

2015 Corporate Social Responsibility Report



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HOW TO USE THIS REPORT

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.

Global Reporting Initiative (GRI)

Information directly related to a GRI indicator is identified with interactive links to demonstrate how sustainability is integrated into the Bank's business strategy.

CLICK TO VIEW THE FULL GRI INDEX

Disclosure keys

DMA EN G4-EN3

Indicates a Global Reporting Initiative (GRI) disclosure.

UNGC10

Indicates a UN Global Compact (UNGC) disclosure.

Navigation

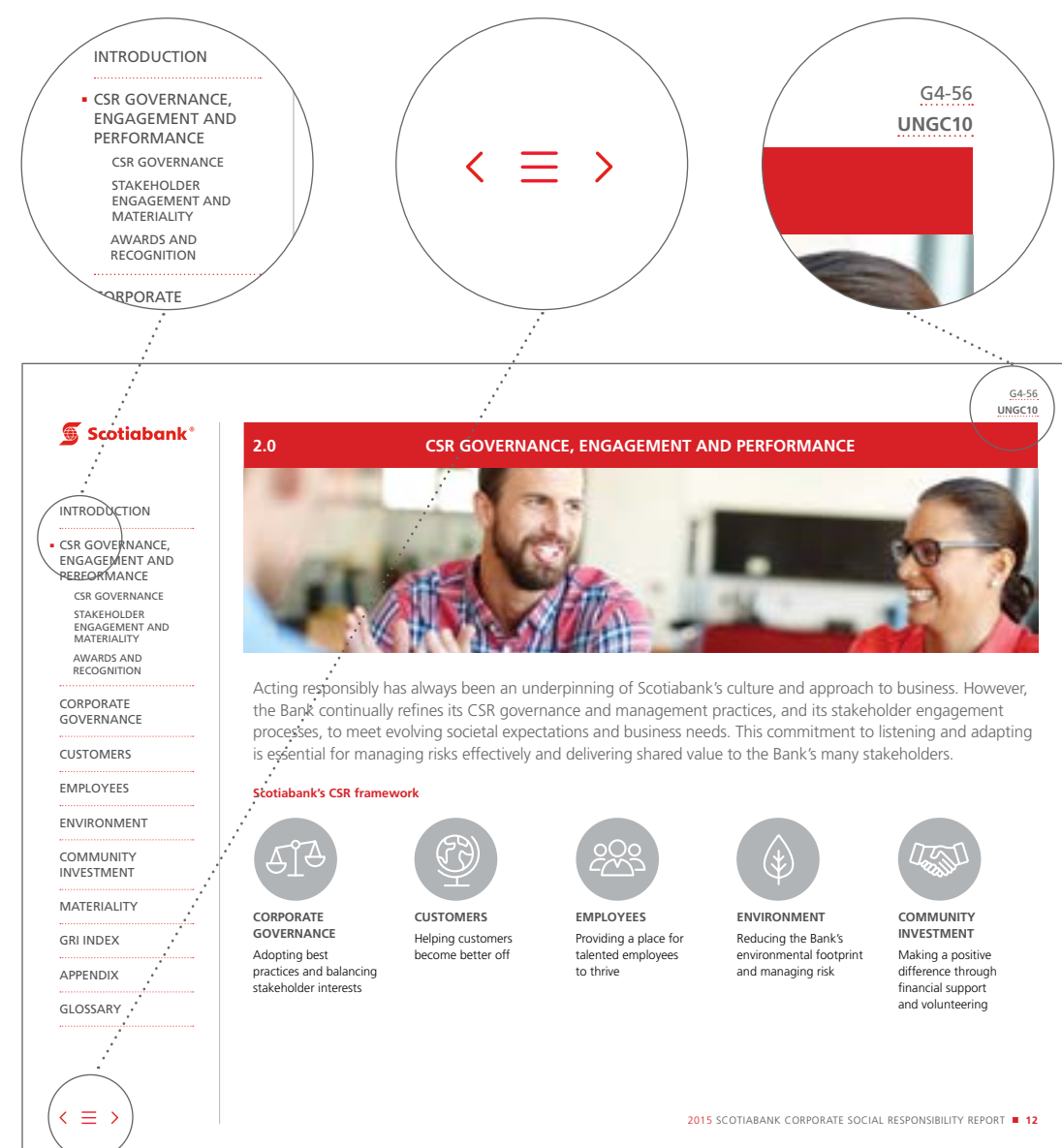
The web-like navigation provides easy access to content.

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.



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With operations in over 50 countries, Scotiabank is proud to be Canada's international bank, a strong contributor to the Canadian and international economies and a supporter of communities globally. Scotiabank is a leading financial services provider in North America, Latin America, the Caribbean and Central America, and parts of Asia. The Bank is dedicated to helping its 23 million customers become better off through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets. With a team of approximately 90,000 employees and assets of \$856 billion (as at October 31, 2015), Scotiabank trades on the Toronto (TSX:BNS) and New York (NYSE:BNS) Exchanges. The Bank's headquarters are in Toronto, Ontario, Canada.


The focus of Scotiabank's CSR strategy is to help drive value for the Bank, its customers, shareholders, employees, communities and society by creating business value and promoting positive social change. The strategy is integrated into the core business objectives and competencies of the organization, and embedded in day-to-day business culture and operations.


\$75
MILLION 
INVESTED IN
EMPLOYEE TRAINING

84% 
EMPLOYEE
ENGAGEMENT RATE

15.5% 
REDUCTION IN
PAPER CONSUMPTION

APPROXIMATELY
\$70
MILLION 
CONTRIBUTED **GLOBALLY** IN
DONATIONS, SPONSORSHIPS
AND OTHER FORMS OF
COMMUNITY ASSISTANCE

\$5.9
BILLION¹ 
SPENT ON **SUPPLIER**
GOODS AND SERVICES

28% 
WOMEN IN VP+
POSITIONS GLOBALLY

¹ Excluding HR-related costs.

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Scotiabank's annual 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 adopted globally for CSR reporting, which sets out the principles and indicators by which organizations measure and report their economic, environmental and social performance. Scotiabank's 2015 Corporate Social Responsibility Report is written in accordance with the GRI's G4 framework and fulfils the requirements for a Core report.

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, 2014 through October 31, 2015 for Scotiabank and its fully owned or major operating subsidiaries, which are organized around the following operating business segments: Canadian Banking, International Banking, and Global Banking and Markets. The report provides an overview of our framework, priorities and select initiatives for our fiscal year 2015. It complements the detailed information on results provided in our 2015 Annual Report (available at scotiabank.com).

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Dear Stakeholders,

I am pleased to introduce Scotiabank's 2015 Corporate Social Responsibility Report. CSR is central to who we are, how we operate and how we're building an even better bank. This report provides a summary of strategic CSR priorities and our progress, and further highlights our commitment to operating in a sustainable and socially responsible manner.

Scotiabank is Canada's international bank, serving customers in North America, Latin America, the Caribbean and Central America, and parts of Asia. Everywhere we operate, our 90,000 employees are committed to strengthening the economic and social fabric of communities.

Why is it so important to us?

Scotiabankers have always recognized that customers are the foundation for everything we do. In fact, our international operations began when we followed our customers to foreign markets more than 125 years ago. At the centre of Scotiabank's focus on customers is our fundamental belief that every customer has the right to become better off.

We realized long ago that Scotiabank could best serve customers, and help them become better off, by also supporting their communities. Our many philanthropic programs are driven by this underlying objective, as were the 575,000 volunteer hours completed by Scotiabankers this year.

We are enormously proud of the positive difference Scotiabankers make each and every day in the lives of customers and in our communities.

Scotiabankers are proud of the reputation we've earned for ethical business conduct and acting with integrity. They also know that continuing to meet the high standards expected by our customers requires exemplary conduct at all times. As we embark on Scotiabank's 185th year, the values of respect, integrity and accountability will continue to guide the actions of every Scotiabanker.

To that end, Scotiabank reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption. Through this annual CSR Report, we share our *Communication on Progress*, in which we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations.

On behalf of all Scotiabankers, I would like to thank our 23 million customers for their business and their trust. We recognize that it is a privilege to serve our customers and communities, and we will work hard to earn that privilege every day.



Brian J. Porter



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CHAIRMAN MESSAGE

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Dear Stakeholders,

2015 has been a year of evolution and continued progress for the Bank, including corporate social responsibility (CSR). Each Scotiabanker is accountable for the Bank's actions and results, including the Board of Directors. We are committed to the highest levels of governance, ensuring we balance and protect the interests of our customers, shareholders, employees and communities where we operate. As we work to build an even better bank, Scotiabank remains firmly committed to making a positive difference in society.

Governance and accountability

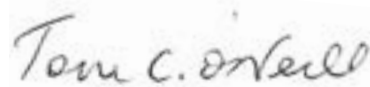
We believe that strong governance is an important foundation of Scotiabank's performance and will continue to bolster our success. Our corporate governance policies provide a framework of accountability and responsible business practices which begin with an independent Board of Directors with the right balance of highly qualified people and diversity of gender, background, geography and expertise.

Since 2013, the Board's Corporate Governance Committee has had 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 meaningful impact

One of the strengths of Scotiabank is our ability to strike a balance between global corporate philosophy and local practice and culture. Scotiabank is Canada's International Bank and a leading financial services provider in North America, Latin America, the Caribbean, Central America and parts of Asia. Scotiabank has taken to heart the importance of building strong communities for our 23 million customers in the many countries in which we operate. We are committed to helping our customers and communities become better off through our financial services, financial education programs and extensive support to local charities and not-for-profit initiatives.

I would like to thank President and CEO Brian Porter, his leadership team, and the thousands of Scotiabankers who work hard to deliver strong results and who bring the Bank's CSR agenda to life every day. As we strive to build an even better bank, we will continue to make a positive difference around the world.



Thomas C. O'Neill



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Through its global team of approximately 90,000 employees, Scotiabank and its affiliates offer a broad range of products and services. The Bank 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, employee engagement, strong governance practices and support for communities the Bank serves.

We believe every customer has the right to 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 one another. The Bank's long-term Strategic Agenda is anchored by five integrated components, closely tied to better serving our customers and deepening our relationships with them.

Our Strategic Agenda

Scotiabank laid out its long-term Strategic Agenda in 2015, anchored by five priorities to better serve our customers:

Be more focused on customers:

Our first and most important component is a call to action across the Bank to rethink many aspects of our operating model and culture to put the customer at the centre of our thinking. We aim to deliver a consistent, excellent customer experience, and will do so by putting our customers at the centre of every decision we make across the Bank.

Better serve customers, while reducing structural costs:

We aim to become more efficient and "low cost by design," so that we can deliver a better customer experience and create shareholder value over the long term.

Enhance leadership depth, deployment and diversity:

We are building more diverse leadership teams to better reflect and understand our customers and employees. This focus is to have a leadership team that reflects the Bank's size, scope, complexity and international footprint. We have the right leadership in place to execute against our strategy by:

- Strengthening the quality and depth of our leadership pool;
- Having more diversity among our leaders; and
- Deploying our leaders more effectively across the Bank.

Drive a digital transformation:

We are pursuing a comprehensive plan to digitalize the Bank. By doing so, we will enhance our customers' experience, make it easier for Scotiabankers to serve customers and become a more efficient bank.

Better align business mix with a customer-relationship orientation:

We aim to better allocate our scarce resources to businesses where we can drive deeper customer relationships.

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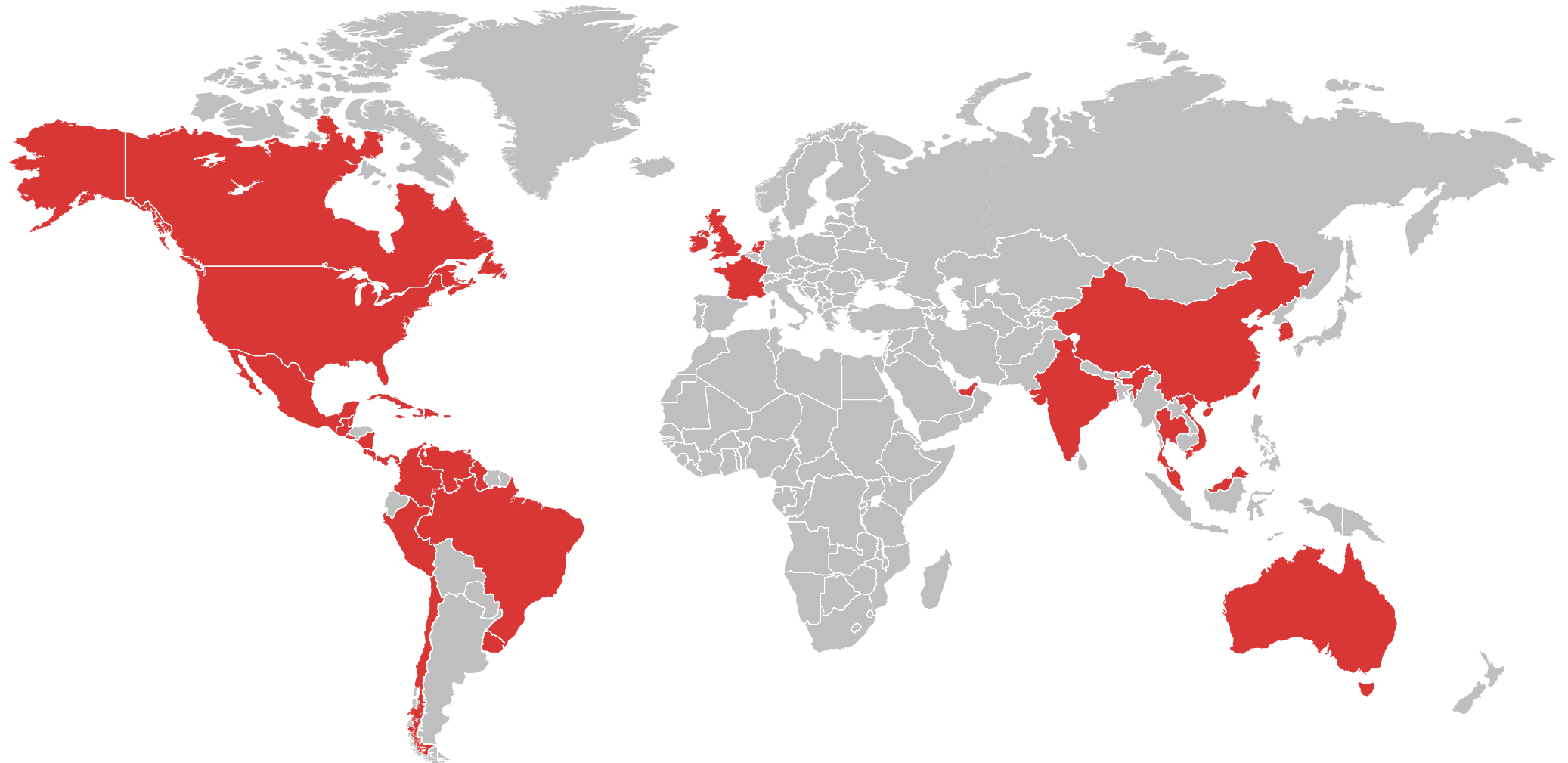
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Where we operate



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:** France, Ireland, Luxembourg, Netherlands, United Arab Emirates, United Kingdom.

In fiscal 2015, Scotiabank closed offices in Egypt on April 30, 2015, and in Turkey on June 30, 2015.

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SERVING OVER
50 COUNTRIES
WORLDWIDE



\$660 MILLION
IN MICROFINANCE
LOANS GLOBALLY

\$601 BILLION
IN DEPOSITS



TOTAL TAXES PAID
\$2.9 BILLION

NET INCOME
\$7.2 BILLION

MORE THAN
23 MILLION
CUSTOMERS
GLOBALLY



MORE THAN

3,000

BRANCHES AND OFFICES
INCLUDING **OVER 1,100**
IN CANADA²

NEARLY

90,000

EMPLOYEES GLOBALLY



NEARLY

575,000

EMPLOYEE
VOLUNTEER HOURS²

¹ All monetary values are in Canadian dollars.² Excludes data for Tangerine and Banco Colpatria.

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FINANCIAL HIGHLIGHTS

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Total revenue (TEB)¹ allocationNET INCOME BEFORE
GOVERNMENT TAXES

43%

OTHER EXPENSES

22%

EMPLOYEES

27%

LOAN LOSSES

8%

¹ See the Bank's 2015 Annual Report for complete financial details, including page 13 for a discussion of non-GAAP measures.

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Net income allocation

GOVERNMENT
TAXES

31%

DIVIDENDS TO
SHAREHOLDERS

33%

REINVESTMENT
TO SCOTIABANK

34%

NON-CONTROLLING
INTEREST IN SUBSIDIARIES

2%

2.0

CSR GOVERNANCE, ENGAGEMENT AND PERFORMANCE



Acting responsibly has always been an underpinning of Scotiabank's culture and approach to business. However, the Bank continually refines its CSR governance and management practices, and its stakeholder engagement processes, to meet evolving societal expectations and business needs. This commitment to listening and adapting is essential for managing risks effectively and delivering shared value to the Bank's many stakeholders.

