2025 Annual Report.

Climate Update.

Vancity

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Throughout this report, “Vancity” or “we” refers to Vancouver City Savings Credit Union and its active subsidiaries as listed in the organization chart on page 24 of the Annual Report.

Note on reporting boundary following the merger with First Credit Union

On December 1, 2025, First Credit Union (FCU) completed a business combination with Vancity under Section 16 of the Credit Union Incorporation Act, through which FCU became a part of Vancity. While the merger’s legal close took place on December 1, 2025, the underlying banking and reporting systems have not yet been fully integrated by the time of this report preparation. As a result, unless otherwise stated, all data and information presented in this report reflect Vancity operations only and exclude FCU.

This report contains forward-looking statements that reflect Vancity’s current expectations regarding future events, performance, and results. Forward-looking statements include, but are not limited to, statements regarding Vancity's strategic objectives, financial and operational targets, climate commitments and emissions reduction targets (including our net-zero by 2040 target), sustainability goals, and the anticipated benefits of the merger with First Credit Union. These statements are based on assumptions, estimates, and projections that management considers reasonable in light of historical trends, current conditions, and expected future developments. However, forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Vancity’s control, including but not limited to changes in economic and geopolitical conditions, interest rates, regulatory requirements, trade policy, and competitive factors. Actual results may differ, potentially materially, from those expressed or implied in these statements. Vancity does not undertake any obligation to update or revise forward-looking statements, except as required by applicable laws. Readers are cautioned not to place undue reliance on these forward-looking statements.

Caution regarding climate and sustainability-related statements

This report contains statements about Vancity's climate targets, emissions, and sustainability commitments. These statements rely on data, methodologies, and measurement standards that continue to evolve, including the Greenhouse Gas Protocol, the Partnership for Carbon Accounting Financials (PCAF), and frameworks established by the Net-Zero Banking Alliance. Key terms such as "net zero," and "financed emissions" do not yet have universally settled definitions and may be interpreted or measured differently as standards develop.

Climate-related targets are based on assumptions, scenarios, and data that management believes to be reasonable at the time of publication, but that are subject to significant uncertainty. Achieving our targets will depend on factors beyond Vancity's direct control, including the pace of grid decarbonization in British Columbia and across Canada, the availability and cost of low-carbon technologies, the actions of our members, borrowers, and investees, government policy and regulatory developments, and the quality and availability of third-party emissions data. There can be no assurance that these targets will be achieved within the stated timeframes or at all.

About this report.

This report is Vancity's annual update on our climate progress and covers the 2025 calendar year.

From 2022 to 2024, Vancity produced an annual Climate Report following the recommended guidelines and structure of IFRS S2 Climate-related Disclosures, based on the former TCFD (Taskforce on Climate-related Financial Disclosures) framework, with the objective to disclose information about climate-related risks and opportunities that affect our members and other stakeholders. To minimize the reporting burden and focus our expertise on tangible climate action and GHG emissions reductions, we've prepared a leaner 2025 Climate Update for this reporting year. The Climate Update focuses on progress—how we're performing on climate action. Highlights include how we're doing in achieving our net-zero targets and how we're growing our product offerings in climate-related opportunities.

It's guided by the Canadian Sustainability Disclosure Standard 2 (CSDS 2) Climate-related Disclosures released in December 2024 by the Canadian Sustainability Standards Board. Its preparation was also guided by the disclosure requirements of the United Nations Environment Program Finance Initiative (UNEP FI) Guidance for Climate Target Setting for Banks, as well as the Global GHG Accounting and Reporting Standard, governed by the Partnership for Carbon Accounting Financials (PCAF).

We intend to continue reporting in alignment with globally recognized climate reporting standards and national requirements, switching in 2025 from IFRS S2 to its Canadian equivalent, CSDS 2. We've included an Office of the Superintendent of Financial Institutions (OSFI) B-15 index, a PCAF checklist, an index for the UNEP FI's Guidance for Climate Target Setting for Banks, and GRI 102 Climate Change disclosures can be found in the GRI index (see 2025 Accountability Statements, page 106). We report much of the CSDS 2 core content in supplementary documents: see 2025 Accountability Statements, Emissions Methodologies Handbook, and our Climate Action Plan. Together, these reports include information on:

> **Climate-related risks and opportunities:** We recognize the risks and opportunities associated with climate change and have integrated them into our governance practices and business strategy. We identify, evaluate, and monitor climate risks as part of our risk management framework from the Board level and down. We use risk appetite statements and key risk indicators, and we conduct scenario analyses and stress testing to assess the potential impact of climate risks on our business and take appropriate actions to manage them.

Climate action: We advocate for climate change mitigation and adaptation policies at all levels of Government. We provide programs, products, and services to support our members and communities in an equitable transition to a low-carbon economy and adapting to a changing climate. And we develop internal policies and conditions that help us meet our climate commitments.

Emissions reduction targets: We've set 1.5°C-aligned[1] emissions reduction targets for our operations, real estate lending and managed client investments. We monitor and report on our progress towards these targets, and we review and adjust our strategy and plans as needed.

We've obtained independent third-party limited assurance of select 2025 metrics. For the scope and results of the limited assurance engagement, see KPMG LLP's independent practitioners' limited assurance report, on page 44 of the 2025 Annual Report.

1 A 1.5°C-aligned emissions target is one that is consistent with the Paris Agreement goal of limiting global warming to 1.5°C above pre-industrial levels (1850–1900), which requires steep emissions reductions by 2030 and net-zero emissions globally around mid-century.

Progress update.

Under the Paris Agreement, limiting warming to 1.5°C was a critical goal to avoid the most severe impacts of climate change. Recent data shows we may have already crossed that threshold. Although this speaks to the urgency of our work, it doesn't mean the window for action has closed. Every fraction of a degree matters, and going faster now can still prevent the worst outcomes. For Vancity, this means working to continue to reduce emissions, build resilience, and support our members.

In 2021, we set five ambitious public climate commitments of:

- Net zero by 2040 across mortgages and loans
- Investments for a better future
- Financing an equitable climate transition
- Be transparent and accountable
- Walk the talk in all we do

Five years into our commitments, and at a time when many are stepping back, we're leaning in. Even as economic pressures mount and uncertainty grows, we remain steadfast because the stakes are too high to retreat. Through our investment management business, we also committed to achieving net zero by 2040 in our portfolio coverage, and in 2024, we established a net-zero goal for our operational emissions (facilities, vehicles, and refrigerants) targeting a minimum reduction of 90 per cent by 2040.

To support our net-zero goals, we've established intermediate targets to reduce emissions. These targets were informed by global frameworks and standards, including the United Nations Environment Program Financial Initiative Climate Target Setting for Banks and the Net Zero Asset Managers Initiative. Our targets are grounded in science and were set using robust methodologies and tools including those from the Science Based Targets initiative.

As Vancity continues the work toward our climate commitments, the global landscape is shifting. The impacts of climate change are being felt sooner than expected, prompting earlier and more urgent efforts to manage extreme heat, weather events, wildfires, and other climate-related disruptions. At the same time there has been pullback in climate action. This dual reality of negative impacts alongside less action on climate is challenging.

In 2025, we stayed true to our climate commitments, and we confirmed climate action remains a priority under our Vancity 2.0 strategy. The strategy articulates Vancity's four focus areas when it comes to impact: climate action, co-ops and local economies, affordable housing, and equity and Reconciliation with Indigenous Peoples. And in early 2026, we published Vancity's Climate Action Plan. This

climate transition plan is our roadmap to achieve our climate targets. We consider it bold, practical, and grounded in collaboration—with governments, industries, Indigenous partners, and most importantly, our members.

Climate action in 2025.

Products, services, and member engagement.

In 2025, our employees had over 11,000 conversations with members that involved our climate products, member perks, or discussing climate actions. We trained employees to raise retrofit options when discussing renovations and to highlight electric vehicles when members mentioned purchasing a car. These climate conversations supported our members by providing them with resources, financial tools, and education. We know that taking climate action isn't always well understood or accessible, but in our role as trusted advisors we can plant seeds now so that our members can make climate-friendly decisions in the future.

Vancity Community Investment Bank.

In 2025, Vancity Community Investment Bank advanced its leadership in low-carbon financing by supporting a variety of clean energy and energy-efficiency projects Canada-wide. We financed initiatives such as solar, geo-exchange heating and cooling, and retrofits, while also pursuing opportunities in the geoexchange, solar, wind, and battery storage sectors. A key example is a 2025 loan providing $31.5 million in term and construction financing for geo-exchange assets across multiple Greater Toronto Area properties. We expect continued growth in low-carbon energy and to further support Vancity's climate commitments.

Vancity Investment Management.

In 2025, Vancity Investment Management formalized the Energy Transition Methodology. This methodology outlines the funds' approach to investing in, and for, a decarbonized economy.

Traditionally, asset managers investing in the energy transition have concentrated on renewable energy utilities and electric vehicles (EVs). While these areas are valuable for decarbonization and offer actionable opportunities for members, focusing only on renewables or EVs in asset management overlooks the fact that reaching net zero requires every sector to decarbonize. In 2021, it was estimated that meeting global 2050 goals would demand an average annual investment of $9.2 trillion in physical assets like buildings, agriculture, industry, and more. To maximize opportunities when building portfolios aligned with net-zero goals, we created our framework as a comprehensive approach to energy transition investments.

For our methodology, we identified five subthemes that are pivotal to decarbonizing the whole economy. These include Improved Infrastructure, Energy Efficiency, Nature-based Solutions, Circular Economy, and Low-carbon Energy. For more information on Vancity Investment Management's progress on climate-related targets, see page 24.

Community partners and granting.

Vancity provided $1.5 million across 18 climate-aligned grants in 2025. This represented 28 per cent of distributions. One grant supported the Retrofit Phase of the Banking on Buildings Program, led by Affine Climate Solutions. The program is designed to accelerate deep, climate-resilient retrofits by transforming how financial institutions assess, value, and finance green buildings. The Retrofit Phase builds on the first stage, which focuses on new construction, to create preferential financing terms for upgrades to large existing buildings. It will deliver retrofit performance criteria, build financial institution capacity, engage regulators, and aim to pilot the criteria and terms – influencing systemic market shifts and supporting investments in upgrades that reduce emissions, improve air quality, and generate sustainable construction jobs across Canada.

Another grant supported Aunt Leah's Foundation, which provides affordable housing for new mothers and young people navigating their way out of the foster care system. The funding enabled the Foundation to conduct energy and emissions modelling and other technical studies to identify and prioritize viable retrofit measures that will move one of the Foundation's buildings toward net-zero carbon emissions, greater resilience to climate impacts, and improved comfort for residents. This grant was provided through Vancity's Non-Profit Housing Retrofit Program.

Public policy and advocacy.

In 2025, Vancity continued to advocate for equitable and meaningful climate policy to all levels of government. We were deeply engaged in the review of the provincial government's flagship climate policy, CleanBC. Our involvement included submitting detailed written comments, participating in technical briefings, contributing to an Investors Roundtable, and holding direct meetings with ministry staff. Through these engagements, we advocated for ambitious yet practical climate solutions that support our members in keeping their homes cool, protecting their health, and lowering their energy bills.

We also continued to work closely with our international peers to share policy advocacy best practices and lessons learned. This collaboration culminated in a presentation to the Global Alliance for Banking Values, where we highlighted the tangible impact of Vancity's advocacy efforts for local governments to adopt policies that reduce emissions in the built environment.

Risk management.

