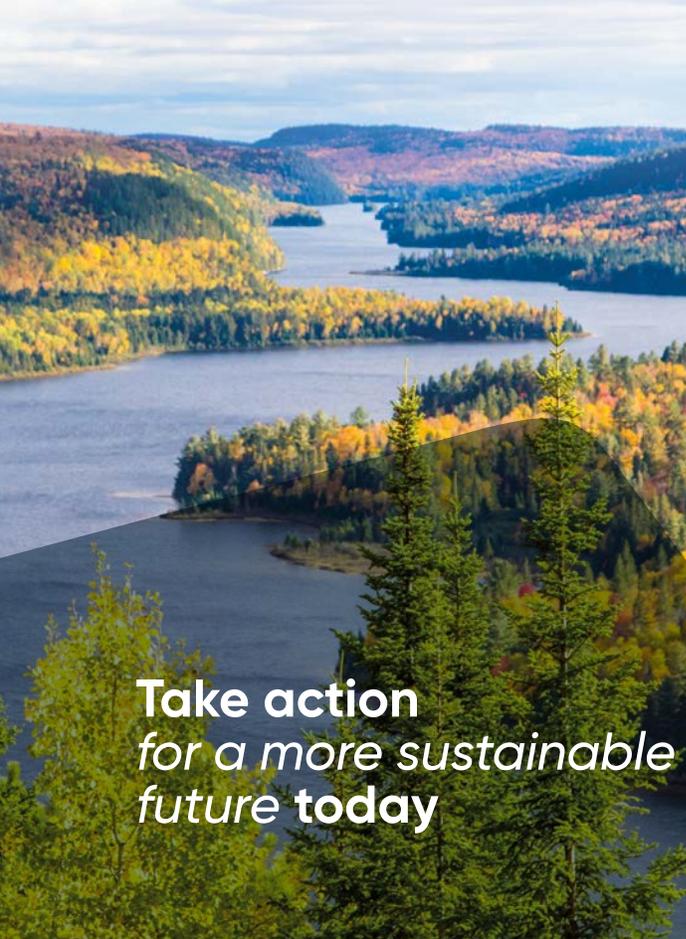


# Sustainability Bond Report

20  
23



**Take action  
for a more sustainable  
future today**



# Table of Contents

- 3** Overview
- 4** Sustainability Bond Framework Overview
- 6** Issuance Summary
- 8** Use of Proceeds and Impacts
- 10** Project Examples
- 11** Impact Reporting Items Key Assumptions and Eligible Assets
- 12** Independent Limited Assurance Report

# Our ESG principles demonstrate our commitment to sustainable development and to balancing the interests of different stakeholders in society

Environmental, social and governance considerations play a key role in our business and operational decisions. In 2019, our Board of Directors adopted a series of sustainable development principles that inspire our approach and our actions. These principles aim to ensure that the Bank is aligned with best practices and demonstrate our commitment to sustainable development and to balancing the interests of different stakeholders in society.

In 2021, the Bank brought its environmental commitments further by adopting a net-zero greenhouse gas (GHG) emissions target with interim targets for its operating and financing activities by 2050. This target is in line with the most ambitious goal of the Paris Agreement, limiting global warming to 1.5°C.

In addition to being actively involved in implementing various initiatives to reduce its environmental footprint, the Bank has focused on developing partnerships over the years with various organizations that share the common goal of contributing to sustainable development.

To learn more about the Bank's commitments and initiatives, please refer to the Environmental, Social, and Governance Report, available at [nbc.ca/esg](http://nbc.ca/esg).

