



SCOTIABANK CLIMATE-RELATED FINANCE FRAMEWORK

October 2023

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1 Introduction

Scotiabank (the “**Bank**” or “**we**”) ¹ is committed to taking actions that support our business, our communities, the economy, and the health of our planet. To help address climate change, we believe financial institutions have an important role to play in allocating financial products and services to help our clients decarbonize. This includes incentivizing innovation intended to help mitigate the impact of, and supporting adaptation to a world increasingly affected by climate change. The financial products and services we offer in support of these objectives, outlined in this Climate-Related Finance Framework (the “**Framework**”), also contribute to Scotiabank’s goal of becoming net zero by 2050 and its 2030 interim financed emissions reduction targets. The concept of “climate-related” was chosen in order to include, in addition to climate change, broader environmental categories such as biodiversity, sustainable agriculture and circular economy, which are connected to ecosystem health and climate.

Setting clear, ambitious targets is an important part of Scotiabank’s climate strategy. In November 2019, the Bank announced a target to mobilize CAD\$100 billion in climate-related finance by 2025. In March 2022, we revised this target to CAD\$350 billion by 2030 (the “**Target**”). This Framework sets out the eligibility criteria applicable to the types of activities and transactions we offer that contribute to the Target.

The Target covers key business activities of the Bank, such as lending, underwriting and advisory services. Section 3 outlines those activities that are considered in-scope (the “**In-Scope Activity**” or “**In-Scope Activities**”).

The types of transactions within the In-Scope Activities that are eligible for inclusion in the Target can be generally classified as:

- 1) Dedicated purpose finance, which includes (i) financing dedicated to unlabelled transactions that fall into the climate-related categories set out in Section 4 (the “**Climate-Related Categories**”), and (ii) transactions labelled as green, transition and/or sustainable; or
- 2) General corporate purpose finance, which includes (i) pure play finance, defined as finance to a client with 90% or more of its revenue derived from activities that fall into the Climate-Related Categories, as set out in Section 4, and (ii) sustainability-linked finance, defined as financing structured to incentivize a client to meet at least one environmental-related target.

In developing this Framework, Scotiabank considered, and drew principles from a number of sources, including:

- International Capital Market Association (“**ICMA**”) Green Bond Principles, Sustainability Bond Guidelines, and Sustainability-Linked Bond Principles
- APLMA/LMA/LSTA Green Loan Principles and Sustainability-Linked Loan Principles
- Climate Bonds Standard

¹ “Scotiabank” is a reference to, and is used interchangeably with, The Bank of Nova Scotia and its subsidiaries. “We”, “our” and “the Bank” refers to The Bank of Nova Scotia and its subsidiaries, operating as Scotiabank.



We note that the Climate-Related Categories set out in this Framework are mapped to applicable *United Nations Sustainable Development Goals* (“**SDGs**”).

This Framework updates the Bank’s internal taxonomy and related procedures that have governed the Target (including prior iterations of the Target) from its inception. The Framework will be applicable from November 1, 2023 onwards. Scotiabank will review this Framework at a minimum once every two years, or more frequently if required, and may publish changes made to the Framework based on evolving market guidelines, frameworks, and internal or external standards.

2 Classification of Transactions

Transactions are considered eligible for inclusion in the Target based on a classification process outlined in Figure 1, below (the “**Eligible Transactions**”).

In connection with Eligible Transactions, Scotiabank may complete entity and/or transaction -level assessments, including environmental, climate credit risk, and reputational risk assessments as applicable.

Scotiabank may refer to relevant guidelines, principles and methodologies for its Eligible Transactions, outlined in Section 3.



