

Scotiabank®

25

2025 SCOTIABANK SUSTAINABILITY REPORT

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LAND ACKNOWLEDGEMENT

Scotiabank Indigenous Network Employee Resource Group Land Acknowledgement

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 toward the advancement of Truth and Reconciliation.[1]

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.

1 This Land Acknowledgement 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.

Highlights

TOTAL OF
$212 billion
provided in climate-related finance[1]

REACHED
$212 million
of investments since the launch of ScotiaRISE®[2]

ISSUED
$5.7 billion
of offerings under our Sustainable Issuance Framework[3]

PROGRESSED
11 commitments
of our Truth & Reconciliation Action Plan

PARTNERED IN A
$100 million
program with Canada Infrastructure Bank to finance energy retrofits[4]

ESG RATED
MSCI AAA (leader)
top 9% of banks globally[5]

49,700+ women entrepreneurs participated in The Scotiabank Women Initiative® across Canada, Chile, Costa Rica, Jamaica, Mexico and Peru.

Hosted our 2nd annual Indigenous Reconciliation Summit, exploring the pursuit of economic reconciliation through the activation of the Truth & Reconciliation Commission of Canada's Call to Action #92.

Completed a human rights assessment to help the Bank identify and prioritize actual and potential human rights impacts.

Scotiabank's Climate Action Research Fund distributed approximately **$1 million in 2025**, part of $5 million across 52 climate projects since 2021.

In 2025, Scotiabank provided **$88.9 million of community investments** to help promote inclusive economic growth, build community capacity, and improve access to education and essential services.

Held our 1st regional ScotiaRISE® Summit in Halifax and announced **$3 million in annual community investments** across Atlantic Canada. Since 2021, ScotiaRISE® has made investments in 300 organizations operating in communities across our footprint.

Reached a global target across the Bank's operations of **40% women in Vice President and above** roles by 2025.[6]

For the first time in 2025, purchased carbon credits sourced from four **Improved Forest Management projects**. **Two of the projects are managed by local communities in Mexico**, creating employment opportunities.[7]

1 Cumulative amount of climate-related finance provided since 2019 towards a goal to provide $350 billion by 2030. Total reflects eligibility based on the criteria of Scotiabank's Climate-related Finance Framework, refer to p. 75–77 of this report.

2 Cumulative ScotiaRISE® community investment since its launch in 2021, toward the goal to invest $500 million by 2030, refer to p. 56 of this report.

3 Scotiabank and its related entities or subsidiaries have issued a total Canadian Dollar Equivalent of $5.7 billion in sustainable bonds and structured notes, as defined pursuant to the Framework and its predecessors at the time of issuance, refer to p. 44 of this report.

4 Through the program, Scotiabank clients can access low-cost, flexible financing for commercial, industrial, institutional, office and multi-residential building energy retrofits, see p. 75 of this report.

5 Scotiabank has retained MSCI ESG rating of AAA (Leader) consistently since May 2021. Scotiabank's MSCI rating and distribution amongst 604 banks is accurate as of MSCI's report update December 9, 2025. Additional information about ESG ratings can be found on p. 6 of this report.

6 Our Global Inclusion goals are aspirational and reflect our desire to ensure that all of our employees have opportunities to succeed and advance in their careers free from discrimination. That being said, all of our initiatives are reviewed to ensure compliance with local laws, and individual employment decisions are always made based on merit, consistent with all applicable local laws.

7 Improved Forest Management is defined on p. 87 as forest management activities which result in increased carbon stocks within forests and/or reduce GHG emissions from forestry activities when compared to business-as-usual forestry practices (as defined by the United Nations Programme for Reducing Emissions from Deforestation and Forest degradation or "UN REDD+").

A Message from Our President and CEO



In 2025, Scotiabank was proud to support our clients, communities, and teams as they navigated an evolving and complex global landscape.

Our 2025 Sustainability Report highlights the progress we have made toward advancing our sustainability objectives, including our efforts to invest in communities, support our employees, manage our own operations and supply chain responsibly, and work together with our clients to achieve their ambitions and goals. Sustainability is embedded in the way we do business, guiding our actions and enabling us to foster a more resilient and sustainable future.

This year's report includes our climate-related disclosures and the ways we are working to support our clients and collaborate with other stakeholders in navigating the climate transition. In 2025, we provided $40 billion in climate-related finance to help clients implement their climate strategies, bringing our cumulative total to $212 billion since 2019, and representing significant progress toward our stated goal of $350 billion by 2030. Recognizing that climate-related opportunities can drive cost savings for our clients, we partnered with the Canada Infrastructure Bank on a $100 million Building Retrofit Initiative to unlock access to low-cost, flexible financing for eligible projects that reduce emissions by at least 30%.

We continue to make meaningful progress on our journey of reconciliation with Indigenous Peoples through our Truth & Reconciliation Action Plan. In 2025, we progressed 11 of our 37 commitments – building trust by equipping our teams with Indigenous cultural competency training, enabling employees to deliver authentic Land Acknowledgements and Statements of Reconciliation, as well as listening and learning from Indigenous perspectives on the growing Indigenous economy and the role Scotiabank can play to support prosperity.

In our business, and through the tailored financial solutions of our Indigenous Financial Services group, Scotiabank aims to advance economic reconciliation by increasing access to capital for Indigenous individuals, Nations, and their economic development entities. This supports our ongoing efforts to identify and unlock economic opportunities in partnership with Indigenous communities, helping to create pathways for sustainable economic growth.

We remain committed to supporting our communities through ScotiaRISE, our $500 million community investment program that fosters economic resilience by helping individuals and families access opportunities for economic growth, adapt to change, overcome barriers, and fully participate in the economy. We supported individuals at 1.1 million critical moments with individual or group support, training and resources through a program supported by a ScotiaRISE investment. Looking ahead, we are evolving ScotiaRISE to include a macro view of social issues and we will partner with institutions to promote and facilitate economic growth and sustainability for the benefit of society, with a focus on the issues of today such as AI and innovation, infrastructure and housing, economic reconciliation and global trade.

Culture continues to be the cornerstone of our success. In 2025, we embedded our ScotiaBond culture ambition across the Bank, fostering an inclusive, high-performance environment grounded in the shared purpose, Values, and Behaviours that unite us as one Bank. These efforts have been recognized externally – in 2025 Scotiabank was named one of the Best Workplaces™ in Canada by Great Place to Work®, and one of Canada's Top 100 Employers by Mediacorp Canada Inc.

I am proud of the ways we supported and served our clients and communities in 2025. My sincere thanks go out to our global teams for driving this important work, and to our stakeholders for their continued partnership and trust. Together, we are building stronger, more inclusive, and sustainable opportunities for growth.



Scott Thomson
President and Chief Executive Officer

About This Report

REPORT SCOPE AND PERIOD

Scotiabank's Sustainability Report presents an overview of activity, metrics and performance on sustainability-related topics that we believe are relevant to the Bank, investors, and stakeholders. It is being provided for informational purposes only and not to promote, directly or indirectly, any product or business interest.

This Report covers sustainability-related activities across the Bank's global operations for the fiscal 2025 Reporting Period (November 1, 2024 through October 31, 2025), unless otherwise indicated.

The Sustainability Report is reviewed and approved by the Bank's Disclosure Committee. The Report is also shared with the Bank's Operating Committee, Corporate Governance Committee and the Board of Directors for information purposes.

To produce this Report, data is collected from subject matter experts across Scotiabank's global business operations and corporate functions. Some data is obtained indirectly from clients and other third-party sources. Scotiabank has not in every case independently verified data or the assumptions underlying such data and cannot, therefore, guarantee their accuracy or completeness.

Changes in data or data collection methodologies may impact the targets described in this Report and other Scotiabank publications, and Scotiabank's ability to achieve those targets. Data (including data obtained from third-party sources) is provided by the relevant subject matter experts and approved by their respective executive leaders prior to inclusion in the Report. The presentation of data in this Report is informed by the reporting frameworks and standards identified herein.

"We," "our" and "the Bank" refer to The Bank of Nova Scotia, operating as Scotiabank and its subsidiaries and branches, unless otherwise noted. Scotiabank is a Canadian Schedule I Bank, its activities in Canada are governed by the *Bank Act* and regulated by the Office of the Superintendent of Financial Institutions (OSFI). The initiatives or programs described in this Report are designed and reviewed to ensure compliance with legal, regulatory and other obligations in the United States and other relevant jurisdictions. To the extent that any initiative or program conflicts or is inconsistent with any such local considerations, the applicable initiative or program is adjusted or restricted accordingly to ensure compliance.

The scope of the Bank's activities and its subsidiaries globally are more fully described in the Annual Report and the Bank's Form 40-F Shareholder information, corporate contacts, credit ratings and a list of principal offices and subsidiaries are provided in the Bank's Annual Report, available on the Bank's annual materials web page.

REPORTING SUITE

Scotiabank's sustainability-related reports and supplementary materials are available online including:

- 2025 Sustainability Data Pack and Indices (excel)
- KPMG 2025 Independent Limited Assurance Report
- LBG Canada 2025 Community Investment Verification
- Climate-related Finance Framework, and methodology documents relating to the Energy Supply Ratio, Financed Emissions and GHG Emissions
- 2025 Public Accountability Statement
- ESG-related policies

Other relevant enterprise reports:

- Annual Report
- Management Proxy Circular
- Modern Slavery Report
- Sustainable Issuance Framework
- Scotia Global Asset Management: Stewardship and Responsible Investment

Scotiabank undertakes no obligation to update this Sustainability Report or any information herein except as required by law. Any previous reports or publications that are maintained on our websites are solely for historical information and reference purposes, and do not constitute active representations or statements by Scotiabank. French and Spanish versions are made available for information purposes, which are translations of the English report. In case of any discrepancy, the English version will prevail.

REPORTING FRAMEWORKS AND REGULATIONS

For some of the information contained herein we use certain reporting frameworks, indicators and standards to guide and inform reporting on relevant topics and to structure this report. These include, but are not limited to:

- **Canadian Sustainability Disclosure Standards (CSDS)**
  The Canadian Sustainability Standards Board issued the voluntary CSDS 1 and 2 standards in December 2024. These standards are generally aligned with the global International Sustainability Standards Board (ISSB) standards, IFRS S1 and S2.
- **Sustainability Accounting Standards Board (SASB)**
  The SASB Standards for the Financial Sector are designed to facilitate disclosure of sustainability information that is useful to investors and supports the implementation of the International Sustainability Standards Board (ISSB) standards. Refer to the SASB Index in the 2025 Sustainability Data Pack and Indices.
- **OSFI Guideline B-15 Climate Risk Management (OSFI B-15)**
  In Canada, OSFI B-15, effective fiscal year-end 2024, outlines expectations related to the management and disclosure of climate-related risks by federally regulated financial institutions.[1] Refer to the OSFI B-15 Index in the 2025 Sustainability Data Pack and Indices.
- **Task Force on Climate-related Financial Disclosures (TCFD)**
  Scotiabank has provided climate-related disclosures in line with the TCFD recommendations since 2018. While the TCFD was disbanded in 2023 following the fulfillment of its remit, TCFD recommendations have been fully incorporated into ISSB standards. The TCFD framework continues to serve as a widely adopted structure for organizing climate-related disclosures, including those under OSFI B-15. Refer to the TCFD Index in the 2025 Sustainability Data Pack and Indices.
- **Global Reporting Initiative (GRI) Standards**
  GRI standards are a support to the Bank's reporting process, offering context, approaches, and methods that help the Bank to provide reporting on sustainability-related topics and metrics.

MEASUREMENT, UNITS AND CURRENCY

All currency is stated in Canadian dollars unless otherwise noted. Foreign currency figures may be subject to currency exchange rate fluctuations or converted to a Canadian dollar equivalent to facilitate comparison. Within charts, tables and figures, totals may not sum due to rounding at the time recorded.

EXPLANATORY NOTES AND DEFINITIONS

This Report includes explanatory information and footnotes throughout to provide definitions, context, and clarity, along with a Terms and References section in the Appendix to aid the reader.

EXTERNAL ASSURANCE

KPMG has performed an independent limited assurance engagement for selected performance indicators marked with this ✪ symbol in the report.

- KPMG 2025 Independent Limited Assurance Report.

LBG Canada has performed an independent verification of community investment figures marked with this ▲ symbol using the London Benchmarking Group model.

- LBG Canada 2025 Community Investment Verification Statement.

MAJOR CHANGES SINCE THE 2024 REPORT

Restatements or changes to methodology or data since last year are included within the footnotes, where applicable. The Bank's Public Accountability Statement, which was previously part of this Report, was published separately in March 2026. Scotiabank's climate-related reporting has been integrated into the 2025 Sustainability Report. For historical information and reference purposes, previous climate reports for fiscal 2023 and 2024 can be found online.

SUSTAINABILITY RATINGS

External ratings and rankings of Scotiabank in sustainability-related matters are an input to help the Bank understand areas of investor interest, external perspectives on performance, and identify potential opportunities for enhancement. Scotiabank is included in the Dow Jones Best-in-Class North America Index and the FTSE4GOOD Index.

Sustainability Rater		
S&P Global ESG Score	**67/100** **Dow Jones Best-in-Class North America Index**	March 17, 2026
MSCI	**AAA, top 9% of banks globally**	December 9, 2025
Sustainalytics	**17.0, Low risk**	September 9, 2025
ISS ESG	**Prime (C)**	December 8, 2025

1 As defined by OSFI B-15.

About Scotiabank

We are here for every future

Scotiabank's vision is to be our clients' most trusted financial partner and deliver sustainable, profitable growth.

GROW AND SCALE IN PRIORITY MARKETS

We are deploying most of our incremental capital to our priority businesses in Canada, the United States, and Mexico, strengthening North American corridor connectivity to accelerate growth and scale while ensuring resources go where they create the greatest impact and value.

MAKE IT EASY TO DO BUSINESS WITH US

We are simplifying our processes, driving operational excellence and efficiency, improving access to our products and services, and investing in digital, cash management, and cross-border capabilities, so that our clients can confidently bank with us wherever they are and however they choose.

EARN PRIMARY CLIENT RELATIONSHIPS

We are advancing our North Star of client primacy by driving value over volume – building deeper, long-term relationships with our clients, diversifying our business mix, and bringing the full strength of the Bank to meet our clients' evolving needs.

WIN AS ONE TEAM

Through our ScotiaBond, we are investing in our people and communities, fostering an inclusive, high-performance culture where everyone thrives, and strengthening our commitment to being the employer of choice.

Scotiabank serves clients through four business lines:

- Canadian Banking (CB)
- International Banking (IB)
- Global Wealth Management (GWM)
- Global Banking and Markets (GBM)

Scotiabank's business lines are described in more detail in Scotiabank's corporate profile.

Our Culture Ambition:
ScotiaBond

ScotiaBond encompasses the core Values and key Behaviours needed to help us build a strong future for our clients, shareholders and Scotiabankers globally.

It's our commitment to each other – to create safe spaces to learn and grow, to promote accountability and inclusivity, and to recognize we only win when **we win together as one team**.

Memberships and partnerships:

Scotiabank engages with financial sector peers, the public sector, regulators, civil society, standard setters, and academic and research institutions. The Bank engages with these organizations in a variety of ways such as through active participation in subject matter or governance committees, through executive representation in leadership positions, through membership fees and/or sponsorship. We are supporters, signatories to or members of:

- BSR Human Rights Working Group
- Equator Principles
- The Mekong Club
- UN Environment Program Finance Initiative (UNEP FI)
- UN LGBTI Standards of Conduct for Business
- UN Women's Empowerment Principles (WEPs)

Scotiabank's asset management businesses are also supporters,signatories or members of[1]:

- Canadian Coalition for Good Governance (CCGG)
- Canadian Responsible Investment Association (RIA)
- Climate Engagement Canada (CEC)
- Principles for Responsible Investment (PRI)

1 See more information about climate-related engagements on p. 83.

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Governance

Our vision is to be our clients' most trusted financial partner, acting with honesty, integrity, accountability and a commitment to transparency. This vision helps guide our relationships with clients, shareholders, employees and the communities we serve. We strive to anchor our culture and governance to a framework of trust, sound risk management, and ethical standards.

Governance of Sustainability



BOARD OVERSIGHT

Scotiabank's Board of Directors (the "Board") oversees the management of the Bank's business and sets the tone for trust and confidence among our shareholders, clients, employees, regulators and communities. The Board's responsibility is to supervise the management of the Bank's business and affairs with a view to enhancing long-term shareholder value. As stated in the Bank's Corporate Governance Policies, the Board recognizes the critical nature of sustainability and governance matters – including climate-related matters – to the execution of its mandate and its oversight of the Bank.

Several committees and councils composed of senior leaders from across the Bank provide regular sustainability-related updates to our senior leadership, Board and Board committees. The Management Proxy Circular provides details on how the Directors are regularly informed about sustainability-related matters through regular updates on Board and Board committee meeting agendas. The duties and responsibilities for sustainability-related risks and opportunities of the Board and its committees are outlined in their mandates, policies and charters, as applicable.

The Board and its committees engage with management on the execution of sustainability-related objectives, and oversee various aspects of the strategy, impacts, risks, initiatives and reporting for which they are responsible. Executive management is responsible for providing the Board with sound advice on the organizational objectives related to sustainability-related plans, strategy, structure and significant policies. Management committees and various functional groups lead the implementation and execution of Board decisions on these matters.

1 Refers to Corporate and Commercial Senior Credit Committees.
2 Full name: Truth & Reconciliation Action Plan Executive Steering Committee.

BOARD SKILLS AND COMPETENCIES

Our Board of Directors brings diverse skills, experience and expertise to managing our business, with the majority having experience in sustainability and governance matters, including climate-related issues. The Board maintains a skills 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 between the directors and the Corporate Governance Committee on each director's key areas of experience, as well as an annual review (including domestic and 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 sustainability- and governance-related 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.

Nine 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 sustainability and governance matters as one of the areas of experience they bring to the Board. We define experience in sustainability and governance 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 these skills have experience in sustainability matters and climate-related issues through executive roles and/or directorships at complex organizations, certification from institutes with a focus on sustainability, directing climate-related investments, participation in reforming laws with a focus on corporate governance obligations, along with involvement in charitable organizations, and board, advisory committees and industry association positions in mining, forestry, energy infrastructure and resource sectors with a focus on carbon reduction initiatives and other climate-related mandates. The Board's skills matrix and director biographies are reported in our Management Proxy Circular (p. 16–23).

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

The orientation program helps new Directors understand their responsibilities and the Bank's operations, covering topics such as board and subsidiary governance, and the Bank's vision and purpose. For more information, please refer to p. 57–59 of the Management Proxy Circular.

Further, in alignment with commitment #3 of our Truth & Reconciliation Action Plan, we have implemented mandatory Indigenous cultural awareness training for the Board of Directors and Operating Committee. In 2025, all members of the Board participated in training on free, prior and informed consent. Additionally, in 2025, the Board and its committees received regular updates and dedicated sessions on sustainability and governance topics, including our sustainability and climate reporting, corporate governance developments and a session about Bill C-59 and its implications for the Bank.

SENIOR MANAGEMENT ROLES AND RESPONSIBILITIES

The President and CEO holds ultimate accountability for defining Scotiabank's strategic direction and overseeing the effective management and execution of the Bank's corporate objectives, including those related to sustainability. Several enterprise-wide committees and councils support implementation guided by senior leaders who are responsible for shaping the Bank's sustainability-related initiatives, identifying emerging opportunities and managing associated risks.

These governing bodies play key roles in developing strategic recommendations and guidance related to implementing enterprise sustainability-related plans, monitoring performance and addressing relevant matters that arise across the organization. The related forums form part of the Bank's control processes and deliver timely briefings and regular updates to senior leadership, our Board and its committees on sustainability and climate-related topics. Scotiabank's subsidiaries and business lines have also established governance structures that address relevant sustainability issues and alignment with enterprise policies, standards, and processes.

Senior Management Committee	Structure	Sustainability-related Roles and Responsibilities
Operating Committee	**Chair:** President & CEO **Membership:** Group Heads and executive leaders from lines-of-business and corporate functions **Frequency:** Every other week, and on an as-needed basis	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.
Asset and Liability Committee (ALCO)	**Chair:** EVP & Group Treasurer **Alternate Chair:** Chief Financial Officer **Membership:** CEO, CFO, CRO and senior leaders from the Bank's business lines **Frequency:** Monthly	Provides oversight of the Bank's Sustainable Issuance Framework.
	ALCO ESG Sub-Committee Chair: VP, Group Treasury **Alternate Chair:** VP & Global Head, Sustainable Business **Membership:** Senior representatives from Group Treasury, Global Sustainable Business, ESG Risk, Credit Risk, Finance, Sustainable Finance and business lines **Frequency:** Semi-annual or more frequently, as required	Responsible for supporting ALCO's accountabilities in respect of the Bank's Sustainable products' issuance, governance and oversight.
Climate Transition Steering Committee	**Chair:** Co-chaired by Co-CEO, Global Banking and Markets, U.S., and EVP & Chief Global Corporate and Public Affairs Officer **Membership:** Senior leadership from across all business lines and relevant corporate functions **Frequency:** Quarterly, or more frequently as required	Accountable for the execution of the Bank's climate strategy, oversight of climate-related regulations, and the design and execution of the Bank's climate transition plan.
Reputational Risk Committee	**Chair:** Co-chaired by EVP, Enterprise & Non-Financial Risk, and EVP & General Counsel **Membership:** Senior leadership across the Bank's corporate functions and business lines **Frequency:** Quarterly or more frequently as called by the Chair	Promotes conduct consistent with high ethical standards and protection of the Bank's reputation. The Committee reviews business activities, initiatives, products, services, transactions or processes which the sponsor believes may embody a degree of reputational risk.
Disclosure Committee	**Chair:** EVP & General Counsel **Membership:** Senior leadership across the Bank's corporate and internal control functions **Frequency:** Quarterly, or more frequently as required	Acts in an advisory capacity to the Board, President and CEO to ensure that all public disclosure of information made by the Bank is timely, accurate, balanced and that appropriate controls are in place and working effectively.
Capital Oversight & Steering Committee	**Chair:** Co-chaired by the Group Head & Chief Financial Officer and Group Head & Chief Risk Officer **Membership:** Senior representatives of Global Finance, Global Risk Management and Group Treasury **Frequency:** At least quarterly	Provides governance oversight of capital management processes, ensuring ongoing compliance with Basel Pillar 1 and Pillar 2 capital requirements, including the incorporation of climate scenario analyses.
Risk Management Committee	**Chair:** Group Head & Chief Risk Officer **Membership:** Group Heads and Executive leaders including the CEO, CFO, Chief Compliance Officer, business line Group Heads and other senior representatives from Risk functions **Frequency:** Weekly	Reviews Financial and Non-Financial Risks, including ESG Risk and Climate Risk, that may impact the financial and operational performance of the Bank. The RMC recommends approval of the Bank's Risk Appetite, including any ESG Risk Appetite metrics, to the Board. As recommended by Senior Credit Committee, the RMC provides quarterly approvals of allowances for credit losses and provisions for credit losses, including credit judgments for climate-related risks.
Senior Credit Committees[1]	**Commercial Senior Credit Committee Chair:** EVP & CRO, Canadian Banking, Global Wealth Management and Credit Risk **Membership:** Business line and credit risk leadership **Frequency:** Scheduled daily, or when called by the Chair	By way of a shared Portfolio Management Forum, Commercial and Corporate Senior Credit Committees review a quarterly climate dashboard profiling climate-related risk metrics and climate scenario analyses results for non-retail lending portfolios; annual industry reports containing assessment of potential environmental and climate-related risks associated with the subject industry; and allowances for credit losses and provisions for credit losses, including expert credit judgments for climate-related risks. Credit proposals with heightened environmental or social risks or concerns are also escalated to the appropriate SCC for review.
	Corporate Senior Credit Committee Chair: SVP & CRO, Global Banking & Markets and U.S. **Membership:** Business line and credit risk leadership **Frequency:** Scheduled daily, or when called by the Chair	
Operational Risk Committee	**Chair:** SVP & Head Enterprise Risk **Membership:** Senior leadership from across business lines and corporate functions **Frequency:** Monthly	Provides effective oversight and challenge of the Bank's management of environmental and social risks. Its responsibilities include monitoring of the ESG risk profile, reviewing and approving or recommending for approval ESG Risk frameworks, policies, risk appetite statements and limits.
Stress and Scenarios Committee	**Chair:** SVP, Credit Portfolio Management **Membership:** Senior leadership from Risk, Economics, Finance and Treasury areas **Frequency:** Quarterly, or more frequently as required	Provides oversight of the Bank's stress testing programs and policy implementation, including responsibility for reviewing and approving scenarios for implementation and use in stress testing, IFRS 9 expected credit loss, and climate risk analysis. This includes oversight and approval of climate scenarios used for quantification of physical and transition risk impacts.
Community Investment Committee	**Chair:** EVP & Chief Global Corporate and Public Affairs Officer **Membership:** Senior leadership from across business lines and corporate functions **Frequency:** Every two months	Responsible for the alignment and execution of the Bank's Community Investment Strategy. The committee reviews grant proposals and recommends approval for community investments and funding requests, including ScotiaRISE and climate community investment initiative. The CEO and Board hold oversight and approval for charitable funding requests that exceed $1 million.
Global Inclusion Council	**Chair:** Co-chaired by EVP & Country Head, Peru and EVP & Chief Compliance Officer, Global Compliance & AML[2] **Membership:** Senior leadership and representatives of the Bank's business lines and corporate functions **Frequency:** Quarterly	Responsible for the Bank's Global Inclusion strategy, goals and objectives, which are designed to help operationalize the Bank's Global Inclusion strategy, coordinating with the business and functional line councils. Scotiabank's President and CEO serves as Executive Sponsor of the Council.
Truth & Reconciliation Action Plan Executive Steering Committee	**Chair:** Co-chaired by EVP & General Counsel and EVP & Chief Global Corporate and Public Affairs Officer **Membership:** Leadership representatives across Bank business lines and corporate functions, Indigenous Knowledge Keepers and representatives **Frequency:** 3–4 times per year	Functions as a specialized cross-functional team responsible for the governance of the Bank's Truth & Reconciliation Action Plan and the successful implementation and sustainment of the Bank's 37 commitments.
International Banking Climate Committee	**Chair:** Co-chaired by EVP & Country Head, Chile and VP & Global Head, Sustainable Business **Membership:** Senior leadership from regional business lines and corporate functions **Frequency:** Quarterly	Responsible for subsidiary-level climate strategy and alignment with Bank's climate strategy. Supports subsidiaries in addressing regulatory requirements in the region as they relate to climate change.
Scotia Global Asset Management (GAM) ESG Investment Committee	**Chair:** VP & Head of Research **Membership:** Senior leadership and portfolio managers **Frequency:** Monthly	Reporting directly to the 1832 Asset Management[3] 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; facilitates knowledge sharing across investment teams; and communicates externally on firm-wide ESG efforts.

1 Refers to Corporate and Commercial Senior Credit Committees.

2 In fiscal 2026, the EVP & Country Head, Peru and EVP & Chief Compliance Officer, Global Compliance & AML will assume the roles of Co-Chairs for the Global Inclusion Council.

3 1832 Asset Management L.P. is the registered investment fund manager, doing business as Scotia Global Asset Management.

Sustainability Approach

SCOTIABANK'S VALUE CHAIN

Guided by our vision to be our clients' most trusted financial partner, Scotiabank works to create lasting value for our business, our stakeholders, and the communities we serve. We strive to support the wider economy and deliver sustainable, profitable growth across the Bank's value chain:

UPSTREAM	OWN OPERATIONS	DOWNSTREAM
Shareholders	**Employees**	**Clients**
Suppliers	**Business Lines, Corporate Functions**	**Communities, NGOs, and Community Organizations**
Governments and Regulators	**Bank Operations and Real Estate**	**Rating Agencies**

HOW WE CREATE VALUE

$7.8 Bn in reported earnings

$5.9 Bn in dividends distributed

9.7% reported return on equity

80,547 employees globally[1]

$10.8 Bn paid in salaries and employee benefits

$85 million invested in training and development

36.3% reduction in Scope 1 and 2 GHG emissions in our own operations from 2016 levels[2]

100% electricity purchased from emissions-free sources[3] in our Canadian operations

$40 Bn in climate-related finance provided[4]

$88.9 million invested in communities through donations, community sponsorships, employee volunteering and other types of community investment

$4.5 Bn total income and other taxes[5]

$26.0 Bn economic value distributed[6]



2025 ECONOMIC VALUE DISTRIBUTED[6]

$37.7 billion in revenue

Salaries and benefits	**$10.8 Bn**	Net operating expenses	**$5.2 Bn**
Cash dividends	**$5.9 Bn**	Community giving	**$0.1 Bn**
Taxes	**$4.0 Bn**	Economic value retained	**$11.7 Bn**

1 Global employee figure provided on a headcount basis, see Terms and References for definition. Scotiabank's 2025 Annual Report shows a global count of 86,431 employees on a full-time equivalent (FTE) basis (p. 19).

2 For further details see p. 86–87 and refer to Scotiabank's GHG Methodology.

3 Either physically or virtually. Emissions-free sources include renewable (hydro, solar, wind, geothermal, tidal) and nuclear sources and may include the use of renewable energy certificates (RECs). Electricity from emissions-free sources is calculated based on grid mix data and purchase of RECs or other environmental attributes reflecting the environmental benefit of emissions-free power production. Canada grid mix data is based on provincial electricity mix sourced from Canada Energy Regulator's Canada's Energy Future 2023: Energy Supply and Demand Projections to 2050 (EF2023). Electricity from emissions-free sources internationally is based on reports from the International Energy Agency (IEA) and US Department of Energy electricity generation by country, by source.

4 See p. 76 of this Report.

5 Includes income and other taxes such as payroll, business, capital, and goods and services taxes.

6 Economic value distributed is a sustainability metric and was calculated per GRI methodology 201-1 Direct economic value generated and distributed (2016) as an indicator of how the Bank is creating value for its various stakeholders. Please refer to the metric reported in the related 2025 Sustainability Data Pack and Indices for more information.

SUSTAINABILITY-RELATED TOPICS PRIORITIZATION

Scotiabank regularly engages with stakeholders to listen, learn, and discuss ways to address issues that matter to them and to our business. These interactions help us gather feedback, identify shared priorities, and remain responsive to emerging sustainability topics, risks and opportunities. This section outlines how these insights inform our strategy and reporting approach.

Understanding stakeholders' priorities enhances our ability to deliver on near and long-term sustainability objectives and helps to reinforce trust in our sustainability efforts – a vital element in our vision of being our clients' most trusted financial partner.

To deepen our understanding of these priorities, Scotiabank periodically undertakes structured assessments to review sustainability-related matters. Insights from these processes help to inform business strategies, risk management activities, and initiatives aimed at creating meaningful change and generating lasting value. These assessments strengthen and support our sustainability strategy, underpin our approach to reporting, and help identify risks and opportunities that could affect short, medium, and long-term business performance.

We draw on multiple sources to guide the methodology, scope, and scoring for the analysis. These include research, rating evaluations, investor information requests, workshops, stakeholder surveys and interviews, regulatory requirements, internal reference materials including prior assessments, and guidance sourced from global sustainability reporting standards.

In 2025, we partnered with an independent advisor to conduct an assessment focused on the strategic importance of sustainability-related risks and opportunities on Scotiabank's business across our operations and value chain.

Guided by CSSB/ISSB standards, this multi-stage process used the key sources mentioned above, and incorporated internal risk frameworks, benchmark research, interviews with senior leaders, and workshops with subject matter experts. Qualitative feedback was incorporated, and the results were validated with executive leadership to ensure they reflect enterprise-wide priorities and strategic direction.

The refreshed matrix below summarizes our identified priority topics that have an importance to Scotiabank, combined with our ongoing learning of topics of importance to the economy, society and the environment[1]. The results and insights have helped to shape this report and the priorities of our broader sustainability approach, which is integrated into the Bank's corporate strategy. Insights from this process will be used to inform Scotiabank's future planning and reporting.

Looking ahead, we will continue to monitor these areas, refine our methodology and assessment approach to ensure we are aligned to the importance and relevancy of these topics as they evolve.



1 On a regular basis and through targeted research, we continue to re-validate those topics that have been previously identified as being important to the economy, society, and the environment.

STAKEHOLDER ENGAGEMENT

The Bank recognizes the importance of engaging with a broad range of stakeholders to understand their views, evolving needs, and priorities. These efforts are undertaken with an emphasis on open dialogue to build trust, foster meaningful connections, and explore opportunities that inform the Bank's approaches for managing sustainability-related topics. Undertaking dialogue with stakeholders is a way to improve understanding about their priorities, perspectives on sustainability-related issues, and identify potential associated risks, opportunities, and impacts for the Bank's ability to create value over short-, medium-, and long-term time horizons.

The following represents a summary of stakeholder engagement efforts in 2025, with additional examples highlighted throughout this Report.

Stakeholder Group	2025 Engagement
Employees	Employee feedback is sought through various internal communication platforms (email, intranet, recognition campaigns), town halls, surveys, leader development, and training sessions, employee-led charitable and volunteering efforts, Employee Resource Groups (ERGs), activities, and employee-focused events on topics such as allyship and reconciliation.
Clients	Client feedback is sought through daily and regular interactions, which are furthered by client feedback surveys, community and cultural events, focus groups and round tables, sustainability-focused research events, online engagement (social media, emails, webinars), and financial literacy initiatives and outreach, where permissible by law.
Shareholders, Investors, Rating Agencies, and Research Analysts	Scotiabank holds annual meetings and quarterly earning calls, along with regular reporting mechanisms (including the Management Proxy Circular, Annual Information Form, Sustainability Report, news releases, and website updates) to inform our shareholders, investors, and analysts of the Bank's objectives and performance. The Bank holds investor conferences, engages in discussions with regard to shareholder proposals, inquiries, ESG raters and data providers, and focus groups on topics of interest to investors.
Government and Regulators	Scotiabank engages with relevant government bodies and regulators through several activities including regulatory processes and industry engagement. Such efforts can include informal and formal submissions, annual regulatory reporting, audits and workplace inspections, ongoing discussions, and regular meetings with policymakers.
Suppliers	Supplier engagement is facilitated through various procurement procedures, including formal RFP procedures, sustainability-focused assessments, procurement policy communication, third-party risk management processes, and security assessments. The Bank conducts supplier outreach through initiatives designed to foster greater participation in procurement activities, which include events and seminars to meet suppliers and support procurement from groups, such as Indigenous suppliers.
Non-Governmental Organizations, Academia, Community, and Sustainability Organizations	In Canada, the Bank regularly engages with non-governmental, non-profit, community and charitable organizations, and academic institutions and other related entities through collaborations, community investments, events and partnerships, sponsorship, employee volunteerism opportunities, and educational events. Scotiabank is a member, signatory, or participant in many global, national, and regional initiatives and programs related to issues including finance, the environment, human rights, and community and economic development.
Indigenous (First Nations, Inuit, and Métis) Communities	Indigenous engagement occurs through activities that include conferences and summits, economic reconciliation events, powwows, ceremonies, and listening circles. The Bank works to foster mutual dialogue with Indigenous communities by participating in sponsored events, speaking engagements, interviews, focus groups, workshops, and engagement with Indigenous authors.

Examples of sustainability-related issues discussed:

Affordable housing

Allyship and inclusion

Board composition, executive compensation, and governance

Client experience, accommodations, and complaints resolution

Community investment and economic resilience

Consumer protection, fraud prevention, and financial crime

Cybersecurity, data privacy, and AI

Economic Indigenous inclusion, Indigenous talent attraction and retention, cultural genocide, and MMIWG2S+

Employee engagement and career development

Financial literacy, inclusion, and access

Human Rights and modern slavery

Indigenous reconciliation

Newcomer support

ScotiaBond Values and Behaviours

Supplier diversity, responsible procurement, and third-party ESG risk management

Sustainability- and climate-related research

Sustainable finance and climate policy

Wellness, safety, accessibility, and accommodation

Risk Management

Effective risk management is fundamental to the success and resilience of the Bank and is a key element in the Bank's overall approach to strategy and management. Scotiabank has a strong, disciplined risk culture where managing risk is a responsibility shared by all Bank employees.

ENTERPRISE RISK MANAGEMENT

The Bank's Enterprise Risk Management Framework (ERMF) is a key source of information for the Board of Directors, executive management, and other stakeholders of the Bank. The ERMF serves as an overarching framework for all elements of the Bank's risk management activities, and a source document to which all other risk management frameworks and policies must be aligned.

The ERMF is applied on an enterprise-wide basis and consists of five key elements:

- Risk Governance and Oversight
- Risk Identification and Measurement
- Risk Assessment and Control Management
- Risk Monitoring and Testing
- Risk Reporting and Escalation

Risk governance and oversight serves as the structural backbone that ensures risk-taking activities are aligned with the Bank's strategic objectives and risk appetite. The Board and its committees play a central role in overseeing the Bank's profile.

These bodies are responsible for approving Principal Risk policies, frameworks, and/or limits, and for overseeing that management operates within the defined Enterprise Risk Appetite Framework.



All Principal Risks have dedicated risk management frameworks and/or policies that must align to the enterprise framework. Environmental, social, and governance risk ("ESG Risk"[1]) is defined as one of the Bank's Non-Financial, Principal Risks in the ERMF.

- For an overview of the enterprise's approach to risk management, including risk management principles, governance, appetite, culture and management of Principal Risks, refer to the 2025 Annual Report, (p. 77).
- For risk oversight by the Board and its committees, refer to the Management Proxy Circular (p. 33–35).
- For climate-related risk management, refer to the climate section of this Report (p. 93).
- For the Bank's ESG risk management policies and procedures, refer to the Bank's ESG Publications and Policies for more information.

References

2025 Annual Report

Management Proxy Circular

ESG RISK MANAGEMENT

Scotiabank's risk management approach is designed to incorporate consideration of ESG risks into strategic decision-making to help the Bank mitigate challenges and adapt our business to be resilient and sustainable over the long term. ESG Risk covers a broad spectrum of topics, such as climate change, degradation of nature and biodiversity, property contamination and human rights violations. Scotiabank incorporates these considerations into its ERMF, in alignment with applicable laws, regulations, industry standards and the Bank's risk appetite.

The ESG Risk Management Framework[2] describes Scotiabank's approach to managing ESG risks in a manner consistent with the ERMF, industry practices and applicable regulatory requirements. Specifically, it outlines the key governance components, risk management elements, guiding principles, definitions, and roles and responsibilities that have been established to ensure the Bank is effectively managing its ESG risk exposures. This includes how ESG Risk considerations have been integrated into the decision-making processes across other risk types, business strategies, and internal operations. It is therefore a key source of information for the Board, management and all other employees of the Bank. The framework is approved by the Board and updated every two years.

The Framework is supported by additional business-specific policies and statements, the Scotiabank Code of Conduct, corporate governance policies, the Global Human Rights Statement (aligned with the United Nations Guiding Principles on Business and Human Rights) and the Enterprise Modern Slavery Report.

