

2021 ESG Report

2021 Environment, Social,
and Governance (ESG)
Report and Public
Accountability Statement



Seeing beyond numbers.™

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2021 Highlights

At Laurentian Bank, we are undertaking ESG initiatives that are focused on building up pride among our employees, trust with our customers and value for our shareholders. With each step forward, we believe we are making a difference. Highlights from the 2021 fiscal year include:

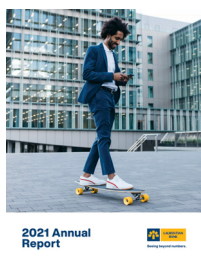
Environment	Sustainable Products and Cleaner Technologies	<ul style="list-style-type: none"> Laurentian Bank Securities participated in the financing of over \$6.3 billion in green and sustainable bonds to help fund key eco-friendly projects. 	<ul style="list-style-type: none"> Launched Equity-linked ActionGIC product with ESG focus and two new ESG-related Mackenzie Funds.
	GHG Emissions and Environmental Impacts	<ul style="list-style-type: none"> Disclosed estimated Scope 1 and 2 Greenhouse Gas (GHG) emissions. 	<ul style="list-style-type: none"> Continued to consider environmental factors in our locations, operations, and partnerships. Planted 500 trees across the country in support of Tree Canada's reforestation efforts through its National Greening Program.
Social	Equity, Diversity, and Inclusion	<ul style="list-style-type: none"> Set measurable ED&I targets in leaders' scorecards to drive results and accountability. 	<ul style="list-style-type: none"> Continued progress on BlackNorth Initiative CEO Pledge, including rollout of unconscious bias training, community giving, and hiring a minimum of 5% of student workforce from Black community. Launched Courageous Conversations Initiative and three new Employee Resource Groups.
	Employer of Choice	<ul style="list-style-type: none"> Launched an employee engagement survey for the first time in 9 years. 	<ul style="list-style-type: none"> Surveyed all employees on work preferences. Announced hybrid and work from home first approach for Future of Work strategy. Improved employee benefits, including an enhanced Employee and Family Assistance Program and access to 24/7 telemedicine services.
	Customer Satisfaction and Financial Inclusion	<ul style="list-style-type: none"> Digital and tele-banking services expanded to serve customers remotely. 	<ul style="list-style-type: none"> Completed the implementation of the Seniors Code principles and published our first report from the Senior's Champion. Enhanced Net Promoter Score (NPS) engagement survey to gain insights from our customers in many of our business lines.
	Community Investment and Employee Volunteering	<ul style="list-style-type: none"> Provided donations to almost 70 local organizations chosen by employees through new grassroots giving campaign, "Laurentian Bank in the Community". 	<ul style="list-style-type: none"> Proudly donated 138 pieces of art from our own collection – valued at nearly \$200,000 – to a number of museums, hospitals, galleries and foundations.
Governance	ESG Governance	<ul style="list-style-type: none"> Revised the mandates of the Board of Directors and Board Committees to include oversight of ESG. 	<ul style="list-style-type: none"> Established a new CEO-led governance structure for ESG and climate topics at the Bank.
	Board Composition and Executive Compensation	<ul style="list-style-type: none"> Leader in Board Diversity exceeding the 30% threshold, with equal gender representation among independent Board members for the past three years. 	<ul style="list-style-type: none"> 60% of the independent directors have been appointed over the last 5 years. ESG targets added to all leaders' scorecards linking ESG strategy and initiatives directly to their performance.
	Environment and Social Risk Management	<ul style="list-style-type: none"> Conducted a climate risk assessment on our commercial loan and residential mortgage portfolios at the sector level. 	<ul style="list-style-type: none"> Disclosed first full report on Task Force for Climate-Related Financial Disclosures (TCFD) recommendations.
	Core Priorities	<ul style="list-style-type: none"> Continued to drive performance on core topics of Ethics & Integrity, Cyber Security, and Data Protection. 	<ul style="list-style-type: none"> Updated Employee Code of Ethics, Board Governance Policy, and Conflict of Interest Policies. Launched Laurentian Bank Policies page on public website to improve transparency on ESG-related policies.

About this Report

This ESG Report includes information about Laurentian Bank of Canada (“Laurentian Bank” or “the Bank”) and its entities, including:

- Laurentian Bank of Canada
- B2B Bank Financial Services Inc.
- Laurentian Bank Securities
- B2B Bank Intermediary Services Inc.
- Laurentian Trust of Canada Inc.
- LBC Financial Services
- LBC Trust
- LBC Capital Inc.
- Laurentian Bank Insurance Inc.
- LBC Investment Management Inc.
- B2B Bank
- LBC Tech Inc.
- B2B Bank Securities Services Inc.
- Northpoint Commercial Finance
- B2B Trustco

This Report is a complement to:



The 2021 Annual Report

- The **2022 Management Proxy Circular**
- The **2021 Annual Information Form**

These three documents offer more information about the programs and policies mentioned. Past reports can be found on our [website](#).

Unless otherwise indicated, the information contained in this document pertains to fiscal 2021 (November 1, 2020 through October 31, 2021) and all dollar amounts are in Canadian funds. The content of this report is informed by the findings of an ESG materiality analysis conducted in 2021. See page 14 for our materiality analysis.

We have begun to disclose metrics aligned with the Sustainability Accounting Standards Board (SASB) Industry Standards (see page 44) and with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) (see page 37). Additional detail on our ESG-related policies can be found in the [Laurentian Bank’s Policies page of our website](#).

This report includes our Public Accountability Statements, which outlines our contributions to the Canadian economy and society. These disclosures meet the requirements of the Canadian federal government’s Public Accountability Statement regulations adopted on March 21, 2002. These statements appear on pages 48-54.

Select HR data, marked by (✓) on page 55, has been third-party assured to a limited assurance level by Ernst & Young LLP. E&Y’s [Independent Limited Assurance Report](#) can be found on our website.

Une version de ce rapport est également disponible en français à banquelaurentienne.ca

Please submit any comments about this document to the Executive Office at: communication@laurentianbank.ca



Message from our CEO

Throughout 2021 – which marked Laurentian Bank’s 175th anniversary – our team remained dedicated to serving our valuable customers and maintaining our operations as we collectively navigated through the second year of the COVID-19 pandemic. Despite its challenges, this past year also saw many accomplishments as we reset and rebuilt the Bank. I am extremely proud that, in working together as One Team, we came out of the year stronger than ever.



A new purpose drives our strategic approach

At our recent Investor Day, on December 10, 2021, we were thrilled to unveil the Bank's new strategic plan and purpose:

“At Laurentian Bank, we believe we can change banking for the better. By seeing beyond numbers to bring hopes and dreams to life. Better begins when everyone feels like they belong and has the chance to thrive.”

Our new purpose is at the heart of our strategic approach toward Environmental, Social and Governance issues as well as the ESG framework that we are integrating throughout all areas of our business.

We are committed to increased transparency and prioritizing the importance of ESG within our organization through our engagement with stakeholders and our reporting. Over the past year, we have adapted our reporting and are proud to publish the Bank's first-ever ESG Report for the 2021 fiscal year.

A personal commitment which begins with governance

ESG is an area that I am personally committed to as it builds a lasting legacy for our current and future customers, shareholders and employees. To that end, earlier this year, I announced that I would be personally taking the lead as Laurentian Bank's ESG Champion, making myself directly accountable for our ESG strategy and to work closely with the Board on their ESG oversight mandates. As part of our ESG program governance structure, we established an Executive ESG Steering Committee and cross-functional Working Group with senior representatives from all business lines and departments, and have appointed our CFO as the lead of our internal TCFD taskforce. To oversee the implementation of this mandate, we created a new role and welcomed our new Assistant Vice President of ESG and Sustainability. Furthermore, this past year we added ESG and Equity, Diversity and Inclusion (ED&I) targets in all our leaders' scorecards, directly linking these initiatives to their performance and compensation.

Taking a customer-first approach through the pandemic

The COVID-19 pandemic endured in 2021 and the health and safety of our customers and employees remained our top priority. The reduced face-to-face interactions with our customers led us to expedite the expansion of tools that allowed us to serve our customers remotely, including implementing DocuSign for our Personal and Commercial

Banking customers, and launching the Bank's first-ever mobile app for Personal Banking customers, which was developed in under seven months.

Of course, delivering on our customers' banking needs also means listening and helping them mitigate financial impacts and hardships wherever possible. In addition to the support we provide our customers on a case-by-case basis, we play an important role in making a positive difference in areas that matter to our customers and communities. Affordable childcare, for example, was brought to the forefront throughout the pandemic and we were happy to hear the federal government's plans to build a Canada-wide system modelled on the province of Quebec's community-based program. Laurentian Bank has a long-standing lending program that helps finance publicly-funded daycares in Quebec and we are proud to be a part of supporting this important sector.

Finding ways to have a positive impact on the environment

As we heard at the COP26 summit in 2021, the world needs to move faster to address climate change and limit global warming to 1.5 degrees. We take our responsibility to be part of the solution seriously. At our December 10th Investor Day, Laurentian Bank announced its commitment to not directly finance the exploration, production or development of coal, oil and gas. At the same time, we are focusing on building out capabilities that will help support customers in the transition to a low carbon economy and build our share in related markets.

We are also proud of our increased role in the green bond market – having participated in the financing of over \$6.3 billion in green and sustainable bonds to help fund key eco-friendly projects. For our customers looking to integrate environmentally responsible investments into their portfolios, we launched two ESG-related Mackenzie mutual funds and a new ESG equity-linked GIC, called the Canadian Sustainability ActionGIC.

Supporting our employees and the communities where we operate

I truly believe that the right people and the right culture are the driving force behind a successful organization. Significant progress was made in 2021 to inspire and engage employees to work together as One Team. In addition to our new purpose, we recently unveiled new core values to guide all of our actions:

- We place our customers first
- We work together as One Team
- We act courageously
- We are results driven
- We believe everyone belongs

We also remain committed to listening and learning from our employees with open two-way communications. This past year we also launched three new Employee Resource Groups to encourage a more equitable, diverse and inclusive environment for our employees.

In terms of the health and well-being of our employees, we implemented and promoted a number of new initiatives in 2021, including improved benefits, physical and mental health activities and paid time off for COVID-19 vaccinations.

Laurentian Bank was active in our communities this past year and we proudly delivered on our commitments to our BlackNorth pledges, including hiring well over 5% of our student workforce from the Black community, and making a \$25,000 corporate donation to Groupe 3737 – an entrepreneurial innovation hub in Montreal’s Saint-Michel neighbourhood focused on diversity and inclusion. We also launched a new grassroots giving campaign – Laurentian in the Community – which empowered employees to choose local charitable or not-for-profit organizations to be the recipient of these donations.

Making the better choice

From the businesses we are in, to the people we hire and the suppliers we use, making the better choice is how we will live up to our values and integrate environmental, social and governance best practices in everything we do.

Rania Llewellyn

President and Chief Executive Officer

About Laurentian Bank

Founded in Montreal in 1846, Laurentian Bank helps families, businesses and communities thrive. Today, we have over 2,800 employees working together as One Team, to provide a broad range of financial services and advice-based solutions for customers across Canada and the United States. We drive results by placing our customers first, making the better choice, acting courageously, and believing everyone belongs.

Laurentian Bank. Seeing beyond numbers™

Our purpose

We believe we can **change banking** for the better. By seeing beyond numbers to **bring hopes and dreams** to life. Better begins when everyone feels like they belong and has the **chance to thrive.**

Our core values

We place our **customers first**
 We work together as **One Team**
 We act **courageously**
 We are **results driven**
 We believe **everyone belongs**

Our 5-Point Strategy

- Build One Winning Team
- Make Size Our Advantage
- Think Customer First
- Simplify
- Make the Better Choice

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Our Operations

Commercial Banking

Our Commercial Bank is the growth engine for the organization, offering our customers in-depth industry knowledge in four specialized areas of lending:

- Real estate financing;
- Equipment financing;
- Inventory financing; and,
- Commercial SME and Syndication.

