data collection of operational risk loss.

Business opportunities

The Bank has responded to opportunities related to climate change through initiatives such as the Commercial Banking alternative energy lending program (EcoEnergy Financing Program), the EcoLiving Auto Loan (competitive financing on eligible hybrid, electric or clean diesel vehicles) and the focused trading activities of the Energy and Agricultural Commodities group.

Scotiabank EcoLiving

Scotiabank EcoLiving is the Bank's customer-focused environmental program. Its purpose is to educate Canadians on the benefits of home energy efficiency and green home improvements. By demonstrating how people can save money by saving energy, and at the same time reduce their impact on climate change, Scotiabank EcoLiving communicates the advantages of energy efficiency and sustainable practices.

The content-rich Scotiabank EcoLiving website includes a free home energy savings calculator that lets users create customized plans for environmentally friendly renovations. Based on the information the user inputs, the calculator selects the top three upgrades with the fastest break-even return and shows the CO₂ equivalent savings that would be generated. It also gives details on other upgrades that could reduce energy use, estimating return on investment and future savings. The EcoLiving website had more than 333,000 visits in 2014, and the calculator alone had more than 6,330 visits from its relaunch in April 2014 to fiscal year-end.

+ SCOTIABANK ECOLIVING



DID YOU KNOW?

The Scotiabank EcoLiving Auto Loan Program is proving popular with environmentally conscious consumers. The program provides discounted financing for the purchase of hybrid, clean diesel and electric vehicles. For every loan booked, Scotiabank donates CAD\$10 to the Nature Conservancy of Canada. The number of loans grew by 60% in 2014.

6.3

Responsible financing

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

OPERATIONAL ECO-EFFICIENCY

CLIMATE CHANGE

• RESPONSIBLE FINANCING

CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Environment and social risk

As a lender, Scotiabank uses robust risk management practices to identify, evaluate and mitigate the environmental and social risks associated with the business operations of prospective borrowers, and any real property offered as security. Credit evaluation procedures include an environmental assessment by the Bank or by an environmental consultant where necessary. Banking officers assess the effect of climate change on the borrower's operations and prospects, and comment where the impact (regulatory, physical or reputational) could be material. They also evaluate the social risks of a borrower or a transaction through the credit evaluation procedures.

Global Risk Management (GRM) has primary responsibility for establishing the policies, processes and standards associated with mitigating environmental and social risk in the Bank's lending activities. GRM also assists with training new banking and credit officers on risk management practices.

Equator Principles

The Equator Principles help financial institutions determine, assess and manage environmental and social risk. The Equator Principles focus attention on the impact that projects have on people, communities and the natural environment. The principles apply to project finance loans and advisory assignments where total capital costs exceed USD\$10 million, and to certain project-related corporate loans.

As an Equator Principles member since 2006, Scotiabank agrees to provide loans only to those projects where borrowers can demonstrate their ability and willingness to comply with comprehensive standards. These standards were developed to ensure that projects are socially responsible and conform to sound environmental management practices.

Scotiabank has a robust set of tools and guidance documents to help ensure that banking and credit officers leading project finance transactions have the necessary information to meet Equator Principles requirements. The credit unit and senior

management provide oversight on transactions. A dedicated environmental and social risk manager is available to the deal team to provide advice and counsel if necessary.

While separate environmental and social risk management procedures exist for non-Equator Principles loans, banking officers are encouraged to complete Equator Principles-style due diligence for all project finance transactions (not just those to which the Equator Principles are deemed to apply).

The Bank carried out a voluntary internal audit of its adherence to the Equator Principles in 2013. Certain areas were identified as needing improvement, including documentation of Equator Principles in manuals, loan reporting procedures and management oversight. These matters were addressed in 2014, and the Bank is now focused on maintaining awareness through training of banking and credit teams.

Responsible financing

Equator Principles transaction reporting

Project finance

Five project finance transactions reached financial close during the Bank's fiscal year:

Sector	Category A	Category B
Mining	3	
Infrastructure	1	1
Region		
Americas	3	
Asia and Oceania	1	1
Country Designation		
Designated	2	1
Non-designated	2	
Independent Review*		
Yes	4	1
No		
Total	4	1

Project-related corporate loans

Three project-related corporate loans reached financial close during the Bank's fiscal year:

Sector	Category A	Category B
Mining	1	
Oil		1
Power		1
Region		
Americas	1	2
Country Designation		
Designated		1
Non-designated	1	1
Independent Review*		
Yes	1	2
No		
Total	1	2

* An independent review may not be required for all projects (not required for category C projects). Please refer to the Equator Principles for details on what is required for each category and product type.

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. There were no category C projects in fiscal 2014.

+ EQUATOR PRINCIPLES

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

OPERATIONAL ECO-EFFICIENCY

CLIMATE CHANGE

• RESPONSIBLE FINANCING

CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

6.3

Responsible financing

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

OPERATIONAL ECO-EFFICIENCY

CLIMATE CHANGE

• RESPONSIBLE FINANCING

CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Renewable energy sector

In 2014, Scotiabank's Global Banking and Markets division had approximately CAD\$1.3 billion in calculated authorized exposure to the renewable energy sector in Canada¹ and approximately USD\$136 million in authorized credits to the renewable energy sector in the United States².

1 Calculated based on each client's credit exposure multiplied by the client's renewable energy generation capacity as a percentage of its total power generation mix. Proportion of each client's renewable energy generation was obtained from client-produced publicly available sources and reporting documents.

2 Calculated based on the committed exposures of the various borrowers.

Global Banking and Markets was involved in the following renewable energy transactions during 2014:

- Participated in a new CAD\$70 million term loan financing, with proceeds used for the refurbishment of the Kruger Bromptonville Limited Partnership biomass cogeneration facility, which is owned by a wholly owned subsidiary of Kruger Inc.
- Participated in the USD\$145 million credit facility of Pattern US Finance Company LLC and Pattern Canada Finance Company LLC, both wholly owned subsidiaries of Pattern Energy Group Inc. (PEG). The Bank also acted as co-manager on PEG's initial public offering in October 2013 and follow-on equity offering in May 2014. PEG is a publicly listed yield company that owns and operates renewable projects in the United States, Canada and Chile. The credit facility supports working capital requirements for 1,257 MW of operational wind projects as well as more than 3,000 MW of future growth opportunities.
- Acted as exclusive financial advisor to AES Gener S.A. with respect to the 531 MW run-of-river Alto Maipo hydroelectric development project in Chile. AES Gener was seeking a minority partner for a potential investment of 40% to 49% in the project, for a total investment of approximately USD\$2 billion. Scotiabank contacted a focused pool of global strategic and financial investors, and in July 2013, AES Gener selected Antofagasta Minerals as a partner.
- Acted as joint lead on a 19-year CAD\$315 million private placement by NextEra Energy Canada, for its 147 MW Trillium Wind Power project in Ontario. At the time of issue, this was Scotiabank's second transaction in the wind renewable sector.

Responsible financing

Green bonds

Green bonds are fixed income securities that raise capital for projects with specific environmental benefits. Using green bonds to help fund public-private partnerships adds another dimension of social and environmental responsibility for infrastructure projects.

