

2020 SOCIAL RESPONSIBILITY REPORT



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MESSAGE FROM OUR CEO



It's my honour to introduce the 2020 Laurentian Bank Social Responsibility Report. When I joined the Laurentian Bank family last fall, I knew I was joining a company with a long, storied history of doing what's right for its customers, employees and community. What I could not have imagined was the passion, care and commitment that our team members demonstrate daily, to make a difference in the communities they serve – for 175 years.

As I write this, we're still very much in the throes of a global health crisis. The past year has tested the resiliency of individuals, industry and organizations of all types, including the financial industry. From the beginning of the pandemic, our most important focus has been the health and safety of our customers, employees and communities.

Our Customers

The safety of our customers is a top priority. Thanks to our 100% Advice model in our branch network, our teams were well positioned to transition to working with customers remotely, while offering the same quality of financial advice they depend on us for. As a result of the COVID-19 pandemic, some of our customers experienced financial challenges. Our personal and business customers have been affected differently. From the beginning, we've been there for each of them – offering unique solutions depending on their situations, such as credit relief through mortgage, personal and commercial loan payment deferrals. We remain dedicated to helping our customers weather these difficulties.

The Environment

Notwithstanding the converging global health and economic crises in 2020, we never lost sight of our commitment to our Environmental, Social and Governance (ESG) efforts. Under the Environment pillar of ESG, we adopted a new standard of assessing our carbon footprint based on the World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas (GHG) Protocol that allow us to better evaluate value-chain emissions and focus on GHG reduction opportunities. We developed a Task Force on Climate-related Financial Disclosures (TCFD) roadmap with short, medium and long-term priorities commensurate with the size and resources of our organization. And we joined in the issuance of green bonds, totalling \$4 billion in financing for key eco-friendly objects.

Our Community

Together, the Bank and our team members supported our partner organizations and charities with nearly \$425,000 in donations. In recognition of the crucial contribution of seniors to our society we adopted the Code of Conduct for the Delivery of Banking Services to Seniors. This voluntary code sets out principles that guide financial institutions when delivering banking products and services to seniors in Canada. And, in recognition of one of the most important societal issues of our time, we proudly signed the BlackNorth Initiative to end systemic racism and to further commit to advancing a more diverse and inclusive workplace.

Laurentian Bank continues to do our part to foster a socially responsible culture. It takes dedicated partnership, the ability to speak up and to listen and learn to make meaningful strides towards economic and social well-being. I'm so proud to be leading this organization that is committed to supporting our customers, employees and communities for brighter days ahead.

Rania Llewellyn

President and Chief Executive Officer

ABOUT THIS REPORT

This Social Responsibility Report includes information about Laurentian Bank Financial Group¹ and its entities, including:

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

This Report provides an overview of our priorities, responsibilities and commitments to our stakeholders and communities we serve. It is also a complement to the Management Proxy Circular, the Annual Report and the Annual Information Form. These three documents offer more information about the programs and policies mentioned and are available at **laurentianbank.ca**.

The 2020 Social Responsibility Report is published by the Executive Office of the Laurentian Bank Financial Group in accordance with the *Public Accountability Statements* regulations adopted on March 21, 2002 and is in compliance with the requirements of the Financial Consumer Agency of Canada (FCAC).

Unless otherwise indicated, the information contained in this document pertains to fiscal 2020 (November 1, 2019 through October 31, 2020).

This Social Responsibility Report is available at **laurentianbank.ca**.

Une version de ce rapport est également disponible en français à l'adresse suivante :
<https://blcgf.ca/governance-et-responsabilite-sociale/>

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

¹The Laurentian Bank Financial Group means the Laurentian Bank of Canada and its subsidiaries (collectively referred as "Laurentian Bank Financial Group", "LBCFG" or the "Group" or the "Bank"), who provide deposit, investment, loan, securities, trust and other products or services.

ABOUT LAURENTIAN BANK FINANCIAL GROUP

Laurentian Bank Financial Group¹ is a diversified financial services provider whose mission is to help its customers improve their financial health. The Laurentian Bank of Canada (founded in 1846) and its entities are collectively referred to as Laurentian Bank Financial Group.

With more than 2,900 employees guided by the values of proximity, simplicity and honesty, the Bank provides a broad range of advice-based solutions and services to its personal, commercial and capital markets customers. With pan-Canadian activities and a presence in the U.S., the Bank is an important player in numerous market segments.



OUR CLIENTS

Personal

Individuals who care about their financial health benefit from our three-pronged approach, which draws on the advice and expertise of financial professionals, as well as a range of simple and accessible products and services, through:

- Retail Branches
- Advisors and Brokers
- Digital Banking

Commercial

Entrepreneurs and business leaders – in Canada and in the United States – benefit from the expertise our account managers have developed in their industries, as well as customized solutions for their banking and financing needs:

- Commercial Banking
- Equipment and Inventory Financing through our subsidiaries LBC Capital and Northpoint Commercial Finance
- Real Estate Financing

Capital Markets

Our clients have access to a range of services tailored to their needs in capital markets, broker services, trustee and administrative services.

¹ Referred to as “Laurentian Bank Financial Group”, “LBCFG”, the “Group”, or the “Bank”.