This specialized approach, combined with our team's focus on customer-centricity, has led to long-term relationships and sustainable growth.

Personal Banking

Our One Personal Bank delivers an omni-channel experience for our 460,000+ customers:

- Branch Network – The Bank is proud of its 175-year roots and strong brand recognition in Quebec. Our Quebec-based branch network has evolved to a focused 100% advice model.
- Digital Banking – Through our digital-first approach, we offer Digital Banking products and services to customers across Canada and have recently improved our digital offering including the launch of our new mobile app.
- Advisors and Brokers channel – We are a leading provider of banking products and services to a strong network of financial advisors and mortgage brokers across Canada.

Capital Markets

Our Capital Markets division offers our customers appropriate, focused and value-added financial products and services at competitive prices through an efficient and diversified distribution network. Key activities include:

- Originating, selling and trading Canadian Equity and Fixed Income securities, including securitized products;
- Debt Capital Markets capability targeting government relationships across federal, provincial, municipal, corporate and related issuers;
- Leveraging deep relationships with our Commercial Banking customers to identify and pursue cross sell opportunities in our core verticals;
- Providing Structured Products Solutions;
- Institutional Services (custody and brokerage) to independent introducing brokers, portfolio managers and investment dealers;
- Foreign Exchange traded products (spot, forwards and options) to service our Commercial and Institutional customers; and,
- Wealth management services to individual investors.



Highlights

78 locations

in Canada and the
United States, including

58 branches

across Quebec

Total assets

\$45.1 billion



**Over
2,800**
employees

How we Listen

We are continuously engaging with our stakeholders to gain a deeper understanding of their interests and expectations so that we can ensure our operations and actions are aligned with their needs. Whether it's in our daily interactions, or by way of addressing key ESG topics, our stakeholders play an influential role in our business practices and strategy.

to

Stakeholders

Stakeholders	Ways we engage	
<p>Customers</p>	<ul style="list-style-type: none"> ▪ Websites and online banking ▪ Customer and telebanking services ▪ Secure tools to exchange confidential information via email ▪ Dedicated mailboxes ▪ Social media: Facebook, LinkedIn, Twitter, YouTube ▪ Ombudsman and complaints management processes 	<ul style="list-style-type: none"> ▪ Designated Seniors Champion ▪ Meetings, phone calls and email correspondence ▪ Customer surveys (Voice of the Customer) ▪ Posters and brochures ▪ Newsletters
<p>Employees</p>	<ul style="list-style-type: none"> ▪ In-person and virtual meetings between the CEO and other senior leaders with groups of employees from across the Bank ▪ Monthly meetings with leadership team ▪ Quarterly virtual town hall meetings ▪ Internal publications: CEO messages, weekly newsletters on corporate and business activities ▪ Intranet newsfeed for employees and managers ▪ Direct communications between employees and their managers, and with HR 	<ul style="list-style-type: none"> ▪ Ombudsman accessibility ▪ Voice of the Employee engagement surveys ▪ Employee Resource Groups and Courageous Conversations Series ▪ Topic-specific training such as compliance, unconscious bias, and workplace harassment, violence and discrimination prevention ▪ Whistleblower reporting hotline and established process for anonymous submissions
<p>Shareholders and investors</p>	<ul style="list-style-type: none"> ▪ Quarterly and annual financial results conference calls ▪ Annual meeting of shareholders ▪ Investor Day ▪ Meetings with financial analysts and investors ▪ Investor roadshows 	<ul style="list-style-type: none"> ▪ Management Proxy Circulars ▪ Annual Information Form ▪ ESG Report ▪ Annual and Quarterly Reports ▪ Laurentian Bank and all affiliated business lines websites
<p>General public and communities</p>	<ul style="list-style-type: none"> ▪ Public reports, including the Annual Report and ESG Report ▪ Regular contacts with the media ▪ Social media accounts: Facebook, LinkedIn, Twitter, YouTube 	<ul style="list-style-type: none"> ▪ Laurentian Bank and all affiliated business lines websites ▪ Activities related to donations and sponsorships
<p>Regulatory authorities</p>	<ul style="list-style-type: none"> ▪ Meetings, phone calls and email correspondence 	<ul style="list-style-type: none"> ▪ Regulatory submissions

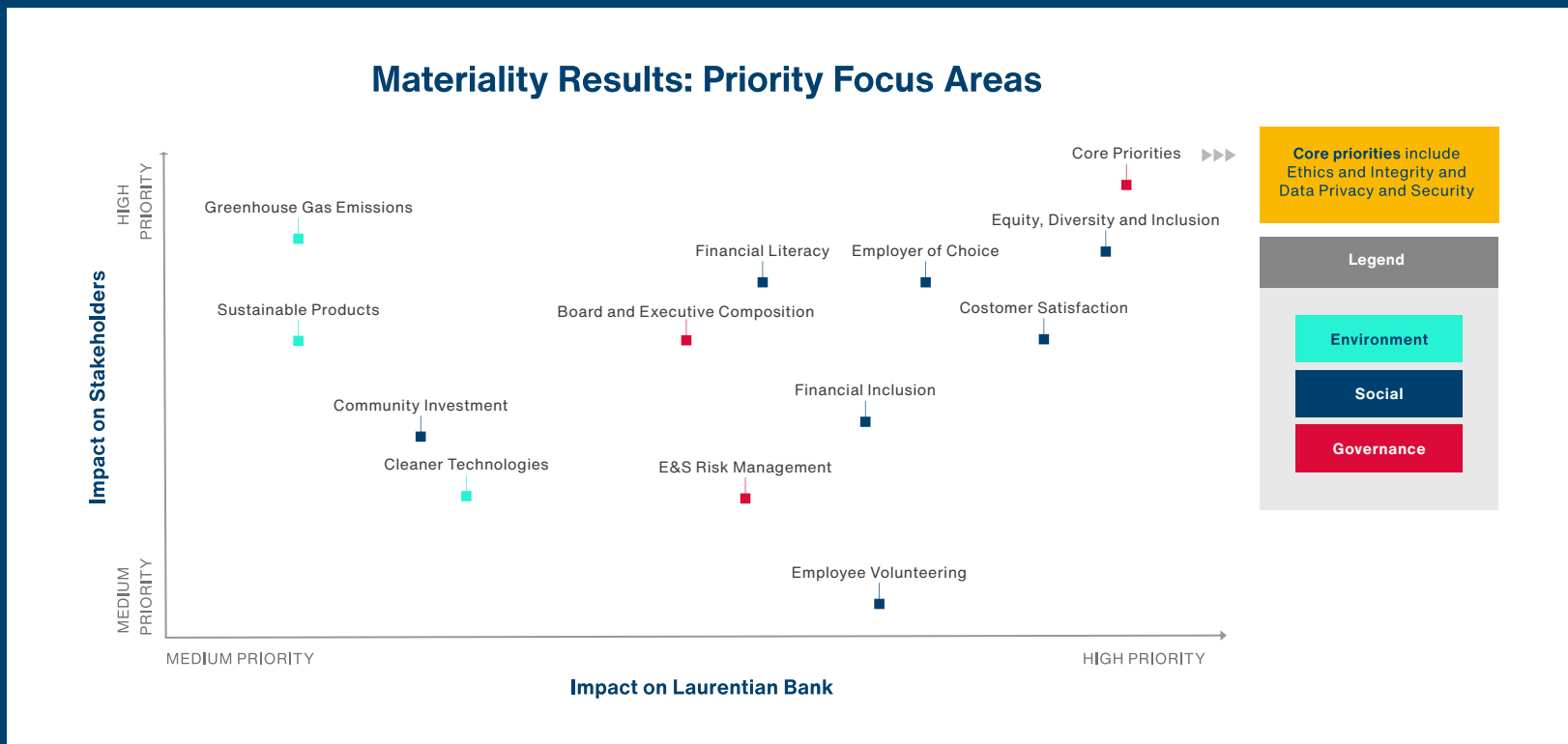
Material Topics

Laurentian Bank is committed to elevating its responsible management approach in alignment with international standards.

To inform our ESG reporting and strategic focus, a materiality assessment was commissioned to gain insights from both internal and external stakeholders on ESG topics of most importance for Laurentian Bank. The materiality assessment aligns with the Global Reporting Initiative (GRI) sustainability standards, and was built on the following inputs:

- Third party research on customer expectations and market trends
- Benchmarking from peer reporting, industry trends, ratings agencies, and international best practices
- Interviews with senior executives, investors, and other key stakeholders
- A survey of Laurentian Bank employees

The materiality assessment and matrix have been reviewed and validated in workshops with Laurentian Bank’s ESG Working Group and ESG Steering Committee. The final matrix has been reviewed by the Bank’s Disclosure Committee and the Human Resources and Corporate Governance Committee of the Board.



Information on our current work in each of these topics can be found in the respective sections of this report.

Our ESG Journey

Throughout our 175-year history, Laurentian Bank has always been committed to making a positive impact on the lives of our customers and employees, and investing in the communities in which we serve. Sound ESG management is important to Laurentian Bank because we see the direct correlation between top line growth, attracting and retaining talent, and responding to the evolving expectations of our stakeholders.

In 2021, the Bank made good progress on our ESG program, with ESG principles becoming integrated into our new purpose, core values, decision-making process and actions. Guided by this new purpose – that we can change banking for the better – we are taking significant steps toward embedding these principles into all of our business practices.

Our focus over the past year has been on gaining a solid understanding of our strengths and areas for improvement, including improving our disclosures. We have achieved this through thoughtful discussions with our stakeholders and by engaging with third-party experts to identify key strategic priorities to guide our approach:

- Driving value for the **Bank, our customers, employees and shareholders**
- Determining how to **prioritize and manage ESG-related risks and gaps**
- Ensuring commitment **across the enterprise**
- Engaging the organization to **develop our ESG standards and live by them**

We are committed to continuous improvements in transparency and reporting the ESG progress we're making at Laurentian Bank.

- This year, we have begun to disclose relevant metrics, where available, from the Sustainability Accounting Standards Board (SASB) Standards for Commercial Banking, Consumer Finance, Mortgage Finance, and Investment Banking & Brokerage. We will continue to work with the business lines to improve the availability of material ESG data and provide alignment with relevant sustainability standards.
- Disclosures aligned to the recommendations of the Task Force for Climate-related Financial Reporting (TCFD) are included in the appendices to this report.
- In 2021, we established a program management structure for ESG and the Task Force for Climate-related Financial Reporting (TCFD) recommendations. The Bank's CEO has taken on the role of ESG Champion, with the Bank's CFO serving as the internal TCFD task force lead.
- We launched a Bank-wide climate risk assessment to analyze our current state and develop a climate risk heatmap. This assessment has informed our TCFD disclosures for 2021, included in this report.
- We will continue to engage with internal and external stakeholders to identify opportunities to improve our ESG reporting and disclosures. In addition, we will continue to work to align with international ESG reporting standards, including SASB and TCFD, and tracking new developments such as the International Sustainability Standards Board (ISSB). Our current SASB and TCFD disclosures are summarized in the appendices starting page 37.

We are in the early stages of our ESG journey at Laurentian Bank. While we know there is much more work to do, we are proud of everything we accomplished in 2021 and look forward to building a sustainability program with the full support and commitment of our leaders and employees.

Environment



At Laurentian Bank, we know we have the opportunity to make real and lasting positive impacts on the environment by reducing our own carbon footprint, investing in eco-friendly projects, providing financing to green initiatives, and engaging and building awareness among our stakeholders. In 2021, we continued to deliver on our Task Force for Climate-related Financial Disclosures (TCFD) roadmap and developed and expanded on a number of strategies and programs for the benefit of the environment.





