# 2025 Sustainability Report



NATIONAL BANK

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# About Us

Founded in 1859, National Bank of Canada (the Bank) offers financial services to individuals, businesses, institutional clients and governments across Canada. We are one of Canada's six systemically important banks and we deliver strong return on equity.[1]

We operate through three business segments in Canada: Personal and Commercial Banking, Wealth Management, and Capital Markets. A fourth segment, U.S. Specialty Finance and International, complements the growth of our domestic operations.

We are a leading bank in our core Quebec market, where most of our branches are located, and also hold leadership positions across the country in selected activities.

We strive to meet the highest standards of corporate responsibility while creating value for our shareholders. We define ourselves as an employer of choice and we promote inclusion and diversity.

We are headquartered in Montreal, and our securities are listed on the Toronto Stock Exchange (TSX: NA).

## National Bank at a glance

(as at October 31, 2025)[2]

### Our organization

**3.1M**
Clients[3]

**35,378**
Employees around the world

**489**
Branches[4]

**2,833**
Banking machines[5]

### Our financial performance

**$14.0B**
Total revenue

**$4.0B**
Net income

**$577B**
Total assets

**$61B**
Market capitalization

### Our contribution to economic activity

**$4.5B**
Compensation and employee benefits

**$1.93B**
Spent on goods and services in Canada[6]

**$1.75B**
Income taxes and other taxes in Canada[7]

1 Return on common shareholders' equity (ROE).
2 Unless otherwise indicated, this data is from the Bank's 2025 Annual Report.
3 Clients of the Personal and Commercial segment
4 382 in Canada, 103 in Cambodia and 4 in the United States (Florida)
5 939 in Canada and 1,894 in Cambodia
6 This amount includes occupancy costs, technology costs (excluding depreciation), communications, professional fees, advertising fees and other goods and services.
7 Includes income taxes, capital taxes and other taxes. For more information, see page 14 of the 2025 Corporate Social Responsibility Statement.

# About This Report

The Sustainability Report is published by the Bank. Intended for all of our stakeholders, it presents our commitments and achievements in sustainability and our key environmental, social and governance (ESG) performance indicators.

The Sustainability Report is produced by the Corporate Sustainability team, with input from multiple experts and collaborators. It is approved by the ESG Committee, which is made up of members of the Senior Leadership Team from different sectors of the organization, and reviewed by the Board's Conduct Review and Corporate Governance Committee.

## Scope

Unless otherwise indicated, this report presents relevant content associated with the activities of the Bank and its main subsidiaries in Canada.[1] It refers to fiscal 2025 (November 1, 2024 to October 31, 2025) and all amounts are expressed in Canadian dollars.

## Stakeholders

This report is aligned with our commitment to ongoing constructive, open and transparent dialogue with various stakeholders: clients, employees, shareholders, suppliers, the communities we serve, interest groups, international organizations and regulatory authorities. Our discussions with stakeholders are taken into account in our strategic decisions and enhance our practices, allowing us to adopt the latest disclosure standards.

## Reference framework

Our disclosure is based on the guidelines of the most well-known reference frameworks for sustainability, including the Sustainability Accounting Standards Board (SASB), the United Nations (UN) Sustainable Development Goals (SDGs), the UN Principles for Responsible Banking (PRB) and the recommendations of the former Task Force on Climate-related Financial Disclosures (TCFD). We also comply with the Office of the Superintendent of Financial Institutions (OSFI) B15 Guidelines – Refer to Appendix 2.

## External certification and accounting

The information contained in this report is unaudited. Certain indicators are extracted from Management's Discussion and Analysis and the Audited Annual Consolidated Financial Statements of the 2025 Annual Report. We have obtained an Independent Limited Assurance Report from Deloitte for certain information pertaining to the greenhouse gas (GHG) emissions data we disclose – Refer to Appendix 3.

## Important notice

Refer to Appendix 7 for cautionary statements and other important notices relevant to the content of this report.

**For more information on the Bank's sustainability activities, consult our other resources in the Codes and commitments section on nbc.ca:**

- **Corporate Social Responsibility Statement**
- **2025 ESG Data**
- **2025 Report on Responsible Investment Advances**
- **2025 Privacy Booklet**
- **2025 Sustainability Bond Report**

1 Some of the information provided in this report does not include Flinks Technology Inc. This has no important impact on the information provided.



# Message from the President and Chief Executive Officer

In 2025, we faced a volatile economic and geopolitical environment marked by significant turbulence. However, I remain convinced that Canada's unique strengths will enable it to turn this uncertainty into opportunity. We need to keep investing in our strengths and in what sets us apart. This is the spirit that drives National Bank: being present alongside our clients and partners to advance the economy in a sustainable way.

This year, we took a major step in our Canada-wide growth with the acquisition and gradual integration of Canadian Western Bank (CWB). This is the largest acquisition in our history, and I'm very proud of what we've achieved. By expanding our presence across Canada, we're strengthening our ability to support Canadian entrepreneurs and families.

Our sustainability ambitions are reflected in products and services designed to serve our clients' interests. We support our clients in achieving goals that help create lasting value.

Driven by our climate strategy, our support for the renewable energy sector reached a record level this year, with $18 billion in financing for strategic projects.

Our head office at National Bank Place received LEED® Gold certification in 2025. This certification is more than just a symbol. It confirms that the building provides an energy-efficient, comfortable and sustainable work environment.

Putting people first remains central to our culture. We were ranked first in Canada and third worldwide in the Forbes list of the top companies for women and were among Equileap's top 100 companies for gender equality in developed markets. We were also recognized as the Best Bank for Newcomers to Canada by MoneySense magazine for the third consecutive year. These distinctions reflect our teams' daily commitment to building an inclusive work environment and delivering useful, accessible solutions.

Trust is earned through rigorous governance. Our employees are well equipped and vigilant when it comes to protecting personal information. We have also continued to advance our framework for responsible artificial intelligence.

I would like to thank our employees, our clients and our partners. In 2026, we will keep working together to integrate our operations across Canada, accelerate innovation and increase our positive impact on the communities we serve. This is how we help foster progress and sustainable growth across the country.



**Laurent Ferreira**
President and Chief Executive Officer



# 2025 Highlights

## Environment

### New climate commitment

— **42% absolute reduction in Scope 1 and 2 (market-based) emissions** from our North American operations by 2030, compared to 2022

### National Bank Place

— **Obtained LEED® Gold certification** in the New Construction category for our head office

### Sustainable advances through our business units

— **$2.7B in granted or certified green loans** for the real estate sector

— **$6.3B in assets under management** in responsible investment products and publication of the first NBI Climate Plan

— **$7.3B in authorized sustainability-linked loans**

— **$7.5B in underwritten green, social, sustainability and sustainability-linked bonds**

— **$18.0B in total lending commitments** related to renewable energy

## Social

### Inclusion, diversity and equity

— **Platinum Parity Certification** awarded by Women in Governance for the sixth consecutive year

— **Ranked first in Canada and 24th overall among the top 100 companies** for gender equality in developed markets, according to Equileap

— **Ranked first in Canada and third worldwide** in the fifth edition of the Forbes list of the top companies for women

### Best bank for newcomers to Canada

— **Named the Best Bank for Newcomers by MoneySense** for the third consecutive year

— **Obtained the Milesopedia badge** for Best Bank Account for newcomers to Quebec

### Indigenous relations

— **Completed the third year** of the Partnership Accreditation in Indigenous Relations (PAIR) Program of the Canadian Council for Indigenous Business

## Governance

### Employee awareness

— **95% of our employees** have completed annual training on the protection of personal information and training on climate change

### Innovating with integrity

— Project on the evolution of **responsible AI oversight**

— **Mandatory awareness and training program** on security, ethical and compliance issues related to the use of AI



# Sustainability at the Bank



# Approach and Priorities

## Our approach

Sustainability is an integral part of our corporate strategy, serving as a growth driver and impact multiplier. Our strategy is based on three key areas and we have defined organizational priorities to address them. These priorities guide the implementation of initiatives targeted by all our business lines and operations teams.

Assessing sustainability issues is an ongoing process. That's why we constantly adjust our approach to ensure alignment with the evolution of sustainability disclosure frameworks and regulatory requirements, such as the Office of the Superintendent of Financial Institutions (OSFI) guidelines and the European Sustainability Reporting Standards (ESRS). In 2025, we set our priorities based on a double materiality analysis. This analysis allowed us to identify our main impacts, risks and opportunities in terms of sustainability and assess their materiality.

We surveyed various stakeholders, including our employees, clients, suppliers and members of our Board of Directors, to understand their perspectives on the importance of specific ESG topics. This exercise enabled us to confirm which topics are most relevant to our strategic approach and the Bank's overall performance. We also took measures to ensure the sustainability initiatives rolled out in the Bank's business lines and operations teams are consistent with this strategic approach.

**Table 1 – Our strategic approach to sustainability**

| Environment | Social | Governance |
|---|---|---|
| **Supporting sustainable growth** | **Making people central to our actions** | **Reinforcing responsible business conduct** |
| **Priorities** | | |
| — Sustainable financing and advisory services<br>— Responsible investment products<br>— Reduction of GHG emissions | — Inclusive partnerships and client experience<br>— Distinctive culture and work environment for our employees | — Sound ethical and governance practices<br>— Rigorous management of personal data and information security risks |

# Our commitments

## Environment

**By 2030:**

- Reduce by 42% our absolute Scope 1 and 2 (market-based) emissions from our North American operations, compared to 2022.
- Reduce the carbon intensity of the oil and gas producers sector portfolio by 31% for Scope 1 and 2 emissions and by 31% for Scope 3 emissions compared to 2019
- Reduce the carbon intensity of the commercial real estate sector portfolio by 50% compared to 2019 (Scope 1 and 2 emissions)
- Reduce the carbon intensity of the power generation sector portfolio by 33% compared to 2019 (Scope 1 emissions)
- Total lending commitment of $20 billion in renewable energy

## Social

- Facilitate access to banking services for underbanked people
- Promote the development and success of women, visible minorities, persons with disabilities, Indigenous Peoples and members of LGBTQ2+ communities
- Promote financial literacy as a means to improve financial knowledge and achieve financial security
  - Target a 50% increase in our clientele of newcomers to Canada with long-term investment holdings by 2030 compared to 2023
- Implement initiatives aligned with the Partnership Accreditation in Indigenous Relations (PAIR) program:
  - Mandatory training on Indigenous realities
  - Commitment under the Supply Change™ program from the Canadian Council for Indigenous Business
  - Rollout of a recruitment program for Indigenous persons

## Governance

- Protect our clients' personal information so we can build and maintain trust-based relationships with them
  - Mandatory privacy training for all employees
- Aim for parity and maintain a minimum representation of 40% women and 40% men among our independent directors



**Table 2 – Our partnerships**

| Initiatives | Bank's participation |
|---|---|
| ***Association des Femmes en Finance du Québec* (AFFQ)** | The Bank works in collaboration with the AFFQ to offer numerous conferences, training and networking opportunities designed to help women achieve their full potential. |
| **Canadian Bankers Association (CBA)** | The CBA enables the sector to maintain a dialogue with stakeholders, including regulators and governments, on various issues and policies that affect financial institutions. We participate in several CBA working committees, many of which deal with ESG issues. |
| **Canadian Council for Indigenous Business** | Since 2022, the Bank has been involved in the Partnership Accreditation in Indigenous Relations (PAIR) program and is supported by the Canadian Council for Indigenous Business. |
| **Carbon Disclosure Project (CDP)** | The Bank has been participating in CDP reporting since 2010. Every year, it publishes answers to this questionnaire aimed at measuring our climate opportunities and risks. |
| **Partnership for Carbon Accounting Financials (PCAF)** | In 2021, the Bank joined the PCAF, a global partnership of financial institutions that work together to develop a rigorous approach to assess and disclose the GHG emissions resulting from their financing and investment activities. The Bank is an active member of the PCAF working group, contributing to the improvement of methodologies and climate data quality. |
| **ProSight — Climate Risk Consortium** | As a member since 2021, the Bank is committed to developing frameworks and recommendations for governance, disclosure and risk management principles, sharing experiences with peers and helping to advance risk management with respect to climate risk. |
| **Statement by the Québec Financial Centre for Sustainable Finance (Finance Montréal)** | The Statement by the Quebec Financial Centre for Sustainable Finance is a charter of commitments by stakeholders in the Quebec financial sector in favour of finance that is based on responsible principles. The Bank became a signatory to the Statement in October 2021. |
| **UN Environment Programme Finance Initiative (UNEP FI)** | The Bank has been providing support to UNEP FI for years. As part of this support, the Bank works with the UNEP FI community on a wide range of issues, including climate. |
| **UN Principles for Responsible Banking (PRB)** | The Bank became a founding signatory to the PRB in 2019. This unique reference framework aims to align the signatory banks' strategies and practices with the Sustainable Development Goals (SDGs) and the Paris Agreement. The Bank publishes an annual report on its progress. |
| **Women's Empowerment Principles (WEPs)** | The Bank supports these principles, which guide businesses in using best practices for gender equality and the empowerment of women in the workplace, the market and the community. |



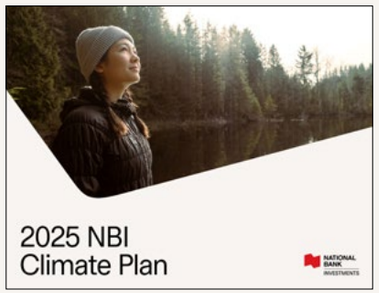
# Responsible Investment

## Our approach

**National Bank Investments (NBI) has a clear vision: To be an agent of change toward more sustainable finance.**

As at October 31, 2025, NBI had $6.3 billion in assets under management in responsible investment solutions, including mutual funds, exchange-traded funds and managed solutions. These results demonstrate our clients' interest in solutions aligned with their values and priorities. We believe that responsible investing is not just a trend, but a necessary next step in building a more equitable, resilient future.

In 2025, we launched two new sustainable strategies, the NBI Global Climate Ambition Fund and the NBI Sustainable Global Bond Fund. We have also made the six NBI Sustainable Portfolios available throughout the Bank's branch network. These portfolios are intended for clients who want to benefit from exposure to companies and issuers that apply sustainable development best practices in their sector or seize the opportunities generated by the transition to a more sustainable economy. In line with the launch of these new portfolios, more than 1,700 members of the Bank's advisory forces completed a second training on responsible investing. This initiative aims to maintain high-quality support for our clients and reinforce the expertise of our teams.




After many years of work to integrate the climate dimension at NBI, we have reached an important milestone with the publication of our first Climate Plan. This document presents our governance, our strategy and the key indicators that enable us to identify, measure and manage climate change risks. It reflects our commitment to being transparent and proactive in terms of environmental issues.

Our commitment to reconciliation with Indigenous Peoples is also reflected in our investment practices. We encourage the portfolio management firms we work with to reflect on the impact of their investments on Indigenous rights, including respect for free, prior and informed consent (FPIC) as defined in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). With this in mind, in 2024 we developed a resource guide for our partners to foster a better understanding of Indigenous rights and promote reconciliation throughout the investment value chain. In 2025, we continued discussions with a group of more than 15 partners to promote this tool, better understand our partners' vision for integrating Indigenous considerations and find ways to help them improve their processes.

We are also proud to support the Responsible Investment Research Initiative led by the Responsible Investment Association (RIA). This initiative provides data and analyses related to responsible investing, helping investors, advisors and institutions understand market developments. Access to quality research is essential in informing decision-making and accelerating the adoption of sustainable practices.

**To learn more, consult the Report on Responsible Investment Advances in the Responsible investment section on nbinvestments.ca.**

**Table 3 – Our partnerships**

| Organization | Role of NBI |
|---|---|
| **Canadian Coalition for Good Governance (CCGG)** | Member of the ESG committee of this leading Canadian corporate governance organization. |
| **CFA Montréal** | Member of the sustainable finance committee of this organization representing investment professionals. |
| **Climate Engagement Canada (CEC)** | A signatory since 2021 to the CEC initiative, which promotes dialogue between the financial community and issuing companies to promote a just transition to a net-zero economy. |
| **Finance Montréal** | Ambassador for the campaign to promote sustainable finance professions: Choose finance. |
| **Investi Fund** | Contributor to this collaborative investment fund that focuses on investing in sustainable strategies. |
| **Responsible Investment Association (RIA)** | Member of RIA since 2019. RIA's mandate is to promote responsible investment in Canada's retail and institutional markets. |
| **Securities and Investment Management Association (SIMA)** | Member of the working group on responsible investment set up by this Canadian industry association representing investment fund managers, mutual fund and securities brokers and participants in financial markets. |
| **United Nations Principles for Responsible Investment (PRI)** | Since 2019, we have been a signatory to the PRI, the world's leading promoter of responsible investing with an international network of signatories incorporating ESG factors into investment analysis, decision-making and shareholder practices. |



# Sustainable Finance

## Our approach

Our specialized teams from Capital Markets are hubs of expertise for our clients, providing customized advice on sustainability and the energy transition, as well as sustainable finance products and services.

### Sustainable Advisory and Finance (SAF)

The SAF team is a resource that supports clients in designing efficient and sustainable solutions through an integrated offering ranging from sustainable financing, including loan and bond underwriting, to advisory services. With its knowledge and experience, the SAF team is a single point of contact, advising clients at every stage of their sustainability journey.

### Cleantech Investment Banking

National Bank Capital Markets™' (NBCM) Cleantech Investment Banking Group provides coordinated and differentiated advisory services that support clients' efforts to deliver clean energy alternatives and advance more sustainable business models. During the past fiscal year, the Bank continued to support several hundred cleantech companies across Canada through the Cleantech Investment Banking Group. The Group provides strategic advice in five sectors of activity and has supported the deployment of more than $4.4 billion over the past five years.

### Renewable energy sector lending

The Bank mobilizes capital to scale the clean energy sector and offers advice to help identify adapted solutions. Since 2019, the Bank has more than tripled its renewable energy portfolio, reaching $18.0 billion in total lending commitments in 2025. This reflects our ability to deploy capital effectively, underpinned by the deep expertise of our teams and by long-standing partnerships with project developers across North America. Our renewable energy portfolio is supporting the Bank's efforts to reduce emissions associated with our power generation portfolio.

## Sustainability Infrastructure and Cleantech Equity Research

Our Sustainability Infrastructure and Cleantech Research Analyst on the NBCM Equity Research team leads our sustainability and transition research activities and provides timely, succinct, value-added information to our clients.

Recent efforts have addressed the following topics:

— Policy and regulation
- Canadian sustainable investment taxonomy
- Financial incentives – investment and production tax credits
- Elections and climate policy
- Electricity regulations

— Financial reporting linked to sustainability
- Evolving position of the Science Based Targets initiative (SBTi)
- Sustainable financial disclosure in Canada
- Integration of climate in financial regulations

— Climate change and decarbonization
- Sustainable finance fund flows
- Biodiversity and the potential to advance strategies that take nature into account
- Renewable fuels and market turbulence
- Case for adaptation finance
- Canada's role in reducing the world's environmental footprint

## Commodities

Since 2021, the Bank has actively participated in multiple exchange-traded carbon markets, including the Western Climate Initiative (WCI), a joint Quebec/California cap-and-trade program that allocates California Climate Allowances (CCA), the Regional Greenhouse Gas Initiative (RGGI) and the European Union Allowance (EUA). To better support our clients in their transition, we have added the capacity to trade CCAs over the counter, which allows us to offer our clients risk management and cost-saving solutions.

## Structured Solutions

Our Structured Solutions Group offers the Canadian Sustainable Companies Flex Guaranteed Investment Certificate (GIC) to individual clients, providing exposure to sustainable Canadian companies with principal 100% protected at maturity. Portfolio construction involves filtering out companies in certain sectors, then selecting companies with ESG ratings in the top two quartiles as established by Sustainalytics. This GIC provides sector diversification while promoting sustainability.

### Sustainable Finance Thought Leadership

— In 2025, NBCM became a member of the Climate Bonds Initiative (CBI).

— NBCM hosted an investor and corporate educational session with MSCI on physical climate risk assessment.

— The Bank supported sustainable finance events throughout the year, including the 2025 Sustainable Finance Summit.

— The SAF team produces quarterly and weekly sustainable finance market updates for our clients.

## Highlights

National Bank Capital Markets supports the domestic and international market through its underwriting services for green, social, sustainability and sustainability-linked loans and bonds.

**Figure 1 – Green, social, sustainability and sustainability-linked bonds underwritten by NBCM in 2025[1]**



**$7.5B**

| | |
|---|---|
| Sustainability bonds | **75%** |
| Green bonds | **25%** |

**Figure 2 – Authorized credit towards renewable energy lending and sustainability-linked loans in 2025**



**$25.3B**

| | |
|---|---|
| Renewable energy lending | **71%** |
| Sustainability-linked loans | **29%** |

**Table 4 – Sustainable finance performance metrics (in billions of dollars)**

| Performance metrics[1] | 2025 | 2024 |
|---|---|---|
| **Value of underwritten green, social, sustainability and sustainability-linked bonds** | 7.5 | 5.3 |
| **Value of authorized sustainability-linked loans** | 7.3 | 8.1 |
| **Total lending commitment in renewable energy projects** | 18.0 | 15.0 |

1 Across all currencies, converted to CAD.

**Here are a few examples of businesses supported by our teams:**

## Pomerleau

In August 2025, NBCM acted as Administrative Agent and Co-Sustainability Structuring Agent on Pomerleau's inaugural $300 million sustainability-linked loan. The credit facility includes a pricing adjustment mechanism tied to the achievement of sustainability targets related to GHG emissions and waste management. Pomerleau is among the top three contractors in Canada and is a pioneer in the construction of sustainable buildings and infrastructures.

"By collaborating with partners like National Bank Capital Markets, we deepen our ability to drive meaningful change in sustainable construction. The sustainability-linked loan reflects our commitment to deliver projects aligned with our values and contribute to affordable housing, low-carbon infrastructure, and public and active transit options. Together, we're creating solutions that rise to today's challenges and shape a better tomorrow." said Philippe Adam, President and Chief Executive Officer of Pomerleau.

## Invenergy

In June 2025, NBCM acted as Green Loan Co-coordinator, Coordinating Lead Arranger and Joint Bookrunner on Invenergy–one of the world's largest private developers, owners, and operators of clean and affordable energy solutions–and Alliance de l'énergie de l'Est's $1.1 billion financing project for the Pohénégamook-Picard-Saint-Antonin-Wolastokuk 1 (PPAW 1) Wind Energy Centre. Over the past several years, the Bank has provided significant financing for numerous Invenergy projects, amounting to multiple billions in capital expenditures and investments within the renewable energy sector.

## Innergex

NBCM acted as Green Loan Co-coordinator, Coordinating Lead Arranger, and Joint Bookrunner on a $215 million financing package involving Innergex Renewable Energy Inc. (Innergex) and Mi'gmawei Mawiomi Business Corporation (MMBC) for the 102 MW Mesgi'g Ugju's'n 2 (MU2) Wind Project. This financing represents a continuation and deepening of the Bank's long-standing relationship with Innergex, a Quebec champion in renewable energy, and reaffirms its leadership in the Canadian project finance space.

# Funding and Investment

Our Funding and Investment teams aim to support the advancement of sustainable finance within the organization. We have two primary activity streams: issuing sustainability bonds (whether structured or not) in accordance with market standards, and selectively investing in sustainable finance products from other issuers. Through these initiatives, we demonstrate our desire to contribute to the growth of responsible capital markets and support funding of projects aligned with sustainability objectives.

## Sustainability Bond Program

In 2018, the Bank developed one of the first Canadian reference frameworks for issuing sustainability bonds. This framework was externally reviewed to confirm alignment with International Capital Market Association (ICMA) Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.

Under this reference framework, our proceeds can be used to finance or refinance, in whole or in part, eligible businesses or projects that fall into nine categories: Renewable Energy, Energy Efficiency, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Sustainable Buildings, Low-Carbon Transportation, Affordable Housing, Access to Basic and Essential Services and Loans to Small and Medium-Sized Enterprises (SMEs) located in deprived economic zones. As at October 31, 2025, the proceeds of green and sustainability bonds have been used to finance approximately $3.2 billion in eligible projects.

The Bank's Sustainability bonds committee is comprised of senior managers from various sectors (Capital Markets, Treasury, Risk Management, Commercial Banking and Finance). They are responsible for selecting and assessing loans that will qualify as eligible projects. Each year, the Bank publishes a report that presents a summary of the reference framework, the use of proceeds and a few examples of projects financed.

**To learn more, consult the Sustainability Bond Report, in the Codes and commitments section at nbc.ca.**

**Table 5 – Sustainable assets funding and investments performance metrics (in billions of dollars)**

| Performance metrics[1] | 2025 | 2024 |
|---|---|---|
| **Value of green and sustainability bonds in circulation issued by the Bank[1]** | 3.2 | 3.0 |
| **Value of green, social, sustainability and sustainability-linked bond holdings[2]** | 1.4 | 1.1 |

1 Across all currencies, converted to CAD.
2 Portfolio invested by the Bank's investment team in green, social, sustainability and sustainability-linked bonds.



# Personal and Commercial Banking

## Our approach

**We offer our Personal and Commercial Banking clients specialized tools and advisory services to streamline their transition to more sustainable solutions.**

## Sustainable vehicle loans

To support our clients' transition to greener vehicles, the Bank offers special interest rates on financing used to purchase a 100% electric, plug-in hybrid or hydrogen vehicle. These products are available across Canada through the Bank's distribution network and its affiliated merchants.

## Cleantech companies

In 2025, the Technology and Innovation Banking Group continued to offer advice, support and financial services tailored to the needs of rapidly growing technology companies in Canada. These companies include those in the clean technology sector that have developed major software or hardware innovations for carbon capture, energy optimization, sustainable fuels, electric vehicle charging and climate intelligence solutions.

**Here are some of the cleantech companies supported by the Group:**

## GHGSat

GHGSat is a global technology leader with pioneering emissions-monitoring capabilities. To support industrial operators in reducing emissions, GHGSat's satellites pinpoint the source of methane leaks, often down to individual pieces of equipment. Leveraging an unmatched daily revisit rate, GHGSat alerts operators about emissions within hours of detection. To date, GHGSat has launched 14 satellites, which track emissions from millions of facilities annually to provide the most robust global coverage of methane emissions in the market. Alongside its fleet of satellites, GHGSat operates aircraft equipped with its patented sensor, complementing high-frequency satellite monitoring with targeted, rapid response campaigns. The Bank is proud to support GHGSat in its mission to drive environmental transformation. This partnership reflects our ambition to support technological innovation that contributes to the reduction of GHG emissions.

## Alvéole

Alvéole is a nature and biodiversity company dedicated to serving the commercial real estate sector. It operates across 2,200+ buildings in North America and Europe, enhancing their tenant engagement strategies through its unique urban beekeeping solution. In 2025, Alvéole entered a new phase: drawing on 12+ years of on-the-ground experience, it launched a commercial real estate focused nature and biodiversity intelligence platform. Now active across hundreds of buildings globally, the company's new offering enables real estate owners to seamlessly integrate nature and biodiversity into portfolio disclosure, strategy and fundraising.

## SWTCH Energy

SWTCH Energy is pioneering electric vehicule (EV) charging solutions for multifamily, commercial and workplace properties across North America. SWTCH leverages cutting-edge technology to help building owners and operators deploy EV charging by optimizing existing grid infrastructure. Through constant innovation and an extensive partnership network, SWTCH provides profitable and scalable business models for multi-tenant buildings.
The Bank is pleased to support SWTCH's continued growth and innovative approach to EV charging infrastructure, its proprietary technology and its strong market position.

# Green loans for the commercial real estate sector

In 2025, the Bank continued to support commercial real estate sector clients in adopting sustainable practices:

**221 green loans were granted or certified for a total of nearly $2.7 billion, exceeding our established annual target of $2 billion.**

The Bank offers two categories of certified green loans to meet the diversified needs of the real estate sector.

- Loans offered in partnership with the Canada Mortgage and Housing Corporation (CMHC) under the MLI Select program are intended to improve energy efficiency in commercial real estate. In 2025, we granted or certified close to $2.1 billion in loans of this type.
- Conventional loans, on the other hand, support commercial real estate projects that incorporate specific environmental standards, representing $596 million as at October 31, 2025.

This distinction allows us to support our clients in developing sustainability strategies that meet their needs.

Training workshops have been offered to reinforce internal expertise and enhance knowledge of sustainability and the taxonomy for sustainable buildings. Processes have been optimized to streamline discussions with our clients and target their needs so we can enhance the green loans issued.

In 2025, our practices were improved by strengthening internal data verification processes, clarifying eligibility criteria for green loans and creating explanatory documents for clients to help them understand and apply sustainable finance requirements.

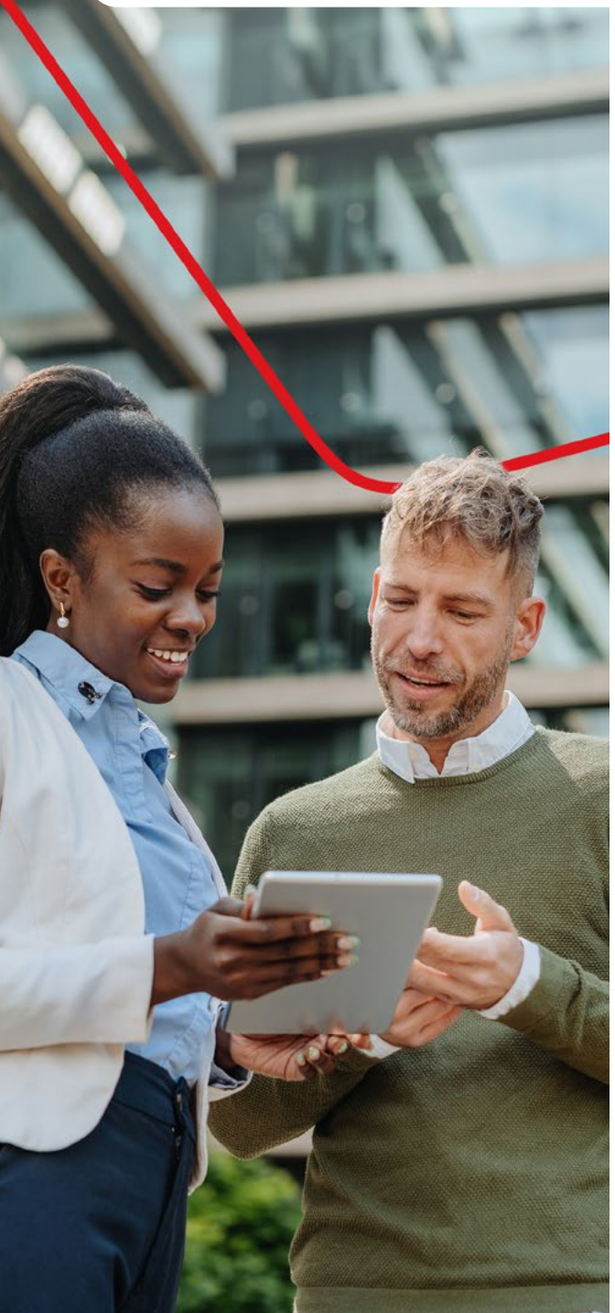
This year, the Bank rolled out a visibility and outreach strategy to promote companies participating in the green loan program. This initiative uses specialized content (articles, social media posts) and ads on fencing at construction sites to highlight exemplary projects financed by green loans.