Scotiabank's CSR framework



CORPORATE GOVERNANCE

Adopting best practices and balancing stakeholder interests



CUSTOMERS

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

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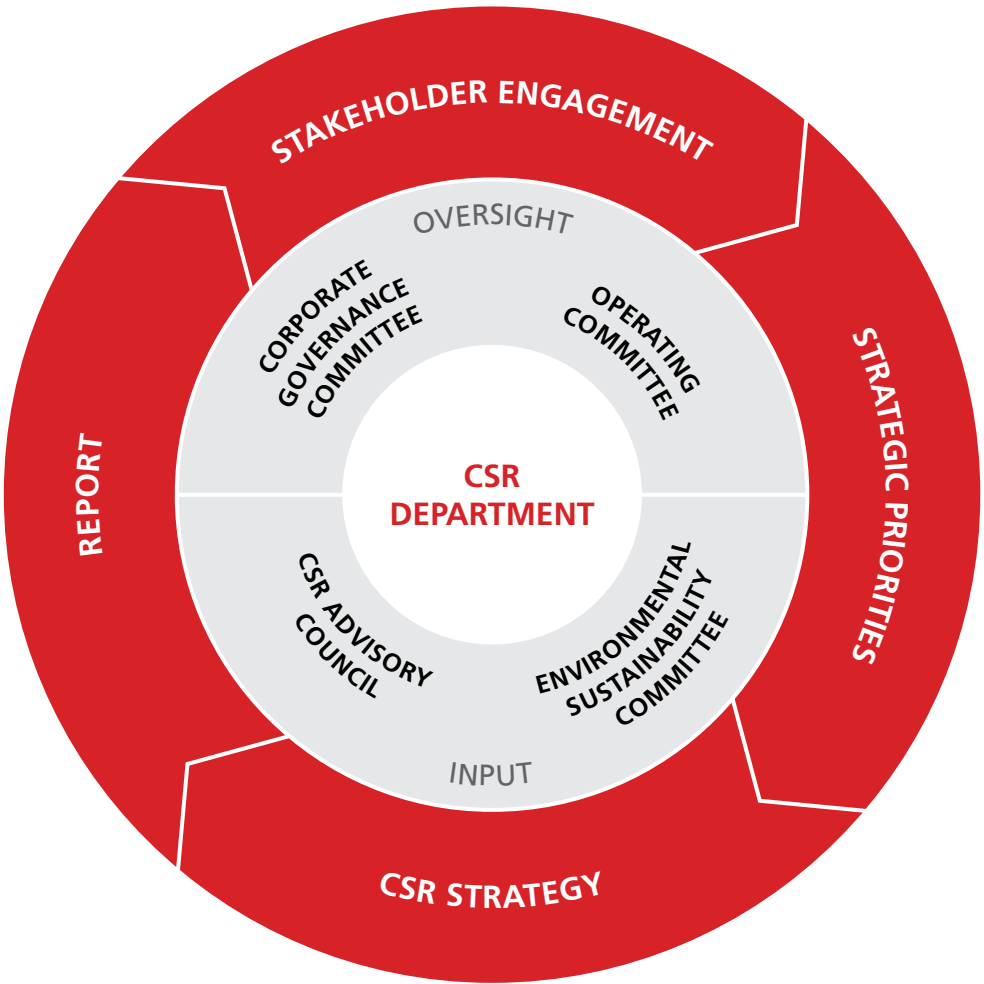
CSR GOVERNANCE

As part of its mandate, the Corporate Governance Committee of Scotiabank's Board of Directors is responsible for reviewing:

- The Bank's CSR strategy and reporting, including its Public Accountability Statement;
- Benchmarking of the Bank's CSR performance and practices; and
- Global trends and practices in corporate disclosure of non-financial performance.

The Bank's CSR priorities and progress are presented to the Bank's Operating Committee, made up of the President and CEO and senior executives, and to the Corporate Governance Committee, to ensure the implementation of the Bank's CSR strategy in all business lines and support functions.

CSR governance and stakeholder engagement



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STAKEHOLDER ENGAGEMENT AND MATERIALITY

Stakeholders play an important role in the Bank's CSR progress, helping to identify environmental, social and governance (ESG) trends, providing insight into societal expectations in the different countries in which Scotiabank operates, and driving improvement. Through ongoing, two-way dialogue with stakeholders, the Bank prioritizes topics of greatest concern both to its business and to society.

Over a three-year period, from 2013 to 2015, Scotiabank conducted a multi-jurisdictional stakeholder engagement process which included external stakeholder workshops in Canada (Vancouver, Toronto and Halifax), Latin America (Mexico, Peru, Chile and Colombia) and the Caribbean (Trinidad and Jamaica). Internal stakeholder engagement was conducted through virtual collaboration workshops. The objectives were to identify priority ESG topics to be managed within the Bank's day-to-day banking businesses and to review stakeholder expectations in the context of the Bank's CSR strategy.

Internal sessions included key executives across multiple areas of the Bank.

The external sessions included participation from key groups that represent the Bank's diverse stakeholders:

- 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 used stakeholder engagement to evaluate material topics, inform the development of a global CSR strategy, and assess priority topics that need to be addressed as well as strategic enablers to how the Bank continues to operate.

Formal stakeholder engagement is conducted on an annual basis, augmented by informal, ongoing engagement with industry associations, customers and investors.

➤ REFER TO PAGE 88 FOR FURTHER DETAILS

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STAKEHOLDER ENGAGEMENT AND MATERIALITY

Materiality

From the stakeholder engagement sessions, 18 topics were considered to be important for Scotiabank to address and manage. Five topics were identified as top priorities and are considered material topics for the Bank, and help inform the Bank's global CSR strategy.



➤ FOR MORE INFORMATION ON OUR MATERIALITY APPROACH SEE SECTION 8

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STAKEHOLDER ENGAGEMENT AND MATERIALITY

Materiality *(continued)*

For each of the top five priority topics, the Bank has identified key performance indicators (KPIs) that will be used to track progress going forward.

Priority Issue	Definition	Key Performance Indicator
 Fair design and sale of financial products and services	Acknowledging the Bank's responsibility to protect customers from irresponsible financial decisions Through financial education, ensuring customers understand the agreements they are undertaking and the products and services offered Using clear and simple language when marketing products	 Increase in people reached through financial education/literacy tools and programs (global)
 Customer service and outreach/access to finance	Deliberately providing access to finance for all segments of society (with a focus on marginalized and underserved populations) Customizing the customer service approach to meet the needs of an increasingly diverse consumer base	 Increase in access to microfinance loans (International Banking)  Increase in access to banking for Aboriginal communities (Canada)  Maintain strong customer satisfaction results (global)
 Impact of banking transactions on communities and the environment	Providing economic opportunities and meaningful careers, supporting economic development through the provision of capital, procuring goods and services from local businesses Addressing the environmental and social impacts of the Bank's operations and financial transactions (e.g., investments and loans), including the impacts of climate change	 Increase in small business loans (Canada)  Decrease in greenhouse gas emissions (Canadian target set, goal is to expand to global)
 Community investment, including corporate donations	Developing a strategic philanthropic strategy that is aligned with CSR priorities in order to leverage resources to address key issues Supporting philanthropy that fosters stronger, healthier communities	 Increase in targeted funding to young people (global)
 Diversity and equal opportunity/fair labour practices	Representing the faces of the communities in which the Bank operates Considering how corporate employee policies should be applied within all operating countries	 Maintain employee engagement (global)  Increase in number of women at VP level (global)

2.3

AWARDS AND RECOGNITION

Scotiabank was honoured to be recognized in 2015:

Corporate – The Bank earned a position on the **Climate Disclosure Leadership Index (CDLI)** by disclosing high-quality carbon emission and energy data through CDP's climate change program.

Bahamas – Scotiabank Bahamas was recognized as *Global Finance* magazine's 2015 **World's Best Consumer Digital Bank** in The Bahamas.

Chile – Scotiabank Chile was named **Best Company for Working Mothers and Fathers** by Fundación Chile Unido, El Mercurio y Revista Ya de El Mercurio, for the third year in a row.

Costa Rica – Scotiabank was named **Best Consumer Internet Bank 2015** by *Global Finance* magazine, for the third year in a row.

Dominican Republic – The Contact Centre was recognized as a **World Class Contact Center** by Service Quality Management for the fifth year in a row.

El Salvador – Scotiabank received the **3M Award for Occupational Health and Safety** for creating and maintaining a safe and healthy work environment.

Jamaica – Scotiabank received the gold-level **Development Bank of Jamaica Loan Award** for facilitating development financing to small and medium enterprises.

Mexico – The Mexican Center for Philanthropy recognized Scotiabank with the **Socially Responsible Business Distinction** award for the eighth year in a row.

Peru – Scotiabank Peru was named a **Socially Responsible Company** by the Association Peru 2021, for the third year in a row.

Trinidad and Tobago – Scotiabank was named **Best Emerging Markets Bank** by *Global Finance* magazine.

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As a global and publicly traded financial institution, Scotiabank recognizes the need to adhere to strong governance. It leads the Bank to higher standards and is critical for achieving long-term excellence and maintaining the confidence of customers and investors. The Bank 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.

33% 

PROPORTION OF **WOMEN**
REPRESENTED ON SCOTIABANK'S
BOARD OF DIRECTORS

13 

OF THE BOARD'S **15 DIRECTORS**
WERE **INDEPENDENT** IN 2015

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Board of Directors

Scotiabank's Board of Directors supervises the management of the Bank's business and affairs with a view to enhancing long-term shareholder value. The Board also sets the tone for a culture of integrity and compliance which is vital for building trust and maintaining strong relationships wherever it operates.

Directors are elected annually by shareholders, who vote for individuals – not for a slate of directors. A majority voting policy has been in place for the election of directors since 2005. The Bank also requires the majority of directors to be independent, and as of fiscal year-end, only two directors were not independent. The Bank has an independent Chairman of the Board and has separated the roles of Chairman and CEO since 2004.

The Board has embraced diversity as a way of bringing in new thinking, insights, experiences and knowledge. Directors include local, regional, national and international business and community leaders, selected for their financial acumen, business experience, knowledge of financial institutions, risk management experience, integrity, and demonstrated sound, independent business judgment. The diversity policy, which was approved in 2013, requires the Board to consider gender, age, ethnicity and geographic background in reviewing director candidates. Board composition and skills are assessed both individually and collectively. The Board also has a skills matrix to assess director candidates, and CSR experience is included as a key area of experience that is considered in assessing 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 on the Board and its committees between knowledge of Bank affairs and broader expertise.

To ensure that all directors commit the appropriate time and attention to Scotiabank's affairs, the Board has attendance requirements and has approved guidelines limiting the number of other public company directorships that directors may hold. Consideration is also given to private company directorships (held outside a director's employment) in assessing whether an individual has the requisite time to serve as a director of the Bank.

+ **MANAGEMENT PROXY CIRCULAR**

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

» **SCOTIABANK MEMBERSHIPS
AND ASSOCIATIONS**

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Governance practices

Corporate governance encompasses the Bank's governing processes and policies, how decisions are made and how the Bank deals with the various interests of, and relationships with, its many stakeholders, including shareholders, customers, employees and the broader community.

Scotiabank's core values and its Guidelines for Business Conduct are the highest expressions of its commitment to honesty, integrity and ethical, lawful behaviour. All employees and directors of the Bank and its global subsidiaries are expected to comply with both the spirit and the letter of the Guidelines and they must annually acknowledge their adherence. 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, Human Resources, and Risk committees. Each committee has a written charter defining members' roles and responsibilities. The Board has delegated responsibility for overseeing Scotiabank's approach to corporate governance 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 and has oversight of CSR matters.

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 framework, 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 Risk Committee reviews its alignment with Scotiabank's strategic plan.

Corporate governance policies and procedures continually evolve in response to changing regulations and emerging best practices. The Corporate Governance Committee annually 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?



Scotiabank's Board of Directors is made up of local, regional, national and international business and community leaders, who have been carefully selected for their financial acumen, integrity and demonstrated knowledge and judgment. Their broad individual and collective experience is an invaluable asset. Thirteen of the 15 Board directors in 2015 were independent, including the Bank's Chairman.

3.2

POLICIES AND PROCEDURES

The Bank has a variety of policies and procedures that reflect its commitment to high standards of business conduct. Here are the key policies for directors and employees that guide the way the organization engages with stakeholders:

Policy	Scope	Compliance Training	Audit or Assurance Processes
 Guidelines for Business Conduct  GUIDELINES FOR BUSINESS CONDUCT	Global ¹	All employees and directors (without exemption) are required to acknowledge compliance with the Guidelines for Business Conduct on an annual basis.	Internal audits to ensure completeness of the acknowledgment process
 Whistleblower Policy – supplement to the Guidelines for Business Conduct  WHISTLEBLOWER POLICY AND PROCEDURES	Global ¹	Through the annual acknowledgment of the Guidelines for Business Conduct	Internal and external audits to ensure completeness of the acknowledgment process
 Internet and Email Code of Conduct – supplement to the Guidelines for Business Conduct	Global ¹	Through the annual acknowledgment of the Guidelines for Business Conduct	Internal audits to ensure completeness of the acknowledgment process
 Anti-Corruption/Bribery	Global ¹ 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

¹ Applies to all employees and directors of Scotiabank and its global subsidiaries.

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Policy	Scope	Compliance Training	Audit or Assurance Processes
 Anti-Money Laundering (AML)  AML/ANTI-TERRORIST FINANCING AND SANCTIONS POLICY	Global ¹ 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) when they are first hired, 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  PRIVACY CODE	Global ¹	All employees must complete an online information security and privacy course every two years.  MORE ON INFORMATION SECURITY AND PRIVACY	

Voluntary codes of conduct and public commitments²:

Scotiabank is committed to a number of voluntary codes of conduct and public commitments designed to protect consumer interests. These include:

- Canadian Code of Practice for Consumer Debit Card Services
- Code of Conduct for the Credit and Debit Card Industry in Canada
- Guidelines for Transfers of Registered Plans
- CBA Code of Conduct for Authorized Insurance Activities

- Principles of Consumer Protection for Electronic Commerce

Canadian framework

- Model Code of Conduct for Bank Relations with Small and Medium-sized Businesses
- Plain Language Mortgage Documents – CBA Commitment
- Commitment on Modification or Replacement of Existing Products or Services
- Low-Fee Retail Deposit Account, Memorandum of Understanding
- Visa Zero Liability Policy and Visa E-Promise
- Undertaking: Principal Protected Notes Regulations

- Online Payments

- Code of Conduct for Federally Regulated Financial Institutions – Mortgage

Prepayment information

- Commitment on Powers of Attorney and Joint Deposit Accounts
- Commitment to Provide Information on Mortgage Security

¹ Applies to all employees and directors of Scotiabank and its global subsidiaries.

² For a copy of the full text of the codes and commitments, refer to Customer Care, scotiabank.com. Visit the websites of the Financial Consumer Agency of Canada (www.fcac-acfc.gc.ca) and the Canadian Bankers Association (www.cba.ca) for more detailed information on consumer protection.

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Supply chain management approach

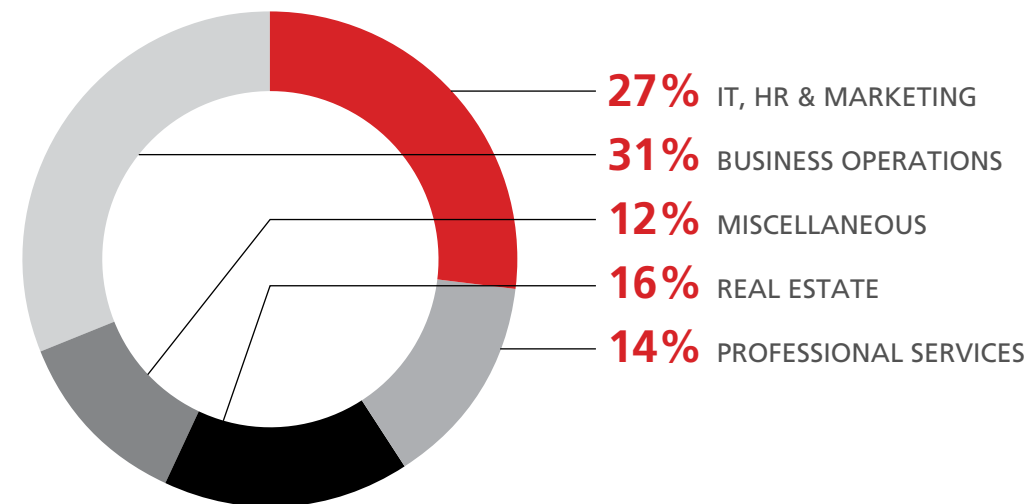
As a financial institution, Scotiabank has a supply chain focused on indirect goods and services. Real Estate is the largest component at 16%. Within IT, Human Resources and Marketing, IT is the largest component at 16%. Within Business Operations, lending-related products and services are the largest component at 13%. The Bank has relationships with approximately 2,000 suppliers around the globe, ranging from local providers of office cleaning services to large multinational organizations.

All Scotiabank suppliers and third-party agencies are expected to uphold the principles set out in the Bank's Guidelines for Business Conduct and the Anti-Corruption/Bribery Policy and Guidance. Vendors must comply with relevant laws, including 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.

A joint strategic sourcing/CSR pilot program initiated in 2014 resulted in updated CSR-related questions in Scotiabank's standard request for proposal (RFP) process, and reviewing the responses from potential suppliers evaluated by subject matter experts in the CSR department. Supplier profiles generated from the CSR assessments are communicated to the business teams involved in the sourcing activity to ensure they are aware of any concerns before completing their supplier selection.

Small-impact suppliers (local/short-term/low-value arrangements) are currently not screened for societal impact, but that will change with the implementation of an enterprise-wide supplier management platform in 2016. The new platform will automate and streamline all aspects of supplier arrangements – from initial sourcing, selection and contracting through to performance management, spending analytics and initial and ongoing risk assessments. The new system will allow Bank suppliers to be further assessed and societal impacts will be monitored on a risk basis.

Strategic Sourcing Spend by Category



3.3

SUPPLY CHAIN MANAGEMENT

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.
Quality	Preference is given to suppliers exhibiting a proven quality track record and rigorous quality control monitoring and reporting programs.
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 provide a high level of service to support Scotiabank in the achievement of its strategic objectives.
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.
Corporate Social Responsibility	Suppliers must provide evidence of corporate responsibility, including appropriate human rights, governance and environmental policies and procedures.

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MANAGING RISK

Effective risk management requires a strong and pervasive risk management culture. The Bank's business lines are responsible for developing and executing business plans that are aligned with its 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 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.

A complete discussion of our approach to risk management can be found in the 2015 Annual Report.

➤ **2015 ANNUAL REPORT (MD&A)**



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PRIVACY, SECURITY AND FRAUD

Customer privacy

Scotiabank's commitment to the privacy, integrity and security of customer information is specified in the Guidelines for Business Conduct. All employees are accountable for 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. 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 were to experience a privacy breach, detailed privacy breach management procedures are followed, 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.

There were no substantiated complaints regarding breaches of customer privacy and losses of customer data in 2015.

+ GUIDELINES FOR BUSINESS CONDUCT

+ PRIVACY CODE

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. These documents address the protection of information in all its forms – physical and digital, whether in use, in transit, or at rest. The Information Security and Control function is led by the Senior Vice President and Chief Information Security Officer.

In anticipation of emerging threats targeted at information in cyberspace, Scotiabank expanded its governance framework to specifically address digital threats aimed at both existing computer systems as well as new technologies. The information security program is based on four cornerstones of security: confidentiality, integrity, availability and continuity. Supported by accredited subject matter experts, Information Security and Control creates and maintains 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 cryptography, mobile security, cloud services, 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 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.
- Information Security and Control provides a referral service to put any staff member with a cyber-security question in touch with a subject matter expert.
- To reinforce expectations and address evolving needs, the Bank updates its internal Information Security website, conducts awareness campaigns and makes targeted awareness presentations to business functions.

Information security challenges are compounding over time. This is particularly evident in cyberspace. Emerging technologies such as mobile computing, cloud services, smartphones, cashless transactions, wireless capability and an increasing reliance on digital services provide compelling business opportunities, but also place enormous pressure on ensuring the security of sensitive data. The role of Information Security, particularly cyber security, is to permit commerce and business to transact safely. 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.

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Scotiabank is proud to participate 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 supports 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. It 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:

- Modernization of Canada's payment system
- 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.

Political contributions

Scotiabank contributes to political parties in Canadian provinces that allow corporate donations, subject to legislated limits. Political donations are not permitted federally, municipally or in four provinces. The Bank's contributions are made public on the websites of provincial election offices.