OUR RESPONSE TO THE COVID-19 PANDEMIC

In early 2020, COVID-19 had spread worldwide and was declared a global pandemic by the World Health Organization. It is widely considered as one of the most significant and unprecedented world events we have experienced in recent history. Adversely impacting the global economy, the human toll it has taken is immeasurable. Over the past year, the number one priority that drove our response to the pandemic was to ensure the health and safety of our employees and customers.

Financial measures for our customers

Early on, Laurentian Bank adopted measures to provide credit relief for our customers facing financial hardships as a result of the pandemic.



Mortgage and personal loan programs

We established payment relief programs for our customers which totalled more than \$4 billion.



Credit card relief

We extended payment deferrals and reduced interest rates for our Visa credit card holders. We also granted credit limit increases to help ease short-term cashflow concerns.



One-on-one support

For commercial loans, we worked one-on-one with our customers to grant their loan payment deferral needs.



Government programs

In April 2020, we began offering the Emergency Business Account for Canadian businesses (CEBA) to eligible customers. This Government of Canada program provided interest-free loans of up to \$40,000 to help businesses and not-for-profit organizations cover their operating costs while revenues are reduced due to the impact of COVID-19. As at October 31, 2020, we had extended \$66.8 million to eligible customers.

We also offered loans under the Concerted Temporary Action Program for Businesses (PACTE), introduced by Investissement Québec, which provided emergency funding to eligible businesses operating in Québec.

Serving our customers through the pandemic

We modified how we served our customers to ensure their health and safety.



Virtual and phone appointments

We enhanced our online and telebanking services. Personal and business customers were encouraged to book appointments with our account managers and advisors online and by phone for support with remote transactions and advisory services.



Protecting customers from fraud

As cases of fraud increased during the pandemic, we educated our customers on ways to protect themselves from becoming victims and avoiding scams.



In-person branch visits

Following public health guidelines, prevention measures at our branches, points of service and ABM areas included:

- Mandatory mask wearing and disinfecting hands at branch entrances
- Plexiglass and physical distance indicators on floors
- Increased frequency of cleaning, especially in common areas such as counters, doors and ABMs

Measures to ensure the safety of our employees

At the outset of the pandemic, we immediately adopted a number of preventative measures prescribed by global and local public health organizations to ensure a safe environment for all our employees.



Work from home

Implemented a secure work from home strategy for more than 70% of our employees.



Cleaning and hygiene practices

Increased cleaning and installed hand sanitizer dispensers at our various offices and locations and promoted best-practice hygiene measures.



Stay at home mandate

Required employees to stay home if they were ill or if they or someone with whom they reside came into contact with someone who tested positive for COVID-19.



Mask wearing on premises

Provided appropriate masks for all employees in our corporate office and branch locations.



Travel restrictions

Eliminated business travel and required self-isolation following personal travel.



Physical distancing measures

Enforced physical distancing measures and separated our workforce to minimize the number of individuals at any given location.

Pandemic support for our communities

This past year, many individuals and business faced financial and emotional hardship due to the effects of the COVID-19 pandemic. With this increased need, we wanted to do more.

In addition to the more than \$200,000 that was raised through the generosity our employees this past year, we launched a special edition of our Giving Matters Campaign which raised tens of thousands of dollars for the local chapters of three organizations that are providing support for those impacted by the pandemic: the United Way, HealthPartners and Red Cross.



COMMUNICATING WITH OUR STAKEHOLDERS

How we communicate with our stakeholders is as important as what we communicate. We use a variety of tools and methods when it comes to communicating our commitments with our customers, employees, investors and regulators.

Our customers

We are committed to continuously improving the customer experience across all touchpoints:

- Our websites: Laurentian Bank, B2B Bank, LBC Capital, Northpoint, Laurentian Bank Securities
- Online banking through LBCDirect, B2BDirect, LBCDigital, Advisor Access and Investor Access – desktop and mobile versions
- Secure tools to exchange confidential information via email
- Customer and telebanking services
- Social media: Facebook, LinkedIn, Twitter, YouTube
- Ombudsman and complaints management processes
- Emails and mailings
- Customer surveys
- Posters and brochures
- Newsletters

Employees

Communicating our vision and strategic direction is an important way to boost employee engagement. One of our main priorities is to engage with our employees via:

- Roundtable virtual meetings between the CEO and groups of employees from across the Bank
- Regular sector meetings
- Internal publications: CEO messages, bi-monthly publications, regular and ongoing communications on corporate activities
- Frequent communication stream to ensure business continuity during the COVID-19 pandemic
- Intranet newsfeed for employees and managers
- Dedicated mailboxes for employees to communicate directly with the CEO (“TeamVoice”) and Human Resources
- Ombudsman accessibility
- Whistleblower reporting hotline and established process for anonymous submissions
- Labour relations committee and other means as prescribed in the collective agreement

Shareholders and investors

We are committed to generating sustainable growth and profitability to our shareholders and investors. They can track our progress through various sources:

- Quarterly and annual financial results conference calls
- Annual meeting of shareholders
- Meetings with financial analysts and investors
- Investor Roadshows (virtual meetings in 2020)
- Management Proxy Circulars
- Annual Information Form
- Social Responsibility Report
- Annual and Quarterly Reports
- Laurentian Bank and all affiliated business lines websites

General public

We share our commitments to the general public and information about our products and services through:

- Public reports, including the Social Responsibility Report
- Regular contacts with the media
- Social media accounts: Facebook, LinkedIn, Twitter, YouTube
- Laurentian Bank and all affiliated business lines websites
- Activities related to donations and sponsorships

Regulatory authorities

We regularly interact with representatives of all provincial and federal regulatory authorities to continuously improve and evolve our business practices.

