Scotiabank®

2024

CLIMATE REPORT

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SCOTIABANK INDIGENOUS NETWORK EMPLOYEE RESOURCE GROUP LAND ACKNOWLEDGMENT

We are privileged to stand on the ancestral and unceded territory of First Nations, Inuit and Métis people. We offer our gratitude to the First Peoples for their care for, and teachings about, our earth and our relations. We acknowledge the effect of residential schools and colonialism on Indigenous families and Communities. Considering this history, we dedicate ourselves to moving forward in the spirit of partnership, collaboration and reconciliation. Stewardship with Indigenous Peoples, Cultures and Communities is all of our responsibility. We reflect on the actions and the steps that must be made towards the advancement of Truth and Reconciliation.[1]

1 This Land Acknowledgment applies to the land on which Scotiabank has its executive offices (Toronto, Canada) and its Canadian operations, and does not represent the historical and personal experiences of Indigenous Peoples across our international operations.

IN THIS REPORT

"We", "us", "our", the "Bank" and "Scotiabank" mean The Bank of Nova Scotia and its subsidiaries.

REPORTING FRAMEWORK

Scotiabank has been providing climate-related disclosures in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations since the Bank's fiscal 2018; such disclosures were included in the Bank's annual and sustainability reports.

REPORTING PERIOD

Unless otherwise stated, information in this report relates to the 2024 fiscal year ending October 31, 2024 ("fiscal 2024"). Climate-related disclosures were last made in our 2023 Climate Report. See our website for past reports.

CURRENCY

All currency is stated in Canadian dollars unless otherwise noted and may be subject to currency exchange rate fluctuations.

DATA

Within tables and figures, totals may not sum due to rounding.

EXTERNAL ASSURANCE

KPMG has performed an independent limited assurance engagement for selected performance indicators marked with this symbol ✪ in the report. See: 2024 KPMG Limited Assurance Report.

REPORTING SUITE

For more information, see documents in our reporting suite:

- 2024 Sustainability Report
- 2024 ESG Data Pack and Indices
- 2024 Climate Report – Indexes
- 2024 Annual Report
- 2025 Management Proxy Circular
- Financed Emissions Methodology
- 2024 GHG Methodology

CAUTIONARY STATEMENT

This document is not required to be prepared or filed by the Bank (as defined in this document) under Canadian or U.S. securities laws. The information contained herein should not be read as necessarily rising to the level of materiality of disclosure required in our securities law filings, and such information should not be considered to be incorporated by reference into any such filings. This document should not be used as a basis for trading in securities of the Bank or for any other investment decision, and it is not intended to constitute financial, legal, tax, investment, professional or expert advice. The information contained herein is provided for informational purposes only and not to promote, directly or indirectly, any business interest.

Executive Summary

In 2024, Scotiabank published its first standalone climate report, outlining a refreshed approach to the Bank's three Climate Pillars, described below. Building on this foundation, this Climate Report (the "Report") details the steps the Bank has taken in the past year to improve our ability to respond to new climate-related opportunities, and to refine our ability to identify, assess and manage ever-increasing climate-related risks.

OUR CLIMATE PILLARS

Financing Climate-related Solutions	Supporting Clients' Climate Transition	Reducing Our Own Emissions
Provide products and services to support our clients' climate-related objectives.	Advance engagement with clients on their climate transition through service offerings and advice. Simultaneously measure and assess financed emissions in our lending portfolio.	Reduce GHG emissions from our own operations and introduce solutions to reduce the Bank's direct impact on climate change.

This Report is organized into three chapters, informed by the recommendations of the TCFD:

1) **Governance**, describing how we maintain accountability for, and oversight of, climate-related risks and opportunities;
2) **Strategy, Metrics and Targets**, describing our efforts toward climate objectives as guided by our three Climate Pillars, how we develop our ability to identify climate-related opportunities, and how we meet client demand for climate-related products and services; and
3) **Risk Management**, outlining those processes used for identifying, assessing and managing risk, including climate-related risk, in line with the Bank's risk appetite.

In an accompanying document, we have included index tables for ease of reference, providing page numbers corresponding to disclosure requirements under the Office of the Superintendent of Financial Institutions in Canada's (OSFI) Guideline B-15 – Climate Risk Management ("OSFI B-15")[1] and to the TCFD recommendations.

In 2024, we achieved a number of milestones including:

Articulating the Bank's First Climate Transition Plan

The final version of the Transition Plan Taskforce Disclosure Framework[2] was published in October 2023, with an objective to provide a globally recognized standard for transition plans. Informed by this framework, the Bank's Climate Transition Plan provides details about how we intend to meet our 2030 physical emissions intensity reduction targets for the Oil and Gas, Power Generation and Automotive Manufacturing sectors (the "Interim Targets"), as explained in the Strategy, Metrics and Targets chapter. This includes a description of tools we have been developing, and are now implementing, such as client-level emissions metrics and a Transition Preparedness Rating (TPR). Considered together, these tools help to identify clients to engage with on climate matters, particularly in those sectors where the Bank has set Interim Targets. Engaging with clients on climate matters is important for ensuring we are providing them with the products and services they need, and for achieving our own climate objectives. Refer to pages 16-37 for more information.

Financing Climate-related Solutions

Since 2019, we have provided $172 billion (B) towards our target of $350B in climate-related finance by 2030 ("CRF Target"). We continue to evaluate the products and services we make available to our clients under the Bank's Climate-related Finance Framework ("CRFF"), expanding this effort across business lines to assist us in meeting client demand. Refer to pages 18-19 for more information regarding our CRF Target.

Activating Solar Photovoltaic Project

In 2022, Scotiabank entered into a 15-year virtual power purchase agreement (VPPA) with Evolugen, a Canadian business of Brookfield Renewable, to build a solar project near Cardston, Alberta. The project was completed and Scotiabank began acquiring renewable energy certificates (RECs)[3] throughout 2024 under the terms of the VPPA. For more information on Scotiabank's approach to securing emissions-free electricity, see page 31.

Obtaining Limited Assurance on Key Metrics

KPMG LLP (KPMG) performed a limited assurance engagement over a selection of Scotiabank's performance indicators, including emissions from operations. This year, the limited assurance engagement includes selected financed emissions metrics for the first time. For further information, see KPMG's Independent Limited Assurance Report.

Launching a New Climate-related Learning and Education Series

To support our employees with the information necessary to engage with clients on their climate transition plans, and understanding the Bank's Climate Pillars, we launched the Scotia Climate College. The Climate College is a new virtual learning and education series for corporate, commercial and multinational banking teams, as well as credit risk officers, to enhance their understanding of climate change, the decarbonization landscape and the role of finance in the climate transition. For more information about Scotia Climate College, see page 36 of this Report.

A NOTE ON OUR CLIMATE PILLARS

It should be noted that our Climate Pillars, as outlined in this Report, are established at a point in time, and are subject to change depending on the actions of our clients and changes in the broader economic and government policy environment as they relate to climate change. As our Climate Pillars evolve, so will the tools we use to make progress, as well as the metrics we use to measure progress.

Governance

Climate Governance

Our climate governance framework sets out oversight and ownership of the Bank's climate objectives, including climate-related risks and opportunities. As stated in the Bank's Corporate Governance Policies, the Board of Directors (the "Board") recognizes the critical nature of environment, social and governance (ESG) matters – including climate change – to the execution of its mandate and its oversight of the Bank. The Board engages with management on the execution of its climate objectives, while each committee of the Board oversees their various respective aspects of the strategy, impacts, risks, initiatives and reporting. Executive management is responsible for providing the Board with sound advice on the organizational objectives related to climate change, plans, strategy, structure and significant policies. Management committees and various functional groups lead the implementation and execution of Board decisions. The graphic below details our climate governance framework, with additional detail provided on the following pages.

BOARD OVERSIGHT

BOARD OF DIRECTORS			
Corporate Governance Committee	Audit & Conduct Review Committee	Human Capital & Compensation Committee	Risk Committee

SENIOR MANAGEMENT OVERSIGHT

CHIEF EXECUTIVE OFFICER						
OPERATING COMMITTEE						
SENIOR MANAGEMENT COMMITTEES WITH CLIMATE-RELATED MANDATES OR RESPONSIBILITIES						
Climate Transition Steering Committee	Asset & Liability Committee	Risk Management Committee			Reputational Risk Committee	Disclosure Committee
		Senior Credit Committee	Operational Risk Committee	Stress and Scenarios Committee		

IMPLEMENTATION

Key corporate functions with climate-related roles and responsibilities	Client-facing teams with climate-related focus
Strategy and Operations, Global Risk Management, Finance	Sustainable Finance, Clean Tech Energy team, Global Equity Research

Board Oversight

The Board's primary responsibility is to supervise the management of the Bank's business and affairs with a view to enhancing long-term shareholder value. Sound corporate governance policies and practices, including on climate change, are important to maintaining the trust of our many stakeholders including shareholders, clients, employees, regulators and the broader community.

Committees of the Board, including the Risk, Corporate Governance, Audit and Conduct Review, and Human Capital and Compensation Committees, are accountable for climate-related risks and opportunities relating to their specific mandates. The following summarizes responsibilities of, and activities undertaken by, the Board and each of its committees with respect to climate-related matters.

BOARD OVERSIGHT OF CLIMATE-RELATED MATTERS AND ACTIVITIES

Board and Board Committees	Climate-related Agenda Frequency	Elements of Mandate Pertaining to Climate-related Matters and Activities	2024 Climate-related Activities
Board of Directors	Quarterly, at minimum	• Overseeing the Bank's ESG strategy including climate-related matters, monitoring management's execution against this strategy and, through the Board committees, reviewing the related impacts, risks, initiatives and reporting, including annual climate-related disclosures. • Approving and overseeing the implementation of the Bank's overall risk strategy, including the Bank's Enterprise Risk Appetite Framework and other standalone items such as the ESG Risk Management Framework. • Overseeing that processes are in place to identify significant financial and non-financial risks, including ESG and climate-related risks, and reviewing and approving significant risk management frameworks and policies. Ensuring the implementation of appropriate processes by management to manage climate-related risks.	• Approved the annual Management Proxy Circular, including disclosure on the Bank's responses to shareholder proposals on climate-related matters. • Received regular ESG updates on the Bank's ESG priorities, disclosures and highlights, including updates on the Bank's climate governance, compliance with OSFI B-15, climate reporting expectations, Climate Transition Plan, the Scotiabank Climate-related Finance Framework, Scotia Climate College and other thought leadership. • Reviewed the Bank's 2023 Climate Report. • Reviewed the bank's Climate Client Engagement framework by leveraging Transition Preparedness Ratings to learn more about a client's transition planning and, in turn, to inform more tailored advice. • Received quarterly enterprise risk management reports, which highlight various risks, including climate-related risks. • Approved the Bank's Enterprise Risk Appetite Framework (which included consideration of climate-related risks) and the ESG Risk Management Framework. • Oversaw the Bank's strategy sessions and updates, which included ESG and climate objectives.
Audit & Conduct Review Committee	Ad-hoc	• Reviewing climate-related disclosure as part of the Bank's financial reporting of ESG matters as required by regulators or that may be required by law.[4] • Assisting the Board in fulfilling its oversight responsibilities for the system of internal control, including internal control over financial reporting and disclosure controls and procedures.	• As part of the regular review of the Bank's performance and capital plan, monitored the impact of ESG matters, including sustainability and climate-related disclosures. • Supported the Bank's ESG disclosure and climate-related disclosure as required for financial reporting and the new sustainability and climate risk regulatory requirements (for example, OSFI B-15).

Board and Board Committees	Climate-related Agenda Frequency	Elements of Mandate Pertaining to Climate-related Matters and Activities	2024 Climate-related Activities
Corporate Governance Committee	Regularly	• Reviewing the Bank's ESG (including climate and sustainability) strategy, priorities and reporting, including reports on the Bank's ESG performance and benchmarking of the Bank's ESG performance and practices.[5] • Overseeing appropriate allocation of ESG-related responsibilities across the committees of the Board and updating the Board on ESG matters, as necessary. • Reviewing global trends and practices in corporate disclosure of non-financial performance and ESG matters. • Reviewing and recommending to the Board the Bank's approach to shareholder engagement and global emerging areas of focus for the Bank's stakeholders. • Maintaining the directors' skills matrix, which includes ESG matters as a key area of experience and environmental/climate matters as an additional area of expertise. • Acting in an advisory capacity through a continuing assessment of the Bank's approach to corporate governance and making policy recommendations, including on topics such as the Bank's ESG strategy.	• Reviewed the Bank's 2023 Climate Report, including disclosure on the Bank's climate governance, climate scenario analysis, financed emissions reporting, and updated information regarding the Bank's Climate Pillars. • Monitored the Bank's ESG priorities throughout the year and received updates to the Bank's climate transition plans and related regulatory reporting obligations, and updated the Board on such ESG matters. • Oversaw the Board and Corporate Governance Office's stakeholder engagement program, which included over 30 meetings with our stakeholders this year on relevant ESG issues and trends, including our climate transition plans and the corresponding disclosure of same, executive compensation and ESG metrics. • Recommended the annual Management Proxy Circular for Board approval, including disclosure on the Bank's responses to shareholder proposals on ESG matters with a focus on climate-related issues.
Human Capital & Compensation Committee	Ad hoc	• Overseeing human capital and compensation strategies related to diversity, equity and inclusion; employee health, safety and wellbeing; and other ESG policies and practices including a review of the ESG measures to be incorporated into the general criteria and design of the Bank's material incentive plans.[6] • Assisting the Board in its oversight of the Bank's human capital management practices and strategies, including considering other ESG practices related to the committee's mandate.	• Reviewed regulatory, governance and executive compensation trends, including the selection of appropriate financial and non-financial performance metrics incorporating ESG measures, such as metrics relating to climate change, as the Bank works on its goals with regard to climate-related financing, decarbonizing of the Bank's operations and diversity, equity and inclusion.
Risk Committee	Quarterly	• Overseeing ESG risks, including climate-related risks, and reviewing and approving the Bank's significant risk management frameworks and policies, as well as significant country, industry, market and portfolio risks and limits to ensure that management is operating within the Bank's Enterprise Risk Appetite Framework.[7]	• Reviewed and recommended for Board approval the Bank's Enterprise-Wide Risk Management Framework, which includes non-financial risks, in light of regulatory trends and developments, including ESG risks. • Reviewed and recommended for Board approval the Bank's Enterprise Risk Appetite Framework (which included consideration of climate-related risks) and ESG Risk Management Framework. • Oversaw the promotion and maintenance of the Bank's risk culture and risk-aware driven values, including the Bank's focus on identifying and managing its top and emerging risks, including cybersecurity, economic uncertainty, geopolitical tensions, climate change and strategic risks.

Skills and Competencies

The Board maintains a matrix to monitor the skills and experience necessary for the oversight of the Bank today, and in the future.

This matrix is developed based on consultations and agreement on each director's key areas of experience, as well as an annual review (including international benchmarking) of key skills and experience necessary for the oversight of Scotiabank. The Corporate Governance Committee also maintains a detailed matrix of each director's general areas of experience (such as marketing, regulatory and compliance, and government), specific ESG- and technology-related skills, education, language skills and business experience in geographic regions where we do business. These matrices are used to assess board composition, plan board and chair succession, and assess potential director candidates. Board members report information relating to their skills, experience and designations to the Board.

Ten members of the Board identify Risk Management as a key area of experience, including identifying, assessing and managing both financial and non-financial risks, and seven directors consider "ESG Matters" as one of the areas of experience they bring to the Board. We define experience in ESG matters as experience in sustainability matters, environmental issues (including climate-related issues), social issues and/or corporate governance principles and practices in an organization of significant size and complexity. Directors of the Board with climate-related skills have experience in sustainability matters and climate-related issues through executive roles and/or directorships at complex organizations, along with involvement with advisory committees and industry associations, with a focus on carbon reduction initiatives and other climate-related mandates. The Board's skills matrix and director biographies are reported in our 2025 Management Proxy Circular (pp. 15–22).

In addition, the Board may receive regulatory updates and peer reviews from internal stakeholders, such as Global Sustainable Business, as part of their continuing education program.

Senior Management Accountability

The CEO is ultimately responsible for the successful execution of the Bank's climate objectives. Several management committees are in place that have responsibilities for climate change oversight. These committees take an enterprise-wide approach, convening senior leaders with accountability for the Bank's climate objectives and risk management. Subsidiaries and business lines have also established committees to ensure alignment to enterprise policies and processes.

SUMMARY OF SENIOR MANAGEMENT COMMITTEES WITH CLIMATE-RELATED ROLES AND RESPONSIBILITIES

Committees	Meeting Frequency	Chair	Membership	Climate-related Roles and Responsibilities
Operating Committee	Bi-weekly, and on an as-needed basis	Chief Executive Officer (CEO)	Group Heads and Executive leaders from lines-of-business and corporate functions reporting to the CEO and business lines	• Discuss topics related to the Bank's strategy and enterprise-wide plans, including as they relate to the Bank's approach to climate-related risks and opportunities and performance on corresponding metrics and targets, as needed
Risk Management Committee	Weekly	Chief Risk Officer (CRO)	Group Heads and Executive leaders including the CEO, CFO, Chief Compliance Officer, business line Group Heads and other senior representatives from risk functions	• Review risks, including ESG Risk and Climate Risk,[8] that may impact the financial and operational performance of the Bank. • Recommend approval of the Bank's Risk Appetite, including ESG Risk Appetite, to the Board. • Approve annual industry reports containing assessment of the potential environmental and climate change risks associated with the subject industry.
Senior Credit Committee[9]	Daily	Head, Corporate Credit and Market Risk	Senior leadership from across business lines and credit risk	• On a quarterly basis, review climate dashboard profiling climate-related risk metrics in the business banking portfolio and impact of climate scenario analysis. • Approve annual industry reports containing assessment of the potential environmental and climate-related risks associated with the subject industry. • On a quarterly basis, review Allowances for Credit Losses ("ACLs") and Provisions for Credit Losses including Expert Credit Judgment for climate-related risks.
Operational Risk Committee	Monthly	SVP and Head, Enterprise Risk	Senior leadership from across business lines and corporate functions	• Provide effective oversight and challenge of the Bank's management of environmental and social risks. • Monitoring of the ESG risk profile and potential limit breaches, and recommending approval of relevant risk frameworks, policies and risk appetite statements including the ESG Risk Appetite Framework.
Stress and Scenarios Committee	Quarterly or more frequently as required	SVP & Head, Enterprise Risk	Senior leadership from risk, economics, finance and treasury areas	• Provide oversight of climate scenarios, including approval of climate scenarios used for quantification of physical and transition risk impacts.
Climate Transition Steering Committee	Quarterly or more frequently as required	Co-Chaired by SVP and Global Head, Multinational Banking and SVP Corporate Affairs and Sustainability	Senior leadership from across all business lines and corporate functions	• Establish overall accountability for the execution of the Bank's climate objectives, compliance with climate-related regulations, and the design and execution of the Bank's climate transition plan.
Disclosure Committee	Quarterly, at minimum	EVP and General Counsel	Senior leadership across the Bank's corporate functions and internal control functions	• To act in an advisory capacity to the President and CEO and the Board to ensure that all public disclosure of information made by the Bank in whatever form is timely, accurate and balanced and that appropriate controls are in place and working effectively.

Committees	Meeting Frequency	Chair	Membership	Climate-related Roles and Responsibilities
Reputational Risk Committee	As needed as determined by the Chair	EVP and General Counsel	Senior leadership across the Bank's corporate functions and business lines	• Promote conduct consistent with high ethical standards and protect the Bank's reputation. • Review business activities, initiatives, products, services, transactions or processes which the sponsor believes may embody a high degree of reputational risk.
Asset & Liability Committee (ALCO)	Monthly	EVP and Group Treasurer Head and Chief Financial Officer (Alternate Chair)	CEO, CFO, CRO and senior leaders from the Bank's business lines	• Provide oversight of the Bank's Sustainable Issuance Framework. An ALCO ESG Sub-Committee supports ALCO members in their review and oversight of the Framework and the Bank's Sustainable Instruments
ALCO ESG Sub-Committee	*Quarterly*	*VP, Group Treasury*	*Senior representatives from Group Treasury, Global Sustainable Business, ESG Risk, Finance, Sustainable Finance and relevant business lines*	
Capital Oversight & Steering Committee	At least quarterly	Co-chaired by the Group Head & Chief Financial Officer and the Group Head & Chief Risk Officer	Senior representatives of Global Finance, Global Risk Management and Group Treasury	• Provide governance over capital management processes, ensuring ongoing compliance with Basel Pillar 1 and Pillar 2 capital requirements, including the incorporation of climate scenario analyses.
International Banking Climate Committee	Quarterly	EVP and Country Head, Chile VP, Global Sustainable Business	Senior leadership from regional business lines and corporate functions	• Align country-level strategy and activities (voluntary and regulatory) on climate change to the enterprise climate objectives, and create consistency, where appropriate, across the region. • Support how International Banking will address evolving regulatory requirements in the region as they relate to climate change.
Scotia Global Asset Management (GAM) ESG Investment Committee	Monthly	Vice President and Head of Research	Senior leadership and portfolio managers	• Reporting directly to the 1832 Asset Management[10] Board of Directors, the Scotia GAM ESG Investment Committee evaluates ESG-related policies and guidelines; supports the consideration of ESG factors in investment processes; reviews potential ESG-related investment products; provides oversight of ESG commitments to align with industry initiatives; facilitates knowledge sharing across investment teams; and communicates externally on firm-wide ESG efforts.
Community Investment Committee	Bi-monthly[11]	SVP Corporate Affairs and Sustainability	Senior leadership from across major business lines and corporate functions	• Responsible for the execution of the Bank's Community Investment Strategy, as well as reviewing and approving community investments, such as Scotiabank's 10-year, $25 million climate community investment initiative.

Linking ESG and Climate Performance to Executive Pay

ESG factors are considered in evaluating the Bank's performance and determining executive variable incentive awards. At year-end, executive performance is measured against achievement of key deliverables. In 2024, as it relates to climate, the CEO and all members of the Operating Committee were evaluated against progress achieved toward the Bank's CRF Target and the launch of the Climate Transition Plan. Beginning in 2023, Scotiabank added core ESG metrics to the Annual Incentive Plan and Total Variable Compensation plan, with a focus on climate-related financing, decarbonization of the Bank's operations and representation of equity-deserving groups. Combined with customer experience in determining the all-Bank business performance factor, these metrics have an overall weighting of 20%. Results are discussed in our 2025 Management Proxy Circular.

