



SUSTAINABLE BONDS REPORT

2023

Scotiabank[®]

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ABOUT SCOTIABANK

Scotiabank is a leading bank in the Americas. Guided by our purpose — for every future™ — we help our customers, their families and their communities achieve success through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets. With a team of over 90,000 employees and assets of over \$1.3 trillion (as at April 30, 2023), Scotiabank trades on the Toronto Stock Exchange (TSX: BNS) and New York Stock Exchange (NYSE: BNS). For more information, please visit www.scotiabank.com and follow us on Twitter [@Scotiabank](https://twitter.com/Scotiabank).

Scotiabank is headquartered in Toronto, Canada. "We," "our" and "the Bank" refer to The Bank of Nova Scotia, operating as Scotiabank.



Introduction

Driven by our purpose — for every future™ — Scotiabank (the “Bank”) plays a role in advancing the transition to a low-carbon and socially-conscious economy for current and future generations. In alignment with the objectives of the United Nations Sustainable Development Goals (SDGs), we are working to mobilize capital and financial services to address global challenges and accelerate social and environmental progress.

Scotiabank’s approach to ESG matters focuses on four pillars — Environmental Action, Economic Resilience, Inclusive Society and Leadership & Governance. We work to increase our positive impact on the world by developing, implementing, and investing in initiatives that align to these pillars. Sustainable Bonds assist in this approach by utilizing debt capital markets to help provide solutions that advance the wellbeing of the planet and our customers in line with internationally recognized Green and Social Bond Principles.¹ The 2023 Sustainable Bonds Report provides investors with an overview of the use of proceeds and estimated impact for all of Scotiabank’s outstanding Sustainable term funding as at March 31, 2023. Learn more at [Sustainable Bonds | Scotiabank Canada](#).

Beyond our sustainable bond issuances, we have mobilized CAD\$96 billion (as of October 31, 2022) in climate-related lending, finance and advisory services, investments, and capital and operational expenditures towards our goal of CAD\$350 billion by 2030. We are committed to achieving net-zero operational and financed emissions by 2050 and we continue to make investments in our direct operations and communities to support a transition to this goal. In addition, initiatives like our Scotiabank Women Initiative® support expanding economic and professional opportunities for women and non-binary people. Learn more at [Responsibility & Impact | Scotiabank Canada](#)

KPMG, our independent auditor, has provided limited assurance on the information denoted by the symbol  in the Report. Please see page 10 for KPMG’s Limited Assurance Report.

Issuance Summary (as at March 31, 2023)

Issuances	ISIN	Issue Date	Maturity Date	Allocation of Proceeds
Sustainability Bond USD\$1 billion	US0641596E11	August 3, 2021	July 31, 2024	     
	US06417X5234		Dec 27, 2024	
Structured Notes USD\$92 million	US06417X5150	December 2021 – March 2022	Dec 30, 2024	 
	US06417X4161		Jan 26, 2024	
	US06417X2348		Mar 14, 2024	

2019	After releasing its Green Bond Framework, Scotiabank issued its inaugural USD\$500 million 3.5-year Green Bond, which matured in January 2023.
2020	Scotiabank published its inaugural Green Bonds Report.
2021	Scotiabank expanded from a Green Bond Framework to a broader Sustainable Bond Framework , and issued its inaugural USD\$1 billion Sustainability Bond, the largest such transaction by a Canadian financial or corporate entity in that year.
2022	Scotiabank issued USD\$92 million in Structured Notes allocated to green buildings and renewable energy.
2023	The Bank has total sustainable issuance outstanding of USD\$1.1 billion.

¹ The ICMA Green Bond Principles 2021 and the ICMA Sustainability Bond Guidelines 2021.

