Report on Responsible Investment Advancements 2025

NATIONAL BANK INVESTMENTS

Table of contents

Introduction 3
Territorial acknowledgement statement 3
Scope 3
About us 4
Messages from our leadership 6
Responsible investing at NBI at a glance 9

Our approach 10
Our journey and evolution 10
Our governance 11
OP4+: Our ongoing selection and assessment process for portfolio managers 12
Our partnerships to advance sustainable finance 14
Our role and influence in the industry 15

Responsible investing in our investment process 18
Integration of responsible investing into our traditional funds and NBI sustainable funds 18
Our use of ESG data 19
ESG characteristics of our sustainable funds and ETFs 20
Progress on our five priority themes 33

Conclusion 42

Appendix 43
Definition of ESG measures 43
Important notice and caution about forward-looking statements 48

Introduction

Territorial acknowledgement statement

We recognize that National Bank Investments (NBI) has been operating on lands that have been home to Indigenous peoples for thousands of years. This recognition is offered in a spirit of respect and reconciliation, reflecting our commitment to foster harmonious relationships with Indigenous communities.

Indigenous peoples are deeply connected to their ancestral territories, which are central to their identity and cultural heritage. Their holistic view of the environment, where mind and matter are considered equally important, inspires us to approach our work with greater awareness and responsibility as we reflect on our active engagement in this effort.

As part of our ongoing commitment to equity and inclusion, NBI recognizes the importance of focusing on Indigenous issues in our organization and Canadian society. We strive to build meaningful and respectful partnerships with Indigenous peoples and contribute positively to reconciliation efforts.

Scope

Unless otherwise indicated, the data in this report covers the period between November 1, 2024, and October 31, 2025, in accordance with our fiscal year, and all amounts are expressed in Canadian dollars.

For greater clarity, the term “portfolio manager” used throughout this document includes both portfolio managers and portfolio sub-advisors of NBI solutions. “The Bank” means National Bank of Canada.

NBI mutual funds and exchange-traded funds (ETFs) are collectively referred to as the “Funds” or “NBI Funds.” “Prospectus” means the simplified prospectus of the NBI Funds.

About us

About National Bank

Founded in 1859, National Bank of Canada offers financial services to individuals, businesses, institutional clients and governments across Canada. We are one of Canada's six systemically important banks and we deliver strong return on equity.[1]

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 define ourselves as an employer of choice and we promote inclusion and diversity.

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

National Bank at a glance

As at December 31, 2025[2]

Our organization

3.1M
Clients[3]

35,378
Employees around the world

489
Branches[4]

2,833
Banking machines[5]

Our financial performance

$14.0 B
Total revenue

$4.0 B
Net income

$577 B
Total assets

$61 B
Market capitalization

Our contribution to economic activity

$4.5 B
Compensation and employee benefits

$1.93 B
Spent on goods and services in Canada[6]

$1.75 B
Income taxes and other taxes in Canada[7]

1 Return on common shareholders' equity (ROE).
2 Unless otherwise indicated, this data is from the Bank's 2025 Annual Report.
3 Clients of the Personal and Commercial segment.
4 382 in Canada, 103 in Cambodia and 4 in the United States (Florida).
5 939 in Canada and 1,894 in Cambodia.
6 This amount includes occupancy costs, technology costs (excluding depreciation), communications, professional fees, advertising fees and other goods and services.
7 Includes income taxes, capital taxes and other taxes. For more information, see page 14 of the 2025 Corporate Social Responsibility Statement.

About National Bank investments

→ Investing in the power of people™

National Bank Investments Inc. (NBI) is a leading investment fund manager dedicated to providing an innovative range of investment solutions and services that empowers both retail and institutional investors to achieve their financial goals. We specialize in helping advisors build resilient portfolios for their investors through a full range of investment solutions: mutual funds and exchange-traded funds, asset allocation solutions, managed portfolios, private investments, sustainable solutions, and a high-net-worth program. Our open architecture structure enables us to collaborate with leading global portfolio management firms, selecting only the best investment talent to support our clients' needs.

At NBI, innovation and leadership are at the heart of everything we do, driving us to deliver strong investment outcomes to investors and advisors. We combine human expertise and technology to deliver optimal investment strategies while continuously enhancing our open architecture structure. We leverage our influential leadership to mobilize our partners, clients, the financial community and regulators, accelerating the transition towards a more sustainable financial system.

Responsible investing is at the heart of our decisions.

Our ambition → Being an agent of change towards a more sustainable financial system.

Influence → Exercising influential leadership to mobilize our partners, clients, and the financial community.

Share → Raising the level of knowledge by sharing our expertise with our stakeholders and the industry.

Act → Meeting the need and appetite of Canadian investors to invest sustainably by offering sustainable investment solutions.

Overview

As at December 31, 2025

$109.8 B
Assets under management

144
Funds and ETFs

62
Best-in-class portfolio management firms

93
Proven portfolio management teams

147 employees
with expertise in portfolio construction and optimization, risk management, responsible investment, economics and markets, and sales

Messages from our leadership

Overview our advancements in responsible investing in 2025

Éric-Olivier Savoie
President and Chief Executive Officer

2025 was an important year in our commitment to responsible investing, marked by concrete and ambitious advancements.

We reached a decisive milestone by launching two sustainable strategies: The NBI Global Climate Ambition Fund and the NBI Global Sustainable Bond Fund, as well as six NBI Sustainable Portfolios deployed across the Bank's branch network. These solutions are intended to meet our clients' needs while promoting businesses that adopt responsible practices and seize opportunities related to the transition to a more sustainable and inclusive economy.

To support these initiatives, we strengthened our collective expertise: nearly 1,700 members of the Bank's advisory forces completed new training on responsible investing to provide quality guidance to our clients.

Our climate commitment also took shape with the publication of our first Climate Plan, the culmination of several years of work. Through this plan, we are seeking to engage our open architecture partners to stimulate initiatives with portfolio companies and actively contribute to the transition to a more sustainable financial system while creating value.

As part of our reconciliation approach, we continued integrating Indigenous considerations into our practices. Following the publication of a resource guide in 2024, we met with several partners of our open architecture to promote this tool, which led many of them to identify areas for improvement.

Lastly, we supported the Responsible Investment Association (RIA) responsible investment research initiative, a study that provides a Canadian portrait of responsible investment, providing us with essential data to inform our decisions and monitor Canadian market trends.

We are proud of the progress we have made and grateful to our partners and clients, whose trust enables us to pursue our mission: to be an agent of change towards a more sustainable financial system.

Three key trends that will shape 2026 in sustainable finance

Solène Hanquier
Senior Director and Head of Responsible Investment

In a global context marked by uncertainty, our clients, partners and broader ecosystem are seeking solid reference points and a clear vision. At National Bank Investments, we remain guided by the conviction that responsible investing can be a great source of innovation and value creation.

With this in mind, we are presenting the main trends that we believe will guide the sector's decisions and transformations over the coming year.

1. When markets supersede politics

The end of 2024 and 2025 were marked by geopolitical upheavals, persistent conflicts and a change of leadership in Canada, creating a complex context for sustainable finance. Despite these challenges, the sector is approaching 2026 with renewed optimism. Within our organization, we continue to share our expertise, influence our partners and propose sustainable investment solutions tailored to our clients' needs.

In 2025, the rollback in certain sustainability regulations in the United States and the European Union generated real uncertainty for businesses. Nearly 48% of senior executives cite this uncertainty a major challenge.

Yet, market forces continue to accelerate the sustainable transition. For example:

- The rapid rise of artificial intelligence (AI) is increasing demand for energy, bolstering the appeal of renewables which are now the fastest and least costly option for powering the grid in many countries.
- According to the International Energy Agency, twice as much capital has been directed to clean energy sources than to traditional ones.
- According to BCG, the green economy could reach $7T per year by 2030, making it the second-largest market opportunity after technology.
- Investors' appetite for labelled bonds remained strong over the past year.

These trends, despite the political noise, send a signal that sustainable finance is continuing to grow, driven by economic dynamics and rising investor expectations.

Three key trends that will shape 2026 in sustainable finance (cont.)

2. Environmental, social and governance (ESG) risks are increasingly perceived as systemic

ESG risks are no longer seen as peripheral issues: they are now considered systemic, and therefore capable of affecting the entire economy and portfolio performance.

- A growing share of equity value is exposed to severe physical climate risks underscoring the importance of asset resilience and companies' capacity to adapt to climate change.
- Nature and biodiversity risks are gaining traction in conversations, as a first dedicated global disclosure standard is being developed.
- Consideration of risks related to inequalities and social issues is also becoming increasingly important: economic instability, supply chain disruptions, demand pressures, etc. The first project of the Task Force on Disclosure of Inequalities and Social issues (TISFD) aims to better measure and structure these risks.
- Finally, AI-related risks are under close watch, upending entire sectors.

In 2026, investors are likely to focus more on the impact of these risks on markets and portfolios, as well as on the links between them.

3. An evolving regulatory landscape to boost transparency

In Canada: sustainable investment guidelines, also known as the Canadian taxonomy, will be developed in 2026 to clearly define green and transition activities.

In Europe: new simplified categories of sustainable investment funds are expected, which should make it easier for clients to understand fund labels (e.g., sustainable, ESG, etc.).

In China: a voluntary corporate climate disclosure standard, which is expected to become mandatory, has just been published.

In the United States: despite a loosening of certain federal rules, states such as California are continuing to implement climate disclosure requirements, despite legal challenges.

As these frameworks are refined, the transparency and quality of sustainability data are improving, providing a more robust decision-making basis for investors.

In an environment where certainty is rare, we believe that sustainable finance plays an essential role in building a more resilient and inclusive economy. We will continue to contribute to this evolution by supporting investors in their decisions.

Responsible investing at NBI at a glance

We believe that the consideration of ESG criteria, in conjunction with traditional financial analysis, allows for a more comprehensive assessment of risks and long-term growth opportunities.

Key figures of our achievements in responsible investing

$6.3 B
in assets under management (AUM) in our sustainable solutions

5
experts dedicated to responsible investing

15
sustainable solutions (mutual funds, ETFs and portfolio solutions)

2025 highlights:

- **2 new sustainable solutions** launched over the past year: The NBI Global Climate Ambition Fund and the NBI Sustainable Global Bond Fund
- **+1,700 advisory forces** at the Bank trained in responsible investing

- Launch of our first Climate Plan
- **Contributed to 10 separate policy advocacy initiatives** aimed at creating constructive dialogue with stakeholders to influence responsible investment decisions
- **An award-winning sustainable strategy:** The NBI Sustainable Canadian Equity Fund and the NBI Sustainable Canadian Equity ETF (NSCE) each won a FundGrade A+[1] trophy

FUNDGRADE A+®
ACHIEVED FOR THE YEAR 2024

- **13 public interventions**, quotes in the media or articles published

1 For complete information on FundGrade A+® awards for NBI Funds and ETFs is available at https://www.bninvestissements.ca/a-propos/communiques-presse/bni-remporte-dix-trophees-fundgrade.html.

Our approach

Our journey and evolution

Responsible investing is an evolving process. Each step brings us closer to our objectives and allows us to improve our practices and products for the benefit of our stakeholders.

2018
- Pillar + added to OP4+ process: ESG criteria are added to the selection and oversight process for portfolio managers.

2019
- NBI joins the Responsible Investment Association (RIA) as an associate member.
- NBI becomes a signatory to the Principles for Responsible Investment (PRI).

2020
- Launch of the first sustainable NBI ETFs.

2021
- First progress report on our advances in responsible investment.
- NBI becomes a founding member of the Climate Engagement Canada initiative.
- NBI pledges to allocate $5 B in assets to local managers as part of the Quebec Financial Centre for Sustainable Finance declaration.
- Launch of the first NBI sustainable mutual funds.

2022
- First training in responsible investment to advisory forces at the Bank.

2023
- Alignment of voting rights with the International Shareholder Services (ISS) Sustainability Policy[1] for funds where we act as portfolio manager and are responsible for proxy voting.
- Review of responsible investment criteria to better align the + pillar of the OP4+ process with the market.

2024
- Launch of a new managed solution: NBI Sustainable Portfolios.
- Application of normative exclusions to the majority of actively managed equity and fixed income funds.
- Publication of a resource guide to promote reconciliation with Indigenous peoples throughout the investment value chain.

2025
- Launch of our first Climate Plan.
- Rollout of new sustainable investment solutions: Six Sustainable Portfolios in the Bank's branch network, the NBI Global Climate Ambition Fund and the NBI Sustainable Global Bond Fund.

1 Votes are in line with the ISS Custom Sustainability Policies (U.S. and International) which is ISS's Sustainability Policy but including also recommendations supporting diversity, equity and inclusion (DEI) issues.

Our governance

Responsible investing is an integral part of our decision-making structure. Our priorities, including those related to responsible investing, are defined and adopted by our board of directors. We work closely with our legal, product design and communications teams to ensure consistent implementation across the organization.

Portfolio managers of the NBI Funds are responsible for executing their respective investment strategies, and each has their own responsible investment approach, which may be applied at the firm level, at the fund level, or both. Depending on the investment objectives and strategies described in the NBI Funds Prospectus, this may include practices such as ESG integration, negative screening, positive screening, and/or stewardship activities (proxy voting and corporate engagement).

