

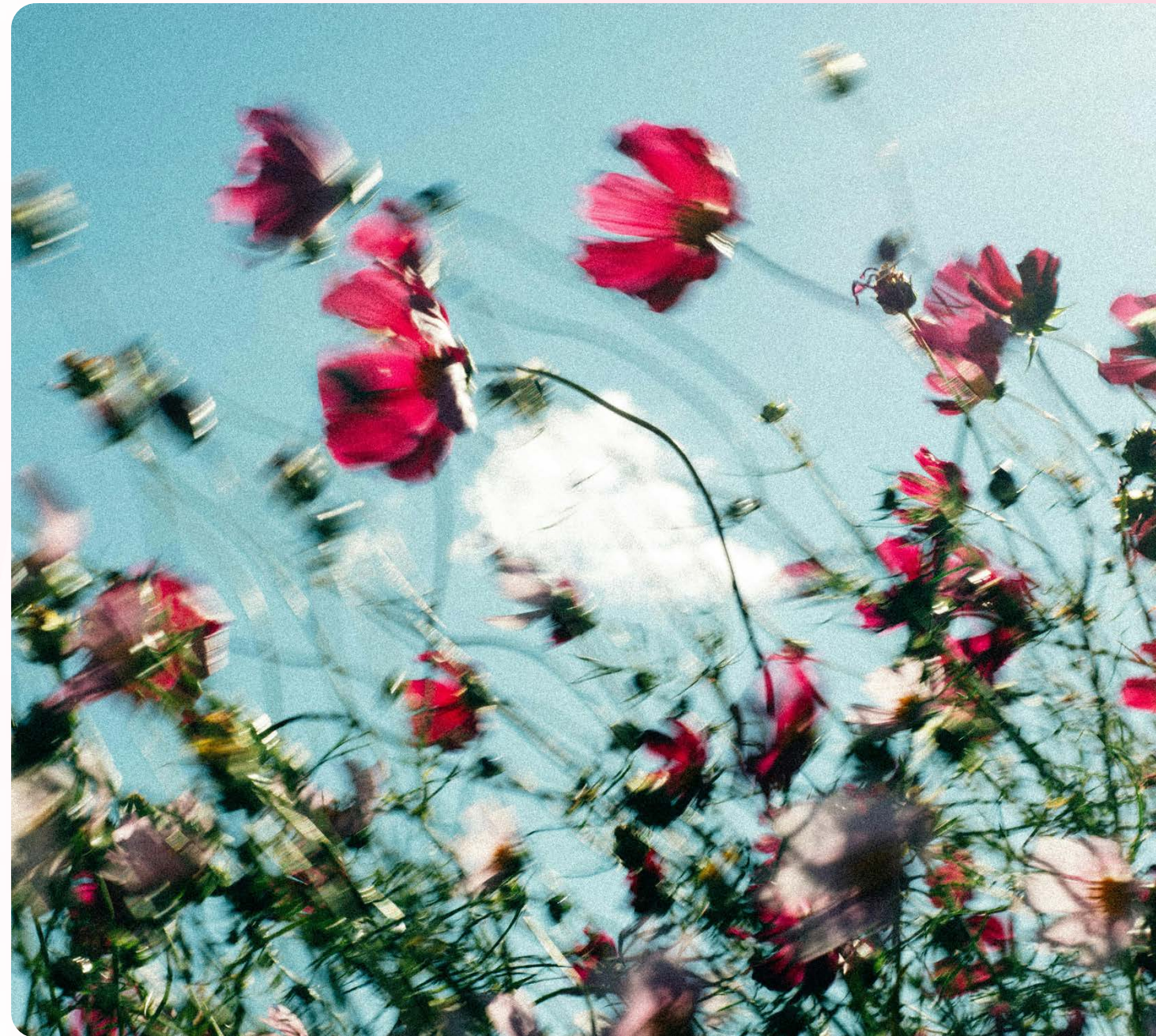


**Climate  
Action Plan.**

**vancouver**

# Contents.

Message from the CEO.	3
About our plan.	4
Operating context.	9
Big moves.	15
#1: More green buildings.	18
#2: Grow the green economy.	19
#3: Champion change.	20
#4: Know more to do more.	21
How we'll assess progress.	22
Key dependencies.	27
Appendices.	30
Current state and progress to date.	31
Index.	34





# Message from the CEO.

We know the beauty of nature – and its power. Climate change is intensifying that power, with real and growing impacts on people, businesses, and communities. In 2024, Canada saw a record \$8.5 billion in insured damages related to severe weather. Uninsured, out-of-pocket losses likely added several billions to this tally, though exact numbers are hard to measure. Beyond floods and wildfires, climate change is now disrupting entire sectors that communities rely on – such as agriculture, forestry, fisheries, tourism, and recreation. These impacts ripple through supply chains that connect directly to everyday local businesses: coffee shops dependent on global harvests, farms facing changing growing conditions, and retailers affected by transportation disruptions.

That's a huge toll on the economy. But more importantly, it's a huge toll on people and businesses. It piles on very real economic pressures at a time when so many people are already worried about affordability and the cost of living, their jobs and financial future, and that of their kids. Never has the need for climate action been more urgent. The scale of the challenge is undeniable. But this is also a moment of possibility. Around us, people, businesses, and communities are finding new ways to reduce emissions, strengthen resilience, and build local prosperity. With the right leadership and investment, climate action can lower costs, create good jobs, and help restore confidence in the future.

That's why Vancity continues to be committed, act decisively, and lead when it comes to climate change; it's what our members and the world need from us. We will reduce emissions, with the goal of reaching net zero by 2040, in three ways: through the kind of lending we offer, the investments we manage, and the way we operate our business. We're committed to using the tools of banking to help our members – individuals, businesses, and community organizations – reduce their emissions and climate impacts.

To do this right, we need to be deliberate, to have a strategy and plan, and to have the means to measure what we're doing and whether we are really making a difference. Our Climate Action Plan achieves these goals.

At the heart of this plan are **four Big Moves** to guide our work: **More green buildings** accelerates the transition to more climate-resilient, low-emission buildings; **Grow the green economy** by financing climate solutions and clean energy; **Champion change** by bringing members, communities, and partners together to advocate and act; and **Know more to do more** by strengthening our data, risk, and governance.

Our approach is rooted not only in the need to reduce emissions and fight the climate emergency, but also in the need to do so in a fair and equitable manner. Climate resilience must be for everyone, not just those who can afford it. Our approach is also informed by learnings from Indigenous Peoples, whose long-held

understanding of interconnected systems reminds us that when we address climate change, we are also strengthening affordability, resilience, and community wellbeing.

We know our path to achieving our climate goals and commitments faces significant uncertainties – economic volatility, evolving market conditions, and a critical dependence on robust leadership from government. The scale of the climate emergency can feel overwhelming, too.

But these uncertainties do not diminish our resolve. On the contrary, we're all in – on progressing our ambitious climate commitments, on driving bold action, and on working with members and communities to build a greener, fairer, and more affordable future for everyone. We know we will not arrive at our goals overnight, but our 2040 net-zero targets give us a time horizon to drive meaningful change.

This is something we owe our members, communities, and clients. For too many people, hope for a better future, and confidence in having the financial means to achieve it, are very low, and climate change is a major contributor to this. Fighting the climate emergency is fighting for hope – for everyone.

**Wellington Holbrook.**  
President and CEO.

*Wellington Holbrook*





# About our plan.





# Our ambition.

**Climate change isn't a distant threat. It's here, shaping our lives and our communities just as sharply as economic forces are. Rising costs, unpredictable weather, and growing uncertainty demand more than words. They demand action.**

As a financial co-operative, Vancity believes banking can and must be a force for building climate resilience. For 80 years, we've stood with our members to support their financial goals. Today, the climate emergency is among the biggest challenges facing our membership, threatening livelihoods, homes, businesses, and financial stability. We know that standing down on climate action is not an option.

We remain true to our big goal: **net zero by 2040**. That means cutting emissions, supporting members and businesses to adapt, and ensuring no one is left behind.

Our Climate Action Plan is our roadmap to net zero by 2040. It outlines the actions we'll take and the milestones we'll use to track progress. It is bold, practical, and grounded in collaboration – with governments, industries, Indigenous partners, suppliers, and most importantly, our members. Together, we'll invest in clean energy, resilient homes, and safe, thriving communities. As we proceed down this road, we'll get more detailed – and continually refine our path as external realities shift. We'll celebrate progress, own our challenges, be transparent, and keep moving forward – because every step counts. We recognize that the transition won't be easy. And we are doubling down. We're committed to making banking a catalyst for change and creating hope for generations to come. Join us.

**For a banking institution, being net zero means reducing the greenhouse gas emissions linked to our lending, investments, and operations so that the emissions are as close to zero as possible.**

Because most of our emissions come from homes, buildings, and businesses financed, net zero focuses first on cutting emissions through measures such as more efficient homes, cleaner energy, and climate-ready businesses. Any remaining emissions are addressed using high-quality, credible carbon dioxide removals.





# Grounding climate action in Indigenous learnings.

**Vancity's lending and climate impacts occur on the traditional and unceded territories of Indigenous Peoples. In British Columbia, this includes the Nations of the Coast Salish and Kwakwaka'wakw, whose peoples have lived on these lands through generations of change. We acknowledge and respect their cultural knowledge of land stewardship and the responsibility it carries for how we approach climate action today.**

We recognize that Indigenous knowledge systems – grounded in long-term observation, deep relationship with place, and responsibility to future generations – offer important guidance for climate resilience and adaptation. These ways of knowing emphasize the interconnectedness of land, water, climate, economy, and community wellbeing. They remind us that climate change is not a single issue to be solved in isolation, but one that is deeply connected to affordability, equity, health, and long-term resilience.

Our Climate Action Plan is informed by these learnings and by our ongoing journey of Reconciliation. This is a journey that requires listening, learning, and humility, and one that continues to shape how we think about climate action, risk, and impact. Through conversations with Indigenous partners, our Indigenous Advisory Committee, and our Indigenous Banking team, we have been guided to consider climate solutions that are place-based, inclusive, and community-driven.

These conversations have helped integrate considerations for climate resilience, nature, and a just transition throughout this plan. They reinforce the importance of approaches that strengthen communities while addressing climate risk, and of solutions that recognize social, environmental, and economic systems as deeply interconnected.

As we move forward, we are committed to continuing to learn and deepen these relationships. Learnings from Indigenous Peoples help frame this Climate Action Plan not only as a pathway to reduce emissions, but as a broader commitment to resilience, shared wellbeing, and responsibility to future generations.



# Why we're sharing our Climate Action Plan.

Canadian regulations do not yet require financial institutions to develop and publish a climate transition plan – a plan that sets out how an organization will shift to a low-emission economy. However, as a values-based financial institution with ambitious climate goals, we have developed and are publishing our Climate Action Plan for three key reasons:



## 1. Being accountable to our members:

As a member-owned financial institution, we're sharing this document to provide clear, public information that is accessible to members, clients, partners, and peers. We want to help our stakeholders understand how we'll take action on climate in the years ahead.

## 2. Aligning to industry frameworks:

Our Climate Action Plan aligns to emerging regulations, voluntary standards, and best practice guidance.