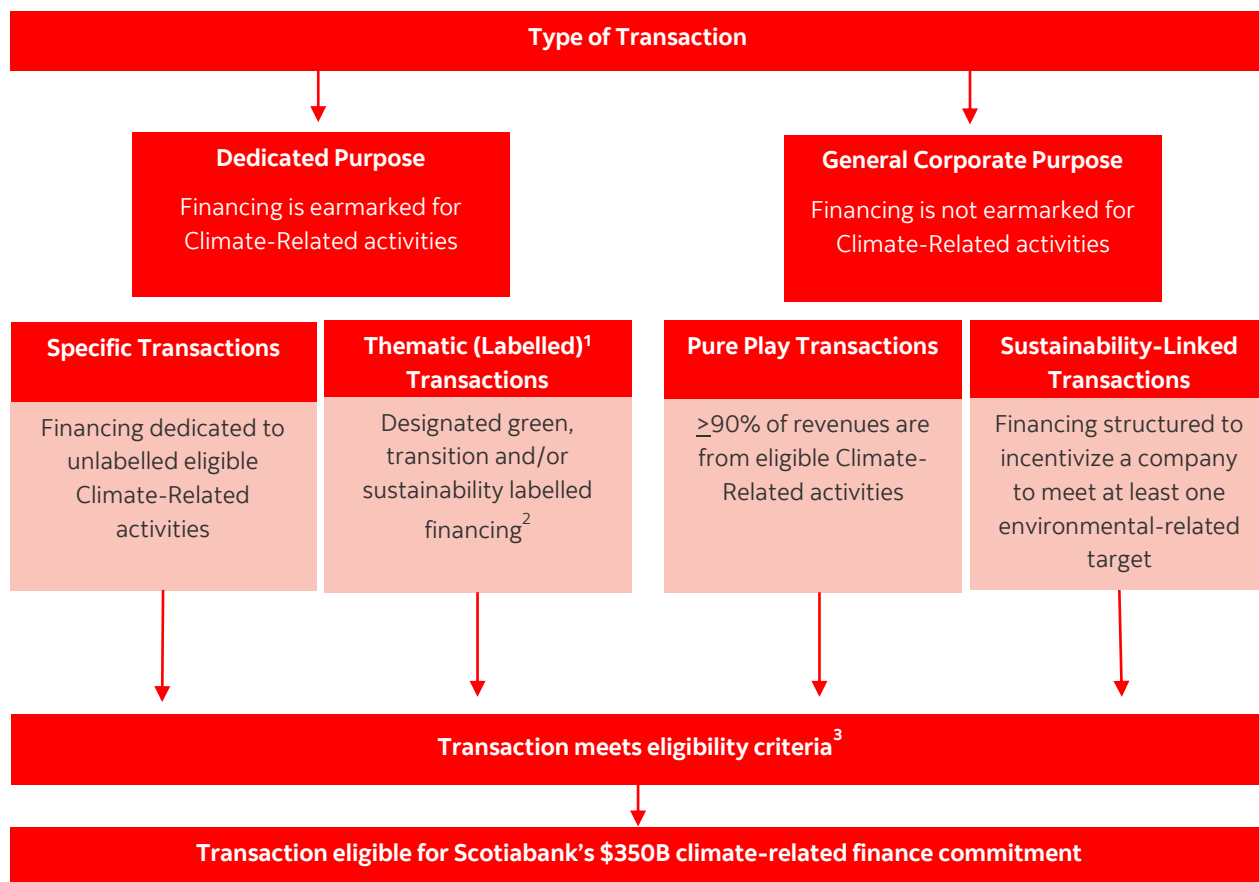


Figure 1. Classification process for determining Eligible Transactions

¹ Labelled transactions are those that meet relevant industry principles outlined in this Framework under Applicable Guidelines, Principles and/or Methodologies in Section 3.

² Social labelled transactions are not eligible for Scotiabank's \$350 billion by 2030 Climate-related finance mobilization target.

³ To be eligible, the transaction must align to Scotiabank's Climate-Related Finance Framework.



3 In-scope Activities and Calculation Methods

In-Scope Activities are outlined in the table below. New financing, restructuring, and refinancing ² for climate-related activities, as well as sustainability-linked transactions, are eligible. Currently, there is no single, widely accepted accounting standard for sustainable finance calculation methodologies. We have therefore drawn from market best practices where available. Otherwise, we have developed internal methodologies.