The Bank's Political Contributions Policy prohibits political contributions outside Canada except where approved by the Group Head of International Banking and the President and CEO of Scotiabank.

The Bank's provincial political contributions in Canada totalled CAD\$73,480 in 2015. It did not make any political contributions outside of Canada.





Scotiabank believes that every customer has the right to become better off. In addition to offering the right products and services to meet customers' needs, the Bank provides education, tools and advice to help them make knowledgeable, responsible financial decisions. It also works to remove barriers and increase access to financial services. Wherever the Bank operates, it strives to be respectful, inclusive and responsive.

ALMOST
\$ **268**  **MILLION**

IN **AUTHORIZED** SMALL
BUSINESS **LOANS**

1.4  **MILLION**

CUSTOMERS IN COLOMBIA

now have access to secure mobile banking through Banco Colpatria, the Bank's Colombian subsidiary

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CUSTOMER FOCUS

One of the Bank's top priorities is to be more customer focused. Customers have an unprecedented number of choices for financial services. Scotiabank must make it easy for customers to do business with us, and demonstrate at every opportunity that it is attuned to customers' needs and passionate about helping them. Customers must be at the centre of our thinking.

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 retail and small business banking customers who provide feedback on loyalty and satisfaction. The Scotiabank Retail Customer Loyalty Index is based on this survey.

The Retail 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.

Scotiabank Retail Customer Loyalty
(Canada) – Top Box

2013	58%
2014	57%
2015	58%

Strong performance in the Atlantic, Toronto, Prairie and B.C. regions led to an overall increase in retail customer loyalty. A continued focus on service basics across these regions yielded improvements in the customer experience.

Scotiabank Retail Customer Loyalty
(International) – Top Box¹

2013	41%
2014	40%
2015	41%

¹The TYCE International Banking survey included customers in Mexico, Peru, Chile, Colombia, Central America and the Caribbean region. The 2013 and 2014 numbers incorrectly stated that Uruguay was included in the loyalty index.

Improvement in 2015 was driven by gains in Colombia and the English Caribbean region, notably Jamaica, which offset declines in Mexico, Peru and Chile, where scores fell below 2014 levels.

DID YOU KNOW?



Scotiabank is investing in digital technology to redefine banking and improve the customer experience, including a Digital Factory, Agile, partnerships and Rapid Labs.

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CUSTOMER FOCUS

Addressing customers' concerns

If a customer has a concern or complaint, Scotiabank wants to know about it. The Bank has an internal process for providing fair and timely solutions, and works to 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. Customers also have the option of contacting the public Ombudsman for Banking Services and Investments, a free, independent resolution service available to Canadians.

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

MORE THAN

23 
MILLION
CUSTOMERS AROUND
THE WORLD
TARGET
OF RESOLVING
80%

 OF COMPLAINT CASES WITHIN
FIVE BUSINESS DAYS

CUSTOMER


 LOCAL BRANCH OR
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 OFFICE OF
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Complaints received by the Office of the President

	2015 ²	2014	2013
Number of customer complaints ¹	12,590	12,654	11,633
Percentage of customers surveyed who were fully satisfied with the handling of their complaint	78%	76%	83%

¹ Complaints are categorized by service, policy, campaign, credit, pricing, marketing, statements/documents, and compliance to review for trends and recommend change.

² The Office of the President also provided branch support for an additional 1,001 cases in 2015. Branch support can be defined as access by branch managers to case managers or advice or counsel so as to improve the rate of resolution at first point of contact.

Complaints received by Scotiabank's Ombudsman office

	2015	Target
Number of customer complaints received	630	N/A
Number of customer complaints resolved	625	N/A
Percentage of complaints resolved within 30 days	78%	75%
Percentage of complaints resolved within 90 days	99.96%	98%

Note: There were 43 cases ongoing at the beginning of fiscal 2015, and 48 investigations ongoing at the end of fiscal 2015.

4.2

ACCESS TO FINANCE

**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 and in other markets meets local guidelines or better.

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.
- ABMs in most of our branches are accessible through specially designed doors, ramps and lobbies that allow enough space for customers in wheelchairs to move around.

Branch redesign

The Bank recently embarked on a project to design a new branch experience, partnering with a company that specializes in customer-centric design. The first step was to understand how customers think about their finances, how they engage with their financial services providers and what they value most in their banking experience. The project team travelled to Scotiabank's major markets and spoke with customers from a range of backgrounds and life stages to understand their banking needs and preferences. From there, the team identified new branch elements, created in-branch prototypes and tested them with customers to find out which approaches they liked best. Customers responded most positively to concepts related to financial education, more informal engagement, and convenient and faster ways to transact and interact. These concepts are being incorporated into branch designs that will be piloted in Canada, Mexico and Peru in 2016.

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Plain language

The Bank is committed to communicating in clear, succinct, easy-to-understand language. 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.

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 review 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.

In 2015, Scotiabank's CSR and Aboriginal banking teams joined forces to support the Connected North educational initiatives of Cisco and Taking IT Global (a charitable organization focused on empowering young people). Through this partnership, which will employ high-definition video conferencing technology, Scotiabank is developing financial literacy educational programming for a number of remote northern community educators. These programs will be implemented in 2016.

**ABORIGINAL BANKING CENTRES**

across Canada provide basic banking, savings, investment and credit products and services

DID YOU KNOW?

Scotiabank was re-certified to the CCAB Gold level for Progressive Aboriginal Relations in 2015.

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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.

Consumer finance and 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.

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.
- **Increase access to financial services** – To sustain consumer finance and micro-enterprise customers, the Bank has 14,362 point of sale (POS) terminals, 461 branches and 9,607 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 both their long-term financial needs and their physical well-being. It provides medical insurance coverage to clients who lack access to public and private health care. In Uruguay, the Bank launched free health seminars, medical consultations and access to medicines.
- **Empower women entrepreneurs** – Microfinance is a key tool for supporting the goals and aspirations of women. Approximately 60% of Scotiabank's microfinance clients in Peru are women. In both Peru and Chile, the Bank runs an annual award program to recognize women who have established their own businesses and are an important source of employment and community development.

9,607 
CORRESPONDENT TELLERS

461 
BRANCHES

14,362 
POINT OF SALE (POS) TERMINALS

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The consumer and microfinance (CMF) segment in Latin America is significant, with approximately 50% of the population base and 30% of the purchasing power concentrated in the lower-income segment which is not served by traditional banks. Scotiabank now counts on seven dedicated CMF units in key countries to complement Scotiabank's retail and commercial banking affiliates by delivering specialized financial services to the under-banked but highly profitable CMF segment.

The Bank defines consumer and microfinance clients as families with monthly incomes between USD\$200 and \$1,000 and micro-entrepreneurs with annual sales below USD\$150,000. Typically, these incomes are totally or partially variable, informal and unstable. As a result, most potential customers are outside the retail banking target market. Scotiabank offers to provide credit access to finance their consumption and entrepreneurial needs. Financial solutions are fast, simple and flexible.

Overview of consumer and microfinance loans (CAD\$)

(as at October 31, 2015)	Consumer Finance			Microfinance		
	Loans	Average Loan Size	Customers	Loans	Average Loan Size	Customers
Peru (CrediScotia)	\$766 million	\$2,189	306,164	\$427 million	\$5,308	453,836
Chile (Banco Desarrollo)	\$173.7 million	\$3,397	51,128	\$63 million	\$7,778	8,120
Dominican Republic (Soluciones)	\$32 million	\$1,250	31,491	\$80 million	\$2,500	33,120
Jamaica (CrediScotia) ¹	–	–	–	\$4.5 million	\$1,556	2,500
Colombia (Micro Fácil)	\$555 million	\$1,077	882,500	\$10.8 million	\$3,800	2,500
Mexico (Credito Familiar)	\$324 million	\$2,702	133,243	\$4 million	\$4,129	1,002
Uruguay (Pronto!) ²	\$208 million	\$993	250,000	–	–	–

¹ Jamaica CrediScotia refers to microfinance customers only.

² Pronto! refers to consumer finance customers only.

DID YOU KNOW?



Scotiabank Peru partners with CARE Peru, an affiliate of CARE International, to help rural families increase their income by learning how to develop business plans, identify and prioritize products and services with market potential, and use banking services.



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Innovations in consumer finance

Pronto!, a Scotiabank subsidiary in Uruguay, is piloting the Beneficia set of solutions, which gives customers access to health and wellness benefits, including medical, financial and legal services, security and specialized women’s plans. Beneficia aims to reach low-income families that have no bank affiliation, offering them benefits and services that they otherwise could not access.

Credito Facil Codensa is a credit card program in Bogota, Colombia, which gives people with no access to credit and no banking history a means of acquiring goods and services from affiliated retailers, and building a credit history. Payments are charged to their monthly utility bill. Studies have shown this to be an effective way to bring people into the financial system and improve their quality of life.

Percentage of the Bank’s
micro-entrepreneur customers
who are women

Country	
Peru (CrediScotia)	53%
Chile (Banco Desarrollo)	50%
Dominican Republic (Soluciones)	44%
Colombia (CF y CAT)	53%
Mexico (Credito Familiar)	48%
Uruguay (Pronto!) ¹	61%
Jamaica ²	47%

¹ Pronto! refers to consumer finance customers only.

² Jamaica CrediScotia refers to microfinance customers only.

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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 Peru, Crediscotia is partnering with the Peruvian National Bankers Association (ASBANC), Ericsson and the three 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, called Billetera Movil (BIM), will allow users to make deposits, withdrawals and payments through their phones. It has been designed for low levels of financial literacy and is expected to attract as many as 5 million users by 2020. In June 2015, the initiative was recognized with a Global Telecoms Business Innovation Award in the business services innovation category. Not only is BIM Peru's largest private initiative for mobile banking, it is also the first implementation in the world where all the financial institutions in a country have joined forces to bring unbanked people into the financial system.

In Canada, My Mobile Wallet lets customers securely store their Scotiabank Visa credit card or ScotiaCard® debit card information on their smartphone. They can then pay for small purchases simply by waving their phone over the point of sale terminal at a store checkout. They can also use My Mobile Wallet to store their SCENE membership card information and earn and redeem SCENE loyalty points at Cineplex and other SCENE partners across Canada.

Low-cost banking options

Scotiabank offers a variety of low-cost banking options for low-income customers. Among them, Scotiabank Chile has the 4x1 plan, which gives customers 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.

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.



DID YOU KNOW?

Banco Colpatria, the Bank's subsidiary in Colombia, launched secure mobile banking for its 1.4 million customers in 2015. Customers can now use their smartphones to check account balances, make loan payments, transfer funds, pay bills, top up mobile phones and get help through an online chat feature.

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ACCESS TO FINANCE

Financial services summary in Canada

Customer Segment	Basic Banking	Savings, Investment and Credit Products
 All	<p>Scotiabank Prepaid Reloadable Visa cards are alternative payment cards that are loaded and reloaded with the customer's own funds and can be used anywhere Visa is accepted. These cards provide a credit-free way for holders to pay for purchases worldwide and online without qualifying for credit.</p> <p>The ScotiaCard with Visa Debit allows customers to pay with their debit card online and internationally wherever Visa is accepted. ScotiaCard with Visa Debit is a debit card not a credit card. Any purchases or transactions customers make with a ScotiaCard with Visa Debit will be debited directly from their chequing account.</p>	<p>Bank the Rest Savings Program (Canada) helps customers improve their saving habits while making everyday debit purchases.</p> <p>The Momentum Savings Account pays customers twice – first with an everyday competitive interest rate, and then with extra interest when customers keep their money saved.</p> <p>The Scotiabank Savings Accelerator Account offers customers a registered and non-registered option and a high interest rate on their entire balance as it grows.</p> <p>Scotiabank Canada offers a variety of credit products, from no-fee to low-rate to rewards, to meet customer needs.</p>
 No/Low-Fee	<p>Scotiabank's Basic Banking Account (Canada) is a low-cost bank account designed for customers who keep their monthly transactions to a minimum.</p> <p>Beneficiaries of a Registered Disability Savings Plan are eligible to have their Basic Banking Account monthly fee waived.</p> <p>Customers over 60 years of age, through our seniors discount program, enjoy the Basic Banking Account with no monthly fee.</p>	<p>Scotiabank offers no-fee credit card options that provide special benefits for customers:</p> <p><i>Scotia Momentum</i>® No-Fee Visa* card offers accelerated cash back rewards.</p> <p><i>No-Fee Scotiabank Value</i>® Visa* card provides a low annual interest rate.</p> <p><i>No-Fee ScotiaGold</i>® Visa* card is a no frills card with travel benefits.</p> <p>SCENE[‡] Visa* card allows customers to earn SCENE reward points to redeem towards movies, entertainment and more.</p> <p>Scotiabank® Rewards Visa* card allows customers to earn <i>Scotia Rewards</i> points to redeem towards travel, merchandise and other rewards.</p> <p><i>Scotiabank</i>® GM® Visa* card allows customers to earn GM Earnings that can be used towards the purchase or lease down payment of any eligible new Chevrolet, Buick, GMC or Cadillac vehicle.</p>

® Registered trademarks of The Bank of Nova Scotia.

* Trademark of Visa International Service Association and used under licence.




® Registered trademark of General Motors LLC. The Bank of Nova Scotia is an authorized user of General Motors LLC marks for the GM Card program.

‡ Registered trademark of SCENE IP LP, used under licence.

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ACCESS TO FINANCE

Financial services summary (Canada) (continued)

Customer Segment	Basic Banking	Savings, Investment and Credit Products
 Youth	<p>The Student Banking Advantage Account (Canada) provides a no-fee banking account with unlimited debit transactions for full-time university or college students.</p> <p>Getting There Savings Program for Youth (Canada) is a no-fee account with unlimited debit transactions for children under 19 years of age.</p> <p>To make it easier for student customers to do business with Scotiabank, technology initiatives were piloted at 14 campuses. Branch advisors were provided with equipment to enable end-to-end fulfillment of bank accounts and credit cards, all on-campus during the busy back-to-school season.</p>	<p>Scotiabank offers students an opportunity to build credit for the future using the <i>L'earn</i> Visa card or Student SCENE Visa card, with no minimum income requirement.</p> <p><i>L'earn</i>® Visa* card is a no annual fee card that offers students accelerated Moneyback rewards.</p> <p>The no annual fee Student SCENE Visa card allows students to earn SCENE rewards points to redeem towards movies, entertainment and more.</p> <p>ScotiaLine Personal Line of Credit for Students is an interest-only line of credit for students to help pay for tuition and related expenses and also provide an interest-only grace period for 12 months following graduation.</p>
 Seniors	<p>In Canada, customers aged 60 and over automatically receive a discount off the applicable monthly account fee.</p>	<p>In Canada, customers aged 65 and older will receive a discount on the annual fee for the <i>ScotiaGold Passport</i>® Visa*, Scotiabank Gold American Express and Scotiabank American Express cards.</p> <p>Helpful online RRIF/LIF/LRIF illustrator tool, literature and advice are available for seniors.</p>
 Aboriginals	<p>27 Aboriginal Banking Centres (Canada), including on-reserve branches, offer all of the Bank's basic banking services.</p>	<p>Niche on-reserve lending programs are available to individuals and band councils across Canada for on-reserve housing.</p>

American Express is a registered trademark of American Express. This credit card program is issued and administered by The Bank of Nova Scotia under licence from American Express.

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Financial services summary (Canada) (continued)

Customer Segment	Basic Banking	Savings, Investment and Credit Products
 Newcomers to Canada	Landed immigrants and foreign workers receive \$100 when they open an eligible chequing account. They 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®.	<p>Landed immigrants and foreign workers can build their credit history with an unsecured credit card, and get a Scotia U.S. Dollar Daily Interest Account or a Scotia Euro Daily Interest Savings Account. They may take advantage of a number of Scotiabank StartRight programs.</p> <p>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. They can open a Scotia U.S. Dollar Daily Interest Account or a Scotia Euro Daily Interest Savings Account.</p>
 Small Business	Over 1,700 branch-based small business advisors deliver practical tools, resources and banking services which help small businesses grow and succeed.	<p>Running Start <i>for business</i> offers a Business Plan Writer and complementary accounting software to help businesses get off to a strong start.</p> <p>Small business products include: Scotia One Account Plan <i>for business</i> and <i>agriculture</i>; Scotia Power Savings <i>for business</i> which has a higher interest savings option; Right Size Account <i>for business</i> which provides a tiered fee structure based on customers' unique needs; Scotia Momentum <i>for business</i> Visa card which includes a cash-back option to strengthen cash flow; ScotiaLine <i>for business</i> Visa, a low rate line of credit with Visa card access; ScotiaGold Passport <i>for business</i> Visa which provides travel rewards; term loans and credit lines <i>for business</i> and <i>agriculture</i>; ScotiaFlex <i>for business</i> and <i>agriculture</i>, a flexible financing solution providing access to 11 borrowing products secured by a collateral mortgage; Scotia Business Loan Protection; and Scotia Professional Plan and Scotia Professional Student Plan.</p>

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FINANCIAL EDUCATION

In today's complex world, people of all ages need to have the knowledge, skills and confidence to make financial decisions. Scotiabank works to enhance financial literacy through a combination of online tools and resources, in-person seminars and workshops, one-to-one conversations and local partnerships.

The Bank's personal banking website offers easy-to-read information, educational videos and tutorials, and innovative tools to help people save, invest, budget, borrow and more. Most resources are available free of charge to site visitors, whether or not they are Scotiabank customers.

+ SCOTIABANK PERSONAL BANKING

In 2015, the Bank ran a unique online campaign, called *La Pequeña Gran Idea*, in Mexico, Chile and the Dominican Republic, in an effort to promote financial literacy and entrepreneurship in key markets. Entrepreneurs in these countries were invited to submit their business plans to a dedicated online portal for a chance to win a USD\$10,000 cash prize as well as mentorship from a Scotiabank small business coach. Local committees in each country selected their top 10 plans based on feasibility, innovation, financial performance and sustainability. The business ideas were also published on the official website and readers voted on their favourites. More than 300 submissions were received during the five-month campaign.

DID YOU KNOW?



Scotiabank Mexico participates in National Financial Literacy Week presented by the National Commission for the Protection and Defense of Financial Services Users (CONDUSEF) and the Association of Banks of Mexico (ABM). The goal is to bring stakeholders together to promote financial literacy and raise awareness of the effects of people's habits on their personal finances.