## 3. Supporting future regulatory disclosures:

In the future, climate transition plans will likely be required via regulation. While they are not yet required in Canada, our Bank – Vancity Community Investment Bank – is federally regulated and has climate risk management reporting obligations. This plan complements these obligations and helps to demonstrate leadership.



# How we developed this document.

We developed Vancity's Climate Action Plan using best practices from the financial sector, including global guidance for how banks plan their shift to net zero from the [Glasgow Financial Alliance for Net Zero](#).

Our plan was also informed by relevant emerging regulations and voluntary standards from the Office of the Superintendent of Financial Institutions through its [Guideline B-15](#), and the Canadian Sustainability Standards Board's [Canadian Sustainability Disclosure Standard 2](#). By drawing from these, we ensure our plan reflects the most current thinking on climate action, and our approach is robust and forward-looking. We took these steps to get here:

**Current state assessment:** We conducted a full assessment of our current state. This process identified key gaps and opportunities across Vancity's business, clarifying where we are today and where we need to focus to support our climate commitments.

**Internal stakeholder engagement:** Building on this assessment, we engaged with colleagues throughout Vancity, as well as with relevant operating committees and the executive leadership team, to validate findings and shape the direction of the plan.

**Member and external inputs:** The plan is informed by member insights – gathered through direct feedback, product uptake, and research into member priorities – and input from Vancity's Board Governance Committee. We also sought feedback from our Indigenous Advisory Committee and Indigenous Banking team.

The executive leadership team and Board approved this document and its governance approach.

# Operating context.





# Our net-zero journey.

Vancity has demonstrated sustainable finance leadership for decades on its journey towards net zero:

## Early leadership

### 1980s–2000s

Launch Canada's first socially responsible mutual fund, setting the foundation for values-based finance

1986

1990

Allocate 5% of Visa credit card profits to local environmental projects

Introduce specialized financing for energy-efficient home renovations, supporting members in reducing household emissions

2004

2008

Become the first North American financial institution to achieve carbon neutrality in operations

2019

- All Vancity Investment Management funds become fossil fuel-free<sup>1</sup>
- Adopt policies prohibiting direct lending to oil, gas, or coal producers or their projects
- Publicly commit to measure and disclose the carbon impact of loans and investments

## A new era of ambition

### 2020–2026

Announce five major public climate commitments:

- Net zero by 2040 across mortgages and loans
- Investments for a better future
- Financing an equitable climate transition
- Transparency and accountability
- Walk the talk

Vancity Investment Management commits to net-zero investment portfolios by 2040

2021

2020

Join the UN Collective Commitment to Climate Action, aligning with global climate-finance leadership

2022

- Develop near-term financed emissions reduction targets, grounded in global frameworks such as:
  - UN Environment Programme Finance Initiative Guidance for Climate Target Setting for Banks
  - The Net-Zero Asset Managers Initiative
  - Science Based Targets initiative methodologies
- Continue to build upon our suite of climate-aligned products, services, and programs to support members and communities in the transition

- Establish a net-zero goal for operational emissions (facilities, vehicles, refrigerants) with a minimum 90% reduction by 2040
- Refresh our near-term financed emissions reduction targets

2024

2026

**The road forward**  
Publish our first Climate Action Plan as a roadmap to accelerate progress, embed climate impact across the business, and ensure that growth aligns with a just, sustainable future for members and communities

You can read more about our current state and progress to date on our net-zero commitment in the Appendices ([page 31](#)) and in our [2025 Climate Update](#). For a detailed overview of our climate-related targets and metrics, please refer to the How we'll assess progress section ([page 22](#)). We are committed to transparent reporting and providing regular updates on our progress towards our climate commitments and related metrics in our annual reporting suite.

<sup>1</sup> IA Clarington Inhance SRI Funds – Fossil Fuel Free Investment Solutions



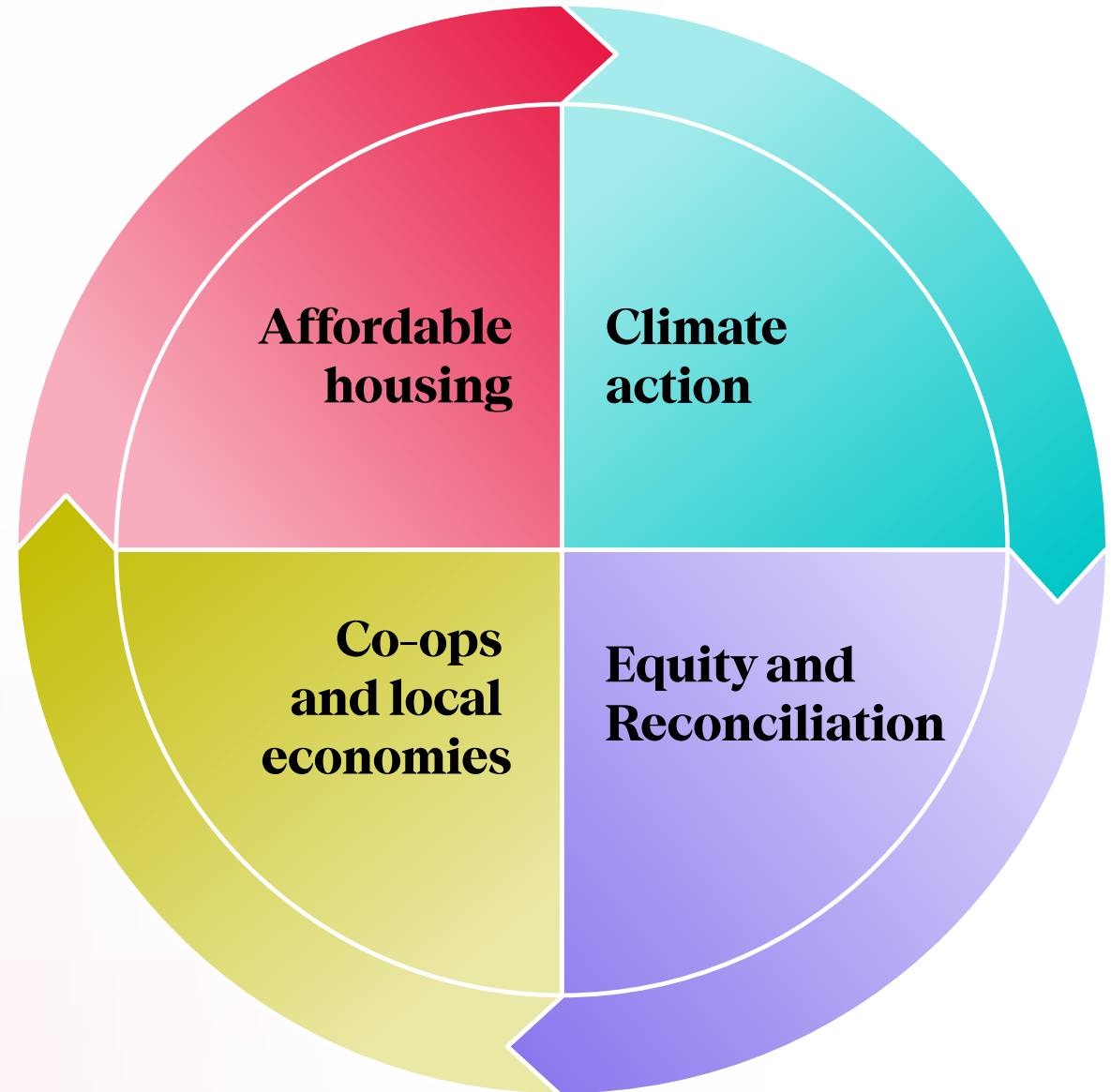
# Vancity's business strategy.

**Our strategy, Vancity 2.0, looks ahead to 2035 and reflects our commitment to ambitiously and boldly help people achieve their hopes and dreams. Building on decades of values-led banking and an unwavering commitment to impact, Vancity 2.0 is focused on strengthening and evolving our business to meet our members' changing needs and the economic, social, and environmental realities of the future.**

We seek not only to deliver a modern, best-in-class banking experience for our members, but also to be a financial force for hope for our members, our communities, and the planet.

Climate action, equity, and Reconciliation are not optional; they are essential to the resilience of our members and communities. Even as economic pressures mount and uncertainty grows, we remain committed because the stakes are too high to retreat.

Our strategic pillars guide our long-term strategy: centering our members; inspiring employees to do their best; being experts in our business and delivering; embedding impact in everything we do; and making profit, innovating, and growing. Our strategy also sets out Vancity's key areas of impact: climate action, support for co-ops and local economies, affordable housing, and equity and Reconciliation with Indigenous Peoples. We focus on these priorities because they represent the greatest needs, where financial tools can make a real difference and where Vancity can help shape local and global policies and practices.



**All this is in service of Vancity's vision of a transformed economy that protects the Earth and guarantees equity for all. It is within this long-term strategy that our Climate Action Plan is situated – serving as the roadmap to accelerate our climate commitments, embed impact across our business, and ensure that every step we take towards growth also supports a just, sustainable future for our members and communities.**



# Global context.

**As Vancity continues working towards its 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 weather events, wildfires, and other climate-related disruptions.**

At the same time, there has been a pullback in climate action by some governments and large corporations, for a range of reasons including geopolitical shifts and pressures. Regardless, important advances are happening, but both the speed and scale need to be greatly accelerated. These include the rapid scaling of clean energy and electrification, more and better climate disclosure and financial regulation, improved emissions and risk data, growing flows of funds to climate solutions and resilience, and increasing recognition of Indigenous-led, place-based climate leadership.

Scientists warned through the Paris Agreement that limiting warming to 1.5°C above the pre-industrial average was critical to avoiding the most severe impacts of climate change. Recent data shows we have already crossed the 1.5°C threshold, even if temporarily. In simple terms, this

means the impacts of climate change are arriving sooner than expected – but acting faster can still reduce the damage. 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 members.

We recognize that the climate emergency and affordability are closely linked. Extreme weather disrupts supply chains and raises costs, while higher energy prices strain households and businesses. These issues impact safety, housing, insurance, and transportation, creating instability for many. By supporting energy-efficient upgrades, resilient infrastructure, and sustainable practices, we can ease these pressures and benefit our communities.

The impacts of climate change are being felt sooner than expected, prompting earlier and more urgent efforts to manage extreme weather events, wildfires, and other climate-related disruptions.