In 2014, Scotiabank priced and jointly underwrote the first green bond to fund a public-private partnership project in North America, and the first green bond issued to finance public infrastructure in Canada.

The green bond was issued by Tandem Health Partners, a public-private partnership made up of equity sponsors and construction contractors, selected by the British Columbia provincial government to deliver the North Island Hospitals Project in British Columbia, Canada. The project will see two new hospitals built in Comox Valley and Campbell River, providing some 250 beds and thousands of new jobs.

The bond raised more than CAD\$231 million, the proceeds of which will be partially used to design, build, finance and maintain the new hospitals.

\$231
MILLION



**RAISED THROUGH
GREEN BONDS WILL
PARTIALLY BUILD,
FINANCE AND
MAINTAIN NEW
HOSPITALS**



Artist rendering of North Island Hospitals Project on Vancouver Island, British Columbia, Canada. The green bond became the first of its kind to fund a public-private partnership project in North America, and was the first in Canada to finance public infrastructure.

Photo courtesy Tandem Health Partners

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

OPERATIONAL ECO-EFFICIENCY

CLIMATE CHANGE

• RESPONSIBLE FINANCING

CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

6.4

CASE STUDY: Scotiabank SmartEnergy Loan promotes sustainable business



INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

OPERATIONAL ECO-EFFICIENCY

CLIMATE CHANGE

RESPONSIBLE FINANCING

• CASE STUDY

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY



In Jamaica, the Scotiabank SmartEnergy Loan is helping customers compete more effectively and improve their ability to operate sustainable businesses. It offers them financing at preferential terms to cover the cost of projects such as the installation of solar panels, solar water heaters and equipment to support green energy systems.

The Scotiabank SmartEnergy Loan addresses one of the greatest deterrents to business growth in Jamaica, which is the exceptionally high cost of energy. Energy costs are an issue of national concern and the government has made it a priority to shift to alternative energy sources such as solar and wind power. It has implemented a number of incentives to encourage growth of the renewable energy sector.

The loan also helps customers meet their environmental objectives. Across Jamaica, more and more businesses are concerned about their environmental footprint and are looking for ways to reduce their impact.

The Scotiabank SmartEnergy Loan was specifically designed for small businesses and individuals seeking alternate energy solutions. In addition to providing financing at preferential terms, it gives customers access to a dependable financial partner with a high-quality product and it empowers them to make choices about their energy sources and consumption.

“It’s important for us to offer this type of financing because our customers are becoming more energy conscious and environmentally aware. As customers’ needs evolve, we adapt our products and services to help meet their needs and help them achieve their objectives.”

– Jacqueline Sharp, Country Head Jamaica



VIDEO: Learn how the Scotiabank SmartEnergy Loan helped Foote Prints on the Sands Hotel and Bogue Village Supermarket.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

• COMMUNITY INVESTMENT

APPROACH TO
COMMUNITY
INVESTMENT

SCOTIABANK
BRIGHT FUTURE

CASE STUDY

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY



Community investment

Philanthropy is one of the best ways for Scotiabank to demonstrate its values around the world, as well as its commitment to the communities where it does business. The Bank focuses on partnering with non-profit and charitable organizations that empower people with the skills to help them become better off. In addition to the Bank's corporate philanthropy, Scotiabank employees volunteer their time and energy to charitable causes that are important to them.

+ HELPING OUR COMMUNITIES BECOME BETTER OFF

\$65
MILLION (CAD)

IN GLOBAL CONTRIBUTIONS

Contributed globally in
donations, sponsorships
and other forms of
community assistance



650,000
VOLUNTEER HOURS

Number of hours
Scotiabankers spent
volunteering or fundraising
for local causes



In October 2014, more than 130 volunteers of Scotiabank in Peru planted approximately 150 trees and 800 plants in the district of Villa el Salvador, demonstrating Scotiabank's social and environmental leadership.

7.1

Approach to community investment

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

- APPROACH TO COMMUNITY INVESTMENT
- SCOTIABANK BRIGHT FUTURE
- CASE STUDY

PUBLIC ACCOUNTABILITY STATEMENT

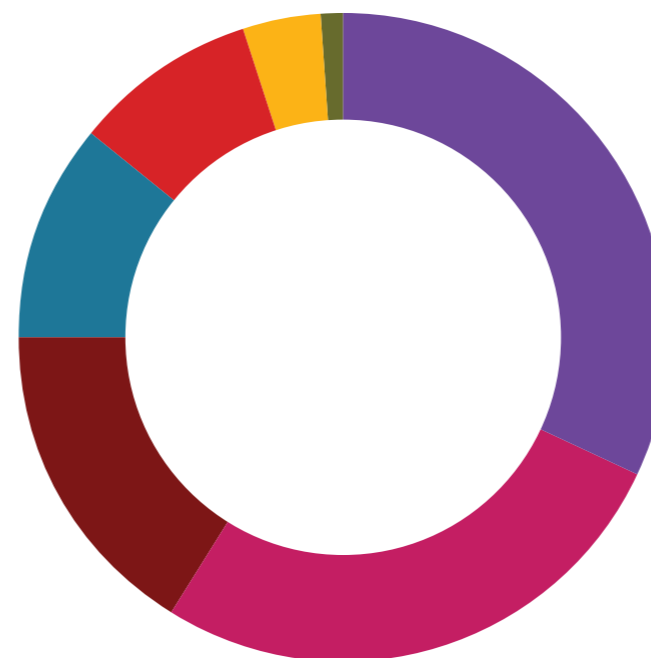
DISCLOSURE INDEX

GLOSSARY

Scotiabank Bright Future is the Bank's global philanthropic program. The program aims to be relevant and responsive to the needs of local communities at the grassroots level across six pillars: social services, health care, education, sports, arts and culture and environment. The Bank is particularly interested in partnering with non-profit and charitable organizations that empower people with the skills, tools and information to help them become better off. In the Caribbean and Latin America, the program focuses primarily on children and children's causes.

In 2014, Scotiabank contributed over CAD\$65 million in donations, sponsorships and other forms of assistance globally. Globally, Scotiabank employees dedicated more than 650,000 hours of volunteering and fundraising time to local causes.

+ VISIT SCOTIABANKBRIGHTFUTURE.COM TO ACCESS A FUNDING REQUEST FORM.



Community Investment	%
Social services	32%
Health	27%
Education	16%
Sports	11%
Arts & culture	9%
Other	4%
Environment	1%
Total	100%

7.2

Scotiabank Bright Future

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

APPROACH TO COMMUNITY INVESTMENT

- SCOTIABANK BRIGHT FUTURE CASE STUDY

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Employee participation

Scotiabank Bright Future brings together the passion of employees, the insight of the Bank's partners and the spirit of communities.