Business Activities	Description	Measurement Basis	Applicable Guidelines, Principles and/or Methodologies ³
Lending	Corporate and commercial loans, project finance, commercial mortgages, and trade finance ⁴	Total authorized amount	APLMA/LMA/LSTA Green Loan Principles
	Retail/Small Business Banking loans		APLMA/LMA/LSTA Sustainability Linked Loan Principles Scotiabank Climate-Related Finance Framework
Advisory Services	Mergers & Acquisitions (M&A)	League table value allocated in full to both buy and sell side-advisors upon successful closing	Scotiabank Climate-Related Finance Framework

²Up to a maximum of once per year.

³Non-exhaustive list informing the bank's business activities. One or more of the listed guidelines, frameworks or methodologies may be used in practice.

⁴Letters of credit, standby letters of credit, bills of exchange for pure plays as defined in Figure 1, above, or project finance aligned to the Climate-Related Categories outlined in Section 4.



Business Activities	Description	Measurement Basis	Applicable Guidelines, Principles and/or Methodologies ⁵
Capital Markets	Debt Capital Markets	League table deal size divided by number of bookrunners. In the case of private placement debt issuances, league table credits are apportioned amongst placement agents	ICMA Green Bond Principles ICMA Sustainability Bond Guidelines ICMA Sustainability Linked Bond Principles Scotiabank Climate-Related Finance Framework
	Commercial Paper	Average amount distributed	
	Equity Capital Markets	League table deal size divided by number of bookrunners In the case of private placements, the value is apportioned between bookrunners	
	Derivatives	Potential future exposure (PFE) on the day of the trade	
	Environmental Commodities ⁶	Average annual balance sheet utilization = average physical inventory hold x average credit price	
	Equity Structured Notes	Total notional amount outstanding of active Notes	

⁵ Non-exhaustive list informing the bank's business activities. One or more of the listed guidelines, frameworks or methodologies may be used in practice.

⁶ Spot and derivative environmental commodities for compliance markets only, including Renewable Energy Credits (RECs), Renewable Identification Numbers (RINs), Renewable Fuels, and Clean Fuel Standard Credits.



Business Activities	Description	Measurement Basis	Applicable Guidelines, Principles and/or Methodologies ⁷
Securitization	Privately funded securitization transactions	Total Commitment Amount	Scotiabank Climate-Related Finance Framework
	Public Term Asset Backed Security (ABS)/ Residential Mortgage-Backed Security (RMBS)/ Commercial Mortgage Backed Security (CMBS) transactions	Issue size divided by number of bookrunners	
Treasury Investments⁸	Bonds held on balance sheet	Total investment amount	ICMA Green Bond Principles ICMA Sustainability Bond Guidelines ICMA Sustainability Linked Bond Principles Scotiabank Climate-Related Finance Framework
Deposits⁹	Funds placed in non-interest bearing and interest-bearing products, including accounts	The initial deposit balance, and any additional amounts deposited over the term	Scotiabank Climate-Related Finance Framework
Scotiabank Corporate¹⁰	Real Estate Department relevant expenditures	Total amount spent	Scotiabank Climate-Related Finance Framework

⁷ Non-exhaustive list informing the bank's business activities. One or more of the listed guidelines, frameworks or methodologies may be used in practice.

⁸ Net Proceeds received from issuances under Scotiabank's Sustainable Bonds Framework, as amended or replaced from time to time, are excluded.

⁹ Excludes use of proceeds or for dedicated purpose, as defined herein.


¹⁰ Refers to amount spent on internal corporate programs that align with Scotiabank's Climate-related Finance Framework, e.g. renewable energy investments, renewable power purchase agreements, virtual power purchase agreements, renewable energy credits, equipment upgrades, reduction in square footage, investments to improve resilience of the Bank's real estate holdings to the physical impacts of climate change, building envelop upgrades, investments in infrastructure, hardware and software that support a reduction in GHG emissions associated with business travel or employee commuting, and verified carbon credit purchases.