## Use of Proceeds – Overview as of October 31, 2023<sup>1</sup>

|   | Renewable Energy             | Affordable Housing         | Access to Basic and Essential Services | TOTAL                              |
|---|------------------------------|----------------------------|--|------------------------------------|
| Total amount of proceeds allocated to Eligible Assets or Businesses | \$2,211,371,097 <sup>†</sup> | \$611,134,546 <sup>†</sup> | \$443,523,657 <sup>†</sup>             | <b>\$3,266,029,300<sup>†</sup></b> |
| Allocation of proceeds  | 68% <sup>†</sup>             | 19% <sup>†</sup>           | 13% <sup>†</sup>                       | <b>100%<sup>†</sup></b>            |
| Total amount of unallocated proceeds                                | \$0                          | \$0                        | \$0                                    | <b>\$0<sup>†</sup></b>             |
| <b>Total amount of Sustainability Bonds outstanding</b>             |                              |                            |  | <b>\$3,266,029,300<sup>†</sup></b> |

In line with the Bank's commitment to fully allocate proceeds within a period of 18 months, 100% of proceeds from NBC's Sustainability Bonds were allocated to Eligible Assets or Businesses at issuance and remain fully allocated as of October 31, 2023. The Bank confirms that the Sustainability Bonds' Use of Proceeds complies with NBC's Sustainability Bond Framework.<sup>2</sup>

Since 2019, National Bank of Canada (NBC) has issued Sustainability Bonds aimed at financing or refinancing projects that advance the United Nations Sustainable Development Goals (UN SDGs).



<sup>1</sup> All figures are in CAD unless otherwise indicated.

<sup>2</sup> In the context of NBC's Sustainability Bond Framework, it is NBC's intention to maintain an aggregate amount of assets relating to eligible businesses and eligible projects that is at least equal to the aggregate proceeds of all NBC's Sustainability Bonds that are concurrently outstanding. This methodology, also known as the portfolio approach, entails that eligible assets can change over time as some of them mature and others are added.

<sup>†</sup> Included within scope of independent limited assurance provided by Deloitte LLP.

# Sustainability Bond Framework Overview

NBC's Sustainability Bonds will be allocated to financing or refinancing projects and businesses that credibly contribute to the environmental objectives (climate change mitigation and adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control) or seek to achieve positive socioeconomic outcomes for target populations. For the purpose of issuing Sustainability Bonds, NBC has developed its Sustainability Bond Framework<sup>1</sup>, initially in 2018 and updated in 2022. The latter has been assessed by way of a second-party opinion by Moody's Investors Service<sup>2</sup>, which addresses the four core components of the ICMA Sustainability Bond Guidelines<sup>3</sup> and its recommendations on the use of external reviews and reporting.



## Use of proceeds

An amount equal to the proceeds of each NBC Sustainability Bond will be used to finance or refinance, in whole or in part, future and existing eligible businesses and eligible projects, including NBC's own operations, that fall within the following Eligible Categories:

- › Renewable Energy
- › Energy Efficiency
- › Pollution Prevention and Control
- › Sustainable Water and Wastewater Management
- › Sustainable Buildings
- › Low-Carbon Transportation
- › Affordable Housing
- › Access to Basic and Essential Services
- › Loans to Small- and Medium-Sized Enterprises

## Project Selection and Evaluation Process

- › NBC's business unit officers are responsible for identifying and assessing potential eligible projects and businesses that fall within the Eligible Categories in accordance with the criteria detailed in the Framework. The eligible projects and businesses that are selected by business lines are reviewed by each business unit's ESG program officers. As part of the assessment leading to the project selection process, risks pertaining to environmental, social or governance considerations and mitigators are identified and reviewed. The ESG program officers will screen existing and future projects and programs that align with NBC's sustainable development objectives.
- › NBC has established a Sustainability Bond Committee ("SBC") responsible for the ultimate review of the loans and investments that will qualify as eligible businesses and projects that fall within the Eligible Categories, to which the proceeds of a Sustainability Bond issuance will be allocated. The SBC has the ultimate decision-making authority on project selection and proceeds allocation of NBC's Sustainability Bonds.
- › For loans to small- or medium-sized enterprises (SMEs) located in deprived economic zones, NBC has established a quantitative loan selection methodology by using predefined economic indicators, within a pool of assets supplemented by NBC internal data. Further information can be obtained by consulting the Social Economic Loan Selection Methodology, which will be available on NBC's website prior to the first issuance including this Eligible Category.