# Climate-related policies and regulations.

**Canada's climate policy landscape continues to evolve as the Government of Canada pursues the priorities of climate ambition, affordability, and political stability.**

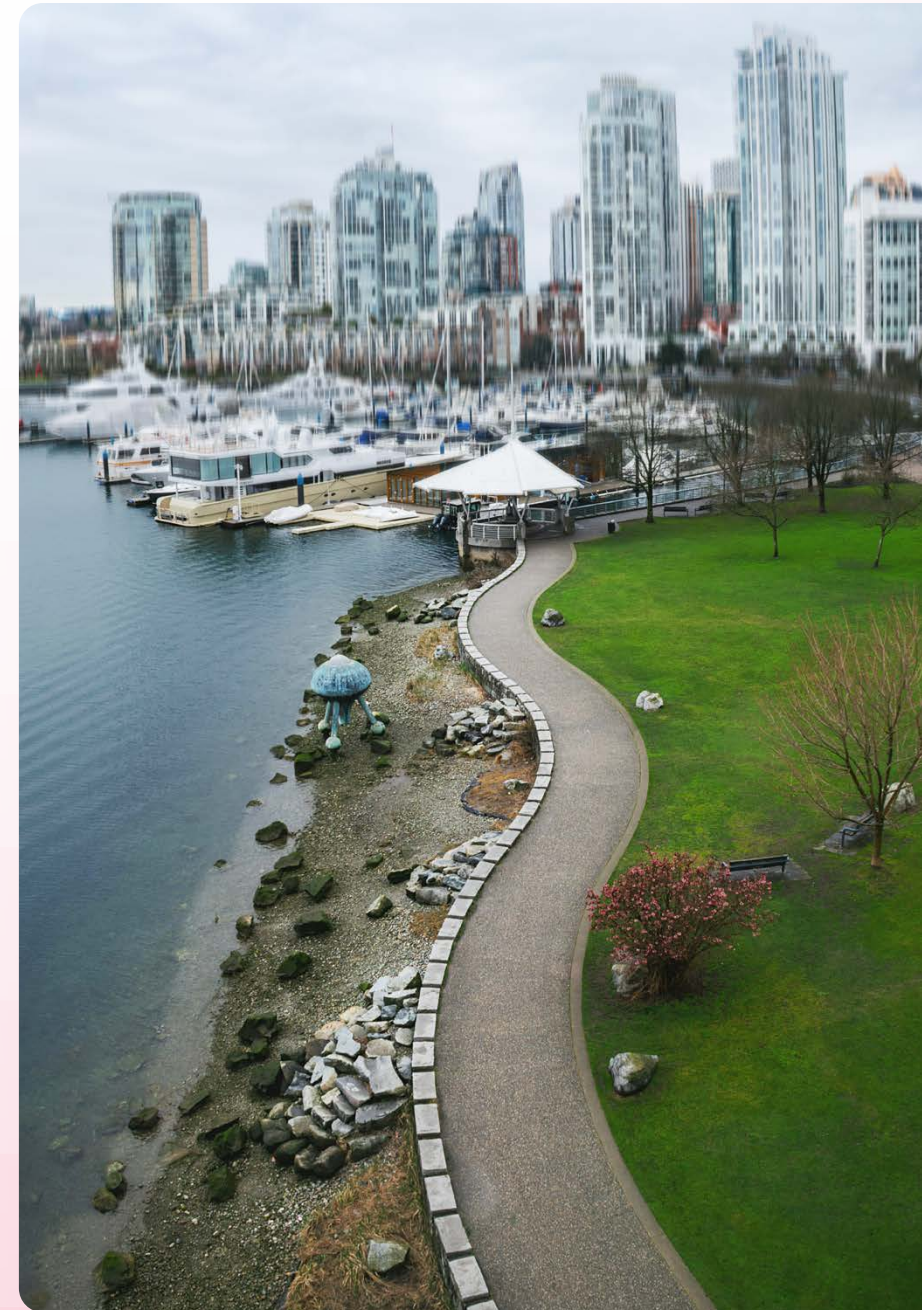
The federal government aims to reduce greenhouse gas emissions by **40–45 per cent below 2005 levels by 2030 and reach net zero by 2050**, but it is currently projected **to fall short of the 2030 target**, reaching only a 36 per cent reduction. The Canadian Climate Institute completed an independent emissions assessment, showing that national emissions are only **8.5 per cent below 2005 levels** as of 2024. Buildings remain a weak spot, with limited federal policy details and no clear path to deep emissions reductions.

The 2025–2026 Canadian federal budget introduced new measures, and reaffirmed previous measures, that shape this landscape. It confirmed carbon pricing as a cornerstone of Canada's climate strategy and committed to long-term price certainty beyond 2030. The budget also announced significant investments in clean electricity, housing retrofits, and critical minerals, alongside tax credits for clean technology and manufacturing. These steps create opportunities for financial institutions like Vancity to support community-scale energy projects and building upgrades. However, the absence of new consumer incentives and continued support for fossil fuel projects highlights the uneven pace of transition, reinforcing the **need for proactive engagement and collaboration** to achieve systemic change.

Most of Vancity's activities are in BC, where **climate targets** call for cutting emissions 40 per cent by 2030 and 80 per cent by 2050 (from 2007 levels), with sector-specific goals for transportation, oil and gas, industry, and buildings. **CleanBC** is the province's main climate plan, with policies like the Zero Carbon Step Code and heat pump rebates driving progress. However, big cuts in building-related emissions, Vancity's largest source of financed emissions, won't happen until after 2030. **BC's 2024 Climate Change Accountability Report** shows the province is off track, projecting only a 2.6 per cent reduction by 2025 and 20 per cent reduction by 2030. Transportation emissions are **up 18 per cent since 2007**, while building emissions have dropped slightly, mostly due to land-use changes.

In November 2025, an independent review of CleanBC called for a renewed approach to meeting legislated targets. Key recommendations included clearer progress indicators; predictable and durable policies; accelerated electrification across buildings, transportation, and industry; and integration of Indigenous rights and co-decision-making under the Declaration on the Rights of Indigenous Peoples Act (DRIPA). The review also emphasized transparent reporting, affordability measures, and governance alignment to ensure accountability.

In terms of financial institution regulation, 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. This guideline also includes future requirements for scope 3 emissions disclosure; however, a 2025 update pushed the implementation of those requirements to 2028 and 2029, aligning with the Canadian Sustainability Standards Board's recent voluntary sustainability standard. OSFI Guideline B-15 applies to Vancity Community Investment Bank and we'll build on learnings from aligning to the guidance to enhance our group-wide approach to climate risk.





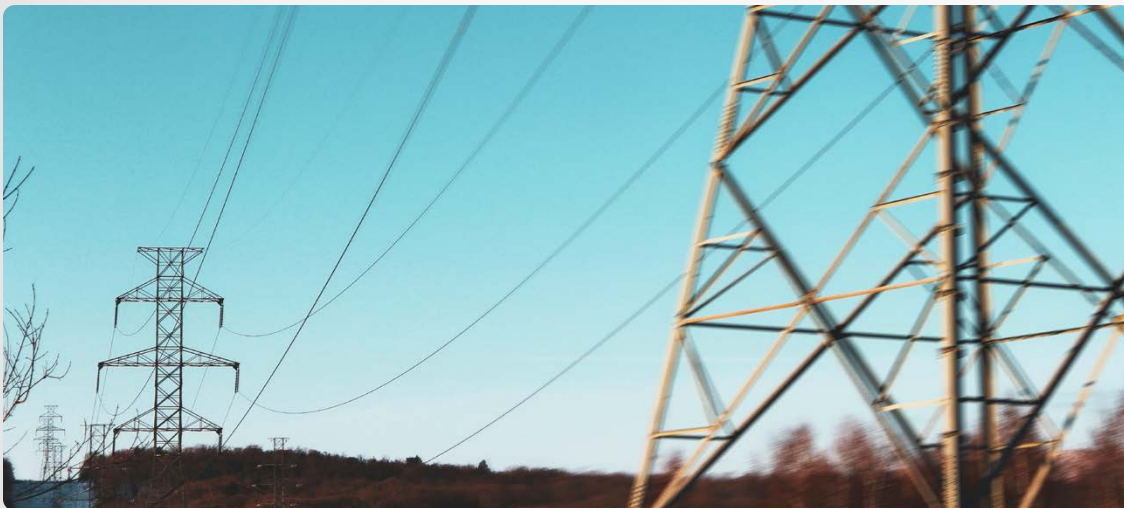
# Electricity grid.

BC's electricity grid is expected to remain mainly hydro-based, with a growing share of wind and solar. The province's CleanBC strategy aims for a **100 per cent clean grid**, but it acknowledges the need for backup and flexibility, especially as demand rises and climate impacts (e.g., drought) challenge hydro reliability.

This need has been evident recently, with BC being a **net importer** of electricity for three years in a row as of the end of 2025. Much of this power was supplied by the US and Alberta and generated using fossil fuels.

The **Canada Energy Regulator expects natural gas generation to increase** to help develop the electricity grids in BC and across Canada. However, BC Hydro's Integrated Resource Plan clearly states that there are no plans for new natural gas-fired electricity generation. BC Hydro has established its own greenhouse gas (GHG) reduction targets, which aim to decrease emissions.

Projections show that bigger reductions in grid-related emissions are expected to occur after 2030, as British Columbia and Canada continue to shift towards cleaner energy sources.



# Climate-financing landscape.

**Globally, renewable energy investment is projected to reach \$780 billion in 2025, growing faster than fossil fuel investment by \$237 billion. Yet bank financing tells a different story. The Global Energy Supply Banking Ratio was 0.89:1 in 2024 – meaning 89 cents went to clean energy for every dollar that went to fossil fuels. Canadian banks lag further behind with a ratio of just 0.61:1, signalling a slower transition in terms of financial flows.**

Across Canada, we see a diverse range of organizations, including governments, municipalities, financial institutions, corporations, utilities, and universities, adopting formal climate transition plans to guide their shift towards net-zero emissions. These plans serve not only as environmental commitments but also as strategic frameworks that help to meet investor expectations, regulatory developments, and evolving market demands. Globally, the **State of the Banking Transition 2025** report found that banks are at an early stage of transition: emissions reduction targets are typically short term (2030) and cover a limited set of sectors and business activities; just a third are aligned with below 1.5°C or 2°C pathways<sup>1</sup>; and targets for climate solutions are common, but definitions vary and their contribution to actual emissions reductions is unclear.

<sup>1</sup> Aligned with below 1.5°C or 2°C pathways refers to setting targets and actions that are consistent with global efforts to limit average temperature rise to less than 1.5°C or 2°C above pre-industrial levels.



# Big moves.





# From ambition to action.

**Taken together, the global and local operating context, evolving climate policies, and the realities of climate finance reveal both the urgency and complexity of the change we need to make. While significant funding is flowing into renewable energy, and organizations across Canada are adopting transition plans, the pace of change remains uneven. Policy gaps and the impacts of climate change already being experienced show that ambition alone is not enough; system-wide, coordinated action is required.**

The core of Vancity's Climate Action Plan – our Big Moves – translates our climate commitments into strategic focus areas that span the organization and our broader ecosystem. They aim to further ensure climate action is included across business functions and partnerships by delivering a coordinated approach to reducing emissions, managing climate-related risks, and fostering a just, resilient transition for our members and communities. We want every member, staff, and partner to understand the role they play in delivering this plan and be all in on climate action.

From risk management and data governance to member engagement and advocacy, these moves reflect the breadth of our commitment and the depth of collaboration required to deliver on it. As a living strategy, this plan will continue to evolve – and these Big Moves will serve as the foundation for that progress.

