

Q2 2025 engagement summary.



As we move past the halfway mark of 2025, several key trends in environmental, social, and governance (ESG) investing are beginning to take shape. While Q1 was marked by strong pushback against ESG, the dust has now settled, allowing for a clearer view of where the industry currently stands. Here are three notable observations:

- 1** Diversity, equity, and inclusion (DEI) pullback was mostly contained to Q1: Early in the year, many companies appeared to scale back their public commitments to DEI. However, that trend seems to have been short-lived. In many cases, the work has continued behind the scenes, even if it's no longer prominently featured in public disclosures.
- 2** Sustainability commitments remain intact: Although some companies have reduced public promotion of their sustainability efforts or stepped away from industry groups, there have been no significant reversals of their environmental goals or targets.
- 3** Climate and resource concerns are only growing: Extreme weather events continue to increase in frequency, and emerging technologies like artificial intelligence (AI) are placing immense demand on electricity and water resources. Regardless of motivation, these challenges will need to be addressed head-on.



Q2 engagements.

ESG categories.

This diagram shows the percentage of engagements in this reporting period tied to each of the ESG categories.



57.1%

Social

14.3%

Governance

28.6%

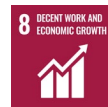
Environmental

Top United Nations sustainable development goals (SDGs) contributed to.

50.0% Good health and well-being



50.0% Decent work and economic growth



50.0% Responsible consumption and production



25.0% Gender equality



25.0% Industry, innovation, and infrastructure



Engagement highlights.

Content moderators: Content moderators for platforms like TikTok and Facebook can face disturbing content, low pay, heavy surveillance, and poor support. As TELUS Digital provides these services, we engaged with them to assess conditions for their moderators. **TELUS** stated that only five per cent of reviewed content is harmful and that employees receive unlimited mental health breaks and access to licensed psychologists during, and up to, 12 months after employment. We were pleased to hear of these practices and may follow-up as needed.

Canadian Bank annual general meetings (AGMs): At the **CIBC** AGM, we presented a shareholder proposal requesting disclosure of carbon risk scoring metrics and client transition plans aligned with CIBC's 2030 emission targets, which received strong support at 23 per cent. Another proposal co-filed with Investors for Paris Compliance at **BMO**, calling for transparency in lobbying aligned with the Paris Agreement, received 20.83 per cent support. We also presented proposals on executive pay metric disclosures at the AGMs of **CIBC**, **RBC**, and **BMO**, receiving 9.89 per cent, 11.53 per cent, and 7.33 per cent support, respectively, with some shareholders speaking in favor. At **TD Bank**, we withdrew a proposal seeking an independent review of board governance and climate competency but still raised the issue at the AGM. We continue to engage with the banks on these matters.

Vancity Investment Management is located on the unceded territories of the Coast Salish territory, represented today by the Musqueam, Squamish and Tsleil-Waututh Nations. They have been custodians of this land for thousands of years and we would like to pay our respect to the elders both past and present.

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