Priority Topics

18 **Sustainable Products
and Cleaner Technologies**

20 **Greenhouse Gas Emissions
and Environmental Impacts**

Sustainable Products and Cleaner Technologies

Why it matters

Promoting sustainability through our financing activities will help to grow the market for sustainable finance and enable us to be well positioned to serve our customers in this space.

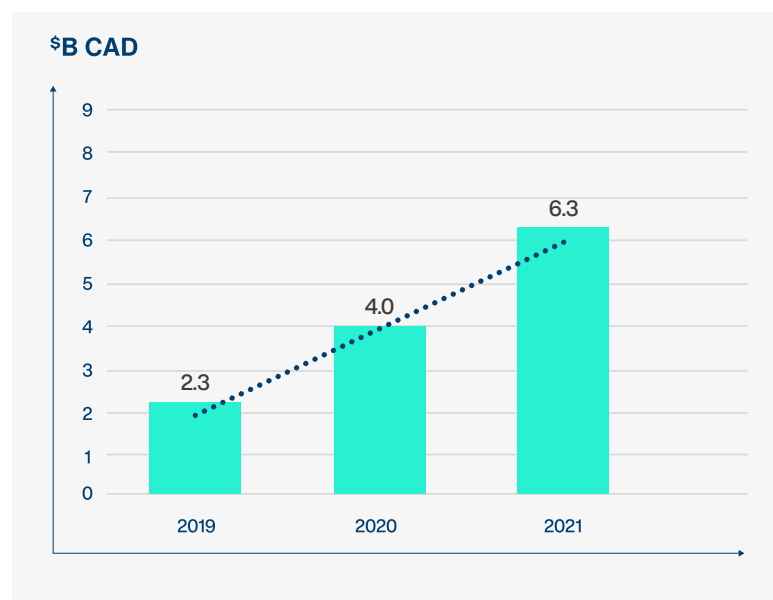
Sustainable financial products were identified by the United Nations and global leaders at COP26 as a key enabler of the transition to a net zero carbon economy by 2050. As a part of our strategic commitment to Make the Better Choice, Laurentian Bank continued to expand its sustainable finance offerings in 2021.

Green and Social Bonds

Our Capital Markets division continued to increase its role in advisory services and in providing innovative lending solutions.

- Our participation in the green bond market has steadily increased since 2019.
- In 2021, Laurentian Bank Securities (LBS) participated in the financing of over \$6.3 billion in green and sustainable bonds to help fund key eco-friendly projects.
- LBS participated in the syndicate that funded the Province of Ontario's largest green bond, which raised \$2.75 billion.

LBS Participation in Green and Sustainable Bond Markets



Responsible financing

We proudly support our Laurentian Bank Securities and Commercial Banking customers who are committed to building sustainable businesses.

- Members of our team manage an over \$200 million renewable energy portfolio that primarily provides financing to solar energy projects.
- In contrast, less than 0.5% of our total loan portfolio is related to mining, quarrying and oil and gas.
- In December of 2021, Laurentian Bank announced that going forward, the Bank will not directly finance the exploration, production or development of coal or oil and gas.

Wealth management

LBC Financial Services offers a range of Laurentian Bank mutual funds, including ESG-related funds, through Mackenzie Investments (“Mackenzie”).

- Mackenzie is a signatory to the United Nations-supported Principles for Responsible Investment (PRI). Their annual reporting against these principles can be found on the [PRI website](#).

In 2021, the Bank expanded the ESG product offering to meet growing customer demands for environmentally responsible investments:

- Launched two new ESG-related Mackenzie Global Funds¹, distributed by LBC Financial Services Inc.
- Launched a new ESG equity-linked Guaranteed Investment Certificate (GIC) called the Canadian Sustainability ActionGIC.

ESG Integration

Making the Better Choice means integrating ESG principles into our work across business lines and products. This integration is led and supported by the ESG Steering Committee and ESG Working Group described on page 30 of this report. In addition, in 2021 we launched ESG 101 sessions for all AVP+ employees and are continuing to roll out this training throughout the organization in 2022.

¹ Mackenzie Global Sustainability Impact Balanced Fund, Mackenzie Global Greenchip Environmental All Cap Funds, and Mackenzie Global Women's Leadership Fund

Greenhouse Gas Emissions and Environmental Impacts

Why it matters

Building resilience and energy efficiency in our operations will enable us to improve cost efficiency, grow market share and contribute to prosperous communities.

At Laurentian Bank, we recognize that we have an opportunity to reduce the environmental impact of our physical operations.

Green office buildings

Our main corporate offices are located in LEED-certified buildings (LEED Gold in Toronto; LEED Silver in Montreal). The eco-friendly features and smart design elements of these buildings enable us to increase our energy efficiency and have a significant impact on the achievement of global environmental objectives. We work with building management to promote awareness of energy and waste management practices and encourage participation in programs that highlight their importance. Throughout our corporate office locations, we have motion sensor lighting, temperature-controlled spaces and water reduction controls in place.

Greenhouse Gas Emissions

In 2020, Laurentian Bank initiated the calculation of our Scope 1 and 2 greenhouse gas (GHG) emissions, focusing on our corporate locations. This year, we have expanded that calculation to our full physical footprint, leveraging the Greenhouse Gas Protocol recommended approach and tools. We estimate our Scope 1 emissions to be 1,633 tCO₂e, and our Scope 2 emissions to be 293 tCO₂e. These calculations do not incorporate estimation and assumptions in lieu of detailed energy use information on some leased spaces. We intend to work to improve precision in these results. Further information on our energy use, travel, and GHG emissions calculations and results for fiscal 2021 can be found in the Appendix on page 57.

On February 3, 2022, Laurentian Bank joined the Partnership for Carbon Accounting Financials (PCAF), and we are starting the process of calculating Scope 3 financed emissions for relevant asset classes.

Employee engagement for a positive impact

As the COVID-19 pandemic continued in 2021, most of our employees worked from home for the greater part of the year. Under normal circumstances, we actively encourage our employees to adopt an eco-friendly mindset at the office so that, together, we can minimize our environmental footprint. In addition, our announcement in 2021 that we would be taking a remote-first approach to work will enable further reductions in GHG emissions and paper waste going forward.

Business travel:

- This year, business travel continued to be restricted due to the pandemic. Prior to the pandemic, technology allowed us to significantly reduce the need to travel for business as several of our meeting spaces are well-equipped with videoconference capabilities.

Reduce, reuse and recycle:

- The management of office supplies, stationery and paper is centralized to carefully avoid excess ordering and unnecessary waste. It also allows us to manage recycling efforts for supplies such as printer toner and ink cartridges.
- We discourage single-use plastics and encourage employees to use re-usable bottles and cups to reduce their dependency on plastic.
- Lunchrooms and employee lounges at our corporate office locations include sorting stations for garbage, recycling and green waste.

Paper reduction:

Paper is a common source of waste with large environmental impacts – especially in the financial services sector.

- In 2021, our internal paper use was significantly reduced primarily due to our team members working from home.
- The adoption of DocuSign and use of e-signatures allowed us to further reduce printing requirements.
- We also continuously promote eco-friendly options to our customers through the various paperless banking methods we offer, such as telephone and online banking, direct deposit options and pre-authorized bill payments. We also encourage e-statements to reduce paper consumption.

Employee Commuting:


- Our downtown corporate office locations are situated close to transit hubs so employees can easily take public transit.
- Bicycle facilities are present at each corporate location.
- Our office locations include areas to park electric vehicles.
- A work from home first approach is being implemented as part of our Future of Work strategy, which we expect will reduce emissions associated with commuting.

Strategic partnerships



Partnering with others on environmental initiatives is one way we can make a lasting and positive impact in the communities where we operate.

- As much as possible, we seek green options for procurement and source eco-friendly partners and vendors.
- The COVID-19 pandemic has emphasized the importance of having access to living environments and green spaces. In 2021, the Bank partnered with Tree Canada to plant 500 trees across the country and support the organization's reforestation efforts through its National Greening Program.
- Since 2015, we've been reducing the carbon emissions footprint of our operations and supporting renewable energy in Canada by choosing green electricity for the Montreal and Toronto corporate offices through our partnership with Bullfrog Power, Spark Power's sustainability division.

Social



At Laurentian Bank we are constantly working on building and fostering an equitable, diverse and inclusive culture, delivering a rewarding employee experience, establishing long-lasting relationships with our customers, and enriching the communities where we operate. In 2021, an important culture shift began to take place across the Bank – anchored in three strategic pillars that we established to guide all of our actions over the past year: cultivate a customer-first approach; drive an agile and innovative mindset; and, engage and empower our employees to work as One Team.





Priority Topics

24 **Equity, Diversity
and Inclusion (ED&I)**

25 **Employer of Choice**

26 **Customer Satisfaction
and Financial Inclusion**

27 **Community Investment
and Employee Volunteering**

Equity, Diversity & Inclusion (ED&I)

Why it matters

Creating an equitable, diverse and inclusive workplace, underpinned by fairness and belonging, enables us to attract and retain the best talent, meet diverse customer expectations and differentiate our business in the marketplace.

At Laurentian Bank, we believe that better begins when everyone feels like they belong and has the chance to thrive. In 2021, we introduced ED&I targets in all leaders' scorecards to drive accountability across the most senior management to ensure that we are delivering on this vision. In addition, to support our employees, customers, and partners, we:

- Introduced a new Courageous Conversations Initiative to create a safe space for diverse team members to share stories and learn from each other.
 - Launched three new Employee Resource Groups to support our team members and allies: Laurentian Bank Black Employee Network (LBBEN), PRIDE Employee Resource Group for the LGBTQ2S+ community and StrongHer Women's Employee Resource Group.
 - Delivered on our BlackNorth pledges, including hiring well over 5% of our student workforce from the Black community, and making a \$25,000 corporate donation to Groupe 3737 – an entrepreneurial innovation hub in Montreal's Saint-Michel neighbourhood focused on diversity and inclusion.
 - Designed and rolled out unconscious bias training across entire Bank, including live-facilitated sessions for leaders on inclusive leadership, and training for Board Members.
 - Launched an enhanced Employment Equity Self-Identification Questionnaire to help improve our understanding of our workplace diversity.
 - Developed Board and Employee ED&I policies, which were approved by the Board of Directors in 2022.
- The Bank is committed to ensuring its compensation processes are fair, regardless of gender, and providing treatment which is considered equivalent in terms of rights, benefits, obligations and opportunities to all candidates and employees. The Bank uses extensive review and approval

processes to select candidates for all its positions, including management and leadership roles. The Bank also uses gender neutral guidelines, such as salary scales to determine pay and standard incentive compensation by level. Merit increases and performance management are monitored actively and go through a rigorous approval process in which results are monitored for the overall workforce but also broken down by gender to assess equity in the results. Furthermore, the Bank is meeting its provincial pay equity obligations for its entities in Quebec and Ontario and is committed to meeting the standard of the new Federal pay equity legislation.

A public summary of our equity, diversity and inclusion policies can be found in the [Laurentian Bank's Policies page of the Laurentian Bank Website](#).

Employer of Choice

Why it matters

Our people are our most important asset and, by attracting and retaining top talent, we can offer the best services to our customers. We are committed to providing a flexible and agile workplace where employees feel safe, supported, and motivated to make a positive difference.