The We2 phase 2 project is a perfect example of this approach. This sustainable rental condo project, supported by a green loan granted to the Heafey Group and the Gaudette Group, incorporates rigorous energy performance criteria to reduce energy use and promote a responsible approach in the real estate sector. To boost the visibility of this project and raise awareness of sustainable practices, the Bank has launched a campaign that combines digital marketing (social media posts) and physical marketing (ads on construction fencing). This approach helps reinforce recognition of sustainable initiatives and affirms the Bank's role as a key partner in the energy transition.



# Environment





# Strategy

## Our approach

We are committed to supporting the transition to a net-zero economy. We believe that reaching this objective is a journey that calls for collaboration across sectors, and that depends on enhanced technological innovation, improved regulations and supportive policy frameworks. We are working alongside our clients, helping them reach their sustainability goals and build long-term resilience while navigating the complexities of the transition.

In 2025, we reviewed our sustainability strategy including our climate ambition following the CWB acquisition and a shift in our external and geopolitical environment. We are committed to supporting the transition to a net-zero economy. We believe its a shared responsibility and we are ready to do our part. We work closely with our clients and offer them tailored financing, investment, and advisory solutions while mobilizing capital for projects that enable progress in key economic sectors. We are also strengthening our climate resilience by enhancing how we identify, measure and monitor climate-related risks across the Bank.

**Table 6 – Our climate ambition, priorities and actions**

| Our Ambition | Our Priorities | Our Actions |
|---|---|---|
| We are committed to supporting the transition to a net-zero economy. | **Support our clients**<br>**Leveraging our capital and expertise to help our clients in their transition** | — Mobilize capital for transition-critical sectors<br>— Scale sustainable finance solutions<br>— Provide expertise and advisory services<br>— Offer sustainable investment products |
| | **Foster our resilience**<br>**Ensuring resilience to climate-related physical and transition risks in our business model** | — Drive decarbonization across our own operations<br>— Work to align our oil and gas producers, power generation and commercial real estate financing portfolios with our interim target pathways<br>— Further embed climate-related risk considerations into our practices |

# Support our clients

The transition will differ across geographical regions and industries, and we recognize the importance of tailoring solutions to the diverse needs of our clients. We support our clients in their transition by offering sustainable finance products, advisory services and partnerships that unlock opportunities in renewable energy, energy efficiency and emerging technologies.



## Responsible Investment

**To learn more about our Responsible Investment products and initiatives, refer to page 11.**



## Sustainable Finance

**To learn more about our Sustainable Finance teams and advisory services, refer to page 13.**



## Personal and Commercial Banking

**To learn more about our solutions to support our Personal and Commercial Banking clients, refer to page 18.**

# Foster our resilience

To ensure our resilience as an organization, we are reducing emissions from our own operations, managing financed emissions across our value chain and strengthening the risk management foundation that supports our long-term financial stability.

## Operational emissions reduction target

Reducing emissions starts with our own operations. Since the acquisition of CWB, we have reviewed our overall footprint and methodologies to set a new operational emissions reduction target, which supports our efforts to reduce emissions and quantify the environmental impact of our own operations.

### New 2030 target

In 2025, we set a new operational emissions reduction target for 2030, including CWB. The process of setting this new target was guided by an in-depth analysis of our internal emissions reduction plans and publicly available data on electricity grid changes over the target timeframe. The target is aligned with the Intergovernmental Panel on Climate Change's (IPCC) science-based pathways to limit global warming to 1.5°C and is specific to our North American footprint, which represents our core business activities, leverages our existing comprehensive monitoring and management processes, and is supported by our real estate business strategy. We also consulted with multiple internal stakeholders, external experts, the Senior Leadership Team, and the ESG Committee, who approved the target.

**To learn more about the scope and boundaries of this target, refer to Appendix 6.**

Following the CWB acquisition, we are evaluating the impact of our expanded presence across Canada on all Scope 3 operational emissions categories as defined by the GHG Protocol. We are also putting processes in place to compile relevant data and align to our business strategy.

We are also assessing emissions reduction measures applicable to our international footprint, primarily concentrated in Cambodia, and remain committed to calculating and disclosing our full global carbon footprint for specific categories of emissions as data and capabilities improve.

**To learn more about our global footprint, refer to Appendix 5.**

### New 2030 target

**42%** absolute reduction in Scope 1 and 2 emissions (market-based) from our North American operations by 2030, compared to 2022.

| | |
|---|---|
| **Scope** | Scope 1 and 2 emissions. This approach leverages our existing comprehensive monitoring and management processes related to our physical footprint. |
| **Baseline year** | The year 2022 was established as the baseline year for this target, due to the availability of validated data for CWB. It also marked a return to "business as usual" under hybrid work policies following the pandemic. |
| **Boundary** | The emissions boundary applicable to the target includes our operations in North America, aligning it with our core business activities. |
| **Monitoring** | Performance as compared to the target is monitored on an ongoing basis and reported at least twice a year to the ESG Committee and a committee of the Board.<br>To ensure accountability for the target, it is included in compensation-related ESG KPIs and reported to a committee of the Board. |

## Operational emissions reduction strategy

To achieve its new 2030 target, the Bank has implemented a comprehensive strategy that includes energy savings from co-locating, consolidating and renovating premises in North America and expected improvements to the electricity grids in respective regions.

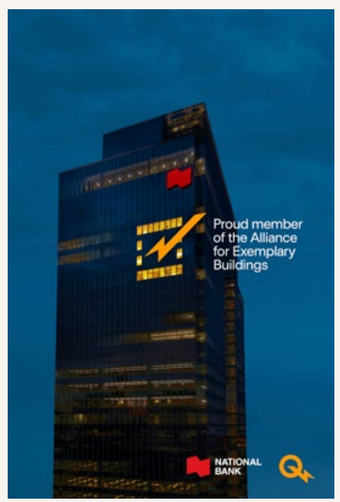
### Energy efficiency

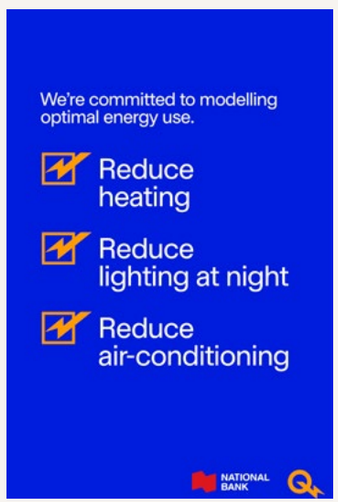
Energy efficiency is a priority for our real estate holdings. Every year, we assess the availability of energy sources to promote the use of renewable or low-carbon energy where possible.

In 2025, we continued to gradually retire heating, ventilation and air conditioning (HVAC) equipment that uses natural gas, fuel oil or heating oil. In five of our branches, we have replaced these systems with electric or dual-energy systems, resulting in a reduction of 28 tonnes of carbon dioxide equivalent ($tCO_2e$). We also replaced the HVAC units in nine branches with more energy-efficient systems, resulting in a reduction of 10 $tCO_2e$. Lastly, we switched from traditional lightbulbs to LEDs (light-emitting diodes), which reduced our electricity use by 42,000 kWh across 105 branches.

The Bank is continuing to install charging stations for electric vehicles when project conditions allow it. Since the launch of this initiative, 49 charging stations have been installed at 26 sites, and we are continuing to add more in the communities where we are present.

The Bank is proud to have joined the Alliance for exemplary buildings, a Hydro-Québec initiative that aims to bring together managers of large buildings in Montreal and Quebec City to implement best energy practices. As such, the Bank has committed to continuing to actively reduce its energy use during peak periods in winter, notably through centralized regulation of our 138 branches in Quebec. This strategy reduces pressure on the power grid while maintaining the comfort of occupants. In the winter of 2025-2026, a similar project will be launched at National Bank Place, enabling the Bank to pursue its efforts to reduce energy use.




In 2025, National Bank Place obtained LEED® Gold certification in the New Construction category, underscoring the Bank's commitment to building sustainable, inspiring work environments.

### Sustainable sourcing

The Bank has implemented an internal sustainable sourcing strategy that aims to reinforce and align governance and processes by gradually integrating ESG criteria. Through ongoing dialogue with our suppliers, we aim to build partnerships with sustainable local businesses, including suppliers from a broad range of backgrounds and Indigenous stakeholders.

To promote continuous improvement as part of a strategy aimed at decarbonizing purchases, we launched a quantification exercise for Scope 3 GHG emissions related to purchases of Bank goods and services. This initial quantification allowed us to:

— Assess GHG emissions from all goods and services procured under contract

— Identify the most emission-intensive purchasing categories

— Identify potential areas for improvement

We also completed the integration of a questionnaire into the sourcing platform to assess the ESG practices of the Bank's key suppliers. This will allow us to gradually increase our understanding of their practices and identify opportunities for improvement in sustainable sourcing.

Sustainable Procurement BAROMETER

The Bank measures the progress of its approach by completing the Sustainable Procurement Barometer, an initiative that measures the performance of organizations every four years. In 2024, the Bank ranked among the top-performing companies (top 10%), with an overall maturity level of 3 on a scale of 5, up from the score of 2 it earned in 2021. These results reflect the Bank's efforts over recent years.

### Sustainable marketing

The Bank integrates sustainable development practices into its marketing activities. For example, materials used at events are stored for reuse.

We are committed to reflecting the diversity of the communities we serve in our advertising material and in the talent we choose to work with. Marketing content is approved further to collaboration between the Marketing team and internal experts in inclusion, diversity, equity and accessibility.

In its activities, the Bank prioritizes digital platforms over print. For documentation that must be printed, we deal with a local printer that uses 100% Forest Stewardship Council (FSC) certified paper from sustainably managed forests.

### Sustainable digital services

We have many digital tools that can be used optimally to reduce our environmental impact. The Bank's Information Technology (IT) team has launched a number of initiatives over the past year to improve its practices.

— Under the leadership of a HEC Montreal professor who has published research on the digital footprint of Canadian banks services:

  - A workshop was held to raise awareness among business lines and digital marketing teams about the consequences of our activities and best practices to adopt.
  - An internal conference for more than 150 participants from IT, Personal and Commercial Banking and Wealth Management was organized, recorded and broadcast across the Bank. Personalized recommendations sorted by impact were also presented to enhance our digital services.

— With the support of an external partner, we developed an eco-design framework covering seven areas, eight professions and 70 recommendations. The purpose of this framework is to assess our professional practices, identify what's already in place and determine how we can further improve the Bank's sustainable digital services. The framework was initially applied to a project in 2025, and its integration will continue in 2026 as part of our ongoing initiatives as we identify opportunities for improvement related to processes, the client experience and software development.

## Financed emissions sectorial targets

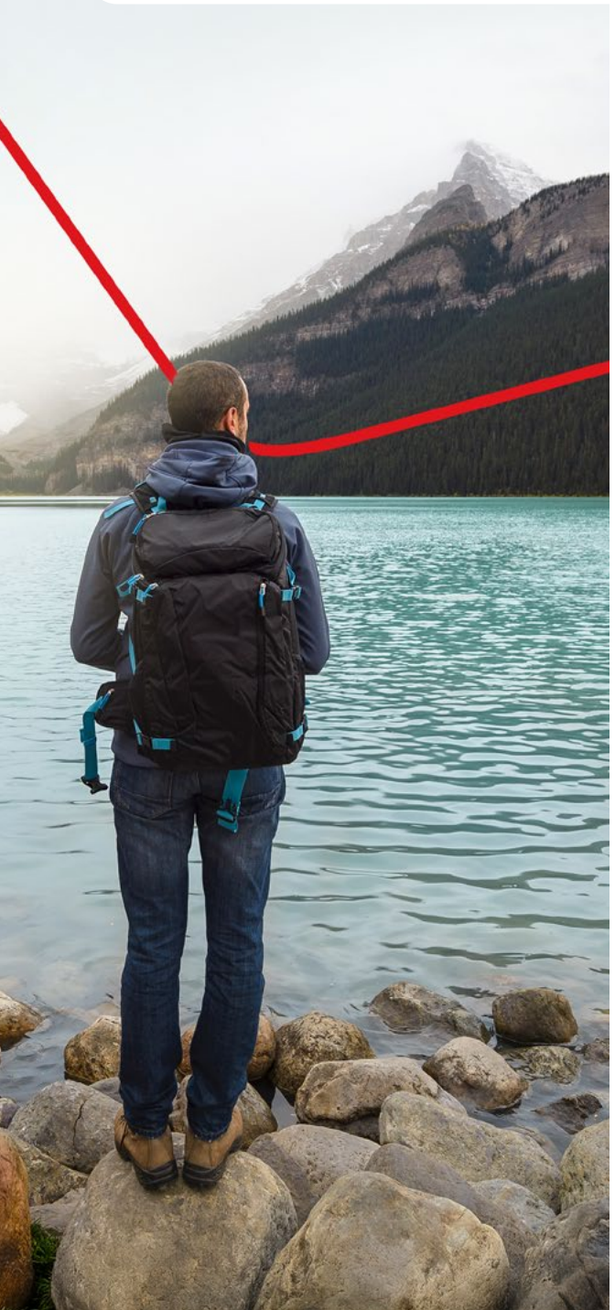
Since 2021, the Bank has quantified its financed emissions for the most carbon-intensive sectors informed by PCAF methodology. The Bank maintains interim carbon intensity reduction targets for its loan portfolios in the following sectors:

— Oil and gas producers
— Commercial real estate
— Power generation

The Bank has developed financing strategies adapted to each business sector.

**Table 7 – Our interim targets compared to 2019 and sector-specific financing strategies to reach them**

| Sectors | Oil and gas producers | Commercial real estate | Power generation |
|---|---|---|---|
| **Interim targets** | **31% reduction in portfolio carbon intensity by 2030 (Scope 1 and 2 emissions)**<br>**31% reduction in portfolio carbon intensity by 2030 (Scope 3 emissions)** | **50% reduction in portfolio carbon intensity by 2030 (Scope 1 and 2 emissions)** | **33% reduction in portfolio carbon intensity by 2030 (Scope 1 emissions)** |
| **Strategies** | — Leverage our risk management process including a climate risk sensitivity test, an impact simulation and an assessment of the decarbonization plan.<br>— Provide strategic support for existing clients in the execution of their transition plan, adapted to their geographic location and economic environment. | — Maintain our financing strategy to optimize the portfolio mix, with an emphasis on commercial real estate projects in Quebec, and to prioritize buildings with a low-energy footprint, such as those using hydroelectric power. | — Total lending commitment of $20 billion in renewable energy by 2030.<br>— Measure and manage financing for the thermal coal power sector in alignment with our current commitments for this sector. |



# Risk Management

## Our approach

**To increase its resilience, the Bank continues to integrate climate issues into its risk management framework.**

Climate risk involves the possibility that the consequences of climate change could lead to a loss of financial value for the Bank or affect its activities over the short (less than three years), medium (three to ten years) or long (more than ten years) term.

We can divide climate risks into two categories.

— **Physical risks:** Potential impacts of more frequent and more intense acute climate episodes (extreme weather events) or chronic ones (e.g., increase in the frequency and severity of forest fires, flooding or rising sea levels).

— **Transition risks:** Potential impacts of the transition to a low-carbon economy through technological changes, political or public policy shifts to reduce emissions and regulatory changes. These impacts can have an effect not just on the economy as a whole, but also on specific sectors and portfolios.

Climate risks can also impact the risks inherent in our activities such as credit risk, market risk, liquidity and financing risk and operational risk. Furthermore, the rapidly changing global regulatory environment, the commitments and frameworks we adhere to and the expectations of our stakeholders may create reputation and compliance risks, in addition to increasing legal risks. The Bank is directly exposed to these risks through its own activities and indirectly exposed through the activities of its clients.

# Governance

## Our risk appetite

The Bank communicates its appetite for climate risk through guiding principles and statements aimed at achieving our priorities and commitments. Monitoring is carried out using climate indicators that are aligned with the Bank's priorities, such as reducing emissions from our operational activities and supporting the development of the renewable energy sector. Results are presented quarterly to the Board's Risk Management Committee.

## Risk management framework

The Bank has established a consistent climate risk management framework across the organization. This framework is based on our own internal standard, whose principles are aligned with four dimensions: identification, assessment, management and monitoring, and disclosure (Figure 3). For climate risk management, the Bank uses the same governance as that in place for all its risks. Based on three lines of defence, this model clearly defines the roles and responsibilities of each one and enables the use of an effective management framework (Figure 4). As the second line of defence, risk management teams promote sound and effective management of the risks facing the Bank. The concept of climate risk is also introduced in several of our internal risk management policies and activities, which inform the scope of risks and the Internal Capital Adequacy Assessment Process (ICAAP). We monitor risk assessment and mitigation as well as required capitalization, where necessary.

**Figure 3 – Climate risk management framework**

**Identification**

Climate risks and their cross-sector impacts on all other risks facing the Bank are identified and documented in detail.

**Assessment**

The potential impact of climate risks on our assets, operations and risk appetite is assessed using both a quantitative and a qualitative approach.

**Management and monitoring**

Management and control processes ensure material climate risks are measured, monitored and reported at the appropriate time.

**Disclosure**

The main considerations related to climate risks are included in internal and external reports.

**Figure 4 – Roles and responsibilities of the Bank's three lines of defence**

| First line | Second line | Third line |
|---|---|---|
| Business sectors are responsible for identifying, assessing and documenting the climate risks inherent in day-to-day operations by deploying management and monitoring tools aligned with risk appetite, policies and risk management standards. | Risk Management ensures oversight of management practices and an independent critical review of the first line of defence. It promotes and reports on a sound and effective risk management approach. | Internal Audit provides independent assurance on the effectiveness of key governance, risk management and internal control processes and systems, and provides recommendations and advice to promote the Bank's long-term stability. |

# Identification

The Bank has set up internal tools to identify and document climate risks. These tools enable users to better understand their cross-sector impacts on all other risks facing the Bank. Table 8 illustrates how the different climate risk categories could potentially impact our clients' activities and our operations through different channels, and how we can mitigate these risks.

**Table 8 – Potential impacts of climate risk on principal risks in the short (ST), medium (MT) or long term (LT)**

| Principal risks | Impact | Horizons | Mitigation initiatives |
|---|---|---|---|
| **Credit risk** | **Physical risks (acute)** – Damage to collateral held on bank loans and potential disruption to clients' supply chains, which may lead to reduced repayment capacity or higher losses in the event of default. | ST, MT, LT | — Vulnerability assessment of the loan portfolio, segmented into five levels based on climate risk sensitivity (from very low to very high sensitivity).<br>— Analysis of climate scenarios to assess the financial repercussions on provisions for credit losses.<br>— Process for determining concentration limits for certain industry sectors to account for the potential impacts of climate risk. |
| | **Transition risks (market and regulatory)** – Increased probability of default due to increased costs or decreased revenues associated with the transition to a low-carbon economy. Increased losses in the event of default following a decrease in the value of collateral assets due to their obsolescence in relation to the energy transition. | MT, LT | |
| **Market risk** | **Physical risks (acute and chronic)** – Production instability in the corporate primary sector, which could lead to increased volatility in commodity prices. | MT, LT | — Integration of the consequences of climate events into broader economic and financial scenarios used in the stress tests performed periodically by market risk teams. |
| | **Transition risks (market, regulatory, legal and reputation)** – Impacts on market variables, such as stock and commodity prices, as a result of tightening regulations and fluctuations in demand for products and services in emitting sectors. | MT, LT | |
| **Reputation risk** | **Transition risks (market, regulatory, legal and reputation)** – Negative perceptions related to funding and investment decisions for emitting sectors that could be considered unaligned with our stakeholders' expectations. | ST, MT, LT | — Open and transparent communication with stakeholders on their concerns and the management of climate issues.<br>— Quarterly review and reporting to the Board's Risk Management Committee. |
| **Regulatory non-compliance risk** | **Transition risks (regulatory, legal and reputation)** – Misalignment of climate risk management and disclosure and resulting in legal action by stakeholders and substantial financial penalties. | MT, LT | — Disclosure subject to a rigorous governance process including Board validation.<br>— Ongoing oversight of regulatory requirements. |

| Principal risks | Impact | Horizons | Mitigation initiatives |
|---|---|---|---|
| **Operational risk** | **Physical risks (acute)** – Disruptions to day-to-day operations, damage to critical infrastructure and increased likelihood of downtime. | ST, MT, LT | — Expanded scope of the operational risk taxonomy to better identify the sensitivity of our own operations to climate events.<br>— Disaster risk management program that considers various scenarios to assess the impact of extreme weather events on our activities.<br>— Operational emissions reduction target in place. |
| | **Transition risks (market and regulatory)** – Consequences of new legislation and/or regulations whose requirements could lead to significant changes in processes, resulting in increased costs. | MT, LT | |
| — **Third-party risk** | **Physical risks (acute)** – Operational disruptions among suppliers and service providers, potentially affecting the supply chain and the level of service expected from the Bank. | ST, MT, LT | — Assessment of the impact of extreme weather events on the supply chain and third parties integrated into the disaster risk management program. |
| — **Business continuity risk** | **Physical risks (acute)** – Operational disruptions threatening the Bank's business continuity. | ST, MT, LT | — Disaster risk management program that considers various scenarios to assess the impact of extreme weather events on our operations. |
| | **Transition risks (market, regulatory and legal)** – Increased costs and risk of non-compliance and legal liabilities, threatening the Bank's business continuity due to new legislation and/or regulations. | ST, MT, LT | |
| **Strategy risk** | **Transition risks (market, regulatory, legal and reputation)** – Inability of the Bank to implement strategies and decision-making processes to deal with the transition and associated changes in the business environment. | LT | — Two climate priorities and an implementation plan guided by structured financing and investment activities, incorporating commitments, targets and a rigorous governance process.<br>— Operational emissions reduction target in place. |

# Assessment

The Bank proactively monitors the climate risk exposure of its sectors of activity in relation to its risk appetite and established limits. Top and emerging risks include those that could have a significant negative impact on the Bank's financial results, reputation, business model and long-term strategy, particularly credit, market and operational risks. We therefore analyze various climate scenarios to help assess the impact of climate risk on material risks. To date, the Bank has not implemented an internal carbon pricing mechanism, but it is studying this approach to account for the impact of GHG emissions on business decisions.

The Bank's exposure to climate-change credit risk is assessed through various control and oversight mechanisms. For example, a qualitative assessment of the vulnerability of the loan portfolio to physical and transition risks is carried out for all financing activities. This analysis is segmented into five levels based on climate risk sensitivity, from very low to very high. It is refined over time through assessment activities and climate scenario analysis activities carried out by the Bank.

Concentration risk for the loan portfolio is also assessed periodically to ensure that there are no material impacts related to climate change. A matrix that cross-references physical and transition risk by sector and by industry has been in use since 2020, making it possible to understand which sectors are the most vulnerable to climate risks (Table 9).

These initiatives enable us to align our priorities and implement concrete measures as part of the periodic review process for sector limits, where each sector has a section detailing inherent climate risks, including an assessment of physical and transition risks. The Bank monitors changing trends and calculation methodologies and actively participates in various industry discussion groups.

**Table 9 – Vulnerability of the loan portfolio to climate risks as at October 31, 2025[1]**

| Loan portfolio | Physical risk | Transition risk | Share of loan portfolio (%) | Credit risk exposure ($M) |
|---|---|---|---|---|
| Residential Mortgages | Moderate | Low | 25% | 107,222 |
| Qualifying Revolving Retail | Low | Low | 4% | 17,941 |
| Other Retail | Low | Low | 6% | 27,271 |
| Agriculture | High | High | 3% | 11,516 |
| Oil and Gas | High | Very high | 1% | 4,630 |
| Mining | Moderate | High | 1% | 3,789 |
| Utilities | Moderate | Moderate | 5% | 21,682 |
| Pipelines | Moderate | Very high | 1% | 3,406 |
| Construction Non-Real Estate | Moderate | Moderate | 1% | 3,866 |
| Manufacturing | High | High | 3% | 13,300 |
| Wholesale Trade | Moderate | Low | 1% | 5,475 |
| Retail Trade | Moderate | Low | 2% | 7,128 |
| Transportation | High | Moderate | 2% | 10,386 |
| Communications | Low | Low | 1% | 4,846 |
| Finance and Insurance | Moderate | Moderate | 14% | 58,619 |
| Real Estate and Construction | Moderate | Moderate | 10% | 40,471 |
| Professional Services | Very Low | Very Low | 1% | 3,713 |
| Education and Health Care | Low | Very Low | 1% | 5,116 |
| Other Services | Low | Low | 4% | 18,011 |
| Government | Moderate | Moderate | 8% | 31,892 |
| Other | Moderate | Moderate | 6% | 25,048 |
| **Total** | | | **100%** | **425,328** |

**Risk assessment**

- Very Low
- Low
- Moderate
- High
- Very High

For more information on portfolio management by sector, see the section on Managing the loan portfolio on page 34.

1 Exposure is calculated as the total exposure to credit risk and includes amounts drawn, undrawn commitments and other off-balance-sheet items as presented on page 93 of the 2025 Annual Report. The distribution by industry is identical to that presented on page 25 of our Supplementary Regulatory Capital and Pillar 3 Disclosure – Fourth Quarter 2025.

## Climate scenario analysis

The Bank analyzes the impact of physical and transition risks on its loan portfolio using various climate scenarios. These analyses allow us to quantify the potential impacts of climate change on asset activities and financial performance, based on several plausible trajectories. This facilitates strategic decision-making and the development of mitigation measures over various time horizons. These financial repercussions may then be used to estimate expected loss (EL) for portfolios, probability of default (PD) and loss given default (LGD) for each scenario.

In addition, the Bank participates in standardized climate scenario exercises, enabling it to strengthen its internal capabilities and advance its analytical methodologies. For example, through its participation in the Standardized Climate Scenario Exercise (SCSE) piloted by OSFI, the Bank has contributed to the assessment of physical and transition risks related to climate change. The general findings from this exercise are presented in a public OSFI report.[1]

Following this work, the Bank continued the initiatives launched under the SCSE, notably by developing and integrating damage functions specific to climate hazards. This approach made it possible to estimate impacts on the identified portfolio at a more granular level. These include potential direct impacts, such as physical damage to assets, and indirect impacts, such as the financial difficulties experienced by households as a result of flooding. In this context, internal analysis of exposure to physical risks focused on flood-prone areas. Based on the scope and results of the SCSE, we identified flood-prone areas and assessed that the proportion of vulnerable assets in our residential mortgage loan portfolio is limited.

To further enhance its analytical capabilities, the Bank began integrating an external climate data solution to support the assessment of physical and transition risks. Combined with the expertise of our internal teams, this solution will make it possible to estimate the potential impacts of climate risks on our loan portfolios across different time horizons, supported by recognized climate scenarios. The Bank now has the data required to conduct more in-depth analyses and finalize the development of its climate scenario framework, while ensuring greater methodological consistency and more comprehensive coverage of climate risks.

In 2025, the Bank also continued to develop its climate scenario analysis program based on Phase V of the Network for Greening the Financial System (NGFS) short-term climate scenarios.[2] The three scenarios selected—Highway to Paris, Sudden Wake-up Call and Divergent Realities—made it possible to explore different physical and transition risk pathways to 2030. The models and parameters used are those developed by NGFS and its partners, ensuring methodological consistency with international recommendations and reinforcing the robustness of analyses (Table 10).

In light of the results of the scenario analyses carried out for our commercial loans, we found low to moderate financial impacts that vary by industry sector. However, it's important to note that for the Bank's overall loan portfolio, the increase in estimated credit losses over time is not significant.

**Table 10 – Details of the short-term NGFS scenarios used and the results for fiscal 2025**

| Scenarios | Types of risks | Economic impact | Financial impact on provisions for credit losses[3] |
|---|---|---|---|
| **Highway to Paris** | Transition risks | Moderate transition costs, mid- and long-term benefits | Low |
| **Sudden Wake-up Call** | Transition risks | High transition costs, economic shocks related to a sudden transition | Low to moderate |
| **Divergent Realities** | Physical and transition risks | Moderate transition costs, extreme climate events leading to material economic shocks | Low |

Furthermore, in accordance with the Bank's risk management framework and business continuity plan, we conducted a crisis simulation exercise based on a disaster scenario this year. This scenario was selected and approved by a multisector panel of Bank experts. It was informed by various data points, including the probability of occurrence, the financial and non-financial impacts of similar historical events, and the concentration of the Bank's assets and operations. The scenario simulated a severe freezing rain event totaling approximately 120 mm, combined with a widespread power outage lasting two to three weeks, affecting 40% of Quebec's power grid, including nearly 100% of the Greater Montreal area.

As part of this exercise, we determined risks using hazard maps and data for the province of Quebec.[4] This approach enabled us to assess geographic vulnerability primarily with respect to credit risk—our main exposure—as well as operational risk and business continuity risk, given the nature of the event. The exercise demonstrated the Bank's resilience to climate change–related catastrophic events thanks to the mitigation strategies implemented for its operations, including insurance coverage, the business continuity plan and the crisis management framework. The estimated impacts of such a scenario remain non-material and are consistent with our risk appetite. Moreover, this initiative is aligned with our ongoing efforts to strengthen the Bank's analytical capabilities and increase its understanding of climate scenarios, particularly those related to physical risks.

1 Strengthening Climate Risk Financial Resilience: Insights from the Standardized Climate Scenario Exercise | Office of the Superintendent of Financial Institutions
2 NGFS Scenarios Portal
3 Based on the assumption of a static loan portfolio with impact projections over a short-term horizon.
4 Ouranos Climate Portraits: Intense freezing rain events; high emissions scenario (RCP 8.5); 90th percentile; period from 2021 to 2050

# Management and monitoring

Rapidly changing economic, regulatory, technological and market environments could also affect some or all of the Bank's activities. We cannot predict the effectiveness of public policies or regulatory developments. That said, we must remain vigilant in order to reduce our exposure to these risks and seize new growth opportunities that result from them. We are continuing to implement our climate risk management framework while actively monitoring external developments. At the same time, we are strengthening internal capabilities by raising awareness of climate risk management in the organization's teams, especially first line of defence employees in direct contact with clients. We want them to be better equipped to identify, assess and manage climate risks.

In addition, with a view to advancing the integration of climate risks, the Bank will continue to optimize its existing frameworks:

— Business continuity plans

— Operational risk management program

— Disaster risk management program

## Managing the loan portfolio

Climate risk is integrated through due diligence, in particular when granting credit. The sectors that generate the most GHG emissions have been prioritized, taking into account the amounts made available to them. These sectors include oil and gas, real estate, mining, transportation and industrial activities, as identified by PCAF.