<sup>1</sup> National Bank of Canada, "Sustainability Bond Framework", published in 2022, available at: <https://www.nbc.ca/content/dam/bnc/a-propos-de-nous/relations-investisseurs/fonds-propres-et-dette/2022/na-sustainability-bond-framework-2022.pdf>

<sup>2</sup> Moody's 2022 SPO available at: <https://www.nbc.ca/content/dam/bnc/a-propos-de-nous/relations-investisseurs/fonds-propres-et-dette/2022/na-sustainability-bond-second-party-opinion-moodys-2022.pdf>

<sup>3</sup> International Capital Markets Association, "Sustainability Bond Guidelines", published in June 2021, available at: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

# Sustainability Bond Framework Overview

## Management of Proceeds

- › NBC has established a Sustainability Bond Register in relation to the Sustainability Bonds issued by NBC for the purpose of recording the eligible businesses and eligible projects and allocation of the proceeds from the Sustainability Bonds to eligible businesses and eligible projects. The Sustainability Bond Register contains relevant information to identify the Sustainability Bonds and the eligible businesses and eligible projects relating to them and form the basis of NBC's Sustainability Bond Report.
- › The proceeds from the Sustainability Bonds issued by NBC will be deposited in the general funding accounts of NBC. An amount equal to the proceeds will be earmarked for allocation in the Sustainability Bond Register in accordance with this Sustainability Bond Framework.
- › It is NBC's intention to maintain an aggregate amount of assets relating to eligible businesses and eligible projects that are at least equal to the aggregate proceeds of all NBC Sustainability Bonds that are concurrently outstanding. This methodology, also known as the portfolio approach, entails that eligible assets can change over time as some of them mature and others are added. The Bank aims to fully allocate or re-allocate proceeds within a period of 18 months.

## Reporting

- › Since the first issuance of the Sustainability Bonds, NBC has published, and has committed to continue publishing, a report on its website. NBC's Sustainability Bond Report is updated every year until complete allocation, and thereafter, as necessary in case of new developments.
- › NBC's Sustainability Bond Report contains at least the following:
  - Confirmation that the use of proceeds of the Sustainability Bonds complies with NBC's Sustainability Bond Framework.
  - The amount of proceeds allocated to each Eligible Category.
  - One or more examples of eligible businesses and projects financed, in whole or in part, by the proceeds obtained from the Sustainability Bonds, including their general details (brief description, location, stage – construction or operation).
  - The balance of unallocated proceeds.
  - Impact reporting items with potential qualitative and quantitative indicators, as described herein.

# Issuance Summary

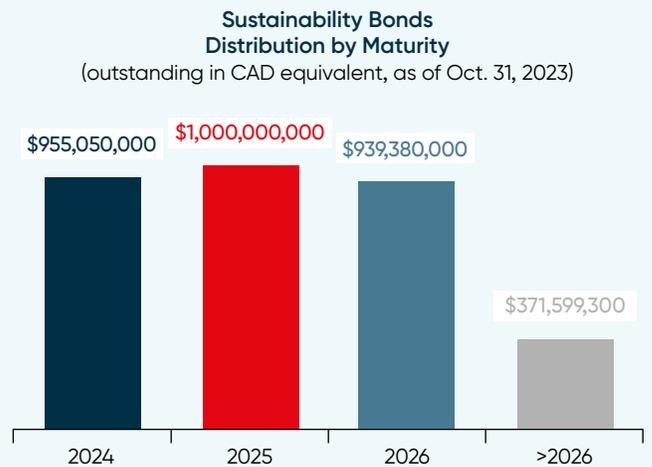
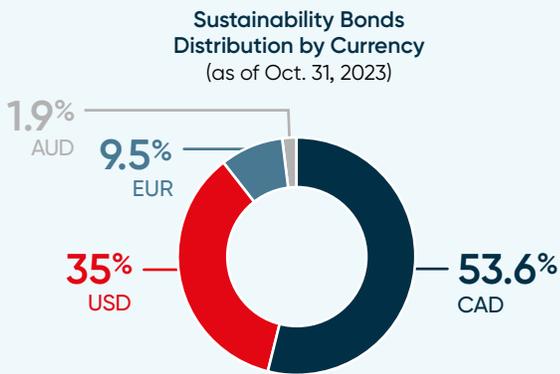
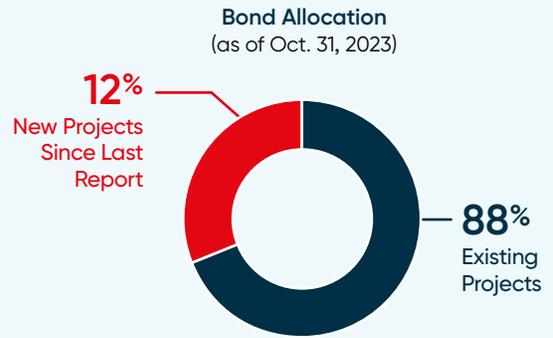
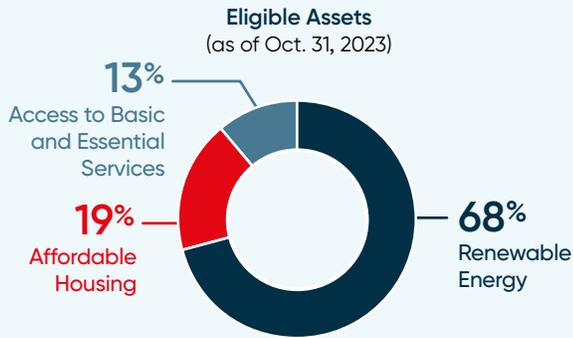
(as of Oct. 31, 2023)