The program has resulted in Scotiabank employees being more engaged in their communities. Engaged employees are more involved, enthusiastic and committed to acting in a way that benefits their organization. Each year, the Bank uses its international survey to measure the degree to which Bright Future is in fact engaging employees. The 2014 survey highlighted the following:

- 89% of employees indicated that they are somewhat or strongly more inclined to work for a company that supports charitable and not-for-profit community organizations
- 94% of employees somewhat or strongly agree that Scotiabank's contributions to the community leave them with a positive feeling about Scotiabank

Through Scotiabank Bright Future, Scotiabank employees give extraordinary support to local causes. The Bank supports their efforts through two formal, global employee community programs:

Scotiabank Team Community Program (STCP)

STCP matches funds raised by employee teams. The Bank matches up to CAD\$5,000 raised by teams of five or more employees, or CAD\$15,000 raised by teams of 30 or more employees. In 2014, a team of 33 bankers from Corporate and Commercial Banking in Panama sold raffle tickets to support Casita de Mausí, an organization offering temporary housing to cancer patients who come from the interior of the country and lack the funds to cover basic expenses while receiving treatment at the National Oncology Institute. The organization has 29 beds to house patients and their relatives. It also provides them with food, medication, transportation to and from the Institute, and help with patient recovery through recreational programming.

Scotiabank Employee Volunteer Program (SEVP)

SEVP provides donations to community organizations in which individual employees have been active volunteers. Individual employees or retirees who have actively volunteered for at least 50 hours a year with a qualifying community-based organization can apply for a donation of up to CAD\$1,000 from the Bank.

The Fundación Ave Fenix in Chile is focused on social and physical inclusion for students at the college who may struggle with mental and physical disabilities. Through the Scotiabank Employee Volunteer Program, Juan Bustos earned a USD\$881 donation in recognition of his 60 volunteer hours with the foundation. With the support of programs like this, students with varying capacities are able to integrate into the educational community which will assist in their overall development and achievements.

7.2

Scotiabank Bright Future

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

APPROACH TO COMMUNITY INVESTMENT

- SCOTIABANK BRIGHT FUTURE CASE STUDY

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Scotiabank Bright Future Awards

To recognize the efforts of Scotiabankers, the Bank has three sets of internal awards for employees under Bright Future:

- International Philanthropy Awards recognize employees' commitment to communities in international locations largely throughout Central/South America and the Caribbean
- Canadian Top Story Awards recognize community involvement by employees across Canada
- Global Scotiabank Bright Future Community Leadership Awards recognize one employee and one team from both Canada and an international location for their outstanding community involvement. The individual awards provide CAD\$2,500 in donations and the team awards provide CAD\$5,000 in donations to the registered charity of the winner's choice.

Scotiabank Bright Future Awards for Youth

This external award was added to Scotiabank Bright Future in 2013 to recognize the volunteer work that youth are doing in their communities and to encourage the valuable learning that comes from giving back. Each year, Scotiabank recognizes 12 youth volunteers from around the world – six from Canada and six from the Bank's international locations. Award recipients receive a Bright Future Awards trophy, a CAD\$2,500 donation to their charity of choice and a tablet computer.

Recipient programs

Here are some of the thousands of initiatives Scotiabank and its employees supported in 2014:

Social services

In Canada, **Youth Employment Services (YES)** empowers youth to reach their full potential and achieve personal and professional success. The Bank partners with YES in support of its Job Camp program, which helps 120 at-risk youth to develop employability and life skills, and then to use those skills to find a job. In 2014, 80% of participants found jobs and were still employed three months after the program.

Continue 

7.2

Scotiabank Bright Future

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

APPROACH TO COMMUNITY INVESTMENT

- SCOTIABANK BRIGHT FUTURE CASE STUDY

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY

Health

Helping to improve patient care and get patients back into society as quickly as possible is a focus for the Bank's funding in the health care sector. Operation Smile Foundation is a partner of Multibanca Colpatría (a subsidiary of Scotiabank in Colombia). Throughout the year, volunteers helped more than 300 children with cleft lip palate by guiding them through the pre-surgery process. Fifty-two Scotiabank volunteers organized recreation activities prior to surgery in Montería, Bogotá, Cali and Barranquilla, Colombia.

Education

The Bank provides financial aid to students in recognition of their academic excellence and to enable them to pursue their interests regardless of economic background. More than 500 scholarships and bursaries totalling \$1.4 million were awarded globally during 2013/14. **Hands Across the Sea** is a collaborative project to support children's literacy and educational development in Antigua, St. Kitts and Nevis, Dominica, St. Lucia, St. Vincent and the Grenadines and Grenada through library support and book donations. Scotiabankers are actively

involved at 10 recipient schools, doing everything from painting libraries to sorting books. Junior Achievement is a key partner for Scotiabank in delivering financial literacy education to youth in Canada and in the Caribbean and Latin America. In partnership with **Junior Achievement**, Scotiabank supports a regional program in 13 countries in Central America and the Caribbean, and in calendar year 2014 delivered over 160 programs to 5,220 students who benefited from learning how to manage finances.

Sports

Scotiabank supports sports and promotes sportsmanship, whether through youth-organized teams or formally organized sports teams and events. In Chile, Scotiabank sponsored the **Deportiva La Araucana Club** to hold a children's national football championship. A USD\$340,000 donation was provided to support 1,600 children and their families in five cities across Chile.

Arts and culture

Scotiabank is a strong supporter of the arts and aims to bring art and culture to life for people who might not otherwise

have the opportunity to participate. Among the Bank's initiatives, the **Scotiabank Photography Award (SPA)** is Canada's most prestigious award for Canadian contemporary photography. Designed to raise the international profile of established Canadian photographic artists, the award acknowledges the outstanding contribution that winners have made to contemporary art and photography. SPA winners include: Lynne Cohen, Montreal (2011); Arnaud Maggs, Toronto (2012); Stan Douglas, Vancouver (2013) and Mark Ruwedel, British Columbia and California (2014).

Environment

In Ontario, Canada, Scotiabank provided financial support to **TREC Education**, renewable energy educators, to develop and execute a four-week training course for Aboriginal youth on the renewable energy sector. Renewable energy represents a growing opportunity for economic development and youth employment for First Nations across Canada. The course included hands-on solar training, renewable energy project financing and site visits to local facilities.

7.3

CASE STUDY: Partners in development



INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

APPROACH TO COMMUNITY INVESTMENT

SCOTIABANK BRIGHT FUTURE

• CASE STUDY

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

GLOSSARY



Scotiabank and the Municipality of La Matanza in Peru signed a public-private partnership agreement for the construction of a 6.4-mile road through an “Obras por Impuestos” public works tax program. The roadway will play an important role in the development of the region.

Scotiabank Peru supports social and economic development by partnering with a variety of different organizations in Peru, both private and public.

Since 2012, the Bank has partnered with CARE Peru to deliver “Creando Capacidades para la inclusión financiera y social de familias en situación de pobreza” (Creating skills for financial and social

inclusion) in the city of Piura. The program helps entrepreneurs develop business plans, as well as promoting savings and access to microfinance. To date, more than 4,550 people have participated, engaging in productive microbusinesses related to lemon, cocoa, cowpea, mango, goats, cattle, fertilizers, carob, ceramics, beekeeping, tourism and entrepreneurship.

