# 2026 Sustainability Issuance Framework

NATIONAL BANK

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The 2026 Sustainability Issuance Framework applies to all Sustainability Financing Instruments issued by National Bank of Canada on or after April 2026.
The 2022 Sustainability Bond Framework will continue to govern outstanding bonds issued prior to such date.

# About Us

**Founded in 1859, National Bank of Canada (“NBC” or the “Bank”) offers financial services to individuals, businesses, institutional clients and governments across Canada.**

We are one of Canada’s six systemically important banks.

We operate through three business segments in Canada: Personal and Commercial Banking, Wealth Management and Capital Markets. A fourth segment, U.S. Specialty Finance and International, complements the growth of our domestic operations.

We are a leading bank in our core Quebec market, where most of our branches are located, and also hold leadership positions across the country in selected activities.

We strive to meet the highest standards of corporate responsibility while creating value for our shareholders.

We constantly adjust our approach to ensure alignment with the evolution of sustainability disclosure frameworks and regulatory requirements, such as the Office of the Superintendent of Financial Institutions (OSFI) Guideline B-15[1].

We are headquartered in Montreal, and our securities are listed on the Toronto Stock Exchange (TSX: NA).

1 Climate Risk Management - Office of the Superintendent of Financial Institutions.

# Our Strategic Approach to Sustainability

Sustainability is an integral part of our corporate strategy, serving as a growth driver and impact multiplier. Our strategy is based on three key areas, and we have defined organizational priorities to address them. These priorities guide the implementation of initiatives targeted by all our business lines and operations teams.

We are also committed to promoting the development and success of women, visible minorities, persons with disabilities, Indigenous Peoples and members of LGBTQ2+ communities.

**Table 1 – Our strategic approach to sustainability**

| Environment | Social | Governance |
|---|---|---|
| **Supporting sustainable growth** | **Making people central to our actions** | **Reinforcing responsible business conduct** |
| **Priorities** | | |
| — Sustainable financing and advisory services<br>— Responsible investment products<br>— Reduction of GHG emissions | — Inclusive partnerships and client experience<br>— Distinctive culture and work environment for our employees | — Sound ethical and governance practices<br>— Rigorous management of personal data and information security risks |

# Our Strategic Approach to Climate

We are also committed to supporting the transition to a net-zero economy. We are working alongside our clients, helping them reach their sustainability goals and build long-term resilience while navigating the complexities of the transition. To increase its resilience, the Bank continues to integrate climate issues into its risk management framework.

# Our Sustainability Commitments

The Bank became a founding signatory to the United Nations Principles for Responsible Banking (PRB) in 2019. This unique reference framework aims to align the signatory banks' strategies and practices with the United Nations Sustainable Development Goals (UN SDGs) and the Paris Agreement.

The Bank has been providing ongoing support to the UN Environment Programme Finance Initiative (UNEP FI) for many years. As part of this support, the Bank works with the UNEP FI community on a wide range of issues, including climate and biodiversity.

Since 2022, the Bank has also been involved in the Partnership Accreditation in Indigenous Relations (PAIR) program, which is supported by the Canadian Council for Indigenous Business (CCIB).

**For more information, please see Table 2 in the 2025 Sustainability Report.**

**For more information on the Bank's sustainability activities please see our reports in the Commitments and Impact section on nbc.ca**

# Framework

The Bank has updated its Sustainability Issuance Framework (the Framework) to align with the core components of the 2025 International Capital Market Association's (ICMA)[1] Green Bond Principles, the 2025 Social Bond Principles, and the Sustainability Bonds Guidelines 2021 (collectively, the Principles). The Bank intends to update the Framework from time to time to reflect change in market practices and applicable standards.