2015 TOOL USAGE

Number of visits to select pages of Scotiabank's Canadian website in 2015:

- | | |
|---|---|
| + Account Selector tool: 84,832 | + Tax Free Savings Account product page: 234,897 |
| + Savings Selector tool: 49,529 | + Mortgage Free Faster calculator: 64,251 |
| + Chequing Selector tool: 78,586 | + Money Finder calculator: 20,573 |
| + Mortgage Payment calculator: 1,276,084 | |

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FINANCIAL EDUCATION

Select financial education initiatives

Initiatives	2015 Impact
 Employees <ul style="list-style-type: none"> Scotiabank Vitality intranet site offers financial tools and resources for budgeting, saving, retirement planning and debt management. The site is available to employees, retirees and family members. 	<ul style="list-style-type: none"> Total unique visits in 2015 – 58,152
 Students <ul style="list-style-type: none"> 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. It is updated annually and includes tuition fees at most Canadian colleges and universities. The tool also allows students to enter income and expenses to determine annual budget surpluses or shortfalls. In Canada, four programs with contests were launched in 2015 to promote financial literacy: Dictionary for Dollars, Student Bursary, Show Your Credit, Find Your Meme. 	<ul style="list-style-type: none"> Student budget calculator – 20,655 visitors, with usage spiking in July and August as students plan for the upcoming school year <p> STUDENT BUDGET CALCULATOR</p>
 Newcomers to Canada <ul style="list-style-type: none"> Through community and not-for-profit initiatives, Scotiabank sponsors and runs free financial literacy workshops for newcomers, helping immigrants transition to Canada. In line with Citizenship and Immigration Canada's policies for providing pre-arrival support to new Canadians, the Bank provides settlement and banking basics through Scotiabank-sponsored international webinars. The Scotiabank StartRight Program for newcomers offers customized products and solutions and settlement resources and advice to help newcomers to Canada get their financial lives in order and ease their transition to a new country. 	<ul style="list-style-type: none"> Usage is not publicly disclosed. Usage is not publicly disclosed. Usage is not publicly disclosed.

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FINANCIAL EDUCATION

Select financial education initiatives (continued)

Initiatives	2015 Impact
 <p>Small business owners</p> <ul style="list-style-type: none"> In Canada, there are two web-based resources based on key business life stages – plan, start, grow. The Get Growing for Business website provides a wide variety of resources on relevant business topics.  SCOTIABANK.COM/SMALLBUSINESS  GETGROWINGFORBUSINESS.SCOTIABANK.COM La Pequeña Gran Idea is an online campaign launched in Mexico, Chile and Dominican Republic to support local entrepreneurship and financial literacy. Small business ideas were submitted and USD\$10,000 was awarded for the top idea. 	<ul style="list-style-type: none"> 195,000 visitors Over 1,255 registered participants and 300 business ideas submitted
 <p>Consumer and microfinance customers</p> <p>The Bank's international subsidiaries offer a variety of financial literacy programs:</p> <ul style="list-style-type: none"> Peru (CrediScotia) – Escuela de Emprendedores Chile (Banco Desarrollo) – Haciendo Empresa Dominican Republic (Soluciones) – Haz crecer tu negocio Jamaica (CrediScotia) – Build Your Business website Mexico (Credito Familiar) – Cursando Empresa Uruguay (Pronto!) – Financial literacy workshops and micro-videos 	<ul style="list-style-type: none"> In Peru, 87 participants were certified for completing the training program. Micro-video campaign won a DERES Best Practices Award in Uruguay in the responsible marketing category.

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Select financial education initiatives (continued)

Initiatives	2015 Impact
<div>  Investors <ul style="list-style-type: none"> Scotia iTRADE®, an online trading and investment platform, includes leading-edge tools and educational resources for investors at all experience levels from novice to advanced. iTRADE® offered 182 free webinars in 2015 to help customers increase their knowledge, become better traders and investors and make more informed investment decisions. Mapping Tomorrow is a robust financial planning program used by Scotiabank advisors to create customized financial plans for customers, based on various key life stages. </div>	<ul style="list-style-type: none"> 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 3,000 people participated in iTRADE® webinars.
<div>  LEARNING MODULES <ul style="list-style-type: none"> In Costa Rica and Trinidad and Tobago, Investing in You is a regional financial literacy program which educates customers on basic investing principles and strives to build a long-term investment culture. </div>	<ul style="list-style-type: none"> 96% of customers said the Mapping Tomorrow program helped them understand how to achieve their financial goals, according to customer research conducted in September 2015. 94% felt the Mapping Tomorrow program helped them understand how to achieve their goals.

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PRONTO! – LEADER IN TECHNOLOGY AND INNOVATION

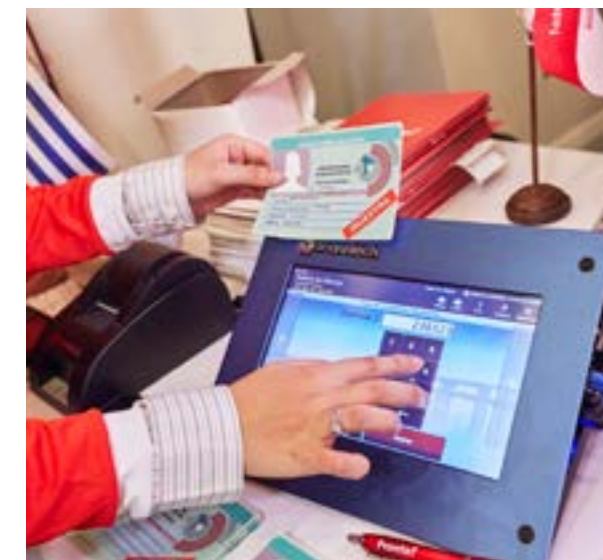


Scotiabank strives to expand access to finance in every country where it operates. In Uruguay, the Bank has become a leader in non-bank consumer lending through Pronto!, Scotiabank's consumer and microfinance (CMF) subsidiary. Pronto! provides a unique solution that gives customers access to credit in just seven seconds.

In partnership with Scantech, a leading technology platform connecting independent stores in emerging markets to consumer products companies, services companies and financial institutions, Scotiabank Pronto! is revolutionizing the financial system. Pronto! provides financial solutions where there are no banks or traditional banking systems, using business intelligence to ensure fast and easy access to credit. Loans are administered through small shops and minimarkets throughout rural Uruguay.

In order to obtain a personal loan, all a customer needs to do is provide identification and a telephone number. If the person qualifies for the loan, the system will display the offer within seven seconds. A voucher is then printed and signed by the customer. The loan is administered through the store, thereby giving people across the country access to financial solutions where there are no banks or financial institutions.

The size of loans ranges from UYP5.000 (USD\$170) to UYP20.000 (USD\$670) and the interest rate is regulated. Within two hours of processing, Pronto! contacts the customer for additional details to add to its database and to provide account assistance.



Since Scotiabank started operating in Uruguay in 2011, Pronto! has grown to more than 100,000 customers, lending more than UYP1.000M (USD\$33 million).

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EMPLOYEES



Thousands of talented employees around the world are the driving force behind Scotiabank's success. The Bank strives to build strong relationships with its employees by providing them with enriched work experiences and opportunities for personal growth and success. The Bank appreciates effort and rewards results. Its approach has earned Scotiabank accolades as a great place to work and enhanced its ability to attract and retain talent.

**EMPLOYEE RESOURCE GROUPS**

promote affinity, employee development and awareness, and business impact

**CONSECUTIVE YEAR**

Recognized as one of the World's Best Multinational Workplaces by the Great Place to Work® Institute

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EMPLOYEE ENGAGEMENT

Employee experience

Employee experience focuses on the interactions between employees and their managers, co-workers and customers and their work environment. The Bank prioritizes employee experience in order to keep its people engaged and committed to delivering an excellent customer experience.

The Bank's attention to the employee experience has helped drive high engagement scores in its annual employee survey, ViewPoint. The Employee Engagement Index score remained strong and stable over the past three years and compares favourably to the scores of similar organizations.

Employee Engagement Index (%)¹

	2015	2014	2013
Scotiabank	84%	85%	84%
Average norm among top 10% of global financial services organizations	73%	71%	72%

¹ The Employee Engagement Index measures the passion and commitment employees have for their jobs, co-workers and organization.

Job satisfaction, work atmosphere, communications, flexible work arrangements and career transition support are some of the elements that contribute to outstanding employee experiences:

Job satisfaction

Pride on the job comes from doing great work for customers, providing opportunities for them to become better off, and seeing them succeed as a result of the help they've received from a Scotiabank employee. Globally, 92% of employees agreed that they put a high priority on the customer.

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 2015, Scotiabankers sent close to 850,000 peer recognition certificates to one another.

DID YOU KNOW?

Scotiabank Live is a global internal 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 improving overall transparency.

Note: Scotiabank Live is not yet available in Colombia or Uruguay.

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Employee experience (continued)**Communication**

Scotiabank's culture encourages open, honest and direct communication. There are a variety of ways for employees to ask questions or provide their point of view – 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:

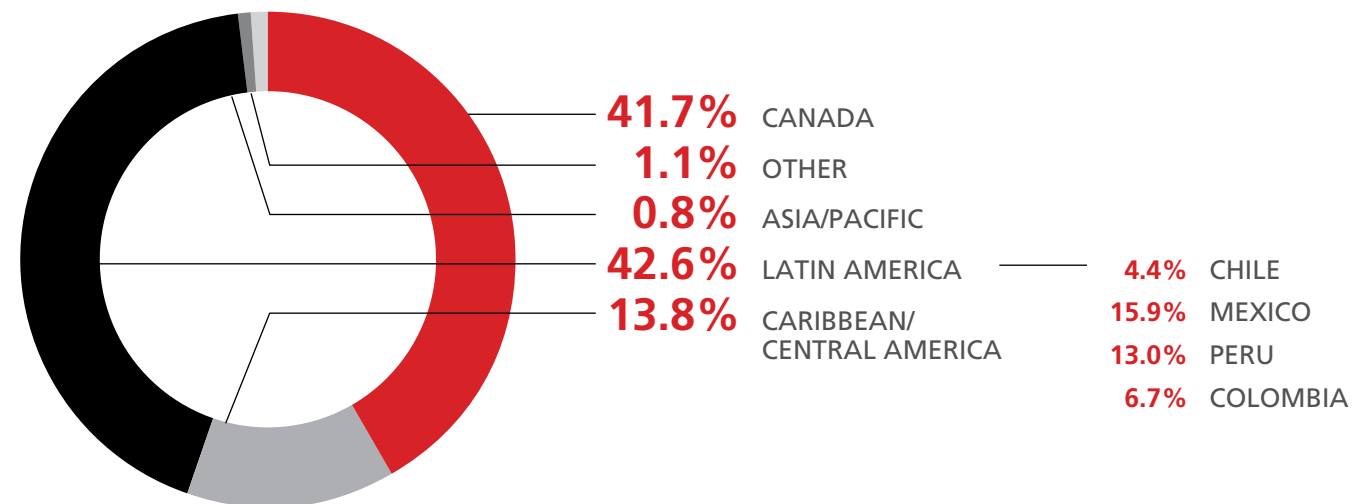
- The CEO and/or group heads communicate with senior leaders;
- The CEO and/or group heads provide information via email or posting to Scotiabank Live, Scotiabank's global internal employee collaboration site;
- Department leaders call a "huddle" to review the information with their teams and address 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 arrangements and career transition support

Flexible work arrangements can help employees achieve better work-life balance. Scotiabank also provides a variety of programs for helping people manage career transitions. These programs vary according to the unique needs of the employee and the country of residence. Examples include phased retirement, career counselling and transition services, severance packages, and employee and family counselling.

Employee population: geographic breakdown by region (as at October 31, 2015)

For a close look at Scotiabank's employee population by region, country, employment type and gender, see the Workforce Composition tables at the back of this report.



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Employee experience (continued)**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 level and stage of a person's career. The Bank encourages a blended approach to development that includes on-the-job experiences, peer and manager feedback, knowledge development and education.

Leadership is one of the Bank's five 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.

2015 Employee Training (Global)

Total training investment	\$76 million
Training investment per employee	\$884
Formal learning hours per employee	29

Talent identification

Scotiabank broadens and deepens its talent pool by identifying and developing the right leaders to meet its current and future needs. The Leadership Resource Planning (LRP) process enables the execution of the leadership strategy. The objectives of planning sessions are to identify talent, plan succession for key roles, and commit to develop action plans.

Outcomes from these 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 stronger alignment between organizational needs and opportunities, and employee aspirations, experiences and potential. These elements are captured in the Talent Profile, an important tool used in both the identification and development of talent.

The Talent Profile gives senior managers and above (in most countries) a means to showcase their career history, experiences and aspirations. Employees are encouraged to assess their capabilities against Scotiabank's leadership competencies. The Talent Profile enhances development and career planning discussions between employees and their managers and helps identify areas for focused development.

For senior executives, capabilities are assessed against four Executive Leader Qualities that reflect the behaviours senior leaders must demonstrate, and the values senior Scotiabankers should model. Aligning the development of all Scotiabank employees to leadership competencies enables focused development early in a person's career and helps develop a strong pool of future leaders.

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Employee experience (continued)**Leadership development**

Scotiabank strengthens its leadership capability by offering employees opportunities to learn, develop and perform. iLEAD, the Bank's global leadership development program, includes programs to support employees at various stages of their careers, particularly during transitions to new roles. The New Manager Foundations and Core Management Skills programs help new people managers develop fundamental management skills, emphasizing culture, coaching and team development. The Personal Leadership Development program available to all employees focuses on developing skills aligned with Scotiabank's leadership competencies. Online courses, books and articles enable employees to learn at their own pace.

In 2015, Scotiabank introduced the iLEAD Executive Program for senior executives in partnership with Duke Corporate Education. This best-in-class executive program includes three weeks of in-class sessions, over a six-month period, focused on developing leadership capability. To date, 50 leaders have graduated from this customized program.

The Leadership Development Assessment is another program aimed at strengthening the Bank's senior leadership. Leaders complete assessments and participate in a simulation of a day-in-the-life of a senior executive, which provides insight into individual development needs and informs development plans.

Scotiabank uses an annual Leadership Survey to evaluate the progress of the leadership strategy and inform executive action planning. 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.

Personal development plans

All Scotiabank employees are expected to have a personal development plan that focuses on their individual development needs and is created in collaboration with their manager. The Performance Management and Development Planning website on Scotiabank Live offers resources and tools to help them. They are encouraged to create their plans based on Scotiabank's 10 leadership competencies, identifying the competencies they need to work on and putting in place appropriate plans of action.

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Employee experience (*continued*)

Other career development opportunities are as follows:

- **Internal career fairs** – These events showcase job opportunities and give employees a chance to ask questions and explore options in different areas of the Bank.
- **Cross-functional project work** – Projects are great opportunities for Scotiabankers to develop new skills, get to know different areas of Scotiabank's business and build their networks inside and outside the Bank.
- **Networking** – Business lines leverage the talent and experience of diverse teams by holding networking events. Seasoned Scotiabankers return to areas where they once worked and share insights and suggestions with people who are new to the department.
- **Continuous learning opportunities** – Activities include traditional classroom courses, e-learning, virtual instructor-led courses, coaching, job shadowing, social learning and learning through community volunteer work.
- **My Learning Centre** – Scotiabank's learning management system offers thousands of courses in English, French and Spanish. Many have been mapped to Scotiabank's leadership competencies.
- **Skillsoft e-learning catalogue** – More than 5,000 courses in three languages are available. The courses are centrally funded so there is no cost charged directly to employees or their departments. The catalogue covers a variety of subjects that align to the behaviours outlined in Scotiabank's competency model, in addition to communication, business, IT and professional skills.
- **Tuition assistance** – The tuition assistance policy supports employees in obtaining a degree, certificate or licence from an accredited university, college or professional association. Scotiabank provides financial support for tuition and textbooks, as well as time off to study for exams.
- **Career information resources** – Scotiabank Library Services offers books, trade journals, magazines, videos and research tailored to learning and development.

Turnover

Although the Bank's voluntary employee turnover rate in Canada increased from 2014 to 2015, it remains low relative to that of other Canadian banks, according to PwC's Saratoga 2015 Banking Workforce Metrics Program in which Scotiabank participates annually.

Voluntary employee turnover¹

	2015	2014 ²	2013 ²
Canada	11%	10%	9%
International	12%	11%	9%

¹ Voluntary denotes those who have left due to resignation or retirement.

² Turnover data was restated because the definition was changed to include only resignations and retirements, and exclude contract expirations and settlements. Turnover from 2014 and 2013 has been restated to reflect only these two types of departures.

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As Canada's International Bank, Scotiabank is a leader when it comes to inclusion. The Bank serves over 23 million customers globally, and its employees speak more than 100 languages and hail from more than 120 countries. The Bank's inclusion journey has evolved over its many years in business through valuing differences and aspiring to create inclusive environments. Providing an inclusive environment enables customers and employees to achieve their best.

Under the recently adopted banner "Inclusion Makes Us Stronger," the Bank demonstrates its commitment to inclusion through its people and practices. Scotiabankers focus on continuously building their understanding of customers, and one another, through the inclusion of varied perspectives, backgrounds and experiences.

The Diversity and Inclusion Council sets the strategy and tone from the top. The council is chaired by Group Head and Chief Human Resources Officer Barbara Mason. Members include senior executives from across the Bank.

Leadership diversity

One of Scotiabank's leadership priorities is to develop leaders reflective of its customers and employees. In particular, the Bank is focused on increasing the representation of women and Latin American leaders at the vice president and above (VP+) level.

Women in leadership

Increasing the representation of women in leadership roles involves a continued focus on identifying and developing current and future women at the VP+ level. In 2015, the Bank achieved a new record of 28% women at the VP+ level globally.

In addition, and in alignment with the goal of increasing the representation of women at the executive level, Scotiabank tracks key metrics such as women new to the VP+ pool to measure efforts to advance women in leadership.

Leadership in Latin America

To better reflect and serve its customers, Scotiabank is focused on building deep and diverse leadership teams in its priority markets. With a strong presence in Latin America, the Bank is focused on strengthening the leadership pipeline in priority Latin American countries.

DID YOU KNOW?



Scotiabank publishes an annual Employment Equity Narrative in which it presents its Canadian plans and performance related to four designated groups (women, visible minorities, persons with disabilities and Aboriginal people) and describes what it is doing to promote a culture of inclusion.

+ EMPLOYEE EQUITY NARRATIVE

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Employee resource groups

Employee resource groups (ERG) are grassroots initiatives that promote affinity, employee development and awareness, and business impact. In 2015, the Bank expanded its view of the role of ERGs, recognizing that some ERGs had outgrown their original intent and were helping to drive customer initiatives. By being a voice for customers and communities, they can add value to the Bank's inclusive environment both internally and externally. The Bank has nine formal ERGs:

- Scotiabank Aboriginal Network
- Scotiabank Pride
- Scotiabank Young Professionals
- Scotiabank Intercultural Alliance
- Scotiabank Caribbean Network
- HOLA Scotiabank
- Scotiabank South Asian Alliance
- Scotiabank Alliance for Mental Health
- Scotiabank Diversability Alliance

There are also more than 30 grassroots women's groups across Canada, focused on professional development and leadership. In 2015, the chairs of these groups came together to create the Council of Chairs to share best practices and align with the Bank's approach to inclusion. Chaired by the Executive Champion for Women, Maria Theofilaktidis, the council meets every other month.