4 Eligible Categories and Criteria

4.1 Climate-Related Categories and Criteria

The fifteen categories of activities eligible as Climate-Related under the Framework are set out below, and include climate change mitigation, adaptation, pollution prevention, sustainable management of natural resources, biodiversity conservation, and circular economy.


Eligible Categories	Eligible Activities
<p>Low-Carbon Energy</p> 	<p>Activities related to the acquisition, development, refurbishment, manufacturing, construction, operation, and maintenance of the following low carbon energy sources:</p> <p>ELECTRICITY GENERATION</p> <ul style="list-style-type: none"> • Wind • Solar <ul style="list-style-type: none"> ○ Photovoltaic generation facilities ○ Concentrated solar power facilities • Hydropower ¹¹ • Ocean power • Geothermal, electric geo-exchange / ground heat exchange with direct emissions less than 100g CO₂e/kWh • Biomass or biogas power <ul style="list-style-type: none"> ○ Feedstock from waste materials, or ○ Feedstock from certified sustainable crops. ¹² For non-waste feedstock, lifecycle GHG emissions will be below 100 gCO₂e/kWh • Waste heat exchange including sewer heat recovery • Hydrogen produced through electrolysis powered by low carbon energy sources with direct emissions less than 100gCO₂e/kWh • Development and operation of new and existing nuclear projects ¹³ which may include expenditures related to: <ul style="list-style-type: none"> ○ New installations to produce electricity ○ New installations for process heat for district heating, industrial processes

¹¹ Run of river without artificial reservoir or hydropower projects in operation before 2020 must have a power density of over 5 W/m² or operate with lifecycle emissions below a threshold of 100g CO₂e/kWh; hydropower projects in operation in 2020 or after must have a power density of over 10 W/m² or operate with lifecycle emissions below a threshold of 50g CO₂e/kWh. Includes refurbishment of existing eligible hydro facilities, provided the size of the dam or reservoir is not increased.

¹² Waste feedstock limited to non-recyclable municipal solid waste, forestry, or sustainable agriculture residues. Non-waste feedstock from sustainable agriculture with credible certifications (e.g. Roundtable for Sustainable Biomaterials, International Sustainability and Carbon Certification, Bonsucro, Roundtable for Responsible Soy) that do not compete with food sources and are not sourced from areas with high biodiversity and carbon stock.




¹³ Within jurisdictions that have adequate regulations governing nuclear safety and that adhere to standards defined by the International Atomic Energy Agency addressing site selection, operational safety, waste management and responsible materials sourcing.



Eligible Categories	Eligible Activities
<p>Low-Carbon Energy</p>	<ul style="list-style-type: none"> ○ Increasing operational lifespan or output of existing facilities, component replacement of existing facilities, while maintaining or improving operational safety ○ Research and development of innovative reactors that produce energy with minimal waste from the fuel cycle ○ All nuclear related projects will go through environmental & social risk management review and will be financed only in jurisdictions in which processes are in place to pursue viable options for the secure, long-term storage of high-level radioactive waste <p>TRANSMISSION & DISTRIBUTION</p> <ul style="list-style-type: none"> ● Electricity transmission and distribution infrastructure and equipment that complies with at least one of the following criteria: <ul style="list-style-type: none"> ○ Average system grid emissions factor is below the threshold value of 100 gCO₂e/kWh, over a rolling five-year period, or ○ Over 67% of newly enabled generation capacity below the generation threshold value of 100 gCO₂e/kWh, over a rolling five-year period ● Development or improvement of existing or new transmission & distribution systems dedicated to connecting generation capacity with lifecycle emissions below 100 gCO₂e/kWh to the grid ● Activities related to the direct connection of new fossil fuel power plants to the grid will be excluded, except for facilities that meet the Fuel Switching criteria, as outlined in Fuel Switching, SDG 7, below.
<p>Energy Efficiency</p> 	<p>Activities related to projects, products or systems that contribute to reduced energy consumption, and the management and storage of energy, including:</p> <ul style="list-style-type: none"> ● Energy distribution, storage, and management, including: <ul style="list-style-type: none"> ○ Efficiency improvements for transmission and distribution of energy ○ Energy storage systems connected to low carbon energy or grids with an average system grid emissions factor less than 100gCO₂e/kWh over a five-year period ○ District heating and cooling distribution networks ○ Centralized energy control systems, purchase of efficient industrial appliances, smart metres, and energy efficient lighting (LED) ● Mobile network updates to reduce energy consumption¹⁴ ● Software aimed at reducing power consumption, server virtualization, and remote data management of mobile networks




