2023
ESG Report

2023 Environmental, Social
and Governance (ESG) Report and
Public Accountability Statement

LAURENTIAN
BANK

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2023 Highlights

Highlights

At Laurentian Bank, we are committed to supporting sustainable environmental, social, and economic change by focusing on initiatives that establish trust with our customers, inspire pride among our employees, and drive value for our shareholders. Highlights from the 2023 fiscal year include:

Environment

- Updated the mandate of our internal TCFD taskforce to include oversight of regulatory-related elements of climate governance, risk, strategy, and disclosures, in addition to our current voluntary TCFD participation.
- Made progress against the Bank's 35% reduction target for our Scope 1 and 2 GHG emissions by 2030.
- Calculated and disclosed an estimate of our Residential Mortgages Scope 3 financed emissions using the Partnership for Carbon Accounting Financials (PCAF) methodology, in addition to an estimate of our Corporate Real Estate Scope 3 financed emissions, which we are disclosing for a second year in a row.

Social

- Added Chief Inclusion and Equity Officer responsibility to our Chief Legal Officer's duties and established an Inclusion Leadership Council.
- Signed the Women in Capital Markets' Parental Leave Pledge, allowing fathers, same-sex partners, and parents adopting a child under one year of age to benefit from a top-up of their salary paid by the Bank during their leave.
- Through our "Giving Beyond Numbers™" corporate giving and community engagement program, the Bank donated more than $770,000 to non-profits and charities, including:
  - $158,000 to local, branch-selected organizations through our Laurentian in the Community initiative;
  - $170,000 to the Canadian Red Cross to support domestic and international emergency relief efforts.

Governance

- Fulfilled our commitment to broaden the diversity of Board composition with at least 15% of Board members self-identifying as a member of another underrepresented group (2SLGBTQIA+, visible minorities, Indigenous Peoples, and persons living with disabilities) beyond cis women.
- Women comprise 55% of our independent Board members and, for the past 9 years, our Bank has had at least an equal representation of women and men among our independent Board members.
- Embedded Environmental Social Risk Management (ESRM) criteria into third party risk management due diligence evaluation.

About this Report

This ESG Report includes information about Laurentian Bank of Canada ("Laurentian Bank" or "the Bank") and its significant subsidiaries, including:

- B2B Bank
- Laurentian Bank Securities Inc.
- Laurentian Trust of Canada Inc.
- LBC Capital Inc.
- NCF Commercial Finance Holdings Inc.
- Northpoint Commercial Finance LLC
- LBC Financial Services Inc.
- LBC Investment Management Inc.
- V.R. Holding Insurance Company Ltd.
- Venture Reinsurance Company Ltd.
- LBC Tech Inc.
- LBC Trust
- NCF International Holding Kft

This Report is a complement to the 2024 Management Proxy Circular, the 2023 Annual Report and the 2023 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 2023 (November 1, 2022, through October 31, 2023) 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 13 for our materiality analysis.

We have continued to disclose metrics aligned with the Sustainability Accounting Standards Board (SASB) Industry Standards (starting on page 59) and with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (starting on page 51). We leverage GRI 302-1 for energy consumption calculations, and the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard for our GHG emissions calculations, starting on page 77. For our Scope 3 financed emissions calculations, we leverage the Partnership for Carbon Accounting Financials (PCAF) methodology. Additional detail on our ESG-related policies can be found on the Our ESG Policies page of our website.

This report includes our Public Accountability Statement, 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 and appear on pages 64-70.

Some of the performance indicators, including energy consumption, Scope 1 and Scope 2 Greenhouse Gas emissions and select equity, diversity & inclusion metrics, marked by (√) on pages 58, 72, 80 and 85, have been assured to a limited level by Ernst & Young LLP (EY). EY's Independent Practitioner's Assurance Report can be found on our website.

The following are trademarks of Laurentian Bank of Canada: Seeing beyond numbers; Giving beyond numbers.

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

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

Message from our CEO

For more than 175 years, Environmental, Social and Governance (ESG) issues have been at the core of who we are and how we operate at Laurentian Bank. Our Bank has always taken a common sense approach to sustainability – understanding that ESG management is tied to financial performance and intrinsically aligned with driving long-term profitable growth. Over the years, ESG has also grown in importance for all of our stakeholders – including our employees, customers, and shareholders – and what is important for them is a top priority for us.

It is my honour to present our Bank's ESG Report for the 2023 fiscal year. I have seen first-hand the progress we have made since the launch of the Bank's first ESG Report in 2021 and, as the Bank's new President and CEO, I look forward to building on the great work that is well underway.

Key Achievements on our ESG Journey

We have delivered a number of notable accomplishments as part of our ESG strategy over the past year.

As part of our Bank's commitment to climate action, we have established a 35% reduction target for our Scope 1 & 2 Greenhouse Gas (GHG) emissions by 2030 from a 2022 base year. In this year's ESG Report we have calculated and are disclosing an estimate of our residential mortgages financed emissions using the Partnership for Carbon Accounting Financials (PCAF) methodology. This is in addition to our estimated Corporate Real Estate Scope 3 financed emissions, which we are disclosing for the second year in a row.

Improving the employee experience is an ongoing commitment and I am extremely proud of our progress over the past year. Notably, we signed the Women in Capital Markets' Parental Leave Pledge, allowing fathers, same-sex partners, and parents adopting a child under one year of age to benefit from a top-up of their salary paid by the Bank during their leave. Also, as part of our continuous efforts to building up and fostering a culture of equity, diversity and inclusion, we were excited to launch our fourth Employee Resource Group with a focus on Newcomers to Canada and their allies.

In all that we do, we strive to create meaningful moments of teamwork and collaboration, which is a key ingredient for high engagement. This year's Voice of the Employee survey saw our employee engagement rate increase by 3 percentage points to 80%. This survey, and the feedback our employees share, directly influence our decisions and investments aimed at improving our employees' work-life experience.

As part of our commitment to supporting the long-term and sustainable growth of our Commercial clients, we have partnered with Quebec Net Positive as part of their "SMEs in Transition" initiative. This initiative helps Quebec's small and medium-sized enterprises (SMEs) in the manufacturing sector and the supporting business ecosystem in accelerating their transition to a low-carbon and "net positive" economy.

This year, we again saw significant growth – more than 20% – in the Bank's daycare financing specialization. Supporting subsidized daycares not only aligns directly with our ESG strategy, but it is also a good example of how our actions can improve economic access and opportunities for our stakeholders and have a positive impact on our communities. We look forward to continuing to build on this area of specialization in Quebec and across Canada.

Looking Ahead

Later this spring, our Bank will be launching a revamped strategic plan which delivers on our mandate to re-focus our organization on simplification efforts and improving the overall customer experience. As part of that plan, we will continue to align our core business with the values and expectations of all our stakeholders when it comes to environmentally and socially responsible banking, and to deliver on ESG initiatives that reflect the social consciousness of our employees, customers, and shareholders.

In closing, I would like to thank the entire Laurentian Bank team and our Board of Directors for their contributions to our ESG strategy over the past year. I look forward to working together to continue the momentum we have established as we build up an inclusive and sustainable future at Laurentian Bank.

Éric Provost
President and Chief Executive Officer

About Laurentian Bank

At Laurentian Bank, we believe we can change banking for the better. By seeing beyond numbers.

Founded in Montreal in 1846, Laurentian Bank helps families, businesses and communities thrive. Today, we have approximately 3,000 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 protect, manage and grow $49.9 billion in balance sheet assets and $25.8 billion in assets under administration[1].

We drive results by placing our customers first, making the better choice, acting courageously, and believing everyone belongs.

[1] Source: Laurentian Bank 2023 Annual Report

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 Winning 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

Highlights

As of October 31, 2023

Total assets:
$49.9 billion

Assets under administration:
$25.8 billion

Approximately **3,000** full-time equivalent employees

73 locations in Canada and the United States

57 branches across Quebec

130 Automated Banking Machines

Source: Laurentian Bank 2023 Annual Report

How we Engage with Stakeholders

In the journey towards ESG success, effective stakeholder engagement is crucial. We use a variety of tools to understand, build trust, and collaborate with our diverse stakeholders. This is an ongoing process, characterized by continuous dialogue and feedback, monitoring perceptions, and addressing concerns. By leveraging transparent communication and customized engagement approaches, we are better able to measure our success in meeting the unique needs and expectations of our customers, employees, investors, regulatory bodies, and the general public. Together, their input guides our approach to sustainability and informs how we conduct our business.

How we Engage with Stakeholders

Stakeholders	Ways we engage		
Customers	▪ Websites, digital and mobile banking ▪ Customer and telebanking services ▪ CEO letters to customers ▪ Secure tools to exchange confidential information via email	▪ Dedicated mailboxes ▪ Social media: Facebook, LinkedIn, X (formerly known as Twitter), YouTube ▪ Client Complaints Appeal Office and other complaints handling protocols ▪ Designated Seniors Champion	▪ Meetings, phone calls and email correspondence ▪ Customer surveys (Voice of the Customer) ▪ Posters and brochures ▪ Newsletters ▪ Customer events ▪ Industry and association events
Employees	▪ Internal publications: CEO messages and weekly newsletters on corporate and business activities ▪ In-person and virtual meetings between the CEO and other senior leaders with groups of employees from across the Bank ▪ In-person and virtual Employee Days ▪ Monthly meetings with leadership team ▪ Quarterly virtual town hall meetings	▪ Intranet newsfeed for employees and managers ▪ Internal social media network ▪ Direct communications between the employees and their managers and/or human resources ▪ Anonymous whistleblower hotline ▪ Annual employee engagement surveys (Voice of the Employee)	▪ Employee Resource Groups and Courageous Conversations Series ▪ Topic-specific training including regulatory compliance topics, unconscious bias, ESG, accessibility, Truth and Reconciliation, and workplace violence and harassment prevention ▪ Access to HR Expertise Centre ▪ In-person gatherings, such as potlucks and celebratory events
Shareholders and investors	▪ Quarterly and annual financial results conference calls ▪ Annual General Meeting of shareholders ▪ Meetings with financial analysts and investors	▪ Investor roadshows ▪ Management Proxy Circulars and Management Discussion & Analysis ▪ Annual Information Form	▪ ESG Report ▪ Annual and Quarterly Reports ▪ Laurentian Bank and all affiliated business lines websites ▪ Meetings with shareholders
General public and communities	▪ Public reports, including the Annual Report and ESG Report ▪ Regular contact with the media	▪ Social media accounts: Facebook, LinkedIn, X (formerly known as Twitter), YouTube ▪ Laurentian Bank and all affiliated business lines websites	▪ Activities related to donations and sponsorships ▪ Community events
Regulatory authorities	▪ Meetings, phone calls and email correspondence ▪ Annual and quarterly meetings with regulators	▪ Regulatory submissions	▪ Participate in regulatory reviews and exams

Material Topics

Laurentian Bank employs a responsible management approach to ESG in alignment with international standards.

In agreement with Global Reporting Initiative (GRI) sustainability standards, we regularly monitor topics that could have an impact on the Bank, or which the Bank may influence in society. In 2021, we refreshed our materiality assessment to ensure we remain focused on the ESG topics that are most relevant to our business and the priorities of our various stakeholders. This evaluation incorporated:

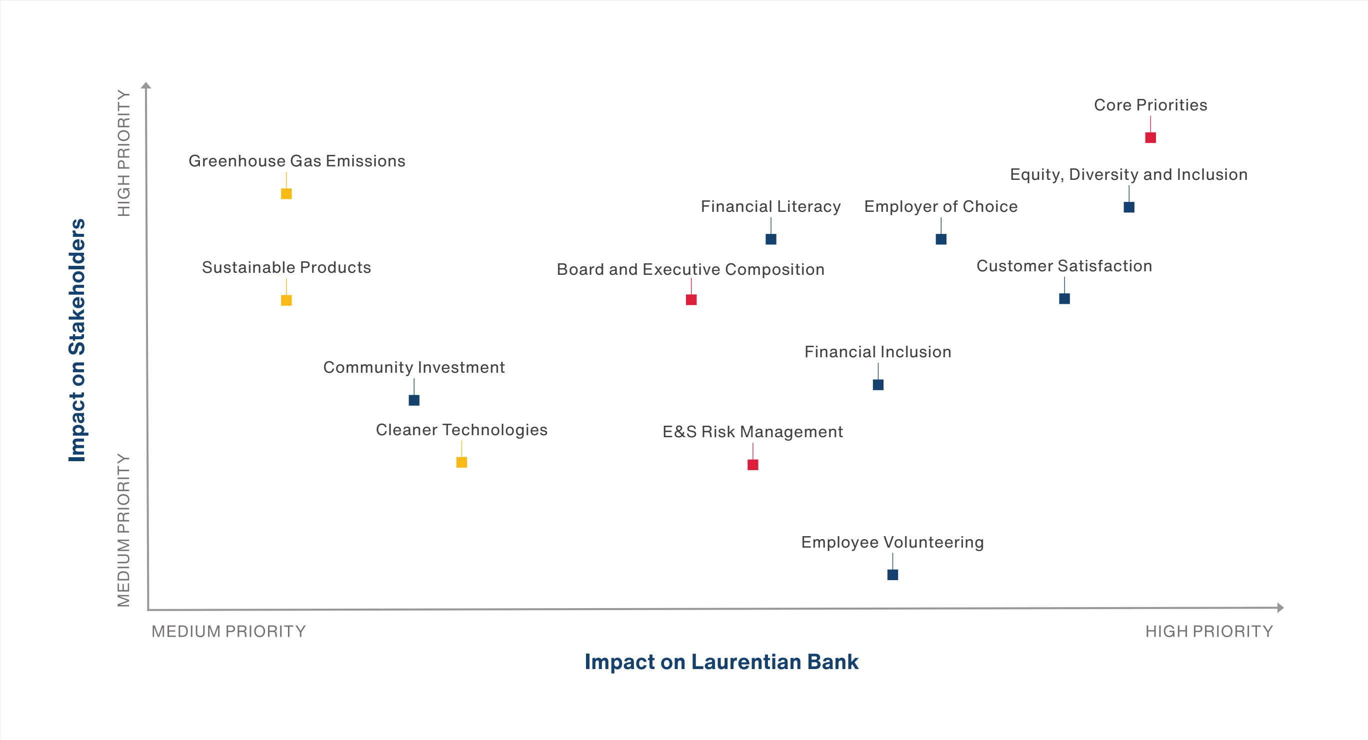
- Third party research on customer expectations and market trends
- Benchmarking from peer reporting, industry trends, ratings agencies, and international best practices
- Interviews with senior executives, investors, and other key stakeholders
- A survey of Laurentian Bank employees

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 Board. We believe that this matrix continues to be an accurate representation of the material topics for the Bank in 2023. The materiality assessment will be updated on a regular schedule to ensure we are reflecting the ESG priorities of our stakeholders.

