

2007 Employment Equity Narrative Report



Scotiabank (005027)
Executive Offices, Human
Resources
44 King Street West, 12th Floor
Toronto, Ontario M5H 1H1
www.scotiabank.com

TABLE OF CONTENTS

TABLE OF CONTENTS	2
EMPLOYMENT MILESTONES IN 2007	3
MEASURING WORKFORCE DIVERSITY IN 2007	6
HIGHLIGHT ON EMPLOYMENT ACTIVITIES AT SCOTIABANK GROUP	11
INVESTING IN THE COMMUNITY	16
SPONSORSHIPS & DONATIONS	18
COMMUNICATION AND EMPLOYEE CONSULTATION	19
TRAINING AND EMPLOYEE DEVELOPMENT	25
WORKPLACE ACCOMMODATION	27
OUTLOOK 2008	28

INTRODUCTION

The Scotiabank Group of Companies (Scotiabank Group) is one of Canada's largest and most successful financial institutions. Scotiabank Group employs approximately 58,100 people worldwide, and serves over 12 million customers in 50 countries around the globe. In Canada, Scotiabank Group has 30,276 regular full-time and part-time employees, providing a wide range of products and services including retail, personal, commercial, corporate, and investment banking.

The year 2007 was an important year in Scotiabank Group's evolution as a major international financial institution. From an historical perspective, Scotiabank Group celebrated its 175 anniversary, an occasion which was celebrated throughout the year with a number of events. Globally, International Banking operations continued their growth through acquisitions and investments in companies such as Thailand's Thanachart Bank, Puerto Rico's First BanCo, and Dominican Republic's BBVA Crecer AFP and BBVA and Seguros. In September, regulatory approval was received that permitted the purchase of Dundee Bank of Canada and investment in DundeeWealth Inc. Dundee Wealth is a Canadian-owned wealth management company with \$62.6 billion in assets under management and administration. Dundee Bank of Canada is a Schedule I chartered bank, with approximately \$2 billion in deposits. In November Scotiabank Group closed a \$1.02 billion transaction to acquire 99.5% stake in Banco del Desarrollo, Chile's seventh largest bank. With assets of more than \$5.1 billion (US\$) and 74 branches Scotiabank Group reinforced its presence in the mid-market commercial lending, small business and consumer finance elements of the Chilean marketplace.

With its base in Canada – one of the world's most multicultural nations – and significant operations around the world, Scotiabank Group understands that embracing diversity and harnessing the skills of the broadest possible spectrum of talent will generate more innovative thinking, better decision-making and stronger business results. This conviction drives our commitment to establishing Scotiabank Group as a global employer of choice. As the following pages will reveal, we combine quantitative data with leading edge programs to meet employment equity requirements and create a culture that welcomes and supports diversity.

EMPLOYMENT MILESTONES IN 2007

Scotiabank Group's commitment to creating and maintaining a great place to work is reflected through a number of accomplishments and milestones reached in 2007 and outlined in this report. Both employees and the larger community have recognized Scotiabank Group globally and locally for its efforts.

In Canada

In early 2007, Scotiabank was awarded the prestigious Catalyst Award. This award honours organizations that have undertaken innovative approaches, with proven results, to address the recruitment, development and advancement of women. Scotiabank was recognized for our accomplishments through the Advancement of Women (AoW) initiative, indicating Scotiabank Group's leadership in this area from both a customer and employee perspective.

Scotiabank Group is the first Canadian company in eight years to receive this honour.

Other notable honours include the following:

1. **50 Best Employers in Canada 2007** - Scotiabank Group is named to the Report on Business Magazine list for the third straight year. This acknowledgement is based on feedback from employees and organizational leaders in a survey conducted by Hewitt Associates. It measures employee engagement, which is the emotional and intellectual commitment of the employees to the organization for which they work.
2. **Platinum Contact Center Employer of Choice 2007** - In July 2007, CCEOC Inc. announced that Scotiabank Group's Calgary Customer Contact Centre has achieved the prestigious Platinum level Contact Center Employer of Choice(R) (CCEOC) designation. It is the first Alberta contact centre to be certified as a Platinum Contact Center Employer Of Choice(R). Scotiabank Group's Calgary centre attained the highest level on its first assessment and joins an elite group of contact centres recognized by this unique designation. Scotiabank Group's Toronto contact centre also achieved Platinum certification in 2006. The centre scored very high in four key and wide-ranging categories: Management/Employee Relations; Training & Development; Environment & Facilities; Customer Satisfaction.
3. **APA Psychologically Healthy Workplace Award 2007** - The Atlantic Customer Contact Centre (ACCC) in Halifax has received special recognition as one of only two local employers to be named a recipient of the APA Psychologically Healthy Workplace Award presented by the Association of Psychologists in Nova Scotia and the CN Centre for Occupational Health and Safety. Based on five categories – employee involvement, work-life balance, employee growth and development, health and safety, and employee recognition - the award is given to workplaces that promote employee health and well being to improve performance and productivity. The ACCC was recognized for its supportive atmosphere, career advancement policies and team environment, all of which contribute to high employee morale and a low turnover.
4. **People's Choice Online Award 2007** - Scotiabank Group won the People's Choice Online Award for Best Careers Website at the first Annual Employer of Choice Marketing Awards sponsored by Working.com. The Employer of Choice Marketing Awards are the only awards in Canada dedicated to recognizing the very best in branding by employers working to build an image that will help them connect with potential employees, current employees and the general public.

International

1. **Training Magazine 2007 Top 125** - Scotiabank Group was named to the listing for the fourth consecutive year. Scotiabank Group ranked 12th, moving up from 47th in 2006, 71st place in 2005 and 80th in 2004. The award recognizes Scotiabank Group's programs, policies and initiatives among world-class peers.

2. **Best Companies to Work for in Mexico 2007** - Acknowledged by Great Place to Work Institute, Scotiabank Group was ranked 11th out of 250 companies surveyed for the fourth year in a row. Companies were evaluated on credibility, respect, impartiality, pride and comradeship. Separate awards were also given for each of these dimensions. Grupo Scotiabank received the award for impartiality.
3. **2007 Contact Centre World Recognition as Best Contact Centre in The Americas** - Scotiabank Group was the only Canadian financial institution to become a finalist and one of only two financial institutions nominated, along with Wachovia Bank. Scotiabank Group was recognized with a Silver Award. Winners are selected based on an online questionnaire, followed by a taped interview reviewed by judges and a final live presentation made in Dallas, with the final results based on the votes from delegates.
4. **2007 Recognition Professionals International** - Scotiabank Group was recognized in two Best Practice award categories: Best in Class for Program Measurement, for effectively documenting employee participation in all aspects of the recognition strategy; and Best in Class for Program Change and Flexibility, for the ability to adjust programs to changing goals, objectives and diverse recognition needs. American-based RPI is the only organization of its kind dedicated to the enhancement of employee performance through recognition strategies and initiatives.
5. **Certificate of Excellence 2007 by the US International Film and Video Festival** - Speak Up! Speak Out! is a Scotiabank Group initiative that targets the 285 Jamaican primary schools competing in the HIV and AIDS debating competition. The US International Film and Video Festival honoured A Letter to Pearl, a video-drama included in the package sponsored by Scotiabank Group and distributed to participating schools. It features internationally proclaimed story teller, Amina Blackwood Meeks, whose powerful voice captivated the children and raised awareness about HIV and AIDS to reduce the stigma associated with the disease.
6. **2007 Bank of the Year in Costa Rica - The Banker Magazine** – The Banker's Bank of the Year country awards acknowledge banks for the best overall performance in their country. The global editorial team chose the winners based on analysis of the latest results and performance data provided by the banks through questionnaires plus a review of their strategic developments and overall achievements.
7. **Employer of Choice Marketing Award 2007** - Scotia Applause, our employee recognition program, was developed to support Scotiabank Group's efforts to strengthen customer relationships by rewarding employees' contributions and promoting a responsive sales and service culture. Scotiabank Group received the Employer of Choice Marketing Award for Employee/Internal Communications for the Scotia Applause program in March 2007, and two awards from Recognition Professionals Inc. in May 2007 - Best in Class for Program Measurement and Best in Class for Program Change and Flexibility.