## Sustainability Bonds issued and outstanding by National Bank of Canada

|  | Issue Date        | Currency | Tenor    | Issued Amount<br>(CAD Equivalent) | ISIN         |
|--|-------------------|----------|----------|-----------------------------------|--------------|
| EUR 40,000,000 12y CMS1010 Senior Notes                                    | February 20, 2019 | EUR      | 12 years | 59,797,000                        | XS1953930283 |
| EUR 50,000,000 15y CMS1010 Senior Notes                                    | April 1, 2019     | EUR      | 15 years | 75,375,000                        | XS1964559576 |
| EUR 40,000,000 15y Steepener Senior Notes                                  | May 24, 2019      | EUR      | 15 years | 60,432,000                        | XS1999877043 |
| EUR 20,000,000 Callable Fixed Rate Sustainable Notes                       | March 19, 2020    | EUR      | 20 years | 31,142,000                        | XS2138588319 |
| U.S.\$750,000,000 0.550% Fixed-to-Fixed Rate Medium-Term Sustainable Notes | December 10, 2020 | USD      | 4 years  | 955,050,000                       | US63307A2M63 |
| U.S.\$50,000,000 Callable Sustainable Notes                                | February 11, 2021 | USD      | 5 years  | 63,430,000                        | US63305LGH06 |
| CAD 750,000,000 Fixed Rate Sustainable Notes                               | June 15, 2021     | CAD      | 5 years  | 750,000,000                       | CA63306AGT75 |
| AUD 12,000,000 Callable Zero-Coupon Sustainable Notes                      | October 15, 2021  | AUD      | 15 years | 11,017,200                        | XS2395722510 |
| AUD 12,000,000 Callable Zero-Coupon Sustainable Notes                      | November 17, 2021 | AUD      | 15 years | 10,990,800                        | XS2407006118 |
| U.S.\$100,000,000 Callable Sustainable Notes                               | November 17, 2021 | USD      | 5 years  | 125,950,000                       | US63305LJP94 |
| AUD 13,000,000 Callable Zero-Coupon Sustainable Notes                      | January 27, 2022  | AUD      | 15 years | 11,649,300                        | XS2434704479 |
| AUD 30,000,000 Callable Zero-Coupon Notes Sustainable                      | March 17, 2022    | AUD      | 15 years | 27,957,000                        | XS2454874012 |
| EUR 20,000,000 Callable Fixed Rate Sustainable Notes                       | May 5, 2022       | EUR      | 20 years | 27,000,000                        | XS2474191520 |
| EUR 20,000,000 Callable Fixed Rate Sustainable Notes                       | May 31, 2022      | EUR      | 8 years  | 27,122,000                        | XS2482875197 |
| CAD 1,000,000,000 Fixed Rate Sustainable Notes                             | November 1, 2022  | CAD      | 3 years  | 1,000,000,000                     | CA63306AHK57 |
| EUR 10,000,000 8 Year EUR-CMS Steepener Sustainable Linked Notes           | March 6, 2023     | EUR      | 8 years  | 14,532,000                        | XS2593669174 |
| EUR 10,000,000 12 Year EUR-CMS Steepener Sustainable Linked Notes          | May 17, 2023      | EUR      | 12 years | 14,585,000                        | XS2621748248 |
| <b>TOTAL</b>   |                   |          |          | <b>\$3,266,029,300</b>            |              |