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

Materiality Matrix

Materiality Results: Priority Focus Areas



Core priorities include Ethics and Integrity and Data Privacy and Security

Legend

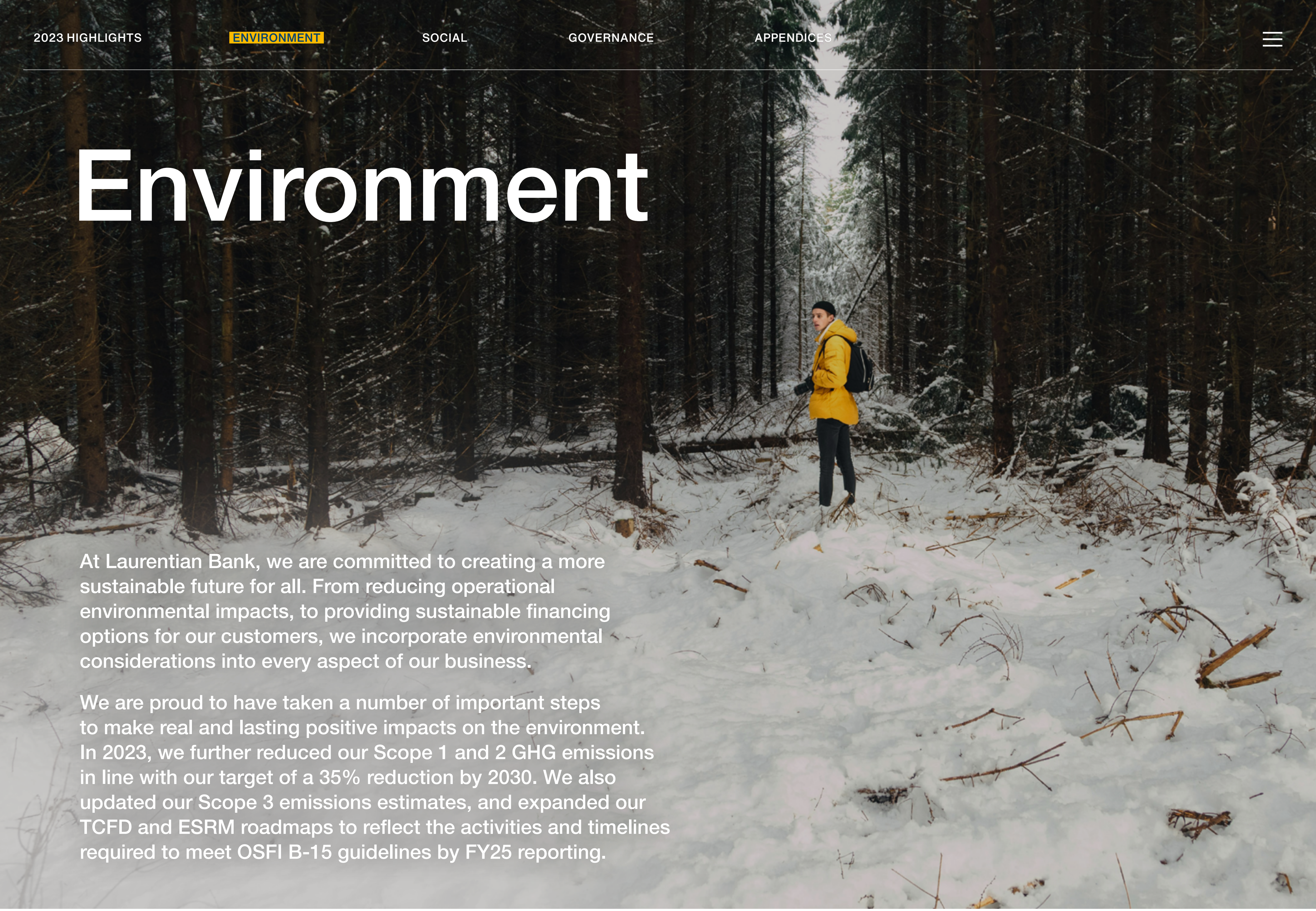
- Environment
- Social
- Governance

Our ESG Journey

In everything we do, we aim to have a positive impact on the lives of our customers, our employees, and the communities in which we serve. As an organization, we are early in our ESG journey. Throughout our more than 175-year history, community service and corporate social responsibility have always been core to Laurentian Bank's operations and activities. However, it wasn't until 2021 that we established a formal ESG program and governance structure. Since then, we have made tremendous progress, including the following notable achievements in 2021 and 2022 – the first two years of our ESG program:

- 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
- Signed on to the Partnership for Carbon Accounting Financials (PCAF) and began to disclose Scope 3 emissions for our first asset class
- Established greenhouse gas (GHG) reduction targets to reduce the Bank's environmental footprint
- Announced our commitment to not directly finance the exploration, production, or development of coal, or oil and gas
- Published the Bank's inaugural Sustainable Bond Framework and expanded ESG products and advisory services for our customers
- Signed the BlackNorth Initiative to help end systemic racism and to further commit to advancing a more diverse and inclusive workplace
- Established a Courageous Conversations initiative which allows employees to share experiences, stories, and challenges on various aspects of diversity and inclusion, and launched a number of Employee Resource Groups
- Added ESG and Equity, Diversity and Inclusion (ED&I) targets to all our leaders' scorecards, directly linking these initiatives to their performance and compensation
- Established an Executive ESG Steering Committee and cross-functional Working Group with senior representatives from all business lines and departments, and appointed our CEO as the Bank's "ESG Champion" and Chief Financial Officer as the lead of our internal TCFD taskforce

We are extremely proud of what we have achieved to date, including our most recent ESG highlights from the 2023 fiscal year which are detailed throughout this report. Laurentian Bank's ESG journey continues to evolve. While the Bank is undergoing a strategic realignment under our renewed leadership team, ESG will continue to be prioritized. We look forward to sharing more details on the next chapter of our ESG journey once the Bank's refreshed strategy is unveiled in late spring of 2024.



Environment

At Laurentian Bank, we are committed to creating a more sustainable future for all. From reducing operational environmental impacts, to providing sustainable financing options for our customers, we incorporate environmental considerations into every aspect of our business.

We are proud to have taken a number of important steps to make real and lasting positive impacts on the environment. In 2023, we further reduced our Scope 1 and 2 GHG emissions in line with our target of a 35% reduction by 2030. We also updated our Scope 3 emissions estimates, and expanded our TCFD and ESRM roadmaps to reflect the activities and timelines required to meet OSFI B-15 guidelines by FY25 reporting.

Priority Topics

Environment

17 Sustainable Products and Cleaner Technologies

19 Greenhouse Gas Emissions and Environmental Impacts

Sustainable Products and Cleaner Technologies

Why it Matters

Climate change affects everyone, and banks have an important responsibility to further the global goal of net zero by 2050 by playing a leadership role in offering climate-linked financial products and funding green initiatives. Throughout 2023, Laurentian Bank continued to expand our sustainable finance offerings to better serve our customers.

Green and Sustainable Bonds

Laurentian Bank published our first Sustainable Bonds framework in 2022 to provide transparency and reflect current best market practices in our bond issuances, disclosure and reporting process.

Our Capital Markets team continues to provide our customers with ESG-related advisory services and innovative lending solutions. In 2023, Laurentian Bank Securities (LBS) participated in the financing of $8.66 billion in green and sustainable bonds to help fund key eco-friendly projects. Despite the year-over-year reduction in issuance volumes in the Canadian green bond market, LBS participated in 100% of the Green-bond issuance by our target clients, including several clients that were new to the Bank, consistent with our goals.

Responsible Financing

Many of our LBS and Commercial Banking customers are committed to building sustainable businesses and Laurentian Bank proudly supports their efforts:

- We manage a renewable energy portfolio of over $140 million that primarily provides financing to solar energy projects.
- We maintain a program to support Quebec school bus operators in their transition to electric vehicles by participating in the financing of zero-emission buses through our equipment financing subsidiary LBC Capital.
- LBS periodically publishes ESG-focused research to clients. This research is available here.
- In keeping with our commitment announced in December of 2021, none of the Bank's total loan portfolio comprises the direct financing of exploration, production, or development of coal or oil and gas.
- Only 0.1% of the Bank's total loan portfolio is related to mining or quarrying.

Wealth Management

In response to growing customer demands for environmentally responsible investments, we are proud of our collaboration with Mackenzie Investments ("Mackenzie") to offer eight ESG mutual funds managed by Mackenzie's sustainable investing boutiques, Mackenzie Betterworld and Mackenzie Greenchip, and the Mackenzie Fixed Income Team.

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.

We also continue to offer the equity-linked Canadian Sustainability ActionGIC, which invests in publicly-traded Canadian companies with a focus on ESG initiatives.

Greenhouse Gas Emissions and Environmental Impacts

Why it Matters

The climate crisis is one of the most pivotal issues of our era. Evaluating the environmental impact of our spaces, operations, and activities not only helps to protect local communities and our planet but can also reduce operating costs and identify risks to our business. By acting today, we can shape healthier and more sustainable communities tomorrow.

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 to 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 2022, the Bank succeeded in reducing our corporate office space by 50% to align with our hybrid and flexible work model. A key consideration that went into this decision was the reduction of the Bank's overall environmental impact. As was noted in last year's report, of the potential waste created by this space reduction in our Toronto corporate offices, 100% of the excess furniture and electronics was diverted to reuse through the CSR Eco Solutions Divert program; and, in our Montreal corporate offices, 100% of the excess electronics were diverted to recycling through Quantum Lifecycle partners.

In collaboration with Coesio, a sustainable strategic management consulting firm, Quantum was able to develop a tool to calculate total GHG reduction from refurbishing and recycling electronic assets, incorporating the US EPA WARM (Waste Reduction Model) for GHG Emissions. This tool determined that Laurentian Bank saved 97.9 tonnes of CO_2e, by recycling 26,719 lbs/12,119.53 kilos of electronics.

Operational Greenhouse Gas Emissions

Leveraging the GHG Protocol approach and tools, Laurentian Bank has calculated GHG emissions for Scope 1 and Scope 2 across our footprint, as well as for Scope 3 business travel emissions. The Bank is a member of the Partnership for Carbon Accounting Financials (PCAF), and we leverage their methodology for the calculation of financed emissions for the Corporate Real Estate (CRE) and Residential Mortgage asset classes. We will continue to refine these calculations and reduce the assumptions required in the coming years. (More details on the financed emissions can be found in the TCFD Report.)

Laurentian Bank has set a target of 35% absolute reduction in our Scope 1 and 2 GHG emissions by 2030 from a 2022 base year, in alignment with the 1.5ºC ambition pathway as prescribed by the Science-Based Targets initiative (SBTi). 2022 was chosen as the base year for our emissions target based on data reliability. In 2022, the Bank estimated our combined Scope 1 and Scope 2 GHG emissions at 1,097 tCO_2e. With the reduction and downsizing of branches and corporate office spaces, the Bank reduced that number by 30 percent to 768 tCO_2e. This is aligned with our hybrid work model and mobility strategy which prioritizes and promotes working from home for all tasks that can be performed remotely. This decrease in emissions is a positive step forward and continues to keep the Bank in line with the targeted goal of a 35 percent reduction by 2030.

These calculations do incorporate estimation and assumptions in lieu of detailed energy use information on some leased spaces. In 2022-2023, we continued to reduce the number of sites with estimated energy usage to improve precision in results.

In 2022, the Bank estimated Scope 3 business travel emissions at 399 tCO_2e. With the decline in COVID-19 related travel restrictions and lockdowns in 2023, that number increased in 2023 to 465 tCO_2e, which remains below pre-pandemic levels.

Flexible Work Model Contributes to a Positive Environmental Impact

Through our hybrid and flexible work model, the majority of our employees continue to work from home on a part-time or full-time basis. For employees who work at our office locations, we actively encourage them to adopt an eco-friendly mindset so that, together, we can minimize our environmental footprint.

In 2023, our Bank hosted a Green Teams Challenge which engaged teams of employees from across the organization to develop low-cost ideas to reduce the Bank's environmental footprint. The winning team developed an eco-ambassador mascot, named "Laurent," whose mission is to inspire employees to do their part in helping to reducing their own environmental footprints by modelling and promoting positive environmental behaviours and actions both at home and in the office.

Reduce, Reuse and Recycle:

- Through our corporate office floor decommissioning initiative, clothing, electronics, and excess office supplies were donated to charitable organizations and/or processed through e-waste facilities.
- Office supplies, including stationery and paper, is managed centrally to 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 2023, our internal paper use continued to be significantly reduced due to the majority of our team members working from home.
- DocuSign and the use of e-signatures throughout our customer-facing activities further reduces printing requirements.
- We continuously promote eco-friendly options to our customers through paperless banking methods, such as telephone and online banking, direct deposit options, and pre-authorized bill payments.
- As part of our "Path to Paperless" initiative, we stopped printing approximately 40,000 pages of reports per month and ramped up efforts to encourage customers to transition to e-statements.

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, including showers at our Montreal corporate office.
- Our office locations include areas to park electric vehicles.
- Employees can get reimbursed by up to $400 per year for public transportation costs through the Health and Wellness spending account.

Strategic Partnerships

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

- The Bank is participating in working groups such as PCAF to help improve emissions data availability.
- As much as possible, we seek green options for procurement and source eco-friendly partners and vendors.
- Since 2015, we have been 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.
- The Bank is attending Sustainability Committee meetings with our landlords in Toronto and is meeting regularly with our landlords in Montreal to implement new energy saving initiatives.
- In partnership with Québec Net Positif, the Bank supports a collaborative initiative to help Quebec small and medium-sized enterprises (SMEs) implement climate actions and make successful transitions to thrive in a low-carbon, sustainable economy.

As the Bank continues with its hybrid work model in 2024 and the years ahead, this will reduce the need for business travel and employee commuting over the long-term, as well as reduce paper-related waste in our offices.

Social

Laurentian Bank strives to foster an inclusive and equitable workplace culture where every person is empowered to thrive, reach their fullest potential, and belong. We support our employees' wellbeing and encourage their growth and development because we believe that investing in our team members today produces positive results for our customers and our shareholders tomorrow. Giving back is part of our DNA and we are creating lasting change through our corporate philanthropy programs, community events, and grassroots fundraising.

Priority Topics

Social

25	Equity, Diversity and Inclusion (ED&I)
28	Employer of Choice
30	Customer Satisfaction and Financial Inclusion
32	Community Investment and Employee Volunteering

Equity, Diversity and Inclusion (ED&I)

Why it Matters

At Laurentian Bank, we have adopted purposeful, business-led approaches to equity, diversity, and inclusion (ED&I) by building ED&I directly into our policies and practices. Our goal is to enable and foster an inclusive and equitable culture that reflects and respects the diversity of our employees, our customers, and our communities.