### The Framework outlines four core components:

1. Use of proceeds
2. Process for Project Evaluation and Selection
3. Management of proceeds
4. Reporting

NBC has established this Framework to set forth the principles guiding the issuance of bonds or other wholesale funding instruments (collectively, Sustainable Financing Instruments) including:

- Sustainable Financing instruments, where proceeds are allocated to finance and/or refinance Eligible Green and Social Categories
- Green Financing Instruments, where proceeds are allocated to finance and/or refinance Eligible Green Categories
- Social Financing Instruments, where proceeds are allocated to finance and/or refinance Eligible Social Categories
- Thematic Financing Instruments, where proceeds are allocated to an Eligible Category and the relevant Eligibility Criteria listed in the Use of Proceeds section of the Framework

1 ICMA's Principles and related guidance can be accessed here.

# 1. Use of Proceeds

An amount equal to the net proceeds of each NBC Sustainable Financing Instrument will be used to finance or refinance, in whole or in part, new or existing loans, investments, and internal or external projects, including the Bank's own operations (collectively, Eligible Assets), that fall within the Eligible Green or Social Categories (collectively, Eligible Categories) as defined in the table below.

Where a borrower derives 90% or more of its revenues from activities in the Eligible Categories listed below, it will be considered as eligible for an allocation of proceeds of a Sustainable Financing Instrument[1]. In these instances, the loan may be used for general corporate purposes, so long as this financing does not fund expansion into activities that are excluded from the Eligible Categories.

| Eligible Green Categories | Eligibility Criteria[2] | UN SDGs |
|---|---|---|
| **Low-Carbon Energy** | Acquisition, operation, maintenance, manufacturing, construction, renovation, equipment, of the following low-carbon energy sources:<br>**Eligible Types of Renewable Energy:**<br>— Wind<br>— Solar<br>— Geothermal with direct emissions ≤ 100 $gCO_2e/kWh$<br>— Tidal<br>— Hydropower[3]<br>— Waste biomass and renewable biofuels whose sources include sustainable feedstock[4] with direct emissions ≤ 100 $gCO_2e/kWh$<br>**Transmission and Distribution of Electricity:**<br>— Infrastructure and equipment that complies with at least one of the following criteria[5]:<br>• The average system grid emissions factor is below the threshold value of 100 $gCO_2e/kWh$, on a life-cycle basis, over a rolling five-year period, or<br>• More than 67% of newly enabled generation capacity is below the generation threshold value of 100 $gCO_2e/kWh$, over a rolling five-year period<br>— Development or improvement of existing or new transmission and distribution systems dedicated to connecting renewable energy generation capacity to the grid[6] | |

1 The remaining 10% pertaining to the activities defined in the exclusionary criteria will be excluded.

2 Eligible assets have to meet the eligibility criteria at the time they are flagged as eligible assets. If the Bank decides to enhance the eligibility criteria, then these new criteria are not applied retroactively by default to the existing eligible assets.

3 Run-of-river projects without artificial reservoirs, or hydropower projects that were already in operation before January 1, 2020 must operate with an average power density of > 5W/$m^2$ or have life-cycle emissions < 100 $gCO_2e/kWh$. Projects that began operation on or after January 1, 2020, must operate with an average power density of > 10W/$m^2$ or life-cycle emissions < 50 $gCO_2e/kWh$, as per the EU Taxonomy and the Climate Bonds Initiative (CBI) Hydropower Criteria dated 2021. These criteria also include refurbishment of existing eligible hydro facilities, provided the size of the dam or reservoir is not increased and include pumped hydro.

4 Sustainable feedstock may include nuisance plants, crop waste, or biomass grown specifically for energy harvesting that does not compete with food production and does not decrease biodiversity or soil carbon pools. The only timber feedstock allowed is waste wood.