→ To learn more about our governance and vision, refer to our Responsible investment policy.

Strengthened our responsible investment policy

To deliver on our commitments and address the priority issues of sustainable finance, we have integrated five key themes into our responsible investment policy (position statements section) that we consider essential to foster a more sustainable and inclusive economy and strengthen the resilience of long-term investment solutions. These themes now feed into our portfolio manager selection and oversight processes, our stewardship activities, our collaboration with the industry and our leadership in responsible investment.

Formalized normative exclusions

We seek to avoid investing in companies or sectors that contravene recognized international standards or the Bank's commitments, particularly in terms of human rights, controversial weapons or highly polluting activities (such as thermal coal). These exclusions serve as safeguards to limit investments in assets that could harm people and the planet.

OP4+: Our ongoing selection and assessment process for portfolio managers

Our open architecture structure gives our clients access to a diversified universe of more than 60 leading portfolio managers. This approach promotes flexibility and performance, while requiring a rigorous and ongoing due diligence process to support the quality and consistency of the proposed strategies. Our oversight is based on a review cycle called OP4+, during which portfolio managers' organization, personnel, process, portfolio, performance and responsible investment approaches are continuously assessed.

Excellence criteria in portfolio management apply to all portfolio managers on our platform, regardless of asset class. In these assessments, we respect the management philosophy and investment decisions of each team, while encouraging them to adopt industry best practices.

Portfolio managers are assessed based on their responsible investment initiatives, the maturity of their practices across their organization, as well as the specific approaches applied to the investment strategy they manage. More specifically, the "+" pillar assesses portfolio managers based on the following main categories of criteria:

The OP4+ criteria in responsible investing

Organization	Personal	Process	Portfolio	Performance
Corporate culture fostering responsible investment (RI), which includes RI governance, strategies and policies guiding RI	ESG expertise in investment teams, supported by dedicated ESG resources	Investment process that incorporates ESG factors and stewardship activities	Consistency between portfolio construction and the ESG integration process	Measurement and management of the portfolio's main ESG risks

Sustainable funds, for which the objective is centred on responsible investing, have additional criteria integrated into the OP4+ framework, along with heightened expectations for portfolio managers. These requirements are reflected in the OP4+ criteria and the associated scoring. They include, in particular:

- A stronger engagement with issuers through stewardship activities and active dialogue;
- ESG performance assessment compared to the benchmark, based on key metrics;
- A broader set of exclusions for controversial activities, such as tobacco distribution and assault weapons manufacturing; and
- The firm's increased participation in initiatives aimed at influencing sustainable finance, particularly through advocacy and public policy contributions.

OP4+ in practice

Over the past year, we have established a list of strategic priorities with targets to improve the responsible investment practices of portfolio managers on our platform. This indicator has been integrated into the performance criteria related to the Bank's senior management incentive plan, which demonstrates our commitment to developing these practices, as well as the support given to this approach.

Here are a few examples of the stewardship activities we carried out this year.

Case study

Strengthening climate transparency with PineStone

In 2024, PineStone Asset Management Inc. (PineStone) began a process to assess the exposure of the portfolios it manages to climate risks and to enhance transparency by adopting disclosure best practices. We initiated a structured dialogue to support them in understanding and applying the TCFD recommendations, including defining climate scenarios and integrating physical and transition risks into their analyses. We also emphasized the importance of proactive disclosure to strengthen governance and better anticipate risks.

In 2025, PineStone published its first TCFD report, including:

— An analysis based on three scenarios: net-zero, delayed transition, and current policies;

— An assessment of portfolio resilience;

— A commitment to repeat the exercise annually.

This voluntary initiative marks a key step towards better integrating climate risks and increasing transparency.

Source: PineStone

Case study

Strengthening responsible investment governance with Montrusco Bolton

In 2025, Montrusco Bolton Investments Inc. (Montrusco Bolton) strengthened its responsible investment governance in order to better meet market expectations and emerging practices. We initiated a constructive dialogue with their team to share trends, best practices, and levers for improvement. Discussions focused on building internal capacity, developing expertise, and clarifying responsibilities across the organization.

As a result of this work, several key initiatives were implemented:

— Addition of a dedicated responsible investing resource

— Enhanced training for investment teams

— Inclusion of senior management members on the responsible investing oversight committee

These advances enable Montrusco Bolton to structure and consolidate its responsible investment approach, positioning the firm to meet rising client expectations and to continue building a durable, robust practice.

Source: Monstruco Bolton

Our partnerships to advance sustainable finance

As stewards of vast financial resources, our role also includes influential leadership to accelerate the transition to a more sustainable financial system. By engaging our partners, clients, the financial community and regulatory authorities, we want to help develop practices and create a concrete impact.

This conviction is reflected in our active participation in collaborative initiatives and industry projects, to join our voice in shaping the future of sustainable finance.

This year, we reinforced this commitment by getting involved in several key initiatives, which we present on the right.

	Initiative name	Theme
RIA	Responsible Investment Association (RIA)	Advancing sustainable finance
Signatory of: PRI Principles for Responsible Investment	Principles for responsible Investment (PRI)	Advancing sustainable finance
Finance Montréal	Finance Montréal	Supporting sustainable finance locally
INVESTI	Investi	Supporting sustainable finance locally
Climate Engagement Canada	Climate Engagement Canada (CEC)	Mitigating risks and adapting to climate change
SIMA	Securities and Investment Management Association (SIMA)	Advancing sustainable finance
CCGG	Canadian coalition for good Governance (CCGG)	Supporting sound corporate governance
RRII Reconciliation & Responsible Investment Institute / Tallgrass Institute	Investor and Indigenous Peoples Working Group (IIWPG)	Committing to Indigenous reconciliation
advance A stewardship initiative for human rights and social issues	PRI Advance	Addressing human rights and inequality

Case study

Collaborative policy advocacy in response to greenwashing legislation (Bill C-59)

The recent amendments to Canada's *Competition Act* to counter greenwashing have led some companies to remove their climate reports from their websites, reviving debates about the importance of extra-financial disclosures to make informed investment decisions. Anti-greening legislation is important because investors base their decisions on corporate disclosures that must be credible and transparent.

In the absence of a mandatory Canadian standard for climate disclosures, the perceived risk of litigation related to the new provisions proved problematic.

To defend the value of climate disclosures, we helped draft letters addressed to the Competition Bureau by organizations such as SIMA, RIA, CCGG and the PRI, and shared our position with other engaged stakeholders.

In response to numerous consultations, in 2025, the federal budget proposed targeted adjustments to the *Competition Act* that aim to reduce uncertainty and the perceived risk of litigation for businesses.

We believe that these changes could promote disclosure, while maintaining protection against greenwashing for consumers and investors.

Our role and influence in the industry

We are aware of our influence on the industry and our partners, and we try to use it wisely. We act on two levels: within the Bank, to strengthen the skills and engagement of our teams, and with the industry, to contribute to its shift towards practices that favour more sustainable finance. These initiatives demonstrate our commitment to advancing sustainable finance, while recognizing that there are still opportunities for improvement.

At the Bank: strengthening the skills of our teams to better support our clients

Supporting advisory forces

To support constructive discussions on responsible investing, we have developed nearly 20 practical tools, including:

- pagers presenting ESG data for our sustainable funds and ETFs;
- a guide to support conversations with clients on responsible investing;
- articles on the latest trends in responsible investing.

These resources are essential to equip our teams, and we are constantly evolving them to meet the changing needs of advisors and market expectations.

Continuing education

In collaboration with our internal partners, we offered training on responsible investing to more than 1,700 members of the Bank's advisory forces as part of the launch of NBI Sustainable Portfolios in branches. This initiative was intended to enhance our collective expertise in order to support our clients with rigour and relevant advice.

Our responsible investment training program remains dynamic and adaptable to keep pace with trends and innovations in the sector. Our goal is clear: To offer quality support and actively contribute to the adoption of sustainable investment solutions for those who want it.

Externally: supporting the industry and inspire change

Promoting sustainable finance locally

In 2021, NBI committed to allocating $5B in assets to local managers, in accordance with the Quebec Financial Centre Declaration for Sustainable Finance. In 2025, we achieved this objective by entrusting assets to local managers specializing in sustainable investment mandates.

As part of the Investi Fund, launched in 2024 by Innocap in partnership with Finance Montréal to promote sustainable finance strategies for local managers, we are investors and actively participate in governance and investment committees. This year, we contributed to innovation labs to define a taxonomy on the energy transition applied to the Investi fund, thereby reinforcing our commitment to more sustainable and local finance.

Engaging with public authorities

In 2025, we continued our efforts with public authorities by participating in ten initiatives on key issues such as climate information disclosure, modernizing the ongoing disclosure regime for funds and anti-greenwashing legislation.

We also have:

- Continued our role as co-chair of the RIA Policy Stewardship Group;
- Participated in the SIMA Responsible Investment Working Group;
- Participated in the Capital Markets Working Group of the Shareholder Association for Research and Education "SHARE",[1] and;
- Became a member of the PRI Collaborative Sovereign Engagement on Climate Change.

Finally, we hosted a policy roundtable organized by the PRI at our offices and held several discussions with industry stakeholders to advance sustainable finance policies.

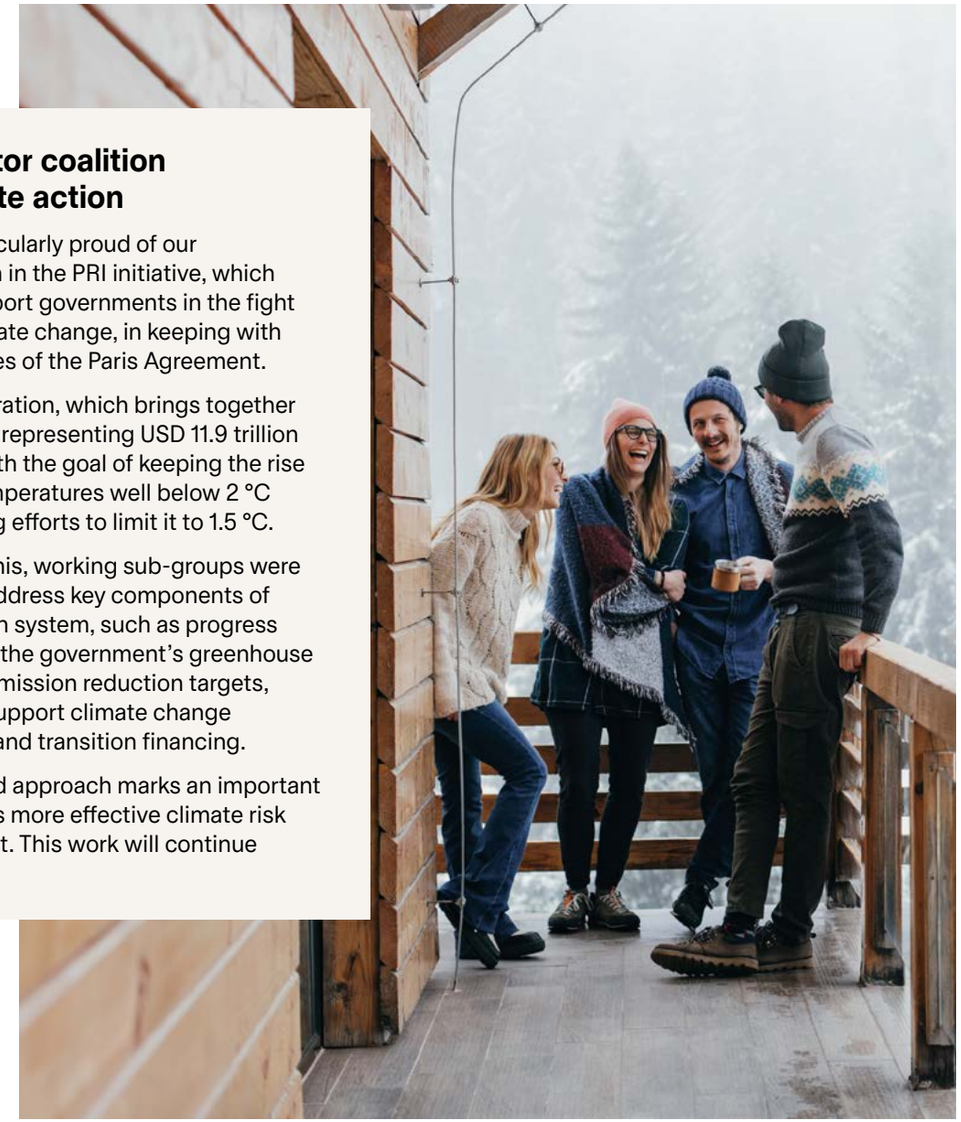
An investor coalition for climate action

We are particularly proud of our participation in the PRI initiative, which aims to support governments in the fight against climate change, in keeping with the objectives of the Paris Agreement.

This collaboration, which brings together 25 investors representing USD 11.9 trillion in assets, with the goal of keeping the rise in global temperatures well below 2 °C and pursuing efforts to limit it to 1.5 °C.

To achieve this, working sub-groups were created to address key components of the Canadian system, such as progress in achieving the government's greenhouse gas (GHG) emission reduction targets, policies to support climate change adaptation, and transition financing.