We believe that a truly inclusive culture, where everyone feels like they belong and can thrive, is a key driver of our success. A diverse and inclusive workforce – one that brings multiple perspectives to the table – enhances problem-solving and decision-making, fosters innovation, and improves governance and oversight.

In 2023, we appointed a Chief Inclusion and Equity Officer and established an executive-level Inclusion Leadership Council to further accelerate our work on equity, diversity and inclusion.

Board and Employee ED&I Policies

ED&I policies are in place for employees and for our Board. These policies highlight our commitment to ED&I at all levels of the organization – from our interns to our senior Executive Team and Board Members.

Diversity Goals

To drive accountability and measure the impact of our efforts, diversity representation goals and metrics are included in all of our executives' scorecards. See the data table in the Appendix on page 60 for information on our performance in 2023.

Board Targets

Laurentian Bank has publicly committed to having a Board in which 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). We have also committed to having at least 15% of directors self-identifying as a member of another equity deserving group (2SLGBTQIA+, racialized persons, Indigenous persons, and persons with disabilities) by 2025. See page 41 of our report for information on our performance in 2023.

Compensation

To ensure our compensation processes are fair, and to provide equal treatment in terms of rights, benefits, obligations and opportunities to all candidates and employees, regardless of gender, we use extensive review and approval processes to select candidates for all positions, including management and leadership roles. Laurentian Bank 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 for the overall workforce but are also broken down by gender to assess equity in the results. Furthermore, we are meeting our federal pay equity obligations, as well as our provincial obligations for our entities in Quebec and Ontario.

Training

We provide mandatory ESG 101 and Truth and Reconciliation training as well as unconscious bias and accessibility training for all employees across the Bank which they must complete on an annual basis.

Employee Resource Groups

Our Employee Resource Groups are employee-led groups with central support and governance from the Inclusion and Equity team. They play an important role in building community and a sense of belonging amongst employees. We have the following four Employee Resource Groups:

- StrongHer, for women and allies.
- Laurentian Bank Black Employee Network (LBBEN), for members of the Black community and their allies.
- PRIDE, for members of the 2SLGBTQIA+ community and their allies.
- Newcomers, our most recent Employee Resource Group launched in 2023, for newcomers to Canada and their allies.

Courageous Conversations

Established in February 2021, the Bank's Courageous Conversations Initiative allows us to engage in conversations on equity, diversity and inclusion topics. By engaging in open and sometimes difficult conversations in a safe space, we aim to "Share, Listen and Learn" and support ongoing dialogue.

Partnerships

To further advance our ED&I efforts and objectives, we work with a number of organizations who provide us with additional expertise and learnings.

- **BlackNorth Initiative**
  As a signatory to the BlackNorth CEO pledge, we have continued with our commitments to addressing anti-Black systemic racism. We have continued our collaboration with Groupe 3737, an entrepreneurial innovation and diversity hub located in the heart of Montreal's Saint-Michel neighbourhood, in making a three-year commitment of $150,000 to support deserving entrepreneurs from equity deserving groups to participate in the organization's Trade Mission Program.
- **Pride at Work Canada**
  In partnership with Pride at Work Canada, an organization that helps employers build workplaces that celebrate all employees regardless of gender expression, gender identity, and sexual orientation, the Bank has access to expert resources, thought leadership, dialogue, and education.
- **Indigenous Works' Charter**
  The Bank has signed on to the Indigenous Works' Charter Agreement on "Innovation in Indigenous Employment and Workplace Inclusion Strategies in the Canadian banking and financial sector." As part of this initiative, which is conducted in collaboration with Indigenous Works and the Canadian Human Rights Commission, we are working with partners to explore ways to increase Indigenous employment in our industry.
- **Canadian Centre for Diversity and Inclusion (CCDI)**
  CCDI is an organization that supports employers in creating workplaces that are inclusive and free of prejudice and discrimination. Through our partnership with CCDI, we have access to expertise and resources, including training and webinars that we make broadly available to all employees at the Bank. We also work with diverse community organizations through our Giving Beyond Numbers™ corporate philanthropy program, detailed later in this document.

Communications

We use a variety of channels to share our ED&I efforts both internally and externally. In 2023, we created a dedicated Inclusion and Equity hub for our employees to access resources and learning material, and to create a space to elevate the voices of equity deserving groups.

A Culture of Inclusion and Belonging

Nurturing a culture of inclusion and belonging, where everyone feels they can be their authentic selves, is a high priority for the Bank. We measure our efforts through our annual employee engagement survey. In 2023, our overall Diversity and Inclusion category was 88%, up 2 percentage points year over year.

Accessibility

Accessibility and the inclusion of persons with disabilities is key to our inclusion and equity strategy. In 2023, we developed a multi-year accessibility plan which has been published on our website as a commitment to improving the accessibility of our services and of our workplace. To further advance our work in this area, we deployed an Accessibility Champions Network with representatives from across the organization.

Reconciliation

As part of Laurentian Bank's reconciliation journey, this year we introduced a series of initiatives to support employees in their ongoing learning about Indigenous cultures, traditions, and reconciliation.

Employer of Choice

Why it Matters

At Laurentian Bank, our goal is to create a workplace environment where employees are highly engaged, motivated to perform, and are proud of the contributions they make each and every day. We survey our employees annually to measure engagement and then design programs and policies aimed at improving their work-life experience. In a competitive market, organizations that prioritize having a positive workplace culture are best positioned to attract and retain skilled talent.

Our leaders are committed to continuously listening to our team members and investing in their success. In 2023, we:

- Launched our 3rd annual Voice of Employee Engagement Survey. Employee engagement increased by three points (to 80%) and manager effectiveness increased by one point (to 84%) with a completion rate of 85% (increase of two points).
- Focused on the health and safety of our employees through dedicated services, initiatives, e-learning sessions, and toolkits.
- Were recognized by Forbes as one of Canada's Best Employers.
- Continued with our hybrid flexible work model, where working from home is the first approach for all tasks that can be performed remotely. Over the past two years, all employees participated in team engagement workshops to reflect on and co-create the flexible model that works best for each team.
- Deployed enhanced tools for employees to work even more productively in our hybrid workplace, including MS 365 Tools such as OneDrive, Forms, SharePoint, Whiteboard and Viva Engage.
- Improved employee benefits and continued to offer a complete Employee and Family Assistance Program which includes a Stress Management and Well-Being Program through a virtual care platform. We renewed our mental health and resilience platform, our fitness platform, and the health and wellness spending account. We also hosted a conference on financial stress which was open to all employees.
- Engaged employees in a Wellness Challenge to promote physical activity and healthy competition among colleagues. On behalf of the winning team, the Bank donated $5,000 to Fondation Le Petit Blanchon, an organization which supports projects aimed at helping to improve the quality of life for vulnerable and polytraumatized young people.
- Mobilized employees as part of the CFO Challenge, another annual activity which prioritizes health and wellness, as well as camaraderie among colleagues, through two running events, OCM Fondation Dr Clown fun run in Montreal and the Toronto Oasis Zoo Run.
- Marked the first full year of the new recognition program and tool to acknowledge employees who are living the Bank's core values. In 2023, we saw an 83% participation rate and a total of 20,037 recognitions given across the organization.
- Continued to promote greater work-life balance by giving all employees their birthdays off and four half-days off between May and September. Additionally, we increased the number of flex days to five for all employees. We also harmonized our vacation policy for all employees and added three additional weeks of vacation for employees celebrating their 25th, 35th and 45th anniversaries of service at the Bank. Finally, we added a top up for the first five weeks of paternity leave, as well as leave for secondary parent of a child born by surrogate and leave for an adopted child over the age of one.
- Launched Career and Development consultations with HR Advisors and rolled out new and improved career and development tools to enhance the employee experience. This past year, we also hosted two in-person Employee Days (Montreal and Toronto) along with a Virtual Employee Week to inform and equip our team members on the many dimensions of their work-life experience.

Customer Satisfaction and Financial Inclusion

Why it Matters

Removing barriers to banking helps to improve financial wellbeing for all Canadians. At Laurentian Bank, our objective is to measure our customers' level of satisfaction, listen to their experiences, understand their diverse needs, and offer customized financial products and services to make their goals a reality.

During 2023, we continued to prioritize our customers and improve their experience and access to financial services, including:

Customer Experience and Engagement

- Enhancing the public website by improving usability and providing a consistent brand experience through a refreshed look and feel.
- Leveraging a Responsible Marketing Policy which can be found on our website.
- Performing an ESG workshop dedicated to Commercial Banking frontline staff to improve their understanding of ESG concepts so that they can better support business clients on this topic.
- Measuring customer satisfaction for key initiatives to be able to quickly identify required enhancements.
- Leveraging customer survey results to understand our customers' experiences across our channels and make required enhancements through training and tools.
- Continuing our commitment to customer protection by promptly dealing with customers' complaints in a fair and consistent manner (see our Complaints Resolution Process pamphlet for more information), ensuring the appropriateness of products and services provided to customers, sending electronic alerts to customers to help them manage their money and avoid potential overdraft fees, and providing advance notice to customers for the renewal of products and services.

Financial Inclusion and Impact

- Publishing our third report from the Senior's Champion. The 2023 report can be found on our website and is summarized on pages 75-76 of this report.
- Continuing to provide access to banking to underserved populations through specific, low or no-fee products for low-income individuals, young people, and seniors. Further information can be found in this report on page 67.
- Continuing our commitment to accessibility of our services and making accessibility a core part of our Inclusion and Equity strategy. Information on our Accessibility Policy and our three-year accessibility plan can be found on our website.
- Keeping our Commercial Banking clients informed about Canadian economy & ESG by organizing 3 breakfast conferences.
- Partnering with Québec Net Positif on the SME in transition program through financial and advisory support.
- Supporting privately owned subsidized daycares in Quebec by providing over $200 million in financing in 2023 with a dedicated program and continuing our focus on growing this portfolio in Quebec and across Canada.

Digital Solutions

- Launching a new digital account opening experience that enables customers to open a chequing account or HISA anytime and from anywhere in Canada.
- Launching a new digital first credit card experience to customers, which includes several benefits such as an enhanced rewards program and flexible payment options.
- Employing DocuSign to securely accept e-signatures and re-evaluating our printing requirements to save customers time and eliminate the use of paper.
- Leveraging technology, including API integration in our equipment finance specialization and flex imaging software in inventory financing specialization, to simplify processes, improve ease of doing business, and strengthen relationships with key partners in Commercial Banking.

Community Investment and Employee Volunteering

Why it Matters

At Laurentian Bank, giving is part of our DNA and we work to enrich our communities by contributing to their social and economic development in long-lasting, sustainable ways.

In 2022, the Bank launched a renewed corporate philanthropy program called "Giving Beyond Numbers"™. Through a focused approach, the Bank supports local organizations across the country that are working towards the economic inclusion of newcomers and refugees, as well as those whose mission is to combat economic inequities impacting underrepresented groups such as racialized communities, 2SLGBTQIA+ communities, Indigenous peoples, and people living with disabilities.

Our Performance

With Giving Beyond Numbers™, we aim to use our strengths as an organization and differentiate ourselves by going beyond donations to support organizations in the communities we serve in new and innovative ways:

- In addition to project-based donations, we will also consider and fund requests for core operational or strategic funding.
- While we consider organizations of all sizes, our primary focus is on smaller local organizations where possible.

In 2023, Laurentian Bank awarded more than $770,000 to non-profits and charities in our focus areas and through employee directed giving, including:

Supporting the Economic Inclusion for New to Canada Communities

- $25,000 to Welcome Collective, a Montreal-based organization whose mission is to reduce the stress and isolation of resettlement by providing basic furniture and essential household items, as well as psychosocial support, to new refuge claimants and other disadvantaged newcomers. The donated funds will support their daily operations and will be invested where there are critical needs.
- $25,000 to Newcomer Women's Services Toronto. This organization empowers women and their families in building a life in Canada by connecting them to social and economic opportunities and fostering a sense of belonging. The Bank's donation will support their daily operations.

Supporting Equity in Economic Opportunities

- $100,000 over two years to Windmill Microlending, a national charity offering affordable loans to skilled immigrants and refugees. The funds will be used to support deserving skilled immigrants and refugees in the province of Quebec to pay for the costs of accreditation, training, and career development.
- $50,000 to Skills for Change, a Toronto-based organization focusing on providing learning and training opportunities to immigrant and refugee communities. The donation will fund an Immigrant Black youth in STEM (science, technology, engineering, and mathematics) project, which will provide essential training and support to Immigrant Black youth and young adults who often face significant barriers to entering the digital economy.
- $50,000 to Groupe 3737, an entrepreneurial innovation and diversity hub located in Montreal. This donation is part of a three-year donation commitment of $150,000. The funds will be used to support deserving entrepreneurs from underrepresented groups to participate in Groupe 3737's International Trade Mission Program.

Our support for Groupe 3737 and Skills for Change is also part of the Bank's commitment to the BlackNorth Initiative pledge, which calls on its signatories to invest a minimum of 3% of annual corporate donations to promote investment and create opportunities in the Black community.

Emergency Funding for Humanitarian Assistance

- $170,000 through the Canadian Red Cross in support of relief efforts in communities impacted by environmental and/or humanitarian disasters across Canada and internationally.
- An additional $50,000 to the Canadian Red Cross as part of their annual benefit event, where one of our leaders served as the gala Co-Chair.

Employee Impact

Laurentian Bank in the Community

In 2023, we hosted our third annual Laurentian Bank in the Community campaign. This grassroots donations program engages and empowers the Bank's customer-facing employees working in our retail branches, Laurentian Bank Securities (LBS) branches, and Commercial Banking business centres to give back to their communities by identifying small, local charities and non-profit organizations to be recipients of our corporate donations. Donated funds directly support these not-for-profit organizations in delivering on their important missions and providing critical services to their respective clientele, whose needs have been further exacerbated under the current macroeconomic context.

As part of this year's campaign, $158,000 was donated across 79 community-based charitable organizations.

Giving Matters

Laurentian Bank employees once again showed their generosity this year during our annual Giving Matters Campaign. Employees raised over $120,000 which was matched and further topped up by the Bank for a total of $258,194 in support of our three partner organizations: United Way, HealthPartners and the Canadian Red Cross.

Community Engagement through Employee Volunteering

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

This year, we continued to work with Volunteer Canada to build out our corporate volunteering program which will support our employees who are at different stages of their volunteering journey.