**“We want every member, staff member, and partner to understand the role they play in delivering this plan and be all in on climate action.”**





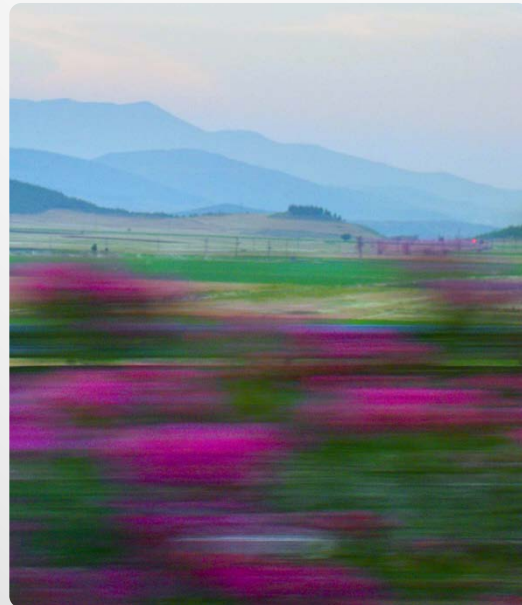
### #1: More green buildings.

We will finance new low-carbon buildings, accelerate retrofits of existing buildings, and lower emissions from our own buildings to improve energy efficiency and climate resilience across our portfolio. We will support initiatives that improve energy efficiency and cost savings as well as retrofits and construction that help communities adapt to climate risks such as heat, flooding, and wildfires. We are committed to using the tools of finance and our leadership position to increase the stock of climate-ready affordable housing in our region.



### #2: Grow the green economy.

We will be a trusted partner, providing financing and investment solutions for organizations leading the transition to a low-emission, climate-resilient economy. We will engage with members and clients by combining capital (financing, investment, and strategic granting) with guidance and partnerships to accelerate emissions reductions and unlock investment opportunities for members. This includes supporting enterprises focused on clean technology, renewable energy, nature-based solutions, biodiversity and ecosystem regeneration, the circular economy, and carbon dioxide removals.



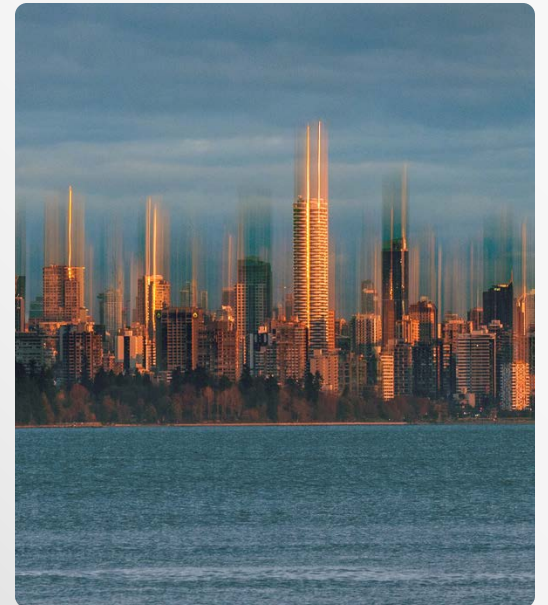
### #3: Champion change.

We'll speak up about climate action, bring people together to share ideas, help find solutions, and provide training and support – so we can all work towards a greener, fairer future. We'll work with our members, industry, government, Indigenous partners, and community organizations to accelerate progress, co-create ambitious and practical solutions, and advocate for policies that remove barriers and promote resilience – all while amplifying voices most affected by climate disruption. We'll champion initiatives that deliver real impact for members and communities, embedding an advocacy lens across all Big Moves with messaging that is ambitious and grounded in reality.



### #4: Know more to do more.

We will better manage and reduce risk from the changing climate by strengthening our data capabilities to enable more informed decision-making. We'll improve our climate data by collaborating across teams and with third parties. We'll further embed climate into decision-making and risk frameworks, and ensure our products and services reflect the realities of a changing climate. This also means advancing carbon accounting approaches and developing metrics that help us steer progress.





# #1: More green buildings.

Buildings are the biggest source of emissions linked to our lending – around 90 per cent of our loan balance is tied to residential and commercial buildings. This means they are one of the most powerful levers we have for change. And in the face of impacts from climate change, it's increasingly important that homes and buildings are safe and healthy spaces for people to live, work, and play in. By transitioning to clean electricity, adopting low-emission building materials and practices, and incorporating climate-resilient design, buildings play a crucial role in reducing emissions, safeguarding communities, and enhancing health outcomes.

## Key levers.

### Champion low-carbon construction for new buildings.

Finance the construction of low- and zero-carbon buildings that are resilient, affordable, and built with low-carbon materials and construction practices. Support innovations such as prefabricated and modular construction, especially those that deliver multiplexes and other missing middle housing. Integrate embodied carbon and nature considerations into targets and lending criteria.

### Embed net-zero performance into building financing.

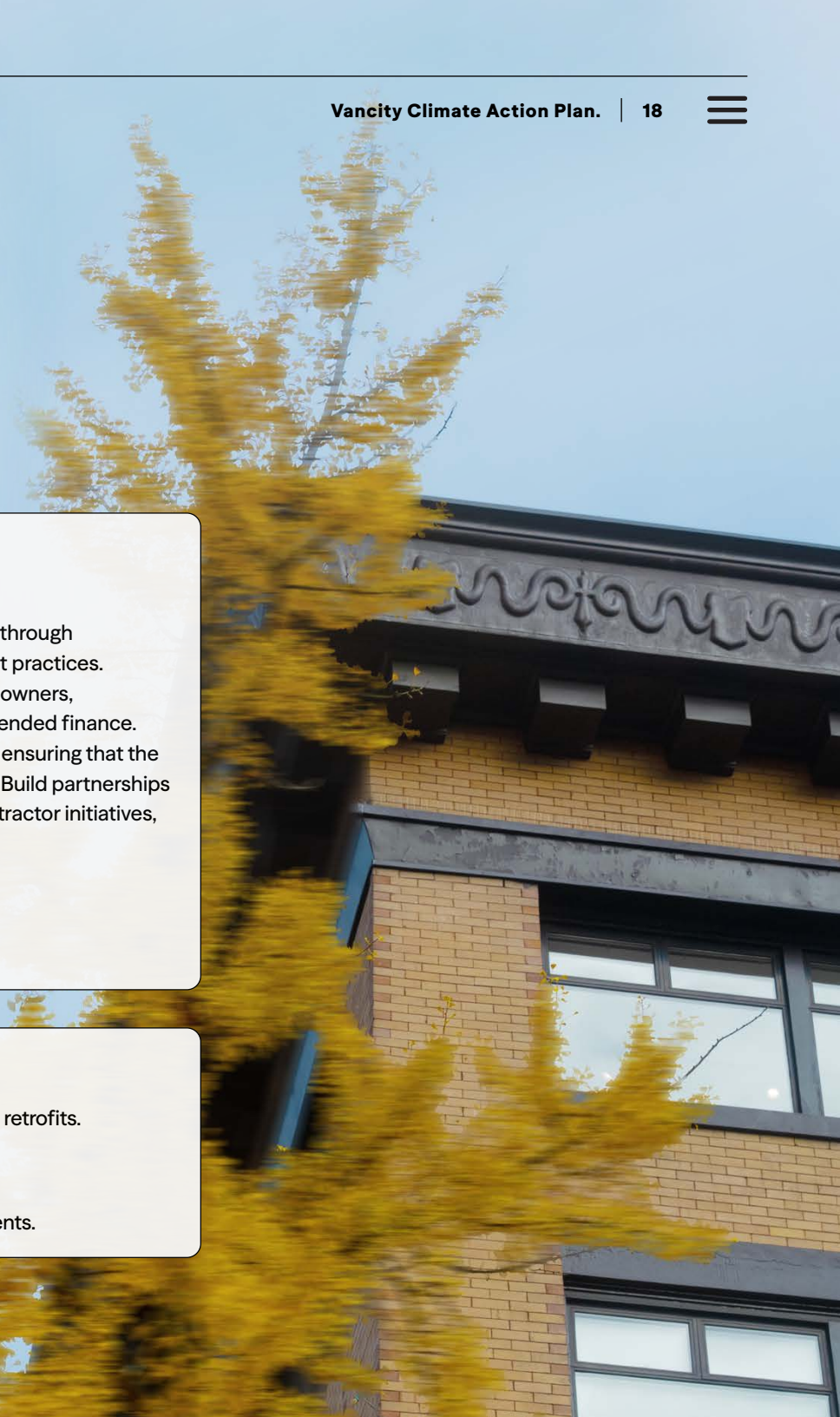
Incorporate emissions, net-zero readiness, and climate resilience into lending standards, pricing, and portfolio management for residential and commercial buildings. Use clear signals, incentives, and guardrails to shift the overall portfolio towards low-emission and climate-resilient buildings over time, while ensuring affordability and a fair transition for members.

### Accelerate building retrofits.

Lead by example by cutting emissions in our buildings and fleet through electrification, making buildings more efficient, and sharing best practices. Expand on our existing retrofit financing and supports for homeowners, businesses, and non-profits with innovative tools, grants, and blended finance. Align risk and lending practices to better support retrofits while ensuring that the transition away from gas-fuelled buildings is fair and affordable. Build partnerships and programs to simplify retrofits with better assessments, contractor initiatives, and targeted incentives.

## Near-term priorities.

- Launching new financial products, beyond our current suite of products, that are directly linked to low-emission and energy-efficient construction and retrofits.
- Supporting growth of the building retrofit ecosystem so that more contractors, advisors, and suppliers can drive the demand for retrofits.
- Continuing to switch Vancity's own portfolio of branches and offices from gas to electric and share learnings with the broader building community.
- Financing more innovative housing that is low carbon, energy efficient, climate resilient and affordable, such as prefabricated and multiplex developments.





# #2: Grow the green economy.

Transforming business as usual demands both a strong climate solutions sector and widespread participation across the economy. We are well-situated to be a dependable partner for local businesses, non-profits, co-ops, industry, and Indigenous groups who are bringing solutions and innovation to help reduce emissions, support communities, and improve resiliency. By supporting new and emerging sectors that will define the future economy, we'll help ensure the transition is just and inclusive.

## Key levers.

### Accelerate financing for the clean energy transition.

Scale clean energy financing across the Vancity group to support projects that enable electrification, power system resilience, and deliver reliable, clean power. Prioritize projects that advance Reconciliation by supporting Indigenous-led initiatives that deliver added benefits for community, ecosystems, and climate resilience. Use tools such as blended finance and partnerships to reduce project risk, attract investment, and build strong, repeatable approaches to financing clean energy.

### Advance carbon dioxide removal.

Develop an approach to support carbon dioxide removal (CDR), supporting and exploring the financing of this nascent sector as well as procuring credits from credible, values-aligned projects to address “residual” emissions at net zero (any remaining emissions that are still being released in the atmosphere after all feasible reduction efforts have been exhausted).

### Catalyze climate solutions and nature-positive innovation.

Support enterprises advancing climate solutions beyond energy – such as clean technologies, circular economy models, and nature-based solutions that restore ecosystems and biodiversity. Use financing, investment, partnership, and strategic granting to help early stage and community-scale solutions mature, deepen impact, and build a diverse pipeline of next-generation climate solutions. Create investment products that deliver measurable environmental impact and help members and clients to invest confidently in a fossil fuel-free future.

### Support businesses through a just transition.

Help small and medium businesses be resilient and thrive in a low-emission economy through tailored products, partnerships, and continuity planning.