Enterprise Functional and Business Teams

Various corporate functions work with business lines to execute against the Bank's Climate Pillars and in the assessment of climate-related risks and opportunities. This is ongoing work that evolves as we learn more about the impact of climate change on our business and as our policies, processes, and tools mature.

The following table provides additional details on climate-focused key functions.

KEY CORPORATE FUNCTIONS AND BUSINESS LINE TEAMS WITH CLIMATE-RELATED ROLES AND RESPONSIBILITIES

	Team	Climate-related Roles and Responsibilities
Strategy and Operations	Global Sustainable Business	• Enterprise advisory function that oversees the Bank's Climate Pillars while working across the enterprise to help embed environment and climate change considerations into our business across the globe and in the communities in which we operate.
	Real Estate	• Responsible for overseeing climate objectives with regards to operational Scope 1 and 2 greenhouse gas emissions,[12] sourcing renewable electricity, and identifying opportunities to reduce emissions at source and improve energy efficiency across the enterprise.
	ESG Data and Analytics	• Perform calculation and analysis of financed emission metrics. • Supports data management practices across the ESG data domain. • Supports business lines and Global Risk Management in embedding climate metrics in key decision-making processes.
Global Risk Management	ESG Risk Management	• Responsible for establishing frameworks, policies, processes and guidelines to effectively manage and mitigate the Bank's exposure to ESG Risk including climate-related risk. • Chair of the Climate-related Finance Framework Eligibility Forum, which provides second line oversight and challenge for the Bank's CRF Target and to mitigate greenwashing risk.
	Climate Risk Modelling	• Project impacts from physical and transition risks to the Bank's lending portfolios at short-term, medium-term and long-term horizons under various climate scenarios.
Finance	Group Treasury	• Manage the Bank's Sustainable Issuance Framework, which defines the ways in which the Bank can issue bonds, notes, certificates or other instruments under green, social and sustainability categories. • Chair of the ALCO ESG Sub-Committee.
	Inclusion and Resilience Economics	• Provide thought leadership on inclusive economic growth that is resilient in an evolving and ever-changing world. • Climate-related pieces published in 2024 focus on the potential economic impacts and policy considerations of national climate policies, carbon capture technologies, critical minerals and electric vehicles (EVs) and are available at Scotiabank.com/economics.
Client-facing Teams	Sustainable Finance	• Provide sustainability advice and solutions to corporate, commercial, public sector and institutional clients across the Bank's global footprint.
	Clean Tech Energy Team	• Advises and supports new and existing clients in achieving energy transition and climate-related objectives with a focus on sectors such as battery technology, electric vehicle charging and infrastructure, carbon capture, hydrogen, renewable fuels, water technology and renewable natural gas, amongst others.[13]
	ESG Research Team (Global Equity Research)	• Provide clients with timely, value-added insights on various ESG topics with in-depth commentary and analysis on the Canadian, U.S. and Latin American markets, and targeted commentary on international markets.

Strategy, Metrics and Targets

Climate-related Risks and Opportunities

Climate change presents banks with a number of climate-related risks and opportunities and has the potential to significantly impact Scotiabank, our clients and our suppliers.

For the purpose of this Report, climate-related opportunities may present themselves as business opportunities to enter new markets or develop new products, or they may appear as economic opportunities, such as cost savings or risk mitigation.

As climate-related risks and opportunities increase in relevance, it is critical that those climate-related risks and opportunities identified as important to our business be incorporated into our Bank-wide strategy and operations. At Investor Day in December 2023, Scotiabank unveiled its new corporate strategy, launching a business model for both retail and business clients based on the following four pillars:

- GROW AND SCALE IN PRIORITY MARKETS
- MAKE IT EASY TO DO BUSINESS WITH US
- EARN PRIMARY CLIENT RELATIONSHIPS
- WIN AS ONE TEAM

Business opportunities arising from climate change are being integrated into the first pillar, “Grow and Scale in Priority Markets”, with a focus on priority businesses across Canada, the United States and Mexico.

Climate-related opportunities are presenting themselves now for our corporate and commercial clients. To respond to these opportunities, the Bank has developed specific expertise and business models in relation to sustainable finance and financing low-carbon energy technologies. Climate-related finance products, such as green and sustainability-linked products, help us support our clients to implement their decarbonization plans. In some cases where lending to clients might fall outside the Bank’s risk appetite, we may be able to support such clients with other products like advisory services or raising equity in the markets.

The Bank’s Clean Tech Energy Team is focused on growing this business, with a particular focus on areas such as battery technology, EV charging and infrastructure, low carbon fuels, and carbon capture, utilization and storage (CCUS). The creation of the Sustainable Finance and Clean Tech Energy groups highlight how the Bank is leveraging market opportunities related to climate change and integrating them into the business model and value chain. Climate-related opportunities are still a small portion of the Bank’s overall business, but we continue to innovate in the products and advice we offer and aim to grow the business where it fits the Bank’s risk appetite and strategy.

In Retail Banking, climate-related business opportunities are more likely to present themselves over a longer term. We offer savings and investment products, such as our first Sustainability Guaranteed Investment Certificates (“Sustainability GICs”),[14] launched in Canada in 2024 for retail and small business clients as a periodic limited time offering. While demand for these products is currently small relative to other products offered in these segments, we are monitoring that demand as well as market trends. We intend to enhance client awareness on climate change through the publication and communication of information and advice.

For our residential mortgage business, we are exploring ways that we can offer financial advice and expertise to support clients who are interested in improving and investing in the energy efficiency and carbon footprint reduction of their home. In 2024, we introduced the Green Mortgage[15] in Mexico to help make homes built to meet certain environmental criteria more accessible for families, including through preferential rates, no opening commission, 100% financing for eco-technological equipment, and access to certified suppliers for equipment purchases. Furthermore in 2024, to improve data quality and availability, we piloted a data project in Canada with an external partner to improve financed emissions calculations for the residential mortgages portfolio and provide new business insights.

For all these client segments, we see climate-related opportunities, the cash flows produced by them, and the resources – whether people, processes or technologies – increasing over time, as consumers become more aware of energy savings options, as clean energy technologies improve and become more affordable, and as the impacts of climate change increase. This also necessitates products and services that accommodate adaptation. In addition to the people resources invested in the Sustainable Finance group, Clean Tech Energy Team, ESG Risk group, Real Estate Department, ESG Data & Analytics group and Global Sustainable Business group, investments are being made in data architecture and business processes to embed climate opportunities across business lines and key corporate functions.

The transition to a low-carbon economy is a complex process that will take time, and will require collaboration among industry, the financial sector and government. Further, progress is likely to vary from year to year and our ability to respond to opportunities is tied to external factors, such as improvements in technologies that support the transition, and government policy.

Climate-related risk refers to the possibility that climate change issues associated with Scotiabank’s operations or its clients could negatively affect the Bank’s performance by giving rise to or heightening other financial and non-financial risks, for example, credit, reputational, operational, or legal risk. One of the pillars of the Bank’s corporate strategy – ‘Make it Easy To Do Business With Us’ – involves ensuring the Bank is resilient, safe and secure. Understanding climate-related risk, and the Bank’s overall management of those risks, forms part of this broader objective.

To the extent climate-related risks may affect the Bank's resiliency, the impact of climate-related risks on the Bank's principal financial and non-financial risks, as well as on its financial and capital plans, must be evaluated. One means of assessing climate-related risk, as it impacts credit risk in our business banking portfolio, is through an assessment and climate risk rating at the borrower level (the "Climate Change Risk Assessment" or "CCRA"). Results of this assessment are incorporated into industry reviews, an annual forum to discuss industry strategy and risk tolerance impacting key business segments. The results of this industry review process are then used to inform credit limits or sub-limits for business banking[16] sectors (for a list of sectors, see Table 4 Climate Heatmap on p. 42). This type of risk assessment is also used to promote alignment of the Bank's risk appetite with its overall business and financial strategies.

The Bank has identified ways to strengthen its climate risk management processes while supporting the business opportunities described above. These include enhancements to the CCRA for non-retail borrowers, development of the Transition Preparedness Rating and implementation of the Climate-related Financing Framework. Further, enterprise business banking climate scenario analysis is conducted regularly to predict credit impacts and results are reported to senior credit risk management. These analyses consider both transition and physical risks under a variety of scenarios from the Network for Greening the Financial System (NGFS). The details of the Bank's climate risk management approach, and the full suite of climate-related risk metrics, are further described in the Risk Management chapter beginning on p. 38.

With respect to the Bank's capital and financial plans, the impacts of climate-related risks are assessed through the Internal Capital Adequacy Assessment Process (ICAAP) as well as the assessment of Allowance for Credit Losses (ACL). The Bank has incorporated two climate scenarios in the ICAAP process to assess the potential outcomes under different climate futures. One scenario relates to transition and contemplates the introduction of immediate, strong climate policies that are aimed at reaching net-zero emissions by 2050. Under this scenario, the introduction of climate policies poses transition risk to industry, but results in low physical risk as well as low emissions and low temperature rise. These assumptions are also consistent with expectations articulated in the Intergovernmental Panel on Climate Change Shared Socioeconomic Pathway (IPCC SSP) 1-2.6.

The second scenario relates to physical risk and contemplates the implementation of government policy at current levels, but without further action or ambition. Under this scenario, transition risk is lower for industry and physical risk is correspondingly high. Physical risk impacts are projected based on average expectations for high emissions, high temperature rise, consistent with IPCC SSP5-8.5, with localized severe climate events, such as flooding or wildfires, occurring across Canada. Results show that impacts of the scenarios are within a level that the Bank has the financial resources to withstand.

With respect to the assessment of ACL, the Bank applies qualitative adjustments for climate-related risk on a quarterly basis, as deemed necessary.

The Bank intends to use scenario analysis to better understand the expected impacts to its financial position and performance. Climate scenario analysis has continued to expand, with enhancements in 2024 to data and technology infrastructure to support climate scenario analysis, and greater coordination across the enterprise to expand the scope of analyses and raise awareness of results. The existing scenarios and methodologies have certain limitations and assumptions (for example, a static portfolio is assumed). Over the coming year, we plan to refine our methodologies, incorporate new data, and expand both scenario and portfolio coverage where feasible. This will enable the Bank to better determine the expected financial impacts of climate-related risk.

As climate-related risks evolve, the Bank relies on its overall approach to identifying, assessing and mitigating risk more generally. We expect the results of these exercises to be further embedded into strategic decision-making over time.

EXAMPLES OF HOW THE FOLLOWING DRIVERS MAY IMPACT THE BANK, OUR CLIENTS AND OUR SUPPLIERS

Driver		Climate-related Risks – Examples[17]	Climate-related Opportunities – Examples
Transition Risk	Policy and legal	Regulatory compliance risks associated with failing to comply with changes in laws and regulations in jurisdictions in which we operate, including climate-related regulations. Unexpected public policy or regulatory developments impacting profitability of specific borrowers or certain high-carbon sectors impacting the value of securities in these industries and can also result in increased demand for liquidity (e.g., borrower drawing on revolving credit facility or undrawn balances).	Availability of emissions data and climate-related disclosures, to support the Bank's financed emissions reporting and client engagement activities, stemming from increased government policies and regulations. EV subsidies, tax credits, national and subnational coal phase-outs, carbon pricing and other policy instruments intended to support decarbonization may impact sectors where the Bank has set Interim Targets. As Scotiabank representatives, providing expertise to internal and external stakeholders for the development of national green taxonomies and similar implementation tools in Chile, Peru and Colombia.
	Technology	Borrowers in sectors that are dependent on technological innovations to manage climate transition risk could face increased costs or impact to revenue and profitability if the benefit of the technology is not realized. Technological changes and new infrastructure developments could impact people, processes and systems.	Supporting clients' own goals relating to clean technology investments, through the Bank's Clean Tech Energy Team,[18] in sub-sectors such as battery technology, EV charging and infrastructure, carbon capture and renewable fuels. Procuring technology solutions from data providers and ESG data management software companies to improve the Bank's emissions reporting processes and procedures.
	Market	Unexpected market factors targeted at high-carbon sectors can impact demand of such products and services in these sectors, impacting the profitability of borrowers as well as the value of securities in these industries, via increased credit spreads. Value of assets in investment portfolios or liquidity buffers may decrease due to impacts of climate-related risks.	Increasing preference across clients for climate-related products, advice and services, as defined by the Bank's Climate-related Finance Framework.
	Reputation	Impression that a company is not prepared to manage the climate-related risk it faces may result in damage to its reputation resulting in a decrease in demand for its products, increase in cost of funding, etc. Reputational risk can arise from stakeholders' perception, whether true or not, that the Bank is not equipped to manage the climate-related risks it faces, lack of confidence in the Bank's ability to meet its climate objectives, or through false or misleading claims of the climate benefits associated with the Bank's products and services (i.e., greenwashing).	Cross-industry collaboration and partnerships with voluntary global initiatives to advance our climate-related target setting, emissions reporting, transition planning, and other activities to support the Bank's climate objectives. Contributing to thought leadership on emerging climate-related topics through Scotiabank's independent Economics team.[19]
Physical Risks	Acute	Acute extreme weather events can result in damage to physical assets, infrastructure or operations of borrowers. This could impact the financial position of the borrower and the value of collateral securing the Bank's loan. An acute weather event that significantly disrupts a company, industry or critical infrastructure can result in increased market volatility and a decrease in the value of securities or commodities.	Assessing the resilience of the Bank's global real estate portfolio to assess its exposure to certain physical climate risk.[20]
	Chronic	Changes in chronic weather patterns can impact a borrower's long-term business model in certain industries that may be dependent on raw materials linked to weather (e.g., agriculture). It may also impact the availability or price for insurance.	Investments in the Bank's partnerships with academic institutes[21] to advance agriculture research, such as evaluating multi-species cash/cover crops and regenerative agriculture principles to advance net-positive grain farming.

Our Climate Pillars and Transition Plan

Banks have an important role to play in the global transition toward a low-carbon, climate-resilient economy by supporting clients in their own transitions, and by helping them to understand the risks and opportunities facing their business due to climate change. Our approach involves working with a range of clients from large corporate clients to smaller companies across a wide range of areas – including those in higher emitting, hard-to-abate sectors – to address their needs throughout the energy transition.

As outlined in the Executive Summary of this Report, our efforts are aligned to three Climate Pillars. To support progress within these Pillars, we have established several specific long-term and interim targets, underpinned by robust governance and accountability structures. We continue to evaluate our data sources, methodologies and approaches, and are working to enhance internal data reporting capabilities – including people, processes and technology – to improve the accuracy and efficiency of our data and calculation of relevant metrics. In 2024, KPMG LLP ("KPMG") performed a limited assurance engagement over a selection of Scotiabank's performance indicators, including selected financed emissions metrics. For further information, see KPMG's Independent Limited Assurance Report.

As we pursue our climate objectives, we aim to provide transparency relating to how we measure and report our progress against targets, as found in the following sections. As noted above, our Climate Pillars, outlined in this Report, have been established at a point in time, and are subject to change depending on the actions of our clients and changes in the broader economic and government policy environment as they relate to climate change. As our climate objectives change, so will the tools we use to make progress and the metrics we use to measure progress.

TARGETS ACCORDING TO OUR CLIMATE PILLARS

Financing Climate-related Solutions	Supporting Clients' Climate Transition	Reducing Our Own Emissions
Provide products and services to support our clients' climate-related objectives.	Advance engagement with clients on their climate transition through service offerings and advice. Simultaneously measure and assess financed emissions in our lending portfolio.	Reduce GHG emissions from our own operations and introduce solutions to reduce the Bank's direct impact on climate change.
Providing $350B in climate-related finance (as defined below) by 2030 (see pp. 18–19 of this chapter for more information).	Reducing physical emissions intensity in our Oil and Gas – Exploration and Production ("E&P") portfolio by 30% (Scope 1 and 2)[1] and by 15%-25% (Scope 3) (see pp. 23, 25–28 of this chapter for more information) by 2030. Reducing Scope 1 and 2 physical emissions intensity within our Power Generation portfolio by 55%–60% by 2030 (see pp. 23, 25–28 of this chapter for more information). Reducing Scope 1, 2 and 3 downstream[2] physical emissions intensity in our Automotive Manufacturing portfolio by 36% by 2030 (see pp. 23, 25-28 of this chapter for more information).	Reducing Scope 1 and 2 GHG emissions of the Bank by 40% by 2030 relative to a 2016 base year (see pp. 31–32 of this chapter for more information). Securing 100% electricity (either physically or virtually) from emissions-free sources[3] within Canada by end of fiscal year 2025, and globally by end of fiscal year 2030. Increasing our internal carbon price from $80/tCO$_2$e in 2024 to $95/tCO$_2$e in 2025 (see pp. 31-32 of this chapter for more information).

1 Scope 1 emissions are defined as direct GHG emissions that occur from sources owned or controlled by the reporting company (for example, emissions from combustion in owned or controlled boilers, furnaces and vehicles). Scope 2 emissions are defined as indirect GHG emissions from generation of purchased or acquired electricity, steam, heating or cooling consumed by the reporting company. Scope 2 emissions physically occur at the facility where the electricity, steam, heating or cooling is generated.

2 In connection with the physical emissions intensity target related to our Automotive Manufacturing portfolio, Scope 3 downstream emissions covers tank-to-wheel emissions, often referred to as tail pipe emissions. For more details on our emissions intensity reduction target in the Automotive Manufacturing sector, see Scotiabank's Emissions Reduction Target in the Automotive Sector. 2019 was selected as a baseline because 2020 and 2021 were affected by COVID-19 pandemic and the impacts of this macro-economic context.

3 Emissions-free sources include renewable (hydro, solar, wind, geothermal, tidal) and nuclear sources. Virtual power purchase involves the purchase of RECs or other environmental attributes reflecting the environmental benefit of emissions-free power production which, according to current carbon accounting methodologies such as the Greenhouse Gas Protocol, are a generally acceptable means of reducing Scope 2 emissions from electricity use.

In 2024, we developed a Climate Transition Plan (our "CTP") to guide our work under our Climate Pillars. It centres on developing ways we can better understand our clients' own climate transition through newly implemented metrics and tools, and a climate-focused client engagement framework. Through this ongoing engagement, we believe we are positioned to better learn which climate-related products and services will help our clients implement their plans and achieve their goals. We will continue to refine and reassess our CTP as we learn with our clients, new methodologies emerge, data quality improves, and as regulatory requirements evolve.

OVERVIEW OF OUR CLIMATE TRANSITION PLAN

IMPLEMENTATION STRATEGY

EMBEDDING OUR 3 CLIMATE PILLARS

1. **Financing Climate-related Solutions** through our climate-related finance activities, focusing on renewable and alternative energies and new climate-related products and services.
2. **Supporting Clients' Climate Transition** through implementing our Transition Preparedness Rating, embedding client-level emissions metrics in transaction reviews, and implementing our climate client engagement framework.
3. **Reducing Our Own Emissions** through an increased internal carbon pricing mechanism, energy-saving strategies, procuring emissions-free electricity, developing a climate offset approach, and developing a supplier emissions measurement and engagement processes.

RISK MANAGEMENT

- Annual Climate Risk Heatmap process and maintaining an enterprise limit for high climate physical and transition risk in business banking lending
- Transition Preparedness Rating for clients in sectors with an Interim Target
- Enhanced assessment of greenwashing risk for climate-related finance and broader integration into the ESG Risk Management Framework
- Embedding climate risk into risk governance and processes
- Scenario analysis focused on credit risk in non-retail and retail portfolios

DATA & PLATFORMS

- Climate dashboards illustrating data and insights for business banking teams
- Ensuring clear roles and responsibilities and adherence to the Bank's data management standards for climate-related data required for regulatory purposes

ENGAGEMENT STRATEGY

EXTERNAL

ENGAGEMENT PLAN

- A framework to engage and support clients in certain Carbon Intensive Sectors[1] on their transition planning activities
- Identifying key climate issues as a basis to engage **government**
- Consultations to integrate Indigenous perspectives into our approach supporting a **just climate transition** that is fair and inclusive

INTERNAL

EMBEDDING CLIMATE CULTURE

- Improving **skills and knowledge** through education, training and sustainability experience opportunities
- Leveraging an enterprise-wide **network of sustainability champions**
- Aligning **incentives and remuneration** with climate objectives

1 For the purpose of this Report, Carbon Intensive Sectors include Agriculture, Aluminum, Cement, Coal, Commercial Real Estate, Iron and Steel, Oil and Gas, Power Generation, Residential Real Estate and Transport.

Financing Climate-related Solutions

$350B Climate-related Finance Target

Climate change presents banks with a number of specific business opportunities, including growing demand from clients for financial products and services that facilitate implementation of their climate-related projects and objectives. In its latest analysis, the International Renewable Energy Agency (IRENA) estimated that under a 1.5°C scenario, cumulative investments across the global energy system would need to reach USD$47 trillion by 2030, or USD$6.7 trillion each year on average, between 2024 and 2030.[22]

In 2019, the Bank committed to providing $100 billion in climate-related finance by 2025 in response to this opportunity. As demand grew for climate-related products and services, that commitment was increased in 2022 to provide $350 billion in climate-related finance by 2030 (the "CRF Target").

The broad objective of Financing Climate-related Solutions is supported by, among others, the Sustainable Finance team and a Clean Tech Energy Team, both of which aim to help clients with their climate and environmental-related strategies. The Sustainable Finance group works with corporate, commercial, public sector and institutional clients across the Bank's global footprint, aiming to assist them to incorporate sustainability and climate-related factors in their financing, and to help them align their capital market activities with their corporate sustainability strategy and goals. This includes helping clients identify projects eligible under our Climate-related Finance Framework (the "CRFF"), and providing financing solutions towards these investments. We continue to evaluate the categories of activities that are eligible under our CRFF, and may modify those categories over time as sustainable finance taxonomies and standards evolve. For more information on Sustainable Finance highlights for fiscal 2024, see our 2024 Sustainability Report (pp. 28–29).