These new accolades are great accomplishments for Scotiabank Group, and are also a demonstration of Scotiabank Group's ongoing commitment to its inclusion and the larger, diverse communities in which the Scotiabank Group operates.

MEASURING WORKFORCE DIVERSITY IN 2007

Each year, Scotiabank Group relies on two methods to measure workforce diversity:

1. The quarterly Employment Relationships People Report (i.e. a computer model that tracks designated group representation by business lines) measures progress against diversity goals.
2. An annual on-line workforce census in which employees self-identify as belonging to a designated group. This census ensures that Scotiabank Group has up-to-date and accurate employment equity data. In 2007, this Workforce Census underwent significant improvements. As well, there was a noticeable increase in the participation rate. Scotiabank Group is unique among Canadian banks in that it surveys its workforce annually.

During 2007, these two methods allowed Scotiabank Group to consistently track diversity goals year over year.

Scotiabank Group's total Canadian workforce increased by nearly 2,000 employees due in part to a number of aforementioned corporate acquisitions. (See Table 1). The largest of these involved the acquisition of DundeeWealth. Table 1 represents Scotiabank Group's Canadian workforce statistics over the last four years. Of particular note is the significant increase in promotions over the represented period (i.e. nearly 600 more than in 2006). The increase in the number of exits is attributable to the increasingly competitive nature of the Canadian labour market, particularly in Western Canada, where, Scotiabank Group and other financial sector employers are competing for staff with oil and energy producers.

Table 1: Scotiabank Group's Canadian Workforce

	Total (Regular full-time and part-time)	Hires	Promotions	Exits
2007	30,276	5,643	3,465	3,739
2006	28,398	4,001	2,894	3,198
2005	27,370	3,480	2,503	3,316
2004	27,061	2,642	2,262	2,950

Please note that all variances in workforce numbers are explained by: changes in employee status, transfers within the Scotiabank Group of Companies worldwide or changes in NOC coding.

A. WOMEN IN SCOTIABANK GROUP'S WORKFORCE

Scotiabank Group strives to be a recognized leader in the advancement of women and all executives have made this goal a part of their performance targets. Consequently, 70.3% of Scotiabank Group's employees in Canada are women as of December 31, 2007. Overall, representation of women across Scotiabank Group significantly exceeds the external

government availability numbers.

Scotiabank Group's overall representation of women is exemplary, a fact that was confirmed when Scotiabank Group received the Catalyst Award earlier last year. This is the fourth year in a row Scotiabank Group has had a significant increase in representation for women in senior management, which has increased from 30.5% in 2006 to 32.3% in 2007.

In addition, the representation of women in middle management has increased from 52.4% in 2006 to 54.5% in 2007 which equates to the external labour benchmark availability of 54.5

Table 2 provides statistics for the last four years, and clearly shows Scotiabank Group's success in addressing Employment Equity for Women:

Table 2: Women in the Scotiabank Group Workforce

Workforce Representation of Women	Scotiabank Group 2007 (%)	Scotiabank Group 2006 (%)	Scotiabank Group 2005 (%)	Scotiabank Group 2004 (%)	External Government Availability* (%)
Overall	70.3	71.2	71.7	72.1	65.7
Senior Management	32.3	30.5	28.8	25.0	24.3
Middle Management	54.5	52.4	50.9	45.5	54.5
Professional	45.3	46.2*	50.3	52.1	41.8

*The decrease in representation of female professionals is primarily due to reclassifications resulting from this review.

Finally, Scotiabank Group has long been a strong advocate in the Canadian financial sector for the hiring and promotion of women. Through our Advancement of Women initiative we expect to continue that tradition in Canada and internationally in order to support this group within our global workforce.

B. VISIBLE MINORITIES IN SCOTIABANK GROUP'S WORKFORCE

To effectively serve Canada's multicultural population, Scotiabank Group ensures that the workforce reflects the diverse communities in which it operates. In turn, Scotiabank Group continually monitors and implements various recruitment, promotion, career planning, and training strategies to tap into this pool of talent and provide a welcoming environment for visible minorities. Scotiabank Group continues to surpass the external government availability by a significant percentage, (particularly in the Professional category) while remaining a leader among the five major Banks in representation of this group.

Of the Scotiabank Group's Canadian workforce, 21.6% identified themselves as a member of a visible minority group. The representation of visible minorities increased in 2007 among the majority of EEOG groups. At the professional level, the number of visible minority group

*Calculated using data from Statistics Canada.

members increased from 1,101 to 1,376. At the Administrative & Senior Clerical Personnel level the representation increased by over 100, and the increase was over 300 at the Clerical Professional level. Across Canada, the number of Scotiabank Group employees listed as Visible Minorities increased from 5,739 to 6,531.

A number of programs are currently in place to support the Scotiabank Group's commitment of increasing the representation of visible minorities. These initiatives include training that is offered to many hiring managers in bias-free recruitment, interviewing, and selection to effectively recruit diverse, culturally competent employees. Scotiabank Group also continues to sponsor a number of internship programs, awards, and scholarships, such as the highly profiled Harry Jerome Awards hosted annually by the Black Business Professional Association. In 2007, Scotiabank hosted the scholarship award ceremony, and presented a donation of \$50,000 to the endowment fund. Scholarships to two award recipients were also made.

Likewise, Scotiabank Group continues to partner with non-profit organizations that celebrate the contributions visible minorities are making in the community and work force such as the Community MicroSkills Development Centre and Tropicana Community Services. As exposure to and an appreciation of diversity is part of the corporate social fabric, Scotiabank Group plans to continue to recognize and celebrate the contributions and achievements of Visible Minorities.

Table 3 shows Scotiabank Group's outstanding success in providing an inclusive workforce that attracts many employees who self-identify as a visible minority.

Table 3: Visible Minorities in Scotiabank Group's Workforce

Workforce Representation of Visible Minorities	Scotiabank Group 2007 (%)	Scotiabank Group 2006 (%)	Scotiabank Group 2005 (%)	Scotiabank Group 2004 (%)	External Government Availability* (%)
Overall	21.6	20.5	20.3	19.4	16.2
Senior Management	10.3	11.5	10.5	9.9	9.7
Middle Management	19.6	19.0	18.8	18.2	13.5
Professional	33.7	32.6	27.9	24.6	22.1

C. ABORIGINAL PEOPLE IN SCOTIABANK GROUP'S WORKFORCE

Scotiabank Group was the first chartered Bank to open a branch on an Aboriginal reserve in 1971. Scotiabank Group remains committed to welcoming members of Canada's Aboriginal communities into the workforce, and operates four on-reserve branch locations and 22 Aboriginal banking centres across Canada. Earlier this year, Scotiabank Group appointed a nine-year employee as the first Aboriginal branch manager of an on-reserve branch.