OUR COMMITMENT TO ESG

We remain committed to our many Environmental, Social and Governance (ESG) policies and initiatives:

Environmental



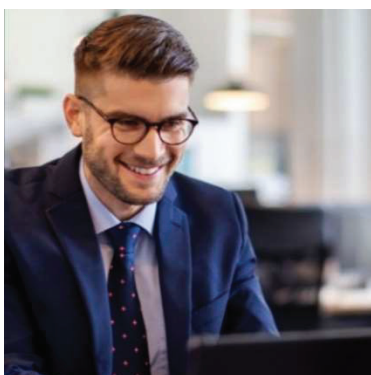
When it comes to the environment, we know that the actions individuals and businesses take today will have positive and lasting impacts tomorrow. We all, collectively, have an important role to play in reducing our environmental footprint. For our part, we're expanding and building new policies, and putting practices into place to reduce greenhouse gas emissions, prioritizing waste reduction and improving sustainability efforts in our day-to-day operations.

Social



In all we do, we aim to have a positive impact on the lives of our customers, our people and our communities. We are delivering products and services to support our customers' goals and ensure their financial health remains strong. We are improving equity, diversity and inclusion policies across our organization and investing in our employees, so they are engaged and empowered. We are also focused on supporting our communities so they can thrive and prosper.

Governance



We are committed to the highest standards of governance and transparency in all our activities so that our customers, investors and employees feel confident in how we operate. Our corporate governance culture is firmly rooted in best practice policies, processes and relationships to effectively manage risk, conduct business ethically and positively impact our stakeholders.

OUR ENVIRONMENTAL PRIORITIES

Partnering with others on environmental initiatives and mobilizing our workforce to reduce our collective footprint are just a few of the ways that we are making positive changes today that will lead to a more sustainable tomorrow.

Sustainable solutions

Due to the inherent risks and economic costs of global climate change the financial sector must take a leadership role in developing and expanding capital market tools to foster the transition towards a low-carbon economy. Our Bank is committed to financing solutions that will help build a sustainable future – such as green bonds – and minimizing our involvement in activities related to mining, quarrying and oil and gas.

Green bonds

Laurentian Bank is proud to be a participant in the green bond market to help finance key ecofriendly projects. In 2020, Laurentian Bank Securities (LBS) acted as a participant for the issuance of green bonds totaling \$4 billion.

- Participated in the Province of Quebec's \$500 million green bond issuance for public transit and energy efficiency projects.
- Participated in the Ontario government's \$500 million green bond issuance to fund nine projects under the categories: Clean Transportation and Energy Efficiency, Conservation Framework and Climate Adaptation and Resilience.
- Participated in the Province of Ontario's \$1.5 billion issuance to fund two Clean Transportation projects, an Energy Efficiency and Conservation project and a project under the Climate Adaptation and Resilience framework category.
- Participated in two issuances for Ontario Power Generation (OPG) in the amounts of \$800 million and \$400 million. The net proceeds will be used to finance or re-finance eligible projects under OPG's Green Bond Framework which encompasses projects that offer tangible environmental benefits.
- The City of Ottawa was a new "Green" syndicate for LBS in 2020 in the amount of \$300 million.

Renewable energy financing

We proudly support our clients who are committed to building sustainable businesses. Members of our team actively manage a \$225 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.

An environmental investment solution

We announced a new, eco-conscious mutual fund to our Laurentian Bank Group of Funds managed by Mackenzie Investments: the **Mackenzie Global Environmental Equity Fund**. This fund, which seeks to generate long-term capital growth, features stocks from companies around the globe that are active in the environmental sector and dedicated to helping fight climate change. The fund's holdings fall into six categories: energy efficiency, clean energy, water treatment and distribution, sustainable agriculture, sustainable transportation and clean technology.

Responsible business practices

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 almost all credit-related activities, with very few exceptions. For the purpose of identifying levels of potential environmental risk, industries are grouped into three categories: high-risk, special-risk, and low-risk.

Reducing our environmental footprint

The actions we take each day – as an organization and as individuals – can have real and tangible results in reducing our environmental footprint. We apply best practices when it comes to energy and waste management in our operations and encourage our employees to also consider the environment in their daily actions.

Bullfrog Power

We offset our CO₂ emissions in our corporate office locations by way of a partnership with Bullfrog Power. Bullfrog ensures that the electricity put onto the grid on our behalf is from renewable sources. For every MWh of clean, renewable electricity that is produced and injected onto the grid by a green power generator, a corresponding Green Electricity Certificate (GEC) is created to represent the positive environmental benefits (such as emissions reductions) associated with producing that green power. Bullfrog uses our premium to secure and retire GECs from wind, solar, or low-impact hydro generators on our behalf. This entitles us to claim the green energy and associated emissions reductions. The electricity purchased is Ecologo certified and audited annually by Deloitte.

Since joining the bullfrogpowered community, we have displaced more than 1,493 tonnes of CO₂ as of October 31, 2020. This is equivalent of taking 330 cars off the road for one year or diverting more than 521 tonnes of waste from a landfill. This is also the same amount of CO₂ emissions produced by the consumption of 649,936 litres of gasoline.