Our leaders are committed to continuously listening to our team members and investing in their success as we work toward our shared goal of building One Winning Team. In 2021, we:

- Launched an employee engagement survey for the first time in 9 years. The employee engagement index increased by 17 points since 2012 to 74% and the trust in management level was a record high of 89%.
- Launched a bank-wide employee survey on work habits, preferences and expectations to inform our Future of Work strategy with a 81% participation rate. Furthermore, 1,000 employees from all of the Bank's business lines, departments and various levels volunteered to be part of the Future of Work Employee Advisory Group to provide additional feedback on our Future of Work model – through focus groups, interviews and online surveys.
- Based on employee input, we announced that we would be implementing a flexible and hybrid model where work from home is our first approach for tasks that can be performed remotely.
- Health and safety of our employees remained a top priority during the ongoing COVID-19 pandemic – over 70% of our workforce continues to work from home, and strict protocols and regulations are followed in our branches and corporate offices to keep our frontline workers safe.
- Every employee is being provided with up to four hours paid time off for each dose of the COVID-19 vaccine.
- Improved our employee benefits, including an enhanced Employee and Family Assistance Program, a new Health and Wellness Spending Account and telemedicine services with 24/7 access to health care experts and services.
- Launched the Priority Help Desk for employees who are customers of Laurentian Bank.
- Engaged all employees in a Wellness Challenge to promote physical activity and healthy competition among colleagues. On behalf of the winning team, in November 2021, the Bank donated \$5,000 to Anorexie et boulimie Québec, a non-profit organization that guarantees free, immediate and specialized help to people with eating disorders and to their loved ones.
- To promote greater work/life balance, summer hours were put into place which gave employees four paid Friday afternoons off.

Customer Satisfaction and Financial Inclusion

Why it matters

To ensure an inclusive, human-centered and sustainable customer experience, every decision we make must consider the customer, their diverse needs, and how they can grow with us.

In 2021 we continued to focus on ways to improve the customer experience and improve access to financial services:

- Found new ways of connecting with our customers to gain a better understanding of their expectations and implement initiatives to improve their experience – including an enhanced Net Promoter Score (NPS) engagement survey to improve insights from our customers in many of our business lines.
- Completed the implementation of the Seniors Code principles and published our first report from the Senior's Champion. The 2021 report can be found on our website and is summarized on page 54 of this report.
- Continued providing access to banking to underserved populations through specific, low- or no-fee products for low income individuals, young people, and seniors. Additional information can be found in this report on page 51.
- We are proud to support privately owned subsidized daycares in Quebec, providing over \$115 million in financing in 2021 with a dedicated program, and will continue to focus on growing this portfolio in Quebec and across Canada.
- Introduced new tools like DocuSign to securely accept e-signatures – saving customers time and eliminating paper.
- Developed the Bank's first-ever mobile app for Personal Banking customers, which was launched in December 2021.
- Continued commitment to accessibility of our services. Information on our Accessibility policy and features can be found on our website.
- Introduced a Responsible Marketing Policy to ensure transparency which can be found on our website.

Community Investment and Employee Volunteering

Why it matters

Strong engagement with our communities is a powerful way for us to engage our employees and contribute to local economic development through a financially-literate society.

- As part of our year-long 175th anniversary celebrations, we launched a new grassroots giving campaign, “Laurentian Bank in the Community,” which empowered employees in our retail branches and business centres to decide which local not-for-profit or charitable organization to donate to. Almost \$70,000 was donated to 67 local organizations, including, L’opération Habit de neige (Operation Snowsuits) which provides warm clothing to children in need and the Leski Foundation which trains companion dogs for victims of crime, people with mental health disorders and individuals with Autism.
- Laurentian Bank donated \$25,000 to Groupe 3737, a non-profit organization that focuses on job creation and economic development, created by and for people of diversity. The donation is directed to support Black entrepreneurs, in alignment with our BlackNorth Initiative commitment of directing at least 3% of corporate donations to support economic opportunities in the Black community.
- We encourage our employees to make a difference in their own communities and offer donations up to \$200 for each employee to the organizations where they volunteer their time and talents.
- Laurentian Bank employees participate in an annual Giving Campaign, where their donations are matched by the Bank. In 2021, Laurentian Bank changed the timing of our employee giving campaign from October to November. This was our most successful year in the history of the campaign, in partnership with HealthPartners, United Way and the Red Cross. Employees raised over \$115,000 which was matched and topped up by the Bank. Given the change in timing of the campaign from Q4 to Q1, these amounts will be reflected in our fiscal 2022 ESG reporting.
- In total, the Bank disbursed nearly \$300,000 in 2021 through corporate donations. These donations supported organizations in the healthcare sector, education, local community groups and the arts.



For 175 years, Laurentian Bank has earned the trust of our stakeholders by building our business on strong principles and ethical values that guide our behaviour. Our approach to corporate governance is firmly rooted in best practice policies, processes and relationships to effectively manage risk and conduct business with transparency and integrity.



Governance



In 2021, we continued our commitment to good governance and further integrated ESG principles into Board and management committees and principles.

ESG Governance at Laurentian Bank

ESG is a key priority at both the Board and Management levels at Laurentian Bank. In 2021, we revised the mandates of the Board and Board Committees to reflect the importance of these topics and established a new CEO-led governance structure for ESG and climate topics at the Bank.

Board Oversight of ESG

Our Board of Directors has taken an active role in Laurentian Bank's ESG initiatives and have updated the Board and committee mandates to include oversight of ESG. This is a strategic business imperative that requires an augmented level of oversight and energy to ensure the Bank is making progress. ESG is treated as one of the Board's core responsibilities and ESG issues are considered at every Board meeting.

Roles and responsibilities of the Board of Directors' committees

The mandate of the Board of Directors includes setting the tone with respect to the culture of integrity and ethical behaviour across the Bank. The Board is responsible for defining the corporate purpose of the Bank and for overseeing the Bank's strategy and management of risk, including risks related to ESG developments.

All Board Committee members are mindful of the importance of environmental, social and governance principles adopted and managed by the Bank and their application to the duties of each Committee.

The **Risk Management Committee of the Board** weighs reward against risk and ensures a proper mix of functional policy, process and procedure is present and applied to manage any significant risk to which the Bank is or could reasonably be exposed. This includes overseeing the integration of the Bank's ESG principles with the Bank's risk appetite framework and risk management framework, including its application to stress testing and credit risk.

The **Human Resources and Corporate Governance Committee** of the Board is constituted by the Board of Directors to support it in exercising its human resources and corporate governance functions. This includes overseeing key culture and human resources strategies, including employee engagement, employee health and well-being, equity, and diversity and inclusion.

The **Audit Committee of the Board** is responsible for supporting the Board of Directors in overseeing the integrity of the Bank's financial statements, the relevance and effectiveness of its internal controls, the qualifications and independence of the external auditor and the performance of the internal audit function and of the external auditor. This includes oversight of financial information in ESG disclosures, including climate-related financial disclosure.

Management Oversight of ESG

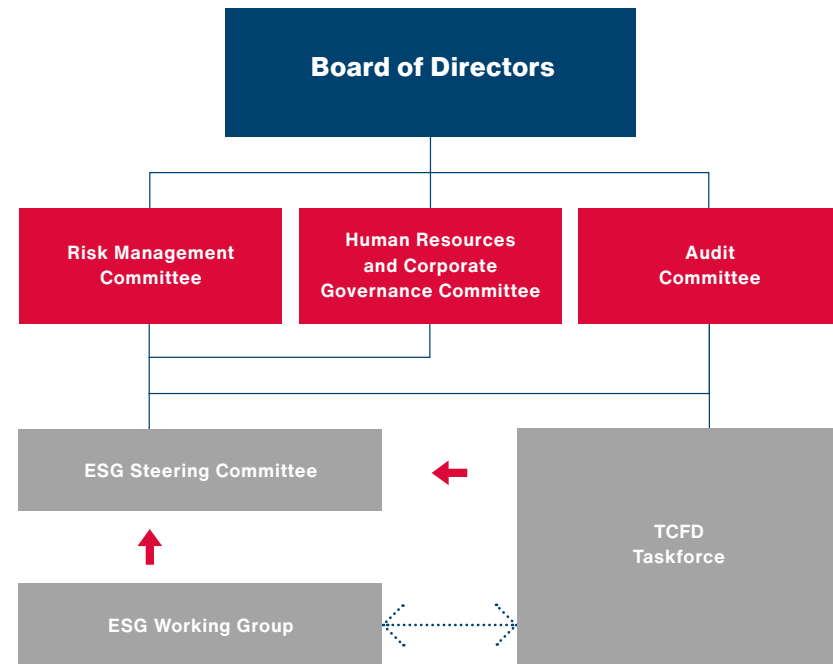
ESG Governance at Laurentian Bank consists of three main committees:

The **ESG Steering Committee**, led by our CEO, includes all Executive Committee members. Its primary mandate is to provide strategic guidance on priorities and investments and make key decisions on ESG pillars. In 2021, the ESG Steering Committee ensured that ESG principles were integrated into the refresh of the Bank’s strategy and participated in the ESG materiality assessment process.

The **ESG Working Group** is a cross-functional operating committee responsible for identifying key priority areas to support the Bank’s broader ESG strategy.

The **TCFD Taskforce**, led by our CFO, makes key decisions related to our Task Force on Climate-related Financial Disclosures framework. Further information on the TCFD Taskforce can be found in the TCFD Report Appendix on page 38.

In addition to the governance committees, senior leaders at Laurentian Bank have accountability for key ESG topics, including: The EVP, Chief Human Resources Officer is accountable for Equity, Diversity and Inclusion programs and targets; the EVP, Chief Information Technology Officer has responsibility for Cybersecurity programs; and the EVP, Operations has responsibility for our Scope 1 and 2 emissions reduction targets.





Priority Topics

32 **Board Composition and
Executive Compensation**

33 **Environmental and Social
(E&S) Risk management**

33 **Core priorities**

Board Composition and Executive Compensation

Why it matters

Having a competent and diverse Board ensures our strategies and decisions consider every group in society and enable us to bring diverse perspectives to decision-making representing the various communities where we operate.

The Bank has long been a leader in gender diversity among our Board members and we are proud of our history of firsts:

- In 1997: We were the first institution of our kind in Canada to name a woman, Jeannine Guillevin Wood, as Board Chairperson. Subsequently, Ms. Isabelle Courville became the second woman in our country’s history to assume that role, serving as the Bank’s Chair from 2013 to 2019.
- In 2020: We welcomed Rania Llewellyn as the Bank’s new President and Chief Executive Officer, the first woman to lead a major Canadian chartered Bank.

Oversight of the Bank continues to be represented equally by gender among our independent Board members – five women and five men. In furtherance of Board Diversity, the Bank has established targets for Board Diversity, which were approved in February 2022:

From 2022:

- At least 45% of the directors are women or other people of marginalized genders (which includes trans and cis women, as well as all trans, Two-Spirit and nonbinary people).
- Any list of candidates presented to the HRCG Committee in every search for new directors include diverse candidates.
- Diversity to be strongly considered in making final nomination decisions.

By 2025:

- At least 15% of the directors self-identify as a member of an Under-Represented Group (beyond cis women).

In terms of executive compensation, we have evolved our packages to align with the values of our shareholders. Equity, Diversity and Inclusion and ESG targets have been added to all leaders’ scorecards in 2021.

Additional information on executive compensation and board diversity targets can be found in our [Management Proxy Circular](#).

Environmental and Social (E&S) Risk management

Why it matters

Environmental and social factors are growing in importance among multiple stakeholder groups. Understanding these factors and associated risks enables us to stay within our risk appetite.

Our concern for the environment is reflected in our responsible business practices. Environmental risk assessment is built into the standard risk management process that we follow for virtually all our non-retail credit-related activities, with very few exceptions.

Managing environmental and social (E&S) risk – the potential that a customer, a product or transaction, a supplier or activity, may negatively impact the Bank's financial position, operations, compliance or reputation – is an important part of our risk management culture and approach.

An assessment of environmental risk by our first and second lines of defence is included in our analysis and due diligence processes when financing large-scale projects with

potential E&S issues. We also typically require an environmental reports prepared by an independent, accredited firm when the Bank holds commercial real estate as collateral.