Summary of Sustainable Bond Framework

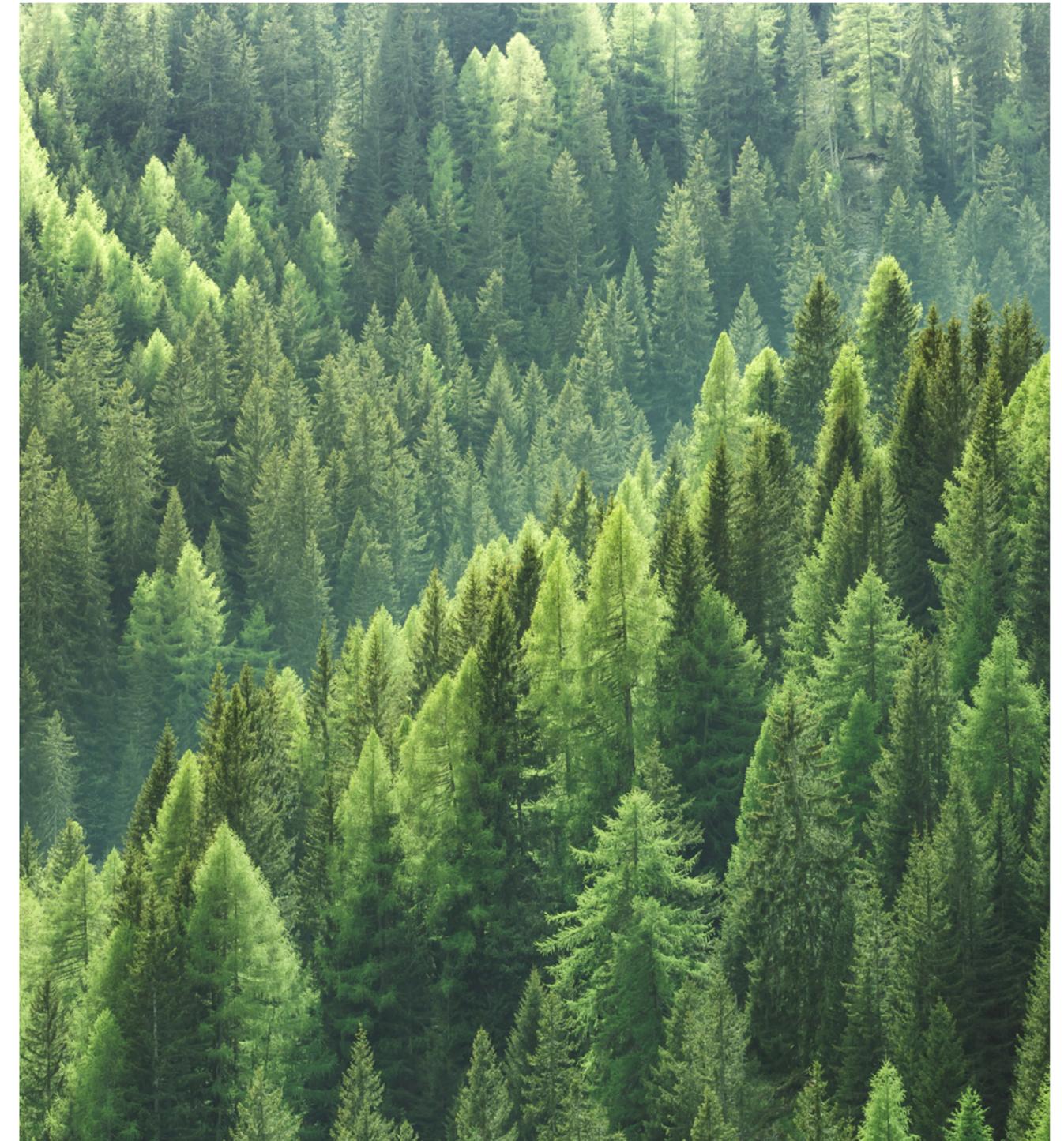
The Sustainable Bond Framework enables Scotiabank to utilize debt capital markets to provide solutions that are in line with internationally recognized Green and Social Bond Principles. The Sustainable Bond Framework aligns with the International Capital Market Association’s (“ICMA”) Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021. The Framework includes four core components:

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

The Scotiabank Sustainable Bond issuances (collectively referred to as "Sustainable Bonds") adhere to any of the following 2021 guidelines and/or principles:

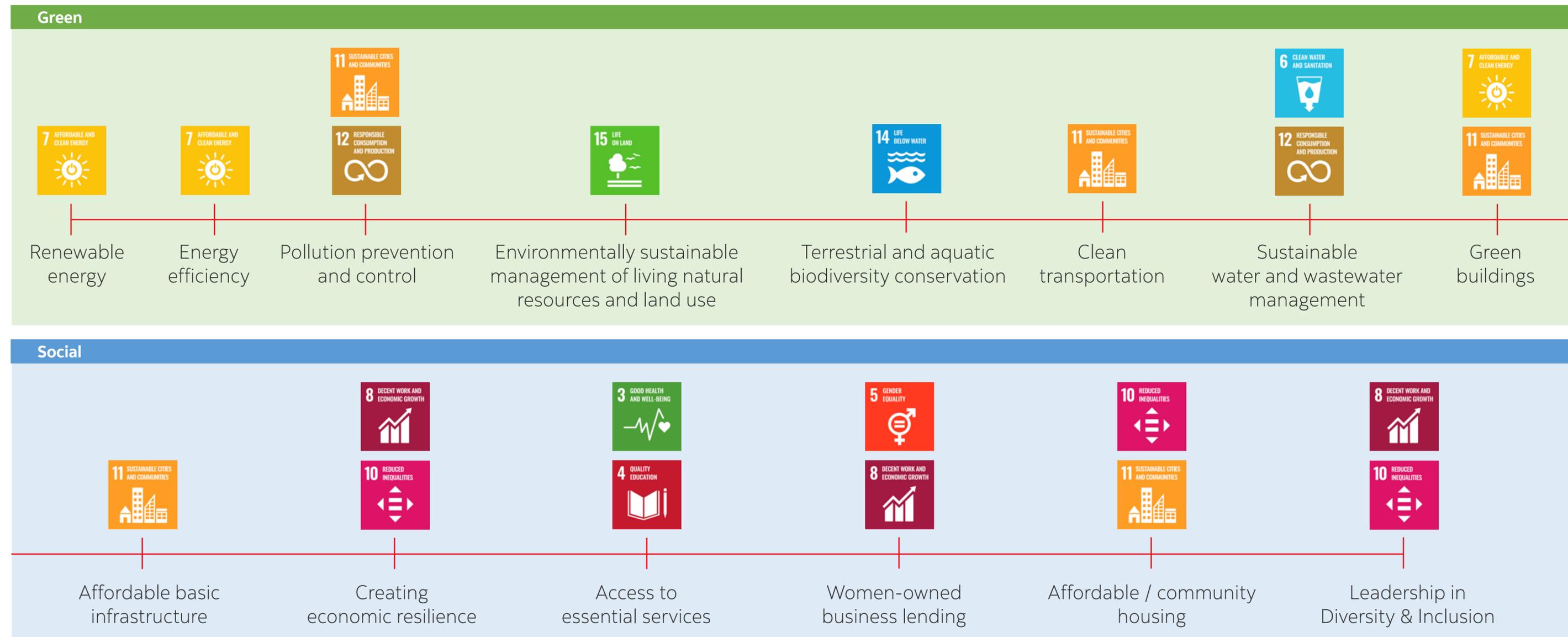


Sustainalytics is an independent provider of sustainability research, analysis and services to investors and other financial institutions globally. The firm has provided an assessment and **Second-Party Opinion** on Scotiabank’s Sustainable Bond Framework and its alignment with the International Capital Market Association’s Green and Social Bond Principles and Sustainability Guidelines.



Eligible Categories and Alignment with UN SDGs

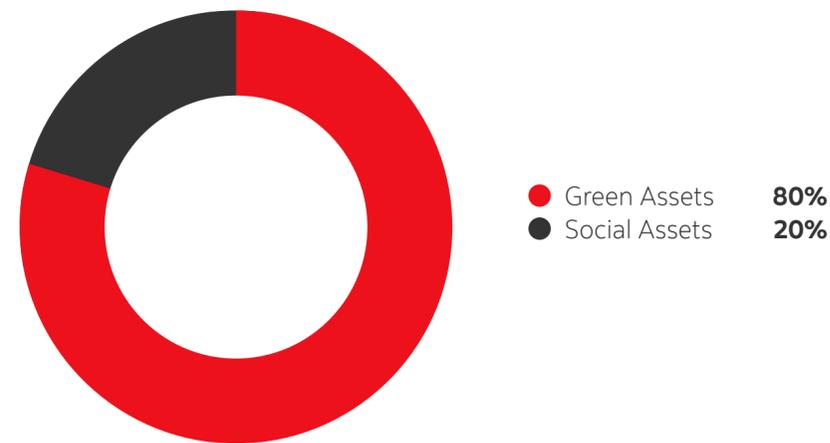
Scotiabank’s Sustainable Bond Framework Eligibility Criteria by category are described in detail on pages 6 – 12 of the [Sustainable Bond Framework](#). The following SDGs are eligible within the Bank's framework:



Allocation of Proceeds and Impact

The net proceeds from the Sustainable Bonds were allocated to refinance eligible green and social assets, businesses, or projects that meet Scotiabank's **Sustainable Bond Framework** Eligibility Criteria.² All bonds remain fully allocated as at March 31, 2023.³

TOTAL ALLOCATION OF PROCEEDS



The allocation for eligible assets is also presented by category, including how each category aligns with the SDGs and the estimated impact.

TOTAL IMPACT OF PROCEEDS

- 406,116 tonnes of CO₂e emissions avoided (annual)
- 8,671 eMWh of energy saved annually
 - Equivalent to powering 345 Canadian households⁴
- 565,453 MWh of renewable energy produced
 - Equivalent to powering 25,025 U.S. households⁵

² A business is considered eligible for financing using proceeds of a Scotiabank Sustainable Bond if the investment derives 90% or more of its revenues from activities in the eligible categories detailed in the framework.

³ As per Scotiabank's Sustainable Bond Framework, pending the Bank's allocation or reallocation, as the case may be, of the net proceeds, Scotiabank will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalents and/or other liquid marketable instruments, consistent with the Bank's liquidity management activities. Allocation percentages reflect March 31, 2023 percentages.

⁴ Emission reduction and energy savings values may not be comparable with previously published values due to potential changes and/or updates to methodology used for impact calculation. Annual household energy consumption calculated on an annual average of 25.1 MWh per Canadian household (2019 data).

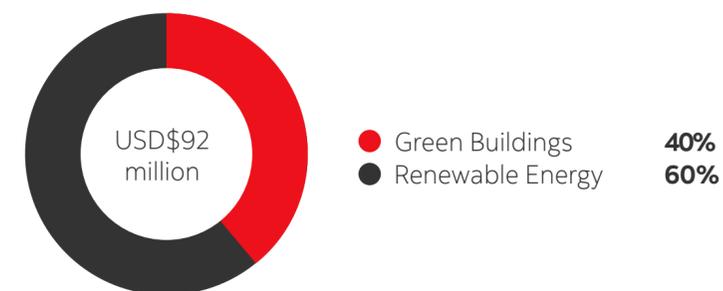
⁵ Annual household energy consumption calculated for US households using an annual average of 22.6 MWh per the U.S. Energy Information Administration (2015 data).

ALLOCATION OF PROCEEDS BY CATEGORY FOR EACH BOND (%)

SUSTAINABILITY BOND



STRUCTURED NOTES



Impact of Proceeds

Please refer to page 9 for Impact Methodology.

Environmental						Social		
		Green Buildings		Renewable Energy		Creating Economic Resilience	Access to Essential Services	Women-Owned Businesses
	Annual GHG emissions avoided (tonnes CO ₂ e)	Green real estate space ⁶ (sq ft)	Annual energy saved (eMWh)	Annual renewable energy produced (MWh)	Renewable capacity constructed or rehabilitated (MW)	Employment and Indigenous communities supported	Patients served	Loans provided
Sustainability Bond	345,892	3,196,050	8,162	455,335	783	1,113 jobs supported; 22 rural and remote Indigenous communities	211,133 patient visits; 16,208 surgeries, procedures and non-surgical interventions	14 loans; \$76 million deployed
Structured Notes	60,224	139,918	509	110,118	360			
TOTAL IMPACT⁷	406,116 tonnes CO₂e	3,335,968 square feet	8,671 eMWh of energy saved	565,453 MWh of renewable energy produced	1,143 MW of renewable energy capacity	1,113 jobs supported; 22 Indigenous communities	211,133 patient visits; 16,208 interventions	14 loans; \$76 million deployed

⁶Certifiable LEED® Gold or Platinum of green real estate space, when completed and operational.

