



SCOTIABANK CLIMATE-RELATED FINANCE FRAMEWORK

April 2026

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1 Introduction

This Climate-related Finance Framework (the “**Framework**”) outlines certain financial products and services that aim to support Scotiabank’s ¹ (the “**Bank**” or “**we**”) clients implement and advance their climate strategies. We use the term “climate-related” because the Framework includes broader environmental categories such as biodiversity, sustainable agriculture and circular economy, which are connected to ecosystem health and climate.

Originally published on November 1, 2023, ² this Framework, most recently revised as of April 16, 2026, sets out the eligibility criteria applicable to the types of activities and transactions we offer that count towards our target of providing CAD \$350 billion in climate-related finance by 2030 (the “**Target**”).

The Target covers certain key business activities of the Bank, such as lending, underwriting and advisory services. Section 3 outlines those Business Activities that are considered in-scope.

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

- 1) Dedicated purpose finance, which includes I) transactions labelled ³ as green, transition and/or sustainable, and II) financing dedicated to unlabelled transactions that fall into the climate-related categories set out in Section 4 (the “**Climate-related Categories**”); or
- 2) General corporate purpose finance, which includes I) pure play finance, defined as finance to a client with 90% or more of its revenue ⁴ derived from activities that fall into the Climate-related Categories, as set out in Section 4, and II) sustainability-linked finance, defined as financing structured to incentivize a client to meet at least one environmental-related target.

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

- International Capital Market Association (“**ICMA**”) Green Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Principles, Climate Transition Bond Guidelines, and Green Enabling Projects Guidance
- APLMA/LMA/LSTA Green Loan Principles, Social Loan Principles, Sustainability-Linked Loan Principles, and Transition Loans Guide
- Climate Bonds Standard

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

² The Bank’s Climate-related Finance Framework published on November 1, 2023, replaced Scotiabank’s previous internal Green, Transition and Social Taxonomy with respect to eligible green and transition activities eligible for the Target, as well as documentation outlining eligible financial products and services eligible for the Target.

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

⁴ For pre-revenue entities only, the recipient dedicates 90% of or more their Capex/R&D expenditure to Eligible Climate-related Categories and Criteria as defined below. Where revenues are not available, real estate companies may meet the definition of a pure play where it can be established that corporate financing of 90% or more of the gross leasable area or gross floor area of the company’s portfolio (depending on what is provided by the company) is green building certified, as per the Green Buildings category.

We note, however, that there is no single universal 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 continue to evolve. The Framework may therefore change to reflect such evolution or the introduction of new guidelines, frameworks, methodologies, and other standards.

This Framework updates the Bank's internal taxonomy and related procedures that have governed the Target (including prior iterations of the Target) from its inception. The Bank will review this Framework once every two years (or more often as required) and may publish revisions made to the Framework based on changes to, or the introduction of, new guidelines, frameworks, methodologies or other standards that inform its design.

2 Classification of Transactions

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

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

Scotiabank may refer to relevant Guidelines, Principles and Methodologies for its Eligible Transactions, outlined in Section 3.