# Issuance Summary

(as of Oct. 31, 2023)



# Use of Proceeds and Impacts

(as of Oct. 31, 2023)



| Eligible Categories | UN SDGs  | Eligible Asset Type                       | % of Eligible Assets | Impact Indicators  |
|---------------------|--|---|----------------------|--|
| Renewable Energy    | <br> | Wind<br>Solar<br>Small-scale hydro        | 68%                  | Wind, solar and hydro energy generation: <ul style="list-style-type: none"> <li>› Number of wind farms (23)</li> <li>› Number of solar farms (103)</li> <li>› Number of small-scale hydro projects (6)</li> <li>› Total installed capacity of 1,772 MW<sup>1</sup></li> <li>› Total annual greenhouse gas (GHG) emissions reduced or avoided: 844,337 tons of carbon dioxide equivalent<sup>1</sup></li> </ul> |
| Affordable Housing  | <br> | Access to affordable and adequate housing | 19%                  | The affordable and adequate housing projects help offer quality, affordable housing for low- and moderate-income households and for people with special housing needs. <ul style="list-style-type: none"> <li>› Number of buildings (229)</li> <li>› Number of units (7,028)</li> </ul>  |

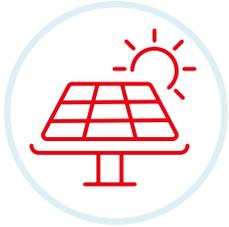
<sup>1</sup> To calculate the impact associated with the NBC Sustainability Bond proceeds directed to renewable energy, NBC's loan share of each project was applied, as well as the portion of the loan share to which proceeds were allocated. Total installed capacity and total annual greenhouse gas emissions values may not be comparable to values published in previous reports due to the addition of NBC's loan share of each project in the calculation methodology to more effectively capture the benefits of the projects.

# Use of Proceeds and Impacts

(as of Oct. 31, 2023)

| Eligible Categories                    | UN SDGs  | Eligible Asset Type | % of Eligible Assets | Impact Indicators   |
|--|--|---------------------|----------------------|---|
| Access to Basic and Essential Services | <br><br> | Health              | 13%                  | <p>Integrated health and social services centres (CISSS) and integrated university health and social services centres (CIUSSS) ensure accessibility, continuity and quality of services for people on their territory.</p> <ul style="list-style-type: none"> <li>› CISSS/CIUSSS (2)</li> </ul> <p>(Average number of beds per CISSS/CIUSSS is 2,494)</p>   |
|  |  | Child care centres  |                      | <p>Child care services provided by the child care centres provide reduced-contribution spaces to:</p> <ul style="list-style-type: none"> <li>› Number of places – infants: 2,879</li> <li>› Number of places – total: 20,811</li> <li>› Number of child care centres: 314</li> </ul> <p>Child care centres must meet certain obligations in terms of children’s health, safety, well-being and development.</p>   |
|  |  | Community welfare   |                      | <p>Number of individuals benefiting from a range of services offered to people in need of support (2,805)</p> <ul style="list-style-type: none"> <li>› Foundations (2)</li> </ul>   |
|  |  | Education           |                      | <p>Education in Canada is for the most part provided publicly and is funded and overseen by provincial, territorial and local governments. Among other responsibilities, school service centres and school boards provide education programs that meet the needs of the school community, including needs for special education.</p> <ul style="list-style-type: none"> <li>› School service centres and school boards (4)<br/>(Average number of students per school board is 24,788)<br/>(Average number of schools per school board is 54)</li> <li>› CEGEPs (2)<br/>(Average number of students per CEGEP is 3,824)<br/>A CEGEP is a type of institution unique to Quebec that provides either a technical or preuniversity attestation or a diploma of College studies.</li> <li>› Universities (1)<br/>(Average number of students per university is 22,452)</li> </ul> |