Scotiabank has been recognized in 2015 for the following:

- World's Best Multinational Workplaces
- Canada's Best Diversity Employers
- Most Supportive Employer to Canada's Reserve Force
- Best Place to Work Canada
- Top 150 Employer Brand
- Canada's Top Employers for Young People
- Most Supportive Employer in Canada
- Champion Employer of the Year (Trinidad and Tobago)

DID YOU KNOW?



Two of the Bank's executive vice presidents launched the Scotiabank HeForShe program modelled after the UN program, which encourages men to make gender inclusion a priority by committing to real change within and beyond their own team.

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DIVERSITY AND INCLUSION

Diversity highlights¹ (Canada)

	2014	Workforce Availability ²	2013	2012
Women	64.5%	55.3%	65.2%	66.0%
Women in senior management (NOC 13 in Canada ³)	35.4%	27.4%	34.4%	33.7%
Visible minorities	28.5%	26.3%	26.8%	25.9%
Visible minorities in senior management	15.4%	10.1%	13.7%	14.0%
Persons with disabilities	4.6%	5.4%	3.1%	3.3%
Aboriginal employees	1.4%	2.0%	1.2%	1.2%

¹ Most recent data as at January 1, 2015.

² Source: 2011 Census of Canada and Employer's Internal Data using methodology suggested by Employment and Social Development Canada. Workforce availability refers to the distribution of people in the employment equity designated groups as a percentage of the total Canadian workforce. Workforce availability changes from year to year based on Scotiabank Operations or as new census data becomes available.

³ National Occupation Classification (NOC) 13 includes finance, insurance and related business administration occupations.

DID YOU KNOW?



In 2015, Lee Walker, a long-time Scotiabank employee now retired, was awarded the first "Workplace Inclusion Leadership Award" by the Aboriginal Human Resource Council.

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Aboriginal employment in Canada

Scotiabank uses a variety of recruitment strategies 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 Recruitment team.

The Bank has had a dedicated Aboriginal Community Recruiter on the diversity Recruitment team since 2014. The Recruiter develops positive relations with community partners and academic institutions by attending Aboriginal-focused career fairs, networking sessions and sponsorship events across Canada. The Recruiter also participates in initiatives to strengthen the inclusion of Aboriginal employees, including the Aboriginal Human Resources Council, the Young Entrepreneurs Symposium (YES) and the Belcourt Brosseau Métis Awards. The results of the dedicated efforts on Aboriginal recruitment led to an increase in Aboriginal hires.

In addition to developing strong relationships within Aboriginal communities, the Aboriginal Community recruiter ensures that job boards and relevant websites, such as the Aboriginal Talent careers microsite, are optimized to provide a positive and informative candidate experience.

Scotiabank Pride

The Scotiabank Pride employee resource groups in Canada and Mexico took major steps forward in 2015.

In Canada, they put forward a strong business case for spreading the Bank's inclusion message externally during June Pride month activities. As a result, Marketing developed a two-pronged approach that included broad-based marketing at key Toronto, Montreal and Vancouver branches along the Pride parade routes using branch wraps, ABM screens, elevator screens and more; a separate exclusive event for high-value customers was held in partnership with Scotiabank wealth advisors to thank customers for their visible support.

Pride activities were also held across the country and hundreds of employees marched in Pride parades, proudly sharing the message that Inclusion Makes Us Stronger. The response from customers was overwhelmingly positive.

With over 150 members, the Scotiabank Pride chapter in Mexico engages with employees and community alike and is at the forefront of the LGBTQA journey in Mexico. In June 2015, the Scotiabank Pride Mexico Committee launched a robust campaign for employees around inclusion and, specifically, LGBTQA. Scotiabank also participated in numerous external activities, including marching in the Pride parade and sponsoring a Diversity Workplace Meeting for large multinationals operating in Mexico.

Corporately, Scotiabank launched scotiabank.com/proud to showcase its inclusive culture for LGBTQA employees and customers.



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Human rights in the workplace

Scotiabank is committed to a workplace free from discrimination and harassment where all employees are treated equitably with dignity and respect.

The Bank's Guidelines for Business Conduct describe the standards of behaviour required of all Scotiabank employees and provide guidance on how to raise issues or concerns. Employees acknowledge their responsibility to adhere to the Guidelines and participate in related online training annually.

In 2012, the Bank implemented its Global Principles on Non-Discrimination in the Workplace, which apply to all Scotiabank operations and help guide employees. 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.

Scotiabank operations are consistent with the International Labour Organization (ILO) fundamental conventions. The Bank supports the exclusion of child labour, consistent with 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 known to exist generally, Scotiabank's higher standards of operating serve as a model for local industry.

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 human resources representatives provide advice and counsel to employees and managers to address issues involving human and labour rights. At the request of business areas, the Bank conducts training and education designed to ensure that employees fully understand their rights and obligations with respect to discrimination and harassment in the workplace.

DID YOU KNOW?



Scotiabank is currently reviewing its overall human rights strategy with respect to international standards and implementation of the UN Guiding Principles on Business and Human Rights.

Concerns are tracked and monitored through a centralized system from which the Bank generates trend reports. In Canada, Shared Services Employee Relations and the Employment Law Group dealt with 21 human rights concerns through internal escalation and investigation processes, and 10 formal human rights complaints through the Canadian Human Rights Commission (CHRC), in 2015. Concerns typically relate to discrimination. To date, no formal human rights complaints have gone before the Canadian Human Rights Tribunal; they have been either resolved amicably between the parties or dismissed by the CHRC. As part of the internal escalation process, complaints are thoroughly investigated by the Employment Law Group and Employee Relations.

+ GUIDELINES FOR BUSINESS CONDUCT

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Freedom of association

Following international and universal labour standards, such as the Declaration on Fundamental Principles and Rights at Work, including Convention No. 87 and No. 98 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.

One of several unions representing employees at Scotiabank Chile engaged in a legal strike in October 2014 following unsuccessful negotiations. This was the first strike ever against Scotiabank Chile. The strike ended by early November 2014 when the union exercised its legal right to extend the then current collective agreement. In September 2015, Scotiabank Chile and this union negotiated and signed a new collective agreement which expires in 2019. Throughout both rounds of collective bargaining and during the strike, Scotiabank Chile bargained in good faith, tried to promote good and harmonious labour relations and complied with national labour laws.

DID YOU KNOW?



Scotiabank has unionized employees in 14 countries, representing over 9,500 employees worldwide.

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Organizational changes

The Bank continues to make changes to its structure to drive a more efficient delivery of products and services to customers, including adopting new technologies to reduce costs and achieve operational efficiencies.

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

When jobs are affected, the Bank seeks to leverage natural attrition and offers assistance in seeking alternate opportunities within the organization whenever possible. Supporting Scotiabankers through times of change is core to upholding the Bank's values of integrity and respect. The Bank meets or exceeds applicable local or national laws that may govern minimum notice periods when undergoing organizational change. Where a collective agreement specifies a minimum notice period, the Bank meets any such requirement.

If redeployment is not possible, affected employees are offered severance packages, including career counselling that meets or exceeds national legal standards.

There have been no significant changes to the organizational structure (other than normal course leadership changes), size or ownership of the Bank during 2015.

There were three acquisitions in 2015:

- The Bank acquired 51% of Cencosud's financial services business in Chile in a 15-year strategic alliance. The partnership includes the management of Cencosud's credit card portfolio and the provision of additional products and services to customers of both organizations.
- Scotiabank's subsidiary in Peru acquired the retail and commercial banking operations of Citibank in Peru. Citibank's Peruvian operation includes eight branches serving more than 130,000 retail and commercial banking customers.
- Scotiabank acquired Discount Bank in Uruguay. The two branch networks will continue to operate separately during the transition period.

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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 and benefits. Benefits may include health care, group life insurance, disability benefits, banking services, paid time off and wellness programs.

Benefits

While plans and policies differ internationally according to local market practice, legislative and insurance norms and available products, benefit offerings aim to satisfy the following goals:

- Be compliant in each region
- Be competitive, aligning the benefit program (as a whole) with the local market
- Be risk/cost-effective with employee partnership, including cost sharing to foster employee responsibility and promote sustainability
- Provide catastrophic support, integrating Scotiabank plans with personal, spousal and government benefit programs to offer medical and financial relief from catastrophic loss due to illness, injury and death

- Incorporate wellness as a means of encouraging good health
- Ensure high provider standards by requiring service standard minimums and strong administration and adjudication practices.

Salaries and employee benefits for fiscal years

(CAD\$ millions)	2015	2014 ¹	2013 ¹
Salaries	\$4,019	\$3,680	\$3,552
Performance-based compensation	1,438	1,473	1,390
Share-based payments ²	220	270	222
Other employee benefits	1,004	1,124	1,075
Total	\$6, 681	\$6,547	\$6,239

¹ Certain prior period amounts are retrospectively adjusted to reflect current period presentation.

² Excludes employee share ownership plans.

Significant locations in terms of size of operation and cost of benefit programs include Canada, Mexico, Peru, Chile, Trinidad and Tobago, Barbados, Jamaica, Bahamas and Central America (Panama, El Salvador and Costa Rica).

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Incentive compensation

Scotiabank's incentive compensation programs align employees' interests with the Bank's business priorities. 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 compensation ensures that each person's pay is appropriately linked to individual and business performance, and is in line with the Bank's risk appetite.

Incentive Compensation (CAD\$ millions) ¹	2015
Executive, Wholesale Banking and Canada Non-Executive	
Number of participating employees	38,888
Total payout (CAD\$ millions)	\$887.3
International Non-Executive	
Number of participating employees	33,155
Total payout (CAD\$ millions)	\$146.5
Total	
Number of participating employees	72,043
Total payout (CAD\$ millions)	\$1,033.8

¹ Includes Annual Incentive Plan, Global Banking and Markets Incentive Plan, mid- and long-term incentives and various other incentive plans. Does not include sales or other specialized plans (e.g., commission plans).



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Employee share ownership

Scotiabank employees around the world contribute to the Bank's success every day. Participation in the Employee Share Ownership Plan (Canada) and the Global Employee Share Ownership Plan (internationally where applicable) enables employees to share in the Bank's financial success in a tangible way and helps them save towards their personal financial goals.

(as at October 31, 2015) 2015

Percent (%) of eligible employees who participate in ESOP (Canada)	78%
--	-----

Percent (%) of eligible employees who participate in Global ESOP (international and non-401K U.S.)	36%
--	-----

Total dollars contributed to matching by the Bank (ESOP Canada)	CAD\$24,959,749
---	-----------------

Total dollars contributed to matching by the Bank (Global ESOP international and non-401K U.S.)	CAD\$5,813,697 ¹
---	-----------------------------

¹ Exchange rate based on Finance Department's year-to-date daily average rate as at October 31, 2015.

THE SPP GLOBALLY HAD

34,283 

MEMBERS

Plan assets totalled CAD\$5,768 million.
As at October 31, 2015

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 72% 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 earnings, years of service, and expected Canada/Quebec Pension Plan (CPP/QPP) benefits. Employees have the option to contribute to the SPP to earn an enhanced benefit. Both Bank and employee contributions are paid into a pension fund managed by Scotiabank. Scotiabank contributes to the plan in accordance with applicable legislation to ensure the SPP has sufficient funds to pay pension benefits.

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REDEFINING BANKING AND THE WAY WE WORK

In our fast-paced and connected world, today's customers want to choose when, where and how they bank. Technology is advancing quickly and shifting expectations. With the creation of the Digital Factory, Scotiabank aims to redefine banking for the digital age, meeting customers' needs and expectations in whole new ways.

When fully operational in 2016, the Digital Factory will house a team of more than 350 Scotiabank employees, many in newly created roles like user interface and user experience designers, scrum masters, agile coaches, solution architects, data scientists and other advanced analytics specialists. Some will be long-standing Scotiabank employees and others will be new hires with specialized skills needed to support customer-driven innovation.

The Digital Factory's work kicked off in 2015 with three innovation labs – coined Rapid Labs – in which joint business and technology teams came together to reimagine key customer experiences like the mortgage application process.

In Rapid Labs, teammates from different backgrounds work collaboratively, in real time, to constantly push boundaries and find the right solutions for customers. The energy is high and everyone is fully engaged.

Scotiabank recognizes that its employees are its competitive advantage. The Digital Factory provides a dynamic environment that challenges a new era of Scotiabankers to be part of a very powerful journey: transforming banking for the digital age. Digital Factory team members tell it best: "It feels like we're in a start-up. It's an open, agile, fast-paced environment."

▶ DIGITAL FACTORY VIDEO



"By working together, we're able to come up with innovative solutions, and we get to challenge each other in different ways. The sky is the limit – I really believe that, now more than ever before."

– Digital Factory employee

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Scotiabank has a large global footprint and recognizes the need for meaningful environmental policies and programs to help protect the planet. The Bank works independently and in collaboration with stakeholders on a broad range of initiatives aimed at reducing environmental impacts and promoting responsible actions.

15% 

GHG EMISSIONS **REDUCTION**
TARGET FROM 2012 TO 2017
IN CANADA

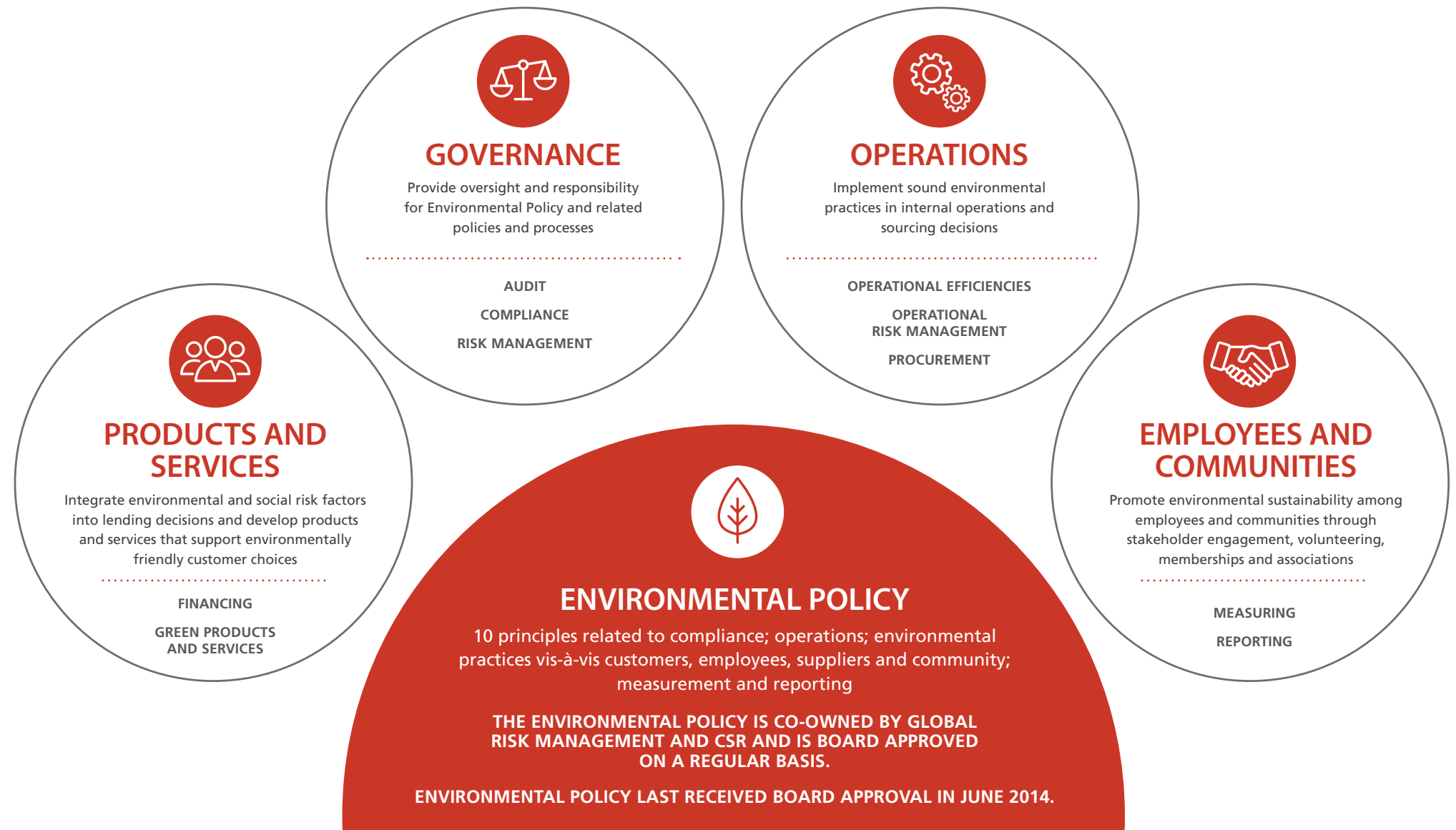
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PROJECTS FINANCED THAT
MEET EQUATOR PRINCIPLES
REQUIREMENTS

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Scotiabank Environmental Policy



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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 it was last reviewed in 2014.

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 Solutions (IT&S), Real Estate and Strategic Sourcing, to develop annual priorities and implementation plans.

DID YOU KNOW?



Scotiabank Peru developed an online course on the Bank's Environmental Policy to educate employees about its environmental commitments and policies.

Precautionary principle

Scotiabank uses the 10 principles of the Environmental Policy to address the precautionary principle (threats of serious or irreversible environmental damage).

+ MORE INFORMATION ON ENVIRONMENTAL RISK CAN BE FOUND IN THE BANK'S 2015 ANNUAL REPORT (OPERATIONAL RISK, PAGE 95, AND ENVIRONMENTAL RISK, PAGE 97)

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Certified green buildings

Scotiabank works to incorporate energy and environmental best practices into its locations. In Canada, 25 branch locations are certified under the Green Globes program, including six premises with a “4 globes” certification and one location with the highest certification of “5 globes.” There are 10 additional premises where Green Globe certification is pending.

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.

Through a cooperative effort with the landlord, Scotia Plaza in Toronto is in the process of re-certification from LEED Gold to LEED Platinum, the highest environmental certification for office buildings globally. Building improvements include a complete lighting retrofit from fluorescent to LED bulbs; and the installation of a new chiller system and additional heating/cooling system upgrades to improve energy efficiency and tenant comfort.

At international locations, Scotiabank maintains the highest standards, following all local building codes and regulations and,

where feasible, implementing global environmental best practices. BREEAM (BRE Environmental Assessment Method) is Europe’s primary environmental assessment certification for buildings. The Bank has an office building in London, England, with a BREEAM certification of “very good” through its ability to minimize environmental impacts in terms of site selection, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality, and other innovative practices.



Branch in Mexico with LED lighting and high-efficiency fixtures.