In addition, Laurentian Bank is continuing to move forward in assessing and disclosing climate-related financial risk, in line with the recommendations of the Taskforce for Climate-related Financial Disclosures. Further information can be found in our TCFD report in the appendix on page 37.

Core priorities

Why it matters

In determining our ESG priorities, we know that certain topics are foundational to our success as an organization. These topics will remain key priorities every year, and within those topics our focus is concentrated on those activities that will have the greatest impact and create the most value for our stakeholders.

Ethics and Integrity

Because our customers trust us with their financial well-being – and bringing their hopes and dreams to life – we treat this responsibility with the utmost importance. That's why the Bank is firmly committed to the highest standards of integrity and professionalism in all that we do. In our 175-year history, we have always taken pride in acting with honesty and integrity in the management of our affairs and in supporting our customers. All of the Bank's leaders share a collective responsibility for business ethics. All of our employees – and the suppliers with whom we engage – are required to abide by a strict Code of Ethics that governs our actions.

Policies and Codes

Many policies and codes govern our organization and guide our actions. The Bank is committed to transparency and making relevant policies and policy summaries available online. For more information, please visit our [website](#).

Cybersecurity

Safeguarding the privacy and security of information shared by employees, customers, suppliers and third parties allows us to build trust with our stakeholders. As a bank, strong data privacy and security is imperative for maintaining our license to operate.

As the world becomes increasingly digitized, much focus and attention is on financial institutions and how we handle the security of information assets, especially Personally Identifiable Information (PII) and other sensitive data. Laurentian Bank has made significant progress in strengthening our information security posture over the past year and, while we are continuously improving, we are proud of the improvements we have made so far.

As Supply Chain threats and Third Party risks have been on the rise, we recently adapted and initiated a robust Third Party assessment process where all partners and vendors are rigorously assessed at the point of onboarding and during the entire lifecycle of our relationship with them. We also ensure that the lines of communication remain open, so that we would be notified of any threats and are able to respond in a timely and effective manner.

We have also responded to the increasing trend of ransomware attacks by conducting a thorough review of our Cyber Incident Management process and ensuring that our playbooks are up to date in readiness for any attacks. A tabletop exercise

was coordinated for our executive leaders and Board Members whereby a ransomware attack simulation gauged our response readiness and preparedness.

This past year, the Bank has recruited top talent to build up and drive our Cybersecurity strategy, which has been aligned with the National Institute of Standards and Technology (NIST) framework and the Center for Internet Security (CIS) best practices. Looking forward, we are confident that our investments in the team and technologies will improve our ability to detect and respond to emerging cyber threats.

Finally, thanks to training and awareness campaigns, we have seen an increase in the awareness levels among our employees. This has led to an improvement in our phishing emails detection and has directly contributed to our improved security posture.

Data Privacy

We have adopted a comprehensive privacy program to protect the personal information of our customers and to comply with applicable legal and regulatory privacy requirements. The Bank's *Protection of Personal Information Policy* and *Record Retention Policy* outline how to identify, manage, measure, mitigate, and report privacy risks across our operations.

Our privacy program applies to all personal information collected and processed by us, regardless of the jurisdiction where it is held and whether it is collected and processed by us or on our behalf.

Our Chief Privacy Officer is part of the Regulatory Risk Management Team and oversees our privacy risk program, which adheres to ten privacy principles to ensure all personal and financial information is protected. The program includes enterprise-wide processes to manage actual and potential privacy incidents and, where required, privacy incidents are reported to the relevant authorities.

All new employees are required to complete privacy training as part of their onboarding and annually thereafter. This is supplemented by an annual attestation in our Code of Ethics which includes obligations regarding the protection of personal information.

We remain committed to being transparent about how we manage the personal information that is entrusted to us. For more information about our program, refer to our [Privacy Statement](#) and our "[Questions of Privacy](#)" brochure.



Appendices





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TCFD Report

The Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) were first released in 2017 to provide a consistent framework for assessing climate impacts and action, and since then have become widely used across industries and sectors. Laurentian Bank has committed to adopt the TCFD recommendations and is reporting against the recommended disclosures for the first time in 2021.

Overview

In this section, we will be disclosing our current state against the TCFD thematic areas: Governance, Strategy, Risk Management, and Metrics and Targets. In 2021, our primary focus was on building a strong governance framework at the Board and Management level while improving our understanding of our existing climate-related impacts, opportunities, and risks. In addition, climate factors were included into the Bank's new strategic plan which was announced in December, 2021.

Governance

For 175 years, we have earned the trust of our stakeholders by building our business on strong principles and ethical values that guide our behaviour. Our approach to corporate governance is firmly rooted in best practice policies, processes and relationships to effectively manage risk and conduct business with transparency and integrity. In 2021, the mandates of Laurentian Bank's Board and Board Committees were updated to specifically reference oversight of ESG topics. We include climate-related risks and opportunities in the Environment category of ESG management and oversight. More information on the Board oversight of ESG can be found on page 29 of this Report.

Examples of how climate-related risks and opportunities may inform the Board's discussions include:

Board of Directors: Two Board meetings in 2021 included ESG updates, including a presentation focused on climate-related financial disclosures in February.

Risk Management Committee: Oversees the integration of ESG principles, including climate-related risk, within the Bank's risk appetite and risk management frameworks.

Human Resources and Corporate Governance Committee: Approves the objectives for members of the Bank's Executive Committee, which now include ESG objectives for each member of the management committee.

Audit Committee: Recommends to the Board approval of any financial information included in disclosures regarding ESG principles, including in our TCFD disclosure.

In 2021, Laurentian Bank established clear governance for ESG and TCFD to enable integration of these principles throughout the Bank. More information on management oversight of ESG can be found on page 30 of this Report.

Examples of how climate-related risks and opportunities may inform the discussions include:

ESG Steering Committee: The Chief Executive Officer emphasizes the importance of this work to the Bank's strategy by acting as ESG Champion for the Bank and chair of the ESG Steering Committee. The ESG Steering Committee includes all Executive Committee members and regularly receives updates on ESG topics, including climate. ESG considerations, including climate, informed the bank-wide strategic review that occurred throughout the 2021 fiscal year. Further information on the impact of these considerations can be found in the Strategy section of our TCFD reporting. In fiscal 2022, each Executive Committee member has common and individual ESG metrics as a part of their scorecard. These goals are aligned with our TCFD roadmap and priorities where relevant.

TCFD Taskforce: The TCFD Taskforce is chaired by the Chief Financial Officer and includes the Chief Risk Officer, as well as representatives from the Executive Office, Finance, and Risk. The TCFD Taskforce meets monthly and has a mandate to make key decisions on climate-related financial disclosures. The monthly meetings include regulatory updates, education on climate-related issues and developments in the financial industry, progress reports on internal climate-related risk and opportunity assessments, and decision making on key elements of the TCFD roadmap.

New ESG and Sustainability department: In October of 2021, Laurentian Bank hired an Assistant Vice President, ESG and Sustainability to develop and execute on ESG progress, including climate-related policies, strategy, and roadmap.

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

The banking sector as whole is exposed to both physical risks related to extreme weather events or chronic impacts of changing weather patterns, as well as transition risks related to the move to a net-zero carbon economy. At the same time, financial institutions have an important role to play in supporting our customers in this transition. Laurentian Bank is reviewing these risks and opportunities in the context of our business lines and geographic footprint. Based on this assessment, improving our understanding of the risks to our credit business was determined to be the priority for 2021.

In 2021, we undertook a climate risk mapping project to establish a preliminary understanding of risk and opportunity exposure levels by sector, in the context of two potential climate change scenarios: (i) a 1.5 – 2°C scenario (Paris-aligned scenario), and (ii) a 3.5 – 4°C scenario (Adverse trajectory scenario). Further information on the outcomes of this climate risk mapping can be found in the Risk Management section of this TCFD appendix.

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

At Laurentian Bank, all members of the Executive Committee sit on the ESG Steering Committee, enabling risks and opportunities related to ESG and climate to be integrated into the strategic planning process. In 2021, the Executive Committee led a bank-wide strategic review that culminated in the 5-point strategy for long-term, sustainable, and profitable growth that was announced on December 10, 2021. Climate-specific elements announced as part of this review included:

- Introduction of ESG metrics tied to compensation for all Executive Committee members. These metrics include climate-related metrics for relevant portfolios.
- A new focus industry of ESG-friendly equipment for the Commercial Bank.
- Development of new ESG advisory capabilities within Capital Markets, as well as continued support for green and social bond markets.
- Exiting Oil and Gas research and advisory in Capital Markets.
- Announcement that Laurentian Bank will not directly finance the exploration, production or development of coal or oil and gas.

Laurentian Bank also announced in August 2021 that the Bank would be adopting a hybrid, remote-first work model as part of its Future of Work strategy. In addition to aligning with employee preferences, this change will enable reduced emissions from employee commuting.

Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.

Laurentian Bank has not yet begun climate scenario analysis. In 2022, our focus will be on establishing a baseline for Scope 3 financed emissions and developing partnerships that will enable scenario analysis in the coming years.

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks.

As mentioned in the Strategy section, in 2021, the Bank conducted a climate risk assessment on our commercial loan and residential mortgage portfolios at the sector level². When assessing the risks and opportunities of each sector, transition risks were assessed at the 1.5-2°C by 2050 scenario and physical risks were assessed at the 3.5-4°C by 2050 scenario, using a qualitative assessment approach.

In addition to risks, the transition to a low carbon economy may also present opportunities to sectors. For example, sectors may benefit from increased demand for certain products or services, repricing of assets, access to government funding, access to technologies that drive down costs or offer a competitive advantage, or shifting consumer preferences. Where such opportunities exceed risks, they are presented as primarily having a positive impact (i.e. green shading) in the table on the following page.

This initial risk assessment will evolve and will assist with the integration of climate risks into our overall risk management approach.

The risks assessed reflect the overall industry risks, and do not necessarily reflect the direct risks to the Bank. The following risk categories³ were considered in the assessment:

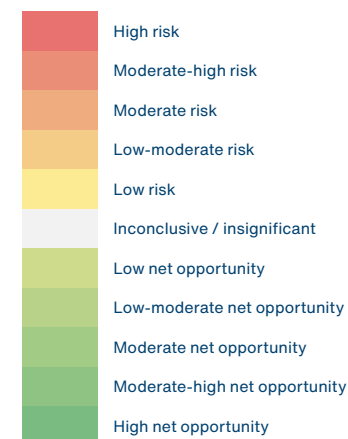
Transition risks	Physical risks
<ul style="list-style-type: none"> ▪ <i>Policy and legal risk:</i> adverse effects from carbon-constraining policies or similar (e.g. through hard emission caps or carbon pricing) or litigation risk from failure to transition to low-carbon economy or insufficiency of disclosure. ▪ <i>Technology risk:</i> disruption of existing systems due to technological advancements, creating winners and losers in the process, and a cost obligation (to implement low-carbon technologies). ▪ <i>Market risk:</i> adverse effects of shifts in supply and demand for certain commodities, products, and services as a result of the transition to a low-carbon economy. ▪ <i>Reputational risk:</i> changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy. 	<ul style="list-style-type: none"> ▪ <i>Acute risk:</i> adverse effects of increased frequency and severity of extreme weather events, such as cyclones, hurricanes, or floods. ▪ <i>Chronic risk:</i> adverse effects of longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise or chronic heat waves.

² The climate risk assessment does not consider personal loans, which represent approx. 11% of the Bank's loan book.

³ Risk categories and definitions are drawn from the Taskforce on Climate-related Financial Disclosures (TCFD).