## Near-term priorities.

- Developing selected “green growth” approaches, including expanding funding for clean energy projects for Indigenous communities, in part by incorporating the theme of energy transition into our pooled fund and launching prospectus-based, accessible climate-themed funds.
- Expanding our support of small and medium businesses that provide climate solutions or are transitioning to net zero via our innovation process and new perks.
- Refreshing our Impact Business Loan pool and exploring new blended finance opportunities focused on climate.
- Developing a responsible approach to financing and investing in CDR, prioritizing projects that are Indigenous-owned or provide ecosystem and community co-benefits.



# #3: Champion change.

We know we can't achieve our climate goals alone. Building an ecosystem of changemakers is central to our strategy. The clean energy transition is more than technical – it's a social, economic, and cultural shift. Success demands leadership, collaboration, and shared commitment. As a community-rooted financial institution, we can influence systems, mobilize others, and amplify solutions.

## Key levers.

### Build internal capacity.

Strengthen climate action knowledge, skills, and accountability at all levels of Vancity through role-specific training. Include net-zero focused goals in performance plans and leadership incentives.

### Mobilize members and engage communities to inspire action.

Encourage members to actively amplify our climate advocacy messages and goals. Expand engagement with investees, suppliers, and communities to inspire climate action, strengthen resilience, and reduce risk. Bring together networks of climate leaders, changemakers, Indigenous partners, and those most impacted by climate change to share knowledge, build momentum, and advocate for bold, inclusive action.

### Advocate for climate-positive policies and solutions.

Promote climate adaptation and advocate for policies that help households and communities respond to severe weather, support affordable climate-resilient upgrades, and lower the risk of energy poverty as we transition. Push for policies that speed up climate solutions and reduce overall climate risks – such as stronger building codes, better land use planning, and sustainable finance – and back Indigenous-led reforms in credit and risk policies.

## Near-term priorities.

- Incorporating climate action and sustainable finance into role-based learning and accountabilities.
- Continuing and expanding member engagement on climate through climate conversations and businesses taking climate actions.
- Developing a process to regularly gather and incorporate Indigenous input and feedback as we evolve our Climate Action Plan.
- Integrating a stronger climate lens into our newcomer strategy, as well as our entrepreneurship and financial literacy programs.
- Expanding current advocacy efforts to support small and medium businesses navigating climate risks, and land use policies that reduce exposure to climate-related hazards.
- Developing an approach to improve supply chain engagement and encouraging practices that align with our climate commitments.
- Incorporating climate and equity considerations into our approach to artificial intelligence.
- Continuing to cultivate networks of decision makers in governments at all levels to advance policy priorities connected to electrification, clean energy, decarbonization, and emissions reductions.





# #4: Know more to do more.

Climate change is increasing the frequency and severity of risks that affect our members, communities, and operations. These risks include physical impacts such as extreme weather events, as well as transition risks linked to evolving policies, market changes, and public expectations. To manage these risks effectively, and drive sustainable growth, we need high-quality, consistent data that supports us in tracking progress, making informed decisions, offering tailored member advice and support, and meeting regulatory requirements.

## Key levers.

### **Strengthen metrics and climate-related data capabilities.**

Collaborate across internal teams, third parties, and external peers to enhance climate-related data, improving its quality, reliability, and coverage. Invest in tools and processes to improve forecasting of emissions and portfolio exposure. Develop a broader set of metrics to help us understand progress, guide financing decisions, inform strategy, and support member engagement.

### **Integrate climate and nature into lending decisions.**

Apply climate criteria consistently in credit adjudication and pricing frameworks and explore stronger “Do No Significant Harm” policies, including protections for nature and biodiversity.

### **Integrate climate considerations into risk frameworks.**

Further build climate risk into enterprise-wide risk management practices, expanding to include supply-chain resilience and operational impacts of climate risk. Enhance scenario analysis capabilities, extending them beyond Vancity Community Investment Bank to the full credit union. Incorporate financial stress testing and publish a roadmap to guide implementation.

## Near-term priorities.

- Identifying and closing key data gaps and capabilities to support stronger management of climate-related opportunities and risks.
- Strengthening integration of climate considerations into risk and pricing frameworks, including clarifying and training risk owners.
- Applying emissions estimation procedures for a greater proportion of loans and investments, including exploring how to measure embodied carbon in new construction and retrofits.
- Developing and testing enhanced climate metrics to track progress on this plan and related targets.
- Considering growth plans, including mergers and acquisitions, develop replicable processes to adjust financed emissions base-year data and related targets or metrics as needed.



# How we'll assess progress.





# Metrics and milestones.

**Metrics, milestones, and targets are key elements in any credible climate transition plan. They help us and our members see whether our actions are making a difference by reducing emissions, lowering risks, and supporting members through the transition.**

We already track and annually disclose the metrics presented in the table on the next page. However, as part of implementing our Climate Action Plan, we will develop an expanded suite of indicators to help assess progress on our Big Moves and net-zero goals, as well as to help inform and identify opportunities.

Each of our current metrics maps to one or more of Vancity's Big Moves and supports our "North Star" of net zero by 2040. Our metrics include:

- Outcome metrics (direct emissions reductions and portfolio exposure)
- Activity metrics (financing volumes, member actions)
- Capability and risk metrics (data quality, coverage, Risk Appetite Framework thresholds for physical risk)

Outcome metrics show whether we are reducing financed and operational emissions; activity metrics indicate whether we're building the engines that achieve reductions; and capability and risk metrics ensure we stay within our risk appetite as the plan scales.

In terms of the Big Moves, "More green buildings" is the primary driver of emissions reductions attributed to the buildings we finance; "Grow the green economy" influences portfolio mix by growing climate-aligned lending and investments, including future carbon dioxide removal for residual emissions; "Champion change" activates the ecosystem and members; and "Know more to do more" embeds climate into data and risk. Together, these moves reflect where we can act and what we must watch, recognizing that government policies and lowering emissions from energy production won't be enough on their own.

For each current metric, we show 2026 and 2030 milestones and a 2040 net-zero alignment statement so readers can see the path to our North Star.



Big Moves and Objectives	Metrics/Outputs	Baseline	2026 Milestone	2030 Milestone	2040 Alignment
<b>MORE GREEN BUILDINGS</b>					
<b>Residential buildings: reduce emissions per square metre</b>	% change in financed emissions intensity (kgCO <sub>2</sub> e/m <sup>2</sup> , residential)	2023: 18.81 kgCO <sub>2</sub> e/m <sup>2</sup>	Around 26% reduction to stay on track to a 97% reduction by 2040; \$15M in Planet-Wise™ lending (including renovation + transportation products)	53% reduction per m <sup>2</sup> from 2023 base year (8.76 kgCO <sub>2</sub> e/m <sup>2</sup> )	97% reduction per m <sup>2</sup> ; residuals <sup>1</sup> addressed by credible carbon dioxide removal (CDR)
<b>Commercial buildings: reduce emissions per square metre</b>	% change in financed emissions intensity (kgCO <sub>2</sub> e/m <sup>2</sup> , commercial)	2023: 37.85 kgCO <sub>2</sub> e/m <sup>2</sup>	Around 32% reduction to stay on track to a 97% reduction by 2040; \$450M in green building lending under Sustainability Issuance Framework	60% reduction per m <sup>2</sup> from 2023 base year (15.26 kgCO <sub>2</sub> e/m <sup>2</sup> )	97% reduction per m <sup>2</sup> ; residuals <sup>1</sup> addressed by credible CDR
<b>Vancity's operations: reduce scope 1 and 2 emissions<sup>2</sup></b>	% reduction in scope 1 and 2 emissions (tCO <sub>2</sub> e)	734 tCO <sub>2</sub> e	Around 16% reduction to stay on track to a 90% reduction by 2040	Around 37% reduction to stay on track to a 90% reduction by 2040	90% reduction in scope 1 and 2 emissions; residual emissions addressed by credible CDR
<b>GROW THE GREEN ECONOMY</b>					
<b>Grow financing of climate solutions</b>	\$ green loans/investments; \$ renewable energy financing	n/a	Define additional focus areas; refine and clarify definitions (e.g., "green" and "climate solutions"); set 2027 \$ target(s); build clean growth approaches	Green assets growing faster than conventional; growth in climate solutions financed	All financing reinforces a net-zero economy
<b>Advance carbon dioxide removal (CDR) financing, investment, and procurement strategy</b>	% of total offset procurement that is CDR; \$ financed towards CDR projects	n/a	CDR financing, investment, and procurement framework drafted	Financing, investments, and procurement made in CDR projects; at least 5% of scope 1, 2, and 3 emissions <sup>2,3</sup>	Continued financing and investments made in projects; CDR procured for residual emissions
<b>CHAMPION CHANGE</b>					
<b>Engage and advocate</b>	# climate advice conversations; business actions; policy briefs on priorities and options	n/a	500 climate conversations in Business & Commercial Banking; Create Climate Action Policy Brief that clarifies Vancity's role and identifies priority policy levers	Demonstrable growth in actions and advocacy outputs, in particular involving our members	Net-zero targets met
<b>Sustainable procurement</b>	tCO <sub>2</sub> e associated with procurement; # of suppliers engaged; emissions data from a % of total suppliers	n/a	Sustainable procurement framework drafted	Procurement emissions disclosed; increase in emissions data from suppliers; increased supplier engagement	Year-over-year decrease in procurement emissions
<b>Asset management</b> Portfolio coverage	% of assets under management are net zero aligned	2022: 44%	Year-over-year increase	90% of assets under management in material sectors will be aligned to or net zero by 2030	100% of assets under management in material sectors are net zero
<b>Asset management</b> Portfolio decarbonization reference target	Vancity Investment Management's (VCIM) carbon footprint	2022: Yes	Year-over-year decline	VCIM's carbon footprint is lower than each fund's benchmark	As the benchmark footprint declines to net zero, VCIM's footprint will equal it by 2040
<b>Asset management</b> Engagement threshold target	% of assets aligned with net zero in portfolio	2022: 23%	75% of financed emissions aligned with net zero or subject to engagement by 2025, reporting in 2026	90% of financed emissions will be aligned with net zero or subject to engagement by 2030	Need for further targets beyond 2030 to be evaluated
<b>KNOW MORE TO DO MORE</b>					
<b>Enhance risk and data capabilities</b>	Data quality score and coverage by asset class; alignment of lending \$ with established Risk Appetite Framework (RAF) <sup>4</sup> thresholds	n/a	Confirm and develop/implement plan to close data and capability gaps; thresholds within risk appetite established	Data quality score and coverage trending up <sup>5</sup> ; thresholds maintained within risk appetite	Data quality score averages 2 or lower; financed emissions disclosed and targets set for all in-scope activities <sup>6</sup> ; mature scenario analysis; thresholds within risk appetite

1 Residuals are any remaining emissions that are still being released in the atmosphere after all technically and economically feasible reduction efforts have been exhausted.

2 Scope 1 emissions are direct greenhouse gas emissions from sources that are owned or controlled by the organization; for Vancity, this includes fuel combustion from natural gas use, company-owned vehicles, and refrigerant use from HVAC equipment. Scope 2 emissions are indirect emissions from the generation of purchased energy; for Vancity, this is electricity. Scope 3 emissions are indirect emissions from our value chain, primarily consisting of "financed emissions" – the carbon footprint of companies and projects we lend to or invest in.