5 As per the EU Taxonomy and the CBI Electrical Grids and Storage Criteria dated 2022.

6 Infrastructure dedicated to connecting fossil fuel power plants is excluded, as per the EU Taxonomy.

| Eligible Green Categories | Eligibility Criteria | UN SDGs |
|---|---|---|
| **Energy Efficiency** | Acquisition, construction, infrastructure, development, retrofitting, manufacturing, maintenance, and equipment of eligible assets including:<br>— Assets that reduce energy consumption or mitigate greenhouse gas (GHG) emissions by more than 30% over the baseline, such as:<br>• Energy-efficient lighting, district heating and cooling systems including Heating, Ventilation, Air Conditioning (HVAC) systems<br>• Energy performance monitoring equipment and systems such as smart meters (including bidirectional meters)<br>• Network investments, including modernization, reconfiguration, or optimization of existing networks and infrastructure, such as replacing legacy copper wiring with fiber-optic networks or 5G<br>— Energy storage systems or infrastructure connected to low-carbon energy sources or grid systems that comply with the criteria for the Transmission and Distribution of Electricity<br>— Data centers that meet or are expected to meet the following Power Usage Effectiveness (PUE) requirements:[1]<br>• Data centers constructed prior to January 1, 2025, design or operational PUE of ≤ 1.4<br>• Data centers constructed on or after January 1, 2025 design or operational PUE of ≤ 1.3 | |
| **Pollution Prevention & Control** | Construction, development, operation, acquisition and maintenance of assets used for the following activities:<br>— Facilities, systems and equipment that are used to divert waste from landfills or reduce emissions, such as composting and anaerobic digestion<br>— Collection, treatment/remediation, recycling or reuse of emissions, waste or contaminated soil<br>— Methane capture projects used for energy generation or captured from closed/ decommissioned landfills with high gas capture efficiency of ≥ 75% where the landfill is not accepting further waste (with the exception of restoration materials)[2]<br>— Carbon capture and storage (CCS) and direct air capture projects with permanent $CO_2$ storage, designed for a capture efficiency design of ≥ 90%[3] | |
| **Sustainable Water & Wastewater Management** | Acquisition, construction, development, operation, renovation and/or maintenance of facilities, systems or equipment used for sustainable water and wastewater management, such as:<br>— Collection, treatment, recycling and/or reuse of water, rainwater, or wastewater (including desalination plants)[4]<br>— Water supply infrastructure and distribution systems with improved efficiency<br>— Smart water metering activities | <br> |

1 Additional requirements for energy efficient data centers will include facilities powered by a proportion of low-carbon energy sources aligned with market standards, as well as prioritizing assets that aim to minimize water intensity levels.

2 Fossil fuel-related projects are excluded.

3 CCS projects for the purpose of upstream enhanced oil recovery (EOR) activities are excluded.

4 Desalination will be limited to facilities powered by low-carbon energy sources, or that use low-impact technologies, such as membrane-based systems, and that have a waste management plan for brine disposal.

| Eligible Green Categories | Eligibility Criteria | UN SDGs |
|---|---|---|
| **Green Buildings** | Construction, development, renovation, retrofit, acquisition, operation, and maintenance of commercial and residential buildings that have:<br>— Achieved, or demonstrated ability to achieve a minimum of 30% reduction in energy consumption or GHG emissions from the baseline through retrofits and building envelopes improvements.<br>— Complied with the requirements, or that are expected to comply with recognized environmental certifications or standards based on the construction and operation plans. This includes, but is not limited to:<br>• LEED – Gold or Platinum<br>• BOMA BEST – Gold or Platinum<br>• BREEAM – Excellent or Outstanding<br>• CAGBC Zero Carbon Building Standard Design or Performance<br>• ENERGY STAR with a score of 85 or higher<br>• Other equivalent certification or standard[1] | <br> |
| **Clean Transportation** | Manufacturing, construction, development, operation, acquisition and maintenance of low carbon transport assets and related infrastructure, such as:<br>— Zero-direct emission passenger cars and light commercial vehicles<br>— Zero-direct emission freight and public transport (road and rail), including vehicles, rolling stock, and supporting rail infrastructure<br>— Electric vehicle charging infrastructure[2] | <br> |
| **Circular Economy Adapted Products, Production Technology & Processes** | Construction, design, development, operation, acquisition and maintenance of circular economy adapted assets, such as:[3, 4]<br>— Recycling facilities, systems, equipment and infrastructure that support the source segregation of waste such as electronic waste<br>— Products, services, platforms that increase capacity utilization during their useful life, such as refurbishment, reconditioning, production and repair<br>— Products, services, business models, platforms, and tools that enable circularity across different segments of the material life cycle, including increased intensity of use (e.g., sharing platforms)<br>— Production of products that can be recycled or composted where the input feedstock is from sustainable recycled/reused waste | |