For certain client segments, our credit risk analysis framework includes a questionnaire on the ESG and climate issues facing our clients. The questionnaire is used to collect information on carbon footprint, strategic positioning and the existence of a transition plan (commitments, reduction targets, diversification of activities), as well as a climate risk classification by sector and industry.

For the past few years, we have been collecting information via our ESG questionnaire from clients across our corporate and commercial real estate portfolios. This data allows us to assess the acute and chronic physical risks their activities could be exposed to, the percentage of assets held in regions vulnerable to extreme weather events and the risks related to their supply chain. For transition risk, we analyze the energy transition measures they have implemented, their recourse to climate scenario analyses and the impact of current or future regulations on their activities. These topics are discussed with our clients at least once a year, as part of the credit origination, review and renewal process. This information gathering enables us to guide and support our clients in terms of climate issues.

Moreover, to ensure sound credit risk management, separate parties in management and Risk Management (independent from the business lines) are responsible for each credit origination decision, depending on the size and expected level of risk associated with the credit transaction. Decision-making powers in this area are delegated as set out in the internal credit risk management policy. Large credits and credits that involve higher risk for the Bank are subject to an approval process involving various organizational levels. The Global Risk Committee, which is made up of members of senior management, approves and monitors all large credits (including in terms of climate risk). Credit applications that exceed management authority are submitted to the Risk Management Committee of the Board for approval.

# Disclosure

The identification, assessment and management of climate risk is an integral part of our internal and external disclosure processes.

Internal reports are periodically presented to senior management, executive committees and the Risk Management Committee of the Board, in accordance with our risk governance practices.

We also produce external reports, including this report and the Annual Report, to inform our stakeholders of the progress of our work, the methodologies used, the results obtained and the measures adopted to manage climate-related risks. These measures reflect our commitment to rigorous, responsible management of climate issues, in line with regulatory expectations and industry best practices.



# Metrics and Targets

The Bank has implemented various metrics and targets to reduce its GHG emissions.

## Operational emissions

The Bank had a target for operational emissions that ended in 2025. We have now set a new 2030 target following the acquisition of CWB (table 11). We are presenting the results from both targets to provide a clear view of progress to date.

**To learn more about CWB's carbon footprint, refer to Appendix 4.**

**Table 11 – Retired 2025 and new 2030 operational emissions targets**

| | 2025 target | New 2030 target |
|---|---|---|
| **Target** | 25% absolute reduction (location-based) | **42% absolute reduction (market-based)** |
| **Timeframe** | 2019-2025 | **2022-2030** |
| **Geographical area** | North America, international (excluding Cambodia and Thailand) | **North America (including CWB, excluding our international activities such as Cambodia and Thailand)** |
| **Scope** | Scope 1<br>Scope 2<br>Scope 3, Category 1: Paper purchases only<br>Scope 3, Category 6: Business travel | **Scope 1**<br>**Scope 2** |
| **Pathway** | SBTi Absolute Contraction Approach, which aims to limit global warming to 1.5°C | **IPCC science-aligned pathway, which aims to limit global warming to 1.5°C related to our North American footprint** |

## 2025 target

| Target | 2025 result compared to 2019[1] |
|---|---|
| 25% absolute reduction in operational emissions by 2025 compared to 2019 for Scope 1, 2 (location-based) and 3 (paper and business travel only) | 20% absolute reduction in operational emissions (location-based) |

**Table 12 – Operational emissions within the scope of the 2025 reduction target as at October 31 ($tCO_2e$)[1, 2]**

| GHG emissions | Notes[3] | 2025 | 2024 | 2019 baseline year |
|---|---|---|---|---|
| Scope 1 | 2.5 | 1,857* | 2,201 | 2,446 |
| Scope 2 (location-based) | 2.6 | 3,185* | 3,649 | 4,348 |
| **Total Scope 1 & 2 emissions (location-based)** | – | **5,042** | **5,850** | **6,794** |
| Scope 2 (market-based) | 2.6 | 2,639* | 3,649 | 4,348 |
| **Total Scope 1 & 2 emissions (market-based)** | – | **4,496** | **5,850** | **6,794** |
| Scope 3 Category 1: Purchased goods and services (paper only) | 2.7 | 51* | 109 | 287 |
| Scope 3 Category 6: Business travel | 2.9 | 4,731* | 3,459 | 5,242 |
| **Total Scope 3 emissions reported** | – | **4,782** | **3,568** | **5,529** |

* This metric has been subject to limited assurance, refer to Appendix 3 for additional information.

**To learn more about our operational emissions calculation methodology, refer to Appendix 6.**

In 2025, we achieved a 20% reduction compared to 2019 (location-based) for the emissions in scope of the 2025 reduction target.[2] This result was impacted by the following key factors:

— **Energy consumption reduction initiatives:** During the 2025 target period, we made progress within our physical footprint, primarily in Quebec, through several initiatives to improve our energy efficiency and reduce our Scope 1 and 2 (location-based) emissions by 26% compared to 2019. This reduction is also a result of increased use of renewable natural gas in our Quebec footprint. 30% of our natural gas consumption in scope of this target was from renewable sources in 2025.

**To learn more about these initiatives, refer to the Operational emissions reduction strategy section.**

— **New regional office location:** Our reduction in Scope 1 and 2 emissions was impacted by a regional office location in Calgary opened in 2024. We purchased a Renewable Energy Certificate (REC) in 2025 equivalent to the emissions impact of this location. We are working to implement measures to reduce emissions over time.

— **Business travel:** Business travel decreased by 10% in 2025 compared to 2019. However, business travel increased by 37% in 2025 compared to 2024 largely due to employees travelling for integration puposes following the CWB acquisition. This result excludes travel by CWB employees to enable comparability with the baseline year, while demonstrating the significant allocation of Bank resources to facilitate a seamless transition to a unified business. Looking ahead, we will work to align our business travel practices with our evolving Canada-wide business model.

1 The 2025 result does not include the impact of the CWB acquisition. Refer to page 37 for the new target including CWB.
2 Refer to notes 1.1 to 1.5 from the 2025 target column, in Appendix 6, for the scope of this target and its 2025 and 2024 associated results.
3 The notes referenced are in Appendix 6 and integral to understanding our operational emissions.

## New 2030 target

| Target | 2025 result compared to 2022[1] |
|---|---|
| **42%** absolute reduction in Scope 1 and 2 emissions (market-based) for our North American operations by 2030 compared to 2022 | **29%** absolute reduction in operational emissions (market-based) |

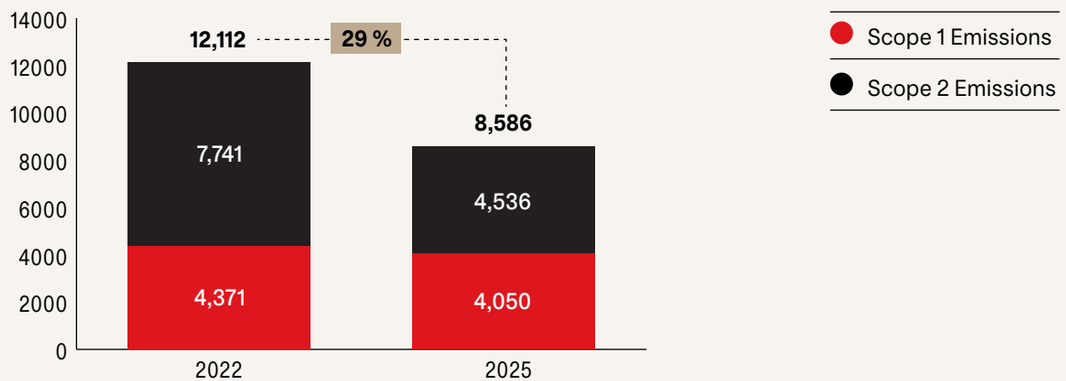
**Table 13 – Operational emissions within the scope of the new 2030 reduction target as at October 31 ($tCO_2e$)[1, 2]**

| GHG emissions | Notes[3] | 2025 | 2022 baseline year |
|---|---|---|---|
| Scope 1 | 2.5 | 4,050* | 4,371 |
| Scope 2 (location-based) | 2.6 | 5,129* | 7,741 |
| **Total Scope 1 & 2 emissions (location-based)** | – | **9,179** | **12,112** |
| Scope 2 (market-based) | 2.6 | 4,536* | 7,741 |
| **Total Scope 1 & 2 emissions (market-based)** | – | **8,586** | **12,112** |

* This metric has been subject to limited assurance, refer to Appendix 3 for additional information.

To learn more about our global operational carbon footprint, refer to Appendix 5.

**Figure 5 – Progress towards our new 2030 target between 2022 and 2025 ($tCO_2e$)**




In 2025, based on the scope of our new 2030 target, we achieved a 29% reduction in emissions (market-based) compared to 2022 (Figure 5). This result was impacted by different factors in addition to those mentioned on page 36 related to the 2025 target:

— **Energy consumption reduction initiatives:** We implemented an innovative energy use management system in more than 290 branches across Canada.

To learn more about our energy efficiency initiatives, refer to the Operational emissions reduction strategy section.

— **New locations:** We consider energy efficiency criteria when opening, relocating or redeveloping branches throughout the country which has resulted in reduced emissions in certain regions.

1 The 2025 result and the 2022 baseline year includes the impact of the CWB acquisition.
2 Refer to notes 1.1 to 1.5 from the new 2030 target column, in Appendix 6, for the scope of this target and its 2025 associated results.
3 The notes referenced are in Appendix 6 and integral to understanding our operational emissions.

# Carbon-related assets

Carbon-related assets, as defined by TCFD recommendations, represent 20% of our total exposure to credit risk (Table 14). Since 2021, we have included this indicator in our concentration risk monitoring metrics and taken it into account as part of our sectoral limit management process.

**Table 14 – Carbon related assets**

| | | Exposure to credit risk (in billion $)[1] | | |
|---|---|---|---|---|
| Performance parameter | | 2025[2] | 2024 | 2023 |
| **Total exposure to credit risk** | | 425.3 | 345.1 | 323.8 |
| **Total carbon-related assets** | | 84.1 | 68.0 | 62.3 |
| **Carbon-related assets by sector** | Materials and buildings | 46.9 | 38.2 | 35.3 |
| | Energy and utilities | 14.3 | 13.7 | 12.4 |
| | Agriculture, food and forest products | 16.0 | 12.5 | 11.4 |
| | Transportation | 6.9 | 3.6 | 3.2 |

**Figure 6 – Business sectors included in carbon-related assets**

## Materials and Buildings

- Metals and Mining
- Chemicals
- Construction Materials
- Capital Goods
- Real Estate Management and Development

## Energy and Utilities

- Oil and Gas
- Coal
- Electric Utilities (excluding water utilities and independent power and renewable electricity producers)
- Pipelines

## Agriculture, Food and Forest Products

- Beverages
- Agriculture
- Packaged Foods & Meats
- Paper and Forest Products

## Transportation

- Air Freight
- Passenger Air Transportation
- Maritime Transportation
- Rail Transportation
- Trucking Services
- Automobiles and Components

1 Exposures are calculated as the total amount of exposure to credit risk. They include amounts drawn, undrawn commitments and other off-balance sheet items in our Retail and Non-Retail loan portfolios, as presented on page 93 of the 2025 Annual Report. The distribution by industry is identical to that presented on page 25 of our Supplementary Regulatory Capital and Pillar 3 Disclosure – Fourth Quarter 2025.

2 Including CWB.

# Financed emissions

The Bank monitors and discloses financed emissions annually as at the previous fiscal year end. This includes reporting both absolute emissions and emission intensity and comparing year-over-year results to track progress and enhance transparency.

Financed emissions are calculated informed by PCAF methodology[1], an internationally recognized standard widely adopted by systemically and domestically important financial institutions. This standard is built on the GHG Protocol that provides guidelines for calculating financed emissions for different asset classes. The Bank joined PCAF in 2021.

Table 15 presents the 2023 and 2024 financed emissions from the Bank's loan book, excluding CWB. Retail exposures are reported according to PCAF retail asset class definitions, while non-retail exposures are broken down by the most carbon-intensive sectors and by borrower categories under Basel asset classes. Calculations are based on PCAF methodologies for business loans, project finance, residential mortgages, motor vehicle loans, and commercial real estate.[2]
In 2025, we improved how we assess and estimate the Bank's financed emissions by extending the coverage to all other non-retail sectors covering 84% of the Bank's loan book and 87% of CWB's loan book. Overall, absolute financed emissions increased by approximately 7% year-over-year, reflecting the growth in loan portfolio exposures, while emission intensity remained relatively stable.

**To learn more about our financed emissions calculation methodology, refer to Appendix 6.**

In addition, we calculated and disclosed financed emissions for the 2024 CWB loan book.

**To learn more about CWB financed emissions, refer to Appendix 4.**

We also obtained limited assurance on our 2024 financed emissions calculations, refer to Appendix 3.



1 The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition – December 2022.
2 The following PCAF asset classes are not yet considered in the scope of financed emissions : corporate bonds, sovereign debt, and listed and unlisted equity.

### Table 15 – Financed emissions as at October 31[1]

| | 2024 | | | | | | | 2023[2] | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sector | Gross loans[3] ($M) | Coverage[4] | Financed emissions Scope 1 and 2 ($MtCO_2e$) | Average PCAF data quality score Scope 1 and 2 | Financed emissions Scope 3 ($MtCO_2e$) | Average PCAF data quality score Scope 3 | Portfolio–wide intensity[5] ($tCO_2e/$M) | Gross loans and acceptances ($M) | Coverage | Financed emissions Scope 1 and 2 ($MtCO_2e$) | Average PCAF data quality score Scope 1 and 2 | Financed emissions Scope 3 ($MtCO_2e$) | Average PCAF data quality score Scope 3 | Portfolio–wide intensity ($tCO_2e/$M) |
| **Retail** | **73,807** | **88%** | **1.1** | **4.3** | **–** | **–** | **15** | **68,320** | **88%** | **1.0** | **4.3** | **–** | **–** | **15** |
| Residential Mortgages | 66,449 | 88% | 0.4 | 4.4 | – | – | 6 | 62,233 | 89% | 0.4 | 4.4 | – | – | 6 |
| Motor Vehicle Loans[6] | 7,358 | 87% | 0.7 | 3.1 | – | – | 95 | 6,087 | 84% | 0.6 | 3.1 | – | – | 99 |
| **Non–Retail** | **95,696** | **82%** | **8.9** | **4.0** | **7.3** | **3.2** | **169** | **88,479** | **84%** | **9.4** | **4.0** | **5.8** | **3.3** | **172** |
| Commercial Real Estate | 30,811 | 100% | 0.3 | 4.4 | – | – | 10 | 25,922 | 100% | 0.3 | 4.5 | – | – | 12 |
| Agriculture | 9,192 | 100% | 2.8 | 3.8 | – | – | 305 | 8,545 | 100% | 2.6 | 3.8 | – | – | 304 |
| Utilities[7] | 10,384 | 83% | 1.7 | 2.7 | – | – | 164 | 10,725 | 86% | 2.8 | 2.8 | – | – | 261 |
| Transportation | 2,893 | 89% | 0.7 | 4.0 | – | – | 242 | 2,520 | 96% | 0.6 | 4.0 | – | – | 238 |
| Oil & Gas | 1,913 | 100% | 0.7 | 2.2 | 5.9 | 3.0 | 3,450 | 1,826 | 100% | 0.6 | 2.1 | 5.5 | 3.2 | 3,341 |
| Mining | 2,062 | 100% | 0.7 | 2.9 | 1.4 | 3.4 | 1,018 | 1,245 | 100% | 0.6 | 3.4 | 0.3 | 3.4 | 723 |
| Manufacturing – Iron and Steel[8] | 41 | 100% | 0 | 4.1 | – | – | 0 | 56 | 100% | 0 | 4.0 | – | – | 0 |
| Manufacturing – Aluminum[9] | 79 | 100% | 0 | 4.0 | – | – | 0 | 70 | 100% | 0 | 4.0 | – | – | 0 |
| Manufacturing – Cement[10] | 0 | 100% | 0 | 5.0 | – | – | 0 | 1 | 100% | 0 | 5.0 | – | – | 0 |
| All Other Non–Retail Sectors | 38,321 | 67% | 2.0 | 4.2 | – | – | 52 | 37,569 | 71% | 1.9 | 4.1 | – | – | 51 |
| **Total** | **169,503** | **84%** | **10.0** | **4.1** | **7.3** | **3.2** | **102** | **156,799** | **86%** | **10.4** | **4.1** | **5.8** | **3.3** | **103** |

**2024 Total Financed emissions Scope 1, 2 and 3** **17.3 $MtCO_2e$***

**2023 Total Financed emissions Scope 1, 2 and 3** **16.2 $MtCO_2e$**

* This metric has been subject to limited assurance, refer to Appendix 3 for additional information.

1 Excluding CWB. To learn more about CWB financed emissions, refer to Appendix 4.
2 The Bank has restated its 2023 figures for most categories due to an improvement in its methodology. The revised figures are included in this report.
3 This amount includes assets withing the scope of PCAF methodology for which financed emissions have been calculated. Refer to Appendix 6 for more detail on exclusions. As such, these value will not reconcile with the Bank's other public financial disclosures.
4 This represents the share of gross loans for which financed emissions were quantified across the following PCAF asset classes: business loans, project finance, commercial real estate, motor vehicle loans, and residential mortgages. Refer to Appendix 6 for more detail on exclusions and data limitations explaining lower coverage ratio for specific sectors.
5 Portfolio–wide intensity represents the total absolute financed emissions for Scope 1, 2 and 3 in tonnes of carbon dioxide equivalent divided by the amount of gross loans in millions of dollars.
6 Motor Vehicle Loans include direct and indirect lending to retail clients (including loans through automotive dealerships) limited to on-road vehicles.
7 The power generation and pipeline subsectors are classified under Basel asset class.
8 Iron and steel manufacturing includes smelting and foundry activities, and product manufacturing.
9 Aluminum manufacturing includes the primary production of alumina and aluminum, rolling, drawing, extrusion and alloying.
10 Cement manufacturing also includes the manufacturing of concrete products.

# Interim reduction targets

In 2025, the Bank conducted a reassessment of its financed emissions calculation methodology and data inputs. This review incorporated more complete historical data, the latest financial and emissions disclosures from our clients, and the integration of a portion of CWB's portfolio.[1]

These improvements led to a recalculation of all historical results, providing a more accurate and reliable representation of portfolio emission intensity. While this adjustment indicates slower progress compared to prior trajectories, it provides a stronger baseline for future reporting.

Our approach prioritizes the sectors that represent the largest share of our carbon footprint where we can have the greatest impact. Through continuous monitoring and adaptability, we remain responsive to industry advancements and innovations, and evolving client needs.

**Table 16 – Summary of the Bank's carbon intensity reduction targets**

| Sectors | Emissions scopes and metrics | Evolution since 2019[2] | 2030 reduction target | Scenarios used |
|---|---|---|---|---|
| **Oil and Gas Producers** | **Scope 1 and 2**<br>Use of energy by oil and gas producers ($tCO_2e/TJ$) | -20% | -31% | 2021 IEA NZE by 2050 scenario adjusted by the Government of Canada's 2030 Emissions Reduction Plan |
| | **Scope 3**<br>End-use fossil fuel combustion in the economy ($tCO_2e/TJ$) | -7% | -31% | |
| **Commercial Real Estate** | **Scope 1 and 2**<br>Building energy consumption ($tCO_2e$/1,000 sq. ft.) | -23% | -50% | 2021 IEA NZE by 2050 scenario |
| **Power Generation** | **Scope 1**<br>Fuel combustion for power generation ($tCO_2e/kWh$) | -20% | -33% | Convergence approach to the 2021 IEA NZE by 2050 scenario |

1 At this time, only syndicated exposures involving existing National Bank clients were included.

2 Target progress was evaluated as at October 31, 2025 for the Oil & Gas producers and Commercial Real Estate portfolios, while assessments for the Power Generation portfolio reflect progress as at October 31, 2024.

## Oil and gas producers

Oil and gas production represents a significant share of Canada's GHG emissions, making it a priority sector for transition efforts. Recognizing this, the Bank established its first interim reduction targets for the sector in 2021, focusing on producers.

In 2025, we reviewed our methodology to strengthen accuracy and rigour. This included recalculating the 2019 baseline year to reflect updated data and portfolio composition, as well as incorporating syndicated CWB portfolio clients into the scope of our target.[1] The revised baseline year ensures alignment with industry best practices and provides a more accurate foundation for tracking progress toward our 2030 targets.

As part of this review, we introduced a threshold to exclude companies producing less than 200 BOE/day, which represent an immaterial share of overall portfolio production (<0.01% as at Q4 2025), in order to improve accuracy in estimated financed emissions intensity.

These updates led to a recalculation of all historical results, providing a more accurate representation of portfolio emission intensity. As at October 31, 2025, we covered 99% of financed emissions in the scope of our target for oil and gas producers (excluding non-syndicated CWB loans).

| Targets | 2025 results compared to 2019 |
|---|---|
| 31% reduction in carbon intensity by 2030 compared to 2019 for Scope 1 and 2 emissions | 20% reduction in carbon intensity |
| 31% reduction in carbon intensity by 2030 compared to 2019 for Scope 3 emissions | 7% reduction in carbon intensity |

**Table 17 – Additional metrics**

| Metrics | Emissions scopes | 2025 | 2024 | 2019 baseline year |
|---|---|---|---|---|
| **Intensity ($tCO_2e/TJ$)** | 1 and 2 | 0.68 | 0.65 | 0.85 |
| | 3 | 6.80 | 6.80 | 7.30 |
| **PCAF data quality** | 1 and 2 | 2.8 | 2.1 | 2.4 |
| | 3 | 3.0 | 2.9 | 2.9 |

In support of our emissions reduction targets for the oil and gas sector, our business strategy continues to integrate emission reduction efforts and climate-related risk management:

- Emission intensity impact simulations and climate risk sensitivity analyses are embedded into our risk management process and incorporated into our credit decision-making.
- We apply an Environmental and Social (E&S) risk screening tool to consistently identify potentially higher-risk borrowers that warrant additional due diligence. This process provides insights into client transition plans, including alignment with the TCFD recommendations, while enhancing E&S risk reporting and oversight across the enterprise.
- We manage our exposure to high-emitting clients, supporting clients with credible decarbonization strategies and clients that we can assist with the development of their transition plans.

1 CWB's syndicated loans to oil and gas producers were included only in the 2025 review.

## Commercial real estate

The commercial real estate sector has strong potential to mitigate its impact on climate change through different initiatives like the adoption of sustainable building practices, energy-efficient technologies and innovative urban planning.

In 2022, the Bank established an interim reduction target focused on term loans specifically designed for the purchase or refinancing of income-generating commercial buildings,[1] including retail stores, offices and multi-family housing.

In 2025, we integrated updated emissions and energy consumption data, and increased target coverage by including a larger share of financed emissions within the scope. We also facilitated the collection of building energy consumption data to present a more precise carbon profile of our commercial real estate portfolio and strengthen data controls, while identifying emissions reduction opportunities for our clients.

These updates led to a recalculation of all historical results, providing a more accurate representation of portfolio emission intensity. As at October 31, 2025, we covered 100% of financed emissions in the scope of our target for commercial real estate (excluding CWB).

| Target | 2025 result compared to 2019 |
|---|---|
| 50% reduction in carbon intensity by 2030 compared to 2019 for Scope 1 and 2 emissions | 23% reduction in carbon intensity |

**Table 18 – Additional metrics**

| Metrics | Emissions scopes | 2025 | 2024 | 2019 baseline year |
|---|---|---|---|---|
| **Intensity ($tCO_2e$/1,000 sq. ft.)** | 1 and 2 | 2.68 | 2.67 | 3.46 |
| **PCAF data quality** | 1 and 2 | 4.3 | 4.7 | 4.9 |

In 2025, we continued to support our commercial real estate clients in their sustainability journey by granting or certifying a total of $2.7 billion in commercial green loans, exceeding our annual objective of $2 billion. We also continued to provide training for our account managers to strengthen their ability to engage with our clients and support them in improving their energy efficiency performance.

1 Buildings under construction, operating credits, public companies, real estate investment trusts and land corporations are excluded from the interim reduction target, since the financing used to proceed is not fully related to a property that generates rental income.

## Power generation

The Bank's power generation portfolio includes activities related to renewable energy production such as hydroelectricity, solar, wind, nuclear and biogas, as well as thermal coal and natural gas power plants. The Bank facilitates business loans to power generation clients and specific projects for the operation or construction of power generation facilities.

In 2025, we focused on enhancing data quality and improving data availability, leveraging market data and client-reported production emissions. These efforts strengthen our emissions calculations and support more accurate tracking of progress against our decarbonization objectives. These updates led to a recalculation of all historical results, providing a more accurate representation of portfolio emission intensity. As at October 31, 2024, we covered 85% of financed emissions in the scope of our target for power generation due to the exclusion of projects under construction (excluding CWB).

| Target | 2024 result compared to 2019[1] |
|---|---|
| 33% reduction in carbon intensity by 2030 compared to 2019 for Scope 1 emissions | 20% reduction in carbon intensity |

**Table 19 – Additional metrics[2]**

| Metrics | Emissions scopes | 2024 | 2023 | 2019 baseline year |
|---|---|---|---|---|
| **Intensity ($tCO_2e/kWh$)** | 1 | 107 | 111 | 134 |
| **PCAF data quality** | 1 | 2.4 | 2.3 | 2.3 |
| **Coal – Share of total production (%)** | N/A | 2 | 5 | 11 |
| **Renewables – Share of total production (%)** | N/A | 61 | 58 | 51 |

Our renewable energy portfolio continues to play a meaningful role in supporting the Bank's efforts to mitigate emissions associated with power generation. Our renewable energy lending exposure grew to $18 billion, consistent with our commitment to reach $20 billion by 2030. In addition, the Bank maintains restrictions on coal-related financing.

1 The Bank began collecting data from energy producers in 2022, but due to challenges in accessibility and in integrating and validating this data, it is not currently possible to use a risk profile more recent than that of 2024.
2 Improvements to data collection associated with energy production have led to adjustments in the Bank's previous disclosures, resulting in changes in accessibility and to 2019 and 2023 emissions figures and operational metrics.

# Next steps

As part of our climate strategy and consistent with our role as a financial institution, we will continue to work with clients on a range of advisory and financing solutions. We will also:

- Pursue our efforts to reduce our own operational carbon footprint and consider expanding the disclosure of our Scope 3 operational emissions categories accordingly.
- Work to align high-emitting sectors with our interim reduction target pathways with efficient financing strategies.
- Continue to improve the scope, accuracy and transparency of our emissions calculation methodologies and disclosures, in line with applicable regulatory requirements.
- Finish consolidating CWB data and harmonizing methodologies. This includes integrating CWB data into our financed emissions inventory, assessing the impact on our targets and their baseline year, and revising them if necessary to reflect the expanded scope informed by PCAF requirements and the GHG Protocol.
- Refine and enhance the accuracy of our data as industry practices evolve.
- Work on establishing and disclosing an energy supply ratio (ESR) methodology, implementing and testing it, as well as ensuring an appropriate governance process is followed for a potential ESR disclosure.



# Social





# Clients

## Our approach

We offer a client-centric advisory approach in order to build lasting relationships. We strive to thoroughly understand our clients' individual needs and find solutions tailored to their life events. Our teams are trained and recognized for the quality and relevance of their advice. We provide a personalized client experience by combining technology and expertise.

## Offering a responsible client experience

### Adequately inform and advise clients

As set out in the Bank's Code of Conduct, professionalism, honesty and integrity must always guide our actions, behaviour and communications.

To offer personalized and relevant advice, it is essential to thoroughly understand our clients, their financial situation, their priorities and their changing needs over time. We also need to have a thorough understanding of our products and services in order to recommend those that are best suited to each client. This understanding allows us to communicate clear, complete, fair and appropriate information to help our clients make informed decisions without any pressure.

To support our advisors in this process, the Bank provides them with a bilingual internal directory of more than 800 documents, tools and articles. Organized based on various life goals and events, this directory makes it easier to adopt a personalized approach. Financial literacy articles are also published to help teams discuss current topics with clients and answer their questions.

Our clients' interests are our top priority, regardless of our performance and compensation objectives. In branches, we emphasize behaviours that promote proactivity, relevant advice and client satisfaction. Our focus is on quality execution, and we reward cooperation from our teams in order to provide a distinctive client experience.

When we know that a product or service is not suitable for a client, we are required to mention it so they can make an informed decision. It is strictly forbidden to require the purchase of a product or service in order to obtain another one. This is why the Bank makes sure that all its employees comply with this legal requirement, in particular through its Code of Conduct, internal communications, tools and training.

To learn more, clients can consult our What you need to know about prohibited conduct booklet, which offers concrete examples and explanations.

The Bank is also committed to promoting its products and services honestly through marketing communications that are clear, accurate and do not lead to confusion, while complying with the standards governing design and promotion. Moreover, the Bank's Legal Affairs team creates informative content and organizes training sessions with the Marketing team to keep them informed of legislation and frameworks governing advertising. Advertising content approval forums are also used to ensure our communications are compliant.

### Collaborating to improve banking service

In accordance with our Stakeholder Engagement Guidelines, we hold regular discussions with regulatory bodies and other entities involved with improving banking services:

- The Bank is a member of the Canadian Bankers Association (CBA), which allows the industry to maintain a dialogue with multiple stakeholders, including regulators and governments, on various issues and policies of importance to financial institutions. We participate in several of this organization's working committees, including some that discuss issues related to clients.
- We regularly meet with the Financial Consumer Agency of Canada (FCAC) and the Office of the Superintendent of Financial Institutions (OSFI) to discuss specific cases and industry issues.
- In 2025, the Bank joined the Canadian Anti-Scam Coalition, which brings together numerous major financial services, telecommunications and technology companies to fight against the escalating threat of fraud against Canadian consumers. A national awareness campaign was launched to encourage a collective response to fighting fraud.

# Putting people at the heart of the in-branch experience

## A renewed vision for 2025

Last year, we completed the roll-out of the National Bank experience in our branches. All our branches now offer an approach focused on welcoming our clients when they arrive and taking care of all their financial needs. The pillars of this experience are based on improving advisory services and strengthening digital engagement.

In 2025, we went further. Going forward, all our branches will orchestrate their actions to build lasting relationships with our clients. Each interaction, whether in person or remote, will be based on human relationships, digital support and personalized advice. We set high standards in terms of behavioural skills so that our employees can take care of clients in a comprehensive and sustainable manner at every step of their journey.

### Leveraging personalized advice



The Bank has set up a team of specialists in residential financing, investment, financial planning and wealth management, including mutual fund and securities advisors. The Exclusive Remote Advisory Service team offers personalized advice and regular follow-up over the phone or via videoconference. Their support is tailored to individual clients and available in more than ten languages. In addition, working in synergy with various Bank specialists, the Exclusive Remote Advisory Service team serves as a single point of contact for its clients' financial, investment and wealth management needs.