This targeted approach marks an important step towards more effective climate risk management. This work will continue next year.



1 The SHARE organization aims to mobilize investors to build a sustainable, inclusive and productive economy.

Supporting the future of asset management

Since 2019, the NBI-HEC Montréal Fund provides students with the opportunity to manage a multi-asset portfolio based on current market conditions.

The fund's management includes portfolio construction using a top-down approach, risk budgeting, translating the economic environment into strategic and tactical asset allocation strategies, as well as the selection and ongoing monitoring of investment vehicles through rigorous analysis. Our team provides continuous guidance to more than fifteen student analysts who collectively manage over $7 million in assets as part of this initiative. In recent years, the analysts have successfully integrated a robust ESG analysis framework into their asset manager selection process. To achieve this, they conducted extensive research and tested multiple approaches to minimize bias and ensure the objectivity of the methodology. The support provided by our responsible investment specialists demonstrates our commitment to sharing industry best practices with the next generation of finance professionals.

→ To consult our responsible investment content, refer to our website.

Sharing our knowledge and expertise with the public

In 2025, our responsible investment specialists spoke on more than 20 panels, webinars and podcasts with key partners such as the RIA, Finance Montréal and Cercle Finance du Québec. We have also published articles in La Presse, Le Devoir, Finance et Investissement that address various topics related to responsible investing, such as impact investing and the myths and realities of sustainable investing. These actions are intended to raise the level of knowledge in the industry, the public and equip investment professionals for their conversations with clients.

Responsible investing in our investment process

We are continually working to improve our practices and our responsible investment service offering to meet the needs of Canadians.

Integration of responsible investing into our traditional funds and NBI sustainable funds

Here's how it fits into our product offering:

Criteria	NBI traditional funds	NBI Sustainable Funds
Investment objective	Responsible investing is not part of the investment objective.	Responsible investing is an integral part of the investment objective.
OP4+	Assessment of responsible investment practices via the "+" pillar.	Assessment of responsible investment practices via the "+" pillar and application of higher standards for responsible investment.
Exclusions[1]	Minimum exclusions to comply with international norms and standards.	Additional exclusions (e.g., gambling) in addition to the minimum exclusions.

The "+" pillar of OP4+:

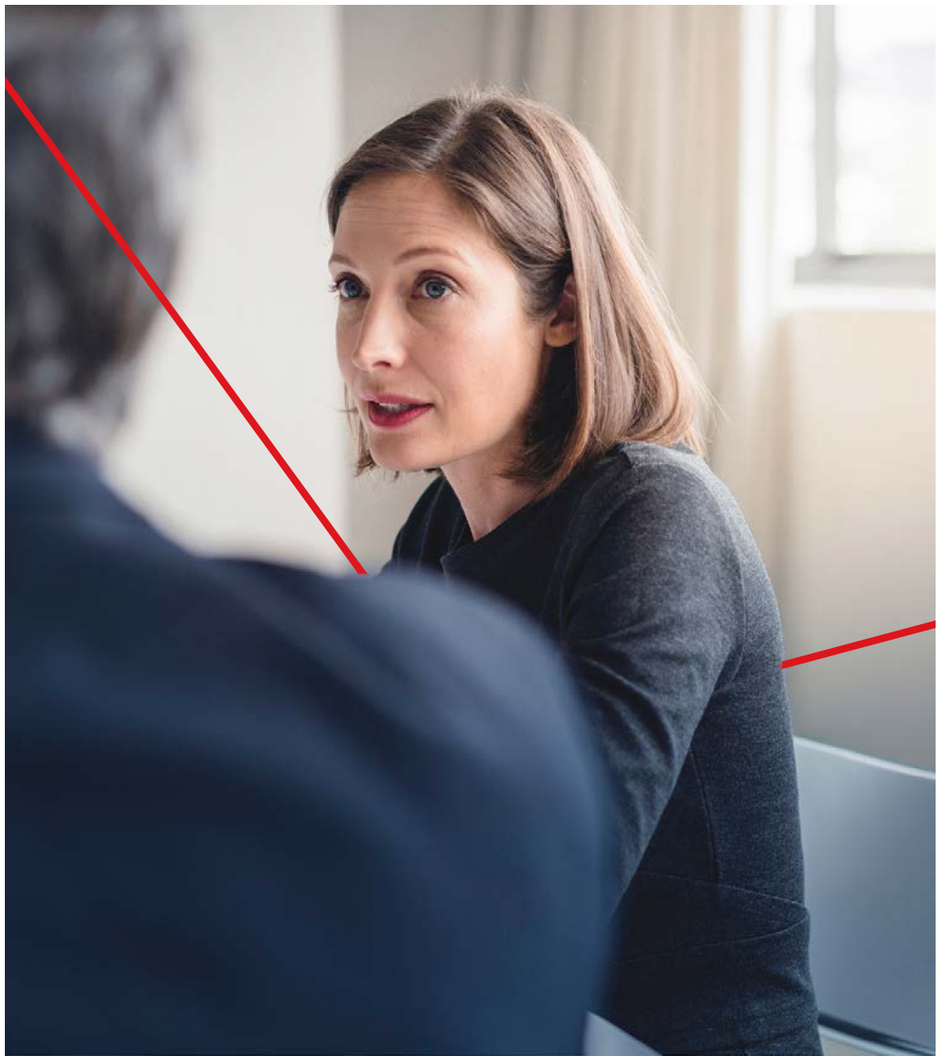
NBI traditional funds

→ Aims to promote sound risk management.

NBI Sustainable Solutions

→ Aims to direct investments towards companies that offer sustainable practices or solutions to societal and environmental challenges.

1 These exclusions apply to most traditional NBI funds. Consult the prospectus for details on participation in activities assessed based on the criteria and revenue thresholds provided by third parties, and a complete description of the excluded activities and products.



Our use of ESG data

To support the assessment and monitoring of NBI Funds, both traditional and sustainable, we rely on ESG data provided by specialized external partners.

For traditional funds, we mainly examine:

→ ESG risk and carbon emissions of the fund compared to its benchmark;

→ Controversies related to companies in the portfolio.

For NBI's sustainable investment solutions, in addition to the previous indicators, we analyze data to confirm that a fund is compliant with its investment objective and the ESG strategy described in the prospectus. This may include, for example:

→ The percentage of bonds labelled in the fund and their impact;

→ Climate targets for the investment strategy;

→ Alignment of revenues with the Sustainable Development Goals.

Climate metrics are aggregated for all our assets to support the implementation of our Climate Plan.

Strengthening due diligence and risk management by integrating MSCI as a second ESG data provider

MSCI

In 2025, we added a new ESG data provider. The purpose of this addition is to enrich the quantity and quality of our ESG data in order to:

— Track managers with comprehensive indicators, including alignment with net zero emissions and managing controversies;

— Make disclosures transparent and reliable with comparable data, supporting our commitments to stakeholders;

— Anticipate and manage ESG risks by quickly detecting vulnerabilities and integrating early signals into our decision-making processes.

This shift reflects our commitment to adopting market best practices.

ESG characteristics of our sustainable funds and ETFs

We offer a range of sustainable investment solutions (funds, ETFs and portfolio solutions) designed to meet investors' expectations in terms of financial performance and sustainable investment.

→ For more information on the measures and initiatives mentioned in this section, consult our Glossary on responsible Investment and the appendix on ESG measures.

Canadian Equity Funds and ETFs[1, 2, 3]

NBI Sustainable Canadian Equity Fund and ETF (NSCE)

Sub-advisor: Fiera Capital Corporation

FIERA CAPITAL

Morningstar sustainability rating

Aims to invest in a portfolio made up primarily of companies that operate in accordance with sustainable business practices while providing long-term capital growth. Fiera Capital Corporation integrates ESG criteria into its investment process. The Fund and ETF also aim to achieve net zero by 2050 at the latest. Fiera Capital Corporation assesses the practices of the companies in the portfolio based on 5 sustainability dimensions of the Sustainability Accounting Standards Board (SASB).

ESG data

Carbon intensity (scope 1 and 2, $tCO_2eq/US\$M$)		% of women on the board of directors		Water withdrawal intensity ($m^3/US\$M$)		Alignment with the top 3 SDGs		
Funds	Index	Funds	Index	Funds	Index	2 ZERO HUNGER	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
78 Coverage 100%	232 Coverage 99%	40% Coverage 100%	38% Coverage 100%	4,201 Coverage 81%	12,616 Coverage 95%	17%	23%	32%

Source: Sustainalytics

1 Data from Morningstar (updated monthly), Sustainalytics, and portfolio managers (updated annually) as of October 31, 2025.
2 NBI Sustainable Canadian Equity ETF Fund and ETF benchmark index: S&P/TSX Composite Index.
3 Percentage of coverage corresponding to the proportion of securities held by the funds for which data is available.

Data on the 5 SASB sustainability dimensions for portfolio companies:[1]

Social capital: Look for companies that can maintain good relationships with their customers and the broader community in general, perpetuating their good reputation and promoting their brand.

→ 30% Partnership Accreditation in Indigenous Relations (PAIR)

→ 96% Cybersecurity training

Human capital: Look for companies that treat their current and potential employees well, providing good working conditions with fair wages, that create job opportunities.

→ 3.6 Average score on Glassdoor

→ 93% Health and safety policy

Environment: Look for companies that can manage environmental factors effectively to create value over time.

→ 48% Near-term emissions targets based on science

→ 44% Water use policy

Leadership and governance: Invest in companies that have strong board governance, a sustainable management team and long-term vision that promotes sustained value creation.

→ 6.4 years Average tenure of the Chief Executive Officer

→ 52% Executive compensation linked to ESG criteria

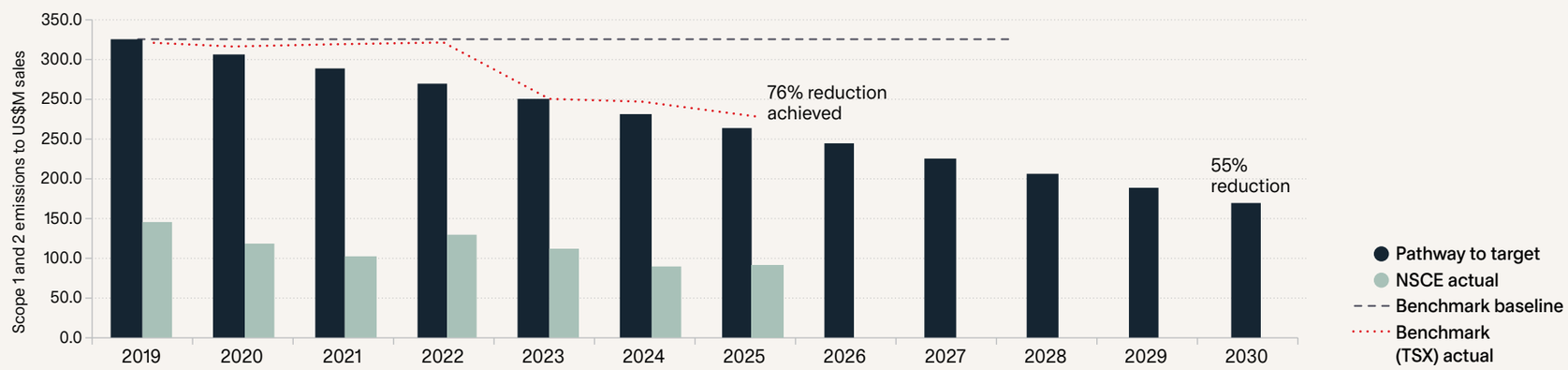
Business models and innovation: Invest in companies that have demonstrated a resilient business model through the years, and that will retain customers and increase their market share through innovation and adaptation to changes in the market.

→ 85% Provide SASB disclosure

→ 75% Provide TCFD disclosure

GHG emission reduction target for the portfolio

Portfolio companies' progress in their transition to net-zero is monitored and is an input to the strategy's investment and engagement processes.



Source: Fiera Capital Corporation, as at December 31, 2025.

1 For the definition of the SASB measures presented, refer to the appendix on ESG measures.

A few companies in the portfolio

CCL Industries: Advancing circularity solutions in packaging

Sector: Materials

CCL Industries, one of the world's largest label manufacturers, serves global consumer goods companies across multiple industries. As a key player in the value chain, CCL embeds sustainability into its strategy through science based climate targets and circularity commitments.

Why CCL stands out

CCL drives innovation to make packaging recyclable and reusable, dedicating R&D resources to sustainable solutions. Its approach combines operational excellence with global impact.

Key sustainability initiatives

— **Science based climate targets:** reduce Scope 1 and 2 emissions by 50% by 2030 (base year: 2022) and engage suppliers to extend impact across the value chain.

— **Circular economy objectives:** by 2025, labels will not impede recyclability, reusability or compostability; target to achieve 90% global waste diversion from landfill sites and zero waste in North America and Europe by 2030.

Source: Fiera Capital Corporation

Intact: Advancing climate resilience

Sector: Financial Services

Intact Financial is the largest property and casualty insurer in Canada, combining scale, data-driven pricing and disciplined underwriting. As a property and liability insurer, the company and its clients are fully aware of the effects of climate change and its impacts on communities in North America and around the world.