1 Includes other regional certifications such as: Build Green Certification (Gold or Platinum) and Passive House Canada Classic (Plus, Premium), and regional building codes, such as certain tiers/steps of the National Energy Code of Canada for Buildings (NECB) 2020, the BC Energy Step Code and the Toronto Green Standard (TGS) Version 3 or Version 4. Annually, we monitor buildings codes in order to evolve requirements with evolving practices.

2 Freight transport dedicated to the transportation of fossil fuels will not be included.

3 Informed by the 2025 IFC Harmonized Circular Economy Finance Guidelines.

4 The "Circular Economy Adapted Products, Production Technology & Processes" category excludes plastic.

| Eligible Green Categories | Eligibility Criteria | UN SDGs |
|---|---|---|
| **Environmentally Sustainable Management of Living & Natural Resources & Land Use** | Acquisition, development and/or operation of sustainably managed resources, such as:<br>**Preservation of Nature and Biodiversity:**<br>— Activities with measurable biodiversity benefits such as:<br>• Restoration and conservation of terrestrial and aquatic ecosystems<br>• Creation, management or enhancement of nature-based solutions, such as ecological corridors, pollinator habitats and other projects that measurably increase local species richness<br>**Sustainable Forestry:**<br>— Forests certified under sustainable forest management standards, such as the Forest Stewardship Council, Sustainable Forest Initiative or the Program for the Endorsement of Forest Certification<br>— Afforestation or reforestation of native forests<br>**Sustainable Agriculture and Food:**<br>— Food production, including agriculture, fisheries, and aquaculture operations[1]<br>— Activities that advance sustainable production and consumption of alternative proteins<br>— Agricultural activities, facilities and technologies that improve resource use efficiency including energy and water, and/or reduce GHG emissions, or improve climate resilience, such as:<br>• Advanced irrigation technologies<br>• Precision farming<br>• Protected agriculture<br>• Use of climate-smart seeds, natural pesticides, and herbicides, including Rainforest Alliance certified biological crop protection<br>• Regenerative agriculture activities, including no-till farming and cover cropping | |
| **Climate Change Adaptation & Resilience** | Acquisition, construction, development, operation, renovation and/or maintenance of assets that reduce climate change vulnerability or increase the adaptive capacity of assets and communities including projects related to[2, 3]:<br>— Upgrading of built infrastructure to withstand natural hazards<br>— Information and communications technology (ICT) solutions for climate monitoring and data collection/management, to facilitate climate resilience<br>— Increasing resilience against extreme weather events, such as flood prevention, flood defense or erosion, sea level rise, drought, or wildfire mitigation and management | <br> |

1 Certified with Canada Organic, USDA Organic, Round Table on Responsible Soy Association Standard, Marine Stewardship Council, Aquaculture Stewardship Council, Global G.A.P for Aquaculture, Best Aquaculture Practices (2 stars or more).