*Calculated using data from Statistics Canada.

Scotiabank Group continues to actively explore avenues through which to attract and retain Aboriginal employees. For instance, Scotiabank Group continues its involvement with other financial industry partners in the Financial Industry Partnership for Aboriginal Relationships (“FIPAR”), a partnership geared to increasing the visibility of the banking industry and a viable career option for Aboriginal peoples and building relationships with the aboriginal community. In addition, Scotiabank Group conducted an analysis of its funding allocations to determine the best allocation of budget dollars in support of programs to enhance representation targets. As a result of this, Scotiabank Group entered into a number of new sponsorship arrangements with various First Nations organizations in an effort to enhance its corporate profile among members of the community. These are detailed in the sections of this report entitled “Highlight on Employment Activities at Scotiabank Group” and “Sponsorships and Donations”.

In 2007, the number of Scotiabank Group employees that identified themselves as Aboriginal was 1.1%. The total membership within this designated group increased by 12 (i.e. 322 to 334), with the Professional category reflecting an increase from 13 to 23 members. The Clerical Personnel ranks also grew by 14 members. These gains were offset by small declines in the Senior and Middle Management levels (i.e. 1 and 4 respectively).

Table 4: Aboriginal Peoples in Scotiabank Group’s Workforce

Workforce Representation of Aboriginal Peoples	Scotiabank Group 2007 (%)	Scotiabank Group 2006 (%)	Scotiabank Group 2005 (%)	Scotiabank Group 2004 (%)	External Government Availability* (%)
Overall	1.1	1.2	1.2	1.2	1.5

D. PERSONS WITH DISABILITIES IN SCOTIABANK GROUP’S WORKFORCE

In 2007 Scotiabank Group again exceeded the government’s benchmark for representation of persons with disabilities in the workforce. Overall, the number of Persons with Disabilities grew by 43 (i.e. 1,112 to 1,155). A decline of four in the Senior Management ranks was offset by increases in the Middle Managers (i.e. an increase of 21), and in the Professionals category (i.e. an increase of 23). Similarly, smaller increases in the number of Clerical Personnel and Semi-Professional and Technical groups were offset by a slight decline in the number of Administrative and Senior Clerical employees.

As was noted in last year’s Report, a substantial number of Persons with Disabilities are currently on Long-Term Income Protection (i.e. LTIP), and are, therefore, not included in our reporting. Including these individuals in the calculation would raise Scotiabank Group’s representation of Persons with Disabilities. The nature of disabilities is such that some employees may be hired who are disabled from the start of their employment, whereas others may become disabled during the course of their employment. In either instance, or depending

*Calculated using data from Statistics Canada.

upon the nature of their condition, some individuals may find it impossible to continue with their employment on either a temporary or permanent basis.

Scotiabank Group continues to undertake a variety of recruitment, awareness building and sponsorship and development programs to support Persons with Disabilities internally or externally. A sampling of recruitment activities includes hosting a networking session in the Integrated Systems & Support Department, and participating in various career fairs through key agencies, colleges and universities. Many of these activities resulted in hiring of employees from this designated group.

As well, initiatives such as the WorkAssist program, a voluntary counselling program offered through the integration of the Scotiabank Group's healthcare providers, has proven especially helpful in providing early access to intervention and support to employees, which facilitates timely rehabilitation and return to health. Statistical evidence suggests that this program is primarily benefiting those employees with mental health issues or disabilities.

In December 2007, Scotiabank Group celebrated the United Nations' International Day of Disabled Persons by launching the Inclusive Workplace Guide: Disability Awareness. The Guide, produced with support from the Scotia Employment Relationships Council (Scotiabank Group's employee resource group), is a quick reference tool designed to increase awareness and enhance communication when interacting with both customers and employees with disabilities. With the growing importance of workforce diversity to remain globally competitive, The Guide is the first in a series of planned educational communications to promote an inclusive workplace which can positively impact employee satisfaction, customer service and overall productivity. Additional publications in the Inclusive Workplace Guide series are planned for 2008.

On other fronts, Information Technology and Solutions, the Scotiabank Group's systems group, continue to incorporate accessibility standards to evaluate all technology applications and websites for accessibility to employees with disabilities.

Table 5: Persons with Disabilities in Scotiabank Group's workforce

Workforce Representation of Persons with Disabilities	Scotiabank Group 2007 (%)	Scotiabank Group 2006 (%)	Scotiabank Group 2005 (%)	External Government Availability* (%)
Overall	3.8	4.0	4.2	3.7
Senior Management	3.1	4.74	4.06	2.1
Middle Management	4.9	4.5	4.8	2.5
Professional	2.8	2.7	2.7	4.1

HIGHLIGHT ON EMPLOYMENT ACTIVITIES AT SCOTIABANK GROUP

1. WOMEN

Scotiabank Group continues to make notable progress in the representation of women at all levels in our workforce primarily through the implementation of the Advancement of Women (AoW) initiative.

- *ScotiaWomen's Connection*: A web-based communication avenue, its purpose is to assist all employees to keep apprised of the Scotiabank Group's Advancement of Women (AoW) initiative and the progress that is being made. The website, which promotes transparency, is also a central repository of resources, tools and best practices aimed at helping all Scotiabank Group employees to grow, succeed and realize their potential. The site further provides access to Network-in-a-box which presents employees with the necessary information to establish grassroots networks within their respective business line, support function or geographic area.
- *ScotiaWomen's Connection Networking Series*: The Series involves quarterly sessions that include an internal networking opportunity and a formal presentation on developmental topics. These events were developed to create opportunities for women to make connections, to gain visibility and to access female role models through networking.
- While initially targeted to Senior Manager / Director level (or equivalent) female employees, participation was broadened in 2006 to include Manager level females and in 2007, participation was further expanded to include women currently on Maternity / Child Care Leave.
- Each event is videotaped and DVD's are made available to all employees in all the countries where we operate.
- *Advancement of Women Community of Champions*: Created in May 2007, the AoW Community of Champions' membership consists of representatives from across the different business lines that are directly accountable for AoW initiatives. The quarterly meetings are an opportunity for like-minded individuals to participate in cross-divisional and cross-functional networking and collaboration. These meetings are also a venue for these employees to share their respective calendar of events and report on progress.
- *Quarterly Reporting*: Executives and business line leaders are directly accountable for the advancement of women through representation targets and satisfaction index measures. These figures are included on their Balance Scorecards which serve as their individual performance plans. Tracking against targets is facilitated through 'People Reports' which is available on-line.
- *Targets for Feeder Pool employees*: Scotiabank Group has been tracking female representation at the VP+ and equivalent levels for several years and in October 2007, this measure was extended to include feeder pool targets, which consists of employees at the Senior Manager and Director levels. This metric, included on management's Balance Scorecards, introduces accountability for the development and advancement of feeder pool employees.