Why intact stands out

— **Intact Centre on Climate Adaptation:** A research centre at the University of Waterloo that helps homeowners, businesses and governments identify and reduce climate risks.

— **On side Restoration:** Acquired in 2019, offers disaster recovery services 24/7 across the country.

— **Forest fire defence systems:** Launched in 2024 to protect homes in Alberta and British Columbia with specialized teams (including former firefighters).

— **Acquisition of Jiffy:** Canadian home maintenance application, fostering climate-resilient communities.

Key sustainability initiatives

A target of 40% reduction in investment portfolio emissions by 2030 (baseline year: 2019), complemented by proactive climate adaptation initiatives.

Source: Fiera Capital Corporation

Canadian Bond Funds and ETFs[1, 2, 3]

Sub-advisor: AlphaFixe Capital

NBI Sustainable Canadian Bond Fund and ETF (NSCB)

Mainly holds green, social or sustainable bonds issued by Canadian governments and companies to finance projects or companies that have a positive environmental and/or social impact and/or contribute to sustainable development.

NBI Sustainable Canadian Corporate Bond ETF (NSCC)

Aims to offer stable current income and capital growth by investing primarily in low-carbon Canadian corporate bonds. The strategy takes into account climate risks and the contribution to the United Nations Sustainable Development Goals.

Morningstar sustainability rating

NBI Sustainable Canadian Short-Term Bond ETF (NSSB)

Aims to offer regular income while focusing on capital preservation by investing primarily in high-quality Canadian short-term bonds (five years or less). These securities finance projects or companies that have a positive environmental and/or social impact and/or contribute to sustainable development and/or are best-in-class in terms of ESG criteria.

Morningstar sustainability rating

1 Data provided by the portfolio sub-advisor, based on its methodology for tracking issuers in the portfolio as of October 31, 2025. Note on the AlphaFixe methodology: Energy and water savings and potentially avoided emissions are either disclosed directly by issuers or calculated internally according to the AlphaFixe proprietary methodology. In-house calculations, they follow an approach whereby each project/issuer is assessed against a baseline scenario (i.e., what would have occurred in the absence of the project/issuer). For example, the GHG emissions avoided by a wind farm are estimated by subtracting the project emissions from those that would have been generated to produce the same amount of electricity from the regional or national grid.

To ensure comparability between projects, data are expressed in terms of intensity (for example, per million dollars invested). This is done by dividing these environmental indicators by the total cost of the project or by the enterprise value including cash assets (EVIC). This standardized data is then aggregated at the portfolio level, providing an overview of the environmental benefits compared to the capital deployed.

2 Fund and NBI Sustainable Canadian Bond ETF benchmark index: FTSE Canada Universe Bond Index. Benchmark of the NBI Sustainable Canadian Corporate Bond ETF Index: FTSE Canada All Corporate Bond Index. NBI Sustainable Short-Term Bond ETF benchmark index: FTSE Canada Short-Term Overall Bond Index.

3 Percentage of coverage corresponding to the percentage of the market value in companies.

ESG data

Product	% of green bonds	% social bonds	% of sustainable bonds	Intensity carbon funds (scope 1+2) ($tCO_2eq/M\$$)	Index carbon intensity ($tCO_2eq/M\$$)	Emission intensity potentially avoided ($tCO_2eq/M\$$)	Intensity of energy savings (kWh/M$)	Intensity of water savings (litres/M$)	Alignment with the top 3 SDGs
NBI Sustainable Canadian Bond ETF (NSCB) NBI Sustainable Canadian Bond Fund	74%	6%	13%	Corporates: 4 Coverage: 100% Provinces: 239 Coverage: 100%	Corporates: 59 Coverage: 97% Provinces: 338 Coverage: 100%	165 Coverage: 80%	14,833 Coverage: 33%	316 Coverage: 14%	9 Industry, Innovation and Infrastructure: 62% 11 Sustainable Cities and Communities: 75% 13 Climate Action: 79%
NBI Sustainable Canadian Corporate Bond ETF (NSCC)	22%	2%	10%	Corporates: 4 Coverage: 100%	Corporates: 59 Coverage: 97%	47 Coverage: 23%	2,941 Coverage: 14%	107 Coverage: 0.5%	9 Industry, Innovation and Infrastructure: 18% 11 Sustainable Cities and Communities: 29% 13 Climate Action: 28%
Sustainable Canadian Short-Term Bond ETF (NSSB)	29%	0.4%	10%	Corporates: 5 Coverage: 100%	Corporates: 39 Coverage: 97%	89 Coverage: 34%	3,989 Coverage: 17%	0 Coverage: 0%	9 Industry, Innovation and Infrastructure: 18% 11 Sustainable Cities and Communities: 30% 13 Climate Action: 32%

Source: AlphaFixe Capital. Key environmental performance indicators are only available for green or sustainable bonds. However, the coverage percentage is expressed based on the portfolio as a whole, which also includes securities that are not impact bonds.

A few companies in the portfolio

The Government of Canada: $14B in green bonds

Sector: Federal government

The Government of Canada stands out on the bond market with its green bond program launched in 2022. Since then, it has issued more than $14B, making it one of the leading issuers of impact bonds (green, social or sustainable bonds) in the country. According to its most recent budget, the government plans to maintain an annual pace of issuance of around $4B in green bonds.

Canada applies best disclosure practices by following the principles of the International Capital Market Association (ICMA), with publicly available annual reports detailing the use of proceeds and the impact of financed projects.

Canada is also one of the few issuers to finance climate change adaptation projects through green or sustainable bonds, despite the importance of the needs and the essential nature of these projects.

Hydro One Inc.: Demonstrating leadership in Indigenous reconciliation

Sector: Energy

Hydro One is Ontario's principal electricity transmission and distribution provider, operating 94% of the province's transmission infrastructure and serving 27% of consumers. Its strategic role comes with a major responsibility for sustainability and relationships with Indigenous communities.

Why Hydro One stands out

— **Equity partnerships:** Hydro One offers Indigenous communities up to 50% ownership in transmission projects over $100 million, financing their share.

— **Inclusive sourcing:** In 2024, $160 million was invested in 96 Indigenous businesses, representing 5.5% of total purchases aligned with the 5% target by 2026.

— **Recognition:** Gold certification under the Partnership Accreditation in Indigenous Relations (PAIR) program, confirming the company's leadership in reconciliation.

Translink: Sustainable mobility at the heart of Vancouver

Sector: Municipal

Translink plans and manages the Vancouver area's public transit network, aiming for an efficient, sustainable and inclusive system for residents, businesses and freight carriers.

The organization stands out because its entire suite of activities contributes to managing a sustainable transportation system and building resilient infrastructure across the region.

As such, its bond issuances help support the fight against climate change and the city's sustainable management.

TransLink is also LEED-certified for its head office and incorporates environmental and social objectives into its supply chain. Its current strategy reinforces these commitments, while regular public consultations ensure a service offering tailored to community needs.

Source: AlphaFixe Capital

Global Equity Funds and ETFs[1, 2, 3]

NBI Sustainable Global Equity Fund and ETF (NSGE)

Sub-advisor: Alliance Bernstein

AllianceBernstein

Morningstar sustainability rating

Through an active and rigorous approach, this strategy aims to select companies whose products and services contribute directly to the United Nations Sustainable Development Goals (SDGs) while providing long-term capital growth. Three main themes guide this strategy: climate, health and empowerment, essential pillars for building a more sustainable and inclusive economy.

ESG data

Carbon intensity (scope 1 and 2, $tCO_2eq/US\$M$)		% of women on the board of directors		Water withdrawal intensity ($m^3/US\$M$)		
Funds	Index	Funds	Index	Funds	Index	Alignment with the top 3 SDGs
73 Coverage 99%	117 Coverage 99%	34% Coverage 100%	34% Coverage 100%	1,476 Coverage 92%	25,002 Coverage 95%	8 Decent work and economic growth: 15% 9 Industry, innovation and infrastructure: 31% 3 Good health and well-being: 14%

Source: Sustainalytics

1 Data from Morningstar (updated monthly), Sustainalytics, and portfolio managers (updated annually) as at October 31, 2025.
2 NBI Sustainable Global Equity ETF and Fund benchmark index: MSCI ACWI.
3 Percentage of coverage corresponding to the proportion of securities held by the funds for which data is available.

A few companies in the portfolio

Apollo Hospitals: Developing healthcare responsibly

Sector: Healthcare

Apollo Hospitals is a leader in accessible, technology-driven healthcare in India. The organization has a solid presence in the entire healthcare ecosystem, including hospitals, pharmacies, primary care and diagnostic clinics.

Why Apollo Hospitals stands out

In 2023–2024, Apollo took care of more than 7.2 million patients, the company plans to add 4,300 beds, beginning with 2,000 beds over the next two years, complementing its existing network of 9,500 beds (as of 2025).

Key sustainability initiatives

— **Community health:** As part of its global-health CSR program, Apollo partners with 195+ villages to provide holistic, life-stage care and to develop local health infrastructure.

— **Digital reach:** 14,000+ telehealth consultations per day to expand access in underserved regions.

— **AI-enabled care:** Advanced diagnostic systems reduce lab turnaround times by 60%, improve stroke-detection accuracy and enable predictive radiology workflows. Strategic partnerships with Microsoft and Google Cloud support AI tools for disease detection and automated clinical summaries.

Prysmian: Promoting sustainable connectivity

Sector: Energy infrastructure and telecommunications

Prysmian is a global leader in cable manufacturing for the energy and telecommunications sectors, contributing to electrification, renewable energy integration and digital connectivity worldwide.

Why Prysmian stands out

Its solid financial performance and operational discipline, combined with growing demand for transmission and distribution infrastructures, position the company as a strategic player in achieving clean energy and connectivity objectives.

Key sustainability initiatives

— **Transferring revenues to sustainable solutions:** Prysmian aims to have 55% of its revenues come from sustainable products by 2028, compared to 43% in 2024.

— **Materials with a low carbon footprint:** delivery of 58,000 km of cables made from bio-based materials from renewable sources, reducing the carbon footprint compared to conventional petroleum-based alternatives.

— **Impact on communities:** Between 2022 and 2024, Prysmian gave 78.4 million households access to green electricity and 17.1 million households access fast digital services, fostering digital inclusion.

— **Climate progress:** The company is aiming for ongoing reductions versus the 2019 targets.

Source: Alliance Bernstein

Global Equity Funds and ETFs[1, 2, 3]

NBI Global Climate Ambition Fund

Sub-advisor: Amundi Canada Inc. has delegated its functions to Amundi Ireland Limited

Amundi Investment Solutions

Morningstar sustainability rating

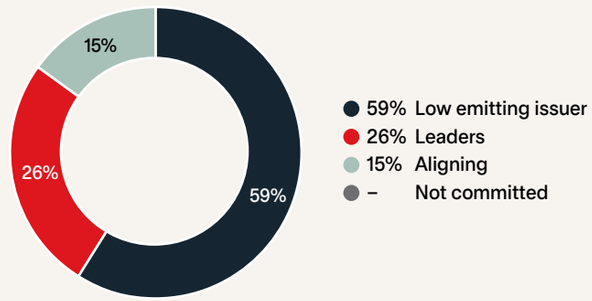
Favours companies with best practices in sustainable development that are committed to the energy transition, such as CO_2 emission reduction targets that are aligned with the long-term objectives of the Paris Agreement to limit global warming. The portfolio manager combines fundamental analysis and shareholder engagement to influence companies towards net zero objectives in line with the Paris Agreement. The portfolio also aims to harmonize carbon intensity with the MSCI World Climate Paris aligned Index and, as a result, seeks to achieve a carbon intensity reduction target of 10% year after year.

78% of the companies in the portfolio (in terms of market share) have either a science-based objective validated by the science-based targets initiative (SBTIs) or have committed to adopting one in the near future.

Source: Amundi

ESG data

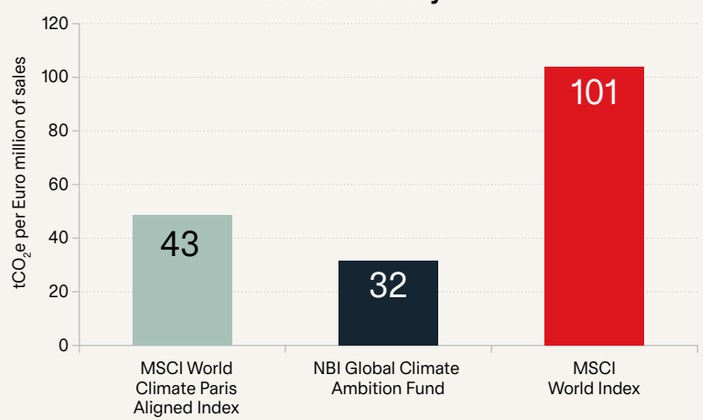
Distribution of issuers by type of activity



Distribution of issuers by type of activity. Low-emitting issuers: Issuers from low-emission sectors with a carbon intensity of less than 400 tCO_2/m. Not committed: Issuers that did not declare a credible transition plan. Aligning: Issuers showing a downward trend in their carbon intensity or with a credible transition plan. Leaders: Issuers offering low-carbon solutions or that have made net zero commitments.

Source: Amundi

Carbon intensity



Scope 1 and 2 carbon intensity of the NBI Global Climate Ambition Fund compared to the benchmark and the MSCI World Index as at October 31, 2025.