**For more information, consult the Exclusive Remote Advisory Service section on nbc.ca.**

## Enhancing the digital experience

— In 2025, the accessible, remote appointment-making experience has been a strategic pillar of our offering. Our personalized services can be adapted to clients' preferences, simplifying access to financial advice and limiting trips to a branch, positioning the Bank as one of the industry leaders in this area. We were also recognized at the OCTAS awards in the Innovation category. Our clients can now use geolocation and choose from eight possible meeting languages.

— Between 2024 and 2025, the number of remote meetings increased by 19%, reaching 44% of all appointments, with a marked preference for videoconferencing, which jumped 26% to represent 29% of appointments. This trend confirms the long-term shift towards digital channels and that our omnichannel approach is relevant.

— Under Bill 25, the Bank requires express consent on its websites and mobile applications for the collection and use of visitor interaction data, while guaranteeing the transparency and security of these practices. Our consent rate exceeded market comparables for all 12 months of the year, reflecting our clients' high level of confidence in the Bank's management of this data.

— A series of educational banners and optimizations have been added to our transaction platforms to better guide users to sources of information on financial security, bank fraud prevention, and detecting and disputing erroneous transactions. By raising our clients' awareness of these issues, we reinforce their confidence in our digital services and help protect their assets.

— Since December 2021, and with the support of its subsidiary Flinks Technology Inc., the Bank has been the first financial institution in Canada to offer clients a data distribution channel aligned with open banking principles. This service gives our clients greater control over data transmitted to third parties, based on a rigorous authentication process and clear and explicit consent regarding the intended use. At any time, clients can revoke their consent, instantly ending data sharing, either via the mobile app or online banking solutions.

In 2025, the use of our digital platforms experienced strong growth:



**Our clients that have access to our digital platforms increased by nearly 7% in Personal Banking.**

**93%**

**of transactions[1] by Personal Banking clients involving transfers of funds were carried out in self-service mode using our digital platforms (web or mobile).**



**The volume of digital transactions by individual clients increased by 10% during the year.**



**More than a third of new bank accounts and credit cards are opened through digital channels.**



**With more than 1.8 million interactions, our digital support tools (help centres, chatbots and mailbots) have helped our clients use our platforms independently and reduce assistance needs.**

**89%**

**of our digital clients chose to receive all of their bank and credit card statements electronically, a growth of 2 percentage points over the year.**

1 Transactions involving transfers of funds initiated by the client, including bill payments, transfers (Interac®, international or to another financial institution), receipt of transfers (Interac or between National Bank clients), deposits (via cheque to a National Bank account), transfers to a Mastercard® account or a bank account.

# Interacting with our clients

## Acting on client feedback

We assess the effectiveness of our products and services and the quality of the client experience through a survey platform that generates alerts when someone wants to be called about a problem, a complaint or a new need. Our employees in direct contact with clients can therefore access the needs expressed and take action accordingly. In 2025, we surveyed more than 200,000 clients as part of our client experience metrics.

Since 2019, annual targets have been set and the Net Promoter Score has been integrated into the compensation program for all employees, including executives.[1] In 2025, we carried out 405 support sessions with advisory sales force employees to promote the voice of clients. We also rely on other approaches, such as focus groups, interviews, user testing, monitoring social media and actively tracking complaints, to help us make decisions centred on client feedback and expectations.

Over the past year, following up on this feedback has allowed the Bank to:

— optimize the online appointment scheduling experience for small businesses

— improve the guaranteed investment certificate (GIC) renewal experience.

The Bank continuously monitors how complaints are documented, allowing it to take action in response to client feedback and pass this information on internally. We also use a survey to track client satisfaction after a complaint is resolved, which allows us to provide teams with ongoing training in this respect.

## Ensuring client satisfaction

The Bank offers a simple and easily accessible process for handling complaints from clients. We train our employees to deal with complaints quickly and with a solution-oriented approach. Client dissatisfaction and survey results are analyzed to continually improve our products, services and practices. Proactive support is also offered to branch employees to reinforce their skills in managing client complaints.

### Client Complaint Appeal Office

The Client Complaint Appeal Office offers clients impartial and objective recourse if they feel that their complaint has not been satisfactorily resolved by the other services made available by the Bank. It partners with specialists from different sectors to promote an approach focused on finding fair solutions adapted to each situation. The files are reviewed confidentially, in compliance with legislation, regulations and industry best practices.

All files where the Office has recommended a settlement with a client are included in the resolution rate. Files are processed in less than the maximum time allowed to process a client complaint under applicable regulations (56 days). Each year, the Office publishes data on complaints handled.

**To learn more, consult the Complaint settlement section on nbc.ca.**

1 Represents the President and Chief Executive Officer, members of the Senior Leadership Team and members of management other than the Senior Leadership Team.

# Promoting accessible service

## Our commitment to accessibility

Reinforcing accessibility measures is a key way for us to offer a better experience to our clients, our teams and our stakeholders. The Bank continues to make progress in this area as described in our Accessibility Plan and continues to incorporate it into our practices. To do this, the Bank is:

— Promoting its culture of inclusion, diversity and equity
— Adopting a zero-tolerance policy for discrimination
— Promoting learning and raising awareness of accessibility issues among its teams
— Using surveys to obtain feedback from employees and clients in order to identify and correct irritants
— Incorporating accessibility standards on an ongoing basis in its new initiatives.

### Branches and points of service

In 1992, the Bank made a commitment to the Canadian Human Rights Commission to ensure its branches and other buildings comply with universal accessibility standards. The Bank therefore continues to invest extensively in its branches and points of service to offer clients an environment that lives up to their expectations. For example, in 2025:

— We opened, renovated or relocated 40 branches to offer modern, technologically enhanced spaces.
— We gradually updated our branches to meet new universal accessibility standards for people with cognitive and physical limitations and to comply with the Code of Conduct for the Delivery of Banking Services to Seniors.

### Digital accessibility

We continued our work on digital accessibility in 2025, in particular by optimizing the accessibility of the Commercial Banking section of our nbc.ca website as well as the National Bank Financial Wealth Management and National Bank Direct Brokerage sites. This more inclusive digital experience makes our content accessible to a wider audience. We have created additional training content for our team members in certain functions, such as web design and development, to validate and improve accessibility in our digital activities.



### Automated Banking Machines (ABMs)

To increase the accessibility of our self-service solutions, ABMs throughout the Bank's network can be used in six display languages: French, English, traditional Chinese, Spanish, Arabic and Punjabi. This way, the Bank can make its products and services accessible to a wider range of communities. Our clients can also carry out contactless transactions with their debit cards on the ABM reader.

# Promoting financial health, inclusion and access

## Underbanked, unbanked and underserved clients

The Bank has implemented measures to improve access to financial services and address the specific needs of underbanked, unbanked and underserved clients in Canada and specific client segments. For example:

- Bank accounts with no fixed monthly fees offered to certain client segments identified by the Government of Canada as financially vulnerable (seniors[1], persons who have been determined to be disabled[2], Indigenous Peoples, persons aged 24 or younger), if linked to a specific package
- Monthly discount on most banking packages offered to certain client segments, such as persons aged 24 or younger and persons aged 60 or older
- Reduced interest rates on vehicle financing for newcomers to Canada

**223,222** chequing accounts with no fixed monthly fees[3] in Canada (no minimum balance).



1 Persons aged 65 years or older on presentation of proof of eligibility for the Guaranteed Income Supplement
2 Beneficiaries of a Registered Disability Savings Plan (RDSP) aged 18 or older on presentation of proof of eligibility for an RDSP.
3 No-fee chequing accounts are defined as bank accounts that provide basic services with no additional fees, no monthly or annual maintenance fees and no minimum balance requirements.

## Newcomers to Canada

The Bank offers services to newcomers to Canada, including a chequing account with no fixed monthly fees for the first 12 months with no obligation to have other products. Under certain conditions, this fee waiver can also be extended to the second and third years. Clients who sign up for this offer have access to a credit card even if they have no credit history in Canada[1] and to a free legal support service[2] to facilitate their first year in Canada.

The Bank also has a point of service in Montreal to support asylum seekers. It is possible to open an account, obtain a debit card and use digital solutions. Advisors are available on site to support them with the process. Documentation is also available in French, English, Spanish, Turkish, Punjabi, Arabic and Haitian Creole to help clients understand the services offered.

The Bank also makes content for newcomers to Canada accessible in sections of its website:

- Newcomers: A page dedicated to financial advice to help newcomers throughout their new lives in Canada.
- Banking products and services for newcomers: A new page showcasing all of the Bank's products and services to effectively support newcomers to Canada as they get settled to enhance their financial education.
- Bank account for newcomers to Canada: A page explaining how to obtain a bank account and the other products available.

**For more information, consult the Bank account for newcomers to Canada section on nbc.ca.**

In 2023, the Bank adopted a financial health target as part of its commitment to the Principles for Responsible Banking.

**By 2030, it aims to increase its clientele of newcomers to Canada holding long-term investments by 50% relative to 2023.**

The objective of this target is to support clients so they can better understand their personal finances and the importance of good long-term savings management.

In 2025, we rolled out initiatives in this area, including the launch of an online banner to encourage newcomers to make an appointment with our advisory sales force to discuss investments. We also forwarded a series of three emails to our clients about financial literacy and investment.

**As at October 31, 2025, the number of people with long-term investments increased by 49.3% compared to October 31, 2023.**

Building on this increase, we have added monitoring indicators to ensure that our clients invest according to best practices and to highlight the points to watch for in terms of financial resilience.

**To learn more, consult our Report on the United Nations Principles for Responsible Banking available in the Codes and commitments section at nbc.ca.**




In 2025, the Bank was named the Best Bank for Newcomers by MoneySense for the third consecutive year, in addition to receiving the Milesopedia badge for Best Bank Account for newcomers to Quebec.




1 Financing subject to credit approval by National Bank. Certain conditions apply. Security may be required under certain circumstances.
2 Telephone assistance service offered by FBA Solutions, valid for 12 months from the account opening date. Content of programs and conditions subject to change.

## ABA Bank

Our subsidiary Advanced Bank of Asia (ABA Bank) serves nearly 4.4 million clients across its 103 branches and 45 self-service banking locations in Cambodia. Through ABA Bank, we continue to help increase the percentage of Cambodians who have access to a bank account. Thanks to accessible technology based on smartphones and QR codes, ABA Bank's payment solutions offer fast, easy and secure transactions, reducing dependence on cash and helping to increase financial inclusion.

In 2025, the number of transactions carried out using digital payment solutions accounted for 99% of total transactions. In addition, the number of borrowers reached 113,160, and the number of loans, 150,432. Around 49% of these loans were granted to women or to businesses partly directed or controlled by women, supporting the advancement of women entrepreneurs in Cambodia.





ABA Bank makes financial contributions to a number of initiatives that promote financial literacy and encourages its employees to participate actively. In 2025, these initiatives included:

- The Program for Economic Literacy of the Association of Banks in Cambodia, an initiative that provides Cambodian students with transportation and free admission to the Preah Srey Içanavarman Museum of Economy and Money (SOSORO). Thanks to the exhibits featuring monetary artifacts, students gained a better understanding of the economic history of the country, which began close to 2,000 years ago.
- Regional financial literacy initiative, ASEAN Savings Day, which promotes the importance of saving and using the Cambodian riel national currency. The event was intended to raise public awareness of the importance of saving and building a culture of saving from an early age, in line with the financial inclusion goals of the Association of Southeast Asian Nations (ASEAN).
- The 2025 Cambodia Banking Conference, organized by the Association of Banks in Cambodia with the theme of digital innovation and sustainability.
- Riel Day 2025 in Takeo province, organized by the National Bank of Cambodia to promote public awareness and emphasize the importance of using the Cambodian riel.
- The 2025 Access to Finance Program, launched by the Young Entrepreneurs Association of Cambodia (YEAC) in collaboration with the Association of Banks in Cambodia and the Cambodia Microfinance Association (CMA). The program aims to strengthen financial literacy among entrepreneurs and SMEs through workshops and discussions throughout the year, which help them access the tools and knowledge they need to grow their businesses.

## Seniors

To better serve the aging population, the Bank has implemented measures to meet the needs of its clients aged 60 and over. The Code of Conduct for the Delivery of Banking Services to Seniors, to which the Bank is a party, sets out the guiding principles on which our protective measures are based.

The Bank's commitments to its senior clients are as follows:

— Establish policies, processes and procedures to ensure the protection of seniors
— Communicate effectively
— Provide training for employees who interact with clients
— Put in place the appropriate resources for employees so they can understand the banking needs of seniors
— Strive to mitigate the risk of financial harm
— Consider market demographics and seniors' needs when closing branches

**To learn more, consult the Corporate Social Responsibility Statement, available in the Codes and commitments section on nbc.ca.**

## Women

In 2025, the Bank collaborated with ELLE Canada and ELLE Québec to launch a micromagazine titled Wealthness, inserted directly in the printed editions of both publications. The articles are also available online on their respective websites. This specialized finance content is intended to empower women in their financial journey and encourage them to take an active role in managing their finances. Two editions were published in 2025, and the initiative is continuing in 2026 with four new issues scheduled until October.

**To learn more, consult the Wealthness section at ellecanada.com and the Women's finances section on nbc.ca.**

## Gen Z and young families

The Bank continues its partnership with Quatre95, an online finance media platform presented by Urbania. Through a series of videos and articles aimed at Gen Y and Z in Quebec, the site demystifies personal finance, helps young adults build a better relationship with money and gives them the tools they need to manage their projects.

This year, in addition to working with Gen Z, the Bank has established a goal of targeting young families. We worked together with our partners to launch a French-language web series, *L'addition familiale*, that aims to address specific topics related to the true costs of having children. Guests and financial experts discuss costs that can sometimes be forgotten and give tips and tricks to better prepare for the arrival of a child. Here are some stats on Quatre95 since the partnership started in 2019:

— 51 regular articles, 9 interactive articles and 42 videos posted (sponsored content)
— 19 articles and around 10 white label videos
— 6 podcast episodes with nearly 170,000 YouTube views and over 5,300 audio listens
— 4 episodes of a YouTube webseries totalling nearly 1.3 million views
— 3.8 million unique users
— 8.9 million visits
— 74,092 social media followers and newsletter subscribers
— 47.5% newsletter open rate

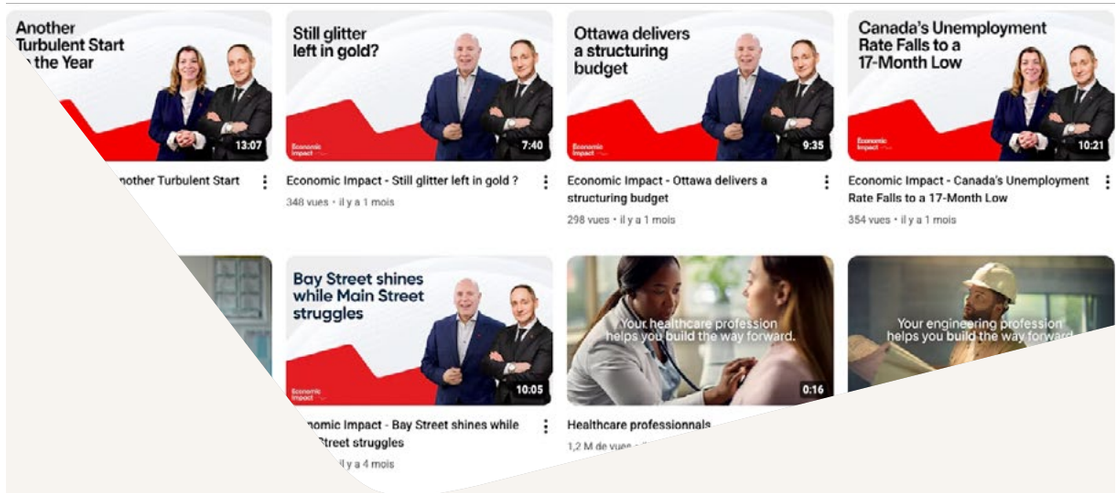
The issues published in 2025 covered important current topics such as financial tips for students as well as young people and online fraud.

The Bank is also among the main partners of JA Québec, an organization that offers free training workshops on financial literacy, work readiness and entrepreneurship for youth aged 5 to 25. Over the past few years, these workshops have been adapted to a number of formats, making them accessible to a larger number of young people. In 2025, JA Québec reached over 27,000 young people and offered over 600 programs in Quebec. Bank volunteers hosted 29 in-class workshops.

## Advice is just a click away

The Advice for your personal finances section of our nbc.ca website features more than 400 articles, videos and podcasts. They explore a wide range of topics related to managing finances for both individuals and business owners. The section also includes a category dedicated to immigration. It features a wealth of key information for newcomers to Canada, as well as a downloadable practical financial guide. In 2025, the Advice section had over 1.6 million visits, and the content was shared with more than 1.3 million subscribers via monthly newsletters.

In addition to offering financial literacy content across its multiple digital channels throughout the year, the Bank once again participated in Financial Literacy Month in November 2025. For the occasion, we joined forces with the Financial Consumer Agency of Canada (FCAC) and other financial institutions to raise public awareness of the importance of better understanding notions of personal finance to make informed decisions. More than 15 pieces of content were posted on our social media. They focused on debt and financial planning to help Canadians be better prepared.




## YouTube channel

The Bank now has 76 videos on its YouTube channel explaining topics related to personal finance and providing information on the current economy and real estate market. Some of these videos are aimed at target audiences such as newcomers to Canada, women and Gen Z. To extend the videos' reach in 2025, they were also shared through several partners targeting these same audiences, as well as in our monthly newsletter. These actions generated nearly 196,240 new organic views on all videos and over 29.9 million views through paid media.

**To learn more, check out National Bank's YouTube channel.**

# Supporting businesses

## Getting involved with businesses

The Bank stands out for the close ties it has forged with its entrepreneur clients, to whom we provide the means to start their small or medium-sized enterprises (SMEs), make them grow or acquire others. We also support larger businesses with their specific business needs.

As at October 31, 2025, we have approved over $227 billion in financing authorized for businesses of all sizes across Canada, confirming our role as a strategic partner in the economy.

Beyond financial solutions, the Bank is actively involved in the entrepreneurial ecosystem to foster innovation and diversity:

— **LexStart:** The Bank is a strategic partner of this organization, which offers effective, affordable legal solutions to launch start-ups and SMEs.

— **Big Bang Académie:** The Bank is a partner of this organization and helps empower Quebec entrepreneurs to succeed through 100% online, flexible and practical training that promotes the acquisition of essential skills to build sustainable and innovative businesses. Our commitment is not limited to financial support: Many Bank employees proudly serve as trainers, contributing directly to passing on knowledge and inspiring future generations of entrepreneurs.

— **Microcrédit Montréal:** The Bank supports this organization, which provides personalized support and access to microcredit for internationally trained professionals and entrepreneurs.

— **Futurpreneur:** The Bank is a partner of the Growth Accelerator – English Program launched by Futurpreneur to support a cohort of young entrepreneurs across Canada. Workshops culminate in an in-person pitch competition with cash awards for entrepreneurs in various categories.

**For more information about the debt financing made available to companies in Canada, consult the Corporate Social Responsibility Statement, available in the Codes and commitments section of nbc.ca.**



## Fonds d’investissement de Montréal

The Bank has participated in the Fonds d’investissement de Montréal (FIM) since it was launched in 1997 and continues to be involved annually on its investment committee. The objectives of this Fund are to:

— Contribute to neighbourhood revitalization in greater Montreal by renovating housing

— Enable non-profit housing organizations to acquire and renovate buildings with loans corresponding to the purchase down payment and renovations

— Ensure that housing investments are paired with local forces to plan an integrated approach

— Help families and citizens with low or modest incomes, as well as local organizations be involved in taking care of their community.

Since it was founded, the FIM has invested $34 million in projects, including 1,291 housing units, and helped 4,126 people.

## Supporting entrepreneurship

The Bank is fully committed to supporting entrepreneurship and advancing business knowledge, two essential drivers of economic and social development. That's why we have formed numerous partnerships.

The Bank supports multiple incubators and accelerators across Canada, including:

- **The Institut d'Entrepreneuriat Banque Nationale and the Creative Destruction Lab (CDL Montreal)** at HEC Montréal
- **The Accélérateur de création d'entreprises technologiques (ACET)** at Université de Sherbrooke
- **The Dobson Centre for Entrepreneurship** at McGill University
- **District 3** at Concordia University
- **The Centre national intégré du manufacturier intelligent (CNIMI)** at UQTR and Cégep de Drummondville
- **The CLIP**, a clinical innovation platform at the Montreal General Hospital
- **Zù**, an organization dedicated to developing entrepreneurship in Montreal's and Quebec City's cultural and creative industries
- **Platform Calgary**, a tech incubator in Calgary, Alberta
- **New Ventures BC**, a tech incubator in British Columbia
- **Le Centech** at École de technologie supérieure (ÉTS)
- **L-SPARK**, a tech accelerator in Ottawa, Ontario

The Bank also continues to support various training programs specifically dedicated to entrepreneurs, including:

- **The École d'Entrepreneurship de Beauce**, which supports entrepreneurs in their progression, thanks to ongoing training programs in businesses or online, or intensive programs at the school
- **AxelR**, an intensive 12-week accelerator that allows businesses to structure their growth, secure their financing and accelerate their expansion with the help of specialists.

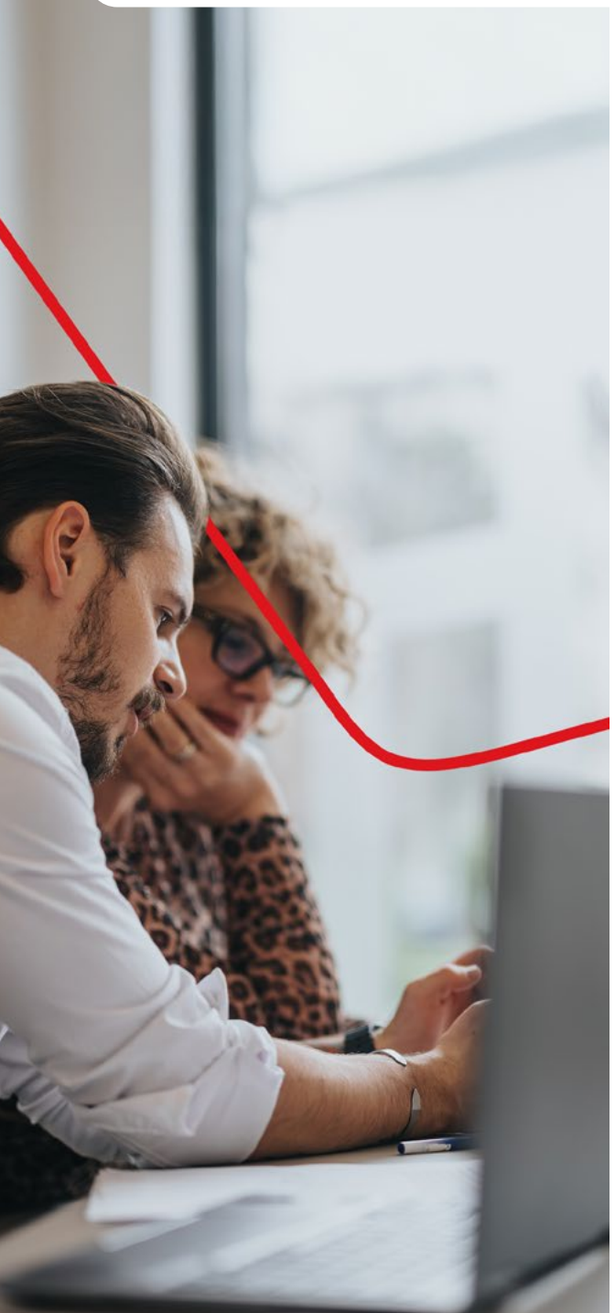
## Investing in strategic partnerships

The Bank's corporate venture capital arm, NAventures™, makes equity investments in startups and growing businesses, building strong partnerships that will shape the financial institutions of the future. This group is more than just a source of capital. The Bank supports entrepreneurs every step of the way to ensure the success of their projects.

To date, the NAventures portfolio includes 24 active businesses, mainly fintechs, but also several that play a role in the future of financial institutions. NAventures considers diversity to be an important factor in its investment analysis, which is why 46% of the 24 companies in its portfolio have at least one founder from a visible minority.

### Nova Credit

Access to credit can be a significant challenge for millions of consumers. The Bank is an investor in Nova Credit, a fast-growing fintech that empowers lenders to underwrite a broader range of customers through a single, consumer-permissioned platform. By integrating diverse financial data sources, including global credit bureaus, bank transactions, and payroll information, Nova Credit helps unlock access to the financial system for underserved populations. The Bank is proud to support this innovative initiative driving inclusive growth.



# Employees

## Our approach

The Bank seeks to provide an accessible, inclusive and stimulating work environment and to give all employees a personalized experience. With a wide variety of development opportunities and innovative projects, our employees can achieve their full potential and build a career that lives up to their ambitions. We also maintain open dialogue with our employees to enhance their work experience and involve them in business decisions and discussions. We offer flexible working conditions to promote their physical, mental and financial wellbeing, as well as work-life balance.

## Recruiting and succession planning

### Attracting the best talent

We roll out strategies to attract talented candidates from many different backgrounds who share our values. To promote access to employment opportunities, we implement practices for inclusive recruitment. We are continuously improving and simplifying our processes to ensure a seamless, people-centric experience. In this way, we create favourable conditions to support our employees in their careers and promote their long-term growth and engagement, including by offering them challenges and internal mobility.

### Succession planning

Managers from all sectors review their current and future talent needs annually to achieve their business objectives. They identify employees at risk of leaving, critical positions and expertise, and potential successors. If any express interest in a position to be filled, a personalized development plan is implemented during the year. In addition, the Bank makes sure to have a diversified pool of succession candidates.

When recruiting to fill an executive position, individuals identified as potential successors are systematically included in the recruitment process. Between November 1, 2024, and October 31, 2025, 93% of job postings for executives positions were filled internally, with 70% filled by succession candidates and 20% by employees from CWB further to the acquisition on February 3, 2025. This demonstrates that preparation and development help succession candidates advance in their career.

To accelerate skills development, we offer internships and rotation programs in various business sectors (Table 20).

**Table 20 – Internship and rotation programs at the Bank**

| Initiatives | Description |
|---|---|
| **National Bank Financial — Wealth Management (NBFWM) Internship program** | Every year, we welcome university students from across Canada to learn about NBFWM. In 2025, a cohort of 9 second- and third-year students participated in portfolio management and collaborated on analytical and/or technological projects by contributing their ideas. Top talent can continue working part-time and obtain a full-time position after they graduate.<br>In 2025:<br>— 5 interns were hired part-time |
| **Internship and rotation programs — Capital Markets** | Internships give university students the opportunity to spend a few months working in a Capital Markets team and interact with experts. This can lead to obtaining a permanent position or participating in the Rotation Program, which allows students to work successively at various Sales and Trading desks in Montreal, Toronto and Calgary. Program participants deepen their understanding of the multiple Capital Markets activities and the interactions between teams. Individuals who successfully complete the program are assigned a permanent position aligned with their strengths and areas of interest.<br>In 2025, we welcomed:<br>— 75 interns in Corporate and Investment Banking (CIB)<br>— 16 CIB interns who became permanent employees<br>— 77 interns in Sales and Trading<br>— 12 participants in the Rotation Program |
| **Diversity Scholarship Program — Capital Markets** | This program is open to university students who wish to pursue a career in the Capital Markets sector and who belong to one or more of the following diversity groups: women, visible minorities, Indigenous Peoples, people in the LGBTQ2+ community, or persons with disabilities. Successful candidates receive a $10,000 scholarship, join the sector's internship program and are supported by a Capital Markets mentor to help them prepare before arriving at the Bank.<br>In 2025:<br>— 13 interns received a diversity scholarship |
| **Rotation Program for Data Scientists** | This rotation program is for data scientists, data engineering specialists, data analysts and data stewards. Its purpose is to recruit them, integrate them, and help them move up internally. It helps them gain experience, use their knowledge to resolve challenges within our various business sectors, and make career advances in data science. This type of program helps spread data culture across the entire organization by attracting talent from transformative professions and upgrading skills and data expertise at the Bank.<br>Since this program was created in 2018:<br>— 285 rotations have taken place across the Bank's various sectors<br>— 96 individuals have taken part in the program, including 57 data scientists, 27 data engineering specialists, 8 data analysts, and 4 data stewards<br>— Close to 85% of program participants have joined one of the Bank's business sectors |

# Contributing to development and career advancement

## Our development offering

We aim to make the Bank an employer of choice by creating an environment that is conducive to performance and achieving professional aspirations. With the feedback results from our survey of employees, we continuously adapt our skills development offering and experience.

**In 2025, 85% of our employees felt that they have the opportunity to develop and grow within the Bank.[1]**

## Our learning experience

To make a solid, lasting impact on each employee's career path, the Bank offers a distinctive, tailored learning experience. This approach reflects our values of inclusion, diversity and equity, while keeping step with regulatory changes regarding accessibility. In concrete terms, each employee benefits from a personalized offering based on the skills for their current position as well as their interests and career aspirations. Feedback and coaching are encouraged at all times, as is knowledge sharing among peers, which fosters a culture of collaborative development. The Bank offers multiple development opportunities day to day and empowers and equips employees and managers in their respective roles. This mainly includes formal, structured training with clear targeted learning objectives.

In 2025, sustained efforts were made to integrate employees from the CWB acquisition into our learning and development culture. The goal of this approach is to harmonize skills, tools and practices while enhancing existing expertise.

**In 2025, we invested $74 million in skills development. Employees completed an average of 34 hours of official training.**

## Ours skills-based approach

In 2025, we made the Career Drive platform available to all our employees. This launch was a strategic milestone in our commitment to professional development. Behind this initiative is our desire to democratize access to richly diverse internal and external content. It demonstrates that the Bank is becoming an organization that puts skills at the centre of the learning experience.

Thanks to this new tool, each employee can now explore sector-based and cross-sector skills as well as skills that are specific for certain Bank positions, which helps them identify their development priorities and plan their professional pathway. In addition, managers have a dashboard that gives them an overall view of their teams' skillset, which helps them target skills to be developed and track progress.

This platform is an essential technological driver to make our skills-based approach a reality. Our employees can use it to develop independently and continuously, thereby improving their personal and team performance, while also contributing to the Bank's performance. This platform strengthens our ability to develop talent and directly contributes to maintaining our expertise as a distinct competitive advantage for our clients.

### Focusing on advisory forces

In 2025, the Bank continues to develop advisory skills for its employees to maximize the direct impact on the client experience. Advisory forces benefit from a personalized training and coaching plan so they can determine their own learning opportunities and choose a career path based on their development objectives. With this model, our clients have access to comprehensive support and sound advice from different specialists within the same branch, according to their financial needs.

1 Results from My Voice, Our Experience survey in Q4 2025. Over 16,000 employees across the Bank responded to the survey.