Bank-sponsored volunteering activities in 2023 included:

- **Smile Cookie Campaign**
  More than 30 customer-facing employees from ten of the Bank's retail branches participated in Tim Hortons' 27th Annual Smile Cookie Campaign. Laurentian Bank volunteers helped decorate cookies at several Tim Hortons restaurants in the Montreal region, which raised funds in support of Fondation Autiste & Majeur.
- **Take Your Kids to Work Day**
  The Bank continues to host our annual "Take Your Kids to Work Day" at our Toronto office and welcomed a group of Grade 9 students to spend a day shadowing working professionals. This unique and inclusive experience provides students with a glimpse into the dynamics of working life, empowering them to make informed and inclusive career choices. Beyond the career exploration aspect, this day also acts as a catalyst for meaningful conversations between adults and youth about the diverse range of career prospects available to them.
- **Laurentian Bank Holidays Elves**
  For the fifth year in a row, we held our Laurentian Bank Holiday Elves Campaign, where employees in Quebec and Ontario participated in gift drives which create magical moments on the morning of December 25th for children from low-income families. Thanks to the generosity of our employees, gifts were provided to deserving children in Quebec through Opération Père Noël and in Ontario with the support of the Centre Francophone du Grand Toronto.

Governance

Laurentian Bank has a long history of sound corporate governance and business principles, which have provided us with the solid foundation required to develop an effective ESG program. While building on our history, we continuously update our corporate governance policies to be aligned with best practices. From establishing committees for auditing to risk management, to cybersecurity and data protection, our goal is to build up and maintain a high level of trust with our customers, investors, the community, and regulators. A commitment to transparency, ethical values, and integrity guides our behaviour in each transaction, interaction, and relationship we have.

ESG Governance at Laurentian Bank

Our disciplined and principled approach to corporate governance serves as the cornerstone for our efforts to foster trust and safeguard the interests of shareholders while maintaining the confidence of our employees, customers, and communities in which we serve. We continued to make good progress on our ESG management and disclosures in 2023, showing continued improvement in our score issued by Sustainalytics and maintaining a "Low Risk" categorization.

Board Oversight of ESG

Our Board of Directors takes an active role in the Bank's ESG initiatives and each of the Board's committee mandates include oversight of ESG. ESG is treated as one of the Board's core responsibilities and ESG issues are considered at every Board meeting to ensure alignment across the Bank.

Roles and Responsibilities of the Board of Directors' Committees

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.

Board Committee members provide oversight and guidance on the execution of specific components of the ESG strategy based on their mandates.

The **Risk Management Committee** 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 our 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 Committee** supports the Board in exercising its human resources functions. This includes overseeing key culture strategies, namely: employee engagement; employee health and well-being; and equity, diversity and inclusion.

The **Governance and Compliance Committee** is key in supporting the Board in ensuring that best governance practices are applied to the function of the Board itself, including in succession planning and recruitment of new Board members.

The **Audit Committee** is responsible for supporting the Board 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 disclosures.

Management Oversight of ESG

The following committees oversee ESG governance at the Bank:

The Bank's **Executive Committee**, led by the CEO, acts as a steering committee with oversight over ESG across the Bank. Its mandate includes providing strategic guidance on priorities and investments, and making key decisions under each ESG pillar.

The **Corporate Risk Committee**, led by our Chief Risk Officer, monitors and oversees the management of all material risks of the Bank, including environmental, social, and climate-related risks.

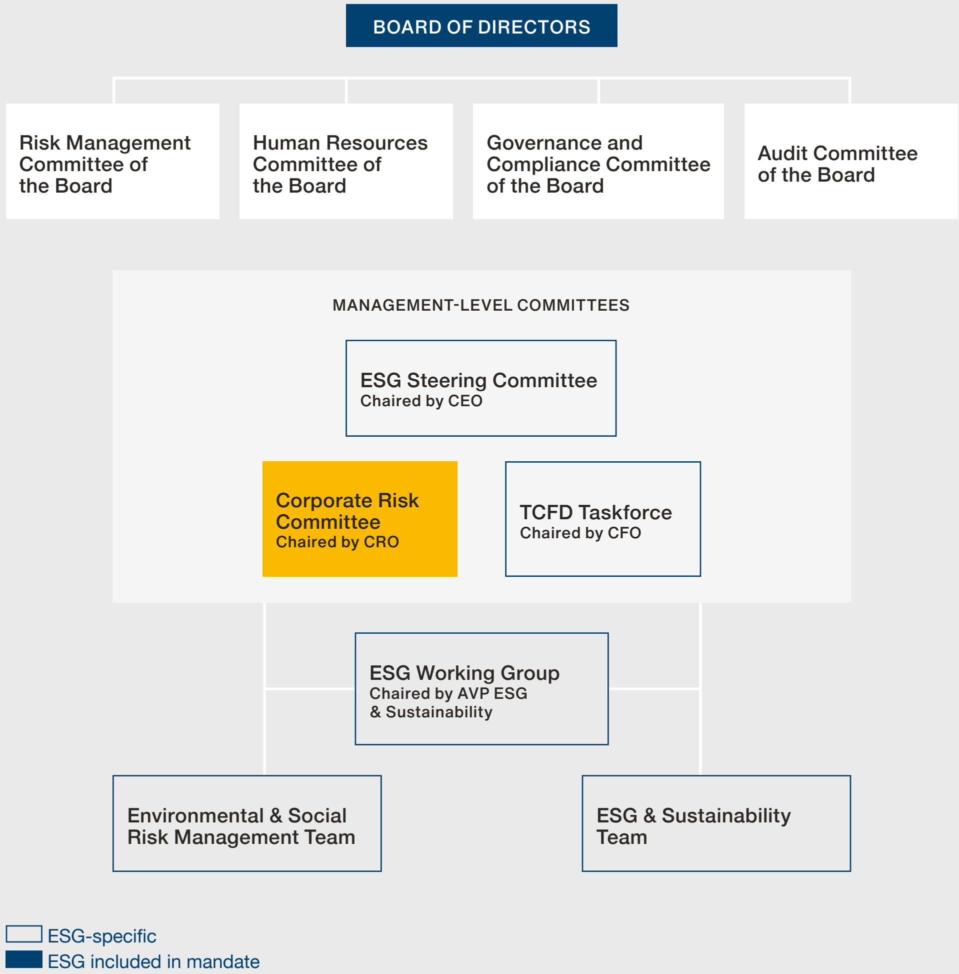
The **ESG Working Group** is a cross-functional operating committee responsible for identifying key priority areas to support the Bank's broader ESG strategy.

The **TCFD Taskforce**, led by our Chief Financial Officer, makes key decisions related to our Task Force on Climate-related Financial Disclosures framework. Further information on the TCFD Task Force can be found in the TCFD Report Appendix on page 51.

Our **Environmental & Social (E&S) Risk Management** function develops and implements the Bank's E&S risk management framework, policies, processes, and governance to proactively identify, assess, manage, and report on these risks.

The Bank's **ESG and Sustainability Team** provides strategic direction on ESG topics, supports the understanding and integration of ESG across the organization through the ESG Working Group, continuously improves the Bank's ESG data and disclosures, and manages the Bank's corporate giving strategy.

Senior leaders at Laurentian Bank also have accountability for key ESG topics. In 2023, these included: The Chief Information Technology Officer had responsibility for Cybersecurity and Data Privacy programs; the Head of Operations was responsible for our Scope 1 and 2 emissions reduction target; and, the Chief Legal Officer and Chief Inclusion & Equity Officer was accountable for Equity, Diversity and Inclusion programs and targets.



Priority Topics

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Board Composition and Executive Compensation

Why it Matters

We believe that the best boards of directors include a diverse mix of experience, expertise, perspectives, age, gender and gender identity, culture, race, ethnicity, and lived experience. Diversity in board composition translates into effective and balanced decision-making, a broader view of risk management, and constructive debate and sound guidance.

Board Composition

For the past nine years, our Bank has had at least an equal representation of women and men among our independent Board members. This year is no exception, as on October 31, 2023, 55% of the independent Board members self-identified as women or other people of marginalized genders.

In 2022, the Bank established targets for Board Diversity:

- From 2022:
  - At least 45% of the Board members self-identify as 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 Governance and Compliance Committee for new Board member searches must include diverse candidates; and,
  - Diversity is strongly considered in making final nomination decisions.
- We have also fulfilled, ahead of schedule, our commitment that by 2025, at least 15% of Board members should self-identify as a member of another underrepresented group (2SLGBTQIA+, visible minorities, Indigenous Peoples, and persons living with disabilities) beyond cis women – as part of our ongoing commitment to continue to drive forward diversity efforts at every level of our organization.

Executive Compensation

Our executive compensation packages are aligned with the values of our shareholders, and ESG targets are included in all leaders' scorecards to drive results and accountability. For example, key milestones along the Bank's TCFD roadmap are included in the Chief Financial Officer's scorecard, while the E&S risk management roadmap and inventory are included in the Chief Risk Officer's scorecard. The milestones along the Bank's roadmap to reduce Scope 1 and 2 GHG emissions by 35% by 2030 are included in the Head of Operation's scorecard.

In 2023, ESG performance objectives for all leaders included:

- Continue the integration of ESG and TCFD roadmap initiatives
- Maintain a "low" ESG risk rating on Sustainalytics
- Foster a strong employee engagement through visible and inspirational leadership
  - Increase bank-wide employee engagement
  - Reduce bank-wide turnover
- Drive ongoing culture change through renewed purpose, Core Values and One Team approach to create enterprise-wide accountability
- Build diverse teams where everyone feels like they belong and implement Equity, Diversity & Inclusion targets
  - Increasing the percentage of women in leadership positions
  - Increasing the percentage of BIPOC community members in leadership positions
  - Meet specific targets for the recruitment from BIPOC communities

Additional information on executive compensation and board diversity targets can be found in our 2024 Management Proxy Circular.

Environmental and Social Risk Management

Why it Matters

Effective risk management practices are essential for the Bank to maintain a solid financial position and to achieve our goals. We have a strong, disciplined risk culture at Laurentian Bank where managing risk is a responsibility shared by all employees across the enterprise.

Environmental and social factors continue to be top-of-mind for many of the Bank's stakeholder groups. To contribute to a sustainable future for all, we seek to identify, manage, and mitigate the impact that environmental and social risks have on the business environment in which we operate, as well as our customers, portfolios, and operations.

Environmental and Social (E&S) Risk Management

Environmental and social risk is the potential for an E&S issue associated with the Bank, a customer, transaction, product, supplier, or activity, to have a negative impact on the Bank's financial position, operations, legal and regulatory compliance, or reputation.

In 2022, the Bank established an Environmental and Social Risk Management function, operating under Operational Risk Management, that has E&S risk oversight accountabilities. This includes developing and implementing an E&S risk management framework, policies, processes, and governance to proactively identify, assess, manage, and report on these risks. The Bank's various Risk Committees are involved in monitoring and oversight of material E&S risks. The Corporate Risk Committee, chaired by the Chief Risk Officer, acts as the primary governance body for any issues escalated for decisioning.

Advancing our ESRM Function

Since 2022, we have taken several steps toward implementing the Bank's ESRM roadmap. In 2023, we achieved the following specific milestones:

- Drafted an ESRM framework policy, which formalizes how the Bank assesses and manages E&S risk, and outlines the roles and responsibilities for all sectors of the Bank using the three lines of defence model.
- Completed our initial E&S risk inventory baseline, which captures a comprehensive list of potential/plausible E&S risks and how they may impact the Bank. The inventory will serve to guide future risk assessments and ESG materiality assessments.
- Advanced the integration of E&S risks into our supplier management program, specifically:
    - Conducted a baseline E&S risk assessment of our top (Tier 1) suppliers, as well as select lower-tier suppliers. The results of the E&S risk assessment are used to inform supplier conversations in the future.
    - Embedded E&S risk questions in our Third-Party Risk assessment process for new and existing suppliers.
- Conducted an initial screening of climate-related risks to our loan portfolio and operational properties. See the TCFD section of the report for more information.

TCFD Update

In 2023, we continued to implement our TCFD roadmap while continuously monitoring emerging climate-related risks and opportunities and keeping the Bank's Executive Management Team and the Board updated on climate-related matters and trends.

In March 2023, The Office of the Superintendent for Financial Institutions (OSFI) released its Climate Risk Management Guideline (B-15 Guideline) on management and disclosure of climate-related risks for federally regulated financial institutions. As a small-to-medium sized bank (SMSB), we are required to comply with OSFI's B-15 Guideline following our fiscal 2025 year end. In the summer of 2023, the Bank's Internal Audit team conducted an ESG Health Check on the Bank's ESG and ESRM processes. As an outcome of the Health Check, Internal Audit put forward a series of recommendations and milestones towards compliance with the B-15 Guideline by our fiscal year 2025. These recommendations have been built into our TCFD and ESRM roadmaps, and we have also developed a high-level plan for alignment with Chapter 2 – "Climate-Related Financial Disclosures" – to ensure we have the required resources and organizational structure in place to align the Bank's ESG controls approach with our financial reporting controls.

Initial Climate Scenario Exercise

In 2023, we began conducting an initial climate scenario exercise, led by the ESRM function. The purpose of this exercise is to educate our teams across risk, credit, product, and operations on the data and capabilities needed to conduct full climate scenarios and stress tests. The test results will be used to prioritized deeper-dive scenario analyses and stress tests in the future.

We intend to complete the initial climate scenario, develop additional scenarios and conduct deeper analyses on key risks identified in this initial exercise.

Governance

- The Bank has an Environmental and Social Risk Management function, operating under Operational Risk Management, that has E&S risk oversight accountabilities. This includes developing and implementing an E&S risk management framework, policies, processes, and governance to proactively identify, assess, manage, and report on these risks.
- E&S risk has been added to the enterprise-wide central risk registry, which is used to identify all risks that the Bank could be exposed to and their materiality for Laurentian Bank.
- We continue to build awareness on various E&S issues and concepts with our senior management team. The Bank's various Risk Committees are involved in monitoring and oversight of material E&S risks. The Corporate Risk Committee, chaired by the Chief Risk Officer, acts as the primary governance body for any issues escalated for decisioning. For more information refer to the Bank's ESG Governance Structure section of this report on page 36.

Risk Identification & Management

We recognize that E&S risks can have a wide range of impacts on our business activities. We are working on advancing our E&S risk management capabilities and understanding of the potential direct impacts on our own business and operations, as well as indirect impacts on our customers and suppliers.

- The Bank's Business Continuity Management Program aims to ensure that key activities are maintained in the event of a disruption to reduce the negative impacts on our customers, counterparties, and other stakeholders.
- Environmental risk assessment is built into the standard risk management process that we follow for almost all credit-related activities, with very few exceptions. An assessment of environmental risk by our first line of defence is validated and approved by our second line of defence and 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 report prepared by an independent, accredited firm when the Bank holds commercial real estate as collateral.
- We have developed a guideline on financing for ESG sensitive sectors. Given our low exposure and the high climate risks associated with these industries, the Bank announced in December 2021 that it would no longer directly finance the exploration, production, or development of coal or oil and gas.
- We are continuing to move forward in assessing and disclosing climate-related financial risk, in line with the recommendations of the Task Force for Climate-related Financial Disclosures. Further information can be found in our TCFD report in the Appendix on page 51.