Source: Amundi

1 Data from Morningstar (updated monthly), Sustainalytics, and portfolio sub-advisors (updated annually) as at October 31, 2025. For the NBI Global Climate ambition Fund, carbon intensity is calculated using MSCI data in accordance with the benchmark and investment strategy.
2 NBI Sustainable Global Equity ETF and Fund benchmark index: MSCI ACWI Index. NBI Global Climate ambition Fund benchmark: MSCI World Climate ambition Paris aligned.
3 Percentage of coverage corresponding to the proportion of securities held by the funds for which data is available.

A few companies in the portfolio

Trane Technologies: Stimulating climate innovation

Sector: Heating, ventilation, Air conditioning (HVAC) and refrigeration

Trane Technologies is a global leader in climate solutions, integrating sustainability at the heart of its strategy to decarbonize buildings, homes and transportation. The company combines science-based objectives with concrete solutions that generate environmental and economic benefits.

Why Trane stands out

— Reducing GHG emissions by reducing demand for electricity and using low-warming potential refrigerants, reducing pressure on electricity grids.

— Smart controls and proactive maintenance to maximize efficiency and savings for homes and businesses.

— Gigatonnes Challenge: objective to reduce client emissions by one billion metric tonnes by 2030, ahead of regulatory deadlines.

Key sustainability initiatives

— Gigatonnes Challenge: 237 million metric tonnes of GHGs from clients reduced in 2024.

— GHG emissions in scopes 1 and 2: Absolute reduction in 2024 of 44% with an objective of 90% by 2050.

— Scope 3 GHG emissions (related to product use): Intensity reduced in 2024 by 17% with an objective of 55% by 2050.

Xylem: Technologies for a more water-secure worldu

Sector: Industrial

Xylem designs and manufactures equipment and services for the water and wastewater industries, covering the entire water cycle, from collection to return to the environment. The company stands out for its commitment to sustainability through innovative technological solutions that bring measurable environmental and social benefits.

Xylem stands out

— Producer of a process that reduces organic micropollutants by up to 90%, thereby protecting the drinking water of more than 1.3 million people.

— Digital monitoring tools and pumps that reduce energy consumption by up to 60%.

Key sustainability initiatives

— Absolute reduction in scope 1 and 2 GHG emissions by 42% by 2030.

— Scope 3 GHG emission intensity reduced (related to product use by clients) by 52% by 2030.

Source: Amundi

Global Bond Funds and ETFs[1, 2]

NBI Global Sustainable Bond Fund

Sub-advisor: Nuveen

nuveen

Morningstar sustainability rating

Aims to provide high current income and capital growth while investing primarily in bonds and other fixed-income securities issued by governments or corporations designed to raise funds for issuers that demonstrate management leadership environmental, social and governance issues that are able to address social or climate challenges.

ESG data

% of green bonds[3]	% social bonds	ESG leaders[3]	Fund carbon intensity (scope 1+2) ($tCO_2eq/M\$$)	Index carbon intensity ($tCO_2eq/M\$$)
25%	11%	64%	Corporates: 48 Coverage: 75% Provinces: 219 Coverage: 71%	Corporates: 65 Coverage: 64% Provinces: 222 Coverage: 74%

Source: Nuveen

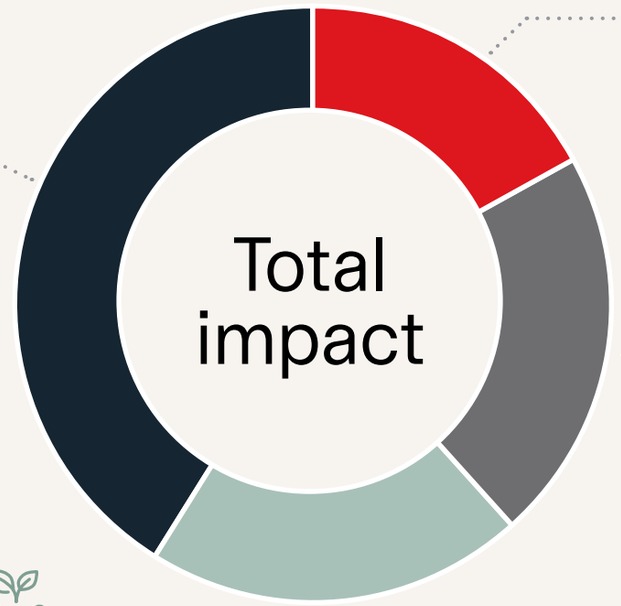
1 Data provided by the portfolio manager, based on its methodology for tracking issuers in the portfolio as at December 31, 2024.

2 NBI Global Sustainable Bond Fund Index: Bloomberg Global Aggregate Index (CAD hedged).

3 The method used by the portfolio sub-advisor to direct capital to ESG leaders is based on positive screening of issuers who demonstrate exemplary behaviour with regard to the main ESG factors compared to their peers. This process involves first determining all eligible securities based on ESG searches from one or more suppliers, such as MSCI and/or Sustainalytics, public data sources or internal ratings and ratings. The main ESG factors vary by sector and industry groups, as well as the key performance indicators for these ESG factors, are identified and evaluated for each issuer in order to target sustainable development leaders compared to their peers.

Outcomes supported by the Fund's impact investments (green and social bonds labelled) as at December 31, 2024.

Amount invested (in million $)



$9.4M

Environmental impact

- GHG emissions avoided: **11.4 million metric tonnes of CO_2**, equivalent to 2.7 million gas-powered passenger vehicles driven in one year[1]
- Renewable energy generated **8.9 million MWh**

$3.9M

Affordable housing

- Number of affordable mortgages secured or offered: **47,747**
- Access to housing, including travel, manpower and affordability: **30,610 units**

$4.9M

Community and economic development

- Full-time jobs created **224,370**
- People affected by community programs **271,592**

$4.7M

Natural resources

- **3,284 acres conserved land**, equivalent to 9 New York Central Park.[2]

Outcomes supported by the Fund's impact investments (labelled green and social bonds) as at December 31, 2024. Data provided by Nuveen. Impact data comes from information disclosed publicly by issuers, at the bond or project level when possible, or at the program or issuer level otherwise. The indicators presented cover those that are most commonly reported under each theme for the activities carried out in 2024. The impact data included in this report illustrate the annual results of the securities in which the Portfolio invested at the end of the year, not a split calculation of the portfolio's capital alone.

1 CO_2 and energy equivalents.
2 Central Park (NY) area: 340 acres.

A few companies in the portfolio

Nederlandse Waterschapsbank (NWB): Supporting affordable housing in the Netherlands

Sector: Bank

Nederlandse Waterschapsbank (NWB), headquartered in The Hague, offers low-cost financing to the Dutch public sector, including housing associations. A pioneer in social impact financing, NWB launched the first bond dedicated to affordable housing in 2017, which was later renamed SDG housing bonds to reflect its commitment to sustainability.

NWB stands out

— Inclusive impact: Partnerships with housing associations that serve vulnerable populations, particularly seniors and persons with disabilities.

— Integrated sustainability: Projects focus on energy efficiency and affordability, while simultaneously addressing housing and climate challenges.

Key sustainability initiatives

Funds from SDG housing bonds support the construction of 180,910 social rental housing units between 2025 and 2029, with the objectives of:

— Providing affordable housing;

— Providing housing for vulnerable groups;

— Implementing energy-saving measures;

— Improving the quality of life in neighbourhoods and strengthening partnerships.

International Finance Facility for Immunisation: An example of an impact investment in public health

Sector: Para-government

The International Finance Facility for Immunisation (IFFIm) is the financing arm of GAVI, an international organization dedicated to expanding equitable access to vaccines worldwide. IFFIm issues vaccination bonds[1] guaranteed by long-term, legally binding commitments from donor governments. These bonds benefit from solid credit ratings thanks to the quality of donors, a convincing public health mandate and prudent financial policies managed by the World Bank.

This innovative model “advances” capital by transforming 20- to 30-year commitments into immediate financing to accelerate large-scale vaccination campaigns. To date, IFFIm estimates that 142 million children have been immunized through this approach.

Impact highlights

— Cambodia: $135.5 million financed since 2021, contributing to an improvement in life expectancy.

— Malaria: 13 million children should be vaccinated in Africa by 2025; 50 million worldwide by 2030.

— Polio: $191 million invested to help develop and approve oral polio vaccines, contributing to a 95% drop in cases in Nigeria and India.

Source: Nuveen

1 Vaccine bonds/IFFIm.

Progress on our five priority themes

Our five priority themes guide our actions and decisions: they inform our portfolio manager selection process, our stewardship activities, our industry collaborations, our leadership, and the development of our sustainable investment solutions.

We know there is still much to do to advance sustainable finance. That's why we are committed to making progress every year. Here are the concrete initiatives we carried out this year to turn our ambitions into action.

THEME 1

Enabling strong governance

Strong governance standards can help mitigate significant financial and non-financial risks and better position companies to take advantage of evolving business opportunities. Assessing governance practices and frameworks, stewardship programs and voting rights policies for managers is therefore an integral part of the OP4+ process applied to portfolio managers of our funds.

57% of the portfolio managers for NBI solutions integrate ESG objectives into their teams' performance evaluations and compensation mechanisms.

33% The CEO-to-median-employee pay ratio of the publicly listed companies in which our funds invest is 33% lower than that of their benchmark.[1]

Adjustment of our proxy voting policy

Some NBI Funds are managed directly by our teams, and we benefit from the support of Institutional Shareholder Services (ISS) to research and carry out votes. Following an executive order in the United States, ISS removed equity, diversity and inclusion (EDI) considerations from its sustainability policy for voting recommendations for board directors in the United States. However, we have decided to amend our proxy voting policy in order to maintain the integration of EDI criteria in our votes. We believe that fostering strong diversity on boards is important for better decision making.

Voting results in 2025

Here are some voting results for NBI votes.

20,984 Total number of proposals evaluated

1,510 Number of board meetings

50% Support rate for shareholder proposals

- → **90%** related to GHG disclosure and reduction
- → **93%** related to human rights and workers' rights

88% Support rate for proposals submitted by management

92% Support rate for the election of board directors

87% Support rate for elements related to executive compensation

1 The CEO/employee compensation statistic is based on all NBI's exposure to publicly traded equities compared to a benchmark index representative of its typical geographic mix (35% Canadian market, 35% US market, 20% EAFE, 10% emerging markets) and is from Sustainalytics.

Example of voting application

- **Shareholder proposals related to disclosure and GHG reduction:** We supported 90% of these proposals, as this information is essential to assess companies' exposure to transition risks and the soundness of their decarbonization plans.
- **Shareholder proposals related to human and labour rights:** We supported 93% of these proposals, particularly those intended to include disclosures on human rights due diligence processes and impact reports on artificial intelligence risks.
- **Shareholder proposals concerning the election of directors:** We did not support certain directors for reasons such as: lack of independence on the board of directors, multiple CEO/President roles, overboarding mandates or lack of diversity on the board of directors.
- **Shareholder proposals related to executive compensation:** We oppose when compensation is deemed excessive in relation to the company's performance and results.

Our membership in the CCGG: A driver to advance good governance

In 2025, we joined the Canadian Coalition for Good Governance (CCGG), as expectations for boards of directors are increasing: Integration of ESG, diversity, culture and strategic resilience issues.

The CCGG influences regulators, publishes practical guides and engages with corporate boards of directors on key topics such as compensation, estate and transparency.

Enrolment gives us access to cutting-edge resources and regulatory oversight, reinforcing our internal policies and responsible investment commitments. It is also a strategic driver to promote transparency, sustainability and long-term value creation for businesses and regulators.

Strengthening the independence of the board of directors

J.P. Morgan Investment Management and Volvo

Sector: Manufacturing company

In 2025, JP Morgan engaged Volvo AB ahead of its Annual General Meeting to address concerns about board composition and refreshment, noting that three directors had served for over a decade. Extended tenure can affect independence and adaptability, key for effective oversight and long-term competitiveness. JP Morgan sought to understand Volvo's plans for board renewal, emphasize alignment with market standards, and advocate for balancing institutional knowledge with fresh perspectives.

Discussions highlighted the need for directors with global expertise. While Volvo acknowledged challenges in attracting top-tier candidates due to lower local pay norms compared to other European markets, JP Morgan suggested reviewing remuneration if it hinders recruitment.

Volvo reaffirmed its commitment to best practices and is reviewing board structure, competencies, and pay policies. Recognizing these efforts, JP Morgan voted in favour of all directors recognizing the value of their ongoing contribution while continuing to monitor progress on governance evolution.