3 Best practice per the [SBTi Corporate Net-Zero Standard Version 2.0 \(Draft\)](#) is that Category A companies like such as Vancity progressively scale up their use of CDR credits to address ongoing emissions, with increasing emphasis on long-lived storage as their net-zero target year approaches.

4 Vancity utilizes the RAF to identify, assess, and prepare for potential risks that could harm or disrupt our ecosystem of members and communities. This framework allows for a deeper understanding of risks and to be more innovative, while staying within regulatory parameters, through informed decision-making. Our risk appetite is the level of risk we are prepared to accept, in the pursuit of our vision.

5 Partnership for Carbon Accounting Financials is the Global GHG Accounting and Reporting Standard for the Financial Industry. The Standard provides guidance on data quality scoring per asset class, facilitating data transparency and encouraging improvements to data quality in the medium and long term. The data quality score ranges from 5 (most uncertain) to 1 (most certain).

6 In-scope activities as determined by applicable regulations as well as the voluntary standards we follow.



# Implementation and governance.

**Our governance structure ensures clear accountability and oversight for climate decisions across Vancity. Our climate-related work is overseen at the board level and managed through specific senior leader forums.**

## Board-level governance.

Governance of Vancity's climate response is a priority. Our boards oversee Vancity's approach to climate action and receive updates on progress towards our climate commitments, alongside quantitative, scenario-based risk analysis in reports from management. They have overall oversight for climate action and Vancity's wider impact strategy work. Furthermore, in our annual recruitment of board candidates, our board ensures that candidates demonstrate leadership in social justice, financial inclusion, and climate justice.

## Executive-level governance.

Vancity's executive leadership team (ELT) is accountable for delivering the strategic direction set by the Board, for fostering an effective risk culture, and integrating financial, social, and environmental factors into the business decision-making process. The Strategy Executive Committee, which comprises all the ELT, supports problem-solving, decision-making, and/or approvals while driving clarity in priorities across divisions to advance key strategy work, including progressing Vancity's Climate Action Plan. The Strategy Executive Committee is supported by the Impact and Equity Operating Committee, a committee made up of executives and senior leaders as well as managers. This committee ensures delivery of Vancity's Climate Action Plan.

## Responsibilities and incentives.

One of Vancity's strategic pillars is to embed impact in everything we do, and leaders are accountable to reflect this in their divisional workplans. Our goal is to use our assets to meet the needs of our members and achieve our vision of a transformed economy that protects the Earth and guarantees equity for all. "Triple bottom line assets" (see [page 31](#)) is the current headline metric we use to understand our progress against this goal. Some lenders are compensated based on their contribution to growing our triple bottom line assets overall, and most front-line staff have specific goals related to climate goals, such as growing our green building lending through building retrofits or new construction.

Measures to help drive accountability for both senior leadership and colleagues across the organization are reviewed at a regular cadence and will evolve as needed to keep pace with delivering against our strategy, including our Climate Action Plan.





# Roadmap to 2040.

This document – and its associated implementation plan – will continue to evolve. The actions we've outlined, and our intermediate targets, are primarily situated in the near term. However, they are foundational to helping Vancity understand where and how to achieve strong progress on our net-zero targets while delivering on our ambition to grow and disrupt banking in Canada. We see three distinct phases for our climate work out to 2040, and each step forward is informed by the work that preceded it.

2026

2030

2035

2040

**Climate Action Plan**  
launched

**Intermediate target**  
checkpoint

**Future target**  
checkpoint

**Net zero:** loans,  
mortgages, and  
assets under  
management

## Phase 1

### **Build momentum:**

Deliver measurable progress on Big Moves, and monitor emissions reductions

## Phase 2

### **Accelerate:**

Deepen integration and scale what works

## Phase 3

### **Systems change:**

Optimize for best results and deliver significant emissions reductions

Improve emissions data quality and coverage

Review and adjust existing targets and set new ones as needed





# Key dependencies.



# Key dependencies.

**Vancity's Climate Action Plan is anchored in our Big Moves spanning buildings, clean energy, business transformation, advocacy, internal culture, risk management, and data governance. While progress depends on both our actions and broader system shifts, we are focused on moving decisively on what we can control – embedding climate action into how we operate, invest, and lead.**

Where change requires collaboration, we will continue to advocate, partner, and influence the systems we are part of, staying adaptive and forward-looking as conditions evolve.

It is important to recognize that capital is often not the limiting factor in today's green finance market. In fact, investor appetite for climate investments is higher than the number of available projects. The real challenge – and a central theme of our dependencies – is ensuring that climate finance moves swiftly and efficiently through improved deal structures, more supportive policy environments, and innovative use of capital. Addressing the following dependencies, including updating risk models and perceptions for emerging sectors, will be essential to unlocking the full potential of climate financing and achieving our net-zero ambitions.

## External environment.

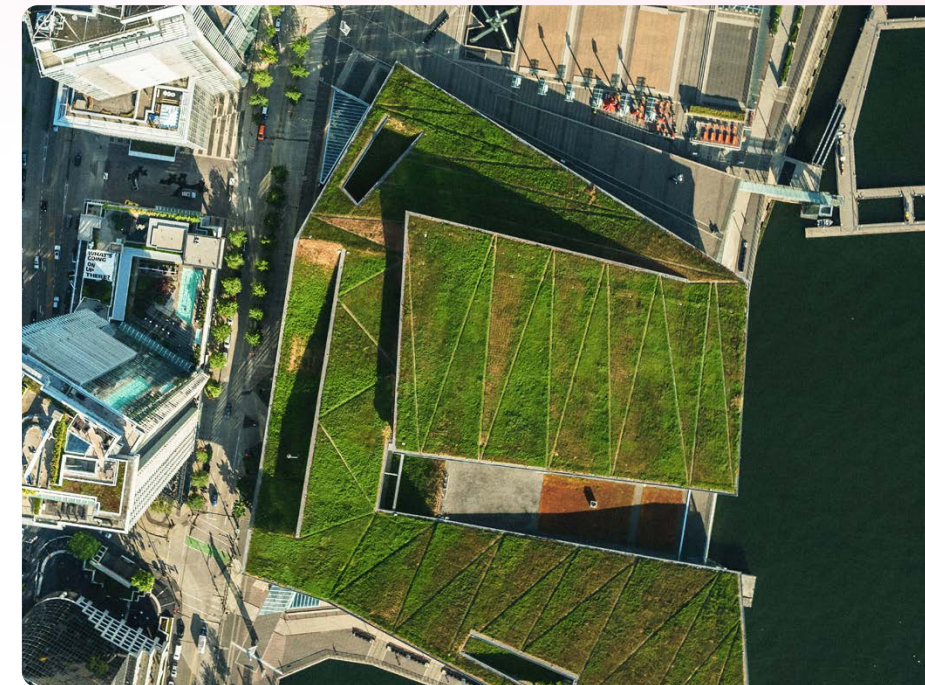
Our ability to achieve our climate commitments depends on factors beyond Vancity's direct control. Strong and effective policies and regulations are essential to drive real-economy emissions reductions, incentivize investment in climate solutions, and access climate-relevant data and information. Similarly, reducing emissions from Canada's electricity grids is a national challenge that underpins our transition. Market and economic conditions, including rising costs, tariffs, and inflation, also influence the feasibility of retrofits and clean energy investments. While we can advocate and innovate, these external factors require us to remain flexible and ready to adjust as the landscape evolves.

## Market and delivery capacity.

Scaling building retrofits and other climate solutions requires a robust ecosystem of suppliers, contractors, educators, and assessors. Building and maintaining this network is foundational to success. At the same time, the carbon dioxide removal market will need to continue maturing towards more cost-effective, proven technologies that are transparent, verifiable, and values-aligned. Establishing trusted partners, robust standards, and supportive policy frameworks will be critical to confidently investing in removal. And, advancing certain climate solutions, such as renewable energy, nature-based approaches, and resilience infrastructure, should involve Indigenous-led decision-making, respect for Indigenous rights and self-determination, and the involvement and capacity of Indigenous communities and businesses.

## Member and community engagement.

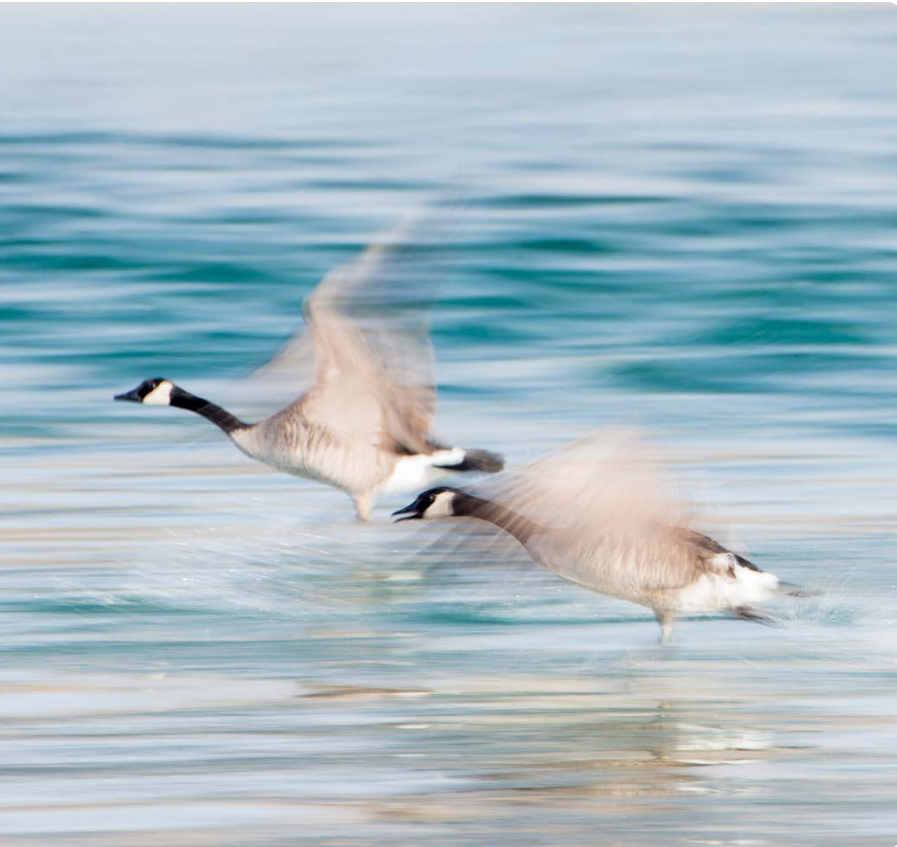
Achieving meaningful climate impact requires not only sustained member participation (individuals, businesses, community organizations) but also their active involvement in utilizing climate-related products and services, investing in green funds, and advocating for climate action. Building and maintaining trust, providing accessible education, and demonstrating clear value are foundational to this – particularly for historically underserved groups such as Indigenous communities, newcomers, and low-income households. Offering tailored products and outreach that meet diverse needs and priorities will enable us to deepen relationships, enhance accessibility, and empower our members to play a central role in advancing equity and climate solutions.