As part of our ongoing commitment to climate risk management, we completed the 2025 Standardized Climate Scenario Exercise (SCSE) for Vancity Community Investment Bank and submitted all required materials to OSFI. By assessing a sample of our portfolio using Vancity Community Investment Bank loans, the exercise marked a significant advancement in our ability to assess and manage climate-related risks across our portfolio.

For more information on Vancity's approach on climate-related risk management, see 2025 Accountability Statements, page 80.

Vancity

2025 highlights.

Green assets balance outstanding

$596 million

Avoided emissions from financing renewable energy projects

12,475 tonnes CO_2e

11,065 climate conversations with individual members

565 climate conversations with business members

Capital invested in energy efficiency of own operations

$735,738

Climate-aligned grants

$1.5 million

Value of Planet-Wise™ loans

54% increase

-15%

in operational scope 1 & 2 absolute emissions

Change in financed emissions intensity compared to base year (2023)

Commercial buildings **-2%**

Residential buildings **+2%**

Metrics and targets.

Key metrics.

Measures	Performance		
	2025	2024	2023
Assets, investing, and financing aligned to climate-related opportunities			
Green assets[1] (balance outstanding as at December 31)	$596 million	$537 million	$435 million
Business opportunities and financial products tailored to support members' and clients' reductions in GHG emissions (balance outstanding in Planet-Wise™ loans[1] and commercial retrofit products as at December 31)	$11.7 million	$7.6 million[2]	$13.9 million
Climate-opportunity aligned grants (Shared Success, including Vancity enviroFund™ program)	$1.5 million 38% of total granting	$1.8 million[3] 36% of total granting	$3.3 million 25% of total granting
Avoided emissions from clean-energy projects (approximate)	12,475 tonnes CO_2e	7,810 tonnes CO_2e	6,644 tonnes CO_2e
Area of low-carbon energy-efficient buildings financed	1,111,699 ft^2 (103,280m^2)	1,036,020 ft^2 (96,249 m^2)	729,635 ft^2 (67,785 m^2)
Electric and low-carbon vehicles financed (total amount approved under Planet-Wise Transportation Loan)	$2.6 million	$1.1 million	$2.2 million
Capital invested in own operations towards climate risks and opportunities[4]	$735,738	$334,169	$52,794

1 Green assets include: lending that supports projects, products or services that reduce the use of natural resources or generate renewable energy; financing for the construction or purchase of buildings that meet or exceed acceptable green building standards; financing for energy efficiency improvements in existing buildings; financing businesses and/or technologies that generate positive environmental benefits. Planet-Wise™ and commercial retrofit loans are a subset of Green Assets.

2 The balance decrease in Planet-Wise™ loans between 2023 to 2024 can be attributed to the settlement of one larger retrofit loan.

3 While the loss in 2023 meant there was minimal Shared Success funding available to reinvest in community in 2024, we were able to meet our multiyear funding commitments with community partners using money set aside for this purpose in previous years, investing more than $5 million back into the community through not-for-profit organizations and businesses and focused on initiatives that aimed directly at decarbonizing homes and businesses, creating access to affordable climate-ready housing, and creating financial inclusion.

4 Since establishing our operational net-zero commitment by 2040, we have assigned an annual budget towards decarbonizing our facility portfolio. Note that the amounts may fluctuate over time, and additional capital may be allocated should there be a surplus.

Measures	Performance		
	2025	2024	2023
Greenhouse gas emissions and assets, investing, and financing activity exposed to climate-related transition and physical risks			
Scope 1, scope 2, and select categories (1, 6, and 7) of scope 3 operational greenhouse gas emissions	2,409 tonnes CO_2e	2,204 tonnes[1] CO_2e	2,263 tonnes[1] CO_2e
Scope 3 (category 15) financed (scope 1 + 2) emissions from lending activities	110,192 tonnes CO_2e	102,096 tonnes CO_2e	108,549 tonnes CO_2e
Client assets under management in material sectors that are net zero or subject to engagement	73%	70%	56%
The carbon footprint of Vancity Investment Management's fund remains below each funds' respective benchmark	Yes	Yes	Yes
Financed emissions associated with Vancity Investment Management funds in material sectors that are aligned with net zero or subject to engagement	89%	63%	45%[2]
Mortgage portfolio exposed to high or very high flood risk (assessment of storm surge – a 1-in-20-year event – and excessive rainfall causing fluvial flooding[3] of the Fraser River)	0.28%	0.23%	0.25%
Mortgage portfolio exposed to high or very high wildfire risk (exposure to historic wildfires using a footprint database with records from 1986 to 2020 and a 20-km buffer)	4.03%	3.62%	3.38%

1 Emission factors from the 2023 National Inventory Report were released in 2025. Based on this, we updated scope 2 emissions for our 2023 baseline and purchased additional carbon credits, see page 19. However, we didn't recalculate scope 2 emissions for 2024 because our recalculation policy only applies to our baseline.

2 The noticeable jump from 45 per cent beginning in 2023 is due to more companies in our portfolio having set net zero targets, and we've increased our engagement targeting high-emitting companies. Our mid-term target for 2025 was 75 per cent, progressing to 90 per cent by 2030.

3 Fluvial flooding or river flooding occurs when the water level in a river, lake, or stream rises and overflows onto the neighbouring land.

Measures	Performance		
	2025	2024	2023
Climate engagement			
Number of climate conversations with business members	565	295[1]	Not measured
Number of climate conversations with retail members	11,065	559[1]	Not measured
Climate-related remuneration			
Senior management remuneration impacted by climate considerations	In their 2025-27 long-term incentive plans, members of the executive leadership team have goals related to implementing our Impact Strategy, within which climate considerations are a core component.		
Carbon price and other financial impacts of climate risks			
Impact on cost from carbon price	BC's consumer carbon tax, which had reached $80 per tonne of CO_2 in 2024, was eliminated effective April 1, 2025, following both the provincial and federal governments' decisions to remove consumer carbon pricing. While these costs were previously incorporated into the price we paid for vehicle fuel and natural gas used in our branches and office space, the elimination of the consumer carbon tax has reduced these direct cost pressures. We continue to monitor developments in carbon pricing policy, as any reinstatement or new pricing mechanisms could affect our operating costs in the future.		
Other impacts on cost (business interruption, contingency, etc.)	We expect the nature of climate events to continue changing and increasing in severity. However, we have not experienced, nor do we expect to experience in the short term, any material impacts to business operations. There have been some immaterial impacts, such as the need to retrofit our owned infrastructure to address cooling and air quality needs during heatwaves, and we expect there will be more. We are building in-house tools to monitor physical risk impacts on our business, which will strengthen our ability to anticipate and respond to climate-related disruptions as they evolve.		
Impairment charges due to assets exposed to physical and transition risks	By not doing business directly with the oil and gas sector and by having a small portfolio of carbon-intensive assets (e.g., construction and internal combustion vehicle lending), impairment may come in the form of assets exposed to physical risks, rather than transition risks. While we've improved our understanding of our portfolio exposure to physical risks, there is more work to be done before we assess potential short-, medium-, or long-term impairments. For transition risks, we are building tools to monitor short- and long-term macroeconomic impacts of transition risk, which will further inform our impairment assessments going forward.		

1 We began our climate conversations initiative in 2024 and expanded our efforts in 2025 as part of our climate engagement strategy.

Emissions profile (all scopes).

Vancity's emissions disclosures include:

- Scope 1—emissions from gas use in our branches and offices, refrigerant use, and fuel use for our service fleet
- Scope 2—indirect emissions from purchased electricity
- Scope 3—indirect emissions from the value chain, including paper (category 1), business travel (category 6), employee commuting (category 7), and financed emissions (category 15)

Most scope 3 emissions are financed emissions—greenhouse gas emissions attributed to the loans and investments financial institutions make or facilitate. Reducing financed emissions plays a pivotal role in ensuring a successful transition to a low-carbon economy. It's important that financial institutions track and disclose financed emissions, especially emissions from high-emitting sectors, in a transparent and consistent way so that they can be tracked and compared by investors and consumers, and key policy and decision-makers at the national and global level. We calculate financed emissions in accordance with the Global GHG Accounting and Reporting Standard Financed Emissions Part A for financial Institutions, published by the Partnership for Carbon Accounting Financials ("PCAF Global GHG Standard").

Estimated emissions by scope, 2025.

Emission scopes and categories	2025 Emissions (tCO_2e)
Total scope 1 (from gas, fleet, and refrigerants[1])	515
Total scope 2 (from purchased electricity[2])	111
Scope 3 (categories 1, 6, and 7)	1,782
Scope 3 (category 15 - financed emissions from loans and investments)[3]	499,846[4]
Total scope 3 (including category 15)	501,628[4]
Total emissions all scopes	**502,254[4]**

1 Emissions from CO_2, CH_2, N_2O, and HFCs (leakage from refrigerants) have been included in the calculations and converted to tCO_2e. For more information on GHG emissions by gas type, see Appendix page 44.

2 We calculated scope 2 emissions using the location-based method. Vancity doesn't operate in markets that provide product- or supplier-specific data or other contractual instruments. We've also included electricity used to charge electric vehicles.

3 Data includes all measured client scope 1,2, and 3 emissions associated with lending and financial investments, and off-balance sheet managed investments. The data reflects expanded asset-class coverage and improved data availability.

4 Total financed emissions—i.e. scope 3 category 15—for this reporting year amounted to 499,846 tonnes CO_2e. This total is not fully comparable to historical data. A like-for-like comparison limited to asset classes and scopes with consistent data availability across both years would equate to 193,153 tonnes CO_2e for 2025 and 179,477 tonnes CO_2e for 2023. One significant difference between current and previous reporting year methodologies is expanded coverage of on-balance-sheet financial investments up from 12 per cent in 2024 to 20 per cent in 2025. We also increased coverage of reported scope 3 emissions across VCIM managed client investments to include emissions across all sectors.

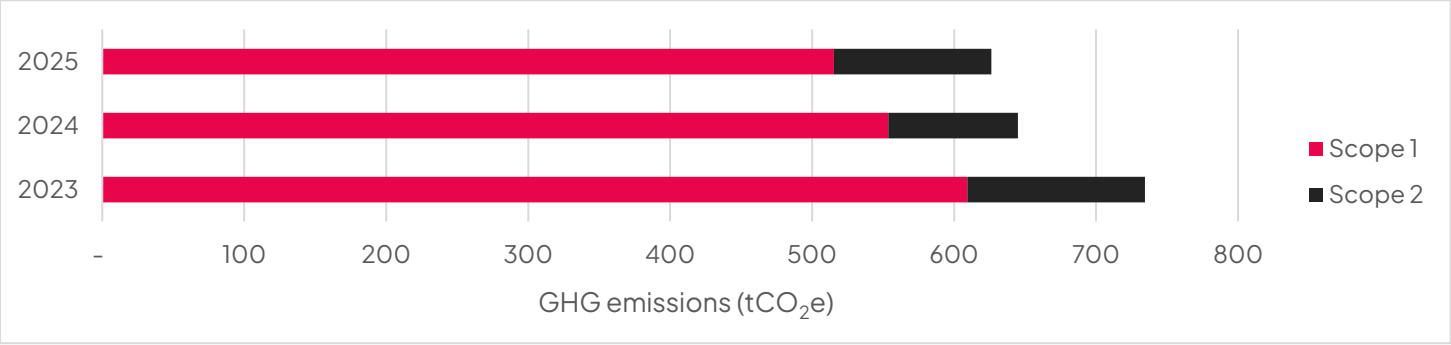
Operational emissions.

Operational greenhouse gas emissions: scopes 1 and 2.