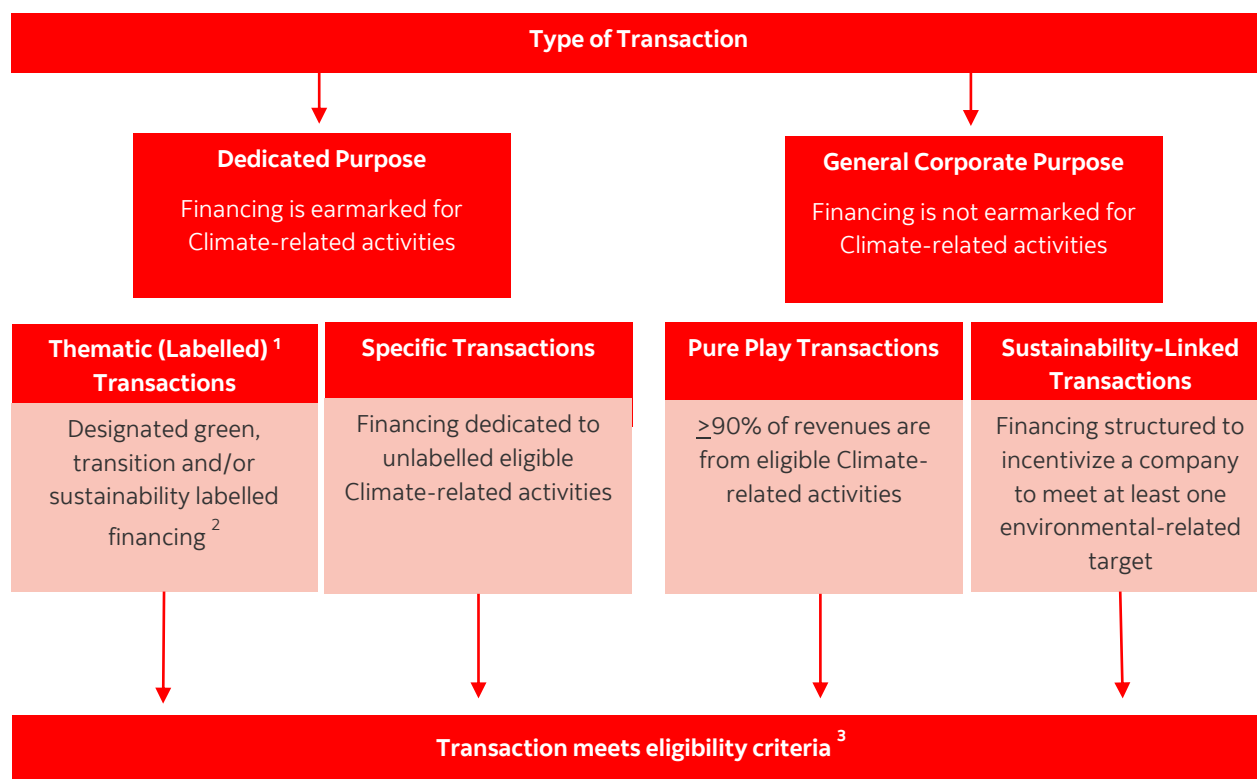


Figure 1. Classification process for determining Eligible Transactions

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

² Social labelled transactions are not eligible for under the Target.

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

3 Business Activities and Measurement

As outlined in the table below, the in-scope Business Activities and Measurements are based on the corresponding Guidelines, Principles and/or Methodologies where available; otherwise, we have developed an internal Measurement.

In the case of Lending activities, as defined below, new loans as well as extensions of loans are eligible for inclusion in the Target, provided the extension is for a loan that was included in the Target, and the extension is for at least one year.⁵

⁵ Extensions will be considered eligible up to a maximum of once per year.

Where a loan that previously counted towards the Target increases in size, the difference in total authorized amount between the original loan and the increase will be counted towards the Target.

If more than one Business Activity for the same transaction is eligible to count towards the Target, the value of each such Business Activity will be counted toward the Target. This will result in the aggregate value of these business activities relating to the same transaction being counted towards the target. For example, if Scotiabank is acting as an advisor on an eligible M&A transaction and is also providing financing with respect to that transaction, then both business activities will count towards the Target.⁶

| Business Activities | Description | Measurement | Guidelines, Principles and/or Methodologies ⁷ |
|--------------------------|---|---|--|
| Lending | Corporate and commercial loans, project finance, commercial mortgages, and trade finance ⁸ | Total authorized amount | APLMA/LMA/LSTA Green Loan and Social Loan Principles |
| | Retail/Small Business Banking loans | | APLMA/LMA/LSTA Sustainability Linked Loan Principles |
| Advisory Services | Mergers & Acquisitions (M&A) | League table value allocated in full to all buy and sell side-advisors upon successful closing ⁹ | APLMA/LMA/LSTA Transition Loans Guide |

⁶ Where Scotiabank issues a bond and acts as an underwriter for that same bond, the value of the eligible assets such as loans financed from the net proceeds of the Bond and the value associated with the underwriting activity are eligible under the CRFF. Net proceeds received from the issuance of a bond by Scotia under the [Sustainable Issuance Framework](#) are not eligible under the CRFF.