In 2014, Scotiabank and the District Municipality of La Matanza, province of Morropón (Piura), signed an agreement that will see the Bank invest approximately CAD\$2.3 million to help build a 6.4-mile paved road benefiting close to 6,000 people in rural communities. This is the first time that the Bank has entered into a public-private partnership through an “Obras por Impuestos” (public works tax program), which allows regional and local governments to sign agreements with private companies for infrastructure investment. The roadway will play an important role in the development of the region, giving residents improved access to schools, jobs and health facilities, and providing an efficient route for shipping local agricultural and manufactured goods to urban centres.

Public accountability statement

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

- PUBLIC
ACCOUNTABILITY
STATEMENT

AFFILIATES

EMPLOYEES

CORPORATE DONATIONS

TAXES

DEBT FINANCING

BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

Scotiabank's 2014 Public Accountability Statement (PAS) details many of the Bank's activities surrounding community development, charitable donations, small business financing, taxes paid and number of employees.

This document fulfills all requirements of the Canadian federal government's Public Accountability Statements Regulations (section 459.3(1) of the Bank Act) and pertains to our most recent fiscal year, November 1, 2013, to October 31, 2014.

Affiliates

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

- AFFILIATES
- EMPLOYEES
- CORPORATE DONATIONS
- TAXES
- DEBT FINANCING
- BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

This Public Accountability Statement relates to the following affiliates of Scotiabank in Canada: Scotia Capital Inc., The Mortgage Insurance Company of Canada, National Trust Company, Scotia Mortgage Corporation, Scotia General Insurance Company, Hollis Canadian Bank, Montreal Trust Company of Canada, Scotia Life Insurance Company, The Bank of Nova Scotia Trust Company, RoyNat Inc., and Scotia Merchant Capital Corporation.

Employees

Number of employees in Canada in 2014*

	Full-time	Part-time	Total
Alberta	2,668	1,209	3,877
British Columbia	2,339	1,210	3,549
Manitoba	505	219	724
New Brunswick	519	289	808
Newfoundland & Labrador	500	257	757
Nova Scotia	1,403	553	1,956
Northwest Territories	10	5	15
Ontario	22,980	4,751	27,731
Prince Edward Island	101	51	152
Quebec	1,960	547	2,507
Saskatchewan	463	338	801
Yukon Territory	13	10	23
Total Canada (headcount)	33,461	9,439	42,900
Total Canada (full-time equivalent)*			34,699.5

* Geographic breakdown is represented by headcount figures (actual number of individual employees), whereas full-time equivalent (FTE) statistics represent units of work reflecting a standard 37.5-hour work week. Note that one FTE might reflect work from more than one actual employee. Consequently, the aggregate FTE figure may not necessarily match the aggregate headcount figure.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

AFFILIATES

• EMPLOYEES

CORPORATE DONATIONS

TAXES

DEBT FINANCING

BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

8.3

Corporate donations 2014

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

AFFILIATES

EMPLOYEES

• CORPORATE DONATIONS

TAXES

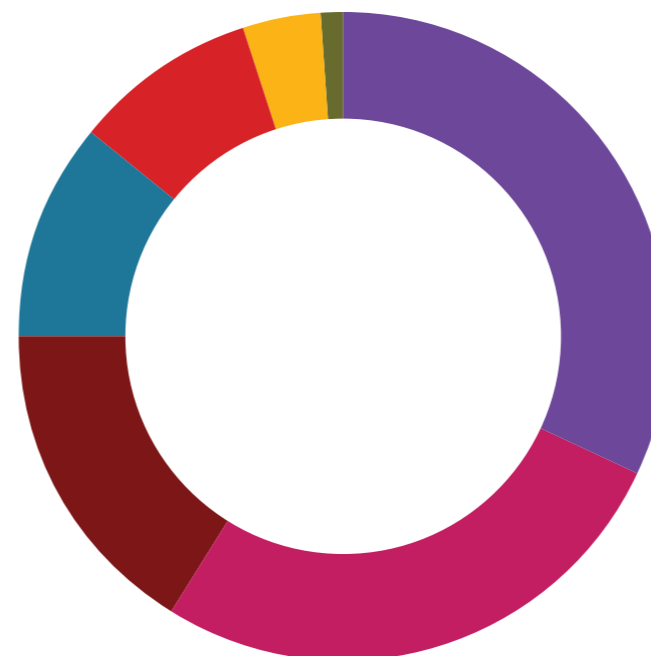
DEBT FINANCING

BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

In 2014, Scotiabank contributed over CAD\$65 million in donations, sponsorships and other forms of assistance globally. Globally, Scotiabank employees dedicated more than 650,000 hours of volunteering and fundraising time to local causes.



Community Investment	%
Social services	32%
Health	27%
Education	16%
Sports	11%
Arts & culture	9%
Other	4%
Environment	1%
Total	100%

8.4

Taxes

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

AFFILIATES

EMPLOYEES

CORPORATE DONATIONS

• TAXES

DEBT FINANCING

BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

Scotiabank incurs a number of taxes, including direct taxes on income by Canadian federal and provincial governments and the governments of foreign jurisdictions in which the Bank operates, as well as several indirect taxes. In 2014, this totalled \$2.9 billion, representing 31% of the Bank's net income, capital and other taxes for the year.

Total expenses to all levels of government in Canada are shown in the chart. For additional information on the Bank's tax expense in 2014, please refer to Table 80 in the Scotiabank 2014 Annual Report, available online at scotiabank.com.

Taxes in Foreign Regions

(For the year ended October 31, 2014)
(CAD\$ thousands)

	Income Taxes
Asia Pacific	115,413
Caribbean & Latin America	567,249
Europe & Middle East	85,298
United States	108,832
Total	876,792

Taxes in Canada

(For the year ended October 31, 2014)
(CAD\$ thousands)

	Income Taxes	Capital Taxes	Other Taxes*
Federal	658,584	0	262,102
Provincial			
Newfoundland & Labrador	6,044	5,768	2,832
Prince Edward Island	1,499	1,384	283
Nova Scotia	13,370	9,850	5,245
New Brunswick	5,179	6,601	1,765
Quebec	26,849	0	13,082
Ontario	330,612	0	212,535
Manitoba	5,481	9,070	2,038
Saskatchewan	5,796	5,504	956
Alberta	30,906	0	7,191
British Columbia	40,035	0	7,424
Northwest Territories	645	0	38
Total Provinces	466,416	38,177	253,388
Total = MD&A 1,678,667	1,125,000	38,177	515,490

* Includes payroll taxes, GST, HST, municipal taxes and deposit insurance premiums.

8.5

Debt financing

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

AFFILIATES

EMPLOYEES

CORPORATE DONATIONS

TAXES

• DEBT FINANCING

BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

Scotiabank is committed to meeting the needs of Canadian business, including small and medium enterprises. The following charts indicate – by province and for Canada as a whole – the amount of business credit authorized and outstanding in Canadian dollars as of October 31, 2014, and the number of customers to whom it was authorized.