We've set net-zero targets for our scope 1 and 2 operational emissions. Our goal is to reduce these emissions by 90 per cent by 2040, using 2023 as our base year.

Progress made on targets.

In 2025, we reduced our scope 1 and 2 operational emissions by 15 per cent compared to our 2023 baseline. Altogether, these efforts led to a total decrease of 108 tonnes of scope 1 and 2 emissions from our 2023 levels. There were milder temperatures in 2025, which meant less heating was needed in our facilities. Typically, increased heating results in higher emissions due to greater gas use in locations that still rely on gas for heating. The milder temperatures, alongside our operational improvements in branch electrification, energy use monitoring and controls optimization contributed to the overall reduction in emissions.



Branch electrification

In 2025, we continued our branch electrification efforts by replacing outdated gas-powered equipment at several locations, including Branch 7 Fraser Street in Vancouver, Branch 32 Surrey City Centre, and Branch 25 Semiahmoo in Surrey, a total of eight HVAC unit conversions. This builds on the progress we made in 2024, when we converted six HVAC units from gas to electric. Because these upgrades were completed partway through the year, we continue to see ongoing, location-specific decreases in GHG emissions throughout 2025 for 2024 installations.

Continued monitoring and controls optimization

We track our monthly energy bills and compare usage to the five-year average for each location. If consumption is unusually high, we investigate and adjust controls with a programmer to balance comfort and efficiency.

Switching to lower emission refrigerants

We now use lower-emission refrigerants for heat pumps, such as R-454B, whenever possible.

	Targets	2025 (tCO_2e)	2023 (tCO_2e)	% change from 2023
Scope 1: Emissions from gas		370	454	-18%
Scope 1: Emissions from fleet		21	26	-20%
Scope 1: Emissions from refrigerants		124	129	-4%
Total scope 1	90% reduction (net zero) by 2040	515	609	-15%
Scope 2: Emissions from purchased electricity[1]		111	125[2]	-11%
Total scope 2[1]	90% reduction (net zero) by 2040	111	125[2]	-11%
Total scope 1 + scope 2	**90% reduction (net zero) by 2040**	**626**	**734**	**-15%**

tCO_2e = tonnes of CO_2-equivalent.

Totals rows may not sum to total due to rounding.

Emissions from CO_2, CH_4, N_2O, and HFCs (leakage from refrigerants) have been included in the calculations and converted to tCO_2e. Emissions from other GHGs (PFCs and SF_6) are not significant and are not reported in the above table. For estimated scope 1 and scope 2 emissions by type of greenhouse gas, see Appendix page 44.

1 We calculated scope 2 emissions using the location-based method. Vancity doesn't operate in markets that provide product or supplier-specific data or other contractual instruments. We've also included electricity used to charge electric vehicles.

2 We recalculated emissions from purchased electricity using the 2023 emission factor from the 2023 National Inventory Report, released in 2025.

Operational greenhouse gas emissions: scope 3 (categories 1, 6, and 7).

Emissions from paper consumption, business travel, and employee commuting are included in our operational scope 3 emissions calculations. We have a notable increase in our emissions from air travel, reflecting post-pandemic trends, increased business activity, and efforts to move forward on Vancity's growth plans. However, our paper emissions have decreased since switching to Sugar Sheet™ paper for our copy paper needs, which has 29 per cent lower emissions than wood-derived 100 per cent recycled paper. With these changes combined, we ended the year with an overall increase in our operational scope 3 and our operational GHG emissions intensity per employee.

	2025 (tCO_2e)	2023 (tCO_2e)	% change from 2023
Scope 3 category 1 – Purchased goods and services (paper[1])	271	470	-42%
Scope 3 category 6 – Business travel	586	153	+283%
Scope 3 category 7 – Employee commuting[2]	925	906	+8%
Total operational scope 3 emissions (not including category 15)	**1,782**	**1,529**	**+17%**

tCO_2e = tonnes of CO_2-equivalent.

Totals rows may not sum to total due to rounding.

Emissions from CO_2, CH_4, N_2O, and HFCs (leakage from refrigerants) have been included in the calculations and converted to tCO_2e. Emissions from other GHGs (PFCs and SF6) are not significant and are not reported in the above table.

1 We used the Environmental Paper Network Calculator to make environmental impact estimates.

2 We used data from the 2024 survey to inform 2025 figures.

2025 total operational emissions.

	2025 (tCO_2e)	2023 (tCO_2e)	% change from 2023
Total operational emissions	2,409	2,263[1,2]	+6%
Total operational GHG emissions per employee (FTE)	1.1	0.9	+19%

tCO_2e = tonnes of CO_2-equivalent.

Totals rows may not sum to total due to rounding.

Emissions from CO_2, CH_4, N_2O, and HFCs (leakage from refrigerants) have been included in the calculations and converted to tCO_2e. Emissions from other GHGs (PFCs and SF_6) are not significant and are not reported in the above table. For estimated scope 1 and scope 2 emissions by type of greenhouse gas, see Appendix page 44.

1 We calculated scope 2 emissions using the location-based method. Vancity doesn't operate in markets that provide product or supplier-specific data or other contractual instruments. We've also included electricity used to charge electric vehicles.

2 Emissions from purchased electricity were recalculated using the 2023 emission factor from the 2023 National Inventory Report, released in 2025.

Compensatory carbon credit purchase for 2024 emissions.

We purchased 2,204 carbon credits from the Quadra Island Forestland Conservation Project through Ostrom Climate for $50,912.40, to compensate for our 2024 operational GHG emissions[1,2].

1 Since 2008, Vancity has been accounting for our scope 1 and 2 and selected scope 3 operational greenhouse gas emissions, making efforts to reduce these emissions, and purchasing an equivalent number of carbon credits from the BC carbon market to offset the estimated equivalent amount of remaining GHG emissions. Our GHG calculation methodology is outlined in the Methodologies for emissions calculations document. For our offset criteria definitions, see Applicable criteria for selected metrics, Accountability Statements, page 98. Emissions from purchased electricity were recalculated using the 2023 emission factor from the 2023 National Inventory Report, released in 2025.

2 To compensate for the increase in operational emissions from our 2023 baseline caused by updated electricity emission factors in the 2023 NIR, we purchased an additional 23 tonnes of carbon credits from the Quadra Island Forestland Conservation Project for $531.30.

Financed emissions: progress on net-zero targets.

Progress on financed buildings.

Background.

Our targets are based on emissions intensity rather than absolute emissions. Absolute (or total) financed emissions can rise or fall due to factors outside our control, such as housing demand, interest rates, or shifts in where and what types of buildings our members choose to buy. Intensity metrics, which measure emissions per square metre financed, allow us to track whether the underlying emissions performance of buildings is improving over time, independent of portfolio growth.

This approach aligns with leading climate target setting guidance for financial institutions and is particularly appropriate where direct, building-level emissions data is limited and proxy data is used. As access to more granular data improves, and policies and technologies accelerate emissions reductions in the built environment, intensity targets provide a credible, transparent way to measure progress while continuing to support members' housing and business needs.

Our 2030 emissions reduction targets were established in 2024, and we've had emissions reduction targets in place for the buildings we finance since 2022. Challenges associated with our targets include our reliance on policy and regulations to meet them, and the lack of access to data that would enable us to track actual emissions reductions. However, our targets have galvanized climate action across our organization and ensured it's a top priority for leadership, and we continue to explore ways to improve our data quality and tracking.

To measure financed emissions associated with buildings, we primarily rely on per-square-foot energy use and emissions averages sourced from Natural Resources Canada (NRCan), which are based on location and building type or use. At the time of writing, the most current data from NRCan was for 2022 (buildings) and 2023 (grid emissions intensity).

Change in emissions intensity since 2023 base year.

	Targeted change in emissions intensity	Emissions intensity $kgCO_2e/m^2$ financed		Change in emissions intensity
	2030 from 2023	2025	2023 (baseline)	2025 from 2023
Residential buildings	-53%	19.2	18.8	+2%
Commercial buildings	-60%	37.2	37.9	-2%

Summary of results.

Given our use of proxy data, our annual emissions intensity results reflect the average building emissions intensity by province, according to specific building type or use. This can be affected by changes in grid emissions intensities as well as changes to average building energy consumption resulting from energy efficiency technologies, fuel switching, and/or changes in consumer behaviour. Other factors that may affect our results include shifts in the portfolio composition such as types, uses and locations of buildings. We're unable to track emissions reductions resulting from the actions individual members take, such as installing heat pumps, or from our proactive financing of lower-emission buildings.

Greenhouse gas emissions per square metre for residential buildings have risen by approximately two per cent since 2023. This modest increase reflects the portfolio mix and underlying intensity trends, most notably the continued dominance of single detached homes, which account for roughly two-thirds of financed residential floor area and have higher emissions intensity than apartments and single attached homes. In BC, where most of our financed residential buildings are located, the emissions intensity (and the associated emission factor) for singled detached homes has increased slightly each year since 2023. Because financed emissions are calculated using proxy data, year over year results are sensitive to updates in underlying emission factors. Applying the most recently available emission factor (2023) to both the 2023 baseline and 2025 data suggests that underlying residential building level emissions performance is stable to improving, despite reported year over year result reflecting a small increase driven by changes in emission factors and portfolio composition.

The two per cent reduction in commercial building emissions intensity reflects decreases in the provincial emission factors in lower-carbon-intensive building categories, which make up a large portion of the portfolio, particularly offices and retail. This was partly offset by increasing emissions intensity in higher-carbon-intensive building categories such as healthcare facilities, however, these buildings represent a small share of the portfolio. From a regional perspective, emission factors across all building types in Alberta declined substantially in 2023, and these reductions more than offset the slight increases observed in Ontario and British Columbia.

For a summary of changes in absolute building-related emissions, see page 27. See our Climate Action Plan for details on the approach we're taking to reduce emissions associated with real estate lending, and the important role that policy and regulations play.

Improving financed emissions data for residential mortgages.

In 2025, we partnered with Canadian climate-tech firm Climative to pilot a scalable approach to estimating energy use and greenhouse gas emissions attributed to our residential mortgage portfolio. Rather than relying on broad regional averages or collecting utility data from individual members, Climative's solution uses building-level modelling to generate more reliable energy use and emissions estimates across thousands of homes.

The result of the pilot was an improved data quality score of 3, per the Partnership for Carbon Accounting Financials (PCAF) framework, and clearer insight into where emissions are concentrated, potentially enabling more credible target-setting, stronger climate risk assessment, and more transparent disclosure.

Importantly, the enhanced data also supports action. By identifying the types of homes and building characteristics most associated with higher emissions, Vancity is better positioned to target engagement and design products and incentives that help members reduce energy use, lower costs, and cut emissions—advancing both climate goals and member wellbeing.

These capabilities align with recent developments in home energy labelling in Canada. Recognizing that in-home assessments are resource-intensive, Canada is advancing virtual home labelling programs that use modeled data and building characteristics to estimate energy performance at scale. While such approaches trade off some precision, they enable significantly more coverage, supporting more meaningful portfolio-level analysis, early-stage screening, and integration into planning, finance, and policy contexts where full energy audits are not yet feasible.

For the full story, see Measurement to Action: Vancity-Climative.

Progress on managed client investments.

