

CLIENT INFORMATION SHEET

Sustainability Guaranteed Investment Certificate (GIC)



What is a Sustainability GIC?

Scotiabank's Sustainability GIC is a 'use of proceeds' deposit product in the form of a 30-month non-redeemable GIC¹. In this case, an amount equal to what you invest in Scotiabank's Sustainability GIC will be allocated to fund the financing or refinancing, in whole or in part, of new or existing assets, businesses or projects ("Eligible Green Assets" and/or "Eligible Social Assets", as applicable, and collectively, the "Eligible Assets") that meet the Eligibility Criteria as described in the Bank's [Sustainable Issuance Framework](#) dated April 2024 (as may be amended from time to time, the "Sustainable Issuance Framework" or "Framework").

An asset will be considered eligible for financing using proceeds of a Sustainability GIC only if it derives at least 90% of its revenues from activities in the Eligible Categories as defined in the Framework (e.g., low-carbon energy, energy efficiency, clean transportation, green buildings, access to essential services, etc.). The focus of the Sustainability GIC is on allocating the net proceeds of Sustainable Instruments (as defined in the Framework) toward Eligible Assets; it does not guarantee any particular environmental, social or sustainability impact or other outcome as a result of the financing or refinancing of those Eligible Assets.

What is Scotiabank's Sustainable Issuance Framework?

The [Sustainable Issuance Framework](#) governs how the Bank allocates the net proceeds of its Sustainable Instruments, as defined in the Framework. Scotiabank's Sustainability GIC qualifies as a Sustainable Instrument under this Framework, meaning that the Bank will allocate an amount equal to the funds raised by your GIC deposits to an amount of Eligible Assets as prescribed in the Framework.

The Framework was prepared in line with the International Capital Market Association's ("ICMA") Green Bond Principles 2021 (with June 2022 Appendix), Social Bond Principles 2023 and Sustainability Bond Guidelines 2021. In the absence of standardized regulations governing the Framework, these principles and guidelines were followed as they serve as a basis for many similar frameworks around the globe and help provide greater transparency regarding the green, social and sustainability attributes of labeled issuances, such as the Bank's Sustainable Instruments, as defined in the Framework.

This Framework enables Scotiabank, certain subsidiaries, and other funding entities² to allocate the net proceeds of certain use of proceeds financing to defined Eligible Assets, in line with internationally recognized Green, Social and Sustainability Bond Principles. That said, the relevant principles, guidelines and methodologies in this area are still evolving, and in some cases may not yet exist; the reader is therefore encouraged to read the disclaimer included in the Framework for further detail on relevant assumptions.

How is the Sustainability GIC different from a regular GIC?

The Bank aims to allocate the net proceeds from the Sustainability GICs to finance Eligible Assets that comprise the Sustainable Asset Portfolio (as defined in the Framework) of the Bank. The Sustainable Asset Portfolio is comprised of assets that meet eligibility criteria as per the [Sustainable Issuance Framework](#).

Whereas the funds from a regular GIC may be used to fund any part of the Bank's balance sheet, not a specific pool of assets, the Sustainability GIC provides clients with the opportunity to indirectly contribute to Eligible Assets, while diversifying their investment portfolio. Allocation of proceeds is disclosed on an annual basis in the Bank's

[Annual ESG Report](#) (or separate sustainable issuance reports, as appropriate). Reporting will be produced on a portfolio basis at the relevant category level, where all the applicable Sustainable Instruments will be grouped by label (i.e., Green, Social or Sustainability) and not on a specific asset level.

On an annual basis, an external auditor will verify and provide third party assurance on the tracking of the Sustainable Instruments' proceeds and Eligible Asset compliance with the Framework.

The same terms and conditions for non-redeemable GICs apply. Please see the Non-Redeemable GIC section of the [Investment Companion Booklet](#) for details.

How long is the Sustainability GIC available for purchase?

The Sustainability GIC will be available for a limited time, starting October 7, 2024, and is expected to be available until November 3, 2024. However, the sales period may end at any time due to a limited amount of Eligible Assets that are available to be allocated.

Can I track the impact of my Sustainability GIC investment?

Although investment in a Sustainability GIC does not guarantee any particular impact or outcome associated with the financing of Eligible Assets, Scotiabank does provide annual reporting detailing how your investment has been allocated to fund Eligible Assets and, where it is

feasible to do so and where appropriate and applicable methodologies are available, the Sustainable Instruments impact measurement (e.g., annual renewable energy produced, employment/communities supported, and other potential quantitative performance measures set out in the Framework). This information will be disclosed in the [Annual ESG Report](#) or separate sustainable issuance reports, as appropriate.

That said, the reader should be cautioned that the standards, guidelines and methodologies relating to impact reporting are still evolving and, for certain activities, may not yet exist. Therefore, although the Bank aims to provide transparency on the applicable methodologies and assumptions it may use, it also notes that the applicable methodologies and assumptions may change from time to time given the evolution in this area.

Where can I find more information about the specific projects funded by Sustainability GICs?

Information on allocation of proceeds to Eligible Assets supported by Sustainability GICs can be found on the [Scotiabank Sustainable Issuance page](#) where you can read the full [Sustainable Issuance Framework](#), second-party opinion provided in relation to the Framework, as well as annual reports outlining allocation and impact related to sustainable issuances.

For more information about Scotiabank's approach to environmental, social and governance (ESG) issues, please visit our [Responsibility & Impact page](#).



Sustainable Issuance Framework: https://www.scotiabank.com/content/dam/scotiabank/canada/en/documents/about/investors-shareholders/funding-programs/Scotiabank_Sustainable_Issuance_Framework_April_2024.pdf

Annual ESG Report: https://www.scotiabank.com/content/dam/scotiabank/corporate/Documents/Scotiabank_2023_ESG_Report_Final.pdf

Investment Companion Booklet: <https://www.scotiabank.com/content/dam/scotiabank/canada/en/documents/icb.pdf>

Scotiabank Sustainable Issuance page: <https://www.scotiabank.com/ca/en/about/investors-shareholders/funding-programs/sustainable-issuances.html>

Responsibility & Impact page: <https://www.scotiabank.com/ca/en/about/responsibility-impact.html>

© Registered trademark of The Bank of Nova Scotia.

¹ Available for new or existing Personal and Small Business clients in Canadian currency only.

² E.g. asset-backed securities funding vehicles.