Authorization Levels of	\$0–\$24,999			\$25,000–\$99,999		
	Authorized (\$000s)	Outstanding (\$000s)	Customers	Authorized (\$000s)	Outstanding (\$000s)	Customers
British Columbia and Yukon Territory*	99,717	49,437	14,000	339,412	156,796	7,532
Alberta and Northwest Territories**	114,757	51,217	15,987	399,966	195,379	8,882
Saskatchewan	30,563	13,523	3,526	140,206	66,551	2,957
Manitoba	60,970	36,799	6,560	354,517	232,336	6,922
Ontario	343,404	127,139	47,939	1,182,595	546,441	25,667
Quebec	80,625	56,537	10,150	288,515	190,161	6,322
New Brunswick	22,220	8,816	2,774	85,696	38,263	1,775
Nova Scotia	35,367	13,385	4,409	141,576	68,597	2,990
Prince Edward Island	5,382	1,940	641	26,512	12,563	556
Newfoundland & Labrador	21,662	7,424	2,771	100,645	39,370	2,221
Canada	814,667	366,217	108,757	3,059,640	1,546,457	65,824

Note: For reasons of client confidentiality, we have combined the following:

* Yukon Territory with British Columbia.

** Northwest Territories with Alberta.

Continue >

8.5

Debt financing

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

AFFILIATES

EMPLOYEES

CORPORATE DONATIONS

TAXES

• DEBT FINANCING

BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

Authorization Levels of	\$100,000–\$249,999			\$250,000–\$499,999		
	Authorized (\$000s)	Outstanding (\$000s)	Customers	Authorized (\$000s)	Outstanding (\$000s)	Customers
British Columbia and Yukon Territory*	290,301	155,557	1,945	306,474	198,322	914
Alberta and Northwest Territories**	338,776	181,448	2,239	374,019	231,912	1,109
Saskatchewan	131,366	75,480	865	123,045	84,490	366
Manitoba	419,566	296,352	3,075	153,639	119,974	452
Ontario	1,129,669	634,580	7,456	1,278,166	871,423	3,776
Quebec	206,876	133,336	1,349	206,905	137,940	609
New Brunswick	68,646	39,905	457	42,937	28,392	133
Nova Scotia	134,071	78,230	885	153,285	100,648	441
Prince Edward Island	22,652	13,828	154	21,924	14,816	64
Newfoundland & Labrador	69,646	36,569	476	46,923	27,407	146
Canada	2,811,569	1,645,285	18,901	2,707,317	1,815,324	8,010

Note: For reasons of client confidentiality, we have combined the following:

* Yukon Territory with British Columbia.

** Northwest Territories with Alberta.

Continue >

8.5

Debt financing

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

AFFILIATES

EMPLOYEES

CORPORATE DONATIONS

TAXES

• DEBT FINANCING

BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

Authorization Levels of	\$500,000–\$999,999			\$1,000,000–\$4,999,999			Over \$5,000,000		
	Authorized (\$000s)	Outstanding (\$000s)	Customers	Authorized (\$000s)	Outstanding (\$000s)	Customers	Authorized (\$000s)	Outstanding (\$000s)	Customers
British Columbia, YT*	256,449	177,573	379	806,218	547,647	387	4,093,782	2,514,633	165
Alberta, Saskatchewan, NT**	366,125	224,030	553	1,188,783	693,584	552	16,684,265	7,401,884	373
Manitoba	98,835	67,387	150	243,490	149,944	112	878,324	327,103	34
Ontario	1,212,136	874,369	1,763	4,639,538	3,435,131	2,083	63,154,263	26,822,995	1,394
Quebec	246,073	174,982	363	897,581	630,428	403	7,452,582	4,940,207	287
NB, PE, NL, NS ***	234,746	153,364	350	934,645	615,370	432	2,799,723	1,504,441	146
Canada	2,414,364	1,671,705	3,558	8,710,255	6,072,104	3,969	95,062,939	43,511,263	2,399

Note: For reasons of client confidentiality, we have combined the following:

* Yukon Territory and British Columbia

** Northwest Territories, Saskatchewan and Alberta

*** New Brunswick, Prince Edward Island, Newfoundland & Labrador and Nova Scotia

8.6

Branches and ABMs

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

AFFILIATES

EMPLOYEES

CORPORATE DONATIONS

TAXES

DEBT FINANCING

• BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

Branches/offices/ABMs – Canada

Scotiabank's strong customer focus and commitment to improving sales and service includes maintaining a strong branch network as part of its overall delivery strategy. The Bank currently has 1,040 branches and 3,942 ABMs in Canada. In 2014, as part of our expansion plans, we opened seven new branches. We also relocated branches in six different communities during the past year. With all branches that were closed, consolidated or relocated, we worked closely with our customers and the community to ensure a smooth transition and to continue to find ways to meet their needs.

Branch locations newly opened in 2014

Ontario

11815 Bramalea Rd., Brampton
8974 Chinguacousy Rd., Unit #B5, Brampton
13255 Highway #27, Unit C, Nobleton
1700 King Rd., King City
1105 Thompson Rd., Unit E3, Fort Erie*
385 Springbank Ave. N., Woodstock*
700 Sussex Dr., Unit 2, Ottawa*
29 Richer Circle, Casselman**

British Columbia

#3, 103-3521 Blanshard St., Victoria
2115 Hawkins St., Port Coquitlam
500 Notre Dame Dr., #500 Columbia Sq., Kamloops*
116-1644 Hillside Ave., Victoria*

Quebec

900 boul Rene-Levesque, Drummondville
2312 chemin Lucerne, Montreal*

* New branch as a result of relocation.

** New branch as a result of consolidation.

Branch locations closed, relocated or consolidated in 2014

Ontario

200 Garrison Rd., Fort Erie*
385 Springbank Ave., Woodstock*
117 Rideau St., Ottawa*
300 Borough Dr., Unit 211 (Upper Level), Scarborough**
199 Advance Blvd., Brampton**
258 Main St., Newmarket**
924 King St E., Hamilton**
4531 Ste-Catherine St., St. Isidore**
3287 Main St., Avonmore**

British Columbia

1201 Summit Dr., Kamloops*
77 1644 Hillside Ave., Victoria*

Quebec

2380 rue Lucerne, Montreal*
1900 ave McGill College, Montreal**

* Closure as a result of relocation.