Our ESG Risk Management Framework is predicated on a three-lines-of-defence model:

- First line: Business lines own and manage ESG risks within their areas of responsibility. This includes ensuring their activities remain within the Bank's ESG risk appetite and comply with relevant policies, guidelines and limits. This includes integrating climate-related risks and opportunities into strategies, decision-making, financial performance, financial position and cash flows.
- Second line: Global Risk Management and other control functions provide independent oversight and challenge for ESG-related risks. The second line defines the Bank's ESG risk appetite, and develops the tools and methodologies to identify, assess, measure, manage, monitor and report on ESG-related risks.
- Third line: Internal Audit assesses the design and operating effectiveness of risk governance frameworks and internal controls for managing ESG-related risks.

1 See Terms and References for ESG Risk definitions.

2 A summary of Scotiabank's Overview of ESG Risk Management Framework can be found here.

ESG Risk Management Framework: Guiding Principles

Scotiabank's ESG Risk Management Framework describes the key principles that guide the Bank in our approach to managing ESG risks:

- Complying with applicable environmental, social and governance laws and regulations, and mandatory/voluntary standards and initiatives adopted by the Bank.
- Incorporating environmental, social and governance risk considerations in decision-making processes across other risk types and business strategies.
- Addressing ESG considerations with a view to addressing impacts on the Bank's value chain, including employees, client relationships, suppliers, and communities and rightsholders.
- Recognizing the intersections between environmental, social and governance issues and that addressing them requires a multi-dimensional approach.
- Reducing and limiting reputational, financial, and regulatory risks in line with separate risk management frameworks applicable to such risk types and lessening negative consequences or costs caused by the impacts of ESG risk events.
- Mitigating significant adverse impacts of the Bank's facilities and operations on the environment and local communities.
- Avoiding false or misleading environmental or social representations or "greenwashing", including (wherever appropriate) ensuring that any such representations are properly substantiated.
- Respecting human rights in our operations and business activities.
- Implementing robust and transparent governance practices and assessment of governance practices of clients and third parties, as applicable.
- Promoting and embedding ESG risk culture within the Bank.

Monitoring and Reporting on Environmental, Social and Governance Risks

In fiscal 2025, Scotiabank established a series of metrics to inform executives and assess the impacts of sustainability-related considerations to reputational, credit and operational risks. These metrics were defined with input from business lines and corporate functions and aligned to the Bank's overall business and financial strategies, and operation with acceptable risk appetite tolerance levels.

To ensure ESG Risk exposure remains within defined tolerance levels and complies with regulatory expectations, these metrics were monitored regularly and reported to relevant senior management committees. ESG Risk metrics were part of quarterly reporting in the Enterprise Risk Management Report provided to the Risk Management Committee and the Risk Committee of the Board. Standalone climate risk metrics were also embedded within the enterprise-wide Risk Appetite Framework to support effective oversight and decision-making.

For more comprehensive information about climate-related risk management, refer to the climate section (p. 93) of this report.

Addressing ESG Risks in Ongoing Risk Management Activities

On an ongoing basis, the Bank seeks to enhance the integration of ESG Risks broadly across Scotiabank's operations and capture emerging risks and improve internal processes. Two key tools within the Bank's Operational Risk Management Framework that integrate ESG Risk assessment are the Risk and Control Self-Assessment (RCSA) and the New Initiatives Risk Assessment (NIRA). These tools help ensure that existing, emerging, and sustainability-related risks are consistently identified, assessed, and addressed across the organization.

RCSAs provide a structured approach for Bank teams to evaluate operational risks and internal controls consistently, to effectively identify gaps and implement corrective actions.

In instances where Scotiabank seeks to create new products or services, adopt new technologies, make significant changes to existing ones, and/or expand into new markets, the NIRA process helps to identify and manage potential risks early in the development cycle. NIRA evaluates various financial and non-financial risk categories, including ESG Risk, data risk, privacy, information security and regulatory compliance.

Scotiabank also monitors its operating environment to identify, assess, review, and manage a broad range of top and emerging risks (including ESG risks) and drivers of those risks to undertake appropriate risk mitigation strategies. The results of this process, in conjunction with internal risk assessments across the Bank's principal risks and business lines, help identify the impact of top and emerging risk drivers, which, along with mitigation activities, are summarized and reported to Executives and the Board of Directors on a quarterly basis.

Environmental and Social Risk Assessments for Non-Retail Business Banking

For non-retail business banking loans, assessment of environmental (including climate-related) and social risks is embedded within the credit risk due diligence and adjudication processes. These processes enable Banking and Credit Risk Officers to identify and assess risks and liabilities associated with our clients' operations and real estate pledged as collateral, and determine the extent to which they have been managed or mitigated. Transactions deemed to have elevated or significant ESG risks are escalated to, and reviewed by, the appropriate senior/executive management risk committee(s).

For more information about climate-related risk assessment, see the climate-related risk management section (p. 93) of this report.

Equator Principles

As a signatory to the Equator Principles since 2006, Scotiabank uses this voluntary risk management framework as a guide for identifying, assessing, managing and mitigating environmental and social risks and impacts when financing applicable large-scale infrastructure and industrial developments.[1] The framework serves as a minimum standard for project due diligence and monitoring and is designed to support environmentally and socially responsible risk decision-making globally. Scotiabank reports on its application of the Equator Principles in an Implementation Report and annually through the Equator Principles reporting hub.

Human Rights Due Diligence

Respecting human rights is an important aspect of responsible business conduct. The Bank's Corporate Banking Environmental and Social Risk Due Diligence Guidance is available to assist Banking and Credit Risk Officers with assessing human rights considerations in credit transactions, specifically targeting modern slavery in higher-risk industries. We continue to explore ways to integrate human rights due diligence into our corporate, commercial and international banking processes. Specifically, we are currently assessing processes to explicitly embed social risk considerations, including modern slavery and Indigenous rights, into credit due diligence.



1 Projects have the potential to significantly impact people and the environment, per the Equator Principles Association, Equator Principles EP4: "Large infrastructure and industrial Projects can have adverse impacts on people and on the environment."

Key Targets and Performance

At the core of Scotiabank's strategy is our commitment to earn and maintain trust with clients and stakeholders. This trust is reinforced through measurable goals and targets, supported where applicable by external limited assurance and verification of key performance indicators (KPIs). These KPIs help to track progress and help to ensure accountability as the Bank adapts to evolving stakeholder expectations. The table below highlights our 2025 achievements toward these targets.

For detailed year-over-year performance data, please refer to the 2025 Sustainability Data Pack and Indices.

Strategic Pillar	Description	Target	Primary KPI	2025 Performance	Year-over-year Change	Trend
ENVIRONMENTAL ACTION	Provide financial services to support our clients' climate-related[1] objectives	**$350 billion by 2030[2]**	$ of Climate-related Finance provided	$212 billion (cumulative)[2]	+ $40 billion	61% of target
	Reducing our own emissions	**Reduce 40% by 2030**	% reduction in Scope 1 and 2 (location-based) greenhouse gas (GHG)[3,4] emissions from 2016 base year	36.3% reduction	- 0.6%	91% of target
		Secure 100% emissions-free electricity in Canada by 2025[5]	% emissions-free electricity	100%	+ 17% increase	100% of target
ECONOMIC RESILIENCE, INCLUSIVE SOCIETY[6]	Empower women in our workplace to succeed and reach their fullest potential	**40% of women in VP+ roles by 2025 globally**	% of women in VP+ roles – Global[4] % of women in VP+ roles – Canada[4] % of women in VP+ roles – International[4]	40% ✪ 43% ✪ 32% ✪	+ 1% increase	100% of target
	ScotiaRISE: Community investment in support of economic resilience	**Globally $500 million by 2030 through ScotiaRISE**	$ of community investment since 2021 ▲	$212 million (cumulative)	+ $55.5 million	42% of target
LEADERSHIP & GOVERNANCE	Aim to have gender parity on the Board[7]	**Minimum 30% representation of women on the Board**	% women on Board[8]	42%	+ 6% increase	Above target
	Valuing employee feedback and cultivating an environment of trust	**Above three-year rolling average for financial institutions[9]**	Employee Engagement Index score[4]	84% ✪	—	Above target

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

▲ Independent verification of Scotiabank's total community investment spend is provided by LBG Canada according to the LBG model. LBG Canada did not independently verify community spending attributed specifically to ScotiaRISE.

1 Please refer to Scotiabank's Climate-related Finance Framework for further information.

2 For further information on the Bank's target to provide $350 billion in climate-related finance by 2030, see p. 75–77.

3 Greenhouse gas, or GHG, is defined in the Greenhouse Gas Protocol as including the 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 (SF6). The Bank currently measures CO_2, CH_4 and N_2O for emissions from operations.

4 Definitions for assured metrics are provided in the 2025 Sustainability Data Pack and Indices associated with this Report. See relevant data tables for "Employee Engagement" and "Women in Leadership and Workforce" and "GHG emissions."

5 Either physically or virtually. Emissions-free sources include renewable (hydro, solar, wind, geothermal, tidal) and nuclear sources and may include the use of RECs. Electricity from emissions-free sources is calculated based on grid mix data and purchase of RECs or other environmental attributes reflecting the environmental benefit of emissions-free power production. Canada grid mix data is based on provincial electricity mix sourced from Canada Energy Regulator's Canada's Energy Future 2023: Energy Supply and Demand Projections to 2050 (EF2023). Electricity from emissions-free sources internationally is based on reports from the International Energy Agency (IEA) and US Department of Energy electricity generation by country, by source.

6 Performance indicators related to diversity, equity and inclusion targets for Canada are presented on p. 63. Our Global Inclusion goals are aspirational and reflect our desire to ensure that all of our employees have opportunities to succeed and advance in their careers free from discrimination. That being said, all of our initiatives are reviewed to ensure compliance with local laws, and individual employment decisions are always made based on merit, consistent with all applicable local laws.

7 The Bank's written board diversity policy states that we aspire to achieve gender parity and maintain a minimum aspirational goal of at least 30% women on the Board, and is contained within the corporate governance policies, available on Scotiabank's website. Refer to the Management Proxy Circular for more information on board diversity goals.

8 Figures may differ from the Management Proxy Circular, which highlights the slate of directors proposed for election in April 2026.

9 As defined by Qualtrics.

Sustainability Reporting

Business Ethics 21
Data Privacy and Security 29
Client Experience 33
Sustainable Finance and Responsible Investment 36
Financial Access and Inclusion 42
Reconciliation with Indigenous Peoples 45
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Inclusion at Work 61

Business Ethics

Trust is a core principle that guides our relationships with clients, shareholders, employees and the communities we serve. At Scotiabank, this means acting with honesty, integrity, accountability and a commitment to transparency. We strive to uphold trust in all aspects of our work by fostering an inclusive culture where it is safe to speak up, demonstrating shared values and behaviours and adopting industry practices to promote and sustain ethical standards in the ways we do business.

RISK CULTURE

Scotiabank's risk culture is integral to our vision of being our clients' most trusted financial partner and reinforces our commitment to ethical conduct. It is how the Bank fosters shared accountability, ethical conduct, and sound decision-making across the enterprise. We work to foster a strong, disciplined risk culture where managing risk is a responsibility shared by all employees, with business decisions being aligned to the Bank's risk appetite and drive for sustainable, profitable growth.

Having a strong risk culture is based on four themes: tone from the top, accountability, risk management and people management. We monitor these markers to assess how effectively the Bank encourages employees to identify activities beyond our risk appetite and make decisions that reflect our values and safeguard the interests of clients, shareholders, regulators, employees, and the communities we serve.

The Audit and Conduct Review Committee of the Board has oversight and responsibility for the Bank's conduct risk and ethical standards. The Risk Committee supports the review of the Bank's risk appetite, monitoring key financial and non-financial risks, and the delivery of a strong, enterprise-wide risk culture. Senior management is responsible for implementing governance programs and integrating ethical and risk-aware practices into daily operations.

Scotiabank's Risk Culture

- Our actions, words and behaviours align with the Bank's Values and Behaviours.
- We identify risk-taking activities that are beyond the established risk appetite to help keep our Bank safe.

ScotiaBond

ScotiaBond encompasses the core Values and key Behaviours needed to help us build a strong future for our clients, shareholders and Scotiabankers globally. Integral to this is nurturing a strong risk culture, where we strive to manage risks responsibly and ensure our actions align with the Bank's values. ScotiaBond is our commitment to each other – to create safe spaces to learn and grow, to promote accountability and inclusivity, and to recognize we only win when we win together as one team.

- **VALUES** A strong values-driven culture has always been part of the fabric of Scotiabank. Our core values guide our day-to-day interactions and decisions, reflecting our client-centric focus in the way we do business across our footprint.
- **BEHAVIOURS** The key behaviours outline the expectations of every Scotiabanker to deliver on our strategic priorities and captures how we win together as one team.

SCOTIABANK CODE OF CONDUCT

Our Scotiabank Code of Conduct (our "Code") reflects our vision to be our clients' most trusted financial partner and describes the standards of conduct required of all employees, contingent workers, directors and officers of Scotiabank and its subsidiaries.

Our Code is grounded in six principles aligned with our ScotiaBond. It promotes a client-centric culture built on accountability, inclusion, and integrity, while offering resources for employees to raise concerns. Together, the Board and management provide effective governance and oversight of our Code for alignment with the Bank's Values and risk appetite. Our Code is approved by the Bank's Board of Directors and formally reviewed once every two years at a minimum.

Our Code Principles:

1. Follow the law wherever Scotiabank does business.
2. Avoid putting yourself or Scotiabank in a conflict of interest position.
3. Conduct yourself honestly and with integrity.
4. Respect privacy, confidentiality, and protect the integrity and security of assets, communications, information and transactions.
5. Treat everyone fairly, equitably and professionally.
6. Honour our commitments to the communities in which we operate.

Adhering to our Code, in both letter and spirit, is a condition of employment at Scotiabank. The Bank has no appetite for breaches of the Code, and consequences applied are commensurate with the severity of the breach. All Scotiabankers are given a copy of or link to our Code when they join the Bank, are retained or elected, and are required to receive, read and comply with our Code, and any other applicable Scotiabank policies and acknowledge their compliance within the required timeline on an annual basis.

Reported breaches of our Code and related Bank policies (including anti-bribery and anti-corruption) are referred to the teams responsible for review and/or investigation in line with applicable policies and procedures.[1] All breaches are treated seriously and may result in disciplinary action, up to and including termination of employment. In certain cases, matters may also be referred to law enforcement or regulatory authorities. Reported issues are tracked and monitored through established channels and reported on through various management committees for centralized oversight.

2025 ATTESTATION & TRAINING

100%
of employees attested to the Scotiabank Code of Conduct

99.8%
of employees completed training on Anti-Bribery and Anti-Corruption

99.9%
of employees (required to complete training) successfully completed Global Sales Principles training, with content tailored to their roles

112,447
hours of employee training conducted on Human Rights topics

Sales Conduct and Principles

The Bank's Global Sales Conduct Management Standard and Global Sales Principles set expectations for employees in sales and support roles, and guide how these employees engage with clients, promoting fair, transparent and responsible sales practices and meaningful, trusted client relationships in alignment with our Code. Through these commitments, we strive for a client-centric approach that promotes and embeds proper sales conduct.

References

Scotiabank Code of Conduct

Data Pack: Business Ethics table in Governance tab

1 Scotiabank is committed to providing an inclusive, respectful, and safe workplace that is free from discrimination and harassment for employees, contingent workers, vendors, and customers. Complaints of discrimination or harassment are reviewed promptly by the Bank. In cases where the allegations of discrimination and harassment are substantiated through an investigative review process, proportionate disciplinary measures are applied, up to including termination of the employment relationship. In cases following an investigative review process, where a vendor or a customer is found to have engaged in discrimination or harassment, the contractual or service relationship may be terminated.

ANTI-BRIBERY & ANTI-CORRUPTION PROGRAM

Scotiabank maintains zero tolerance for bribery and corruption. While our Code sets out behavioural expectations, supported by mandatory training and annual certification, the Bank's Anti-Bribery & Anti-Corruption (ABAC) Program establishes controls to prevent, detect and address bribery and corruption risks, reinforced by regular reporting and oversight.

The Bank's ABAC Program is supported by a comprehensive set of established policies, procedures and related controls, designed to comply with regulatory requirements and industry best practices. Mandatory training is required for all employees, with additional training tailored to specific roles and responsibilities. Regular reporting on bribery and corruption risk provides additional oversight and maintains accountability within the Bank's operations. This structured approach to risk management is a part of the Bank's efforts to effectively prevent, detect and mitigate bribery and corruption risk.

Our Global Anti-Bribery & Anti-Corruption Policy provides guidance to employees on their obligations contained in our Code pertaining to bribes, payoffs and corrupt practices. It also addresses key risks associated with bribery and corruption, and supports the prevention, detection and response to bribery and corruption with respect to dealings by or on behalf of Scotiabank with public officials, clients and other third parties.



WHISTLEBLOWER PROGRAM

Scotiabank's Whistleblower Program is a formal, secure channel to raise concerns of actual, suspected or potential breaches of our Code, violations of laws or regulations, or deficiencies in Bank policies, procedures, or controls. It is available to employees, contingent workers, directors, officers or service providers of the Bank. The Whistleblower Program is a key component of Scotiabank's Raise a Concern Program and is designed to support adherence to our Code.

The Whistleblower Policy governs the review, investigation and resolution process. The Audit and Conduct Review Committee (ACRC) of the Board reviews quarterly whistleblower reports and approves policy updates. The Chief Human Resources Officer (CHRO) serves as executive sponsor of the program and the Vice President, Global Employee and Labour Relations, is responsible for program oversight and policy development.

Operated by an independent third party, the Whistleblower Portal is available in English, French, and Spanish, and allows reporting online or by telephone. Concerns raised through the third-party portal are managed by the Bank's Whistleblower Program Office and assigned to impartial subject matter experts for investigation.

The Whistleblower Program provides aggregated and anonymized reporting to the relevant business lines and corporate functions on a monthly and quarterly basis, supporting reporting to subsidiary boards to meet the Bank's consumer protection commitments. This reporting is also reviewed by internal compliance and conduct risk committees, as well as internal and external auditors.

Employee misconduct identified through the Whistleblower Program is addressed in accordance with Bank policy, which includes remediation, process improvements and disciplinary actions up to and including termination of employment. Open risks identified through the Whistleblower Program may also prompt policy or control enhancements.

Raising Concerns

At Scotiabank, all employees are entitled and encouraged to speak up and raise concerns without fear of retaliation. When a concern is raised, employees can expect to be treated with fairness, dignity and respect. Concerns will be taken seriously and handled with sensitivity and addressed in a timely manner. Scotiabank does not tolerate retaliation against anyone who raises a concern or participates in an investigation.

Under the Global Raise a Concern Policy, employees are guided to report actual, suspected or potential breaches of our Code through several channels, including:

- Their manager or business area leader
- Human Resources
- The Whistleblower Program, with the option to remain anonymous

The Staff Ombuds Office is also available to provide employees with confidential guidance or assist in identifying an appropriate way to report concerns. If necessary, concerns can also be escalated directly to the Chair of the Board of Directors by email in situations that warrant review outside of the above (such as concerns related to the governance of the Raise a Concern Program).

Scotiabank continues to monitor the use and effectiveness of the Whistleblower Program. The Whistleblower Program Office maintains an end-to-end process to monitor the assessment, assignment, investigation and remediation of matters reporting to or referred to the program. The data shared with the Whistleblower Program continues to be protected as part of the Bank's commitment to our employees.

References

Whistleblower Policy

Whistleblower Summary

Whistleblower Portal

ANTI-MONEY LAUNDERING

Keeping our clients, communities and the Bank safe is a key priority and central to fulfilling our vision of being our clients' most trusted financial partner. Strong anti-money laundering (AML) practices help safeguard the integrity of the Bank's services and protect the people and communities we serve.

Scotiabank has no appetite for our products or services to be used to facilitate money laundering, terrorist financing (TF) or sanctions evasion. Our Enterprise AML Program is designed to help us comply with applicable laws and regulations in the jurisdictions in which we operate, and all active employees receive mandatory AML and sanctions training.

A Board-approved AML/ATF and Sanctions Policy is adopted across all the Bank's global subsidiaries, and employees are directed to review this policy as part of their annual mandatory training.

Scotiabank's Board and Executive Management provide oversight over the Bank's AML/ATF and Sanctions Compliance Program. The Group Chief Anti-Money Laundering Officer (Group CAMLO) has unfettered direct access to, and regular communication with, Executive Management and the Board, providing regular reports on the operation and effectiveness of the Bank's AML Program. Additionally, Internal Audit provides enterprise-wide independent assurance to senior management and the Board on the effectiveness of risk management practices.

Our program is built on strong policies, controls and supported by technology solutions to help minimize Scotiabank's exposure to these risks. For more details and to read the Bank's AML Statement, please visit the below links to the public website. More information about other AML partnerships Scotiabank supports can be found here.

References

AML/ATF & Sanctions Compliance webpage

Statement on Scotiabank's AML Program

Statement on Scotiabank's Sanctions Program

USA PATRIOT Act certification

Scotiabank's USA PATRIOT Act Section 311 Notice

The Bank of Nova Scotia Wolfsberg Questionnaire (CBDDQ)

COMPENSATION LINKED TO SUSTAINABILITY

Sustainability-related factors are important in evaluating the Bank's performance and determining executive variable incentive awards. The Human Capital and Compensation Committee of the Board is responsible for reviewing and recommending to the Board for approval, the Bank's compensation programs, and the integration of ESG considerations in ways that reinforce alignment with the Bank's strategic priorities and performance outcomes. Select leadership roles also include individual sustainability-related objectives.

Incentive compensation for employees and executives is based on an integrated methodology that incorporates individual and company-wide performance metrics, informed by a comprehensive set of internal and external inputs. In fiscal 2025, key sustainability-related metrics, combined with client metrics, accounted for an overall weighting of 20% of the all-bank Business Performance Factor's core metrics. This is part of the Annual Incentive Plan, which is applicable to a majority of the Bank's employees. Key sustainability-related metrics include climate-related financing, decarbonization of the bank's operations, representation of equity-deserving groups (where permitted by applicable local law), and customer experience. No material changes to incentive calculation formulas or remuneration assessments were made in fiscal 2025.

The Bank continues to review and evolve its incentive programs in the context of its external environment and may update these programs for future years as appropriate. For further details about CEO and Named Executive Officer compensation, including "say on pay", CEO-to-employee compensation ratios, historical data, broader employee and executive remuneration practices, and compensation of Material Risk employees[1], please refer to the Management Proxy Circular, p. 70–115.

References

Annual Reports, Management Proxy Circulars and AGM materials

TAX

We strive to maintain rigorous tax risk management practices to help ensure full compliance with tax filing and disclosure obligations. The Bank actively monitors legislative and regulatory developments, including changes to tax laws, jurisprudence and government pronouncements, in order to proactively assess and manage potential impacts on the Bank's business activities. This forward-looking approach allows us to adapt quickly to evolving tax environments while supporting the integrity of financial and operational practices.

The Audit and Conduct Review Committee of the Board oversees financial reporting, including taxation, and is also responsible for ensuring independent assurance over the effective management of tax risk. Scotiabank's tax risk management process is governed by the Tax Risk Management Framework, which applies to all Bank branches and to direct and indirect subsidiaries. This Framework aligns with the Bank's enterprise-wide Risk Management Framework and sets out the approach to tax risk governance, tax risk appetite and the identification, mitigation and reporting of tax risks.

Scotiabank is committed to meeting the highest standards of tax compliance, transparency and ethical conduct. The Bank's approach includes:

- Ensuring compliance with tax filing obligations and disclosure requirements in every jurisdiction where the Bank operates.
- Paying the legally owed taxes within the stipulated timeframes and observing both the spirit and the letter of applicable tax laws in all jurisdictions where the Bank operates.
- Applying recognized transfer pricing methodologies and approaches to all intra-group transactions.
- Fostering positive relationships with tax authorities and governments by conducting all dealings professionally, courteously, and in a timely manner.

This disciplined and transparent approach supports the Bank's broader governance objectives, helping to maintain stakeholder trust and protect the Bank's reputation across our global footprint.

References

Data Pack: Taxes by Jurisdiction table in Governance tab

2025 Public Accountability Statement: Tax (Canada)

1 77% of total remuneration for Material Risk employees was variable, and malus provisions were applied to 0.2% of total Material Risk employees variable remuneration.

PUBLIC POLICY AND ADVOCACY

We engage in public policy discussions that impact the financial sector, both directly and through memberships in trade associations. In Canada, corporations are prohibited by federal law from making political contributions, and any lobbying activity must be disclosed through government channels. The Bank does not make corporate political contributions[1] and opposes any "pay-to-play" practices. These commitments are publicly disclosed in our Code and reinforced through the Anti-Bribery & Anti-Corruption Policy.

Accountability for public policy engagement rests at the executive level. The Corporate Governance Committee informs the Board on sustainability and climate-related public policy and advocacy matters, including approaches to stakeholder engagement.

The Bank's Government Affairs team has established an internal framework for lobbying and advocacy activities that provides overarching governance and oversight to promote consistency across the Bank. This framework is set out in the Policy for Communicating with Canadian Government Officials and Conducting Political Activities, which outlines the expectations and legal requirements for employees who interact with government officials. The Policy is designed to ensure communications with public office holders are honest, ethical and lawful. The Policy's approval rests with the President and CEO and is sponsored by the Group Head and CFO. The Government Affairs team is responsible for developing, maintaining and reviewing the policy, in collaboration with legal counsel.

At the federal level in Canada, Scotiabank is required by law to report on communications with public office holders covered by the federal *Lobbying Act*. Employees who lobby federally on behalf of Scotiabank also must abide by the *Lobbyists' Code of Conduct*, which sets standards of behaviour for individuals who are listed in a registration as required by the *Lobbying Act*. Scotiabank adheres to similar lobbying compliance regimes at the provincial and municipal levels, where required. The Government Affairs team reports on Scotiabank's federal lobbying activities on a monthly basis.

Climate-related Advocacy

The Bank regularly reviews its advocacy and political engagement regarding its climate-related objectives. Scotiabank engages with industry associations and public sector partners, including financial regulators and government ministries responsible for environment, climate change and natural resource policies. We share insights on the financial implications of climate-related risks, sustainable finance, and disclosure standards. We also engage on interconnected issues such as the need for new affordable housing in Canada which is energy efficient and climate resilient. The Bank's public policy activities and many of the issues on which we engage are disclosed on the Public Policy webpage.

HUMAN RIGHTS

Scotiabank strives to integrate human rights considerations across all areas of our business, consistent with the Bank's commitment to maintaining high ethical standards. Our commitment to human rights is reflected in Principle Five of our Code of Conduct, and outlined in the Global Human Rights Statement.

Oversight of the Bank's global human rights strategy falls under the EVP & Chief Global Corporate and Public Affairs Officer. The Global Sustainable Business team is responsible for raising awareness of human rights and supporting business lines and corporate functions to embed human rights considerations across the Bank's policies, programs and services. Scotiabank seeks to align its actions with the UN Guiding Principles on Business and Human Rights (UN Guiding Principles).

The Human Rights Statement communicates the Bank's approach to respecting human rights in its roles as an employer, financial services provider, business partner and corporate citizen. In 2025, Scotiabank updated its Global Human Rights Statement to reflect current policies and programs. This statement is adopted at the highest level of the organization and is endorsed by the President and CEO. It is reviewed by the Corporate Governance Committee of the Board of Directors every four years or more frequently as needed. In 2025, the Statement was reviewed by the full Board of Directors to raise awareness on human rights matters.

Scotiabank's Modern Slavery Report, reviewed and approved by the Board, outlines the steps the Bank takes to identify, assess, prevent and reduce modern slavery risks, including forced and child labour, in business and supply chains. This report is published to comply with regulatory requirements in several countries and to communicate the Bank's approach. Policies and procedures are in place to safeguard against these risks, and the report is updated annually in consultation with key partners across the Bank.

1 In adherence with Canadian federal law. Scotiabank does not engage in political contributions, a policy that applies enterprise wide. In effect since 2016, it is communicated in our Code, Anti-Bribery and Anti-Corruption Policy and Policy for Communicating with Canadian Government Officials and Conducting Political Activities.

The Global Sustainable Business team collaborates with numerous senior leaders and departments, across the enterprise, including the ESG Risk team and Global Procurement Services, to ensure that human rights are considered in their areas of responsibility. Human rights is classified as an element of social risk, which is included in the "social" component of the Bank's ESG Risk Framework. Refer to p. 15 for more information on the Bank's approach to risk management.

Scotiabank conducts human rights assessments every four years and completed its most recent assessment in fiscal 2025. These assessments, led by a third party, identify and prioritize potential and actual human rights impacts in line with the framework established by the UN Guiding Principles. The assessment results help the Bank manage key human rights issues, which are summarized on our website.

In addition to formal human rights assessments, the Bank monitors salient and emerging risks through stakeholder engagement and works to continuously strengthen its approach. Scotiabank is also a member of the BSR Human Rights Working Group, where we access strategic insights and expertise on issues such as modern slavery and human rights.

In 2025, the Bank also advanced key human rights priorities through the ongoing implementation of several commitments in its Truth & Reconciliation Action Plan, in particular, commitments #3 to provide annual Indigenous cultural awareness training for the Board and #37 relating to integrating Indigenous Rights in lending.

Human rights are also integrated into the annual Global Mandatory Learning program for employees. Training topics include our Code, health and safety, advancing inclusion and belonging, and employee and client accessibility.[1] In 2025, employees completed 112,447 hours of training on these topics.

References

Global Human Rights Statement

2025 Enterprise Modern Slavery Report

Data Pack: Responsible and Ethical Conduct table in Governance tab

PROCUREMENT

Responsible procurement helps the Bank build resilience and reduce risk in its supply chain. It includes sustainability-related assessment of third-party vendors during the Request for Proposal (RFP) process as well as supplier inclusion, which helps to build a supply chain that better represents the clients, employees, and communities that we serve.

Scotiabank's procurement activities are guided by standards[2] owned by the Senior Vice President, Global Procurement. The Bank's standards establish practices for evaluating and selecting suppliers and service providers, including sustainable procurement considerations aligned with the Bank's broader environmental and social objectives. The Bank's Global Procurement team is responsible for sourcing products and services and overseeing suppliers worldwide, with a focus on responsible procurement.

Supplier Code of Conduct

The Supplier Code of Conduct (Supplier Code) outlines Scotiabank's sustainability priorities and sets out principle-based expectations for third-party suppliers and service providers, who conduct business with, provide goods and services to, and/or act on behalf of the Bank. During formal RFPs, suppliers are asked to review the Supplier Code. In Canada, RFP evaluations consider both quantitative and qualitative criteria, incorporating relevant sustainability factors as applicable.

The Supplier Code states that suppliers have policies, governance or oversight mechanisms to help ensure they, and those within their supply chains, operate lawfully and in accordance with Scotiabank's core values and nine guiding principles. These principles include, but are not limited to, promoting ethical, moral and legal behaviour, human rights and consideration of environmental stewardship and climate change.

The Supplier Code is reviewed and updated every two years to reflect the Bank's strategic priorities, with the last update having occurred in fiscal 2024.

1 Refer to the "Attestations and Training" data table within the Governance tab in the 2025 Sustainability Data Pack and Indices.

2 Scotiabank's procurement standards do not apply to transactions by intermediaries who refer clients to the Bank, construction projects (except in some instances in our international footprint), real estate leasing activities conducted by the Bank for its own account, counterparty activities in relation to (a) own funding, liquidity management, hedging and (b) hedging on a client's account, and (c) commodities transactions, charitable contributions, and one-time sponsorships.

Supplier Inclusion

In Canada,[1] supplier diversity and Indigenous procurement are considered in Scotiabank's responsible procurement practices. By engaging businesses owned by Indigenous Peoples, LGBTQ+ individuals, People of Colour, People with Disabilities, Veterans and Women, the Bank aims to reduce systemic barriers and increase access to procurement opportunities where feasible. In jurisdictions outside of Canada, and consistent with all applicable local laws, we seek to apply similar practices.

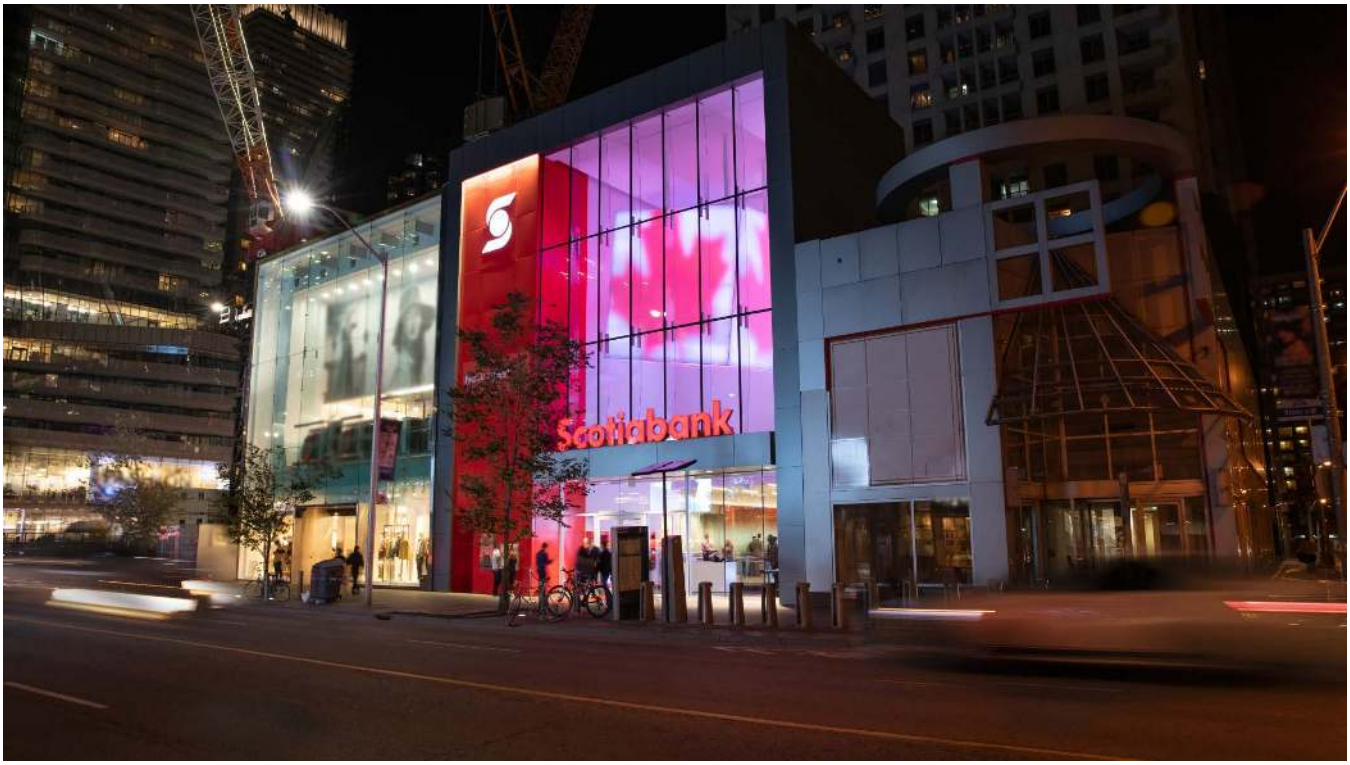
These efforts help support the economic foundations of the communities where we operate and help build a supply chain that reflects the diversity of the employees and the clients we serve. Scotiabank is a member of seven Certification Councils and actively engages with certified diverse suppliers through conferences, meet and greet forums and other industry events. In collaboration with key internal partners, such as the Diversity, Equity and Inclusion Office and the Scotiabank Women Initiative®, the Bank aims to foster long-term, mutually beneficial supplier relationships that promote fair market access and resilient communities.

Third-Party Risk Management

Scotiabank's third-party risk management program aims to help reduce the risk of the Bank doing business with third parties associated with money laundering, terrorism financing, sanctions breaches and human rights violations. In line with regulatory expectations for third-party arrangements, the program assesses the inherent risks of the arrangement, the criticality of the product or service to the Bank, and the effectiveness of the third party's operational risk controls, and if necessary, internal experts conduct additional due diligence on identified risks. Employees involved in managing third party arrangements are expected to complete training in third-party risk management.

References

Supplier Code of Conduct



1 In jurisdictions outside of Canada, consistent with applicable local laws, we seek to apply similar practices.

Data Privacy and Security

The Bank's approach to data privacy and security is founded on a comprehensive privacy program, data ethics, responsible use of artificial intelligence and strong measures to prevent money laundering, fraud and other financial crimes. These safeguards are designed to ensure clients can have confidence and rely on the Bank to protect data and deliver secure and responsible banking services.

Refer to p. 24 for more information on anti-money laundering.

PRIVACY

Scotiabank's ability to provide secure, efficient banking services and protect personal information is fundamental in maintaining trust with clients. We have implemented measures designed to safeguard the personal information in the Bank's custody and control against theft, loss and unauthorized access, use, and disclosure. Through these measures, the Bank works to protect the confidentiality, integrity and resilience of the systems and processes that handle personal information.

The Global Compliance Risk Management Framework provides a comprehensive governance structure for managing compliance risk, including privacy risks. This framework aligns with the expectations of the Organisation for Economic Co-operation and Development, supporting the Bank's Privacy Commitment to strong governance and client trust. Principle four of our Code outlines employee responsibilities for respecting privacy, confidentiality and protecting the integrity and security of assets, communications, information and transactions. Scotiabank's Global Compliance Risk Management Framework and supporting Information Security and Control procedures outline the measures in place to safeguard personal information in the Bank's custody and control. For more information on the protection of information, please refer to the Cyber Security and Fraud Hub and Code of Conduct.

Led by the Executive Vice President and Chief Compliance Officer, the Bank's Global Compliance team oversees adherence to established privacy standards and regulatory requirements. The Global Compliance team provides regular privacy risk updates to executives and senior management, including key risks and performance against the Bank's privacy breach risk index metric. Oversight of privacy falls under the ACRC, which operates under delegated authority from the Board and is supported by other governance committees.

The Global Privacy Officer leads the Enterprise Privacy Office (EPO), which develops, administers and oversees the Bank's Privacy Risk Management Program, including related enterprise privacy policies, processes and procedures. The EPO provides advice and counsel to Local Privacy Designates and employees on privacy risk matters.



Data Privacy Program

Scotiabank's Data Privacy Program is designed to proactively manage privacy risks, strengthen accountability, and ensure responsible handling of personal information across the organization. Key components of the program include:

- Privacy Risk Assessment and Management: Privacy risks, governed by Scotiabank's Privacy Operating Procedures, are addressed proactively through the privacy impact assessment (PIA) process and reactively through the management of privacy events and rights requests.
- Mandatory Privacy Training: All employees are required to complete Global Mandatory Privacy Training. Specialized training is provided to those in formal privacy roles.
- Breach Management: Scotiabank's Privacy Operating Procedures outline procedures for reporting and managing privacy concerns, incidents and breaches affecting clients, employees or other individuals.
- Privacy Expectations of Suppliers: With certain exceptions,[1] in addition to including appropriate terms and conditions to protect personal information in supplier contracts, we ask suppliers to acknowledge and comply with our Supplier Code, which sets expectations for lawful operations and alignment with the Bank's values and principles throughout the supply chain.