Prior to establishing intermediate climate targets, through Vancity Investment Management, we'd already taken steps to significantly reduce our portfolio's carbon footprint, including a fossil fuel–free strategy. Current guidance regarding fossil fuel investments from the Paris Aligned Investment Initiative Net Zero Investment Framework recommends that investors should not allocate additional capital to companies that are involved in expanding thermal coal projects or new exploitation of tar sands. Our portfolios have been divested from thermal coal and tar sands since 2015, and in 2019, we shifted all investment funds we manage to be fossil fuel free. We're ahead in our decarbonization strategy relative to our benchmarks and this is why we opted not to set a portfolio-wide emissions reduction target given that we've already significantly decarbonized our portfolios.

We remain focused on the engagement component of our net-zero commitment, while regularly monitoring our overall carbon footprint.

Target description	Target	Performance		
	2030	2025	2024	2022[1]
Portfolio coverage: per cent of client assets under management in material sectors[2] that are aligned with net zero or subject to engagement	90%	73%	70%	44%[2]
Engagement: per cent of financed emissions associated with Vancity Investment Management funds in material sectors[2] that are aligned with net zero or subject to engagement	90%	75%	63%	23%[2]

1 Base year data is as of September 31, 2022.

2 Targets focus on these material sectors: Energy, Industrials, Materials, and Utilities as defined by the Global Industry Classification Standard. These made up 22 per cent of client assets under management at the end of 2025.

It's worth noting that, by investing in and engaging with clients adopting new technologies that will reduce emissions in the future, we may have to increase our exposure to carbon-intensive sectors. This is why, in addition to portfolio emissions, it's important to track what percentage of these emissions come from clients that are net-zero aligned and subject to engagement to contextualize any short-term increase in financed emissions. Our goal is to move companies from "subject to engagement" to "net-zero aligned." We consider a company to be net-zero aligned when they have net-zero targets that have been approved and certified by the Science Based Targets initiative (SBTi), an independent third party that provides validation services for climate goals. We consider companies to be subject to engagement when Vancity Investment Management has participated in a direct engagement, either collaboratively or individually, with the company on climate-related disclosure, performance, targets, governance, or strategy.

In 2025, we had 32 investees in material sectors that we considered net-zero aligned. An additional four investees in material sectors were subject to engagement. Of these, two companies were both net-zero aligned and subject to engagement. This is to ensure that they are progressing towards their net-zero commitments.

Vancity Investment Management continued to increase engagement activities in 2025, and continued our involvement with CDP's Non-Disclosure Campaign, where we took a leading role engaging with companies in material sectors represented in our portfolios. Additional companies in our portfolios had their net-zero commitments certified by the SBTi in 2025, and we added companies to our portfolios that had SBTi certified net-zero commitments. We plan to continue to identify opportunities for climate engagement with companies that don't have SBTi certified net-zero commitments and to identify investment opportunities that fit our funds' mandates in companies that already have certified SBTi net-zero commitments. We also engaged companies who had plans to scale back their disclosure or climate targets, seeking to provide our perspective. While we expect fluctuations year-over-year as portfolio holdings shift and investment mandates expand, overall, we anticipate being on track to meet our intermediate targets.

Our third target is that the carbon footprint of our funds remain below each funds' respective benchmark, with key checkpoints of intermediate targets in 2030 and 2040. As the benchmark footprint declines towards net zero, it is expected to align with the carbon footprint of Vancity Investment Management Portfolios by 2050. Benchmarks are the investable universe from which investors can select companies for investment in a particular strategy (e.g., strategies focused on capital appreciation or strategies focused on generating income). We use benchmarks to evaluate a fund's financial performance as well as carbon-footprint performance. Our aggregate benchmark is composed of the carbon footprint of MSCI World Index, S&P/TSX Composite Index, and the MSCI World Small Cap Index, combined proportionally based on the market value of assets benchmarked to each index. Our overall carbon footprint continued to be lower than the benchmarks.

See our Shareholder engagement reports for more on our approach to engaging portfolio companies.

Financed emissions: scope 3 (category 15).

Approach, coverage, and data quality.

We calculate financed emissions in accordance with the PCAF Global GHG Standard, and we apply the financial control consolidation approach as outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard requirement. We disclose emissions related to our lending activities, financial investments, and client assets under management.

We don't participate in capital market activities such as underwriting of initial public offerings, equity, or bonds. In cases when we syndicate larger loans where both the lenders are part of Vancity (Vancouver City Savings Credit Union or Vancity Community Investment Bank), we attribute emissions to the lead lender. In cases where we syndicate with non-Vancity financial institutions, we estimate emissions for the portion of the loan that's on our balance sheet.

As already noted, due to the lack of access to actual energy-use and fuel-type data, for lending-related emissions we rely heavily on emissions averages by industry sector (for business loans and project finance) and building types (for residential and commercial building loans). Meaningful tracking of progress is further challenged by the fact that emission factors are updated over long periods of time and can change considerably over that span.

In 2025, we estimated emissions for 68 per cent of on-balance sheet loans by dollar value. This percentage considers the loans we do not yet calculate emissions for because no methodology currently exists, as well as the loan categories listed in the table below. We estimated emissions for 20 per cent of financial investments, and 47 per cent of managed client investments. Our emissions scope coverage varies by asset class depending on PCAF guidance and/or data availability and reliability.

Our internal data strategy includes long-term goals that prioritize data improvements critical to tracking actual progress made on targets and meeting our net zero by 2040 commitment. We plan to increase data reliability, quality and coverage as more technologies and capabilities advance, and as more data and methodologies become available.

We remain committed to transparency and sharing best practices with other financial institutions. By doing so, we believe we can help evolve, improve, and harmonize financed emissions reporting and target setting. We're optimistic that regulations requiring disclosure of climate-related information, and recent developments in home energy labels, including virtual labels, will accelerate efforts to ensure financial institutions and others can access the data needed to label low-emissions or net-zero aligned financial products such as mortgages more accurately, and to better track progress on targets.

See our Methodologies for emissions calculations for details on our approach and our recalculation policy.

2025 coverage and data quality of financed emissions.

	Loan balance or market value ($ million)	Value covered in emissions measurement ($ million)	Percentage coverage	2025 PCAF weighted data quality score[1,2]	What's included in the calculations
Residential building mortgages	15,146	13,827	91%	4.1	On-balance sheet loans for the purchase and refinance of residential buildings per the SBTi's residential building typologies. Lines of credit are excluded.
Commercial building mortgages	4,659	2,991	64%	4.2	On-balance sheet loans for the purchase and refinance of commercial buildings per the SBTi's commercial building typologies. Lines of credit are excluded.
General operating business loans	575	534	93%	4.7[2]	On-balance sheet general purpose loans and lines of credit provided to businesses.
Motor vehicle loans	29	29	100%	5	On-balance sheet loans provided to individuals or businesses to purchase motor vehicle(s).
Clean energy project finance	89	58	65%	4.1	On-balance sheet financing for clean energy projects such as renewable energy (operational phase), efficiency, or storage.
Lending	**20,498**	**17,439**	**85%**		
Financial investments	4,553	893	20%	2	On-balance sheet financial investments held for liquidity purposes: sovereign debt.
Vancity Investment Management managed client investments	3,692	1,748	47%	2.3	Off-balance sheet managed client investments: listed equity and preferred shares.

Exclusions: In addition to specific loan-by-loan data limitations, we exclude the following activities in our emissions calculations due to broader data limitations and/or because there is no generally accepted global methodology in place to quantify them: Building and project construction and retrofit loans, and financing the purchase of land for development purposes; Consumer credit, including credit cards, loans, lines of credit including Home Equity Lines of Credit that can be used for general purposes, and term loans for mobile-home purchases; Business credit cards; Certain issuers and/or types of financial investments including "funds of funds", supra- or sub-sovereign debt, mortgage-backed securities, and use of proceeds (methodologies for some of these asset classes were released by PCAF in late 2025, and we plan to explore the feasibility of their application in 2026); Specific types of managed client investments including corporate bonds and sovereign debt.

1 Per the PCAF Global GHG Standard, a weighted data quality score of 5 is highly estimated/uncertain, and a score of 1 signifies higher certainty (i.e., verified reported emissions).

2 The data quality score is the same across all client emissions scopes. For breakdowns by scope, see the relevant asset class section. For VCIM, the data quality score shown in the table above is for investee emissions scopes 1 and 2. The data quality score for scope 3 investee data in 2025 was 2.4.

Emissions profile by asset class.

Our financed emissions data, despite being highly estimated, provides us with valuable insights into the size and concentration of emissions within our lending portfolio, financial investment portfolio, and managed client investments (assets under management). While many financial institutions must contend with emissions attributed to fossil fuel financing, we don't lend to or make direct investments in that sector. Most of our lending-related emissions can be attributed to gas use from the buildings and homes we finance.

2023–2025 estimated financed emissions profile (client/investee scopes 1 and 2).

	Annual 2025 scope 1 + 2 emissions (tCO_2e)	Annual 2023 scope 1 + 2 emissions (tCO_2e)	Percentage change in emissions 2023–2025	Annual 2025 scope 1 + 2 emissions per million dollars financed (tCO_2e)
Residential building mortgages	50,722	48,720	+4%	4
Commercial building mortgages	28,116	33,039	-15%	9
Business loans	28,654	24,318	+18%	54
Motor vehicle loans	2,626	2,472	+6%	91
Clean energy project finance	74	n/a	n/a	1
Lending	**110,192**	**108,549**	**+2%**	**6**
Financial investments[1]	165,009	n/a	n/a	185
Vancity Investment Management managed client investments[2]	15,637	24,051	-35%	9

Activities/asset classes are defined according to SBTi or the PCAF Global GHG Standard and may not align with the terms used in our financial statements. For scope 3 emissions, see the table immediately below.

1 Includes scope 1 emissions attributed to sovereign debt. Comparable data for 2023 is not available.
2 Includes scope 1 and 2 emissions attributed to listed equity and preferred shares.

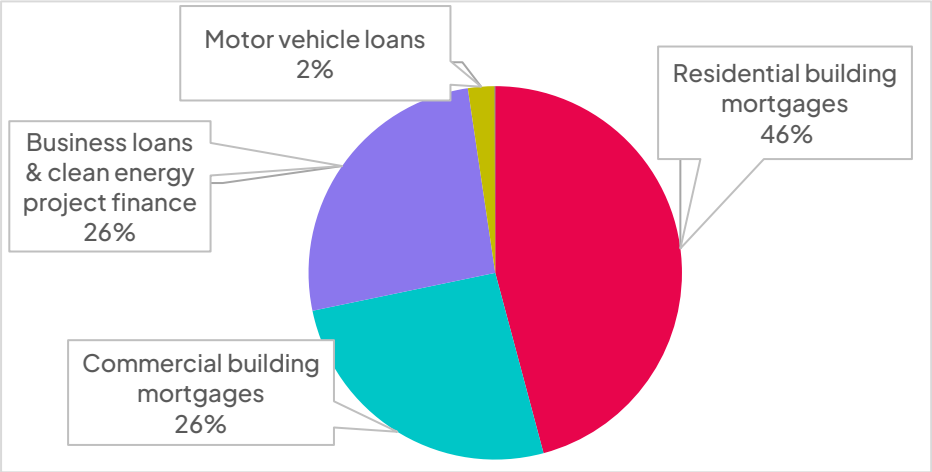
2023–2025 estimated financed emissions profile (client/investee scope 3).

We report scope 3 emission in line with the PCAF standard. Scope 3 emissions are required for corporate asset classes where value chain emissions are material, but not for asset-based lending (e.g., buildings, vehicles) or for financial investments such as sovereign debt.