⁷Numbers may not add due to rounding.

Example Projects

Scotiabank’s bond proceeds are allocated⁸ to a portfolio of projects and companies aligned to the Eligible Categories as outlined on page 5. The following are examples of eligible assets included:

AXIUM



Scotiabank acted as Joint Lead Arranger and Joint Bookrunner for the refinancing of an operating wind energy generation portfolio that is partially owned by a fund managed by Axiom Infrastructure Inc. ('Axiom'). The portfolio is comprised of 14 facilities, spanning 7 states in the United States, with a capacity of approximately 800 megawatts (net). Axiom is an independent investment firm focused on investments in core infrastructure assets, including within the power generation, transmission, and utilities subsectors, and has acquired interest in over 17 gigawatts of in-construction and operating power generation assets over the past decade.

HCMWORKS



Connected through The Scotiabank Women’s Initiative[®], Scotiabank serves as the senior lender to HCM Works Inc., a professional services firm whose core competencies include external labour talent and tail spend optimization. HCMWorks is led by Managing Director and majority owner Allison McCrea and President Lisa (Howarth) Bunn.

HCMWorks has been a woman-owned and operated business for 15 years and is highly dedicated to helping clients meet their DE&I goals. HCMWorks builds its network with diverse organizations by actively seeking and partnering with teams that meet diversity certification categorization as well as providing diversity-forward best practices and solutions.

HCMWorks’ continued growth is a testament to the results delivered to clients. This includes a material reduction in external labour costs, increased compliance, visibility, and quality inside an organization’s extended workforce management, services programs and talent supply networks.

BROOKFIELD RENEWABLE



Scotiabank acted as Joint Lead Arranger and Joint Bookrunner for the acquisition financing of a portfolio of solar distributed generation facilities owned by Luminace, the North American distributed energy solutions platform of Brookfield Renewable. The portfolio is comprised of 376 operating distributed generation solar sites across the United States, with total operating capacity of approximately 254 megawatts. Brookfield Renewable is a leading owner, operator and developer of renewable power and delivery of innovative power and decarbonization solutions. It has a total renewable power assets platform of 21 gigawatts that helps customers in the educational, commercial, industrial, utility and municipal sectors access clean energy and avoid 29 metric tonnes of greenhouse gas emissions, roughly equivalent to removing 6 million passenger cars from the road.

⁸ Allocations as at March 31, 2023 and do not reflect any subsequent changes to loan balances.

Notes on Impact Methodology

Environmental		Social
<p>Green Buildings</p> <ul style="list-style-type: none"> GHG emissions avoided is calculated in tonnes of carbon dioxide equivalents (tonnes of CO₂e). The annual GHG emissions avoided were estimated by applying regionally specific carbon intensity factors to the estimated energy savings. The term “CO₂e” or ‘Carbon dioxide equivalent’ is used to describe greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO₂e signifies the amount of CO₂ which would have the equivalent global warming impact. Emission factors were obtained from Environment and Climate Change Canada’s National Inventory Report (1990-2020) published in 2022 for Canadian assets, and the EPA’s Emission Factor Hub data (April 2022) for U.S. locations. Electricity carbon intensity values for emissions eGRID⁹ regions were used for U.S. green buildings, while state level values were used for renewable energy assets. Energy saved is calculated in equivalent-Megawatt hours (eMWh), and accounts for energy from both natural gas and electricity. When reporting on total energy savings, the term “equivalent” is used to describe different energy sources in one unit, consisting of electricity and natural gas. Impact measurement metrics for green buildings were calculated using data provided by the borrowers in 2022 on the expected energy use of green building projects once completed or by proxy equivalent where building asset data was not available for assessment. The annual energy savings were estimated by comparing the expected average energy to a baseline building. In the LEED® rating system, a baseline building is required to be used as a reference point to evaluate the expected energy efficiency of a LEED® applicant design building. A LEED® baseline building is designed to hold location, geometry and occupancy factors constant but has a minimally compliant envelope, HVAC and lighting design compared to a building designed to achieve LEED certification. To provide additional context, the annual energy saved is also presented in comparison to the energy consumed by an average Canadian household, as reported by Statistics Canada for the year 2019. To calculate the impact associated with the Sustainability Bond and Structured Notes proceeds directed to green buildings, Scotiabank’s loan share of each project was applied, as well as the portion of the loan share to which proceeds were allocated. 	<p>Renewable Energy</p> <ul style="list-style-type: none"> Project information (e.g., installed capacity) is based on public information reported by the borrower. For both wind and solar power plant assets, relevant state average wind and solar capacity factors were used and applied to the expected installed capacity. To provide context, energy production was compared to average U.S. household consumption, as reported by the U.S. Energy Information Administration (EIA) for the year 2015. The avoided emissions were calculated by applying the non-baseload factor for the electricity grid in which the wind energy project is located. Use of non-baseload factors provides a better estimate of the emissions reductions associated with reduced electricity use, reflecting the fact that when the load decreases, non-baseload or “peak load” power output is reduced first. The impact of this category has been apportioned to Scotiabank’s loan share of the project, as well as the portion of the loan share to which proceeds were allocated. 	<p>Loans Related To Women-Owned Businesses, Creating Economic Resilience And Access To Essential Services Categories</p> <ul style="list-style-type: none"> Impact metrics are based on public information available and/or reported by the borrower. The impact of these categories has not been apportioned to Scotiabank’s loan share. The portion of the loan share to which proceeds were allocated has been applied in the Allocation of Proceeds.