Best practice energy and waste management

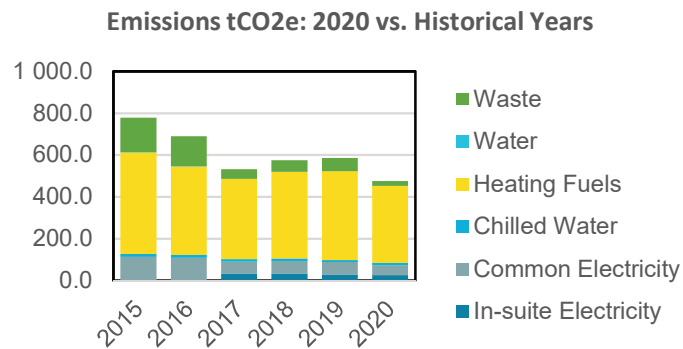
Our corporate offices are located in LEED-certified buildings (LEED Gold in Toronto; LEED Silver in Montreal). The eco-friendly features and smart design elements of these buildings enable us to increase our energy efficiency and have a significant impact on the achievement of global environmental objectives.

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.

Carbon footprint (disclosure – scope one and two)

In 2020, we initiated the calculation of our carbon footprint – scope one and two – based on WRI/ WBCSD Greenhouse Gas (GHG) Protocol. This initial step will allow us to fully understand our value chain emissions and focus on GHG reduction opportunities. It will also help us establish targets in the short to medium term.

In the past 5 years, the tonnes of carbon dioxide equivalent (tCO2e) emissions at our Toronto corporate office location have steadily declined.



Climate-related financial disclosures

Our Bank has publicly committed to adopting the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. In 2020, we developed our TCFD roadmap with short, medium and long-term priorities commensurate with the size and resources of our organization.

Employee engagement for a positive impact

Due to the COVID-19 pandemic, most of our employees worked from home for the greater part of the past 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.

Travel to/from work:

- 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

Business travel:

- This past year, business travel was prohibited 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.

Green procurement:

- As much as possible, we seek green options for procurement and source eco-friendly partners and vendors.

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.

OUR SOCIAL PRIORITIES

We are committed to empowering and engaging our employees and fostering an inclusive workplace which champions equity and diversity. And, we are dedicated to initiatives that give back so that we can make a meaningful difference in our communities and the lives of our customers.

Closer than ever to our customers

2020 brought us closer to our customers in ways we did not previously imagine. When the COVID-19 pandemic hit, we immediately modified how we served our customers to ensure their health and safety. And we adopted measures to provide credit relief for those facing financial hardships.

Our personal banking services

Individuals looking to improve their financial health can benefit from our three-pronged approach to personal banking services – Retail Branches (Quebec), Advisors and Brokers and Digital Banking – which draws on the advice and expertise of financial professionals as well as a range of simple and accessible products and services.

Advisory services

In 2020, we completed the conversion of our traditional branch network to a 100% Advice model. Based on the evolving needs of our customers, this new operating model provides the right balance to serve the daily needs of our customers through digital and phone solutions, as well as to focus on professional financial advice for more complex banking and investment needs. In the current context, having remote access to banking is not only a convenience, it's a necessity.

Highlights include:

- Enhanced telebanking service that allows more transactions to be performed over the phone, such as client card replacements and making wire payments
- Implementation of an email tool to exchange confidential information securely
- Telebanking advisors available 7 days a week, from 8 a.m. to 8 p.m.
- In-branch advisory teams providing guidance and advice over the phone or by appointment at a branch

Since the launch of our Financial Health Assessment tool in March 2019, more than 73,000 assessments have been completed by our customers. This tool allows our advisors to make recommendations and find solutions that help each of our customers improve their financial health.

Products for various needs

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 persons with disabilities:

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

For socially responsible investors

In 2020, we added the **Mackenzie Global Women's Leadership Fund** to our investment fund offering. This fund provides long-term capital growth to those who seek a financial vehicle with a positive social impact. It features equity securities from companies around the globe that promote diversity and the representation of women in leadership positions in public companies, including in senior management teams and boards of directors.

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.

Improving our business practices

Listening to our customers – and addressing their concerns – continues to be an important way for us to improve our business processes. Our simple complaint settlement process – available online – aims to quickly resolve any concerns at the source. If customers request additional assistance or escalation, we will refer cases to the appropriate channels as needed. At Laurentian Bank Securities, the policy governing complaint resolution and dispute settlement is covered by the provisions of the Act respecting the *Agence nationale d'encadrement du secteur financier* (Bill 107).

Ombudsman

In fiscal 2020, the Office of the Ombudsman processed 64 requests. Of this number, 45 cases concerned Laurentian Bank and they were processed within an average of 28 days. At the end of the exercise, the Ombudsman maintained the Bank's position in 28 cases, while in 16 cases he recommended a favorable settlement to the client, 1 case was partially settled.

With regard to B2B Bank, 13 cases were processed within an average of 37 days. The Ombudsman endorsed B2B Bank's initial decision in 8 cases and recommended a favorable settlement to the client in 4 cases and 1 case was partially resolved.