Formed in 2022, the Bank's Clean Tech[13] Energy Team within Corporate and Investment Banking is integrated with product specialists across the Bank, and is dedicated to advising and supporting our clients' clean technology, energy transition and climate goals. This Team actively engages with both existing and prospective clients and coordinates across various geographies and business sectors (such as energy, metals and mining, consumer, industrial and retail sectors). The efforts are focused across a wide range of low carbon sub-sectors including battery technology, EV charging and infrastructure, carbon capture, clean hydrogen, renewable fuels, water technology and renewable natural gas.

The products and services that we count towards the CRF Target are outlined in the Bank's CRFF, most recently revised in March 2025[23]. Climate-related finance[24] consists of products and services (such as lending, capital markets, deposits, securitizations, treasury investments and advisory services) as well as the types of transactions (such as sustainability-linked loans or dedicated purpose loans) which support certain eligible categories of activities related to, among other things, climate change mitigation, adaptation, pollution prevention, sustainable management of natural resources, biodiversity conservation and circular economy. The term "climate-related" was chosen to make clear that, in addition to providing financing that supports initiatives intended to address climate change, financing under the CRF Target is also made available to support activities in other categories, including biodiversity and sustainable agriculture, which may also be relevant to climate change issues such as mitigation or adaptation.

To keep track of the Bank's activities that count toward the CRF Target, annual performance expectations are established at the beginning of each fiscal year and integrated into the performance targets of key business lines. In fiscal 2024 the Bank provided approximately $40 billion towards the CRF Target ($4 billion more than 2023), totalling $172 billion in climate-related finance since 2019.[25] The majority of this amount is accounted for by lending, capital markets and advisory activities as defined in our CRFF (see Figures 1 and 2).

Tracking Progress toward the $350B Target

Progress toward the CRF Target is reported publicly on an annual basis and internally tracked and monitored quarterly, including reviewing the distribution of climate-related financing across Business Activities (as defined in the CRFF) and across divisions of the Bank. We recognize that some of the financing we provide as part of the CRF Target may be directed toward eligible climate-related activities that aim to reduce a client's environmental impacts, or emissions intensity, but will not necessarily reduce overall GHG emissions.[26] Examples include the reduced environmental impact of a water utility developing a desalination plant to conserve freshwater and a waste management company that separates and recovers waste promoting the circular economy.

The calculation of emissions impact associated with climate-related finance activities that count toward the CRF Target is highly complex, and there are currently no harmonized standards applicable to Canada for this purpose. We will continue to monitor the standards and methodologies used to calculate emissions associated with climate-related finance.

FIGURE 1: CUMULATIVE PROGRESS (IN BILLIONS) TOWARD CRF TARGET, 2020-2024

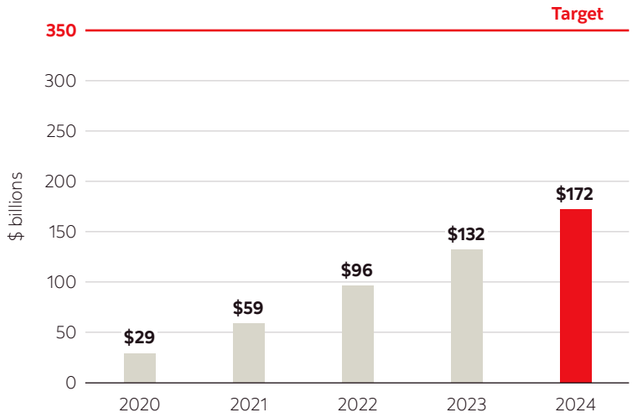
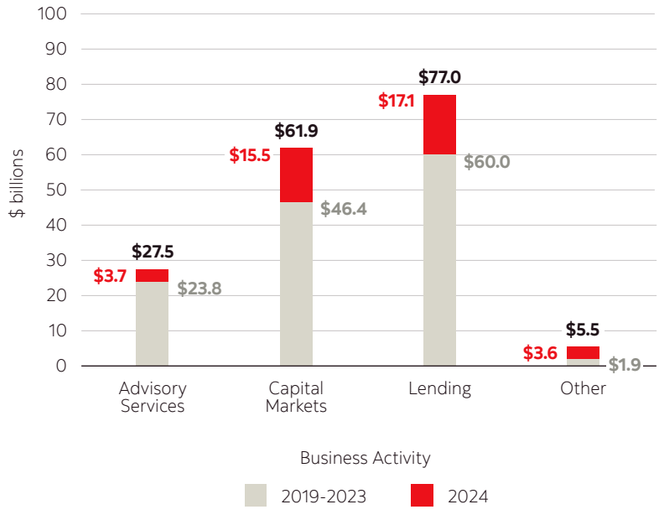


FIGURE 2: INCREASE (IN BILLIONS) IN CLIMATE-RELATED FINANCE BY BUSINESS ACTIVITY[1]



1 Business Activities are defined in the Climate-related Finance Framework as Lending, Advisory Services, Capital Markets, Securitization, Treasury Investments, Deposits and Scotiabank Corporate (relevant real estate related expenditures).

Supporting Clients' Climate Transition

In 2022, we began measuring financed emissions[27] in the following carbon intensive sectors: Agriculture, Aluminum, Cement, Coal, Commercial Real Estate, Iron and Steel, Oil and Gas, Power Generation, Residential Real Estate and Transport (the "Carbon Intensive Sectors"). As part of this multi-year process, we continue to measure and account for how those financed emissions are distributed across sectors and asset classes.

In this section you will find information relating to the Bank's:

1. Financed emissions, in the Carbon Intensive Sectors, across four asset classes, as a percentage of total financed emissions associated with the Bank's business loans (the "Portfolio Financed Emissions") (see p. 23, Table 1);
2. Approach to setting our Interim Targets and factors considered in choosing the targets we have set (see p. 23);
3. Progress on our Interim Targets, as well as an analysis of trends impacting our performance (see p. 28);
4. Metrics and tools used to assess our clients' emissions and transition preparedness (see pp. 28–30); and
5. Approach to engaging with clients on climate-related matters designed to support in the execution of our Interim Targets (see p. 28).

The work we have done to evaluate our financed emissions has served as a basis for setting our Interim Targets, which are subject to change depending on the actions of our clients and changes in the broader economic and government policy environment as they relate to climate change.

Methodology and Choosing Metrics

Scotiabank is a member of the Partnership for Carbon Accounting Financials (PCAF) and uses the Global GHG Accounting and Reporting Standard Part A: Financed Emissions[28] ("PCAF Standard") as the basis for calculating financed emissions. Building on the Greenhouse Gas Protocol[29] ("GHG Protocol"), the PCAF Standard provides guidance to financial institutions on measuring financed emissions across seven asset classes: business loans and unlisted equity, listed equity and corporate bonds, project finance, commercial real estate, mortgages, motor vehicle loans and sovereign bonds. Details regarding methodologies used in measuring financed emissions can be found in our Financed Emissions Methodology.

Financed emissions are reported using a number of metrics, including:

Absolute financed emissions helps to show a bank's share of a borrower's emissions. With respect to the business loans and unlisted equity asset class, absolute emissions are calculated using a formula that multiplies the borrower's emissions by an attribution factor equal to the amount of financing provided to the borrower divided by the borrower's company value (enterprise value including cash (EVIC), if the company is public).[30,31] To determine absolute financed emissions across the entire portfolio, absolute financed emissions of all borrowers are added together to produce the whole. Measuring financed emissions in absolute terms across a portfolio provides a basis for determining those sectors in which to set Interim Targets.

Physical Emissions intensity provides sector-specific insight by translating absolute financed emissions to emissions per unit. Physical emissions intensity is an example of an emissions intensity metric, which is the absolute emissions of a loan or investment divided by a physical activity or output value (e.g., metric tonnes of carbon dioxide equivalents per megawatt hour (tCO_2e/MWh) generated or consumed, or tCO_2 e/tonne product produced). Physical emissions intensity is useful in setting science-based targets, understanding the efficiency of a portfolio in terms of total emissions per unit, and for comparability between clients on the basis of emissions reduction irrespective of the client's size. Physical emissions intensity also allows banks to monitor emissions intensity improvements in certain Carbon Intensive Sectors that continue to provide necessary goods and services.[32]

Challenges Surrounding Data Quality

The calculation of financed emissions is an evolving field and data challenges persist. We continue to need more client-level data to accurately measure and report financed emissions. Following PCAF guidance, we strive for continuous improvement of both data quality and data availability over time. As more data is measured and disclosed by our clients over time, we seek to improve our PCAF data quality scores, thereby increasing the accuracy of our financed emission estimates.

Financed emissions methodologies use three key inputs: (1) financial information relating to our lending, (2) client-level emissions and production data, and (3) valuation of the client or property. For the first input, we use lending amounts as of October 31 of the reporting fiscal year. For the second input, we try to obtain client-level emissions and production data through data platforms that house client-level reported data, as disclosed by the client, or through their sustainability report. Scotiabank uses S&P Global Trucost to source reported emissions.[33] The third input is obtained from information collected throughout the financing processes or third-party data providers including S&P Global Trucost.

Client-level emissions data is often not available. In the absence of such data, PCAF provides guidance on how to generate financed emissions using estimates. PCAF also provides a framework for determining the data quality score associated with a given calculation. The less client-level emissions data available, the poorer the data quality. Our PCAF data quality scores are reported for each sector and each asset class and are calculated by aggregating the weighted data quality scores of each client in the relevant sector or asset class, depending on whether the client has reported emissions data, or an estimate has to be used. The PCAF data quality scoring system assesses the availability and accuracy of data elements such as total company value and emissions data. The data scoring system attributes higher data quality to emissions data that has been verified by a third-party. Data quality scores range from 1 (most certain) to 5 (most uncertain).[34] When several data sources are available, data of the highest quality is used, unless otherwise stated within this Report (see Table 7).

Issues – such as variability in the scope of reported data and margins of error in aggregated data – may have impacts on accuracy and comparability of our calculations over time and may require the restatement of our financed emissions baselines or emissions reduction targets.

Time Lag in Reporting

Client-level emissions data availability challenges the timeliness of financed emissions reporting for financial institutions, including Scotiabank. There is a time lag in availability of client-level emissions data by third-party data sources. As a result of this delay, we report financed emissions for Business Loans with a two-year lag. For the Mortgages, Motor Vehicle Loans and Commercial Real Estate asset class, where client emissions data is unavailable, we are able to report financed emissions based on 2023 financial information and PCAF emissions factors. Where available financed emissions data for a client is older than available financial information, we use the older data for both categories to ensure consistency of reporting cycle. The use of this methodology may reduce restatement over time. We continue to work with our third-party data suppliers to find ways of making emissions data available sooner in the reporting cycle to help us produce more timely information.

Changes to Methodology, Improvements to Data Quality and Restatement

No methodological changes were made to our financed emissions calculations in 2024. As reported in our 2023 Climate Report, we took steps last year to increase the accuracy of financed emissions for our Oil and Gas portfolio through the use of an internally developed emission factor based on currently available client-disclosed data ("Internal Emission Factor")[35]. Given the relative value of client-disclosed data in the calculation of absolute emissions, the creation of the Internal Emission Factor allowed for improved accuracy in the calculation of emissions factors and an increase in data quality score. We continued using the Internal Emissions Factor in 2024.

As part of the process for preparing for limited assurance over select financed emissions metrics, we have made a number of process improvements since fiscal year 2023. These improvements have resulted in better quality data used in our financed emissions calculations and, in some instances, has increased data quality scores. As an example, during the calculation of 2022 Financed Emissions figures (completed in 2024) we were able to improve the data quality score associated with financed emissions for the Automotive Manufacturing target by identifying relevant clients that have publicly disclosed that they have received limited assurance for their emissions metrics.

We expect the data challenges associated with the calculation of financed emissions, including data quality, may resolve over time. In future reporting, our measurement of financed emissions, including baseline and interim years, may be restated to reflect the most recent data available. This data may include updates due to evolving standards and methodologies, client restatements of previously reported data and new sources of data, among others. No restatements to our financed emissions were made this year. We intend to review our approach to restatements as industry best practices develop.

Portfolio Financed Emissions

Financed emissions consist of those GHG emissions of our clients attributable to lending and investment activities we provide to those clients. On the basis of a high-level estimate of our financed emissions, we began disclosing financed emissions for the following four sectors in March 2022: Oil and Gas, Power & Utilities, Agriculture and Residential Mortgages.[36] In March 2022, we set targets for the Oil and Gas and Power Generation sectors. In 2023, we released an additional Interim Target for the Automotive Manufacturing sector and began publishing absolute emissions in connection with the sector.[37]

In 2024, we focused on completing an analysis of the Scope 1 and 2 emissions of our portfolio financed emissions in the Carbon Intensive Sectors. This analysis used all business loans where data was available and used combined Scope 1 and 2 data as per PCAF guidance. Further, this was completed using the PCAF Database prior to March 2023. In few instances, relevant PCAF emissions factors were not available.

For the Business Loan and Unlisted Equity asset class, this exercise included all business loans[38] in all subsectors internally categorized as Agriculture, Aluminum,[39] Cement,[40] Coal,[41] Iron and Steel,[42] Oil and Gas[43] and Power Generation.[44]

For the Commercial Real Estate sector, the PCAF methodology limits our financed emissions to include only on-balance sheet loans secured by commercial real estate where the property is used for commercial purposes, such as retail, hotels, office space, industrial, or large multi-family rentals.[45] Residential Real Estate included residential mortgages aligning with the PCAF methodology. For the Transport sector, we included all business loans in all subsectors, as well as loans forming part of our retail lending portfolio, calculated using the PCAF definition and methodology for Motor Vehicle Loans.

We included in our analysis financed emissions associated with all remaining business loans, outside of the Carbon Intensive Sectors, where a PCAF emissions factor was available. Financed emissions in this category, labelled “Other”, constitutes the largest segment of our Portfolio Financed Emissions.

Given the breadth of this exercise and the lack of client-level emissions data across the Bank’s lending portfolio, we chose to use the PCAF methodology for all relevant asset classes at a data quality score of 5. At this data quality level, our portfolio financed emissions should be considered an estimate designed for the purpose of identifying sectoral financed emissions concentrations across the Bank’s full portfolio.

FIGURE 3: 2022 PORTFOLIO FINANCED EMISSIONS – SCOPE 1 AND 2

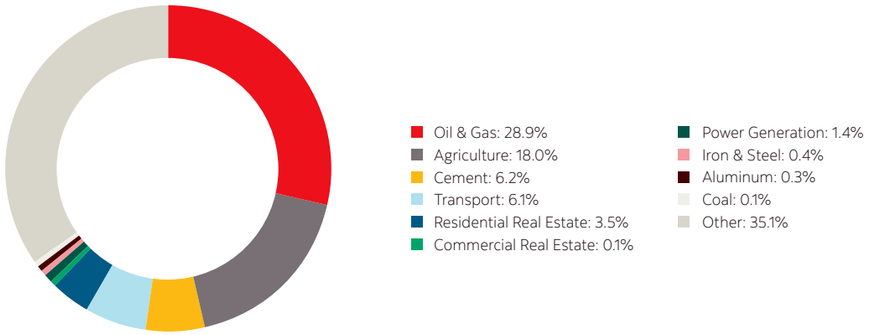
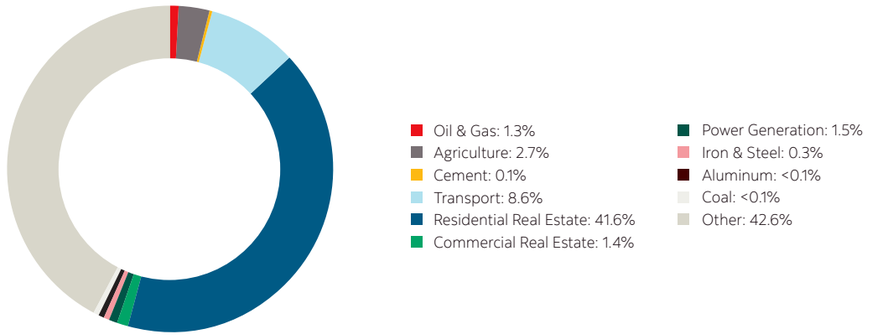


FIGURE 4: 2022 FINANCIAL EXPOSURE – OUTSTANDING AMOUNTS



Selecting Sectors for Target Setting

The impact a sector-based target may have on the Bank's overall financed emissions is a key consideration in choosing to set a target in that sector. To assess impact, we considered the absolute financed emissions relating to that sector as a percentage of the Portfolio Financed Emissions (see Figure 3 and Table 1). Because our Portfolio Financed Emissions are based on a quality score of 5 and may not accurately reflect our actual values (meaning they are based on PCAF estimates instead of client data), we also consider outstanding (drawn) amounts associated with the sector as a percentage of total outstanding amounts in the same fiscal year (the "Total Outstanding", set out in Table 1). To avoid the possibility of mischaracterizing a sector as low impact, we set a low threshold for both factors as 1% (considered together, the "Impact Threshold").

As outlined in Table 1, sectors above the Impact Threshold are Agriculture, Oil and Gas, Power Generation, Residential Mortgages and Transport. Sectors below the Impact Threshold include Aluminum, Coal, Cement, Commercial Real Estate, and Iron and Steel. Aluminum, Coal and Iron and Steel are below 1% in both financed emissions as a percentage of Portfolio Financed Emissions and as by outstanding (drawn) values as a percentage of outstanding corresponding to the Portfolio Financed Emissions. We do not intend to set financed emissions reduction targets for these sectors at this time. For those sectors above the Impact Threshold, we have been able to set Interim Targets for three out of five sectors.

TABLE 1: 2022 PORTFOLIO FINANCED EMISSIONS BY CARBON INTENSIVE SECTOR AND PCAF ASSET CLASS

CARBON INTENSIVE SECTOR	PCAF ASSET CLASS	% OF PORTFOLIO FINANCED EMISSIONS (SCOPE 1+2)[1]	% OF OUTSTANDING AMOUNTS	
Oil and Gas	Business Loans and Unlisted Equities	28.9%	1.3%	
Agriculture	Business Loans and Unlisted Equities	18.0%	2.7%	
Residential Real Estate[2]	Mortgages	3.5%	41.6%	
Transport[3]	Motor Vehicle Loans	3.5%	5.2%	
	Business Loans and Unlisted Equities	2.5%	3.4%	
	Transport – Total	6.1%	8.6%	
Power Generation	Business Loans and Unlisted Equities	1.4%	1.5%	Impact Threshold
Cement	Business Loans and Unlisted Equities	6.2%	0.1%	
Commercial Real Estate	Commercial Real Estate	0.1%	1.4%	
Aluminum	Business Loans and Unlisted Equities	0.3%	<0.1%	
Iron and Steel	Business Loans and Unlisted Equities	0.4%	0.3%	
Coal	Business Loans and Unlisted Equities	0.1%	<0.1%	
Other	Business Loans and Unlisted Equities	35.1%	42.6%	

1 In this column, we are providing financed emissions covering Scope 1 and Scope 2 of those companies that fall within the relevant sector and asset class.

2 Our financed emissions for the Mortgages asset class is calculated based on the use of property values at the time of origination. In cases where this information is not available at the time of reporting, property value at reporting time is used. Financed emissions for the Mortgages asset class include loans from our Global Banking and Markets, Canadian Banking and Tangerine divisions that fit the PCAF definition.

3 The scope of our financed emissions for Transport includes lending in two PCAF asset classes: Motor Vehicle Loans and Business Loans and Unlisted Equities. Transport subsectors included under Business Loans and Unlisted Equities include operating airlines, original equipment manufacturing, transportation infrastructure, tankers, rail transportation, bulk carriers, road transportation, other land transportation and other shipping. The percentage of Portfolio Financed Emissions for Transport – Total does not sum due to rounding.

EMISSIONS DATA CONSIDERATIONS IN AGRICULTURAL TARGET SETTING

We continue to be unable to set financed emissions reduction targets in the Agriculture sector due to, among other important factors, lack of client-level emissions data. In 2023, we joined other Canadian banks in contributing to a paper by the Rocky Mountain Institute Agriculture Initiative aimed at assessing the conditions for emissions reduction target setting in the Canadian agriculture sector.[46] One of the paper's main conclusions was that lack of data is "arguably one of the greatest challenges faced in baselining emissions and setting targets for agriculture lending books".[47] The issue arises primarily from four factors:

1. A diverse client base: agriculture lending portfolios typically comprise both a small number of large clients with whom direct engagement to obtain emissions and production data may be feasible and thousands of smaller clients, with whom direct engagement is impractical.
2. Regional specificity: the emission profile of a commodity grown in one region is often, due to a variety of reasons, different from the same commodity grown in another. This can be true even in one country, especially a large one like Canada which can have significant differences between provinces in terms of geography and industry. Obtaining data that reflects these differences is a significant challenge in baselining emissions.
3. Complex emissions sources: Emission sources in the agricultural sector are highly complex, arguably more so than other sectors.[48] This complexity leads to significant uncertainty in measurements, making the acquisition of high-quality, granular, client-data a substantial challenge.
4. Lack of measurement tools and the cost of measurement: The risk-reward balance of adopting emissions reduction activities is often unclear to farmers, further complicated by the fact that the tools available for measuring client emissions in agriculture are not as developed or ubiquitous as those in other sectors, making accurate data collection and analysis even more challenging. Cost of measurement is another challenge. An example of this includes soil testing, which is relatively expensive, especially since soil conditions vary within fields and farms, requiring significant testing for reliable results for any area.[49]

A Note on Cement

According to the IEA, cement contributes 6.5% of global emissions and 40% of global heavy industry emissions.[50] While cement only accounts for 0.1% of the Bank's outstanding (drawn) lending in 2022, the sector accounted for approximately 6% of the Bank's Portfolio Financed Emissions. In 2024, we assessed whether clients in our cement portfolio reported emissions data and found that we could only produce financed emissions for this sector primarily based on estimates.

Determining the Scope of Targets

Our approach to determining the scope of our financed emissions reduction targets is based on a number of factors other than emissions data availability, including geographically relevant, sector specific, science-based, emissions reduction pathways, as well as industry specific conditions affecting emissions reductions.