Preliminary risk mapping of climate risk by client sector, by Loan Book exposure⁴

Sector	Loan book exposure (%)	Transition risk				Physical risk	
		Policy & legal	Technology	Market	Reputational	Acute	Chronic
RESIDENTIAL MORTGAGES	47.1%					High risk	
COMMERCIAL REAL ESTATE	15.6%	Moderate risk		Low risk		Moderate-high risk	
CONSTRUCTION	10.0%	Moderate risk		Low-moderate risk		Moderate risk	
RETAIL TRADE - MOTOR VEHICLES AND PARTS and OTHER (NON-CARBON)	4.7%	Low risk		Low risk		Moderate risk	
TRANSPORTATION AND WAREHOUSING	2.4%	Moderate-high risk	Low-moderate risk	Moderate risk		Moderate risk	Moderate risk
MANAGEMENT OF COMPANIES AND ENTERPRISES, and FINANCE	1.4%	Moderate risk		Low risk		Moderate risk	
HEALTH CARE AND SOCIAL ASSISTANCE	1.3%					Moderate risk	
MANUFACTURING - TRANSPORTATION EQUIPMENT	1.0%	Moderate risk	Moderate risk	Moderate risk		Moderate risk	
WHOLESALE TRADE	0.7%	Low risk	Low-moderate risk	Low risk		Moderate risk	
UTILITIES - FOSSIL-FUEL ELECTRIC POWER GENERATION	0.6%	Moderate-high risk	Moderate risk	Moderate-high risk	Moderate risk	Moderate risk	Low risk
UTILITIES - ELECTRIC POWER TRANSMISSION, CONTROL AND DISTRIBUTION		Moderate risk	Moderate risk	Low-moderate risk		Moderate risk	Moderate risk
UTILITIES - HYDRO-ELECTRIC POWER GENERATION		Inconclusive / insignificant	Low-moderate net opportunity	Moderate net opportunity		Moderate risk	Moderate-high risk
UTILITIES - SOLAR AND WIND ELECTRIC POWER GENERATION		Low net opportunity	Moderate net opportunity	Moderate net opportunity		Moderate risk	Moderate risk
MINING & QUARRYING	0.2%	Moderate-high risk		Low-moderate net opportunity	Low risk	Moderate risk	Moderate risk
FISHING, TRAPPING, AND HUNTING	0.1%	Low risk				Moderate risk	Moderate-high risk
MANUFACTURING - PRIMARY METAL	0.1%	Moderate-high risk	Moderate risk	Moderate risk		Moderate risk	Low risk
RETAIL TRADE - GASOLINE STATIONS	0.1%	Moderate-high risk	Moderate risk	Moderate-high risk	Moderate-high risk	Low risk	
INSURANCE	0.1%	Low risk		Low-moderate net opportunity	Low risk	Moderate-high risk	Low risk
FORESTRY	<0.05%	Low risk		Low-moderate net opportunity		Moderate-high risk	Moderate-high risk
CROP and ANIMAL PRODUCTION	<0.05%	Moderate risk	Low-moderate net opportunity	Low-moderate net opportunity		Moderate-high risk	Moderate-high risk
OIL AND GAS EXTRACTION	<0.05%	Moderate-high risk	Moderate risk	Moderate-high risk	Moderate-high risk	Moderate risk	Moderate risk



⁴ Loan book exposure as at October, 2021. The table does not include the following sectors: "Other services (except public admin)", "Admin and Waste and Remediation", "Public Admin", "Educational services", "Professional, Scientific, and Technical services", "Accommodation and Food Services", and "Arts and Entertainment and Recreation". Respective sectors have minimal loan book exposure (1.9% combined) and no significant exposure to climate risks / opportunities.

This analysis has provided us with some early insights into the overall climate risks in our portfolio as at October 31, 2021 and will support prioritization of future risk assessment work.

- There are few high transition risk areas identified within the sectors that make up the majority of the Bank’s commercial loan and residential mortgages portfolio.
- Example sectors within the Bank’s loan book that have the most exposure to transition risks are oil and gas extraction, transportation and warehousing, manufacturing – primary metals, retail trade – gasoline stations, utilities – fossil-fuel electric power generation, and mining & quarrying (3.3% of loan portfolio).

- The majority of physical risks come from commercial real estate and residential mortgage loans (62.7% of loan portfolio). Examples of other sectors within the Bank’s loan book that have the most exposure to physical risks are forestry, insurance, crop and animal production, utilities – hydro electric power generation, and fishing and hunting (<1% of loan portfolio).
- For the majority of sectors in the Bank’s loan book the transition to a low carbon economy presents opportunities, alongside associated risks.
 - Example sectors within the Bank’s loan book that will see opportunities from the transition to a low carbon economy include: utilities – hydro electric power generation, utilities – solar and wind power generation and construction (10.6% of loan portfolio).

Describe the organization’s processes for managing climate-related risks.

The Bank’s management is dedicated to promoting a risk management culture throughout the Bank. This is achieved by setting a “tone from the top” that focuses on the importance of risk culture and delivering this message through a comprehensive risk governance structure and risk appetite framework. As described in the governance section of this report, the Risk Management Committee has oversight over the integration of ESG risks, including climate risks, into Laurentian Bank’s risk appetite framework. Together, these instill a sense of responsibility for risk management throughout the Bank. More information on how the Bank identifies, assesses and manages risk, including climate related risks, can be found in the 2021 Annual Report, starting on page 50.

Metrics and Targets

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Leveraging the GHG Protocol approach and tools, Laurentian Bank has estimated GHG emissions for Scope 1 and Scope 2 across our footprint, as well as for taxi and personal vehicle Scope 3 business travel emissions. We will continue to refine these calculations and reduce the assumptions required in the coming years. Further information on our energy, GHG, and travel calculations can be found in the data appendix on page 57.

GHG emissions (2021)*		
Scope 1	1,633	tCO _{2e}
Scope 2 (location-based)	293	tCO _{2e}
Scope 3 (business travel**)	112	tCO _{2e}
Total Scope 1 & 2 (location based)	1,926	tCO_{2e}
Total GHG emissions	2,038	tCO_{2e}

* See assumptions and scope of calculations in Appendix on page 57.

** Only includes taxi and personal car mileage.

In February of 2022, Laurentian Bank joined the Partnership for Carbon Accounting Financials (PCAF), and we are starting the process of calculating Scope 3 financed emissions for relevant asset classes.

Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.

In 2022, we intend to set Scope 1 and 2 GHG emissions targets for the Bank.

SASB Index

In our 2021 reporting, Laurentian Bank started mapping our disclosures to the relevant industry standards published by the Sustainability Accounting Standards Board (SASB).

These standards were developed by SASB, an independent non-profit organization, using an evidence-based and market-informed approach to help companies and investors identify the subset of ESG metrics which are relevant for each industry.

In 2021, SASB merged with the International Integrated Reporting Council (IIRC) to form the Value Reporting Foundation. The Value Reporting Foundation is a non-profit and continues to maintain the SASB Standards.

There are four SASB standards that cover elements of Laurentian Bank’s business lines: Commercial Bank, Consumer Finance, Investment Banking & Brokerage, and Mortgage Finance. Where metrics are applicable to multiple business lines, we have combined those in our reporting below:

Multiple Sectors

Topic	Accounting Metric	SASB Reference	Response
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.	FN-IB-330a.1	Please refer to page 55 in this ESG Report, page 51 of the Management Proxy Circular, and the Equity, Diversity and Inclusion Policy Summary on our website.
Business Ethics and Practices	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.	FN-CB-510a.1 FN-IB-510a.1	For a description of the Bank’s significant legal proceedings, refer to page 158 of our 2021 Annual Report. We do not disclose the total amount of monetary losses.
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products.	FN-CF-270a.5	
	Description of whistleblower policies and procedures.	FN-CB-510a.2 FN-IB-510a.2	A summary of our Whistleblower policy is available on the Laurentian Bank’s Policies page of the public website. The Bank has a process for the anonymous submission of Whistleblower Notices through an independent Third-Party Service Provider, Clearview Connects. More information on Clearview can be found in the “Whistleblower Policy & Reporting Hotline” brochure.
	Description of approach to informing customers about products and services.	FN-AC-270a.3	Please refer to Laurentian Bank’s Code of Ethics and Summary of Responsible Marketing Policy on our website.

Commercial Bank

Topic	Accounting Metric	SASB Reference	Response
Activity Metrics	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate.	FN-CB-000.B	Laurentian Bank reports the distribution of loans by credit portfolio and industry. Refer to page 56 of the 2021 Annual Report – Table 23. Laurentian also reports the debt financing to firms, including the number of firm to which debt financing was made available, by province. See page 50 of this report.
Data Security	Description of approach to identifying and addressing data security risks.	FN-CB-230a.2	See page 34 of this report (Core Priorities, Cybersecurity and Data Privacy).
Financial Inclusion & Capacity Building	Number of no-cost retail chequing accounts provided to previously unbanked or underbanked customers.	FN-CB-240a.3	See page 51 of this report (Access to Banking Services) for the low- and no-fee account options that Laurentian Bank provides. We do not report the number of these accounts.
Incorporation of ESG Factors	Commercial and industrial credit exposure, by industry.	FN-CB-410a.1	Laurentian Bank reports the distribution of loans by credit portfolio industry, and geography. Refer to pages 56-57 of the 2021 Annual Report – Table 23.
	Description of approach to incorporation of ESG factors in credit analysis.	FN-CB-410a.3	See page 33 (E&S Risk Management) and page 40 (TCFD Risk Management) of this report.

Consumer Finance

Topic	Accounting Metric	SASB Reference	Response
Activity Metrics	Number of (1) credit card accounts and (2) pre-paid debit card accounts.	FN-CF-000.B	As at October 31, 2021 Laurentian Bank had over 150,000 active credit card accounts.
Customer Privacy	Number of account holders whose information is used for secondary purposes.	FN-CF-220a.1	<p>Laurentian Bank does not disclose the number of account holders whose information is used for secondary purposes.</p> <p>Please refer to the Summary of Personal Information Protection Policy and Summary of Information Security Policy on the Bank's website for more information on how we collect and protect customer data. The Bank follows applicable privacy laws and regulations in the jurisdictions in which it operates.</p>

Investment Banking & Brokerage

Topic	Accounting Metric	SASB Reference	Response
Incorporation of ESG Factors	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of ESG factors, by industry.	FN-IB-410a.1	See the Sustainable Products and Cleaner Technologies section of this report on page 18 for information on select sustainable finance activity.
Professional Integrity	Description of approach to ensuring professional integrity, including duty of care.	FN-IB-510b.4	The Laurentian Bank Code of Ethics sets forth the standards of ethics, honesty and integrity that govern the conduct of all Bank employees, including the additional rules specific to the treasury and capital markets sector.



Mortgage Finance

Topic	Accounting Metric	SASB Reference	Response
Activity Metrics	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial.	FN-MF-000.A	<p>Laurentian Bank reports the total value of residential mortgages. See page 6 of the 2021 Fourth Quarter Supplementary Information (Balance Sheet).</p> <p>The Bank does not disclose the number and value of mortgages originated.</p>
Discriminatory Lending	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all borrowers, by FICO scores above and below 660.	FN-MF-270b.1	<p>Laurentian Bank the value of insured and uninsured mortgages, and the average LTV ratio for newly originated and acquired uninsured residential mortgages and HELOCs. Please see page 20 of the 2021 Fourth Quarter Supplementary Information (Residential Mortgages and HELOCs). The current state does not allow for data collection based on minority status.</p>
	Description of policies and procedures for ensuring nondiscriminatory mortgage origination.	FN-MF-270b.3	<p>The Laurentian Bank Code of Ethics sets forth the standards of ethics, honesty and integrity that govern the conduct of all Bank employees.</p>

Public Accountability Statement – Index and Tables

This Public Accountability Statement (PAS) outlines Laurentian Bank's contributions, and the contributions of the Bank's affiliates with operations in Canada, to the Canadian economy and society.