	Annual 2025 scope 3 emissions (tCO_2e)	Annual 2023 scope 3 emissions	Percentage change in emissions 2023–2025	Annual 2025 scope 3 emissions per million dollars financed (tCO_2e)
Business loans	67,324	46,877	+44%	126
Clean energy project finance	1,448	Not estimated	n/a	25
Vancity Investment Management managed client investments	140,235	n/a[1]	n/a	80

1 In 2023, we reported scope 3 emissions for managed client assets limited to three material sectors (materials, mining, and industrials). These figures are not directly comparable to the current year's emissions, which now encompass all sectors.

2025 measured financed emissions attributed to lending: client scopes 1 and 2.

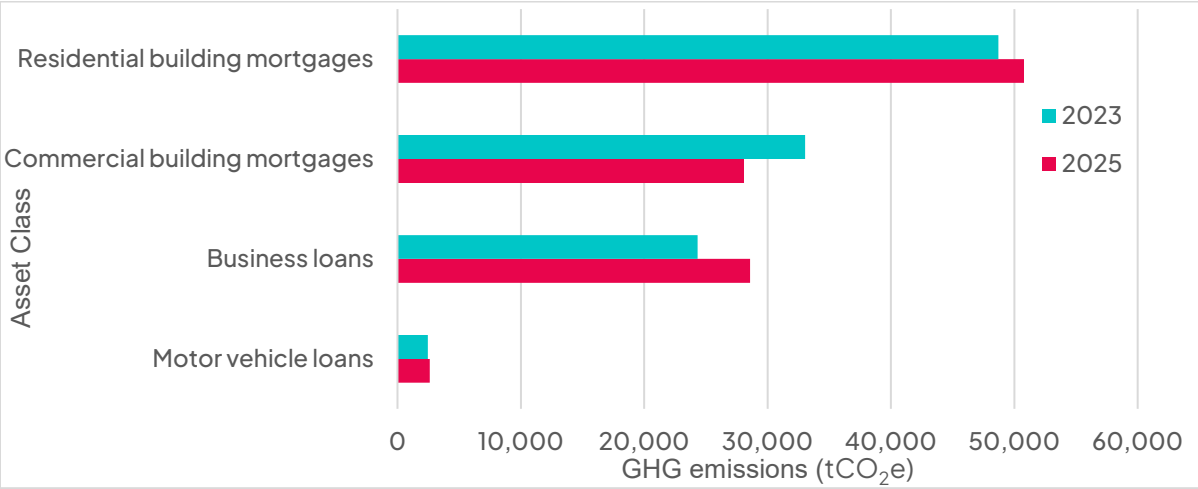


Buildings.

Operational energy use and use of refrigerants attributed to residential buildings accounted for 46 per cent of measured client scope 1 and 2 lending-related emissions in 2025, primarily single detached homes. Absolute financed emissions attributed to residential buildings have risen by four per cent since our base year, 2023. The increase is mainly driven by portfolio growth (both loan balances and financed area increased) alongside a modest increase in emissions per square metre. At the same time, emissions per dollar loaned declined by around four per cent, suggesting improved carbon efficiency relative to lending exposure even as total emissions increased.

Commercial buildings accounted for an additional 26 per cent of emissions, primarily buildings used for retail trade, offices, and light industry. Absolute financed emissions from commercial buildings declined by roughly 15 per cent between 2023 and 2025. Changes in emission factors were mixed across building types and regions, rather than uniformly declining. The reduction was driven primarily by lower portfolio exposure in higher carbon-intensive buildings such as retail trade and industrial properties. The decreases were partially offset by growth in emissions from buildings used for healthcare.

2025 and 2023 measured financed emissions attributed to lending: client scopes 1 and 2.



Business loans and project finance.

In 2025, Vancity's general business loans—including real estate secured lines of credit—made up 2 per cent of total lending but contributed 26 per cent of scope 1 and 2 measured lending-related emissions. Including scope 3 emissions increases their share to 54 per cent, though these estimates carry substantially greater uncertainty.

Absolute scope 1 and 2 financed emissions associated with our business loans increased by 18 per cent since 2023, and scope 3 emissions increased by 44 per cent. The reason for the increase is growth of the portfolio—it's grown almost 40 per cent since 2023. Worth noting is that the size of our business loan portfolio is relatively small and emissions can change significantly from year to year: one large loan being paid out or brought onto our books can have an outsized effect on emissions. We provide loans to small- and medium-sized businesses and nonprofits, and we proactively focus on serving community-driven, values-based organizations. For these reasons, we expect emissions to be lower than the sector averages we use to calculate emissions estimates. For exposures and emissions estimates in carbon-intensive sectors see page 37.

Our clean energy project finance portfolio contributes less than one per cent of measured lending-related emissions. Financing of operational renewable energy projects (solar and wind) resulted in approximately 12,475 tonnes of avoided emissions in 2025. We have no comparable year-over-year data; however, the portfolio has remained relatively stable in terms of its size and type of projects.

Motor vehicle loans.

Loans to purchase motor vehicles contributed just 2 per cent of scope 1 and 2 measured lending-related emissions. Emissions have increased by six per cent since 2023. This can be attributed to an increase in the number of motor vehicle loans financed, a significant portion of which were for electric and hybrid vehicles.

Financial investments.

Our financial investments primarily relate to treasury activities used to manage liquidity, capital, and financial risk, rather than to finance specific projects or client activities. While not in-scope for our net-zero goal, we report attributed emissions where methodologies and data allow to provide a complete picture of our financed emissions profile, and to be consistent with emerging disclosure expectations. In 2025, the proportion of our financial investments with emissions coverage grew from 12 per cent to 20 per cent of the portfolio's value, alongside adjustments in investment strategies and portfolio composition. Because a substantial portion of the portfolio remains outside the scope of available data and methodologies, reported emissions are not meaningfully comparable across years. See page 41 for details on portfolio composition.

Managed client investments.

Our approach to investing on behalf of clients is to seek out well-managed, responsible, and progressive companies. We don’t invest in companies whose primary line of business is the extraction, production, and distribution of fossil fuels. Highest emitting sectors included Industrials and Consumer discretionary (scopes 1 and 2), and Industrials and Consumer staples (scope 3). Since 2023, there was a 35 per cent decrease in measured scope 1 and 2 emissions (we don’t have comparable data for scope 3). The reason is fewer investments in higher emissions intensive sectors such as materials, utilities and mining.

Financed emissions by activity or asset class.

Residential building mortgages.

Residential buildings alone contribute roughly half of building-sector emissions, or about six or seven per cent of Canada's total direct greenhouse gas emissions. In Metro Vancouver, where many of the buildings we finance are located, residential building emissions have continued to rise, increasing by about 12 per cent between 2010 and 2022, largely due to population growth and continued reliance on gas heating.

Our mortgages support individuals, families and businesses to purchase attached and detached homes and apartments, as well as purpose-built and income generating rental buildings. Most of the residential buildings we finance are single detached homes. The energy use for these is split roughly as follows: About 45 per cent comes from electricity, which in BC is mostly clean, renewable power.

Around half comes from natural gas, mainly used for space and water heating. The remainder comes from other fuels, such as wood, propane, or heating oil. When it comes to climate pollution, gas is by far the biggest contributor. Even though electricity makes up a large share of household energy use, more than 90 per cent of home energy emissions from detached houses come from burning gas.

2025 estimated financed emissions for residential buildings.

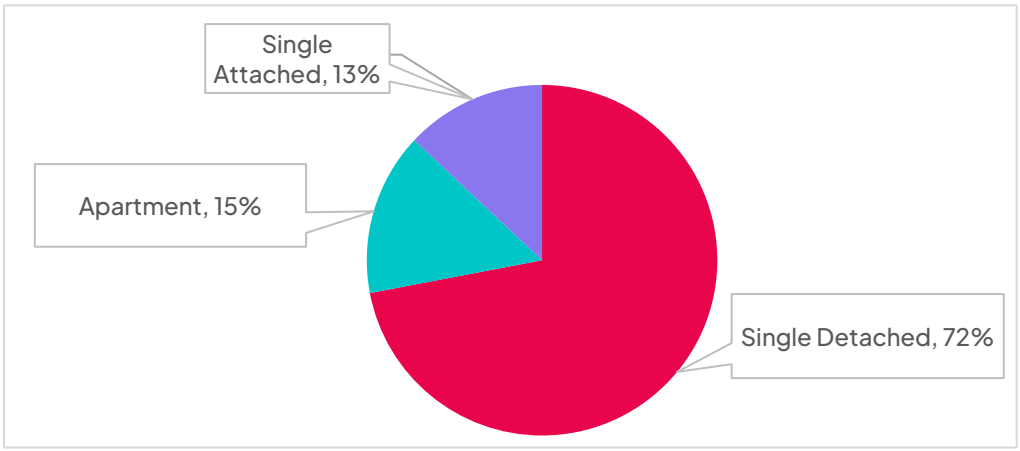
	Annual scope 1 + 2 absolute emissions (tCO_2e)	Financed floor area (square metres) [1]	Annual emissions per square metre financed ($kgCO_2$)[2]
Residential buildings	50,722	2,638,266	19.2

Includes emissions related to refrigerant use as well as operational energy use. Totals may not sum due to rounding.

1 Where we didn't have floor area data, we estimated it.
2 Based on loans for which floor area data is available.

Detached homes have the highest average emissions per square metre of the three main property types, and most emissions are attributed to the use of gas in these properties. Emissions related to refrigerants accounted for around 20 per cent of residential building-related emissions in 2025.

2025 annual absolute scopes 1 and 2 emissions: percentage by building type.



Commercial building mortgages.

Buildings overall are Canada's third largest source of greenhouse gas emissions, contributing about 13 per cent of Canada's direct (onsite) GHG emissions. When emissions from offsite electricity generation are included, buildings account for around 18 per cent of national emissions. Commercial buildings contribute roughly six to seven per cent of total greenhouse gas emissions, and in British Columbia they are a major and growing source of climate pollution, especially in urban areas. While electricity use in commercial buildings is relatively low emissions in BC, gas-fired heating systems are the dominant driver of building related emissions, making commercial buildings a critical focus for emissions reduction efforts.

2025 estimated financed emissions for commercial buildings.

	Annual scope 1 + 2 absolute emissions (tCO_2e)	Financed floor area (square metres) [1]	Annual emissions per square metre financed ($kgCO_2$)[2]
Commercial buildings	28,116	755,681	37.2

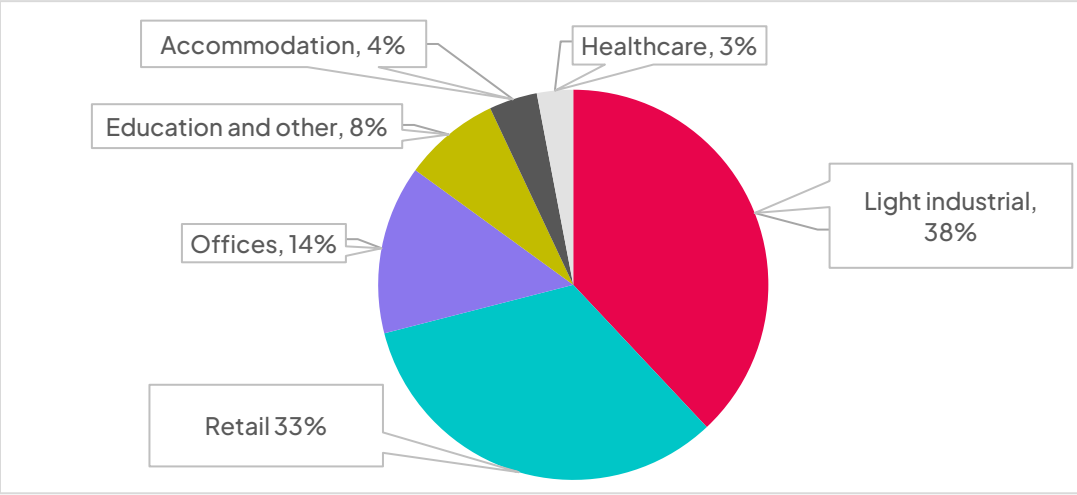
Includes emissions related to refrigerant use as well as operational energy use.