Oversight and Governance of Privacy Risk

To support consistent and accountable privacy practices, Scotiabank has implemented frameworks, policies and procedures, including the Global Compliance Risk Management Framework, Privacy Operating Procedures, and Employee Privacy Policy. Policies related to privacy are approved by the Global Privacy Officer and managed by the EPO. These documents are accessible to employees in all countries where Scotiabank operates, and formalize how we responsibly manage employee, client and third-party personal information and endeavour to keep that data safe.

Scotiabank's approach to managing privacy risks is built on governance structures, risk assessments, and regulatory relationship management. The Bank regularly monitors internal and external developments, including regulatory obligations, and develops escalation and mitigation strategies accordingly. Testing, issues management, and regular reporting to senior leadership and the Board on privacy risk performance are integral components of the Bank's privacy governance framework.

Client Privacy

- Collection, use and retention: In all countries where Scotiabank operates, a Privacy Agreement and supporting policies outline how clients' personally identifiable information is collected, used and retained in compliance with privacy standards.
- Access: Clients can request details on data handling, access and amend their personal information, challenge its accuracy, request deletion or withdraw consent.
- Secondary use: The Bank does not rent, sell or share personal data with third parties for purposes unrelated to delivering banking services or completing authorized transactions.

Reporting on Privacy Breaches	Units	2025	2024
Number of substantiated complaints concerning breaches of privacy which were determined to be well-founded:[1]			
Privacy Commissioner of Canada	ones	0 ✪	0
Privacy Regulators Internationally (other than Canada)	ones	0 ✪	0
Breaches Involving Personally Identifiable Information (PII)	ones	0	0

References

Privacy Commitment

Privacy Agreement

Digital Privacy and Interest-Based Advertising Policy

Code of Conduct

Supplier Code of Conduct

Data Pack: Data Privacy and Security table in Governance tab

1 In 2025, no privacy breaches caused significant economic, environmental and social impacts, or substantively influenced the assessments and decisions of stakeholders. All well-founded and substantiated complaints were resolved by the Bank to the satisfaction of the regulator. Once a complaint has been determined to be well-founded, it is included here based on the original year it was first identified. Privacy events could be reclassified if the Regulator findings change upon appeal. Corrective actions taken include, but are not limited to, changes in processes, training, and/or technology implementation.

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

CYBERSECURITY

As cyber threats continue to evolve, the financial services sector faces growing risks related to data breaches, unauthorized access to sensitive information and identity theft. Geopolitical tensions have further increased the frequency and sophistication of cyberattacks, including state-sponsored threats targeting critical infrastructure, public-facing services and emerging technologies. Scotiabank's cybersecurity and information technology programs continue to adapt to this evolving and complex landscape, and invest in cyber defences, including proactive and adaptive security measures and infrastructure to strengthen its operational resilience.

Scotiabank's Executive Vice President and Chief Security Officer is accountable for the global cybersecurity strategy and provides quarterly updates on cybersecurity risks, programs and trends to the Risk Committee of the Board of Directors, with the strategy reviewed and approved annually by the Board.

The global Cybersecurity Policy guides the approach to managing cybersecurity risks, designed to help ensure compliance with the applicable regulations across the Bank's geographic footprint, and protect the Bank and its clients from emerging security threats. This policy supports the Information Security Governance Framework and programs, which follow the National Institute of Standards and Technology (NIST) standards, focusing on confidentiality, integrity and availability, as well as cyber resilience. The policy and framework are integral to Scotiabank's risk management and control structure.

The Cybersecurity team, comprised of accredited experts, conducts regular monitoring activities, such as vulnerability assessments as well as penetration testing, in an effort to address malware risks and strengthen data protection and access controls. Cyber risk monitoring is integrated into the overall risk management framework, and in the event of a cyber incident, we comply with global notification regulations.

The Bank's Security Awareness Program is designed to help employees and clients recognize and respond to cyber threats. We conduct phishing awareness campaigns and provide guidance on secure passwords and remote access. All employees are required to complete mandatory annual cybersecurity training. Throughout the year, the Bank runs cybersecurity awareness events and simulations to strengthen preparedness and response.

Scotiabank is actively participating in cybersecurity-related programs and forums in the Canadian financial sector to enhance cyber resilience by collaborating with public and private institutions and governmental bodies. These include, but are not limited to, Canadian Financial Sector Resiliency Group (CFRG), Resiliency of Wholesale Payment System (RWPS) program, Canadian Cyber Threat Exchange (CCTX) and Financial Services Information Sharing and Analysis Centre (FS-ISAC).

In 2025, Scotiabank continued to strengthen its cybersecurity defences through investments in advanced technologies designed to reduce vulnerabilities, prevent data loss and enhance overall security posture. The Bank expanded its anti-phishing capabilities with new tools to improve detection and prevention of fraud and financial crime.

Scotiabank also maintains strong security oversight of third-party relationships. Third-party contracts are reviewed to ensure they include appropriate security and risk clauses aligned with Bank standards. In 2025, new Enterprise Key Risk Indicators were introduced to provide early warnings and insights into potential cybersecurity threats.

Supporting Safe Banking

Scotiabank maintains a dedicated hotline for employees and clients to report cybersecurity incidents, including malicious software, phishing activities and network security issues. Incidents can be reported by calling 833-970-1239 or emailing Cyber.Security@scotiabank.com.

Scotiabank's Cybersecurity and Fraud Hub provides clients with interactive tools and fraud simulations to help them recognize cyber threats and adopt best practices. The Hub also offers targeted guidance to small and medium-sized businesses to strengthen their cybersecurity resilience. In 2025, client engagement with the Hub increased significantly, supported by expanded outreach and proactive cybersecurity and fraud awareness communications.

	2025	2024
Clients who visited the Cybersecurity and Fraud Hub	556,000+	400,000+
Clients who used the fraud simulation tool	31,000+	4,000+

References

Safe Computing Practices

Cybersecurity and Fraud Hub

Security Centre

AI & DATA ETHICS

Scotiabank's approach to artificial intelligence (AI) and data ethics is designed to enable responsible innovation while safeguarding the Bank's operations, clients, and communities served. The strategy is built on a three-lines-of-defence model and integrates AI risk into core compliance and oversight frameworks across the Bank. The first line ensures that business units own and manage AI risks directly; the second line provides independent risk oversight; and the third line offers assurance via internal audit functions. Together, these layers proactively address risks such as bias, data misuse, and regulatory non-compliance. Scotiabank's approach emphasizes transparency, fairness, and accountability in AI systems – both internal and vendor-supplied – supporting sustainable client-centric innovation.

Executive leadership for AI, Data Ethics, and Risk is shared between the SVP, Chief Data and Analytics Officer; SVP & Chief Information Officer, Enterprise Data & AI Platforms; and SVP Enterprise and Non-Financial Risk. These leaders oversee the AI & Ethics Governance, AI Engineering and Lab, and Data and AI Risk teams, ensuring that AI is managed responsibly and in line with enterprise policies and regulatory expectations. Scotiabank's AI and Ethics Governance and Data and AI Risk teams support employees across the Bank through education, guidelines, tools, and processes focused on promoting the responsible use of data and AI. In addition to the public commitment to clients, the Bank is guided by the Code and Data Ethics Principles, and governed by the AI Risk Management Policy and the Data Risk Management Policy.

The Bank was among the first Canadian financial institutions to operationalize data and AI ethics as a centralized function at scale and to publicly share its Data Ethics Commitment. This commitment is operationalized through formal guidance, tools and processes designed to embed ethical considerations throughout the AI life cycle. The Bank's Ethics Risk Assessment framework, including the Trusted AI and Trusted Data Use tools, are designed to help identify and mitigate ethical risks such as bias and discrimination, when working with client data or developing AI, including machine learning, Generative AI, and Agentic AI solutions.

Mandatory data ethics training for employees working in advanced analytics helps build a shared understanding of responsible AI practices and reinforces a culture of transparency, accountability and fairness. This structured and deliberate approach enables the Bank to manage AI risk consistently across operations while fostering innovation that benefits clients and society.

Scotiabank's approach to AI and data ethics extends across its global footprint, reflecting the Bank's commitment to responsible innovation, regulatory alignment and inclusive economic growth. International programs and initiatives help translate enterprise principles into action, supporting skills development, data protection, responsible AI adoption and operational resilience in diverse markets.

References

Data Ethics Commitment

Code of Conduct

Client Experience

As a bank operating along the North American corridor, building trust with clients through a seamless experience across business lines and geographies is essential. Clients trust us to provide financial solutions and advice to help them achieve their goals, and we do not take that trust for granted. The Bank is committed to protecting clients' interests, resolving concerns, ensuring accessibility, and delivering exceptional service and advice, creating a positive and inclusive banking experience for all.

CLIENT PROTECTION

Scotiabank and its employees are dedicated to building and maintaining long-lasting client relationships by consistently striving to do the right thing. It means designing banking solutions, services and investment offerings that comply with consumer protection laws, regulations and the Voluntary Codes of Conduct and Public Commitments Scotiabank has adopted to support the design and sale of financial products and services.

The Board's Audit & Conduct Review Committee is responsible for the oversight of consumer protection across the Bank, supported by a number of management committees. Consumer protection KPIs are reported to the Bank's Compliance department on a quarterly basis and are reviewed annually. Scotiabank's product groups, functional areas and distribution channels work together to meet consumer protection regulations in every region where we operate.

How We Protect Clients

Scotiabank strives to uphold the confidence of regulators, stakeholders and clients entrusted to the Bank. Employees receive training and access to tools and resources to support inclusive client interactions and help to safeguard client interests. We protect our clients in several ways[1]:

- Prohibiting Coercion: We do not allow the use of coercion, undue pressure or any actions that take advantage of a client when offering financial products and services.
- Implementing Controls: We embed tools and controls into our systems to help employees recommend appropriate offerings for clients based on their financial needs, personal circumstances, and goals.
- Clear Communication: We aim to create marketing and product materials using clear, simple language. These materials include transparent descriptions of consumer rights and obligations, fees, charges, penalties, limitations, risk tolerance and exclusions (see also Accessibility Services).
- Online Banking Support: We aim to enhance client confidence in online banking by providing step-by-step instructions in our Digital Banking Guides.
- Privacy Information: Our Privacy Agreement explains how clients can refuse or withdraw consent.
- Financial Tools: We offer free tools to help clients manage their finances, such as electronic balance alerts that notify them when their personal accounts fall below $100 or when their available credit drops below $100 or a custom amount they choose. Additionally, clients can receive 24/7 real-time fraud alerts.

Training and Awareness

Employees receive mandatory training on the relevant policies and procedures of Canada's Financial Consumer Protection Framework. Scotiabank provides tools to assist with daily implementation and requires employees to report any suspected compliance violations (see p. 24).

Adherence to these standards is monitored by evaluating the performance of sales and support employees using a balanced set of financial and non-financial KPIs, as well as operational and compliance metrics. Any violation of laws, regulations, and our Code or internal policies and procedures is treated as a serious matter and may result in discipline, up to and including termination of employment.

For more information on how Scotiabank supports the client experience for seniors and other client groups, refer to the 2025 Public Accountability Statement. For global mandatory learning requirements, see p. 56–57 of this report.

1 In accordance with regulatory requirements.

CLIENT COMPLAINTS

The Bank's complaint handling process aims to provide clients with a credible dispute resolution process that is fair, transparent and accessible. The Complaints Management Framework tracks complaints from the initial submission through analysis, identification of root causes and remediation. During this process, we strive to ensure clear communication with clients by acknowledging their complaints, providing status updates and working toward a resolution.

The Customer Complaints Appeals Office (CCAO) serves as the final stage in our internal complaint resolution process. Oversight and monitoring of the CCAO are conducted by Business Risk and Canadian Banking Compliance. Each year, the CCAO compiles an Annual Report detailing the complaints they received and addressed, including the number and types of issues escalated to them. This report is shared with the Audit and Conduct Review Committee (ACRC) of the Board of Directors and made available on Scotiabank's website.

	2025
Case Reviews Completed by the Customer Complaints Appeals Office[1] (Canada)	3,145

References

Customer Complaints Appeals Office

2025 Public Accountability Statement: Client complaints and feedback (Canada)

Data Pack: Client Complaints table in Governance tab

CLIENT EXPERIENCE AND SUPPORT

Every interaction clients have with Scotiabank can be an opportunity to move them closer to their financial goals and build long-term financial resilience. Client Experience expectations are embedded in the Bank's culture and reflected in the inclusion of "Client-Centric" as a core Value of our ScotiaBond. Scotiabank seeks to deliver a differentiated experience that creates value for clients across its footprint.

The Human Capital & Compensation Committee of the Board reviews and approves client experience targets, which help inform the compensation scheme for the Bank. The review of targets is conducted annually, and results are reviewed quarterly. Management also regularly reviews progress on client experience targets through quarterly reporting to the Bank's Operating Committee and monthly performance reviews at the business unit level.

The Bank operates a Voice of Client program to understand evolving client needs and how it is delivering on expectations across its client segments and businesses. Ensuring we drive action and improvements based on client feedback is core to how Scotiabank continues to differentiate itself competitively in the market.

To help ensure we are meeting client expectations, Scotiabank uses both market research and real-time, actionable client feedback collected through regular surveys. One key tool is The Pulse, which measures client experience across various channels such as branches, contact centres, and digital platforms, as well as overall relationship health. This tool leverages the Net Promoter Score (NPS) to gauge client sentiment, and insights are shared with internal Scotiabank business leaders across business units and key segments in Retail, Business Banking, Commercial Banking and Wealth. With the help of a digital, AI-powered platform, we transform client feedback into specific and actionable recommendations that help guide improvements to the client experience. Scotiabank regularly assesses client experience through this tool, along with client complaints and client retention rates. Scotiabank's client experience program is supported by the Bank's Compensation Policy, the Code of Conduct, and the Employee Misconduct and Consequence Management Policy.

1 The Customer Complaint Appeals Office undertakes a review of complaints from retail and small businesses in Canada that could not be resolved in the first two steps of Scotiabank's Complaint Resolution Process. For more information, please refer to the CCAO Annual Report.

Scotiabank establishes and reports on client experience thresholds. Thresholds are established based on client experience targets, and if monitoring indicates that we have breached a threshold or are exhibiting a deteriorating trend, the issue is escalated to the Bank's Reputational Risk Committee, and a path to remediation must be established with the metric owner(s).

In 2025, Scotiabank invited more than 16.5 million retail and small and medium-sized business clients and 70.7 thousand commercial clients to participate in feedback surveys. Follow-ups were conducted with nearly 358.2 thousand retail and 3.4 thousand commercial clients to obtain more in-depth feedback on their experience with us. The Bank holds its branches, contact centres and digital teams to a high standard for setting ambitious client experience targets,[1] and in many cases, the channel teams across 11 countries met or exceeded those targets. As we refine our strategy, acting on client feedback remains essential to our goal of being a client experience leader in our key markets.

Client Satisfaction Surveys	Units	2025	2024
Retail Client Survey Invitations Sent[2]	millions	16.5	16.0
Follow-up Calls Made by Employees to Retail Clients	thousands	358.2	400
Commercial Client Invitations Sent	thousands	70.7	73
Follow-up Calls Made by Employees to Commercial Clients	thousands	3.4	4.3

ACCESSIBILITY FOR CLIENTS

Scotiabank is committed to embedding accessibility across its operations, guided by the principles of dignity, independence, and equitable opportunity. Every client should be able to access and benefit from our products, services and information with dignity and independence. Scotiabank's commitment includes identifying, preventing and removing barriers to accessibility while meeting or exceeding applicable standards and requirements.

Our Accessibility Policy sets out the principles, policies and procedures Scotiabank has put in place to become more accessible in a way that respects the dignity and independence of people with disabilities. The Bank provides accessible formats and communications, accessible digital experiences, and fee waivers for beneficiaries of Registered Disability Savings Plans.

Accessibility is governed through the Bank's Accessibility Operating Model framework, which focuses on seven key areas managed by cross-functional committees with subject matter expertise. These teams develop and deliver action plans to identify, remove and prevent barriers. Feedback from employees, clients and communities informs the continuous improvement of accessibility practices, while advisory groups provide lived-experience input on policies, technology and services.

Key performance indicators include:

- Barrier identification and removal: Progress reports detail enhancements across seven priority areas, including employment, built environment, information and communication technology, communication, procurement, program delivery, and transportation.
- Training and awareness: Accessibility training modules are deployed across the organization to build inclusive practices and ensure compliance with regulatory standards
- Built Environment Priority Area: We conduct accessibility assessments in branches and offices to assess accessibility of physical spaces.

References

Codes of Conduct and Public Commitments

Customer Care Resources

Accessibility Site

2025 Public Accountability Statement: Banking Services for Seniors (Canada), Accessibility (Canada)

1 Client experience targets refer to Net Promoter Score (NPS) targets set for channels and business lines across more than 50 survey programs in 11 countries in scope for The Pulse program.

2 Numbers are rounded to the nearest thousand.

Sustainable Finance and Responsible Investment

Sustainable finance can be a key enabler for clients seeking to integrate sustainability factors with their financing objectives. Scotiabank provides solutions supported by the expertise of a dedicated Sustainable Finance group that works closely with clients to advise and tailor financial solutions that help them support their business goals with sustainability-related financing opportunities.[1]

SUSTAINABLE FINANCE

The Sustainable Finance group collaborates with the Bank's business lines, including Global Banking and Markets, International Banking, Canadian Banking and Roynat Inc., to provide advice and financing solutions for corporate, commercial, public sector, and institutional clients across Scotiabank's global presence: in Canada, the United States, Latin America, the Caribbean, Europe and Asia Pacific.

The Sustainable Finance group helps clients who are seeking to incorporate sustainability factors into their financing, and helps align capital markets activities with opportunities related to clients' sustainability strategies and goals. The group helps clients stay informed on evolving sustainable finance markets, taxonomies, standards and guidance, assess the eligibility of environmental and/or social activities under these frameworks, and advise on sustainability and energy transition-related strategies.

Leveraging standards and frameworks such as the International Capital Market Association (ICMA) Principles and Scotiabank's own Climate-related Finance Framework (the "CRFF"), Sustainable Finance assists clients to:

- Identify eligible environmental and social projects, financial instruments and structuring for a variety of financing options[2].
- Establish and define environmental or social metrics and targets that are important to their business strategy.
- Incentivize achievement of a client's sustainability performance objectives through financial instruments.
- Develop sustainable financing programs based on current market practices and sustainable finance taxonomies.

Sustainable Finance Offerings

Scotiabank offers a suite of sustainable finance products and services[3] for clients, such as:

- Advisory: Providing guidance about sustainable finance and advisory services designed to help clients implement sustainability frameworks, reporting and strategies, as well as providing insights on sustainable investment trends, climate-related risks and opportunities, and the energy transition.
- Debt Capital Markets: Assisting with the origination and syndication of clients' sustainable-labelled bonds.
- Lending: Offering loans that include sustainability targets for the borrower or that fund eligible environmental-related and/or social-related activities.
- Sustainability-linked Products: Financial products, such as loans, bonds, deposits and derivatives, that include financial incentives to achieve sustainability targets.
- Structured Products: Structured investment solutions, including securitizations, that integrate sustainability factors and themes.
- Deposits: Deposits where the proceeds support eligible environmental- and/or social-related activities.

1 Sustainable finance is generally understood as a financial product or service that integrates environmental, social or governance criteria and may consist of financial instruments such as labelled use of proceeds and/or sustainability-linked bonds, loans, structured products, derivatives or deposits. This is separate from the term "climate-related finance." Refer to Terms and References for definitions.

2 For information on how eligible projects are defined, refer to the ICMA Principles, including p. 4-5 of the ICMA Green Bond Principles and p. 4 of the ICMA Social Bond Principles.

3 Transactions referenced may include transactions that meet the scope and eligibility requirements of Scotiabank's Climate-related Finance Framework, but also transactions involving social and sustainability-linked labelled products and certain other products that are not eligible under the Climate-related Finance Framework. Refer to Terms and References for sustainable finance product definitions.

Supporting Blue Financing

Blue financing is an emerging trend in sustainable finance. Blue bonds and loans, a subset of green bonds and loans, are financial instruments whereby funds raised are earmarked for investments in water, marine and/or freshwater-related projects. Examples of eligible blue bond projects include, without limitation, certain investments in water and wastewater management, reducing ocean pollution, marine ecosystem restoration, and sustainable fisheries and aquaculture.

Scotiabank participated in two notable blue bond transactions in 2025:

- Scotiabank acted as joint bookrunner for the MXN$4.5 billion (~CAD$312 million) blue bond issuance by Mexican trust fund Fondo Especial para Financiamientos Agropecuarios (FEFA), the first blue bond in Mexico to finance sustainable fishing and aquaculture projects.
- Scotiabank acted as the ESG structuring agent and joint bookrunner on the first local corporate blue bond issuance in Chile, on a UF$4 million (~CAD$218 million) issuance by Chilean water utility Esval. Proceeds from the offering will be used to finance investments in drinking water supply, infrastructure and wastewater treatment in the issuer's service regions of Coquimbo and Valparaíso.

Green Data Centre Debt Financing

The digital infrastructure industry has experienced rapid growth, driven by surging demand for artificial intelligence (AI), cloud technologies, and data centres. This expansion has intensified the focus on how companies manage material sustainability factors, such as energy efficiency and resource consumption. Scotiabank has played an active role in supporting this evolution, helping clients embed sustainability considerations into their financing strategies.

- Scotiabank acted as joint bookrunner on twelve green data centre debt financing transactions in 2025, which consisted of one green loan and eleven green asset-backed securitization transactions[1].
- Scotiabank supported eStruxture's inaugural CAD$750 million green asset-backed securitization, acting as joint structuring advisor, joint active bookrunner and sole sustainability structuring agent. The issuance marked the first-ever rated, Canadian asset-only securitization in the data centre sector, as well as the first green finance framework and green ABS issuance for a data centre operator in Canada[2].

1 The referenced data centre financing transactions were marketed as green financings by companies with green finance frameworks in alignment with the ICMA Green Bond Principles and/or LSTA/LMA/APLMA Green Loan Principles, as referenced in each of those frameworks' respective second-party opinions.

2 Green asset-backed securitization and green finance framework are defined in accordance with the ICMA Green Bond Principles.

AFFORDABLE HOUSING

Scotiabank continues to contribute to the discussion regarding affordable housing across Canada. Two events this year highlight our role as a convener of key stakeholders across Canada to discuss the challenges and opportunities around housing.

Our Third Affordable Housing Summit

In February we hosted our third Affordable Housing Summit with over 950 virtual attendees. Key messages from our speakers included:

- Increasing the housing supply is going to require capital, strong government policies, innovation and partnerships.
- The financial sector has the ability and the tools to harness capital to support building housing, including affordable housing, with speed and at scale.
- With challenges come opportunities, innovation and leadership. Equally important, challenges require partnerships. There is no single group in Canada that can solve our housing challenges; it will take all levels of government, a range of stakeholders and market participants, all aligned and focused on action.

Affordable Housing at ScotiaRISE Atlantic Summit

In April we held our Atlantic Summit – an opportunity to share and discuss innovative approaches and solutions for building stronger, more inclusive communities across the region.

The summit's theme was Strengthening Local Communities Through Action, with affordable housing as a key element, and featured presentations and discussion panels examining how to enhance community development to better serve the individuals and families who call Atlantic Canada home. Canada needs strong communities to achieve our national goals and those communities are based on good jobs and good housing.

SUSTAINABILITY-RELATED EQUITIES RESEARCH

Investment research focused on sustainability-related topics helps clients understand how environmental, social and governance factors influence corporate strategy and investment decisions across capital markets, influence performance and stakeholder interests, and support clients' strategies regarding sustainable market practices and disclosure.

Within Global Equity Research, Scotiabank's Thematic and Sustainability Investment Research team publishes insights to help clients make informed investment decisions by providing ongoing analysis of sustainability-related topics and their relevance to capital markets. In 2025, activities included:

- Hosting the Scotiabank Global Banking and Markets' Sustainability Summit, an event that engaged dialogue with capital market participants on trending and emerging issues. The question of "What is the Future of Sustainability?" convened 350 investors, corporates and other stakeholders to explore themes and perspectives.
- The 2025 annual Sustainability Investment Research Report summarized the insights from the GBM's Sustainability Analytical Framework, a proprietary tool that evaluates and ranks more than 1,000 companies. As a result, the research report represents insights gained from roughly half of the world's publicly listed market capitalization, including those on the S&P/TSX Composite Index, S&P 500 and MSCI Emerging Markets (EM) Latin America[1] Indices.



1 MSCI EM Latin America, as represented by iShares.

RESPONSIBLE WEALTH AND ASSET MANAGEMENT

Scotia Global Asset Management (Scotia GAM)[1] and its affiliates offer investment solutions designed to meet the needs of clients around the world. Serving an array of clients through multiple brands and distribution channels, each asset management team prioritizes the responsible stewardship of assets to drive long-term value for clients, striving to enrich their financial futures with investment solutions and comprehensive wealth advice.

The Bank's primary asset management businesses are 1832 Asset Management L.P. (1832) and MD Financial Management Inc. (MD). Prior to November 1, 2025, the Jarislowsky Fraser (JF) asset management business operated as a separate Bank subsidiary. Effective November 1, 2025, JF became a division within 1832. As of October 31, 2025, 1832, MD and JF all adopted responsible investment policies and published annual investment transparency reports as signatories to the UN-supported Principles of Responsible Investment (PRI). During the financial year ended October 31, 2025, Scotia GAM, JF and MD were Canadian Responsible Investment Association (RIA) members.

1832 Asset Management

1832 has $199.4 billion in assets under management (AUM), of which it manages $74.1 million through ESG integration approach and $379.8 million through ESG-screened funds.[2] 1832's ESG Investment Committee oversees the firm's ESG investment process and Responsible Investment Policy. Consistent with local laws, the consideration of ESG factors, where relevant, is embedded in 1832's investment processes.

Jarislowsky Fraser (JF)

JF serves institutional and individual clients in Canada and internationally, with $60.9 billion in combined assets under management and advisement. The consideration of financially material, industry-specific environmental, social and governance (ESG) issues is intrinsic to JF's investment philosophy as JF believes that a company's governance and sustainability policies, practices, and track record are likely to be a helpful lens through which to gauge the quality of an investment. JF considers an ESG issue to be financially material when it impacts an investment's risk-return profile over the long term.

MD Financial Management

MD offers investment products, advice and guidance exclusively for Canadian physicians and their families. These investments are actively managed by 1832 Asset Management L.P. ("1832"), the portfolio manager of the MD Funds. 1832 encourages both direct and indirect engagement with retained sub-advisors and the companies in which the MD Funds are invested. 1832's Multi-Asset Management team considers ESG factors into the MD Funds' investment process where relevant. This ESG analysis is a key component of financial risk management for actively managed funds. Consistent with local laws, for MD Funds with climate or sustainability-related objectives, the analysis directly supports the achievement of their portfolio objectives.[3]

References

1832 Responsible Investment Policy

1832 Proxy Voting Guidelines

Scotia GAM 2025 Stewardship Report

JF Responsible Investment Approach

JF Proxy Voting Guidelines

JF 2025 Stewardship Report

MD Responsible Investment Policy

MD Proxy Voting Policy

MD Financial Management

Data Pack: Responsible Wealth and Asset Management table in Finance and Banking tab

1 Registered as 1832 Asset Management L.P. Scotia Global Asset Management is a business name used by 1832 Asset Management L.P., a limited partnership, the general partner of which is wholly owned by Scotiabank.

2 As defined by SASB FN-AC-410a.1. Refer to Finance and Banking tab in the 2025 Sustainability Data Pack and Indices for asset breakdown and further information.

3 ESG factors are not determinative of portfolio holdings unless a fund incorporates ESG considerations into its investment objectives or primary investment strategies (is an ESG Fund). Passively managed funds (such as index trackers) that are not ESG Funds do not consider ESG factors except with respect to proxy voting when it is in the best interests of the fund.

INVESTMENT SOLUTIONS AND RESEARCH TOOLS FOR SUSTAINABLE INVESTING

The right investment solutions can empower clients to align their investments with their sustainability goals while managing their sustainability-related risks and opportunities. In offering specialized investment solutions and resources, Scotiabank has tools that can help our clients make informed decisions for their investments that reflect their values and approach to generating long-term, responsible growth.

Retail Investments	
Scotia iTRADE Sustainable Investing Ratings	With Scotia iTRADE, all self-directed investment clients have access to sustainable investing insights and research from leading rater MSCI. MSCI ESG Ratings are designed to measure companies' resilience to financially relevant, industry-specific sustainability risks and opportunities.
Scotia Low Carbon Funds	This suite of funds is designed for investors seeking a portfolio of diversified, high-quality investments with a lower weighted average carbon intensity than the relevant broad market index.[1]
Scotia Responsible Investing Exchange Traded Funds (ETFs)	These ETFs provide a low-cost investment solution to track an index screened by a set of responsible investing criteria. The funds exclude issuers that do not meet specified sustainability-related criteria and certain issuers that have high carbon intensity profiles relative to their sector.[2]
Dynamic Active Sustainable Solutions	Provides solutions across a range of equity and fixed-income opportunities, the Energy Evolution Fund and ETF invest in companies involved in the energy transition, including renewable power, emerging solutions and new energy innovators. The Dynamic Sustainable Credit Fund and Equity Fund combine active management, integration of sustainability-related factors, and specific sustainable themes to deliver long-term value for investors.[3]
Tangerine's Socially Responsible Global Portfolios	These funds offer broad market index exposure while screening out issuers that do not meet specified sustainability-related criteria and those that have the highest carbon intensity profiles in each sector.[4]
Institutional Asset Management	
JF Sustainable and Impact Bond Fund	A pooled fund managed by JF that primarily invests in a combination of debt securities that meet JF's eligibility criteria for sustainability and/or positive impact. The fund enables investors to target an allocation to certain green, social and sustainability-labelled bonds, as defined by the International Capital Market Association (ICMA) Principles.
Wealth Advisory	
ESG Equity Guided Portfolio	A global equity guided portfolio excluding companies with material exposure[5] to weapons, tobacco or alcohol. ESG rankings are applied to securities included in Global Wealth Management Global Investment Solutions' Canadian, U.S. and international equity guided portfolios.
ScotiaMcLeod Summit Program	ScotiaMcLeod, a division of Scotia Capital Inc. (ScotiaMcLeod) engages with a consulting firm to select investment managers/mandates, which can be used by advisors to create portfolios for clients. The consulting firm also includes ESG factors in its reports provided to ScotiaMcLeod.
ESG Pooled Investment Vehicle Guided Portfolio	A balanced mix of Canadian registered mutual funds and ETFs that follow a socially responsible investing approach.
SRI Equity Guided Portfolio	This Socially Responsible Investing (SRI) Equity Guided Portfolio comprises securities in Global Wealth Management Global Investment Solutions' Canadian, U.S., and international equity guided portfolios that are also Shariah-compliant, as determined by their inclusion in the S&P Global 1200 Shariah Index.
Low-Carbon and Fossil Fuel-Free Mandates	A family of private pooled funds managed by JF that excludes: (i) energy sector companies (except renewables) and (ii) non-energy sector companies that meet certain carbon-related criteria.[6]

1 Issuers meeting the following carbon-related criteria are excluded: (i) companies included in the energy sector of a broad market equity or fixed income index, as applicable, with the exception of renewable energy entities as defined by the fund's portfolio adviser or sub-adviser and (ii) non-energy sector companies that (a) own operating businesses with proven material thermal coal, oil or gas reserves; (b) have a significant amount of value attributable directly to the extraction and production of fossil fuels, or indirectly through transportation, distribution, equipment and services; and (c) with significant exposure to power generation from fossil fuels. Exceptions may be made where a company has a clear strategy to meaningfully increase the percentage of renewables.

2 Issuers meeting the following criteria are excluded by the screens: (i) issuers with alleged or verified failure to respect established norms (including the principles defined by the United Nations Global Compact on environmental protection, human rights, labour standards and anti-corruption); (ii) issuers with ongoing involvement in controversial weapons including chemical, biological and nuclear weapons, depleted uranium, cluster munitions and anti-personnel mines; (iii) issuers that derive more than a specified percentage of revenue (as determined by the index provider to measure material involvement) from business activities involving alcohol, cannabis, coal mining, coal power generation, fossil fuel, nuclear power, gambling, GMO, hydraulic fracturing, military, oil sands, pornography and tobacco; and (iv) issuers with no women represented on the board of directors or any one of the top decision-making positions, including CEO, CFO and COO. After applying these four screens, the remaining issuers in the broad market index are ranked according to their carbon intensity profiles within their respective sectors, as measured by GHG emissions per dollar of revenue. The 25% of issuers with the highest carbon intensity profiles within each sector are excluded.

3 Sustainability-related themes may include but are not limited to sustainable energy generation, efficient consumption of energy, responsible consumption and waste management, sustainable industry, infrastructure and communities and good health and wellbeing.

4 Issuers meeting the following criteria are excluded by the screens: (i) issuers with alleged or verified failure to respect established norms (including the principles defined by the United Nations Global Compact on environmental protection, human rights, labour standards and anti-corruption); (ii) issuers with ongoing involvement in controversial weapons including chemical, biological and nuclear weapons, depleted uranium, cluster munitions and anti-personnel mines; (iii) issuers that derive more than a specified percentage of revenue (as determined by the index provider to measure material involvement) from business activities involving alcohol, cannabis, coal mining, coal power generation, fossil fuel, nuclear power, gambling, GMO, hydraulic fracturing, military, oil sands, pornography and tobacco; and (iv) issuers with no women represented on the board of directors or any one of the top decision-making positions, including CEO, CFO and COO. After applying these exclusions, remaining issuers are ranked by carbon intensity profiles within their sectors, measured by GHG emissions per dollar of revenue. The 25% of issuers with the highest carbon intensity profiles in each sector are excluded.

5 Material exposure to something means it accounts for at least 10% of an issuer's trailing twelve-month consolidated revenues, operating expenses and average assets.

6 Issuers meeting the following criteria are excluded: (i) companies included in the energy sector of a broad market equity or fixed income index, as applicable, with the exception of renewable energy entities as defined by the fund's portfolio adviser or sub-adviser and (ii) non-energy sector companies that (a) own operating businesses with proven material thermal coal, oil or gas reserves; (b) have a significant amount of value attributable directly to the extraction and production of fossil fuels, or indirectly through transportation, distribution, equipment and services; and (c) with significant exposure to power generation from fossil fuels. Exceptions may be made where a company has a clear strategy to meaningfully increase the percentage of renewables.

SUSTAINABLE ISSUANCES[1]

Scotiabank's Sustainable Issuance Framework (the "Framework" or "SIF") defines the ways in which the Bank can issue bonds, notes, certificates or other instruments under green, social and sustainability categories. It is informed by the United Nations Sustainable Development Goals, the applicable International Capital Market Association Bond Principles, and other relevant market standards and guidelines.[2] The Framework provides a structured approach for the Bank to raise sustainable financing through labelled instruments,[3] with the objective of funding initiatives that seek to advance clean energy, climate adaptation and social equity initiatives.

Introduced in April 2024 as a replacement to the previous Scotiabank Bond Framework (SBF), the SIF was designed to broaden the scope of Eligible Green and/or Social Assets, enabling greater flexibility in addressing a range of sustainability priorities. It allows multiple types of eligible financing instruments to be categorized as sustainable issuances and adds categories such as Nuclear Energy, Circular Economy, Climate Adaptation and Food Security.

Sustainable issuances and the Framework are governed by the Asset and Liability Committee (ALCO) ESG Sub-Committee, whose mandate is to support ALCO in its accountabilities with respect to the Bank's Sustainable Instruments and to oversee the implementation of the Framework. Moody's Ratings provided a Second Party Opinion on the Framework, assigning it a Sustainability Quality Score of SQS2 (Very Good).

Issuance Activities

Scotiabank and its related entities or subsidiaries have issued a total of CDE$5.7 billion in sustainable bonds and structured notes issuances since 2019, of which CDE$3.5 billion was outstanding as at August 31, 2025.[4] In accordance with the respective Frameworks, these proceeds are intended to be allocated to Eligible Green and/or Social Assets financed by the Bank. Issuances that include allocations to eligible Nuclear Energy investments are presented as a separate category.

2025 SUSTAINABLE ISSUANCE ASSET PORTFOLIO[5,6]

(Includes assets allocated to outstanding issuances)



Sustainability Issuances	**$0.2 Bn**	**Available Assets**	
Green Issuances	**$2.1 Bn**	Green Assets	**$4.0 Bn**
Sustainability Issuances (Nuclear)[7]	**$1.2 Bn**	Social Assets	**$0.4 Bn**

Refer to the Appendix for the Allocation of Proceeds for Outstanding Issuances and Impact Reporting.

Sustainable Investments in the Bank's Liquidity Portfolio

In 2025, Group Treasury invested $2.1 billion in sustainable bonds,[8] reflecting a cumulative investment of $9.2 billion since 2019 (issued by third parties, such as publicly sponsored entities or sovereigns, supranationals, or agencies). Investments were transacted in the primary market and are captured in the Bank's high-quality liquid asset portfolio.

References

Scotiabank Sustainable Issuances

Sustainable Issuance Framework

Moody's Second Party Opinion

Data Pack: Sustainable Issuances and Bond Purchases table in Finance and Banking tab

1 Information presented here focuses on labelled transactions issued under the Sustainable Issuance Framework and may not capture all sustainable liabilities of the Bank.

2 International Capital Market Association's (ICMA) Green Bond Principles 2021 (with June 2022 Appendix), Social Bond Principles 2023 and Sustainability Bond Guidelines 2021, as well as the Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA), and Loan Syndications and Trading Association's (LSTA) Green Loan Principles 2023 and Social Loan Principles 2023.

3 Labelled instruments refer to debt securities formally designated as green, social, or sustainability at issuance under the Bank's Sustainable Issuance Framework.

4 Total provided in Canadian Dollar Equivalent (CDE) as converted at the time of each respective issuance. Sustainable instruments are defined pursuant to the Framework and its predecessors at the time of issuance.

5 The Sustainable Asset Portfolio is comprised of assets that meet eligibility criteria as per Sustainable Bond Framework and Sustainable Issuance Framework, as applicable (in CDE converted as at August 31, 2025), of which CDE$3.5 billion has been allocated to support issuances outstanding.

6 The Sustainable Asset Portfolio as well as sustainable issuances outstanding represent a small amount of the Bank's total assets and liabilities, respectively, as at August 31, 2025. Numbers may not add due to rounding.