SCOPE OF TARGETS[51]

Scope of Oil and Gas Target

As described in our 2023 Climate Report, the Oil and Gas sector is large and multi-faceted, consisting of upstream activities (exploration and production), midstream activities (storage, transportation and processing) and downstream activities (refining and distribution). For calculating financed emissions and setting a physical emissions intensity reduction target for the Oil and Gas sector, we focus on exploration and production (E&P). As shown in Table 1, 28.9% of the Bank's financed emissions are attributed to the Oil & Gas sector, 21.9% of which is attributable to E&P, and the remaining 7.0% consists of midstream and downstream activities. The focus on E&P covers the majority of Oil & Gas emissions, and also focuses on portions of the value chain where sector initiated decarbonization activities are available and, in many cases, already underway, including electrification of upstream extraction and drilling, improved methane leak detection, and investment in hydrogen and CCUS.[52]

Scope of Power Generation Target

In 2022 and 2023, we reported financed emissions for our Power and Utilities sector, which is made up of companies involved in electricity generation, transmission and distribution to residential, commercial and industrial customers. To calculate our physical emissions reduction target, however, we have focused on Power Generation, the primary source of carbon emissions in the value chain.[53] Decarbonizing the power generation sector has been cited as a critical climate transition action.[54] According to the latest IEA NZE Report, the share of renewables in total electricity generation rises to approximately 61% in 2030 and 88% by 2050.

Electricity generation represents one of the largest sources of global energy-related CO_2 emissions. This is further complicated by expected increases in global electricity demand[55] due to the current macroeconomic outlook[56] and ongoing electrification rates of downstream sectors, notably transport and residential sectors.[57] These trends are occurring in tandem with enabling conditions for this sector, including cost reductions for solar, wind and storage, favourable national and subnational policies,[58] and increasing demand for renewable electricity.[59] The Bank's physical emissions intensity reduction target is a goal to reduce Scope 1 and 2 emissions intensity of our power generation portfolio by between 55% and 60% by 2030 against a 2019 baseline.

Scope of Automotive Manufacturing Target

As we outlined in our 2023 Climate Report, the Transport sector is responsible for more than 20% of global emissions, with 50% of those emissions attributable to light-duty vehicles.[60] According to the latest IEA NZE Report, electric light-duty vehicles will make up approximately 70% of new vehicles sold in emerging markets by 2030, and 80% of all light-duty vehicles on the road in 2030 will be based on internal combustion.[61] While our financed emissions account for a number of sub-sectors within the broader transportation industry, our physical emissions intensity reduction target is focused on automotive manufacturers of light duty vehicles and/or the wholly owned subsidiary of the automotive manufacturer that provides financing to wholesale and retail customers. In choosing this sub-sector to set a physical emissions intensity reduction target, we considered a number of factors, including but not limited to, the significance of emissions relating to light-duty vehicles relative to emissions associated with the entire sectors (as noted above), the availability of client-level emissions and production data and national policy environments that could support emissions reduction in this sub-sector.

Key Features of Interim Targets

Our Interim Targets are measured using a physical emissions intensity metric. Our physical emissions intensity metrics are calculated using reported emissions and production data (see calculation in our Financed Emissions Methodology), with client-level data where available.[62] Physical emissions intensity can be a useful metric in understanding the efficiency of a portfolio in terms of total emissions per unit, and provides for comparability between clients on the basis of emissions reduction irrespective of the client's size. It also allows for the fact that certain Carbon Intensive Sectors continue to provide necessary goods and services, and that banks can better support these clients by financing lower carbon technologies and approaches rather than requiring absolute emissions reductions by reducing our financial support to those clients. In addition to disclosing a physical emissions intensity metric, in sectors where targets have been set, we also disclose absolute emissions.

Physical emissions intensity reduction targets for the Power Generation sector, as well as for the Automotive Manufacturing target,[63] are based on the International Energy Agency's Net Zero Emissions by 2050 Scenario[64] ("IEA NZE Scenario"), which creates sector-specific pathways for energy reduction.

According to the IEA,[65] the following factors support decarbonization in the Power and the Automotive Manufacturing sectors:

- Stringent and effective policies spur clean energy deployment and cut fossil fuel demand by more than 25% by 2030 and 80% in 2050;
- Share of renewables in electricity generation rises to 60% in 2030;
- Low-emission sources of electricity – such as solar and nuclear – expand rapidly in the NZE Scenario, overtaking unabated fossil fuels just after 2025 and reaching 71% of total generation by 2030;
- Sales of EVs (battery and plug-in hybrid) increasing to 80% in developed economies and 40% in developing economies by 2030;
- 80% of vehicles on the road being combustion engines in 2030; and
- Sales of new internal combustion engine passenger cars stopping by 2035.

Updating Targets

No changes were made to our Interim Targets in the reporting year. Updates to decarbonization scenarios, or changes to emissions data, underlying assumptions, macroeconomic conditions or available technologies, may result in changes to the projected emissions trajectories, and therefore, to our targets.

In 2025, Scotiabank will review its targets and consider any changes or updates, taking into consideration factors such as changing international standards, market conditions, future updates to decarbonization scenarios, policy environment, availability or cost of decarbonization technologies and other inputs.

Performance Against Our Targets

We understand that each sector's progress toward reduced emissions depends on a variety of economic, technological, regulatory and other trends that are beyond the control of any one party. As a result, we do not expect the path to net-zero to be linear. There may be circumstances in which sectoral emissions (and therefore our financed emissions in the sector) increase for a period of time. While we appear to be making progress toward some of our targets, we have not made progress on others to date as compared to their respective baselines, and we recognize that year-on-year fluctuations will occur. Our approach is centered on supporting our clients in their decarbonization strategies, and we believe we can play a role in facilitating those efforts. Our ability to reach our targets is dependent on the pace of global decarbonization, specifically infrastructure, technology, and the associated regulatory environments. The pace of decarbonization globally will also depend upon the governmental and societal goals related to energy security, energy availability and decarbonization, which is beyond the scope of our control.

Table 2 on the following page summarizes the key features of our Interim Targets. Additional detail on our performance in respect of each of our targets follows, including macroeconomic trends and other factors that may impact our ability to meet our targets. The trend analysis of our three sectoral targets, as detailed below on p. 28, are based on data as of October 31, 2022; the year Scotiabank set its first round of physical emissions intensity reduction targets. Any decisions or actions Scotiabank has taken will not be reflected in the 2022 data disclosed in this Report. The trends described below are attributed to industry specific conditions, economic considerations such as the COVID-19 pandemic and/or client-driven activities.

TABLE 2: KEY FEATURES OF OUR INTERIM TARGETS

INTERIM TARGETS		OIL AND GAS – E&P[1]		POWER GENERATION[2]	AUTOMOTIVE MANUFACTURING
DEFINING SCOPE[3]	Emissions Scope	Scope 1 and 2	Scope 3	Scope 1 and 2	Scope 1, 2 and 3 downstream
	GHG Included	CO_2 e	CO_2 e	CO_2 e	CO_2 e
SETTING TARGETS	Target Metric	Physical Emissions Intensity	Physical Emissions Intensity	Physical Emissions Intensity	Physical Emissions Intensity
	Financial Exposure	Committed Authorized	Committed Authorized	On balance sheet, Outstanding	Authorized
	Subsector Coverage	Exploration & Production	Exploration & Production	Power Generation	Automotive Manufacturers and Captive Finance
	Baseline Year	2019	2019	2019	2019
	Unit	tCO_2 e/TJ	tCO_2 e/TJ	tCO_2 e/MWh	gCO_2 e/km
	Target Reduction by 2030	30% reduction	15%–25% reduction	55%–60% reduction	36% reduction
	Reference Scenario	Canadian Government Evolving Oil and Gas Pathway[4]		IEA Net Zero 2050 (2021)[5]	IEA Net Zero 2050 (2021)[5]
PERFORMANCE AGAINST INTERIM TARGETS	2019 (baseline)	6.1 tCO_2e/TJ[6]	58.5 tCO_2e/TJ	0.36 tCO_2e/MWh[7]	146.7 gCO_2e/km[8]
	2020	5.7 tCO_2e/TJ	65.2 tCO_2e/TJ	0.25 tCO_2e/MWh	188.9 gCO_2e/km
	2021	6.0 tCO_2e/TJ	63.4 tCO_2e/TJ	0.29 tCO_2e/MWh	204.1 gCO_2e/km
	2022	5.9 tCO_2e/TJ ✪	73.4 tCO_2e/TJ ✪	0.29 tCO_2e/MWh ✪	195.4 gCO_2e/km ✪

1 We calculate financed emissions and physical emissions intensity reduction targets for the Oil and Gas sector based on the exploration and production ("E&P") portion of the sector only.
2 The scope of our financed emissions for the Power and Utilities sector includes business loans to the entire sector, while our physical emissions intensity reduction target includes only clients in power generation.
3 Refer to our Financed Emissions Methodology for more information on inclusions within the target metric calculation.
4 For more information on the Canadian Government Evolving Oil and Gas Pathway, refer to the Net-Zero Pathways Report.
5 International Energy Agency (IEA). 2021. Net Zero by 2050 – A Roadmap for the Global Energy Sector.
6 Physical emissions intensity for the Oil and Gas sector, Scope 1, 2 and 3, is measured in metric tonnes of carbon dioxide equivalent per terajoule, or tCO_2e/TJ.
7 Physical emissions intensity for the Power Generation sector is measured in metric tonnes of carbon dioxide equivalents per megawatt hour, or tCO_2e/MWh.
8 Physical emissions intensity for the Automotive Manufacturing sector is measured in grams of carbon dioxide equivalents per kilometre driven, or gCO_2e/km.
✪ KPMG was engaged to provide a limited assurance conclusion over indicators identified with this symbol. Refer to KPMG's Independent Limited Assurance Report.

Performance Against Interim Targets – Oil and Gas – E&P (Scope 1, 2 and 3)

As of October 31, 2022, the physical emissions intensity of our Oil & Gas – E&P portfolio, Scope 1 and 2, decreased by 3% relative to the 2019 baseline, and by 2% relative to 2021. Scope 3 physical emissions intensity of the Oil & Gas – E&P portfolio increased by 25% compared to the 2019 baseline, and 16% in relation to 2021, the previous reported year.

Sector physical emissions intensity fluctuates year-over-year based on the variability of clients included within the portfolio and their physical emissions intensity. Additional factors that affect these fluctuations include variations in company values, which underlie the calculation, as well as variable access to client-specific data, resulting from evolving reporting practices. As reporting practices stabilize, fluctuations as a result of data quality may follow. Non-linear progress is expected and abatement technologies associated with Scope 3 emissions have long lead times, taking many years to become operational.[66]

The Oil & Gas sector's climate transition is influenced by public policy and regulation as well as the availability and price of abatement technologies.[67] Our ability to achieve our target is dependent on transformation resulting from shifting policy and consumer preferences, in addition to sectoral decarbonization actions including methane abatement and CCUS. The many industrial sectors and end-use consumers in the economy that are currently reliant on oil and gas, particularly transportation (gasoline, diesel, aviation fuels), petrochemicals, industrial processes, heat generation, and electricity also influence Oil & Gas' Scope 3 transition.

As our clients orient themselves within the context of a changing consumer and regulatory environment, Scotiabank's client engagement strategy will adapt to address the changes and potential impact investment decisions will have on their business and the Bank's lending portfolio in an attempt to align our Interim Targets.

Performance Against Interim Targets – Power Generation (Scope 1 and 2)

While fossil fuels continue to play a role in power generation in North America and globally, the power generation sector is in a state of transition that is influenced by public policy and regulation. Making progress toward our target of reducing Scope 1 and 2 emissions in power generation is expected to require an increase in renewable power generation installed capacity,[68] an increase in nuclear power generation installed capacity,[69] and improvements in battery storage efficacy.[70]

As of October 31, 2022, the physical emissions intensity of our Power Generation portfolio, Scope 1 and 2, decreased by 19% in relation to the 2019 baseline, and remained constant when compared to the previous reporting year. Based on further analysis at a client-level, several clients with high physical emissions intensities relative to the portfolio reduced their emissions intensities in 2022.

Scotiabank aims to continue to provide financial solutions that support our clients' decarbonization objectives, including renewable power generation.

Performance Against Interim Targets – Automotive Manufacturing (Scope 1, 2 and 3 downstream)

The Automotive Manufacturing sector's climate transition is largely tied to the rate of electrification, which is driven by public policy and consumer behaviour.[71] Our ability to achieve our target is dependent on the regulatory and political environment[72,73] and as such, external factors that increase demand for these lower emissions vehicles determine the rate at which we can make progress on our physical emissions intensity target in this sector.

From our 2019 baseline, the physical emissions intensity of our Automotive Manufacturing portfolio increased by 33%, attributed to the significant decrease in our client's vehicle production in 2020 and 2021 due to the COVID-19 pandemic. As of October 31, 2022, the physical emissions intensity of our Automotive Manufacturing portfolio decreased by 4% since the last year of data reported, October 31, 2021. This may be the result of factors such as increased production of vehicles with lower emissions, like electric and hybrid electric vehicles, or increased proportion of overall lending to Automotive Manufacturers attributable to clients with lower emissions intensity profiles.

Although physical emissions intensity is observed to have decreased in the data year, the sector faces challenges to reduce GHG emissions, namely the lack of affordability of EVs, limitations in accessible charging infrastructure and the materials required for battery manufacturing supply chain, and variable regulatory environments.[74] Scotiabank will continue to provide financial solutions that support our clients' decarbonization objectives. This may involve connecting financing solutions and expertise across the Bank to new areas of expansion and clients in this sector, such as financing EV battery operations and building charging infrastructure.

SUPPORTING CLIENTS THROUGH ENGAGEMENT

Engaging with clients on climate-related matters helps us ensure we are providing them with the products and services they need and is important to achieving our climate objectives. Client-level emissions metrics allow us to assess a client's emissions profile in relation to the lending portfolios included in the Interim Targets. The Transition Preparedness Rating, or TPR,[75] helps us understand a client's climate transition plan and alignment to our Interim Targets. Considered together, these tools help to identify clients to engage with on climate matters, particularly in those sectors where the Bank has set Interim Targets. Client engagement is an ongoing process, creating opportunity for continued insights to inform more tailored advice.

CLIMATE METRICS

Client-level emissions metrics
Assess and benchmark a client's emissions profile in relation to the lending portfolios included in the Interim Targets

→

Insights enable Scotiabank to identify clients to engage with on climate

←

Transition Preparedness Rating
Indicates a client's level of alignment with Scotiabank's Interim Targets

The TPR, as described in the Executive Summary, was piloted in 2023, refined in 2024 and informed by external guidance. Applied at times of new requests, annual reviews and increases for primary borrower lending, each client is assessed using the TPR criteria and is classified at a maturity level of Early (1-3), Progressing (4-5) or Leading (6-8) based on the level of alignment with Scotiabank's Interim Targets. Ratings are based on a qualitative and quantitative assessment of criteria as outlined below.[1]

TRANSITION PREPAREDNESS RATING

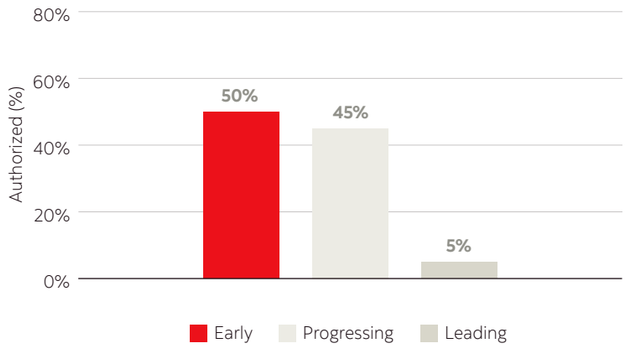
<table>
<tr><th colspan="2">Maturity Level</th><th colspan="3">Early</th><th colspan="2">Progressing</th><th colspan="3">Leading</th></tr>
<tr><th colspan="2">Rating</th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th><th>6</th><th>7</th><th>8</th></tr>
<tr><th>Criteria</th><th>TPR Criteria Definitions</th><th colspan="8"></th></tr>
<tr><td>Net-Zero commitment</td><td>Assesses if the client has a set a long-term (>2035) emissions reduction target for all Scopes included in Scotiabank's Interim Target for the sector; the reduction pathway to which the target is aligned; and whether it is third-party verified.</td><td>No long-term commitment</td><td rowspan="2">Long-term emissions reduction target in place and/or Interim targets</td><td>No long-term commitment</td><td colspan="2">Long-term commitment (may not include all relevant scopes)</td><td>Net Zero by 2050 (all relevant scopes[2])</td><td>Verified Net Zero by 2050 (3rd party verified, all relevant scopes[2])</td><td rowspan="7">Not Assessed</td></tr>
<tr><td>Interim targets</td><td>Assesses whether the client has interim (by or before 2035) emissions reduction targets and, if so, whether the target is "material". Target materiality is dependent on alignment with Scotiabank's 2030 target(s) for the sector.</td><td>No interim target</td><td colspan="3">Interim targets align with BNS targets for some relevant scopes</td><td colspan="2">Interim targets align with BNS targets for all relevant scopes[1]</td></tr>
<tr><td>Emission Disclosure</td><td>Assesses if the client discloses emissions performance annually for all scopes included in Scotiabank's Interim Target for the sector.</td><td rowspan="4">Not Assessed</td><td rowspan="4">Not Assessed</td><td colspan="2">Discloses some relevant scopes at least annually</td><td colspan="3">Discloses all relevant scopes[2] at least annually</td></tr>
<tr><td>Transition strategy</td><td>Assesses if the client has disclosed a quantified climate transition strategy, setting out measures to meet emissions reduction targets.</td><td colspan="5">A quantified transition strategy is in place, setting out measures to meet targets</td></tr>
<tr><td>Performance</td><td>Assesses if the client is on-track to meet emissions reduction targets based on their year-over-year emissions reported.</td><td rowspan="2">Not Assessed</td><td rowspan="2">Not Assessed</td><td colspan="3">Latest reported emissions show progress well within emissions targets</td></tr>
<tr><td>Capital allocation</td><td>Assesses if the client has stated an ongoing and future capital budget that supports their climate transition strategy.</td><td colspan="3">Stated ongoing and future (1-year visibility at minimum) capital budget supports the climate transition strategy</td></tr>
<tr><td>Governance</td><td>Assesses whether the entity has Board oversight over their climate transition strategy and/or Executive compensation linked to emissions reduction targets.</td><td colspan="8">This Criteria is for information purposes only and does not directly impact the TPR for a client</td></tr>
</table>

1 Clients with 90% or more of its revenue from CRFF-aligned activities are assigned a TPR of 8.

2 "Relevant scopes" refers to those included in our physical emissions intensity reduction targets – Scope 1 & 2 for Power Generation; Scopes 1, 2, & 3 for Oil and Gas E&P; Scopes 1, 2, & 3 for Automotive OEM.

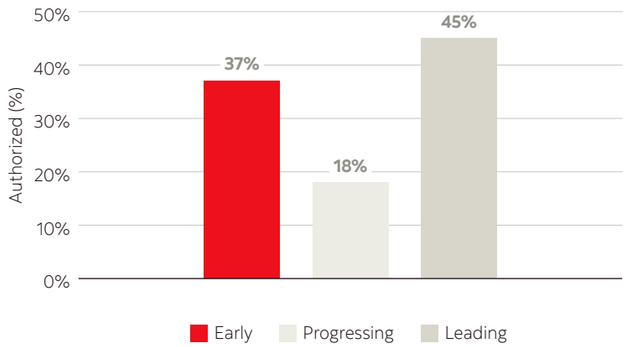
The distribution of authorized amounts associated with the clients assessed under the TPR is illustrated in the charts below.[76]

FIGURE 5: OIL & GAS – E&P TPR DISTRIBUTION



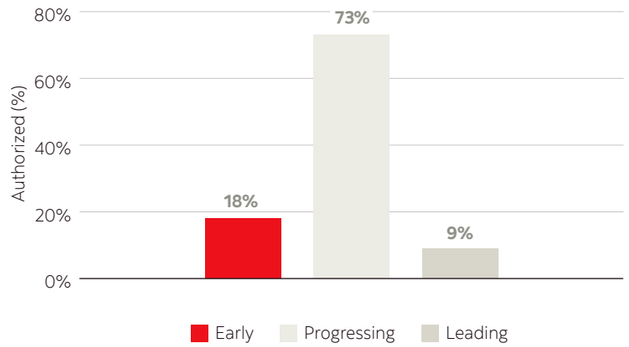
For Oil and Gas – E&P clients,[77] 50% of authorized amounts falls within the "Early" category, reflecting more nascent stages of transition planning, establishing net-zero commitments and interim targets that align with the Bank's Interim Targets.

FIGURE 6: POWER GENERATION TPR DISTRIBUTION



For Power Generation clients, authorized amounts fall under "Early" and "Leading" categories. A large portion (44% of the authorized amount) of the "Leading" category are CRFF-aligned. The remaining clients categorized as "Leading" generally have emissions reduction targets that align with Scotiabank's Interim Targets, detailed transition plans, complete emissions disclosures, and are pursuing low-carbon generation opportunities.

FIGURE 7: AUTOMOTIVE MANUFACTURING TPR DISTRIBUTION



In the case of Automotive Manufacturing clients, 73% of the authorized amounts fall under "Progressing". Clients categorized as "Progressing" generally have long-term commitments to reduce emissions, have interim emissions reduction targets for some scopes, and have transition plans in place to meet their targets.

Reducing Our Own Emissions

Emissions from our operations are calculated in accordance with the Greenhouse Gas Protocol ("GHG Protocol"),[78] which was created to provide a comprehensive, global standardized framework for measuring and managing emissions from private and public sector operations, value chains, cities and policies to enable greenhouse gas reductions. The GHG Protocol provides accounting and reporting standards, sector guidance, calculation tools and training for businesses in addition to local and national governments.

Reducing Scope 1 and 2 GHG Emissions

Reducing GHG emissions from our operations is an important part of our operational emissions target. Scotiabank has been setting, assessing and increasing targets to reduce Scope 1 and 2 GHG emissions since 2015.[79] In 2023, the Bank increased its target to reduce global Scope 1 and 2 GHG emissions from 35% to 40% by 2030 against a 2016 base year.[80] Overall, our Scope 1 and 2 reductions resulted in a decrease of 3.2% year over year (see Table 3 and Figure 8 on p. 32). We have benefited from decreased carbon intensity of power grids globally, continued adoption and provision of online banking and a real estate strategy aimed at optimizing our footprint. Our business travel emissions increased approximately 21% from 2023 to 2024. This is a result of including GHG emissions from train and hotel stays for the first time in 2024, expanded reporting of international travel sources, an increase in distance travelled, as well as a rise in emissions factors. Our internal carbon price, discussed further below, supports the planning of capital expenditures for operational efficiency projects.