⁹The Emissions & Generation Resource Integrated Database (eGRID) is a comprehensive source of data from EPA’s Clean Air Markets Division on the environmental characteristics of almost all electric power generated in the United States.

Assurance

KPMG INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT



To Management of The Bank of Nova Scotia

We have undertaken a limited assurance engagement on selected indicators of The Bank of Nova Scotia (“Scotiabank”), denoted by the symbol in the accompanying 2023 Sustainable Bonds Report (the “Report”) and as described below (“Subject Matter Information”), as at March 31, 2023.

Subject Matter Information	Issuances	Applicable Criteria	Page Number
Allocation of proceeds, including balance of unallocated proceeds	Scotiabank’s Sustainable Bond (due on July 31, 2024)	Scotiabank’s Sustainable Bonds Framework (2021) ¹	page 6
	Market-Linked Step Up Notes Linked to the STOXX® Global Select Dividend 100 Index (due December 30, 2024)		
Aggregate amount of funds allocated to each of the Eligible Asset categories as a percentage of total proceeds	The Leveraged Index Return Notes® Linked to a Global Equity Index Basket (due December 27, 2024)		
	Capped Leverage Index Return Notes Linked to the S&P 500 Index (due January 26, 2024)		
	Capped Notes with Absolute Return Buffer Linked to the S&P 500® Index (due March 14, 2024)		

Other than as described in the preceding paragraph, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Management’s Responsibilities

Management is responsible for the preparation and presentation of the Subject Matter Information in accordance with Scotiabank’s Sustainable Bond Framework (2021) (the “applicable criteria”).

There are no mandatory requirements for the preparation or presentation of the Subject Matter Information. As such, Scotiabank has applied the applicable criteria. Management is responsible for the development of such criteria. Management is responsible for determining the appropriateness of the use of the applicable criteria.

Management is also responsible for determining Scotiabank’s objectives in respect of sustainability performance and reporting, including the identification of stakeholders and material issues. Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Practitioners’ Responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information based on procedures performed and evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3000, Attestation Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan

¹Scotiabank Sustainable Bond Framework

and perform our engagement to obtain limited assurance about whether based on the procedures performed and evidence obtained, any matter(s) has come to our attention to cause us to believe that the Subject Matter Information is materially misstated.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, it is not a guarantee that a limited assurance engagement conducted in accordance with this standard will always detect a matter that causes the practitioner to believe that the subject matter information is materially misstated.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the Subject Matter Information.

Our engagement included: assessing the appropriateness of the Subject Matter Information, the suitability of the criteria used by Scotiabank in preparing the Subject Matter Information in the circumstances of the engagement and evaluating the appropriateness of the: methods, policies and procedures used in the preparation of Subject Matter Information.

Our engagement included, amongst others, the following procedures: making inquiries, primarily of persons responsible for the preparation of performance information for the Subject Matter Information, and applying analytical and other evidence gathering procedures, as appropriate.