- *External Presence:* We actively promote the advancement of women publicly, positioning Scotiabank Group as a leading employer for women. We do so by sponsoring organizations that foster women's advancement and provides our Scotiabank women with opportunities to speak or network. For example, The Women's Executive Network (WXN) is Canada's leading organization dedicated to the advancement and recognition of executive-minded women in the workplace. Scotiabank sponsors WXN's Breakfast Series, which in 2007 involved 31 breakfast events across 6 major cities in Canada, namely: Vancouver, Calgary, Toronto, Mississauga, Ottawa, and Montreal.
- We also are the co-presenting partner of WXN's Canada's Most Powerful Women Summit: Top 100 Awards.
- *Sponsorship of external research:* Scotiabank Group continues to participate in the Catalyst Benchmarking Survey. Results provide a snapshot of how Scotiabank Group compares against other international organizations and industry competitors on such issues as female representation, policies and programs.

In 2007, Scotiabank Group also signed on to sponsor a separate Catalyst research study that will focus on the concerns and explore the career stages of our next generation of leaders, in order to identify key retention and advancement drivers for this population.

- *International Women's Day (March 8, 2007):* Scotiabank Group supported 'International Women's Day' through media and financial donations.
- *Taking AoW Global:* Scotiabank Group's vision is to be a leader in the advancement of women in all the countries in which we operate. To this end, the initiative was officially launched internationally at International Banking Division's offsite, in May 2007.

2007 was also significant since it ushered in the tracking and reporting of Scotiabank Group's global representation of women at the senior management level.

2. ABORIGINAL PEOPLES

Scotiabank Group is committed to the inclusion of Canada's Aboriginal communities in our workforce. Once again during 2007 we undertook a variety of recruitment activities to expand our team of Aboriginal employees. Our goal is to build an Aboriginal workforce that provides valuable employment opportunities to Aboriginal peoples.

Some specific measures that have been adopted to promote the hiring of Aboriginal Peoples across Scotiabank Group include the following:

- Branches and regions set goals to improve Aboriginal representation through hiring activities. Regional managers receive semi-annual reports on progress.
- A seminar on Aboriginal Inclusion in the Workforce has been conducted in Scotiabank Group's Toronto Executive Offices.

Some specific recruitment initiatives Scotiabank Group participated in during 2007 focus on Aboriginal Peoples and include the following:

Financial Industry Partnership for Aboriginal Relations (“FIPAR”) – Along with five other major financial institutions, Scotiabank Group has been active in this partnership whose mandate it is to develop long-term strategies to increase awareness of what career opportunities are available in the finance industry and what is required to get there. These strategies are geared to positively affect future recruitment measures. FIPAR is currently pursuing creating a web presence and solidifying partnerships with educational institutions in order to promote the financial industry as a career.

Job Fairs:

The following is a summary of various Job Fairs in which Scotiabank Group participated in 2007:

- Delaware Nation Career Awareness at Thamesville;
- Six Nations Employment Symposium at Oshweken;
- Assembly of First Nations Annual Circle of Trade;
- Aboriginal Youth Fair;
- First Nations University Career Fair – Saskatoon;
- University of Regina, Aboriginal Centre – hiring several co-op students in the Regina area;

Partnerships:

In addition to Job Fairs, Scotiabank Group also partnered with a number of organizations to promote greater awareness of career opportunities amongst Aboriginal Peoples. This included:

- Calgary Urban Aboriginal Initiative;
- Nicola Valley Institute of Technology;

3. VISIBLE MINORITIES

Scotiabank Group takes great pride from its diverse workforce in this area. Local branches and other departments/units throughout Canada celebrate this diversity everyday through support of local cultural events and internal events that celebrate and recognize our diversity. Scotiabank Group values diversity and harnessing the skills of the broadest possible spectrum of talent, as this has been shown to generate more innovative thinking, better decision-making and stronger results.

Many of the initiatives that support other designated groups in Scotiabank Group benefit this group as well, including the many initiatives under the Advancement of Women initiative, and with respect to Persons with Disabilities as many of the Women and Persons With Disabilities are also Visible Minorities.

Some specific recruitment initiatives Scotiabank Group participated in during 2007 focus on visible minorities and included the following:

Career Bridge

Scotiabank Group has participated in the Career Bridge internship program, a private sector not-for-profit organization that works with major employers to provide work experiences for job seekers. Through Career Edge, Scotiabank Group sponsored three Career Bridge workplace internships at Scotiabank Group in 2007.

Toronto Region Immigrant Employment Council (TRIEC)

Scotiabank Group reached an agreement with the Toronto Region Immigrant Employment Council (TRIEC) in 2007 to participate in a new recruitment initiative beginning in 2008, The Mentoring Partnership is a collaboration of community organizations and corporate partners that bring together skilled immigrants with established professionals in occupation-specific mentoring relationships. The program is delivered through a coalition of community organizations in the City of Toronto and regions of Peel, York and Halton.

Through the program, mentors provide twenty-four hours of their time over a four-month period assisting their proteges in navigating the job search process through the sharing of their knowledge, experience and professional networks. Mentoring is a means of sharing knowledge, creating relationships, and supporting immigrants so they and Canada can benefit.

Corporate partners promote the program and support the practice and engagement of mentors within their company, sector or community at large.

Multicultural Banking:

Scotiabank Group has developed a Multicultural Banking strategy to increase the Bank's presence among recent immigrants and specifically, Visible Minorities. As part of a broader, ongoing effort to better service customers from diverse ethnic and cultural backgrounds, Scotiabank Group is reviewing staff language capabilities and recruitment criteria to better service these targeted markets. In addition, Scotiabank Group is developing cultural sensitivity training programs to provide front line employees with the understanding and awareness necessary to service these members of these groups.

4. PERSONS WITH DISABILITIES

Scotiabank Group is dedicated to supporting employees with disabilities as they work to become integrated in the workforce, through our recruitment activities, flexible work arrangements and assistive technologies and resources that help accommodate their needs. Scotiabank Group routinely sets specific referral and hiring goals for staffing and recruitment managers for each business line. During 2007 Scotiabank Group actively pursued a number of initiatives to encourage and promote the hiring of Persons with Disabilities:

Shared Services & Integrated Systems & Services – Hosted a networking session for job-seekers with disabilities (April 2007);

Ryerson University – presentations to graduating students with disabilities in the Business & IT faculties (November 2007);

Kwantlen College – Continuation of a partnership between our Langley Branch and this local community college was formed for the purpose of providing 3 months training as Customer Representatives for persons returning to or preparing to enter the workforce, with a particular emphasis upon persons with disabilities and learning challenged.

Scotiabank Group is fortunate to have a dedicated resource in the role of a Manager, Workforce Diversity, which underscores the seriousness and commitment Scotiabank Group has placed on the hiring of Persons with Disabilities. A key element of this role is community outreach for the purpose of educating employees, students and members of the public regarding employment of People with Disabilities. The following is a sample of the numerous events the team participated in during 2006:

Inclusion Conference (Federated Press) – co-facilitation of an information session on disabilities and inclusion (September 2007);

Presentation – Federated Press – presented to a workshop on the topic of managing persons with disabilities in the workplace (April 2007);

Diversity Awareness Presentations – given to Business Lines at Scotiabank Group re: Persons with Disabilities;

Journalistic collaboration – on an article entitled “Guidelines for Inclusive Learning” (October 2007);

Shared Services National Conference – sponsorship of a guest speaker dealing with changing attitudes towards the disabled (June 2007);

Canadian Financial Institutions Forum on Accessible Technology (CFIAT) – founding of this forum providing for the exchange of ideas, research and experience as it relates to the use of technology in financial institutions with a focus on accessibility;

5. INTERSECTIONAL EVENTS:

The following programs focus on sourcing candidates from two or more designated groups:

Catholic Cross-Sectional Services – information sessions conducted to target recruitment of new immigrants and Persons With Disabilities (March 2007)

Shad Valley Interns – Scotiabank placed 4 Aboriginal and Persons with Disabilities students in August 2007 in Kamloops, Halifax, Kingston and Guelph;

Adventa Job & Career Expo – Scotiabank Group hosted a booth where Aboriginal, Persons With Disabilities and Visible Minority candidates were provided with an opportunity to meet staffing managers and representatives from local branches (September 2007);

Scarborough Centre for Employment Accessibility – Scotiabank Group hosted a booth at this event (August 2007);

Advertising & Posting in Diversity Specific websites – e.g. Aboriginal Inclusion Network; Aboriginal Job Portal; OI Newsletter; Native News Wire News; Abilities; Blind Monitor;

2007 Career Edge Awards – Scotiabank Group was nominated for the Spirit Award for its impact on hiring interns. Scotiabank Group was also nominated for the Ability Edge Award for hiring a large number of interns with disabilities (February 2007);

Career Edge Interns – Scotiabank Group placed 9 Ability Edge, 5 Career Bridge, and 6 Career Edge interns. 7 interns were permanently hired.

INVESTING IN THE COMMUNITY

Scotiabank Group is committed to helping build the communities in which we operate – in Canada and around the world – by dedicating both financial and human capital. In 2007, Scotiabank Group contributed more than \$43 million to community causes in Canada and around the world. Of that total, \$35 million went to charitable initiatives in Canada, focused mainly on the areas of health, education, social service and arts and culture, and makes us one of the country's largest philanthropic donors.

Scotiabank Group has set a number of objectives to enhance the level of community involvement, and our progress is reported through our annual Corporate Social Responsibility Report. These include:

- a) Maintain our status as an Imagine Caring Company by continuing to donate at least 1% of domestic pre-tax profits;
- b) Continue to focus our philanthropy on community-based activities with employee participation;
- c) Provide financial support for employee volunteering through the Scotia Employee Volunteer Program under which Scotiabank Group will provide up to CDN\$1,000 (or an appropriate amount in local currency) to assist qualifying organizations in which employees of the Scotiabank Group have been active participants for at least one year, and;
- d) Provide financial support to community fundraising events through the Team Scotia Community Program, under which Scotiabank Group will match funds raised by two or more Scotiabank Group employees to assist qualifying community-based organizations. Funds raised are matched up to a maximum of CDN \$5,000 (or an appropriate amount in local currency) per approved fund-raising initiative per year.

Some causes benefiting from these contributions in 2007 include, but are not limited to the following. More information can be found in our Corporate Social Responsibility report for 2007.

Documentary Film – Ontario Accessibility Directorate (March 2007)

This film was produced to demonstrate the new Canadian standards on accessibility. Kaye Leslie, Manager of Workforce Diversity at Scotiabank Group, was featured in this presentation.

People in Motion Exhibit (June 2007)

63,000 square feet of exhibits were displayed on various products and services to assist Persons with Disabilities. Scotiabank Group hosted a booth at this exhibit to promote ourselves as an employer of choice and meet staffing managers and representatives from local branches.

Festival of International Conferences on Care Giving, Disability, Aging & Technology (June 2007)

Approximately 5,000 attended this seminar in which Scotiabank was profiled as an employer of disabled persons.

Abilities Festival (November 26th – 27th, 2007)

This festival showcased the artistic talents and excellence demonstrated by persons with disabilities.

City of Toronto's International Day for Disabled Persons (December 3, 2007)

Kaye Leslie, Manager of Diversity, attended this workshop on behalf of Scotiabank

Rick Hansen Foundation: Man in Motion Foundation and Ambassador Program

Scotiabank Group and the Rick Hansen Man In Motion Foundation announced a 10-year partnership to launch a new spinal cord injury (SCI) awareness program. The funds also support the foundation's Ambassador Program, which helps more than 200 people with SCI share their stories and inspiration in communities across Canada.

Canadian Foundation for Physically Disabled Persons: Rolling Rampage & Valentine Gala

Founded in 1984 with a commitment to improving the quality of life of people with physical disabilities, the CFPDP has held over 35 major events to bring about historic changes in the way people think about disability. Again in 2007 Scotiabank Group supported the Rolling Rampage, the premiere wheelchair road race in North America, which raises funds to support Canadian Paralympians and hundreds of athletes with physical disabilities. Each year, the Canadian Foundation for Physically Disabled Persons holds a gala to raise funds and awareness, and to recognize outstanding athletes. Scotiabank Group's President and CEO was the honorary chairperson for the 2005 and 2006 Galas.

Whistler Adaptive Sports Program

Scotiabank Group continued its support of the Whistler Adaptive Sports Program (WASP), which makes winter sports accessible to all.

Queen's University

Scotiabank Group again provided a significant amount to Queen's University, the majority of which will be used to continue the successful Scotiabank Group International Exchange

Scholarships and Bursaries program. The remaining will be used to create the Scotiabank Group Accessibility Bursaries for 15 students with disabilities.

Queen's Women in Leadership – QWIL

Representatives from Scotiabank Group attended a two-day leadership conference in 2007 at Queen's University. QWIL's mission is to inform future leaders about gender issues in the workplace and community, by providing a forum for discussion, exploration, and inspiration – all elements that support Scotiabank Group's commitment to the advancement of women.

Schulich 2007 Women in Leadership Conference

Scotiabank Group sponsored and participated in a panel discussion examining the challenges facing women in their pursuit of leadership positions

University of Toronto and University of Saskatchewan

The U of T Program supports an Aboriginal Mentor in Residence who is hired to assist Aboriginal students remain in school. This Aboriginal MBA Bridging Program in the College of Commerce at U of S received funding and support from Scotiabank Group with up to a five year commitment.

SPONSORSHIPS & DONATIONS

Scotiabank Group operates a Diversity Sponsorship and Donation program which allocates funding and support to organizations servicing the needs of designated group members. Specific details of some of the contributions made during 2007 are detailed below.

1. WOMEN

- Canadian Women's Foundation (CWF13th) Professional Fundraising Breakfast;
- National Women in Business (NWIB) Saskatoon Expo;
- Rotman School of Management - Women in Management Reception;
- Wilfrid Laurier University Outstanding Women Athletes of Laurier Luncheon;
- Queen's Women in Leadership (QWIL) Conference
- Women in Leadership Foundation – BC Aboriginal Women in Leadership Forum;
- Women in Leadership Foundation – Ontario Aboriginal Women in Leadership Forum;

2. ABORIGINAL PEOPLES

- Aboriginal Financial Officers Association (AFOA) – National Conference, JAM Advertisement;
- National Aboriginal Achievement Foundation (NAAF) Awards;
- STC Health & Family Services - Indian Residential School Survivors Financial Well-Being Workshop;
- The Wabano Centre for Aboriginal Health – Igniting the Spirit Gala;
- Tsi Niyukwilihho t > Learning Centre;
- Ulkatcho First Nations – Welcoming Home Ceremony;

- Union of Ontario Indians – Annual Anishnabek Youth Awards;
- Vancouver Venture for Diversity Society;
- Aboriginal Business Awards;
- Aboriginal Leadership Institute Inc. – One Nation, Economic Forum;
- Centre for Aboriginal Media – 8th Annual imagine Native Film & Media Arts Festival;
- Dreamcatcher Fund – Dreamcatcher Fund Gala;
- Inuvik Youth Centre – High Five for Literacy;
- K’Alami Dene School;
- Mnaasged Child & Family Services;