Risk Monitoring & Reporting

- We use a qualitative E&S risk dashboard, which serves as a monitoring, oversight, and escalation mechanism of E&S risk issues and provides program updates to senior management, including the Risk Management Committee of the Board.
- We continue to proactively monitor and assess industry trends and regulatory developments, which inform our E&S risk management program.
- We participate in various Canadian Bankers Association working groups to develop an understanding of best practices for E&S risk management and reporting.

Core priorities

Why it Matters

Concepts such as ethics and integrity, privacy, and cybersecurity are critical to our Bank's success, and are included in our ESG core priorities. Throughout 2023, these topics continued to be top priority for Laurentian Bank, with our focus concentrated on those initiatives that had the greatest impact and yielded the most benefits for our stakeholders.

Ethics and Integrity

Our customers trust us with their financial well-being, and 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 more than 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. The Bank's leaders share a collective responsibility for business ethics. Our employees, Board of Directors, and the suppliers with whom we engage are required to abide by a strict Code of Conduct 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.

In 2023, the Bank completed a Human Rights baseline project. The project included interviews with members of the Bank's ESG Working Group and other internal teams to identify potential human rights risks relevant the Bank's business activities and to help validate risk prioritization. The outputs of the project include potential areas of focus to address gaps and inform a future human rights policy.

Cybersecurity

Cybersecurity is of critical importance to all Financial Institutions. The media is increasingly reporting on ransomware, phishing, and Distributed Denial of Service (DDoS) attacks across a myriad of business environments including healthcare, municipal services, energy, and financial services.

Technology continues to evolve rapidly, and organizations continue to look for ways to leverage these new technologies to improve service offerings, make processes more efficient, and enhance the customer experience. At the same time, cybersecurity must operate in an increasingly complex environment with many driving forces, such as:

- **Digitization of business:** As more business operations become reliant on digital systems, there is a higher volume of sensitive information vulnerable to breaches, making robust cybersecurity practices essential to protect against hacking, data theft, and other cyber risks.
- **Industry threats and trends:** The cyber threat landscape is expanding with more sophisticated and diverse threats, including ransomware attacks, phishing scams, supply chain vulnerabilities, AI-driven threats, and attacks on critical infrastructure. It's crucial for us to remain vigilant and adapt our cybersecurity strategies to mitigate these evolving challenges.
- **Increasing regulatory scrutiny:** Regulatory scrutiny for cybersecurity has been intensifying, requiring financial institutions to implement specific security measures, disclose any breaches promptly, and comply with data protection standards for protecting consumer information. Regulators are enforcing compliance through fines and other penalties.
- **Move to the cloud:** Cloud services create complexities in securing data across multiple environments. Challenges include data breaches, misconfigurations, insider threats, and issues related to data access control, requiring robust security measures to safeguard sensitive information stored and processed in the cloud.

Since presenting our Cybersecurity Roadmap to the Board in early 2022, Laurentian Bank has made solid progress in improving our ability to identify and address cyber threats. These steps include:

1 **Enhancing our talent and augmenting our skillsets**
Over twenty talented cyber professionals have joined our team, bringing deep technical expertise and strong leadership skills.

2 **Building a solid cybersecurity foundation**
We have introduced new capabilities and processes, including security operations, awareness building and identity and access management.

3 **Progressing in resolving audit and regulatory issues**
We have demonstrated momentum in resolving issues and reducing our risk position by closing out 25 of the 33 audit issues, of which were 8 High risk issues. We will continue to focus on the remaining cyber-related audit issues, including one High risk.

4 **Delivering on Board Cybersecurity metrics**
We have consistently exceeded our targets for Mean Time to Detect (MTTD) and Mean Time to Resolve (MTTR) security incidents, addressing incidents well within industry norms.

5 **Improving cybersecurity governance**
We have initiated a Cybersecurity Forum to engage stakeholders on program progress, expectations, and to solicit direction.

6 **Successfully reducing the impact of cyber incidents**
In 2023, we triaged 4,000+ cyber incidents and responded to 82 credible threats within our environment, with only one instance which impacted the bank, although it resulted in no access to systems and data, or breach of data privacy.

Over the next two years, we will continue executing on our vision of applying a risk-based approach to protecting the Bank's assets, assuming that the perimeter is not constant, and breaches are inevitable. Our vision is underpinned by the following strategic priorities:

- **Customer first:** Protect our customers, colleagues, and assets to enable growth.
- **Risk management:** Continue to reduce our residual cyber risk to maintain risks in tolerance.
- **Regulatory compliance:** Address any outstanding regulatory compliance gaps and maintain compliance with key regulations.
- **Build resilience:** Improve cyber resilience maturity in line with industry peers to help maintain cyber risks in tolerance.
- **Cyber "performing":** Ensure cybersecurity is part of the organization's DNA and that performance is regularly measured.

As we move forward with our strategy, we will embed the following guiding principles:

- **AI-driven security:** In an environment where threat actors push the boundaries of technologies to their advantage, artificial intelligence, machine learning and automation are a must for cybersecurity teams.
- **Embedded security ("shift left"):** Development teams, ecosystem partners and frontline employees all have a role in protecting the organization. Building security into existing processes is the most effective way to scale and expand security effectiveness.
- **Zero Trust:** We will assume that there are attackers both inside and outside of the network, so no users or devices will be automatically trusted. This principle is particularly important as we expand our perimeter to include third parties and cloud environments.
- **"Everything as code":** Automating security controls and testing ensures security configurations are applied consistently across environments, reducing the chance of configurations and human errors that could lead to vulnerabilities or breaches.

Privacy

At Laurentian Bank, we respect the privacy of our customers and are committed to protecting any personal information they entrust us with. For us, that is just part of doing business. Our commitment is reflected in how we are managing privacy risk prudently in the face of evolving risks and ongoing regulatory change.

We protect our customers' personal information with appropriate physical, procedural, technological safeguards, and security measures. Laurentian Bank has implemented a comprehensive set of policies and practices to protect the confidentiality and security of our customers' personal information.

Our employees are trained to adhere to policies and procedures to safeguard personal information and are required to attest annually to our Code of Conduct which includes obligations regarding the protection of personal information.

We have a Chief Privacy Officer who is responsible for monitoring our compliance with applicable privacy laws.

Our Privacy Statement describes how we collect, use, share, protect, and retain personal information.

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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 numerous industries and sectors. Laurentian Bank has committed to adopt the TCFD recommendations and is reporting against the recommended disclosures in 2023.

In the following section, we will be disclosing our current state against the TCFD thematic areas: Governance, Strategy, Risk Management, and Metrics and Targets. Climate factors were included into the strategic plan that was announced in December 2021 and will also be incorporated into the Bank's refreshed strategy to be launched in spring 2024. In 2023, we continued to progress on our Environment & Social Risk Management (ESRM) Roadmap. Key areas where we continued our development was around governance, climate risk management framework, climate stress testing approach and financed emission disclosures.

Governance

For more than 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.

Since 2021, the mandates of the Bank's Board and Board Committees have included oversight of ESG topics, including climate. Laurentian Bank includes 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 37 of this Report.

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

Board of Directors: The Bank's Board of Directors receives an ESG update, including progress updates on the Bank's TCFD roadmap, at each quarterly meeting.

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 Committee: Approves the objectives for members of the Bank's management committee, which include ESG objectives for each member of the management committee.

Governance and Compliance Committee: Oversees ESG activities of the Bank from a social and governance perspective.

Audit Committee: Recommends to the Board approval of any financial information included in disclosures regarding ESG principles, including in our TCFD disclosure. Laurentian Bank has 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 37 of this Report.

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

Executive Committee: The Chief Executive Officer emphasizes the importance of this work to the Bank's strategy by acting as ESG Champion for the Bank. The Executive Committee acts as ESG Steering Committee 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.

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.

For example, key milestones along the Bank's TCFD roadmap are included in the CFO's scorecard, while the E&S risk management roadmap and inventory are included in the Chief Risk Officer's scorecard. The milestones along the Bank's roadmap to reduce Scope 1 and 2 GHG emissions by 35% by 2030 are included in the Chief Operating Officer's scorecard.

TCFD Taskforce: The TCFD Taskforce (the Taskforce) is composed of the CFO and includes the CRO, as well as representatives from the Executive Office, Finance, and Risk Management teams. In 2023, the Taskforce's mandate was updated to include oversight of regulatory-related elements of climate governance, risk, strategy, and disclosures, in addition to the current voluntary TCFD participation. The Taskforce is responsible for making decisions on key elements of the TCFD roadmap and climate-related financial disclosures. The dedicated E&S risk management function develops approaches to identify, assess, monitor, and report on climate-related risks, as appropriate.

The **Corporate Risk Committee**, led by our CRO, monitors and oversees the management of all material risks of the Bank, including climate-related risks. Beginning in Q4 FY22, quarterly reporting has been established to inform the Committee of environmental (including climate) and social risk issues and program updates.

Environmental and Social Risk Management Department: Laurentian Bank has an Environmental & Social Risk Management function to develop and implement risk management processes to identify, assess, and support management and reporting of climate risks.

Strategy

The banking sector is exposed to both physical risks related to extreme weather events and the 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 assesses these risks and opportunities in the context of our business lines and geographic footprint.

We established an enterprise-wide view of relevant climate-related risks using the TCFD climate risk taxonomy. This work will help inform continued integration of climate-related risks into the enterprise risk management processes. Further information on the outcomes of this climate risk inventory can be found in the Risk Management section of this TCFD appendix.

At Laurentian Bank, the Executive Committee acts as the ESG Steering Committee, enabling risks and opportunities related to ESG and climate to be integrated into the strategic planning process. ESG metrics are tied to compensation for all Executive Committee members, including climate-related metrics for relevant portfolios, such as:

- Calculation of financed emissions for two lending portfolios: residential mortgages and CRE
- Progress against the Bank's 35% reduction target for its Scope 1 and 2 GHG emissions by 2030
- Progress on the Bank's TCFD roadmap

The Bank's inaugural Sustainable Bond Framework, published in October 2022, encompasses eligible asset categories informed by climate-related opportunities, including renewable energy, green buildings, energy efficiency, and low-carbon transportation.

Laurentian Bank is continuing to adopt a hybrid, remote-first work model. In addition to aligning with employee preferences, this change is enabling reduced emissions from employee commuting.

See the Risk Management section of this TCFD report for further information on the new Environmental & Social Risk Management function and work undertaken to embed E&S risks, including climate risk, into our risk management processes and governance. This work will inform future strategic decisions as well.

Laurentian Bank has not yet begun climate scenario analysis. Climate scenario analysis is part of our ESRM roadmap.

Risk Management

The Bank's management is dedicated to promoting a risk management culture throughout the organization. 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.

The Bank recognizes the importance of climate risk management practices and processes. Our E&S Risk Management function has been developed to enhance our capabilities in identifying, assessing, and managing climate risk and related impacts. We have integrated environmental and climate change considerations into existing enterprise risk management processes and governance, including:

- Adding E&S risk to the enterprise-wide central risk registry, which is used to identify all risks that the Bank could be exposed to. Laurentian Bank views climate risk as a subset of environmental risk.
- Developing and implementing a qualitative E&S risk dashboard to keep the Corporate Risk Committee and the Risk Management Committee of the Board informed of material climate issues and program updates on a quarterly basis.
- Conducting a climate risk identification exercise to develop an initial climate risk inventory, which provides for a qualitative understanding of the impact of climate-related risks on the Bank, our assets, and customers.

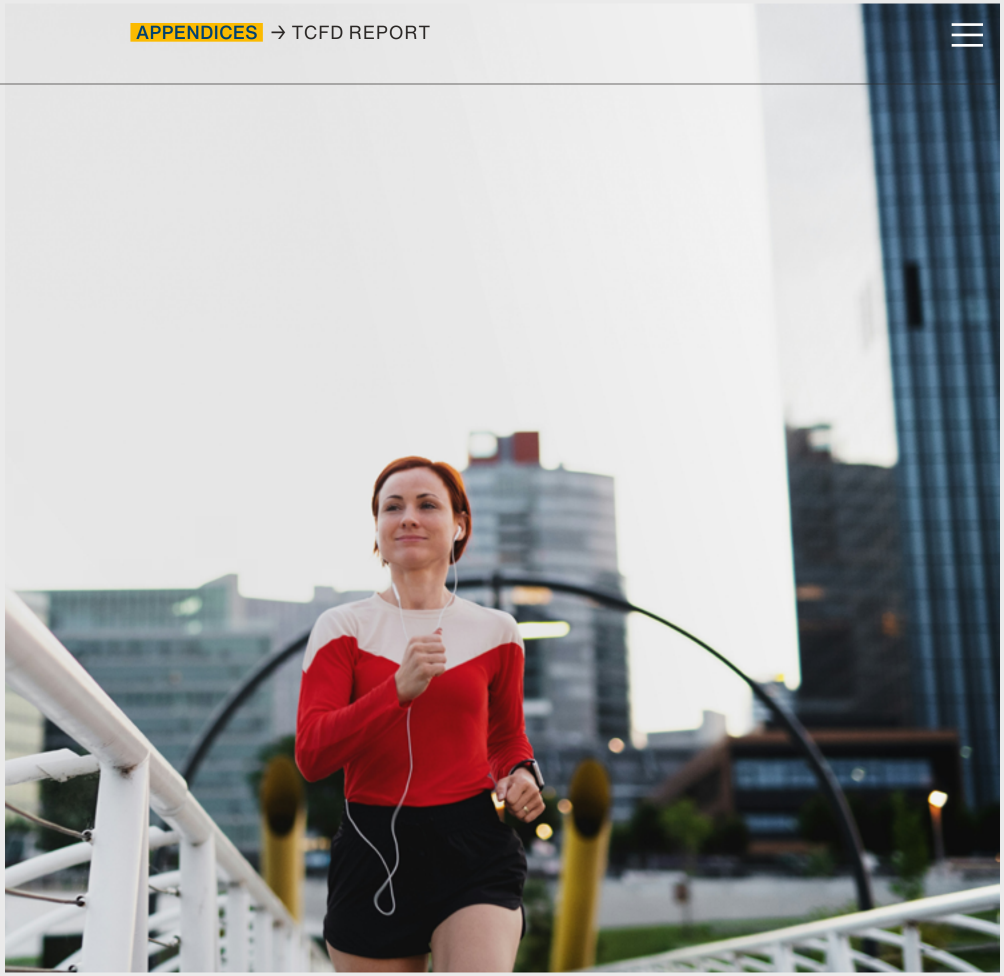
The Bank views climate risk as a component of environmental risk. In line with TCFD recommendations, the Bank defines climate risk as transition risk, which stems from the consequences of moving to a lower-carbon economy, and physical risk, which stems from the consequences of changing environmental and climatic patterns.