# Project Examples



## Renewable Energy: Solar

NBC acted as Sole Bookrunner, Lead Arranger, Issuing Bank, Lender and Administrative Agent on Nautilus Solar Energy's US\$390MM Construction Revolving Credit Facility and US\$10MM Letter of Credit Facility in support of their community solar portfolio pipeline. The proceeds provide Nautilus with competitive capital for its well-established platform for acquisition, development, construction and management of solar assets, and will continue to propel the company's further expansion into key community solar markets throughout the United States. The construction facility will fund approximately 200 MW of community solar projects in the Northeast United States, Colorado, and Minnesota. The projects primarily generate revenue from residents and commercial entities who subscribe for a portion of the power produced by the projects, typically at a discount to their local retail electricity rates. In turn, the subscribers receive credits on their utility bills for their share of the power produced. These projects are governed by state-legislated programs designed to democratize access to the economic and environmental benefits of residential solar generation, regardless of an individual's living situation.



## Renewable Energy: Wind

NBC acted as Mandated Lead Arranger and Lender on the project construction financing for Traverse Wind Energy LLC, a 999 MW wind project located in Custer, Blaine and Kingfisher Counties, Oklahoma. Invenery has successfully developed more than 30,000 megawatts of projects that are in operation, construction or contracted, including wind, solar, transmission infrastructure and natural gas power generation and advanced energy storage projects. At full capacity, Traverse Wind is estimated to generate approximately 3.8 million megawatt-hours (MWh) of electricity per year, which is enough to power 300,000 households.



## Access to Basic and Essential Services: Community Welfare

The Bank also supported Développement Innovations Haut-Richelieu's (DIHR) 'Connect to innovate' project. This organization implements strategic projects aimed at promoting, maintaining, and supporting the sustainability of economic, cultural, and social activities in rural and peri-urban areas. As part of its objective, the Municipality delegates to DIHR the management of radiofrequency telecommunications infrastructure for its peri-urban territory.

# Impact Reporting Items

## Key Assumptions

The impact figures for each eligible project or business were collected from publicly available sources and are presented on an aggregate basis to protect the confidentiality of NBC's clients.

Where no publicly available information is found for any given eligible project or business, the impact reported for this project or business is null.

If the balance of NBC's lending to one project is null while the loan facility still exists, the impact figures remain incorporated in the aggregated impact data.

If the portfolio of eligible projects and businesses is larger than the amount of proceeds collected from the issuance of NBC's Sustainability Bonds, the impact data is aggregated for the entire portfolio of projects and businesses and then reported on a pro-rata basis.

All figures are in CAD unless otherwise indicated.

### Important Notice and Caution Regarding Forward-Looking Statements

The information included in this report is current only as of its date and may have changed since such date or could change in the future without prior notice or update. NBC does not assume any responsibility or obligation to update or revise any statements in this document, regardless of whether those statements are affected by the results of new information, future events or otherwise. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained herein. No liability whatsoever is or will be accepted by NBC for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this document.

The information included in this report is for information purposes only. Nothing in this document shall constitute, or form part of, an offer to sell or solicitation of an offer to buy or subscribe for any security or other instrument of NBC or any of its affiliates, or as an invitation, recommendation or inducement to enter into any investment activity, and no part of this document shall form the basis of or be relied upon in connection with any contract, commitment, or investment decision whatsoever. Offers to sell, sales, solicitation of offers to buy or purchases of securities issued by NBC or any affiliate thereof may only be made or entered into pursuant to appropriate offering materials prepared and distributed in accordance with the laws, regulations, rules and market practices of the jurisdictions in which such offers, solicitations or sales may be made. Professional advice should be sought prior to any decision to invest in securities. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to law or regulation.