As for LBC Financial Services, 6 cases concerned those for which the Ombudsman maintained the position of LBC Financial Services in 3 cases and recommended a favorable settlement to the client in 3 cases. The average processing time was 18 days.

Seniors Code, Report from the Seniors Champion

The Code of Conduct for the Delivery of Banking Services to Seniors (the Code) was introduced in July 2019. Laurentian Bank adopted the Code which 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 the principles and more details in the [Canadian Bankers Association's Code of Conduct for the Delivery of Banking Services to Seniors](#).

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:

- 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 employees. As at October 31st, the Senior Champion intervened in 6 cases of potential harm to senior customers.
- Introduced and published new procedures for employees, front line representatives and specialized units to be able to identify and escalate potential cases of financial abuse to the Seniors Champion.
- Created a centralized repository of information for all employees where they can access all necessary resources to support our senior customers.
- Implemented a dedicated webpage for seniors to ensure information is easy to access and understand and updated our Problem Resolution brochure to include the Seniors Champion as an escalation option for seniors.
- Offered confidential spaces in branch locations for seniors to conduct their banking in person. And, provided extra support for seniors who use our telebanking services.
- Planned training activities to be completed in 2021 for all employees 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.

Engaging and empowering our employees

This year, we were proud to have been recognized as one of Montreal's Top Employers by the editors of Canada's Top 100 Employers. We always strive to be a progressive workplace so that our people feel empowered, engaged and equipped with the tools for success.

Finding ways to stay connected

2020 was a unique year that required updated communications tools and platforms so that we could connect to and engage with our people. With the majority of employees working from home, virtual meetings and townhalls with senior management were incredibly important tools to stay connected, gather feedback and share updates on our corporate goals. To support the transition to working from home, a special monthly allowance was provided to eligible employees.

Learning and development

As the industry rapidly evolves, learning becomes essential in helping our people develop skills and expand their knowledge. We support continuous learning and provide opportunities and experiences for our employees to grow in their careers and within our organization.

In addition to in-house training through our online e-Academy, we subsidize the costs – in full or in part – for continuing education in relevant fields.

Our Performance Driven program allows employees the opportunity to participate in setting their objectives, goals and development needs and then annually review their accomplishments with their managers. The program strengthens our commitment to putting our customers at the center of everything we do, driving shareholder value, fostering a winning mindset, and working collaboratively as One Team. Leaders and employees collaborate during this process ensuring alignment across all levels of the organization to drive performance.

Attracting and retaining talent

We aim to attract, develop and promote talented people by offering competitive compensation and benefits and providing the right environment for them to grow and thrive.

Our global compensation package includes:

- Competitive base salary and incentive compensation that respects pay equity principles
- Generous pension plans to help our employees save for their retirement
- Group insurance programs that give employees and their dependents access to a variety of protection and financial security options
- An employee and family assistance program and online wellness platform to access resources and information to support mental, physical, social and financial well-being
- A generous vacation and floating day entitlement to ensure a good work-life balance
- Flexible hours and the option to take additional time off
- Top-up benefits for new parents on maternity and parental leave to supplement government benefit payments
- A stock purchase plan to which we contribute
- Financial benefits on many of our products, including residential mortgage loans, banking packages, lines of credit and loans for the purchase of personal computer equipment
- Retirement planning and options

Equity, Diversity and Inclusion (EDI)

Our goal is to ensure our workforce is inclusive and representative of our customers and our communities. We are continually updating and evolving our EDI strategy with new initiatives that promote awareness of equity, diversity and inclusion and that increase representation. To drive real and sustainable change, we are setting measurable targets with clear timelines so that we hold ourselves accountable. Among our workforce who opted to self-identify at the beginning of their employment, as of October 31, 2020, women make up 55% of our workforce and hold 46% of our organization's management positions, 28.5% of our workforce self-identified as members of visible minorities, 2.9% as persons with disabilities and 0.3% as Indigenous persons.

Our new President and CEO, Rania Llewellyn, is the first woman President and CEO to lead a major Canadian Bank, helping break the glass ceiling for women in Canada. This past year, we were named an honouree of the Women Lead Here award by The Globe and Mail.

BlackNorth Initiative



We believe in driving meaningful change as an organization and addressing the need to end systemic racism in our society. In 2020, we signed the BlackNorth Initiative, committing to goals which will help us move forward and create opportunities for underrepresented groups. We also participated in the BlackNorth Initiative Quebec Summit in September 2020. By joining this movement, we are taking a business first mindset to making our workplace more equitable, diverse and inclusive, and removing systemic barriers.

Workplace safety

We commit to providing environments that are safe for our employees to work. Health and safety committees regularly inspect and provide recommendations to improve workplace safety at each of our locations. At corporate head offices, employees can volunteer for floor warden duties and may also become certified first aid attendants. Both corporate offices are also equipped with first aid rooms and on-site defibrillators to assist employees in need. We prepare and regularly train for emergency situations. Well-defined procedures are in place to ensure business continuity in various scenarios.

Inspiring through recognition

Recognition is a tool that reinforces and rewards our employees when they achieve greatness, both personally and professionally. Our Global Recognition Program is in place to celebrate our people and their accomplishments. The program recognizes individual and team performance, years of service, contribution to initiatives and recognition by management and by peers.