Transition risks	• **Policy and legal risk:** 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. • **Technology risk:** disruption of existing systems due to technological advancements, creating winners and losers in the process, and a cost obligation (to implement low-carbon technologies). • **Market risk:** 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. • **Reputational risk:** changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy.
Physical risks	• **Acute risk:** adverse effects of increased frequency and severity of extreme weather events, such as cyclones, hurricanes, or floods. • **Chronic risk:** adverse effects of longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

Transition and physical risk factors can have a wide range of impacts on our own as well as our customers' and suppliers' business activities. Set out below is an illustrative table of how climate-related risks could impact some of our material risks.

Principal Risk Domain	Climate-related Risk Description	Actions to Mitigate Risk
Operational Risk	Potential for physical risks, such as more frequent and intense weather events, to impact our operational resilience, including disruption to business continuity, damage to physical assets, and disruption in our supply chain.	The Bank's Business Continuity Management Program provides the capability to restore, maintain, and manage critical operations and processes in the event of a business disruption.
Regulatory Risk	Risk arising from our inability to comply with new and evolving climate-related regulatory requirements and associated remedial actions. The Bank may also be exposed to an increased legal risk from the Bank's actual or perceived failure to mitigate or adapt to impacts of climate change.	The Bank proactively monitors and assesses industry trends and regulatory developments, informing our climate risk management processes as necessary.
Reputational Risk	Risk stemming from stakeholders' negative sentiment regarding the Bank's, our customers', or our suppliers' management of climate-related risks.	Emerging issues are managed through governance forums, including Operational Risk Management Committee.
Strategic Risk	Strategic risks may arise from incorrect assumptions, untimely response, or poor execution regarding climate-related risks, opportunities, and changing customer expectations.	The Bank's ESG Steering Committee oversees ESG and climate-related risks and opportunities integration into the strategic planning process.
Credit Risk	Risk of financial loss stemming from the failure of a borrower or counterparty to honour its financial or contractual obligations due to negative impacts of climate-related physical or transition risks on their financial health.	The Bank developed a Climate Risk Heatmap framework to provide a qualitative understanding of the potential impact of transition and physical risks on our commercial and residential mortgage portfolios.

Climate Risk Heatmap



In 2021, the Bank conducted a climate risk assessment on our commercial loan and residential mortgage portfolios at the sector level. The heatmap established a qualitative understanding of the Bank's exposure to climate risks and opportunities across our loan portfolio, which will inform the E&S focus areas for the Bank.

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 for business 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 below.

The risks assessed reflect the overall industry risks, and do not necessarily reflect the direct risks to the Bank. This initial risk assessment will evolve and will assist with the integration of climate risks into our overall risk management approach.

More information on how the Bank identifies, assesses and manages risk, including climate-related risks, can be found in the 2023 Annual Report, starting on page 63.

- High risk
- Moderate-high risk
- Moderate risk
- Low-moderate risk
- Low risk
- Inconclusive / insignificant
- Low net opportunity
- Low-moderate net opportunity
- Moderate net opportunity
- Moderate-high net opportunity
- High net opportunity

SECTOR	LOAN BOOK EXPOSURE 2023 (%)	TRANSITION				PHYSICAL	
		Policy & legal	Technology	Market	Reputation	Acute	Chronic
Residential mortgages	45.1%	Inconclusive / insignificant	Inconclusive / insignificant	Inconclusive / insignificant	Inconclusive / insignificant	Moderate-high risk	Low risk
Real estate, renting and lease	17.3%	Moderate risk	Inconclusive / insignificant	Low risk	Inconclusive / insignificant	Moderate-high risk	Low risk
Retail trade – motor vehicles and parts and other (non-carbon)	11.4%	Low risk	Inconclusive / insignificant	Low risk	Low risk	Low-moderate risk	Low risk
Construction	10.5%	Low-moderate risk	Inconclusive / insignificant	Low-moderate net opportunity	Inconclusive / insignificant	Low-moderate risk	Low risk
Transportation and warehousing	2.9%	Moderate-high risk	Low net opportunity	Low-moderate risk	Inconclusive / insignificant	Moderate risk	Moderate risk
Management of companies and enterprises and finance	1.2%	Low-moderate risk	Low risk	Low risk	Low-moderate risk	Low risk	Low risk
Health care and social assistance	1.4%	Inconclusive / insignificant	Inconclusive / insignificant	Inconclusive / insignificant	Inconclusive / insignificant	Low-moderate risk	Low risk
Wholesale trade	0.6%	Low risk	Low net opportunity	Low risk	Inconclusive / insignificant	Low risk	Low risk
Utilities – electric power transmission, control and distribution	0.4%	Low-moderate risk	Low-moderate risk	Low net opportunity	Inconclusive / insignificant	Moderate risk	Low-moderate risk
Utilities – fossil-fuel electric power generation		Moderate-high risk	Moderate risk	Moderate-high risk	Moderate risk	Moderate risk	Low risk
Utilities – hydro-electric power generation		Inconclusive / insignificant	Low net opportunity	Moderate-high net opportunity	Inconclusive / insignificant	Low-moderate risk	Moderate-high risk
Utilities – solar and wind electric power generation		Moderate-high net opportunity	Moderate-high net opportunity	High net opportunity	Low net opportunity	Low-moderate risk	Low-moderate risk
Manufacturing – transportation equipment	0.2%	Moderate risk	Low-moderate risk	Low-moderate risk	Inconclusive / insignificant	Low-moderate risk	Low risk
Manufacturing – primary metal	0.2%	Moderate-high risk	Moderate risk	Low-moderate risk	Inconclusive / insignificant	Low-moderate risk	Low risk
Insurance	0.1%	Low risk	Inconclusive / insignificant	Low net opportunity	Low risk	Moderate-high risk	Low risk
Mining & quarrying	0.1%	Moderate-high risk	Inconclusive / insignificant	Low net opportunity	Low risk	Moderate risk	Low-moderate risk
Retail trade – gasoline stations	<0.05%	Moderate-high risk	Moderate risk	High risk	Moderate-high risk	Low risk	Inconclusive / insignificant
Crop and animal production	0.1%	Low-moderate risk	Low-moderate net opportunity	Low net opportunity	Inconclusive / insignificant	Moderate-high risk	High risk
Fishing, trapping, and hunting	<0.05%	Low risk	Inconclusive / insignificant	Inconclusive / insignificant	Inconclusive / insignificant	Low-moderate risk	Moderate-high risk
Forestry	<0.05%	Low risk	Inconclusive / insignificant	Low-moderate net opportunity	Inconclusive / insignificant	High risk	Moderate-high risk
Oil and gas extraction	0.0%	High risk	Moderate-high risk	High risk	Moderate-high risk	Moderate risk	Low-moderate risk

Report Footnote
Loan book exposure as at October 31, 2023. 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”, “Manufacturing – Food, Beverage, Tobacco, Plastics, Rubber, Wood, Paper, Furniture, Chemical, Textile, Other”, “Information and Cultural Industries”. Respective sectors have minimal loan book exposure (1.6% combined) and no significant exposure to climate risks / opportunities. The table also excludes personal loans, which accounted for 6.9% of total loan book exposure.

Metrics and Targets

Leveraging the GHG Protocol approach and tools, Laurentian Bank has calculated GHG emissions for Scope 1 and Scope 2 across our footprint, as well as for Scope 3 business travel emissions. The Bank is a member of the Partnership for Carbon Accounting Financials (PCAF), and we leverage their methodology for the calculation financed emissions for the Corporate Real estate (CRE) and Residential Mortgage asset classes. We will continue to refine these calculations and reduce the assumptions required in the coming years. Further information on our energy consumption, GHG emissions, and travel calculations can be found in the data Appendix starting page 77.

GHG EMISSIONS	2023	2022	2021	UNIT
Scope 1	76 √	130 √	83	tCO_2e
Scope 2 (location-based)	692 √	967 √	983	tCO_2e
Scope 2 (market-based)	692 √	967 √	983	tCO_2e
Total Scope 1 and 2 (location and market-based and mortgage) GHG emissions	**768 √**	**1,097 √**	**1,066**	**tCO_2e**
Scope 3 (business travel)	465	399	122	tCO_2e
Scope 3 (financed emissions, CRE)	–	67,820	57,537*	tCO_2e
Average data quality, CRE	–	4.6	4.6	tCO_2e
Scope 3 (residential mortgages)	–	127,029	–	tCO_2e
Average data quality, mortgages	–	5	–	tCO_2e

* 2021 Scope 3 (financed emissions, CRE) have been restated from previous disclosures due to improvements in availability of data and methodology for estimation.

√ Data assured to a limited level by EY. See note on page 4.

Explanation

In 2022 the Bank estimated our combined Scope 1 and Scope 2 GHG emissions at 1,097 tCO_2e. With the reduction and downsizing of branches and corporate offices spaces, the Bank reduced that number 30% to 768 tCO_2e in 2023. This is aligned with hybrid work model and our mobility strategy which prioritizes and promotes working from home for all employees. This decrease in emissions is a positive step forward and continues to keep the Bank in line with the targeted goal of a 35% reduction from the 2022 baseline.

Laurentian Bank has set a target of 35% absolute reduction in our Scope 1 and 2 GHG emissions by 2030 from a 2022 base year in alignment with the 1.5ºC ambition pathway.

SASB Index

Laurentian Bank maps our disclosures to the relevant industry standards published by the Sustainability Accounting Standards Board (SASB).

The standards developed by SASB, an independent non-profit organization, use 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 72 in this ESG Report, page 23 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 133 of our 2023 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	Our whistleblower procedures are available on the Report Wrongdoing 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.
	Description of approach to informing customers about products and services.	FN-AC-270a.3	Please refer to Laurentian Bank's Code of Conduct and Summary of Responsible Marketing Policy on Laurentian Bank's ESG Policies page of the public 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 Table 20 on page 44 of the Annual Report. Laurentian Bank also reports the debt financing to firms, including the number of firms to which debt financing was made available, by province. See page 66 of this report.
Data Security	Description of approach to identifying and addressing data security risks.	FN-CB-230a.2	See page 47 of this report (Cybersecurity), particularly our guiding principles for returning to tolerance with respect to our residual cybersecurity risk.
Financial Inclusion & Capacity Building	Number of no-cost retail chequing accounts provided to previously unbanked or underbanked customers.	FN-CB-240a.3	See page 67 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 provided to previously unbanked or underbanked customers.
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 and industry. Refer to page 44 of the Annual Report – Table 20.
	Description of approach to incorporation of ESG factors in credit analysis.	FN-CB-410a.3	See page 42 (E&S Risk Management) and page 54 (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, 2023, Laurentian Bank had approximately 132,000 active credit card accounts.
Customer Privacy	Number of account holders whose information is used for secondary purposes.	FN-CF-220a.1	Laurentian Bank does not disclose the number of account holders whose information is used for secondary purposes. 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.

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 17 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 Conduct 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	Laurentian Bank reports the total value of residential mortgages. See page 7 of the Fourth Quarter 2023 Supplementary Information (Balance Sheet), available on our website. The Bank does not disclose the number and value of mortgages originated.
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	Laurentian Bank reports 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 16 of the Fourth Quarter 2023 Supplementary Information (Residential Mortgages and HELOCs) available on our website. The current state does not allow for data collection based on minority status.
	Description of policies and procedures for ensuring non-discriminatory mortgage origination.	FN-MF-270b.3	The Laurentian Bank Code of Conduct sets forth the standards of ethics, honesty and integrity that govern the conduct of all Bank employees.

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 627.996 (1) of the Bank Act (Canada)) for the 2023 fiscal year (November 1, 2022, to October 31, 2023). This PAS also includes our disclosure in response to the Code of Conduct for the Delivery of Banking Services to Seniors.

About the organization

List of affiliates

See page 4 of this document.

Employee Giving and Volunteering

See page 34 for a description of our corporate giving program, including employee giving and volunteer opportunities.

Community Development, Charitable Donations and Philanthropic Activities

See page 33 for a description of our corporate giving program.

Debt Financing to Firms in Canada*

*Excludes financing from LBC Capital Inc. and Northpoint Commercial Finance LLC (NCF)

Total amounts (in CAD$), authorized during fiscal year ending October 31, 2023

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				390,000	1,682,000	13,808,073	211,483,913	227,363,985
	Number of firms				1	3	4	8	16
British Columbia	Amount of debt financing			311,111	850,000	500,000	3,360,000	237,009,706	242,030,817
	Number of firms			2	3	1	1	10	18
Manitoba	Amount of debt financing						1,161,281		1,161,281
	Number of firms						1		1
Nova Scotia	Amount of debt financing			100,000				20,750,000	20,850,000
	Number of firms			1				1	2
Ontario	Amount of debt financing		74,000	747,222	1,049,937	4,761,000	76,420,027	1,382,720,274	1,465,772,460
	Number of firms		1	4	3	8	26	52	94
Quebec	Amount of debt financing	107,411	1,569,150	5,495,963	18,147,129	45,629,342	344,161,944	880,037,955	1,295,148,894
	Number of firms	10	31	32	53	64	148	63	401
Newfoundland & Labrador	Amount of debt financing						2,269,989		2,269,989
	Number of firms						1		1
Total	Amount of debt financing	**107,411**	**1,643,150**	**6,654,297**	**20,437,065**	**52,572,342**	**441,181,313**	**2,732,001,848**	**3,254,597,426**
	Number of firms	**11**	**32**	**39**	**60**	**76**	**181**	**134**	**533**

Access to Banking Services

Recognizing that some communities face barriers to accessing financial solutions, we are proud to offer banking plans and services to meet the broad and diverse needs of our customers. To learn more, visit laurentianbank.ca.

For low-income individuals

- A low-fee banking plan that includes up to 12 free 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 free transactions per month, for students 16 to 25 years of age.
- The Student Advantage program that offers a discount on Unlimited accounts, for students 16 to 25 years of age.

For seniors

- A no-fee plan with four free transactions per month, for persons aged 65 or over.
- The 60+ Advantage program that offers discounts on two 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 75 of this document.

For persons with disabilities

- We provide customers living with disabilities an inclusive banking experience. 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 identification process on our online banking platform, LBCDirect, is also adapted for use by individuals who are blind or visually impaired.

Commitment to using clear language

- One of our core 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 website.

Branches & ABMs Opened, Closed or Relocated

The following Laurentian Bank branches were opened, closed or relocated during the 2023 fiscal year.