2 As per the Climate Bonds Resilience Taxonomy dated 2024.

3 All eligible activities financed will meet the Eligibility Criteria set out in the Framework.

| Eligible Social Categories | Eligibility Criteria | UN SDGs |
|---|---|---|
| **Affordable Housing** | Construction, development, renovation, retrofit, acquisition or operation of residential and/or commercial facilities, services, systems, or equipment used for accredited or registered affordable housing based on the relevant regional jurisdiction, halfway homes and shelters, or that contribute to low-income populations[1]. This includes but is not limited to:<br>— Rent to own initiatives aimed at households with income levels < 80% of the Area Median Income (AMI), or up to 120% of AMI in high cost markets, where monthly payments represent ≤ 30% of gross household income<br>— Residential properties that meet affordability criteria established under federal and provincial programs, such as those offered by the Canada Mortgage and Housing Corporation[2]<br>— No-cost housing solutions, such as shelters and transitional housing for vulnerable families and individuals, such as homeless individuals, including their related essential services | <br> |
| **Access to Basic & Essential Services & Infrastructure** | Construction, development, operation, renovation and/or maintenance of facilities, services, systems, or equipment intended for target populations[3] that enhance:<br>**Access to Essential Services by Enabling the Provision of Not-for-Profit, Free or Subsidized Services, such as:**<br>— **Healthcare:**<br>• Public hospitals, clinics, healthcare centres, long-term care facilities, hospices, medical and diagnostic equipment, medical transportation, and digital healthcare<br>• Mental health facilities, programs, and services<br>• Homes or health facilities for the elderly or people with disabilities<br>• Digital healthcare<br>— **Care Centres:**<br>• Daycare services<br>• Childcare centres<br>• Community centres<br>• Senior care centres<br>— **Education & Employment:**<br>• Public and government-subsidized universities, schools, and training centres<br>• Digital learning<br>— **Community welfare**<br>**Access to Basic Infrastructure, such as:**<br>— Infrastructure to enhance digital connectivity[4] for underserved or unconnected areas and populations (including mobile and internet access) | <br> <br> |

1 Based on relevant definitions within the jurisdiction in which it is built, such as Statistics Canada's low income definition.
2 Other programs include the Quebec Affordable Housing Program, *Société d'habitation du Québec*, and LogisQuébec.
3 The definition of target population can vary depending on local contexts and, in some cases, such target population(s) may also be served by addressing the general public
4 The Canadian Government has set a goal for all Canadians to have access to high-speed Internet of at least 50 Megabits per second download and 10 megabits per second upload speeds.

| Eligible Social Categories | Eligibility Criteria | UN SDGs |
|---|---|---|
| **Socio-Economic Advancement & Empowerment** | Financial services to Indigenous Peoples[1], governments, bands, councils and/or community owned, economic development corporations or businesses with at least 51% Indigenous ownership, or that enable Indigenous ownership, equity and economic participation in projects[2]<br><br>Lending and financing to micro-, small- and medium-sized enterprises (MSME)[3] where at least 51% of the owners of the enterprise are members of a historically excluded and/or marginalized population including women, Indigenous Peoples, or People of Colour[4] | |

### Exclusion

The proceeds of NBC's Sustainable Financing Instruments will not be knowingly allocated to any business or project where most of its activities are covered by one or more of the following:

- Controversial weapons
- Gambling
- Adult entertainment
- Predatory lending
- Tobacco

Additionally, the Bank has implemented sector-specific policies applicable to thermal coal mining, coal-fired power generation, and oil and gas activities in the Arctic. Further information is available in the Bank's Sustainability Report.

## 2. Process for Project Selection and Evaluation

The Bank's Sustainability Bond Committee (SBC) is chaired by Capital Markets' Executive Vice-President and Head of Sustainable Finance & Advisory and is comprised of senior management members representing Global Funding and Treasury, Corporate Sustainability, Capital Markets, and Commercial Banking. Meetings are held on a quarterly basis and other relevant representatives from various business sectors, such as Risk Management, are present as deemed fit.