Source: J.P. Morgan

THEME 2

Mitigating and adapting to climate change

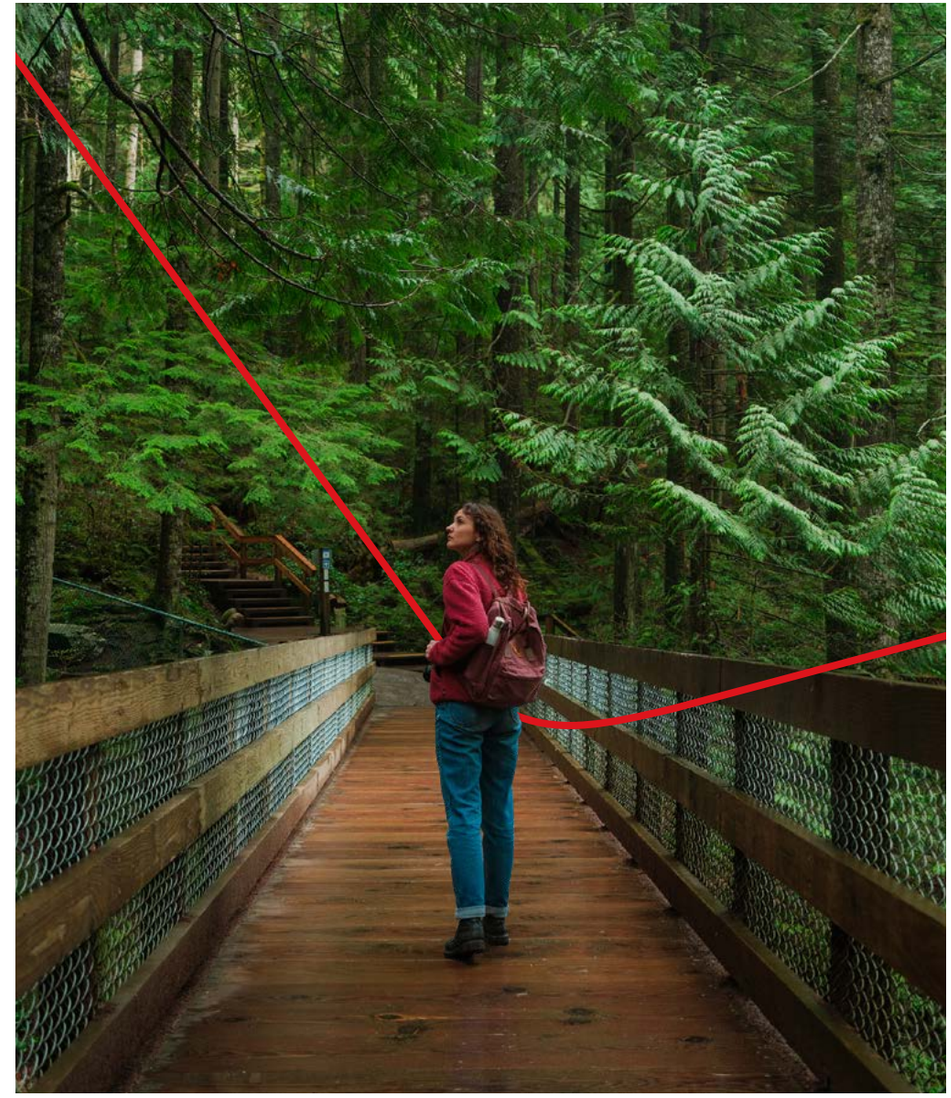
We recognize that climate change poses a threat to long-term economic prosperity, while creating risks and opportunities for our investment portfolios. Proactively managing climate risks, whether it involves the transition to a low-carbon economy or adapting to new climate realities, is essential to protect investors' interests and position our funds to seize tomorrow's opportunities.

81% of portfolio managers of NBI solutions publish a climate report based on a recognized standard (e.g., TCFD).

57% of portfolio managers of NBI solutions have made a public commitment to align themselves with the Paris Agreement.

In this context, we have published our first Climate Plan, which covers all publicly traded shares and corporate bonds held by NBI Funds and ETFs. Our Plan outlines how we want to work with our fund portfolio managers and service providers to initiate a dialogue with portfolio companies and issuers on climate transition issues. Our approach is to focus on the drivers we can control, such as engagement with issuers and political advocacy, in order to support climate risk management in our portfolio.

Less than a year after the rollout of NBI's climate plan, we are reporting on our efforts to date.

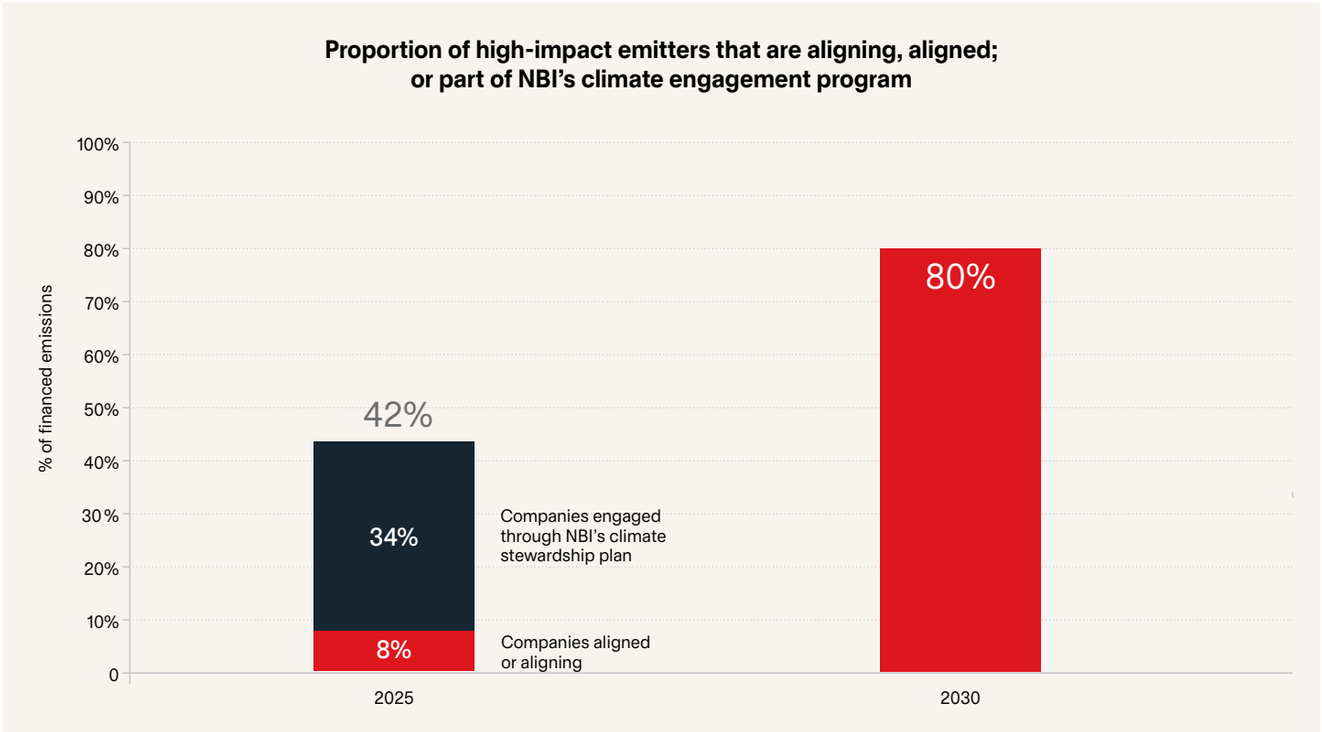


→ For more information on the metrics, targets and climate stewardship plan presented in this section, consult our Climate Plan, including Appendix 2 "Overview of key metrics" and Appendix 3 "Glossary of terms."

In 2025, NBI adopted a target whereby, by 2030, 80% of financed scope 1 and 2 emissions in high-impact sectors are expected to come from assets that are either aligned or aligning with net zero, or that are covered by engagement and stewardship activities. This target applies exclusively to listed equities and corporate bonds.

As of October 31, 2025, 42% of financed emissions from high impact issuers met the following criteria:

- **8%** related to companies that were aligned or in the process of aligning with net zero. Company alignment reflects an assessment of portfolio companies' progress in their transition towards net zero. The *Net Zero Investment Framework* (NZIF) includes an alignment maturity scale that categorizes portfolio companies accordingly.
- **34%** were associated with companies engaged through NBI's climate engagement plan, reflecting climate related dialogues conducted with more than 50 companies, through 11 NBI fund portfolio managers or service providers. Companies engaged to date span multiple sectors and countries, with a particular focus on Canadian issuers in higher impact sectors.



Based on the NZIF framework, as assessed by MSCI, and on NBI's climate stewardship plan, as at October 31, 2025

The financed emissions for all underlying listed equities and corporate bonds in NBI investment products are described below.

Emissions financed by NBI and estimated global warming alignment as at October 31, 2025.

tCO_2eq: Tonnes of carbon dioxide equivalent

	Listed equities			Corporate bonds			October 31, 2025		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Total (Scope 1 & 2)	Total (Scope 1, 2 & 3)	Data coverage
Value of exposure analyzed ($M CAD)	42,885,718,321			11,314,693,124.34			54,200,411,445		
Absolute emissions (tCO_2e)	713,892	191,026	9,325,189	298,440	55,945	2,219,637	1,259,302	12,804,128	96.7%
Emissions per C$M invested ($tCO_2e$/$M invested)	17	4	217	26	5	196	23	236	
Weighted average carbon intensity (tCO_2e/$M of sales)	58	22	449	108	16	428	90	534	96.5%
Emission weighted data quality score	2.2	2.3	2.5	2.6	2.7	2.8	2.4	2.4	96.5%
Implied temperature rise °C	2.8 °C			2.4 °C			2.7 °C		96.4%

Source: Greenhouse gas (GHG) emissions are reported or estimated by MSCI; implied temperature rise as per MSCI assessment.

Strengthening the disclosure of climate risks
Fiera Capital Corporation

Sector: Transportation

North American rail companies are exposed to increasing risks of extreme weather events, including forest fires, hurricanes and floods. These disruptions threaten operational reliability and pose financial challenges. A portfolio company disclosed its strategies to fight extreme cold and forest fires, but lacked transparency about flood risks, particularly in its Canadian network, despite recent service interruptions. Investment professionals need clear reports to assess resilience and risk management.

Aware of this gap, Fiera entered into a dialogue with the company to encourage disclosure of flood adaptation strategies. Discussions focused on producing proactive reports to demonstrate long-term preparation and stability, sharing best practices from industry peers and promoting annual updates.

The company presented its existing flood mitigation measures and committed to improving future disclosure. Fiera will continue to monitor progress and press for consistent and detailed updates on climate resilience.

Source: Fiera Capital Corporation

THEME 3

Protecting biodiversity and nature

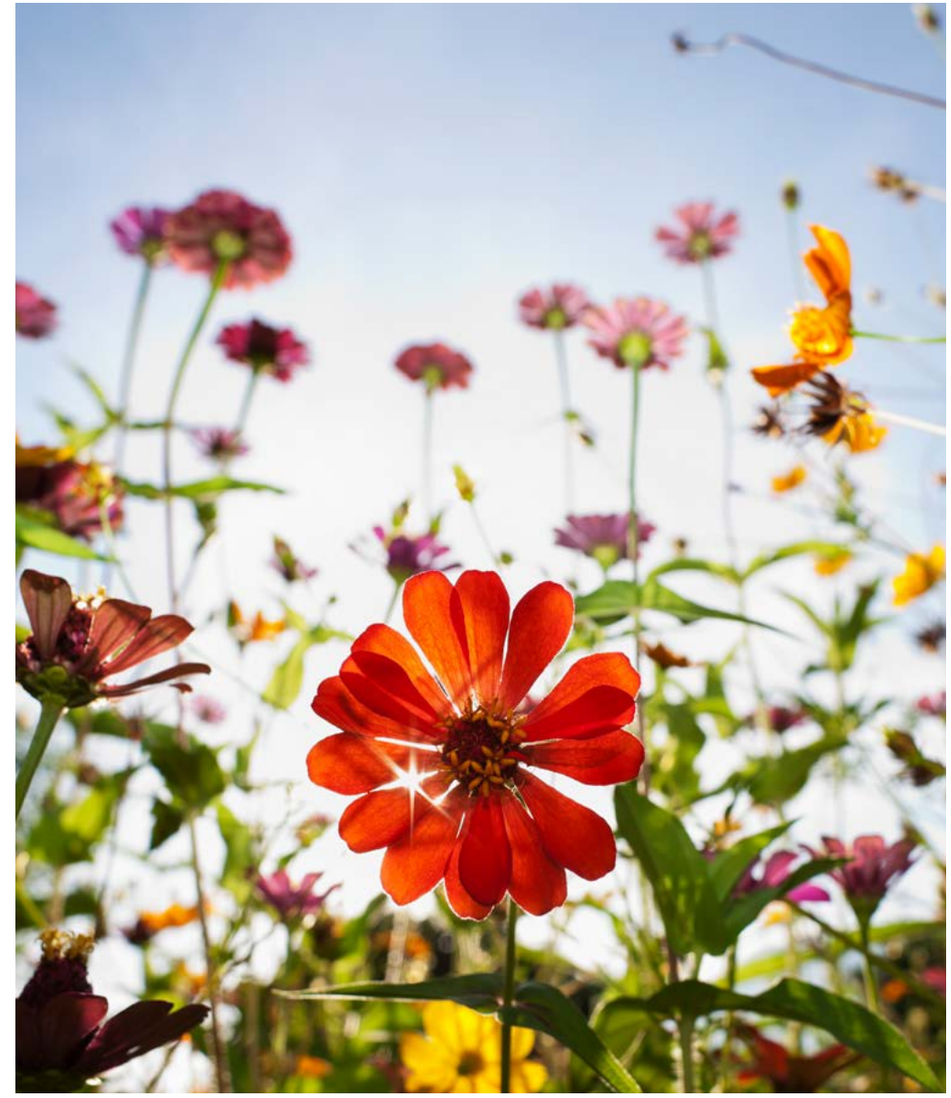
We are aware that the long-term survival of society, day-to-day quality of life and broader economic activities depend in part on the state of natural capital and biodiversity. The rapid deterioration of our natural environment represents a systemic risk that we strive to take into account in our investment processes.