Address	City	Province	Postal Code
Opened			
7705, Av. Papineau	Montréal	QC	H2E 2H4
100, Rue Principale	Granby	QC	J2G 2T4
1075, Boul. Firestone	Joliette	QC	J6E 6X6
3235, Av. De La Gare	Mascouche	QC	J7K 3C1
Closed			
7192, Boul. St-Michel	Montréal	QC	H2A 2Z4
7119, Boul. St. Laurent	Montréal	QC	H2S 0B2
373, Rue Notre-Dame Est	Joliette	QC	J6E 3H5
40, Rue Évangéline	Granby	QC	J2G 8K1
1090, Boul. Moody	Terrebonne	QC	J6W 3K9

The following Laurentian Bank ABMs were opened, closed or relocated during the 2023 fiscal year.

Address	City	Province	Postal Code
Opened			
7199, Boul. St-Michel	Montréal	QC	H2A 2Z6
7705, Av. Papineau	Montréal	QC	H2E 2H4
100, Rue Principale	Granby	QC	J2G 2T4
1075, Boul. Firestone	Joliette	QC	J6E 6X6
Closed			
400, Rue Beaubien Est	Montréal	QC	H2S 1S3
2046, Av. Mont-Royal Est	Montréal	QC	H2H 1J6
2490, Rue Jean-Talon Est	Montréal	QC	H2E 1W2
48, Boul. Henri-Bourassa Ouest	Montréal	QC	H3L 3S1
1175, Rue King Est	Sherbrooke	Qc	J1G 1E6
1880, Ave. Dollard	Lasalle	QC	H8N 3G5
1342-44, Rue Bagot	La Baie	QC	G7B 2P4
1025, Boul. Du Séminaire Nord	St-Jean-Sur-Richelieu	QC	J3A 1K1
1857, Boul. René-Laennec	Laval	QC	H7M 5E2
373, Rue Notre Dame	Joliette	QC	J6E 3H5
1090, Boul. Moody	Terrebonne	QC	J6W 3K9
555, Boul. St-Antoine	St-Jérôme	QC	J7Z 3B8

Headcount

TABLE 1

Employees by Geography and Contract Type, Excluding Northpoint Commercial Finance LLC (NCF)

As at October 31, 2023

Geography	Full Time	Part Time	Temporary	Total
Alberta	38	–	1	39
British Columbia	18	–	1	19
Newfoundland and Labrador	2	–	–	2
Nova Scotia	8	1	–	9
Ontario	1,190	5	47	1,242
Quebec	1,494	79	25	1,598
All other	9	–	–	9
Grand Total	**2,759**	**85**	**74**	**2,918**

TABLE 2

Employees by Geography and Contract Type, Northpoint Commercial Finance LLC (NCF) Only

As at October 31, 2023

Geography	Full Time	Part Time	Temporary	Total
Alberta	2	–	–	2
New Brunswick	1	–	–	1
Ontario	21	2	–	23
Quebec	3	–	–	3
United States	162	3	–	165
Grand Total	**189**	**5**	**0**	**194**

Taxes Paid or Payable

CANADA
For the year ended October 31, 2023

(in thousands of Canadian dollars)	Income tax[1]	Other taxes[2]	Total
Federal	14,888	18,095	32,983
Quebec	(9,229)	28,423	19,194
Ontario	7,273	9,006	16,279
Alberta	(14)	–	(14)
British Columbia	8	–	8
New Brunswick	–	95	95
Nova Scotia	–	134	134
Prince Edward Island	–	14	14
Newfoundland and Labrador	20	43	63
Saskatchewan	–	–	–
Manitoba	–	–	–
Total provincial	**(1,942)**	**37,715**	**35,773**
Total federal and provincial	**12,946**	**55,810**	**68,756**

OUTSIDE OF CANADA
For the year ended October 31, 2023

(in thousands of Canadian dollars)	Income taxes	Other taxes	Total
Total	**34,860**	**3,288**	**38,148**

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

Data Tables and Regulatory Reporting

Human Resources

Representation data is provided as at October 31, 2023 and excludes Northpoint Commercial Finance LLC (NCF) employees (199 employees in Canada and in the US). 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 had an 85.1% completion rate as on October 31, 2023 (excludes NCF). Please see the next page for definitions relevant to these metrics.

METRIC	UNIT OF MEASURE	2023	2022	2021	2020
Representation of...					
Women, VP+	%	39 √	39 √	36 √	n/a
Women, management	%	48 √	49 √	46 √	46
Women, overall	%	55 √	55 √	53 √	55
Racialized persons, VP+	%	15 √	17 √	12 √	n/a
Racialized persons, management	%	30 √	31 √	28 √	n/a
Racialized persons, overall	%	37 √	39 √	35 √	28.5
2SLGBTQIA+ persons overall	%	3 √	3 √	3 √	n/a
People with disability(ies), overall	%	3 √	3 √	3 √	3
Indigenous persons, overall	%	0.4 √	0.4 √	0.3 √	0.3
Black employees, student roles	%	0	5	8	n/a
Training					
Accessibility Training	Completion rate (%)	88	97	99	n/a
Prevention of Elder Abuse	Completion rate (%)	86	93	96	n/a
Unconscious Bias Training	Completion rate (%)	86	94	95	n/a
AMLTF Training	Completion rate (%)	92	96	97	n/a
Privacy Training	Completion rate (%)	90	91	98	n/a
Data Governance Training	Completion rate (%)	99	93	97	n/a
Employee Training	Total hours	50,021	51,107	64,779	n/a
Employee Training, average	Average hours per employee	17.14	12.6	22.6	n/a
Employee Engagement					
Employee Engagement Score	%	80	77	74	n/a

√ Data assured to a limited level by EY. See note on page 4.

Definitions

Indigenous Peoples	In accordance with the Employment Equity Act, Indigenous Peoples include First Nations, Inuit and Métis.
Racialized persons	Referred to as "Visible Minorities" under the Employment Equity Act are persons, other than Indigenous Peoples, who are non-Caucasian in race or non-white in colour.
Persons living with a disability/ disabilities	In accordance with the Employment Equity Act, Persons 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.
2SLGBTQIA+	Refers to individuals who identify as Two-Spirit, Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and additional sexual orientations and gender identities.
VP+	Includes all employees at Vice President level and above including Senior Vice President, Executive Vice President, and President.
Manager	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: 1) Overall, I am extremely satisfied with Laurentian Bank as a place to work. 2) I would gladly recommend Laurentian Bank as a place to work to people I know. 3) I rarely think about looking for a new job with another company. 4) I am proud to work for Laurentian Bank.

Complaints Reporting

Laurentian Bank's complaint handling process is designed to promptly deal with customer complaints in a fair and consistent manner. For more information, consult our Complaints Resolution Process brochure. The Head of Complaints Resolution of the Client Complaints Appeal Office (CCAO) is the most senior designated person to deal with complaints that have not been resolved at Level 1 and 2. The Bank has a prescribed 56 calendar days period to resolve complaints from the time the customer's initial submission to the Bank.

In fiscal year 2023, the CCAO processed 66 requests. Of this number, 54 cases concerned Laurentian Bank and they were processed within an average of 32 days. At the end of the exercise, the Head of Complaints Resolution maintained the Bank's position in 36 cases, while in 18 cases he recommended a favourable settlement to the client.

With regards to B2B Bank, 10 cases were processed in 2023 within an average of 43 days. The Head of Complaints Resolution endorsed B2B Bank's initial decision in 6 cases and recommended a favourable settlement to the client in 4 cases.

In 2023, 2 cases concerned LBC Financial Services (LBCFS), for which the Head of Complaints Resolution maintained the position of LBC Financial Services in the 2 cases settlement to the client. The average processing time was 52 days.

Further, we have received 1,223 inquiries during the year 2023, these inquiries are relating to our efforts to facilitate client's access to the bank resources best suited to cater to their difficulties and coaching of bank employees to help them find solutions to issues raised by clients.

Number of Complaints Handled by the Head of Complaints Resolution in 2023

	LBC	B2B	LBCFS
Credit Card	11	–	–
Cancellation	1	–	–
Agreement	1	–	–
Interest	1	–	–
Collection	1	–	–
Banking Services	1	–	–
Transaction	6	–	–
Bank Account	19	3	
Cancellation	1	–	–
Fees	3	–	–
Opening	1	–	–
Payment	2	–	–
Banking Services	1	–	–
Balance	1	–	–
Transaction	5	–	–
Transfer	4	–	–
Fraud	1	–	–
Processing	–	1	–
Digital	–	1	–
Agreement	–	1	–
Mortgages	12	5	–
Closure	1	1	–
Agreement	1	1	–
Interest	3	1	–
Opening	–	1	–
Payment	1	1	–
Advisory Services	2	–	–
Transaction	4	–	–
Line of Credit	4	–	–
Account Statement	1	–	–
Advisory Services	1	–	–
Transaction	2	–	–
Investments	7	2	2
Closure	1	–	–
Power of attorney	1	–	–
Transaction	5	2	–
Personal Loans	1	–	–
Transaction	1	–	–
Total	54	10	2

Seniors Code

Laurentian Bank 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.

The seven principles of the Code include:

1) Establish and implement appropriate policies, procedures, and processes to support the Code.
2) Communicate effectively with seniors.
3) Provide appropriate training to employees and representatives who serve seniors.
4) Make appropriate resources available to customer-facing employees and representatives to help them understand matters relevant to seniors' banking needs.
5) Endeavour to mitigate potential financial harm to seniors.
6) Take into account market demographics and the needs of seniors.
7) Publicly disclose the steps they have 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.

Implementing the Seniors 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. We also focus on educating our customers so that they can make smart and sound financial decisions. The Bank is in compliance with the Code having implemented the following measures:

A) Appointed a Seniors Champion who actively participates in the implementation of the Code. An internal reporting process facilitates the transmission of potential cases of abuse, financial mistreatment, or fraud to the Seniors Champion who ensures rapid support to all team members. This specialized support service is continuously trained on new developments and new practices in this area. As of October 31, 2023, the Seniors Champion has intervened in 59 cases of potential harm to senior customers. Understanding that this segment of our clientele is more vulnerable to cases of financial mistreatment, abuse or fraud, Laurentian Bank has set up a multidisciplinary committee to discuss cases and take concrete actions. This committee meets monthly and includes representatives from our Legal, Fraud, Compliance and Customer Service teams. The committee held 10 meetings in 2023 to discuss cases submitted to the Seniors Champion, enabling the Bank to be proactive with this clientele, take steps to raise awareness and also react promptly to all situations of senior abuse.

B) Made procedures available 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. All procedures are available in a centralized repository of information for all employees. These procedures describe:

- Key indicators to quickly identify cases of financial mistreatment, abuse or fraud;
- Procedures to deal with these types of cases; and,
- Procedures to report to the Seniors Champion all potential cases of abuse.

An annual review of these procedures allows us to ensure that we comply with the elements of the Code at all times.

C) 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.

This dedicated webpage describes all products and services offered to Seniors, such as The 65+ Plan, The Preferred account 60+ Advantage, and The Unlimited account 60+ Advantage. We also describe the lending facilities we offer to seniors, such as the Retirement Line of Credit and Equity Line of Credit insurance. Finally, the webpage provides important information about RRIFs and other investment products.

Senior customers can also access tutorials on our electronic services and useful links to get access to our LBC*Direct* Services. Seniors can also communicate directly with the Bank or the Seniors Champion from this page if specific needs arise, such as access to certain documents in specific formats.

D) Understanding the specific needs of our senior clientele, our branch locations offer confidential spaces for seniors to meet with our advisors and receive extra support to use and access our range of digital services. Seniors can also request support at any time for all ATM transactions in our branch network.

E) All team members have received training to ensure they are best equipped to serve seniors. The training offered to employees covers the following topics:

- Identifying signs of potential financial abuse or financial mistreatment;
- Actions to be taken to deal with elderly customers who are victims of abuse or mistreatment;
- Procedures on how to report a case of potential harm or abuse;
- Types of fraud; and,
- Best practices to interact with seniors.

The initial training deployed when the Code first came into force must be taken by all new employees who join the Bank. Additional training for our front-line employees is also carried out on an annual basis.

Our Continued Promise

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

Energy Consumption and Greenhouse Gas Emissions

The Bank's GHG emissions have been calculated by a Corporate Accounting and Reporting Standard ("GHG Protocol"). In 2022 the Bank moved from the financial control approach to the operational control approach for the estimation of GHG emission data. Under the operational control approach, the reporting company is responsible for all GHG emissions from operations over which it has control.

The operational boundary of the Bank's GHG inventory includes direct (Scope 1) and indirect (Scope 2) emissions related to all of the Bank's buildings with operational control. Scope 3 covers emissions from business travel and the corporate real estate asset class of financed emissions. Specifically,

- Direct emissions: Emissions from combustion of on-site fuels in stationary sources (boilers, furnaces, etc.) that are owned or controlled by the Bank;
- Indirect emissions: Emissions from the generation of purchased electricity, heating, steam and chilled water;
- Other indirect emissions: Emissions from the transportation of employees for business-related activities, and associated with providing financing to customers related to corporate real estate.

A portion of the data has been estimated; see below for the methodology and assumptions used.

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 continues to work with landlords to improve availability of data – between the 2022 and 2023 reporting year, the Bank reduced the number of locations requiring estimation. For both Scope 1 and 2 emissions calculations, energy consumption and GHG emissions were estimated using the following approach:

1) Where fuel or electricity consumption data was available from the landlord or utility, actual data was used.
2) Where energy consumption data was not available for a site, but the Bank had actual energy consumption data for >50% of the total square footage of the same facility type, energy consumption was estimated using the energy intensity of the Bank's known building envelope.
3) Where energy consumption data was not available for a site, and the Bank did not have actual consumption data for >50% of the total square footage of the same facility type, energy consumption was estimated using the provincial energy intensity factors published by Natural Resources Canada.

Energy consumption data has been collected for August 1, 2022 – July 31, 2023, to improve availability of data. Standard energy conversion factors have been sourced from the U.S. Energy Information Administration and Canada Energy Regulator energy conversion tables where required. The Bank intends to continue to use an August – July energy year. For our Scope 3 financed emissions, we calculated based on data from October 31, 2022, as we began the assessment process before the end of the 2023 fiscal year.

Scope 1 – Direct Emissions

The Scope 1 emissions are direct GHG emission sources owned or controlled by the Bank. Sources of Scope 1 emissions at each location vary depending on equipment in the building.

A. Stationary Combustion

Stationary combustion relates to emissions from the combustion of fuels in stationary sources to generate heat within the Bank's buildings. The two identified fuels relevant to the Bank are the following:

- Natural gas
- Fuel oil

In order to fall under Scope 1, fuel combustion must be directly generated on site, within the operational boundaries of the Bank, where it can account for the amount of fuel consumed. This can be done via thermostat system, meters, or through open channel of communication with the property manager.