The SBC is responsible for:

1. Oversight of the Framework, including but not limited to its review, approval, and amendments
2. Review and approval of Eligible Assets and any additions to or subtractions from the pool of Eligible Assets
3. Review and recommendation of the annual reporting conducted under the Framework
4. Evaluation of the post-issuance external verification report and resolution of any issues therein
5. Monitoring of evolving sustainable finance market practices

The Bank's business lines (Personal and Commercial Banking, Capital Markets) assess potential loans, investments and projects in accordance with the Green and Social Eligible Categories of the Framework and are responsible for identifying the risks inherent in day-to-day operations in accordance with the Bank's risk management framework and processes, including material sustainability and climate-related risks.

1 As defined within the respective jurisdiction, such as the Crown-Indigenous Relations and Northern Affairs Canada.
2 Power generation projects will be financed in accordance with the Low-Carbon Energy category, as well as any exclusion criteria set out in the Framework.
3 MSMEs as defined by the Statistics Canada.
4 As defined in the respective jurisdictions, such as the Employment Equity Act of Canada, which includes people of colour who self-identify as visible minorities in Canada, other than Indigenous Peoples, who are non-white outside of Canada.

# 3. Management of Proceeds

The Bank intends to maintain an aggregate amount of assets relating to Eligible Assets that is at least equal to the aggregate proceeds of all NBC Sustainable Financing Instruments that are concurrently outstanding using a portfolio approach.

The Bank has established a Sustainability Asset Register for the purpose of monitoring the allocation of the proceeds from Sustainable Financing Instruments to Eligible Assets. The proceeds of the Sustainable Financing Instruments issued by the Bank will be deposited in its general funding accounts. An amount equal to the proceeds will be earmarked for allocation in the Sustainability Asset Register in accordance with this Sustainability Issuance Framework.

The Bank aims to fully allocate or re-allocate proceeds within a period of up to 18 months of the issuance date. Any portion of the proceeds of NBC's Sustainable Financing Instruments that has not been allocated to Eligible Assets in the Sustainability Asset Register will be allocated in accordance with the Bank's normal liquidity management activities and the exclusionary criteria set out in the Framework.

The Global Funding and Treasury team is responsible for maintaining and updating the Sustainability Asset Register, which is reviewed at each meeting of the SBC. Any assets that are terminated or no longer meet the Eligibility Criteria will be removed from the Sustainability Asset Register. It is the Bank's intention to maintain, directly or indirectly, an aggregate amount of Eligible Assets that is at least equal to the aggregate net proceeds of all Sustainable Financing Instruments that are concurrently outstanding under this Framework.

Any Eligible Asset already evaluated and selected for the portfolio based on the previous 2022 Sustainability Bond Framework will remain in the portfolio until maturity or sale of the asset, unless the SBC determines that the Eligible Assets no longer comply with the Eligibility Criteria set out in the Framework.

# 4. Reporting

We intend to publish a report on the Bank's website for the Sustainable Financing Instruments issued under the Framework, on an annual basis, as long as Sustainable Financing Instruments remain outstanding.

## Allocation Reporting

Until complete allocation, we intend to report annually on the allocation of proceeds. The following elements will be provided:

**a)** The amount of proceeds allocated to each Eligible Category

**b)** The balance of unallocated proceeds

**c)** The proportion of financed and refinanced Eligible Assets

## Impact Reporting

We intend to report annually on the qualitative and, if reasonably feasible, quantitative environmental and/or social performance impacts of the Eligible Assets financed under Sustainable Financing Instruments, as well as the related methodologies. Performance indicators may change from year to year. In addition, the Bank aims to align with the recommendations of the ICMA Harmonised Framework for Impact Reporting, dated June 2024.

