



April 23, 2025

Calin Rovinescu  
Chair, Corporate Governance Committee of the Board of Directors  
40 Temperance Street  
Toronto, Ontario, Canada  
M5H 0B4

Via email to: [chair.board@scotiabank.com](mailto:chair.board@scotiabank.com)

**Re: Shareholders request Scotiabank conduct a Racial Equity Audit of its Employment and Commercial Practices, following Shareholder Proposal**

Dear Mr. Rovinescu:

At The Bank of Nova Scotia's ("Scotiabank" or the "Bank") 193<sup>rd</sup> Annual General Meeting of Shareholders, a shareholder proposal, filed by the Shareholder Association for Research and Education ("SHARE") on behalf of the Hamilton Community Foundation (the "Proponent"), received 37.69% of support from shareholders, with significant backing from Scotiabank's major institutional shareholders.<sup>1</sup> This marks the highest level of support for a shareholder proposal at Scotiabank since its 178th Annual Meeting in 2010.

The Proponent's shareholder proposal requested that Scotiabank conduct and disclose the results of a third-party racial equity audit, examining its commercial and employment practices for key risk indicators of systemic discrimination, concerning Indigenous Peoples and racially marginalized communities. This vote result reflects a material concern that Scotiabank existing practices are insufficient; and that Scotiabank take more meaningful, transparent actions—specifically through a comprehensive racial equity audit—to identify, assess, and effectively respond to discrimination-related risks across its operations.

We, therefore, urge Scotiabank to implement the request set forth in the aforementioned shareholder proposal.

A racial equity audit is integral to the success of Scotiabank's Growth-First strategy and ScotiaBond values, which underscore the Bank's commitment to accountability and inclusivity as drivers of sustainable growth. Systemic discrimination undermines economic productivity by limiting individual potential, stifling entrepreneurial growth, and reducing innovation, ultimately constraining broader gross domestic product. Beyond legal and reputational risks—failing to implement comprehensive

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<sup>1</sup> Scotiabank's Refusal to Audit Equity Draws Loud Response from Shareholders.  
<https://www.wealthprofessional.ca/news/industry-news/scotiabanks-refusal-to-audit-equity-draws-loud-response-from-shareholders/388849>. Accessed 15 Apr. 2025.

systems to address and mitigate systemic discrimination is increasingly becoming an unsustainable corporate practice. Given demographic trends and historic population shifts, Indigenous, Black, and other racially marginalized individuals and business enterprises represent a growing share of Scotiabank's current and potential customer base across Canada and the United States.

Peer banks—Royal Bank of Canada, Canadian Imperial Bank of Commerce, Bank of Montreal, and National Bank of Canada—are presently conducting racial equity audits in response to growing regulatory pressures and rapidly diversifying demographics.

A racial equity audit will provide a unified framework to evaluate and strengthen Scotiabank's employment and commercial practices across jurisdictions, supporting the Bank in its efforts to:

- Assess compliance with U.S. civil rights laws, Canadian human rights legislation, and Indigenous rights frameworks.
- Identify gaps in financial products and services for underserved commercial and retail client segments.
- Pinpoint talent and institutional knowledge gaps related to regulatory compliance and inclusive service delivery.
- Evaluate deficiencies in the Bank's systemic discrimination risk identification and mitigation systems, including the resourcing and staffing of compliance functions.
- Foster a distinctions-based, data-informed approach to identifying risks and tracking progress toward civil rights, human rights, and Indigenous rights compliance.

We request Scotiabank conduct and disclose the results of a third-party racial equity audit out of concern for the Bank's future and our own interests as shareholders in the Bank.

We welcome a timely response to this letter and the opportunity to discuss this request with you.

Sincerely,



Sarah Couturier-Tanoh  
Director of Shareholder Advocacy  
Shareholder Association for Research and Education ("SHARE")