### Internal enablers.

Achieving our commitments requires strong internal capacity and governance. Cross-functional coordination, staff training, and incentives will support the behaviour change needed to meet our goals. Equally important is investing in data and analytics to ensure accurate, streamlined emissions calculations and outcome-based metrics. These capabilities will allow us to track progress, make informed decisions, and adapt plans as conditions change.



### Modelling the gap.

To understand the level of transformation needed to achieve our building-related emissions reduction targets, we quantified the potential greenhouse gas emissions reductions across our commercial and residential building portfolios. These reductions are based on specific regulations and grid decarbonization that are likely to take effect during Vancity's near-term target period (2030). To model projected changes from purchased electricity, we used data from Canada's most recent National Inventory Report and the Canada Energy Regulator's publication Canada's Energy Future 2023. We used the "Current Measures" scenario, which assumes limited future action to reduce GHG emissions in Canada and globally<sup>1</sup>. We selected this scenario as it's considered to be a conservative approach. Our model includes an assumption that the electricity generation from natural gas use in British Columbia remains unchanged out to 2030<sup>2</sup>.

The modelling indicates that we can expect very little impact from current policies from all levels of government to achieve our net-zero targets. Most reductions will need to be driven by Vancity, our community partners and our members, or by new policy. This underscores the importance of ongoing advocacy, innovation, and collaboration to lead to systemic change.

Regardless of the scenario used in our modelling, projections show that more emissions reductions are expected to occur after 2030. This is primarily due to anticipated advances in electricity grid decarbonization, as British Columbia and Canada continue to shift towards cleaner energy sources. The effect of new policies and regulations is also expected to intensify after 2030.

In terms of the reductions we can directly support given BC's relatively clean electricity grid, our primary goal is to finance the replacement of gas or oil furnaces with electric heat pumps, along with deep building envelope upgrades, particularly in older homes and buildings. Emissions reductions achieved by these retrofits will vary based on factors such as building location, age, type/use, and retrofit depth. However, multiple studies indicate greenhouse gas reductions can be upwards of 80 per cent.

### What this means.

Our modelling makes clear that accelerated policy action, such as stricter building codes, expanded retrofit incentives, and enhanced climate disclosure requirements, will be critical to achieving net-zero targets. Despite our best efforts and the comprehensive strategies outlined in this plan, significant uncertainties remain – driven by economic volatility, evolving market conditions, and the critical dependence on robust public policy. To achieve our building-related targets, most of the homes and buildings we finance will need to be electrified or already be fully electrified, regardless of who or what brings about these changes. Additionally, it is essential to demonstrate that our economic and revenue growth can be achieved without a corresponding increase in environmental impact.

These uncertainties do not diminish our resolve. We are committed to taking bold action to preserve a safe and livable planet by driving change and leading with transparency, adaptability, and innovation. We will collaborate with policymakers, partners, and our members to advocate for and enact the changes needed while continuously monitoring our progress and refining our approach. By staying proactive and solution-oriented, we aim not only to close the gap between ambition and reality, but also to empower our members, clients, and investees to take meaningful climate action.

<sup>1</sup> [Canada's Energy Future 2023](#) contains three scenarios: Global Net-zero, Canada Net-zero, and Current Measures. More information can be found in the report.

<sup>2</sup> This assumption was informed by [BC Hydro's Integrated Resource Plan](#). Other key assumptions relate to portfolio size and composition, and the share of growth attributed to new builds; for this, we applied the same data we used in the refresh of our two building emissions reduction targets.

# Appendices.





# Current state and progress to date.

**Our journey forward is shaped by where we are at right now. To provide context and ground this forward-looking document, this section provides an overview of Vancity’s current state and recent progress. For more details and an overview of our structure, executive leadership team, business model, and list of active subsidiaries, please refer to our most recent [annual reports](#).**

## Financing activities.

We don’t directly lend to oil, gas, or coal producers or projects, and we’ve embedded that in our policies. We have a specific policy to guide lending to energy-related projects and support the transition to a low-carbon economy. Most of our loans help people buy homes and businesses buy buildings. These buildings produce most of the carbon emissions we measure. We lend very little to other industries that create a lot of emissions.

We primarily lend to smaller buildings and small and medium businesses, including not-for-profit and values-based organizations. These sectors are often underrepresented in national climate strategies but are central to local community resilience. Related challenges include limited access to data and fewer policy supports; opportunities include tailored financial solutions with outsized impact. We also provide financing for the purchase of motor vehicles, with a product offering favourable rates for the purchase of electric and hybrid vehicles. However, our lending portfolio associated with motor vehicles is not material, and to date, this activity has not been a focus.

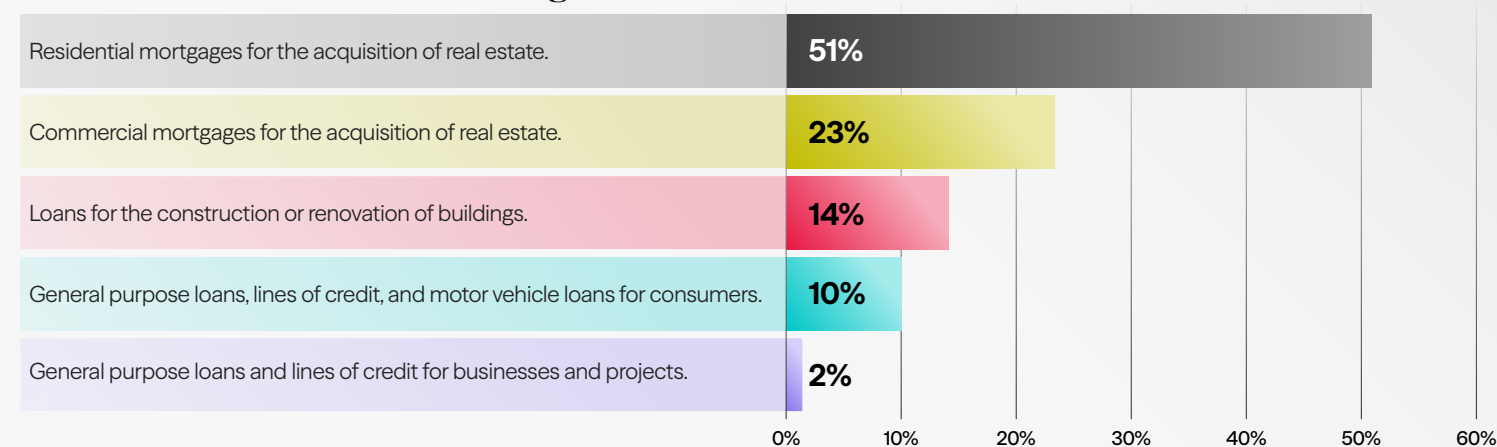
Through Vancity Community Investment Bank, our climate finance team prioritizes renewable energy, energy efficiency, and clean transportation projects such as infrastructure for electric vehicles.

In terms of investments, our team at Vancity Investment Management is dedicated to implementing climate-aligned investment strategies for members and clients. Our portfolios are **fossil fuel free** and focus on listed equity, preferred shares, and fixed income securities in publicly traded companies.

Financing that supports assets, activities, or businesses that are aligned with our Impact areas (see [page 11](#)) counts towards our “triple bottom line assets” metric. This metric measures the proportion of assets (mortgages, loans, investments) that support areas such as affordable and/or low-emission buildings, socially or environmentally focused organizations, and underserved communities. We prioritize financial and social inclusion by supporting small and medium businesses transitioning to sustainable practices, Indigenous and women-owned businesses, affordable housing, and clean transportation.

In 2023, we established our [Sustainability Issuance Framework](#) to guide issuances of green, social, and sustainable financing instruments, including bonds, loans, commercial paper, and deposit products. It aligns with international standards such as the [International Capital Market Association’s Green, Social, and Sustainability Bond Principles](#) and the [United Nations Sustainable Development Goals](#).

### Distribution of balance sheet lending<sup>1</sup>



<sup>1</sup> What we consider priority activities and sectors is guided by the [United Nations Environment Programme Finance Initiative \(UNEP FI\) Guidance for Climate Target Setting for Banks – Version 4](#), [OSFI Guideline B-15](#), and the Science Based Targets initiative’s [Financial Institutions Net-Zero Standard](#). Lending to priority activities and sectors comprised 92% of our balance sheet lending at the end of 2024, and includes residential mortgages, commercial mortgages, and building construction-related loans. We do not lend to oil, gas, or coal sectors. Other priority sectors include clean energy project finance and financing provided to businesses operating in iron and steel, aluminum, cement, agriculture, and transport sectors. However, our exposure to all these sectors is minimal. Please refer to our [Climate Update](#) for a more detailed breakdown of our exposures by asset class and/or sector.



### Risk management.

Climate risk is included in Vancity's Enterprise Risk Management Framework and is one of nine key risk areas in the Risk Appetite Framework, which sets out the amount of risk we are willing to take as an organization. Vancity's Risk Appetite Framework incorporates multiple dimensions, including climate, and ensures that sustainability and resilience are integral to organizational risk governance. This approach is complemented by quantitative, scenario-based risk analysis, which is reported quarterly by management. Each risk area has specific thresholds and indicators to guide our approach. Management, led by the Chief Risk Officer, is responsible for identifying and addressing climate risks. These include physical risks – such as flooding and wildfires – that can directly impact our members, communities, and assets. We also monitor transition risks, which arise from shifts in policies, regulations, market dynamics, and technology as society moves towards a low-carbon economy; examples include evolving building codes, carbon pricing, and shifts in consumer demand for sustainable products and services.

Climate scenario analysis guides our evaluation of climate impacts on the economy, jobs, assets, borrower income, and ultimately, loan quality and capital requirements. In 2025, we hired a Climate Risk Management Consultant to advance our expertise. This led to improvements in both scenario analysis and our Internal Capital Adequacy Assessment Process, ensuring adequate capital for adverse conditions, including those related to climate. We use scenarios from the [Intergovernmental Panel on Climate Change](#) and prioritize physical climate risk based on available data. For transition risk, we are starting with a focus on how different carbon pricing scenarios affect our portfolio based on our financed emissions profile.

### Operations.

We're working towards reducing our emissions through electrification and selecting mechanical equipment that uses refrigerants with lower global warming potential. To support this work, we formed a Decarbonization Working Group, which meets every quarter to provide direction to our strategy to reduce operational emissions and align them with our facility and capital management objectives. Progress updates are provided to our facilities team and its leadership, and Strategy executives, and presented to the Board on a quarterly schedule.

### Products and services.

Our retail Planet-Wise™ loans provide financing for energy-efficient home upgrades and the purchase of low- or zero-emission vehicles, helping individuals lower their emissions with competitive lending solutions. For business members, Vancity offers a Planet-Wise™ loan for financing emission reduction upgrades such as purchasing an electric vehicle or energy-efficient equipment. We also offer a commercial retrofit financing program with preferential terms for building owners undertaking upgrades that will decrease emissions by at least 30 per cent. At the community level, Vancity funds retrofits for non-profit, Indigenous, and co-op housing and invests in renewable energy projects.

Complementing these financial tools, Vancity offers free advisory services through qualified partners for homeowners and business owners that help them navigate making low-carbon changes, reinforcing the organization's commitment to practical, measurable climate action.