This fulfills the requirements of the Canadian federal government's Public Accountability Statement regulations (section 459.3(1) of the *Bank Act* (Canada)) for the 2021 fiscal year (November 1, 2020 to October 31, 2021). This PAS also includes our disclosure in response to the Code of Conduct for the Delivery of Banking Services to Seniors.

List of Affiliates

See page 4 of this document.

Employee Giving and Volunteering

We encourage our employees to make a difference in their own communities and offer donations up to \$200 for each employee to the organizations where they volunteer their time and talents.

In 2021, Laurentian Bank changed the timing of our employee giving campaign from October to November. This was our most successful year in the history of the campaign, in partnership with HealthPartners, United Way and the Red Cross.

Employees raised over \$115,000 which was matched and topped up by the Bank. Given the change in timing of the campaign from Q4 to Q1, these amounts will be reflected in our fiscal 2022 ESG reporting.

Community Development, Charitable Donations and Philanthropic Activities

Giving back to the communities where we live and work is a long-standing commitment of the Bank. In 2021, the Bank disbursed nearly \$300,000 through corporate donations and employee giving to various health-based organizations and community groups.

This past year, the Bank also proudly donated 138 pieces of art from our own collection – valued at nearly \$200,000 – to a number of museums, hospitals, galleries and foundations. These donations ensure accessibility of art to the public, and also safeguards the pieces for future generations.

Small Business Financing

Debt financing to firms in Canada

Total amounts (in CAD \$), authorized during fiscal year ending October 31, 2021

PROVINCE		0- \$24,999	\$25,000- \$99,999	\$100,000- \$249,999	\$250,000- \$499,999	\$500,000- \$999,999	\$1,000,000- \$4,999,999	\$5,000,000 And over	Total
Alberta	Amount of debt financing	0	0	0	0	\$740,857	\$11,237,500	\$209,092,053	\$221,070,410
	Number of firms	0	0	0	0	1	4	13	18
British Columbia	Amount of debt financing	0	0	\$100,000	0	0	\$9,467,975	\$302,440,067	\$312,008,043
	Number of firms	0	0	1	0	0	2	16	19
Manitoba	Amount of debt financing	0	0	0	0	0	\$1,970,000	\$66,200,000	\$68,170,000
	Number of firms	0	0	0	0	0	1	2	3
New Brunswick	Amount of debt financing	0	0	0	0	\$607,024	0	0	\$607,024
	Number of firms	0	0	0	0	1	0	0	1
Nova Scotia	Amount of debt financing	0	0	0	0	0	\$1,241,589	0	\$1,241,589
	Number of firms	0	0	0	0	0	1	0	1
Ontario	Amount of debt financing	0	\$220,000	\$792,117	\$1,687,725	\$6,497,901	\$109,667,695	\$2,024,122,025	\$2,142,987,463
	Number of firms	3	4	5	5	10	43	96	166
Québec	Amount of debt financing	\$180,000	\$11,257,943	\$10,944,596	\$30,074,070	\$92,680,496	\$569,043,260	\$1,820,943,358	\$2,535,123,722
	Number of firms	11	194	68	82	131	265	115	866
Newfoundland and Labrador	Amount of debt financing	0	0	0	0	0	0	\$19,979,464	\$19,979,464
	Number of firms	0	0	0	0	0	0	1	1
Northwest Territories	Amount of debt financing	0	0	0	0	0	\$2,500,000	0	\$2,500,000
	Number of firms	0	0	0	0	0	1	0	1
Total	Amount of debt financing	\$180,000	\$11,477,943	\$11,836,712	\$31,761,795	\$100,526,278	\$705,128,019	\$4,442,776,968	\$5,303,687,716
	Number of firms	14	198	74	87	143	317	243	1,076

Access to Banking Services

We're proud to offer banking plans and services to meet the broad and diverse needs of our customers. To learn more, visit www.laurentianbank.ca.

For low-income individuals:

- a low-fee banking plan that includes up to 12 transactions per month.
- a no-fee banking plan for seniors receiving the Guaranteed Income Supplement (GIS) or to beneficiaries of a Registered Disability Savings Plan (RDSP).

For young people:

- a no-fee banking plan that includes unlimited monthly transactions, for youth under 18 years of age.
- a no-fee banking plan that includes up to 20 transactions per month, for students 16 to 25 years of age.

For seniors:

- a no-fee plan with four transactions per month, for persons aged 65 or over.
- the 60 + Advantage program that offers discounts on three of our most popular banking plans, for persons aged 60 and over. For further information on our supports for seniors, see the Seniors Code reporting on page 54 of this document.

For persons living with disabilities:

- Our websites and transactional sites are optimized for use with various types of assistive software for persons living with disabilities, and our telephone system features a transcription system. The LBCDirect identification process is also adapted for use by the visually impaired.

Commitment to using clear language:

One of our responsibilities is to ensure our customers understand how our products and services work, as well as their financial rights and obligations. We take great measures to ensure we use clear language when engaging with our customers in print, online, and in person. Further information can be found in Laurentian Bank's Responsible Marketing Policy on our [public website](#).

Branches & ABMs Opened, Closed, or Relocated

Opened and closed automated banking machines

The following Laurentian Bank service points were opened and closed during the 2021 fiscal year.

Address	City	Province	Postal Code
Closed			
2505 boul. Laurier	Québec	QC	G1V 2L2
4214 rue Wellington	Verdun	QC	H4G 1W2
332 Bank street	Ottawa	ON	K2P 1Y1
253A ave Dorval	Dorval	QC	H9S 3H5
5000 rue St-Denis	Montréal	QC	H2J 2L8
320 rue Bank	Brownsburg	QC	J0V 1A0
Opened			
625 boul. Laflèche	Baie-Comeau	QC	G5C 1C5
3460 boul. Saint-François	Jonquière	QC	G7X 8L3
1344 rue Bagot	La Baie	QC	G7B 2P4
401 Labelle	Rosemère	QC	J7A 3T2
6250 boul. Cousineau	St-Hubert	QC	J3Y 8X9

Opened and closed branches

In 2020, the Bank completed the conversion of its traditional branch network to a 100% Advice model. In 2021, five more branches were merged. Going forward, the Bank will continuously review its branch network adapting to its customer-first culture and to the anticipated rollout of its renewed digital strategy.

Address	City	Province	Postal Code
Merged			
401 Labelle	Rosemère	QC	J7A 3T2
600 boul. Laflèche	Baie-Comeau	QC	G5C 2X8
6250 boul. Cousineau	St-Hubert	QC	J3Y 8X9
750 rue Montrose	Laval	QC	H7E 3M4
2600 boul. Laurier	Québec	QC	G1V 4T3
Closed			
5915 rue Martineau	St-Hyacinthe	QC	J2R 2H6
Opened			
3220 avenue Cusson	St-Hyacinthe	QC	J2S 8N9

Headcount

As at November 15, 2021

Table 1: Employees by geography and contract type*				
Geography	FULL TIME	PART TIME	TEMPORARY	TOTAL
Alberta	17	-	-	17
British Columbia	9	-	-	9
Newfoundland and Labrador	1	-	-	1
Nova Scotia	2	-	-	2
Ontario	1,107	13	74	1,194
Quebec	1,523	64	51	1,638
Grand Total	2,659	77	125	2,861

* Does not include employees of Northpoint Commercial Finance (see below table).

As at October 31, 2021

Table 2: Employees by geography and contract type, Northpoint Commercial Finance only				
Geography	FULL TIME	PART TIME	TEMPORARY	TOTAL
Alberta	1	-	-	1
New Brunswick	1	-	-	1
Ontario	19	-	-	19
Quebec	2	-	1	3
United States	135	2	4	141
Grand Total	158	2	5	165

Taxes Paid or Payable

Canada			
(in thousands of Canadian dollars)	Income tax ¹	Other taxes ²	Total
Federal	20,066	15,833	35,899
Quebec	8,128	29,532	37,660
Ontario	2,987	8,933	11,920
Alberta	37	-	37
British Columbia	152	-	152
New Brunswick	-	48	48
Nova Scotia	-	111	111
Prince Edward Island	-	10	10
Newfoundland and Labrador	-	38	38
Saskatchewan	-	-	-
Manitoba	-	-	-
Total provincial	11,304	38,672	49,976
Total federal and provincial	31,370	54,505	85,875
Outside of Canada			
(in thousands of Canadian dollars)	Income tax ¹	Other taxes ²	Total
Total	5,689	1,241	6,929

(1) Estimated amounts (2) Other taxes: Amount including compensatory tax on salaries, payroll tax, property tax and sales taxes.

Seniors Code

Laurentian Bank has adopted the Code of Conduct for the Delivery of Banking Services to Seniors (the Code), which was introduced in July 2019 by the Canadian Bankers Association. The Code outlines 7 principles Canadian banks can follow to better serve and meet the needs of customers over the age of 60.

7 Principles of the Code:

1. Establish and implement appropriate policies, procedures, and processes to support the Code
2. Communicate effectively with older Canadians
3. Provide appropriate training to employees who serve older Canadians
4. Make appropriate resources available to customer-facing employees and representatives to help them better understand the banking needs of older customers
5. Endeavour to mitigate potential financial harm to older customers
6. Take into account market demographics and the needs of older Canadians
7. Publicly disclose the steps taken to support the principles set out in the Code.

This Code requires that banks designate a Seniors Champion whose responsibilities include providing leadership in the implementation of the Code as well as promoting and raising awareness of matters affecting seniors. Banks must also publish a yearly report on the steps taken to support each principle of the Code and other steps taken to improve the delivery of banking services to seniors. You can find more details in the Canadian Bankers Association’s Code of Conduct for the Delivery of Banking Services to Seniors and the Laurentian Bank Report from the Seniors Champion on our website.

Implementing the Code at Laurentian Bank

Cultivating a “Customer-First” culture is at the centre of everything Laurentian Bank does, and we believe that enhancing and simplifying our customer experience is key to meeting the needs of all our customers. With the Code in mind, Laurentian Bank has implemented a number of measures to help protect seniors from financial abuse, fraud and scams. We also continue to do our part by educating consumers so they can make smart and sound financial decisions.

Measures implemented:

- A. Appointed a Seniors Champion, who actively participates in the implementation of the Code and who engages in matters affecting seniors, through internal and external corporate communications, participation in meetings, managing a dedicated email box and providing advice to team members. As at October 31st, the Senior Champion intervened in 21 cases of potential harm to senior customers.
- B. Introduced and published new procedures for team members, front line representatives and specialized units to be able to identify and escalate potential cases of financial abuse to the Seniors Champion.
- C. Created a centralized repository of information for all employees where they can access all necessary resources to support our senior customers.
- D. To ensure information is easy to access and understand, we implemented a dedicated webpage for seniors and updated our Problem Resolution brochure to include the Seniors Champion as an escalation option for seniors.
- E. Our branch locations offer confidential spaces for seniors to conduct their banking in person. We also provide extra support for seniors who use our telebanking services.
- F. All team members have received training to develop their skills and to ensure they are better equipped to serve our senior customers.

Our Continued Promise. Laurentian Bank recognizes the crucial contribution of seniors to our society and, in respecting their needs, we will strive to continuously improve how we deliver banking services to our senior customers.

Additional Data Tables

Human Resources⁵

⁵ Representation data is provided as at November 15, 2021, and excludes Northpoint Commercial Finance (NCF) employees (165 employees in Canada and US, as at October 31, 2021). Representation of women is calculated based on information collected from employees at time of hire. Beyond gender, representation data is collected via a voluntary, confidential Self-Identification Questionnaire (SIQ), which has a 93% completion rate as at November 15 (excludes NCF). Please see next page for definitions relevant to these metrics.

✓ 2021 data has been third-party assured to a limited assurance level by Ernst & Young LLP. E&Y's Independent Limited Assurance Report can be found with the ESG Report [on our website](#).

