

ANTI-SLAVERY AND HUMAN TRAFFICKING STATEMENT¹

INTRODUCTION

The Bank of Nova Scotia (“BNS” or “Scotiabank”) is a chartered bank under the Bank Act (Canada) and is regulated by the Office of the Superintendent of Financial Institutions.

BNS is a leading bank in the Americas. Guided by our purpose: "for every future", we help our customers, their families and their communities achieve success through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets. With a team of over 90,000 employees and assets of approximately \$1.1 trillion (as at October 31, 2020), Scotiabank trades on the Toronto Stock Exchange (TSX: BNS) and New York Stock Exchange (NYSE: BNS). Scotiabank Europe plc (“SBE”) is a wholly owned subsidiary of BNS that operates together with BNS London Branch. The combined staff of SBE and BNS London Branch (together “Scotiabank Europe”) is approximately 336 employees. Scotiabank Europe market and sell a range of banking products with their target market being large and mid-sized companies, banks, sovereign entities, supranational organisations and asset managers. Revenue is generated through a range of corporate and investment banking and capital markets products.

Scotiabank Europe’s business is organised into the following business lines: Corporate and Investment Banking, Global Business Payments, Group Treasury, Global Equities, Foreign Exchange, Fixed Income, and Commodities.

ANTI-SLAVERY AND HUMAN TRAFFICKING²

Scotiabank Europe seek to act ethically and with integrity in all their business relationships. Scotiabank Europe recognise the importance of combating slavery and human trafficking and have zero tolerance for modern slavery or human trafficking in their direct supply chains or in any part of their businesses and to put in place systems and controls to seek to safeguard against this.

¹ This Statement is made pursuant to section 54(1) of the Modern Slavery Act 2015, UK and constitutes the Slavery and Human Trafficking Statement for The Bank of Nova Scotia and Scotiabank Europe plc in respect of the financial year ending 31 October 2020.

² For the purposes of this statement, references to slavery and human trafficking are based upon the definition in the UK’s Modern Slavery Act 2015.

PROCESSES TO AVOID SLAVERY AND HUMAN TRAFFICKING

In 2016 BNS issued a global Human Rights Statement (“Statement”), which was revised in 2019, setting out our respect for human rights under the U.N. Guiding Principles for Business and Human Rights. The Statement is based on corporate-wide human rights due diligence undertaken by BNS. The Statement reinforces BNS’s and our subsidiaries’ human rights commitment to our workforce, as a financial services provider, as a business partner and our commitment to the communities in which we operate.

BNS continues to review and improve internal processes impacting Human Rights as set out in our Human Rights [Statement](#). To identify and mitigate risk, Scotiabank Europe undertakes due diligence procedures on new customers and direct suppliers, which are designed to identify and mitigate risk. These procedures are considered to identify the supplier and owner (s) of the customers and ensure that the requirements of the BNS Anti-Money Laundering / Anti-Terrorist Financing Program and a Global Sanctions Compliance Program are followed prior to any business being executed by or through Scotiabank Europe.

Business Lines are required to complete a risk assessment which includes determining whether there is any aspect of the supplier and / or services to be provided which could depart from the ethical standards of Scotiabank Europe.

BNS has an internal Code of Conduct that outlines our rules and expectations regarding proper business conduct and ethical behaviour of directors, officers and employees of BNS and our subsidiaries. The Code’s principles include the requirement to avoid a conflict of interest, to conduct oneself honestly and with integrity and to treat everyone fairly, equitably and professionally including customers, suppliers or service providers and employees. BNS requires all employees and directors of BNS, and of our subsidiaries, to provide annual written certification of their compliance with the Code of Conduct.

SCREENING OF CUSTOMERS

Scotiabank Europe are committed to ensuring that their products and services are not used in the furtherance of illicit activity and that activities are conducted with integrity and respect for regulatory, ethical and social responsibilities.

For new customers of Scotiabank Europe screening tools are used as part of the customer due diligence process; existing customers are similarly screened periodically as well. The customer on-boarding teams and management committees are all involved in this process. The Legal team reviews customer agreements and advises on the inclusion of wording with respect to modern slavery obligations.

BNS is a signatory to the Equator Principles, a set of internationally recognized, voluntary guidelines that establish standards in the banking industry for determining, assessing, managing and reporting environmental and social risks and impacts in projects. As a signatory, BNS complies with the requirements of the Equator Principles for all Project Finance Loans.

In relation to Scotiabank's precious metals business, from which Scotiabank Europe are exiting, BNS is a full member of both the London Bullion Market Association ("LBMA") and the London Platinum and Palladium Market ("LPPM"). BNS sources the majority of their metal from LBMA or LPPM Good Delivery List Refiners. The LBMA Good Delivery Refiners are subject to the Responsible Sourcing Guidance and the LPPM Good Delivery List Refiners are subject to the LPPM's Responsible Platinum/Palladium Guidance. This guidance is designed to combat systematic or widespread abuses of human rights, to avoid contributing to conflict, and to comply with high standards of anti-money laundering and combating terrorist financing practice.