3. VISIBLE MINORITIES

- Tropicana Community Services Organization Caribbean Night Fundraising Gala;
- College Compensation & Appointments Council (CCCAC) - Premier’s Awards Gala;
- Microskills Annual Gala 2007;
- Association of African Canadian Artists - Colour Blind Traveling Art Exhibition;
- Black Business & Professionals Association – Harry Jerome Awards & Harry Jerome Scholarship Fund;

4. PEOPLE WITH DISABILITIES

- Canadian Abilities Foundation – Abilities International Foundation & Film Festival and Abolition Magazine Ad;
- Alliance for Equality of Blind Canadians Blind Monitor Magazine;
- Canadian Hearing Society – Deaf for a Day Event and Education and Information Program;
- Canadian National Institute for the Blind - Gretzky SCORE Team Camp Sponsorship;
- Employabilities – Computer Lab Training Project;
- Glendale Players;
- Strategic Employment Solutions Conference – Annual Conference for Employers;
- Ryerson University – Exhibiting Activist History & Scotiabank Essay Contest Awards;
- York University - Strides for Success Booklets;

5. INTERSECTIONAL

- The Conference Board of Canada – Workplace Diversity & Inclusiveness;
- Diversity in Canada Foundation – 2007 Career Handbooks;
- Shad Valley;
- Skills for Change – New Pioneer Awards;

COMMUNICATION AND EMPLOYEE CONSULTATION

Scotiabank Group believes in open, continuous and two-way communication with our employees through structured formal channels, as well as informal feedback methods. For example, our performance management process is designed around a coaching and feedback model that encourages honest, frequent conversations between employees and their managers/supervisors. In recent years, we have continued to add tools, resources and training

to improve the quality of these communications.

Information in this section details activities and processes that exist throughout Scotiabank Group which are intended to promote and facilitate a diverse and inclusive workplace. Although these measures are applicable to all Scotiabank Group employees, where possible, linkages to specific designated group members and employment equity considerations have been noted.

1. RESPONDING TO EMPLOYEE CONCERNS

Scotiabank Group strives to maintain a positive work environment and provides various avenues to address employee concerns. Employees are encouraged to voice issues, including human rights issues, with their manager through the Chain of Communication. Alternatively, Employee Relations, a department of subject matter experts in matters such as human rights, violence and employee conflict will assist employees and managers through coaching, intervention or investigation. As well, the Staff Ombuds Office, an independent body that serves Scotiabank Group globally, offers informal, confidential assistance to prevent, manage and resolve conflicts and provides mediation and dispute resolution coaching.

a) Chain of Communication

Scotiabank Group's Chain of Communication policy encourages work level resolutions through direct contact between an employee and his/her manager or supervisor. In situations where problems cannot be resolved, an employee is directed to the next level for discussion and hopefully, resolution. Alternatively, there are other avenues through which problems or issues can be addressed and resolved.

b) Employee Relations

Employee Relations provides advice and assistance on performance and conduct management, conflict resolution, employment and human rights issues, settlement and termination. Employee Relations can assist in bringing resolution to contentious employment issues in a manner that minimizes risk, liability and operational disruption.

The Employee Relations Department conducts Human Resources Reviews/Investigations when requested by a business line or department, as well as providing training on issues such as Respect in the Workplace, Human Rights, Accommodation, among others.

c) Staff Ombuds

The Staff Ombuds Office supports Scotiabank Group in its commitment to treating all employees equitably and to maintaining a work environment that supports the personal productivity, individual goals, dignity and respect of all employees. The Staff Ombuds Office is committed to assisting in the reversal of negative trends and to playing a pro-active role in helping to shape the future by Effecting Positive Change – Fairly, Impartially, Confidentially.

2. MONITORING HUMAN RIGHTS

a) Guidelines for Business Conduct

The Guidelines for Business Conduct set out the standards of behaviour required of all employees regarding the equitable treatment of all members of Scotiabank Group's workforce. All directors, officers and employees must acknowledge annually, in writing, that they have read, understood and adhere to the guidelines and all applicable supplements.

b) Human Rights Policy

Scotiabank Group is committed to the spirit and principles embodied in the *Canadian Human Rights Act* ("CHRA"), and extends that commitment to our operations outside of Canada. These principles reflect international standards in human rights practices with respect to both employees and customers, including the *Universal Declaration of Human Rights* and the Human Rights Standards of the International Labour Organization (ILO). Scotiabank Group has policies and has conducted training and education designed to ensure our employees fully understand their rights and obligations with respect to human rights and discrimination. Furthermore, Scotiabank Group considers the human rights performance of our suppliers with whom we do business through our RFP process.

Scotiabank Group's Human Rights policy states that it will not tolerate any behaviour that conflicts with the spirit or intent of the *Canadian Human Rights Act* or other human rights and anti-discrimination laws that apply to subsidiaries, or to Scotiabank Group's operations outside of Canada. Employees are encouraged to address their concerns with their managers through the Chain of Communication; however, if this action does not resolve the issue, then employees can contact the Employee Relations department, which specializes in dealing with contentious employment issues. These concerns are tracked and monitored through a centralized case management system from which trending reports are generated.

In addition, any new policies or policy changes are subjected to a rigorous review by stakeholders and filtered through the Employment Law Group, Legal Department for review.

3. FLEXIBILITY AND ACCOMMODATION

Scotiabank Group has a Flexible Working Arrangement policy and a comprehensive Accommodation Policy that address individual needs related to such matters as disabilities, religious requirements, and other personal needs.

These policies are supplemented by the Scotiability Fund which is a separate fund that provides resources for accommodation measures. Scotiabank Group also has an enhanced contract agreement with the CCRW (Canadian Council on Rehabilitation and Work) which enhances the implementation of accommodation practices.

4. CORPORATE COMMUNICATION NEWSLETTER

Formal communication with employees is achieved through a number of corporate communications, including Scotiabank Group's global employee publication *Scotia World*

Magazine (SWM). SWM, produced five times a year in three languages, is intended to enhance employees' employment experience and features Scotiabank Group-wide news and business strategy, human resource policies and initiatives, as well as corporate social responsibility and community involvement initiatives.

5. EMPLOYEE SURVEYS

Scotiabank Group solicits employee feedback through a variety of formal and informal survey channels, such as the ROB Top 50 Employers, ViewPoint employee satisfaction survey, and an Employee Preferences Survey. Scotiabank Group also utilizes focus groups, committees and councils to learn about what matters most to employees. This data is used as a 'pulse check' on the organization's climate and helps it respond appropriately to employees in order to continue being an employer of choice.

a) Viewpoint Survey

Each year, employees across Scotiabank Group, wherever they work in the world, are asked to complete the ViewPoint employee opinion survey to help us track important workplace issues, including employee satisfaction. Employees are asked to express their level of satisfaction with such elements as quality of manager, recognition and communication. Survey results influence changes in our practices and policies and, through branch/department discussions, address work issues within individual teams. In 2007, 79 per cent of the Scotiabank Group workforce, some 48,439 employees worldwide and from every business line, took part in the ViewPoint survey. This survey also includes a measure of Scotiabank Group's success in providing an inclusive environment through a measurement called the Diversity Index. In 2007, this index continued a traditionally very positive trend.

b) Report on Business Best Employers in Canada

Employees voted Scotiabank Group as one of Canada's Top 50 Best Employers in the *Globe & Mail's Report on Business Magazine* for the fourth consecutive year. Scotiabank Group was one of only two companies with over 10,000 employees to make this Top 50 list. Scotiabank Group's ranking moved from 44th place to 19th place on the list while the engagement score concurrently increased by 6%. The survey, a collaborative effort between the *Globe & Mail* and Hewitt Associates, is a national study that identifies "best employers" through employee, leader and HR surveys.