⁷ Non-exhaustive list informing the bank's business activities. One or more of the listed guidelines, frameworks or methodologies may be used in practice. Where there is no guidelines or principles listed for a Business Activity, Scotiabank's Climate-related Finance Framework may be consulted.

⁸ Letters of credit, standby letters of credit, bills of exchange for pure plays as defined in Figure 1, above, or project finance aligned to the Climate-related Categories outlined in Section 4.

⁹ The league table value is allocated in full to all advisors and co-advisors (in the case of more than one advisor) on either the buy and the sell side-advisors upon successful closing.

| Business Activities | Description | Measurement | Guidelines, Principles and/or Methodologies ⁷ |
|------------------------|---|---|---|
| Capital Markets | Debt Capital Markets | League table deal size divided by number of bookrunners. In the case of private placement debt issuances, league table credits are apportioned amongst placement agents | ICMA Green Bond Principles ICMA Sustainability Bond Guidelines ICMA Sustainability Linked Bond Principles ICMA Green Enabling Projects Guidance ICMA Climate Transition Bond Guidelines |
| | Commercial Paper | Average amount distributed | |
| | Equity Capital Markets | League table deal size divided by number of bookrunners In the case of private placements, the value is apportioned between bookrunners | |
| | Derivatives | Potential future exposure (PFE) on the day of the trade | |
| | Environmental Commodities ¹⁰ | Average annual balance sheet utilization = average physical inventory hold x average credit price | |
| | Equity Structured Notes | Total notional amount outstanding of active Notes | |

¹⁰ Spot and derivative environmental commodities for compliance markets only, including, but not limited to, Renewable Energy Credits (RECs), Renewable Identification Numbers (RINs), Renewable Fuels, and Clean Fuel Standard Credits. Environmental commodities balance sheet utilization is reported as an aggregated total of the inventory held within the compliance markets. Due to the way environmental commodities are calculated it does not necessarily follow the same climate-related categorization process.

| Business Activities | Description | Measurement | Guidelines, Principles and/or Methodologies ⁷ |
|---|---|---|---|
| Securitization | Bank funded securitization transactions | Total Commitment Amount | |
| | Underwritten Term Asset Backed Security (ABS)/ Residential Mortgage-Backed Security (RMBS)/ Commercial Mortgage-Backed Security (CMBS) transactions | Issue size divided by number of bookrunners | |
| Treasury Investments ¹¹ | Bonds held on balance sheet | Total investment amount | ICMA Green Bond Principles ICMA Sustainability Bond Guidelines ICMA Sustainability Linked Bond Principles ICMA Climate Transition Bonds Guidelines |
| Sustainability-Linked Deposits | Funds placed in non-interest bearing and interest-bearing products, including accounts | The initial deposit balance, and any additional amounts deposited over the term | |
| Scotiabank Corporate ¹² | Real Estate Department relevant expenditures | Total amount spent | |


¹¹ Net proceeds received from the issuance of a bond by Scotiabank under the [Sustainable Issuance Framework](#) are not eligible under the CRFF.

¹² Refers to amount spent on internal corporate programs that align with Scotiabank’s Climate-related Finance Framework, e.g. renewable energy investments, renewable power purchase agreements, virtual power purchase agreements, renewable energy credits, equipment upgrades, reduction in square footage, investments to improve resilience of the Bank’s real estate holdings to the physical impacts of climate change, building envelop upgrades, investments in infrastructure, hardware and software that support a reduction in GHG emissions associated with business travel or employee commuting, and verified carbon credit purchases.