7 Sustainability issuances with allocation to nuclear assets.

8 As defined by International Capital Markets Association (ICMA).

Financial Access and Inclusion

Clients look for a financial services partner that supports them by meeting their day-to-day banking as well as their bigger financial goals. Scotiabank is there to help with managing day-to-day banking transactions, embarking on more ambitious plans such as starting a business, saving for a home, or investing in education. The Bank's business lines continually enhance their holistic suite of innovative products, services and guidance offered to clients so they can enhance their financial wellbeing, wealth, and economic potential.[1]

ENHANCING FINANCIAL ACCESS AND INCLUSION IN BANKING

In its retail markets outside the U.S., expanding inclusion and access to finance is an important way Scotiabank can play its part to facilitate and support capacity for broader economic and social progress, and contribute to poverty reduction, job creation, gender equity and greater economic participation.

Access to Financial Products and Services

Scotiabank takes a client-first, inclusive approach to the delivery of banking. On an ongoing basis, the Bank is exploring ways to design products, services and banking tools to better serve the interests and needs of many different clients, including those that may have additional barriers in the way of their full economic participation.

The Bank offers a wide range of low and no-cost banking offerings, and makes financial information, tools and literacy education broadly available. These resources are designed to help clients and the communities we serve. Learning about financial instruments and better understanding their financial options enable people to more fully access and participate in financial systems and build financial skills. The Bank intentionally designs products and services that can help increase access for underserved and underbanked people, such as:

- Inclusive product design: Products and services are intentionally developed to support clients at different life stages – from saving for a home (First Home Savings Account) or education (Registered Education Savings Plan) or growing a business.
- No- and low-cost solutions: The Basic Bank Account provides everyday banking features, and is offered at no fee to seniors and certain client groups. Also, several no annual-fee/low annual-fee credit card options, some of which allow clients to earn cash back or points that can be used to offset expenses like groceries or to pay part of their credit card balances.
- Savings tools: Products such as the MomentumPLUS Savings Account, Bank The Rest® Savings Program, and the Savings Accelerator Account, help clients build financial resilience through simple and accessible savings tools.
- Flexible Payment Options: Scotia SelectPay™ instalment plans available on qualifying credit cards which enables eligible clients on those qualifying credit cards to spread eligible transactions into fixed payments over time at competitive rates.

Financial Literacy and Capacity Building

- 3,500 clients participated in community financial capability workshops in Barbados, Guyana, Trinidad & Tobago, Jamaica, The Bahamas, Cayman Islands, and Turks and Caicos, designed to strengthen budgeting, saving, investing and planning through different life stages.
- The Bahamas hosts seniors financial literacy sessions daily in branches and local communities on financial safety and online fraud prevention. Quarterly branch Digital Days to help seniors improve digital banking skills safety through targeted outreach and education.
- For newcomers, pre-arrival partnerships with Moving2Canada and Prepare for Canada where we help educate newcomers by providing tailored information on topics such as savings, credit scores and mortgage financing in Canada.

1 Some of these programs and initiatives may be reflective of requirements under applicable local laws.

- StartRight provides online education to help newcomers understand topics like Canadian credit and monitoring credit scores, making their transition to Canada easier and more inclusive.
- The Indigenous Financial Fitness literacy program integrates Indigenous culture, values and experiences on topics such as budgeting, cash flow, fraud protection and saving.
- Student Hub is a one-stop shop for students to access resources and tools, including tips on avoiding financial fraud, particularly for international students studying in Canada.
- In the Caribbean, Scotiabank supports the *YouthRise* initiative, which provided six financial literacy training workshops to young people transitioning from state care, focused on budgeting, debt management and responsible spending.
- In Jamaica, Scotiabank partnered with Project STAR, launching the Student Education and Empowerment Programme (SEEP), supporting 70 students, parents and teachers to improve literacy and numeracy skills and a strong foundation for financial inclusion.
- Scotiabank partnered with SOS Children's Villages Peru, "*Families with a Future*" delivered employability and entrepreneurship training to help participants develop business plans. Following the sessions, 36 viable projects received seed funding to launch their ventures.

Financial Literacy and Wellbeing

Financial literacy is essential to building long-term financial resilience and stability. Scotiabank invests in financial literacy education, community-based programs (including ScotiaRISE community impact investments), and digital tools that can help clients build financial capability, assess their financial planning and strengthen their confidence.

The Bank provides practical guidance for clients to navigate different financial journeys. Initiatives such as Scotia Advice+, Scotia Smart Money insights, and the StartRight program provide clear, actionable information on topics such as budgeting, credit health, investment planning and financial milestones, that help clients make informed decisions and build their financial confidence.

Perspectives shares articles and podcasts on financial literacy and wellbeing, with guest experts covering topics such as a beginner's guide to investing, money management tips, how to avoid scams and primers on real estate and estate planning. These podcasts are available on Scotiabank.com and across multiple platforms, including Apple Podcasts, Spotify, Google Podcasts, Amazon Music and YouTube Music.

Scotiabank's commitment to financial access and inclusion extends across its international footprint. Through targeted programs and partnerships, the Bank works to remove barriers to banking, enhance financial literacy and strengthen economic participation for underserved groups. These initiatives reflect Scotiabank's focus on accessibility, capacity building and community development – supporting individuals and communities to build financial resilience and pursue economic opportunities.

Supporting Clients Facing Financial Hardship

From time to time, clients face unexpected financial challenges that make it difficult to meet their financial obligations. Scotiabank Advisors work with clients individually to understand their circumstances and offer advice and support, including short- and long-term relief options when their payment capacity has been impacted. This approach reflects the Bank's commitment to helping clients maintain financial stability and remain connected to the financial system during periods of hardship.



References

Access to Finance

Indigenous Financial Services

Accessibility Site

Data Pack: Access to Banking table in Social tab

2025 Public Accountability Statement: Access to Financial Services (Canada)

ENABLING ACCESS THROUGH TAILORED BANKING OFFERINGS

Scotiabank's client-first approach leads with advice and follows with solutions to help clients reach their financial goals. We focus on improving and simplifying access to products and services that make it easier to do business with the Bank. Our employees and advisors build intentional, meaningful relationships designed to best understand financial needs and objectives of clients, so Scotiabank can identify and provide the right products, service and advice that deliver long-term value.

See Scotiabank's 2025 Public Accountability Statement for more details and information about the products and services offered to clients, including support for newcomers through StartRight, tools, and financial solutions offerings for small and medium-sized businesses in Canada.

Growing Small and Medium-Sized Businesses

For small and medium-sized businesses, Business Banking provides a comprehensive set of financial solutions, advice and services to address each stage of a business's life cycle. From starting a business to developing and expanding it, Scotiabank designs financial products targeted for different business types and needs, bringing insightful financial advice, a responsive, digital-first approach to service, and beyond-banking solutions to help businesses grow and achieve their goals.

The Scotiabank Women Initiative®

Created to empower women and increase their economic and professional opportunities, The Scotiabank Women Initiative® launched in Canada in 2018. The program has since expanded across the Bank's business lines and internationally to Chile, Costa Rica, Jamaica, Mexico, Peru and Europe. The goal of the program is to help women clients grow their businesses, advance their careers and invest in their futures so they can succeed on their own terms.

This enterprise program continues to foster success and growth for women by offering tailored solutions to support them at various stages of their professional and personal wellbeing journeys. The program has:

- Engaged over 49,700 women entrepreneurs globally supporting access to capital, specialized education and mentorship.
- Hosted nine cohorts of the Good Corporate Governance Program in Canada, exclusive training for women in senior leadership roles, covering emerging topics in corporate governance and supporting corporate boards by elevating the skill sets of current/prospective directors.
- Trained over 1,400 Canadian wealth professionals in sessions designed to take a women-centred approach to wealth management, addressing key topics like life transitions and estate planning.

Supporting Newcomers

Scotiabank's award-winning[1] StartRight™ program is designed to accelerate the success of newcomers to Canada. The program provides a comprehensive suite of banking solutions tailored for permanent residents, international students, temporary workers, and refugees.

This year, Scotiabank was the first bank in Canada to integrate Nova Credit into its digital onboarding, allowing newcomers to use their international credit history for higher credit limits, up to twice those typically offered to newcomers. The program also launched new digital onboarding flows so newcomers can open chequing, savings and credit card accounts online, making it faster and more convenient to access essential financial services. Together, the cross-border credit check and online and mobile services help streamline access to financial services making the transition to Canada easier and more inclusive.

References

Business Banking Services

Advice+ Centre *for business*

The Scotiabank Women Initiative®

Newcomer Banking | StartRight™

2025 Public Accountability Statement: Small and Medium Business, Specialized Products and Services for Clients (Canada)

1 2025 Best banking offer for newcomers – Scotiabank *StartRight™*.

Reconciliation with Indigenous Peoples

The Bank has committed to a journey of reconciliation that is focused on building and sustaining trust-based relationships with Indigenous clients, communities and employees in Canada. This includes integrating Indigenous perspectives into our operations, supporting economic reconciliation, enabling community-led initiatives and amplifying Indigenous voices through education, cultural awareness and truth-telling. In 2024, Scotiabank was awarded PAIR gold certification by the Canadian Council for Indigenous Business, reflecting the Bank's deepening culture of reconciliation across the enterprise.

STATEMENT OF TRUTH AND RECONCILIATION

Across Turtle Island, Scotiabank employs, banks and resides within or near the territories, nations and communities of Indigenous Peoples. Throughout our history together, we acknowledge the barriers the financial system has created for Indigenous Peoples, impacting their economic advancement, and the significant work to be done to rebuild relationships of trust.

Scotiabank recognizes our responsibility to address the Truth and Reconciliation Commission of Canada's Calls to Action, with a specific emphasis on section 92, which requires the corporate sector in Canada to adopt the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as a reconciliation framework. For more information, see the full text of the Statement.



TRUTH & RECONCILIATION ACTION PLAN

Scotiabank has embedded its efforts for reconciliation through its Truth & Reconciliation Action Plan (Action Plan), which outlines 37 commitments to advance meaningful, measurable progress. One of the first within Canada's financial sector, the Action Plan brings together more than 12 business areas, addressing key issues such as access to housing, data sovereignty, Missing and Murdered Indigenous Women, Girls, Two-Spirit Peoples (MMIWG2S+), sustainability and Indigenous Rights.

The Action Plan Commitment Owner Forum brings together the teams responsible for delivering commitments on a bi-monthly basis to address barriers and strengthen enterprise-wide alignment. Scotiabank internally tracks and reports progress on its Action Plan through key performance indicators set by each commitment owner, using a framework to support consistency, clarity and accuracy measuring progress across the plan's commitments. At the management level, a cross-functional Truth & Reconciliation Action Plan Executive Steering Committee meets quarterly to supervise the overall progress and implementation of the Action Plan. The Board receives updates on reconciliation initiatives through existing governance channels.

PAIR GOLD
PARTNERSHIP ACCREDITATION IN INDIGENOUS RELATIONS

Action Plan Commitment Reporting

In the first 12 months of its four-year Truth & Reconciliation Action Plan, Scotiabank delivered on several of its 37 Action Plan commitments:

Commitment	Progress
#2 Developing Indigenous Talent	Expanded the pipeline of boardroom-ready Indigenous talent through the delivery of specialized leadership training to Canadian-based Indigenous employees seeking professional development to strengthen skills, enhance board readiness.
#3 Annual Mandatory Indigenous Cultural Awareness Trainings	100% of Board of Directors completed education modules designed to deepen understanding of Indigenous relations and reconciliation topics material to the Bank. This training is annual, and mandatory for Scotiabank's Board.
#8 Land Acknowledgements for Scotiabank Employees	Introduced an internal guide for employees to support consistency in the development of respectful and meaningful Land Acknowledgements and Statements of Reconciliation.
#9 External Communication	Communicated externally on the ongoing progress of reconciliation-related activities through a dedicated site, events like the second annual Indigenous Reconciliation Summit and through the Bank's existing channels and forums, such as stories in Perspectives.
#10 Internal Communication	Developed an enterprise communication plan and delivered on its objectives to promote the meaningful and sustained engagement of leadership and employees in the Bank's Truth and Reconciliation journey.
#12 Employee Education	Enhanced and expanded the Bank's mandatory cultural awareness training program content to inform non-Indigenous employees about the lived experiences of Indigenous Peoples as clients, colleagues and suppliers and community partners.
#18 Self-Identification	Updated and enhanced the Indigenous self-identification survey process and provided targeted training and resources to survey practitioners with a goal to increasing employee trust and accessibility.
#21 Community Investment	Fostered trust-based relationships between ScotiaRISE and Indigenous-led or Indigenous-benefiting programs and organizations. ScotiaRISE has a dedicated Indigenous partnerships manager and allocates a minimum of 6% of its Canadian budget to Indigenous community partners' programs and initiatives.
#33 Indigenous-Led Climate Initiatives	Provided dedicated support for Indigenous-led efforts developing climate-related systems change. Refer to Supporting Indigenous-led Climate Initiatives for the Benefit of Canada (p. 82) for more information.
#35 Investment Management Awareness	Delivered customized training tailored for employees in Scotiabank's investment management teams to raise awareness about the investment considerations and opportunities related to First Nation, Inuit, and Métis economic development projects.
#36 Murdered & Missing Indigenous Women, Girls and 2-Spirited Peoples (MMIWG2S+)	Supported organizations addressing the crisis of Missing and Murdered Indigenous Women, Girls and 2-Spirited People, including the Indigenous-led Moose Hide Campaign. In 2025, 573 Scotiabank employees participated in 18 Moose Hide walks across the country.

Advancing Reconciliation

Truth is essential to reconciliation, as it acknowledges the historical injustices faced by Indigenous Peoples, paving the way for healing, justice and trust. There is still much to learn about Canada's colonial past, the residential and day school systems, and the assimilation policies that continue to cause significant systemic socio-economic barriers and intergenerational trauma for Indigenous Peoples. We are dedicated to pursuing truth through self-reflection, open conversation and active listening.

Scotiabank's Office of Truth & Reconciliation plays a central role in embedding reconciliation principles across the organization by supporting coordination of internal teams, advising on best practices and implementing the Bank's Action Plan. The team works closely with business lines, commitment owners and leadership to align actions with the Bank's commitments and manage legal, regulatory and reputational considerations.

Beyond the Action Plan implementation, the office acts as a trusted partner and thought leader, supporting clients and partners on their own reconciliation journeys. It fosters a culture of reconciliation through education, advocacy and relationship building. These practices are extended across Scotiabank's global footprint, strengthening community trust through sustained engagement, investment in community initiatives and feedback channels that ensure Indigenous voices shape ongoing work.



In addition to the delivery of Action Plan commitments, and in the spirit of collaboration and engagement, Scotiabank continued to drive outcomes, build momentum and deepen trust:

- Listened to and learned from Rightsholders' perspectives of the Indigenous economy and economic opportunity at the Indigenous Economic Reconciliation Summit: Activating the TRC's Call to Action #92. The second annual event welcomed Indigenous and non-Indigenous leaders and more than 300 guests for discussions about how to advance reconciliation through economic empowerment and partnership.
- Observed Orange Shirt Day and National Day for Truth and Reconciliation, highlighting the importance of Indigenous storytelling with 2,139 Scotiabank employees. Sandra Laronde, a renowned Indigenous multidisciplinary artist and cultural leader, explored the profound role of Indigenous storytelling: its ability to hold memory, transmit knowledge, and create pathways for healing.
- For the third year in a row, partnered with Medicine Wheel Publishing to share the powerful storytelling of Phyllis Webstad with children and youth, putting Webstad's new book, *Decolonization and Me: Conversations about Healing a Nation and Ourselves*, into the hands of Indigenous educators and classrooms.
- Boosted the voices of Indigenous speakers and trusted allies, including a profile of Marie Wilson, Commissioner of the Truth and Reconciliation Commission of Canada (TRC), learning from climate researcher Janna Wale, and tapping into Indigenous economic power with the founder of the Indigenomics Institute, Carol Anne Hilton.
- Worked with Indigenous leaders to grow the Indigenous economy through partnerships with organizations like the Indigenomics Institute and the Aboriginal Financial Officers Association Canada, and as an Indigenous Procurement Champion with the Canadian Council for Indigenous Business.

References

Truth and Reconciliation

Truth & Reconciliation Action Plan

Statement of Truth and Reconciliation

Community Impact

Aligned with the Bank's core values, Scotiabank focuses its community investments on initiatives that help promote inclusive economic growth, build community capacity, and improve access to education and essential services.

OUR APPROACH TO COMMUNITY INVESTMENT

Our Global Community Investment Strategy focuses on advancing economic resilience – an area closely aligned with the Bank's core purpose and reflective of the role we can play in supporting stable, inclusive economic systems. Our community investment efforts are aimed at strengthening employee engagement, deepening client and partner relationships, and advancing our vision of inclusive growth, economic resilience and shared prosperity.

Scotiabank's Board and CEO oversee Scotiabank's Community Investment strategy, including ScotiaRISE, and provide approval for funding requests that exceed $1 million. Community investment activities are governed by our Global Donations and Community Sponsorship Policy, designed to facilitate strategic alignment, accountability and consistency in the procedures, process and decision-making for donations and sponsorships across Scotiabank's global operations.

Scotiabank's EVP & Chief Global Corporate and Public Affairs Officer has enterprise-wide responsibility for our Community Investment strategy and operations and serves as the Chair for the Bank's Community Investment Committee, which meets bi-monthly to help shape our strategy, policies and programs, and approve requests above a certain financial threshold.

References

Donations & Community Sponsorships

Funding: Guidelines and Applications

Data Pack: Community Impact tables in Social tab

2025 Public Accountability Statement: Community Development (Canada)

COMMUNITY INVESTMENTS AND IMPACT

Scotiabank supports projects and initiatives that aim to deliver measurable, lasting benefits in the communities where we operate. This work is anchored to one of our core purposes as a financial institution: to foster economic growth and opportunity.

In 2025, Scotiabank distributed a total of $88.9 million in community development and capacity-building investments globally. Annual reporting and public disclosure of our community investments reinforce Scotiabank's commitment to accountability and strengthens our ability to deliver measurable impact. Our community investment contributions are independently verified by the London Benchmarking Group (LBG) Canada, a recognized global standard for managing, measuring and reporting community investment.

2025 GLOBAL COMMUNITY INVESTMENTS

Contribution by Type



Cash Donations	$79.0 million
Employee Volunteerism During Work	$2.9 million
In-Kind Investments	$1.7 million
Program Management Costs	$5.3 million
Total	**$88.9 million ▲**

▲ Independent verification of Scotiabank's total community investment spend is provided by LBG Canada according to the LBG model.

IMPACT THROUGH SCOTIARISE

ScotiaRISE is Scotiabank's 10-year, $500 million community investment commitment. Its goal is to create economic resilience by helping individuals and families access opportunities for economic growth, adapt to change, overcome barriers and fully participate in the economy. In the five years since ScotiaRISE launched in 2021, it has supported 300 community partners and provided more than $212 million in community investment globally. Through the funding to partner programs, ScotiaRISE support has enabled people to access support at a total of more than three million critical moments in time.[1]

At launch, we had three pillars: Education, Employment, and Newcomer integration as well as support for adjacent urgent needs such as food, shelter, and medical care. Over the past five years, we have made changes to adapt to evolving social, environmental, and economic challenges, including:

- Addition of Social Cohesion as a pillar
- Expanded support for Indigenous-led and benefiting organizations; and
- Increased focus on Latin America and the Caribbean.

Evolving ScotiaRISE to Address Emerging Economic and Social Realities

As ScotiaRISE evolves, we continue to refine our approach in response to shifting community needs and broader social, environmental, and economic conditions. Central to this evolution is our ongoing commitment to fostering inclusive economic opportunities for individuals and communities, now complemented by a strengthened focus on building a resilient economy – one in which people, communities, and countries have the capacity to adapt to disruption and thrive amid change. Beginning in 2026, ScotiaRISE will be guided by a refreshed strategic framework anchored in four pillars: Education, Employment, Community Needs & Cohesion and Resilient Economy.

This expanded mandate reflects Scotiabank's commitment to advancing inclusive prosperity across our global footprint. By investing in community-level action and elevating thought leadership, ScotiaRISE is helping communities navigate complex challenges today while laying the groundwork for a more inclusive, adaptive, and resilient tomorrow.



1 Critical moment totals are reflective of the impact of ScotiaRISE partners supported through Scotiabank's community investment budget and do not reflect the impact of organizations supported through business line subsidiaries and other budgets.

ScotiaRISE supports a wide variety of annual and multi-year community programs partnerships, delivered at local, regional and national levels. A sample of some of the significant commitments and investments in Canada are shared in Scotiabank's 2025 Public Accountability Statement. Some international examples include:

- **Gaining Skills in Technology**
  1,900 women across Latin America will participate in programs by Laboratoria Inc. ScotiaRISE's support of $900,000 over three years will help women learning technology and life skills to thrive in a digital economy.
- **Financial Literacy**
  For over a decade, Scotiabank Futbol Club (SFC) has used football as a platform to build confidence, strengthen community connections and expand access to development opportunities for youth across the Americas. In 2025, $2 million was invested in initiatives delivered with partners, including the FC Barcelona Foundation, Hope, and World Vision. SFC also supported the renovation of two new community soccer pitches in Chile and one in Mexico, which will host Scotiabank's financial literacy program, *The League of Life*. The facilities also host Fundación 11, which provides emotional education programs for girls aged 6 to 18 from vulnerable communities.

IMPACT BY PROGRAM AREA THEME[1] (Critical Moments in Time)[2]		
	Access to Credit	1,502
	Supporting Costs	22,762
	Allyship[3]	142,322
	Job Search	78,815
	Mentoring/Network	203,423
	Financial Literacy	146,987
	Skilling/Tutoring	235,367

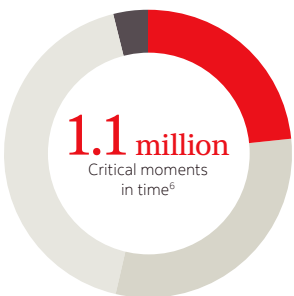
REPORTING ON PROGRESS: YEAR FIVE

INVESTMENT



Total non-reportable investments[4]	**$21.5 million**
Total reportable investments[5]	**$28.9 million**
Employee giving and management expenses	**$3.9 million**
In-kind donations	**$1.2 million**

HELP PROVIDED BY SCOTIARISE



Basic Needs	**256,720**
Employment	**328,952**
Education	**459,941**
Newcomers	**42,285**

GEOGRAPHICAL BREAKDOWN



Canada	**$36.3 million**
International	**$14.1 million**

1 The activity categories reported here are those common across all ScotiaRISE focus areas but not encompassing/reflective of all activities we support.
2 All KPIs are provided by ScotiaRISE partners. Data accuracy is dependent on partners successfully completing Scotiabank's annual survey.
3 Program interventions supported under this category include anti-bias or inclusion classroom programs, culturally relevant curriculum, and workplace inclusion training.
4 Includes programs where Scotiabank did not request reporting response, programs that are currently still in operation and unable to report results, and programs where a reporting response was not received. Also includes ScotiaRISE donations that are aligned to ScotiaRISE's social change goal but are not aligned to specific programmatic interventions with available metrics.
5 Includes programs that received funds, were in operation or completed for the reporting year, and that submitted a reporting response.
6 Critical moment totals are reflective of the impact of ScotiaRISE partners supported through Scotiabank's community investment budget and do not reflect the impact of organizations supported through business line subsidiaries and other budgets.

RESPONDING TO DISASTERS

Scotiabank provides humanitarian and emergency relief across its global footprint as needed to assist communities affected by natural and human-driven disasters. In fiscal 2025, the Bank contributed $445,000 globally to support relief and recovery efforts in multiple areas.

United States – Support to the Central Texas Flood Recovery Fund.

Canada – Provided support for local relief and recovery efforts for several Indigenous communities located across Canada that were affected by wildfires and ice storms.

Mexico – Support in the delivery of food kits for affected communities in Veracruz, in coordination with the Mexican Red Cross. This action helped cover basic needs in areas impacted by the emergency.

Jamaica – Following Hurricane Melissa, through ScotiaRISE and the Scotiabank Foundation in Jamaica, the Bank committed $1.3 million to support their rebuilding efforts over the next five years.

References

ScotiaRISE

2025 Public Accountability Statement: Community Development (Canada)

Data Pack: Community Impact tables in Social tab

EMPLOYEE-LED COMMUNITY IMPACT

Each year, thousands of Scotiabank employees contribute to their communities and charities of their choice through volunteering, fundraising, and charitable giving.

The Bank's community engagement platform, Spark, connects employees with over two million charities and non-profits worldwide and provides a valuable tool to measure employee-led impact. It also captures governance roles held by Scotiabank leaders in non-profit organizations, reinforcing accountability and the Bank's commitment to community engagement across its footprint.

Global Employee Giving Campaign

- Through the 2025 campaign, employees raised $21.4 million in employee and corporate donations, a 25% increase in contributions year-over-year.
- Individual giving and volunteer engagement spanned 28 countries and the participation of 56% of employees globally.

	2025	2024
Spark: Global Community Engagement		
Employee volunteers	15,324	15,997
Volunteer hours	247,607	251,849
Charities and non-profits supported through employee donations and volunteer engagements	7,482	7,045



Employee Experience

Scotiabank aims to cultivate a high-performance, values-based culture guided by our ScotiaBond. ScotiaBond represents our shared commitment to creating safe spaces for learning and growth and being an employer of choice that promotes accountability, inclusivity, and recognizing that we only succeed when we win as one team.[1]

OVERSIGHT AND GOVERNANCE OF WORKFORCE

The Board's Human Capital and Compensation Committee provides oversight of the Bank's human capital management practices and strategies, including culture (ScotiaBond), employee engagement, pensions, benefits, compensation strategies (Total Rewards), talent management and succession, and the health, safety and well-being of the Bank's employees.

The Chief Human Resources Officer holds responsibility for Global Human Resources and participates in the overall strategic direction of the Bank, as a member of the Bank's Operating Committee. At the senior management level, the Human Capital Committee (HCC) reviews executive mandates, succession planning, and talent strategies, including workforce learning and development activities. Our Global Human Resources team is responsible for designing and delivering the strategies, programs, and tools that support talent and culture globally.

Workforce Overview[2]

BY REGION
(Total)



Canada	**41,476**
International	**39,071**

BY GENDER
(Percentage of Total)



Women	**52%**
Men	**46%**
Diverse gender identities	**2%**
Did not disclose	**1%**

BY AGE
(Percentage of Total)



Under 30 years	**21%**
30 to 50 years	**59%**
Over 50 years	**20%**

1 Our diversity, equity, and inclusion initiatives reflect our desire to ensure that all our employees have opportunities to succeed and advance in their careers free from discrimination. That being said, all our initiatives are reviewed to ensure compliance with local laws, and individual employment decisions are always made based on merit, consistent with applicable local laws.

2 Workforce and employee data, unless otherwise noted as provided on a full-time equivalent (FTE) basis, is provided on a headcount basis, excluding casual staff, students, interns, employees on leave, contingent workers, affiliates and subsidiaries where breakdowns are not available due to different reporting systems.

HIRING & RECRUITING

Scotiabank aims to hire the best talent for every role, recognizing that strong candidates bring a range of backgrounds, experiences and career paths. Our objective is to build a workforce with the skills, perspectives and capabilities needed to drive innovation, strengthen performance and support sustainable growth.

The Bank seeks to have a structured hiring approach that is fair, transparent and competitive. Regular reviews of policies, practices and HR systems help ensure consistent and equitable processes that support informed hiring decisions and a positive candidate experience.

Scotiabank's talent acquisition strategy is aligned with the Bank's Global Inclusion Strategy. Workforce representation is tracked to assess progress toward more equitable hiring and advancement outcomes.[1] These metrics inform talent acquisition and development strategies and support alignment with the Bank's enterprise-wide inclusion goals.

On a quarterly basis, business units collaboratively review recruitment progress ensuring alignment with our inclusive hiring goals. Central to our approach is reducing barriers for equity-deserving groups applying to the Bank in Canada. A few ways this is achieved is by utilizing an early talent engagement model rooted in on-campus events and initiatives for all student and new graduate program roles in Canada and revisions to our candidate application questions to reflect the use of current and inclusive language.

Hiring managers and talent acquisition teams receive cultural competency training developed in collaboration with community partners to strengthen inclusive recruitment practices. To attract and recruit diverse talent globally, the Bank partners with community organizations, educational institutions and sector-focused networks. For example:

- In Colombia, Scotiabank collaborates with Universidad Externado de Colombia, which has a large Indigenous student population, and with Laboratoria, a social impact organization supporting women in technology.
- In Canada, partnerships with Canadian National Institute for the Blind (CNIB), ACCES Employment and QueerTech help connect equity-deserving candidates with career opportunities through targeted sessions and interview days.

The Bank invests in targeted leadership programs and initiatives led by Employee Resource Groups (ERGs) to support underrepresented talent and enhance access to career development opportunities. These efforts complement Scotiabank's hiring strategies and help build a more representative and resilient workforce. For example, the Scotiabank Black Employee Network ERG partnered with Accelerate Her Future™, a career program for Indigenous, Black, and racialized women in Canada, at diversity-focused campus events.

Accessibility and Accommodations for Candidates

Scotiabank is committed to providing an accessible recruitment experience for all candidates. We provide all potential candidates with information about the Bank's Accessibility and Accommodations program throughout the application, interview, and offer process. Candidates can ask questions and request support at any stage by using our accommodations email address.



1 All of our employees have opportunities to succeed and advance in their careers free from discrimination. Our initiatives are reviewed to ensure compliance with local laws, and individual employment decisions are always made based on merit, consistent with all applicable local laws.

Career Advancement

Scotiabank invests in programs that support the development, advancement and retention of all employees, with a focus on high-performing talent. A key element of this strategy is Scotiabank's Talent Incubators for Leaders of Tomorrow (TILT) New Graduate Development Programs, which are a collection of high-performance rotational programs designed specifically for recent graduates joining Scotiabank.

Through customized workshops, masterclasses, executive and peer mentorship, capstone projects and more, TILT programs are designed to ensure best-in-class learning, development and overall experience for employees across priority business lines, including Global Banking and Markets, Wealth Management and Commercial Banking. In 2025, the Bank hired 117 new graduates into these full-time programs:

- Impact: Hands-on experience in Global Capital Markets, including sales, trading and risk management.
- Accelerate: Immersive placements that prepare participants for roles in Commercial Banking across Canada.
- Catalyst: Rotational program focused on developing expertise in Global Operations and Global Wealth Management Operations.
- SOAR: In Canada, tailored programming and community support for First Nations, Métis and Inuit employees designed to help remove barriers Indigenous students face when entering the financial sector.

Retaining Talent

In 2025, we had a voluntary turnover rate of 10.6% and a total turnover rate of 19.1%✪.[1]

References

Data Pack: Global Workforce and Hiring and Recruiting tables in Social tab

EMPLOYEE ENGAGEMENT

Every employee plays an essential role in advancing Scotiabank's vision of being our clients' most trusted financial partner. Listening to and acting on employee feedback is central to achieving this vision, as it enables us to strengthen our culture, enhance the employee experience and support sustainable long-term growth to better serve our stakeholders.

Employee engagement at Scotiabank is overseen through a structured governance framework led by the Chief Human Resources Officer (CHRO), the Operating Committee and the Board's Human Capital and Compensation Committee. The Bank's Global Human Resources and Global Brand & Customer Insights teams develop and oversee our employee listening strategy, tools, and processes that support enterprise-wide engagement. This governance model reflects the Bank's leader-led approach to culture and employee experience, with shared accountability – starting with senior leaders – to advancing ScotiaBond, our culture ambition.

The CHRO and Operating Committee, along with the Board's Human Capital and Compensation Committee receive quarterly reports on employee feedback and engagement survey results. These reports provide enterprise-level insights into engagement, leadership effectiveness, trust and emerging culture risks, ensuring senior leadership and the Board have clear visibility into workforce sentiment and priorities.



1 Includes global, permanent and contract employees. Excludes casual employees, students, interns, employees on leave and contingent workers. Excludes affiliates and subsidiaries where breakdowns are not available due to different reporting systems.

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

ScotiaPulse Program

Our primary listening tool is ScotiaPulse, a program of engagement and lifecycle surveys conducted throughout the year for all active full-time, part-time and contract employees.[1] These surveys provide regular insights into organizational culture, engagement levels and employee sentiment at key moments – from onboarding and career transitions to departures. Leaders and people managers use this feedback to inform decisions, shape action plans and design initiatives that foster an inclusive and high-performing workplace. Employee feedback collected through ScotiaPulse is shared across governance channels to guide enterprise and team-level actions.

Following each survey, people managers at all levels review their team results to identify strengths, address challenges and develop targeted annual action plans to drive engagement across their teams. Annual deep-dive surveys shape comprehensive engagement strategies, while quarterly surveys track progress and guide adjustments over time.

In 2025, the Bank enhanced the survey by including information about the Raise a Concern process to increase employee awareness of how to report workplace issues. A new exit survey was also launched in 2025 to gather further feedback to drive employee engagement and retention, with plans in place to launch refreshed surveys for new hires, employees taking on new roles, and to support general onboarding.

Employee Engagement Indicators

Employee engagement is a key measure of cultural health and organizational progress. Scotiabank tracks engagement and cultural alignment through two primary measures: the Employee Engagement Index (EEI)[2,3] and the ScotiaBond Index. These indicators are informed by a global survey program reaching more than 80,000 employees at key career stages – including onboarding, new hire, new-to-role and exit.

In 2025, Scotiabank saw a strong EEI result of 84% ✪, outperforming the industry benchmark of 77%. The EEI is based on four core questions that assess job satisfaction, purpose, motivation and confidence in leadership's vision, with additional indicators tracking leadership effectiveness and employee well-being. Our ScotiaBond Index reflects a combined score across trust, belonging and alignment with the Bank's Values and Behaviours, our ScotiaBond. In 2025, we saw a significant result of 86% for our ScotiaBond Index, which demonstrates an ongoing commitment toward building an engaged, purpose-driven workforce.

References

Data Pack: Employee Engagement table in Social tab

Indicator	2025 Result	Benchmark	Target/Trend	Notes
Employee Engagement Index (EEI)	84% ✪	77%	Maintain or improve vs. industry	Based on job satisfaction, purpose and motivation
ScotiaBond Index	86%	N/A	Continuous improvement in cultural alignment	Measures trust, belonging and alignment with Values and Behaviours

1 Students, co-ops/interns, casual employees, external contractors, employees on leave, pensioners, employees in India or Malaysia, employees on settlement and terminated employees are not eligible to participate in any ScotiaPulse survey Pulses.

2 Employee Engagement Index (EEI) is based on average favourable survey responses for four survey questions included in the 2025 ScotiaPulse survey. Only respondents who have completed the entire survey are included in the calculation. To align with best practice and in response to employee feedback, the Scotiabank EEI methodology was updated in 2021.

3 External benchmarks provided by Qualtrics and based on three-year rolling global average benchmarks of the Financial Services industry.

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

EMPLOYEE RECOGNITION

Scotiabank is committed to fostering a workplace culture that celebrates employee contributions and reinforces the Bank's values. Recognition programs include Applause, Scotiaversaries and Best of the Best, which highlight achievements that reflect and advance the Bank's culture, strategy and strategic priorities.

Applause, the Bank's primary recognition platform, allows employees to acknowledge colleagues and teams who demonstrate ScotiaBond Behaviours and uphold shared values. Participants earn points that can be redeemed for rewards. Between January and August 2025, more than 705,000 recognitions were shared through the platform – a 4% increase over the same period last year – supported by new monthly campaigns focused on specific values.

LEARNING AND DEVELOPMENT

Scotiabank's Learning and Development strategy is designed to support and cultivate a high-performance, values-based culture, guided by our culture ambition, ScotiaBond. Led by the Bank's Talent Strategy team, our learning and development strategy is designed to build future-ready capabilities, support employee development, and enhance performance in alignment with business strategy.

Oversight of Learning and Development is embedded in Scotiabank's human capital governance framework to ensure strategic alignment, effective risk management and continuous improvement. The Talent Centre of Excellence (COE) and the Global Learning COE Leadership Team also shape learning strategy, business alignment and monitor performance on an ongoing basis. Learning Councils, composed of learning advisors and business leaders, help ensure programs remain relevant and scalable.

Planning Learning and Preparing for Opportunity

A multi-year skills roadmap guides the planning and delivery of learning and development to ensure that the learning solutions are appropriately structured and responsive to business priorities. The roadmap was co-developed by business leaders and HR business partners. It includes targeted learning journeys and training solutions designed to develop our workforce, including leadership, core skills, and functional and technical training in the Bank's workforce. Learning is delivered through a broad range of training, on-the-job experience, and learning programming delivered through scalable digital solutions and platforms that address performance gaps and evolving business needs.

The Bank's Global Performance & Development Policy sets expectations for ongoing engagement between employees and managers to plan, track, develop and assess performance in line with the Bank's business objectives. Employees work with their managers to create an annual plan to set measurable goals, discuss expected behaviours and evaluate outcomes. Throughout the year, managers provide regular feedback and coaching to foster high-performing individuals and teams, while employees track their progress and actively seek feedback from colleagues and managers.

Global Mandatory Learning

Scotiabank's Global Mandatory Learning (GML) program is part of the Bank's risk management and compliance practices associated with regulatory and Bank policy requirements. There are nine all-Bank and three targeted courses in GML, on topics including ethics, risk culture, privacy, data protection, inclusion, and health and safety. Completion of the annual program is required of all employees, as well as interns, contractors and contingent workers. New hires have 30 days to complete required mandatory learning.

Career Advancement and Progressive Leadership Development

iLEAD is Scotiabank's enterprise-wide leadership development framework, supporting the development of employees at all levels across the organization. The program includes curated learning experiences focused on coaching and feedback, change and resilience, team effectiveness, and key leadership skills and practices.

iLEAD provides a suite of targeted career advancement and development learning, including a 90-day Orientation for People Leaders that are new people managers, and a director-level development program focused on developing skills to lead with impact. For leaders at the director, vice president and senior vice president levels, iLEAD offers programs for high-potential leaders and an executive onboarding program that helps set the foundation for success with new executive leaders. In 2025, 7,014 employees participated in the iLEAD programs, representing 22,039 learning hours invested by our employees in their advancement and career development.

Scotia Academy

Scotia Academy is the Bank's global learning platform, offering employees a centralized access point for training and development. It contains over 90,000 learning resources available in various formats, such as e-learning, videos and virtual instructor-led training. Scotiabank employees adopted 30,533 playlists (curated based on business requirements) and earned 10,571 digital badges recognizing their learning completions.

Through the Scotia Academy platform, employees are encouraged to take control of their development at every stage in their career and engage in the learning styles, timing and formats that work best for them. Enhancements to Scotia Academy in 2025 focused on delivery of scalable programs aligned with enterprise priorities, regulatory requirements, employee development needs and an inclusive work culture, including:

- The Cloud Learning Hub, which is designed to upskill the Bank's Technology and Data teams. Since its launch, it has helped 3,821 employees build their skill sets and engage through new learning paths, which include course work, role-based learning and hands-on labs.
- The Business & Country Learning Hub, which enhances role-relevant learning, enabling the creation of curated, tailored learning paths specific to employees' roles, region and business priorities across 15 business areas and geographic locations.
- Courses in allyship help employees learn about and advance inclusion and belonging, which are integrated into Scotia Academy to reinforce Scotiabank's commitment to inclusive leadership and alignment with our ScotiaBond.