1 Where we didn't have floor area data, we estimated it.

2 Based on loans for which floor area data is available.

Most of the commercial buildings we finance are used for offices, retail trade, accommodation and food services, and light industrial activities, with the majority located in BC. A substantial portion of emissions originated from buildings used for light industrial and retail purposes. Emissions related to refrigerants (i.e., released through the leakage of fluorinated gases during the use, regular refilling, and disposal of refrigeration and air conditioning equipment, including heat pumps accounted) for around eight per cent of building-related emissions. We have prioritized green commercial building financing for years, so our actual portfolio emissions are probably lower than estimated figures.

2025 annual absolute scopes 1 and 2 emissions: percentage by building use.



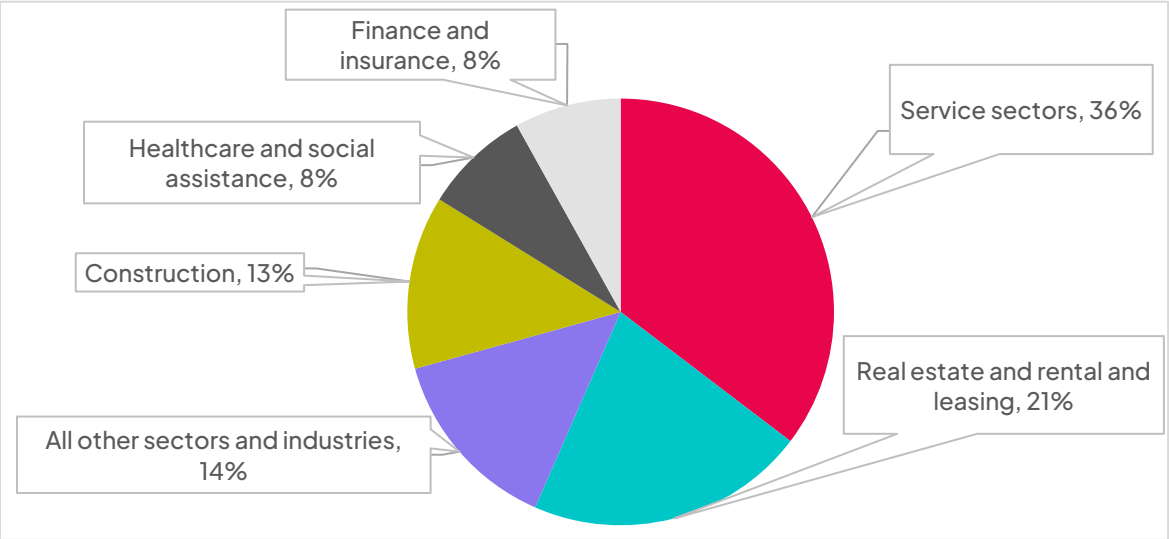
Business loans.

Small businesses (1–99 employees) continue to form the backbone of the Canadian economy. As of 2024, they accounted for approximately 98 per cent of all businesses with employees in Canada and employed around 45 per cent of the national workforce.

Canada does not publish official greenhouse gas emissions by firm size. But estimates from the Business Development Bank of Canada indicate that small and medium-sized enterprises collectively account for roughly 40 per cent of Canada's total greenhouse gas emissions, underscoring their critical role in achieving national climate goals. This also means they're exposed to climate transition risks in addition to the physical risks they face as a result of climate change.

While there is growing awareness and expectation of climate action from customers, suppliers, and regulators, small businesses may lack the knowledge and resources to reduce emissions from their own operations and value chain or take steps to improve their resiliency, and/or to build the business case for doing so. Moreover, they're often overlooked when it comes to net-zero pathways and goals. We see supporting small and medium-sized enterprises to contribute to a low-carbon, resilient, and fair economy as a significant opportunity.

2025 absolute annual financed emissions for business loans, all scopes: percentage by sector.



To support regulatory consistency and comparability, we assess our lending exposure across sectors, including designated and carbon intensive sectors according to OSFI Guideline B-15 Risk Management and the UN environment program Guidance for Climate Target Setting for Banks – Version 4. Our exposure is limited across carbon intensive sectors, with service sectors including real estate and rental and leasing representing the primary area of concentration.

2025 estimated dollars and financed emissions for business loans, by sector.

Sector	Loan balance covered ($ million)	Annual scopes 1 and 2 absolute emissions (tCO_2e)	Annual scope 3 absolute emissions (tCO_2e)	Annual emissions all scopes (tCO_2e)	Annual emissions per dollars financed (tCO_2e/ $ million)	Comments
Electricity production and distribution	1	121	421	543	395	Lending supports electricity production and distribution from renewable sources including hydro.
Fossil fuels (coal, oil, and gas)	0.35	17	82	98	279	We do not finance or directly invest in coal, oil, or gas extraction or production. Financing includes immaterial exposure to a downstream retail fuel outlet, specifically a retail gas station with EV charging stations.
Energy intensive industries[1]	11	12,633	4,404	17,037	1,548	Immaterial exposure to mining, iron and steel, aluminum, paper and pulp, and cement. Lending primarily supports the manufacturing of cleaning products, sand/gravel mining, stone-related products, pottery, and irrigation systems.
Transportation	14	719	560	1,279	92	No exposure to auto manufacturing or air transportation. Lending mainly supports road transportation/trucking.
Agriculture and forestry	6	3,088	1,672	4,760	797	No exposure to forestry. Lending primarily supports small-scale vegetable, fruit and tree nut farming; floriculture, hay farming, commercial fishing, aquaculture, and apiculture.

Sector	Loan balance covered ($ million)	Annual scopes 1 and 2 absolute emissions (tCO_2e)	Annual scope 3 absolute emissions (tCO_2e)	Annual emissions all scopes (tCO_2e)	Annual emissions per dollars financed (tCO_2e/ $ million)	Comments
Construction	72	2,087	24,497	26,584	371	Lending primarily supports building-related construction and related trades.
Healthcare and social assistance	44	169	1,606	1,775	40	Lending primarily supports health practitioners and social assistance services such as community relief and child daycare.
Food and beverage	15	3,092	6,653	9,745	641	Lending primarily supports small-scale food processors, specialty food retailers and produce wholesalers.
Real estate rental and leasing	114	504	1,861	2,364	21	Lending primarily supports individual, non-profit and small business lessors.
Finance and insurance	42	10	41	51	1	Lending primarily supports small and mid-size insurance companies.
Other industries[2]	7	537	1,955	2,492	354	Lending primarily supports small-scale manufacturing (textiles, glassworks), and metalworking.
Other service sectors[2]	171	4,261	18,875	23,135	135	Lending primarily supports building cleaning and maintenance, personal care, autobody and management consultant businesses.
All other sectors	37	1,418	4,696	6,113	167	Lending primarily supports wholesale and retail trade.
Total / weighted avarage[3]	**534**	**28,654**	**67,324**	**95,979**	**180**	

Totals may not sum due to rounding. See Methodologies for emissions calculations for a list of the industry codes we include in each sector. We assigned each loan to a single primary sector for our 2025 disclosures to prevent double counting. This assignment does not mean the activity is exclusive to that sector for other climate risk assessments.

1 Energy intensive industries according to OSFI Guideline B-15. They include Mining, Manufacturing (metal, chemical, mineral), Paper and pulp, and Water and sewage system and waste management.
2 Other industries and Other service sectors according to OSFI Guideline B-15.
3 Totals shown for absolute metrics, and weighted averages shown for intensity metrics, which do not sum.

Motor vehicle loans.

Transportation is British Columbia's largest source of climate pollution, accounting for about 41 per cent of provincial greenhouse gas emissions, with light duty vehicles alone contributing roughly one third of transportation emissions.

Although motor vehicles and the transportation sector represent a minor portion of Vancity's lending-related emissions, the emissions intensity linked to gasoline motor vehicle loans is considerable, particularly in comparison to the emissions intensity associated with hybrid or electric vehicles. Our Planet-Wise™ transportation loans offer preferred rates for electric and hybrid vehicles.

2025 estimated financed emissions for motor vehicle loans, by type.

Vehicle type	Loan balance covered ($ million)	Annual scopes 1 and 2 absolute emissions (tCO_2e)	Annual scopes 1 and 2 emissions per million dollars loaned (tCO_2e)	What's included
Gasoline motor vehicle loans	12	2,272	191	General loans and lines of credit used to purchase motor vehicles/ fleets assumed to be gasoline.
Hybrid and electric vehicles	17	354	21	Planet-Wise™ transportation loans and lines of credit used to purchase hybrid or electric motor vehicles/fleets.
Total /weighted average[1]	**29**	**2,626**	**91**	

1 Totals shown for absolute metrics, and weighted averages shown for intensity metrics, which do not sum.

Project finance.

Vancity Community Investment Bank's project finance portfolio includes clean energy and various energy efficiency projects. Our power generation projects support only renewable energy projects, including wind, solar, and geothermal.

Avoided emissions represent emissions that would have occurred without the projects' implementation. In 2025, our financing of operational renewable-energy projects (solar and wind) resulted in approximately 12,475 tonnes of avoided emissions. This is equivalent to removing 4,171 passenger vehicles off the road, according to Natural Resources Canada Greenhouse Gas Equivalencies Calculator.

Read more on our clean energy financing at Vancity Community Investment Bank Climate Financing.

2025 estimated financed emissions for project finance, by type.

Project type	Loan balance covered ($ million)	Annual scopes 1 and 2 absolute emissions (tCO_2e)	Annual scopes 1 and 2 emissions per $ million loaned (tCO_2e)	Annual scope 3 absolute emissions (tCO_2e)	Annual emissions, all scopes (tCO_2e)
Renewable energy (operational phase)	38	8	0.2	670	678
Energy efficiency (primarily geo-exchange)	20	66	3	778	844
Total / weighted average[1]	**58**	**74**	**1**	**1,448**	**1,523**

1 Totals shown for absolute metrics, and weighted averages shown for intensity metrics, which do not sum.

Financial investments.

Most on-balance sheet financial investments are for liquidity purposes: assets that we can quickly and economically convert to cash. These liquidity investments typically include various bonds (government-issued or corporate), securitization such as mortgage-back securities, and deposits held with Central 1. Other investments include an impact-focused fund of funds and derivatives. At the end of 2025, we no longer held corporate bonds, and we were more involved in supranational issuers like the World Bank and the Inter-American Development Bank, which issue "sustainability"-labelled bonds.

In 2025, we measured emissions for 20 per cent of the portfolio's on-balance sheet financial assets, specifically investments in sovereign debt. The relatively low coverage is due to the unavailability of data and/or methodologies for many investment types. PCAF released methodologies for some of these investments in December 2025, and we plan to review them and assess feasibility of applying them to increase our coverage.

2025 estimated financed emissions for financial investments.