4 Eligible Categories and Criteria

4.1 Climate-related Categories and Criteria

The fifteen categories of activities eligible as Climate-related under the Framework are set out below, and include climate change mitigation, adaptation, pollution prevention, sustainable management of natural resources, biodiversity conservation, and circular economy. When selecting these activities, we considered internationally recognized guidelines, standards, and frameworks, such as the ICMA Green Bond Principles and the Sustainable Development Goals (“SDGs”), which are mapped to each category below.¹³

| Eligible Categories | Eligible Activities |
|---|---|
| <p>Low-Carbon Energy</p>  | <p>Activities related to the acquisition, development, refurbishment, manufacturing, construction, operation, and maintenance of the following low carbon energy sources:</p> <p>ELECTRICITY GENERATION</p> <ul style="list-style-type: none"> • Wind • Solar <ul style="list-style-type: none"> ○ Photovoltaic generation facilities ○ Concentrated solar power facilities • Hydropower¹⁴ • Ocean power • Geothermal, electric geo-exchange / ground heat exchange with direct emissions less than 100g CO_{2e}/kWh • Biomass or biogas power <ul style="list-style-type: none"> ○ Feedstock from waste materials, or ○ Feedstock from certified sustainable crops.¹⁵ For non-waste feedstock, lifecycle greenhouse gas (GHG) emissions will be below 100 gCO_{2e}/kWh • Waste heat exchange including sewer heat recovery • Hydrogen produced through electrolysis powered by low carbon energy sources with direct emissions less than 100gCO_{2e}/kWh |

¹³ Mapping of eligible categories to the SDGs is not exhaustive, but directive.

¹⁴ I) Run of river without artificial reservoir; or II) Hydropower projects in operation before 2020 must have an average power density of over 5 W/m² or operate with an average lifecycle emissions below a threshold of 100g CO_{2e}/kWh; or III) Hydropower projects in operation in 2020 or after must have an average power density of over 10 W/m² or operate with an average lifecycle emissions below a threshold of 50g CO_{2e}/kWh.

(I, II, III) Includes refurbishment of existing eligible hydro facilities, provided the size of the dam or reservoir is not increased.




¹⁵ Waste feedstock limited to non-recyclable municipal solid waste, forestry, or sustainable agriculture residues. Non-waste feedstock from sustainable agriculture with credible certifications (e.g. Roundtable for Sustainable Biomaterials, International Sustainability and Carbon Certification, Bonsucro, Roundtable for Responsible Soy) that do not compete with food sources and are not sourced from areas with high biodiversity and carbon stock.

| Eligible Categories | Eligible Activities |
|---|---|
| <p>Low-Carbon Energy (continued)</p> | <ul style="list-style-type: none"> • Development and operation of new, existing, and recommissioned nuclear projects ^{16,17} which may include expenditures related to: <ul style="list-style-type: none"> ○ New installations to produce electricity ○ New installations for process heat for district heating, industrial processes ○ Increasing operational lifespan or output of existing facilities, component replacement of existing facilities, while maintaining or improving operational safety ○ Research and development of advanced technologies that produce energy with minimal waste from the fuel cycle <p>TRANSMISSION & DISTRIBUTION</p> <ul style="list-style-type: none"> • Electricity transmission and distribution infrastructure and equipment that complies with at least one of the following criteria: <ul style="list-style-type: none"> ○ Average system grid emissions factor is below the threshold value of 100 gCO_{2e}/kWh over a rolling five-year period, or ○ Over 67% of newly enabled generation capacity is below the generation threshold value of 100 gCO_{2e}/kWh over a rolling five-year period • Development or improvement of existing or new transmission & distribution systems dedicated to connecting generation capacity with lifecycle emissions below 100 gCO_{2e}/kWh to the grid • Activities related to the direct connection of new fossil fuel power plants to the grid will be excluded, except for facilities that meet the Fuel Switching criteria, as outlined in Fuel Switching, SDG 7, below <p>GREEN ENABLING PROJECTS</p> <ul style="list-style-type: none"> ○ Acquisition, development, manufacturing, construction, operation, and maintenance of raw materials and/or enabling components that are used in the production of Low-Carbon Energy (as defined herein), such as critical minerals (e.g., silicon metal, lithium) used as inputs to manufacture photovoltaic cells and battery energy storage systems, and uranium for nuclear projects ¹⁸ |



¹⁶ Within jurisdictions that have adequate regulations governing nuclear safety and that adhere to standards defined by the International Atomic Energy Agency addressing site selection, operational safety, and waste management.