Internal Carbon Price

The establishment of an internal carbon price can serve a critical function by creating an internal financial incentive to prioritize projects that support decarbonization. In 2018, Scotiabank adopted an internal carbon price of CAD$15/t$CO_2$e per tonne of emissions associated with the Bank's global Scope 1 and 2 emissions. The internal carbon price to CO_2e emissions helps inform our decision on the amount that will be spent to finance energy efficiency and GHG emissions reduction initiatives for the Bank.

Overseen by the Bank's Senior Vice-President of Real Estate, Scotiabank monitors and annually adjusts its internal carbon price based on Carbon Pricing Leadership Coalition (CPLC)[81] guidance and in alignment with the Government of Canada's Carbon Pollution Price Schedule. In fiscal 2024, the Bank increased its internal carbon price to $80/t$CO_2$e. To continue participating in the CPLC, the Bank has plans to increase the internal carbon price to $95/t$CO_2$e in 2025. As our internal price on carbon increases, we expect to increase the capital we invest in the decarbonization of our operations and improve our operating efficiency. Since its inception in 2018, the Bank has spent $87.8 million on decarbonization and energy efficiency projects, $11.5 million of which was spent in 2024.

Securing Emissions-Free Electricity

In 2020, Scotiabank set a target to secure 100% emission-free electricity in Canada by the end of fiscal year 2025 and, globally, by the end of fiscal year 2030.[82] To support this target, Scotiabank entered a 15-year VPPA with Evolugen in 2022, involving the building of a solar project near Cardston, Alberta. The project was completed and began supplying renewable power to the Province of Alberta in 2024. For each MWh of emissions-free electricity generated under the VPPA, Scotiabank is entitled to acquire one REC and the Bank has been acquiring RECs throughout 2024. RECs associated with this VPPA were not retired in 2024.

The GHG Protocol provides a methodology on how to account for RECs, through reporting on Scope 2 (location-based) emissions, as well as Scope 2 (market-based) emissions.[83] In 2024, RECs not associated with the VPPA described above were applied to Peru's Scope 2 emissions from electricity and a Scope 2 (market-based) emissions figure has been reported.

Updates to Emissions Reporting Processes

In an effort to continually improve our processes, Scotiabank adopted ESG data management software in 2024, which provides a streamlined system for internal emissions reporting and disclosure of our Scope 1 and 2 emissions.[84] This operational data system consolidates data from multiple sources, provides additional transparency, identifies process efficiencies for reporting, and through analytical tools, identifies additional decarbonization opportunities.

Each year, our GHG methodology is revised to reflect changes as a result of updates to industry guidance, process changes, updates to information sources etc. This year's update to the Bank's GHG methodology also provides additional details regarding factors incorporated into base year and previous year recalculations of emissions, as well as the threshold for restatement associated with recalculation of these operational emissions.

The table below summarizes performance on key climate-related metrics and targets related to our operational emissions.[85,86]

TABLE 3: OPERATIONAL CLIMATE METRICS

Performance Metrics	Target	Units	Year-over-Year	2024	2023	2022	2021	2020	2019	2016 Baseline
Scope 1 GHG emissions and Scope 2 (location-based)	Reduce by 40% globally by 2030 against 2016 base year	tCO_2e[1]	-2,945	89,234 ✪	92,179	98,779	104,586	112,116	116,166	138,753
Scope 1 GHG emissions	–	tCO_2e	-1,927	25,475 ✪	27,402	28,797	22,493	22,278	24,303	13,700
Scope 2 GHG emissions (location-based)	–	tCO_2e	-1,018	63,759 ✪	64,777	69,982	82,093	89,838	91,863	125,053
Scope 1 GHG emissions and Scope 2 (market-based)	–	tCO_2e	–	88,525 ✪	–	–	–	–	–	–
Scope 2 GHG emissions (market-based)[2]	–	tCO_2e	–	63,050 ✪	–	–	–	–	–	–
GHG emissions from transmission and distribution losses (Scope 3, Category 3)	–	tCO_2e	11,345	15,741	4,396	4,969	–	–	–	–
GHG emissions from business travel (Scope 3, Category 6)	–	tCO_2e	2,858	16,345 ✪	13,487	5,538	495	7,193	20,168	–
Internal Carbon Price	$95/$tCO_2e$ for 2025	$/$tCO_2e$	15	80	65	60	45	30	15	–
GHG Intensity per Employee	–	tCO_2e/FTE	-0.02	1.01	1.03	1.09	1.16	1.21	1.13	–
GHG intensity per square metre of occupied real estate	–	tCO_2e/m^2	–	0.05	0.05	0.05	0.05	0.05	0.05	–
Electricity from emission-free sources (global)[3]	Secure 100% by 2030	percentage	-1%	65%	66%	67%	63%	61%	61%	–
Electricity from emission-free sources (Canada)	Secure 100% by 2025	percentage	–	83%	83%	83%	82%	82%	83%	–

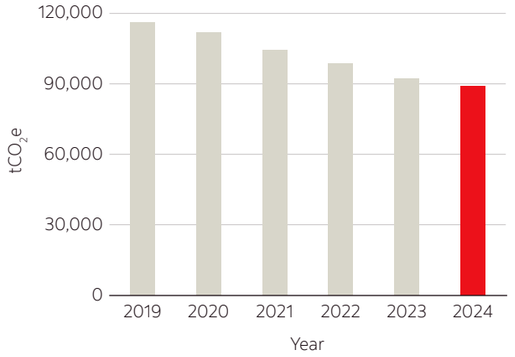
1 Scotiabank reports its operational emissions using tonnes of carbon dioxide equivalents, or tCO_2e, which is consistent with guidance in the Greenhouse Gas Protocol. For details relating to Scotiabank's interpretation and application of the GHG Protocol of the WRI and the WBCSD, refer to Scotiabank's GHG methodology.

2 As described on p. 31 of this Report, the Bank is reporting Scope 2 (market-based) emissions for the first time in fiscal 2024 and, as such, this table only reflects emissions attributable to Scope 2 (market-based) emissions for 2024, exclusively.

3 Either physically or virtually. Emission-free sources includes renewable (hydro, solar, wind, geothermal, tidal) and nuclear sources, and may include the use of renewable energy certificates (RECs). Electricity from emission-free sources in Canada is based on provincial electricity mix sourced from Canada Energy Regulator. Electricity from emission-free sources internationally is based on reports from the International Energy Agency (IEA) and US Department of Energy electricity generation by country, by source.

✪ KPMG was engaged to provide a limited assurance conclusion over indicators identified with this symbol. Refer to KPMG's Independent Limited Assurance Report.

FIGURE 8: SCOPE 1 AND SCOPE 2 (LOCATION-BASED) GHG EMISSIONS



EMISSIONS FROM PURCHASED GOODS AND SERVICES

In 2024, Scotiabank completed an assessment of the Bank's Scope 3 emissions in all 15 categories, using the definitions and criteria outlined in the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard.[87] It was determined that the most relevant categories for the Bank are associated with the Bank's sourcing of materials and services within categories 1 (Purchased goods and services), 2 (Capital goods) and the Bank's financing operations within category 15 (Investments).

In 2024, we benchmarked Scope 3, category 1 emissions of the Bank's strategic suppliers[88] according to GHG Protocol's spend-based method[89]. This exercise allowed us to identify those categories of products and services we purchase that have the most significant emissions profiles, providing a basis for an engagement strategy with those suppliers.

Developing Our Approach to Just Transition and Nature

Just Transition

At Scotiabank, we believe that a just climate transition must merge climate action with social considerations. We are in the early stages of embedding this belief into our practices as we develop our Just Transition[90] approach.

Scotiabank recognizes that a transition to net-zero can have positive and negative social impacts throughout the global economy, and that the impacts may be felt unevenly across sectors, geographies and socio-economic groups. A just transition can involve taking action to limit the impacts of climate change, while minimizing – and carefully managing – the many challenges that may arise. We do this through effective dialogue with impacted groups and by respecting fundamental labour principles and rights.

Indigenous Perspectives

Scotiabank is committed to integrating Indigenous perspectives into our Just Transition approach. Our commitment reflects Indigenous Peoples' ancestral rights and deep relationship with the land since time immemorial and the crucial role they play in climate action through their values, knowledge, practices and ways of living, which are vital for environmental conservation and resilience. Indigenous Peoples are also particularly vulnerable to environmental destruction and climate change due to geographical risks, higher rates of poverty and exclusion from decision-making processes.

In 2024, Scotiabank published its first Truth and Reconciliation Plan.[91] Two of the 37 commitments – designed to progress reconciliation with Indigenous Peoples in Canada – are focused on climate change and include: (1) supporting Indigenous-led climate initiatives that address the environmental needs of Indigenous communities, and (2) integrating Indigenous perspectives into Scotiabank's Just Transition approach.

More information on these can be found in the Truth and Reconciliation Action Plan.

Nature

The continued degradation of nature and biodiversity is closely connected to the impacts of climate change.[92] The oversight and management of risks that are associated with the degradation of biodiversity and nature are considered in our ESG Risk Management Framework.

In 2024, the Bank introduced new nature-related sustainability policies for non-retail lending[93] for activities in UNESCO World Heritage sites, RAMSAR Wetland Sites, and activities involving illegal logging or wildlife trade. These policies complement our existing Statement on Financing in the Arctic,[94] where we do not provide direct financing or project-specific financial and advisory services for oil and gas exploration, development or production within the Arctic Circle, including the Arctic National Wildlife Refuge (ANWR).

In addition, Scotiabank has included biodiversity categories in our CRFF, along with other environmental issues such as pollution prevention, management of natural resources, water scarcity, sustainable agriculture and circular economy. We are in the process of building our knowledge relating to the management and disclosure of nature-related issues, monitoring the Taskforce for Nature-related Financial Disclosures (TNFD) recommendations and participating in industry working groups and other collaborative forums, such as UNEP FI's North America Nature Community and the Institute of International Finance's Sustainable Finance Nature Expert Working Group.

Thought Leadership, External Partnerships, and Employee Education

Community Investment and External Partnerships

Engagement with financial sector peers, the public sector, regulators, civil society, standard setters, and academic and research institutions is integral to our work under each Climate Pillar. Below are some examples of how we engaged during fiscal 2024 with various organizations on climate change.

Engagement with Industry	
Canadian Coalition for Good Governance (CCGG)	Scotia GAM promotes prudent ESG practices for corporate boards as an active member of the CCGG and its Environment and Social Committee. Stephen Jarislowsky, Jarislowsky, Fraser Limited's (JFL)[1] founder and CEO at the time, co-founded the CCGG in 2002 to promote good governance practices in companies owned by its members. JFL's Head of Research is on the Board and the Environmental & Social Committee of CCGG.
Canadian Responsible Investment Association (RIA)	Scotia Global Asset Management is a member of the RIA, and JFL and MD Financial Management (MD) are affiliate members. A Scotia GAM employee is on the RIA's Leadership Council. Scotia GAM representatives also contributed to the RIA's Product Knowledge Series, presenting in front of over 700 advisors on ESG educational topics. Scotia GAM continues to take an active role in ESG and sustainable education for the industry as a member of the RIA Leadership Council.
Climate Action 100+	JFL is a signatory to Climate Action 100+, an initiative that focuses on engaging with hundreds of companies that have a major role to play in the transition to a net-zero emissions economy.
Climate Engagement Canada	Scotia Global Asset Management (GAM) is a lead sponsor of Climate Engagement Canada, a finance-led initiative that drives dialogue between the financial community and corporate issuers to promote a just transition to a net-zero economy. JFL and MD fall under Scotia GAM's sponsorship and JFL acts as a co-lead investor with two Canadian companies.
Institute for Sustainable Finance	Scotiabank is a founding contributor to the Smith School of Business' Institute for Sustainable Finance, a multi-disciplinary network of research and professional development that brings together academia, the private sector and government to shape Canada's innovations in sustainable finance.
Institute of International Finance's (IIF) Sustainable Finance Working Group	Scotiabank is a member of IIF's Sustainable Finance Working Group. The IIF identifies and promotes capital markets solutions that support the development and growth of sustainable finance, with transition finance and blended finance as key components.
International Capital Markets Association	Scotiabank participates in several working groups established by the International Capital Markets Association, a voluntary trade association for the global capital markets.
Partnership for Carbon Accounting Financials (PCAF)	Scotiabank is a member of PCAF, whose Global GHG Accounting and Reporting Standard for the Financial Industry has been used as the basis for many banks' financed emissions estimates. PCAF provides detailed methodological guidance for various asset classes, which enables disclosures that are consistent and comparable across banks following PCAF's guidance.
Principles for Responsible Investing (PRI)	Scotia GAM has been a member of PRI since 2018, with JFL and MD as direct members, and has adopted responsible investment policies and published regular investment transparency reports as signatories to the UN-supported PRI.
United Nations Environment Programme Finance Initiative (UNEP FI)	Scotiabank has been actively involved in the UNEP FI program through engagement with a variety of programs including the UNEP FI Risk Centre.
United Nations Global Compact (UNGC)	Scotiabank became a participant in the UNGC in 2010. More recently, the Bank has renewed its board membership to the Canadian Local Network of the UNGC.

1 JFL is an external asset manager that is part of Scotia GAM, which falls under the Bank's Global Wealth Management segment.

Engagement with Public Sector	
Canadian Bankers Association (CBA)	The CBA provides its members with information, research and operational support, and contributes to the development of public policy on issues (including climate-related risk) that affect financial institutions. Scotiabank has representatives on various climate-related CBA working groups, including the Environmental Risk Specialists Group, Stress Testing Specialists Working Group, the OSFI B-15 Implementation Working Group, and the Environmental Credit Risk Working Group.
Sustainable Finance Action Council (SFAC)	Scotiabank was a participating organization in Canada's SFAC, an initiative of Canada's federal government that served as a centre of expertise, partnership and dialogue on sustainable finance issues in Canada and internationally. The SFAC's mandate concluded on March 31, 2024.
Engagement with Nongovernmental Organizations	
Bike Share Toronto	Tangerine Bank became the Exclusive Presenting Partner of the Bike Share Toronto program in May 2023. Through this five-year partnership, Tangerine Bank will work alongside Bike Share Toronto to expand the program and support the City in achieving its TransformTO Net Zero Strategy objectives. In addition, Tangerine Bank will also donate one-year Bike Share Toronto memberships to unhoused youth through its community partners, Youth Without Shelter and The 519, to further improve system accessibility. Through this five-year partnership, Tangerine Bank will work alongside Bike Share Toronto to expand the program and support the City in achieving its TransformTO Net Zero Strategy objectives.
Green Economy Canada	Scotiabank supports Green Economy Canada, a national non-profit that focuses on initiatives regarding Canada's transition to a net-zero future. Through its network of Green Economy Hubs, the organization aims to bring together, support and celebrate businesses of all sectors and sizes to take action on climate change and build sustainability into their operations.
Engagement with Standard Setters	
CDP	Scotiabank responds to CDP on an annual basis and publishes those responses; see 2023 CDP submission covering fiscal year 2023. JFL has been a CDP signatory since 2007 and continues to encourage its portfolio companies to complete the CDP Climate Change Questionnaire. In 2023, JFL became a signatory of the CDP Science-Based Targets Campaign.
The International Financial Reporting Standards (IFRS) Sustainability Alliance	The IFRS Sustainability Alliance is a global membership program for sustainability standards, integrated reporting and integrated thinking. The Alliance offers curated insights and educational programming, as well as peer-to-peer networking. JFL is a member of the Alliance.
Engagement with Academic and Research Institutes	
Assiniboine College	In fiscal 2024, Assiniboine College received a donation of $125,000 over three years from Scotiabank to support advancing agriculture research. The funding will support active research that focuses on evaluating multi-species cash/cover crops and regenerative agriculture principles to advance understanding of net-positive grain farming.
Canadian Climate Institute (CCI)	Scotiabank allocated $125,000 in fiscal 2024 to the Canadian Climate Institute for its 440 Megatonnes project, which the Bank has also financially supported in previous years. 440 Megatonnes is tracking how Canada's and Canadian publicly traded companies' targets, plans and policies are contributing toward the country's commitment to cut its greenhouse gas emissions to the level of 440 Megatonnes by 2030.
Carbon Management Canada	Scotiabank funds Carbon Management Canada's carbon technology accelerator program, carbonNEXT, jointly delivered with Foresight Canada. This provides support for CCUS ventures looking to commercialize and helps industries adopt business-friendly technologies that reduce emissions. The program enables the adoption of carbontech solutions, intending to position Canada as a global leader in CCUS. Scotiabank is providing $262,500 over three years to Carbon Management Canada.
Circular Economy Leadership Canada (CELC)	Scotiabank is a member of Circular Economy Leadership Canada (CELC) – a multi-sectoral, national organization dedicated to finding solutions to help eliminate waste at all stages of the product life cycle and contribute to the transition to a Circular Economy in Canada. As an active member of its Circular Finance in Canada Work Stream, a guidance document for Canadian financial institutions was developed and published in 2024, providing a categorization framework to support lending and investing in circular economy related business models, projects and initiatives, and harmonized with global definitions and best practice approaches.
Net-Zero Research Fund (NZRF)	Scotiabank's Net-Zero Research Fund plans to distribute $10 million in grants to organizations conducting research and leading initiatives in support of the transition to a low-carbon economy. Since 2021, approximately $4 million has been distributed to more than 40 registered charities and non-profit organizations in support of climate-related research and opportunities for decarbonization.
Oxford Institute for Energy Studies (OIES) Energy Transition Research Initiative Hydrogen Module Program	The Energy Transition Research Initiative identifies and analyzes key themes shaping the energy system and combines and coordinates transition research themes from across all other OIES research programs. The Hydrogen Program convenes sponsor members, along with invited guests and speakers, to present and discuss applied research produced by OIES as it relates to industry and policy in hydrogen energy. Scotiabank's sponsorship, an investment of $151,200 over three years, supports cutting-edge applied hydrogen research geared toward supporting industry needs for hydrogen transition.
Plug'n Drive	Scotiabank is proud to be an "Electrifying Sponsor" for Plug'n Drive, a non-profit organization that is committed to accelerating EV adoption. Scotiabank's investment supports Plug'n Drive's Electric Vehicle Discovery Centre (EVDC) and the Mobile EV Education Trailer (MEET), educational and experiential learning facilities designed to engage consumers about the benefits of driving EVs.

Thought Leadership

Scotiabank's independent Economics team conducts economic research and thought leadership regarding topics related to the low carbon economy, particularly in our priority sectors. The team published the following papers this past year:

- The Other 98.5% of GHGs: How Other Countries' Climate Policies Could Impact Canadian Exports (October 9, 2024)
- The Federal Carbon Tax: An Axe to Grind (August 13, 2024)
- CCS/CCUS and Carbon Management: Capture, Remove, Repeat (June 25, 2024)
- Competing for Climate Cash (May 2, 2024)
- Climate Action for Main Street (March 13, 2024)
- Chronicle of Shortages Foretold: A Continental Corridor for Critical Minerals is Urgently Needed (December 18, 2023)

Employee Learning and Awareness

Meeting our climate objectives will require employees to have the knowledge necessary to understand the Bank's Climate Pillars and how they can support, as well as an understanding of climate transition planning across sectors. Examples of climate-related education and awareness initiatives provided in 2024 include:

- Delivered a climate employee engagement and education initiative, the "Live Net-Zero Challenge," to motivate employees to learn about the Bank's Climate Pillars and encourage more sustainable choices. Through videos, informative graphics and social engagement, Scotiabank employees globally gained a better understanding of the Bank's climate objectives, and more than 1,200 employees participated on internal social media channels to challenge each other to reduce energy consumption and live more sustainably at home and at work.
- Launched Scotia Climate College, a new virtual learning and education series for corporate, commercial and multinational banking teams and credit risk officers to enhance their understanding of climate change and our role in the transition. The initial two modules delivered in 2024 addressed the fundamentals of climate change and the Bank's Climate Pillars. There were over 1,100 live viewers of the first two modules, and 341 employees have visited the internal Scotia Climate College page to find additional resources and access the recordings.
- Delivered a module on climate-related risk, which forms part of annual mandatory environmental risk training for all banking officers and credit adjudicators. This module provides a review of environmental and climate-related risk due diligence policies and processes for business banking credits, as well as an overview of the Equator Principles Framework and processes for verifying compliance.
- Provided training for relevant employees on the TPR to develop awareness and understanding of the TPR and its associated assessment.
- Launched a dedicated Sustainability and Social Impact learning resources page on Scotia Academy, Scotiabank's global learning platform for all employees. The page includes a course playlist that employees can complete to earn a recognition badge for developing expertise in environmental sustainability and climate change.
- Hosted 10 internal Sustainability Network sessions throughout 2024 for ESG practitioners across various teams to provide in-depth presentations on ESG-related work happening across the Bank, with average attendance of over 50 employees per session.

COMMUNITY INVESTMENT AND SCOTIABANK'S NET-ZERO RESEARCH FUND (NZRF)

Scotiabank has allocated $25 million until 2030 for community investments in non-profit and charitable organizations that support climate-related systems change and sector decarbonization, $10 million of which is earmarked for Scotiabank's Net-Zero Research Fund ("NZRF"). Established in 2021, the NZRF has distributed approximately $1 million a year to support the efforts of registered charities and non-profit organizations in countries across Scotiabank's geographic footprint that are contributing thought leadership to decarbonization efforts in key sectors. Between 2021 and 2024, Scotiabank awarded approximately $4 million to 42 projects in seven countries across North and South America. Recipients have explored public policy, science and technology solutions impacting sectors (such as agriculture, automotive, energy, real estate and mining) as well as CCUS technologies and nature-based strategies, including carbon sinks and carbon sequestration.

We are currently reviewing our environmental community investment strategy to better align our support to the communities in which we operate with our climate objectives.

For more information on the 2024 recipients of our Net-Zero Research Fund, see the full list published here.