In some instances, fuel combustion is controlled by property managers, but the Bank has no visibility on the amount of fuel consumed. If no fuel combustion details are provided on monthly rental invoices, associated emissions are considered to be part of Scope 2 as a form of purchased heat or electricity.

To calculate the GHG emissions from stationary combustion, the Bank multiplies the annual quantity of each fuel consumed at relevant locations by the appropriate emission factors for GHG leveraging the Global Warming Potentials (GWP) from the United Nations Intergovernmental Panel on Climate Change Sixth Assessment Report (AR6).

B. Mobile Combustion

This source relates to emissions from the combustion of fuels in self-propelled equipment; in other words, emissions from the transportation of materials, products, waste, and employees. As the Bank does not have mobile equipment, this source is not considered in the GHG inventory.

C. Process or Chemical Emissions

Considering the operations carried out by the Bank, this source of GHG emissions is not considered in this GHG inventory.

D. Fugitive Emissions

This source includes emissions from equipment for air conditioning, refrigeration, and freezing leaks refrigerants. In the absence of available data, this emission source is not considered in the GHG inventory at this time.

Scope 2 – Indirect Emissions

Scope 2 emissions are indirect emissions that occur using purchased electricity, steam, heat, or cooling. Steam, heat (in the form of hot water), and cooling (in the form of chilled water) can be delivered to an organization's facility through a localized grid called a district energy system or through a direct line connection. Although Laurentian Bank does not own or control the sources, its activities require the generation of energy which emits GHG emissions.

A. Electricity Purchased

Purchased electricity can either be sourced directly from the regional grids (location-based) that provide electricity or through contractual arrangements (power purchase agreement or renewable energy certificates) under which the organization procures power from specific sources (market-based). For the fiscal year 2023, the Bank has purchased electricity only from the regional grids and no power purchase agreements have been contracted, therefore our location-based and market-based Scope 2 GHG emissions are equal. All Laurentian Bank facilities consume electricity. To calculate the GHG emissions from electricity purchased, we multiplied the annual electricity consumption by emission factors specific to the building location. For buildings located in Canada, we use the emission factors presented in the most recent National Inventory Report. For buildings located in the U.S., we use the factors from the most recent EPA eGrid.

B. Steam, Heat and Cooling

Steam, heat, and cooling can be purchased through a local grid or directly from a supplier. As noted in the "Stationary Combustion" section, fuel consumption in a combustion system not under the control of the Bank is reported in this category as indirect emissions. Fuel consumption is converted into GHG emissions using the same approach as Scope 1 Stationary Consumption.

ENERGY CONSUMPTION	2023	2022	2021	UNIT
Fuel consumption				
Gas consumption	1,332	2,280	1,465	GJ
Oil consumption	110	180	110	GJ
Total fuel consumption	**1,442**	**2,460**	**1,575**	**GJ**
Electricity consumption				
QC	34,310	38,385	39,203	GJ
ON	8,652	13,765	13,780	GJ
AB	215	191	252	GJ
BC	146	182	131	GJ
NL	7	7	10	GJ
MB	91	84	82	GJ
US	987	1,022	532	GJ
Total electricity consumption	**44,408**	**53,635**	**53,989**	**GJ**
Steam, Heat and Cooling				
Indirect Heating	5,465	6,681	6,950	GJ
Chilled Water	2,365	4,373	5,924	GJ
Steam	2,991	5,917	6,613	GJ
Total Steam, Heating and Cooling	**10,820**	**16,971**	**19,487**	**GJ**
Total energy consumption	**56,671√**	**73,067√**	**75,051**	**GJ**

√ Data assured to a limited level by EY. See note on page 4.

Scope 3 – Other Indirect Emissions

Scope 3 emissions include emissions from activities or assets not under the Bank's operational control or included in Scope 2, but which are impacted by our value chain. The Bank is providing analysis on two Scope 3 categories included in the GHG Protocol in 2022 – Category 6 (Business Travel) and Category 15 (Investments, commonly referred to as Financed Emissions). For Category 15, we calculate emissions in accordance with the Partnership for Carbon Accounting Financials (PCAF) and are including two asset classes at this time (CRE and mortgages). The Bank intends to expand the coverage of our Scope 3 reporting to include other material categories and improve data quality over time.

A. Business Travel

Data collected and used have been broken down into the following categories: airfare, personal car mileage, taxi, train, car rental and public transport. For personal car mileage, distance travelled is reported and has been used without any further assumptions. All other categories have been calculated using a spend-based methodology based on expense reporting.

BUSINESS TRAVEL		2023	2022	2021	UNITS
Airfare	Spend-based	248	217	13	tCO_2e
Personal Car Mileage	Distance-based	171	141	83	tCO_2e
Taxi	Spend-based	29	28	24	tCO_2e
Train	Spend-based	11	7	1	tCO_2e
Car Rental	Spend-based	5	5	1	tCO_2e
Public Transport	Spend-based	1	1	–	tCO_2e
Total transportation		**465**	**399**	**122**	**tCO_2e**

B. Financed Emissions

For financial institutions like Laurentian Bank, the largest emissions impacts are expected to be indirect, through our financing activities. In 2022, the Bank joined the Partnership for Carbon Accounting Financials (PCAF) and applies their methodology for relevant asset classes to calculate Scope 3 financed emissions. For this 2023 ESG Report, the Bank has estimated the financed emissions associated with the Corporate Real Estate (CRE) and Residential Mortgages PCAF asset classes. This choice was influenced by two factors: relative size of portfolio and data availability. CRE and Mortgages are the largest of the PCAF asset classes at Laurentian Bank. The Bank is engaged in industry working groups to improve availability of data and estimation tools for mortgages and other PCAF asset classes.

Calculation Approach

Asset class definition: For CRE, PCAF includes on-balance sheet loans for the purchase and refinance of on-balance sheet investments in CRE when the financial institution has no operational control over the property and where owner uses the property to conduct income generating activities. Loans that are secured by CRE, but where the use of proceeds are unknown (as defined by the GHG protocol), are not included in CRE and will be included in the business loans asset class in the future. Loans for construction and renovation of CRE, as well as industry loans, were excluded from the calculation of CRE financed emissions, in accordance with PCAF.

For mortgages, PCAF includes on-balance sheet loans for the purchase and refinance of residential property, including individual homes and small-unit multi-family housing, implying that properties are used for residential purposes and not for commercial activities. Home equity loans, mortgages used for construction, mortgages used for renovation and mortgage lines of credit with unknown use of proceeds were excluded from the calculation of mortgages financed emissions, in accordance with PCAF.

Emission scopes covered: In estimating the Bank's Scope 3 financed emissions from CRE and mortgages, we have chosen to only include Scope 1 and 2 emissions of our mortgage and CRE customers in the calculation. Including a customer's Scope 3 emissions is optional for this asset class, and we do not have access to data to estimate Scope 3 emissions for our mortgages and CRE clients at this time.

Data quality: Access to quality data to enable estimation of emissions data is a key area of focus across financial services firms. To enable initial disclosure of financed emissions, PCAF has laid out a data quality hierarchy for each asset class, applying a score of 1 (best) to 5 (lowest). Information on the data quality hierarchy for CRE and Mortgages is included in the table on page 84. In this CRE review, we were able to attain data required for a data quality level of 4 or 5 for 97% of the PCAF eligible portfolio, with an average data quality score of 4.6. Our CRE data quality score in 2023 has gone down compared to 2022, due to an overall increase in the outstanding loan value included in the calculations, where the added loans had a data quality score of 5. In the residential mortgages review, we were able to attain data required for a data quality level of 5 for 99% of the PCAF eligible portfolio.

Emission factors: To estimate the Scope 1 and Scope 2 emissions for mortgage customers, we leveraged the PCAF online emissions factor database. This database provides mortgages emissions factors by province and building usage on a per dwelling, per building, or per m^2 basis, sourced from the Government of Canada Natural Resources Canada. At time of calculation the most recent data in the PCAF database reflected 2019 average emission factors for CRE and mortgages. We will update our calculations as more recent emissions data becomes available in the PCAF database.

Attribution factor: PCAF methodology uses an attribution factor to calculate the portion of a customer's emissions attributable to a financial institution's loan or investment. For real estate asset classes, this factor is calculated as the outstanding amount financed by the Bank divided by the property value at origination.

Next steps: Moving forward, we will continue to work to expand the coverage and data quality of our Scope 3 financed emissions calculations. We will continue to report on Scope 3 financed emissions annually in our ESG and TCFD reporting.

Corporate Real Estate PCAF Calculations

	OUTSTANDING CORPORATE REAL ESTATE LOANS As of October 31, 2022		ESTIMATED EMISSIONS (TCO_2e)			
Data Available	**Balance ($MM)**	**% of Total**	**Customer Scope 1**	**Customer Scope 2**	**Total**	**Data Quality Score**
Primary data on actual building energy consumption + Supplier-specific emission factors	–	–	–	–	–	1
Primary data on actual building energy consumption + Average emission factors	–	–	–	–	–	2
Official building energy labels + Floor area + Average emission factors	–	–	–	–	–	3
Building type + Location + Floor area + Average emission factors	2,503	43	38,019	10,152	48,171	4
Building type + number of buildings	3,135	54	16,727	2,922	19,650	5
Insufficient data to estimate	188	3	–	–	–	5
Total	**5,826**	**100**	**54,746**	**13,074**	**67,821**	**4.6**

Mortgage PCAF Calculations

	OUTSTANDING MORTGAGE LOANS As of October 31, 2022		ESTIMATED EMISSIONS (TCO_2e)			
Data Available	**Balance ($MM)**	**% of Total**	**Customer Scope 1**	**Customer Scope 2**	**Total**	**Data Quality Score**
Building type + number of buildings	15,813	99	91,541	35,488	127,029	5
Insufficient data to estimate	5	1	–	–	–	–
Total	**15,818**	**100**	**91,541**	**35,488**	**127,029**	**5**

Explanation

According to PCAF definition of asset class, which may differ from Laurentian Bank's own definition; therefore, total CRE and mortgage portfolio size may differ from other public disclosures.

Although excluded from calculations, insufficient data was classified as a 5 when weighting the average data quality score. This was to ensure our reported data score reflects the full CRE portfolio according to the PCAF definition, and to allow improvements in data quality to be more accurately tracked over time.

Summary of GHG Calculations table

GHG EMISSIONS	2023	2022	2021	UNIT
Scope 1	76 √	130 √	83	tCO_2e
Scope 2 (location-based)	692 √	967 √	983	tCO_2e
Scope 2 (market-based)	692 √	967 √	983	tCO_2e
Total Scope 1 and 2 (location and market-based and mortgage) GHG emissions	**768 √**	**1,097 √**	**1,066**	**tCO_2e**
Scope 3 (business travel)	465	399	122	tCO_2e
Scope 3 (financed emissions, CRE)	–	67,820	57,537*	tCO_2e
Average data quality, CRE	–	4.6	4.6	tCO_2e
Scope 3 (residential mortgages)	–	127,029	–	tCO_2e
Average data quality, mortgages	–	5	–	tCO_2e

* 2021 Scope 3 (financed emissions, CRE) have been restated from previous disclosures due to improvements in availability of data and methodology for estimation.

√ Data assured to a limited level by EY. See note on page 4.

Explanation

In 2022 the Bank estimated our combined Scope 1 and Scope 2 GHG emissions at 1,097 tCO_2e. With the reduction and downsizing of branches and corporate offices spaces, the Bank reduced that number 30% to 768 tCO_2e. This is aligned with hybrid work model and our mobility strategy which prioritizes and promotes working from home for all employees. This decrease in emissions is a positive step forward and continues to keep the Bank in line with the targeted goal of a 35% reduction from the 2022 baseline.

Caution Regarding Forward-Looking Statements

From time to time, Laurentian Bank of Canada and, as applicable, its subsidiaries (collectively referred to as the Bank), will make written or oral forward-looking statements within the meaning of applicable Canadian and United States (U.S.) securities legislation, including, forward-looking statements contained in this 2023 ESG Report and Public Accountability Statement dated as of March 7, 2024 (and in the documents incorporated by reference herein) as well as in other documents filed with Canadian and U.S. regulatory authorities, in reports to shareholders, and in other written or oral communications. These forward-looking statements are made in accordance with the “safe harbour” provisions of, and are intended to be forward-looking statements in accordance with, applicable Canadian and U.S. securities legislation. 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, market, and regulatory review and outlook for Canadian, U.S. and global economies; the regulatory environment in which the Bank operates; the risk environment, including, credit risk, liquidity, and funding risks; the statements under the heading “Risk Appetite and Risk Management Framework” contained in the 2023 Annual Report, including, the Management’s Discussion and Analysis (the MD&A) for the fiscal year ended October 31, 2023; and other statements that are not historical facts.

Forward-looking statements are typically identified by words 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 the Bank 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, business objectives, 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 such forward-looking statements are set out in the 2023 Annual Report under the heading “Outlook”, which assumptions are incorporated by reference herein.

The Bank cautions readers against placing undue reliance on forward-looking statements, as a number of 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 factors include, but are not limited to general and market economic conditions; inflationary pressures; the dynamic nature of the financial services industry in Canada, the U.S., and globally; risks relating to credit, market, liquidity, funding, insurance, operational and regulatory compliance (which could lead to the Bank being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties, and fines); reputational risks; legal and regulatory risks; competitive and systemic risks; supply chain disruptions; geopolitical events and uncertainties; government sanctions; conflict, war, or terrorism; and various other significant risks discussed in the risk-related portions of the Bank’s 2023 Annual Report, such as those related to: Canadian and global economic conditions (including the risk of higher inflation and rising interest rates); Canadian housing and household indebtedness; technology, information systems and cybersecurity; technological disruption, privacy, data and third-party related risks; competition; the Bank’s ability to execute on its strategic objectives; digital disruption and innovation (including, emerging fintech competitors); changes in government fiscal, monetary and other policies; tax risk and transparency; fraud and criminal activity; human capital; business continuity; emergence of widespread health emergencies or public health crises; environmental and social risks including, climate change; and various other significant risks, as described in the relevant pages of the 2023 Annual Report, including the MD&A, which information is incorporated by reference herein. The Bank further cautions that the foregoing list of factors is not exhaustive. When relying on the Bank's forward-looking statements to make decisions involving the Bank, investors, financial analysts, and others should carefully consider the foregoing factors, uncertainties, and current and potential events.

Any forward-looking statements contained herein or incorporated by reference represent the views of management of the Bank only as at the date such statements were or are made, are presented for the purposes of assisting investors, financial analysts, and others in understanding certain key elements of the Bank's financial position, current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Bank's business and anticipated financial performance and operating environment, and may not be appropriate for other purposes. The Bank does not undertake any obligation to update any forward-looking statements 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 legislation. Additional information relating to the Bank can be located on SEDAR+ at www.sedarplus.ca.

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