¹⁴ Spectrum acquisition and license renewal expenditures are excluded.







Eligible Categories	Eligible Activities
<p>Pollution Prevention and Control</p>  	<p>Activities related to the acquisition, development, construction, operation and maintenance of land, facilities, systems, or equipment used for prevention, collection, remediation, treatment of contaminated soil, or reduction and recycling of waste:</p> <ul style="list-style-type: none"> • Soil remediation projects where the remediation is not related to the contamination or negative environmental externality from the borrower's own activities • Processes, infrastructure, and technology that facilitate recycling and waste reduction • Facilities, systems, and equipment that are used to collect and divert waste from landfills and support the segregation of waste • Treatment of bio-waste through anaerobic digestion • Treatment of bio-waste through composting (aerobic digestion) • Biogas capture and/or production of biogas (biosynthetic, renewable natural gas) through landfill gas capture from closed or decommissioned landfill with gas capture efficiency greater than 75% for power and heat
<p>Environmentally sustainable management of living natural resources and land use</p> 	<p>Activities that contribute to the sustainable management of living natural resources and land use, as well as the protection or restoration of natural ecosystems, through:</p> <p>SUSTAINABLE FOOD AND AGRICULTURE:</p> <ul style="list-style-type: none"> • Certified agricultural crop production (e.g. Canada Organic, USDA Organic, and Round Table on Responsible Soy Association Standard (RTRS)) • Programs to promote regenerative farming practices • Techniques and equipment that improve conventional agricultural crop production • Integrated cropland-livestock-forestry systems that utilize sustainable forestry management plans for smallholders¹⁵ • Climate smart farm inputs, such as Rainforest Alliance certified biological crop protection • Certified environmentally sustainable fishery and aquaculture operations (e.g. Marine Stewardship Council (MSC) and Global G.A.P for Aquaculture Integrated Farm Assurance for Aquaculture) <p>SUSTAINABLE FOREST MANAGEMENT:</p> <ul style="list-style-type: none"> • Commercial forests and sustainable forest management certified with Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) • Afforestation or reforestation of native forests and/or high conservation value forests • Preservation, restoration, or expansion of natural landscapes

¹⁵ Excludes industrial meat production and industrial livestock management.

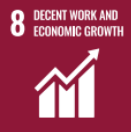





Eligible Categories	Eligible Activities
<p>Sustainable Food Systems</p> 	<p>Activities related to financing or training programs to smallholder and small-scale farmers such as:</p> <ul style="list-style-type: none"> • Equipment and facilities that help prevent food loss and waste, improve productivity, and increase market access for farmers; and • Infrastructure and facilities such as warehouses to provide adequate storage, improve food conservation, or improve connectivity in the food chain to avoid food losses
<p>Low-Carbon Transportation</p> 	<p>Activities related to transport assets and the acquisition, development, manufacturing (including dedicated facilities), construction, operation, and maintenance of infrastructure dedicated to low-carbon transport:</p> <ul style="list-style-type: none"> • Electric and hydrogen fuel cell vehicles • Electric vehicle charging stations for private and public transport • Public clean transportation: <ul style="list-style-type: none"> ○ Electrified rail, trams, and trolleybuses ○ Passenger rail that meets a universal direct emission threshold of <50gCO₂e/pkm ○ Freight rail (<25gCO₂/tkm) ○ Hybrid buses (<50g CO₂e/pkm) ○ Activity mobility infrastructure such as public walking, cycling • Cargo and passenger ships with emissions intensity thresholds below those set in the International Maritime Organization’s (IMO) GHG Strategy
<p>Terrestrial and Aquatic Biodiversity Conservation</p> 	<p>Activities that contribute to the enhancement or conservation of terrestrial or aquatic biodiversity including:</p> <ul style="list-style-type: none"> • Protection of coastal, marine, and watershed environments certified by the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) • Wildlife habitat management, rehabilitation, restoration, and conservation of ecosystems from a degraded state and rewilding projects • Restoration of upland and lowland peatlands to enhance the sequestration and long-term storage of carbon from the atmosphere