In 2025, Scotiabank:

- Invested $85.0 million in employee training and development, averaging $972 and 46.9 training hours per employee in 2025. Globally, employees completed 4.1 million learning hours and recorded 3.6 million platform views, with consistently strong post-training satisfaction scores.
- According to 175,000 post-training surveys, employees were satisfied with the training and would recommend it.

The Learning Net Promoter Score (NPS) was 71 for 2025, exceeding the target of 60 for the year.

- 83% of employees reported applying what they learned on the job, and 83% said it improved their performance, both above the 75% target for the year.
- 95% of employees surveyed in learning perceived the training as a worthwhile investment, surpassing the 2025 target of 85%.

Tracking Learning Performance and Impact

Scotiabank uses a comprehensive set of quantitative and qualitative metrics to monitor Learning & Development performance. These metrics are aligned with internal strategic goals and external benchmarks. They are monitored through various dashboards and quarterly and annual reporting mechanisms.

The Bank tracks learning performance against enterprise goals and external benchmarks through a Global Learning Dashboard. This dashboard monitors learning across business lines and job levels with several indicators, including learning hours per employee, learning net promoter score, and metrics for investment and performance measurement.

Measuring the Impact of Training

Scotiabank applies the High Impact Evaluation™ methodology to assess the effectiveness and impact of learning programs. The evaluation tracks the progression from capability development to job performance and organizational outcomes, to determine the impact of learning. In 2025, over 1,200 courses generated more than 260,000 survey responses that inform comprehensive data and benchmarks to make data-driven decisions and improve learning outcomes for employee development. In 2025, we had a Transfer Score of 83%, above the target for the year.[1]

	2025	2024
Total invested in employee training and development ($ million)	$85.0	$82.1
Total training hours (million learning hours)	4.1	4.0

References

Data Pack: Training and Development table in Social tab

1 According to the Centre for Learning Impact, creators of High Impact Evaluation™ methodology, a Transfer Score above 50% is a reliable indicator of positive organizational outcomes from training.

PAYING EQUITABLY

Paying equitably is integrated into Scotiabank's overall strategy, which promotes a pay-for-performance model aligned with our ScotiaBond culture ambition.

As part of the Bank's commitment to fostering an inclusive environment, our approach to paying equitably is guided by established policies, programs and structures, aligned with local laws and regulations. Key aspects include:

- Consistent eligibility, where compensation, including salary and incentives, is based on role, level and business segment, and applied consistently across the organization.
- Salary structures supported by market analysis and a thorough job evaluation process, grouping jobs of similar complexity and accountability into levels.
- Transparent salary ranges, for applicable roles, that are market-driven, allowing for variations to acknowledge individual performance, experience and skills.
- Regular review of structures and incentive programs using data from third-party remuneration surveys, with adjustments made to ensure alignment to the market.

We annually review and analyze compensation information in several countries as it relates to gender. In Canada, our compensation analysis continues to include designated equity-deserving groups such as People of Colour and People with Disabilities. To support this work, we apply our compensation policies and programs consistently across all employees and in accordance with applicable local laws. This equal pay analysis is rooted in our broader commitment to human rights and reflects our efforts to foster an inclusive workplace where all employees are treated fairly and with dignity.

We conduct a like-for-like comparison,[1] reviewing total compensation by designated group for roles at the same level and similar compensation structure, to enable a fair and accurate comparison across the organization. In 2025, we continued to strengthen our compensation analysis by applying a refined methodology that builds upon our statistical analysis previously completed with a third-party vendor. This approach enabled a like-for-like review of total compensation in Canada, accounting for key factors that influence pay, such as differences in performance, experience, scope of role, and the external value or demand of skills in each market. While the objective of our equal pay program is to eliminate wage gaps, we acknowledge there may be modest variances (both positive and negative) as a result of these differences.

In Canada, our like-for-like wage gap analysis showed continued progress toward equal pay. Across job levels we observe a less than 1% variance among Women and People of Colour, while we have achieved equal pay for People with Disabilities.

We recognize some areas within the Bank are less balanced between women and men than others. We continue to focus on actions to close these gaps and remain committed to ensuring remuneration design and decision-making is fair, transparent and performance based.

As part of our regulatory reporting, we also conduct a review of our raw (or unadjusted) wage gaps within Canada and the United Kingdom. As a result, these figures may differ as raw wage gaps do not take into consideration key drivers of pay, such as size and scope of role, the industry the role operates in, and external demands for the role. Furthermore, in Canada, following the submission of Scotiabank's initial pay equity plan in 2024, we continue to adhere to our obligations under the *Pay Equity Act*. We remain committed to maintaining compliance with legislation and ensuring equitable compensation practices across our workforce.

Our global compensation policies and programs are race- and gender-neutral and bias-free by design and are rooted in our job evaluation process. These are guided by a pay-for-performance philosophy that supports our strategy for enabling winning teams, encouraging strong corporate performance and helping the Bank create and sustain shareholder value. All employees within the same role and/or industry have the same opportunity to earn compensation based on performance or other established criteria. Furthermore, we have several programs in place, including recruitment initiatives, to increase inclusion across the Bank. By strengthening our talent pipeline and striving to ensure all employees have equal access to advancement opportunities, we aim to build a high-performing team.

References

Data Pack: Paying Equitably table in Social tab

1 Data is reflective from November 2024 through June 2025.

LABOUR PRACTICES

Scotiabank is committed to upholding fundamental labour rights and promoting fair, equitable working conditions across its operations. The Bank's approach is guided by internal policies and aligned with relevant labour legislation and international standards. These commitments support a respectful and inclusive workplace and help reduce workforce-related risks.

In Canada, Scotiabank maintains a minimum hourly rate above the federal minimum wage[1] and working hours are monitored under an Hours of Work Policy. This policy limits employees in entry level jobs through supervisory roles to a maximum of 48 hours per week. Exceeding this limit requires a formal review in accordance with the Canada Labour Code.

The Bank's Overtime Policy in Canada ensures employees are compensated for additional hours worked, and working hours are actively monitored to prevent excessive overtime. The Bank also upholds equal remuneration for men and women and regularly reviews gender pay gap data to support equitable compensation practices. These practices apply across Scotiabank's operations and form part of its broader commitment to responsible employment.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

Scotiabank is committed to providing a safe and healthy work environment for all employees and clients. A strong occupational health and safety program supports regulatory compliance, operational resilience and the reduction of risks and costs associated with workplace incidents, lost time and worker compensation.

Safety is the shared responsibility of every employee, and employees are encouraged to follow our Raise a Concern policy for any issues related to employee safety. Employees may also choose to participate in several volunteer roles and committees across the Bank to proactively manage our OHS program.

The Human Capital and Compensation Committee of the Board oversees strategies related to employee health, safety, and well-being. In Canada, Scotiabank's OHS program is governed by the Occupational Health & Safety Policy Committee, which is comprised of employee-elected members from across different work environments. The committee meets at least quarterly to review health and safety policies, workplace incident data and emerging safety trends, helping ensure programs remain responsive and effective.

To help reduce ergonomic-related injuries, employees have access to the Ergonomic Portal,[2] which provides guidance and a self-assessment tool to support safe and accessible work environments in both office and remote settings. Scotiabank also provides accommodations for employees with disabilities, medical conditions or impairments, supporting accessibility and well-being across the workforce.

Scotiabank monitors performance against defined health and safety objectives with 2026 targets set against a 2025 baseline. Our targets include the following:

- ISO 45001 Certification[3]: Stage 1 audit completed in July 2025. Complete Stage 2 audit for Toronto office in December 2025, with certification anticipated in early 2026. Scotiabank's Bogota Office in Colombia received the ISO 45001 Certification for Health and Safety Management Systems from the Consejo Colombiano de Seguridad in December 2024.
- Learning and Awareness: Improve access to health and safety resources and training to reduce Tier 2 Ask HR escalations by 10% (592 to 533) and increase document access by 5% (9,480 to 9,954).
- Global Mandatory Learning: Enhance course content to increase Net Promoter Score from 63 to 65, Confidence to Apply from 93% to 94%, and Perceived Usefulness from 88% to 89%, while maintaining Navigation at 90%.
- Injury Reduction: Reduce minor injury reports by 5% (487 to 463), disabling injury claims (39 to 37) and lost time due to injury (681 to 647 days) through prevention measures, ergonomic support and active return-to-work programs.

References

OHS Commitment Statement

Scotiabank 2023–2026 Accessibility Plan

Data Pack: Health and Safety table in Social tab

1 Scotiabank's minimum hourly rate in Canada is $20.00. Canada's federal minimum wage is $17.75 (effective as at April 1, 2025).

2 Our Ergonomic Policy outlines how the Bank works to provide optimal working conditions. For employees working remotely, the Bank supplies monitors and keyboards to assist with proper ergonomic workplace setup. We also adhere to recognized standards for office illumination, noise levels, air quality, humidity and temperature.

3 ISO 45001 is an international standard that specifies requirements for an occupational health and safety (OH&S) management system. It provides a framework for organizations to manage risks and continuously improve OH&S performance.

Wellness and Benefits

We recognize that our people have diverse needs and this extends to their health and well-being. To support our employees in bringing their best selves to work and life, Scotiabank's employee offerings and benefits incorporate overall well-being, including physical, financial, mental and social health.

Scotiabank's benefits and health programs are designed to provide employees choice about addressing their needs and their lifestyle priorities. Employees have access to use flexible dollars in their well-being account to cover a wide range of expenses, including sports activities, fitness equipment, ergonomic home office gear, grocery and food delivery services, and childcare needs.

The Bank's Ask HR is a global online hub designed to make it easy for employees to find the policies, benefits and programs relevant to wellness, benefits, occupational health and safety, flexible work arrangements and other workplace accommodations.

The composition of our benefits program[1] is based on local regulations, market practices, and to support the well-being of our employees through avenues including paid vacation, sick time, parental leave, and employee and family assistance programs. Some of these offerings include pension arrangements that provide long-term savings for retirement, employee share ownership plans, active benefit programs that provide health care coverage such as medical, dental, life insurance, and long-term disability.

Global Inclusive Standards of Care

We have committed to implementing Global Inclusive Standards of Care (GISOC) across our footprint to ensure all employees have access to inclusive and meaningful benefits. These standards establish globally consistent principles in key areas – such as preventative health, family building and support, and mental health – while reflecting local relevance of regional norms and cultural contexts. By promoting early intervention and inclusive care, these standards aim to reduce the long-term impact of chronic health conditions and empower employees and their families to thrive. We anticipate a full implementation by 2030.

To raise awareness of our benefit offerings, we hold wellness fairs and events at various campuses across our footprint. These events are an opportunity for employees to learn about health topics, including cancer prevention, nutrition, mindfulness, caring for aging parents among others. For example, in fall 2025, we partnered with Melanoma Canada to host three mobile skin cancer screening clinics in select Canadian Campuses.

Helping Working Parents

Beginning in 2025, Scotiabank has rolled out a standard for parental leave that is available to any employee globally. Eligible Scotiabank employees have access to up to eight weeks of fully paid leave when welcoming a new child, with birth mothers receiving an additional eight, for a total of 16 weeks. In addition, employees in Canada are eligible to receive a supplementary top-up to their employment insurance benefits up to a 16-week period, ensuring they receive 100% of their Benefits Salary as of April 1, 2025, and also have access to fertility treatment, surrogacy, and adoption benefits. Scotiabank's Workplace Accommodation Policy supports the offering of medical accommodations where needed and collaborating with medical providers to ensure the appropriate support. Some locations also have private care rooms for pregnant and breastfeeding employees.

Supporting Mental Health

All employees have access to e-learning materials that include training on topics such as mental health, strategies for learning about building resilience and supporting those facing mental health challenges. The Bank provides training and resources to help employees screen for indicators of mental stress and access support that addresses a stressful event in their workplace. Through benefits providers and Ask HR resources, employees have access to various mental health professionals, including clinical counsellors, family therapists, psychologists and psychotherapists, as well as internet-based cognitive behavioural therapy and marriage counselling.

In Canada, Scotiabank offers support through an Employee Family Assistance Program that incorporates services such as short-term counselling and work-life services, child and elder care services, on-demand virtual healthcare, flexible work options and educational mental health resources. Programs offered now include support for challenges such as burnout and recovery from substance abuse.

Access to Leave

Employees in Canada have five personal days in addition to their vacation and sick day allotment, and have the option to purchase up to five additional personal days using benefit flex dollars, each year beyond their vacation allotment. The Bank has introduced a Natural Disaster Leave policy for those significantly impacted by natural disasters. In addition, various unpaid leaves are available to employees to care for their families, including Compassionate Care Leave, Critical Care Leave, and Discretionary Leave. Our Flexible Work Options Policy in Canada provides alternative work arrangements, including flex time, compressed work week, job sharing, working from alternate locations, and part-time arrangements as appropriate.

1 Core benefits coverage, fully paid for by the Bank, is provided to all regular-status employees, and contract employees after one year of continuous service, in Canada.

Inclusion at Work

Inclusion is central to our culture and the bond we share with our employees. We are committed to fostering a workplace that promotes accountability, transparency and fair opportunities for all. By investing in our people and advancing inclusion, we want to create an environment where every employee can grow, thrive and succeed together as one team.

In 2025, we reached a pivotal moment in advancing our culture ambition – placing inclusion firmly at the centre of how we work and lead. This moment also marks the conclusion of our previous 2020–2025 inclusion strategy and opens the door to reimagining how we sustain and strengthen this commitment for the future.

Aligned with ScotiaBond, we have defined strategic priorities for this critical work and introduced a refreshed 2026–2028 Global Inclusion Strategy. This strategy focuses on building the capabilities needed to sustain an inclusive culture through a consistent set of competencies, clear accountability across the Bank, and targeted skill-building to advance inclusion.

Oversight of the Bank's Global Inclusion Strategy and inclusion efforts is provided by the Global Inclusion Council and ultimately the Board's Human Capital and Compensation Committee. Being a champion of inclusion is a shared responsibility across all functions, business areas and regions throughout the organization. The Global Inclusion Council holds responsibility for the Bank's Global Inclusion Strategy, with the Business Line Inclusion Councils helping to operationalize the enterprise strategy within their respective business lines and functions. Employee-led Resource Groups (ERGs) advance inclusion through initiatives, programming and events that foster connection, belonging and engagement.

Inclusion and Belonging Goals[1]

Scotiabank set out challenging goals for inclusion by 2025, reflecting the desire that all employees have opportunities to succeed and advance in their careers free from discrimination. Through sustained focus, accountability and collaboration, the Bank has achieved measurable progress. In 2025, Scotiabank reached its global target of 40% women in Vice President and above (VP+) roles by 2025.

Looking forward, Scotiabank's journey continues. The inclusion goals were established to push for meaningful progress and systemic change, and they have been successful in establishing a strong foundation and building the momentum to grow.

Global Diversity Survey

The Scotiabank Diversity Survey allows employees to voluntarily share if they belong to an equity-deserving group, helping the Bank to better understand the diversity of our workforce. While each country has unique approaches and demographics for equity-deserving groups, the information gathered through the survey helps design targeted initiatives to attract, develop and retain diverse talent. The survey is available to employees in Canada, the Caribbean, Latin America, Ireland and the United Kingdom, and in 2025 was expanded to reach employees in Brazil and four Asia Pacific countries.

Employment Equity Plans

A key element of our Canadian inclusion strategy is our Employment Equity Plans, required by the *Employment Equity Act*. They outline our approach to removing barriers to equitable employment and increasing representation in areas of our workforce where an equity-deserving group is underrepresented. Updated annually and informed by data and applicable local laws, these plans guide the Bank in proactively hiring, developing, promoting and retaining people from equity-deserving groups.

1 The Bank's 2025 inclusion goals are relative to our 2020 baseline year. Our Global Inclusion goals are aspirational and reflect our desire to ensure that all of our employees have opportunities to succeed and advance in their careers free from discrimination. That being said, all of our initiatives are reviewed to ensure compliance with local laws, and individual employment decisions are always made based on merit, consistent with all applicable local laws.

SUPPORTING INCLUSION[1]

Women in Leadership

To ensure women are represented in the Bank's management and leadership, Scotiabank prioritizes addressing systemic barriers in the workplace and supporting the advancement of women in their careers so they can reach their fullest potential. Through targeted development programs and strategic partnerships and in accordance with applicable local laws, the Bank continues to expand opportunities for women across all levels and increase representation in leadership roles. Inside the Bank, more than 30 Women's Groups operate at local and business line contexts to support women and the Bank's Global Inclusion Strategy.

For the fifth consecutive year, the Bank was named in The Globe and Mail's *Women Lead Here* list, which recognizes Canadian organizations advancing women into executive leadership roles. In 2025, Scotiabank continued to invest in initiatives that strengthen leadership capabilities, enhance visibility and build professional networks for women leaders, including by:

- Holding the fourth virtual Empowering Women Leadership cohort, with participating employees from Uruguay, the Dominican Republic, Chile, Colombia, Mexico and Peru. The initiative is designed to strengthens women's leadership skills, increase their global visibility and advance their personal and professional goals.
- Partnering with VersaFi to offer a range of development programs tailored to different career stages for women in Canada. These programs focus on mentorship, professional development, personal and professional assessments and consist of coaching, skill-building, and networking with senior professionals in the industry.
- Engaging with partners to expand leadership pathways for women and enhance their professional and personal development. The Bank worked with Aequales in Colombia to reach 200 women in leadership discussions and networking events. In addition, Ernst & Young delivered POWER Up workshops focused on personal leadership, inclusion and allyship in Toronto and Mexico.

Indigenous Peoples

In Canada, the Inclusion of Indigenous Peoples Centre of Expertise (COE) embeds Indigenous perspectives into policies and delivers development programs to improve representation and retention. The team manages the Bank's Employment Equity Plan for Indigenous Peoples and supports the delivery of the employee-related commitments of the Truth & Reconciliation Action Plan. In 2025, a new education series, Financial Wellness, was introduced to support Indigenous employee well-being. In March, Scotiabank's *The Building Indigenous Cultural Competency* mandatory learning course launched to foster a more inclusive and respectful environment by increasing Scotiabank employees' understanding of how to better support Indigenous clients and colleagues.

2SLGBTQIA+ People

Scotiabank continues to build inclusive spaces for 2SLGBTQIA+ employees through partnerships, community engagement and internal programming. In 2025, the Bank participated in several Pride events across Canada and internationally, creating opportunities for employees to connect and celebrate. Continuing partnerships with the Canadian Queer Chamber of Commerce and Pride at Work Canada offer learning and networking opportunities for employees and leaders. Scotiabank also hosted its first global 2SLGBTQIA+-focused event in Jamaica, "Caribbean Histories Untold," and held its inaugural Toronto Pride Social with community partners and senior leaders.

Black People and People of Colour

Scotiabank continues to advance inclusion for Black People, People of Colour and their intersectional identities through our Global Inclusion strategies, six ERGs, and events focused on employee attraction, development and retention. Consistent with local laws, the Bank has established an Employment Equity Plan in Canada for Black People and People of Colour that outlines actions to address representation gaps and remove barriers to advancement. In Canada, in 2025, the Bank hosted the inaugural Culture Connect Black Professional Networking Mixer, creating space for employees and allies to build community and celebrate Black excellence. The Bank also strengthened its partnership with the BFUTR Global Tech Summit, North America's largest gathering of Black tech professionals, reinforcing its commitment to diverse talent pathways.

1 The Bank's 2025 inclusion goals are relative to our 2020 baseline year. Our Global Inclusion goals are aspirational and reflect our desire to ensure that all of our employees have opportunities to succeed and advance in their careers free from discrimination. That being said, all of our initiatives are reviewed to ensure compliance with local laws, and individual employment decisions are always made based on merit, consistent with all applicable local laws.

People With Disabilities

Scotiabank champions accessible and inclusive practices for employees with disabilities. Our Employee Accessibility Advisory Group is a collective of approximately 300 employees representing a broad range of disabilities and intersecting identities. The group provides employee insights to the Employment Equity Plan for People With Disabilities and the HR Accessibility Operating Model, which aims to go beyond compliance to creating a barrier-free, inclusive work environment. For more information, refer to the 2025 *Accessible Canada Act* Progress Report.

Veterans and Reservists

The Scotiabank Veterans Network plays a key role in supporting the inclusion of military veterans and reservists. The Bank's Reserve Forces Leave Policy allows Canadian employees serving as reservists to take special leave for reasons including training, operations, activities or deployment. The Bank also offers eligible Canadian employees on a reserve forces leave with temporary financial support. To help attract and support recognition of military talent, the Bank's ScotiaRISE initiative supported the Veteran Employment Symposium during the Invictus Games Vancouver Whistler 2025 and developed partnerships with Veterans Affairs Canada, Canadian Armed Forces Transition Group and Treble Victor Group.

LEADERSHIP AND WORKFORCE DIVERSITY CANADA[1]

	Target by 2025	2025
Senior Leadership Diversity (VP+ roles, Canada)		
Black People	3.5% or greater	2.9%
Diverse Sexual Orientations		5.0%
Indigenous Peoples		0.6% ✪
People of Colour	30% or greater	29.0% ✪
People with Disabilities		7.9% ✪
Veterans		1.7%
Workforce Diversity (employee representation as a % of Canadian workforce)		
Black People		5.5%
Black Student Workforce	5% or greater	6.8%
Diverse Gender Identities		2.6%
Diverse Sexual Orientations	7% or greater	4.6%
Indigenous Peoples	Double from 2020 (to 2.6% or greater)[2]	1.1%
People of Colour		43.4%
People with Disabilities	Increase the representation of People with Disabilities by 20% (to 8.8% or greater)[3]	7.6%
Veterans		0.7%

Employee-led Resource Groups

Employee-led Resource Groups (ERGs) play an important role in fostering inclusion across Scotiabank globally. These voluntary, employee-led groups represent a range of identities and affinities, and contribute to advancing inclusion, creating spaces for dialogue, supporting talent development for all and strengthening employees' sense of belonging at the Bank.

Scotiabank enhanced its Global ERG Framework in 2025, defining strategic areas of focus and a bank-wide governance model to foster stronger collaboration among 16 enterprise-wide groups. The ERG Council of Chairs reflects more than 80 regional and international chapters from Latin America, the Caribbean, Europe, Asia Pacific and Canada. Throughout the year, ERGs develop and deliver initiatives that support connection, learning and engagement.

References

Diversity and Inclusion webpage

Scotiabank Careers: Inclusion webpage

Employee Resource Groups webpage

Data Pack: Diversity and Global Workforce tables in Social tab

Key findings from Scotiabank's Employment Systems Review in Canada

Scotiabank completed an Employment Systems Review in 2025. This is a requirement under Canada's *Employment Equity Act*, which mandates that federally regulated employers conduct such reviews every three to five years.

An Employment Systems Review is a comprehensive, independent, third-party assessment of the Bank's Canadian human resources (HR) systems, policies, strategies, and practices, including all recent, current, and planned future initiatives on workplace diversity. It includes a review of applicable HR systems and an examination of formalized documents that outline Scotiabank's policies, strategies, practices, and procedures pertaining to a workplace culture of inclusivity and employment equity.

1 Representation is disclosed on a voluntary survey basis and is reflective of Canadian-based employee population responses only. Representation data is presented as at October 31, 2025 and includes employees who are active, permanent and contract. Refer to Diversity and Global Workforce tables in the Social tab for definitions.

2 2.6% represents double the 2020 representation of Indigenous Peoples in Canada which was 1.3%.

3 8.8% represents a 20% increase of People with Disabilities from the 2020 representation which was 7.4%.

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

This review assesses gaps to equitable/equal employment in Canada for People of Colour, People with Disabilities, Indigenous Peoples, and Women. Scotiabank exceeds this regulatory obligation by also examining barriers for 2SLGBTQIA+ People and Black People. An intersectional lens was applied throughout the review, including within data analysis and employee focus group participation.

As part of the Employment Systems Review process, an independent third-party conducted a survey of Canadian employees to determine their overall sentiments of belonging, held focus group sessions with over 300 equity-deserving employees respecting their lived experiences at the Bank, and consulted with business leaders on successes and opportunities for championing inclusion.

The 2025 Employment Systems Review identified both strengths and areas for improvement in our efforts to advance diversity, equity and inclusion in Canada. These findings have informed the development of the Bank's Employment Equity Plans and contributed to the design of our 2026-2028 Global Inclusion Strategy, subject to applicable local law.

Insights from the Employment Systems Review and the 2024 ScotiaPulse Survey

- Black People reported higher engagement than the overall Canadian employee population, scoring 81% or two points above their colleagues.
- People of Colour demonstrated higher engagement (81%), a stronger perception of inclusive leadership (82%), and a higher sense of belonging (81%) compared to the overall Canadian employee population.
- Indigenous Peoples reported a more positive perception than the overall Canadian employee population regarding leaders valuing diverse perspectives (90%).
- People of Colour reported perceptions of leaders valuing diverse perspectives (89%) that are on par with the overall Canadian employee population.

Successes as Identified in the Employment Systems Review

Scotiabank has made meaningful efforts in advancing diversity, equity and inclusion in Canada. The Bank is of the view that it has laid a strong foundation for continued and sustained progress. Notable achievements include:

1. Enhanced self-identification process via the Global Diversity Survey.
2. Increased insight into employee sentiments through ScotiaPulse.
3. Formation of the Inclusion of Indigenous Peoples Team.
4. Expansion of Employee Resource Groups.

Opportunities for Improvement

While measurable progress has been made, the Employment Systems Review indicates areas for continued enhancement to support the inclusion of Indigenous Peoples, Black People, and People of Colour in Canada, informed by focus group insights and identified barriers that may impact these communities.

1. **Enhancing the functionality, recognition, and utilization of Employee Resource Groups.** While Scotiabank has 15 enterprise ERGs, there is an opportunity to provide enhanced resources, support, and recognition to maximize their impact. As a result, in 2025, Scotiabank embarked on enhancing the Employee Resource Groups framework to improve operations and enhance support with the intention of rolling out enhancements throughout 2026 and onwards.
2. **Building on learning, resources, and guides to provide a nuanced, action-oriented understanding of diversity, equity and inclusion concepts.** There is potential for development of a deeper organizational understanding of various forms of bias that can influence the employment relationship. Scotiabank continues to align its diversity, equity and inclusion learning efforts in Canada to support the diverse needs of its employee population, with an emphasis on ensuring existing resources remain relevant, accessible, and meaningful across the organization.
3. **Further embedding diversity, equity and inclusion best practices within recruitment.** To continue to attract diverse talent, there is an opportunity to standardize processes and improve cultural competence within Scotiabank's inclusive recruitment practices. In 2025, select recruiters in Canada participated in cultural competency training designed to support an inclusive recruitment process for Black candidates. Scotiabank will continue to look for opportunities to further embed inclusion within our recruitment process.
4. **Enhancing availability of mentorship such that it is more consistent across departments and business lines.** The Bank values having a culturally appropriate mentorship program. There is an opportunity to enhance program buy-in and expand mentorship opportunities across departments. As part of our ongoing inclusion efforts, Scotiabank is canvassing ways to scale mentorship programs more effectively to increase participation.

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Climate Highlights

Climate change presents risks and opportunities that have the potential to significantly impact Scotiabank and our clients. This section of the Report details the Bank's strategy as it relates to addressing those climate-related risks and opportunities, and the progress made on that strategy during the Reporting Period.

Climate Highlights

PROVIDED
$40 billion ✪
in Climate-related Finance in 2025, totaling $212 billion since 2019[1]

RECEIVED
Limited Assurance
for the first time on 2025 progress toward our Climate-related Finance Target[2]

PARTNERED IN
$100 million
program with Canada Infrastructure Bank to finance energy retrofits[3]

Developed our own methodology to calculate an Energy Supply Ratio, quantifying low-carbon energy and conventional energy financing activities.

Achieved our target to secure 100% of electricity from emissions-free sources in Canada by 2025.

Advanced climate scenario analysis capabilities in liquidity and market risk stress testing and enhanced data quality.

Made new donation commitments to Indigenous-led organizations leading efforts to advance climate-related solutions, helping to deliver on Commitment #33 in our Truth & Reconciliation Action Plan.

1 Towards a goal to provide $350 billion by 2030. Total reflects eligibility based on the criteria of Scotiabank's Climate-related Finance Framework.
2 Refer also to KPMG's Independent Limited Assurance Report and p. 76 of this report.
3 Through the program, Scotiabank clients can access low-cost, flexible financing for commercial, industrial, institutional, office and multi-residential building energy retrofits, see p. 75 of this report.
✪ KPMG was engaged to provide a limited assurance conclusion over indicators identified with this symbol. Refer to KPMG's Independent Limited Assurance Report.

Our Climate Pillars

Our climate strategy has three focus areas (the "Climate Pillars"): *Financing Climate Solutions*, *Supporting Our Clients* and *Reducing Our Own Emissions*. These Climate Pillars provide a framework for identifying and organizing climate-related risks and opportunities in a manner that supports the Bank's overall strategy.

Financing Climate Solutions	Supporting Our Clients	Reducing Our Own Emissions
Provide financial services to support our clients' climate-related objectives.[1]	Partner and collaborate with clients and key stakeholders through climate-focused programs and initiatives.	Reduce GHG emissions from our own operations and introduce initiatives intended to reduce the Bank's direct impact on climate change.

Based on climate-related reporting recommendations of the TCFD, our climate reporting is comprised of four sections: 1) **Governance**, 2) **Strategy**, 3) **Metrics and Targets** and 4) **Risk Management**.

For ease of reference, index tables are provided within the 2025 Sustainability Data Pack and Indices, including page numbers corresponding to: i) disclosure requirements under Canada's Office of the Superintendent of Financial Institutions (OSFI) Guideline B-15 – Climate Risk Management (as referenced on p. 6, "OSFI B-15") and ii) to the TCFD recommendations.

A Note on Our Climate Strategy

In 2025, we pursued the climate strategy we articulated in our 2024 Climate Report, including efforts to assess clients in sectors covered by our Interim Targets (defined on p. 88), and their preparedness for the transition to a lower-carbon economy. We also continued to make progress towards our goal to provide $350 billion of climate-related finance by 2030, providing $40 billion in 2025 and a total of $212 billion since November 1, 2018. As a regulated financial institution, we continue to focus on managing the Bank's climate-related risks and opportunities, and in 2025 established an enterprise-wide Climate Transition Steering Committee to oversee the execution of our Climate Transition Plan.

This progress has renewed our focus on our Climate Pillars, which we believe are the areas in which the Bank can most effectively contribute to global efforts to transition to a lower-carbon economy. We have also re-examined the actions we are taking to support those pillars in light of recent changes in the broader economic and policy environment that have impacted global efforts related to climate change mitigation, including the efforts of our clients.

In particular, we have evaluated our Interim Targets and the fundamental assumptions on which they were initially disclosed in 2022. These assumptions pertain to important carbon reducing factors and data which are highly relevant to achieving these targets and goals and our clients' transition – including in the areas of public policy, energy demand and in the development and deployment of necessary technologies. Since setting those targets, these factors have not evolved to the extent expected and reflected in those assumptions and, taking into account current conditions and trends, there is much uncertainty as to their future path. Accordingly, we have decided that, as of fiscal 2026, we are withdrawing our Interim Targets and our goal to achieve net-zero by 2050 for financed emissions. Below is a discussion of these factors.

1 Financial services under this pillar include those referenced in the Bank's Climate-related Finance Framework (the "CRFF"), as well as other services not included under the CRFF.

Public Policy – Recent government policy decisions are likely to decelerate the uptake of decarbonization activities in the North American economy. These decisions include curbing major parts of the Inflation Reduction Act in the U.S., and, in Canada, the elimination of the federal fuel charge, the decision not to implement the oil and gas emissions cap, and the postponement and elimination of other climate targets and policies.[1] As of December 2025, Environment and Climate Change Canada estimated that with additional measures Canada will reduce emissions by 28% below 2005 levels by 2030, well below its targeted 40-45% reduction.[2]

Energy Demand – Projected demand for energy is higher than initially assumed, driven in part by the growth in AI.[3]

Technology – Uptake of carbon capture technology is not progressing at the rate initially projected. Although certain incentives exist to help defray the costs of this technology, policy uncertainty regarding certain incentives and the future of industrial carbon pricing has delayed deployment relative to earlier expectations. There is also uncertainty around EV uptake; if Canada imports lower cost EVs from China, demand may increase; however, in the short to medium-term further EV infrastructure is needed. Meanwhile, although they maintain EV sales targets, Canada and British Columbia have eliminated their respective EV mandates, while the U.S. has effectively eliminated federal tailpipe emissions standards for cars and trucks.

Unforeseen events have also created issues for data availability and quality, such as Bill C-59 and the impact of Executive Orders in the U.S. resulting in less client disclosure, undermining our assumptions when we set the targets that data would improve over time. Taken together, these factors create sufficient uncertainty to cease reporting the Interim Targets and the 2050 goal.

As a regulated financial institution, our climate strategy continues to focus on managing climate-related risks and opportunities. Those opportunities centre around financing existing and new clients in their climate-related objectives, and we continue to make progress towards our target of providing $350 billion of climate-related finance by 2030. We also remain committed to transparency, and continue to disclose metrics such as financed emissions and physical emissions intensity in the same sectors as last year. In 2025, we developed an Energy Supply Ratio, creating a new metric that allows us to better understand our financing activities across the energy sector.

1 These include, for example, Quebec's postponement of its 2030 target and Ontario's repeal of its emissions reduction targets.

2 Environment and Climate Change Canada, *2025 Progress Report on the 2030 Emissions Reduction Plan*, p. 21. The "With Additional Measures" emissions projections scenario models measures that are currently in place and those that have been announced but not yet fully implemented.

3 International Energy Agency, World Energy Outlook, 2025.

Climate Governance

The sustainability governance framework illustrated on p. 9 is reflective of our approach to climate-related governance, including oversight and ownership of the Bank's climate strategy and climate-related risk management. This section provides more information on Board-specific oversight of climate-related topics and senior management accountability and includes references to where additional information can be found in this Report and the Management Proxy Circular.

BOARD OVERSIGHT

As stated in the Bank's Corporate Governance Policies, the Board of Directors recognizes the critical nature of sustainability and governance 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 strategy, while each committee of the Board oversees various sustainability and governance aspects of the strategy, impacts, risks, initiatives and reporting. For more information on Board committee oversight of climate-related topics, please refer to p. 34 of the Management Proxy Circular.

The Board maintains a skills matrix to monitor the skills and experience necessary for the oversight of the Bank today and in the future. Directors of the Board with climate-related skills have gained experience through executive roles and/or directorships at complex organizations, certification from institutes with a focus on sustainability and directing climate-related investments, along with involvement with Board, advisory committee and industry association positions in mining, forestry, energy infrastructure and resource sectors, with a focus on carbon reduction initiatives and other climate-related mandates. 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. The Board's skills matrix (p. 24) and director biographies (p. 17–23) are reported in our Management Proxy Circular.

SENIOR MANAGEMENT ACCOUNTABILITY

The CEO is responsible for the successful execution of the Bank's climate strategy. In fiscal 2025, the CEO and relevant members of the Bank's Operating Committee were evaluated on progress toward the Bank's goal of providing $350 billion in Climate-related Finance by 2030 (the "CRF Target") (see p. 76). Several senior-management committees, either at the enterprise-wide, business line, or subsidiary-level have oversight of climate-related programs and initiatives (see p. 10–11).

For more information on how sustainability is considered as part of executive compensation, please refer to p. 25 of this Report.

BUSINESS LINES AND CORPORATE FUNCTIONS

The Bank's business lines and corporate functions work collaboratively to deliver on the Bank's climate strategy and in the assessment of climate-related risks and opportunities. This work is ongoing, evolving as we learn more about the impact of climate change on our business, and as our policies, processes, tools and best practices mature.

The following table provides additional details relating to climate-related roles and responsibilities across business lines and corporate functions.

	Team	Climate-related Roles and Responsibilities
Strategy and Operations	Global Sustainable Business	• Performs advisory function over the Bank's Climate Pillars, while working across the enterprise to help embed environment and climate change considerations into the business across the Bank's footprint and in the communities in which we operate. • Co-Chair for the International Banking Climate Committee, Alternate Chair for the ALCO ESG Sub-Committee and sustainability lead for the Climate Transition Steering Committee.
	Global Real Estate and Corporate Services	• Oversees climate objectives with regards to operational Scope 1 and 2 GHG emissions, sourcing renewable electricity and carbon credits, and identifying opportunities to reduce emissions at source and improve energy efficiency across the enterprise.
	ESG Data and Analytics	• Performs calculation and analysis of financed emission metrics and energy supply ratio. • Supports data management practices across the Sustainability data domain.
Global Risk Management	ESG Risk Management	• Fulfils second line function responsible for independent oversight and effective challenge for ESG risks. • Oversees the Bank's ESG risk management program by establishing in consultation with key stakeholders, ESG risk appetite, frameworks, policies, processes, tools and guidelines to identify, assess, measure, monitor, manage/mitigate, and report on the Bank's exposure to ESG risks, including climate-related risk. • Provides technical ESG risk advisory services and training. • Leads the Climate-related Finance Framework and Sustainable Issuance Framework Eligibility Forum which supports the ALCO ESG Sub-Committee.
	Climate Risk Modelling	• Projects impacts from physical and transition risks to the Bank's lending portfolios at short-term, medium-term and long-term time horizons under various climate scenarios.
Finance	Group Treasury	• Manages 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 Sub-Committee.
	Inclusion and Resilience Economics	• Provides thought leadership, including climate-related pieces published in 2025 that focus on the potential economic impacts and policy considerations of national climate policies, natural disasters, energy security, and electric vehicles; available at Scotiabank.com/economics.
Client-facing Teams	Sustainable Finance	• Provides 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 nuclear power, clean power generation, energy efficiency, circular economy, electric vehicle charging/infrastructure, carbon capture, hydrogen, renewable fuels, water technology and renewable natural gas, among others[1].
	Thematic and Sustainability Investment Research Team (Global Equity Research)	• Provides clients with insights on various sustainability topics with in-depth commentary and analysis on the Canadian, U.S. and Latin American markets, and targeted commentary on international markets.

1 The Clean Tech Energy Team broadly covers low-carbon sub-sectors. Low-carbon sub-sectors would generally be defined as those described 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 U.S. Department of Energy's investments in clean energy technologies – generally align with the Clean Tech Energy Team's coverage of low-carbon sub-sectors.

Climate Strategy

CLIMATE-RELATED RISKS AND OPPORTUNITIES

We view climate-related opportunities as drivers for innovation that invite us to explore new products and markets, as well as those that help us run our business more efficiently, or to manage risk.