This report and the information contained within it is unaudited. Deloitte LLP ("Deloitte") has performed a limited assurance engagement for a select number of NBC key performance indicators, which have been identified with an † symbol throughout this report. Other than these select number of identified NBC key performance indicators, the remainder of the information contained within this report was not subject to the limited assurance engagement. You can read more about the scope of Deloitte's work on page 12 of this report.

Certain statements in this document are forward-looking statements. All such statements are made in accordance with applicable securities legislation in Canada and the United States. The forward-looking statements in this document may include, but are not limited to, statements with respect to the objectives, targets, projections or expectations of the Bank regarding environmental, social and governance matters, and actions that will be taken to achieve them (including with respect to reducing the Bank's greenhouse gas emissions related to its own activities and energy consumption, its climate strategy, reaching net-zero greenhouse gas emissions for its operating and financing activities by 2050 and transitioning to a low-carbon economy), the allocation of NBC's Sustainability Bonds proceeds, project examples and the estimated impacts associated with outstanding NBC's Sustainability Bonds. These forward-looking statements are typically identified by verbs or words such as "outlook", "believe", "foresee", "forecast", "anticipate", "estimate", "project", "expect", "intend" and "plan", in their future or conditional forms, notably verbs such as "will", "may", "should", "could" or "would" as well as similar terms and expressions.

Such forward-looking statements are made for the purpose of assisting the holders of the Bank's securities in understanding the Bank's vision, strategy, targets and objectives related to sustainable development and environmental, social and governance matters, in particular with respect to the NBC's 2022 Sustainability Bond Framework<sup>1</sup> and may not be appropriate for other purposes. These forward-looking statements are based on current expectations, estimates, assumptions and intentions and are subject to uncertainty and inherent risks, many of which are beyond the Bank's control. There is a strong possibility that the Bank's express or implied predictions, forecasts, projections, expectations, or conclusions will not prove to be accurate, that its assumptions may not be confirmed and that its vision, strategic objectives, and performance targets will not be achieved. The Bank cautions investors that these forward-looking statements are not guarantees of future performance and that actual events or results may differ significantly from these statements due to a number of factors. Thus, the Bank recommends that readers not place undue reliance on these forward-looking statements, as a number of factors could cause actual results to differ significantly from the expectations, estimates, or intentions expressed in these forward-looking statements. Investors and others who rely on the Bank's forward-looking statements should carefully consider the factors listed below as well as the uncertainties they represent and the risks they entail. Except as required by law, the Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time, by it or on its behalf.

Our ability to achieve our sustainable development and environmental, social and governance advancement objectives, priorities, and targets (including with respect to reducing the Bank's greenhouse gas emissions related to its own activities and energy consumption, its climate strategy, reaching net-zero greenhouse gas emissions for its operating and financing activities by 2050 and transitioning to a low-carbon economy), is based on a number of assumptions and is subject to risk factors, many of which are beyond the Bank's control and the impacts of which are difficult to predict. These risk factors include, among others, difficulty identifying assets that are Eligible Assets or Businesses, and the risk that Eligible Assets or Businesses will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by NBC, climate change, including physical risks and those related to the transition to a low-carbon economy, and the Bank's ability to satisfy stakeholder expectations on environmental and social issues; the need for active and continued participation of stakeholders (including our employees, our clients, our suppliers, the communities in which we are present, and other main change agents); the availability of comprehensive and high-quality greenhouse gas emission and other third party data; the ability of the Bank to develop indicators to effectively monitor our advancements; the development and deployment of new technologies and sustainable products; the ability of the Bank to identify climate-related opportunities as well as assess and manage climate-related risks; the general economic environment and financial market conditions in Canada, the United States, and other countries where the Bank operates; changes made to regulations that affect the Bank's business; geopolitical and sociopolitical uncertainty; the Bank's ability to achieve its long-term strategies and key short-term priorities; the Bank's ability to recruit and retain key personnel in a competitive environment for talent; and possible impacts of major events affecting the economy, market conditions, or the Bank's outlook, including international conflicts, natural disasters, public health crises, and the measures taken in response to these events.