6. EMPLOYEE FORUMS

Scotiabank Group has a number of employee feedback forums apart from the normal Chain of Communication that governs the process for addressing employee workplace concerns

a) Team Voice

Team Voice is a "hotline" that is available on a 7/24 basis, and allows employees to provide communications or feedback via e-mail or a toll-free telephone line on policies, procedures, programs and processes that impact their ability to be a leader in customer service. This feedback is then shared with the applicable business line for action, if necessary. The voice of

Scotiabank Group's own President and CEO greets employees on the hotline signalling the importance that Scotiabank Group places on Team Voice as a communication channel. A total of 6,955 Team Voice messages were received in 2007.

b) Ideas in Action

We also encourage employees to share their ideas on ways to support our business success through the Ideas in Action program. In May 2007, the program marked 40 years of rewarding employees for their initiative and ingenuity, making it one of the longest-running suggestion programs in Canada. In fiscal 2006-2007, we received 2,955 employee submissions and the ideas that were implemented.

c) Scotia Employment Relationships Council - SERC

To solicit input from employees, Scotiabank Group created the Scotia Employment Relationships Council (SERC) in 2002. This volunteer committee represents a cross-section of employees and leaders from various Canadian regions, job levels (clerical to senior management), and business lines. SERC meets on a quarterly basis to address the latest issues related to the attraction and retention of diverse talent, and provides Scotiabank Group with valuable input to remove barriers for all members of the four designated groups and other groups. SERC also reviews Scotiabank Group's progress on the quarterly People Plan which measures our progress towards the achievement of diversity goals. This is an important element through which Scotiabank Group endeavours to integrate diversity and employment equity initiatives into established business processes, including annual plans and budgets.

7. MISCELLANEOUS

Scotiabank Group considers sustainability and the promotion of workforce diversity, employment equity and a harassment-free environment in the design and development of a number of Scotiabank Group policies and programs.

a) Performance Management

Scotiabank Group has an established, comprehensive Performance Management process to ensure our employees are engaged in helping Scotiabank Group achieve its goals. This process helps employees connect their on-the-job performance with the broader organizational strategy by aligning their objectives to business outcomes.

Addressing Barriers to Employment or Advancement:

- The Balanced Approach to Performance Management is designed to provide flexibility for the development of performance objectives
- Regular communication between managers/supervisors and employees is stressed along with gaining agreement on performance objectives
- Performance objectives can be tailored to accommodate different employees skills and abilities and provide the opportunity to challenge employees with new tasks and projects
- 4 e-learning modules have been developed to support the learning component of performance management – all 4 modules are accessible for Persons with Disabilities

- Performance management forms for the Balanced Approach are JAWS compliant
- All communication and training materials (e-learning and quick reference guides) are available in English, French and Spanish.

Continuing Initiatives:

- Increasing manager capability around performance management through:
 - Manager Discussion Forums – managers learning from other managers discussion common challenges and sharing best practices
 - Building partnerships with Employee Relations, Staff Ombuds Office and HR Call Centre to identify common trends, share best practices and align key messages
 - Performance Consulting and Learning/Capability Solution Development and Delivery – Active or Completed Engagements for 2008
 - Global Risk Management – Balanced Scorecard/Objective Setting and Performance Expectations; Development Planning
 - International Banking Shared Services – Enhanced Development Planning Process Pilot (Puerto Rico and Bahamas)
 - Shared Services – Employee Development Planning
 - ISS – Performance Assessment and Rating Calibration

b) WorkAssist

The WorkAssist program is a voluntary counselling support service offered through Shepell-FGI, Scotiabank Group's Employment Assistance Provider ("EAP"), which primarily focuses on emotional and mental health. It is designed to help employees on short- or long-term income protection leave (i.e. Short-Term Income Protection or "STIP", and Long-term Income Protection or "LTIP") return to healthy and productive living. In addition, WorkAssist can also help those employees who are actively at work but who may be struggling with stress, anxiety or depression to the point that it is impacting their work/life activities and interests.

WorkAssist provides counselling services to employees only, who are at risk of going on disability leave or who are already on STIP or LTIP. It is initiated on a referral basis either by the disability case manager (i.e. Medisys), ScotiaHealth (Scotiabank Group's in-house resource centre for occupational health issues), Employee Relations, or the manager or employee.

For 2007, the majority of the cases dealt with complex mental health issues (e.g., depression, anxiety). Most importantly, over half of the participants (i.e. 60%) returned to work on a full-time or accommodated (part-time) basis before the end of 6 months.

Of the closed cases, the majority of employees who participated in WorkAssist showed an overall improvement in their symptoms and functional ability at the end of the program compared with the initial assessment. Approximately 42% of the employees showed a functional improvement between 50% and 100% compared with when they first started counselling.

c) Employee Assistance Program (EAP)

Scotiabank Group's Employee Assistance Program provides professional counselling services (either in person, by telephone or electronically) and specialized services designed to support employees' health and well-being. Shepell-FGI is Scotiabank Group's EAP provider for Canada. Shepell-FGI provides services aimed at improving physical health and overall well-being, for

example, nutritional counselling, smoking cessation, work/life solutions, resiliency coaching and mental health management. This program is key to providing our diverse workforce with sensitive and relevant support for their individual needs.

TRAINING AND EMPLOYEE DEVELOPMENT

Scotiabank Group encourages and supports employee learning and development so that all employees are equipped with the skills and knowledge to serve customers well. By doing so, we also build stronger relationships with our employees by empowering them and helping them to grow and advance towards their individual career goals. Scotiabank Group provides an extensive range of internal and external courses, through classroom, web-based and self-study formats, and supports informal development, such as coaching, mentoring and networking opportunities.

Scotiabank Group successfully delivers training to a geographically dispersed and culturally diverse audience in multiple languages. Our blend of classroom, e-learning, coaching, job shadowing, virtual classroom and mini-training sessions is how Scotiabank Group meets delivery challenges in a global organization, and we continually look for ways to leverage technology for learning. Scotiabank proudly leverages learning strategically, helping employees achieve their full potential – by giving them opportunities to learn and advance toward their career goals, while enabling our employees to proficiently execute our business plans and compete successfully in our various markets. We believe that effective learning isn't an end solution – it's a strategic enabler of performance.

Scotiabank Group is fortunate to operate in many countries with a wide diversity of customers and employees. Our approach to diversity is to incorporate diversity elements into all of our curricula. For example, in Canada our workforce is composed of four generations. We have recently incorporated the knowledge and skills element of how to manage across the generations into our supervisory/management program.

Globalization has had a profound impact on the way we do business and to some degree, touches every level of employee within Scotiabank Group today. Today's business world transcends borders, nationalities, language and time zones. As a result, cross-cultural training has become an essential component of our domestic and international training and development plans. This is country-specific training that is delivered both to Head Office functions and certain country representatives to better enhance cultural sensitivities. This training has created better awareness for participants on the business practices across borders and to help expedite business agreements.