The table below, developed based on the TCFD's categorization of opportunities and risks, describes the climate-related business and economic risks and opportunities identified by the Bank, and their potential impact to the Bank over the short term (1–2 years), medium term (3–10 years) and long term (10+ years). Short- or medium-term climate-related risks and opportunities are identified as part of business-as-usual practices such as industry reviews, market intelligence, client interactions and collaboration with industry groups. Sector-specific climate-related risks and opportunities may also emerge through climate scenario analysis, which can identify areas of focus in the longer term.

Climate-related Risks & Opportunities

	Potential Impact to Scotiabank	Time Horizon S	M	L	Identified Risks & Opportunities	2025 Scotiabank Activities
Climate-related opportunity						
Resource Efficiency	• Reducing operating costs. • Reducing exposure to carbon pricing.	✓	✓	✓	• Completing projects that increase energy efficiency of our own operations.	• Energy efficiency projects (p. 86). • Energy consumption tracking and analytical capabilities (p. 87).
Energy Source	• Increasing resilience through diversification of energy sources and/or storage. • Decreasing costs associated with developing energy sources.	✓	✓	✓	• Procuring energy from emissions-free sources[1].	• Projects to secure emissions-free electricity (p. 86). • Purchase of carbon credits to address Scope 1 and select Scope 2 and 3 emissions (p. 87).
Products and Services	• Increasing revenue through evolving business channels and growing customer demand. • Enhancing expertise and knowledge-sharing to deepen relationships.	✓	✓	✓	• Developing and providing climate-related financial services. • Raising internal awareness of climate change technologies and products through research and thought leadership.	• Partnership with Canadian Infrastructure Bank for low-cost financing of building retrofits (p. 75). • Collaboration with Nutrien Sustainable Finance program (p. 75). • Building employee awareness through Scotia Climate College (p. 84). • Providing green mortgages (p. 75). • Providing EV financing (p. 75). • Partnership with Pocketed for agriculture clients in commercial banking (p. 75, 81).
Markets	• Identifying new clients and opportunities to guide strategy.	✓	✓	✓	• Providing sustainable finance. • Providing client services such as advisory, mergers and acquisitions, raising equity, and leveraging tax credits. • Raising external awareness of climate-related technologies and products through research and thought leadership. • Building internal expertise to respond to transition-related opportunities.	• Scotiabank's Sustainable Finance program (p. 36–41) and Climate-related Finance target (p. 75–77). • Perspectives podcasts (including on sustainable agriculture) (p. 75). • Partnership with NorthX Climate Tech accelerator and sponsorship of Foresight Canada's carbon sector work (p. 81). • Advice resources for clients, including from Scotiabank's independent Economics team (p. 70). • Scotia Climate College webinars focused on market trends and areas of opportunity (p. 84). • Climate Action Research Fund (p. 82). • Publication of an Energy Supply Ratio (p. 80).
Resilience	• Increasing operational resilience and supply chain reliability.	✓	✓	✓	• Entering into and maintaining partnerships focused on adaptation and building resilience. • Raising awareness of resilience internally and externally. • Increasing due diligence efforts.	• Advice resources for clients to consider physical resiliency (p. 75). • Monitoring and mitigation through Principal Risk framework (p. 93–99). • Participating in blue bond transactions (p. 37, 73). • Partnership with Assiniboine College (p. 73, 81).

1 Either physically or virtually. Emissions-free sources include renewable (hydro, solar, wind, geothermal, tidal) and nuclear sources and may include the use of RECs. Electricity from emissions-free sources is calculated based on grid mix data and purchase of RECs or other environmental attributes reflecting the environmental benefit of emissions-free power production. Canada grid mix data is based on provincial electricity mix sourced from Canada Energy Regulator's Canada's Energy Future 2023: Energy Supply and Demand Projections to 2050 (EF2023). Electricity from emissions-free sources internationally is based on reports from the International Energy Agency (IEA) and US Department of Energy electricity generation by country, by source.

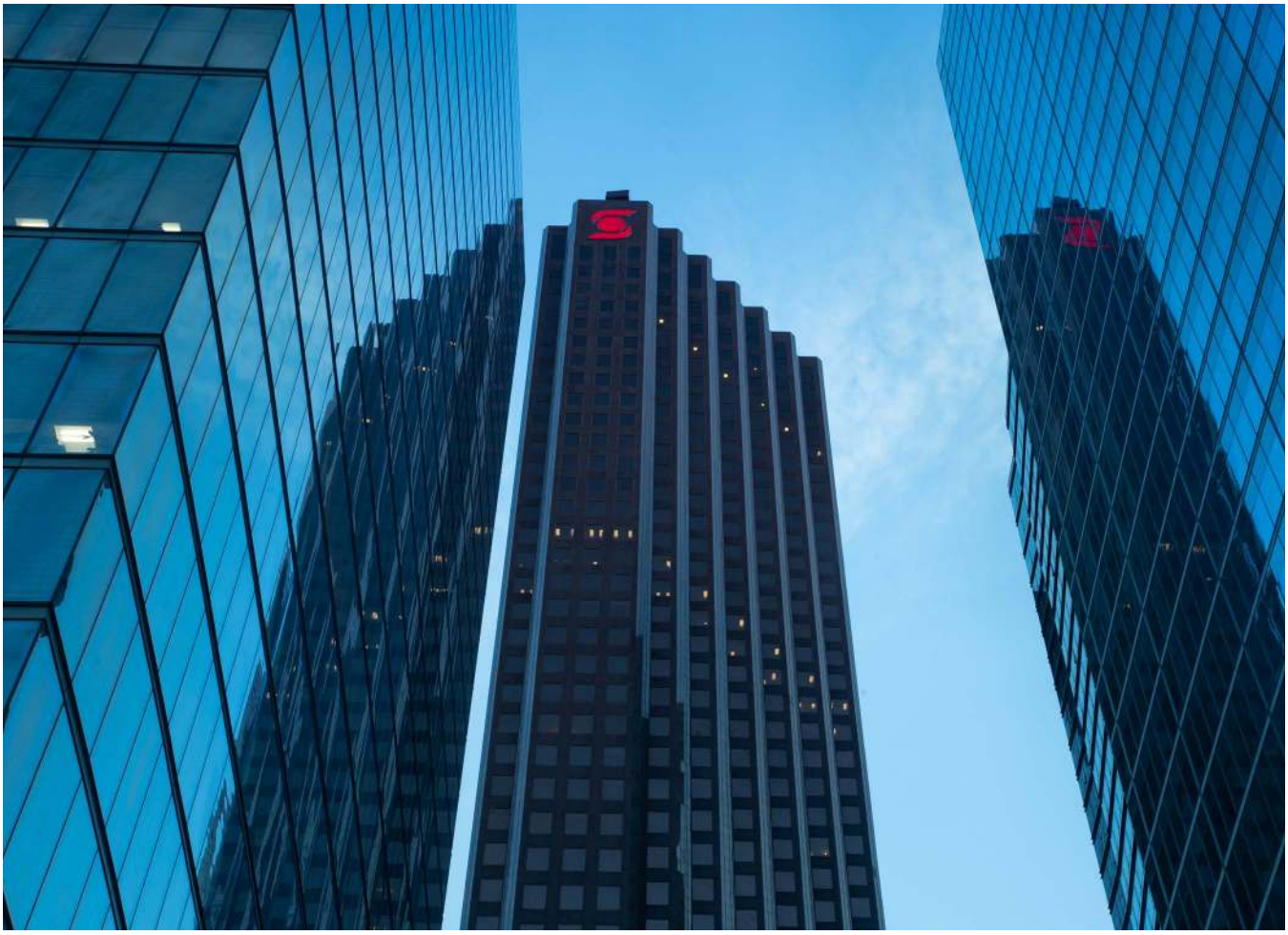
	Potential Impact to Scotiabank	Time Horizon S	M	L	Identified Risks & Opportunities	2025 Scotiabank Activities
Transition risks						
Policy and Legal	• Increasing operating costs or penalties.	✓	✓	✓	• Regulatory compliance risks associated with failing to comply with changes in laws and regulations in 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).	• Climate-related strategy evaluation and update through enterprise functional and business teams on ongoing basis (p. 70). • Climate-related risk management of Principal Risks, including Compliance (p. 93–99). • Projection of credit impacts under climate scenarios (p. 100–101).
Technology	• Incurring costs to adopt new practices or processes. • Shifting demand for goods and services related to new technologies.	✓	✓	✓	• 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.	• Internal expertise related to emerging climate technologies (p. 70, 74). • Implementation of new technologies to gather emissions data for tracking and reporting purposes (p. 87).
Market	• Shifting valuation of client asset or collateral. • Shifting revenue mix.	✓	✓		• Unexpected market factors targeted at high-carbon sectors can impact demand of such financial 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.	• Financing climate-related solutions and supporting our clients (p. 74–84). • Climate-related risk management of Principal Risks including Market (p. 93–99).
Reputation	• Shifting stakeholder perception of company response to climate change (e.g., investors, clients, communities where the Bank operates).	✓	✓	✓	• 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 in the event of any stakeholder 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 false or misleading claims of the climate benefits associated with the Bank's financial services (i.e., greenwashing).	• Climate-related strategy evaluation and update through enterprise functional and business teams on ongoing basis (p. 70). • Climate-related risk metrics (p. 76–77, 79, 91–93, 95). • Client transition preparedness (p. 77–79). • Meetings with shareholders (p. 14). • Reputational Risk Policy and Committee (p. 9, 11, 97).
Physical risks						
Acute	• Asset devaluation, increasing insurance premiums, cashflow volatility, shifts in operating expenditure, supply chain disruption.	✓	✓	✓	• 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.	• Climate scenario analysis (p. 100–102). • Climate Change Risk Assessment (p. 94–95). • Incorporating climate scenarios into Internal Capital Adequacy Assessment Process (ICAAP) (p. 101).
Chronic	• Asset devaluation, increasing insurance premiums, cashflow volatility, shifts in operating expenditure, supply chain disruption.		✓	✓	• Changes in chronic weather patterns can impact a borrower's long-term business model in certain industries that may be dependent on weather (e.g., agriculture). It may also impact the availability or price for insurance.	

How We Support Climate Change Adaptation

The many effects of climate change, such as higher temperatures, more severe storms and the increased prevalence of drought require social and economic adaptation. Examples of climate change adaptation include building seawalls to protect coastal communities from flooding, planting drought-resistant crops to enhance food security, as well as restoring and protecting ecosystems to protect water systems.[1]

Our clients are similarly required to consider the effects of climate change on their businesses, to identify appropriate adaptation strategies that enhance their resilience. We aim to support our clients in these efforts. Activities relating to climate adaptation and resilience, such as financing of infrastructure for flood defense or for implementation of early warning systems and wildfire mitigation and management, are eligible under the Bank's CRFF. Activities related to nature and biodiversity – such as protection of watershed environments, which supports climate adaptation and mitigation – are also included in our CRFF. In 2025, for example, we participated as joint bookrunner in two separate Blue Bond transactions – one with a Mexican trust fund[2] that has a focus on climate change adaptation in the fishing and aquaculture industry and the second with a Chilean water utility focused on projects that will provide enhanced resilience to drought (see p. 37 for additional details).

Our community investment activities in 2025 also supported climate adaptation and resilience. We supported the Indigenous Leadership Initiative and their work in advancing Indigenous fire stewardship (see p. 83), and engaged with Assiniboine College to support their research in regenerative agriculture to improve soil resilience (p. 81).



1 Climate Change 2023: Synthesis Report, Intergovernmental Panel on Climate Change (IPCC).

2 FEFA is one of the four trust funds that make up Fideicomisos Instituidos en Relación con la Agricultura (FIRA), a Mexican development bank providing financial products to the agricultural sector.

OUR CLIMATE TRANSITION PLAN

In 2024, we developed an enterprise-wide Climate Transition Plan (the "CTP") to guide the work under our Climate Pillars. The CTP outlines the developing ways we can better understand our clients' own climate transitions. Through newly implemented metrics and tools, and ongoing client engagement, we can better learn which financial services may help our clients implement their climate-related plans. Our CTP will evolve over time to keep pace with our clients' needs.

Overview of Our Climate Transition Plan

<table>
<tr><th colspan="2">IMPLEMENTATION STRATEGY</th><th colspan="2">ENGAGEMENT STRATEGY</th></tr>
<tr><td>EMBEDDING OUR CLIMATE PILLARS</td><td>1. Financing Climate Solutions including provision of climate-related finance activities, such as eligible renewable and alternative energies.
2. Supporting Our Clients by partnering and collaborating with our clients and key stakeholders through climate-focused programs and initiatives.
3. Reducing Our Own Emissions through energy-saving strategies, procuring emissions-free electricity, developing a climate offset approach, and improving emissions measurement processes and data quality.</td><td>EXTERNAL</td><td>INTERNAL</td></tr>
<tr><td>RISK MANAGEMENT</td><td>• Annual Climate Risk Heatmap process and maintaining enterprise and business line limits for our exposure to clients in high climate physical and transition risk sectors for our non-retail lending portfolios.
• Transition Preparedness Rating for select clients in higher risk sectors.
• Climate-related finance transactions assessment for greenwashing risk, which is integrated into the ESG Risk Management Framework.
• Embedding consideration of climate-related risks into risk governance and processes.
• Using climate scenario analysis exercises to assess the climate-related physical and transition risk impact on our business.</td><td rowspan="3">ENGAGEMENT PLAN
• Engaging and supporting our clients in specific sectors on their transition planning activities.
• Identifying key climate issues as a basis to engage government.</td><td rowspan="3">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.</td></tr>
<tr><td>DATA & PLATFORMS</td><td>• Dashboards providing climate data and related 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.
• Using third-party data for various climate use cases to improve data quality.
• Applying advanced analytical methodologies to efficiently prepare and analyze data.</td></tr>
</table>

PILLAR ONE: FINANCING CLIMATE SOLUTIONS

Climate change presents banks with specific opportunities to better serve our clients. In the following section, we outline some of the ways we capture climate-related business opportunities, by segment. We also explain how our CRF Target[1] helps us track the provision of financial services defined as "climate-related" under the Bank's Climate-related Finance Framework (CRFF), as referenced on p. 75–76.[2]

Climate-Related Business Opportunities Across Segments

Corporate and Commercial Banking

Corporate and commercial clients of the Bank present climate-related opportunities, where the Bank can provide expertise in financing low-carbon technologies and renewable energy sources, and through the offering of sustainable finance products. Established in 2022 as part of Corporate and Investment Banking, the Clean Tech Energy team coordinates with specialists from across the Bank to advise and support existing and prospective clients across a wide range of sub-sectors, including nuclear power, renewable power generation, energy efficiency, circular economy, electric vehicle charging/infrastructure, carbon capture, hydrogen, renewable fuels, water technology and renewable natural gas.

The Bank's Sustainable Finance team works with corporate, commercial, public sector and institutional clients across the Bank's footprint, advising on how sustainability and climate-related factors may be integrated into their financing, and helping them align their capital market activities with their climate-related goals. Where lending to clients might fall outside the Bank's risk appetite, we may support our clients with advisory services or other financial options such as raising equity or structuring blended finance solutions. Please see Sustainable Finance, p. 36 for additional information.

One example of a blended private-government capital fund is Realize Capital. Through Roynat Capital, an affiliate of Scotiabank, the Bank has made a meaningful financial commitment to Realize Capital, one of three impact funds selected by Canada's federal government to help expand Canada's social finance market. Realize Capital's "Realize Fund I" supports initiatives that create positive social and environmental impact, including climate change mitigation, energy efficiency, and climate adaptation and resilience. From this investment, Roynat Capital is supporting sustainability outcomes while also creating opportunities to form new relationships and drive ancillary revenue.

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

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

Sector-specific Examples of Climate-related Opportunities in Corporate and Commercial Banking

In 2025, the Canada Infrastructure Bank (CIB) expanded its Building Retrofit Initiative by forming a partnership with Scotiabank to help building owners lower energy use and reduce long-term operating expenses. Through this initiative, clients of Scotiabank who own commercial, industrial, institutional, office, and multi-residential buildings can access low-cost, flexible financing from CIB to make upgrades that reduce Scope 1 and 2 emissions by at least 30%. Scotiabank contributes to the success of the initiative by identifying motivated property owners and managing the origination, underwriting and administration of the retrofit loans provided by CIB. Clients are eligible if they are undertaking projects such as building envelope improvements, heating and cooling system upgrades, automation and fuel switching, lighting and electrical system upgrades and the installation of electric vehicle charging infrastructure.

Also in 2025, we continued our collaboration with Nutrien Ag Solutions, the retail division of Nutrien Ltd., to support Canadian growers' efforts in adopting productive agricultural products and practices. Growers who meet certain eligibility requirements and are enrolled in Nutrien Ag Solutions' Sustainable Nitrogen Outcomes program qualify for a reduced rate on financing offered jointly between Nutrien and Scotiabank. Dr. Sally Flis, the Director of Sustainable Ag Programs at Nutrien Ag Solutions was featured on an episode of our Perspectives podcast to share insights on how practices can also offer economic benefits to growers. We also support our agriculture clients through our extended relationship with Pocketed, a Deloitte business that helps identify and match clients to government incentives focused on sustainability investments (see p. 81).

Retail Banking

Financing of electric vehicles (EVs) represents an opportunity in the short- and medium-term. In Canada and a number of other markets[1] we provide financing for those interested in purchasing EVs. For example, in Mexico, the CrediAuto Green Credit Program supports clients in making vehicle choices that take into account certain environmental considerations.

Another area of opportunity in the retail segment is in residential mortgages. In December 2023, the Bank launched a mortgage product in Mexico for clients interested in purchasing an energy-efficient home that is EDGE[2] or LEED[3] certified, or in reducing their existing home's carbon footprint through the purchase of solar panels (the "Hipoteca Green"). Clients of the Hipoteca Green in Mexico receive a preferential interest rate and may also receive relief on appraisal costs. A similar initiative was launched in Chile in August 2024, offering clients lower operational costs for purchasing an energy-efficient home.[4]

In our wealth management business, we offer the Scotia Low Carbon Funds, which are managed to have a lower weighted average carbon intensity than the corresponding benchmark index, thereby delivering interested investors with opportunities to build a diversified portfolio of quality investments that have lower carbon intensity than the broader market. Additionally, the Energy Evolution Fund, offered through Dynamic Funds[5] invests in companies involved in the energy transition, including renewable power, emerging solutions and new energy innovators (see p. 40 for additional details).

Across segments, we monitor demand as market trends take shape and seek to enhance client awareness on climate change through initiatives such as Scotiabank Perspectives.

Our $350 Billion Climate-related Finance Target

In 2019, the Bank committed to providing $100 billion in Climate-related Finance by 2025. As demand grew for climate-related financial services, that commitment was increased in 2022 to provide $350 billion in Climate-related Finance by 2030 (defined on p. 69 as the "CRF Target").

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. As described in our CRFF, climate-related finance consists of certain financial services (such as lending, capital markets, deposits, securitizations, treasury

1 The Bahamas, Cayman Islands, Jamaica, Mexico, Turks & Caicos and Uruguay.

2 EDGE is a green building certification system focused on making buildings more resource efficient. The EDGE certification applies to new constructions, existing buildings, and major renovations of homes, offices, hotels, retail, and hospitals. See edge.gbci.org.

3 Leadership in Energy and Environmental Design (LEED) is a globally recognized certification program for green buildings, developed by the U.S. Green Building Council (USGBC). Projects can achieve one of four certification levels (Certified, Silver, Gold, or Platinum) depending on the total points granted by the credentialing entity. Both new construction and existing buildings are eligible for LEED certification, provided they meet the requirements outlined in the applicable rating system. See usgbc.org/credentials.

4 This product is available to clients in Chile purchasing a home that meets a rating of A, B, or C using the Housing Energy Rating issued by the Ministry of Housing and Urban Planning.

5 Dynamic Funds is a wholly owned subsidiary of Scotiabank.

investments and advisory services) as well as certain types of transactions, such as sustainability-linked products that incentivize performance toward environmental targets, or dedicated purpose loans which are structured to 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/or circular economy.

The financial services we count toward the CRF Target are outlined in the Bank's CRFF, which became effective November 1, 2023, and was revised in 2024 and 2025.

The CRFF was amended in 2025 in a number of ways, such as:

- Language was added describing hydro electric generation, found under the low-carbon category, to better align energy and emissions thresholds with clients' public disclosures.
- Language was added describing certain eligible business activities, such as advisory services, securitizations and deposits, as well as the methodologies we use to measure these activities under the CRFF.

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.

Incorporating Climate-related Opportunities into Business Line Strategy

To ensure progress toward the CRF Target, annual performance expectations are established at the beginning of each fiscal year and integrated into the performance targets of relevant business lines.

In 2025, we further embedded climate-related financing into the Bank's strategy and banking processes. As noted in the Compensation Linked to Sustainability section, the CRF Target is embedded into executive compensation (see p. 25) and the annual goals for relevant business line executives, and performance is tracked by the Operational Risk Committee, Risk Management Committee and Operating Committee. In line with our CTP, the eligibility of transactions under the CRFF was added as a consideration in business decision-making processes. This is achieved by requiring relationship managers in corporate banking to complete a preliminary assessment of eligibility. The results of this assessment are included in business reviews, and approvals are flagged in the Bank's credit systems.

2025 Progress on Our Climate-related Finance Target

In fiscal 2025, the Bank provided $40 billion✪ toward the CRF Target, totalling $212 billion in climate-related finance since 2019. 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).

Annual progress toward the CRF Target is reported publicly. Throughout the fiscal year, progress is tracked and reported internally on a quarterly basis, including the distribution of climate-related financing across Business Activities (as defined in the CRFF) and divisions.[1,2,3] Please refer to the Summary of Our Climate-related Metrics and Targets table on p. 92 for cumulative and annual progress toward the CRF Target.

While some of the financing we provide as part of the CRF Target may be directed toward eligible climate-related activities that aim to reduce the environmental impacts or the emissions intensity of some or all of a clients' operations, not all financing will necessarily reduce GHG emissions of the client.[4]

Although the Bank reports on progress toward the CRF Target, we do not report on the potential or actual climate-related impact of our financing. The calculation of emissions or other impacts 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 continue to monitor the standards and methodologies used to calculate emissions or other impacts associated with climate-related finance.

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. This includes, for the first time, limited assurance over the fiscal 2025 climate-related finance reported value. For further information, please refer to KPMG's Independent Limited Assurance Report.

1 If more than one business activity for the same transaction is eligible to count toward 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 toward 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 toward the Target.

2 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 Scotiabank under the Sustainable Issuance Framework are not eligible under the CRFF.

3 Transactions are counted in the fiscal year in which they are executed. The Bank will also count transactions executed in the previous fiscal year that were not already counted towards the CRF Target.

4 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.

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

FIGURE 1: CUMULATIVE PROGRESS (IN BILLIONS) TOWARD CRF TARGET, 2020-2025

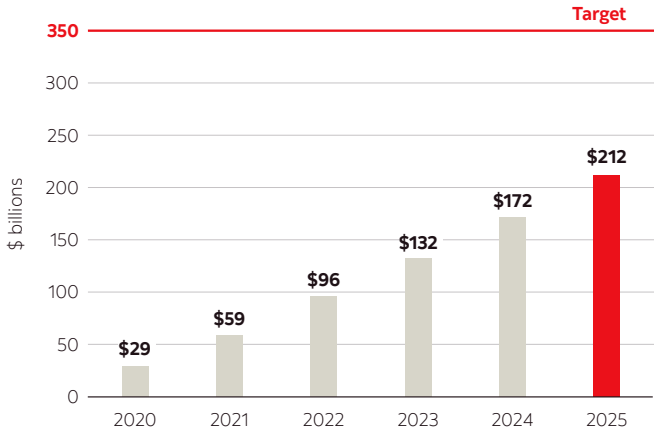
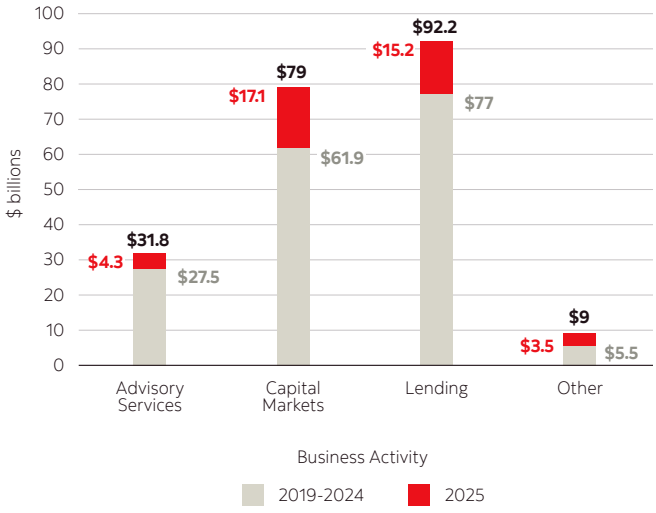


FIGURE 2: INCREASE (IN BILLIONS) IN CLIMATE-RELATED FINANCE BY BUSINESS ACTIVITY[1]



Understanding Our Clients

In 2023, we developed an internal tool to assess the readiness of clients in select sectors to transition to a lower-carbon economy (the "Transition Preparedness Rating" or "TPR"). Beginning in 2024, the TPR has been applied to assess the maturity of a client's climate transition plans. Applied at the time of new requests from clients, annual reviews and increases in primary borrower lending, clients receive a TPR score of 1–3 (Early), 4–5 (Progressing) or 6–8 (Leading). Ratings are based on a qualitative and quantitative assessment of several criteria, as outlined below.

In 2024, we reported the results of our TPR assessment for clients in three sectors: Oil and Gas – Exploration & Production (E&P), Power Generation and Automobile Manufacturing. In 2025, the TPR was used to assess clients in these same three sectors. Results are provided below. We plan to review the TPR assessment criteria in 2026.

The TPR and Client Engagement

Results of the TPR provide information to support client engagement on climate matters, particularly in those sectors where clients may require financial support and advice to implement their climate transition plans.

Client engagement is an ongoing process, creating opportunity for continued insights to help inform more tailored support. In fiscal 2025, engaging with clients in certain sectors relating to their climate transition plans proved challenging for several reasons. Many of our clients, and particularly those in the Automotive Manufacturing sector, were focused on economic changes caused by the imposition of tariffs. In Canada, many of our Oil and Gas clients removed public disclosures relating to environmental and climate matters, citing amendments to the *Competition Act* introduced by Bill C-59. Importantly, Oil and Gas clients that had removed public disclosure relating to environmental and climate matters were excluded from the TPR assessment in 2025.[2]

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

2 Clients that do not have a lending product with the Bank across all three sectors and Oil and Gas royalty clients were excluded from the scope of the TPR in 2025.

2025 TRANSITION PREPAREDNESS RATING

<table>
<tr><td colspan="2">Maturity Level</td><td colspan="3">Early</td><td colspan="2">Progressing</td><td colspan="2">Leading</td><td></td></tr>
<tr><td colspan="2">Rating</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td></tr>
<tr><td>Criteria</td><td>TPR Criteria Definitions</td><td colspan="8"></td></tr>
<tr><td>Decarbonization 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.

Assessment of clients in all three sectors using the TPR is outlined below, showing the distribution of authorized amounts across the three categories: Early, Progressing, Leading.[1]

In the case of Oil and Gas – E&P clients, for which fewer net-zero pathways are available, 49% of authorized amounts fall within the "Early" category, reflecting more nascent stages of transition planning.[2]

For Power Generation clients, 45% of the authorized amounts fall under the "Leading" category. These clients are more advanced in their transition and may have emissions reduction targets, detailed transition plans, complete emissions disclosures, and may be pursuing low-carbon generation opportunities.

In the case of Automotive Manufacturing clients, 74% of the authorized amounts fall under "Progressing." These clients generally have long-term commitments to reduce emissions, may have interim emissions reduction targets for some scopes, and have transition plans in place to meet their targets.

It should be noted that the clients we assess using the TPR are located across markets, and may be subject to widely varying economic, political and regulatory incentives or limitations. As a result of these contextual differences, it is difficult to compare TPR results within a particular industry.

FIGURE 3: OIL & GAS – E&P TPR DISTRIBUTION

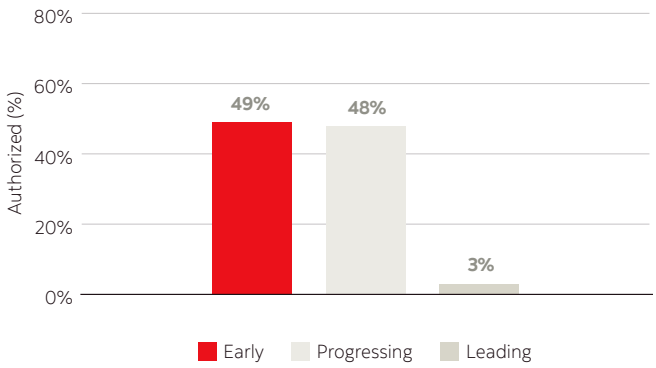


FIGURE 4: POWER GENERATION TPR DISTRIBUTION

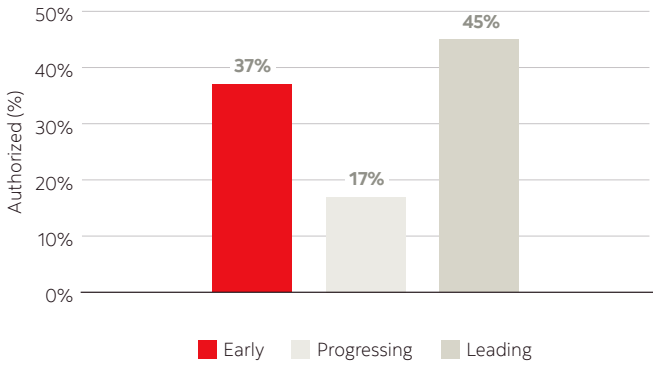
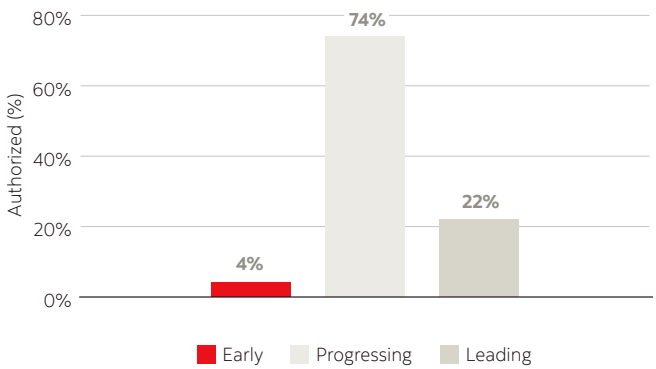


FIGURE 5: AUTOMOTIVE MANUFACTURING TPR DISTRIBUTION



1 The financed emissions data is based on the clients in our portfolio as of October 31, 2023. The TPR results are based on clients in our portfolio as of October 31, 2025. The clients included in each dataset are not identical.

2 Approximately 45% of clients, representing 34% of authorized amounts, in the Oil and Gas – E&P portfolio were not assessed using the TPR due to lack of publicly available data.

Development of an Energy Supply Ratio

In 2023, Bloomberg New Energy Finance (BNEF) began measuring the ratio of various banks' financing of low carbon energy relative to conventional energy. The BNEF Energy Supply Banking Ratio provides a view into banks' energy financing activities based on publicly available information.

In 2025, the Bank developed its own energy supply ratio (ESR) and corresponding methodology (the "ESR Methodology") following the considerations outlined in the Institute of International Finance's (IIF) *White Paper on an Energy Supply Ratio for Bank Disclosures* (the "IIF White Paper").[1]

The IIF White Paper makes clear that there is no one-size-fits-all approach to developing an ESR. As such, our ESR may not be comparable to ESRs published by other banks and third parties. The ESR is indicative of relative potential exposure to certain activities that are categorized as either Low-Carbon Energy Supply or Conventional Energy Supply, (as defined in the ESG Methodology as the numerator and denominator, respectively). It does not provide a precise mapping of our financing activities or the use of proceeds from those activities.[2] We will continue to evaluate our ESR methodology as industry approaches evolve and may update or replace it from time to time.

In our ESR, and as outlined in the ESR Methodology, we include data relating to bilateral lending and other transaction-level details often unavailable in public databases used by BNEF, therefore allowing for a more accurate view of how our Bank's financing activities support the energy transition.

To further support the accuracy of our ESR, and recognizing that financing often supports a mix of Low-Carbon Energy Supply and Conventional Energy Supply activities, we have incorporated the use of an adjustment factor from BNEF's Transition Exposure Rating (TER) framework. The adjustment factor is applied based on an estimate of the company's underlying energy mix and may change over time to reflect shifts in a company's mix of Low-Carbon Energy Supply and Conventional Energy Supply.

For the year ended October 31, 2025, our ESR of 0.65x shows that for each dollar supporting Conventional Energy Supply, we financed 0.65 dollars supporting Low-Carbon Energy Supply.

We expect the ESR to become an important metric that will help the Bank gauge the flow of capital deployed toward the energy transition and provide helpful data for investors and other stakeholders.

A Supplemental View

Under the ESR Methodology, financing of natural gas is considered Conventional Energy Supply, which is consistent with current industry practice. Recognizing the distinct role that natural gas can play in the energy transition, the Bank is also disclosing a supplemental version of the ESR (the "Supplemental ESR") in which financing of certain natural gas-related activities ("Natural Gas-related Activities"[3]) is included in the numerator rather than the denominator. Natural Gas-related Activities are included in the numerator of the Supplemental ESR irrespective of carbon intensity or whether such activities displace more carbon intensive energy sources.

For the year ended October 31, 2025, our Supplemental ESR of 1.96x shows that for each dollar supporting Conventional Energy Supply, we financed 1.96 dollars supporting Low-Carbon Energy Supply and Natural Gas-related Activities.

2025 ENERGY SUPPLY RATIO



$1 supporting Conventional Energy Supply

$0.65 supporting Low-Carbon Energy Supply

2025 SUPPLEMENTAL ENERGY SUPPLY RATIO



$1 supporting Conventional Energy Supply (excluding Natural Gas-related activities)

$1.96 supporting Low-Carbon Energy Supply and Natural Gas-related activities

This is a visual representation of the ESR compared to the Supplemental ESR, included for illustrative purposes only. The volume of financing used to determine the ESR is the same as the volume of financing used to determine the Supplemental ESR.

1 Institute of International Finance. 2024. White Paper on Energy Supply Ratio (ESR) for Bank Disclosures.

2 For further information on our ESR Methodology, including the activities categorized as Low-Carbon Energy Supply and Conventional Energy Supply and the limitations to this approach, please see the ESR Methodology.

3 Natural Gas-related Activities include: natural gas exploration and production, distribution, and power generation. Natural Gas-related Activities do not include natural gas liquids, and oil and gas refining, which are counted in the denominator of the Supplemental ESR.

PILLAR TWO: SUPPORTING OUR CLIENTS

Through strategic partnerships, sponsorships and community investments, as well as meaningful dialogue with industry participants on climate-related matters, we can lend our voice to formative discussions that support our clients and our communities. Under this pillar of activity, we develop and leverage knowledge and expertise on climate-related issues, which helps us better anticipate changes on the horizon. Through our continuous learning series on climate matters, employees are educated on emerging trends and best practices, strengthening the Bank's ability to support our clients as they work to achieve their sustainability goals.

In fiscal 2025, we focused our efforts under this Climate Pillar in three thematic areas: (1) Advancing Climate Technology and Innovation, (2) Collaborating with the Business Community, and (3) Supporting Indigenous-led Initiatives for the Benefit of Canada.

1. Advancing Climate Technology and Innovation

Climate technology and innovation can play an important role in addressing climate challenges, and unlocking real economic growth.[1] In addition to providing financial services to support climate technologies such as renewable energy, we also support scalable solutions through other types of collaborations and community investments.

In 2025:

- Scotiabank, through Roynat Capital, entered into a strategic agreement with NorthX Climate Tech, a non-profit investor, to accelerate opportunities for women innovators working to advance climate solutions across Canada. This agreement is supported by the Scotiabank Women Initiative® and the Bank's interest in supporting women in business, and exploring ways to provide financial support to companies focused on climate-related technologies.
- Scotiabank committed to $250,000 in sponsorship funding over three years to Foresight Canada's carbon sector work, a national initiative supporting Canada's carbon management industry by bridging gaps between hard-to-abate industries and technology providers.
- The Bank extended its relationship with grant-matching platform Pocketed, a Deloitte business, to promote awareness and access to sustainability-focused government incentives in Agriculture. The partnership provides training and resources for Agriculture Banking relationship managers to engage clients with actionable grant funding education and opportunities, in addition to access to Pocketed's platform – helping to identify funding gaps and start high-value conversations to bring fresh capital to the table.
- The Bank renewed its support for Relay Education with a donation of $405,000 over three years to deliver training programs about renewable energy in Canada and the Caribbean. In Canada, Relay Education works with First Nations, Inuit and Métis communities to co-develop and deliver training to Indigenous educators who then provide workshops to Indigenous youth across Canada. Investing in skills development and education are essential for increasing renewable energy development over the long term.
- The Bank entered the second year of a three-year sponsorship of Plug'n Drive, a non-profit organization committed to accelerating EV adoption across Canada. Scotiabank's investment supports Plug'n Drive's national EV-education mandate, including its work to expand consumer awareness, provide accessible EV-learning experiences, and efforts to advance EV-charging solutions for multi-residential buildings.
- The Bank entered the second year of a commitment to provide $125,000 over three years to Assiniboine College to support innovative research focused on evaluating the use of regenerative agriculture principles to advance net-positive grain farming.
- The Bank entered the final year of a commitment to provide $250,000 over two years to the Canadian Climate Institute, a climate change policy research organization that produces analysis and economic modelling to help incentivize clean economic growth and low-carbon competitiveness, accelerate Canada's energy transition, and help make the economy and infrastructure more resilient to a warming climate.

2. Collaborating With the Business Community

Businesses are continuing to invest in sustainability and are addressing climate-related risks and opportunities as part of their strategy. Through the following initiatives, we collaborate with the business community to help support sustainable and resilient growth.

In 2025:

- Scotiabank became a member of the Canada Green Building Council as a way to help advance green building practices and certifications in Canada. Furthermore, for the fourth year in a row, we sponsored the Canadian Real Estate Innovation Report that bridges Canada's sustainable and property technology landscape. These initiatives also underpin our interest in ensuring a successful partnership with the CIB Building Retrofit Initiative (see p. 75).

1 OECD/UNDP. 2025. Investing in Climate for Growth and Development: The Case for Enhanced NDCs.

- The Bank joined Partners in Project Green, a non-profit initiated by Toronto and Region Conservation Authority and Toronto Pearson in Canada that brings together businesses, government, institutions and utilities in the Greater Toronto Area to advance environmental action and economic prosperity.
- The Bank entered the second year of its two year, $100,000 commitment to Green Economy Canada, a non-profit organization that helps businesses of all sizes and sectors integrate climate action into their operations.