- Published resources and educational material on our internal Scotiabank Climate Action Centre and externally for our clients on the Climate Change Centre of Excellence.
- The Environmental & Climate Action Employee Resource Group (ERG) aims to foster a community that educates and raises awareness to drive action for a more sustainable future. In fiscal 2024, the ERG focused on grassroot initiatives including education and learning resources, newsletters and employee engagement events across six bi-monthly environmental themes such as food waste and clean technology. On April 19, the Bank held our annual Earth Day Global webcast, which featured conversations about environmental action from Scotiabank leaders, a keynote presentation from Chris Turner, a leading voice on climate solutions and the global energy transition, and the winning family from Canadian Geographic's Live Net-Zero Challenge.

ENGAGEMENT WITH INVESTMENT PORTFOLIO COMPANIES

With over $700 billion in assets under administration,[95] Scotiabank's Global Wealth Management (GWM) division serves over 2 million investment fund and advisory clients across 13 countries. GWM's asset management arm is Scotia Global Asset Management (Scotia GAM). Within Scotia GAM Canada, our investment businesses include: 1832 Asset Management L.P. (1832), the investment fund manager of Scotia Funds and Dynamic brands; Jarislowsky, Fraser Limited (JFL); and MD Financial Management (MD). For more information, see our 2024 Sustainability Report (pp. 36–40).

As an institutional asset manager, JFL is a signatory to the Canadian Investor Statement on Climate Change, and has – as stewards of its clients' investments – set a goal of supporting net-zero GHG emissions by 2050 through its investment activities. Many of JFL's clients have a long investment horizon, are concerned about managing climate-related risk, and how their capital may be aligned with, and supportive of, the transition to net-zero. JFL published its 2022 Climate Action Plan and Climate Report, detailing actions to be taken in support of their goal to reach net-zero greenhouse gas emissions from their investment activities by 2050.

The goal of reaching net-zero emissions by 2050 through investment activities is supported by two interim engagement-based targets:

- By the end of 2025, 70% of financed emissions (defined as Scope 1 & 2 of its portfolio companies) of JFL's Public Equity Holdings on its Research Coverage List[96] will be assessed by JFL as aligned to a net-zero pathway or will be under active engagement with the goal of alignment to a net-zero pathway.
- By the end of 2030, 90% of financed emissions (defined as Scope 1 & 2 of its portfolio companies) of JFL's Public Equity Holdings on its Research Coverage List will be assessed by JFL as aligned to a net-zero pathway or will be under active engagement with the goal of alignment to a net-zero pathway.

To support its Climate Action Plan, JFL has designed a Net-Zero Alignment Assessment Framework to analyze each company, categorize its progress on a net-zero pathway and highlight the most material engagement priorities. The framework is consistent with the Institutional Investors Group on Climate Change's Paris Aligned Investment Initiative's Net-Zero Investment Framework (PAII NZIF), which includes assessing climate targets for alignment with the Science-Based Targets Initiative. JFL will evolve it as standards and disclosures progress. For more details on JFL's stewardship activities and net-zero goal, see Climate Action Plan and Climate Report and JFL Stewardship Report – 2023 Activities.

Risk Management

Overview

Scotiabank's Enterprise-wide Risk Management Framework[97] (EWRMF) outlines the Bank's risk governance, risk management principles, risk appetite, risk culture, risk management tools and other key elements of the Bank's risk management framework. It describes how the Bank identifies, assesses, measures, manages, controls and reports on the risks to which the Bank is exposed (see Enterprise Risk Management Framework illustrated below).

Principal Risks are defined as those risks which management considers of primary importance: i) having significant impact(s) or influence on the Bank's primary business and revenue generating activities, or ii) having significant negative strategic, business, financial and/or reputational consequences and inherent in the Bank's business. ESG Risk is defined as a Principal Risk in the EWRMF, and climate-related risk is defined as a subcomponent of ESG Risk. All Principal Risk types have risk management frameworks and/or policies that must align to the EWRMF.

The ESG Risk Management Framework[98] outlines the Bank's approach to management of ESG risk in a manner consistent with the EWRMF, industry practices and applicable regulatory requirements. It serves as a key source of information to the Board, executive management and employees about the ESG risks faced by the Bank, and the risk management elements and structures in place to effectively manage those risks. The ESG Risk Management Framework is supported by additional business-specific policies and procedures on ESG risk management. Some policies include, but are not limited to, Scotiabank's Statement on Financing in the Arctic, Statement on Financing Coal,[99] and Nature-related Sustainability Policies for business banking. Refer to the Bank's ESG Publications and Policies page for more information.

Climate Risk refers to the possibility that climate change issues associated with Scotiabank's operations or its clients could negatively affect the Bank's performance by giving rise to or heightening other financial and non-financial risks, for example, credit, reputational, operational or legal risk. ESG and climate-related risks are considered transverse risks, impacting other principal risks by varying degrees, and risk levels vary across different geographies, industry sectors and individual borrowers. As such, climate-related risk management activities are integrated into the frameworks, policies, procedures, standards, guidelines and tools of other principal risks that help to effectively manage climate-related risk. The table below provides an overview of the climate-related risks considered under the Bank's Enterprise Risk Taxonomy.

The ESG Risk Management Framework is predicated on the three lines of defence model. The business lines are the first line of defence. They own and manage all ESG and climate-related risks that are inherent to their areas of responsibility. This includes ensuring their activities are within our ESG risk appetite, and they comply with policies, guidelines and limits, as well as incorporating climate-related risks and opportunities into their business model and value chain, strategy and decision making, financial performance, financial position and cash flows. Global Risk Management and other control functions form the second line of defence. They provide independent oversight and effective challenge for ESG and climate-related risks by defining the Bank's ESG risk appetite and by developing tools and methodologies to manage, monitor and report on ESG Risks. Internal Audit is the third line of defence. They assess the design and operating effectiveness of governance frameworks and internal controls to ensure that the Bank is effectively managing ESG and climate-related risk.

SCOTIABANK'S ENTERPRISE RISK MANAGEMENT FRAMEWORK, RISK MANAGEMENT OVERVIEW

Risk Capacity; Risk Appetite Statement; Risk Appetite Metrics

Frameworks, Policies & Limits, Risk Measurement, Monitoring & Reporting, Forward-Looking Exercises

Principal Risk Types:

Financial: Credit, Liquidity, Market

Non-Financial: Operational, Model, Data, Compliance, ML/TF and Sanctions, Environmental, Social and Governance (ESG), Cyber Security and IT, Strategic and Reputational.

Risk Type	Definitions
Physical Risk	**Acute:** impacts arising from extreme weather events.
	Chronic: impacts caused by longer-term shifts in climate patterns.
Transition Risk	**Reputational:** risks to a business where its products or services have a direct or indirect negative climate impact; or there is a perception that the business is not prepared for the climate-related risks. This includes greenwashing risk.
	Market: risks to a business due to changing consumer preferences or increased costs of inputs (e.g., raw materials).
	Technology: risks of a business making an unsuccessful investment in a new technology or substitution of existing products and services with lower emissions options.
	Policy and Legal: refers to the potential impact of laws, regulations and/or jurisprudence on a business' ability to comply, or incur increased costs associated with these changes.

Identification, Assessment and Management of Climate-related Risk

The identification and assessment of climate impacts is performed on an ongoing basis across principal risk types (see pp. 41–45 for more details). Examples include risk and control self-assessments, transaction due diligence and horizon scanning exercises. These processes directly tie into the management of climate-related risk. We leverage tools such as climate scenario analysis, climate-related limits, climate heatmaps and questionnaires as we consider climate-related risk impacts across principal risk types. There is dedicated climate risk reporting to senior management committees and the Risk Committee of the Board (see Governance section for more details) that aggregate results, including concentrations (e.g., geographies, sectors, products or counterparties), from these tools to present executives with the Bank's climate risk profile and ensure compliance with risk appetite, policies, limits and guidelines.

Effective risk management includes controls that are integrated with the Bank's strategies and business planning processes. These include taxonomies, frameworks, policies and limits, as well as monitoring and reporting. These controls are embedding into the existing processes for the impacted Principal Risk types.

As described above, climate-related risk is embedded within the Enterprise Risk Taxonomy and ESG Risk Management Framework. With respect to risk appetite, historically, we have assessed our ESG risk appetite via a composite ESG Risk Appetite Metric and qualitative risk appetite statement. Effective in fiscal 2025, the Bank updated its risk appetite to have standalone climate metrics which are: (i) the proportion of high transition and physical risk exposure for business banking borrowers and (ii) tracking progress toward the Bank's CRF Target. These metrics are at the enterprise level as well as the business line level. These risk appetite metrics are a tool used to ensure alignment with the Bank's overall business and financial strategies and that the Bank's risk appetite operates within acceptable climate risk tolerance levels. We internally report on these risk appetite metrics quarterly to the Risk Committee of the Board, similar to other risk appetite metrics. The risk appetite metrics, along with other ESG-related metrics, are reported quarterly to the Operational Risk Committee and then reported to the Risk Committee. In addition to risk appetite, the Bank has regular reporting of climate matters to senior management committees as discussed in the Climate Transmission Channels section. We monitor trends in climate risk through the Bank's Top and Emerging Risk process and annually review and evaluate climate risk metrics.

For more information on how we oversee and manage risk, see our 2025 Management Proxy Circular (pp. 31–32, 43–47) and our 2024 Annual Report (pp. 73–74, 108–109).

Climate Transmission Channels

The primary goals of climate risk management are to ensure the outcomes of risk-taking activities are consistent with the Bank's values, strategies and risk appetite. The causal chains outlined in our transmission channels explain how climate risk drivers give rise to the risks that impact the Bank's businesses and operations. From a microeconomic perspective, we reviewed how climate risk drivers could affect individual counterparties, the Bank's ability to fund itself or impact our operations. Then, we looked at the macroeconomic level to consider how climate risk drivers could affect macroeconomic factors (e.g., labour productivity and economic growth) and how these factors in turn may impact the economies in which we operate.

We performed an assessment of the impact of climate change against all the principal risks defined in the EWRMF across different time horizons. For this exercise, the short term was defined as 1-2 years, medium term as 3-10 years, and long term as 10+ years. The principal risks outlined below are the risk types that we have prioritized due to their likelihood of being directly impacted by either physical or transition risk. The following pages summarize how the Bank has integrated climate impacts into the management of principal risks.

Credit Risk

DEFINITION: This risk of loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations to the Bank.

CLIMATE DRIVERS: All

TIME HORIZONS: Short/Medium/Long

IMPACTS:

Physical Risk:

- Acute extreme weather events can result in damage to physical assets, infrastructure or operations of borrowers. This could impact the financial position of the borrower and the value of collateral securing the Bank's loan.
- Changes in chronic weather patterns can impact a borrower's long term business model in certain industries that may be dependent on raw materials linked to weather (e.g., agriculture). It may also impact the availability or price for insurance.

Transition Risk:

- Failure to adapt to changing market demands toward low carbon emitting products could impact a borrower's business model and market share resulting in lower profitability and stranded assets.
- Borrowers in sectors that are dependent on technological innovations to manage climate transition risk could face increased costs or impact to revenue and profitability if the benefit of the technology is not realized.
- Changes in public policy and regulatory landscape could result in increased costs and increased legal risks for borrowers.
- The impression that a company is not prepared to manage the climate-related risk it faces may result in damage to its reputation, resulting in a decrease in demand for its products or services, increase in cost of funding, etc.

Any of the above could result in changes to risk-weighted assets and/or provisions for credit losses for the Bank.

These climate impacts are considered moderate risk because they can reasonably impact the Principal Risk and pose a moderate risk to the Bank's strategy, operations and achievement of strategic goals.

MITIGATION:

Our approach to understanding and managing the interconnectedness of climate change and credit risk continues to evolve and mature. Climate-related impacts to Business Banking credit risk are identified and managed at the industry and borrower level. See the Climate Scenario Analysis section (pp. 46–48) for more information on Business Banking and Retail credit risk climate scenario analysis.

The Bank has a heatmap, as illustrated in Table 4 on the following page, to support our understanding of each industry's sensitivity to physical and transition risk across our Business Banking lending portfolio. It provides an assessment of high, medium and low inherent sector risk based on physical and transition risk drivers. For example, the Utilities sector physical risk drivers were weather-related infrastructure threats and the Automotive sector transition risk drivers were related to increasing uncertainty around demand, technology and regulation. The ratings were developed based on industry reports, review of regulatory exercises and internal stress test results.

The Bank has a mandatory annual Climate Change Risk Assessment (CCRA) that is conducted at the borrower-level for the Business Banking portfolio during the credit adjudication process. Each borrower is automatically assigned a physical and transition risk rating based on the climate heatmap and tied to their industry code. These ratings can be overridden if pre-defined conditions, such as a borrower having an adequate transition plan, are met. In 2024, we enhanced the TPR which is now embedded into the CCRA (more details about the TPR are found in the Strategy, Metrics and Targets chapter of this Report). For sectors where the Bank has established Interim Targets, the transition risk rating assigned to clients as part of the application of the CCRA is determined based on the TPR result rather than their industry code. The TPR helps the Bank (i) assess the current state of our portfolio in sectors where we have set an Interim Target, (ii) identify clients for engagement on transition plans and strategies and (iii) determine products and services that the Bank could offer clients to support their transition.

Transactions may be escalated to, and reviewed by, the appropriate senior/executive management risk committee(s) if they are deemed to have significant climate-related risks.

Credit-related climate information is monitored and reported to senior management committees through three main avenues:

1. Credit Industry Reviews are sent to the Senior Credit Committee at least annually to discuss business strategy and update financial exposure and risk tolerance levels. These reviews include a discussion of the CCRA/TPR results and their associated impacts on a given industry.
2. Climate Risk Reports are sent to the Senior Credit Committee on a quarterly basis. These reports currently include:
   (a) CCRA/TPR portfolio breakdown,
   (b) Carbon-related asset portfolio breakdown,
   (c) Business Banking climate scenario analysis results, and
   (d) Progress toward the Bank's CRF Target.
3. An assessment of Expected Credit Loss (ECL) due to climate change for the Business Banking portfolio are sent to the Senior Credit Committee on a quarterly basis. Climate considerations are incorporated into the ECL via an adjustment.

TABLE 4: CLIMATE RISK HEATMAP AND SCOTIABANK BUSINESS BANKING LENDING EXPOSURE (AS AT OCTOBER 31, 2024)

SECTORS	% OF LOANS AND ACCEPTANCES[1]	TRANSITION RISK SENSITIVITY	PHYSICAL RISK SENSITIVITY
Agriculture	2.2%	High	High
Automotive	2.3%	High	Low
Chemicals	0.2%	High	Medium
Energy	0.9%	High	Medium
Financial Services Bank[2]	3.9%	Low	Low
Financial Services Non-Bank	0.1%	Low	Low
Food and beverage	1.4%	Low	Medium
Forest products	0.4%	Medium	High
Health care	1.0%	Low	Low
Hospitality and leisure	0.5%	Low	Medium
Metals	0.3%	High	Medium
Mining	0.8%	Medium	Medium
Other[3]	3.3%	Low	Low
Real estate and construction	8.6%	Medium	Medium
Sovereign[4]	0.9%	Low	Low
Technology and media	2.8%	Low	Low
Transportation	1.3%	Medium	Medium
Utilities	3.3%	Medium	High
Wholesale and retail	3.9%	Low	Low

1 Ratio of outstanding exposure divided by total loans and acceptances for Business and government borrowers, net of allowance for credit losses. Numbers do not add to 100% as Personal loan and acceptances are not included (residential mortgages, personal loans, credit cards). Figures are derived from the 2024 Annual Report, p. 119.

2 Deposit-taking institutions and securities firms.

3 Other includes $7.9 billion in wealth management, $3.5 billion in services and $1.7 billion in financing products.

4 Includes central banks, regional and local governments, and supra-national agencies.

Compliance Risk

DEFINITION: The risk of an activity not being conducted in conformity with applicable laws, rules, regulations, and prescribed practices ("regulatory requirements"), and compliance-related internal policies and procedures and ethical standards expected by regulators, customers, investors, employees and other stakeholders. Compliance risk includes regulatory compliance risk, conduct risk, and privacy risk.

CLIMATE DRIVERS: All

TIME HORIZONS: Short/Medium/Long

IMPACTS:

Regulatory compliance risks associated with failing to comply with changes to laws and regulations in jurisdictions in which we operate, including climate-related regulations with physical and transition risk requirements.

These climate impacts are considered moderate risk because they can reasonably impact the Principal Risk and pose a moderate risk to the Bank's strategy, operations and achievement of strategic goals.

MITIGATION:

Climate regulations are managed in accordance with the Bank's Regulatory Compliance Management Program, which is overseen by Global Compliance. Global Compliance effectively manages and mitigates regulatory compliance risk through the Compliance Management Framework by identifying, risk assessing, testing, monitoring and reporting on the adequacy of, adherence to and effectiveness of the Bank's day-to-day regulatory controls.

Market Risk

DEFINITION: Loss from changes in market prices of securities, commodities and rates.

CLIMATE DRIVERS: Physical Acute, Transition (Market, Legal)

TIME HORIZONS: Short/Medium

IMPACTS:

Physical Risk:

- An acute weather event that significantly disrupts a company, industry or critical infrastructure can result in increased market volatility and a decrease in the value of securities or commodities.

Transition Risk:

- Unexpected market factors or policy/regulatory developments targeted at high-carbon sectors can impact the value of securities in these industries, via increased credit spreads.

These climate impacts are considered low risk because they can slightly impact the Principal Risk and pose a low risk to the Bank's strategy, operations and achievement of strategic goals.

MITIGATION:

Climate-related risks can impact market risk through trading losses from shifts in market expectations resulting in sudden repricing of financial instruments and/or higher market volatility due to policy shifts, severe weather events or adjustments to macroeconomic expectations in relation to climate change. The Bank is implementing market stress testing based on methods from OSFI's Standardized Climate Scenario Exercise (SCSE), of which the goals are to increase the Bank's understanding of our potential exposures to climate-related risks, build the Bank's capacity to conduct climate scenario analysis and risk assessments, and to help measure the potential financial exposures to climate-related risks across institutions. Insights and analyses will be incorporated into the existing market risk stress testing processes and inform appropriate processes and governance structures in 2025.

Liquidity Risk

DEFINITION: The Bank is unable to meet its financial obligations in a timely manner at reasonable prices.

CLIMATE DRIVERS: Physical Acute, Transition (Reputational, Market, Legal)

TIME HORIZONS: Short/Medium

IMPACT:

Physical Risk:

- Acute physical risk impacting a region or a specific borrower can result in an increased demand for liquidity (e.g., borrower drawing on a revolving credit facility, undrawn balances).
- Market volatility can impact the value of the Bank's liquidity buffers and intraday liquidity.

Transition Risk:

- Unexpected market events, public policy or regulatory developments impacting specific borrowers or certain high carbon sectors can result in increased demand for liquidity (e.g., borrower drawing on revolving credit facility or undrawn balances).
- Impacts to reputation could result in increased cost of funding or curtail access to funding.
- Value of assets in investment portfolios or liquidity buffers may decrease due to impacts of climate-related risks.

These climate impacts are considered low risk because they can slightly impact the Principal Risk and pose a low risk to the Bank's strategy, operations and achievement of strategic goals.

MITIGATION:

As of 2024, the Bank has developed two climate scenarios to evaluate liquidity profile that include potential physical and transition risk factors. The Bank's internal liquidity stress test modeling capabilities have been enhanced to incorporate these climate stress scenarios into the Enterprise Liquidity Stress Test (eLST) to evaluate the liquidity profile. These scenarios are applied to investment portfolios deposits, loans and mortgages, undrawn facilities, securities financing transactions, wholesale funding, derivatives and intraday payments.

The Liquidity Stress Testing (LST) team has developed a global systemic scenario and an idiosyncratic scenario. The former impacts the entire industry/macro environment whereas the latter impacts the Bank. These scenarios envisage climate-related shocks (e.g., unanticipated carbon shocks) and macro-financial impacts (inflation, GDP, private consumption, credit growth, trade, commodity prices, etc.). These are then translated into adjustments to the eLST baseline shock factors and are then incorporated into the eLST model and impacts on the Bank's liquidity profile are assessed. LST plans to incorporate data-driven assumptions into the climate stress scenarios to enhance the accuracy of the liquidity profile.

Reputational Risk

DEFINITION: Negative publicity, stakeholder sentiments, business practices or associations that adversely affect the Bank's revenues, operations or customer base.

CLIMATE DRIVERS: All

TIME HORIZONS: Short/Medium/Long

IMPACT:

Reputational risk can arise from stakeholders' perception – whether true or not – that the Bank is not equipped to manage the climate-related risks it faces, a lack of confidence in the Bank's ability to meet its climate objectives, or through false or misleading claims of the climate benefits associated with the Bank's products, services or business activities (i.e., greenwashing).

These climate impacts are considered high risk because they can significantly impact the Principal Risk and pose a high risk to the Bank's strategy, operations and achievement of strategic goals.

MITIGATION:

We have established governance processes and oversight over the Bank's business activities, operations and external disclosures. One example is Scotiabank's CRFF.[100] The purpose of the CRFF is to give the Bank a standardized framework and to support our reporting on the CRF Target. The publication of the CRFF seeks to provide transparency. An eligibility forum was established to ensure adequate oversight of CRFF transactions and recommend escalation to relevant senior management committees, if required. Another example is the Bank's Sustainability-linked loan procedure. There is a process to assess the suitability of the sustainability features of such loans, including a formal escalation to a senior management committee if such features are assessed as weak.

Part of the Bank's approach to managing greenwashing risk arising from the Bank's external disclosures, including marketing and advertising materials, includes review of materials by subject matter experts. Certain external climate-related disclosures are reviewed by the Disclosure Committee in accordance with the Bank's Disclosure Policy.

Employees are expected to escalate concerns regarding transactions that may give rise to significant reputational risk, which, depending on the level of risk may be further escalated to, and reviewed by, the appropriate senior/executive management risk committee(s).

Operational Risk

DEFINITION: Risk of loss resulting from people, inadequate processes and systems, or from external events. Operational Risk includes third party risk, fraud risk and legal risk.

CLIMATE DRIVERS: Physical Acute, Transition (Technology, Legal)

TIME HORIZONS: Short/Medium/Long

IMPACT:

Physical Risk:

- Damage to the Bank's properties or assets due to extreme weather events.
- Disruption of Bank and third-party services due to extreme weather events.
- Damage to public infrastructure impacting the workforce (e.g., access to premises, prolonged power outage).