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Greenhouse gas emissions

Climate change poses a significant risk to the global economy and to society as a whole. As such, there is a growing expectation among internal and external stakeholders that the Bank should have a position on climate change, including setting targets for reducing its own greenhouse gas (GHG) emissions.

Scotiabank began measuring 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 for the first time covers 100% of global operations. The Bank's experience tracking GHG emissions has led to a deep understanding of which aspects of its operations generate the most carbon, and how to identify GHG reduction opportunities that could lead to cost savings.

In 2015, Scotiabank set a formal GHG emissions reduction target of a 15% absolute reduction on Canadian Scope 1 and Scope 2 emissions, using 2012 as the baseline year, with results to be fully realized by 2017. Overall, the Bank's emissions have declined from 78,632 tonnes of CO₂e in 2012 to 67,587 tonnes CO₂e in 2015. Setting GHG reduction targets indicates the Bank is concerned about the impacts of climate change and is doing its part to address and help alleviate the problem.

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. Some of the ways that the Bank reduced its energy consumption and GHG emissions in 2015 were as follows:

- Real Estate performed annual branch energy reviews on 20% of the Canadian portfolio, and repairs and improvements were made (like caulking and weatherstripping doors and windows, replacing broken glass, and fixing dripping faucets and running toilets) to reduce energy consumption.
- A smaller branch footprint was created for new branches and office standards were "densified" (i.e., less office space per employee) to reduce absolute emissions for all new and renovated premises.
- Employee engagement plans raised internal awareness of Scotiabank's commitment to the environment and how employees can contribute.
- Setback HVAC thermostats and astronomical clocks with timers to control exterior lighting were installed, where required, in Canadian branches.
- The Bank used after-hours central control to turn off computers in its Canadian branch network.

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Greenhouse gas emissions (continued)

2015 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)	260,517	46,473	–	–
Heat (GJ)	122,652	6,358	–	–
Scope 1				
Fuel purchases (GJ)	290,337	14,756	–	–
Total electricity and fuel (GJ)	1,350,852	67,587	1.82	0.0628

2015 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)	187,759	75,853	–	–
Scope 1				
Fuel purchases (GJ)	8,250	558	–	–
Total electricity and fuel (GJ)	684,183	76,411	1.47	0.0710

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. We continue to expand the geographic scope of our reporting boundary with the objective of capturing total emissions. When necessary, some buildings were estimated using consumption data found in similar regions and building types.

Our Canadian report is based on 1,020 owned and leased retail locations and the space occupied by the Bank in 160 office buildings across Canada, representing approximately 1,076,050 square metres.

Our international report is based on 1,555 owned and leased retail locations and the space occupied by the Bank in 240 office buildings internationally, representing approximately 1,075,614 square metres.

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Greenhouse gas emissions (continued)

Scope 3

	Long Distance (over 3,700 km)	Medium Distance (463–3,700 km)	Short Distance (under 463 km)	Total
Total air	20,071,490	42,214,737	5,882,430	68,168,657
Total rail	–	2,129	5,475	7,604
Total kilometres	20,071,490	42,216,866	5,887,905	68,176,261

2015 Greenhouse Gas Emissions (Canada and International)

Source	GHG Emissions ¹ (tonnes CO ₂ e)
Scope 1 Direct CO ₂ e emissions produced from combustion of fuels	15,314
Scope 2 Indirect CO ₂ e emissions produced from electricity and steam purchases	128,684
Scope 3 Indirect CO ₂ e emissions produced from employee travel	9,803
Total CO₂e footprint	153,801²

¹ 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.

² The completeness and accuracy of Scotiabank's total GHG emissions has been verified by an independent third party. Proxy data amounting to 11% of our Scope 2 emissions was not subject to verification.

Three-Year Results (Canada)

	2015	2014 ¹	2013 ¹
Energy consumption (GJ)	1,350,852	1,403,860	1,278,440
GHG emissions (tonnes CO ₂ e)	67,587	73,466	67,775

¹ Numbers have been restated to account for the amendment to the GHG Protocol concerning the operational boundaries of what qualifies as Scope 1 emissions. Heat that is not metered was moved into Scope 2. Fuel purchases for owned premises in Scope 1 were restated to 100% consumption indicating full control.

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Water consumption

In Canada, Scotiabank is metered and/or invoiced for water consumption at 588 retail branch locations, representing over 2 million square feet, or roughly 58% 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.

2015 Water Consumption (Canada)

Utility	Total Use	Intensity per m ²
Water (m ³)	441,521	0.77

2015 Water Consumption (International)

Utility	Total Use	Intensity per m ²
Water (m ³)	170,739	0.99

The above information was collected from the best available data and methodologies, which includes information directly captured from invoices processed for payment from various water vendors. We continue to expand the geographic scope of our reporting boundary with the objective of reporting total consumption.

Our Canadian report is based on 350 owned and leased retail locations and the space occupied by the Bank in 42 office buildings across Canada, representing approximately 576,854 square metres.

Our international report is based on 228 owned and leased retail locations and the space occupied by the Bank in 55 office buildings in Chile, Costa Rica, Colombia, El Salvador, Guyana and Mexico, representing approximately 172,902 square metres.

Climate change reporting

In 2015, Scotiabank earned a position on the Climate Disclosure Leadership Index (CDLI) by disclosing high-quality carbon emission and energy data through CDP's climate change program. Each organization listed on the index is marked out of a total of 100 and the top 10% constitute the CDLI. Scotiabank scored 98 B.

At the request of 822 investors, who represent USD\$95 trillion in assets, thousands of companies submit annual climate disclosures to CDP. Top scores indicate a high level of transparency in the disclosure of climate change-related information, providing investors with a level of comfort to assess corporate accountability and preparedness for changing market demands and emissions regulation.



CDP, formerly Carbon Disclosure Project, is an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information.

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Waste reduction

Scotiabankers around the world have rallied around the Bank's commitment to recycle, reuse and reduce waste.

For its Canadian banking operations, Information Technology and Solutions redeploys technology recovered from branch changes or reductions. Reusable equipment is warehoused until it can be deployed. Redundant equipment is collected by a technology disposal partner which recovers the raw materials using secure sustainable business practices and a no-export policy in order to achieve a near-zero landfill goal.

Scotiabank Chile implemented a recycling program at its head office to gather, collect and recycle glass, plastic, cans and cardboard. To date, 530 kilograms of materials have been recycled. The plan is to extend the program to branches in 2016.

In Panama, Scotiabank eliminated the welcome kit for new credit cards – instead, it posted the information online.

Scotiabank Peru implemented a successful waste recycling program in which employees separate waste into three different waste streams. To date, the program has saved the equivalent of 957 trees and avoided the consumption of 506,455 litres of water and 19,264 litres of gas through the recycling of paper and plastic.

In Ontario, waste diversion rates at certain large office premises were available for the first time in 2015:

Location	2015 Diversion Rate
2201 Eglinton Avenue East, Toronto, ON	71%
118 Sparks Street, Ottawa, ON	80%
1 Ontario Street/60 Erie Street, Stratford, ON	68%
10 Wright Boulevard, Stratford, ON	75%
7681 Yonge Street, Thornhill, ON	20%
1 St. Clair Avenue East, Toronto, ON	82%
888 Birchmount Road, Scarborough, ON	76%

We hope to expand reporting to other provinces going forward.

The completeness and accuracy of the Scotiabank Diversion Rates has been verified by an independent third party.

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Paper consumption

The greatest opportunity for reducing paper consumption is in digitizing client statements for banking, credit card, line of credit, investment, mortgage and STEP accounts. Information Technology and Solutions sets a target of reducing paper consumption by 15% per year, which it achieved in 2015, with a 15.5% reduction from the 2014 level.

In Canada, 67 million customer statements were delivered digitally, saving 82 million sheets of paper. This represented a savings of CAD\$68.2 million in print, mail and stationery costs, while reducing our environmental impact by saving 208 million pounds of CO₂, 822 million gallons of water and 71 million pounds of solid waste, and reducing harmful pollutants.

Global Transaction Banking implemented new technology that reduced paper consumption by approximately 2,730,000 pages of paper across 20 locations in the Caribbean by eliminating the need to print money transfer acknowledgments. It also introduced a printing solution in its London offices, which resulted in a 20% reduction in paper consumption.

Scotiabank Canadian Paper Consumption (tonnes)

Paper Classification	2015	2014	2013	% Change 2014/15 (decrease)	FSC ¹
Business forms ²	2,624	2,632	2,679	(3.03)	2/5 of highest volume items
Business cards	15	16	12	(6.25)	100%
Letterhead	7	7	5	0.00	100%
Bond copy paper	1,463	1,474	1,441	(0.75)	100%
Marketing direct mail	261 ³	225	239	16.00	100%
Card carriers	18	19	18	(5.26)	
Total weight (tonnes)	4,388	4,373⁴	4,394⁴	1.33	

¹ 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.

² 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. Annual reports are included in this category.

³ Increase due to several new initiatives including communication to new customers and introduction of new products.

⁴ Restated with annual report adjustment to the total weight.

4,409
TONNES



TOTAL PAPER COLLECTED
AND RECYCLED IN CANADA

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OPERATIONAL ECO-EFFICIENCY

Paper consumption (continued)

Scotiabank Bond Copy Paper Consumption
in Select International Locations in 2015

Country	Submitted Weight (metric tonnes)
Chile	194.9
Colombia	87.6
Costa Rica	160.0
Dominican Republic	56.7
El Salvador	79.1
Jamaica	64.0
London	8.8
Mexico	422.8
Panama	37.6
Peru	244.0

DID YOU KNOW?



Scotiabank's IT&S department surpassed its target of reducing paper consumption by 15% from the previous year, achieving a 15.5% reduction in 2015.

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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. It does so through its climate change-related policies, lending practices, scenario planning, green business initiatives and consumer programs.

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.

The Operational Risk Management Policy covers 20 operational risk categories, including environmental risk, and underpins a framework which is used to identify, assess, measure and manage operational risks. Operational risk reports are tailored for the use of business units, business line operational risk committees, senior management and the Board.

Procedures are in place to identify, assess, measure and manage environmental risks, including climate change risks, 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. Procedures are in place to consider environmental risks associated with the business operations of each borrower and any real estate offered as security in the Bank's credit evaluation. This includes an assessment and commentary on climate change, if material to the client's business. 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

Enterprise-level scenario planning

As part of its Scenario Program, the Bank conducts scenario analysis of potential natural disasters and extreme weather events that could pose significant operational risk. Operational Risk Management facilitates sessions with business lines and corporate functions such as Real Estate, Business Continuity Management, Human Resources, and Information Technology and Solutions 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. Losses related to climate change (i.e., damage to physical assets, loss amounts related to non-compliance of regulation) are included in the collection of operational risk loss data.

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Climate change risk (*continued*)

Operationalizing climate risk at Scotiabank facilities

Real Estate's principal environmental objective is to ensure the Bank's compliance with all applicable environmental regulations and requirements. This is accomplished by:

- Exercising due diligence and limiting risk by considering environmental problems as related to the Real Estate portfolio, and determining appropriate action;
- Exercising due diligence when constructing or renovating Bank premises by taking reasonable care to comply with domestic standards and, in jurisdictions where local regulations are limited, prudent international standards;
- Exercising best practices for various global business units pertaining to business continuity of physical assets and staff in the event of an environmental incident (such as back-up generators, life safety planning, seismic requirements and fire safety certification); and
- Exercising reasonable care to ensure that property purchasing, sales, leasing, development and construction activities conducted by Real Estate limit the possibility of environmental risks or problems.

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

In 2015, Scotiabank relaunched its customer-focused environmental website, Scotiabank EcoLiving. 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 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.

+ 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.

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Environment and social risk

As a lender, Scotiabank has robust risk management practices in place 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. The Bank also has guidelines to 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, and to evaluate the social risks of a borrower or a transaction.

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. Two dedicated environmental and social risk managers are available to the deal team to provide advice and counsel when 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. Areas that were identified as needing improvement have subsequently been enhanced to the Audit department's satisfaction, including documentation of Equator Principles in manuals, loan reporting procedures and management oversight. The Bank continues to focus on maintaining awareness through training for banking, credit and audit teams.

6.3

RESPONSIBLE FINANCING

Equator Principles transaction reporting

Project finance

The total number of project finance loans that reached financial close during the Bank's fiscal year ending October 31, 2015 was 13. The breakdown is as follows:

	Category A	Category B	Category C
Total	1	10	2
Sector			
Mining	1	—	—
Infrastructure	—	5	—
Oil & gas	—	4	—
Power	—	1	—
Other	—	—	2
Region			
Americas	1	9	2
Europe, Middle East & Africa	—	—	—
Asia/Pacific	—	1	—
Country Designation			
Designated	1	9	—
Non-designated	—	1	2
Independent Review¹			
Yes	1	10	1
No	—	—	1

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 nine project finance advisory services mandated, all in the Infrastructure sector and all in the Americas region, and no project-related corporate loans to report, for the Bank's fiscal year ending October 31, 2015.

+ EQUATOR PRINCIPLES

¹ 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.

The reporting entity is Scotiabank on an enterprise-wide basis including its subsidiaries.

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Renewable energy sector

In 2015, Scotiabank's Global Banking and Markets division had approximately CAD\$1.7 billion in calculated authorized exposure to the renewable energy sector in Canada¹, approximately CAD\$1.4 billion in authorized credit to the renewable energy sector in the United States¹ and approximately CAD\$241 million in authorized credit to the renewable energy sector in Latin America².

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 2015:

- Acted as joint lead and bookrunner on an 18-year CAD\$200 million rated bond financing by **Longyuan Canada Renewables Ltd.** (LCR), for its 91 MW Dufferin Wind Power project in the province of Ontario. LCR is a subsidiary of China Longyuan Power Group Corporation Limited, the largest owner/operator of wind assets in China. This was Scotiabank's fourth wind energy bond transaction.
- Acted as joint lead placement agent on a 52-year CAD\$245 million **PSS Generating Station LP** deal for construction of a 28 MW hydroelectricity power project in Ontario.
- Acted as exclusive financial advisor to **AES Gener S.A.** (AES) with respect to the 531 MW run-of-river Alto Maipo hydroelectric development project in Chile. AES was seeking a minority partner for a potential investment of 40% to 49% in the project, for a total investment of approximately \$2 billion. Scotiabank contacted a focused pool of global strategic and financial investors, and in July 2013, AES selected Antofagasta Minerals as a partner.
- Acted as sole lead and bookrunner for a 13-year \$442 million private placement by **TransAlta Renewables Inc.** for its 397 MW Melancthon Wolfe wind power project. The wind power project consists of three facilities,

Melancthon I, Melancthon II and Wolfe Island, all located in Ontario. TransAlta Renewables' power generating capacity is among the largest of any publicly traded renewable independent power producer (IPP) in Canada.

Global Infrastructure, Power and Utilities was involved in two renewable energy transactions:

- Acted as hedge counterparty and mandated lead arrangers in the EUR1.25 billion refinancing of existing bank debt facilities for **Alpha Trains**. Facilities were booked in The Bank of Nova Scotia, London and Scotiabank (Ireland) Limited. Alpha Trains owns and leases approximately 335 passenger trains and 370 locomotives and has adopted effective environmental policy procedures with respect to its rolling stock. Since electric rolling stock is far more environmentally friendly than diesel, the company focuses on employing electric passenger and locomotive units, with only a limited stock of diesel-powered trains.
- Acted as mandated lead arranger and hedge counterparty in the EUR800 million refinancing for **Viesgo HoldCo S.A.**, a vertically integrated utility active in renewable generation. Viesgo owns a c755 MW gross capacity portfolio split in 23 offshore wind farms, two solar plants, two mini-hydro plants and one biomass plant in Spain and Portugal.

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Sustainable investing

Scotiabank provides financing for a variety of initiatives that contribute to social and environmental sustainability. Here are some examples:

eco.business Fund

eco.business Fund and Scotiabank Costa Rica signed a line of credit to support companies that contribute to preserving Costa Rican biodiversity. These companies have internationally recognized environmental certifications such as Global GAP and Marine Stewardship Council, among others. The credit line of USD\$10 million is one of the first loans disbursed by the eco.business Fund, which was released in December 2014. Scotiabank is using its established agriculture portfolio to strengthen relationships with existing partners as well as to identify new clients that are aligned with the Fund's mission of promoting biodiversity preservation through the private sector.

Eglinton Crosstown LRT

Scotiabank acted as co-financial advisor, bank mandated lead arranger (MLA) and administrative agent, bond joint lead and bookrunner (CAD\$543 million senior credit facility; CAD\$732 million senior secured bonds) for the Eglinton Crosstown LRT, in Toronto, Canada. The Eglinton Crosstown LRT is one of the first large-scale transit projects for the Toronto area in many years. Among its community and green benefits, the LRT will provide fast, reliable and comfortable transit for Toronto residents and commuters, create jobs, and reduce traffic congestion, greenhouse gases and fuel consumption.

+ LEARN MORE



Saskatchewan Joint-Use Schools

Scotiabank acted as bond sole lead and bookrunner (CAD\$213 million senior secured bonds) for the Saskatchewan government's 18 new elementary schools on nine new joint-use school sites in four communities experiencing unprecedented growth: Saskatoon, Regina, Warman and Martensville. The new schools will be ready in time for students in September 2017. In partnership with the Ministry of Education and the five involved school divisions, SaskBuilds is overseeing a design-build-finance-maintain public-private partnership (P3) procurement model. The new schools will be fully owned and operated by the school divisions.

+ LEARN MORE



SCOTIABANK PERU ENVIRONMENTAL CREDIT LINE

Scotiabank Peru has developed an Environmental Credit Line (ECL) that aims to promote sustainable production by helping small and medium enterprises replace old equipment with new, clean technology – thereby delivering environmental, social and economic benefits. Farms and factories as well as hotels, dry cleaners, medical services, bakeries and others can apply for the ECL.

This innovative financial product is possible thanks to the synergy between the private, public and NGO sectors, where Scotiabank Peru is the financial operator and the Swiss Government Economic Secretariat provides a trust fund of USD\$5 million which guarantees the approved loans. The Environmental and Social Responsibility Center (CER) is the environmental expert responsible for conducting technical evaluations to measure environmental improvements. To date, 23 projects have used the credit line for a total of USD\$7.8 million. Of these projects, 70% improved their energy efficiency, 25% reduced their water use and 5% demonstrated other environmental benefits.

Negoperú Molinera S.A.C. is one company that has benefited from the ECL. The company plants, harvests and mills white rice in Pacasmayo in the northern part of Peru. The ECL enabled Nego Peru Molinera to upgrade its rice processing equipment, which improved productivity by 124% and reduced energy consumption and waste. The company saves approximately USD\$8,000 on its annual electricity bill. Among the benefits to employees, the new technology has improved air quality in the factory, reducing the amount of rice powder in their work area, and has reduced noise levels.



Sr. Mihaly Campos Palacios, Gerente General (General Manager), Negoperú Molinera S.A.C.