ENGAGING WITH SUPPLIERS

BNS has a global Third Party Risk Management Policy which sets the principles, processes, and standards to be applied when Scotiabank enters into a Third Party arrangement.

The Third Party Risk Management Sub-Committee oversees Scotiabank Europe's risk management of internal and external third party providers of services and outsourced activities. Its responsibilities include the coordination of the implementation of the Third Party Risk Management Policy and framework in Scotiabank Europe and overseeing intragroup and external third party arrangements.

Scotiabank Europe have supplier due diligence requirements both at the outset and throughout a contract's term. These requirements consider the reputational risk of the activities being outsourced, or service being purchased, which includes compliance by the supplier with applicable laws and regulations.

Scotiabank Europe rely on the provision of services from a number of suppliers, which include the provision of cleaning and reception services, information technology and financial reporting. A due diligence process has been implemented for engaging suppliers and in relation to their on-going supplier relationships, which includes seeking conformation on compliance with slavery and human trafficking standards, as well as details of the steps that have been taken by the supplier in this respect.

The BNS Supplier Code of [Conduct](#), which was updated and strengthened in 2020, outlines the obligations third parties must comply with when conducting business with, or providing goods and services to, or acting on behalf of, Scotiabank world-wide. It includes provisions on modern slavery and human trafficking.

TRAINING AND CAPACITY BUILDING OF EMPLOYEES

BNS has in place systems to protect whistleblowers. A supplement to the Code of Conduct is the Whistleblower Policy and Procedures which are designed as a control to help safeguard the integrity of BNS's (and our subsidiaries') financial reporting, business dealings and to support adherence to the Code of Conduct. The Whistleblower Policy and Procedures deal with reporting concerns related to Financial Reporting, suspected fraudulent activity, breaches of the Code of Conduct and other compliance policies and retaliation or retribution against an



individual who reports a concern. Employees are encouraged to report issues of concern including human rights related concerns.

Financial Crimes Risk Management (“FCRM”) has the responsibility and mandate for the global Anti Money Laundering [program](#) and key functions which include sanctions, policy and standards, customer onboarding, partnerships and change/project management. In addition, FCRM Europe has extended responsibilities for countering the risk that Scotiabank Europe might be used to further Financial Crime – this includes Money Laundering, Terrorist Financing, Sanctions, Anti-Bribery and Corruption, Fraud, Cyber Crime, Tax Evasion, Slavery and Human trafficking.

The FCRM program and second line defences are designed to ensure we fulfil both our legal and moral obligations to deter Financial Crime, with significant enhancements having been made to the Europe FCRM framework to ensure the program remains robust, proportionate and sustainable.

Employees are required to undertake a Global Mandatory Learning Program which includes courses on Anti-Money Laundering and Integrity in Action.

GLOBAL PARTNERSHIPS

Scotiabank is involved in several Canadian and global partnerships to combat human trafficking. One such initiative is Project Protect, where Canada’s major banks joined forces to develop a comprehensive list of indicators to assist financial institutions with reporting requirements to the Government of Canada’s financial intelligence unit in identifying financial transactions and patterns of activities related to human trafficking that may give rise to suspicions of money laundering. Another initiative is the Financial Access Project, which helps ease re-entry into society for survivors of human trafficking. The Liechtenstein Initiative’s Finance Against Slavery and Trafficking (FAST) assembled a coalition of six survivor organizations and twelve global banks and tasked them to independently develop the Survivor Inclusion Initiative, a framework to provide access to basic financial services, including financial literacy. Scotiabank successfully piloted the Financial Access Project in 2019-2020 and is developing plans for expansion in Canada.

In 2020 Project Shadow was launched. It is a public-private partnership initiative co-led by Scotiabank and the Canadian Centre for Child Protection to combat online child exploitation. The objective of the project is to improve the collective understanding of the threat, and to improve the detection of the facilitation and laundering of the proceeds from online child sexual exploitation. In November 2019 the Organization for Security and Co-Operation in Europe (“OSCE”) unveiled a comprehensive resource guide entitled “Following the Money: Compendium of Resources and Step-by-Step Guide to Financial Investigations into Trafficking in Human Beings.” Significant contributions were made by Scotiabank Financial Crimes Risk Management subject-matter experts to the guide. The OSCE report was acknowledged by Polaris, the largest US-based non-governmental organization supporting survivors of human trafficking, as a leading document within the financial crimes industry.



As part of BNS's commitment to continuous improvement in this space an external consultant was engaged in 2020 to review Scotiabank's Modern Slavery Act Statement. This 2020 Statement takes into account some of the recommendations of the independent review.

This statement was approved by the Board of BNS on 26 January 2021 and by the Board of SBE on 11 December 2020 and is published on the BNS website.

A handwritten signature in blue ink, appearing to be "A. Ramsay".

Director

Scotiabank Europe plc

A handwritten signature in black ink, appearing to be "A. Ramsay".

Director

The Bank of Nova Scotia