Health and well being

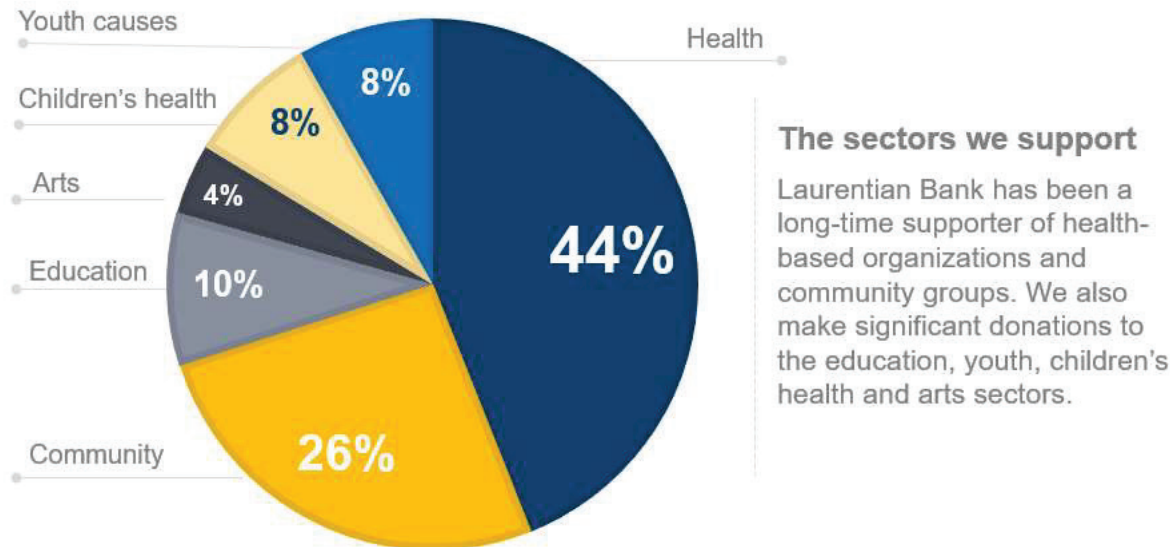
We encourage our employees to participate in programs that benefit their physical and mental health. In support of World Mental Health Day, we sponsor a week of activities each year. From webinars on stress management and mental health awareness to online fitness classes and nutrition tips, the resources we offer contribute to the health of our workforce.

We have taken steps to ensure that our employees are comfortable where they work. For employees working from home, we implemented a process that allowed them to pick up their desk chairs and other office equipment to improve the workability of their space at home. At our corporate office locations in Toronto and Montreal, spaces are equipped with amenities such as café and lounge areas with complimentary hot beverages and filtered water. We also provide ergonomic furniture and workstations. The open-concept designs

and modern spaces in our office locations provide our employees with abundant access to natural light and promote collaboration.

Contributing to the communities we serve

We are proud to support the communities where we do business through corporate donations, sponsorships and employee giving.



In 2020, nearly \$425,000 was disbursed through corporate donations and the generosity of our employees through the Giving Matters Campaign. This annual fundraising campaign encourages our employees to make donations to three charitable organizations, which the Bank matches. In 2020, the campaign raised in excess of \$200,000 for these three partner organizations:

- Over \$80,000 was given to United Way to help disadvantaged people, families and children fight poverty, break social isolation and promote youth success.
- Over \$27,000 was donated to the Canadian Red Cross to help prepare for emergencies, assist disaster victims and help families recover after events such as flooding, tornados and forest fires.
- Almost \$94,000 was pledged to HealthPartners and its member charities to support research and help people affected by disease and illness in their day-to-day lives.

Special edition of Giving Matters Campaign

This past year, many individuals and businesses faced financial and emotional hardship due to the effects of the COVID-19 pandemic. With this increased need, we wanted to do more. A special edition of our Giving Matters Campaign raised additional funds for our partner charitable organizations.

Employee giving and volunteering

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

Participation in sponsorships

Each year, we proudly join the fundraising efforts of our partners and clients. While most events were cancelled in 2020 due to the pandemic, we turned our sponsorship commitments into donations to continue supporting many important causes.

Highlights include:

Tel-Jeunes Foundation

- Although their annual Lobster Dinner was cancelled in 2020, we donated \$20,000 to the foundation which helps 48,000 young people each year.
- We also were a principal sponsor for their ECHO day which raised \$218,000 for the foundation.

Défi Canderel

- Although the annual race in downtown Montreal to raise funds for cancer research was cancelled in 2020, we maintained our \$10,000 donation to the foundation. 2021 will be the 30th anniversary of the event. During the last 3 decades, our client Canderel Group raised more than \$16 million for vital cancer research.

HEMA-QUÉBEC

- Our \$3,000 donation to this foundation will directly support their efforts to provide blood and other lifesaving products and services for Quebec patients

Casa d'Italia

- We donated \$5,000 to the Italian community centre, Casa d'Italia. The centre's mission is to honour and remember the history and heritage of Montreal's Italian community.

Airmedic Foundation

- Airmedic's annual event, Le Grand Décollage, took place virtually in 2020. Our \$5,000 sponsorship will directly contribute to their mission of ensuring sick children living in remote areas can access the specialized care they need by facilitating their transport to pediatric hospitals as well as accommodation for their families.