** Closure as a result of consolidation.

8.6

Branches and ABMs

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

AFFILIATES

EMPLOYEES

CORPORATE DONATIONS

TAXES

DEBT FINANCING

• BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

ABM installations

Alberta

91 Crowfoot Terrace N.W., Calgary
165 Steward Green S.W., Calgary
14231 137th Ave., N.W., Edmonton
1525 99th St., N.W., Edmonton
6151 Currents Dr., N.W., Edmonton
10330 109th St., Grand Prairie
37400 Hwy #2, Red Deer County
261055 Cross Iron Blvd., Unit 528,
Rocky View
3292 Dunmore Rd. S.E., Medicine Hat
2020 Sherwood Dr., Sherwood Park
30 3rd Ave. S.E., Unit 40, High River
62 Carleton Ave., Red Deer
7424 118 Ave. N.W., Edmonton
555 Saddledome Rise S.E., Calgary
800 Yankee Valley Blvd., Airdrie
4003 56th St., Wetaskiwin
4201 28th St., Unit 100, Stony Plain

British Columbia

3122 Mount Lehman Rd., Unit J200,
Abbotsford
8249 Eagle Landing Pkwy., Unit 226,
Chilliwack
700-1320 Trans Canada Hwy. W., Kamloops
900-2945 Jacklin Rd., Langford
213-4750 Rutherford Rd., Nanaimo
19800 Lougheed Hwy., Unit 410,
Pitt Meadows
12161 72nd Ave., Surrey
88 West Pender St., Vancouver
2115 Hawkins St., Port Coquitlam
500 Notre Dame Dr., Kamloops
1644 Hillside Ave., Unit 116, Victoria
2061 Whatcom Rd., Abbotsford
3800 Finnerty Rd., Victoria
19188 72nd Ave., Surrey
485 East Columbia St., Unit 120,
New Westminster

Manitoba

2190 McGillivray Blvd., Winnipeg
4000-1399 McPhillips St., Winnipeg
690 Sterling Lyon Pkwy., Winnipeg
1103 Pembina Hwy., Winnipeg

Nova Scotia

47 Church St., Amherst
349 Lahave St., Bridgewater
145 Shubie Dr., Dartmouth
5657 Spring Garden Rd., Halifax
190 Chain Lake Dr., Halifax
760 Sackville Dr., Lower Sackville
612 East River Rd., New Glasgow
8944 Commercial St., New Minas
325 Prince St., Sydney
20 Treaty Trail, Truro
136 Starrs Rd., Yarmouth
15933 Central Ave., Inverness
1800 Argyle St., Halifax