Metric	Unit of Measure	2021	2020
Representation of...			
Women, VP+	%	36 ✓	N/A
Women, management	%	46 ✓	46
Women, overall	%	53 ✓	55
Visible minorities, VP+	%	12 ✓	N/A
Visible minorities, management	%	28 ✓	N/A
Visible minorities, overall	%	35 ✓	29
LGBTQ2S+, overall	%	3 ✓	N/A
People living with disabilities, overall	%	3 ✓	3
Indigenous Peoples, overall	%	0.3 ✓	0.3
Black employees, student roles	%	8	N/A
Training			
Accessibility Training	Completion rate	99	-
Prevention of Elder Abuse	Completion rate	96	-
Unconscious Bias Training	Completion rate	95	-
AMLTF Training	Completion rate	97	-
Privacy Training	Completion rate	98	-
Data Governance Training	Completion rate	97	-
Employee Training	Total hours	64,779	-
Employee Training, average	Average hours per employee	22.6	-
Employee Engagement			
Employee Engagement Score	%	74	N/A

Additional Data Tables

Definitions:

Indigenous Peoples: In accordance with the Employment Equity Act, Indigenous Peoples include First Nations, Inuit, Métis.

Visible Minority: In accordance with the Employment Equity Act, members of Visible Minorities are persons, other than Indigenous Peoples, who are non-Caucasian in race or non-white in colour.

Persons Living with Disabilities: In accordance with the Employment Equity Act, Persons living with a disability (ies) means those 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.

LGBTQ2S+: Refers to individuals who identify as Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and Two-Spirit and additional sexual orientations and gender identities.

VP+: Includes all employees at Vice President level and above including Senior Vice President and Executive Vice President.

Management: Includes all employees in roles that have been assigned an internal grade level of Management, Business Development Management, or Revenue Generating Management based on role requirements as determined by HR and the business lines. Role requirements include setting direction and deploying resources, being accountable for managing people, and being accountable for business, functional or operational areas, processes or programs. The results of management are primarily achieved through the work of others and typically depend on the manager’s ability to influence and negotiate with parts of the organization where formal authority is not held. This category does not include employees in VP+ roles as those are reported separately.

AMLTF: Anti-Money Laundering and Terrorist Financing.

Employee Engagement Score: Employee engagement score is a measure of overall employee engagement and is calculated based on the average of the percent favourable responses (4 or 5 on a 1-5 scale) to four questions.

- A.** Overall, I am extremely satisfied with Laurentian Bank as a place to work.
- B.** I would gladly recommend Laurentian Bank as a place to work to people I know.
- C.** I rarely think about looking for a new job with another company.
- D.** I am proud to work for Laurentian Bank.

Energy and Greenhouse Gas Emissions

The Bank's GHG emissions have been calculated following [The Greenhouse Gas Protocol](#). Corporate boundaries are based on financial control. Energy data (natural gas, oil and electricity consumption) have been collected by location, i.e. location owned or leased by the Bank.

A portion of the data has been estimated, see below for the methodology and assumptions used. Travel data has been collected by employee.

Energy data collected:

Laurentian Bank's scope 1 and 2 GHG emissions have been calculated for our locations, including branches, commercial offices, corporate offices, ATMs, and storage. For many of these locations, energy use is not billed separately and exact energy type and usage is not known. The Bank intends to work with landlords to improve availability of data.

Energy data has been collected for August 1, 2020 – July 31, 2021 to improve availability of data. The Bank intends to continue to use an August – July energy year.

- **Natural gas:** Gas bills have been leveraged for locations where available (~5% of locations). The natural gas consumption reported has been applied to the locations for which data was available. The data available have been averaged and used as assumption (m³ per sqf) for all other locations except ATMs after being advised to do so by external consultants. Given the concentration of our locations in Quebec, where electricity is used more often for heat than natural gas, this approach might imply an overestimation of natural gas consumption, but the conservative approach appears to be safer.

- **Oil:** Oil consumption has only been integrated for the one location for which data was available. The fuel stock at beginning and end of the year were unavailable. Therefore, the annual fuel purchases have been taken as final values.
- **Purchased Electricity:** For locations where utility billing specific to the branch or location is available, the electricity consumption reported on the bills have been used as the final value. Regarding locations for which electricity is not separately metered or billed to the Bank, the estimated electricity consumption has been based on the building type – basis for calculation is the average electricity consumption (kWh per sqf) of the buildings of this type (e.g. Commercial plaza, Free standing).
- **Chilled water and steam:** Only steam and chilled water consumed at the Toronto corporate office was included due to insufficient data availability and reliable public sources to allow estimations.

Energy consumption (2021)		
Fuel consumption		
Gas consumption	32,303	GJ
Oil consumption*	97	GJ
Total fuel consumption	32,400	GJ
Electricity consumption		
QC	38,005	GJ
ON	12,493	GJ
AB	297	GJ
BC	150	GJ
NL	9	GJ
MB	184	GJ
Georgia (US)	1,199	GJ
Total electricity consumption	52,337	GJ
Chilled Water and Steam		
Chilled Water and Steam**	13	GJ
Total energy consumption	84,750	GJ

* Data were provided for only one location. The scope of the data is unknown but likely limited.

** Includes 199 Bay chilled water and steam.

Business travel:

Data collected and used have been broken down into the following categories: air, taxi, personal car mileage, public transport, train and car rental. Taxi and personal car mileage data have been included:

- **Taxi:** Amount and city of the fare have been collected. To estimate the distance traveled the following formula has been used: (amount paid – average basic fee for the city) x average price for 1 km for the city.
- **Personal car mileage:** distance traveled is reported and has been used without any further assumptions.

The following data have not been added into the final business travel value for 2021 due to limitations on data availability for distance traveled using these modes:

- Air
- Public transport
- Train
- Car rental

Business travel (2021)		
Taxi	398,859	km
Personal Car Mileage	122,986	km
Total transportation	521,845	km

GHG calculations:

GHG emissions has been calculated using the GHG Emissions Calculation Tool made available by the Greenhouse Gas Protocol:

- **Scope 1** emissions (Stationary Combustion) has been calculated based on the consumption of natural gas and oil (see above for details on the methodology used for consolidation and assumptions used).
- **Scope 2** emissions has been calculated based on the consumption of electricity (see above for details on the methodology used for consolidation and assumptions used).
- **Scope 3** emissions only include emissions linked to business travel, and more specifically taxi fares and personal car mileage of employees (see above for details on the methodology used for consolidation and assumptions used).

GHG emissions (2021)*		
Scope 1	1,633	tCO ₂ e
Scope 2 (location-based)	293	tCO ₂ e
Scope 3 (business travel*)	112	tCO ₂ e
Total Scope 1 & 2 (location based)	1,926	tCO₂e
Total GHG emissions	2,038	tCO₂e

* Given scope and assumptions outlined above.

Please note that GHG emissions were estimated for FY19 and FY20 but will not be reported here as the data available for those fiscal years were insufficient to make it consistent with FY21 data: data were only available for a restricted number of locations and only concerned electricity consumption.

Caution regarding forward-looking statements

From time to time, Laurentian Bank of Canada (the “Bank”) will make written or oral forward-looking statements within the meaning of applicable securities legislation, including such as those contained in this document (and in the documents incorporated by reference herein), and in other documents filed filings with Canadian regulatory authorities, in reports to shareholders, and in other written or oral communications. These forward-looking statements are made in accordance with, and are intended to be forward-looking statements under, current securities legislation in Canada. They include, but are not limited to, statements regarding the Bank’s vision, strategic goals, business plans and strategies, priorities and financial performance objectives; the economic and market review and outlook for Canadian, United States (U.S.), European, and global economies; the regulatory environment in which the Bank operates; the risk environment, including, credit risk, liquidity, and funding risks; the anticipated ongoing and potential impact of the coronavirus (COVID-19) pandemic on the Bank’s operations, earnings, financial results and financial performance, condition, objectives, and on the global economy and financial markets conditions; the statements under the headings “Outlook”, “Impact of COVID-19 Pandemic” and “Risk Appetite and Risk Management Framework” contained in the Bank’s 2021 Annual Report for the year ended October 31, 2021 (the “2021 Annual Report”), including the Management’s Discussion and Analysis for the fiscal year ended October 31, 2021; and other statements that are not historical facts.

Forward-looking statements typically are identified with words or phrases such as “believe”, “assume”, “estimate”, “forecast”, “outlook”, “project”, “vision”, “expect”, “foresee”, “anticipate”, “intend”, “plan”, “goal”, “aim”, “target”, and expressions of future or conditional verbs such as “may”, “should”, “could”, “would”, “will”, “intend” or the negative of any of these terms, variations thereof or similar terminology. By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature, which give rise to the possibility that the Bank’s predictions, forecasts, projections, expectations, or conclusions may prove to be inaccurate; that the Bank’s assumptions may be incorrect (in whole or in part); and that the Bank’s financial performance objectives, visions, and strategic goals may not be achieved. Forward-looking statements should not be read as guarantees of future performance or results, or indications of whether or not actual results will be achieved. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2021 Annual Report under the heading “Outlook”, which assumptions are incorporated by reference herein. We caution readers against placing undue reliance on forward-looking statements, as a number of risk factors, many of which are beyond the Bank’s control and the effects of which can be difficult to predict or measure, could influence, individually or collectively, the accuracy of the forward-looking statements and cause the Bank’s actual future results to differ significantly from the targets,

expectations, estimates or intentions expressed in the forward-looking statements. These risk factors include, but are not limited to, risks relating to: credit; market; liquidity and funding; insurance; operational; regulatory compliance (which could lead to us being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties, and fines); strategic; reputation; legal and regulatory environment; competitive and systemic risks; and other significant risks discussed in the risk-related portions of the Bank’s 2021 Annual Report, such as those related to: the ongoing and potential impacts of the COVID-19 pandemic on the Bank, the Bank’s business, financial condition and prospects; Canadian and global economic conditions; geopolitical issues; Canadian housing and household indebtedness; technology, information systems and cybersecurity; technological disruption, privacy, data and third-party related risks; competition and the Bank’s ability to execute on its strategic objectives; the economic climate in the U.S. and Canada; digital disruption and innovation (including, emerging fintech competitors); Interbank offered rate (IBOR) transition; changes in currency and interest rates (including the possibility of negative interest rates); accounting policies, estimates and developments; legal and regulatory compliance and changes; changes in government fiscal, monetary and other policies; tax risk and transparency; modernization of Canadian payment systems; fraud and criminal activity; human capital; insurance; business continuity; business infrastructure;

emergence of widespread health emergencies or public health crises; emergence of COVID-19 variants; development and use of ‘vaccine passports’; environmental and social risk; and climate change; and the Bank’s ability to manage, measure or model operational, regulatory, legal, strategic or reputational risks, all of which are described in more detail in the section titled “Risk Appetite and Risk Management Framework” beginning on page 50 of the 2021 Annual Report, including the Management’s Discussion and Analysis for the fiscal year ended October 31, 2021 which information is incorporated by reference herein.

We further caution that the foregoing list of factors is not exhaustive. Additional risks, events, and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on the

Bank’s financial position, financial performance, cash flows, business or reputation. When relying on the Bank’s forward-looking statements to make decisions involving the Bank, investors and others should carefully consider the foregoing factors, uncertainties, and current and potential events. The forward-looking information contained in this document presented for the purpose of assisting investors, financial analysts, and others in understanding the Bank’s financial position and the results of the Bank’s operations as at, and for the period ended on, the date presented, as well as the Bank’s financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Any forward-looking statements contained in this document represent the views of management only as at the date hereof, are presented for the purposes of assisting investors and others in understanding certain key elements of the Bank’s current

objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Bank’s business and anticipated operating environment and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements, whether oral or written, made by the Bank or on its behalf whether as a result of new information, future events or otherwise, except to the extent required by applicable securities regulations. Additional information relating to the Bank can be located on the SEDAR website at www.sedar.com.