Scotiabank's Climate Action Research Fund

Scotiabank's Climate Action Research Fund was established to support registered charities and non-profit organizations that conduct climate-related research. Between 2021 and 2025, Scotiabank granted approximately $5 million to over 50 not-for-profit organizations and registered charities in eight countries across the Americas. Recipients have explored public policy, science and technology solutions impacting sectors such as agriculture, automotive, energy, real estate and mining – as well as carbon capture utilization and storage technologies and nature-based strategies, including carbon sinks and carbon sequestration. 2025 recipients include Propulsion Québec, which is studying the feasibility of a Canadian electric truck corridor, and Ocean Wise Conservation Association, which is investigating how urchin harvesting spurs kelp forest recovery. For more information on the 2025 recipients, see the full list published here.

- We continued our membership in Circular Economy Leadership Canada (CELC) a multi-sectoral, non-profit organization whose corporate, non-profit and academic partners are finding solutions to help reduce waste at all stages of the product life cycle.
- Scotiabank sponsored the first edition of Climate Action Week in Mexico City, a multi-sector gathering in the region that strengthens collaboration across government, industry, and civil society. We also participated as a guest speaker in the Climate Economy Forum Mexico 2025, organized by Latam Green, the largest sustainability community in Latin America.
- In Chile, the Bank worked with a sustainability consultancy to offer a sustainability-focused training program to suppliers. To complete the program, participants were required to complete courses focused on sustainability topics including climate change, circular economy, and carbon footprint management. A total of 54 people received a certificate of completion, representing 54 organizations.

3. Supporting Indigenous-led Climate Initiatives for the Benefit of Canada

As stated by Commitment #33 in Scotiabank's Truth & Reconciliation Action Plan (see p. 46), the Bank aims to support Indigenous-led climate initiatives that address the environmental needs of Indigenous communities. In 2025, we established new relationships with Indigenous-led organizations that are leading efforts to advance climate-related solutions and adapt to its impacts through land stewardship.

- Advancing Indigenous participation in clean energy infrastructure: The First Nations Major Projects Coalition (FNMPC) is a national 180+ collective of First Nations coming together to advance shared interests of participating and, where appropriate, gaining equity positions in the major projects taking place in their territories. FNMPC provides technical support to its members in conducting impact assessments and environmental reviews in accordance with their laws and values. In 2025, the Bank committed to a $200,000 donation over two years to support FNMPC's work in supporting First Nations that have an interest in owning or partnering on clean energy infrastructure projects.[1]

1 First Nations Major Projects Coalition. 2024. Clean Energy Project Types and Opportunities.

- Supporting Indigenous-led land stewardship and climate resilience through Guardians[1]: The Indigenous Leadership Initiative (ILI) is an Indigenous-led organization that supports the strengthening of Indigenous Nationhood. Indigenous communities are disproportionately impacted by wildfires, which are set to increase from climate change.[2] Guardian programs offer an opportunity for Indigenous communities to grow their capacity to engage in wildfire management and contribute to and, where appropriate, lead in the protection and restoration of resiliency in their territories. In 2025, we committed a $100,000 donation to support ILI's work to advance Indigenous fire stewardship and the role that Guardians can play in fire management. We also provided a $100,000 donation to Moose Cree First Nation to support the growth of its Land Guardian program focused on enhancing wildlife conservation and upskilling and offering employment to young people in the community.

Climate-related Engagement, Responsible Investment and Stewardship

For Scotia GAM and its affiliates, engagement is a key pillar of the active investment process. Active and ongoing engagement is undertaken with investee companies, policymakers, regulators and key responsible investment organizations on a range of sustainability topics as part of its goal to deliver long-term value to clients. Notably, Scotia GAM is a founding member of Climate Engagement Canada (CEC), a collaboration between institutional investors to jointly work with issuers to make progress on climate-related challenges. For more information on Scotia GAM's collaborative partnerships and engagements on climate change, please refer to its 2025 Stewardship Report (covering 2024 activities), found here. To learn more about Jarislowsky Fraser's approach, its Stewardship Report can be found here. Please see p. 40 for more information on investment solutions and tools for sustainable investing.

Continuous Engagement With Financial Industry on Climate Matters

As one of Canada's largest banks with a strong presence across North America, we participate in various industry organizations focused on collective engagement, sharing best practices and driving progress on topics related to governance, sustainable finance, climate change and risk management. In 2025, we maintained the following relationships with various actors helping to shape the role of finance in sustainability and climate change.

Organization	Description
Bank of Canada's Canadian Fixed-Income Forum – Sustainable Finance Virtual Network	Scotiabank is represented on the Steering Committee and the Indigenous Bond Working Stream of the Bank of Canada's Fixed Income Forum – Sustainable Finance Virtual Network. This network is comprised of professionals versed in fixed-income market structure and functioning, market practices and related policy issues. Developments in sustainable finance, including its role in addressing climate-related risks, are focus areas of this network.
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.
Equator Principles	Scotiabank is a signatory of the Equator Principles (EPs), which is a voluntary, internationally recognized environmental and social risk management framework that supports financial institutions with identifying, assessing and managing the environmental and social risks and impacts when financing in-scope development projects. It serves as a benchmark for project due diligence and monitoring for the banking sector, enabling financial institutions' responsible risk decision-making. Scotiabank participates in EP working groups, which develop updates and resources related to the EPs.
Global Innovation Lab for Climate Finance	Scotiabank is a member of the Global Innovation Lab for Climate Finance, a public-private initiative that identifies and accelerates early-stage climate finance solutions. The Lab aims to drive private investment into climate change mitigation and adaptation solutions in emerging markets.
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 (ICMA)	Scotiabank participates in several working groups established by ICMA, a voluntary trade association for the global capital markets. In 2025, Scotiabank was an active contributor on the ICMA Principles Advisory Council, Climate Transition Finance Working Group and Green Enabling Projects Taskforce.
Mexican Council for Sustainable Finance	Scotiabank is a member of the Mexican Council for Sustainable Finance (CMFS), a non-profit association that promotes best practices in sustainable finance, capacity building, and capital mobilization.
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.
United Nations Environment Programme Finance Initiative (UNEP FI)	Scotiabank is involved in the UNEP FI program through engagement with a variety of programs, including the UNEP FI Risk Centre.

1 "Guardians", an umbrella term used to describe the hundreds of employees who work for Indigenous governments and non-profit organizations, undertake a variety of roles and responsibilities for the protection of lands and resources within their territories (ILI).

2 Indigenous Leadership Initiative. 2022. The Role of First Nations Guardians in Wildfire Response & Management – A Proposed National Strategy.

Employee Learning and Awareness

Executing the Bank's climate strategy and identifying emerging climate-related risks and opportunities requires employees to have a fundamental understanding of climate change, trends related to the energy transition, key technologies supporting decarbonization, and sector-specific approaches to financing and risk management.

In 2025:

- We added new modules to the Scotia Climate College, a virtual learning and education series for corporate, commercial and multinational banking teams and credit adjudicators to enhance their understanding of climate-related risk and opportunities. Five additional modules were offered throughout 2025, each featuring expert guest speakers. Topics focused on:
  - Technologies supporting the energy transition including hydrogen and nuclear small modular reactors.
  - The need to scale carbon capture and storage.
  - Opportunities related to long-term energy storage investment.
  - Trends in the power and utilities sector.
  - Supply and demand outlooks for critical minerals.

  In total, over 2,800 live viewers have joined the webinars since the program launched in 2024, and over 500 employees have visited the internal Scotia Climate College page to find additional resources and access the recordings.[1]
- We delivered environmental and social risk due diligence training to all corporate, commercial and private wealth banking officers and credit adjudicators. This training provides a review of environmental, social and climate-related risk due diligence policies and processes for non-retail banking credits, as well as an overview of the Equator Principles Framework and processes for verifying compliance with internally developed guidelines.
- We hosted 11 internal Sustainability Network sessions, bringing together employees across the Bank who are either directly involved in sustainability initiatives or have a strong interest in the topic. Each session spotlighted sustainability-related work happening across the organization, fostering cross-functional learning and the exchange of best practices.
- We maintained a dedicated Sustainability and Social Impact learning resources page on Scotia Academy, Scotiabank's global learning platform for 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.



1 As of October 31, 2025.

PILLAR THREE: REDUCING OUR OWN EMISSIONS

Identifying opportunities to reduce GHG emissions from our activities is an integral part of the Bank's climate strategy. We identify those opportunities by first measuring emissions across our value chain. The GHG Protocol Corporate Accounting and Reporting Standard, Scope 2 Guidance and Corporate Value Chain (Scope 3) Standard (together, the "GHG Protocol") provide guidance to companies on how to create their own GHG emissions inventories. Under the GHG Protocol, Scope 1 emissions are those direct emissions from owned or controlled sources. Scope 2 emissions are those indirect emissions from the generation of purchased energy consumed. Scope 3 emissions are defined as all other indirect emissions that occur in a company's value chain, which are broken into 15 categories.

Scope of Emissions Disclosure

As a general principle, we seek to disclose a complete inventory of GHG emissions associated with Scope 1 and 2 and, in the case of Scope 3, where applicable and relevant to the Bank's activities.

Categories of emissions that are applicable to the Bank are evaluated as relevant, based on a number of factors described in the GHG Protocol, without limitation:

- the relative size of GHG emissions associated with the category,
- the degree to which the Bank can influence GHG emissions in the category,
- the risk GHG emissions may present to the Bank,
- the level of stakeholder interest in the category, and
- whether specialized guidance has been developed to measure emissions in that category.

The conclusions of the Bank's relevance assessment, most recently conducted in 2024, are summarized in the table below.

Scope 3 GHG Emissions – Relevance Assessment

Scope 3 Category	Applicable Y/N	Relevant Y/N	Disclosed Y/N
1. Purchased goods and services	Y	Y	N
2. Capital goods	Y	Y	N
3. Fuel- and energy-related activities	Y	N	Y[1]
4. Upstream transportation and distribution	Y	N	N
5. Waste generated in operations	Y	N	N
6. Business travel	Y	N	Y[1]
7. Employee commuting	Y	N	N
8. Upstream leased assets	N	–	–
9. Downstream transportation and distribution	Y	N	N
10. Processing of sold products	N	–	–
11. Use of sold products	N	–	–
12. End-of-life treatment of sold products	N	–	–
13. Downstream leased assets	N	–	–
14. Franchises	N	–	–
15. Investments	Y	Y	Y

Categories not considered applicable are not disclosed. In some cases, a category that is applicable, but not relevant, may be disclosed. For example, Category 6, Business Travel is applicable to the Bank but not considered relevant according to the factors outlined above. With data being highly available for this category, we have, however, decided to disclose emissions for this category. Conversely, we may not be able to provide a meaningful estimate of emissions from certain categories that are both applicable and relevant, such as Category 1, Purchased Goods and Services or Category 2, Capital Goods. In these two instances, emissions data is limited and calculation methodologies are nascent and must mature before meaningful emissions estimates can be produced.

1 Please refer to the 2025 Sustainability Data Pack and Indices.

Targets to Reduce Scope 1 and 2 GHG Emissions

Scotiabank has been setting, assessing and increasing targets to reduce Scope 1 and 2 GHG emissions since 2015.[1] In 2023, the Bank increased its target to reduce global Scope 1 and 2 (location-based) GHG emissions from 35% to 40% by 2030 against a 2016 base year.[2] This target was established based on anticipated energy savings from upgrades to Scotiabank-occupied buildings, forecasted power grid emissions intensities which directly impact Scope 2 emissions, and operational strategies aimed at optimizing Scotiabank's physical footprint.

Since 2016, the Bank has reduced its global Scope 1 and 2 emissions by 36.3% (see Summary Table on p. 92 and Figure 6 on p. 87). This reduction has been possible due to decreased carbon intensity of power grids in jurisdictions in which we operate, a real estate strategy aimed at optimizing our physical footprint, enabled in part by the continued adoption of online banking. Our Scope 1 and 2 emissions decreased 0.9% from 2024 to 2025.

Levers for Reducing Scope 1 and 2 Emissions

Internal Carbon Price

The Bank uses an internal carbon price (ICP) to determine the level of expenditure for projects that support the reduction of Scope 1 and 2 emissions each year, such as lighting and HVAC replacement. Overseen by the Bank's Global Real Estate and Corporate Services group, Scotiabank monitors and annually adjusts its ICP based on guidance issued by the Carbon Pricing Leadership Coalition[3] and in alignment with the Government of Canada's Carbon Pollution Price Schedule.[4] In its first year, the ICP was set to $15/tCO$_2$e.[5] In fiscal 2025, the ICP was set at $95/tCO$_2$e. The ICP has been used to budget for expenditures on decarbonization and energy efficiency projects with such expenditures totalling $126.2 million since 2018 and $38.4 million in 2025.

Securing Emissions-Free Electricity

In 2020, Scotiabank set targets to secure 100% emissions-free electricity in Canada by the end of fiscal 2025 and, globally, by the end of fiscal 2030.[6] To help meet these targets, Scotiabank entered a 15-year virtual power purchase agreement (VPPA) with Evolugen in 2022, relating to the building of a solar project near Cardston, Alberta. The project began supplying renewable power to the Alberta electricity grid in 2024. For each megawatt hour (MWh) of emissions-free electricity generated under the VPPA, Scotiabank is entitled to acquire one renewable energy certificate (REC) which can be "retired" at a later date, effectively offsetting carbon emitted elsewhere in our operations. In 2025, Scotiabank retired RECs equivalent to the amount of electricity consumed in its Canadian operations in 2025 that are attributable to emissions-causing sources,[7] allowing the Bank to meet its 2025 target.

In 2022, Scotiabank contracted with a local utility in Peru, Inland Energy S.A.C., requiring that utility to procure a portion of the electricity it delivers to Scotiabank's operations in Peru from emissions-free sources.

Plaza Scotiabank in Mexico City Achieves LEED Gold Certification

In 2025, Plaza Scotiabank in Mexico City was awarded LEED (Leadership in Energy and Environmental Design) Gold certification. The LEED certification offers a framework for healthy, efficient and cost-effective green buildings, providing environmental and social benefits. The project reduced indoor water use by 42% and energy consumption by 20% compared to a reference benchmark. It diverted 89% of construction waste and reused the original building structure.[8]

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

2 The Global Real Estate and Corporate Services (GRECS) group has oversight of the setting of targets related to emissions from our operations, and GRECS 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 emissions from operations, see Scotiabank's GHG methodology.

3 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.

4 As outlined by the Pan-Canadian Approach to Carbon Pollution Pricing 2023-2030.

5 Metric tonne of carbon dioxide equivalents.

6 Either physically or virtually. Emissions-free sources include renewable (hydro, solar, wind, geothermal, tidal) and nuclear sources and may include the use of RECs. Electricity from emissions-free sources is calculated based on grid mix data and purchase of RECs or other environmental attributes reflecting the environmental benefit of emissions-free power production. Canada grid mix data is based on provincial electricity mix sourced from Canada Energy Regulator's Canada's Energy Future 2023: Energy Supply and Demand Projections to 2050 (EF2023). Electricity from emissions-free sources internationally is based on reports from the International Energy Agency (IEA) and US Department of Energy electricity generation by country, by source.

7 Emissions-causing sources include generation from the combustion of fossil fuels. They exclude renewable (hydro, solar, wind, geothermal, tidal) and nuclear sources.

8 As outlined on the United States Green Building Council LEED project directory page.

In accordance with the GHG Protocol methodology for reporting Scope 2 emissions, Scotiabank reports Scope 2 (location-based) emissions, excluding RECs, as well as Scope 2 (market-based) emissions, which include RECs. In 2025, the Scope 2 (market-based) emissions reported includes RECs associated with the VPPA, electricity generated from solar energy at Scotiabank operations in Colombia, as well as the emissions-free electricity procured by Inland Energy S.A.C on behalf of the Bank in Peru.

Use of Carbon Credits

The Bank has prioritized reducing Scope 1 and 2 emissions, having set a target to reduce such emissions by 40% globally by 2030. In 2025, the Bank also purchased and retired independently verified carbon credits equivalent to the total emissions, measured in tonnes of CO_2e, from its Canadian operations in the following categories: Scope 1; Scope 2 heat from steam; Scope 3, Category 3: Fuel- and energy-related activities; and Scope 3, Category 6: Business travel.

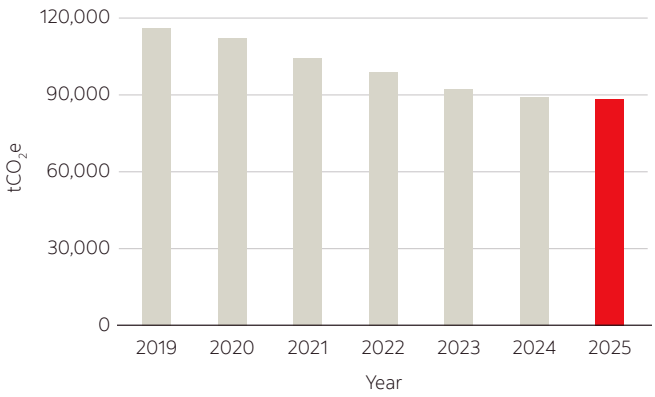
The carbon credits purchased in 2025 were sourced from four Improved Forest Management (IFM)[1] projects. Three of the four projects reduce tree harvesting on the project lands, which can help improve ecological resilience through invasive species control and native species preservation. Two of the projects, both located in Mexico, are managed by local communities, creating employment opportunities and building local knowledge of forest management practices. Revenue derived from carbon credits generated by these projects is reinvested into local infrastructure projects and programs, such as clean water systems, healthcare facilities, community centres, and employment programs. Please refer to the 2025 Sustainability Data Pack and Indices for additional details regarding these carbon credits.

Updates to Emissions Reporting Processes

In an effort to continually improve our reporting processes, Scotiabank adopted a utility bill management system in 2025, which captures energy consumption data across the Bank's Canadian branch network. This system expands on the data management software implemented in 2024,[2] providing a streamlined approach to consolidating data from multiple sources. This system allows for additional transparency, creates reporting efficiencies, and offers analytical tools that may be used to identify decarbonization opportunities. These updates are described within our GHG methodology document, which is revised each year. Revisions capture updates from industry guidance, process improvements and information sources. This year's update to the Bank's GHG methodology also captures emissions from car rentals for business trips.

Please see the Summary of Our Climate-related Metrics and Targets (p. 92) for performance on climate-related metrics and targets related to Scope 1 and 2 emissions, and refer to the 2025 Sustainability Data Pack for additional metrics related to emissions from our operations.[3,4]

FIGURE 6: SCOPE 1 AND SCOPE 2 (LOCATION-BASED) GHG EMISSIONS



1 Improved Forest Management is defined by the United Nations programme for Reducing Emissions from Deforestation and Forest and Forest Degradation (UN-REDD+) as forest management activities which result in increased carbon stocks within forests and/or reduce GHG emissions from forestry activities when compared to business-as-usual forestry practices.

2 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.

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

4 Comparative previous year metrics are presented where available.

Climate Metrics and Targets

The Bank continues to report on a range of quantitative indicators. The Summary of Our Climate-related Metrics and Targets table (p. 92) provides a view of these metrics, and associated targets, where applicable.

FINANCED EMISSIONS

Scotiabank began measuring financed emissions in connection with its business loan portfolio and specific retail loan segments in 2022. We became a member of the Partnership for Carbon Accounting Financials (PCAF) in 2021, and began adopting the Global GHG Accounting and Reporting Standard Part A: Financed Emissions[1] ("PCAF Standard") as the basis to calculate financed emissions.

Building on the GHG Protocol,[2] the PCAF Standard provides guidance to financial institutions regarding how to measure 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 the methodologies used in measuring financed emissions can be found in our Financed Emissions Methodology.

Under the PCAF Standard, financed emissions can be measured in the following ways:

(i) Absolute financed emissions, which show a bank's attributed portion of a borrower's emissions. With respect to the business loans and unlisted equity asset class, absolute financed 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 (in the case of public companies, company value is measured as enterprise value including cash).[3,4] To determine absolute financed emissions across the entire portfolio, absolute financed emissions of all borrowers are added together.

(ii) Emissions intensity, which translates absolute financed emissions into an emissions per unit measurement. Physical emissions intensity is an example of emissions intensity and is determined by dividing the absolute financed emissions of a loan or investment by a physical activity or output value, for example, metric tonnes of carbon dioxide equivalents per megawatt hour (tCO_2e/MWh) generated or consumed, or tCO_2e/tonne product produced. Physical emissions intensity is useful in 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 sectors that continue to provide necessary goods and services.[5]

In 2022, we released two targets to reduce physical emissions intensity in our financed emissions by 2030: one target to reduce physical emissions intensity of our financed emissions in the Oil and Gas (Exploration and Production) sector, and the other one in the Power Generation sector. In 2023, we released a third target to reduce physical emissions intensity by 2030 in our financed emissions in the Automobile Manufacturing sector (collectively, the "Interim Targets").

As explained on p. 67–68 relating to our Climate PIllars, we have evaluated our Interim Targets and the fundamental assumptions on which they were initially established in 2022 and have decided that, as of fiscal 2026, we are withdrawing our Interim Targets and our goal to achieve net-zero by 2050 for financed emissions.

We maintain our commitment to measure and report financed emissions in a number of sectors: Agriculture, Oil and Gas (Exploration and Production), Power Generation, Residential Mortgages and Transportation (Automotive Manufacturing). As outlined in the Bank's 2024 Climate Report, these sectors lie above our Impact Threshold, as defined, and constitute more than 1% of our portfolio or that are above 1% of total outstanding amounts.[6]

1 See The Global GHG Accounting and Reporting Standard, Part A: Financed Emissions (Second Edition), by PCAF.
2 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).
3 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.
4 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.
5 See The Global GHG Accounting and Reporting Standard, Part A: Financed Emissions (Second Edition), by PCAF.
6 Determinations about which sectors were above the Impact Threshold was based on analysis performed in 2024.

In an effort to maintain transparency regarding those portfolios for which Interim Targets had been set, this year we will continue to report physical emissions intensity relating to those sectors.

Refer to the Summary of Our Climate-related Metrics and Targets table (p. 92) for financed emissions metrics calculated in 2025.

Challenges Surrounding Data Quality

Financed emissions methodologies require three quantitative 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 obtain client-level emissions and production data through data platforms that aggregate client-level reported data, as disclosed by the client,[1] or through their sustainability report. 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, depending on whether the client has reported emissions data, or an estimate has to be used. 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. 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).[2] When several data sources are available, data of the highest quality is used, unless otherwise stated within this Report (see p. 92).

Issues such as variability in the scope of reported data and margins of error in aggregated data may impact accuracy and comparability of our calculations over time and may require the restatement of our reported financed emissions.

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.



1 Scotiabank uses the data platform S&P Global Trucost as a source of client-level emissions data. Client-level reported emissions data used to calculate financed emissions and physical emissions intensity are gross of client-purchased offsets.

2 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 (Second Edition), by PCAF.

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 the client-level emissions data made available 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 asset class, where client emissions data is unavailable, we are able to report financed emissions based on 2024 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. 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

In 2025, the Automotive Manufacturing emissions intensity methodology was updated to use vehicle sales as opposed to vehicle production in order to better align with clients' public disclosures. No additional methodological changes were made to our financed emissions calculations. KPMG performed a limited assurance engagement over a selection of Scotiabank's financed emissions figures for the first time in 2024 and continued to do so in 2025.[1] In 2024, we took steps to increase the accuracy of financed emissions for our Oil and Gas portfolio through the use of an emission factor based on currently available client-disclosed data ("Internal Emission Factor").[2] 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 Emission Factor in 2025.

In the most recent financed emissions reporting period, 2023, data availability continues to fluctuate; for example, reported emissions data increased by 12% (of outstanding amounts) for the Oil & Gas sector yet decreased by 6% for the Power & Utilities sector from 2022. In future reporting, our measurement of financed emissions, including baseline 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.

1 KPMG has performed an independent limited assurance engagement for selected performance indicators marked with this symbol ✪ in the report.

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

EXPOSURE TO CARBON-RELATED ASSETS

Our credit exposure to carbon-related assets totalled $187 billion in fiscal 2025, which is approximately 15% of our total gross credit risk exposure. The carbon-related asset metric represents the credit exposure to assets or organizations that, per TCFD's guidance, are more likely to be financially impacted by climate-related risks due to their exposure to GHG emissions, energy or water dependencies associated with their operations and products.[1] 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 Forest Products (see table below). We recognize that TCFD's guidance may capture sub-industries that are less carbon intensive and does not differentiate between clients within sectors who may have higher or lower absolute emissions or emissions intensities; however, we did not apply any exclusions to this metric.

This metric helps us monitor our concentrations of credit exposure to carbon-related assets relative to our total gross credit risk exposure. 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.

As we are focused on supporting our clients with their transition plans and climate-related objectives, we do not expect to cease doing business with carbon intensive sectors, and therefore anticipate continued exposure to carbon-related assets.

FIGURE 7: CREDIT RISK EXPOSURE TO CARBON-RELATED ASSETS



Materials and Buildings	**43%**
Energy	**30%**
Agriculture, Food & Forest Products	**20%**
Transportation	**7%**

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

Summary of Carbon-Related Assets

Metric	Units	Monitoring	2025	2024	2023
Credit Exposure to Carbon-related Assets	$ billion	Transition Risk	187	206	222

1 See Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, by TCFD.

SUMMARY OF OUR CLIMATE-RELATED METRICS AND TARGETS

Metric	Target (If Any)	Unit	Scope	2025	2024	2023	2022	2021	2020	2019
Climate-related Finance	$350B by 2030	$ billions	Annual	40[1] ✪	40	36	38	30	12	16
			All (cumulative)	212	172	132	96	58	28	16
Financed Emissions (Scope 3, Category 15)[2,3] *[Data Quality Score expressed in italics]*		$MtCO_2e$[4] *[Data Quality Score is unitless]*	Oil and Gas – E&P (Scope 1 and 2[5])	–	–	3.2 ✪ *[1.8]* ✪	1.7 *[2.2]*	3.1 *[2.2]*	3.6 *[2.2]*	3.8 *[2.3]*
			Oil and Gas – E&P (Scope 3[6], Upstream)	–	–	0.7 ✪ *[3.2]* ✪	0.7 *[2.3]*			
			Power and Utilities[7] (Scope 1 and 2)	–	–	4.5 ✪ *[2.8]* ✪	3.9 *[2.6]*	4.3 *[2.7]*	3.4 *[2.8]*	3.3 *[2.9]*
			Transport – Automotive Manufacturing (Scope 1 and 2)	–	–	0.05 ✪ *[1.7]* ✪	0.05 *[1.9]*	0.03 *[2.0]*	2.1 *[2.0]*	1.8 *[2.0]*
			Transport – Automotive Manufacturing (Scope 3, downstream)	–	–	2.6 ✪ *[1.6]* ✪	1.9 *[1.9]*	1.5 *[2.0]*		
			Primary Agriculture[8] (Scope 1 and 2)	–	–	9.2 *[4.6]*	9.8 *[4.8]*	9.4 *[4.6]*	6.7 *[4.6]*	7.5 *[4.5]*
			Residential Mortgages[9] (Scope 1 and 2)	–	2.5 *[4.1]*	2.5 *[4.2]*	2.8 *[4.2]*	2.6 *[4.2]*	–	–
Physical Emissions Intensity (Scope 3, Category 15)[10]		tCO_2e/TJ	Oil and Gas – E&P (Scope 1 and 2)	–	–	4.8 ✪	5.9	6.0	5.7	6.1
		tCO_2e/TJ	Oil and Gas – E&P (Scope 3)	–	–	75.3 ✪	73.4	63.4	65.2	58.5
		tCO_2e/MWh	Power Generation (Scope 1 and 2)	–	–	0.28 ✪	0.29	0.29	0.25	0.36
		gCO_2e/km	Transport – Automotive Manufacturing (Scope 1, 2 and 3 downstream)	–	–	201.1 ✪	195.4	204.1	188.9	146.7
Scope 1 and Scope 2 (location-based) GHG Emissions	40% absolute GHG reduction by 2030 from 2016 base year	tCO_2e	–	88,394 ✪	89,234	92,179	98,779	104,586	112,116	116,166
Scope 1 GHG Emissions		tCO_2e	–	25,372 ✪	25,475	27,402	28,797	22,493	22,278	24,303
Scope 2 GHG Emissions (location-based)		tCO_2e	–	63,022 ✪	63,759	64,777	69,982	82,093	89,838	91,863
Scope 2 GHG Emissions (market-based)[11]		tCO_2e	–	48,376 ✪	63,050	–	–	–	–	–
Electricity from emissions-free sources (global)[12]	Secure 100% by 2030	percentage	–	75%	65%	66%	67%	63%	61%	61%
Electricity from emissions-free sources (Canada)	Secure 100% by 2025	percentage	–	100%	83%	83%	83%	82%	82%	83%
Carbon-related Assets		$ billions	Credit exposure to carbon-related assets	187	206	222	234	–	–	–
Energy Supply Ratio		Unitless	–	0.65	–	–	–	–	–	–

1 Transactions are counted in the fiscal year in which they are executed. The Bank will also count transactions executed in the previous fiscal year that were not already counted towards the CRF Target.

2 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.

3 In these rows, we are providing financed emissions covering Scope 1, Scope 2, and Scope 3 of those companies that fall within the relevant sector and asset class.

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

5 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.

6 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.

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

8 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.

9 In 2021 and 2022, our financed emissions for the Mortgages asset class are 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.

10 This table reflects the Bank's latest financed emissions estimates. For more information on time lags associated with our estimates, see p. 90 of this Report.

11 The Bank reported 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 and 2025.

12 Either physically or virtually. Emissions-free sources include renewable (hydro, solar, wind, geothermal, tidal) and nuclear sources and may include the use of RECs. Electricity from emissions-free sources is calculated based on grid mix data and purchase of RECs or other environmental attributes reflecting the environmental benefit of emissions-free power production. Canada grid mix data is based on provincial electricity mix sourced from Canada Energy Regulator's Canada's Energy Future 2023: Energy Supply and Demand Projections to 2050 (EF2023). Electricity from emissions-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.

Climate Risk Management

ESG Risk is defined as a Principal Risk in the ERMF, and Climate Risk is defined as a subcomponent of ESG Risk. ESG Risk 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 risk management elements are integrated into the frameworks, policies, procedures, standards, guidelines and tools of other Principal Risks that help to effectively manage climate-related risks.

IDENTIFICATION, ASSESSMENT AND MANAGEMENT OF CLIMATE-RELATED RISKS

The identification and assessment of climate-related risks is performed on an ongoing basis across Principal Risk types (see p. 94–99 for more details). Examples include risk and control self-assessments, new initiative risk assessments, transaction due diligence and horizon scanning exercises. These processes directly tie into the management of climate-related risks. We leverage tools such as scenario analysis; risk ratings, metrics and limits; heatmaps; and client questionnaires as we consider climate-related risks across relevant Principal Risk types. These climate risk identification and assessment processes and tools support dedicated reporting to senior management committees and the Risk Committee of the Board (see p. 9–11 for more details). This reporting aggregates results, including concentrations (e.g., geographies, sectors, relevant business lines or clients), from these tools to present executives with a view of the Bank's climate risk profile and compliance with established 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 embedded into the existing processes for the relevant Principal Risk types.

As described above, climate-related risks are embedded within the Enterprise Risk Taxonomy and ESG Risk Management Framework. For fiscal 2025, the Bank monitored standalone climate risk appetite metrics, which included: (i) the proportion of the Bank's non retail credit portfolios exposed to clients that were vulnerable to high transition and high physical climate-related risks and (ii) tracking progress toward the Bank's CRF Target. These metrics were assigned limits for the enterprise as well as the relevant business lines to support the Bank with aligning its business and financial strategies with its climate risk appetite. 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 of the Board. 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-related risk through the Bank's Top and Emerging Risk process and annually review and evaluate climate risk metrics.

For more information on risk management, see our Management Proxy Circular (p. 33–35, 46–50) and our 2025 Annual Report (p. 78–80, 113–114).



Climate Transmission Channels

The primary goals of climate risk management are to ensure the outcomes of climate risk-taking activities are consistent with the Bank's values, strategies and risk appetite. Transmission channels explain how climate risk drivers[1] give rise to the risks that impact the Bank's businesses and operations. From a microeconomic perspective, we review how climate risk drivers could affect individual clients, the Bank's ability to fund itself, or possible impacts to our operations. Then, we assess how climate risk drivers could impact macroeconomic factors (e.g., labour productivity and economic growth) and how these factors in turn may impact the economies in which we operate.

In fiscal 2024, we performed an assessment of the impact of climate change against all Principal Risks. 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 climate risks. The following pages summarize how the Bank has integrated climate risk elements and controls into the management of other Principal Risks.

Credit Risk

DEFINITION: The risk of loss resulting from the failure of a borrower or client 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 weather (e.g., agriculture). It may also impact the availability or price for insurance.

Transition Risk:

- Failure to adapt to changing market demands for low carbon emitting products could impact a borrower's business model and market share resulting in financial impacts, such as reduced 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 the 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 non-retail credit risk are identified and managed at the industry and borrower level. See the Climate Scenario Analysis section (p. 100–102) for more information on non-retail and retail credit risk climate scenario analysis.

The Bank has a heatmap, as illustrated in the table on the following page, to support our understanding of each industry's sensitivity to physical and transition climate risks across our non-retail lending portfolios. 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 implemented a Climate Change Risk Assessment (CCRA) process for non-retail clients as part of its credit due diligence and adjudication process. Each client 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. For sectors where a TPR assessment is completed (Oil and Gas (Exploration and Production), Power Generation and Automobile Manufacturing – see p. 79) the TPR results are used to adjust the transition risk rating in the CCRA.

1 Per the ESG Risk Management Framework, climate risk drivers include the four Transition Risk sub-types (Reputational, Market, Technology, and Policy and Legal) and two Physical Risk sub-types (Acute and Chronic).

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. The results of this industry review process are then used to inform credit limits or sub-limits for non-retail banking[1] sectors. This type of risk assessment is also used to promote alignment of the Bank's risk appetite with its overall business and financial strategies.
2. Climate Risk Reports are sent to the Senior Credit Committee on a quarterly basis. These reports include: (a) CCRA/TPR portfolio breakdown, (b) Carbon-related asset portfolio breakdown, (c) non-retail banking climate scenario analysis results, (d) Progress toward the Bank's CRF Target, and (e) Overview of the Bank's exposure to clients with inherently high physical and transition climate risks in our non-retail credit portfolios.
3. An assessment of Expected Credit Loss (ECL) due to climate change for the non-retail banking portfolio are sent to the Senior Credit Committee on a quarterly basis. Climate considerations are incorporated into the ECL via an adjustment.

Sectors	% of Loans and Acceptances[2]	Transition Risk Sensitivity	Physical Risk Sensitivity
Agriculture	2.2%	High	High
Automotive	2.3%	High	Low
Chemicals	0.3%	High	Medium
Energy	0.8%	High	Medium
Financial services bank[3]	0.1%	Low	Low
Financial services non-bank	4.0%	Low	Low
Food and beverage	1.3%	Low	Medium
Forest products	0.3%	Medium	High
Health care	1.1%	Low	Low
Hospitality and leisure	0.4%	Low	Medium
Metals	0.2%	High	Medium
Mining	0.7%	Medium	Medium
Other[4]	3.6%	Low	Low
Real estate and contractors	7.7%	Medium	Medium
Sovereign[5]	0.8%	Low	Low
Technology and media	2.4%	Low	Low
Transportation	1.1%	Medium	Medium
Utilities	2.8%	Medium	High
Wholesale and retail	3.7%	Low	Low

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

2 Ratio of outstanding exposure divided by total loans and acceptances for Business and government borrowers. 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 2025 Annual Report, p. 123.

3 Deposit-taking institutions and securities firms.

4 Other includes $9.6 billion in wealth management, $3.5 billion in services and $3.1 billion in financing products.

5 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, prescribed practices ("regulatory requirements"), 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, privacy risk, and Anti-Bribery and Anti-Corruption (ABAC) 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 lead to heightened market volatility and sharp movements in the value of securities or commodities resulting in potential losses depending on exposure.

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 driven by shifts in market expectations, resulting in the sudden repricing of financial instruments and/or increased market volatility due to policy shifts, severe weather events, or adjustments to macroeconomic expectations related to climate change.

The Bank has implemented market stress testing based on methods from OSFI's Standardized Climate Scenario Exercise (SCSE), whose goals are to increase the Bank's understanding of potential exposures to climate-related risks, build the Bank's capacity to conduct climate scenario analysis and risk assessments, and help measure the potential financial exposures to climate-related risks across institutions.

As part of the Bank's evolving climate risk management strategy, we are also in the process of adopting the International Swaps and Derivatives Association's *Conceptual Framework for Climate Scenario Analysis in the Trading Book*. This framework is intended to complement our existing methodologies by supporting more targeted assessments of market risk under short-term climate stress conditions.

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

IMPACTS:

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 a liquidity profile that includes potential physical and transition risk factors. The Bank's internal liquidity stress test modelling 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.

Reputational Risk

DEFINITION: Risk that negative publicity or stakeholder sentiment regarding Scotiabank's conduct, business practices or associations, whether true or not, will adversely affect its revenues, operations or client 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 the perception that the Bank has made false or misleading claims of the climate benefits associated with the Bank's products, services or business activities (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:

The Bank's Reputational Risk Policy describes the policies and principles applicable to Reputational Risk Management within the Bank. The Policy articulates the Bank's Reputational Risk Appetite. The Bank has no appetite for reputational or conduct risks that could undermine the trust of our stakeholders. The Bank has no appetite for reputational, regulatory, legal, or taxation risk arising in business activities, initiatives, products, services, transactions or processes, or from a lack of suitability of products for customers. The Bank expresses its appetite for Reputational Risk as "Minimal negative impacts to brand/franchise value" within the Enterprise Risk Appetite Framework, acknowledging that some amount of reputational risk is always inherent in the Bank's operations, and it cannot be avoided entirely.

Operational Risk

DEFINITION: Risk of loss resulting from people, inadequate processes and systems, or from external events.

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

TIME HORIZONS: Short/Medium/Long

IMPACTS:

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 operational risk and resilience in a manner consistent with 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). In 2022, the Bank undertook a climate resiliency assessment, including forward-looking climate scenario analysis in connection with over 2,800 real estate assets.[1] To support this assessment over time, we will perform climate scenario analysis in fiscal 2026 for the Bank's real estate assets to include an expanded set of risk factors, time horizons and climate scenarios.

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. Additionally, the Enterprise Crisis & Business Continuity program conducts scenario exercises for climate events, such as hurricanes in high-risk areas for critical functions, to further strengthen preparedness and resilience.

In addition to the above-mentioned 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.

1 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.

Strategic Risk

DEFINITION: Risk that the enterprise, business lines or corporate functions will make strategic choices that are ineffective or insufficiently resilient to changes in the business environment or fail to achieve the Bank's strategic vision or objectives in the execution of the Bank's strategy.