8.6

Branches and ABMs

ABM installations

Newfoundland

2 Main St., Cornerbrook

48 Kenmount Rd., St. John's

760 Topsail Rd., St. John's

Ontario

248 Kingston Rd., Ajax

15460 Bayview Ave., Aurora

131 Riocan Ave., Barrhaven

72 Commerce Park Dr., Barrie

160 Bell Blvd., Belleville

20 Biscayne Cres., Brampton

1250 Brant St., Burlington

760 St. Clair St., Chatham

6 Mountain Rd., Collingwood

1325 2nd St. E., Cornwall

485 Woodlawn Rd. W., Guelph

85 Clair Rd. E., Guelph

626 Gardiner's Rd., Kingston

755 Wonderland Rd. S., London

9226 County Road 93, Midland

1175 Maple Ave., Milton

110 Courtney Park Dr., Mississauga

7555 Montrose Rd., Niagara Falls

300 Lakeshore Dr., North Bay

3531 Wyecroft Rd., Oakville

85 5th Ave., Orangeville

865 West Ridge Blvd., Orillia

1351 Grandview St. N., Oshawa

2214 Bank St., Ottawa

1020 10th St. W., Owen Sound

320 Water St., Peterborough

1380 London Rd., Sarnia

293 Bay St., Sault Ste. Marie

785 Milner Ave., Scarborough

795 Paramount Dr., Scarborough

55 Bloor St. W., Toronto

10 Dundas St. E., Toronto

550 King St. N., Waterloo

3100 Howard Ave., Windsor

1651 Queen St. E., Toronto

2081 Winston Park Dr., Oakville

6019 Steeles Ave. E., Toronto

1105/6 Thompson Rd., Unit E3, Fort Erie

11815 Bramalea Rd., Brampton

29 Richer Circle, Casselman

974 Chinguacousy Rd., Unit B5, Brampton

1255 Barton St. E., Hamilton

13255 Highway 27, Nobleton

54 Peel Centre Dr., Brampton

700 Sussex Dr., Unit 2, Ottawa

1700/1 King Rd., King City

571 Glenridge Ave., St. Catharines

12 Marie Labette Rd., Unit B, Toronto

700 Gordon St., Whitby

682 Yonge St., Toronto

1579 Oxford, London

Prince Edward Island

130 Ryan St., Summerside

670 University Ave., West Royalty

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

AFFILIATES

EMPLOYEES

CORPORATE DONATIONS

TAXES

DEBT FINANCING

• BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

8.6

Branches and ABMs

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

AFFILIATES

EMPLOYEES

CORPORATE DONATIONS

TAXES

DEBT FINANCING

• BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

ABM installations

Quebec

825 rue Clemenceau, Beauport

9350 boul Leduc, Brossard

115 boul du Plateau, Hull

7077 boul Newman, LaSalle

350 rue Emery, Montreal

1200 boul Duplessis, Ste-Foy

2312 chemin Lucerne, Montreal

900 boul Rene-Levesque, Drummondville

901 boul Rene-Levesque, Drummondville

902 boul Rene-Levesque, Drummondville

292 rue Main E., Coaticook

2050 ave Laurier E., Montreal

10048 boul de L'Orm, Quebec City

2933 boul de la Gare, Vaudreuil

1101 boul Brassard, Chambly

1399 ave Phare W., Matane

10735 Henri Bourassa E., Montreal

Saskatchewan

1235 Main St. N., Moose Jaw

2995 2nd Ave. W., Unit 1C, Prince Albert

3025 Gordon Rd., Regina

420 McCarthy Blvd. N., Unit 26, Regina

3510 8th St., Saskatoon

8.6

Branches and ABMs

ABM de-installations

Alberta

8770 170 St., Edmonton

1007 20 St. S.E., High River

British Columbia

32555 London Ave., Mission

3949 Shelbourne St., Victoria

21644 Hillside Ave., Unit 77, Victoria

1201 Summit Dr., Kamloops

860 Victoria St., Trail

New Brunswick

2 Wallace Cover Rd., Blacks Harbour

Ontario

199 Advance Blvd., Brampton

309 Rathburn Rd. W., Mississauga

145 Speedvale Ave. W., Guelph

404 St. Clair St., Chatham

369 Ontario St., Port Hope

17 Lindsay St. S., Lindsay

777 Tower St. S., Fergus

900 Landsdowne St. W., Peterborough

321 St. Paul Ave., Brantford

16 Bath Rd., Kingston

1070 Stone Church Rd., Hamilton

150 Kilgour Rd., Toronto

109 Fanshawe Park Rd., London

509 Bayfield St., Barrie

21 Richer Circle, Casselman

73 Rideau St., Ottawa

50 Rideau St., Ottawa

924 King St. E., Hamilton

200 Garrison Rd., Fort Erie

258 Main St., Newmarket

117 Rideau St., Ottawa

3287 Main St., Avonmore

300 Borough Dr., Unit 211, Scarborough

7 Metcalf St. E., Strathroy

9 Borealis Ave., Unit 1, Aurora

Quebec

409 boul Grand, Île-Perrot

2605 rue Masson, Montreal

5395 boul Henri-Bourassa E., Montreal

210 boul Taschereau, La Prairie

1034 boul Pie XI N., Quebec

9968 boul de L'Ormiere, Quebec City

700 boul de Montbrun, Boucherville

1045 rue Hains, Drummondville

1900 ave McGill College, Montreal

2380 rue Lucerne, Montreal

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

AFFILIATES

EMPLOYEES

CORPORATE DONATIONS

TAXES

DEBT FINANCING

• BRANCHES AND ABMS

DISCLOSURE INDEX

GLOSSARY

Disclosure index

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

• DISCLOSURE INDEX

GLOSSARY

Profile Disclosure	Disclosure	Scope ● Global ● Canadian	Location	UNGC	CDP*
Strategy and Analysis					
1.1	Statement from the most senior decision-maker of the organization.	●	1.2, 1.3		
1.2	Description of key impacts, risks, and opportunities.	●	1.0, 1.2, 1.3, 1.5, 2.2, 2.3	1	
Organizational Profile					
2.1	Name of the organization.	●	1.0		
2.2	Primary brands, products and/or services.	●	1.4, 4.0, 4.2, 4.3 Website – Global Homepage		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	1.1, 1.4 Website – Corporate Profile		
2.4	Location of organization’s headquarters.	●	Page 111		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	1.1, 1.4		
2.6	Nature of ownership and legal form.	●	2014 Annual Report – Shareholder Information		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	● ●	1.4, 2.2, 4.1, 4.2		

* Based on Scotiabank's 2013 CDP Report.

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

• DISCLOSURE INDEX

GLOSSARY

Disclosure index

Profile Disclosure	Disclosure	Scope		Location	UNGC	CDP*
		• Global	• Canadian			
2.8	Scale of the reporting organization.	•	•	1.0, 1.4, 1.5, 8.2 2014 Annual Report – Highlights		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	•		2014 Annual Report – Shareholder Information		
2.10	Awards received in the reporting period.	•		1.5, 4.1, 5.2, 5.5		
Report Parameters						
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	•		1.1		
3.2	Date of most recent previous report (if any).	•		Website – Corporate Social Responsibility Reports		
3.3	Reporting cycle (annual, biennial, etc.).	•		1.1		
3.4	Contact point for questions regarding the report or its contents.	•		Page 111		
3.5	Process for defining report content.	•		1.1		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	•		1.1		
3.7	State any specific limitations on the scope or boundary of the report.	•		1.1		

Disclosure index

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

• DISCLOSURE INDEX

GLOSSARY

Profile Disclosure	Disclosure	Scope		Location	UNGC	CDP*
		• Global	• Canadian			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	•		1.1		
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	•		1.1, 2.3, 5.2, 6.1		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	•		1.1		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	•		1.1, 5.3		
3.12	Table identifying the location of the Standard Disclosures in the report.	•		9.0		
3.13	Policy and current practice with regard to seeking external assurance for the report.	•		1.1		8.6, 8.6a, 8.6b, 8.7, 8.7a, 14.2, 14.2a

Disclosure index

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

• DISCLOSURE INDEX

GLOSSARY

Profile	Disclosure	Scope	Location	UNGC	CDP*
		<ul style="list-style-type: none"> Global Canadian 			
Governance, Commitments, and Engagement					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	<ul style="list-style-type: none"> Global 	2.1, 3.1 2014 Annual Report – Corporate Governance 2014 Management Proxy Circular (pages 11–18)	1	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	<ul style="list-style-type: none"> Global 	3.1 2014 Annual Report – Corporate Governance 2014 Management Proxy Circular (page 12)	1	
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	<ul style="list-style-type: none"> Global 	3.0 2014 Annual Report – Corporate Governance 2014 Management Proxy Circular (pages 11–18)	1	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	<ul style="list-style-type: none"> Global 	2014 Annual report – Corporate Governance 2014 Management Proxy Circular (pages 82–85)	1	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	<ul style="list-style-type: none"> Global 	2.1, 3.1 2014 Annual Report – Corporate Governance 2014 Management Proxy Circular (pages 20–21)	4	

Disclosure index

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

• DISCLOSURE INDEX

GLOSSARY

Profile Disclosure	Disclosure	Scope • Global • Canadian	Location	UNGC	CDP*
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	•	3.1 2014 Management Proxy Circular (pages 31–32)	4	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	•	3.1	4	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	•	1.4, 3.1, 3.2, 5.2, 5.3	4	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	•	2.0, 2.1, 3.0, 3.1	4	1.1, 1.1a, 1.2a, 2.1, 2.1a, 2.2, 2.2a
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	•	1.1, 4.2, 5.3, 6.0, 6.2, 6.3, 7.0, 7.1		
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	•	1.1, 4.2		
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	•	2.2 (frequency excluded)	4	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	•	2.2, 2.3	4	

Disclosure index

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

• DISCLOSURE INDEX

GLOSSARY

Profile			Scope			
Disclosure	Disclosure		• Global	• Canadian	Location	
						UNGC
						CDP*
Economic						
Economic Performance						
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.		•		1.0, 1.5, 2.3	
EC2	Financial implications and other risks and opportunities for the organization’s activities due to climate change.		•		6.0, 6.1, 6.2	7
						2.1, 2.1a, 2.1b, 5.1, 5.1a, 5.1b, 5.1c, 6.1, 6.1a, 6.1b, 6.1c
EC3	Coverage of the organization’s defined benefit plan obligations.		•		5.4	
					2014 Annual Report – Controls and Accounting Policies (pages 92, 94)	
					2014 Annual Report – Supplementary Data (page 112)	

Disclosure index

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

• DISCLOSURE INDEX

GLOSSARY

Profile Disclosure	Disclosure	Scope	Location	UNGC	CDP*
		● Global	● Canadian		
Indirect Economic Impacts					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	6.3, 7.2, 7.3		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	4.2, 4.3, 6.3		
Environmental					
Materials					
EN1	Materials used by weight or volume.	●	2.3, 6.1	7, 8	
EN2	Percentage of materials used that are recycled input materials.	●	2.3	8	
Energy					
EN3	Direct energy consumption by primary energy source.	●	2.3, 6.1	7, 8	11.1, 11.2
EN4	Indirect energy consumption by primary source.	●	6.1	8	11.3

Disclosure index

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

• DISCLOSURE INDEX

GLOSSARY

Profile Disclosure	Disclosure	Scope		Location	UNGC	CDP*
		• Global	• Canadian			
EN5	Energy saved due to conservation and efficiency improvements.	•		6.1, 6.2	8	3.3, 3.3a, 3.3b
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	•		6.1, 6.2, 6.3	8, 9	2.1b, 2.2a, 3.2, 3.2a
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	•		6.3, 6.4	8, 9	2.2a, 14.4, 14.4a
Emissions, Effluents and Waste						
EN16	Total direct and indirect greenhouse gas emissions by weight.	•		6.1	7, 8	7.2, 7.2a, 7.3, 7.4, 8.5
Products and Services						
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	•		6.2, 6.3, 6.4	7, 8, 9	3.2, 3.2a, 3.3, 3.3a
Transport						
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	•		2.3	8	8.2, 8.2a, 8.2b, 8.2c, 8.2d, 8.3, 8.4a, 8.5, 14.1, 14.3a, 15.1