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COMMUNITY INVESTMENT



Scotiabank aims to help communities become better off. By giving generously to important community projects and recognizing employees who volunteer their time and energy to local causes, the Bank strives to make a positive difference wherever it does business. Its efforts range from supporting social service, health care, education, sports, arts and culture, and environmental initiatives to partnering with non-profit and charitable organizations to build capacity and empower people.

APPROXIMATELY
\$70 
 MILLION (CAD)

CONTRIBUTED **GLOBALLY**
 THROUGH **DONATIONS,**
SPONSORSHIPS AND OTHER
 FORMS OF **COMMUNITY**
ASSISTANCE


575,000

HOURS SPENT BY **SCOTIABANKERS**
VOLUNTEERING OR FUNDRAISING
FOR LOCAL CAUSES

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Through its global philanthropic efforts, Scotiabank brings together the passion of its employees, the insights of its partners and the spirit of its communities. Since the Bank's inception, Scotiabankers have given back to their communities and helped create better places to live and work. Scotiabank's multinational platform provides a unique opportunity to help communities around the globe.

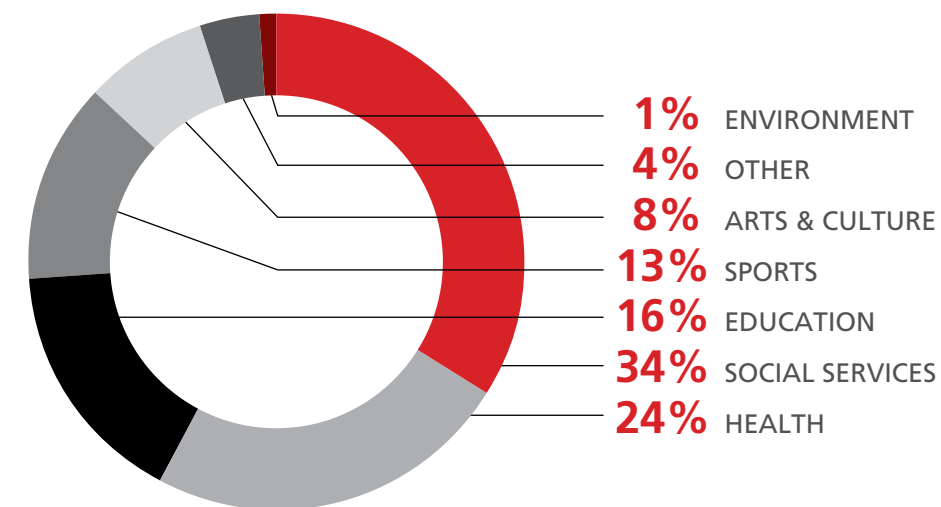
Scotiabank aims to be relevant and responsive to the needs of local communities at the grassroots level across six pillars: social services, health care, education, sports, arts and culture, and environment. The Bank is particularly interested in partnering with non-profit and charitable organizations 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.

Looking ahead, the Bank will be bringing greater focus to its community investment portfolio to provide greater impact and generate long-term social and economic growth in all the communities where it operates.

In 2015, Scotiabank contributed approximately CAD\$70 million in donations, sponsorships and other forms of assistance globally. Employees across the Bank's global locations also spent more than 575,000 hours volunteering and fundraising for local causes.

+ VISIT SCOTIABANK.COM/COMMUNITY TO ACCESS A FUNDING REQUEST FORM

Community Investment by Category



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Scotiabank's community programs offer employees an opportunity to get more involved in their communities, as a way of meeting local needs and supporting and engaging its workforce. Each year, the Bank uses its international survey to measure the degree to which the Bank's philanthropy programs are in fact engaging employees. The 2015 survey highlighted the following:

- 87% of employees indicated they are somewhat or strongly more inclined to work for a company that supports charitable and not-for-profit community organizations.
- 97% of staff feel it is very or somewhat important for their employer to support their volunteer and fundraising activities.
- 92% of employees somewhat or strongly agree that Scotiabank's contributions to the community leave them with a positive feeling about Scotiabank.
- 85% of Scotiabankers believe the Bank supports activities and initiatives that are important to them.

Employee participation

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.

Scotiabankers in the London, U.K. office accompanied by Scotiabank customers took part in the annual London to Paris bike ride in support of the Royal British Legion. The route covered 460 km over four days and raised approximately CAD\$45,000.

Scotiabank Employee Volunteer Program (SEVP)

SEVP supports community organizations in which Scotiabankers volunteer. 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.

As a board member of the Sarah McLachlan School of Music, Donna Molby, a ScotiaMcLeod Senior Wealth Advisor in Vancouver, Canada, volunteered more than 300 hours in the last year. Her efforts helped the school deliver on its mission to provide top quality music instruction at no cost, in a safe and nurturing environment, for at-risk and underserved children, youth and adults.

Special Olympics New Brunswick is dedicated to providing year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with cognitive disabilities. As a volunteer since 2009, Emily Bell, a Scotiabank Small Business Advisor in New Brunswick, Canada, helped organize the accommodation of 280 athletes from across New Brunswick who participated in the Special Olympics New Brunswick Winter Games 2015.

Scotiabank provided SEVP donations to both of these organizations in 2015.

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**Scotiabank Community Awards
for employees**

To recognize the efforts of Scotiabankers, the Bank has three types of internal awards for employees:

- 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 in Canada.
- Scotiabank 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 recognizes the volunteer work that youth do in their communities and encourages 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 2015:

Arts and culture

Support for the arts enriches the quality of life in communities. Scotiabank is a strong supporter of the arts and aims to bring art to life for people who might not otherwise have the opportunity to participate.

Scotiabank was pleased to partner with **Crows Theatre** in the Scotiabank Creative Communities Program. The program is focused on creating new futures through the arts for more than 700 young people in the east end of Toronto. The workshops included acting, improvisation and song.

Atlantic Ballet Theatre in Moncton, New Brunswick, received a donation from Scotiabank toward its Celebrate Courage program. Celebrate Courage builds awareness and dialogue around the rising rates of youth/student dating violence in Canada and is linked to the healthy relationship component of the school curriculum. In partnership with frontline service providers, Celebrate Courage works in a collaborative, interactive setting that includes a theatrical performance, a community education campaign, educational tools and on-site education for students and youth.

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Recipient programs (continued)**Education**

Scotiabank provides financial aid to students in recognition of their academic excellence and to ensure they can pursue their interests regardless of economic background. In 2015, the Bank awarded more than 450 scholarships and bursaries internationally totalling CAD\$1.2 million.

Saint Mary's University in Halifax, Nova Scotia, received a donation from Scotiabank to help create a new era for technology start-ups with the introduction of the Master of Technology Entrepreneurship and Innovation (MTEI) program. The MTEI program will prepare the next generation of leaders for new technologies and transformative opportunities.

Scotiabank was pleased to establish several new awards at **Thompson Rivers University** in Kamloops, B.C. The awards are available to students in the New Venture Creation program (Entrepreneurship) within the Bachelor of Business Administration and Post-Baccalaureate Diploma programs. In the New Venture Creation program, students will learn to research new business ideas, prepare business plans, secure initial financing and manage small businesses. When completed, they will have developed the entrepreneurial abilities and spirit that are critical in generating a dynamic economy that can compete globally and provide a growing standard of living.

In October 2015, Scotiabank Haiti provided school supplies, backpacks and water bottles to two underprivileged schools at the beginning of their school year: **Ecole Chretienne de Port-au-Prince** (44 children) and **Ecole Mere Teresa** (106 children). Scotiabank Haiti also provided chalk and geometric instruments to the children at these two schools.

Scotiabank Guyana donated six new workstations to the **Eccles Nursery School** so that several hundred students could receive computer training.

In Costa Rica, employees at the Sabana branch made a special donation of textbooks to the **Cabécar** indigenous reserve, so that students could continue their studies at the education centre. Employees organized raffles, food sales and other recreational activities to raise the funds needed to acquire the textbooks.

Environment

Scotiabank continues to support the environmental initiatives of not-for-profit organizations and registered charities dedicated to environmental preservation, education and sustainability.

The **Trans Canada Trail** is one of the world's longest networks of trails. When completed, the Trail will stretch nearly 24,000 kilometres across Canada from the Atlantic Ocean to the Pacific Ocean to the Arctic Ocean.

Scotiabank's commitment will go towards filling in gaps in the Trail between Dieppe, New Brunswick and the Confederation Bridge. The Trail will give Canadians opportunities to be active while exploring our diverse landscapes and appreciating our rich history.

As part of the **United Way Trinidad and Tobago National Day of Caring**, Scotiabankers participated in two beach clean-ups: more than 800 Scotiabank employees, friends and families took part in the Manzanilla Beach clean-up and 60 people took part in the Turtle Beach clean-up.

More than 90 volunteers from Scotiabank and CrediScotia in El Salvador helped rehabilitate the ailing **Pedro Huilca Park** located in Sector VI Group XIII in Villa El Salvador. The work included planting 200 trees and 600 shrubs, fixing up two sports areas and a communal space, installing an irrigation system and conducting an environmental workshop for 40 children.

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Recipient programs (continued)**Health**

Helping to improve patient care and get patients back into society as quickly as possible remains a focus for Scotiabank's funding in the health care sector. The Bank partners with a variety of organizations supporting this cause.

Scotiabank was proud to support the Independent Living Program (ILP) at the **ErinoakKids Centre for Treatment and Development**. The ILP helps young people make the transition from children's treatment centre care to adulthood. For 11 days and 10 nights, participants live in a barrier-free apartment in a university residence, and learn the skills of independence – banking, using public transit, cooking and more.

Scotiabank participated in a fundraiser for the **KK Women's and Children's Hospital** in Singapore. Funds raised are helping to ease the financial burden of more than 500 patients and their families every year, allowing them to focus fully on recovery.

Social Services

Scotiabank provides basic social services support to the community.

Welcome Hall Mission in Montreal offers specialized support for pregnant and young mothers in social and economic difficulty through its program *Coeur à soeur*. Each year, approximately 200 to 250 young women aged 15 to 30 turn to the mission for help in

breaking the cycle of poverty, homelessness and self-destructive lifestyles. Scotiabank was proud to support the program and help young women access affordable housing and vocational training opportunities to ease their transition back into society.

Engage and Change gives people and companies the opportunity to do hands-on volunteer work building kits to assist with the alleviation of poverty. The basic needs kits are given to local social service agencies which distribute them directly to those in need. Scotiabank employees volunteered with the Project Winter Survival initiative, which aims to deliver more than 3,000 kits to over 100 frontline agencies, local shelters and outreach programs in the Greater Toronto Area.

In Panama, 35 Scotiabank volunteers made the dreams of two Panama families from the Nueva Esperanza No. 2 community in Burunga, Arraiján District, come true, by helping build housing with the **TECHO Foundation**.

In 2015, Scotiabank in Chile marked the 15th anniversary of its partnership with **María Ayuda** (María Helps), an NGO in Chile which runs 19 aid centres across the country. Scotiabank participated in the *Ronda de los Amigos* (Circle of Friends) event, which helped find new partners and raise funds. The Bank provided draw prizes and volunteers to sell bingo cards and solicit new members.

Sports

Scotiabank supports sports and promotes sportsmanship, whether through youth-organized teams or formally organized sports teams and events.

The Bank supported the **Canadian Deaf Ice Hockey Federation** players as they participated in the 18th Winter Deaflympic Games in Russia in March 2015. Over the seven-day tournament, the team participated in five games and won the silver medal. The young Canadian team played extremely well and gained valuable experience at the international level, preparing them for future events.

Scotiabank partnered with the **Sunrise Therapeutic Riding and Learning Centre** in Puslinch, Ontario to support its Life Skills Program for the next three years. The program supports young people with disabilities who leave high school and are searching for suitable life and job skills. Through the program, participants gain social development skills and opportunities for collaborative learning.

In Costa Rica, the Bank encourages sports as a way to promote the value of discipline, teamwork and personal growth. In 2015, the Tibás branch team donated money towards soccer gear for 28 students at the **Anselmo Llorente y La Fuente School**. The Real Estate team also donated sports gear, valued at €1.1 million (CAD\$2,891), to the **Municipality of Tibás Football Academy**, which trains children in the community.

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REFORESTATION IN MEXICO

Scotiabank Mexico's annual reforestation program is the Bank's biggest national initiative for mitigating negative environmental impacts and tackling climate change. Mexico has suffered some of the highest levels of deforestation in the world. With each passing year, cities like Mexico City have grown and become increasingly polluted. As the cities expand, deforestation becomes an issue with serious consequences related to air pollution, loss of wildlife and increased flooding.

Every year, Scotiabank in Mexico supports a reforestation initiative. In 2015, it donated approximately CAD\$60,500 toward nine reforestation projects, and more than 2,100 Scotiabankers and their families volunteered to plant close to 14,000 trees. The Bank worked in partnership with Naturalia, a non-governmental organization that promotes biodiversity and whose members monitor the seedlings to ensure their long-term survival.

In nine years, Scotiabank Mexico employees have reforested 96 hectares of natural forests and urban areas. Their efforts are bringing forests back to life and protecting people and the planet now and for the future.



Rhina Torres, Director Talent Management, CSR, Learning & Development, and Miguel Lozano, VP Human Resources, plant trees in an effort to combat climate change with reforestation.

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MATERIALITY

Materiality assessment process

Our process consists of three phases, Identification, Prioritization and Validation and is based on guidance from the GRI. We use GRI's definition of materiality, understanding that the information we select to report on each year should cover Aspects that:

- Reflect the organization's significant economic, environmental and social impacts; or
- Substantively influence the assessments and decisions of stakeholders; and
- Report on key sustainability performance relevant to the Bank and financial services.

Determining materiality for a sustainability report also includes considering economic, environmental and social impacts that cross a threshold in affecting the ability to meet the needs of the present without compromising the needs of future generations. The boundary protocol and stakeholder mapping activities were completed in 2015.

Identification

Through 2013–15, Scotiabank conducted a multi-jurisdictional stakeholder engagement process to identify environmental, social and governance (ESG) priorities for the Bank, from the perspective of the Bank's stakeholders. This engagement and consultation focused on the following markets:

- Canada (Vancouver, Toronto and Halifax);
- Latin America (Mexico, Peru, Chile and Colombia); and
- Caribbean (Trinidad and Jamaica).

Prioritization

The identification process resulted in a list of 18 potential material (or priority) issues. There were some regional differences in the priorities, but the issues were very consistent. Through final review and analysis with the Bank's CSR Advisory Council, we were able to combine some issues that had similar themes. These were then ranked in terms of significance to stakeholders and significance to Scotiabank.

In order to determine significance to stakeholders, the following question was posed:

- Is the topic a concern raised by stakeholders?

In order to determine the significance to Scotiabank, the following questions were posed:

- Is this a significant risk to the organization?
- Does it have significant financial implications?
- Does it act as a competitive advantage?
- Does it have a significant socio-economic impact on the communities where we operate?

Validation

Scotiabank applied the Principles of Completeness and Stakeholder Inclusiveness to ensure that the report provides a reasonable and balanced representation of the organization's significant economic, environmental and social impacts, and enables stakeholders to assess the organization's performance. The list of identified material Aspects were identified through stakeholder engagement that started in 2013 and concluded in 2015. They have been reviewed by the Bank's CSR Council and appropriate senior management.

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Aspect boundary table

Material Topics	Boundaries	GRI Aspects	Management Approach
Fair design and sale of financial products and services	Material outside Scotiabank for customers and investors	Product and Service Labelling Customer Privacy	<p>Approach: Acknowledging the Bank's responsibility to protect customers from irresponsible financial decisions, and to protect their personal information.</p> <p>Accountability: Business Lines/Product Groups, Marketing, CSR, Branch Customer Experience, Compliance, Distribution Channels, Chief Risk Officer, Privacy Officer, Technology Risk Management</p> <p>Measurement: Customer experience results, sales results, customer retention, financial literacy materials and programs, compliance, loan amounts, continuity of server and systems, incident tracking, guidelines for business conduct and privacy code</p> <p>Evaluation: Annual customer research, ombudsman office complaints and issue resolution, stakeholder engagement</p> <p>The Bank measures and assesses its results annually. There are no plans to change its management approach for these Aspects.</p>
Customer service and outreach/access to finance	Material inside and outside Scotiabank for employees, customers, investors and shareholders	Economic Performance Indirect Economic Impacts Product Responsibility	<p>Approach: Providing access to finance for many segments of society, and customizing the customer service approach to meet the needs of an increasingly diverse customer base.</p> <p>Accountability: Business Lines, Branch Customer Experience, Compliance, Distribution Channels, Chief Risk Officer, Credit Risk</p> <p>Measurement: Providing access to finance for customers and potential customers with awareness and education on the financial products and services available to them, and how the Bank's products and services can improve their economic situation, especially economically disadvantaged people, youth (students), and those in rural areas with less access to banking; providing micro and consumer finance, basic banking services, tools and resources; customizing the customer service approach to meet the needs of an increasingly diverse customer base.</p> <p>Evaluation: The Bank reviews how it assesses its analysis annually, and has no current plans to change its management approach for these Aspects.</p>

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Material Topics	Boundaries	GRI Aspects	Management Approach
Impact of banking transactions on the community and the environment	Material inside and outside Scotiabank for employees, customers, investors, shareholders and suppliers	<p>Economic Performance</p> <p>Indirect Economic Impacts</p> <p>Energy</p> <p>Water</p> <p>Emissions</p> <p>Employment</p> <p>Supplier Assessment for Impacts on Society</p> <p>Anti-corruption</p>	<p>Approach: Providing economic opportunities and meaningful careers, supporting economic development through the provision of capital, procuring goods and services, and addressing the environmental, social and economic impacts of the Bank's operations and financial transactions, including the effects of climate change.</p> <p>Accountability: CSR, Business Lines, Global Risk Management, Strategic Sourcing, Environmental Sustainability Committee, Real Estate</p> <p>Measurement:</p> <ul style="list-style-type: none"> • ViewPoint employee survey • Salaries and benefits distributed • Total loans • Global Risk Management procedures; Equator Principles applied • Product solutions for vulnerable as well as profitable customer segments, with customized options (e.g., different loan agreements) for each • Environmental assessments • Environmental impacts • Taxes • GHG emission reduction targets • Paper consumption reduction targets • Public policy <p>Evaluation: The Bank reviews how it assesses its analysis annually, to ensure continued improvement of energy, emissions and water data quality and scope. There are currently no plans to adjust the management approach for these Aspects.</p>

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Material Topics

Community investment, including donations

Boundaries

Material inside and outside Scotiabank for employees, customers, investors and shareholders

GRI Aspects

Local Communities

Management Approach

Approach: Having a positive impact on the communities where we work and live that includes community investment and donations.