Through Vancity Investment Management, members and clients can access responsible investment options aligned with the [Net Zero Asset Managers Initiative](#), ensuring capital flows towards climate-aligned outcomes.



## Advocacy and engagement.

### Members, clients, and investees.

Individuals and families are facing a growing set of challenges – from rising living costs and housing affordability concerns to increasing inequity and the impacts of a changing climate. Our annual financial health and inclusion surveys reveal that about a quarter of our members expect to spend money preparing for extreme weather, with managing heat as a top priority for 42 per cent. While nearly four out of five members feel their homes are equipped to handle severe weather, this confidence drops by half among those who are less financially secure.

In 2024, Vancity created climate engagement targets to encourage members to take climate action and explore our climate-related products and services. Staff in member-facing roles have goals for climate conversations – advising or guiding members on relevant products, services, or resources. In 2025, staff logged over 11,000 such conversations with individuals and business members, and we saw a corresponding increase in uptake of Planet-Wise™ products.

We also set ambitious goals for businesses to take climate action. Although we did not reach our target of 80 actions in 2025, many members successfully took steps to become more aware of their environmental impact and reduce emissions. We recognize that political and economic uncertainty, such as tariffs, can make it harder for businesses to invest in climate initiatives. Nevertheless, we are committed to engaging with businesses and positioning climate action as essential for long-term success and resilience.

Supporting Indigenous climate leadership is central to our approach. Through our Indigenous Banking Strategy and participation in the [Partnership Accreditation in Indigenous Relations](#) program, we prioritize affordable, climate-ready housing, financial empowerment, and entrepreneurship for Indigenous communities. Partnerships with Indigenous-led organizations and programs like [Wealth Mindset](#) allow us to integrate financial literacy with Indigenous values and fund energy efficiency retrofits on First Nations land. For us, Reconciliation is inseparable from climate action – it guides our work collaboratively, respectfully, and with a focus on equity.

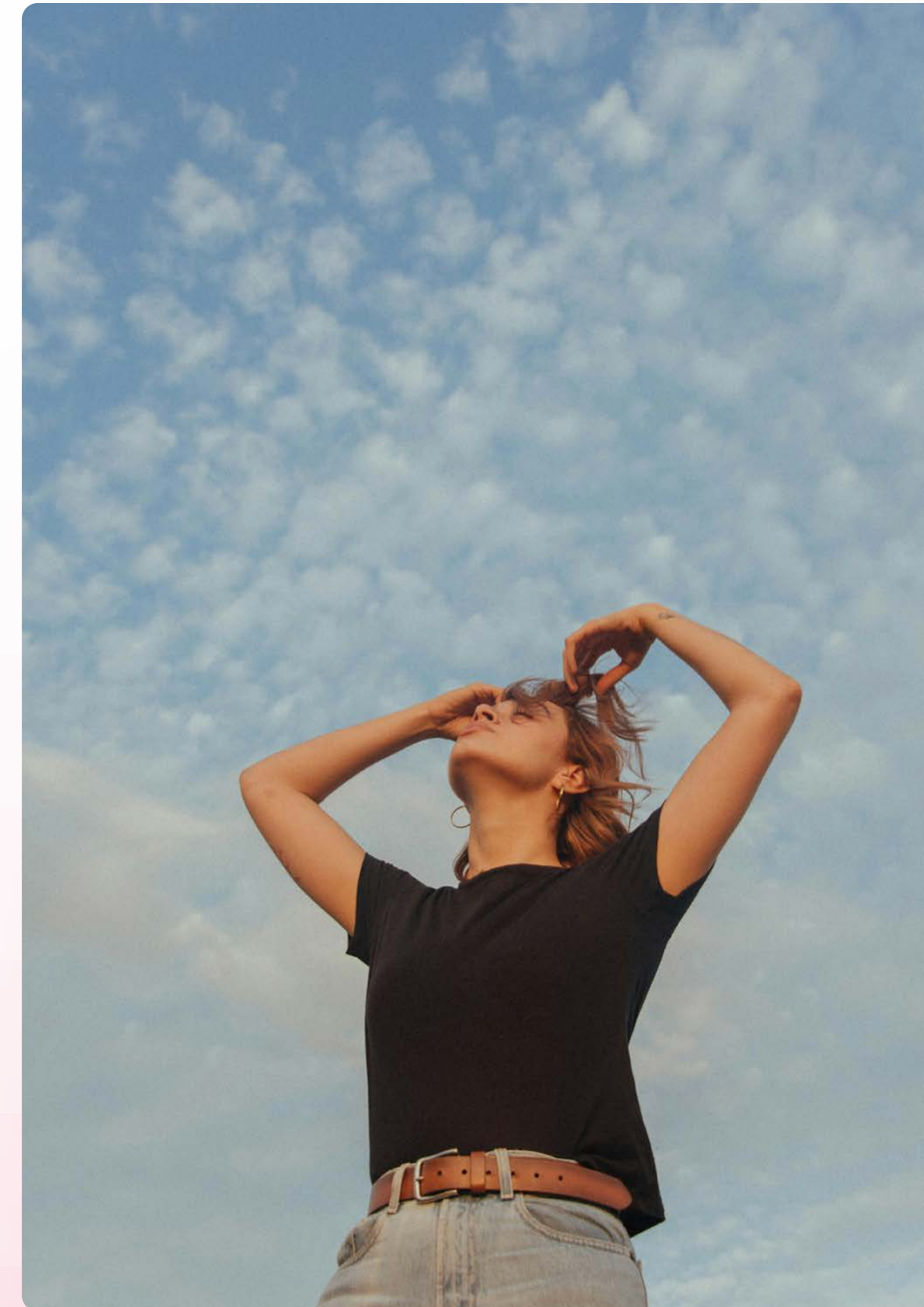
Through Vancity Investment Management, we use our influence as shareholders to encourage companies to improve their environmental, social, and governance performance. This includes direct dialogue with company management, collaborations such as [Climate Engagement Canada](#), and the filing of shareholder resolutions to promote better climate reporting and sustainable supply chains.

### Government, industry, and community.

We work with policymakers to make climate action more accessible, affordable, and effective for our members and communities. Our policy priorities focus on driving direct emission reductions in buildings, enabling affordable electricity and skilled trades, improving access to data and decision-making tools, and advancing sustainable finance solutions. By working with industry peers through global networks and partnering with community organizations, we help ensure the transition to a low-carbon economy is both just and inclusive.

Vancity's leadership is reflected in our participation on the [United Nations Environment Programme Finance Initiative Banking Board](#), the former Net-Zero Banking Alliance, the [Global Alliance for Banking on Values](#), and the [Partnership for Carbon Accounting Financials](#), among other influential groups. These connections allow us to amplify our impact, share best practices, and advocate for policies that benefit our members and the broader community.

A cornerstone of our approach is our Shared Success program – dedicating 30 per cent of net profits to member dividends and community initiatives that align with and support our impact areas, including climate action, affordable housing, and community resilience. Through Shared Success, we invest in projects and partnerships that achieve real benefits, such as funding energy-efficient retrofits, supporting climate-ready affordable housing, and empowering local organizations to drive change.



# Index.

To enhance transparency and demonstrate alignment with leading climate disclosure standards, we have prepared the following index to provide a clear view of where key expected elements of climate transition plans are addressed. This index was informed by the Glasgow Financial Alliance for Net Zero (GFANZ) [guidance on climate transition plans for financial institutions](#).

For credit unions like Vancity, voluntarily disclosing climate transition plans and aligning disclosures with best practice supports credibility, as well as comparability with banks and other financial institutions. It supports alignment with emerging regulatory expectations, and complements OSFI Guideline B-15: Climate Risk Management which, as of 2025 fiscal year end, is applicable to our Bank. It further supports the integration of climate strategy into financial decision-making and helps us demonstrate resilience and transparency in a rapidly evolving market and regulatory environment.

GFANZ pillar	Disclosure requirement	Details	Page(s)	Summary of disclosures
<b>Governance</b>	Board and management oversight of climate-related risks and transition strategy	<ul style="list-style-type: none"> <li>Board oversight of climate</li> <li>Updates to the Board</li> <li>Management oversight</li> </ul>	<a href="#">25</a>	Boards of Vancity, Vancity Community Investment Bank, and Vancity Community Investment Management have overall accountability for climate; executive leadership team is accountable for delivering on strategic direction set by the Boards; Impact and Equity Operating Committee, made up of executives, senior leaders and managers, ensures delivery of Vancity's Climate Action Plan
<b>Strategy</b>	Description of transition plan and integration into business strategy	<ul style="list-style-type: none"> <li>Net-zero commitment and timeline</li> <li>Key actions and milestones (e.g., portfolio decarbonization)</li> <li>Dependencies and assumptions (policy, technology)</li> </ul>	<a href="#">5</a> , <a href="#">15</a> , <a href="#">27</a>	Net zero by 2040 goal; Big Moves roadmap (buildings, clean energy, advocacy, data); plan is aligned with best practices including GFANZ; dependencies disclosed including policy and technology
<b>Risk management</b>	Processes for identifying and managing transition risks	<ul style="list-style-type: none"> <li>Integration into enterprise risk management</li> <li>Scenario analysis approach</li> <li>Resilience assessment under different climate scenarios</li> </ul>	<a href="#">32</a>	Climate risk included in Enterprise Risk Management Framework; Internal Capital Adequacy Assessment Process (ICAAP) stress testing (financial stress testing to ensure we can withstand severe climate events); and scenario analysis
<b>Metrics and targets</b>	Quantitative and qualitative indicators	<ul style="list-style-type: none"> <li>Scope 1, 2, and 3 financed emissions</li> <li>Intermediate and long-term targets (2030, 2050)</li> <li>Progress against targets and corrective actions</li> </ul>	<a href="#">5</a> , <a href="#">22</a>	Scope 1 and 2 operational emissions reduction target (90% by 2040); financed emissions intensity targets for real estate (-53% residential, -60% commercial by 2030); progress on targets for assets under management tracked annually
<b>Financial implications</b>	Impact on capital allocation and investment plans	<ul style="list-style-type: none"> <li>Lending and investment shifts towards low-carbon sectors</li> <li>Green finance commitments</li> <li>Capital planning adjustments</li> </ul>	<a href="#">18</a> , <a href="#">19</a> , <a href="#">21</a>	Retrofit loans; climate-aligned grants; clean energy financing; blended finance strategies for emerging sectors; capital reallocation towards green finance through our triple bottom line assets metric
<b>Connectivity with financial statements</b>	Link between transition plan and financial reporting	<ul style="list-style-type: none"> <li>Assumptions reflected in impairment testing</li> <li>Provisioning for climate-related risks</li> </ul>	<a href="#">22</a>	ICAAP includes climate stress scenarios; impairment testing considers climate risk; disclosure of assumptions in the <a href="#">Annual Report</a>

For more information about our performance and to download our full Climate Update, visit [vancity.com/AnnualReport](https://vancity.com/AnnualReport).

Stay connected with us on Instagram [@VancityCU](https://www.instagram.com/VancityCU), TikTok [@Vancity](https://www.tiktok.com/@Vancity), and Facebook at [facebook.com/vancity](https://www.facebook.com/vancity)

Produced by Vancity. Design by [worksdesign.com](https://www.worksdesign.com)

# vancity