Below are examples of impact metrics that may be reported:

| Eligible Categories | Potential Indicators | Potential Co-Benefits |
|---|---|---|
| **Low-Carbon Energy** | — GHG emissions reduced/avoided per year ($tCO_2e$)<br>— Renewable energy generated (MWh) or installed capacity (MW)<br>— New transmission and distribution lines installed (kilometres) | — Number of new households connected to low-carbon energy sources (#)<br>— Number of jobs created from the projects (#) |
| **Energy Efficiency** | — GHG emissions reduced/avoided per year ($tCO_2e$)<br>— Expected energy savings per year (MWh)<br>— Energy storage capacity installed (MWh)<br>— Portfolio power usage effectiveness (PUE) for data centers | N.A. |
| **Pollution Prevention and Control** | — GHG emissions or pollutants reduced/avoided per year ($tCO_2e$)<br>— Waste diverted from landfill (tonnes)<br>— Number of carbon capture projects financed (#) | — Number of individuals with access to waste collection from projects (#) |
| **Sustainable Water and Wastewater Management** | — Volume of water saved/reduced/treated ($m^3$, reduction in water use in %)<br>— Volume of wastewater treated/reused/avoided ($m^3$, reduction in %) | — Number of individuals/communities served by the water treatment system (#) |
| **Green Buildings** | — GHG emissions reduced/avoided per year ($tCO_2e$)<br>— Energy saved (MWh)<br>— Units of water saved and/or processed ($m^3$)<br>— Number of buildings/infrastructures/units built (#)<br>— Sustainability certifications achieved<br>— Floor space of green real estate (ha) | N.A. |
| **Clean Transportation** | — GHG emissions reduced/avoided per year ($tCO_2e$)<br>— Number of infrastructures/units built (#) | — Number of individuals/communities benefiting from projects (#)<br>— Number of individuals/communities with access to sustainable transport systems (#) |
| **Circular Economy Adapted Products, Production Technology & Processes** | — GHG emissions reduced/avoided per year ($tCO_2e$)<br>— Waste diverted from landfill (tonne/year) | N.A. |

| Eligible Categories | Potential Indicators | Potential Co-Benefits |
|---|---|---|
| **Environmentally Sustainable Management of Living & Natural Resources & Land Use** | — Number of initiatives launched to enhance biodiversity (#)<br>— Increase in area under certified organic or sustainable agriculture (ha and % of acreage farmed)<br>— Increase in feedstock supply chain certification coverage (% of total feedstock volume)<br>— Increase in sustainable seafood production (tonnes)<br>— Amount of of GHG emissions financed ($tCO_2e$) | — Number of workers trained in biodiversity conservation<br>— Number of jobs created from the projects (#) |
| **Climate Change Adaptation and Resilience** | — Number and type of adaptation and resilience measures installed (#) | — Number of people with new/improved climate disaster resilience readiness (#) |
| **Affordable Housing** | — Number of buildings/infrastructures/units built (#)<br>— Number of individuals/communities with access to safe, affordable and sustainable housing (#) | — Sustainability certifications achieved |
| **Access to Basic and Essential Services and Infrastructure** | — Number of buildings/infrastructures/units built (#)<br>— Number of individuals/communities with new/improved access to basic infrastructure (#) | — Expected energy savings per year (MWh) |
| **Socio-Economic Advancement and Empowerment** | — Number (#) and value ($) of loans provided<br>— Number of individuals/communities/businesses supported (#) | — GHG emissions reduced/avoided per year ($tCO_2e$)<br>— Renewable energy generated (MWh) or installed capacity (MW)<br>— New transmission and distribution lines installed (kilometres)<br>— Number of jobs created from the projects (#) |

# External Review

## Second-Party Opinion

The Bank has obtained a Second-Party Opinion to confirm the alignment of this Framework with the Principles. The Second-Party Opinion is published on the Bank's website and may be updated from time to time, along with this Framework. For any update or amendment to the Framework, the Bank will obtain a separate Second-Party Opinion and make it available on its website. The updated or amended Framework, if any, will replace this Framework.

## Allocation of Proceeds Verification

For issuances covered by this Framework, the Bank will request, on an annual basis, a limited assurance report on the allocation of the proceeds earmarked for the Eligible Assets.