The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matter, including environmental, social and governance aspects.

Practitioners’ Independence and Quality Management

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

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

Significant Inherent Limitations

Historical non-financial information, such as that contained in the Report, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time, and it is important to read Scotiabank’s reporting methodology available online.¹

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that Scotiabank’s Subject Matter Information as at March 31, 2023, is not prepared and presented, in all material respects, in accordance with the applicable criteria.

Specific Purpose of Subject Matter Information and Applicable Criteria

The Subject Matter Information has been prepared in accordance with the applicable criteria and as a result may not be suitable for another purpose.

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

August 3, 2023

Disclaimer

This Sustainable Bonds Report is provided for informational purposes only and is subject to change without notice.

The Bank of Nova Scotia (the “Bank”) does not assume any responsibility or obligation to update or revise any statements in this document, regardless of whether those statements are affected by the results of new information, future events or otherwise. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained herein. No liability whatsoever is or will be accepted by the Bank for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this document.

Nothing in this document shall constitute, or form part of, an offer to sell or solicitation of an offer to buy or subscribe for any security or other instrument of the Bank or any of its affiliates, or as an invitation, recommendation or inducement to enter into any investment activity, and no part of this document shall form the basis of or be relied upon in connection with any contract, commitment, or investment decision whatsoever. Offers to sell, sales, solicitation of offers to buy or purchases of securities issued by the Bank or any affiliate thereof may only be made or entered into pursuant to appropriate offering materials prepared and distributed in accordance with the laws, regulations, rules and market practices of the jurisdictions in which such offers, solicitations or sales may be made. Professional advice should be sought prior to any decision to invest in securities.

This material is not intended for distribution to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to law or regulation. This Sustainable Bonds Report may contain forward-looking statements within the meaning of certain securities laws, and all such statements are made pursuant to the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation.

Forward-looking statements may include, but are not limited to, statements made in this document, the Management's Discussion and Analysis in the Bank's 2022 Annual Report under the headings "Outlook" and in other statements, regarding the Bank's objectives, strategies to achieve those objectives, the regulatory environment in which the Bank operates, anticipated financial results, and the outlook for the Bank's businesses and for the Canadian, U.S. and global economies. In particular, this document includes forward-looking statements about our ESG objectives, vision, strategic goals and targets. Such statements are typically identified by words or phrases such as “believe,” “expect,” “foresee,” “forecast,” “anticipate,” “intend,” “estimate,” “plan,” “goal,” “target,” “project,” “commit,” “objective,” and similar expressions of future or conditional verbs, such as “will,” “may,” “should,” “would,” “might,” “can,” and “could” and positive and negative variations thereof.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the Bank's predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that the Bank's assumptions may not be correct, and that the Bank's performance and objectives, vision, strategic goals and targets will not be achieved. Readers are cautioned not to place undue reliance on these statements as a number of risk factors, many of which are beyond the Bank's control and effects of which can be difficult to predict, including difficulty identifying assets that meet the eligibility criteria, and the risk that eligible projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Bank, could cause our actual results to differ materially from the expectations, targets, estimates or intentions expressed in such forward-looking statements. The continuing development and evolution of the legal and regulatory environment relating to ESG issues, and GHG and climate-related issues in particular, may result in updates or revisions to these statements in the future. Other factors that may require changes to these statements, or impact actual results, include changes in methodologies, standards, scenarios or frameworks, the availability and quality of data, compliance by third parties with our policies and procedures, our ability to implement initiatives on our expected timeline, assumptions regarding the use of carbon and renewable energy credits or other transition mechanisms and technological, economic, scientific, legal or policy developments.

These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results, for more information, please see the "Risk Management" section of the Bank's 2022 Annual Report, as may be updated by quarterly reports. Readers should consider the above noted factors when reviewing these sections. When relying on the forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors. Except as required by law, the Bank does not undertake to update any forward-looking statement in this document, other uncertainties and potential events.

Additional information relating to the Bank, including the Bank's Annual Information Form and 2022 Annual Report, can be located on the SEDAR website at www.sedar.com and on the EDGAR section of the SEC's website at <http://www.sec.gov>.

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