Disclosure index

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

• DISCLOSURE INDEX

GLOSSARY

Profile			Scope			
Disclosure	Disclosure		• Global	Location		UNGC
			• Canadian			CDP*
Social: Labour Practices and Decent Work						
Employment						
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.		•	1.5, 5.1, 5.2		6
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.		•	5.1		6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		•	5.4 2014 Annual Report – Controls and Accounting Policies (pages 92, 94) 2014 Annual Report – Supplementary Data (page 112)		
Labour/Management Relations						
LA4	Percentage of employees covered by collective bargaining agreements.		•	5.3		3
Occupational Health and Safety						
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.		•			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.		•	5.1		

Disclosure index

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

• DISCLOSURE INDEX

GLOSSARY

Profile Disclosure	Disclosure	Scope <ul style="list-style-type: none">GlobalCanadian	Location	UNGC	CDP*
Training and Education					
LA10	Average hours of training per year per employee by gender, and by employee category.	●	3.2	6	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	5.1		
Diversity and Equal Opportunity					
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	●	1.0, 1.2, 1.3, 2.3, 3.1, 5.2 2014 Annual Report – Corporate Governance Practices 2014 Management Proxy Circular (pages 11–18, 24, 26, 27, 29, 30, 38, 43, 45, 71–75)	6	
Social: Society					
Local Communities					
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	●	2.2, 3.2, 4.1, 4.2, 4.3, 4.4, 7.1, 7.2, 7.3	1	
Corruption					
SO3	Percentage of employees trained in organization’s anti-corruption policies and procedures.	●	3.2	10	

Disclosure index

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

• DISCLOSURE INDEX

GLOSSARY

Profile		Scope				
Disclosure	Disclosure	• Global	• Canadian	Location	UNGC	CDP*
Public Policy						
SO5	Public policy positions and participation in public policy development and lobbying.	•		3.5	10	
Social: Product Responsibility						
Customer Health and Safety						
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	•		3.4, 4.1, 4.2		
Product and Service Labelling						
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	•		4.1		
Marketing Communications						
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.			3.2, 3.4, 4.2		

Glossary

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

• GLOSSARY

ABM (Automated Banking Machine)

Also known as ATM (Automated Teller Machine). A computerized telecommunications device that provides clients of a financial institution access to their funds and/or banking in a public space without the need for a physical teller or cashier to process the transaction.

Bank Act

Federal legislation governing how banks operate in Canada.

Carbon dioxide equivalent (CO₂e)

The standard unit for measuring Greenhouse Gases (GHGs). Each GHG has a different global warming potential and CO₂e standardizes them for comparability purposes.

Canada Labour Code

An act of Canadian Parliament regulating labour in Canada, including standards for fair and equitable working conditions and occupational health and safety for several industries, including chartered banks.

Canadian Human Rights Act

A law designed to ensure equal opportunity for individuals and to prevent discriminatory practices based on a set of prohibited grounds, such as gender, disability or religion.

CDP

An initiative for institutional investor collaboration on climate change, which aims to inform investors of the significant risks and opportunities presented by climate change for the FT500 companies, and to inform company management of the serious concerns of their shareholders regarding the impact of climate change on company value.

Carbon footprint

A measure of the total amount of carbon dioxide emissions that is directly and indirectly caused by an activity or is accumulated over the life stages of a product. It is intended to help individuals and organizations to conceptualize their impact in contributing to global warming.

Customer loyalty index

A key indicator of customer commitment to Scotiabank, based on results from the Bank's internal Through Your Customers' Eyes customer satisfaction survey of more than 105,000 randomly selected retail banking customers each year.

Employee engagement rate

Measures the level of Scotiabank employees' satisfaction with their immediate work environment, based on results from the Bank's annual ViewPoint opinion survey of its global workforce.

Employment Relationships Plan

Scotiabank's plan to integrate diversity and employment equity initiatives into established business processes, including annual plans, budgets and a quarterly People Report to measure progress in each Scotiabank business line.

Equator Principles

A set of internationally recognized, voluntary project finance guidelines that set social and environmental standards for the finance sector. They are based on World Bank and International Finance Corporation standards, and have been signed by more than 40 financial institutions around the world.

Financial Consumer Agency of Canada (FCAC)

The Canadian regulatory agency that provides consumer education and oversees financial institutions to ensure they comply with federal consumer protection laws.

Forest Stewardship Council (FSC)

An international not-for-profit, membership-based organization that was founded in 1993 to promote responsible management of the world's forests. By setting standards and conducting independent certification and labelling of forest products, FSC gives customers the opportunity to choose from socially and environmentally responsible forestry.

Glossary

INTRODUCTION

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE

CORPORATE GOVERNANCE

MARKETPLACE

EMPLOYEES

ENVIRONMENT

COMMUNITY INVESTMENT

PUBLIC ACCOUNTABILITY STATEMENT

DISCLOSURE INDEX

• GLOSSARY

Global Reporting Initiative (GRI)

An independent, not-for-profit institution that develops globally applicable sustainability reporting guidelines for voluntary use by organizations to report on the economic, environmental and social dimensions of their activities, products and services.

Greenhouse gas emissions (GHG)

The total set of greenhouse gas emissions caused directly and indirectly by an individual, event, organization, product or service expressed as carbon dioxide equivalent (CO₂e).

Green Globes

A revolutionary building environmental design and management tool. It delivers an online assessment protocol, rating system and guidance for green building design, operation and management. It is interactive, flexible and affordable, and provides market recognition of a building's environmental attributes through third-party verification.

International Finance Corporation (IFC)

The private sector arm of the World Bank that promotes private sector investment in developing countries. The environmental and social requirements set out in the Equator Principles are largely based on IFC policies.

LEED

A building standards designation that stands for Leadership in Energy and Environmental Design. LEED standards reduce a building's environmental impact by considering: materials, building envelope, roofing, windows, glass, high-efficiency HVACs, lighting, water usage, furnishings, equipment and appliances and, where viable, the reuse or recycling of construction materials.

Microfinance

Scotiabank defines microfinance clients as self-employed or micro-business owners with annual gross revenues below CAD\$150,000 who need financing to invest in the development and growth of their business.

Mobile banking

A system that allows customers of a financial institution to conduct a number of financial transactions through a mobile device such as a mobile phone or tablet.

Philanthropy

The charitable giving or support by persons or companies with respect to causes of public interest. Corporate philanthropy is a part of philanthropy.

Renewable energy

Energy provided by natural processes that are replenished constantly, such as wind, tidal, solar, wave, geothermal, biomass, hydro and run-of-river, as well as biofuels, such as ethanol or biodiesel, by which commodities/agricultural products are converted into energy sources for transportation. Climate change concerns and diminishing fossil fuel supplies have led to increased government regulation, incentives and commercialization of renewable energy sources.

Stakeholder

A group or individual that has a more or less direct interest in the life of an organization or is likely to be affected by the organization's decisions.

Sustainability

Sustainable development was defined by the Brundtland Commission Report to the United Nations as development that meets the needs of the present without compromising the ability of future generations to meet their needs.



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