Transition Risk:

- Operational risk losses due to fines and/or litigations related to climate issues (e.g., greenwashing).
- Technological changes and new infrastructure developments could impact people, processes and systems.

These climate impacts are considered moderate risk because they can reasonably impact the Principal Risk and pose a moderate risk to the Bank's strategy, operations and achievement of strategic goals.

MITIGATION:

The Bank's Operational Risk Management Framework (ORMF) outlines a structured approach for the effective management of enterprise-wide operational risk in a manner consistent with best practices and regulatory requirements. The ORMF supports the systematic identification, assessment, measurement, mitigation, monitoring, and reporting of operational risk within the Bank. The ORMF is supplemented by additional policies, processes, standards, and methodologies.

There are a number of operational risk tools that take climate-related risk into consideration. The Bank's New Initiative Risk Assessment process is a means to ensure proper risk assessments are performed on new initiatives in the Bank. This tool facilitates the assessment of environmental and climate-related risks that could be generated by the initiative and whether remedial action is required. Additionally, the Risk and Control Self Assessments process enables the Bank to integrate and coordinate its risk identification and risk management efforts, which in turn enhances the understanding, control, and oversight of operational risks. Additionally, the third-party risk assessment process also evaluates the effectiveness and adequacy of the vendor's business resiliency programs and ability to continue to provide services to the Bank in the event of a disruption (including disruptions related to impact of climate change). Working with an external partner, we completed a climate resiliency assessment of over 2,800 operational real estate assets[101] to identify those more prone to natural hazards. The results of the resilience assessment informed a new process for business lines and branches to acknowledge climate-related risks when making certain capital investments, including lease renewals/tenure, new branch locations and relocations. Our Enterprise Crisis & Business Continuity Management group employs an all-hazards approach to its business continuity program to ensure the Bank's operations are sustained during incidents of business interruption, including climate-related events.

In addition to the abovementioned tools, the Bank also collects information on Operational Risk Events, including the cause, applicable corrective measures, its financial impacts and the event type classification, which includes losses arising from loss or damage to physical assets due to natural disasters.

Strategic Risk

DEFINITION: Risk that the Bank will make strategic choices that are ineffective or insufficiently resilient to changes in the business environment or poorly execute such strategies.

CLIMATE DRIVERS: All transition risk drivers

TIME HORIZONS: Short/Medium

IMPACT:

External factors brought on by climate policy changes have the potential to impact the Bank's ability to execute on our climate objectives. Meeting the Bank's climate-related targets is dependent on the willingness of clients to decarbonize and becomes more challenging without supportive government policy. Any governmental step-backs from climate commitments and regulations could force the Bank to make strategic adjustments.

The Bank's large geographical footprint leaves it vulnerable to an array of climate-related risks that could lead to both operational and credit losses. As both the number and intensity of environmental disasters accelerates in a warming climate, the risk of loss becomes greater and requires heightened focus on portfolio exposures.

These climate impacts are considered moderate risk because they can reasonably impact the Principal Risk and pose a moderate risk to the Bank's strategy, operations and achievement of strategic goals.

MITIGATION:

The Bank is in the process of embedding the climate-related client engagement framework,[102] climate-related risks and climate opportunities into its processes to better inform how best to engage with our clients.

The Bank's strong and geographical diversified client base, and its maturing approach to climate, is improving portfolio monitoring of climate-related risks. This can support proactive adjustment to risk and exposure in countries impacted by environmental disasters, including the ability to absorb losses within the Bank's risk appetite and across millions of retail and business clients.

Climate Scenario Analysis

What is climate scenario analysis?

Climate scenario analysis is an exercise that uses a hypothetical future state of the world to assess the impact of climate-related risks. This analysis helps in understanding how physical risks, such as extreme weather events, and transition risks, like regulatory changes and shifts in market preferences, could affect financial stability and performance in the short term, medium term and long term. Climate scenarios reflect different possible climate policy environments and their associated physical impacts. By exploring a range of plausible future climate scenarios, climate scenario analysis can identify and evaluate the risks and opportunities associated with different climate pathways. Ultimately, results can help banks assess the potential impacts of climate change to its portfolios and operations and accordingly inform its risk management processes and strategy.

Under Guideline B-15 – Climate Risk Management, OSFI outlines its expectations regarding the use of climate scenario analysis by federally regulated financial institutions.

Climate Scenarios

Our climate scenario analyses for credit risk leverage global scenarios from the NGFS and Intergovernmental Panel on Climate Change (IPCC). The NGFS scenarios use integrated assessment models to determine the changes in energy, land use and policy required to meet a carbon budget given hypothetical baseline socioeconomic assumptions and policy ambitions. The projected transition pathways and associated chronic physical risk shocks are expanded into a set of macro-financial impacts using the National Institute Global Econometric Model (NiGEM). Starting assumptions vary from assuming business as usual in the Current Policies pathway, to swift climate action assumed in the Net Zero 2050 pathway, with various levels of orderly and disorderly transition in between. Since the NGFS scenarios were developed specifically for the financial sector, they contain a suite of variables useful for predicting transition risks and are thus widely used to assess financial climate-related risk globally. Our business banking analyses have focused on four NGFS climate scenarios: Current Policies, Nationally Determined Contributions (NDCs), Delayed Transition and Net Zero 2050. These scenarios cover different quadrants of the NGFS scenarios framework, varying in levels of transition and physical risk.

Climate scenario analysis for our retail lending portfolio has largely focused on physical risk leveraging IPCC scenarios varying from low to high emissions scenarios (for example, Shared Socioeconomic Pathways (SSP1-1.9 to SSP5-8.5) which align with temperature increases between 1.4°C and 4.4°C by 2100) with risk projected to 2100. Each pathway is associated with a trajectory of greenhouse gas concentrations and associated heating effect. More severe impacts of climate change are expected with increasing temperature.

KEY VARIABLES OF NGFS SCENARIOS USED BY SCOTIABANK[1]

VARIABLES	NDCs (HOT HOUSE WORLD)	CURRENT POLICIES (HOT HOUSE WORLD)	DELAYED TRANSITION (DISORDERLY TRANSITION)	NET ZERO 2050 (ORDERLY TRANSITION)
Scenario Description	Assumes governments fully implement pledged NDCs and reach their respective targets in 2025 and 2030, but no further action is taken.	Assumes that only currently implemented policies are preserved, leading to high physical risks.	Assumes new climate policies are not introduced until 2030, when strong policy actions are implemented to limit warming.	Assumes rapid implementation of stringent climate policies and innovation that achieve net-zero CO_2 emissions by 2050.
Physical Risk[2]	HIGH	HIGH	LOW	LOW
Policy Ambition	2.3°C	3°C	1.7°C	1.4°C
Transition Risk[3]	LOW	LOW	HIGH	LOW
MACRO – FINANCIAL IMPACTS[1]				
% Increase in Crude Oil Prices	57%	69%	47%	32%
% Change in Consumption of Crude Oil	-31%	-14%	-43%	-65%
% Increase in Natural Gas Prices	43%	56%	32%	18%
% Change in Consumption of Gas	-14%	28%	-47%	-83%
Change in Carbon Price (US$2010/t CO_2)	$74	$0	$309	$737

1 Retrieved from NGFS-IIASA Scenario Explorer on December 2, 2024 using variables Price|Primary Energy|Oil||Index, Price|Primary Energy|Gas|Index, Primary Energy|Oil, Primary Energy|Gas, Price|Carbon with a 2020 start point and 2050 end point. Policy ambition temperature is based AR6 climate diagnostics|Surface Temperature (GSAT)|MAGICCv7.5.3|50.0th Percentile at 2100.

2 NGFS provides physical risks scenarios on their Scenarios Portal: https://www.ngfs.net/ngfs-scenarios-portal/explore.

3 NGFS provides transition risks scenarios on their Scenarios Portal: https://www.ngfs.net/ngfs-scenarios-portal/explore.

Enterprise programs

Climate scenario analysis has continued to expand, with enhancements in 2024 to data and technology infrastructure to support climate scenario analysis, and greater coordination across the enterprise to expand the scope of analyses and raise awareness of results. At a high level, liquidity risk stress testing and market risk stress testing have both initiated work to conduct climate scenario analysis for their respective portfolios, with liquidity risk stress testing leveraging two internally generated qualitative scenarios and market risk stress testing leveraging methods and impacts provided in OSFI's SCSE. Enhancements have also occurred in our climate scenario analysis for credit risk stress testing, which have allowed us to generate two combined scenarios that project potential impacts across our business banking and retail lending books due to physical and transition risks and are leveraged in the Bank's internal capital assessment process and enterprise stress testing. Climate scenario analysis outputs are currently being used to inform risk and not yet being used to identify climate-related opportunities.

Enterprise business banking climate scenario analysis is conducted regularly to predict credit impacts and results are reported to senior credit risk management. These analyses consider both transition and physical risks under a variety of scenarios from the NGFS. Credit impacts are estimated using a modelling platform that translates scenarios to borrower- or sector-level credit impacts. The analysis assumes a static portfolio with projected future credit impacts applied at various time horizons. The analysis considers business as usual operations for clients, however, where client-level climate ambitions are available publicly, these targets are also considered to provide a range of futures that vary not only with climate scenarios, but also with company-specific transition plans. Analyses are conducted over short, medium and long time horizons to 2050. Climate transition impacts typically vary in line with policy actions envisioned under different NGFS scenarios. Owing to differences in underlying scenarios, assumptions, data, methodologies and the evolving nature of quantification approaches for such long-term projections, qualitative and quantitative outcomes continue to be subject to a high level of measurement uncertainty.

Climate scenario analysis for our Canadian retail portfolio was conducted to examine the impact of physical risks on our portfolio and results were presented to senior credit risk management. This analysis considered a diverse range of physical risk types, with an emphasis on pluvial, riverine and coastal flooding events, wildfires and cyclones under a range of physical risk scenarios from low to high warming (SSP1-1.9 to SSP5-8.5). Physical risk outcomes are combined with damage functions to predict property damage from climate events. Climate physical impacts typically vary with the level of warming envisioned in the IPCC scenarios. Climate scenario analysis for our retail portfolio is conducted for short, medium and long-time horizons to 2100. We have also initiated climate scenario analysis work for our international retail portfolio using the same scenarios and time horizon.

In 2024, we leveraged results from the enterprise business banking and Canadian retail analyses to help inform the risks faced by the Bank from an internal capital perspective. The annual Internal Capital Adequacy Assessment Process (ICAAP) assessment considered two combined scenarios that projected potential impacts across our business and retail lending books due to physical and transition risks. We expect our practices will continue to evolve in alignment with industry developments, expectations and data availability.

Future Plans

As climate scenario analysis continues to evolve, Scotiabank remains actively engaged with the United Nations Environment Programme Finance Initiative (UNEP FI) Risk Centre, previously known as the TCFD and Climate Risk program. This engagement helps us build internal capacity and stay updated on the latest tools and practices. Over the coming year, we plan to refine our methodologies, incorporate new data and expand both scenario and portfolio coverage where feasible. We have also completed the first OSFI SCSE and will work to further embed the results of these scenario exercises into our management information systems and business planning.

COMPONENTS OF SELECT CLIMATE SCENARIO ANALYSIS EXERCISES TO ASSESS THE CLIMATE-RELATED PHYSICAL AND TRANSITION RISK IMPACTS ON OUR BUSINESS

SCENARIO ANALYSIS EXERCISE	SCOPE	SCENARIOS	RISKS	TIME HORIZON
Business banking climate scenario analysis	Credit risk to business banking book	NGFS climate scenarios: Current Policies, Nationally Determined Contributions (NDCs), Delayed Transition and Net Zero 2050	Transition and physical risks	Short, medium, long
Retail climate scenario analysis	Credit risk to Canadian mortgage book	Various SSP scenarios with a focus on SSP1-2.6, SSP2-4.5, and SSP5-8.5	Physical risks, with a focus on pluvial, fluvial, coastal flooding, wildfire, and cyclones	Short, medium, long
Enterprise stress testing and internal capital assessment process	Business banking and Canadian retail lending books	2 quantitative internal scenarios examining risks across our retail and business banking lending books based on combinations of NGFS and IPCC scenarios	Transition and physical risks	Short, medium

A Summary of Our Climate-related Metrics and Targets

AREA	METRIC	TARGET (IF ANY)	UNIT	SCOPE	2024	2023	2022	2021	2020	2019
Financing Climate-related Solutions	Climate-related Finance	$350B by 2030	$ billions	Annual	40	36	38	30	12	16
				All (cumulative)	172	132	96	58	28	16
Supporting Clients' Climate Transition	Financed Emissions (Scope 3, Category 15)[1]		$MtCO_2e$[3]	Oil and Gas – E&P (Scope 1 and 2)	–	–	1.7 ✪	3.1	3.6	3.8
				Oil and Gas – E&P (Scope 3, Upstream)	–	–	0.7 ✪			
				Power and Utilities (Scope 1 and 2)	–	–	3.9 ✪	4.3	3.4	3.3
				Transport – Automotive Manufacturing (Scope 1, 2 and 3 downstream)	–	–	2.0 ✪	1.5	2.1	1.8
	Physical Emissions Intensity (Scope 3, Category 15)[1,2]	Reduce by 30% by 2030 from 2019 baseline	tCO_2e/TJ	Oil and Gas – E&P (Scope 1 and 2)	–	–	5.9 ✪	6.0	5.7	6.1
		Reduce by 15%–25% by 2030 from 2019 baseline	tCO_2e/TJ	Oil and Gas – E&P (Scope 3)	–	–	73.4 ✪	63.4	65.2	58.5
		Reduce by 55%–60% by 2030 from 2019 baseline	tCO_2e/MWh	Power Generation (Scope 1 and 2)	–	–	0.29 ✪	0.29	0.25	0.36
		Reduce by 36% by 2030 from 2019 baseline	gCO_2e/km	Transport – Automotive Manufacturing (Scope 1, 2 and 3 downstream)	–	–	195.4 ✪	204.1	188.9	146.7
Reducing Our Own Emissions	Scope 1 and Scope 2 (location-based) GHG Emissions	40% absolute GHG reduction by 2030 from 2016 base year	tCO_2e	–	89,234 ✪	92,179	98,779	104,586	112,116	116,166
	Scope 1 GHG Emissions		tCO_2e	–	25,475 ✪	27,402	28,797	22,493	22,278	24,303
	Scope 2 GHG Emissions (location-based)		tCO_2e	–	63,759 ✪	64,777	69,982	82,093	89,838	91,863
	Scope 2 GHG Emissions (market-based)		tCO_2e	–	63,050 ✪	–	–	–	–	–
	Transmission and Distribution Losses (Scope 3, Category 3)	–	tCO_2e	–	15,741	4,396	4,969	–	–	–
	Business Travel (Scope 3, Category 6)	–	tCO_2e	–	16,345 ✪	13,487	5,538	495	7,193	20,168
	Internal Carbon Price	$95/$tCO_2e$ for 2025	$ per tonne	–	80	65	60	45	30	15
Climate-related Credit Risk	Carbon-related Assets		$ billions	Credit exposure to carbon-related assets	206	222	234	–	–	–

1 Category 15 refers to Investments under the Greenhouse Gas Protocol's Technical Guidance for Calculating Scope 3 Emissions. The Bank uses the PCAF Standard as the basis for calculating financed emissions, which is based on the GHG Protocol.
2 This table reflects the Bank's latest financed emissions estimates. For more information on time lags associated with our estimates, see p. 21 of this Report.
3 Scotiabank reports financed emissions using megatonnes of carbon dioxide equivalents, or $MtCO_2e$, which is consistent with guidance in the PCAF Global Standard.
✪ KPMG was engaged to provide a limited assurance conclusion over indicators identified with this symbol. Refer to KPMG's Independent Limited Assurance Report.

Appendix

Appendix A – Exposure to Carbon-related Assets

Our credit exposure to carbon-related assets totalled $206 billion in fiscal 2024, or approximately 17% of our total gross credit risk exposure.[103] TCFD recognizes that the term "carbon-related assets" is not well defined, however, for the purpose of disclosing information on significant concentrations of credit exposure to carbon-related assets, they are defined as assets tied to the four non-financial groups: Energy, Transportation, Materials and Buildings, and Agriculture, Food and Forestry Products (see table below).[104] We recognize that TCFD's guidance may capture sub-industries that are less carbon intensive; however, we did not apply any exclusions to this metric.[105]

This metric helps us monitor our concentrations of credit exposure to carbon-related assets relative to our total gross credit risk exposure.[106] The carbon-related asset exposure is not meant to indicate realized impacts to our borrowers, as their ability to manage climate-related risk depends on many factors.

We have no current intention to cease doing business with Carbon Intensive Sectors, and therefore anticipate certain continued exposure to carbon-related assets. However, as discussed in the Strategy, Metrics and Targets section of this Report, we continue to engage with clients in Carbon Intensive Sectors to discuss the products and services we offer that might support their own climate transition efforts.

FIGURE 9: CREDIT RISK EXPOSURE TO CARBON-RELATED ASSETS

ENERGY	TRANSPORTATION	MATERIALS & BUILDINGS	AGRICULTURE, FOOD & FOREST PRODUCTS
• Oil and Gas • Coal • Electric Utilities	• Air Freight • Passenger Air Transportation • Maritime Transportation • Rail Transportation • Trucking Services • Automobiles and Components	• Metals and Mining • Chemicals • Construction Materials • Capital Goods • Real Estate Management and Development	• Beverages • Agriculture • Packaged Food and Meats • Paper and Forest Products

TABLE 5: SUMMARY OF CARBON-RELATED ASSETS

METRIC	UNITS	MONITORING	2024	2023
Credit Exposure to Carbon-related Assets	$ billion	Transition Risk	206	222

Appendix B – Financed Emissions

Financed emissions for the Carbon Intensive Sectors and corresponding PCAF asset classes, are below.

TABLE 6: FINANCED EMISSIONS

			2019 ($MtCO_2e$)[1]		2021 ($MtCO_2e$)		2022 ($MtCO_2e$)		2023 ($MtCO_2e$)	
CARBON INTENSIVE SECTOR	SECTOR DESCRIPTION[2]	PCAF ASSET CLASS	SCOPE 1+2[3,4]	SCOPE 3[5,6]	SCOPE 1+2	SCOPE 3	SCOPE 1+2	SCOPE 3	SCOPE 1+2	SCOPE 3
Agriculture	Primary Agriculture[7]	Business Loans and Unlisted Equities	7.5		9.4		9.8			
Oil and Gas	Exploration and Production	Business Loans and Unlisted Equities	3.8		3.1		1.7 ✪	S3, upstream: 0.7 ✪		
Power Generation	Power and Utilities[8]	Business Loans and Unlisted Equities	3.3		4.3		3.9 ✪			
Transport	Automotive Manufacturing and Captive Finance	Business Loans and Unlisted Equities	1.8		0.03	S3 (downstream): 1.5	0.05 ✪	S3 (downstream): 1.9 ✪		
	Other[9]	Business Loans and Unlisted Equities					0.5			
	Consumer Auto Loans	Motor Vehicle Loans[10]					2.5		2.4	
	Transport – Total		1.8		0.03	1.5	3.0	1.9	2.4	
Aluminum	Aluminum – Manufacturing	Business Loans and Unlisted Equities					0.1			
Cement	Cement – Manufacturing	Business Loans and Unlisted Equities					3.0			
Coal	Coal – Mining and Manufacturing	Business Loans and Unlisted Equities					0.03			
Iron and Steel	Iron and Steel – Manufacturing	Business Loans and Unlisted Equities					0.4			
Residential Real Estate	Residential Mortgages[11]	Mortgages			2.6		2.8		2.5	
Commercial Real Estate	Income Property Lending[12]	Commercial Real Estate							0.2	

1 Scotiabank reports financed emissions using mega tonnes of carbon dioxide equivalents, or $MtCO_2e$, which is consistent with guidance in the PCAF Global Standard.

2 Sectors and subsectors listed in this column reflect the Bank's industry classifications as they relate to those sectors listed as Carbon Intensive Sectors.

3 Scope 1 emissions are defined as direct GHG emissions that occur from sources owned or controlled by the reporting company (for example, emissions from combustion in owned or controlled boilers, furnaces and vehicles). Scope 2 emissions are defined as indirect GHG emissions from generation of purchased or acquired electricity, steam, heating or cooling consumed by the reporting company. Scope 2 emissions physically occur at the facility where the electricity, steam, heating or cooling is generated.

4 In this column, we are providing financed emissions covering Scope 1 and Scope 2 of those companies that fall within the relevant sector and asset class.

5 As per the PCAF Standard, Scope 3 emissions are defined as all other indirect GHG emissions (not included in Scope 1 or 2) that occur in the value chain of the reporting company.

6 In this column, we are providing financed emissions covering Scope 3 of those companies that fall within the relevant sector and asset class.

7 Our financed emissions for the Agriculture sector are based on a scope which includes all borrowers associated with agriculture production, including farms and fishing, as well as all borrowers in industries that directly support those activities. The reporting of financed emissions in connection with the Agriculture sector does not account for the ways in which the Agriculture sector may slow climate change, through storing carbon, or carbon sequestration.

8 The scope of our financed emissions for the Power and Utilities sector includes business loans to the entire sector, while our emissions intensity reduction target includes only clients in power generation.

9 Other transport subsectors included under Business Loans and Unlisted Equities include aerospace, transportation infrastructure, tankers, rail transportation, bulk carriers, road transportation, other land transportation and other shipping.

10 The scope of our financed emissions for the Passenger Vehicles sector includes consumer auto loans for Canadian Banking only including Prime Lending, Near-Prime Lending (including Scotia Dealer Advantage) and Leasing.

11 In 2021 and 2022, our financed emissions for the Mortgages asset class is calculated based on the use of property values available at the time of reporting in the absence of property values at the time of origination. Financed emissions for the Mortgages asset class for 2021 and 2022 include loans from our Global Banking and Markets division that fit the PCAF definition.

12 The Bank's industry classification of Income Property Lending has been used for the Commercial Real Estate sector. This excludes general corporate purpose facilities.

✪ KPMG was engaged to provide a limited assurance conclusion over indicators identified with this symbol. Refer to KPMG's Independent Limited Assurance Report.

Data quality scores associated with the financed emissions outlined in the preceding table are outlined in the table below.