**Table 21 – Examples of development opportunities at the Bank**

| Initiatives | Target employees | Description |
|---|---|---|
| **IT University** | IT employees, teams with related roles | IT University offers a range of training courses on agile methodology as well as development programs organized by specialty and aligned with the skills required for each role. Training and programs are available for all IT employees as well as teams in related roles. The learning offer includes readings, videos, certifications, situation-based exercises, lectures and thousands of online resources accessible via external platforms. |
| **Data Academy and AI** | All Bank employees | The data and artificial intelligence (AI) learning offer meets the organization's specific needs while being adapted to the target audience. These courses are available on a self-service basis, as part of an official career path, or in the form of workshops, videos, presentations and conferences.<br>— In 2025, employees completed 5,000 hours of training on various topics, such as data and AI literacy, generative AI and responsible AI, as well as different development paths for positions in key data jobs. |
| **Harvard Business Review and Harvard Management Mentor** | All Bank employees | These high-level training libraries, which include articles, case studies and podcasts, are now integrated into our Career Drive platform and available to employees so that they can develop their skills and learn about current topics. |
| **Leadership development program** | Executives, managers and designated professionals | The leadership development program offers a range of training courses.<br>Management basics: Targeted training program over six months, with 30 hours of workshops, missions, and preparatory and co-development activities.<br>— In 2025, 78 people formed six cohorts<br>Cultivating Self-Awareness: Training program that enables participants to explore various aspects of their personality and personal journey so they can better understand their strengths and opportunities for development. This training, offered over six weeks, includes 15 hours in group workshops and reflection activities.<br>— In 2025, 76 people formed five cohorts |
| **Coaching skills training** | Managers and employees in influential roles at the Bank | This training is intended to enhance coaching skills and to promote listening and influence strategies aligned with the Bank's leadership profile and competencies.<br>— In 2025, 187 people formed 16 cohorts |
| **Women's leadership** | Women leaders at the Bank | This initiative supports women leaders in their development while spotlighting their talents, building their confidence and powering their careers at the Bank.<br>— In 2025, 155 women from various Bank sectors participated in The A Effect's 100-Day Challenge and Leadership Challenge<br>The Bank also works in collaboration with the *Association des femmes en finance du Québec* to offer numerous lectures, training and networking opportunities designed to help women achieve their full potential.<br>— In 2025, 18 women from different sectors of the Bank benefited from free membership to participate in the initiatives offered by this association |

| Initiatives | Target employees | Description |
|---|---|---|
| **Coaching, mentorship and sponsorship** | All Bank employees | As part of their professional development, some of our employees have access to support resources, such as personalized coaching, mentoring, sponsorship and the Diverse Leadership and Continuity Program (DLCP), a new program for individuals who aspire to a higher-level position. These relationships provide tools to complement the support provided by the employee's manager.<br>In 2025, this initiative led to:<br>— 61 sponsorship pairings<br>— 110 internal coaching relationships<br>— 36 external coaching relationships<br>— 36 mentor/mentee pairings under the DLCP |
| **Responsible investment training** | All client-facing investment advisory force employees | One of NBI's priorities is to strengthen the connection between advisory forces and clients by demonstrating our expertise and fostering informed conversations about responsible investing.<br>In 2025, NBI Sustainable Portfolios training was rolled out to more than 1,700 advisory force members. It gave them the knowledge and tools needed to discuss responsible investing, answer clients' questions, and enrich their service offering. |
| **ESG training** | All Bank employees | New training on climate change was developed in 2025. It is divided into two modules: the first presents the basics of climate change while the second proposes concrete actions to reduce the Bank's carbon footprint. The training program "Climate Change: Understanding and Taking Action" was completed by more than 95% of employees. |



### *Certificat de qualité des initiatives de formation*

The Bank is among the companies awarded a certificate of quality in training initiatives by Emploi-Québec in recognition of its innovative professional development practices.

# Promoting winning working conditions

## Compensation

The Bank offers total compensation designed to support attraction and engagement strategies and retain high-performing, skilled employees who are essential to achieving its business objectives. We monitor the market to make sure we provide competitive total compensation while complying with the regulations and standards in effect, particularly in terms of salary and employment equity, thanks to the sound governance of our compensation programs and practices.

### Equitable compensation

Our commitment to building a work environment that welcomes, celebrates and adapts to differences is reflected in how we apply our compensation practices, which aim to recognize our employees' contributions fairly, transparently and equitably. The regulatory framework encourages us to investigate and enhance our practices. Equity is central to our management cycle and plays a fundamental role in the development of our compensation programs, which are characterized by:

— A rigorous employment system based on neutral, bias-free criteria

— Salary ranges reviewed annually and compared with external salary surveys

— A bonus program for all positions

In an effort to take a neutral and objective look at our compensation practices, we conducted a rigorous internal statistical analysis of more than 15,000 employees across Canada this year. This analysis compared the total compensation paid to women, Indigenous Peoples, visible minorities and persons with disabilities with the compensation paid to employees who are not members of those groups but work in similar functions. The analysis was based on neutral, bias-free criteria, such as time in position, performance and scope of responsibilities.

**Table 22 – Results of the analysis on total compensation paid to our employees (Canada)[1, 2, 3]**

| Segments | Women[4] | Visible minorities[4] |
|---|---|---|
| **All employees** | 99.5% | 99.5% |
| **Senior management** | 98.7% | 99.6% |
| **Management** | 99.9% | 99.5% |
| **Clerical** | 100.8% | 99.2% |

The overall results for all positions combined show that the average gap in total compensation is less than or equal to 1% for all targeted groups, confirming the importance of our commitment to improve representation across all roles at the Bank.

Although we have achieved salary parity for a number of groups, we must remain vigilant to maintain equitable practices that support our values. Accordingly:

— Our internal governance structure ensures that our compensation programs and practices reflect our commitment to fair treatment for all.

— We conduct regular reviews to detect and correct any discrepancies in our compensation programs and practices.

— We organize brainstorming and development workshops with our leaders to ensure that our compensation practices are consistent and free from bias.

— We encourage employees to express themselves in various forums to make sure they understand the criteria underlying our compensation decisions and share any concerns that require our attention.

— We are implementing ongoing initiatives to review and develop our total compensation programs to remain an employer of choice.

**To learn more about the initiatives put in place to improve our representativeness, please refer to the Inclusion, Diversity and Equity section on page 70 of this report.**

1 Total compensation includes annualized salary as at January 1, 2025, and incentive bonuses for Canadian employees generally paid in 2025 for their performance in 2024. The comparison excludes executives, employees with no base salary, employees on leave for more than one year, interns, retirees who are still working, and employees receiving allowances under a specialized program. The comparison excludes CWB employees who were not Bank employees on the data reference date. Senior management: Employees occupying a management or individual contributor role at levels 5 to 9. Management: Employees occupying a management or individual contributor role at levels 1 to 4. Clerical: Employees occupying a clerical function at levels 1 to 4. The methodology used to calculate compensation gaps was subject to limited independent validation.

2 Compensation data disclosed by the Government of Canada for federally regulated businesses is different because the methodology used does not make it possible to measure the impact of several factors, such as level of responsibility, years of service, performance, etc.

3 The number of people who self-identified as persons with disabilities allows for an overall analysis, but the small size of the group does not allow for a breakdown by segment. The differences for Indigenous Peoples are not statistically significant due to the small population size.

4 As compared to people not identifying as members of the designated group.

## Performance management

All our employees work towards shared strategic objectives that promote alignment across the Bank's sectors. The performance of leaders and members of senior management is assessed based on these objectives, which are tracked throughout the year in a dashboard.

To encourage a motivating and collaborative work environment, the Bank advocates three values:

### Empowerment

Each and every one of us has the ability to make a difference. It's up to us to take charge.

### Partnership

We work as a team to have a positive impact.

### Agility

We need to adapt quickly to the changes taking place in society and in the lives of our clients.

They serve as a guide for behavioural objectives, which count for 50% of employees' annual assessments. To help employees understand the desired behaviours, we use concrete examples, defined by employees from all sectors in Canada, that represent all business realities. Since 2024, each sector has prioritized between three and four behaviours to accelerate our performance.

**Figure 7 – Components for calculating the annual assessment**




To promote ongoing discussion, one-on-one meetings with managers are held throughout the year. At these meetings, employees can demonstrate their progress in their objectives, the behaviours they have adopted, and the achievement of their development plan. They provide an opportunity for employees to review their performance and development and make adjustments if necessary.

Our employees also ask for and give feedback throughout the year to take stock of their strengths and explore opportunities for development as well as to give recognition to their colleagues via the *Employee Zone* platform, which is used daily.

**In 2025, the My Voice, Our Experience engagement survey, revealed that 80% of our employees concurred that they receive appropriate recognition when they do good work.**

## Ongoing dialogue with employees

The Bank maintains dialogue with its employees to improve their experience and continuously examine ways to increase their participation in strategic decisions. Listening to employees and hearing from them has a direct impact on their sense of belonging and their professional development, which is fundamental for us. The Bank uses the following tools to promote its culture:

- The My Voice, Our Experience engagement survey, sent to all employees[1] twice in 2025, focusing on growth and development, teamwork and collaboration, wellbeing at work, culture and social governance, as well as recognition and feedback
- Surveys at different points in the employee's life cycle (recruitment, onboarding and departure)
- A sharing platform that is accessible to more than 14,000 employees and allows them to speak with their manager about their work, their work climate and their concerns

Survey results are shared internally at My Voice, Our Experience conferences. In addition, reports are provided to all managers so they can discuss the results with their teams and then take action together on what matters most.

### A top employer

Here are the main results of the My Voice, Our Experience survey:

| | |
|---|---|
| 91% | **of employees are proud to work at the Bank.** |
| 85% | **of employees are extremely satisfied with the Bank as a place to work.** |

The Bank also measures employees' perception of its sustainability actions:

| | |
|---|---|
| 88% | **of employees feel that the Bank has a good reputation in the communities it serves.** |
| 84% | **of employees believe that the Bank does enough to contribute significantly to equality and social justice.** |
| 85% | **of employees think that the Bank takes its impact on the environment into consideration in its business strategies.** |







1 Excluding ABA Bank and ATA employees.

## Employee benefits and wellbeing

The Bank offers a range of benefits and working conditions to promote the physical, mental and financial wellbeing of its employees and help them balance work and personal life. The Employee Wellness and Benefits team ensures the service offering remains competitive by monitoring the benefits offered on the market and listening to employees. The Bank wants to attract and retain top talent while maintaining a high level of engagement. Management practices that encourage better work-life balance are a determining factor for top employers.

Our range of flexible and innovative employee benefits includes:

- Group insurance that features medical and dental care as well as short- and long-term disability coverage
- A wellness account that reimburses employees for a wide range of wellness-related activities and services
- A generous and flexible pension plan
- An attractive employee share ownership plan to which the Bank contributes
- A competitive vacation and leave policy
- Supplemental Parental Benefits that complement federal and provincial benefits, providing 100% of base salary to all new parents of newly born or adopted children for 12 weeks, subject to certain conditions
- An integrated health platform that offers employees and their families unlimited on-demand access (24 hours a day, 7 days a week) to a range of professional and confidential health services and wellness resources
- Free, unlimited access to a virtual clinic that treats sleep disorders and provides support from a therapist in treating insomnia and improving sleep quality
- A mental health peer helper program that provides employees with additional support and guidance toward available resources, as well as assistance from the first signs of distress
- Access to an early childhood centre for the children of our employees, a training gym, and a medical clinic by appointment, all located at our head office
- Advantages on certain banking and credit services and preferred rates on some financial products
- Additional discounts on products and services resulting from Bank agreements with various service providers and partners.




## An optimal work environment

The Bank advocates for inclusion in the design of its workspaces to minimize any consequences of unconscious biases and potential prejudices. This approach helps create an environment that is equitable, respectful of diversity, and promotes the wellbeing and performance of employees.

The Bank also wants to offer clients and employees environments adapted to people with disabilities, whether in its corporate buildings or its branch network across Canada. To do so, we aim to meet accessibility, security and inclusion standards applicable under the various codes, laws and regulations in effect in each province for all planned spaces.

In 2025, we opened, redesigned or relocated 40 branches. This included integrating CWB sites into the Bank's real estate portfolio, while offering modern spaces that reflect our brand image.

## Workplace health and safety

The Bank is committed to implementing the necessary measures to prevent and reduce workplace accidents. Above all, our health and safety initiatives primarily aim to ensure prevention so that all Bank employees can feel comfortable and work in a safe environment at all times.

Our internal health and safety policy defines the roles and responsibilities, describes the Bank's governance framework in that regard, and ensures compliance with Canadian legislation. The Wellness and Employee Benefits team, in collaboration with various Bank bodies, works to support our health and safety programs and ensure they run smoothly. This is done through regular assessment and annual reporting to the Senior Leadership Team with recommendations for improvement to reduce risks to our employees.

In addition, we have rolled out a number of initiatives, such as:

— A series of mandatory occupational health and safety training sessions

— A wellness column that supports employees through articles on topics such as mental health, physical activity, and health and safety at work

— Videos and guides that explain best ergonomic practices to adopt in the office or when working from home

**Table 23 – Workplace accidents**

| Indicators | 2025 | 2024 | 2023 |
|---|---|---|---|
| **Minor injuries in Canada**[1] | 29 | 35 | 33 |
| **Disabling injuries in Canada**[2] | 11 | 8 | 11 |
| **Number of fatal workplace accidents in Canada** | 0 | 0 | 0 |

## Zero tolerance for workplace discrimination, harassment and violence

The Bank has adopted policies that present its commitments and the actions it has taken to offer a healthy and inclusive work environment that is free from all forms of discrimination, harassment and violence, including domestic violence.

These policies cover such topics as prohibited grounds of discrimination, processes for reporting and handling complaints, including informal resolution mechanisms, the preservation of confidentiality, protection against reprisals, and medical and psychological support available to the persons involved. The Bank has created a framework to ensure ongoing sound governance of practices intended to prevent workplace discrimination, harassment and violence.

**For more information, please refer to the two policies available in the Codes and commitments section of nbc.ca:**

**→ Policy on the Prevention of Workplace Discrimination**

**→ Policy on the Prevention of Workplace Harassment and Violence**

1 Minor injuries: Workplace injuries that do not involve taking leave after the day of the accident.

2 Disabling injuries: Workplace injuries that involve taking leave in the days following the accident.

# Inclusion, diversity and equity

## Our approach

Inclusion, diversity and equity (IDE) are an integral part of the Bank's culture. These values guide our daily actions and directly contribute to the wellbeing, growth, performance and pride of our teams.

## Our governance

The Bank's IDE Council, chaired by a member of the Senior Leadership Team, is made up of members of management, leaders from various Bank sectors, and individuals representing each of the diversity groups. Its mandate is to define the Bank's IDE strategy, guidelines and objectives. It prioritizes and implements actions to be executed consistently across the organization and reports on progress on a quarterly basis to the Senior Leadership Team and to the Human Resources Committee of the Board of Directors.

Our internal 2024–2026 IDE plan sets out our strategies around three priorities:

— Foster an inclusive culture

— Build diverse teams that are representative of our society

— Be a social actor in IDE and accessibility for our employees, communities, clients and service providers

The Bank's approach is guided by three guiding principles:

— Demonstrate curiosity and value **differences**

— **Adapt** our work methods to make sure each individual has an equitable and inclusive experience

— Remove barriers and roll out intentional **equity** measures

To strengthen engagement, ensure stakeholder accountability and develop behaviours, we focus on dialogue and awareness. Under the leadership of a dedicated IDE team, our initiatives draw on the experience of employees, squads deployed in all business sectors and the active contribution of our employee resource groups (ERGs). They play a key role in applying the IDE guiding principles within the Bank.

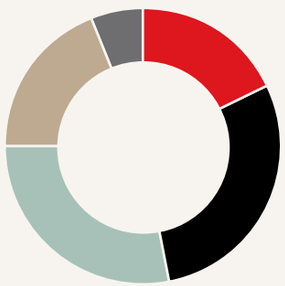
Following the acquisition of CWB, the ERGs of both our organizations joined forces to enrich our corporate culture and strengthen inclusion across Canada. This collaboration made it possible to highlight the strengths of each group, while promoting the complementarity of approaches and rallying employees around a common vision. This approach consolidated existing groups and also led to the creation of a new ERG dedicated to family realities and caregivers. We now have ten ERGs:

| Employee Resource Groups | Groups |
|---|---|
| Women's Leadership Network | Women |
| Global Culture Club | Cultural communities |
| MOI Pride | LGBTQ2+ community |
| Pancanadian Black Professional Network | Black people |
| R.I.S.E (Respect, Inclusion, Support, Equity) | People with disabilities, wellbeing and mental health |
| R.A./I.N. (Réseau Autochtones/Indigenous Network) | Indigenous communities |
| Asian Circle | Asian communities |
| LatinX | Latin American communities |
| Generation of Tomorrow | Young employees |
| Parents and Caregivers | Parents and caregivers |

## Our portrait

The Bank values the diversity of its talent, which includes different age groups, backgrounds, gender identities and sexual orientations, reflecting the community at large. This portrait[1] is based on the responses provided by 91% of our employees in the voluntary self-identification questionnaire, which includes our new colleagues following the integration of CWB.

**Figure 8 – Distribution of employees by age group**



| | |
|---|---|
| Under 30 years old | **18%** |
| 30 to 39 years old | **29%** |
| 40 to 49 years old | **28%** |
| 50 to 59 years old | **19%** |
| 60 years old and over | **6%** |

**51.2%** **of our employees are women and represent nearly 45% of our senior management employees.**

**5.9%** **of our employees are people with disabilities, and 85% of them are in management or professional positions.**

**0.9%** **of our employees are members of Indigenous communities, and 83% of them are in management or professional positions.**

**3.6%** **of our employees are members of the LGBTQ2+ community, and 85% of them are in management or professional positions.**

**58%** of our employees have been at the Bank for over 5 years, and almost 15% have been with us for more than 20 years.

The communities of 160 countries are represented at the Bank, and more than 7,100 employees, or 32.8%, consider themselves to be members of a cultural community. Our employees speak over 70 languages; the most common, aside from French and English, being Spanish, Arabic, Italian, Portuguese and Cantonese. Furthermore, 29.4% of our employees identify as members of a visible minority, including 7.5% who identify as Black.

**Figure 9 – Representation of employees identifying as members of a visible minority group by origin[2]**



| | |
|---|---|
| Black | **25.8%** |
| North African or Arab | **17.6%** |
| South Asian or East Indian | **12.3%** |
| East Asian | **11.1%** |
| Southeast Asian | **8.6%** |
| Latin American | **7.7%** |
| West Asian | **7.0%** |
| Other visible minority | **5.4%** |
| People of mixed origin | **4.5%** |

1 Regular active employees working in Canada, as at October 31, 2025.
2 Based on the definition set out in the *Employment Equity Act* and Statistics Canada classifications.

## Our indicators

Our acquisition of CWB has generated a major organizational shift. Our results are a testament to the resilience of our teams and their commitment to an inclusive and engaging culture at a time of significant change.

— Our engagement index remains at a high level (85%). This result highlights several key strengths, including our human-centric approach and our employees' willingness to make a personal and team commitment to optimizing the Bank's performance (Table 24).

— Our inclusion index reflects employees' perception that the Bank provides an environment that fosters inclusion. With a score of 82%, it reflects their day-to-day experience and the organization's ability to create an equitable and respectful environment (Table 24).

— Overall representation and representation by job classification for the Bank's different employee segments progressed in line with 2026 targets. We can use this data to track progress and adjust our strategies to support equitable representation at all levels of the organization (Table 25).

**Table 24 – Employee engagement and inclusion indexes by segment**

| | Engagement index[1] | Inclusion index[2] |
|---|---|---|
| Segments | 2025 | 2025 |
| **Overall** | 85% | 82% |
| **Women** | 85% | 82% |
| **Visible minorities[3]** | 85% | 80% |
| **Persons with disabilities[3]** | 80% | 76% |
| **Indigenous Peoples[3]** | 80% | 80% |
| **LGBTQ2+** | 84% | 80% |

**Table 25 – Employees representation**

| | Overall pool[4] | | Senior Management[5] | | Senior Leadership Team and Executive[6] | |
|---|---|---|---|---|---|---|
| Segments | 2026 Targets | 2025 | 2026 Targets | 2025 | 2026 Targets | 2025 |
| **Women** | 48.0% to 52.0% | 51.2% | 47.0% | 45.2% | 39.0% | 34.0% |
| **Visible minorities[3]** | 26.0% | 29.4% | 19.0% | 22.0% | 12.0% | 8.7% |
| **Persons with disabilities[3]** | 4.5% | 5.9% | n/a | n/a | n/a | n/a |
| **Indigenous Peoples[3]** | 1.0% | 0.9% | n/a | n/a | n/a | n/a |

1 The engagement index was established on the basis of the My Voice, Our Experience internal survey, which was completed by 16,245 employees in fall 2025. The index measures how motivated a team is to contribute to the success of the organization and to go above and beyond to achieve business objectives. We measure engagement using five statements.

2 The inclusion index is an index of perception established based on the My Voice, Our Experience internal survey, which was completed by 16,245 employees in fall 2025. The index is made up of five statements.

3 As defined under the *Employment Equity Act*.

4 Regular active employees working in Canada.

5 Regular active employees working in Canada in level 5 to 9 management functions.

6 Regular active employees working in Canada in a vice-president or higher function approved by the Senior Leadership Team.

## Our main achievements in 2025

Taking direction from our three guiding principles, we carried out a multitude of initiatives in 2025. Here are some examples:

### Demonstrate curiosity and value differences

In June 2025, employees celebrated Inclusion Week under the theme Inclusion brings us together. Various events were organized, focusing on propelling women's ambition, digital accessibility, sharing different immigration journeys, and the power and importance of LGBTQ2+ allies. The ERGs led panels, cultural showcases and interactive workshops to promote dialogue and raise awareness.

In August 2025, the Bank also celebrated for the first time International Youth Day, an initiative led by the Generation of Tomorrow ERG. This event was an opportunity to launch the Reverse Mentoring Program, which fosters intergenerational exchanges, where young people share their digital skills and more experienced colleagues share their strategic and people-focused insights. It enabled us to celebrate the richness of our differences, learn from each other, and strengthen employees' sense of belonging.

### Adapt our work methods to ensure that each individual has an equitable and inclusive experience

In 2025, on the occasion of the International Day of Persons with Disabilities, a new training course on inclusive behaviours and support tools was launched to help everyone deepen their understanding of the many realities relating to visible and invisible disabilities. A video clip that includes testimonials from colleagues highlighted the positive impact of the simplified accommodation process, which makes adapted measures easier to access and helps make the workplace more accessible.

In addition, Pride season was marked by outreach activities and testimonials that promote dialogue in addition to the celebration of diversity. More than 250 colleagues participated in pride parades: Pride Toronto, Pride Montréal and Moncton's River of Pride.

A training path for specialists in technology and digital professions, led by an IDE squad from the IT and Operations sector, was launched to promote gender equity. This training path, which focused on the challenges faced by women in their career progression, sparked enriching discussions and strengthened the partnership with allies.

### Remove barriers and roll out intentional equity measures

The Bank has deployed several structuring initiatives to remove barriers and support the professional development of people from diverse groups. Highlights from the past year include:

— The **IDE Sponsorship Program**, now in its fourth cohort, which aims to promote the career advancement of women, racialized people and Indigenous people who have been identified as talent with leadership potential. Thanks to the active support of recognized leaders, participants benefit from personalized support, which raises their profile and improves their access to networking opportunities.

— The **Diverse Leadership and Continuity Program**, which seeks to eliminate barriers to the career development of racialized people through mentorship, workshops, conferences and discovery of the Bank's sectors. Successfully launched for Black people earlier this year, it has since been expanded to include people who identify with visible minorities and Indigenous communities.

— The **Me, My Career program**, which is led by the Pancanadian Black Professional Network ERG and supports colleagues with their career planning with the help of a professional coach. This program gives employees concrete tools to support their professional development, promotes exchanges in a trusted space, and creates networking opportunities.

— The **Career Series**, launched in April 2025 by the Young Employees Network, which aims to inspire and prepare the Bank's next generation of professionals. Through the Career Opportunities Forum and the Inspiring careers conferences, hundreds of employees were able to discover a variety of career paths, speak with managers and think about their development, which strengthened their sense of belonging while promoting an inclusive and intergenerational culture.

— The **Discover Your Bank** and **Step out of your comfort zone** initiatives, driven by the dynamic initiatives of the Women's Leadership Network ERG, which give employees opportunities for advancement and networking with female leadership role models. The first program promotes career planning, while the second offers quarterly challenges to encourage women to grow in an environment that fosters confidence and fulfillment.

## Our partnerships

We support many partnerships with industry and organizations in connection with IDE.

**Table 26 – IDE partnerships**

| Segments | Organizations |
|---|---|
| **Women** | — ***Association des femmes en finance du Québec* (AFFQ):** Supports and promotes women in finance.<br>— **Catalyst:** Helps accelerate women's advancement by promoting inclusion in the workplace.<br>— **The A Effect:** Boosts women's professional engagement.<br>— **Women in Governance:** Supports women in their leadership development and career advancement.<br>— **Women's Empowerment Principles (WEPs):** Helps promote gender equality in the workplace, in the labour market and in the community.<br>— **VersaFi:** Dedicated to promoting equality through strategies and initiatives that increase the number of women in the industry and reinforce understanding of diversity and equality in the industry.<br>— **Women in ETFs:** Seeks to develop and sponsor talent, recognize achievements and support women working in exchange-traded funds.<br>— **Spärck:** Promotes inclusion, equity and empowerment of women in the IT sector. This organization stems from the merger of *FORTES* and *Numérique au féminin*, two recognized programs committed to promoting diversity and the integration of women in technology.<br>— **Digiwomen:** Seeks to transform the digital landscape through women empowerment and inclusion. |
| **Visible minorities and cultural communities** | — **BlackNorth Initiative:** Seeks to close gaps created by racism against Black Canadians.<br>— **Black Professionals in Tech Network (BPTN):** Seeks to bridge the gap between Black talent and opportunities across North America.<br>— **Onyx Initiative:** Forges partnerships with Canadian companies to expand the talent pool and close the gap in the hiring, retention and promotion of Black college and university students and recent graduates.<br>— **Tamils in Finance:** Fosters an environment of mentorship, mutual support, and excellence amplify the influence and success of Tamils in Canada's financial landscape. |
| **Persons with disabilities** | — **Disability Solutions:** Helps employers identify challenges and develop appropriate measures for recruiting and supporting employees with visible or invisible disabilities. |
| **LGBTQ2+ community** | — **UN Global Standards of Conduct for Business on Tackling Discrimination Against Lesbian, Gay, Bisexual, Transgender, and Intersex People (LGBTI):** Seeks to promote diversity, respect and equality for LGBTQ2+ people in workplaces.<br>— **Pride at Work Canada:** Empowers employers to build workplaces that celebrate all employees regardless of gender expression, gender identity or sexual orientation. |







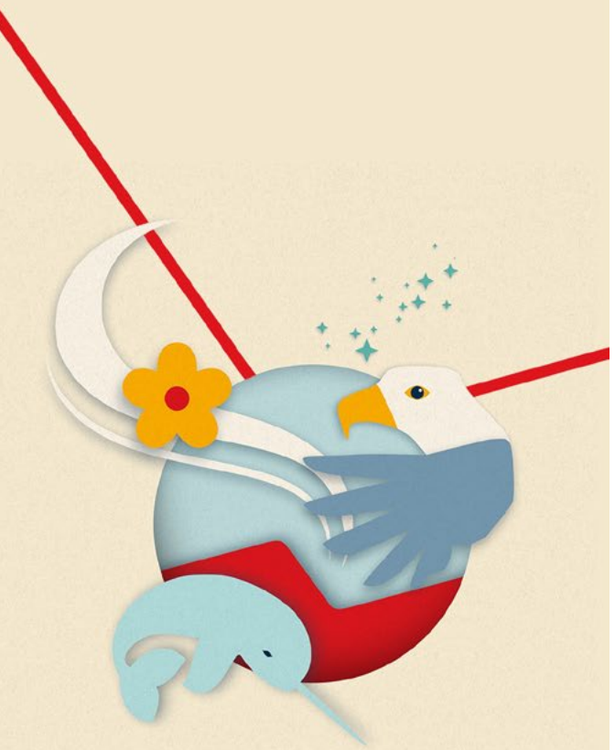



For the sixth consecutive year, the Bank has received Platinum Parity certification from Women in Governance. This distinction celebrates and recognizes our ongoing efforts and commitment to achieve parity within our organization.

The Bank was also ranked first in Canada and 24th overall among the top 100 companies for gender equality in developed markets by Equileap.

Furthermore, the Bank performed very well in 2025, taking first place in Canada and third worldwide in Forbes' fifth edition of the World's Top Companies For Women.

**To learn more about our donation and sponsorship initiatives, refer to our Corporate Social Responsibility Report, available in the Codes and commitments section on nbc.ca.**



# Indigenous Peoples

## Our approach

**The Bank has had relationships with Indigenous Peoples for many years, and in order to continue our actions and move toward an open and ongoing dialogue, the Bank is committed to the Partnership Accreditation in Indigenous Relations (PAIR) program from the Canadian Council for Indigenous Business (CCIB).**

In 2025, we completed the third year of the "Committed" level of the PAIR certification program. We are continuing to learn and to adapt our approach to Indigenous realities and circumstances. Our goal is to develop relationships with Indigenous Peoples based on business relations, the employee experience, community relations, the role of management and relations with suppliers.

### Business relations

On the financial and entrepreneurial front, the Bank has supported the First Nations Finance Authority (FNFA) since 2014. Our bond program has enabled the FNFA to make more than $3.9 billion available for the development of economic infrastructure.

In 2025, we welcomed a Managing Director and Head of Indigenous Relations to the Capital Markets team. This is in keeping with our determination to forge sustainable business relationships with Indigenous communities and to oversee the continuous improvement and review of our practices.

### Employee experience

We work in collaboration with the First Nations Human Resources Development Commission of Quebec (FNHRDCQ), particularly in conjunction with our intentional recruitment program for Indigenous Peoples. Thanks to this initiative, in March 2025 we were awarded the "Integration" badge from the FNHRDCQ's Karáhkwa program, a recognition that underscores our initiatives to foster integration and develop a culturally safe workplace.

We also organize awareness activities throughout the year in collaboration with our employee resource group Réseau Autochtones/Indigenous Network (R.A./I.N.), including the celebration of National Indigenous Peoples Day and National Indigenous Languages Day, the Moose Hide Campaign and the commemoration of National Day for Truth and Reconciliation.

In 2025, we once again took part in the MAMU! First Nations and Inuit Job Fair and the First Nations and Inuit Regional Forum, two events favouring hiring and discussions of job market challenges with talented Indigenous candidates. We also expanded our leadership development initiatives, the Sponsorship Program and the Diverse Leadership and Continuity Program, to offer them to talented Indigenous candidates.