Investment type	Investments covered ($ million)	Annual scope 1 + 2 absolute emissions (tCO_2e)	Annual scope 1 + 2 emissions per million dollars loaned (tCO_2e)	What's included
Sovereign debt	893	165,009[1]	185	Bonds issued by the Government of Canada or Agency bonds issued by the Canada Mortgage and Housing Corporation

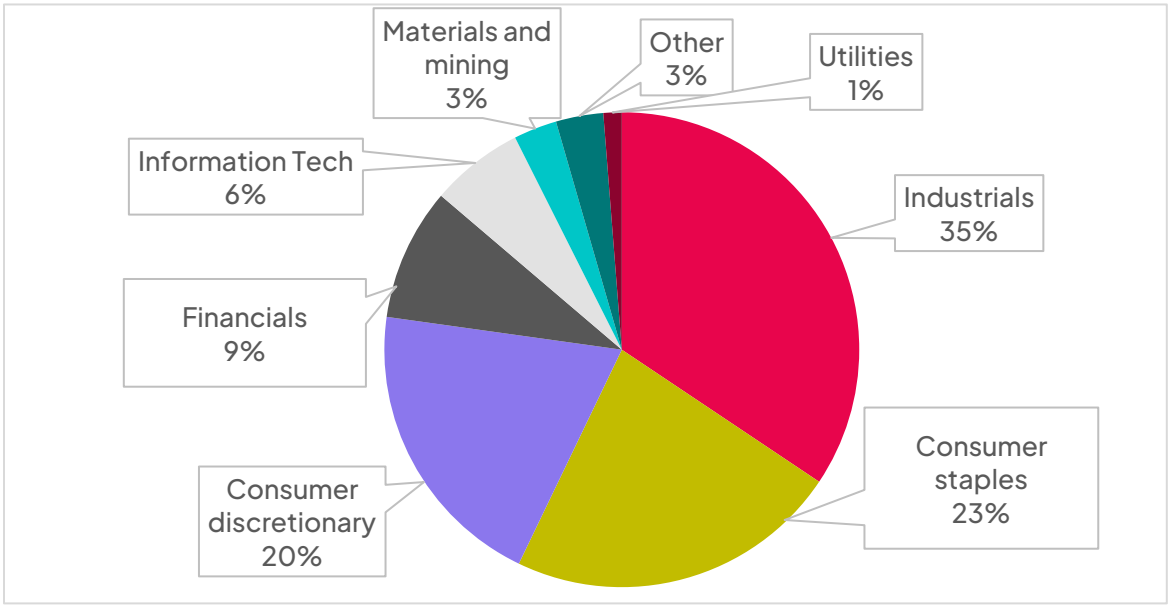
1 Scope 1 emissions excluding LULUCF (land use, land-use change, and forestry), which is inclusive of removals. Emissions including LULUCF were 164,023 tonnes.

Vancity Investment Management managed client investments.

We measure emissions attributed to managed client investments by Vancity Investment Management for listed equity and preferred shares only due to the unavailability of data for fixed income investments. Our highest emitting investees (scopes 1 and 2) were from the following two sectors: Industrials and Consumer discretionary. Emissions related to Materials decreased substantially due to shifts in the portfolio. Highest emitting investees for scope 3 belong to the Industrials and Consumer staples sectors.

Our approach to investing on behalf of clients is to seek out well-managed, responsible, and progressive companies. We don't invest in companies whose primary line of business is the extraction, production, and distribution of fossil fuels.

2025 absolute annual emissions, all scopes: percentage by sector.



Sectors are based on the Global Industry Classification Standard (GICS), which is the most common classification standard used by index providers such as MSCI and S&P. The GICS comprises a total of 11 sectors. "Other" includes energy, health care, communication services, and real estate sectors.

2025 estimated financed emissions for managed client investments.

Sector (Global Industry Classification Standard)		Investments covered ($ million, market value)	Annual scopes 1 and 2 absolute emissions (tCO_2e)	Annual scopes 1 and 2 emissions per million dollars covered (tCO_2e)	Annual scopes 1 and 2 emissions per million dollars revenue (tCO_2e)[1]	Annual scope 3 absolute emissions (tCO_2e)	Annual emissions, all scopes (tCO_2e)
10	Energy	0	0	0	0	0	0
15[2]	Materials	25	1,810	72	8.9	2,268	4,078
15	Mining	23	4	0.2	0	400	404
20	Industrials	355	7,817	22	31	44,484	52,301
25	Consumer discretionary	211	2,548	12	5.6	27,979	30,527
30	Consumer staples	89	1,240	14	1.2	33,365	34,605
35	Health care	46	54	1.2	0.2	3,719	3,773
40	Financials	495	163	0.3	0.7	13,557	13,720
45	Information technology	335	409	1.2	3.4	9,252	9,661
50	Communication services	76	77	1.0	0.4	1,255	1,332
55	Utilities	15	1,069	71	4.6	825	1,894
60	Real estate	78	446	5.7	1.8	3,131	3,577
Total / weighted average[3]		**1,748**	**15,637**	**9**	**57**	**140,235**	**155,872**

1 Emissions intensity per million dollars in revenue is according to MSCI's measure for public equities.
2 Materials exclude mining.
3 Totals shown for absolute metrics, and weighted averages shown for intensity metrics, which do not sum.

Appendix.

Operational GHG emissions, breakdown by gas.

Estimated scopes 1 and 2 emissions by type of greenhouse gas, 2025.[1]

Type of GHG	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)
CO_2 (Carbon dioxide)	389.27	97.94
CH_4 (Methane)	0.23	6.17
N_2O (Nitrous oxide)	1.79	1.55
HFCs (Hydrofluorocarbons)	124.10	0
PFCs (Perfluorocarbons)	0	0
SF_6 (Sulfur hexafluoride)	0	0
NF_3 (Nitrogen trifluoride)	0	0
Total	**515.39**	**105.66[2]**

tCO_2e = tonnes of CO_2-equivalent.

1 Vancity began reporting estimated scope 1 and scope 2 emissions by type of greenhouse gas in 2025. Going forward we will report past year's data.

2 The total for the Scope 2 breakdown by type of greenhouse gas does not match the overall reported Scope 2 emissions (see page 17). The discrepancy is because the CO_2e emission factor differs from the sum of the individual gas factors, as specified in the NIR (table A13-11, p.80). To ensure a conservative estimate, we have based our reported Scope 2 emissions total on the CO_2e emission factor, which yields a higher value than the sum of the CO_2, CH_4, and N_2O emissions factors together.

Note on SBTi vs. PCAF definitions.

There are differences between what's included in building-related financed emissions calculations for PCAF vs. the Science Based Targets initiative (SBTi).

PCAF: Commercial real estate asset class	SBTi: Commercial buildings
On-balance sheet mortgages for the purchase and refinance of properties used for commercial purposes. Includes retail, hotels, office space, industrial, as well as residential buildings used for income-generating activities.	On-balance sheet mortgages for the purchase and refinance of commercial buildings per the SBTi's commercial building typologies. Lines of credit are excluded from this asset class and included under the business loans asset class.
PCAF: Residential mortgages asset class	**SBTi: Residential buildings**
On-balance sheet loans for the purchase and refinance of residential properties. Residential property used to conduct income-generating activities (e.g., properties that are owned by a business and rented out) are included under commercial real estate. Revolving lines of credit including Home Equity Lines of Credit (HELOCs) are excluded.	On-balance sheet loans for the purchase and refinance of residential buildings per the SBTi's residential building typologies. Lines of credit to individuals are excluded. Lines of credit to a business are excluded from this asset class and included under the business loans asset class.

We established our building emission reduction targets (see Climate Action Plan) using the SBTi's Buildings Target-Setting Tool, which uses decarbonization pathways specific to commercial or residential buildings, regardless of whether the building is used for income generation or the mortgage is provided to an individual or a business. In this Climate Update, we have aligned the data we disclose with our target boundaries for commercial buildings and residential buildings. However, to allow for comparability with other financial institutions and to align with PCAF's disclosure requirements, the table on the next page presents emissions data according to PCAF's asset class definitions for commercial real estate and residential mortgages.

Estimated financed emissions for commercial mortgages, per PCAF asset class definitions.

Asset class per PCAF	Loan balance ($ million)	Value covered in emissions measurement ($ million)	Percentage of value covered	Annual 2025 scope 1 + 2 emissions (tCO_2e)	Annual 2023 scope 1 + 2 emissions (tCO_2e)	Percentage change in emissions 2023–2025	2025 scope 1+2 emissions per million dollars financed (tCO_2e)	PCAF weighted data quality score
Commercial real estate	6,246	4,578	73%	32,740	37,387	-12%	7.1	4.3
Residential mortgages	13,559	12,240	90%	46,096	44,372	4%	3.8	4.0

OSFI B-15 content index

The Office of the Superintendent of Financial Institutions (OSFI), through Guideline B-15, requires federally regulated financial institutions to demonstrate that they understand and appropriately govern, manage, and disclose actual and potential impacts of climate-related risks. While OSFI B-15 only applies to Vancity's Bank, we voluntarily report at a consolidated level because that's how we primarily manage climate risk, and we leverage learnings from aligning to the guidance to enhance our group wide approach to climate risk.

To align with the Canadian Sustainability Standards Board's (CSSB) recent voluntary sustainability standard CSDS 2, OSFI deferred some of these disclosure requirements (e.g., scope 3 category 15 financed emissions) until fiscal year 2027. But as we have already been reporting these since 2022, we continue to do so voluntarily.

The page numbers below refer to the following documents.

CU = 2025 Climate Update
AS = 2025 Accountability Statements
CAP = Climate Action Plan

Methodology handbook = Methodologies for emissions calculations

Disclosure element	Disclosure expectation	Reference
Governance		
a)	Describe the governance body(ies) (e.g., board of directors, committee, other) or individual(s) responsible for oversight of climate-related risks and opportunities, including their identity, responsibilities, skills and competencies, process around staying informed including the frequency of meetings, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress towards those targets, and a description of whether and how climate-related considerations are factored into their remuneration.	Climate-related governance, AS p. 76 Sustainability-related governance, AS p. 12 Implementation and Governance, CAP p. 25 Climate-related remuneration, CU p. 13
b)	Describe management's role in monitoring, managing, and overseeing climate-related risks and opportunities, including the identity of the management-level position or committee as applicable, its governance processes, controls, and procedures, and how oversight is exercised over that position or committee.	Management structure and accountabilities (climate), AS p. 78 Management-level governance (sustainability), AS p. 15

Disclosure element	Disclosure expectation	Reference
Strategy		
a)	Describe the climate-related risks and opportunities the Financially Regulated Financial Institution (FRFI) has identified that could reasonably be expected to affect its cash flows, access to finance or cost of capital, including: - The classification of each climate-related risk as either physical or transition risk; - The expected timeframe for the occurrence of effects associated with each risk and opportunity (short, medium, or long term); - The FRFI's definitions of 'short term,' 'medium term,' and 'long term' in relation to strategic decision-making planning horizons.	Climate-related risks, AS p. 80 Climate-related opportunities, AS p. 84
b) i	**Business model and value chain** Describe: - the current and anticipated effects of climate-related risks and opportunities on the FRFI's business model and value chain; -where in the FRFI's business model and value chain the climate-related risks and opportunities are concentrated. **Strategy and Decision making** Disclose information about current and anticipated: - changes to the FRFI's business model, including its resource allocation, to address climate-related risks and opportunities; direct mitigation and adaptation efforts; - indirect mitigation and adaptation efforts. **Financial position, financial performance, and cash flows** Describe: - how climate-related risks and opportunities have affected the FRFI's financial position, financial performance, and cash flows for the reporting period; - how the FRFI expects its financial position, financial performance, and cash flows to change over the short, medium, and long term, given its strategy to manage climate-related risks and opportunities.	Progress update, CU p. 6 Carbon price and other financial impacts of climate risks, CU p. 13 Climate, AS p. 75 Climate strategy, AS p. 79 Stress testing, AS p. 23 Global context, CAP p.12 Big Moves, CAP p. 15
b) ii	Describe the FRFI's climate transition plan	About our plan, CAP p. 4
c)	Describe the resilience of the FRFI's strategy, taking into consideration different climate-related scenarios, including a scenario which limits warming to the level aligned with the latest international agreement on climate change, or lower.	Climate resilience, AS p. 82 Forward-looking modelling tool, AS p. 83

