

Bank Purpose Governance

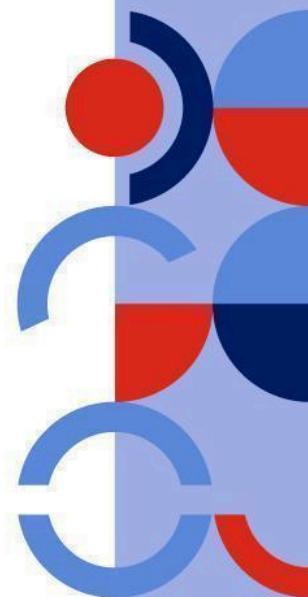
Introduction

This is a report on the purpose governance practices of the five major Canadian banks, based on published board materials as of January 31, 2026.

Highlights

- All the banks have at least one good purpose governance practice
- Scotiabank has only best practices, but not a full suite of best practices
- Four governance committees have a purpose governance role, not RBC
- There is an over-emphasis on purpose alignment rather than execution, delivery, implementation or acting on the purpose.
 - Three banks focus on *purpose alignment* whereas Scotiabank emphasises *purpose execution, purpose implementation and purpose behaviour (acts)*; RBC's good governance definition refers to the bank "*delivering on its purpose*", though this is not expressed in the board mandate, and is instead reflected indirectly through the Governance Committee's focus on purpose alignment.
- List of referenced good practices:
 - **Purpose Approval:** The Board is responsible for approving the purpose
 - **Purpose Tone at the Top:** The Chair has responsibility to encourage a shared understanding of purpose
 - **Purpose Execution:** The Board and Governance Committee monitor purpose execution, implementation and performance
 - **Purpose Strategy:** The Governance Committee ensures purpose is reflected in strategy
 - **Purpose Lens:** The Board considers the purpose when overseeing development of the strategy and priorities and ensures strategic decisions are purpose-aligned
 - **Purpose Policies:** The Governance Committee makes recommendations on purpose policy
 - **Purpose Disclosures:** The Governance Committee reviews disclosure on purpose alignment

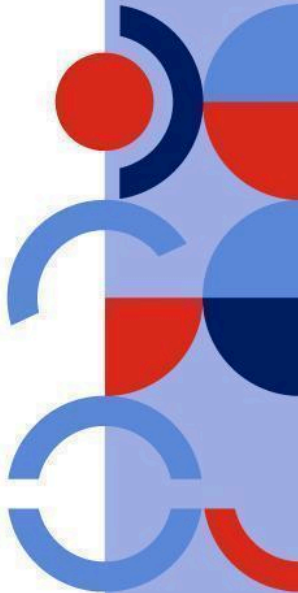
The following summarizes bank purpose governance mandates as reflected in published board materials as of January 31, 2026. Blue highlights flag good practices.



Bank of Montreal (BMO)

- The Board monitors purpose performance
- The Chair has responsibility to encourage a shared understanding of the Bank’s purpose
- No other board or committee roles reference purpose
- Investor materials reference purpose

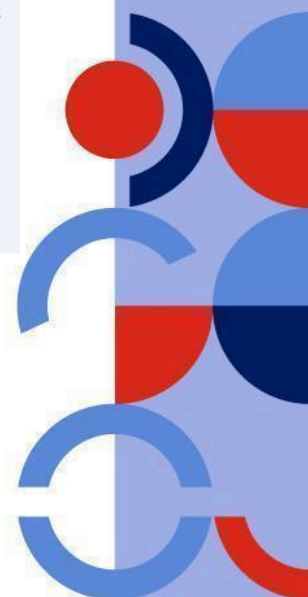
Governance source	Reference document	Date	What the document says about purpose
Investor-facing materials	Investor Presentation	December 2025	Purpose is mentioned early on; commitment to sustainability is summarized (no metrics)
Board mandate	Board of Directors Mandate	August 27, 2024	Culture, Purpose and Integrity: Approving and monitoring compliance with BMO’s Code of Conduct and monitoring the Bank’s performance against its Purpose
Governance committee mandate	Governance and Nominating Committee Charter	May 2025	No reference to purpose in the mandate
Director position description	Director Position Description	August 27, 2024	Only references understanding the Bank’s <i>vision</i>
Board chair position description	Chair of the Board Position Description	August 27, 2024	Encouraging an atmosphere of openness and trust and maintaining a cohesive group with a shared understanding of the Bank’s Purpose without losing diversity of opinion and objectivity