¹⁷ All nuclear-related projects will go through environmental and social risk management review and will be financed only in jurisdictions in which processes are in place to pursue viable options for the secure, long-term storage of high-level radioactive waste.



¹⁸ Green Enabling Projects are assessed against specific internal criteria informed by [ICMA's Green Enabling Projects Guidance](#), or other industry guidance as it may be relevant from time to time.

| Eligible Categories | Eligible Activities |
|--|---|
| <p>Energy Efficiency</p>  | <p>Activities related to projects, products or systems that contribute to reduced energy consumption, and the management and storage of energy, including:</p> <ul style="list-style-type: none"> • Energy distribution, storage, and management, including: <ul style="list-style-type: none"> ○ Efficiency improvements for transmission and distribution of energy ○ Energy storage systems connected to low carbon energy or grids with an average system grid emissions factor less than 100gCO_{2e}/kWh over a five-year period ○ District heating and cooling distribution networks ○ Centralized energy control systems, purchase of efficient industrial appliances, smart meters, and energy efficient lighting (LED) • Mobile network updates to reduce energy consumption ¹⁹ • Software aimed at reducing power consumption, server virtualization, and remote data management of mobile networks |
| <p>Pollution Prevention and Control</p>   | <p>Activities related to the acquisition, development, construction, operation and maintenance of land, facilities, systems, or equipment used for prevention, collection, remediation, treatment of contaminated soil, or reduction and recycling of waste:</p> <ul style="list-style-type: none"> • Soil remediation projects where the remediation is not related to the contamination or negative environmental externality from the borrower's own activities • Processes, infrastructure, and technology that facilitate recycling and waste reduction • Facilities, systems, and equipment that are used to collect and divert waste from landfills and support the segregation of waste • Treatment of bio-waste through anaerobic digestion • Treatment of bio-waste through composting (aerobic digestion) • Biogas capture and/or production of biogas (biosynthetic, renewable natural gas) through landfill gas capture from closed or decommissioned landfill with gas capture efficiency greater than 75% for power and heat |

¹⁹ Spectrum acquisition and license renewal expenditures are excluded.





| Eligible Categories | Eligible Activities |
|---|--|
| <p>Environmentally sustainable management of living natural resources and land use</p>  | <p>Activities that contribute to the sustainable management of living natural resources and land use, as well as the protection or restoration of natural ecosystems, through:</p> <p>SUSTAINABLE FOOD AND AGRICULTURE:</p> <ul style="list-style-type: none"> • Certified agricultural crop production (e.g. Canada Organic, USDA Organic, and Round Table on Responsible Soy Association Standard (RTRS)) • Programs to promote regenerative farming practices, including cover cropping • Techniques and equipment that improve conventional agricultural crop production • Integrated cropland-livestock-forestry systems that utilize sustainable forestry management plans for smallholders ²⁰ • Climate smart farm inputs, such as Rainforest Alliance certified biological crop protection • Certified environmentally sustainable fishery and aquaculture operations (e.g. Marine Stewardship Council (MSC) and Global G.A.P for Aquaculture Integrated Farm Assurance for Aquaculture) <p>SUSTAINABLE FOREST MANAGEMENT:</p> <ul style="list-style-type: none"> • Commercial forests and sustainable forest management certified with Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) • Afforestation or reforestation of native forests and/or high conservation value forests • Preservation, restoration, or expansion of natural landscapes |
| <p>Sustainable Food Systems</p>  | <p>Activities related to financing or training programs to smallholder and small-scale farmers such as:</p> <ul style="list-style-type: none"> • Equipment and facilities that help prevent food loss and waste, improve productivity, and increase market access for farmers; and • Infrastructure and facilities such as warehouses to provide adequate storage, improve food conservation, or improve connectivity in the food chain to avoid food losses |

²⁰ Excludes industrial meat production and industrial livestock management. Based on local definition or in absence of a local definition, using FAO definition where smallholders are small-scale farmers, pastoralists, forest keepers, fishers who manage areas varying from less than one hectare to 10 hectares.