Eligible Categories	Eligible Activities
<p>Sustainable Water and Wastewater Management</p>  	<p>Activities that improve water quality, efficiency, and conservation:</p> <ul style="list-style-type: none"> • Collection, treatment, recycling, or reuse of water, rainwater, or wastewater including wastewater treatment systems and desalination plants • Water distribution systems with improved efficiency • Water capture, storage and distribution including storm water management systems • Water metering activities to support water conservation and water-use efficiency
<p>Green Buildings</p>  	<p>Activities related to the acquisition, development, construction, renovation, operation, and maintenance of residential and commercial buildings that have achieved one of the following criteria:</p> <ul style="list-style-type: none"> • Received, or expect to receive based on their design, construction and operation plans, certification according to third party-verified building standards or other international equivalent including: <ul style="list-style-type: none"> ○ <u>LEED</u> <ul style="list-style-type: none"> ▪ Gold or Platinum for all properties other than industrial or data centers ▪ Silver for industrial buildings designed to achieve a minimum 20% energy efficiency improvement ○ <u>Energy STAR</u> (minimum of 85) ○ <u>BOMA BEST</u> (Gold or Platinum) ○ <u>BREEAM</u> (Excellent or Outstanding) • Data centres with a power usage effectiveness (PUE) of below 1.5 • Achieved based on a third-party assessment, or intends to achieve energy savings or emission reduction of at least 30% • A top 15% energy-performing building in the relevant national or regional building stock



Eligible Categories	Eligible Activities
<p>Circular Economy Adapted Products, Production Technologies, and Processes</p>   	<p>Activities that promote a circular economy including the design, development, manufacturing and/or distribution of circular economy adapted products, production technologies and processes, including:</p> <ul style="list-style-type: none"> • R&D for products, processes and technologies using bio-based materials (such as biopolymers/bioplastics) • R&D for mechanical and molecular recycling capabilities, such as polyester renewable technology and carbon renewable technology • Procurement of recycled / waste / resource-efficient materials as an input ¹⁶ • Production of new resource-efficient/low-carbon bio-based products that are Roundtable on Sustainable Biomaterials-certified • Production of end-use plastic products with i) at least 90% of recycled, renewable and/or bio-based input, and ii) at least 90% is not intended for single use consumer products, and iii) all products are recyclable • Refurbishment, reconditioning and repairing of products for reuse given their original purpose is retained with minimal requirement of pre-processing • Procurement of recycled and reusable packaging made from certified sustainable paper products such as FSC
<p>Climate Adaptation and Resilience</p> 	<p>Activities related to measures that contribute to reducing vulnerability to climate change impacts based on vulnerability assessments and adaptation plans:</p> <ul style="list-style-type: none"> • Climate change adaptation infrastructure for natural disasters, such as flood defense, early warning systems and wildfire mitigation and management • Development and/or use of information and communications technology solutions for the purpose of collecting, transmitting, storing, and using data to facilitate climate adaption and resilience

¹⁶ Eligible projects will have sustainable sourcing of materials across environmental and social considerations, where information is available to review.