Scotiabank

- The Board oversees the Bank's purpose and reviews reports on how it executes and acts in accordance with its purpose
- The Corporate Governance Committee makes policy recommendations in support of the purpose and supports the Board in purpose oversight and implementation of the purpose within the bank's strategies and priorities

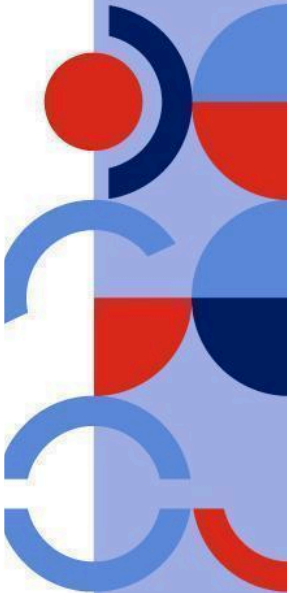
Governance source	Reference document	Date	What the document says about purpose
Corporate governance framework	Corporate Governance Guidelines	November 2025	Oversee the Bank's Purpose: The Bank's purpose guides all that it does and considers its many stakeholders, including employees, clients, communities and shareholders. The Board oversees the Bank's purpose and reviews reports on how the Bank executes, and acts in accordance with, its purpose. The Corporate Governance Committee supports the Board in its oversight of the Bank's purpose and the implementation of the Bank's purpose within the Bank's strategies and priorities.
Board mandate	Board of Directors Mandate	November 2025	To oversee the Bank's purpose and review reports on how the Bank executes, and acts in accordance with, its purpose
Governance committee mandate	Corporate Governance Committee of the Board of Directors Charter	November 2025	<p>Mandate: To act in an advisory capacity to the Board of Directors to enhance the Bank's corporate governance through a continuing assessment of the Bank's approach to corporate governance and making policy recommendations in support of the Bank's purpose, culture (Scotiabond) and strategy</p> <p>Duties: Support the Board in its oversight of the Bank's purpose and reviewing disclosure on, execution of, and alignment with its purpose</p>



Royal Bank of Canada (RBC)

- Its good governance approach includes a board role in guiding the bank to deliver on its purpose
- The Board mandate says it is the board’s role to establish the purpose (but not to oversee it)
- The Governance Committee, however, has a role to oversee the bank’s purpose alignment
- Removed two other purpose references from 2024
- Investor materials reference purpose

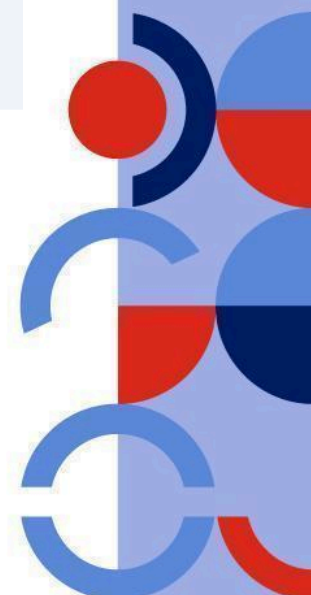
Governance source	Reference document	Date	What the document says about purpose
Investor-facing materials	Investor Day Presentation	March 2025	Purpose is mentioned once
Corporate governance framework	Corporate Governance Framework	March 2025	Under Our Approach to Governance: We believe that good governance is more than overseeing RBC and its practices – it requires transparency, accountability and integrity. It means having an independent board that actively engages with stakeholders, understands the business and its risks, constructively challenges management, navigates the complexities of a changing world and upholds robust standards and principles to guide RBC in delivering on its Purpose of helping clients thrive and communities prosper, while enhancing value for its shareholders. Under Role of the Board: The specific responsibilities of the board are described in the RBC annual report and management proxy circular and include the following matters: establishing the bank’s purpose, vision and values.
Board mandate	Charter of the Board of Directors	May 2021	Establishing the Bank’s purpose, vision and values, and approving the Code of Conduct.
Governance committee mandate	Governance Committee Mandate	January 30, 2025	Purpose and Sustainability Matters: The Committee will oversee the Bank’s alignment with its purpose and review programs designed to promote community investment and advise the Board on sustainability matters
Additional note			RBC removed references to its Purpose Framework previously in the ESG (now sustainability) section; director nominees are required to have experience in ESG matters to support achieving the Bank’s purpose