Accountability: Canadian and International Donations Committees, CSR, Sponsorship, Marketing

Measurement:

- Funding to non-profit community organizations globally (dollar amount, volunteer hours, number of people benefiting)
- Identifying community investment initiatives that could potentially lead to revenue generating opportunities; and supporting non-revenue generating initiatives (philanthropy) that foster stronger, healthier communities (e.g., education, arts, health, sports, environmental protection, social services)

Evaluation: Criteria used to screen and select organizations for donations. The philanthropy strategy was reassessed in 2015 for its effectiveness. A new strategy will launch in 2016 with enhanced impact measurement.

Diversity and equal opportunity, and fair labour practices

Material inside Scotiabank for employees, and externally for future employees

Employment
Labour/Management Relations
Training and Education

Approach: Diversity and equal opportunity and fair labour practices are key to how the Bank operates. We ensure that employee representation reflects the diversity of our operations, and in considering how policies are applied, we ensure human rights and freedom of association.

Accountability: HR, Labour Relations, Employee Relations, Total Rewards, Leadership and Performance

Measurement:

- Diversity of employees
- Flexible work options
- Freedom of association
- Career and leadership development to represent the communities where we operate

Evaluation: Employee diversity (women and Latin American VP+) and diversity of the Board of Directors

The Bank reviews its approach and results annually. There are no current plans in place to adjust its management approach for these Aspects.

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General Standard Disclosures	Reporting Requirement	Location/Explanation	Assurance
G4-1	CEO message (and Chairman message)	1.2, 1.3	No
G4-3	Name of the organization	1.0	No
G4-4	Primary brands, products and services	1.0, 1.4	No
G4-5	Location of organization's headquarters	1.0	No
G4-6	Number of countries where the organization operates	1.0, 1.4	No
G4-7	Nature of ownership and legal form	1.0	No
G4-8	Markets served (including geographic breakdown, sectors served and types of customers and beneficiaries)	1.0, 1.4	No
G4-9	Scale of the organization including: total number of employees; total number of operations (countries); net revenue; quantity of products or services provided	1.0, 1.4, 1.5, 1.6	No
G4-10	Total workforce	10.0	No
G4-11	Percentage of total employees covered by collective bargaining agreements	5.3 Approximately 10.5% of total employees are covered by collective bargaining agreements. We will aim to disclose specific annual figures by 2017.	No
G4-12	Describe the organization's supply chain	3.3	No
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership or its supply chain	5.3	No
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	6.1	No
G4-15	List externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses	1.2, 2.3, 6.1, 6.3	No

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General Standard Disclosures	Reporting Requirement	Location/Explanation	Assurance
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none">• Holds a position on the governance body• Participates in projects or committees• Provides substantive funding beyond routine membership dues• Views membership as strategic	3.1, 10.0	No
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents; and whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	1.1	No
G4-18	Process for defining the report content and the Aspect boundaries; and how the organization has implemented the Reporting Principles for Defining Report Content	8.0	No
G4-19	List all material aspects identified in the process for defining report content	8.2	No
G4-20	For each material Aspect, report the Aspect boundary within the organization	8.2	No
G4-21	For each material aspect, report the Aspect boundary outside the organization	8.2	No
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	There are no material effects from restatements referenced in this report.	No
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect boundaries	This is Scotiabank's first year reporting to the G4 Guidelines, so there are no changes to the Scope and Aspect boundaries.	No
G4-24	Provide a list of stakeholder groups engaged by the organization	2.2	No
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	2.2	No

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General Standard Disclosures	Reporting Requirement	Location/Explanation	Assurance
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	2.2	No
G4-27	Report 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. Report the stakeholder groups that raised each of the key topics and concerns	2.2	No
G4-28	Reporting period (fiscal) for information provided	1.1	No
G4-29	Date of most recent previous report	1.1 The 2014 CSR Report was published on March 13, 2015 in accordance with GRI G3.	No
G4-30	Report cycle (annual)	1.1	No
G4-31	Provide the contact point for questions regarding the report or its contents	Final page	No
G4-32	GRI Content Index	9.0	No
G4-33	External assurance	This report was not externally assured. An independent service provider assured our greenhouse gas emissions data. We conducted an internal audit of our 2014 report, and are reviewing third-party assurance by 2017. The report content is approved by SVPs and reviewed by senior bank executives.	No

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General Standard Disclosures	Reporting Requirement	Location/Explanation	Assurance
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impact	2.1, 3.1	No
G4-56	Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	2.0, 3.1, 3.2, 3.3, 3.5	No
Economic			
Aspect: Economic Performance	Disclosure of management approach	1.0, 1.4, 2.1, 3.1, 3.3, 3.4, 5.4, 7.0, 7.1, 7.2, 8.0, Annual Report (pages 2–5)	No
G4-EC1	Direct economic value generated and distributed	1.5, 1.6, 5.4, 7.1, 7.2	No
Aspect: Indirect Economic Impacts	Disclosure of management approach	4.2, 6.3, 7.0, 7.1, 7.2, 8.0	No
G4-EC7	Development and impact of infrastructure investments and services supported	6.3, 7.2, 7.3	No
Aspect: Procurement Practices	Disclosure of management approach	3.3, 8.0	No
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	This data is currently unavailable. We will aim to provide these details in 2017.	No
Environmental			
Aspect: Energy	Disclosure of management approach	6.0, 6.1, 8.0	No
G4-EN3	Energy consumption within the organization	6.1	No
G4-EN4	Energy consumption outside of the organization	6.1	No
G4-EN6	Reduction of energy consumption	6.1	No
Aspect: Water	Disclosure of management approach	6.0, 6.1, 8.0	No
G4-EN8	Total water withdrawal by source	6.1	No

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General Standard Disclosures	Reporting Requirement	Location/Explanation	Assurance
Aspect: Emissions	Disclosure of management approach	6.0, 6.1, 8.0	Yes
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	6.1	Yes
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	6.1	Yes
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	6.1	Yes
G4-EN18	Greenhouse gas (GHG) emissions Intensity	6.1	Yes
G4-EN19	Reduction of greenhouse gas (GHG) emissions	6.1	Yes
Social			
Labour Practices and Decent Work			
Aspect: Employment	Disclosure of management approach	1.4, 3.2, 5.0, 5.1, 5.2, 5.4, 8.0	No
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	5.4 Country-specific benefits data is currently unavailable. We will aim to provide these details in 2017.	No
Aspect: Labor/Management Relations	Disclosure of management approach	3.2, 5.3, 8.0	No
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	5.3	No
Aspect: Training and Education	Disclosure of management approach	3.2, 3.5, 5.1, 8.0	No
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	5.1	No

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General Standard Disclosures	Reporting Requirement	Location/Explanation	Assurance
Society			
Aspect: Local Communities	Disclosure of management approach	4.2, 4.3, 7.0, 7.1, 7.2, 8.0	No
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Local community engagement opportunities are available to nearly 100% of our operations. More than 50% of our operations are actively engaged in local development programs. Year-end reports from our corporate development partner organizations are provided annually.	No
G4-FS13	Access points in low-populated or economically disadvantaged areas	4.2, 4.3 There has been a 42% decline in correspondent tellers but a 7% increase in branches, and a 240% increase in point of sale terminals. We have income levels noted for consumer and microfinance, but do not classify regions beyond rural or economically disadvantaged.	No
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	4.2, 4.3	No
Aspect: Anti-corruption	Disclosure of management approach	3.2, 3.3, 8.0	No
G4-SO4	Communication and training on anti-corruption policies and procedures	3.2 Select groups of employees are required to complete a mandatory online course each year. We will aim to disclose specific annual figures by 2017.	No

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General Standard Disclosures	Reporting Requirement	Location/Explanation	Assurance
Aspect: Supplier Assessment for Impacts on Society	Disclosure of management approach	3.3, 8.0	No
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	3.3	No
Product Responsibility			
Aspect: Product and Service Labelling	Disclosure of management approach	3.2, 4.0, 4.1, 4.2, 8.0	No
G4-PR4	Number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling	There were no incidents of non-compliance in 2015.	No
G4-PR5	Results of surveys measuring customer satisfaction	4.1	No
G4-FS6	Percentage of the portfolio for business lines by specific region, size and sector	Annual Report (page 9)	No
Aspect: Customer Privacy	Disclosure of management approach	3.2, 3.5, 4.1, 8.0	No
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no substantiated complaints.	No

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UN Global Compact Communication of Progress (COP)

A COP is a direct communication from business participants to their stakeholders. For this reason, participants are required to make their COP widely available. While the overall format is flexible, each COP contains a statement of support from the chief executive expressing support for the Global Compact (1.2), a description of practical actions, and a measurement of outcomes – as per the table below.

Global Compact Principles	Description of Practical Actions and Outcomes	Location
Principle 1: Human Rights Businesses should support and respect the protection of internationally proclaimed human rights.	Management approach relating to diversity and equal opportunity, and fair labour practices	8.0
	Employee training on human rights policies	5.3
	Percentage of operations with implemented local community engagement, impact assessments and development programs	9.0
Principle 2: Human Rights Business should make sure they are not complicit in human rights abuses.	Total number of project finance loans that underwent Equator Principles screening	6.3
	Supplier evaluation criteria relating to corporate social responsibility	3.3
Principle 3: Labour Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Percentage of total employees covered by collective bargaining agreements	9.0
	Supplier evaluation criteria relating to corporate social responsibility	3.3
	Management approach relating to diversity and equal opportunity, and fair labour practices	8.0
	Policies, approach and outcomes relating to Freedom of Association and Collective Bargaining	5.3
	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	5.3
Principle 4: Labour Businesses should uphold the elimination of all forms of forced and compulsory labour.	No known instances of forced labour have been discovered in the Bank's operations	5.3
Principle 5: Labour Businesses should uphold the effective abolition of child labour.	No known instances of child labour have been discovered in the Bank's operations	5.3

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UN Global Compact Communication of Progress (COP) (continued)

Global Compact Principles	Description of Practical Actions and Outcomes	Location
Principle 6: Labour Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Total workforce composition	10.0
	Policies, approach and outcomes relating to diversity and inclusion	5.2
	Policies, approach and outcomes relating to non-discrimination	5.3
	Voluntary employee turnover	5.1
	Policies, approach and outcomes relating to employee training	3.2, 4.3, 5.1, 5.3
Principle 7: Environment: Businesses should support a precautionary approach to environmental challenges.	Financial and non-financial risks and opportunities relating to climate change	6.1, 6.2
	Policies, approach and outcomes relating to paper consumption and waste reduction	6.1
	Policies, approach and outcomes relating to energy consumption	6.1, 8.0
	Policies, approach and outcomes relating to water consumption	6.1, 8.0
	Policies, approach and outcomes relating to greenhouse gas emissions generation	6.1, 8.0
Principle 8: Environment: Businesses should undertake initiatives to promote greater environmental responsibility	Policies, approach and outcomes relating to paper consumption and waste reduction	6.1
	Policies, approach and outcomes relating to energy consumption and intensity	6.1, 8.0
	Policies, approach and outcomes relating to water consumption and intensity	6.1, 8.0
	Policies, approach and outcomes relating to greenhouse gas emissions generation and intensity	6.1, 8.0
	Approaches and outcomes relating to biodiversity	6.3, 7.3
	Supplier evaluation criteria relating to corporate social responsibility	3.3

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UN Global Compact Communication of Progress (COP) (continued)

Global Compact Principles	Description of Practical Actions and Outcomes	Location
Principle 9: Environment Businesses should encourage the development and diffusion of environmentally friendly technologies.	Policies, approach and outcomes relating to paper consumption and waste reduction	6.1
	Policies, approach and outcomes relating to energy consumption and intensity	6.1, 8.0
	Policies, approach and outcomes relating to water consumption and intensity	6.1, 8.0
	Policies, approach and outcomes relating to greenhouse gas emissions generation and intensity	6.1, 8.0
Principle 10: Anti-corruption Businesses should work against corruption in all its forms, including extortion and bribery.	CSR frameworks, values, principles, standards and norms of behavior such as code of conduct and code of ethics	2.0, 3.1, 3.2, 3.3, 8.0
	Communication and training on anti-corruption practices	3.2, 9.0

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Workforce composition

Total Employee Population

Country/Region	Full-time Equivalent (FTE)	Country/Region	Full-time Equivalent (FTE)
Bahamas	612	India	143
Barbados	337	Jamaica	2,016
Belize	174	Mexico	13,244
Brazil	75	Panama	435
Canada	37,210	Peru	11,204
Colombia	6,447	Puerto Rico	1,306
Costa Rica	1,286	Uruguay	1,414
Dominican Republic	2,038	U.S. Virgin Islands	96
El Salvador	1,573	Singapore	168
Europe	300	Trinidad & Tobago	1,361
Guyana	197	United States	640
Hong Kong	225	Other ¹	925
Malaysia	75	Total	89,214

¹ Other includes additional countries and representative offices in Asia, the Caribbean and Latin America.

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Workforce composition (continued)
Total Workforce by Region and Gender

Region	Female	Male	Total
North America	24,228	14,672	38,900
Central/South America	15,613	13,580	29,193
Caribbean	6,451	3,015	9,466
Europe/Middle East	137	254	391
Asia/Pacific	400	358	758
Total	46,829	31,879	78,708

Excludes 172 employees not assigned to a country.

Excludes Colombia (6,447 FTE) and Uruguay (1,414 FTE) where breakdowns are not available due to different reporting systems.

Number of Employees by Employment Contract and Gender

	Female	Male	Total
Fixed-term contract	5,052	4,015	9,067
Regular full-time and part-time	41,842	27,971	69,813
Total	46,894	31,986	78,880

Excludes Colombia (6,447 full-time equivalent) and Uruguay (1,414 full-time equivalent) where breakdowns are not available due to different reporting systems.

Number of Permanent Employees by Employment Type and Gender

	Female	Male	Total
Full-time	36,530	26,843	63,373
Part-time	5,312	1,128	6,440
Total	41,842	27,971	69,813

Excludes contract employees.

Excludes Colombia (6,447 full-time equivalent) and Uruguay (1,414 full-time equivalent) where breakdowns are not available due to different reporting systems.

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Workforce composition (continued)
Total Canadian Workforce by Employees and Supervised Workers, by Gender

	Female	Male	Total
People managers	3,682	1,737	5,419
Employees (not people managers)	17,442	7,699	25,141

Total Canadian Workforce by Province/Territory and Gender

Region	Female	Male	Total
Alberta	2,174	936	3,110
British Columbia	1,956	923	2,879
Manitoba	400	163	563
New Brunswick	494	125	619
Newfoundland & Labrador	479	106	585
Northwest Territories	8	3	11
Nova Scotia	1,293	457	1,750
Ontario	15,296	10,557	25,853
Prince Edward Island	95	22	117
Quebec	1,399	755	2,154
Saskatchewan	460	148	608
Yukon Territory	10	5	15
Total	24,064	14,200	38,264

Contact Centre Employees Outside of Canada and Supported by Canadian Banking

Country	
Colombia	143
Mexico	259
United States	2
Total	404

Female – 153

Male – 251

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Workplace health and safety incidences¹

	Major	Minor Reportable	Other Reportable	Under Investigation ²	Total
Alberta	18	9	30	1	58
British Columbia	18	10	28	2	58
Manitoba	5	6	2	0	13
New Brunswick	5	2	2		9
Newfoundland	0	0	1	3	4
Nova Scotia	5	4	0	1	10
Ontario	48	36	27	10	121
Quebec	15	3	22	0	40
Saskatchewan	10	5	0	1	16
Total	124	75	112	18	329

Total number of days lost due to injury

	Major	Minor Reportable	Other Reportable	Under Investigation ¹	Total
Alberta	313.5	0	0	0	313.5
British Columbia	196.5	0	0	0	196.5
Manitoba	8	0	0	0	8
New Brunswick	46	0	0	0	46
Newfoundland	0	0	0	0	0
Nova Scotia	97	0	0	0	97
Ontario	836	0	0	0	836
Quebec	564.5	0	0	0	564.5
Saskatchewan	235	0	0	0	235
Total	2,296.5	0	0	0	2,296.5

¹ Represents reported workplace incidences in Canada during the calendar year.

² 18 cases were opened at the end of 2015 and remain under investigation.

The Bank has no work-related fatalities to report.

Major: workplace accidents resulting in lost-time occurrences

Minor: workplace accidents, reportable and requiring medical attention, but not involving lost work time beyond day of injury

Other: other reportable occurrences as defined by the Canada Labour Code Part II

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Director Associations/Advocacy Groups

Nora A. Aufreiter	Ivey School of Business, Member of the Advisory Board
Charles H. Dallara	Lingnan University, Member International Advisory Board Tufts University, The Fletcher School, Vice-Chair of Board of Advisors Bertelsmann Foundation, Director National Bureau of Economic Research (NBER) Inc. – Director at Large The International Finance Forum, Vice-President and Director
N. Ashleigh Everett	Manitoba Stakeholders Advisory Group for “The Building Futures Project” (a project by the Canadian Foundation for Economic Education), Member World Presidents Organization, Member
Tiff Macklem	Global Risk Institute in Financial Services, Director and Chair
Thomas C. O’Neill	Queen’s School of Business Advisory Board, Member
Eduardo Pacheco	Universidad de los Andes, Member Superior Council Colfuturo, Director
Brian J. Porter	Institute of International Finance, Director The Business Council of Canada, Director
Aaron R. Regent	C.D. Howe Institute, Director
Indira V. Samarasekera	Perimeter Institute, Director Asia Pacific Foundation of Canada, Director
Susan L. Segal	Americas Society, Director, Officer and President and CEO Council of the Americas, Director Officer and President and CEO Council on Foreign Relations, Member Tinker Foundation

The list sets out the bodies and positions held by directors of The Bank of Nova Scotia at various associations and organizations. No company directorships are included. The only organizations that might be viewed as strategic would be the memberships of Brian J. Porter.

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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 organization based in the U.K. which works with shareholders and corporations to disclose greenhouse gas emissions.

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.

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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 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.

Consumer and Microfinance

The Bank defines consumer and microfinance clients as families with monthly incomes between USD\$200 and \$1,000 and micro-entrepreneurs with annual sales below USD\$150,000.

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.

Serving customers for more than 180 years



The coat of arms, or crest, was designed by A. Scott Carter, R.C.A., M.R.A.I.C., of Toronto, and approved by the College of Heralds on May 30, 1951.

The words "Strength, Integrity, Service" form the Motto. The various elements illustrate the Scottish tradition of Nova Scotia, where the bank was founded (thistle, unicorn, St. Andrew's cross) combined with emblems representing Canada and its various areas (maple leaf, stag, ship, codfish, plough, sheaf of grain).



Corporate Headquarters

Scotia Plaza, 44 King St. W.,
Toronto, Ontario, Canada M5H 1H1
Tel: (416) 866-6161
Fax: (416) 866-3750

For further information contact

Public, Corporate and Government Affairs (PCGA), Scotiabank,
Scotia Plaza, 44 King St. W.,
Toronto, Ontario, Canada M5H 1H1
Email: csr@scotiabank.com
corporate.communications@scotiabank.com