1. "My Learning Centre"

This is a web-based learning centre to which all Canadian employees have access. During 2006, additional enhancements and upgrades were provided to Scotiabank Group's web-based learning management system that gives employees access to training information and courses from any location and at anytime. Expanded system access to a number of head office and International Banking departments took place.

A new diversity initiative was introduced in 2007 on My Learning Centre involving seven new

courses dealing with various aspects of this subject. The topics covered included Designing a Diversity Initiative; Diversity in the Future; Getting Past Clashes; Managing Team Diversity; Managing Diversity Simulation; Stakeholder Interests; and Cultural Diversity.

2. Recruitment, Interviewing & Selection Program

In addition to integrating our diversity concept into existing curriculum, Scotiabank Group offers a Recruitment, Interview and Selection program for hiring managers and recruiters. Diversity objectives of this program include:

- Scotiabank Group equity and staffing principles;
- Purpose of employment equity and human rights legislation;
- Appropriate questions to ask in a selection interview based on the Canadian Human Rights Act;
- Recruitment strategies for creating a diverse workforce and the importance of leveraging diversity.

3. Enabling Solutions & Support Management

The mandate of this Department is as follows:

1. To assist Scotiabank Group in realizing employment equity objectives by specifically targeting one or more of the four designated groups (e.g.Scotiability Fund);
2. To help overcome systemic barriers to the employment or advancement of employees generally (e.g. Employee Relations HR Review or Performance Management) or; is required.

The Enabling Solutions and Support Management (ESSM) team has been established as a centre of excellent for issues or concerns around IT barriers which affect persons with various disabilities for employees and customers alike. The ESSM team interacts with all development and testing groups to ensure applications are designed with accessibility checklists in mind. This team's work promotes the use of the Scotiability fund and the accommodation process to employees and managers across the bank by providing expert analysis of application evaluations related to specific jobs, recommendation of tools and scripts and provides the necessary technical support to employees to perform their duties using assistive technologies. Responsibilities of this team also include the testing, evaluation, reporting and remedial recommendations to development groups for various internal and external applications. Accomplishments in 2007 include:

- Development of an accessibility web portal to capture information on IT and assistive technologies and methodologies;
- Completion of 24 internal application assessments;
- Completion of 8 external vendor applications;
- Delivery of 2 3 day workshops to introduce and promote accessible design for web-applications;
- Delivery of 1 day workshop for the creation of accessible documents;
- Delivery of training material;

- Adoption of technical standards;
- Creation of accessibility checklists for web, java, html, etc.;
- Introduction of testing tools;
- Introduction of testing processes and methodologies;
- Application assessment guidelines

The ESSM team also chairs and represents Scotiabank Group at the Canadian Financial Industry on assistive Technology round table which meets on a quarterly basis to discuss and exchange best practices adopted by the various Canadian financial institutes to overcome technical barriers for employees and customers.

The ESSM team participates in various bank driven initiatives such as "Days of Awareness" SERC meetings, one on one discussions with employees and managers to promote total inclusiveness for all. Representation on various standards committees is also achieved through this team to ensure timeliness and relevance to what is being proposed as guidelines and internal processes for inclusiveness.

Through these initiatives and accomplishments we touch on recruitment, community outreach, education, training and development, employee consultation and communication.

4. Presentations involving diversity issues

Employee Relations facilitates presentations on Absenteeism, Making the Most of Viewpoint Survey, Human Rights, Appreciating Diversity and Respectful Workplaces which compliment Scotiabank Group's Employment Equity initiatives. In total, 70 presentations were conducted in 2007. Over 1,300 employees participated in these sessions.

The Absenteeism presentation, designed to be presented to management level staff, introduces awareness of disability management as well as accommodation obligations. The Absenteeism presentation was conducted 9 times, across three business lines, Scotia McLeod Direct Investing, Integrated Systems Solutions, and Domestic Banking.

WORKPLACE ACCOMMODATION

Scotiabank Group strives to ensure that equity, dignity, respect, and flexibility are imbedded in all people practices. As such, Scotiabank Group offers a number of flexible work arrangements such as flexible hours, job sharing, telecommuting, and paid / unpaid leaves of absences. Also a variety of family-focused programs are available, such as special needs support for children, family advisory services, marital counselling, parenting support and homecare workability. Scotiabank Group's approach to diversity reflects the belief that work-life balance produces measurable results for all employees.

Scotiabank Group's Accommodation Policy is a sophisticated framework for successfully initiating and implementing accommodation measures and is supported by a number of departments in Scotiabank Group's including ScotiaHealth, Employee Relations, Staffing and Planning and Employment Relationships.

As well, support mechanisms are in place for employees with acquired disabilities who are

returning from Income Protection Leaves. For example, employees who are returning to active employment following an acquired brain injury. ScotiaHealth is copied on all claim information where it is determined that long-term accommodation strategies may be required. Various resources are used to ensure any long-term restrictions and limitations are identified and reviewed against position descriptions so that appropriate recommendations can be made. This often involves additional assessments such as neuropsychological assessments in the case of Acquired Brain Injuries, and the use of Rehabilitation consultants, Occupational Therapists, and other resources as deemed appropriate. In consultation with the employee's own physicians every effort is made to ensure that the employee is able to successfully reintegrate to their own or another modified job.

SCOTIABILITY FUND

To support accommodations for current and prospective employees with disabilities, the Scotiability Fund is available to purchase assistive devices, personal services such as sign language interpreters, or technical equipment (hardware and software). The fund covers items such as TTY machines, enlarging software (e.g. Zoomtext) and voice recognition systems intended to accommodate individual needs.

For the past five years, Scotiabank Group has engaged the services of the Canadian Council on Rehabilitation and Work (CCRW) to arrange for professional assessments to determine the most suitable accommodation. CCRW is a Canada-wide network of organizations and individuals that support the equitable employment of people with disabilities.

OUTLOOK 2008

Employment Equity at Scotiabank Group is founded on a compelling business case that reflects the need to capitalize on the business benefits of a diverse workforce. Scotiabank Group's commitment in this area mirrors changing customer demographics, leverages the skills and abilities of our employees, and attracts, develops and retains top talent.

Our diversity strategy is championed by our President and Chief Executive Officer and visibly supported by the executive management team through performance targets and action plans. This comprehensive system of goal setting, tracking, measurement and evaluation ensures strong and credible data, creates momentum, and sustains our diversity efforts.

Diversity is integrated in the Scotiabank Group's core values of integrity, respect, spirit, insight and commitment. Scotiabank Group supports these core values across global operations, and strives to ensure that the workforce composition reflects the diversity of the communities which it serves.

We utilize a variety of innovative and interactive communication channels to promote top-down, bottom-up, and cross-functional communication between Scotiabank Group and its employees, and customers. By following a systematic, business-focused approach, we create awareness and accountability, engage employees to achieve results, and solicit input and feedback. These mechanisms enable us to have a constant reading on our organizational climate both in the employment equity arena and as an employer of choice.

Over the years, our progressive programs and policies have enabled us to make a meaningful and lasting difference that satisfies the Scotiabank Group's Employment Equity and Diversity objectives, its employees, and all of the communities we serve, not only in Canada but also across our global operations. Going forward, Scotiabank Group remains mindful of the need to continually upgrade and improve its Employment Equity and Diversity programs to support an inclusive workplace for all employees and prospective employees.