

April 2021

## **Scotiabank response to Banking on Climate Chaos 2021 report**

Scotiabank believes climate change is one of the most pressing issues of our time. This challenge requires global mobilization, collaboration and understanding.

Scotiabank's Climate Commitments are a comprehensive strategy to address climate risks and opportunities for our customers, shareholders, employees, other stakeholders, and our business and operations. The strategy includes a pledge to mobilize \$100 billion by 2025 to reduce the impacts of climate change, of which over \$28 billion has been mobilized to date. The commitments also include ensuring robust climate-related governance and transparency in our reporting, integrating climate risk assessments into lending, financing and investing, decarbonizing our own operations, and establishing a Climate Change Centre of Excellence to inform and collaborate.

Scotiabank has committed to establishing Bank-wide, quantitative, time-bound targets for reducing greenhouse gas emissions associated with our underwriting and lending activities. Such plans would include a quantitative analysis of the greenhouse gas intensity of the Bank's loan book and underwriting activities to establish a baseline, research on pathways to net zero, development of options for quantitative targets for reducing emissions, and creation of a report outlining greenhouse gas emission reduction plans, targets and timelines. Once such targets and plans are established, we will announce by when and how we will achieve net zero and will report annually on our progress.

Today, the Bank's outstanding loan exposure to commercial and corporate companies in the Energy sector is approximately 1.9% of the Bank's total loan portfolio. While energy is needed to power virtually every personal, commercial and industrial activity, we recognize that a transition to more climate-friendly strategies is a must, and we are committed to supporting the Canadian economy – including its energy sector – as it moves in that direction.

Some of the Bank's recent climate-related achievements include:

- Launching a Sustainable Finance Group to support our Global Banking and Markets clients in the transition to a low-carbon economy and promote sustainable economic growth.
- Integrating climate change considerations into credit applications and industry reviews.
- Reducing Scope 1 and 2 emissions by 20% since 2016 through equipment upgrades, efficiency measures and the procurement of emission free and renewable electricity.
- Committing to secure 100% of our electricity from renewable and non-emitting sources, in Canada by 2025 and globally by 2030.
- Being named to the Dow Jones Sustainability Index (DJSI) North America in 2020 for the third consecutive year.
- Allocating proceeds from the Bank's inaugural USD\$500 million 3.5-year Green Bond to several environmental projects as outlined in our 2020 Green Bond Report.
- Establishing a Net Zero Research Fund, to partner with leading think tanks and academic institutions that are supporting key sectors in their efforts to decarbonize.

Further details about our environmental, social and governance performance can be found in our 2020 ESG Report, available at: [www.scotiabank.com/sustainability](http://www.scotiabank.com/sustainability).