| Eligible Categories | Eligible Activities |
|---|---|
| <p>Low-Carbon Transportation</p>  | <p>Activities related to transport assets and the acquisition, development, manufacturing (including dedicated facilities), construction, operation, and maintenance of infrastructure dedicated to low-carbon transport:</p> <ul style="list-style-type: none"> • Electric and hydrogen fuel cell vehicles • Hybrid electric vehicles (<50 g CO₂e/km) ²¹ • Electric vehicle charging stations for private and public transport • Public clean transportation: <ul style="list-style-type: none"> ○ Electrified rail, trams, and trolleybuses ○ Passenger rail that meets a universal direct emission threshold of <50gCO₂e/pkm ○ Freight rail (<25gCO₂/tkm) ○ Hybrid buses (<50g CO₂e/pkm) ○ Activity mobility infrastructure such as public walking, cycling • Cargo and passenger ships with emissions intensity thresholds below those set in the International Maritime Organization’s (IMO) GHG Strategy <p>GREEN ENABLING PROJECTS</p> <ul style="list-style-type: none"> • Acquisition, development, manufacturing, construction, operation, and maintenance of raw materials and/or enabling components that are used in the production of Low-Carbon Transport (as defined herein), such as batteries, battery and fuel cells, electric motors, powertrains and other components used in electric and hydrogen fuel cell vehicle systems ²² |
| <p>Terrestrial and Aquatic Biodiversity Conservation</p>  | <p>Activities that contribute to the enhancement or conservation of terrestrial or aquatic biodiversity including:</p> <ul style="list-style-type: none"> • Protection of coastal, marine, and watershed environments • Wildlife habitat management, rehabilitation, restoration, and conservation of ecosystems from a degraded state and rewilding projects • Restoration of upland and lowland peatlands to enhance the sequestration and long-term storage of carbon from the atmosphere |

²¹ Testing in line with the Worldwide Harmonised Light Vehicle Test Procedure (WLTP), or New European Driving Cycle (NEDC), Natural Resources Canada Fuel Consumption Ratings, or other available testing in applicable jurisdictions.



²² Green Enabling Projects are assessed against specific internal criteria informed by [ICMA's Green Enabling Projects Guidance](#), or other industry guidance as it may be relevant from time to time.

| Eligible Categories | Eligible Activities |
|---|--|
| <p>Sustainable Water and Wastewater Management</p>   | <p>Activities that improve water quality, efficiency, and conservation:</p> <ul style="list-style-type: none"> • Collection, treatment, recycling, or reuse of water, rainwater, or wastewater including wastewater treatment systems and desalination plants • Water distribution systems with improved efficiency or that have undergone a water leakage level assessment to identify and address leakage reduction • Water capture, storage and distribution including storm water management systems and efficient irrigation management • Water metering activities to support water conservation and water-use efficiency |
| <p>Green Buildings</p>   | <p>Activities related to the acquisition, development, construction, renovation, operation, and maintenance of residential and commercial buildings that have achieved one of the following criteria:</p> <ul style="list-style-type: none"> • Received, or expect to receive based on their design, construction and operation plans, certification according to third party-verified building standards or other international equivalent including: <ul style="list-style-type: none"> ○ LEED: Gold or Platinum for all properties other than industrial or data centers; or Silver for industrial buildings designed to achieve a minimum 20% energy efficiency improvement ○ Energy STAR (minimum of 85) ○ BOMA BEST (Gold or Platinum) ○ BREEAM (Excellent or Outstanding) • Existing data centres with a power usage effectiveness (PUE) of below 1.45, and new data centres with a PUE of below 1.4 • Achieved based on a third-party assessment, or intends to achieve energy savings or emission reduction of at least 30% • A top 15% energy-performing building in the relevant national or regional building stock <p>GREEN ENABLING PROJECTS</p> <ul style="list-style-type: none"> • Acquisition, development, manufacturing, construction, operation, and maintenance of raw materials and/or enabling components that are used in the construction of Green Buildings (as defined herein), such as energy efficient appliances and products (e.g. windows), specialty chemicals for insulation, and sustainable manufacturing (e.g. recycled steel)²³ |

