

## Scotiabank Environmental Paper Policy

Scotiabank is committed to integrating sustainability considerations into the operation of our business. Paper is an important component in the provision of financial products and services, and as a major purchaser of paper, we are in a position to leverage our influence in the marketplace to support forest product companies that practice sustainable forest and resource management. We are also in a position to promote conservation practices with respect to our product offerings, services and internal operations. In order to maximize this opportunity to support environmental practices and improve operational efficiencies, Scotiabank is adopting an environmental paper procurement and use policy which will:

- Set direction for the overall reduction of paper use in our operations in order to reduce demands on resources;
- Ensure the paper purchased by the Bank is from legal and sustainable sources;
- Help promote sustainable resource management practices more generally; and
- Build on our longstanding commitment to reduce waste and support recovery and recycling throughout our operations.

Specific objectives and targets are set out in Appendix “A” of this Policy and will be updated on a regular basis.

### **Source Reduction**

Scotiabank aims to reduce its impact on forests and other natural resources by improving our efficiency in the usage of paper products. This will be achieved through operational measures such as:

- Business process digitalization;
- Promoting the replacement of paper statements and products offerings with online versions where appropriate; and
- The installation of multi-functional devices (which act as a copier, printer and fax machine) allowing for double-sided printing and energy conservation

This commitment extends to promoting a culture of conservation among Scotiabank employees and customers. Specific reduction targets are set out in Appendix “A” of this Policy and will be updated on a regular basis.

### **Legal Paper Supply**

Illegal logging takes place when timber is harvested in violation of local and national laws. Illegal logging includes: a) using corrupt means to gain access to forests, b) extraction without permission or from a legally unauthorized area, and c) the cutting of protected tree species or the extraction of timber in excess of legal limits or in violation of approved forest management plans.

Scotiabank will require suppliers of paper products to demonstrate compliance with all legislative requirements, including provincial, national and international legislation for forest management, harvest and manufacturing. Suppliers must also ensure their third party suppliers comply with such regulations.

Scotiabank will not knowingly purchase products from companies that collude with or purchase products from illegal operations.

## **Promoting Sustainable Forestry Practices**

Scotiabank prefers paper products that contain a significant mix of fiber certified to sustainable forestry standards and will increase its purchase of Forest Stewardship Council<sup>1</sup> (or similarly recognized) products for its paper purchases where cost and availability allow. We believe that independent verification through a credible certification process provides the most efficient and reliable means of ensuring that purchased forest products are environmentally and socially appropriate and sourced from legal and sustainable forest management operations. This includes, but is not limited to:

- Forest practices that minimize impact on wildlife habitat;
- Ensuring clean water;
- Protection of high conservation value areas;<sup>2</sup>
- Conservation of biological diversity; and
- Respecting the rights of local communities

## **Post-Consumer Recycled Content**

Scotiabank will consider the post-consumer recycled content of paper products where price, quality and availability allow. Such products include copy paper, paper for marketing materials, paper used in the dissemination of products and services such as financial statements, as well as the Bank's communications materials such as annual reports.

## **Additional Environmental Considerations**

In addition to post-consumer recycled content and certification, Scotiabank will explore other environmental qualities in choosing paper products, such as elemental or total chlorine-free processes, renewable energies in the production process and products containing alternative fibres.

## **Recycling at Scotiabank**

Scotiabank will continue to participate in waste reduction programs for paper products and other types of waste and expand these programs in our international locations.

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<sup>1</sup> FSC is an independent, non-governmental, not-for-profit organization established to promote the responsible forest management of the world's forests.

<sup>1</sup> High Conservation Value Forests (HCVF) are defined by the Forest Stewardship Council as those forests that contain one or more of the following attributes: contain globally, regionally or nationally significant concentrations of biodiversity (e.g. endangered species; significant large landscape level forests where viable populations of most, if not all, naturally occurring species exist in natural patterns of distribution and abundance; are in or contain rare, threatened or endangered ecosystems; provide basic services of nature in critical situations (e.g. watershed protection, erosion control; and/or are fundamental to meeting basic needs of local communities (eg. subsistence, health) or are critical to local communities' traditional cultural identity.

## Measurement and Reporting

Scotiabank will continue to develop measurements and targets with respect to:

- Overall paper consumption;
- Consumption per employee;
- Percentage of FSC certified content; and
- Total paper recycled

Specific targets for expanding paper metrics to our international locations are set out in Appendix “A” of this Policy.

We will publicly report our progress against these measurements and our progress in meeting the objectives set out in this policy on an annual basis.

## Stakeholder Engagement and Knowledge Enhancement

Scotiabank is committed to open communication and collaborative relationships with our stakeholders. In addition to reporting on our progress, we will promote best practices with respect to usage reduction and sustainable forestry with our suppliers, customers and employees.

We will also actively update our understanding of environmentally preferable papers and reduction options by consulting with experts in this field, including scientific and academic communities, Non Governmental Organizations (NGOs), certification bodies and governments. To this end, we will also assist in furthering research and education that focuses on conservation and sustainable forestry practices.

### Appendix “A” – Objectives: 2008-2010

- Reduce domestic paper consumption by 5% by 2010 fiscal year end (baseline year: 2008)
- Develop recycling programs for three (3) additional international locations;
- Develop paper metrics (e.g. overall paper consumption, paper consumption per employee) for three (3) additional countries where Scotiabank is present with a view to rolling out a Bank-wide paper consumption metric;
- Achieve a minimum average of FSC (or equivalent)-certified and/or recycled content for 50% of all paper purchases;
- Move bond copy purchases to FSC paper;
- Encourage our suppliers to provide competitively priced environmentally responsible paper options;
- Work with third party supplier, Symcor, to test FSC roll paper for statements;
- Continue to provide, expand and promote electronic banking options to customers to assist in reducing paper consumption; and
- Expand our supplier management process to ensure tracking and incorporation of the Environmental Paper Policy and Objectives.