38% of NBI solutions portfolio managers have published or plan to publish a report on nature-related risks (e.g., Taskforce on Nature-related Financial Disclosures (TNFD)) in the coming year.

39% The exposure of NBI solutions to companies whose activities contribute to land degradation, desolation or soil sealing is 39% lower than its benchmark.[1]

To address risks related to natural capital, we have updated our assessment grid for portfolio managers of NBI Funds to include taking into account risks related to biodiversity and nature.

Some portfolio managers are already making progress in this area. For example, our sub-advisor J.P. Morgan Investment Management Inc. has made natural capital and ecosystems one of its six responsible investment priorities.[2] In 2024, they initiated discussions with issuers on this topic. The topics addressed include managing risks related to plastics, in a context of increased regulation and reputational risks, as well as assessing risks related to water scarcity.



1 The statistics on exposure to companies whose activities have negative impacts on land/soil are based on the total exposure to publicly traded equities of NBI solutions compared to a benchmark index representative of its typical geographic distribution (35% Canadian market, 35% US market, 20% EAFE, 10% emerging Markets) and comes from the supplier Sustainalytics.

2 investment-stewardship-report.pdf.

Strengthening the integration of biodiversity into sustainable finance in Quebec

In 2025, we participated in an initiative to integrate biodiversity into financial practices and develop the sustainable finance roadmap in Quebec. Organized by Finance Montréal as part of the 2030 Nature Plan, the initiative brought together 38 organizations from the financial sector, research, NGOs and industry.

We focused on four areas: capacities, methodology and regulations, technological tools and financing of nature-based solutions.

These discussions helped us take stock of the integration of biodiversity in Quebec's financial sector and led to the publication of a report for the Ministry of Environment, Fight Against Climate Change, Wildlife and Parks, proposing concrete solutions.

We also held an internal session to raise awareness among our teams about the link between biodiversity and finance and explain how portfolio managers integrate biodiversity risks into their analyses.

Improve disclosure of risks and opportunities related to biodiversity[1]

Manulife Investment Management

Sector: Agribusiness

Manulife Investment Management (MIM) has been working with a leading global provider of crop inputs and integrated solutions in agriculture to manage environmental and social risks since 2021. In early 2025, the MIM team focused on biodiversity-related risks and opportunities, recognizing their growing importance in creating long-term value. The objective was to clarify the probability, timing and financial impact of these risks, and encourage the company to adopt a structured disclosure approach similar to the one applied to climate risks.

Though the firm has solid disclosure on biodiversity and uses the TNFD framework, the information is not clear about the probability of risks and their financial magnitude. MIM recommended that the company apply the same rigour as for climate risks in order to improve transparency and comparability for investors.

The company has not yet provided any additional information, as the dialogue started recently. MIM will continue to monitor and expect more detailed reports in 2026 as the implementation of the TNFD progresses.

Source: Manulife Investment Management.

1 This case study shown is illustrative purpose only and should not be considered an indication of the ESG integration, performance, or characteristics of any current or future Manulife Investment Management product or investment strategy. While Manulife Investment Management conducts outcome-based engagements to enhance long term-financial value for our clients, Manulife Investment Management recognizes that Manulife Investment Management's engagements may not necessarily result in outcomes which are significant or quantifiable. In addition, Manulife Investment Management acknowledges that any observed outcomes may be attributable to factors and influences independent of Manulife Investment Management's engagement activities. While Manulife Investment Management believes that sustainable investing will lead to better long-term investment outcomes, there is no guarantee that the consideration of sustainability factors will ensure better returns in the longer term.

THEME 4

Addressing human rights and inequalities

We consider human rights violations and inequalities as systemic risks that could compromise the financial performance of companies and overall economic stability. We are therefore integrating these issues into our responsible investment approach and stewardship activities, encouraging portfolio managers to include them in their analyses and assessing them based on their approaches.

With this in mind, we completed the integration of normative exclusions into most of our funds, excluding companies that violate the principles of the United Nations Global Compact, particularly in cases of human rights violations or forced labour. Available data may sometimes be inaccurate or subjective, but we actively monitor and maintain ongoing dialogue with our portfolio managers and suppliers regarding their assessment of breaches of the Global Compact Principles in portfolios.

As signatories of the Canadian Investor Statement on Diversity and Inclusion, we are strengthening our efforts to promote a fairer and more inclusive economy. Our assessments show that most portfolio managers are maintaining their commitments, but some are adapting their policies to replace equity, diversity and inclusion (EDI) terminologies but retaining the notion of "belonging."

90% of managers and portfolio managers of NBI solutions have a hiring policy and process that integrates EDI considerations.

19% The exposure of NBI solutions to listed companies that do not have a human rights policy is 19% lower than its benchmark.[1]

1 The statistics on exposure to companies that do not have a human rights policy are based on the total exposure to NBI listed equities compared to a benchmark index representative of its typical geographic mix (35% Canadian market, 35% U.S. market, 20% EAFE, 10% emerging Markets) and from Sustainalytics.

2 This data concerns NBI only and is based on a total of 134 employees, 8 directors on the Board of Directors, and 8 members of the NBI senior leadership team.

Equity, diversity and inclusion at NBI

Diversity and inclusion are priorities for our parent company, the Bank. We are aligning our actions to help achieve the Bank's targets. Here are some of our data on inclusion, diversity and equity:[2]

31.3% Proportion of women/men

50% Women on the Board of Directors

19.4% Visible minorities

37.5% Women on the senior leadership team

Protecting human rights in the supply chain

Dialogue between Æquo (for NBI) and Dollorama

Sector: Retail

Æquo, a company specializing in shareholder engagement, has been in dialogue with Dollarama since 2024 on behalf of NBI. Their meetings focus on human rights, as a significant portion of the company's products originate from countries where forced labour or child labour risks persist. The objective of the dialogue is to implement a due diligence process that complies with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

In 2025, significant progress was made:

— Creation of a dedicated responsible sourcing function.

— Mandatory training for the procurement team.

— Strengthening of the risk-assessment framework and enhanced disclosures.

— Inclusion of indirect suppliers in the social-audit program.

The upcoming dialogues will focus on demonstrating the implementation and effectiveness of the measures adopted, with transparent disclosure of results.

Source: Æquo

THEME 5

Committing to Indigenous reconciliation

We recognize the importance of reconciliation with Indigenous peoples and respecting their rights, in accordance with the truth and Reconciliation Commission of Canada's Call to Action 92. This approach involves the recognition of free, prior and informed consent and the active participation of Indigenous peoples in decision-making processes.

We encourage portfolio managers to integrate these principles into their analyses and stewardship activities, based on the United Nations Declaration on the Rights of Indigenous Peoples. Our goal is to promote a responsible investment approach that respects these rights and contributes to a more inclusive and equitable economy.

57% of NBI solutions portfolio managers have made a public commitment to respect Indigenous Peoples' rights.

50% of NBI solutions portfolio managers explicitly identified Indigenous Peoples' rights as relevant considerations in their pre-investment analysis.

In 2025, we released a reference guide for portfolio managers in our open architecture. This guide brings together key resources to make it easier to integrate Indigenous considerations into portfolio managers' investment processes.

To encourage its adoption and gather perspectives, we spoke with more than 15 partners. These discussions allowed us to identify needs, offer targeted training and inspire concrete adjustments by certain partners, such as reviewing an ESG analysis grid to include indicators related to Indigenous issues.

We were also invited to present our guide to the investor and Indigenous Peoples working Group (Canada). To deepen our understanding of the Canadian Indigenous ecosystem, we participated in conferences held by the National Aboriginal Trust Officers Association (NATOA) and the First Nations Finance Authority (FNFA).

Engaging on Indigenous rights and reconciliation

Jarislowsky Fraser

Sector: Energy

Since 2023, Jarislowsky Fraser (JF)[1] has engaged with a Canadian energy infrastructure company on Indigenous rights and reconciliation, meeting with leaders including the CFO, board chair and sustainability teams. This engagement began after past construction delays linked to challenges around Free, Prior and Informed Consent, which underscored material risks and the need for stronger governance.

JF's objectives included promoting Indigenous representation on the board, understanding how reconciliation practices evolved, and advocating for formal oversight of Indigenous rights within board mandates and committee charters.

Progress has been notable:

- In November 2024, the company appointed an Indigenous board member; in 2025, it enhanced disclosures with a new section on board oversight of Indigenous relations.
- The company is investing in long-term community relationships, supported by its Indigenous Advisory Council and local hiring initiatives.

While challenges remain, JF continues constructive engagement to drive accountability and equity partnerships with First Nations.

Source: Jarislowsky Fraser

1 Jarislowsky Mainland Global Investment Management (Jarislowsky) is a company name used by 1832 Asset Management L.P.

Conclusion

2025 was a year of action for our teams, despite a volatile market and a complex political context. We launched sustainable solutions, reinforced training for the Bank advisory forces and published our first Climate Plan, while deepening our partnerships and commitments to sustainable finance. Together, with our partners and clients, we aspire to build a finance that supports the transition to a more sustainable and inclusive economy.

To learn more about responsible investing at NBI:

- → Responsible Investment Policy
- → Proxy voting policies and statements
- → Climate Plan
- → Glossary on responsible investment

To learn more about NBC:

- → Corporate responsibility reports

nbinvestments.ca

Appendix

Definition of ESG measures

ESG metrics	Definition	Source
Partnership Accreditation in Indigenous Relations (PAIR)	Percentage of portfolio companies that have committed to obtaining or obtained the Partnership Accreditation in Indigenous Relations (PAIR) certification. Calculated internally.	PAIR companies
Average seniority of the Chief Executive Officer	Average mandate of the Chief Executive Officer the portfolio companies.	Bloomberg
Morningstar sustainability ratings	The Morningstar® sustainability rating measures how securities held in a fund's portfolio manage financially material environmental, social and governance (ESG) risks compared to the Fund's overall Morningstar peer group. When managing ESG risks, an issuer considers how material ESG issues (such as resource management and labour relations) could influence the economic value of a company. The rating is calculated using a combination of Sustainalytics ESG risk ratings for issuers, based on the relative weight of the corporate and sovereign portions of a portfolio. The rating is represented by 1 to 5 globe-shaped icons; a higher number of globes indicates that the portfolio presents a lower ESG risk. Consult this webpage (sustainalytics.com) for more information on the Morningstar sustainability rating methodology. **Peer group categories** — **NBI Sustainable Canadian Equity ETF:** Large cap Canadian equities (526 funds in the category). Based on 100% of the assets under management of eligible businesses as of November 30, 2025. Sustainability score and ESG risk rating as of November 28, 2025. — **NBI Sustainable Global Equity Fund/ETF:** Large cap global equities (1501 funds in the category). Based on 97.58% of the assets under management of eligible businesses as of November 30, 2025. Sustainability score and ESG risk rating as of November 28, 2025. — **NBI Global Climate ambition Fund:** Large cap global equities (1501 funds in the category). Based on 100% of the assets under management of eligible businesses as of November 30, 2025. Sustainability score and ESG risk rating as of November 30, 2025. — **NBI Sustainable Canadian Bond ETF (NSCB):** A Morningstar global rating is not available for this fund. — **NBI Sustainable Canadian Corporate Bond ETF (NCSC):** Canadian fixed income (72 funds in the category). Based on 99.18% of assets under management of eligible companies and 100% of sovereign assets under management) as of November 30, 2025. Sustainability score and ESG risk rating as of November 28, 2025. — **Sustainable Canadian short-term Bond ETF (NSSB):** Canadian fixed income (72 funds in the category). Based on 96.01% of the assets under management of eligible companies and 100% of the assets under management of Sovereign) as of November 30, 2025. Sustainability score and ESG risk rating as of November 28, 2025. — **NBI Global Sustainable Bond Fund:** Global fixed income (345 funds in the category). Based on 72.21% of the assets under management of eligible companies and 100% of the assets under management of Sovereign) as of November 30, 2025. Sustainability score and ESG risk rating as of November 30, 2025.	Morningstar (analysis of companies provided by Sustainalytics)