Fondation Hôpital Charles-LeMoine

- 2020 was the third year of our 5-year partnership with the foundation for a \$50,000 total commitment. The Foundation's mission is to help finance projects at the Charles-Le Moine Hospital to improve the health status of Montreal's South Shore population.

JCC Sports Dinner Vancouver

- Every year close to 1,000 of Vancouver's top executives, sports enthusiasts, media personalities and local professional athletes come together for an exciting evening to celebrate sports and raise funds for the exceptional programs, scholarships and services for families in need at the JCC. In 2020 we were proud to provide a \$5,500 sponsorship.

Concordia University Foundation

- Although the annual Golf Classic was cancelled in 2020, we maintained our \$5,000 donation which was directed to scholarships and bursaries for deserving students.



GOVERNANCE

We are committed to the highest standards of governance and transparency in all our activities so that our customers, investors and employees feel confident in how we operate.

Corporate governance and oversight

Laurentian Bank's Board of Directors oversees our governance structure, business plan, corporate strategy, risk appetite and culture. The Board discharges its responsibilities directly and through its three committees:

- Risk Management Committee
- Audit Committee
- Human Resources and Corporate Governance Committee

The Board delegates day-to-day authority to management of the Bank, while reserving the ability to review management decisions and exercise final judgement on any matter. The Board's governance policies and practices are described in greater detail in the Board Governance Policy which can be found in the "Governance and Social Responsibility" section of our website.

Board and leadership diversity

Our Bank plays a leadership role among corporate Canada with respect to advancing diversity. The Board was very pleased to welcome Rania Llewellyn as the new President and Chief Executive Officer on October 30, 2020, the first woman to lead a major Canadian chartered bank. We were also the first institution of our kind in Canada to name a woman, Jeannine Guillevin Wood, as Chairperson in 1997. Subsequently, Ms. Isabelle Courville became the second woman to assume that role, serving as Chair of the Board from 2013 to 2019.

In the past 5 years, there has been near equal gender representation among our independent board members:



Business conduct

Being entrusted with the financial well-being and futures of our clients is a responsibility we take extremely seriously. Accordingly, we are firmly committed to the highest standards of integrity and professionalism in all that we do. For nearly 175 years, we have taken pride in acting with honesty and integrity in the management of our affairs and in supporting our clients. 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.

Employee engagement

Each year, our employees complete various training programs to enhance their understanding of current and emerging risks as well as expectations with respect to ethical business conduct. In 2020, more than 23,000 hours of training was provided on themes related to cybersecurity, privacy and compliance. In addition, we ensure that our employees understand current and evolving risks related to anti-money laundering (AML) and anti-terrorist financing (ATF). These training initiatives supplement our Code of Conduct and Ethics which employees review and attest to annually.

Cybersecurity and data protection

We live in a digital age where financial transactions are increasingly carried out online. With the convenience this brings to our clients come rising risks and cyber threats – which is why data security and privacy protection is one of our top priorities. Our precautionary measures include

having robust processes and effective controls in place to manage risks related to privacy, data integrity and security, cybersecurity, and business continuity management. As well, we ensure that our employees are knowledgeable on topics related to risk management and that training is provided regularly. As in previous years, we also raise awareness of cybersecurity among employees and the general public during Cybersecurity Awareness Month in October.

Policies and codes

We have many policies and codes that govern our organization. From risk management and business continuity to credit management and money laundering, employment equity, workplace safety, personal information and more, our policies, codes and guidelines are a solid framework that guides our actions.

OUR ECONOMIC VALUE

Laurentian Bank is a significant participant in the economic development of our country. Being a good corporate citizen means delivering value as an employer, taxpayer, lender and provider of financial services. The following tables highlight our contributions to the economy. For more information, please consult our 2020 Annual Report.

Workforce – Geographic breakdown of full-time, part-time and temporary employees

As at October 31, 2020

Province	Full-time	Part-time	Temporary	Total
Alberta	18	-	-	18
British Columbia	10	-	-	10
Newfoundland and Labrador	1	-	-	1
Nova Scotia	1	-	-	1
Ontario	1 083	13	123	1 219
Quebec	1 567	64	35	1 666
Manitoba	-	-	-	-
United States	131	2	-	133
Total	2 811	79	158	3 048

Total amount of income and capital taxes paid or payable in 2020

As at October 31, 2020

Canada			
(In thousands of CAN dollars)	Income tax ⁽¹⁾	Other taxes ⁽²⁾	Total
Federal	11 018	16 821	27 839
Provincial			
Québec	(929)	29 806	28 877
Ontario	5 112	9 738	14 850
Alberta	(416)	-	(416)
British Columbia	13	1	14
New Brunswick	-	64	64
Nova Scotia	(63)	123	60
Prince Edward Island	-	17	17
Newfoundland and Labrador	(25)	50	25
Saskatchewan	-	-	-
Manitoba	-	-	-
Total provincial	3 692	39 799	43 491
Total federal and provincial	14 710	56 620	71 330
USA			
(In thousands of CAN dollars)	Income tax ⁽¹⁾	Other taxes ⁽²⁾	Total
Total	8 619	1 890	10 509