## Community relations

We partner with a number of organizations tied to Indigenous Peoples:

- **Right To Play:** Helps Indigenous youth reach their full potential through the power of play.
- **Chapter One:** Provides personalized reading support for children in Indigenous communities in Alberta and British Columbia.
- **Enactus Canada** (National Bank accelerator project for Indigenous inclusion): Provides Enactus Canada teams with resources they need to define, design and carry out projects to favour social and economic inclusion of Indigenous Peoples and/or entrepreneurs.
- **Winnipeg Art Gallery:** Helps promote Inuit art.
- **National Arts Centre Foundation:** Supports performing arts education programs for youth in Indigenous communities.
- **Fondation UQAT:** Supports the roll-out of various awareness and research initiatives tied to Indigenous realities.
- **Canadian Council for Indigenous Business (CCIB):** Supports the Bank in developing positive and progressive relationships with our employees, clients and Indigenous partners to foster their growth.

## Role of management and relations with suppliers

The Bank values dialogue, which is why many of our executives have attended key events on economic reconciliation with Indigenous Peoples. We took part in the eighth annual conference of the First Nations Major Projects Coalition (FNMPC), the 12th annual edition of the NATOA Trust and Investment Conference, the Right to Play Heroes Gala, the Indigenous Connections Summit and the Neeganii-Iishawin Gathering. We also served as an official presenter at the East Coast Business Forum and Award Dinner organized by the CCIB in April 2025, an event dedicated to highlighting Indigenous economic prosperity and acknowledging award recipients.

In 2025, we also launched our Indigenous Business Sourcing Program as part of our commitment to the CCIB. To mark the launch, we organized a gathering activity to establish relations with Indigenous Peoples through art. Through this commitment, the Bank has signed up to serve as a Champion Business Member of the CCIB's Supply Change™ program.

Lastly, we continue to build our knowledge through training developed in collaboration with the Ashukan Institute on Indigenous realities as well as the Bank's commitment. This mandatory training has been completed by 86% of employees.

# Governance





# Corporate Governance

## Our approach

The Bank's governance is achieved through the collaborative work of the Board of Directors (the Board), the Senior Leadership Team and our stakeholders (clients, employees, communities, shareholders and investors). Integrity, trust and honesty are fundamental to our relationships with stakeholders, and we apply the highest ethical standards in the way we conduct our business. It is essential to maintain a corporate governance culture that promotes compliance with applicable rules and best practices. The Bank considers ESG factors key drivers of value creation in its activities. Our ESG governance framework is designed to balance oversight of ESG factors by the Board and its committees with subject matter expertise anchored in business sectors across the organization.

## Maintaining an ongoing dialogue with our stakeholders

The Bank maintains constructive, open and transparent dialogue with stakeholders. This allows us to identify and understand their views and concerns and respond appropriately to their changing needs. To demonstrate its commitment, the Board has adopted guidelines that identify the Bank's main stakeholders and the means to maintain an ongoing dialogue with them. This informs our strategic thinking, in particular when it comes to sustainability, and contributes to advancing our practices.

**For more information, consult the Stakeholder Engagement Guidelines available in the Codes and commitments section on nbc.ca.**

**Table 27 – Certain dialogue activities with our stakeholders and main ESG topics addressed in 2025**

| Stakeholders | Clients | Employees | Community[1] | Shareholders and investors |
|---|---|---|---|---|
| **Dialogue activities** | — Customer Service and branch network<br>— Surveys and focus groups<br>— Educational content on nbc.ca and social media<br>— Complaint handling process<br>— Client Complaint Appeal Office<br>— Client events | — Quarterly conferences with members of the Senior Leadership Team<br>— Internal communications (emails, newsletters, Intranet)<br>— Surveys and focus groups on the employee experience<br>— Employee Ombudsman and Reporting Office<br>— Employee resource groups<br>— Employee Assistance Program | — Roundtables, conferences and forums<br>— Surveys<br>— Charitable events<br>— Academic research<br>— Partnerships with incubators and accelerators<br>— Working groups with our peers<br>— Business and industry associations<br>— Interviews and press releases<br>— Dialogue and meetings between the Senior Leadership Team, the Board, regulatory agencies and other government bodies<br>— Public reporting of sustainability-related activities | — Informative presentations, meetings, calls and discussions<br>— Quarterly conference calls and webcasts to present financial results<br>— Conferences sponsored by brokers<br>— Press releases<br>— Annual meeting<br>— Shareholder proposals |
| **Main topics addressed** | — Remote banking services and digital platforms<br>— Branch experience<br>— Financial inclusion, health and accessibility<br>— Market trends and economic analyses<br>— Fraud prevention, cybersecurity and protection of personal information<br>— Sustainable finance<br>— Client satisfaction<br>— Supporting and protecting seniors | — Physical wellbeing and mental health<br>— Inclusion, diversity, equity and accessibility<br>— Data management and protection of personal information<br>— Indigenous realities<br>— Work environment<br>— Engagement<br>— Career advancement and mobility<br>— Talent management<br>— Pension plan and employee benefits<br>— Market trends and economic analyses | — Inclusion, diversity, equity and accessibility<br>— Resilience and economic conditions<br>— Canadian household debt and socioeconomic inclusion<br>— Indigenous relations | — Financial results<br>— Sustainable finance<br>— Strategic priorities and management of non-financial risks<br>— Governance practices<br>— Executive compensation program<br>— Inclusion, diversity, equity and accessibility<br>— Communication of information, targets and results related to sustainability<br>— International commitments and partnerships |

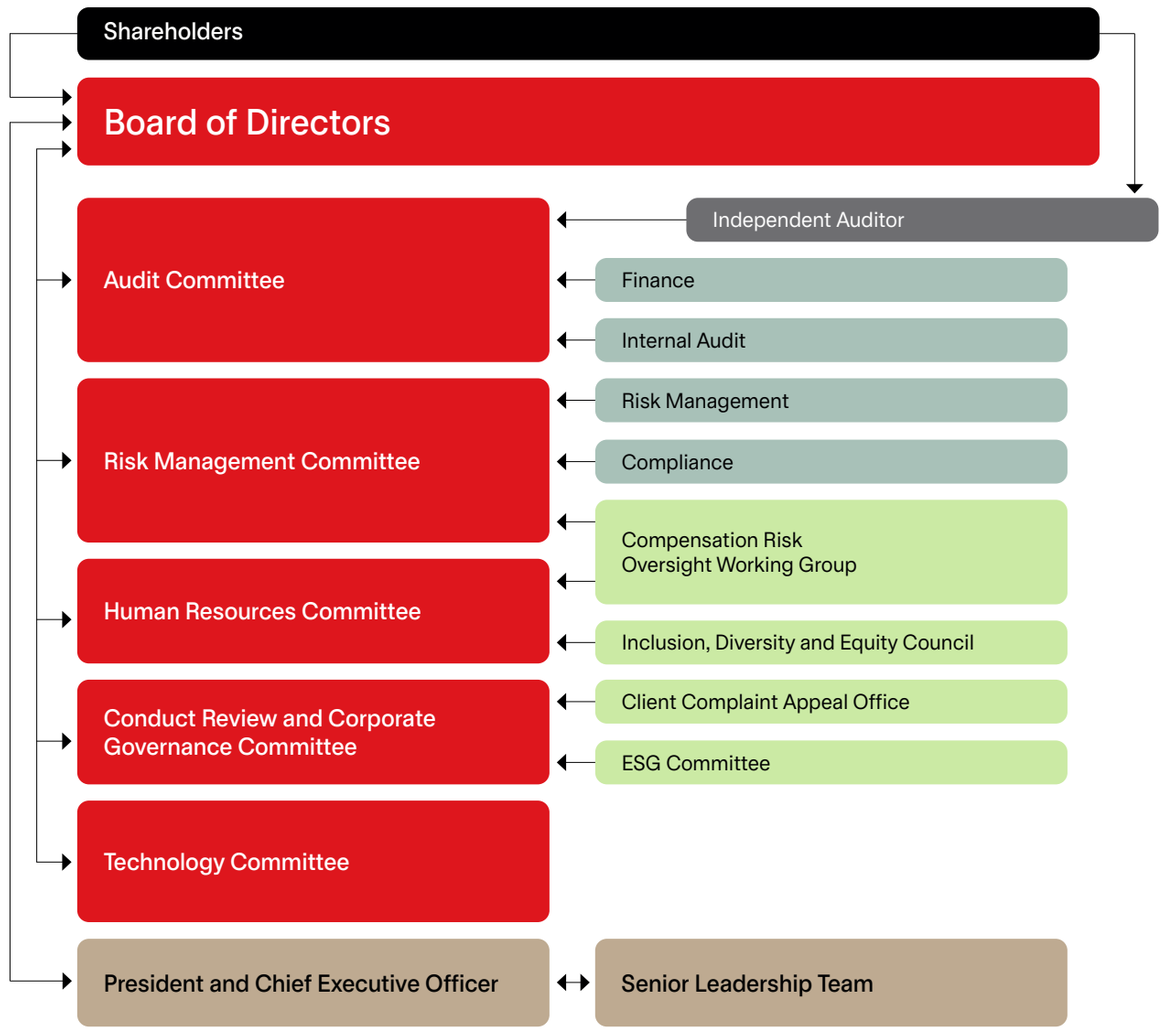
**For more information, consult the Management Proxy Circular, available in the Investor relations section on nbc.ca.**

1 Civil society, peers, interest groups, industry associations, regulatory and governmental authorities, etc.

# The Board and its committees

The Bank's corporate governance consists of a set of structures and policies. It is supported by the Board and its five committees. Figure 10 illustrates the interaction between these committees, the oversight functions and the Board.

**Figure 10 – The Board and its committees**



## Composition of the Board

The Board is composed of members with complementary profiles, and their expertise allows them to make active, informed and positive contributions. To fulfill all aspects of its role efficiently and effectively, the Board requires from its members a combination of knowledge and skills in multiple areas, including social and environmental responsibility, governance and enterprise culture. These major assets to the Board enable it to make informed decisions and fully deliver on its mandate.

Succession planning for Board members is fundamental to strong governance. Each year, the Conduct Review and Corporate Governance Committee is tasked with reviewing the composition of the Board and its committees, ensuring complementary expertise is maintained and compiling a list of potential candidates.

The independence of members of the Board is assessed regularly. This is a key factor in our governance and decision-making. The Board implements a framework and procedures to ensure its independence.

**For more information, consult the Board of directors' independence policy, available in the Board of Directors section on nbc.ca.**

**For more information about the main responsibilities of the Board, its committees and their members, as well as their knowledge and training in terms of sustainability, consult the Management Proxy Circular available in the Investor relations section on nbc.ca.**

## Portrait of the Board as at October 31, 2025

| 16<br>Number of Board members | 15/16<br>Number of independent members |
|---|---|
| All committee members are independent directors, elected individually and annually | |
| All members are financially literate | |
| All members have environmental, social and governance skills | |
| Board assessment process | |
| Meeting attendance requirements met | |
| Chair of the Board and President and Chief Executive Officer are separate roles | |
| Majority voting policy for election of Board members | |
| Code of Conduct signed and upheld by all members | |
| Advisory vote on the Board's approach to executive compensation | |
| Guideline on duration of mandates | |
| Orientation and training program for members | |
| Policy on conflicts of interest | |
| Policy on inclusion and diversity on the Board | |
| Policy on background screening | |

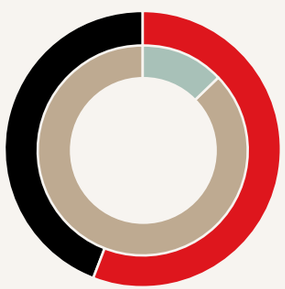
## Diversity on the Board

We're committed to promoting inclusion and diversity at all levels of our organization, and the composition of the Board is no exception. As at October 31, 2025, 44% of Board members (7 out of 16) were women. Furthermore, two of the Board's five committees are chaired by a woman. Moreover, the Board has adopted a parity objective ensuring that at least 40% of independent directors are women.

The Inclusion and Diversity Policy of the Board of Directors sets out to bring together skilled directors who represent the communities in which the Bank is present. It includes characteristics such as gender identity and belonging to underrepresented groups, as well as other factors of diversity such as age, membership in an ethnocultural group or place of residence and the presence of people with varied profiles, experiences and professional skills.

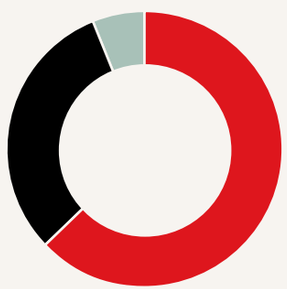
**Figure 11 – Data points on Board members**

### Diversity and gender



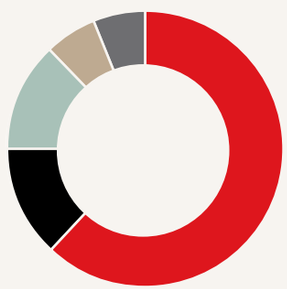
| | |
|---|---|
| Men (9) | **56%** |
| Women (7) | **44%** |
| Visible minorities (2) | **13%** |

### Number of years as a Board member



| | |
|---|---|
| 0-5 years (10) | **63%** |
| 6-10 years (5) | **31%** |
| 11 years and up (1) | **6%** |

### Geographic representation



| | |
|---|---|
| Quebec (10) | **62%** |
| Ontario (2) | **13%** |
| Alberta (2) | **13%** |
| British Colombia (1) | **6%** |
| Florida (US) (1) | **6%** |

### Age (average age: 60 years old)



| | |
|---|---|
| 65 years or older (7) | **44%** |
| 55-64 years (5) | **31%** |
| 45-54 years (4) | **25%** |

**For more information, consult the Inclusion and Diversity Policy of the Board of Directors, available in the Board of Directors section on nbc.ca.**

## Board oversight role

The Board monitors ESG factors in order to meet the changing needs and expectations of stakeholders. The ESG governance structure is designed for all levels of the organization to contribute to our objectives and commitments, including Board members who, through the various committees, exercise their role of overseeing ESG factors. Consequently, the Bank has adopted measures enabling it to extend its commitment in this regard, notably through structured governance.

The Board ensures ESG governance practices are fair, transparent and supported by solid mechanisms, such as dialogue with stakeholders. The Board ensures that ESG factors are integrated into long-term strategic objectives while monitoring the progress of initiatives and commitments. The Board and its committees—the Conduct Review and Corporate Governance Committee, the Risk Management Committee, the Audit Committee, the Human Resources Committee and the Technology Committee—have all been assigned responsibilities in relation to ESG factors. These responsibilities are established according to the committees' respective roles and their members' expertise. The Board and its committees are supported in their duties by the Senior Leadership Team and various internal committees, including the ESG Committee.

**For more information, consult the Risk Management section of the 2025 Annual Report and the Risk Management section on page 28 of this report.**

**Table 28 – Key responsibilities of the different Board committees in relation to ESG factors**

| Committee | Key responsibilities |
|---|---|
| **Conduct Review and Corporate Governance Committee** | — Oversee the Bank's sustainability strategy<br>— Keep abreast of sustainability best practices<br>— Ensure that the Bank operates in accordance with its One Mission<br>— Ensure that the Bank's ESG practices are sound and compliant with legislation<br>— Examine certain Bank disclosures related to sustainability, including the Sustainability Report and the Corporate Social Responsibility Statement<br>— Ensure Board members, officers and employees act ethically and responsibly<br>— Oversee implementation of the Bank's consumer protection framework<br>— Plan succession for Board members and Committee and Board chairs |
| **Risk Management Committee** | — Ensure that the risk management framework and risk appetite account for environmental and social risks, including climate risk<br>— Monitor key and emerging risks<br>— Ensure that sustainability risks, including climate risk, are properly identified, monitored and integrated into the risk management process<br>— Examine reports related to climate risks |
| **Audit Committee** | — Monitor trends related to control mechanisms and the integration of ESG factors into financial reporting |
| **Human Resources Committee** | — Ensure that the Bank has programs in place to attract and retain top talent and promote the employee experience<br>— Ensure that organizational culture and human resources management strategies are aligned with the Bank's sustainability practices and strategies, including aspects related to employee health and wellbeing<br>— Ensure inclusion, diversity and equity strategies are in place<br>— Examine ESG priorities integrated into executives' performance indicators<br>— Communicate with Bank stakeholders and ensure compliance with governance standards on compensation |
| **Technology Committee** | — Ensure practices make it possible to identify, assess and prevent cybersecurity, privacy, technology and data risks |

# ESG Committee

The ESG Committee is led by the Chief Financial Officer and Executive Vice-President – Finance. It is composed of experts representing the different sectors of the Bank, including several members of the Senior Leadership Team, who meet monthly. The main function of this committee is to establish and support the Bank's sustainability strategy and commitments, while acting as an ambassador to promote them across the organization.

Supported by a management committee, three working groups and a team dedicated to sustainability, the Committee oversees the application of the regulations in effect and ensures extra-financial disclosure complies with recognized practices.

The ESG Committee reports as needed to the Senior Leadership Team on progress made toward its ESG priorities and commitments, and at least twice a year to the Board's Conduct Review and Corporate Governance Committee. It also gives regular presentations to the Audit Committee and the Risk Management Committee on specific topics of interest, such as extra-financial disclosure and climate risk.

**Levels of sustainability governance at the Bank:**

### ESG Committee

Committee that establishes, supports and promotes the Bank's sustainability strategy and commitments across the organization.

### Management Committee and three working groups

Groups with distinct roles and responsibilities to better advise the ESG Committee. They support:

— Establishment of sustainability commitments and their alignment with business units

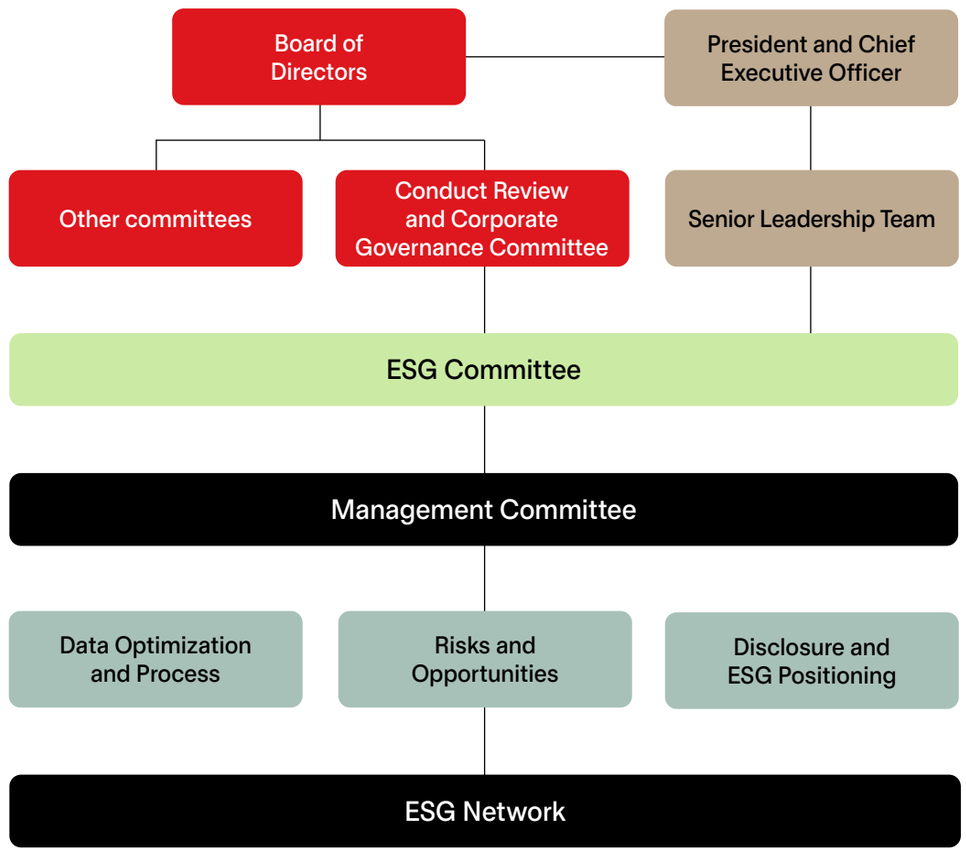
— Implementation of the ESG data management strategy

— Monitoring and extra-financial disclosure of regulatory and communication requirements

### ESG Network

Group of experts from each sector supporting working groups to continue our transformation in terms of sustainability.

**Figure 12 – The Bank's ESG organizational structure**



## Assessment and compensation of executives

SYNERGY – Executives is our compensation program for the President and Chief Executive Officer, the Senior Leadership Team and management.[1] It was rolled out in 2021.

The SYNERGY – Executives program can be summarized as follows:

— A single collective compensation envelope funding base salaries as well as short-, mid- and long-term variable compensation. It is created using an internal scale based on available net income.

— Two performance multipliers:

- A One Mission performance multiplier that increases or decreases the envelope based on the achievement of key indicators.
- A multiplier based on the assessment of the progress of ESG priorities, which may also increase or decrease the envelope.

**For more information, consult the Management Proxy Circular, available in the Investor relations section on nbc.ca.**

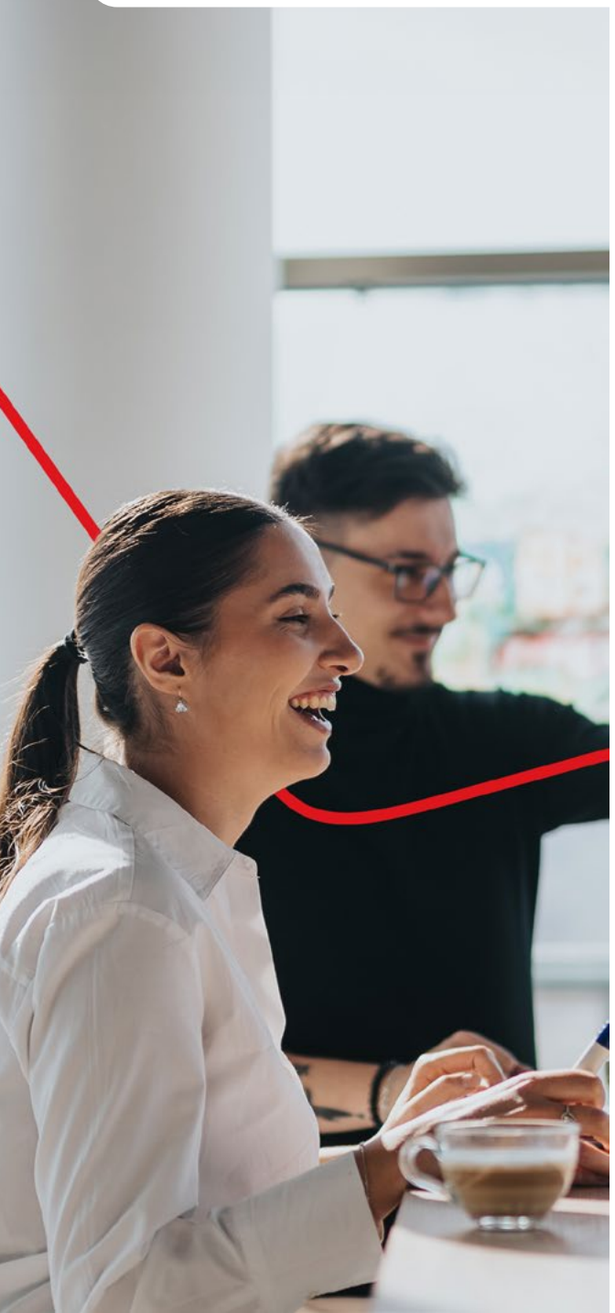
## Independent assessment by the Internal Audit function

Internal Audit is responsible for objectively providing independent assurance and advice to the Audit Committee, the Board and the Senior Leadership Team on the efficiency of the main governance, risk management and internal control processes and systems. This team offers recommendations to promote the Bank's long-term strength.

Internal Audit conducts audits on matters related to sustainability and, through its activities, provides assurance that the governance and risk management mechanisms in effect promote a culture of ethics and integrity and ensure compliance with sustainability targets and commitments.



1 Designates members of management other than members of the Senior Leadership Team.



# Corporate Ethics

## Code of Conduct

The nature of our work means that we must be trustworthy to our stakeholders. The Bank's Code of Conduct (the Code) details the key principles that define our individual, professional and collective ethics. The Code guides our actions every day. It includes a tool to assess difficult situations and make ethical decisions responsibly.

Everyone at the Bank—employees, executives and Board members—is required to comply with the Code. Each employee must commit to abiding by the Code upon hiring and must undergo training. This training covers topics such as integrity (being honest and professional), inclusion and safety (promoting respectful, diverse work environments), confidentiality (protecting personal and privileged information), conflicts of interest (identifying and managing potential conflicts of interest), regulatory compliance (complying with legislation and regulations) and protecting our reputation (protecting the Bank's image and assets). Throughout the year, we provide communications to raise awareness about particular subjects and require employees, including executives, to sign an annual attestation renewing their commitment to abide by the Code.

Suppliers and consultants of the Bank must also be aware of and comply with the principles of the Code or the Supplier Code of Conduct, in accordance with the terms of their agreements. The Board's Conduct Review and Corporate Governance Committee oversees compliance with the Code.

## Settling disputes

The Bank has an Employee Ombudsman whose mission is to help settle any disputes employees may have at work. The Employee Ombudsman's team reports to the President and Chief Executive Officer. This team handles reported situations while protecting anonymity when necessary.

The members of the Employee Ombudsman's team:

- Apply a confidential and impartial approach
- Abide by a strict code of ethics
- Facilitate dialogue between the parties involved
- Serve as advisors

In accordance with the Bank's Code of Conduct, our employees must immediately report any potential violation to their manager, their superior or a person responsible for the application of the Code, depending on which resource they deem most suited to take action based on the circumstances. Those who want to remain anonymous can do so by contacting the Employee Ombudsman's team by phone, by email or by using the form available on the Bank's internal or external sites. Cases are always kept confidential and anonymous and there are no repercussions for employees who report a potential violation in good faith, even if it proves unfounded.

To process a report, the Employee Ombudsman's team applies an approach adapted to the circumstances of the case, taking into account the relevant laws and regulations and the standards and procedures in place at the Bank. Each member of the Employee Ombudsman's team analyzes the information objectively and without bias and takes action to identify and settle situations of unfairness.

## Reporting breaches

To promote a culture of ethics and maintain a respectful, welcoming and stimulating work environment, all employees are responsible for immediately reporting any ethical breach or any breach of the Code, other Bank policies and procedures or legislation. Numerous resources are available, many of which allow for anonymous reporting. Depending on the situation, employees may express their concerns to their manager or superior, the Employee Experience Advisory Centre, the Employee Ombudsman or the Reporting Office. Our employees are free to express themselves without fear of reprisals.

# Anticorruption

The Bank is committed to complying with Canadian and international legislation prohibiting corruption and influence-peddling, while preserving public trust. Our *Anticorruption Program* reflects our ethical values and our commitment to acting responsibly. The Anticorruption Policy is central to this program.

**For more information, consult the Summary of National Bank of Canada's Anticorruption Program, available in the Regulatory Compliance Programs section on nbc.ca.**

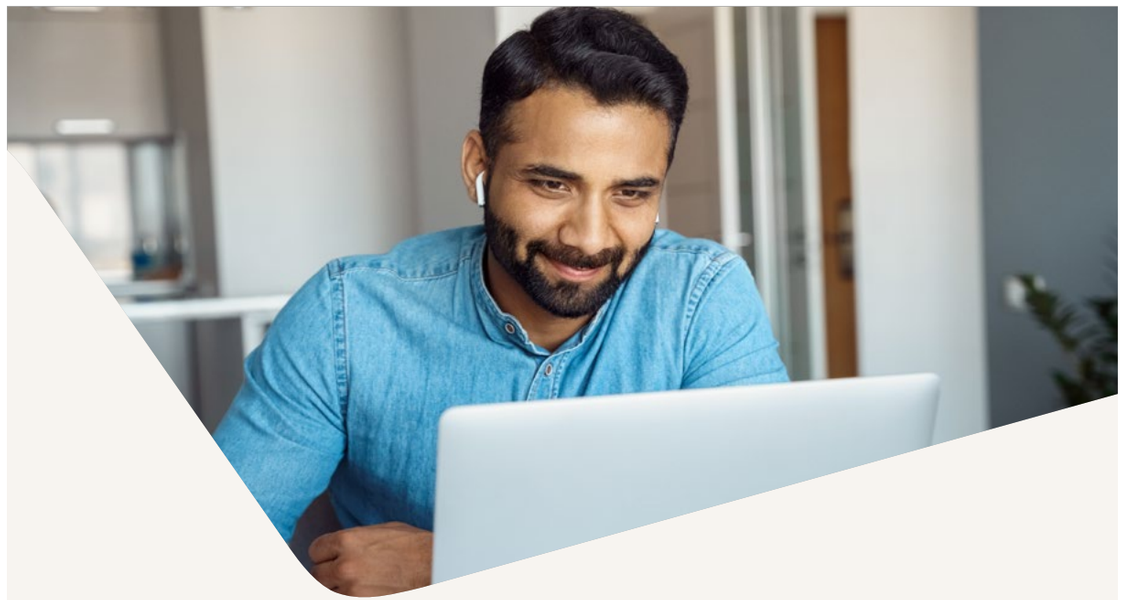
# Anti-money laundering and anti-terrorist financing

To ensure compliance with the requirements of the *Proceeds of Crime (Money Laundering)* and *Terrorist Financing Act* and its regulations, and to earn the trust of its stakeholders, the Bank has implemented an anti-money laundering and anti-terrorist financing program to prevent the use of its products and services to those ends. Controls are in place to monitor and detect financial transactions suspected of being related to money laundering and terrorist financing, and report them to the appropriate regulatory authorities when necessary.

**For more information, consult the Summary of National Bank of Canada's Anti-Money Laundering and Anti-Terrorist Financing Program, available in the Regulatory Compliance Programs section on nbc.ca.**

# International sanctions

The Bank's international sanctions program was developed to ensure compliance with applicable regulatory requirements and international sanctions in each of the jurisdictions in which it operates. The Bank must therefore refuse prohibited transactions and freeze assets in its possession if they are owned or controlled by a person or entity subject to international sanctions. These situations must also be reported to the appropriate regulatory authority. Manual and automated controls are designed, implemented, maintained and tested to ensure the Bank does not participate in any financial transaction that involves a foreign government, state, entity, industry or individual, and that would be considered prohibited under existing international sanctions.



## Employee training

Each year, employees are required to complete training on money laundering and terrorist financing, anticorruption and international sanctions as part of the Bank's Annual Regulatory Compliance Training program. The contents of this training are reviewed annually based on current events, new developments or targeted needs in order to maintain employee knowledge. References to the Bank's policies and standards are provided throughout the training so that employees can consult them. After the training modules, all employees must complete an assessment to reinforce key learning and make sure they understand the concepts taught.