Disclosure element	Disclosure expectation	Reference
Risk management		
a)	Disclose information about the FRFI's processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks.	Process for identifying and assessing climate risks, AS p. 80
b)	Disclose information about the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities including information about whether and how the FRFI uses climate-related scenario analysis to inform its identification of climate-related opportunities.	SCSE 2025, AS p. 83
c)	Disclose information about the extent to which, and how the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the FRFI's overall risk management process.	Climate risk integration, AS p. 81
Metrics and targets		
a)	Disclose metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process.	Key metrics, CU p. 11
b) i	Disclose separately the FRFI's Scope 1 and location-based Scope 2 absolute gross GHG emissions for the period. Disclose the measurement approach, inputs, and assumptions the FRFI uses to measure its Scope 1 and Scope 2 GHG emissions, and the underlying reasons for these decisions. Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions. If the reporting standard used by the FRFI is not the GHG Protocol Corporate Standard, disclose how the reporting standard used by the FRFI is comparable.	Operational greenhouse gas emissions: scopes 1 and 2, CU p. 16 Operational emissions: scopes 1 and 2, Methodology handbook p. 3
b) ii	Disclose the FRFI's Scope 3 absolute gross GHG emissions for the period. In preparing its Scope 3 GHG emissions disclosure, the FRFI should consider its entire value chain and all 15 categories of Scope 3 GHG emissions, disclose which of these categories are included in the Scope 3 GHG emissions disclosure, and ensure inclusion of Category 15: Investments emissions. FRFIs should not combine but should present separately financed emissions, insurance-associated emissions, and emissions from AUM. Disclose the measurement approach, inputs, and assumptions the FRFI uses to measure its Scope 3 GHG emissions, and the underlying reasons for these decisions. Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions.	Emissions profile (all scopes), CU p.14 Operational greenhouse gas emissions: scope 3 (categories 1, 6, and 7), CU p. 18 and Methodology handbook p. 8 Financed emissions: scope 3 (category 15), CU p. 25 and Methodology handbook, p. 16

Disclosure element	Disclosure expectation	Reference
b) ii (cont.)	**Additional and specific information about FRFIs' Category 15 Investments emissions** Disclose the following, as applicable: For all in-scope FRFIs, disclose: 1. The FRFI's absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 GHG emissions by asset class and for any corporate investments or loans (i.e., the following asset classes under PCAF A: Listed equity, corporate bonds, business loans, and unlisted equity), by sector. When disaggregating by: i. Asset class – the disclosure should include, at a minimum, investments, and loans. ii. Sector – the FRFI should use the OSFI designated sectors for classifying counterparties, reflecting the latest version of the classification system available at the reporting date. 2. The FRFI's gross exposure to each asset class as the carrying amounts (before subtracting the loss allowance, when applicable), expressed in the Canadian dollars. 3. The percentage of the FRFI's gross exposure included in the financed emission calculation. The FRFI should: i. If the percentage of the FRFI's gross exposure included in the financed emission calculation is less than 100%, explain the exclusions (e.g., due to lack of methodology or lack of data), including the type of assets excluded. 4. The methodology the FRFI used to calculate its financed emissions, including the method of allocation the FRFI used to attribute its share of emissions in relation to the size of the gross exposure.	Approach, coverage and data quality, CU, p. 25 Emissions profile by asset class, CU p.27 Financed emissions by activity or asset class, CU p. 32 Financed emissions: scope 3 (category 15) (approach by asset class), Methodology handbook p. 18
b) iii	**Additional and specific information about FRFIs' Category 15 Investments emissions** Disclose the following, as applicable: For in-scope FRFIs that participate in asset management activities, disclose: 1. The FRFI's absolute gross financed emissions pertaining to assets under management, disaggregated by Scope 1, Scope 2, and Scope 3 GHG emissions. 2. For each of the disaggregated items in (1), above, the total amount of AUM that is included in the financed emissions disclosure, expressed in Canadian dollars. 3. The percentage of the FRFI's total AUM included in the financed emissions calculation. 1. If the percentage is less than 100%, the FRFI should explain the exclusions (i.e., due to lack of methodology or lack of data), including types of assets and the associated amount of AUM. 4. The methodology used to calculate the financed emissions from AUM, including the method of allocation the FRFI used to attribute its share of emissions in relation to the size of the AUM balance.	Vancity Investment Management managed client investments, CU p. 42 Listed equity (off-balance sheet managed client investments), Methodology handbook p. 32
c)	Disclose any quantitative and qualitative climate-related targets the FRFI has set to monitor progress towards achieving its strategic goals, including: - The objective of the target; - The period over which the target applies;	Progress update, CU p. 6 Operational emissions - Progress made on targets, CU p. 16

	- The base period from which progress is measured; - Any revisions to the target and an explanation of those revisions; Disclose information about the FRFI's approach to setting and reviewing each target and how it monitors progress against each target; Disclose information about the FRFI's performance against each climate- related target and an analysis of trends or changes in the FRFI's performance. For any GHG emissions target disclosed (and the corresponding metrics, if applicable), disclose it both gross of, and net of, carbon offsets, if applicable, and explain the type of offset (for example, carbon credit, nature-based, other.)	Financed emissions: progress on net-zero targets, CU p. 20 How we'll assess progress, CAP p. 22
d)	Disclose the following cross-industry metrics: 1. climate-related transition risks: the amount and percentage of assets or business activities vulnerable to climate-related transition risks; 2. climate-related physical risks: the amount and percentage of assets or business activities vulnerable to climate-related physical risks; 3. climate-related opportunities: the amount and percentage of assets or business activities aligned with climate-related opportunities; 4. capital deployment: the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities; 5. internal carbon price: 1. an explanation of whether and how the FRFI is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and 2. the price for each metric tonne of GHG emissions the entity uses to assess the costs of its GHG emissions 6. remuneration: 1. the percentage of Senior Management and other material risk-takers' remuneration recognized in the current period that is linked to climate-related considerations.	Key metrics, CU p. 11
e)	Disclose industry-based metrics. In determining the industry-based metrics that the FRFI discloses, consider the applicability of the industry-based metrics associated with disclosure topics described in the Industry-based Guidance on Implementing Climate-related Disclosures, (Financials Sector, as applicable to the FRFI's business model/activities).	Key metrics, CU p. 11

UNEP FI Guidelines for Climate Target Setting for Banks content index (version 4)

Topic	Section or page
Emissions baseline and annual emissions profile.	
Baseline	Pages 27–28 (Emissions profile by asset class, including comparison to base year 2023).
Emissions coverage	Pages 25–26 (Approach, coverage, and data quality, including table showing coverage by PCAF asset class).
Carbon intensive sectors	Pages 35–36 (Estimated dollars and financed emission for business loans, by sector). See also note below under Targets. Real estate–related lending is currently the only high carbon–intensive sector we materially lend to or directly invest in.
Emissions profile metrics	Pages 27–28 (Emissions profile by asset class) and pages 31–33 (Residential and Commercial building mortgages). We report absolute emissions and economic emissions intensity overall and by asset class; we report sector-specific emissions intensity for real estate: CO_2e per square metre financed.
Disclosure	Pages 25–26 (Approach, coverage, and data quality). We apply the PCAF methodology.
Targets.	
Timeline and ambition	Page 6 (Progress update) and page 20 We have five ambitious Climate Commitments, including net zero by 2040 for all loans.
Target metrics	Page 20 (Financed emissions: progress on net-zero goals).
Base year	Page 20 (Financed emissions: progress on net-zero goals). Our targets base year is 2023.
Scenarios	Per the SBTI's Buildings Targets Setting tool v1.0, we used CRREM's global building sector in-use operational emissions pathway on a square metre basis, 1.5°C scenario.
Transparency	As noted above, we disclose base year and target years, selected scenarios, selected methodologies, intermediate targets, and milestones.
Target coverage.	
Emissions coverage	Targets for real estate cover 72 per cent of measured emissions attributed to lending, and 74 per cent of measured emissions (all scopes) attributed to carbon intensive sectors. To assess target coverage across carbon-intensive sectors, we include as carbon intensive the following: residential and commercial building mortgages, construction lending related to buildings (within climate target-setting scope but excluded from emissions and target coverage due to the absence of an accepted methodology to quantify construction-phase or embodied-carbon financed emissions), project finance, and business loans allocated to carbon intensive sectors. We exclude financial investment (sovereign debt) consistent with OSFI B-15 expectations and UNEP FI guidance, which do not identify these exposures as priority sectors for climate target-setting.
Carbon intensive sectors	Pages 35–36 (Estimated dollars and financed emission for business loans, by sector). See also note above.

Topic	Section or page
Scope of financial activities	Targets cover the acquisition/refinance of residential and commercial buildings. Real estate is currently the only high emissions intensity sector we materially lend to or directly invest in. We don't participate in capital markets arranging and underwriting activities.
Inclusions	We've set targets and disclose progress where data allow and/or where methodologies exist, and in cases where the sector or activity's emissions and/or financial exposures are material.
Exclusions	Pages 26 (2025 coverage and data quality of financed emissions). Specifically, see the table note for a list of exclusions.
Coverage of clients' emissions	Our targets for buildings cover client scopes 1 and 2 emissions, in line with requirements and common practice.
Automatic inclusion	We don't provide lending for fossil fuel companies and projects, and we do not directly invest in fossil fuel companies.
Phase out policy	Per above, this is not applicable.
Transition plans.	
Transition plans	See our Climate Action Plan
Impact on the real economy	See our Climate Action Plan
Other considerations.	
Governance	Our 2030 targets were approved by our executive leadership team and Board of Directors, and incorporated into our business plan.
Review of targets	We established our 2030 real estate targets in 2023, and we published them in 2024. Our next formal review date to ensure consistency with the latest science (as detailed in IPCC assessment reports) is 2028.
Revision of targets	Our practice is to review our targets as needed to ensure they reflect significant changes that might compromise their relevance and consistency (e.g. material portfolio changes, methodological developments).
Setting new targets	We expect to set our next set of intermediate five-year targets as we approach 2030.
Assurance	We decided not to seek assurance on financed emissions or target progress in 2025 because it requires significant resources, and our emissions calculations are highly estimated. We chose to focus efforts on improving processes and data quality. Note we had base year emissions and progress assured, see our 2023 Climate Report (PDF).
Carbon credits	See our Climate Action Plan
Implementation timeline	We've applied the Guidelines including setting targets for all or a substantial majority of carbon-intensive sectors subject to available data and methodologies (in our case, the acquisition/refinancing of buildings).
Application of Guidelines v.4	Our disclosures and targets align with Version 4 of the Guidelines.

PCAF checklist

To best support and evaluate if signatories report their financed emissions against PCAF's reporting requirements, PCAF provides a PCAF disclosure checklist. This checklist allows signatories to substantiate their PCAF alignment and identify potential areas for additional enhancements to their disclosures. Further, it aims to provide a holistic way to standardize and improve the quality of PCAF disclosures over time.

Vancity's PCAF checklist can be found here.