²³ Green Enabling Projects are assessed against specific internal criteria informed by [ICMA's Green Enabling Projects Guidance](#), or other industry guidance as it may be relevant from time to time.

| Eligible Categories | Eligible Activities |
|--|--|
| <p>Circular Economy Adapted Products, Production Technologies, and Processes</p>    | <p>Activities that promote a circular economy including the design, development, manufacturing and/or distribution of circular economy adapted products, production technologies and processes, including:</p> <ul style="list-style-type: none"> • R&D for products, processes and technologies using bio-based materials (such as biopolymers/bioplastics) • R&D for mechanical and molecular recycling capabilities, such as polyester renewable technology and carbon renewable technology • Procurement of recycled/waste/resource-efficient materials as an input ²⁴ • Production of new resource-efficient/low-carbon bio-based products that are Roundtable on Sustainable Biomaterials-certified • Production of end-use plastic products with I) at least 90% of recycled, renewable and/or bio-based input, and II) at least 90% is not intended for single use consumer products, and III) all products are recyclable • Refurbishment, reconditioning and repairing of products for reuse given their original purpose is retained with minimal requirement of pre-processing • Procurement of recycled and reusable packaging made from certified sustainable paper products such as FSC |
| <p>Climate Adaptation and Resilience</p>  | <p>Activities related to measures that contribute to reducing vulnerability to climate change impacts based on vulnerability assessments and adaptation plans:</p> <ul style="list-style-type: none"> • Climate change adaptation infrastructure for natural disasters, such as flood defense, early warning systems and wildfire mitigation and management • Development and/or use of information and communications technology solutions for the purpose of collecting, transmitting, storing, and using data to facilitate climate adaption and resilience |




²⁴ Eligible projects will have sustainable sourcing of materials across environmental and social considerations, where information is available to review.

| Eligible Categories | Eligible Activities |
|--|--|
| <p>Fuel-Switching</p>  | <p>Activities related to refurbishment, construction, or operation of electricity generation, combined heat/cool and power generation, and heat generation connected to district heating and cooling that use gaseous fossil fuels and meet one of the following:</p> <ul style="list-style-type: none"> • Lifecycle GHG emissions are lower than 100gCO_{2e}/kWh, OR • Direct GHG emissions are lower than 270gCO_{2e}/kWh, replaces existing high emitting electricity generation and results in substantially lower GHG emissions ²⁵ <p>Activities related to transmission and distribution networks for renewable and low-carbon gases, such as hydrogen, methanol, ammonia, ethanol, renewable diesel, biocrude, synthetic fuel and renewable natural gas, including with the intent of methane leakage reduction:</p> <ul style="list-style-type: none"> • Construction or operation of new gas network infrastructure dedicated to the transport of renewable and low-carbon gases • Conversion, repurposing or retrofit of existing natural gas networks for renewable and low-carbon gases |
| <p>Low-Carbon Intensity Fuels</p>  | <p>Activities related to development, manufacturing, equipment, facilities, and/or distribution of low-carbon intensity fuels, including:</p> <ul style="list-style-type: none"> • Liquid clean fuels $\leq 50\text{gCO}_2\text{e/MJ}$ and gaseous clean fuels $\leq 36\text{gCO}_2\text{e/MJ}$²⁶ <ul style="list-style-type: none"> ○ Eligible fuel types ²⁷ include hydrogen, ammonia, ethanol, renewable diesel, co-processing of biocrude, sustainable aviation fuel, synthetic fuel and renewable natural gas ○ Marine fuels such as hydrogen, ammonia, biodiesel and biomethane or liquified natural gas in alignment with the International Maritime Organization’s emission reduction goals |

²⁵ Facility expected to comply with the following: The replacement must lead to a >55% reduction of GHG emissions as compared to the fossil fuel baseline; Facility needs to receive a permit before 2030; and Facility must prove to be designed to be able to use renewable or low carbon gases.

²⁶ Thresholds are in line with the Department of Natural Resources Canada’s Clean Fuels Program.