## Sourcing

In accordance with sound, effective third-party risk management practices, the Bank advocates for:

— Its suppliers to adhere to values similar to those outlined in its Code of Conduct, which have been set out in the Supplier Code of Conduct

— A due diligence review of suppliers' finances and information security standards

— The use of risk and performance indicators

— Oversight during contractual relationships with suppliers

The Bank defines its risk appetite through tolerance thresholds, alignment with its business strategy and integration of risk management into its corporate culture. Prior to entering into a relationship with a third party, the business unit, in collaboration with Sourcing and any other relevant sector, assesses the risks by conducting a due diligence audit of the third party. This includes, but is not limited to, an assessment of:

— The third party's competencies and financial soundness

— Information security

— The agreement's compliance with the Bank's regulatory requirements concerning anticorruption and anti-money laundering/anti-terrorist financing

— Protection of personal information

— Consumer protection

## Human rights

The Bank's Human Rights Statement sets out its guidelines, commitments and expectations with respect to human rights in relation to its activities and its relationships with various stakeholders.

**For more information, consult the Human Rights Statement, available in the Codes and commitments section on nbc.ca.**

## Lobbying and public policy

The Bank may be asked to share its perspective on public policies related to the financial system as part of an open dialogue with all its stakeholders. Through the Bank's codes and policies, including its Code of Conduct, the Bank and all of its employees are committed to being transparent in all interactions and activities with respect to public policy. The Bank also complies with all applicable legislation governing the disclosure of discussions concerning public policy in all jurisdictions where it operates. Moreover, in accordance with regulatory requirements, it submits a report on its activities to the registers of lobbyists maintained by the competent commissioners in Quebec and Canada.

In addition, under its Anticorruption Policy, the Bank does not allow contributions in its name to federal or provincial political parties or municipal election candidates, or for political activities outside Canada.

The Bank may share its perspectives on its activities through the industry associations it is a member of.



# Tax

National Bank's approach to taxation is consistent with its overall risk appetite framework, which sets a low tolerance for operational and reputational risk and requires rigorous management of regulatory compliance risk. The Bank's approach is also consistent with and reflects the principles set out in its Code of Conduct. Tax matters are discussed regularly with the Bank's Senior Leadership Team and annually with the Audit Committee.

**The Bank's approach to taxation includes a commitment to:**

- Comply with tax laws and pay all taxes due in the various jurisdictions where it operates
- Only engage in tax planning that supports genuine commercial activity, and to not engage in tax planning aimed at achieving a tax result that is contrary to the intentions of legislators in the jurisdictions where it operates
- Comply with the arm's length principle and Organisation for Economic Co-operation and Development (OECD) transfer pricing guidelines applicable to intergroup transactions
- Maintain a transparent and constructive relationship with tax authorities, based on cooperative, supportive and professional interaction

**The Bank's approach also includes the following additional elements:**

- Employing qualified tax professionals, and retaining qualified independent tax professionals where appropriate, to provide advice on interpretation of tax law and compliance and reporting
- Monitoring domestic, foreign and international developments (including those of the OECD) as they relate to taxation
- Periodically reviewing certain aspects of the tax function by the Bank's Internal Audit and Financial Governance functions, including periodically testing controls related to the tax function's processes and procedures by Financial Governance to ensure that such processes and procedures are effective in achieving tax integrity and comprehensive tax reporting

In addition, the Bank publishes an annual UK Tax Strategy in relation to its UK branches activities, and has adopted the UK Code of Practice on Taxation for Banks.[1]

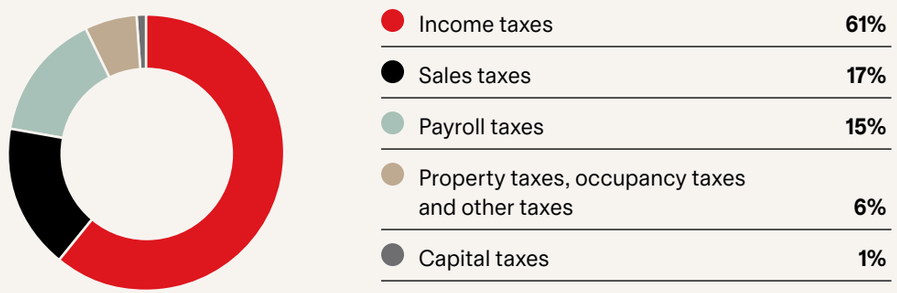
# Income tax and other taxes paid or payable

The Bank paid $1.75 billion in income taxes and other taxes in Canada for the fiscal year ended October 31, 2025 (Table 29). Canada is the country where we carried out most of our activities, so this is where the majority of our income taxes and other taxes were paid (Figure 13). Since the Bank also ensures that it adheres to the tax laws in every country where it does business, it paid $0.41 billion in income taxes outside Canada during the fiscal year ended October 31, 2025. For more information, please consult the 2025 Annual Report.

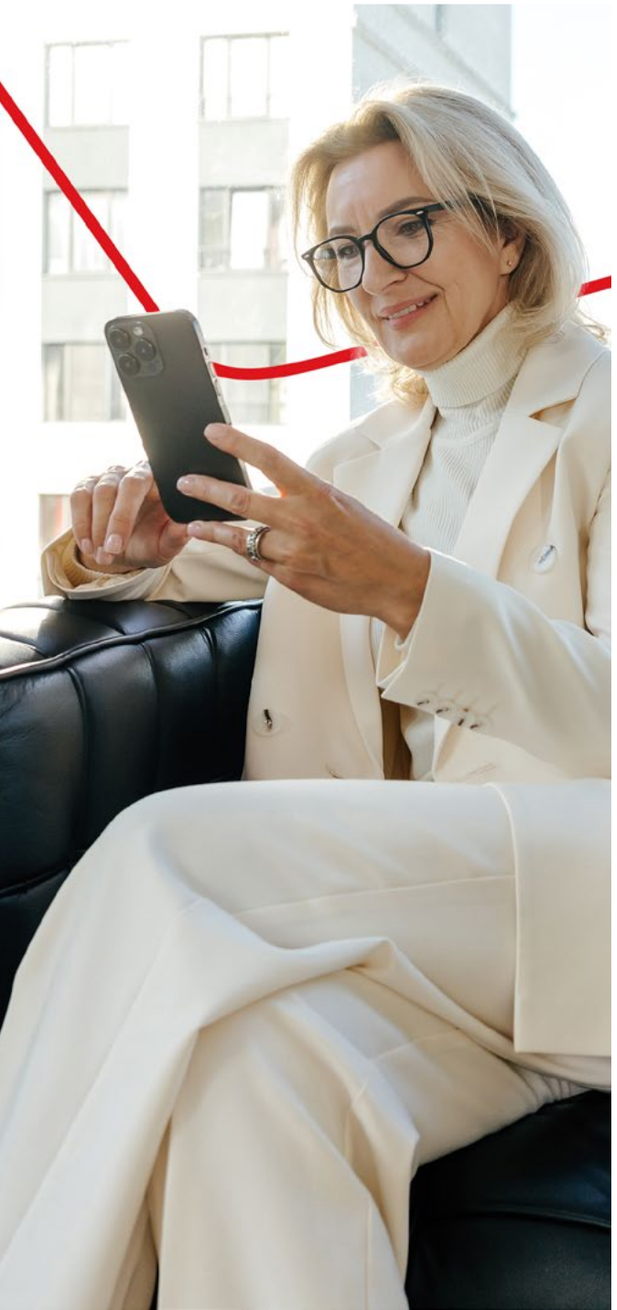
**Table 29 – Income tax and other taxes paid or payable**

| Details of income tax and other taxes paid or payable | 2025 | 2024 |
|---|---|---|
| Income tax and other taxes in Canada[2] | $1.75B | $1.18B |
| Income tax outside of Canada | $0.41B | $0.31B |
| Total effective tax rate[3] | 38.8% | 31.8% |

**Figure 13 – Distribution of taxes paid or payable in Canada**




1 To the extent required for small banks, as provided in section 285(11) of the *Finance Act* 2014, and the statement published by HM Revenue and Customs (HMRC).
2 Includes income taxes, capital taxes and other taxes. For more information, see page 14 of the 2025 Corporate Social Responsibility Statement.
3 Percentage is equal to total taxes paid divided by pre-tax income. The statutory tax rate was 27.8% in 2025 (for more information, see Note 24 in the 2025 Annual Report).



# Information Security

## Our approach

**In a complex digital environment, marked by accelerating risks related to the adoption of new technology, the Bank applies an integrated approach built on technological reinforcement, human engagement, optimized processes and strategic partnerships. It makes the necessary investments to protect its clients' data and assets and ensure the continuity of its operations.**

## Governance

The cybersecurity team is responsible for protecting the Bank's information, data and services. The cybersecurity strategy is implemented by the Chief Information Security Officer. This strategy relies on a robust governance framework that oversees and supports decision-making processes and promotes proactive, effective risk management. It is based on evolving policies and procedures that are designed to anticipate and respond to threats in an agile, consistent manner. The Bank also carries out internal and external audits of all these processes.

This enables the Bank to adopt a proactive approach. The Bank mobilizes the resources and efforts required to ensure the robustness of its operations, while continuing to:

- Invest in modernizing its infrastructure
- Enhance the skills of its employees
- Promote internal collaboration between sectors
- Pursue applied research through various partnerships

These initiatives reinforce the Bank's resilience, allowing it to anticipate risks and protect its reputation and assets, while building trust among its clients, partners and investors.

## Internal practices

We integrate information security into our daily actions through the following initiatives:

— **An information security awareness program for all Bank employees:** This program includes evolving content, realistic scenarios and simulation exercises integrated into ongoing training. Cybersecurity awareness and employee training are key pillars of our strategy. These initiatives instill vigilance in all our employees and foster a strong security culture.

— **Information security measures defined and applied to all information systems:** These measures support business processes and operational procedures. They ensure adequate controls are in place, in particular to protect access to confidential information and ensure compliance with configuration, technological change and vulnerability management standards. They are reviewed on an ongoing basis to ensure they remain relevant to evolving threats.

— **Information security business partners in each business line:** These employees represent the Chief Information Security Officer in the Bank's structure and help integrate information security across sectors to ensure a consistent overall approach.

— **Security tools to guarantee quality delivery:** These tools enable us to provide data security throughout the project lifecycle, significantly reducing existing risks.

## Monitoring and responding to incidents

The Bank maintains an incident response plan, updated continuously, that complies with regulatory requirements and is an integral part of its information security strategy. The plan is based on real threat scenarios and is tested several times a year in collaboration with stakeholders to ensure maximal optimization. Other measures are also implemented:

— Our operational information security teams proactively conduct intrusion testing to identify potential vulnerabilities. They assess the effectiveness of security controls and support all areas of the organization in managing known vulnerabilities.

— A process for managing the lifecycle of monitoring cases is in place to continually improve our ability to detect potential malicious activities.

— Our operational teams work with various Bank sectors to inform them of current and emerging threats and attack methods, thereby helping to improve how we respond to potential incidents.

The Bank also actively invests in academic research to anticipate emerging threats and adapt its security capabilities to changing technology. It develops strategic partnerships to address issues such as post-quantum cybersecurity, internal threats and cyberfraud prevention. These partnerships reinforce innovation, fuel our protection strategies and promote knowledge transfer to internal teams in order to reinforce our strong cybersecurity culture.

# Data management

By leveraging data, the Bank can enhance its work methods, improve customer service and personalize its service offering. The Bank is keenly aware of its data management responsibilities, and it strives to balance value creation with sound risk management.

To that end, the data strategy has been updated to account for the Bank's priorities. This strategy focuses on data exposure, management and enhancement and is supported by a decision-making structure overseen by the Data Council, a committee composed of several members of the Bank's senior management. The committee ensures data strategies and initiatives support and accelerate the Bank's strategic initiatives and business priorities.

The continuous improvement of our data management is based on:

- Monthly reporting on the progress of our data strategy to the Data Council
- Data stewardship by committed resources following a pathway that documents the steps to be completed
- A tighter normative framework, particularly with respect to data criticality and accountability for data quality
- The establishment of a methodology to assess data maturity across all Bank domains
- A definition of data maturity targets across all Bank domains
- The rollout of a training pathway for data owners and stewards
- Enhancing expertise and knowledge to increase the organization's analytical maturity and data literacy, including through the Data Academy, a Bank initiative that develops educational content
- Developing the full potential of data talent through the Rotation Program for data scientists and data engineering analysts

# Privacy

The Bank takes the necessary measures to protect its clients' personal information and ensures responsible data management practices are applied at all times.

To that end, the Bank designs and implements a privacy program and strategy inspired by best practices. The program involves developing and implementing policies and practices for the responsible management of personal information that meet client expectations and comply with applicable legislation, including in terms of transparency and consent. The program also includes privacy risk governance and the adoption of controls to mitigate such risk.

In 2025, the Bank pursued initiatives to improve its Privacy Program and train and raise awareness among various stakeholders. Here are some examples:

| | |
|---|---|
| → Update of the Privacy Program, which includes internal policies and standards, and privacy by design process, in particular by integrating the responsible artificial intelligence principles that are relevant to privacy. | → Rollout of several informative training videos on the Bank's internal social media to raise employees' awareness of topics related to privacy, such as incidents involving confidentiality, the responsible use of personal information and best practices for handling data in unstructured environments. |
| → Reinforced independent oversight of privacy-related activities at various Bank subsidiaries. | → Mandatory privacy training upon hiring for all our employees, on topics such as responsible management of personal information, reporting confidentiality incidents and handling requests related to individual rights. |
| → 95% of our employees have completed the most recent annual training on adopting the right behaviours with respect to privacy, particularly when extracting data from source systems. This training is mandatory and must be completed by all Bank employees, including senior management. | → Each year, all employees must sign the Code of Conduct, which sets out our obligations regarding confidential information. |

**For more information, consult the Privacy Booklet, available in the Codes and commitments section on nbc.ca.**

# Artificial intelligence

For the Bank, using artificial intelligence (AI) and advanced analytics technology is both an opportunity and a responsibility. It is an opportunity in that this technology can be a powerful driver in creating a positive client and employee experience and enhancing our risk management capabilities. It is also our duty to roll out these technologies responsibly and in a way that is consistent with our organizational values, in accordance with our Code of Conduct. The concept of innovating with integrity has been added to our Code to anchor our use of AI.

The Bank takes its obligations, along with the integration of best practices in AI governance, very seriously. It proactively monitors legislative and regulatory developments, as well as international standards. In line with its commitment to using emerging technologies responsibly and ethically and being a leader in AI, the Bank is advancing its practices, risk management measures and AI governance framework. Here are some examples:

— We have developed a questionnaire on interpretability and equity, based in part on a risk management framework for AI models under the Equity by Design program. This program includes concrete equity measures applicable to the development and oversight teams, which are tracked via performance indicators. Specifically, we measure the program's actual adoption rate annually, through the analytical solutions released in production.

— We are developing our responsible AI approach by implementing a framework for governance and risk management by design. In the coming months, we will roll out a process to identify initiatives and suppliers using AI. Each AI system will receive a risk rating and classification to ensure sound management. Multidisciplinary assessments will enable us to integrate best practices, define the necessary control measures and support secure development of solutions. Dedicated AI risk experts will review high-risk initiatives and recommend effective mitigation measures. This process will be integrated into the Bank's overall operational risk governance approach. These measures aim for effective governance, increased transparency and timely response to AI incidents.

— A mandatory awareness and training program for all employees was launched in 2025 to raise awareness of security, ethical and compliance issues related to the use of AI.



### Digital transformation of complaint management

An AI solution has been rolled out to automate management of first-level client complaints. It allows for comprehensive oversight, improves detection of instances of non-compliance and supports regulatory compliance. This initiative will boost operational efficiency while improving the experience for clients and employees.

# Appendices



# Appendix 1 – Glossary

## Carbon credit:

Per the Verra Verified Carbon Standard (VCS), one carbon credit represents a reduction or removal of one tonne of carbon dioxide equivalent ($tCO_2e$) achieved by a project. VCS ensures that these credits adhere to quality assurance principles to ensure that the credits represent GHG emission reductions or removals that are additional, durable, independently verified, traceable and not double counted, and robustly quantified.

## Climate risks:

The possibility that the consequences of climate change could lead to a loss of financial value for the Bank or affect its activities over the short-, medium- or long-term. Typically divided into physical risks and transition risks.

## Data quality:

A data hierarchy defined by PCAF for each financed emissions asset class which reflects the availability and accuracy of the underlying data sources and the methodologies used to estimate inputs to financed emissions calculations. 1 is the highest data quality, 5 is the lowest.

## Decarbonization:

The process of adjusting processes and products to reduce the amount of GHGs created throughout their lifecycle.

## Double materiality assessment:

An assessment of ESG factors including both the company's influence on environmental and social factors and how these sustainability issues affect the company's financial performance.

## Financed emissions:

Defined as indirect emissions attributed to financing activities—such as lending and investments—of financial institutions. These activities all contribute to providing capital or financing to a company that emits GHG emissions. Also referred to as Scope 3, Category 15 GHG emissions.

## Greenhouse gas (GHG):

A class of substances that, when present in the Earth's atmosphere, absorbs infrared radiation, leading to trapping and build-up of heat through the greenhouse effect. The six GHGs that are included in calculations under the GHG Protocol are carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride ($SF_6$).

## Indigenous Peoples:

First Nations, Inuit, and Métis individuals and communities; referred to in the Canadian *Employment Equity Act* as Aboriginal Peoples.

## LGBTQ2+:

Lesbian, Gay, Bisexual, Transgender, Queer/Questioning, Two-spirit, plus. The + is inclusive of people who may identify with different terminologies.

## Low-carbon economy:

As defined by the Government of Canada, involves reduction of GHG emissions, clean growth, resilient communities, and good jobs for Canadians.

## Net-zero:

As defined by the UN, cutting carbon emissions to a small amount of residual emissions that can be absorbed and durably stored by nature and other carbon dioxide removal measures, leaving zero emissions in the atmosphere.

## Persons with disabilities:

Aligned with Canada's *Employment Equity Act*, persons who have a long-term or recurring physical, mental, sensory, psychiatric or learning impairment and who (a) consider themselves to be disadvantaged in employment by reason of that impairment, or (b) believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment, and includes persons whose functional limitations owing to their impairment have been accommodated in their current job or workplace.

## Renewable energy:

Includes activities related to hydropower, wind and solar energy production and related transmission and distribution infrastructure.

## Renewable Energy Certificate (REC):

A representation of 1 MWh of renewable electricity produced and put onto the electricity grid. RECs are certified by an external registry to verify each REC is traceable and not double counted.

## Resilience:

As defined by UNEP FI, the ability of communities, economies, and ecosystems to cope with climate hazards or disturbances. It involves responding or reorganizing in ways that maintain their essential function, identity, and structure, while also allowing for adaptation and learning. For banks and their clients, resilience means the ability to anticipate, absorb, manage, or recover from climate impacts efficiently.

## Responsible investment:

Investment strategies that consider ESG criteria along with traditional financial analyses. The NBI Responsible Investment Policy sets out the different responsible investment approaches included.

## Climate scenario analysis:

A tool for mapping potential risks in an environment where there is considerable uncertainty. These analyses are based on the use of econometric models or energy transition scenarios developed by widely recognized international agencies and/or adapted to the elements that users want to assess to quantify the climate-related impact on the financial performance of assets. They allow us to better understand the Bank's risk profile and help inform decision-making and mitigation strategies over various transition pathways and time horizons.

## Scope 1 GHG emissions:

Direct GHG emissions from sources owned or controlled by a company.

## Scope 2 GHG emissions:

Indirect GHG emissions associated with the purchase and consumption of electricity, steam, heat or cooling for a company's operations. Scope 2 emissions can be reported as location-based (based on the average emissions intensity of the local grid) and/or market-based (reflecting contractual agreements such as RECs).

## Scope 3 GHG emissions:

Indirect emissions not produced by the reporting company nor coming from owned or controlled assets, but that the organization is indirectly responsible for through its value chain. There are two types of Scope 3 emissions: Upstream emissions occur before the creation or delivery of a product or service; downstream emissions occur after the creation or delivery of a product or service.

## Sustainability:

Per the United Nations, meeting the needs of the present without compromising the ability of future generations to meet their own needs. For the Bank, this means managing our material ESG factors to meet the needs of our stakeholders today without compromising the long-term survival of the organization or the communities that we serve.

## Sustainable finance:

Offerings—including lending, advisory, and underwriting—supporting clients who want to raise capital for sustainability and transition initiatives.

## Transition:

The period of technological, regulatory, and behavioural changes aimed at reducing GHG emissions to achieve and maintain net-zero.

## Visible minorities:

Aligned with Canada's *Employment Equity Act*, persons in Canada (other than Indigenous peoples) who are non-white in colour or non-Caucasian in race, regardless of their place of birth or citizenship.

# Appendix 2 – Disclosure Based on the OSFI B15 Guidelines

**Table 30 – OSFI B15 Guidelines – Minimum mandatory climate related financial disclosure expectations**

| Report section | Communication expectation for 2025 | Reference |
|---|---|---|
| **Governance** | Governance body responsible for oversight of climate-related risks and opportunities | Pages 82 and 83 |
| | Management's role in monitoring, managing, and overseeing climate-related risks and opportunities | Pages 82 and 83 |
| **Strategy** | Climate-related risks and opportunities identified that could reasonably be expected to affect cash flows, access to financing or cost of capital | Pages 30 and 31 |
| | Business model and value chain:<br>— Current and anticipated effects of climate-related risks and opportunities on the business model and value chain<br>— Where, in the business model and value chain, the climate-related risks and opportunities are concentrated<br>Strategy and decision-making:<br>— Changes to the business model, including its resource allocation, to address climate-related risks and opportunities<br>— Direct and indirect mitigation and adaptation efforts<br>Financial position, financial performance, and cash flows:<br>— How climate-related risks and opportunities have affected the financial position, financial performance and cash flows<br>— How the financial position, financial performance, and cash flows change over the short, medium, and long term, given the strategy to manage climate-related risks and opportunities | Pages 22 to 27 |
| **Risk management** | Information about the processes and related policies for identifying, assessing, prioritizing and monitoring climate-related risks | Pages 28 and 29 |
| | Information about the processes for identifying, assessing, prioritizing and monitoring climate-related opportunities | Pages 30 to 34 |
| | Information about the extent to which, and how the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the overall risk management process | Pages 30 to 34 |

| Report section | Communication expectation for 2025 | Reference |
|---|---|---|
| **Metrics and targets** | Metrics used to assess climate-related risks and opportunities in line with strategy and risk management process | Page 29 |
| | — Scope 1 and location-based Scope 2 absolute gross GHG emissions for the period<br>— Measurement approach, inputs and assumptions used to measure Scope 1 and 2 GHG emissions, and the underlying reasons for these decisions<br>— Reporting standard used to calculate and disclose GHG emissions | Pages 35 to 37 and Appendices 4 to 6 |
| | — Quantitative and qualitative climate-related targets set to monitor progress towards achieving its strategic goals<br>— Information about the approach to setting and reviewing each target and how it monitors progress against each target<br>— Information about performance against each climate-related target and an analysis of trends or changes in performance<br>— Information about both gross and net carbon offsets, if applicable, and explain the type of offset for the target disclosed | Pages 24, 27, 35 to 44 and Appendices 4 to 6 |
| | Information on cross-sector metrics<br>— The amount and percentage of assets or business activities vulnerable to climate change-related transition risks<br>— The amount and percentage of assets or business activities vulnerable to physical climate change-related risks<br>— The amount and percentage of assets or business activities aligned with climate change-related opportunities<br>— The amount of capital expenditures, financing or investments deployed towards climate-related risks and opportunities<br>— Application of an internal carbon price<br>— The percentage of senior management and other material risk takers' remuneration recognized in the current period that is linked to climate-related considerations | Pages 15, 17, 20, 31, 32, 38 and 84 |

# Appendix 3 – Independent Practitioner's Limited Assurance Report

Deloitte.

Deloitte LLP
La Tour Deloitte
1190 Avenue des
Canadiens-de-Montréal
Suite 500
Montreal QC H3B 0M7
Canada
Tel: 514-393-7115
Fax: 514-390-4100
www.deloitte.ca

## Independent Practitioner's Limited Assurance Report

To those charged with governance of the National Bank of Canada

We have undertaken a limited assurance engagement of the accompanying greenhouse gas emissions metrics (as outlined in Appendix 1) of the National Bank of Canada ("NBC") for the year ended October 31, 2025, (collectively referred to as the "Subject Matter Information").

### Management's Responsibility

Management is responsible for the preparation of the Subject Matter Information in accordance with management developed criteria as outlined in Appendix 1 (the "applicable criteria").

Management is also responsible for selecting the applicable criteria used, and for such internal control as management determines necessary to enable the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical and other procedures) and evaluating the evidence obtained. The procedures also include assessing the suitability in the circumstances of NBC's use of the applicable criteria as the basis for the preparation of the Subject Matter Information. The procedures are selected based on our professional judgment which includes identifying areas where the risks of material misstatement of the Subject Matter Information are likely to arise, whether due to fraud or error.

Our engagement included the following procedures, among others:

- Making inquiries of relevant management and staff responsible for the preparation and reporting of the Subject Matter Information;
- Obtaining an understanding of the underlying data that is used as an input into the calculation of the Subject Matter Information;
- Obtaining an understanding of the process used to prepare and report the Subject Matter Information; and
- Agreeing and testing the underlying data related to the Subject Matter Information on a sample basis.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with the Canadian Standards on Assurance Engagements. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the applicable criteria.

### Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Significant Inherent Limitations

Data used in the Subject Matter Information are subject to inherent limitations of accuracy given the nature of the data and the methods used for determining. The selection of different acceptable measurement techniques can result in materially different outcomes. The precision of different measurement techniques may also vary.

### Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information of NBC for the year ended October 31, 2025 is not prepared, in all material respects, in accordance with the applicable criteria.

### Specific Purpose of Applicable Criteria

The Subject Matter Information has been prepared in accordance with the applicable criteria to assist NBC in reporting the Subject Matter Information to those charged with governance. As a result, the Subject Matter Information may not be suitable for another purpose.

While Deloitte acknowledges the disclosure of our limited assurance report that will be made in full only by NBC at its discretion in their 2025 Sustainability Report, Deloitte does not assume or accept any responsibility or liability to any other third party in respect of such disclosure and the report therein.

Deloitte LLP

Chartered Professional Accountants
Montreal, Quebec
February 26, 2026

## Appendix 1

Subject Matter Information and Applicable Criteria for the year ended October 31, 2025

| Subject Matter Information | Reference to NBC's Sustainability Report | Boundary Applied | Applicable Criteria | Balance for the year ended October 31, 2025 |
|---|---|---|---|---|
| **Scope 1 and 2 (location and market-based) greenhouse gas ("GHG") emissions** | Table 12 | NBC, with the following exclusions applied:<br>— Cambodia operations<br>— Thailand operations<br>— Canadian Western Banks' ("CWB") operations | Management developed criteria informed by the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)*, the *Greenhouse Gas Protocol: Scope 2 Guidance*, and the *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard*, and as described in *Appendix 6 (Tables 35 and 36)* of NBC's Sustainability Report. | Scope 1 – 1,857 $tCO_2e$<br>Scope 2 (Location-based) – 3,185 $tCO_2e$<br>Scope 2 (Market-based) – 2,639 $tCO_2e$ |
| | Table 13 | NBC, with the following exclusions applied:<br>— All international operations (not including the US) | | Scope 1 – 4,050 $tCO_2e$<br>Scope 2 (Location-based) – 5,129 $tCO_2e$<br>Scope 2 (Market-based) – 4,536 $tCO_2e$ |
| | Table 32 | CWB operations only | | Scope 1 – 2,194 $tCO_2e$<br>Scope 2 (Location-based) – 2,033 $tCO_2e$<br>Scope 2 (Market-based) – 2,033 $tCO_2e$ |
| **Scope 3: Category 1 (Purchased Goods and Services – Paper Only)** | Table 12 | NBC, with the following exclusions applied:<br>— International (i.e. non-Canadian and US) operations<br>— CWB operations | | 51 $tCO_2e$ |
| **Scope 3: Category 6 (Business Travel)** | Table 12 | NBC, with the following exclusions applied:<br>— Cambodia operations<br>— Thailand operations<br>— CWB operations | | 4,731 $tCO_2e$ |
| **Scope 3: Category 15 (Financed Emissions)** | Table 15 | NBC, with the following exclusions applied:<br>— US Specialty Finance and International business segments<br>— CWB operations | Management developed criteria informed by *PCAF GHG Accounting and Reporting Standard Part A: Financed Emissions, Second Edition – December 2022*, as further described in *Appendix 6 (Table 37 and 38)* of NBC's Sustainability Report. | 17.3 $MtCO_2e$[1] |
| **Scope 3: Category 15 (Financed Emissions)** | Table 33 | CWB operations only | | 4.2 $MtCO_2e$[1] |

1 While reporting is part of the reporting period ended October 31, 2025, all financed emissions calculations are completed using balances as at October 31, 2024.

# Appendix 4 – CWB Operational and Financed Emissions

On February 3, 2025, the Bank completed the acquisition of CWB. The tables below present its carbon footprint.

**Table 31 – Retired CWB 2030 target**

| | CWB 2030 target |
|---|---|
| **Target** | 42% absolute reduction (market-based) |
| **Timeframe** | 2022-2030 |
| **Geographical areas** | Canada |
| **Scopes** | Scope 1<br>Scope 2 |
| **Pathway** | Science Based Targets initiative's (SBTi) Absolute Contraction Approach, which aims to limit global warming to 1.5°C |

| Target | 2025 result compared to 2022 |
|---|---|
| 42% absolute reduction in Scope 1 and 2 (market-based) by 2030 compared to 2022 | 29% absolute reduction in operational emissions (market-based) |

**Table 32 – CWB operational emissions as at October 31 ($tCO_2e$)[2]**

| GHG emissions | Notes[1] | 2025 | 2022 |
|---|---|---|---|
| Scope 1 | 2.5 | 2,194* | 2,339 |
| Scope 2 (location-based) | 2.6 | 2,033* | 3,614 |
| **Total Scope 1 & 2 emissions (location-based)** | – | **4,227** | **5,953** |
| Scope 2 (market-based) | 2.6 | 2,033* | 3,614 |
| **Total Scope 1 & 2 emissions (market-based)** | – | **4,227** | **5,953** |

* This metric has been subject to limited assurance, refer to Appendix 3 for additional information.

1 The notes referenced are in **Appendix 6** and integral to understanding our operational emissions.
2 Refer to notes 1.1 to 1.5 from the CWB 2030 target column, in Appendix 6, for the scope of this target and 2025 associated results.