CLIMATE DRIVERS: All transition risk drivers

TIME HORIZONS: Short/Medium/Long

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 objectives is in part dependent on the willingness and ability of clients to decarbonize and becomes more challenging without supportive government policy. Any governmental policy or regulations that delay or fail to support climate action could require 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's Strategic Risk Management Framework outlines a structured approach for identifying, assessing and mitigating risks that could impact the Bank's strategy under the Bank's Strategy Planning Process. The Bank's Strategy Planning Process is an integrated, iterative and collaborative process between the Business Lines, Global Finance, Strategy, Capital Management and Global Risk Management. Under this process, Global Risk Management, through the development cycle of the Bank's Annual Strategy Plan and ongoing engagement, challenges the Bank's Strategic Plans considering the Bank's financial and strategic priorities, and established risk appetite metrics.

In addition, the Strategic Risk Management Framework also includes the Top and Emerging Risk process which enables the Bank to proactively identify, evaluate, review, report, monitor and manage a broad range of emerging risks and undertake appropriate risk mitigation strategies.



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 their portfolios and operations and accordingly inform their risk management processes and strategy.

Under OSFI B-15, 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 Network for Greening the Financial System (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)	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[4]				
% 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	$738

1 Retrieved from NGFS-IIASA Scenario Explorer on October 2, 2025 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 on AR6 climate diagnostics|Surface Temperature (GSAT)|MAGICCv7.5.3|50.0th Percentile at 2100.

2 NGFS provides physical risks scenarios on their Scenarios Portal here.

3 NGFS provides transition risks scenarios on their Scenarios Portal here.

4 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 on AR6 climate diagnostics|Surface Temperature (GSAT)|MAGICCv7.5.3|50.0th Percentile at 2100.

Enterprise Programs for Climate Scenario Analysis

Climate scenario analysis has continued to expand, with enhancements in 2025 to reporting and data, and greater coordination across the enterprise to expand the scope of analyses and raise awareness of results. At a high level, we continue to advance capabilities in both liquidity and market risk stress testing, 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 and continuing to refine its approach through the integration of additional frameworks. Combined scenarios that project potential credit risk impacts across our business banking and retail lending books due to physical and transition risks were advanced and used in the Bank's internal capital assessment process and enterprise stress testing.

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-term 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, outcomes continue to be subject to a high level of measurement uncertainty.

Climate scenario analysis for our Canadian real estate portfolio is conducted regularly to examine the impact of physical risks on our portfolio and results are presented to senior credit risk management. This analysis considers 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) across short-, medium-, and long-term horizons to 2100. Physical risk outcomes are combined with damage functions to predict property damage from climate events. These analyses assume that the current geographic distribution of our portfolio is maintained across time, and do not account for any potential changes in building standards or resiliency infrastructure that may change outcomes. Climate physical impacts typically vary with the level of warming envisioned in the IPCC scenarios. On an overall basis, physical risks for the Canadian real estate portfolio, including flood, wildfire, and other climate hazards, are not expected to be material in the near term. We have also initiated climate scenario analysis work for our international retail portfolio using the same scenarios and time horizon.

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

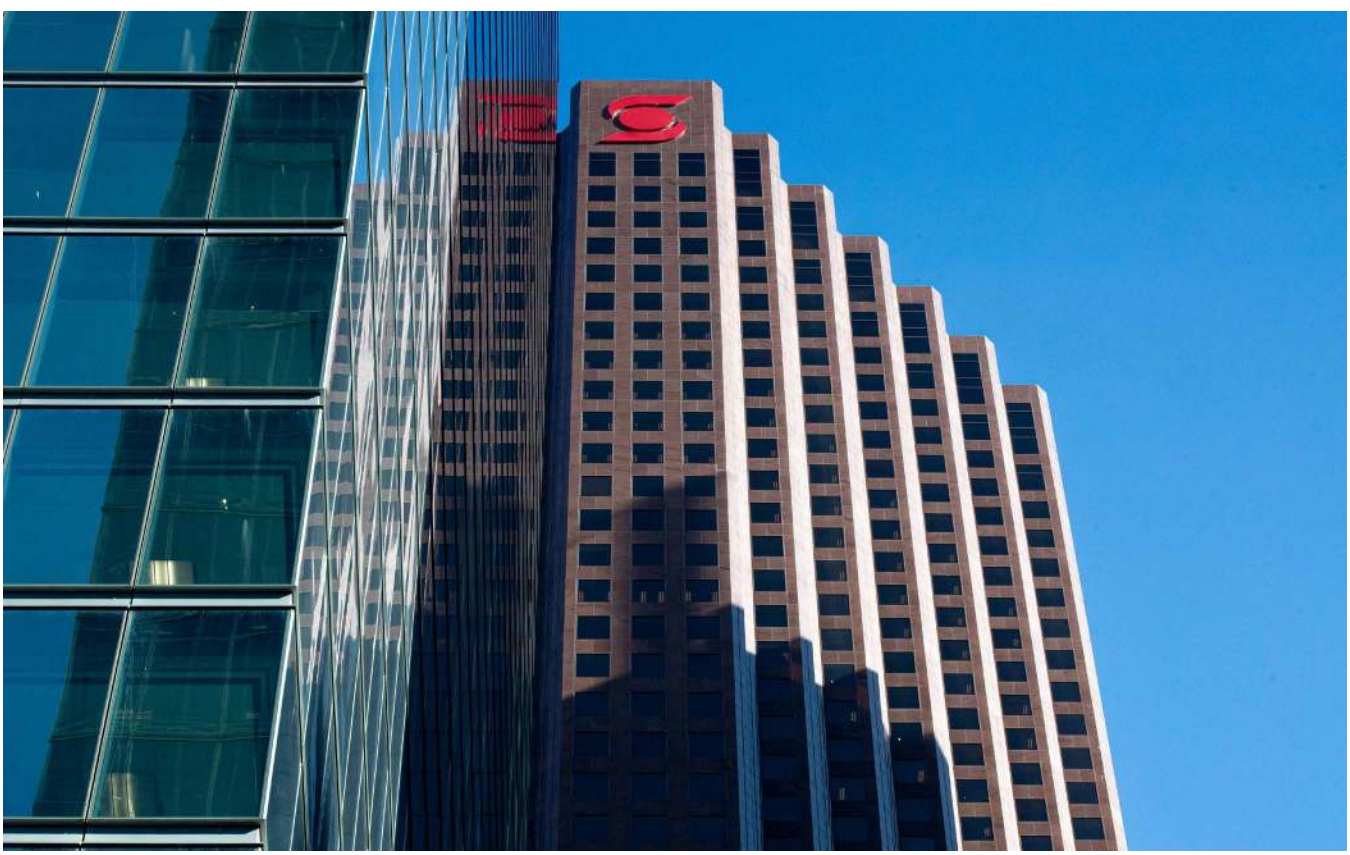
Additionally, in 2025, the Bank participated in OSFI's SCSE. This exercise was designed to enhance the financial sector's understanding of climate-related financial risks, to foster the development of climate risk measurement capabilities, and to provide a standardized, comparable view of physical and transition risks across financial institutions. The results of this exercise were shared with the Stress and Scenarios Committee and other relevant retail and non-retail banking stakeholders.

Future Plans

As climate scenario analysis continues to evolve, Scotiabank remains actively engaged with industry groups, including the UNEP FI Risk Centre to build internal capacity and stay updated on the latest tools and practices. We plan to continue to enhance and refine our methodologies in line with emerging industry practice.

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 and wildfire.	Short, medium, long
Enterprise stress testing and internal capital assessment process	Business banking and Canadian retail lending books	Two 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



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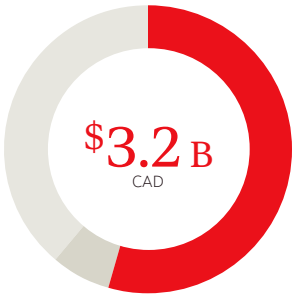
Sustainable Issuances

ALLOCATION OF PROCEEDS (CAD$ MILLIONS)[1]

Sustainable Issuance Framework Allocated Portfolio	GREEN CATEGORIES				SOCIAL CATEGORIES	
	Low Carbon Energy	Nuclear Energy	Clean Transportation	Green Buildings	Access to Essential Services	Total Amount Allocated ✪
Green Issuances[2]	$240	–	$1,018	$508	–	$1,766
Sustainability Issuances	28	–	117	58	6	210
Sustainability Issuances (including nuclear assets)	152	94	644	322	36	1,247
Total Amount Allocated ✪	**$420**	**$94**	**$1,778**	**$888**	**$42**	**$3,223**

Total Issuances Outstanding, Assets by Category, Assets by Country[3]

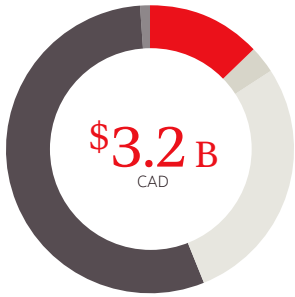
TOTAL ISSUANCES OUTSTANDING



Allocated Assets

- Green Issuances **55%**
- Sustainability Issuances **7%**
- Sustainability Issuances (with Nuclear) **39%**

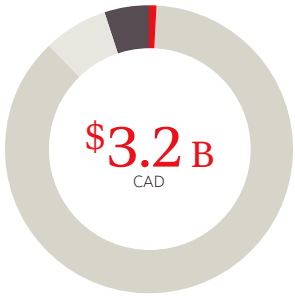
ASSETS BY CATEGORY ✪



Allocated Assets

- Low Carbon Energy **13%**
- Nuclear Energy **3%**
- Green Buildings **28%**
- Clean Transportation **55%**
- Access to Essential Services **1%**

ASSETS BY COUNTRY



Allocated Assets

- Mexico **1%**
- Canada **87%**
- US **7%**
- France **5%**

ALLOCATION OF PROCEEDS (CAD$ MILLIONS)[1]

Sustainable Bond Framework Allocated Portfolio	GREEN CATEGORIES			
	Low Carbon Energy	Green Buildings	Pollution Prevention Control	Total Allocated Amount ✪
Green Issuances ✪	160	102	34	296

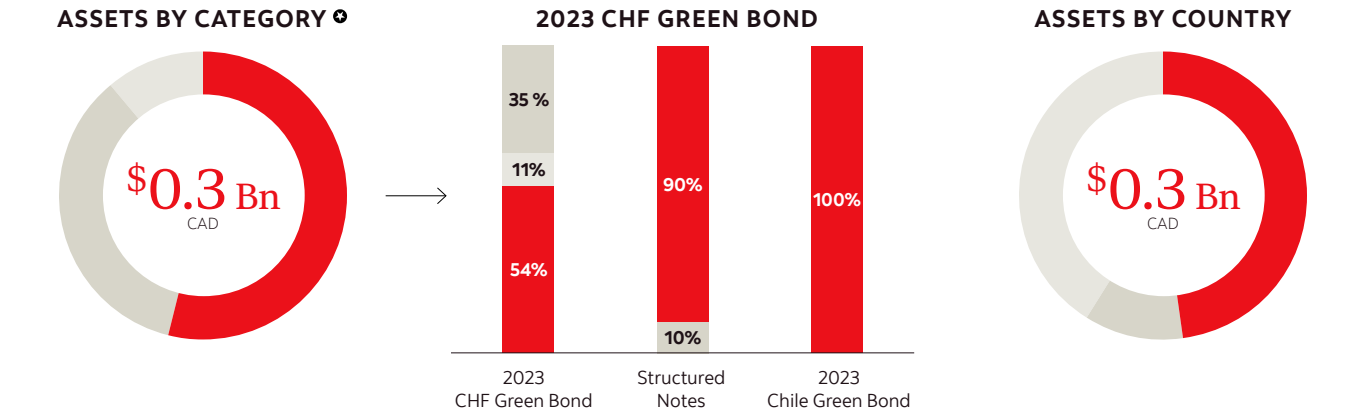
1 Based on authorized amount as at August 31, 2025, 100% ✪ of net proceeds were allocated. Aggregate numbers may not add due to rounding. Green and Social categories for the allocation of proceeds reflect the Eligible Categories outlined in Scotiabank's Sustainable Issuance Framework and Sustainable Bond Framework.

2 Green issuances include Green MXN Bond that can be allocated to nuclear category in the future.

3 Numbers may not add due to rounding.

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

Assets by Category, Assets by Country[1]



- Low Carbon Energy **54%**
- Green Buildings **35%**
- Pollution Prevention Control **11%**

- Green Buildings
- Pollution Prevention Control
- Low Carbon Energy

- Chile **48%**
- Mexico **11%**
- Canada **41%**

IMPACT OF PROCEEDS[2]

	GREEN CATEGORIES						
	Low-Carbon Energy				Nuclear Energy	Clean Transportation	Pollution Prevention and Control
	Annual GHG emissions avoided (tonnes CO_2e)	Annual renewable energy produced (MWh)	Renewable capacity constructed or rehabilitated (MW)	GHG emissions avoided annually from renewable energy (tonnes CO_2e)	Total capacity (MW)	GHG emissions avoided annually from electric vehicles (tonnes CO_2e)	Waste diverted (tonnes)[3]
Green Issuances[4,5]	647,958	1,370,348	533	563,679	–	83,406	31,444
Sustainability Issuances	49,862	68,771	30	40,211	–	9,587	–
Sustainability Issuances (including nuclear assets)	257,054	378,442	167	203,946	93	52,757	–
Total Impact	**954,874**	**1,817,560**	**731**	**807,837**	**93**	**145,751**	**31,444**

	GREEN CATEGORIES			SOCIAL	
	Green Buildings			Access to Essential Services	
	Green real estate space[6] (sq ft)	Annual energy saved (eMWh)	GHG emissions avoided annually from green buildings (tonnes CO_2e)	Number of hospitals and other healthcare facilities built or refurbished	New or improved service provided by number of beds
Green Issuances[4,5]	1,003,205	5,176	872	–	–
Sustainability Issuances	89,551	359	64	1 new hospital (consolidation of 4 existing sites)	469 new inpatient beds
Sustainability Issuances (including nuclear assets)	492,795	1,975	351		
Total Impact	**1,585,551**	**7,510**	**1,287**	**1 new hospital**	**469 new inpatient beds**

1 Numbers may not add due to rounding.

2 There are not yet standardized and universal methodologies for calculating the impact of proceeds, and guidance and market practices in this area continue to evolve, particularly in respect of estimating the avoided GHG emissions. For the purposes of this report, we have therefore adopted the methodologies described on p. 107, recognizing that these methodologies may change over time to reflect evolving guidance and market practices.

3 Waste diverted is recycled paper and cardboard used to manufacture 100% recycled material paper products. Figure provided represents 2024 data which is the most current available at time of report preparation.

4 Including Green Issuances under the Sustainable Bond Framework.

5 Green issuances include Green MXN Bond that can be allocated to nuclear category in the future.

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

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

NET PROCEEDS OUTSTANDING (CAD$ MILLIONS)

SUSTAINABILITY ISSUANCES UNDER THE SUSTAINABLE ISSUANCE FRAMEWORK

Instrument	Currency	Amount	Amount (CDE$)[1]	Issuance Date	Maturity Date	Label	ISIN
Benchmark Senior Note[2]	CAD	$1,246,718,750	$1,246,718,750 ✪	26-Sep-24	26-Sep-30	Sustainability with nuclear	CA06418MM430
GIC	CAD	$146,800,000	$146,800,000 ✪	Various	Various	Sustainability	N/A
Structured Note	USD	$45,997,672	$62,708,626 ✪	05-Jul-24	26-Jun-26	Sustainability	US06418K2987
Total Sustainability Net Proceeds			**$1,456,227,376**				

GREEN ISSUANCES UNDER THE SUSTAINABLE ISSUANCE FRAMEWORK

Instrument	Currency	Amount	Amount (CDE$)[1]	Issuance Date	Maturity Date	Label	ISIN
Benchmark Senior Note	EUR	€995,680,000	$1,462,853,056 ✪	14-Apr-24	17-Apr-29	Green	XS2804565435
Benchmark Senior Note[3]	MXN	MXN 4,308,908,109	$303,433,309 ✪	13-Sep-24	13-Sep-27	Green	MX94SC3O00M4
Total Green Net Proceeds			**$1,766,286,365**				
Total Sustainable Issuance Net Proceeds			**$3,222,513,741**				

GREEN ISSUANCES UNDER THE SUSTAINABLE BOND FRAMEWORK

Instrument	Currency	Amount	Amount (CDE$)[1]	Issuance Date	Maturity Date	Label	ISIN
Benchmark Senior Note	CHF	CHF 199,375,000	$296,231,375 ✪	22-Sep-23	22-Sep-27	Green	CH1294486324
Total Net Proceeds			**$3,518,745,116**				

1 Net proceeds are converted to Canadian Dollars using the spot exchange rate as of the Settlement date for each respective issuance.
2 Includes allocation to eligible nuclear category assets under the Bank's Sustainable Issuance Framework.
3 Permits allocation to eligible nuclear category assets under the Bank's Sustainable Issuance Framework.
✪ KPMG was engaged to provide a limited assurance conclusion over indicators identified with this symbol. Refer to KPMG's Independent Limited Assurance Report.

2025 SUSTAINABLE ISSUANCE IMPACT METHODOLOGY

Green Buildings

Impact measurement metrics for green buildings were calculated using data provided by the borrowers on the expected energy use of green building projects once completed or by proxy equivalent where building asset data was not available for assessment. The annual energy savings were estimated by comparing the expected average energy to a baseline building. In the LEED® rating system, a baseline building is required to be used as a reference point to evaluate the expected energy efficiency of a LEED® applicant design building. A LEED® baseline building is designed to hold location, geometry and occupancy factors constant but has a minimally compliant envelope, HVAC and lighting design compared to a building designed to achieve LEED® certification.

Energy saved is calculated in equivalent-Megawatt hours (eMWh), and accounts for energy from both natural gas and electricity. When reporting on total energy savings, the term "equivalent" is used to describe different energy sources in one unit, consisting of electricity and natural gas.

GHG emissions avoided is calculated in tonnes of carbon dioxide equivalents (tonnes of CO_2e). The annual GHG emissions avoided were estimated by applying regionally specific carbon intensity factors to the estimated energy savings. The term "CO_2e" or "Carbon dioxide equivalent" is used to describe greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO_2e signifies the amount of CO_2 which would have the equivalent global warming impact. Emission factors were obtained from Environment and Climate Change Canada's (ECCC) National Inventory Report (NIR) (1990–2023) published in 2025 for Canadian assets,[1] and the EPA's Emission Factor Hub data (June 2025) for U.S. locations. Electricity carbon intensity values for Emissions eGRID[2] regions were used for U.S. green buildings.

The impact of this category has been apportioned based on Scotiabank's current authorized loan amount as a proportion of the total project capitalization at the time of origination, as well as the portion of the loan share to which proceeds were allocated.

Low-Carbon Energy

Impact metrics for the low-carbon energy category are based on data provided by the borrower or public information related to this metric as reported by the borrower. For both wind and solar power plant assets in the United States, relevant state average wind[3] and solar[4] capacity factors were used and applied to the expected installed capacity. For wind and solar power assets in other geographic locations, relevant country averages for both capacity factors and carbon intensity of electricity generation (2024)[5] were also used and applied to the expected installed capacity.

The avoided emissions were calculated by applying the non-baseload factor, where available, for the electricity grid in which the renewable energy project is located. Use of non-baseload factors provides a better estimate of the emissions reductions associated with reduced electricity use, reflecting the fact that when the load decreases, non-baseload or "peak load" power output is reduced first.

The impact of this category has been apportioned based on Scotiabank's current authorized loan amount as a proportion of the total project capitalization at the time of origination, as well as the portion of the loan share to which proceeds were allocated.

Clean Transportation

Impact metrics for the clean transportation category are based on the Bank's Canadian Battery Electric Vehicle (BEV) loan portfolio. For each vehicle within the portfolio, an average annual mileage amount was estimated based on the province where the loan is registered. The data to estimate annual mileage amounts at the provincial level was sourced from Natural Resources Canada's (NRCAN) 2008 Canadian Vehicle Survey Update Report (NRCAN 2008), which was adjusted to 2019 values using data from the British Columbia Current Community Energy and Emissions Inventory data (BC 2025).

Electricity consumption for each vehicle was estimated using the combined fuel consumption rating from NRCAN's Fuel consumption ratings search tool (NRCAN 2025). For vehicles not found within this resource, proxy or average values from similar vehicles were employed. GHG emissions were estimated by applying grid electricity generation emission factors to the estimated electricity consumption for each vehicle sourced from the ECCC NIR (1990–2023).

To quantify avoided emissions, each vehicle was compared against a functionally equivalent baseline scenario consisting of an internal combustion engine vehicle driving the same assumed mileage. Emissions for the baseline scenario were calculated by multiplying the assumed mileage times an emission factor for gasoline vehicles sourced from the ECCC NIR (1990–2023).

The impact of this category has been calculated based on the total outstanding loan amount for each asset, which is fully financed by Scotiabank.

Nuclear Energy

Impact metrics (for nuclear energy, total capacity in MW) are based on public information related to this metric as reported by the borrower. The impact of this category has been apportioned based on Scotiabank's current authorized loan amount as a proportion of the total project capitalization at the time of origination, as well as the portion of the loan share to which proceeds were allocated.

Pollution Prevention and Control

Impact metrics (for pollution prevention and control, waste diverted in tonnes) are based on public information related to this metric as reported by the borrower. The impact of this category has been apportioned based on Scotiabank's current authorized loan amount as a proportion of the total project capitalization at the time of origination, as well as the portion of the authorized loan amount to which proceeds were allocated for each respective issuance.

Access to Essential Services

Impact of proceeds data (for access to essential services, the number of hospitals and other healthcare facilities built or refurbished and the new or improved service provided by number of beds) is based on information reported by the borrower. The impact of these categories is represented in total and has not been apportioned to Scotiabank's authorized loan amount. The portion of the authorized loan amount to which proceeds were allocated has been applied in the Allocation of Proceeds.

1 Canada NIR March 2025: https://publications.gc.ca/collections/collection_2025/eccc/En81-4-2023-1-eng.pdf.

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

3 2024 Average US State capacity factor for projects built from 1998 to 2023. Source: https://emp.lbl.gov/wind-power-performance.

4 Annual solar Capacity Factors (2024): https://emp.lbl.gov/pv-capacity-factors.

5 Ember (2025); Energy Institute – Statistical Review of World Energy (2025) with major processing by Our World in Data.

Awards and Recognition

Global award

Best Bank for Sustainability Transparency

by Global Finance

Named

North America's Best Bank For ESG

One of 4 wins from the 2025 Euromoney Awards For Excellence

Recognized for the 5th time

Women Lead Here

ranking from The Globe and Mail (Canada)

Recognized as the

Sustainable Infrastructure Bank of the Year

by LatinFinance Project

Recognized 6 years in a row

Best Workplaces in Canada™

by Great Place to Work®

4th consecutive win

Best Bank for Sustainable Finance in Canada

amongst 11 2025 Sustainable Finance Awards

Scotiabank recognized by Mediacorp Canada Inc. as one of the **Canada's Top 100 Employers for 2026**.

Named **Canada's Best Bank** a 2nd time at the **2025 Euromoney Awards for Excellence**, alongside wins for North America's Best Bank for ESG, and Latin America's Best Bank for Sustainable Finance, and Investment Banking.

Awarded **Bank of the Year in Canada** by The Banker, which recognizes financial institutions for their performance and strategic and technological advancements that support their clients.

Scotiabank Mexico received the "Compromiso en la Atención a las Personas Adultas Mayores" distinction from the **Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros** (CONDUSEF), recognizing the Bank's efforts to promote financial inclusion.

Scotiabank secured three award wins at the **Brandon Hall Group™ HCM Excellence Awards®** 2025. A Gold win for the *Change Ready Leader Experience* program developed to support the rollout of ScotiaBond as well as a Gold and Silver recognition for the *Creditor Insurance Certification Program*, which provides 15,000+ employees with training to deliver confident, compliant financial protection conversations with clients.

Terms and References

Term	Definition
Blue Bond	Blue bonds refer generally to types of labelled blue bond instruments where at the time of issuance, proceeds are intended to be earmarked to finance and/or re-finance, in part or in full, new and/or existing water-, marine- and/or freshwater-related eligible activities. Blue bonds are considered to be a subset of green bonds.
Business Banking	Within the Canadian Banking business line, Business Banking delivers advice and a full suite of lending, deposit, cash management and trade finance solutions to small, medium, and large businesses, including the Roynat franchise, which provides clients with innovative financing alternatives through both public and private markets.
Canadian Dollar Equivalent (CDE)	Expresses the value of assets converted to Canadian dollars, to provide a consistent, comparable reference when multiple currencies are part of a total figure.
Climate Change Risk Assessment (CCRA)	A mandatory annual assessment that is conducted at the borrower level for non-retail clients as part of the credit due diligence and 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.
Climate-related Finance	As described in Scotiabank's CRFF, climate-related finance consists of certain financial services (such as lending, capital markets, deposits, securitizations, treasury investments and advisory services) as well as certain types of transactions, such as sustainability-linked loans that incentivize performance toward environmental targets, or dedicated purpose loans which are structured to 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/or circular economy.
Climate-related Finance Framework (CRFF)	The CRFF outlines certain financial products and services that aim to support Scotiabank's clients to implement and advance their climate strategies.
Climate Risk	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.
Climate Risks (physical)	Defined in Scotiabank's ESG Risk Management Framework as a sub-set of Climate Risk, physical risks manifest themselves as potential for financial loss from damage to property or assets, caused by increases in the frequency and severity of weather events and long-term shifts in climate patterns. Physical risks are further broken down into acute and chronic risks, as follows: i. Acute Physical risks are impacts arising from extreme weather events. ii. Chronic Physical risks are impacts caused by longer term shifts in climate patterns.
Climate Risks (transition)	Defined in Scotiabank's ESG Risk Management Framework as a sub-set of Climate Risk, transition risks manifest themselves as the potential for financial loss resulting, directly or indirectly, from a shift toward a lower-carbon economy. Transition risks can be broken down into the following sub-risk categories: i. **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. ii. **Market** risks to a business due to changing consumer preferences or increased costs of inputs (e.g., raw materials). iii. **Technology** risks of a business making an unsuccessful investment in a new technology or substitution of existing products and services with lower emissions options. iv. **Policy and Legal** risk refers to the potential impact of laws, regulations and/or jurisprudence on a business's ability to comply, or incur increased costs associated with these changes.
Contingent Worker	Contingent worker means: i. agency workers where Scotiabank has a contract with an agency who is the employer of a worker or has retained a worker who is assigned by the agency to provide services to Scotiabank; and/or ii. independent contractors, where Scotiabank has entered directly into a contract with an individual (or the company owned by an individual) to provide services to Scotiabank directly. Contingent workers are not employed by Scotiabank and are therefore not paid via payroll by Scotiabank. Various terms may be used to address contingent workers throughout Scotiabank globally, including, but not limited to, third-party workers, agency temporary workers, freelancers, independent contractors, consultants, and external contractors. Our Code only applies to those contingent workers with access to Scotiabank networks/systems and applications as part of their job duties, globally, and any reference in our Code to "contingent workers" will only include those contingent workers with access to Scotiabank systems (platforms containing company, employee or customer information and data) as part of their job duties.
Critical Moments in Time	Instances where an individual or group received support, training and/or resources through a program enabled by a ScotiaRISE investment.
Diverse Gender Identities	People who do not identify as exclusively a man or woman.
Environmental Risk	Defined in Scotiabank's ESG Risk Management Framework, Environmental Risk is the risk of potential adverse impacts to the Bank as a result of climate change and/or loss or degradation of the natural environment and biodiversity, such as land, water, plants, animals, natural resources, ecosystems and the atmosphere.
Environmental, Social and Governance Risks (ESG Risk)	Scotiabank's Enterprise Risk Taxonomy defines environmental, social and governance risks (ESG Risk) types as environmental (with climate physical and transition risks considered as a subset of environment risk), social and governance risk.
ESG Integration (Jarislowsky Fraser)	Jarislowsky Fraser's approach to ESG integration is anchored in its approach to responsible investment, including the consideration of material environmental, social and governance (ESG) information in investment analysis, undertaken to inform investment decisions and/or stewardship activities.
ESG Integration (1832 Asset Management)	1832 Asset Management's approach to ESG integration involves the consideration of environmental, social, and governance factors in investment analysis and decision-making to improve risk-adjusted returns.
ESG Screening	An investment strategy used to include or exclude companies based on certain defined financial, environmental, social or governance criteria.
Global Mandatory Learning (GML)	In 2025, the global program was comprised of nine all-bank and certain targeted courses. Key topics of mandatory learning include: Risk Culture and Operational Risk, Cybersecurity and Data Protection, Physical Security: Protecting People and Assets, Anti-Money Laundering and Global Sanctions, Code of Conduct, Anti-Bribery & Anti-Corruption, Diversity, Inclusion and Belonging, Health and Safety, and Volcker, FRTB, FATCA, CRS, and Global Sales Principles (targeted audiences).

Term	Definition
Governance Risk	Defined in Scotiabank's ESG Risk Management Framework, Governance Risk is the risk of potential adverse impacts to the Bank stemming from poor or ineffective corporate governance mechanisms and controls.
Green Bonds	Green bonds refer generally to types of labelled green bond instruments where at the time of issuance, proceeds are intended to be earmarked to finance and/or re-finance, in whole or in part, new and/or existing eligible environmental-related activities.
Green Loans	Green loans refer generally to types of labelled green loan instruments and/or contingent facilities made available to finance, re-finance and/or guarantee, in whole or in part, new and/or existing eligible environmental-related activities.
Indigenous Peoples	Indigenous Peoples includes the First Nations, Inuit and Métis peoples of Canada as recognized by the Canadian Constitution.
Newcomers	Newcomers generally refers to permanent residents, foreign workers, and international students who have been in Canada for five years or less.
People Manager	People Manager generally refers to employees with at least 1 direct report. For the purposes of avoiding double counting in data reporting, People Managers are exclusive of those within the VP+ category.
People of Colour	People of Colour refers to people, other than Indigenous Peoples, who are non-Caucasian in race or non-white in colour.
People with Disabilities	As defined by the *Accessible Canada Act*, disability means any impairment, including a physical, mental, intellectual, cognitive, learning, communication or sensory impairment – or a functional limitation – whether permanent, temporary or episodic in nature, or evident or not, that, in interaction with a barrier, hinders a person's full and equal participation in society.
Principal Risks	Principal Risks are defined as those risks which management considers of primary importance, having a significant impact or influence on the Bank's primary business and revenue generating activities (Financial Risks) or inherent in the Bank's business and can have significant negative strategic, business, financial and/or reputational consequences (Non-Financial Risks). Principal Risks are assessed on an annual basis and are categorized into two main groups, Financial and Non-Financial.
Retail Banking	Within the Canadian Banking business line, Retail Banking provides financial advice and solutions along with day-to-day banking products, including debit cards, chequing accounts, credit cards, investments, mortgages, personal loans, and related credit or insurance products to retail customers, including automotive dealers and their customers, providing retail automotive financing solutions.
Scope 1 Emissions	Scope 1 emissions are defined by the GHG Protocol as direct GHG emissions that occur from sources owned or controlled by the reporting company, i.e., emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.: The GHG Protocol, Revised Edition, p. 25.
Scope 2 Emissions	Scope 2 emissions are defined by the GHG Protocol as indirect GHG emissions from the 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: The GHG Protocol, Revised Edition, p. 25. There are two distinct methods for Scope 2 accounting: (i) a location-based method reflects the average emissions intensity of grids on which energy consumption occurs and (ii) a market-based method reflects emissions from electricity that companies have purposefully chosen: The GHG Protocol Scope 2 Guidance, p. 7-8.
Scope 3 Emissions	Scope 3 emissions refers to all other indirect GHG emissions (not included in Scope 1 or 2) that occur in the value chain of the reporting company. Scope 3 can be broken down into upstream emissions and downstream emissions. Upstream emissions include all emissions that occur in the life cycle of a material/product/service up to the point of sale by the producer, such as from the production or extraction of purchased materials. Downstream emissions include all emissions that occur as a consequence of the distribution, storage, use, and end-of-life treatment of the organization's products or services: The GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, p. 27, 29, 31.
Scope 3 emissions (Category 15) – Investments	Scope 3 (Category 15) emissions, emissions from Investments, refer to emissions associated with a reporting company's investments in the reporting year, not already included in scope 1 or scope 2: The GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, p. 51. This entails emissions from loans and investments (financed emissions).
Social Bonds	Social bonds refer generally to types of labelled social bond instruments where at the time of issuance, proceeds are intended to be earmarked to finance and/or re-finance, in whole or in part, new and/or existing eligible social-related activities.
Social Loans	Social loans refer generally to types of labelled social loan instruments and/or contingent facilities made available to finance, re-finance and/or guarantee, in whole or in part, new and/or existing eligible social-related activities.
Social Risk	Defined in Scotiabank's ESG Risk Management Framework, Social Risk is the risk of potential adverse impacts to the Bank that can arise due to the mismanagement of social considerations that can cause actual or perceived negative impacts on people and communities.
Sustainability Bonds	Sustainability Bonds refer generally to types of labelled sustainability bond instruments where proceeds are intended to be earmarked to finance and/or re-finance, in whole or in part, new and/or existing eligible environmental-related activities and eligible social-related activities.
Sustainability-linked Bonds	Sustainability-linked Bonds refer generally to types of labelled sustainability-linked bond instruments for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined sustainability/ESG performance objectives.
Sustainability-linked Loans	Sustainability-linked loans refer generally to types of labelled sustainability-linked loan instruments and/or contingent facilities for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined sustainability/ESG performance objectives.
Sustainability Loans	Sustainability Loans refer generally to types of labelled sustainability loan instruments and/or contingent facilities made available to finance, re-finance and/or guarantee, in whole or in part, new and/or existing eligible environmental-related activities and eligible social-related activities.
Sustainability-themed Investing	Sustainability-themed investment refers to a focus on investing in companies that are directly involved in and stand to benefit from specific sustainability-related trends or themes. Examples include investing in clean energy, sustainable agriculture or water management.
Sustainable Finance	Sustainable finance is generally understood as a financial product or service that integrates ESG criteria and may consist of financial instruments such as labelled use of proceeds and/or sustainability-linked bonds, loans, structured products, derivatives or deposits. This is separate from the term "climate-related finance."
Total Compensation	Total compensation includes base salary, short-term incentives and long-term incentives (where applicable). To ensure a like-for-like comparison, all employees in full-time roles within Canada were included, excluding those in frontline sales or participating in a specialized incentive plan.
Turnover	Permanent departures of active permanent and contract employees from employment with Scotiabank for any reason.
Voluntary Turnover	Resignations and retirements of active permanent and contract employees from employment with Scotiabank.
Women	People who identify as a woman. According to Scotiabank's Inclusive Terminology guide, gender identity is a person's internal experience of gender, which can be as a woman, man, both, neither or anywhere along the gender spectrum. A person's gender identity may or may not align with their birth-assigned sex. We use terms that reflect gender identity, such as man, woman, non-binary, transgender or cisgender.

Caution Regarding 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 (SEC), 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 and any document incorporated by reference herein 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 (Sustainability), including climate-related, projections, objectives, vision and goals (collectively, our Sustainability 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 financial performance and Sustainability 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, including but not limited to: general economic and market conditions in the countries in which we operate and globally; changes in currency and interest rates; increased funding costs and market volatility due to market illiquidity and competition for funding; the failure of third parties to comply with their obligations to the Bank and its affiliates, including relating to the care and control of information, and other risks arising from the Bank's use of third parties; changes in monetary, fiscal, or economic policy and tax legislation and interpretation; changes in laws and regulations or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs; geopolitical risk (including policies and other changes related to, or affecting, economic or trade matters, including tariffs, countermeasures, tariff mitigation policies and tax-related risks); changes to our credit ratings; the possible effects on our business and the global economy of war, conflicts or terrorist actions and unforeseen consequences arising from such actions; technological changes, including open banking and the use of data and artificial intelligence in our business, and technology resiliency; operational and infrastructure risks; reputational risks; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services, and the extent to which products or services previously sold by the Bank require the Bank to incur liabilities or absorb losses not contemplated at their origination; our ability to execute our strategic plans, including the successful completion of acquisitions and dispositions, including obtaining regulatory approvals; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; global capital markets activity; the Bank's ability to attract, develop and retain key executives; the evolution of various types of fraud or other criminal behaviour to which the Bank is exposed; anti-money laundering; disruptions or attacks (including cyberattacks) on the Bank's information technology, internet connectivity, network accessibility, or other voice or data communications systems or services, which may result in data breaches, unauthorized access to sensitive information, denial of service and potential incidents of identity theft; increased competition in the geographic and business areas in which we operate, including through internet and mobile banking and non-traditional competitors; exposure related to significant litigation and regulatory matters; environmental, social and governance risks, including climate-related risk, our ability to implement various sustainability-related initiatives (both internally and with our clients and other stakeholders) under expected time frames, and our ability to scale our sustainable-finance products and services; the occurrence of natural and unnatural catastrophic events and claims resulting from such events, including disruptions to public infrastructure, such as transportation, communications, power or water supply; inflationary pressures; global supply-chain disruptions; Canadian housing and household indebtedness; the emergence or continuation of widespread health emergencies or pandemics, including their impact on the local, national or global economies, financial market conditions and the Bank's business, results of operations, financial condition and prospects; and the Bank's anticipation of and success in managing the risks implied by the foregoing. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition or liquidity. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements. 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. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more information, please see the "Risk Management" section of the Bank's 2025 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 2025 annual report under the headings "Outlook", as updated by quarterly reports. The "Outlook" and "2026 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, including when relying on forward-looking statements to make decisions with respect to the Bank and its securities.

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 shareholders, analysts and other readers in understanding the Bank's financial position, objectives and priorities, anticipated financial performance and Sustainability 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 SUSTAINABILITY-RELATED DISCLOSURES

In setting and implementing our Sustainability 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 Sustainability 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 Sustainability Objectives and may need to update or revise them.
- The evolution of the policy and regulatory environment relating to Sustainability 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, Sustainability Standards) that governmental and non-governmental entities, the financial sector, the Bank and its clients use to classify, assess, measure, report on and verify Sustainability activities, including for inclusion toward the Bank's Sustainability Objectives. In some cases, applicable Sustainability Standards may not yet exist. The Bank may update its Sustainability 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 Sustainability Standards.
- In setting and implementing its Sustainability 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 Sustainability 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 Sustainability Standards evolve. These factors could have a material effect on the Bank's Sustainability 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 Sustainability 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 Sustainability Objectives.
- The information contained in this document is unaudited. KPMG has performed a limited assurance engagement for a select number of the Bank's Sustainability 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.
- 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.

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

Scotiabank

Scotiabank's vision is to be our clients' most trusted financial partner and deliver sustainable, profitable growth. Guided by our purpose: "for every future," we help our clients, their families and their communities achieve success through a broad range of advice, products, and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets. With assets of approximately $1.5 trillion (as at January 31, 2026), Scotiabank is one of the largest banks in North America by assets, and trades on the Toronto Stock Exchange (TSX: BNS) and New York Stock Exchange (NYSE: BNS). For more information, please visit www.scotiabank.com and follow us on X @Scotiabank.

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