# Caution Regarding Forward Looking Statements

Certain statements in this document are forward-looking statements. These 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 NBC's 2026 Sustainability Issuance Framework and the intended use of proceeds, as well as other statements made about the Bank's sustainability strategy and climate ambition, its environmental, social, and governance objectives, targets and commitments and actions that will be taken to achieve them, and the regulatory environment in which it operates. The Bank may also make forward-looking statements in various other documents and regulatory filings, as well as orally. These forward-looking statements are typically identified by verbs or words such as "outlook," "aim," "goal," "target," "objective," "believe," "foresee," "forecast," "anticipate," "estimate," "project," "expect," "intend," "commit" 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.

These forward-looking statements are intended to assist readers in understanding the Bank's vision, ambition and objectives related to NBC's 2026 Sustainability Bond Framework and may not be appropriate for other purposes. Any commitments, objectives, goals and targets discussed in this document are aspirational, and 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 readers that these forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from the expectations, estimates, or intentions expressed in these forward-looking statements due to a number of factors. Therefore, the Bank recommends that readers do not place undue reliance on these forward-looking statements, as a number of factors could cause actual results to differ materially from the expectations, estimates, or intentions expressed in these forward-looking statements. Readers of this document should carefully consider the factors listed below concerning the Bank's forward-looking statements as well as other uncertainties and potential events, 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.

These statements are subject to uncertainty and risks, many of which are beyond the Bank's control. Their future outcome is subject to a variety of risk factors, the impacts of which are difficult to predict. These risk factors include, among others: the difficulty of identifying eligible assets or businesses, and the risk that these projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by NBC, the Bank's reliance on third parties to obtain data and impact indicators for eligible assets, regulatory oversight and changes made to regulations that affect the Bank's business, including the evolution of sustainability-related regulations, guidelines, principles, and frameworks, and the Bank's compliance therewith; the uncertainty as to a standardized taxonomy regarding sustainability-related terms and as to standardized methodologies to classify activities and evaluate their impact; climate change, including physical risks and those related to the transition to a low-carbon economy, including geopolitical factors that could impact local and global energy needs; stakeholder engagement and the Bank's ability to satisfy stakeholder expectations on environmental and social issues; decarbonization efforts across economies; the availability of comprehensive and accurate data from customers and other third parties, including greenhouse gas emissions and their decarbonization scenarios; the ability of the Bank to develop indicators to effectively monitor its advancements; the ability of the Bank to identify climate-related opportunities as well as to assess and manage climate-related risks; significant changes in consumer behaviour; the evolution of the Bank's lending portfolios over time; the Bank's ability to achieve its key short-term priorities and long-term strategies; the Bank's ability to develop and launch new products and services in a timely manner; the development and deployment of new technologies and sustainable products; the 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; and the Bank's ability to anticipate and successfully manage risks arising from all of the foregoing factors. The foregoing list of risk factors is not exhaustive, and the forward-looking statements made in this document are also subject to the risks detailed in the Risk Management section of the Bank's 2025 Annual Report, which may be updated in the quarterly reports to shareholders filed thereafter.

## Additional Cautionary Statement Regarding Sustainability and Climate-Related Disclosures and Important Notice

Many of the assumptions, data, metrics, measurements, methodologies, scenarios, and standards, as well as the terminology used by the Bank to define certain concepts, continue to evolve and may differ significantly from those used by others, those that may be used by us in the future or those that may be subsequently mandated by government authorities or other standard setters to classify, measure, report, and verify information. Such evolution and changes could affect the assumptions and estimates used by us and the comparability of the information, as well as our ability to achieve our objectives, priorities, strategies, and commitments. As a result, certain disclosures made in this document could be amended, updated, or restated in the future as the quality and completeness of our data and methodologies continue to improve, and as market practices, standards, and regulations evolve. In addition, the Bank must rely on third-party data to provide estimates and assumptions, and some information, such as financed emissions, may need to be estimated. If any of these assumptions prove incorrect, it could have a material effect on the Bank's goals and objectives and its ability to meet them, at all or in the expected time frames.

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