ANTI-SLAVERY AND HUMAN TRAFFICKING STATEMENT

INTRODUCTION

The Bank of Nova Scotia ("BNS") is a chartered bank under the Bank Act (Canada) and is regulated by the Office of the Superintendent of Financial Institutions. BNS is a leading financial services provider in North America, Latin America, the Caribbean and Central America, Europe and Asia-Pacific. With a team of more than 88,000 employees, we are dedicated to helping our 23 million customers through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets. BNS trades on the Toronto (TSX: BNS) and New York Stock Exchanges (NYSE: BNS). BNS’s executive offices are at Scotia Plaza, Toronto, Ontario, Canada.

Scotiabank Europe plc ("SBE") is a wholly owned subsidiary of BNS that operates together with BNS London Branch. The combined staff of SBE and BNS London Branch (together "Scotiabank Europe") is approximately 347 employees. Scotiabank Europe markets and sells a range of banking products with its target market being large and mid-sized companies, banks, sovereign entities, supranational organisations and asset managers. Scotiabank Europe generates revenue through a range of corporate and investment banking and capital markets products.

Scotiabank Europe’s business is organised into the following business lines: Corporate Banking, Global Transaction Banking, Foreign Exchange, Group Treasury, Prime Services, Equity Derivatives, Institutional Equities, Fixed Income, ScotiaMocatta (base and precious metals), and Global Investment Banking.

ANTI-SLAVERY AND HUMAN TRAFFICKING

Scotiabank Europe seeks to act ethically and with integrity in all their business relationships. They recognise the importance of combating slavery and human trafficking and seek to ensure that there is no modern slavery or human trafficking in their direct supply chains or in any part of their businesses and to put in place systems and controls to seek to safeguard against this.

PROCESSES TO AVOID SLAVERY AND HUMAN TRAFFICKING

In 2016 BNS issued a global Human Rights Statement ("Statement") setting out its respect for human rights under the U.N. Guiding Principles for Business and Human Rights. The Statement is based on corporate-wide human rights due diligence undertaken by BNS. The Statement reinforces BNS and its subsidiaries' human rights commitment to its workforce, as

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1 This Statement is made pursuant to section 54(1) of the Modern Slavery Act 2015, UK and constitutes the Bank's Slavery and Human Trafficking Statement for the Bank of Nova Scotia and Scotiabank Europe plc in respect of the financial year ending 31 October 2017.

2 For the purposes of this statement, references to slavery and human trafficking are based upon the definition in the UK's Modern Slavery Act 2015.
a financial services provider, as a business partner and its commitment to the communities in which it operates.

BNS continues to review and improve internal processes impacting Human Rights (please see the BNS Human Rights Statement Link here).

To identify and mitigate risk, Scotiabank Europe undertakes due diligence procedures on new customers and direct suppliers, which are designed to identify and mitigate risk. These procedures are considered to identify the owner(s) of the client or supplier and ensure that the requirements of the BNS Anti-Money Laundering / Anti-Terrorist Financing Program and a Global Sanctions Compliance Program are followed prior to any business being executed by or through Scotiabank Europe.

Business Lines are required to complete a risk assessment which includes determining whether there is any aspect of the supplier and / or services to be provided which could depart from the ethical standards of Scotiabank Europe.

BNS has an internal Code of Conduct that outlines its rules and expectations regarding proper business conduct and ethical behaviour of directors, officers and employees of BNS and its subsidiaries. The Code's principles include the requirement to avoid a conflict of interest, to conduct oneself honestly and with integrity and to treat everyone fairly, equitably and professionally including customers, suppliers or service providers and employees. BNS requires all employees and directors of BNS, and of its subsidiaries, to provide annual written certification of their compliance with the BNS Code of Conduct.

SCREENING OF CUSTOMERS

For new customers of Scotiabank Europe screening tools are used as part of the customer due diligence process; existing customers are similarly screened periodically as well. The Legal, Compliance and customer on-boarding teams are all involved in this process.

BNS is a signatory to the Equator Principles, a set of internationally recognized, voluntary guidelines that establish standards in the banking industry for determining, assessing, managing and reporting environmental and social risks and impacts in projects. As a signatory, BNS agrees that, if a project is within the scope of the Equator Principles, BNS will only provide loans if the customer complies with the requirements of the Equator Principles.

In relation to ScotiaMocatta’s precious metals business, BNS is a full member of the London Bullion Market Association (“LBMA”) and the London Platinum and Palladium (“LPPM”) and as such sources the majority of its metal from LBMA or LPPM Good Delivery Refiners who are subject to the Responsible Guidance. This guidance is designed to combat systematic or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering and combating terrorist financing practice.

ENGAGING WITH SUPPLIERS
Scotiabank Europe has supplier due diligence requirements both at the outset and throughout a contract's term. These requirements have always considered the reputational risk of the activities being outsourced, or service being purchased, which includes compliance by the supplier with applicable laws and regulations.

In the context of its UK operations, Scotiabank Europe relies on the provision of services from a number of suppliers, which include the provision of cleaning and reception services, information technology and financial reporting. Scotiabank Europe has implemented a due diligence process when engaging suppliers and in relation to its on-going supplier relationships, which includes seeking confirmation on compliance with slavery and human trafficking standards, as well as details of the steps that have been taken by the supplier in this respect.

TRAINING AND CAPACITY BUILDING OF EMPLOYEES

BNS has in place systems to protect whistle blowers. A supplement to the Code of Conduct is the Whistleblower Policy and Procedures which are designed as a control to help safeguard the integrity of BNS's (and its subsidiaries') financial reporting, business dealings and to support adherence to the Code of Conduct. The Policy deals with reporting concerns related to Financial Reporting, suspected fraudulent activity, breaches of the Code of Conduct and other Compliance policies and retaliation or retribution against an individual who reports a concern. Employees are encouraged to report issues of concern including human rights related concerns.

Employees are required to undertake a Global Mandatory Learning Program which includes courses on Anti-Money Laundering and Integrity in Action.

In line with BNS' human rights commitment, BNS is also developing additional employee training.

The BNS Code of Conduct and the associated Whistleblower Policy and Procedures, a supplement to the Code of Conduct, may be viewed at http://www.scotabank.com/ca/en/0,.3274,00.html.

This statement was approved by the Board of BNS on January 30, 2018 and by the Board of SBE on 13 December 2017 and is published on the BNS website.

[Signature]
Director
Scotiabank Europe plc

[Signature]
Director
The Bank of Nova Scotia