Toronto-Dominion Bank (TD)

- The Board's strategic planning role includes assessing whether strategic decisions are purpose-aligned
- The Governance Committee's role includes overseeing the bank's purpose alignment, ensuring that the bank's purpose is reflected in its strategy, and monitoring the bank's purpose alignment
- Investor materials do not mention purpose

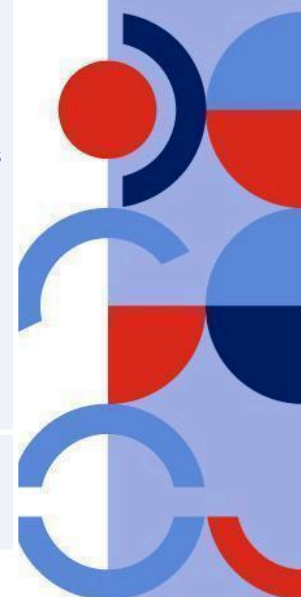
Governance source	Reference document	Date	What the document says about purpose
Investor-facing materials	Q4 2025 Investor Presentation	Q4 2025	No mention of purpose
Board mandate	Board of Directors Charter	December 2025	Strategic planning: Assess the Bank's major opportunities and the risk impact of such strategic decisions being contemplated, including considering whether they are aligned with the Bank's purpose and within the Enterprise Risk Appetite Statement established for the Bank
Director position description	Position Description for Directors	December 2025	No mention of purpose
Governance committee mandate	Corporate Governance Committee Charter	December 2025	<p>Main Responsibilities: Overseeing the Bank's alignment with its purpose and its strategy, performance and reporting on corporate responsibility for sustainability matters</p> <p>Purpose and Sustainability Matters: Satisfy itself that the Bank's purpose is appropriately reflected in its strategy and monitor the Bank's alignment with its purpose</p>



Canadian Imperial Bank of Commerce (CIBC)

- The Board has a mandate to ensure it considers the bank's purpose when overseeing development of the bank's strategic plan and priorities
- The Governance Committee has a mandate to oversee the bank's alignment with its purpose and to review reports and disclosure on the bank's purpose alignment
- Investor materials state that the bank is guided by its purpose

Governance source	Reference document	Date	What the document says about purpose
Investor-facing materials	Investor Fact Sheet	Q4 2025	Who We Are: CIBC is a leading and well-diversified North American financial institution committed to creating enduring value for all our stakeholders – our clients, team, communities and shareholders. We are guided by our purpose – to help make your ambition a reality, and we are activating our resources to create positive change and contribute to a more equitable, inclusive and sustainable future.
Board mandate	Board of Directors Mandate	June 5, 2025	Responsibilities: Strategic Planning: The Board oversees the development of CIBC's strategic plan and priorities. In carrying out this responsibility, the Board will consider CIBC's purpose, Environmental, Social, and Governance (ESG) strategy, risk appetite, risk profile, capital and liquidity levels, emerging trends, and the regulatory and competitive environment.
Governance committee mandate	Corporate Governance Committee Mandate	June 2025	Key responsibilities are to oversee (i) CIBC's corporate governance framework; (ii) CIBC Board and committee composition; (iii) evaluation of CIBC's Board, committees and director effectiveness; (iv) director orientation and continuing education; (v) CIBC's alignment with its purpose, strategy on Environmental, Social and Governance (ESG) matters and related disclosures Purpose: The Committee will review reports and disclosure on CIBC's alignment to its purpose and related initiatives.
Chair position description	Chair of the Board of Directors Mandate	June 5, 2025	No mention of purpose



Acknowledgement

Prepared by Coro Strandberg, Co-founder and Chair, Canadian Purpose Economy Project

About the Canadian Purpose Economy Project

The Canadian Purpose Economy Project exists to accelerate the transition to the purpose economy. It engages national ecosystem actors to create an enabling environment for social purpose businesses to start, transition, thrive and grow. We are grateful to Coast Capital, our Founding Purpose Champion, for its support. The Canadian Purpose Economy Project is a project of the Canadian Business for Social Responsibility Education Foundation.

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