Eligible Categories	Eligible Activities
<p>Fuel-Switching</p> 	<p>Activities related to refurbishment, construction, or operation of electricity generation, combined heat/cool and power generation, and heat generation connected to district heating and cooling that use gaseous fossil fuels and meet one of the following:</p> <ul style="list-style-type: none"> • Lifecycle GHG emissions are lower than 100gCO_{2e}/kWh, OR • Direct GHG emissions are lower than 270gCO_{2e}/kWh, replaces existing high emitting electricity generation and results in substantially lower greenhouse gas emissions¹⁷ <p>Activities related to transmission and distribution networks for renewable and low-carbon gases, such as hydrogen, methanol, ammonia, ethanol, renewable diesel, biocrude, synthetic fuel and renewable natural gas, including with the intent of methane leakage reduction:</p> <ul style="list-style-type: none"> • Construction or operation of new gas network infrastructure dedicated to the transport of renewable and low-carbon gases • Conversion, repurposing or retrofit of existing natural gas networks for renewable and low-carbon gases
<p>Low-Carbon Intensity Fuels</p> 	<p>Activities related to development, manufacturing, equipment, facilities, and/or distribution of low-carbon intensity fuels, including:</p> <ul style="list-style-type: none"> • Liquid clean fuels ≤ 50gCO_{2e}/MJ and gaseous clean fuels ≤ 36gCO_{2e}/MJ¹⁸ <ul style="list-style-type: none"> ○ Eligible fuel types¹⁹ include hydrogen, ammonia, ethanol, renewable diesel, co-processing of biocrude, sustainable aviation fuel, synthetic fuel and renewable natural gas ○ Marine fuels such as hydrogen, ammonia, biodiesel and biomethane or liquified natural gas in alignment with the International Maritime Organization’s emission reduction goals

¹⁷ Facility expected to comply with the following: The replacement must lead to a >55% reduction of GHG emissions as compared to the fossil fuel baseline; Facility needs to receive a permit before 2030; and Facility must prove to be designed to be able to use renewable or low carbon gases.

¹⁸ Thresholds are in line with the Department of Natural Resources Canada’s Clean Fuels Program.

¹⁹ Bio-based fuels are preferably sourced from biomass aligned with criteria in the Low-Carbon Energy category.



Eligible Categories	Eligible Activities
<p>Industrials & Electrification</p>  	<p>Activities related to acquisition, development, construction, installation, operation, and/or maintenance of facilities, services, systems, or equipment used for electrification of conventional technologies and resource efficiency in production and manufacturing sectors, including the decarbonization of:</p> <ul style="list-style-type: none"> • Steel: <ul style="list-style-type: none"> ○ New or retrofit of existing blast furnace facilities through measures such as increasing thermal efficiency and use of biochar, carbon capture and storage ○ Scrap-based electric arc furnaces ²⁰, direct reduction iron with feedstocks from renewable energy, natural gas, biogas, hydrogen, or biochar ○ R&D on low-carbon solutions such as direct electrolysis powered by renewable energy or smelting reduction that uses carbon capture and storage • Cement ²¹: <ul style="list-style-type: none"> ○ Retrofitting cement facilities for reducing clinker ratio ○ Electric kilns, precalciners, heat recovery, control and testing equipment • Aluminum: <ul style="list-style-type: none"> ○ Retrofits including deploying novel anode technologies, use of renewable energy, retrofit of smelters, improving thermal efficiency ○ Production facilities in line with decarbonization pathway • Industrial heating, steam and/or cooling • All end uses, including space heating, water heating or cooling for hard to abate and fossil fuel industries <p>All industrial projects must demonstrate longer term alignment with a credible decarbonization journey such as the Transition Pathway Initiative</p>
<p>Carbon Capture</p> 	<p>Activities related to acquisition, construction, research, development, infrastructure, operation and maintenance of carbon capture, utilization and storage (CCUS) facilities, systems, or equipment, including:</p> <ul style="list-style-type: none"> • CCUS projects with dedicated geological storage or storage of CO₂ in concrete • Direct air capture • CCUS in industrial facilities • CCUS for upstream enhanced oil recovery is excluded

²⁰ Uses 70% of iron content from scrap and associated scrap, and powered by renewable energy sources.

²¹ Aligned with Climate Bonds Initiative’s Cement Criteria (April 2023).



