

# Chair of Senior Executive ESG Council message

In 2022, we continued to execute on our ESG strategy and contribute to a more secure, equitable, and sustainable future.



Building on this momentum, in 2023, we will remain responsive through stakeholder engagement and strategic partnerships, further integrate ESG across all areas of our bank, and strengthen accountability through enhancements to our ESG governance framework. This will enable us to be well prepared for emerging developments, regulations, and evolving stakeholder expectations.

- **Staying informed through strategic partnerships and stakeholder engagement:** The development of sectoral, national, and global frameworks is a critical step in creating consistency and accountability to drive collective ESG progress. We anticipate that new ESG-related standards and regulations will be announced and formalized in the coming year. As these are finalized, we plan to stay informed through stakeholder engagement, and share our perspectives through participation in key partnerships, industry associations, and councils, such as the Sustainable Finance Action Council, the Taskforce on Nature-related Financial Disclosures, the Net-Zero Banking Alliance, and RMI's Center for Climate-Aligned Finance. Our thoughtful contribution to the broader sustainability ecosystem enables us to amplify our impact by partnering with organizations that are aligned with our values and committed to achieving meaningful ESG progress.
- **Strengthening enterprise-wide alignment through our ESG governance framework:** We recognize that there are increasing expectations for businesses to report on accurate and consistent information. In 2022, we introduced additional processes and controls through our ESG Disclosure Review Framework to support high-quality, accurate, and timely disclosure on our ESG priorities and performance, in order to maintain credibility with stakeholders. We will continue to enhance our governance processes in the next year, further integrating ESG across our strategic business units,

functional groups, and regions, to increase connectivity, foster accountability, and improve transparency.

Our Board of Directors is well-prepared to oversee our ESG strategy. We will leverage the previous learnings provided to our parent, regional, and subsidiary Boards, through our ESG Director Development program, with a new series examining the intersection between environmental and social issues, such as energy affordability and security. Drawing on external expertise, as required, our program will capture diverse viewpoints and reflect current and emerging ESG themes.

- **Remaining responsive through our ESG strategy:** Our ESG strategy intentionally reflects our stakeholders' priorities. To accelerate climate action and realize progress toward our 2050 net-zero ambition, our teams will support clients in their decarbonization journeys through advisory and innovative market-based solutions, while also managing our exposure to high-emitting sectors and climate-related risks. In 2023, we will report on progress toward our financed emissions targets in our oil and gas and power generation portfolios, and will announce interim targets for additional portfolios.

We are committed to removing barriers to ambition for the next generation of leaders across all of the communities we serve. We will continue to upskill our workforce to expand their current capabilities and reskill them to be future-ready. To create access to opportunities for underserved and underrepresented communities, our focus will be on expanding our inclusive banking strategy including improving our Indigenous Housing Loan Program (IHLP), in consultation with First Nations leadership, and building on the success of our Black Entrepreneur Program (BEP). The BEP supports entrepreneurs in the Black community to achieve their ambition of starting, running, and growing their businesses.

In the last few years, we've introduced more opportunities for our clients to deal with us digitally. We play a trusted role by being accountable, transparent, and responsible in how we use, protect, and manage our client data in an increasingly digital era. In 2023, to support our focus on building integrity and trust, our aim is to make progress toward full deployment of our innovative data ethics program and broaden our focus to trustworthy Artificial Intelligence. We are taking meaningful steps to mitigate potential risks of bias and inconsistent ethics in preparation for forthcoming regulatory developments. This work has tangible implications for our clients, our bank, and our shareholders.

We enter 2023 with confidence that our bank is well positioned for another year of progress to capitalize on the momentum we've achieved in 2022. We have a clear ESG strategy that will remain flexible and evolve in response to our strategic partnerships and ongoing stakeholder engagement.

Our foundational, purpose-driven commitment to ESG will continue into 2023 and our goal of creating value for our stakeholders will remain constant. We look forward to keeping our stakeholders informed of our progress throughout the year, in our next annual Sustainability Report, and other ESG disclosures.



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