**Table 33 – CWB financed emissions as at October 31, 2024**

| Sector | Gross loans[1] ($M) | Coverage[2] | Financed emissions Scope 1 and 2 ($MtCO_2e$) | Average PCAF data quality score Scope 1 and 2 | Financed emissions Scope 3 ($MtCO_2e$) | Average PCAF data quality score Scope 3 | Portfolio–wide intensity[3] ($tCO_2e$/$M) |
|---|---|---|---|---|---|---|---|
| **Retail** | **6,252** | **100%** | **0.1** | **4.4** | **–** | **–** | **16** |
| Residential Mortgages | 6,248 | 100% | 0.1 | 4.4 | – | – | 10 |
| Motor Vehicle Loans[4] | 4 | 100% | 0.0 | 3.2 | – | – | 98 |
| **Non–Retail** | **25,499** | **84%** | **3.4** | **4.3** | **–** | **–** | **161** |
| Commercial Real Estate | 10,551 | 69% | 0.2 | 4.5 | – | – | 19 |
| Agriculture | 1,455 | 100% | 1.2 | 4.4 | – | – | 825 |
| Utilities[5] | 360 | 99% | 0.2 | 4.4 | – | – | 556 |
| Transportation | 2,337 | 100% | 0.7 | 4.5 | – | – | 300 |
| Oil & Gas | 997 | 100% | 0.6 | 4.0 | 0.7 | 4.2 | 1,304 |
| Mining | 123 | 100% | 0.1 | 4.2 | 0 | 4.2 | 813 |
| Manufacturing – Iron and steel[6] | 6 | 100% | 0 | 4.6 | – | – | 0 |
| Manufacturing – Aluminum[7] | 1 | 100% | 0 | 4.3 | – | – | 0 |
| Manufacturing – Cement[8] | 0 | 100% | 0 | 4.3 | – | – | 0 |
| All Other Non–Retail sectors | 9,669 | 99% | 0.5 | 4.4 | – | – | 52 |
| **Total** | **31,751** | **87%** | **3.5** | **4.3** | **0.7** | **4.2** | **132** |

| **2024 Total Financed emissions Scope 1, 2 and 3** | **4.2 $MtCO_2e$*** |
|---|---|

* This metric has been subject to limited assurance, refer to Appendix 3 for additional information.

1 This amount includes assets within the scope of PCAF methodology for which financed emissions have been calculated. Refer to Appendix 6 for more detail on exclusions. As such, these values will not reconcile with the CWB other public financial disclosures.
2 This represents the share of gross loans for which financed emissions were quantified across the following PCAF asset classes: business loans, project finance, commercial real estate, motor vehicle loans, and residential mortgages. Refer to Appendix 6 for more detail on exclusions and data limitations.
3 This represents the total absolute financed emissions for Scope 1, 2 and 3 in tonnes of carbon dioxide equivalent divided by the amount of gross loans in millions of dollars.
4 This includes direct and indirect lending to retail clients (including loans through automotive dealerships) limited to on-road vehicles.
5 The power generation and pipeline subsectors are classified under the Utilities Basel asset class.
6 This includes smelting and foundry activities and product manufacturing.
7 This includes the primary production of alumina and aluminum, rolling, drawing, extrusion and alloying.
8 This also includes the manufacturing of concrete products.

# Appendix 5 – Global Operational Emissions Footprint

**Table 34 – Global emissions footprint as at October 31, 2025 ($tCO_2e$)[1, 2]**

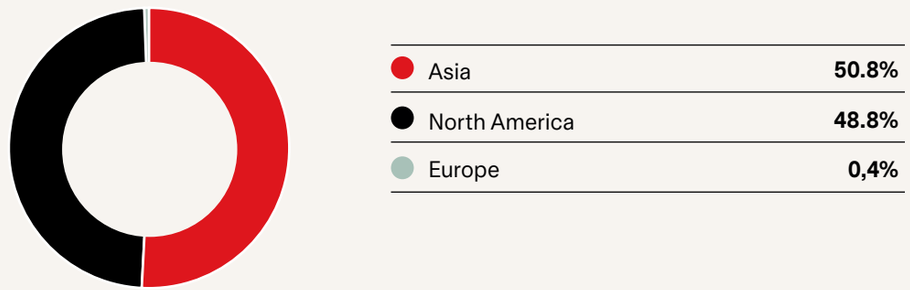
| GHG emissions | Notes[3] | 2025 | 2024 |
|---|---|---|---|
| Scope 1 | 2.5 | 4,455 | 2,640 |
| Scope 2 (location-based) | 2.6 | 18,314 | 13,422 |
| **Total Scope 1 & 2 emissions (location-based)** | – | **22,769** | **16,062** |
| Scope 2 (market-based) | 2.6 | 17,720 | 13,422 |
| **Total Scope 1 & 2 emissions (market-based)** | – | **22,175** | **16,062** |
| Scope 3 | | | |
| Category 1: Purchased goods and services (paper only) | 2.7 | 1,703 | 2,008 |
| Category 3: Fuel and energy-related activities | 2.8 | 16,100 | 9,049 |
| Category 6: Business travel | 2.9 | 6,347 | 4,109 |
| **Total Scope 3 emissions reported** | – | **24,150** | **15,166** |

**To learn more about the methodology and scope of the calculations above, refer to Appendix 6.**

To offset a portion of these emissions for fiscal year 2025, the Bank purchased 25,463 carbon credits certified (equivalent to $tCO_2e$) according to the VCS (Verified Carbon Standard).

At this time, we are disclosing only selected Scope 3 emissions categories. This approach reflects our commitment to transparency while we continue to evaluate which Scope 3 categories are most applicable to the Bank's operations and work to enhance our data collection processes and the overall quality of our emissions data. As our assessment and data management capabilities mature, we will consider expanding the scope of our disclosures accordingly.

**Figure 14 – Global operational emissions footprint by continent ($tCO_2e$)**




## Next steps

Our subsidiary ABA Bank in Cambodia currently contributes approximately half of the Bank's total operational emissions (figure 14). It poses unique challenges for emissions reductions, largely due to the rapid growth of the business in recent years and the region's high-emitting electricity grid, which is reflected in the emission factors that are used for this region. The Bank is exploring opportunities for positive and sustainable impact in the region, considering the local government's ambitious renewable energy strategies.

1 The 2024 results exclude the impact of CWB. The 2025 results include CWB.
2 Refer to note 2.2 in Appendix 6 for the boundary associated with this calculation, as well as 2025 and 2024 associated results.
3 The notes referenced are in Appendix 6 and integral to understanding our operational emissions.

# Appendix 6 – Operational and Financed Emissions Methodology

## Operational emissions methodology

**Table 35 – Information about the methodology used to set operational emissions reduction targets**

| Note | | NBC 2025 target (Table 12, p.36) | CWB 2030 target (Table 32, p.100) | New 2030 target (Table 13, p.37) |
|---|---|---|---|---|
| 1.1 | **Framework** | Respective absolute contraction targets were set leveraging the most recent guidance provided by the SBTi at the time the target was set, which aims to limit global warming in line with a 1.5°C pathway. | | **An absolute contraction target was set leveraging the most recent IPCC ranges, which aim to limit global warming in line with a 1.5°C pathway for North America.** |
| 1.2 | **Scope and boundary** | This target covers Scope 1, 2 and 3 emissions. Scope 3 emissions only include employee business travel and paper purchases as part of the supply chain. This target includes our activities in North America (excluding CWB) and our international activities (excluding those in Cambodia and Thailand). | This target covers Scope 1 and 2 emissions. This target includes all CWB activities, which are all based in Canada. | **The emissions boundary applicable to the target covers our operations in North America (including CWB, excluding all our international activities such as Cambodia and Thailand), which include CWB, aligning it with our core business activities.** |
| 1.3 | **Baseline year** | 2019 was selected as the baseline year, since it was the first year for which a complete and representative GHG inventory was calculated. | 2022 was selected as the baseline year, since it was the first year for which a complete GHG inventory was calculated and subject to limited assurance. It also marked a return to “business as usual” under hybrid work policies following the pandemic. | **The year 2022 was established as the baseline year for this target, due to the accessibility and quality of data related to CWB. It marked a return to “business as usual” under hybrid work policies following the pandemic.** |
| 1.4 | **Target and year** | 25% reduction by 2025 | 42% reduction by 2030 | **42% reduction by 2030** |
| 1.5 | **Target-setting method** | Absolute Scope 1, 2 and 3 emissions (location-based) | Absolute Scope 1 and Scope 2 emissions (market-based) | **Absolute Scope 1 and Scope 2 emissions (market-based)** |

The methodology below applies to both the Bank and CWB.

**Table 36 – Information about the methodology used to calculate operational emissions**

| Note | | Methodology |
|---|---|---|
| 2.1 | **Framework** | The Bank's GHG inventory is prepared informed by The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), The Greenhouse Gas Protocol: Scope 2 Guidance, and The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard. |
| 2.2 | **Organizational boundaries** | The operational control approach is used to define the organizational boundary for our global carbon footprint reported in Appendix 5. Under this approach, we include all operations over which the Bank has operational control, including subsidiaries in the United States, Ireland, Cambodia and Thailand. Refer to note 1.2 of this appendix for the scope and boundaries of our targets. |
| 2.3 | **Reporting period** | November 1, 2024 to October 31, 2025 |
| 2.4 | **Greenhouse gases** | The six GHGs covered in the report and prescribed by the GHG Protocol are carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride ($SF_6$). GHG emissions are reported in $CO_2e$ and are calculated based on the emission factors specific to each type of activity and the global warming potentials (GWP) of each GHG based on the IPCC Fifth Assessment Report, 2014 (AR5). |
| 2.5 | **Direct emissions – Scope 1** | GHG emissions from sources owned or controlled by the Bank including (where applicable):<br>— Fuel consumption from stationary combustion of fuels for systems<br>— Heating, ventilation and air conditioning (HVAC)<br>— Fuel combustion from the Bank's vehicle fleet<br>— Fugitive emissions of refrigerant gases related to the use, installation and dismantling of air conditioning equipment in our buildings and air conditioning systems for the automobile fleet<br>Actual consumption data is collected where available to calculate GHG emissions. When unavailable, consumption is estimated based on regional averages of actual data from the Bank's portfolio.<br>Refrigerant data is estimated based on leakage rate assumptions proposed by the GHG Protocol screening method. Actual data is derived from measurements taken during annual inspections. |
| 2.6 | **Indirect emissions – Scope 2** | GHG emissions caused indirectly by the Bank due to its consumption of electricity and steam generated by the electricity and steam supplier:<br>— Purchase of electricity and steam: Consumption of electricity and steam for HVAC systems, heating and lighting, etc.<br>Actual consumption data is collected where available to calculate GHG emissions. When unavailable, consumption is estimated based on regional averages of actual data from the Bank's portfolio.<br>Location-based: Emissions are calculated based on the average emission intensity of the grid where the energy is consumed. This method mainly uses grid-average emission factor data.<br>Market-based: Emission factors are determined from contractual instruments, such as RECs where applicable. |

| Note | | Methodology |
|---|---|---|
| 2.7 | **Scope 3, Category 1: Purchased goods and services (paper purchases only)** | GHG emissions related to paper purchased for in-office use based on the quantity of paper purchased. Cost and average weight per sheet are used to convert expenses into the total quantity of paper purchased for the period. |
| 2.8 | **Scope 3, Category 3: Fuel and energy related activities** | GHG emissions caused indirectly by the Bank during the production of electricity, natural gas, heating oil, wood pellets and steam, as applicable, are derived from the energy consumption used to calculate Scope 1 and 2 emissions. |
| 2.9 | **Scope 3, Category 6: Business travel** | GHG emissions related to business travel include employee travel by air, train, rental car, bus, taxi or personal vehicle for business purposes. GHG emissions are calculated based on actual kilometres where the data is available, or estimates of distance based on travel spend where actual distance is unavailable. |
| 2.10 | **Emission factors** | Natural gas, light fuel oil and diesel emission factors for Canada were obtained from the Environment and Climate Change Canada (2025) National Inventory Report 1990-2023: Greenhouse Gas Sources and Sinks in Canada, Part 2, Annex 6. We use the latest non-preliminary values provided in the report.<br>Electricity emission factors for Canada were obtained from the Environment and Climate Change Canada (2025) National Inventory Report 1990-2023: Greenhouse Gas Sources and Sinks in Canada, Part 3, Annex 13. We use the latest non-preliminary values provided in the report.<br>Electricity emission factors for other countries were obtained from the IEA or the applicable local energy agency and are for the most recent year available.<br>For paper purchases in Canada, the emission factor was developed by third-party consultants based on a study representative of paper production in Quebec. For paper purchases in the United States, the emission factor was obtained from the Environmental Paper Network Paper Calculator (2025).<br>Fuel and energy-related activities emission factors were obtained from the ecoinvent v3.11 database.<br>Business travel emission factors were obtained from the US Environmental Protection Agency (EPA) (2025).<br>Emission factors are updated annually to leverage the latest available information. |

## Financed emissions methodology

The methodology below is applied to financed emissions calculations, as presented on page 41 for the Bank and in Appendix 3 for CWB unless noted otherwise. Financed emissions are always calculated by multiplying an attribution factor (specific to an asset class) by the emissions of the client. The attribution factor is defined as the share of total annual GHG emissions of the client(s) that are allocated to the loan(s).[1]

**Financed Emissions** = $\sum$ **Client's absolute emissions** X **Attribution factor**

**Attribution factors by PCAF asset class:**

| | | |
|---|---|---|
| **Residential mortgages** | : | $\frac{\text{Outstanding amount}}{\text{Property value at origination}^{2}}$ |
| **Commercial real estate** | : | $\frac{\text{Outstanding amount}}{\text{Property value at origination}^{3}}$ |
| **Business loans** For public companies: | : | $\frac{\text{Outstanding amount}}{\text{EVIC}^{4}}$ |
| **Business loans** For private companies: | : | $\frac{\text{Outstanding amount}}{\text{Total equity and debt}^{5,6,7}}$ |
| **Motor vehicle loans** | : | $\frac{\text{Outstanding amount}}{\text{Vehicle value at origination}^{8}}$ |
| **Project finance** | : | $\frac{\text{Project outstanding amount}}{\text{Project total equity and debt}^{5,6,7}}$ |

1 PCAF (December 2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition, p. 40.
2 When the property value at origination is unavailable, the Bank uses the revised property value from the most recent renewal. When this information is unavailable, the Bank estimates the property value by dividing the committed amount at loan origination by 95%.
3 When the property value at origination is unavailable, the latest property value at the time the loan is first included in the financed emissions calculation. This valuation is not further revised (if there is no refinancing). When this information is unavailable, the Bank estimates the value by dividing the committed amount at loan origination by 75%.
4 The EVIC (Enterprise Value, Including Cash) is defined as the sum of the market capitalization of ordinary shares at fiscal year-end, the market capitalization of preferred shares at fiscal year-end, and the book values of total debt and minorities' interests as informed by PCAF guidance.
5 If total debt and total equity can't be obtained from a client or a project's balance sheet, we use the total balance sheet value (i.e., the sum of total equity and liabilities, which is equal to total assets) as informed by PCAF guidance.
6 If total equity is negative, total equity is set to 0 as informed by PCAF guidance.
7 If the denominator can't be assessed, the attribution factor is set to 100%.
8 The vehicle value at origination is estimated by using the initial committed amount.

The Bank applies the following principles to calculate its clients' emissions according to five levels of quality as presented in the table below:

**Table 37 – PCAF data quality considered to evaluate clients' emissions**

| PCAF data quality score | Business loans | Project finance | Commercial real estate[1] | Residential mortgages | Motor vehicle loans |
|---|---|---|---|---|---|
| **1-2** | Verified or not-verified reported emissions | | Building energy consumption combined with emission factor specific to the energy source | Not used in the current methodology | Not used in the current methodology |
| **3** | Physical activity-based emission factors internally developed for specific sectors: oil and gas producers[1], power generation[1] and dairy agriculture[2] | | Not used in the current methodology | Not used in the current methodology | Vehicle-year based factors (from PCAF Exiobase) using vehicle make-and-model and location[3] |
| **4** | Economic-based emission factors (from PCAF Exiobase) using average revenue-based emission factors applied to the client's total revenues[4, 5] | Economic-based emission factors (from PCAF Exiobase) using average revenue-based emission factors to the project's total revenues[4, 6] | Internally developed estimate based on floor area, building type and location data | Building-based emission factors (from PCAF Exiobase) using actual floor area, building type and location | Vehicle-year based emission factors (from PCAF Exiobase) using vehicle type and location[7] |
| **5** | Economic-based emission factors (from PCAF Exiobase) using average assets-based emission factors on client's outstanding amount | Economic-based emission factors (from PCAF Exiobase) using average assets-based emission factors on the project's outstanding amount | Internally developed estimate based on building type and location data | Building-based emission factors (from PCAF Exiobase) property type, number of units and location[8] | Not used in the current methodology |

We recognize the importance of improving data quality. We remain committed to working with our peers to improve methodologies and the accuracy of emissions information as data and industry practices evolve.

1 Refer to pages 109-110 for more details on target methodologies.
2 For dairy agriculture sub-sector, the Bank developed an internal physical-based emission factor using the Fat and True Protein Corrected Milk calculation (FPCM) defined in the International Dairy Federation (IDF) global Carbon Footprint standard for the dairy sector applied on milk production data obtained or estimated from our clients.
3 The Bank does not have information on the fuel type for each vehicle. As a result, for each make and model combination, the Bank applies the most emissive emission factor. This approach allows the Bank to retain a data quality score of 3.
4 For the electric power generation sub-sector, the Bank uses internal economic-based emission factors.
5 When total revenues can't be obtained from the client, the Bank uses total assets and maintains a quality score of 4 if and only if the denominator of the attribution factor is calculated.
6 When total revenues can't be obtained from the project, the Bank uses total assets and maintains a quality score of 4 if and only if the denominator of the attribution factor is calculated.
7 The Bank uses heavy-vehicle emission factors as proxy to estimate emissions for recreational vehicles.
8 When information on the number of housing units is unavailable, the Bank estimates it using internal statistics by property type.

**Table 38 – Additional Information on the methodology used to calculate financed emissions**

| Components of the methodology | Description |
|---|---|
| **Data and sources** | — The 2024 financed emissions calculation incorporates the following elements:<br>• Gross loans and client profile as at October 31, 2024.<br>• Market capitalization for publicly traded companies evaluated as at October 31, 2024.<br>• Financial statements (e.g. total assets, debt, equity, revenues) and other client information collected internally (e.g. GHG emissions, production data) are evaluated as at 2024. This information is subject to a maximum reporting lag of two years as informed by PCAF.<br>• Other client-reported information sources: CDP, Sustainalytics. This information is subject to a maximum reporting lag of two years as informed by PCAF. |
| **PCAF data quality** | — Financed emissions calculations follow the PCAF Global GHG Accounting and Reporting Standard Part A: Financed Emissions, Second Edition – December 2022.<br>— Each emissions estimate for Scopes 1, 2, and 3 is assigned a PCAF data quality score (1–5) to reflect reliability[1]. As we don't separate Scope 1 and 2 financed emissions in the reporting, if different data quality scores are obtained for Scope 1 and 2 emissions, the lower quality score is applied consistently for both Scope 1 and 2 as informed by PCAF.<br>— PCAF Exiobase specific application:<br>• For business loans and project finance, the Bank uses in its calculation the sectoral average economic activity-based emission factors associated to advanced economies (updated as at March 2025). These factors were converted from euros to Canadian dollars and adjusted for inflation as informed by PCAF.<br>• For motor vehicle loans, the Bank uses emission factors updated in March 2025 and uses March 2023 emission factors only when data gaps occur or when certain vehicle types are not covered in the 2025 dataset. |
| **Exclusions/Limitations** | — Exposures associated with our US Specialty Finance and International (USSF&I) business segment (primarily ABA Bank, Credigy and NatBank), is not currently included in financed emission calculations.<br>— Certain exposures are excluded from the financed emissions calculations; some improvements are expected in future reporting:<br>• Projects under construction due to limitations in adequately assessing upstream third–party emissions for projects.<br>• Off-road vehicles.<br>• CWB loans related to land banking and development.<br>• On-balance sheet investments, sovereign debt, equity and corporate bonds.<br>• Assets held for short duration and trading.<br>— The following exposures are excluded from the financed emissions calculation as they fall outside the scope of the PCAF Global GHG Accounting and Reporting Standard Part A: Financed Emissions, Second Edition – December 2022:<br>• Home equity line of credit and other retail exposure (e.g. credit cards, personal lines of credit, RRSP).<br>• Derivatives.<br>• Private investments.<br>— The Bank acknowledges that client-reported emissions data may be subject to updates over time as methodologies evolve and clients refine their reporting practices. These changes are expected in the normal course of disclosure and remain outside the Bank's direct control. |

1 Scope 3 financed emissions calculations were only performed for the Oil and Gas and Mining sectors. For power generation clients, Scope 2 emissions are captured only when they are publicly disclosed by the client.

## Oil and Gas Producers

The Bank calculates its intensity based on the client's financed emissions, in carbon dioxide equivalent per terajoules of their energy produced, weighted by their share of the total oil and gas producers outstanding amount covered by the target. This metric provides an indication of the financial exposure of the Bank's loan book to higher or lower carbon emitting clients.

$$\text{Loan-weighted average emission intensity} = \sum \frac{\text{Client's outstanding amount}}{\text{Total oil and gas producers outstanding amount}} \times \frac{\text{Client's financed emissions}}{\text{Client's oil and gas production}}$$

Scope 1, 2 and 3 emissions are obtained from client-reported emissions (e.g., CDP, Sustainalytics or public sources) when available[1] (PCAF quality score 1 and 2) or by using physical emission intensity estimates directly from oil and gas production (PCAF quality score 3):

| | |
|---|---|
| Scopes 1 and 2 | Emission intensity estimates were developed based on a representative sample of clients who disclose their emissions and their oil and gas production in barrel equivalent. |
| Scope 3 | Specific physical-intensity emission factors for oil and gas were developed using the distribution of the different product end uses (focusing on downstream refinement into specific fuels or petroleum-based products, as these are viewed to be most significant), the country of end consumption based on statistical data and fuel-specific emission factors[1]. |

## Commercial Real Estate

The Bank calculates its intensity based on emissions for each building[2] in carbon dioxide equivalent per square foot, weighted by its share of the total commercial real estate outstanding amount covered by the target.

$$\text{Loan-weighted average emission intensity} = \sum \frac{\text{Client's outstanding amount}}{\text{Total commercial real estate outstanding amount}} \times \frac{\text{Total building emissions}}{\text{Building floor area}}$$

Scope 1 and 2 emissions are obtained by multiplying the building energy consumption by the emission factor attributed to the respective energy source, according to the best data available:

| | |
|---|---|
| **Actual building emissions** (PCAF quality score 1 or 2) | Emissions are estimated using primary data on actual building energy consumption and supplier-specific emission factors or average emission factors specific to the respective energy source. |
| **Estimated building emissions based on floor area** (PCAF quality score 3 or 4) | Estimated building energy consumption per floor area is based on either official building energy code or certification and location-specific statistical data and floor area.<br>Emissions calculated using estimated building energy consumption and average emission factors specific to the respective energy source. |
| **Estimated building emissions based on number of buildings** (PCAF quality score 5) | Estimated energy consumption per building is based on the type of building, location-specific statistical data and the number of buildings.<br>Emissions calculated using estimated building energy consumption and average emission factors specific to the respective energy source. |

1 These calculations are representative of the Bank's best estimate, considering data availability, data quality, and sector specific considerations. The Bank has made certain assumptions related to the inputs into these calculations, and as data quality and methodologies evolve, these estimates may be subject to change. Sources of the data used include the National Inventory Report (NIR), the Canadian Association of Petroleum Producers (CAPP), Statistics Canada (StatCan), the US Energy Information Administration (EIA) and Environment and Climate Change Canada (ECCC).

2 The Bank relies on various public sources such as Natural Resources Canada (NRCan), NIR, US EPA, and Energy Star to estimate emissions based on available building characteristics.

## Power Generation

The Bank calculates its intensity based on client's or project's emissions, in carbon dioxide equivalent per megawatt-hour of electricity generated from the different energy sources, weighted by their share of the total commitment and equity investment covered by the target.

$$\text{Loan-weighted average emission intensity} = \sum \frac{\text{Commitment and equity investment of client or project}}{\text{Total commitment and equity investment of power producers}} \times \frac{\text{Client or project emissions}}{\text{Electricity produced by client or project}}$$

| | |
|---|---|
| **Reported emissions** (PCAF quality score 1 or 2) | Data obtained directly from the client or project (e.g., CDP, Sustainalytics and public reporting). |
| **Estimated emissions based on electricity production** (PCAF quality score 3) | Data obtained by multiplying electricity generated in megawatt-hours according to the energy source (e.g., gas, solar, wind, coal, nuclear, biomass) by its respective emission factor.[1] |
| **Estimated emissions based on economic factors** (PCAF quality score 4 or 5) | Data estimated from economic activity-based factors derived from annual revenues or assets associated with the company or project financed. |

1 The Bank developed its internal emission factor using public sources such as StatCan, national building and energy surveys (from Canada and the US), NIR, and the US EPA's Emission Factors Hub.

# Appendix 7 – Caution Regarding Forward Looking Statements

Certain statements in this report are forward-looking statements. These statements are made in accordance with applicable securities legislation in Canada and the United States. The forward-looking statements in this report may include, but are not limited to, statements set out in the messages from our management, as well as other statements made about the Bank's objectives, outlook, and priorities for fiscal year 2026 and beyond, the regulatory environment in which it operates, its sustainability strategy, environmental, social, and governance objectives, targets and commitments and actions that will be taken to achieve them, including with respect to inclusion, diversity and equity, its climate ambition and all the objectives related to its efforts toward transitioning to a low-carbon economy and the way to support its clients in this transition, the causes and potential impacts of climate change globally, its approach to identifying and managing climate-related risks and opportunities, the impacts of the integration of Canadian Western Bank (CWB), and certain risks to which the Bank is exposed. The Bank may also make forward-looking statements in various other documents and regulatory filings, as well as orally. These forward-looking statements are typically identified by verbs or words such as "outlook," "aim," "goal," "target," "objective," "believe," "foresee," "forecast," "anticipate," "estimate," "project," "expect," "intend," "commit" and "plan," in their future or conditional forms, notably verbs such as "will," "may," "should," "could" or "would" as well as similar terms and expressions.

The forward-looking statements contained in this report are intended to assist readers in understanding the Bank's vision, ambition and objectives related to sustainability and may not be appropriate for other purposes. Any commitments, objectives, goals and targets discussed in this report are aspirational, and there is a strong possibility that the Bank's express or implied predictions, forecasts, projections, expectations, or conclusions will not prove to be accurate, that its assumptions may not be confirmed, and that its vision, strategic objectives, and performance targets will not be achieved. The Bank cautions readers that these forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from the expectations, estimates, or intentions expressed in these forward-looking statements due to a number of factors. Therefore, the Bank recommends that readers do not place undue reliance on these forward-looking statements, as a number of factors could cause actual results to differ materially from the expectations, estimates, or intentions expressed in these forward-looking statements. Readers of this report should carefully consider the factors listed above concerning the Bank's forward-looking statements as well as other uncertainties and potential events, and the risk they entail. Except as required by law, the Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time, by it or on its behalf.

In establishing its sustainability-related goals and objectives, the Bank has relied upon various market practices, methodologies, standards, and climate scenarios available and made assumptions believed by the Bank to be reasonable as at the date thereof, such as ordinary rates of growth and development of the Bank's business, the current strategy and activities of the Bank, its geographical footprint, the size and scope of its operations, as well as current expectations, estimates and intentions. The Economic Review and Outlook section of the Bank's 2025 Annual Report, which may be updated in the quarterly reports to shareholders filed thereafter, details other assumptions considered in setting the forward-looking statements contained in this report.

These statements are subject to uncertainty and risks, many of which are beyond the Bank's control. Their future outcome is subject to a variety of risk factors, the impacts of which are difficult to predict. These risk factors include, among others: changes in the general economic environment and business and financial market conditions in Canada, the United States, and the other countries where the Bank operates, including the risk of recession; the adoption of measures affecting commercial relations between Canada and its partners, including the imposition of tariffs and the measures taken in response, as well as the possible impacts on our clients, our operations, and more generally, on the economy; exchange rate and interest rate fluctuations; inflation; global supply chain disruptions; higher funding costs and greater market volatility; changes made to fiscal, monetary, and other public policies; regulatory oversight and changes made to regulations that affect the Bank's business, including the evolution of sustainability-related regulations, guidelines, principles, and frameworks, and the Bank's compliance therewith; the uncertainty as to a standardized taxonomy regarding sustainability-related terms and as to standardized methodologies to classify activities and evaluate their impact; geopolitical and sociopolitical uncertainty; the Bank's ability to successfully integrate CWB, and potential undisclosed costs or liability associated with the acquisition; the impacts of the planned acquisition of certain portfolios of Laurentian Bank of Canada; climate change, including physical risks and those related to the transition to a low-carbon economy, including geopolitical factors that could impact local and global energy needs; stakeholder engagement and the Bank's ability to satisfy stakeholder expectations on environmental and social issues; decarbonization efforts across economies; the availability of comprehensive and accurate data from customers and other third parties, including GHG emissions and their decarbonization scenarios; the ability of the Bank to develop indicators to effectively monitor its advancements; the ability of the Bank to identify climate-related opportunities as well as to assess and manage climate-related risks; significant changes in consumer behaviour; the evolution of the Bank's lending portfolios over time; the Bank's ability to achieve its key short-term priorities and long-term strategies; the Bank's ability to develop and launch new products and services in a timely manner; the development and deployment of new technologies and sustainable products; third-party risks, including failure of third parties to comply with their obligations; the potential impacts of disruptions to the Bank's information technology systems; the possible impacts of major events affecting the economy, market conditions, or the Bank's outlook, including international conflicts, natural disasters, public health crises, and the measures taken in response to these events; and the Bank's ability to anticipate and successfully manage risks arising from all of the foregoing factors.

The foregoing list of risk factors is not exhaustive, and the forward-looking statements made in this report are also subject to the risks detailed in the Risk Management section of the Bank's 2025 Annual Report, which may be updated in the quarterly reports to shareholders filed thereafter.

## Additional Cautionary Statement Regarding Sustainability- and Climate-Related Disclosures and Important Notice

Because of the limitations and uncertainties inherent in sustainability- and climate-related risk analysis and reporting, certain statements made in this report use a significant number and level of assumptions and estimates, in addition to being made over long time frames.

Many of the assumptions, data, metrics, measurements, methodologies, scenarios, and standards, as well as the terminology used by the Bank to define certain concepts, continue to evolve and may differ significantly from those used by others, those that may be used by us in the future or those that may be subsequently mandated by government authorities or other standard setters to classify, measure, report, and verify information. Our climate ambition and risk analyses will also continue to evolve. Such evolution and changes could affect the assumptions and estimates used by us and the comparability of the information, as well as our ability to achieve our objectives, priorities, strategies, and commitments. As a result, certain disclosures made in this report could be amended, updated, or restated in the future as the quality and completeness of our data and methodologies continue to improve, and as market practices, standards, and regulations evolve. In addition, the Bank must rely on third-party data to provide estimates and assumptions, and some information, such as financed emissions, may need to be estimated. If any of these assumptions prove incorrect, it could have a material effect on the Bank's goals and objectives and its ability to meet them, at all or in the expected time frames.

The information contained in this report is unaudited. Certain indicators are extracted from Management's Discussion and Analysis and the Audited Annual Consolidated Financial Statements of the 2025 Annual Report. We have obtained an Independent Limited Assurance Report from Deloitte for certain information presented in this report. Refer to Appendix 3 for more detail.

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