4.2 Exclusionary Criteria

Scotiabank has developed a list of exclusionary criteria for the proceeds of eligible instruments classified within this Framework and commits to not knowingly include financing in the following sectors:

- Weapons and related products
- Gambling
- Predatory lending
- Tobacco
- Adult Entertainment
- Standalone project financing for thermal coal mining or coal power generation
- Direct financing, or project-specific financing and advisory services for exploration, development or production of oil and gas within the Arctic Circle



5 Roles and Responsibilities relating to Eligibility under this Framework

The following is a description of roles and responsibilities associated with determining eligibility of an activity or transaction under this Framework:

- Business leads or originators of products are responsible for first assessing eligibility of an activity or transaction against this Framework.
- Verification that those transactions, products or companies identified as eligible by the business are in fact eligible according to the Framework; in performing this verification, subject matter experts within or outside the Bank may be consulted.
- Any issues related to eligibility will be escalated to a cross-functional forum (the “**Eligibility Forum**”) that will consider the matter and determine eligibility.

6 Reporting on Progress against the Target

Scotiabank is committed to transparent reporting and will publish our progress against the Target on an annual basis. We will disclose any changes to eligible products, categories or calculation methodologies by publishing amendments to this Framework. We continue to digitize and improve reporting capabilities under the Framework.



7 Important notice regarding this Framework and Caution regarding forward-looking statements

This Framework is provided for informational purposes only and is subject to change without notice. After the date of this document, Scotiabank does not assume any responsibility or obligation to update or revise any statements in this document, regardless of whether those statements are affected by new information, future events or otherwise. While we have obtained information from sources considered to be reliable, the information contained in this Framework has not been independently verified and 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 Scotiabank nor any of its affiliates nor any of their respective directors, officers, employees or agents for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained herein.

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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 our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance and ESG-related objectives, vision, strategic goals and targets will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors, many of which are beyond our control and effects of which can be difficult to predict, 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 environmental 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.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which we operate and globally; changes in currency and interest rates; increased funding costs and market volatility due to market illiquidity and competition for funding; the failure of third parties to comply with their obligations to the Bank and its affiliates; changes in monetary, fiscal, or economic policy and tax legislation and interpretation; changes in laws and regulations or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs; geopolitical risk; changes to our credit ratings; the possible effects on our business of war or terrorist actions and unforeseen consequences arising from such actions; technological changes and technology resiliency; operational and infrastructure risks; reputational risks; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services, and the extent to which products or services previously sold by the Bank require the Bank to incur liabilities or absorb losses not contemplated at their origination; our ability to execute our strategic plans, including the successful completion of acquisitions and dispositions, including obtaining regulatory approvals; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; global capital markets activity; the Bank's ability to attract, develop and retain key executives; the evolution of various types of fraud or other criminal behaviour to which the Bank is exposed; anti-money laundering; disruptions or attacks (including cyber-attacks) on the Bank's information technology, internet connectivity, network accessibility, or other voice or data communications systems or services, which may result in data breaches, unauthorized access to sensitive information, and potential incidents of identity theft; increased competition in the geographic and in business areas in which we operate, including through internet and mobile banking and non-traditional competitors; exposure related to significant litigation and regulatory matters; climate change and other environmental and social risks, including sustainability that may arise, including from the Bank's business activities; the occurrence of natural and unnatural catastrophic events and claims resulting from such events; inflationary pressures; Canadian housing and household indebtedness; the emergence or continuation of widespread health emergencies or pandemics, including their impact on the global economy, financial market conditions and the Bank's business, results of operations, financial condition and prospects; and the Bank's anticipation of and success in managing the risks implied by the foregoing. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition or liquidity. 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 forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking statements contained in this document represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank's shareholders and analysts in understanding the Bank's financial position, objectives and priorities, and anticipated financial performance as at and for the periods ended on the dates presented and may not be appropriate for other purposes. Except as required by law, the Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf. 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.sedarplus.ca and on the EDGAR section of the SEC's website at <http://www.sec.gov>.