In addition, the assumptions, data, metrics, measurements, methodologies, scenarios, and other standards used to develop our assumptions and estimates and to monitor our advances, believed to be reasonable at the time of preparation of this report, may subsequently turn out to be inaccurate. Many of these assumptions, the data, metrics, measurements, methodologies, scenarios, and other standards continue to evolve and may differ significantly from those used by others, those that may be used by us in the future or that may be subsequently mandated by government authorities or other standard setters. Such evolution and changes could affect the assumptions and estimates used by us and could affect the comparability of the information and data across industries or companies and from one reporting period to a subsequent reporting period, as well as our ability to achieve our objectives, priorities, strategies, sustainability commitments and targets.

The foregoing list of risk factors is not exhaustive, and the forward-looking statements made in this document are also subject to credit risk, market risk, liquidity and funding risk, operational risk, regulatory compliance risk, reputation risk, strategic risk, and social and environmental risk as well as certain emerging risks or risks deemed significant. Additional information about these risk factors is provided in the Risk Management section of the 2023 Annual Report and may be updated in the quarterly shareholder's reports subsequently published.

<sup>1</sup> National Bank of Canada, "Sustainability Bond Framework", published in 2022, available at: <https://www.nbc.ca/content/dam/bnc/a-propos-de-nous/relation-investisseurs/fonds-progres-et-dette/2022/na-sustainability-bond-framework-2022.pdf>

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## Independent Practitioner’s Limited Assurance Report

To: The Board of Directors of National Bank of Canada

We have undertaken a limited assurance engagement of management’s assertion, included on page 3 of the 2023 Sustainability Bond Report (the “Report”), of National Bank of Canada (the “Bank”), that proceeds from the issuances of sustainability bonds listed on page 6 of the Report were disbursed for the financing and/or refinancing of eligible assets or businesses (the “Subject Matter Information”) as of October 31, 2023. (“Management’s Assertion”).

### Management’s Responsibility

Management is responsible for the preparation of the Subject Matter Information in accordance with the Bank’s 2022 Sustainability Bond Framework (the “Framework”) and the preparation of Management’s Assertion. Management is also responsible for such internal control as management determines necessary to enable the preparation of the Subject Matter Information and Management’s Assertion that are free from material misstatement, whether due to fraud or error.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on Management’s Assertion based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether Management’s Assertion is free from material misstatement.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical and other procedures) and evaluating the evidence obtained. The procedures also include assessing the suitability in the circumstances of the Bank’s use of the Framework as the basis for the preparation of the Subject Matter Information. The procedures are selected based on our professional judgment which includes identifying areas where the risks of material misstatement of Management’s Assertion are likely to arise, whether due to fraud or error.

Our engagement included the following procedures, among others:

- Making enquiries of the Bank’s management, including those with responsibility for the Sustainability Bonds governance, management and reporting;

- Obtaining an understanding of the design of key structures, systems, processes and controls for managing, recording and reporting the Subject Matter Information;
- For a limited sample, reconciling the disbursed amounts to the accounting records and validating the eligibility of the asset or business in the context of the Framework; and
- Considering material inconsistencies between the disclosure and presentation of the Subject Matter Information in the Report and the underlying work completed.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with the International Standards on Assurance Engagements. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Management's Assertion is fairly stated, in all material respects.

## Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the assertion of the Bank that the proceeds from the issuances of Sustainability Bonds listed on page 6 of the Report were disbursed for the financing and/or refinancing of eligible assets or businesses, as of October 31, 2023, is not fairly stated, in all material respects.

## Purpose of Assertion

Management's Assertion has been prepared to assist the Bank in determining whether the Subject Matter Information is in accordance with the Framework as disclosed in the Report. As a result, Management's Assertion may not be suitable for another purpose.

*Deloitte LLP*

Montréal, Québec

April 8, 2024

<sup>1</sup> CPA auditor, public accountancy permit No. A121501