(1) Estimated amounts

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

Debt financing to firms in Canada

Total amounts (in CAD \$), authorized during fiscal year ending October 31, 2020

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		54,462		400,000	2,581,000	14,637,450	194,898,161	212,571,073
	Number of firms		1		1	3	5	13	23
British Columbia	Amount of debt financing	17,000			-		15,519,642	195,124,885	210,661,528
	Number of firms	1			-		6	9	16
Manitoba	Amount of debt financing						3,653,333		3,653,333
	Number of firms						1		1
New Brunswick	Amount of debt financing	1							1
	Number of firms	1							1
Nova Scotia	Amount of debt financing				465,000		1,500,000		1,965,000
	Number of firms				1		1		2
Ontario	Amount of debt financing	422	945,000	415,000	2,281,308	8,002,314	113,556,449	2,006,839,285	2,132,039,780
	Number of firms	2	23	4	7	12	45	71	164
Québec	Amount of debt financing	73,231	66,814,950	12,033,540	27,680,687	62,872,977	344,815,341	1,502,666,769	2,016,957,498
	Number of firms	9	1,647	75	75	88	155	93	2,142
Newfoundland and Labrador	Amount of debt financing				456,526		3,000,000		3,456,526
	Number of firms				1		1		2
Total	Amount of debt financing	90,654	67,814,412	12,448,540	31,283,522	73,456,292	496,682,217	3,899,529,101	4,581,304,741
	Number of firms	13	1,671	79	85	103	214	186	2,351

Opened and closed automated banking machines

The following Laurentian Bank service points were opened and closed during the 2020 fiscal year (total 42).

Address	City	Province	Postal code
Opened			
1699 boul Le Corbusier, suite 100	Laval	QC	H7S 1Z3
5045 rue Jean-Talon Est	Montreal	QC	H1S 0B6
7192 boul St-Michel	Montreal	QC	H2A 2Z4
Closed			
1155 Ste-Catherine Est (2 ABMs)	Montreal	QC	H2L 2G8
5059 ave du Parc	Montreal	QC	H2V 4E9
5050 boul Bourque (2 ABMs)	RockForest	QC	J1N 2K7
5720 boul des Laurentides (2 ABMs)	Laval	QC	H7K 2K2
2937 rue Masson (2 ABMs)	Montreal	QC	H1Y 1X5
4214 rue Wellington	Verdun	QC	H4G 1W2
6500 ave De Lorimier (2 ABMs)	Montreal	QC	H2G 2P6
3870 boul Notre-Dame (2 ABMs)	Laval	QC	H7V 1R9
8930 boul St-Michel (2 ABMs)	Montreal	QC	H1Z 3G4
4725 rue Jarry Est (2 ABMs)	Saint-Leonard	QC	H1R 1X7
7050 rue Jarry Est	Anjou	QC	H1J 1G4
8945 boul Viau (2 ABMs)	Montreal	QC	H1R 2V4
3460 boul St-Francois (2 ABMs)	Jonquiere	QC	G7X 8L3
2401 rue Saint Jacques	Montreal	QC	H3J 1H7
1615 boul Jacques Cartier E, Local 120	Longueuil	QC	J4M 2X1
1447 ave Van Horne	Outremont	QC	H2V 1K9
2250 boul du Faubourg (2 ABMs)	Boisbriand	QC	J7H 1S3
1220 avenue du Port	LaBaie	QC	G7B 1W4
28 boul du Mont-Bleu	Gatineau	QC	J8Z 1J1
848 Montee Masson (2 ABMs)	Mascouche	QC	J7K 2L7
3387 boul Dagenais Ouest (2 ABMs)	Laval	QC	H7P 1V5
3700 boul Taschereau (2 ABMs)	Longueuil	QC	J4V 2H8
400 Route 132 (Loc. 170) (3 ABMs)	St-Constant	QC	J5A 2J8

Opened and closed branches

As of October 31, 2020

We merged 20 retail branches during the year. These measures were attributed to recent changes in the economic landscape and the ongoing reduction in the number of customer branch visits. Customers will continue to be served by our Quebec Retail Network with locations that are reasonably proximate to converted branch locations.

Address	City	Province	Postal code
Opened			
None			
Merged and Closed			
6640 ave Somerled	Montreal	QC	H4V 1T2
4725 rue Jarry Est	Montreal	QC	H1R 1X7
8945 boul Viau	Montreal	QC	H1R 2V4
1155 rue Sainte-Catherine Est	Montreal	QC	H2L 2G8
5059 Av. du Parc	Montreal	QC	H2V 4E9
2937 rue Masson	Montreal	QC	H1Y 1X5
6500 ave Delorimier	Montreal	QC	H2G 2P6
3870 boul Notre Dame	Laval	QC	H7V 1R9
8930 boul Saint-Michel	Montreal	QC	H1Z 3G4
3387 boul Dagenais Ouest	Laval	QC	H7P 1V5
7050 rue Jarry Est	Montreal	QC	H1J 3B8
5050 boul Bourque	Sherbrooke	QC	J1N 2K7
848 Montee Masson	Mascouche	QC	J7K 2L7
5720 boul des Laurentides	Laval	QC	H7K 2K2
4790 ave Van Home	Montreal	QC	H3W 1H7
400 route 132, local 170	Saint-Constant	QC	J5A 2J8
2250 boul du Faubourg	Boisbriand	QC	J7H 1S3
831 route Marie Victorin	Sorel-Tracy	QC	J3R 1L1
3460 boul Saint-Francois	Jonquiere	QC	G7X 8L3
4214 rue Wellington	Montreal	QC	H4G 1W2