TABLE 7: DATA QUALITY

			2019 – BASELINE		2021		2022		2023	
CARBON-INTENSIVE SECTOR	SECTOR DESCRIPTION	PCAF ASSET CLASS	DQS – SCOPE 1+2	DQS – SCOPE 3	DQS – SCOPE 1+2	DQS – SCOPE 3	DQS – SCOPE 1+2	DQS – SCOPE 3	DQS – SCOPE 1+2	DQS – SCOPE 3
Agriculture	Primary Agriculture	Business Loans and Unlisted Equities	4.5		4.6		4.8			
Oil and Gas	Exploration and Production	Business Loans and Unlisted Equities	2.3		2.2		2.2 ✪	S3, upstream: 2.3 ✪		
Power Generation	Power and Utilities	Business Loans and Unlisted Equities	2.9		2.7		2.6 ✪			
Transport	Automotive Manufacturing and Captive Finance	Business Loans and Unlisted Equities	2.0	2.0	2.0	2.0	1.9 ✪	1.9 ✪		
	Other	Business Loans and Unlisted Equities					4.7			
	Consumer Auto Loans	Motor Vehicle Loans					2.2		2.2	
Aluminum	Aluminum – Manufacturing	Business Loans and Unlisted Equities					4.0			
Cement	Cement – Manufacturing	Business Loans and Unlisted Equities					4.0			
Coal	Coal – Mining and Manufacturing	Business Loans and Unlisted Equities					5.0			
Iron and Steel	Iron and Steel – Manufacturing	Business Loans and Unlisted Equities					4.6			
Residential Real Estate	Residential Mortgages	Mortgages			4.2		4.2		4.2	
Commercial Real Estate	Income Property Lending	Commercial Real Estate					5.0			

✪ KPMG was engaged to provide a limited assurance conclusion over indicators identified with this symbol. Refer to KPMG's Independent Limited Assurance Report.

Appendix C – Endnotes

1 OSFI Guideline B-15, effective fiscal year-end 2024 for Domestic Systemically Important Banks, including Scotiabank, outlines OSFI's expectations related to the management and disclosure of climate-related risks by federally regulated financial institutions.

2 The release of the Transition Plan Taskforce Disclosure Framework was complemented by in-depth guidance for several sectors, including banks, and is organized by the following disclosure categories: Foundation, Implementation Strategy, Engagement Strategy, Metrics and Targets, and Governance. In June 2024, the IFRS Foundation announced that it will assume responsibility for disclosure-specific materials, as it relates to transition plans, developed by the TPT.

3 A renewable energy certificate ("REC") is a market-based instrument issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy source. As defined on p. 31 of this report, emission-free sources include renewable (hydro, solar, wind, geothermal, tidal) and nuclear sources, and may include the use of RECs.

4 See Audit & Conduct Review Committee charter.

5 See Corporate Governance Committee charter.

6 See Human Capital & Compensation Committee charter.

7 See Risk Committee charter.

8 As described on p. 39 of this Report, Climate Risk refers to the possibility that climate change issues associated with Scotiabank's operations or its clients could negatively affect the Bank's performance by giving rise to or heightening other financial and non-financial risks, for example, credit, reputational, operational, or legal risk.

9 Corporate and Commercial Senior Credit Committee.

10 1832 Asset Management L.P. is the registered investment fund manager, doing business as Scotia Global Asset Management.

11 The Community Investment Committee convenes every two months to review grant proposals related to Scotiabank's community investment strategies including climate-related requests for funding.

12 A greenhouse gas ("GHG"), is defined in the Greenhouse Gas Protocol as one of six gases included in the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6). The Bank currently measures CO_2, CH_4 and N_2O for our operational emissions.

13 In the 2024 Energy Technology Perspectives report, the International Energy Agency (IEA) defines clean energy technology as those technologies that result in minimal or zero emissions of CO_2 and pollutants. This definition – as well as the scope of the European Commission's Net-Zero Industry Act, the coverage of clean energy and net-zero technology sectors in the European Union's (EU) annual Competitiveness Progress Reports, and the US Department of Energy's investments in clean energy technologies – generally align with the Clean Tech Energy Team's coverage of low-carbon sub-sectors.

14 The use-of-proceeds deposit product was allocated, in accordance with Scotiabank's Sustainable Issuance Framework, to fund the financing or refinancing, in whole or in part, of new or existing Eligible Green and/or Social Assets (as defined in the Framework). For more information on sustainability-themed investment products, see pp. 34-40 of the 2024 Sustainability Report.

15 Defined in accordance with the International Capital Markets Association (ICMA)

16 Includes corporate and commercial lending and excludes retail and small business lending.

17 For more information, see the Risk Management section of this Report.

18 For more information on the Clean Tech Energy Initiative, see p. 18 of this Report.

19 For more information on Scotiabank's independent Economics team, see pp. 11 and 36 of this Report.

20 For more information on the Bank's resilience assessment of its global real estate portfolio, see p. 45 of this Report.

21 For more information on our partnership with Assiniboine College, see p. 35 of this Report.

22 IRENA, World Energy Transitions Outlook 2024. The types of investments include, but are not limited to, renewable power generation and capacity, power grids and electrification in end uses, hydrogen and its derivatives, and carbon capture and storage. IRENA cited that annual investment would need to scale by 2.5 times to remain on a 1.5°C pathway, relative to the $2.6 trillion USD invested in 2023.

23 See Scotiabank's Climate-related Finance Framework here.

24 See Scotiabank's Climate-related Finance Framework here for further details on climate-related products, services, as well as eligible transactions. When referenced throughout this Report, climate-related finance will be understood as above.

25 Climate-related finance provided in fiscal 2024 represents a small portion of the Bank's overall lending and advisory services.

26 A greenhouse gas ("GHG"), is defined in the Greenhouse Gas Protocol as one of six gases included in the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6).

27 Financed emissions are defined by PCAF as "emissions attributed to a financial institution's lending and investing activity" and are expressed in tonnes of CO_2e.

28 See The Global GHG Accounting and Reporting Standard, Part A: Financed Emissions, by PCAF.

29 The PCAF Standard has been reviewed by the GHG Protocol and is aligned with the requirements of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (category 15).

30 In the case of private companies, the attribution factor is equal to amount of financing provided to the borrower divided by the borrower's equity plus debt.

31 EVIC is a variable in the financed emissions calculation methodology and subject to share price volatility. Holding a borrower's emissions and financing constant, an increase in EVIC will reduce financed emissions associated with a borrower and, conversely, a decrease in EVIC will increase financed emissions from the borrower.

32 See The Global GHG Accounting and Reporting Standard, Part A: Financed Emissions, by PCAF.

33 The client-reported emissions data used to calculate metrics, including financed emissions and physical emissions intensity, are gross of client-purchased offsets.

34 For a general description of the data quality score employed by PCAF where score 1 represents the highest data quality and score 5 represents the lowest quality score, see The Global GHG Accounting and Reporting Standard, Part A: Financed Emissions, by PCAF (pp. 73, 92, 98, 106).

35 A more detailed description of the Internal Emissions Factor can be found on p. 62 of Scotiabank's 2023 Climate Report.

36 See Scotiabank's 2022 Net Zero Pathways Report for more information regarding the identification of priority sectors.

37 The approach taken when initially setting our Interim Targets was informed by the Bank's membership in the Net-Zero Banking Alliance (NZBA). In October 2021, Scotiabank joined the NZBA, a global, industry-led initiative to support efforts of the banking sector to address climate change. As of January 2025, the Bank has withdrawn its membership from the NZBA.

38 Business loans include our Canadian commercial lending, international commercial lending and capital markets activities. The retail and small business sector is excluded.

39 Aluminum includes business loans primarily for aluminum manufacturing and production.

40 Cement includes business loans primarily for cement and concrete production.

41 Coal includes business loans primarily for coal mining and refining.

42 Iron and Steel includes business loans primarily for iron and steel manufacturing and production.

43 For the purpose of our Portfolio Financed Emissions, we have included business loans associated with all upstream, midstream and downstream activities in the Oil and Gas sector. This differs from the approach taken to reporting of financed emissions for the Oil and Gas sector in 2022 and 2023, which reflect only the E&P part of the Oil and Gas portfolio.

44 Although we have calculated and reported financed emissions for our Power and Utilities sector in 2022 and 2023 and included in Table 6, we have used a narrower scope for our Portfolio Financed Emissions, including only Power Generation lending activities. This scope corresponds to the scope of our physical emissions intensity reduction target. Any financed emissions associated with the Utilities portion of the portfolio are included in "Other".

45 See The Global GHG Accounting and Reporting Standard, Part A: Financed Emissions, by PCAF.

46 RMI. 2024. Climate Disclosure and Target Setting in the Agriculture Sector.

47 RMI. 2024. Climate Disclosure and Target Setting in the Agriculture Sector (p. 42).

48 The fragmented ownership structures and volume of farm operators (just under 200,000) presents a significant challenge from an emissions accounting perspective, as it is easier to account for emissions when they originate from a limited number of actors within a sector. Climate Disclosure and Target Setting in the Agriculture Sector (pp. 12-13).

49 RMI. 2024. Climate Disclosure and Target Setting in the Agriculture Sector (p. 42).

50 International Energy Agency (IEA). 2022. Achieving Net Zero Heavy Industry Sectors in G7 Members.

51 Royalty clients and clients with no lending products across all three sectors are excluded from the Interim Targets.

52 IEA, Oil demand by scenario, 2010-2030, IEA, Paris.

53 Net Zero Banking Alliance (NZBA). 2024. Climate Target Setting for Power Generation Sector Financing: Emerging Practice Paper.

54 Net Zero Banking Alliance (NZBA). 2024. Climate Target Setting for Power Generation Sector Financing: Emerging Practice Paper.

55 The IEA's Electricity 2024 report stated that while global electricity demand rose moderately by 2.2% in 2023, global demand is expected to increase at a faster rate over the next three years, growing by an average of 3.4% annually through 2026.

56 The IEA's Electricity 2024 report cited that expected increase in global electricity demand will be driven by improved economic outlook from 2024 onward, which will in turn contribute to faster demand in both advanced and emerging economies.

57 International Energy Agency (IEA). 2024. Electricity 2024 – Analysis and Forecast to 2026.

58 International Energy Agency (IEA). 2024. State of Energy Policy 2024 (pp. 35-39).

59 Science Based Targets initiative (SBTi). 2020. Setting 1.5C-aligned science-based targets. Quick start guide for electric utilities.

60 International Energy Agency (IEA). 2021. Net Zero by 2050 – A Roadmap for the Global Energy Sector.

61 International Energy Agency (IEA). 2023. Net Zero Roadmap: A Global Pathway to Keep the 1.5C Goal in Reach.

62 Where client-level data is unavailable, we use the holding or parent company data.

63 Scotiabank's Emissions Reduction Target in the Automotive Sector.

64 International Energy Agency (IEA). 2021. Net Zero by 2050 – A Roadmap for the Global Energy Sector.

65 International Energy Agency (IEA). 2023. Net Zero Roadmap: A Global Pathway to Keep the 1.5C Goal in Reach.

66 International Energy Agency (IEA). 2024. Carbon Capture Utilisation and Storage.

67 International Energy Agency (IEA). 2023. Fossil Fuels.

68 Clean Energy Canada. (2023). A Renewables Powerhouse.

69 International Energy Agency (IEA). 2021. Net Zero by 2050 – A Roadmap for the Global Energy Sector.

70 International Energy Agency (IEA). 2023. Grid-scale Storage.

71 International Energy Agency (IEA). 2021. Net Zero by 2050 – A Roadmap for the Global Energy Sector.

72 IEA (2024), *Global EV Outlook 2024*, IEA, Paris, Licence: CC BY 4.0.

73 IEA (2024), *Global EV Outlook 2024*, IEA, Paris, Licence: CC BY 4.0.

74 IEA (2024), *Global EV Outlook 2024*, IEA, Paris, Licence: CC BY 4.0.

75 The TPR was informed by the Glasgow Financial Alliance for Net Zero (GFANZ), 2022. Measuring Portfolio Alignment: Driving Enhancement, Convergence and Adoption.

76 The emissions data reported is based on the clients in our portfolio as of October 31, 2022. The TPR results are based on clients in our portfolio as of October 31, 2024. The clients included in each dataset are not identical.

77 E&P clients that removed reporting in response to Bill C-59 are excluded from the assessment results (25% of the authorized exposure for in-scope clients).

78 GHG Protocol may be found here. For details relating to Scotiabank's interpretation and application of the GHG Protocol of the WRI and the WBCSD, refer to Scotiabank's GHG methodology.

79 Details relating to Scotiabank's historical Scope 1 and 2 emissions targets and scope are available in Scotiabank's previous GHG methodology documents and ESG Reports.

80 The Senior Vice President of Scotiabank's Real Estate Department (RED) has oversight of the setting of targets related to operational emissions, and RED annually evaluates the targets and monitors target performance to determine if updates may be required. For more details on the Bank's target setting methodology of its operational emissions, see Scotiabank's GHG methodology (pp. 8-9).

81 The Carbon Pricing Leadership Coalition (CPLC) is a voluntary initiative with a mandate to implement carbon pricing globally. The initiative is represented by various stakeholders, including governments, private sector companies, NGOs and academia.

82 Either physically or virtually. Emission-free sources includes renewable (hydro, solar, wind, geothermal, tidal) and nuclear sources, and may include the use of renewable energy certificates (RECs). Electricity from emission-free sources in Canada is based on provincial electricity mix sourced from Canada Energy Regulator. Electricity from emission-free sources internationally is based on reports from the International Energy Agency (IEA) and US Department of Energy electricity generation by country, by source.

83 Scope 2 (location-based) figures reflect emissions from electricity in the region that the electricity usage occurs. Scope 2 (market-based) figures reflect emissions from electricity that a reporting company has purposely chosen. In this method, emissions factors are derived from contractual instruments, such as Scotiabank's vPPA. Calculating this number is done by applying the emissions factor associated with the REC to the electricity used underlying the Scope 2 (location-based) figure.

84 For more information on the measurement approach, inputs and assumptions underpinning operational Scope 1, 2, and 3 (non-financed) GHG emissions, see Scotiabank's GHG methodology.

85 To facilitate more timely reporting of our operational emissions, the Bank combines datasets – representing the utility consumption and corporate travel – collected from the last quarter of the previous fiscal year ("3-Month Dataset") and the first three quarters of the current reporting year ("9-month Dataset") to estimate our operational emissions in the current reporting period. For more information on the Bank's calculation approach, see p. 7 of Scotiabank's GHG Methodology.

86 Comparative previous year metrics are presented where available.

87 The GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard provides guidance on assessing value chain emissions impact.

88 Suppliers included in the estimate accounted for approximately 70% of the Bank's supplier expenditures in 2023.

89 As outlined by the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions, Scope 3, category 1 (purchased goods and services) and category 2 (capital goods) can be calculated using one of four different methods, including a spend-based method. This method involves estimating emissions for goods and services by collecting data on the economic value of goods and services purchased and multiplying it by relevant emissions factors (e.g., industry average emissions per monetary value of goods).

90 In its Sixth Assessment Report (AR6), the International Panel on Climate Change (IPCC) defines just transition as a set of principles, processes and practices that aim to ensure that no people, workers, places, sectors, countries or regions are left behind in the transition from a high-carbon to a low-carbon economy. The IPCC provides the following examples of activities that may support just transition: fairness in energy, land use and climate planning and decision-making processes; economic diversification based on low-carbon investments; realistic training/retraining programmes that lead to decent work; gender specific policies that promote equitable outcomes; the fostering of international cooperation and coordinated multilateral actions; and the eradication of poverty.

91 For more information on Scotiabank's approach to truth and reconciliation, refer to the Truth and Reconciliation Action Plan (p. 51).

92 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). 2019. Global Assessment Report of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

93 Scotiabank's Nature-related Sustainability Policies for Non-Retail Lending.

94 Scotiabank's Statement on Financing in the Arctic.

95 See Q4 2024 Investor Fact Sheet here.

96 For more information on the scope of JFL's Research Coverage List, see p. 5 of JFL's 2022 Climate Action Plan and Climate Report.

97 The Framework is included in the Risk Management section of the Management Discussion and Analysis (MD&A) of Scotiabank's 2024 Annual Report.

98 An overview of Scotiabank's ESG Risk Management Framework can be found here.

99 Scotiabank's Statement on Financing Coal.

100 In developing the CRFF, Scotiabank considered, and drew principles from a number of sources, including the ICMA Green Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Principles, APLMA/LMA/LSTA Green Loan Principles and Sustainability-Linked Loan Principles, and Climate Bonds Standard. We note, however, that there is not yet a standardized definition of, or taxonomy for, climate-related finance that is applicable to our business. Rather, the market guidelines, frameworks and other internal and external standards in this area are evolving.

101 Operational real estate assets can be defined as offices, branches, ATMs, parking, call centres, data centres and other assets used to support the Bank's overall operations.

102 In this context, the use of the term "framework" is used internally to describe the Bank's approach to climate-related client engagement activities. For more information on the climate-related client engagement framework, refer to p. 28 of this Report.

103 Credit exposure to carbon-related assets for fiscal year 2023 was $222 billion.

104 TCFD's 2021 update to the guidance document Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures.

105 TCFD states that there may be industries or sub-industries that are appropriate to exclude, such as water utilities and independent power and renewable electricity producer industries.

106 Exposure is calculated as the total exposure to credit risk and includes amounts drawn, undrawn commitments and other off-balance-sheet items (excluding OTC, Repos and Securitizations as presented on p. 7 of our Supplementary Regulatory Capital Disclosures).

Appendix D – Forward-looking Statements

Forward-looking Statements

From time to time, our public communications include oral or written forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. In addition, representatives of the Bank may include forward-looking statements orally to analysts, investors, the media and others. 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 regarding the Bank's financial projections, objectives, visions and goals, regarding the outlook for the Bank's businesses and for the Canadian, U.S. and global economies, and regarding environmental, social and governance ("**ESG**"), including climate-related, projections, objectives, vision and goals (collectively, our "**ESG Objectives**"), such as our net-zero and interim emissions targets, our statement on thermal coal, and our climate-related finance target. Such statements are typically identified by words or phrases such as "believe," "expect," "aim," "achieve," "foresee," "forecast," "anticipate," "intend," "estimate," "outlook," "seek," "schedule," "plan," "goal," "strive," "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 our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our ESG Objectives 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 future outcomes that relate to forward-looking statements may be influenced by many factors, which may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements. Certain statements in this document are based on hypothetical or severely adverse scenarios and assumptions, and these statements should not necessarily be viewed as being representative of current or actual risk or forecasts of expected risk. For more information on potentially applicable risk factors, please see the "Risk Management" section of the Bank's 2024 Annual Report, as may be updated by quarterly reports.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2024 Annual Report under the headings "Outlook", as updated by quarterly reports. The "Outlook" and "2025 Priorities" sections are based on the Bank's views and the actual outcome is uncertain. Readers should carefully consider the above-noted factors and 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 reader in understanding the Bank's ESG Objectives as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained in this document. 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, can be located on the SEDAR+ website at www.sedarplus.ca and on the EDGAR section of the SEC's website at www.sec.gov.

Additional Caution Regarding ESG-related Disclosures

In setting and implementing our ESG Objectives, and in preparing this document, the Bank has made various assumptions, including about technological, economic, scientific and legal trends and developments, in light of an evolving policy and regulatory environment. As such, the data, analysis, strategy and other information set out in this document remain under development and subject to evolution, amendment, update and restatement over time. The Bank specifically cautions readers of the following:

- The terms "ESG", "net-zero", "carbon neutral", "sustainable finance", "carbon-related finance" and similar terms, taxonomies and criteria are evolving, and the Bank's use of such terms may change to reflect such evolution. Any references to such terms in this document are references to the internally defined criteria of the Bank and not to any particular regulatory definition or voluntary standard.
- The Bank has assumed continued growth in its clients' investments in and expenditures on ESG activities. The Bank has also assumed ordinary rates of growth and development of the Bank's business, including in the products and services it provides to clients in all sectors, in its own investments, in its subsidiaries and in its geographic footprint. If any of these assumptions prove incorrect, the Bank may not be able to meet its ESG Objectives and may need to update or revise them.
- The evolution of the policy and regulatory environment relating to ESG issues, and climate-related issues in particular, may result in updates or revisions to forward-looking statements and other information contained in this document. There could also be changes to the market practices, taxonomies, methodologies, scenarios, frameworks, criteria and standards (collectively, "**ESG Standards**") that governmental and non-governmental entities, the financial sector, the Bank and its clients use to classify, assess, measure, report on and verify ESG activities, including for inclusion toward the Bank's ESG Objectives. In some cases, applicable ESG Standards may not yet exist. The Bank may update its ESG Objectives, its plans to achieve them, its progress toward them, and its estimates of the impact of this progress, as appropriate, in light of new and evolving ESG Standards.
- In setting and implementing its ESG Objectives, the Bank relies on data obtained from clients and other third-party sources. The Bank's use of third-party data cannot be taken as an endorsement of the third-party or its data or be construed as granting any form of intellectual property. Although the Bank believes these sources are reliable, the Bank has not independently verified all third-party data, or assessed the assumptions underlying such data, and cannot guarantee their accuracy. The data used by the Bank in connection with its ESG Objectives may be limited in quality, unavailable, or inconsistent across sectors, and we have no guarantee that third parties will comply with our policies and procedures in respect of the collection of this data. Certain third-party data may also change over time as ESG Standards evolve. These factors could have a material effect on the Bank's ESG Objectives and ability to meet them.
- The Bank and its clients may need to purchase carbon and clean energy instruments ("**Environmental Attributes**") to meet its ESG Objectives. The market for Environmental Attributes is still developing and their availability may be limited. Some Environmental Attributes are also subject to the risk of invalidation or reversal, and the Bank provides no assurance of the treatment of any such Environmental Attributes in the future. There may also be changes to applicable regulations and standards that impact the market for Environmental Attributes. The maturity, liquidity and economics of this market may make it more difficult for the Bank to achieve its ESG Objectives.
- The information contained in this document is unaudited. KPMG has performed a limited assurance engagement for a select number of the Bank's ESG performance indicators, which have been identified with a ✪ symbol throughout this document. Other than those select number of identified Bank performance indicators, the remainder of the information contained in this document was not subject to the limited assurance engagement. You can read more about the scope of KPMG's work here.
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