ESG metrics	Definition	Source
% of women on the board of directors	The percentage of women on boards of directors represents the weighted average by asset of the percentage of women directors on the boards of directors of companies held in the portfolio of a fund that are covered by our research (United Kingdom, United States and Canadian equities). The higher the percentage, the higher the representation of women on the boards of directors of the companies in a fund's portfolio on average.	Sustainalytics
Alignment with the top 3 SDGs	**Equities:** Companies in a fund that are aligned with one or more of the United Nations Sustainable Development Goals (SDGs) generate more than 25% of their revenues from the direct production of products or services that support the achievement of one or more SDGs. Each percentage presented in the table corresponds to the percentage of the Fund's securities that contribute to the corresponding SDG. An issuer can contribute to more than one SDG. The United Nations SDGs address global challenges, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. For more information on the SDGs, please consult this webpage. **Fixed income:** Assessing alignment with the United Nations SDGs involves mapping the positive contribution of underlying projects to the SDGs. The percentage of underlying securities in the Fund's portfolio that is assessed to measure the Fund's alignment with one or more SDGs is equal to the percentage of the Fund invested in green, social or sustainable bonds. Each percentage presented in the table corresponds to the percentage of the Fund's bonds that contribute to the corresponding SDG. A bond can contribute to more than one SDG. For example, a wind energy project can contribute to achieving SDGs 7, 9, 11 and 13.	Data provided by Fiera Capital Corporation for the NBI Sustainable Canadian Equity Fund/ETF and Alliance Bernstein Canada for the NBI Sustainable Global Equity Fund/ETF. Data provided by AlphaFixe Capital for the NBI Sustainable Canadian Bond ETF/Fund, the NBI Sustainable Canadian Corporate Bond ETF and the NBI Sustainable Canadian Short-Term Bond ETF. Please consult the Annual Report for more information on the responsible investment approach of AlphaFixe.
% of sustainable bonds	The percentage of a fund's portfolio made up of bonds labelled "sustainable" by an issuer, 100% of the proceeds of which are intended for a combination of environmental and social projects or, in the case of AlphaFixe, when an issuer or financed project generates revenues, at least 90% of which comes from activities with a positive environmental or social impact.	Data provided by AlphaFixe Capital and Nuveen. Please consult the Annual Report for more information on the responsible investment approach of AlphaFixe.
% of social bonds	The percentage of a fund portfolio made up of bonds labelled "social" by an issuer, 100% of the proceeds of which are intended for social projects or, in the case of AlphaFixe, when an issuer or financed project generates revenues, at least 90% of which comes from activities with a positive social impact.	
% of green bonds	The percentage of a fund portfolio made up of bonds labelled "green" by an issuer, 100% of the proceeds of which are intended for environmental projects or, in the case of AlphaFixe, when an issuer or financed project generates revenues, at least 90% of which comes from activities that have a positive environmental impact.	
Cybersecurity training	Percentage of holding companies that offer cybersecurity training to their employees. Calculated internally by Fiera Capital.	Company reports
Disclosure from SASB	Percentage of portfolio companies that provide information compliant with the Sustainability Accounting Standards Board (SASB). Calculated internally by Fiera Capital.	Company reports

ESG metrics	Definition	Source
Disclose the TCFD disclosure	Percentage of holding companies that provide information that complies with the recommendations of the TCFD or the International Sustainability Standards Board (ISSB) S2. Calculated internally by Fiera Capital.	Company reports and responses from the CDP (Carbon Disclosure Project)
Carbon intensity ($tCO_2eq/US\$M$)	Carbon intensity represents the average carbon efficiency of investments in a fund's portfolio. A company's carbon intensity represents the volume of carbon emissions per million (based on the currency) of revenues, calculated as follows: Total emissions of scopes 1 and 2 (metric tonnes of CO_2 equivalent) / revenues (in millions of units). A fund's carbon intensity is measured using the weighted average carbon intensity per asset of the scope 1 and 2 emissions (in U.S. dollars) of the Fund's underlying securities. The average includes only the Fund's securities for which the carbon intensity of scopes 1 and 2 is available. Scope 1 emissions are GHG that an organization emits directly from sources it owns or controls. Scope 2 emissions are indirect and originate from the purchase of electricity, steam, heat or cooling by the organization. A lower value indicates lower carbon intensity and better carbon efficiency. $\sum \left(\frac{\text{Current value of investment}_i}{\text{Current portfolio value}} \times \frac{\text{Issuer's emissions}_i}{\text{Issuer's \$M sales}_i} \right)$ **Fixed income:** Average weighted carbon intensity for corporations and provinces. Carbon intensity for companies is calculated by dividing GHG emissions from scopes 1 and 2 in tonnes of CO_2 equivalents by the company's total value in millions of dollars (VE$). Provincial carbon intensity is calculated by dividing GHG emissions in tonnes of CO_2 equivalents by the province's GDP in millions of dollars (CAD). Carbon intensity is calculated for all issuers that publicly disclose this information or for which AlphaFixe has sufficient information to calculate it. A lower value indicates lower carbon intensity and better carbon efficiency.	Sustainalytics, MSCI or the portfolio sub-advisor
Water saving	Water savings that are potentially avoided are either disclosed directly by issuers or calculated internally according to the proprietary AlphaFixe methodology. When calculations are carried out internally, AlphaFixe follows an approach whereby each project/issuer is evaluated against a baseline scenario (i.e., what would have occurred in the absence of the project/issuer). To ensure comparability between projects, data are expressed in terms of intensity (for example, per million dollars invested). This is done by dividing these environmental indicators by the total cost of the project or by the enterprise value including cash assets (CISA). This standardized data is then aggregated at the portfolio level, providing an overview of the environmental benefits compared to the capital deployed.	AlphaFixe Capital
Energy savings avoided	Energy savings avoided are either disclosed directly by issuers or calculated internally using the proprietary AlphaFixe methodology. When calculations are done internally, we follow an approach whereby each project/issuer is evaluated against a baseline scenario (i.e., what would have occurred in the absence of the project/issuer). To ensure comparability between projects, data are expressed in terms of intensity (for example, per million dollars invested). This is done by dividing these environmental indicators by the total cost of the project or by the enterprise value including cash assets (CISA). This standardized data is then aggregated at the portfolio level, providing an overview of the environmental benefits compared to the capital deployed.	AlphaFixe Capital
Water withdrawal intensity ($m^3/US\$M$)	Water withdrawal differs from water consumption or use, and is defined as the total volume (in cubic metres) of water withdrawn or diverted from various water sources, such as groundwater, lakes, municipal supplies, etc. (including seawater). In terms of securities, the water withdrawal intensity represents the volume of water withdrawal per unit of revenue (million USD). At the fund level, water withdrawal intensity measures the weighted average of the water withdrawal intensity of a fund's securities. A lower value indicates a lower water withdrawal intensity and better water efficiency.	Sustainalytics

ESG metrics	Definition	Source
Potentially avoided emission savings	Potential avoided emission savings are either disclosed directly by issuers or calculated internally according to the proprietary AlphaFixe methodology. When calculations are done internally, we follow an approach whereby each project/issuer is evaluated against a baseline scenario (i.e., what would have occurred in the absence of the project/issuer). For example, the GHG emissions avoided by a wind farm are estimated by subtracting the project emissions from those that would have been generated to produce the same amount of electricity from the regional or national grid. To ensure comparability between projects, data are expressed in terms of intensity (for example, per million dollars invested). This is done by dividing these environmental indicators by the total cost of the project or by the enterprise value including cash assets (CISA). This standardized data is then aggregated at the portfolio level, providing an overview of the environmental benefits compared to the capital deployed.	AlphaFixe Capital
Financed emissions	The total amount of GHG emissions attributed to the NBI investment portfolio. Calculations in this document are for listed shares and corporate bonds. Expressed in tonnes of carbon dioxide equivalent or emissions per million Canadian dollars invested (tCO_2eq/CDN$M invested). $\text{Financed emissions}_{\text{position}} \left[\frac{tCO_2e}{yr}\right] = \text{Attribution factor}_{\text{position}} [\%] \times \text{Company emissions} \left[\frac{tCO_2e}{yr}\right]$ Where the attribution factor is calculated as: $\text{Attribution factor}_c = \frac{\text{Outstanding amount}_c}{\text{Enterprise value including cash}_c}$ (With c = borrower or investee company)	MSCI
Average score on Glassdoor	Glassdoor average rating of portfolio companies. Calculated internally by Fiera Capital.	Glassdoor
Near-term science-based emissions targets	Companies that have committed or plan to commit to achieving short-term science-based emissions targets validated by the science-based targets initiative (SBTI) or an initiative of the GFANZ Financial Alliance for Net Zero (GFANZ). If targets are removed after the 2-year validation period, Fiera Capital checks with companies to see if they are still in the validation process. Calculated internally by Fiera Capital.	The SBTI website, company reports and communications with businesses.

ESG metrics	Definition	Source
Health and Safety Policy	Percentage of portfolio companies that have a health and safety policy.	Bloomberg
Water Use Policy	Percentage of holding companies that have a water use policy.	Bloomberg
Compensation of executives based on ESG criteria	Percentage of portfolio companies that link ESG factors to executive compensation.	Bloomberg

Important notice and caution about forward-looking statements

Certain statements contained herein are forward-looking statements. These statements are made in accordance with applicable Canadian and U.S. securities legislation. Forward-looking statements in this document may include, but are not limited to, statements in messages from members of our management, as well as other statements regarding the objectives, outlook and priorities for fiscal 2026 of National Bank investments Inc. (NBI) and the following exercises, the regulatory framework within which it operates, its strategy, targets and commitments in terms of environmental, social and governance, as well as the strategies or actions to be implemented to achieve them, this includes responsible investment practices and NBI's climate plan. NBI may also make forward-looking statements in various other regulatory documents and 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 help investors of NBI solutions understand NBI's vision, strategy and objectives for responsible investing on the dates indicated and may not be suitable for other purposes. Any commitments, objectives, goals and targets discussed in this report are aspirational. There is a strong possibility that NBI's forecasts, projections, expectations or conclusions expressed or implied may not prove accurate, its assumptions may not be confirmed and its vision, strategic objectives and performance targets may not be achieved. NBI cautions investors that these forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from these statements due to a number of factors. NBI therefore recommends that readers 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. Investors and others should carefully consider the factors set out below, as well as other uncertainties and potential events, as well as the risks they entail. Unless required by law, NBI does not intend to update any forward-looking statements, verbal or written, that it may make or may from time to time be made 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: General economic conditions and commercial and financial conditions in Canada, including recession risk; measures affecting commercial relations between Canada and its partners, including the imposition of tariffs and the measures taken in response, as well as the possible impacts on our customers, our operations, and more generally, on the economy; fluctuations in exchange rates and interest rates; inflation; disruptions in the global supply chain; rising financing costs and rising market volatility; changes in fiscal, monetary and other public policies regulatory oversight and regulatory changes affecting NBI's activities, 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; geopolitical and socio-political uncertainty; 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 NBI's ability to satisfy stakeholder expectations on environmental and social issues; decarbonization efforts across economies; the availability of complete and accurate data from third parties, including greenhouse gas emissions and decarbonization scenarios; NBI's ability to develop indicators to effectively monitor our progress; NBI's ability to identify climate-related opportunities and assess and manage climate-related risks; significant changes in consumer behaviour; NBI's ability to achieve its main short-term priorities and long-term strategies; NBI's ability to develop and launch new products and services in a timely manner; the development and deployment of new technologies and sustainable products; third-party risks, including failure of third parties to comply with their obligations; the potential impact of disruptions to NBI's information technology systems; the potential impact of major events on the economy, market conditions or the outlook of NBI, including international conflicts, natural disasters, public health crises and the measures taken in response to such events; and NBI's ability to anticipate and successfully manage risks arising from all of the above factors.

The foregoing list of risk factors is not exhaustive and the forward-looking statements contained herein are also subject to the risks described in the prospectuses of the NBI Funds and ETFs.

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

Because of the limitations and uncertainties inherent in sustainability- and climate-related risk analysis and reporting, certain statements made in this report use a significant number and level of assumptions and estimates, in addition to being made over long time frames.

In establishing its sustainability-related goals and objectives, NBI has relied upon various market practices, methodologies, standards, and climate scenarios available and made assumptions believed by the Bank to be reasonable as at the date thereof. Many of the assumptions, data, metrics, measurements, methodologies, scenarios and standards, as well as the terminology used by NBI 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. Our climate ambition and risk analyses will also continue to evolve. 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 report 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, NBI 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 NBI's goals and objectives and its ability to meet them, at all or in the expected time frames.

The information contained in this report is unaudited. This report may provide references to third-party documents and contain addresses of, or hyperlinks to, websites that are not owned or controlled by NBI. Each such third-party reference, address or hyperlink is provided solely for the reader's convenience, and the content of these third-party documents or websites is not included or incorporated by reference into this report. NBI takes no responsibility for such websites or their content, or for any loss or damage that may arise from their use. In addition, although third-party information contained in or otherwise used to provide information in this report is believed by NBI to be reasonable and reliable at the time of issuance, NBI cannot guarantee the accuracy or completeness of such information, as the Bank has not independently verified any third-party data or assessed the assumptions underlying such data. We reserve the right to modify them without advance notice.

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NBI Funds (the “Funds”) are offered by National Bank Investments Inc., an indirect wholly owned subsidiary of National Bank of Canada, and sold by authorized dealers. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or Fund Facts document(s) of the Funds before investing. The indicated rates of return are based on the historical annual compounded total returns including changes in securities value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. The Funds’ securities are not insured by the Canada Deposit Insurance Corporation or by any other government deposit insurer. The Funds are not guaranteed, their values change frequently and past performance may not be repeated. ETF Series units of the Funds are bought and sold at market price on a stock exchange and brokerage commissions will reduce returns. ETF Series of the Funds do not seek to return any predetermined amount at maturity.

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