²⁷ Bio-based fuels are preferably sourced from biomass aligned with criteria in the Low-Carbon Energy category.

| Eligible Categories | Eligible Activities |
|---|--|
| <p>Industrials & Electrification</p>   | <p>Activities related to acquisition, development, construction, installation, operation, and/or maintenance of facilities, services, systems, or equipment used for electrification of conventional technologies and resource efficiency in production and manufacturing sectors, including the decarbonization of:</p> <ul style="list-style-type: none"> • Steel: <ul style="list-style-type: none"> ○ New or retrofit of existing blast furnace facilities through measures such as increasing thermal efficiency and use of biochar, carbon capture and storage ○ Scrap-based electric arc furnaces ²⁸, direct reduction iron with feedstocks from renewable energy, natural gas, biogas, hydrogen, or biochar ○ R&D on low-carbon solutions such as direct electrolysis powered by renewable energy or smelting reduction that uses carbon capture and storage • Cement ²⁹: <ul style="list-style-type: none"> ○ Retrofitting cement facilities for reducing clinker ratio ○ Electric kilns, precalciners, heat recovery, control and testing equipment • Aluminum: <ul style="list-style-type: none"> ○ Retrofits including deploying novel anode technologies, use of renewable energy, retrofit of smelters, improving thermal efficiency ○ Production facilities in line with decarbonization pathway • Industrial heating, steam and/or cooling • All end uses, including space heating, water heating or cooling for hard to abate and fossil fuel industries <p>All industrial projects must demonstrate longer term alignment with a credible decarbonization journey such as the Transition Pathway Initiative</p> |
| <p>Carbon Capture</p>  | <p>Activities related to acquisition, construction, research, development, infrastructure, operation and maintenance of carbon capture, utilization and storage (CCUS) facilities, systems, or equipment, including:</p> <ul style="list-style-type: none"> • CCUS projects with dedicated geological storage or storage of CO₂ in concrete • Direct air capture • CCUS in industrial facilities • CCUS for upstream enhanced oil recovery is excluded |

²⁸ Uses 70% of iron content from scrap and associated scrap and powered by renewable energy sources.

²⁹ Aligned with Climate Bonds Initiative's Cement Criteria (April 2023).

4.2 Exclusionary Criteria

Any Eligible Transaction with an entity that has an internally applied industry tag ³⁰ relating to the following sectors are considered ineligible for inclusion in the Target:

- Weapons and related products
- Gambling
- Predatory lending
- Tobacco
- Adult Entertainment

Scotiabank also maintains separate lending policies relating to specific sectors, including Scotiabank's Statement on Financing Coal and Scotiabank's Statement on Financing in the Arctic. See Scotiabank's [ESG Publications and Policies](#) page for more information.

³⁰ Industry tags are codes applied to clients for tracking purposes. Examples of industry tags include (but are not limited to): (i) North American Industry Classification System (NAICS), Business Risk (BR), and Standard Industry Classification (SIC).

5 Roles and Responsibilities relating to Eligibility under this Framework

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

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

6 Reporting on Progress against the Target

Scotiabank is committed to transparent reporting and will publish our progress against the Target on an annual basis. We intend to disclose any changes to Business Activities, Measurement, Eligible Categories and Activities, including any such changes made to reflect new or evolving standards (as discussed above), by publishing amendments to this Framework. We recognize that some of the financing we provide as part of the CRFF 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. 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. We continue to monitor new and evolving guidance in this area and continue to digitize and improve reporting capabilities under the Framework.

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

This Framework is provided for informational purposes only and is subject to change without notice. The Bank of Nova Scotia (the “Bank”) may update or amend this Framework periodically.

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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.

- This document may provide addresses of or contain hyperlinks to websites that are not owned or controlled by the Bank. Each such address or hyperlink is provided solely for the recipient's convenience, and the content of linked third-party websites is not in any way included or incorporated by reference into this document. The Bank takes no responsibility for such websites or their content, or for any loss or damage that may arise from their use. If you decide to access any of the third-party websites linked to this document, you do so at your own risk and subject to the terms and conditions of such websites.