

2026

Climate & Biodiversity Progress Report.



Dear Stakeholders.

I am proud to introduce Vancity Investment Management's 2026 Climate and Biodiversity Progress Report, reflecting another year of meaningful advancement in our commitment to safeguarding nature and addressing the accelerating global challenges of biodiversity loss. Building on our inaugural 2025 Biodiversity Progress Report, this year we are expanding the integration of our climate-focused efforts to emphasize the intrinsic link between climate action and nature protection. As a socially responsible investment manager, we recognize these elements remain foundational to the stability of the global economy, the resilience of our portfolios, and the long-term well-being of communities worldwide.

In 2026, the role of investors in addressing the interconnected crises of biodiversity loss and climate change has become even more urgent. With nature-related disclosure frameworks gaining global traction and regulatory expectations rising across jurisdictions, businesses and financial institutions are increasingly expected to demonstrate credible, science-aligned action. At Vancity Investment Management, we continue to embed climate and biodiversity considerations into our investment processes, from direct corporate engagement to active participation in leading collaborative initiatives that are shaping the future of nature-positive finance.

Over the past year, we engaged with 22 companies on climate and biodiversity-related topics. Our engagement strategy is guided by insights gained from our deepened understanding of biodiversity impacts and dependencies. We engaged Amazon on water management through the Valuing Water Finance Initiative to better understand their approach to sustainable water use given significant growth in water-intensive data centers. We also initiated discussions with LVMH through the World Benchmarking Alliance to discuss nature-related reporting, impact and dependency assessments, and other topics affecting nature. Further details on these engagements and other collaborative work are provided in the following pages.

As we continue to strengthen our climate and biodiversity-related practices, we remain steadfast in our commitment to ensuring that companies in our portfolios contribute toward a nature-positive economy. We believe that, together, we can drive meaningful action to protect ecosystems, support resilient communities, and build a more sustainable future for generations to come.

Sincerely,

Edmond Ho

Head of Environmental, Social and Governance (ESG)





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Our key environmental commitments.



We see climate and biodiversity as deeply interconnected, with healthy ecosystems essential for carbon storage, climate regulation, and overall planetary resilience. By setting commitments on both climate and biodiversity, we strengthen our ability to manage risks, drive meaningful impact, and support the long-term sustainability of our investments.

Net-zero commitment.

Detailed information on our net-zero targets can be found in the Vancity Climate Report. We remain dedicated to achieving our net-zero-aligned targets, which include:

- Portfolio coverage target: 90% of Assets Under Management in material sectors will be net zero by 2030, with 100% net-zero by 2040.
- Portfolio decarbonization reference target: Vancity Investment Management will maintain its carbon footprint below each funds' respective benchmark with key check points of interim targets at 2030 and 2040. As the benchmark footprint declines towards net-zero, our VCIM's footprint will equal it by 2040.
- Engagement threshold target: 75% of financed emissions by 2025, 90% of financed emissions in material sectors is considered net-zero, aligned or aligning by 2030 or subject to engagement.

A Biodiversity commitment.

Vancity Investment Management is a signatory to the Finance for Biodiversity Pledge. As part of this pledge, we commit to:

- Report annually and be transparent about the significant positive, and negative, contributions to global biodiversity goals linked to our portfolios' financing activities and investments.
- Collaborate and share knowledge on assessment methodologies, biodiversity-related metrics, targets, and financing approaches for positive impact.
- Incorporate criteria for biodiversity in our ESG policies, while engaging with companies to reduce their negative impacts and increase positive impacts on biodiversity.
- Assess our financing activities and investments for significant positive and negative impacts on biodiversity, and identify drivers of its loss.
- Set and disclose targets based on the best available science to increase significant positive impacts and reduce negative impacts on biodiversity.

Through these efforts, we strive to meaningfully integrate nature-related considerations into our investment strategies.

Collaboration and knowledge sharing.



Vancity Investment Management is involved in a range of initiatives and activities focused on fostering collaboration and knowledge sharing on the topics of biodiversity and climate. Knowledge sharing among ESG investors is critical to reaching our biodiversity and climate targets as it helps close the information gap between companies and shareholders. By pooling research, engagement insights, and outcomes, investors build a more complete picture of risks and opportunities which can significantly bolster and enhance the overall effectiveness of engagement.

Collaborative initiatives.

A core pillar of our ESG approach is our active involvement in investor-focused collaborative groups. These groups provide our team with valuable opportunities to deepen their understanding of complex topics, integrating these insights into our ESG due diligence process and engagement strategies.

Key nature and climate collaborative group memberships include the Finance for Biodiversity Foundation (FfB), IEHN (Investor Environmental Health Network), FAIRR, CDP, Ceres Land Use and Climate Working Group, Nature Action 100, Climate Action 100+, Climate Engagement Canada (CEC), World Benchmarking Alliance (WBA) and the Valuing Water Finance Initiative (VWFI).

Through these initiatives, we actively participate in knowledge-sharing forums, exchanging insights with investor peers and a diverse range of stakeholders to foster collaboration and action.

Case study: Canadian Banks Working Group.

Vancity Investment Management regularly meets with Canadian investors and NGOs that share our goal of pushing Canadian banks toward decarbonization. These meetings, held as often as monthly, focus on material climate issues, engagement strategies, decarbonization pathways, and the exchange of insights drawn from both engagement experience and internal expertise.

Through this collaboration, our ESG team has gained a clearer understanding of peer investor priorities, strengthened our own engagements through collective support, and participated in targeted initiatives, including co-filing shareholder proposals.

Public knowledge sharing.

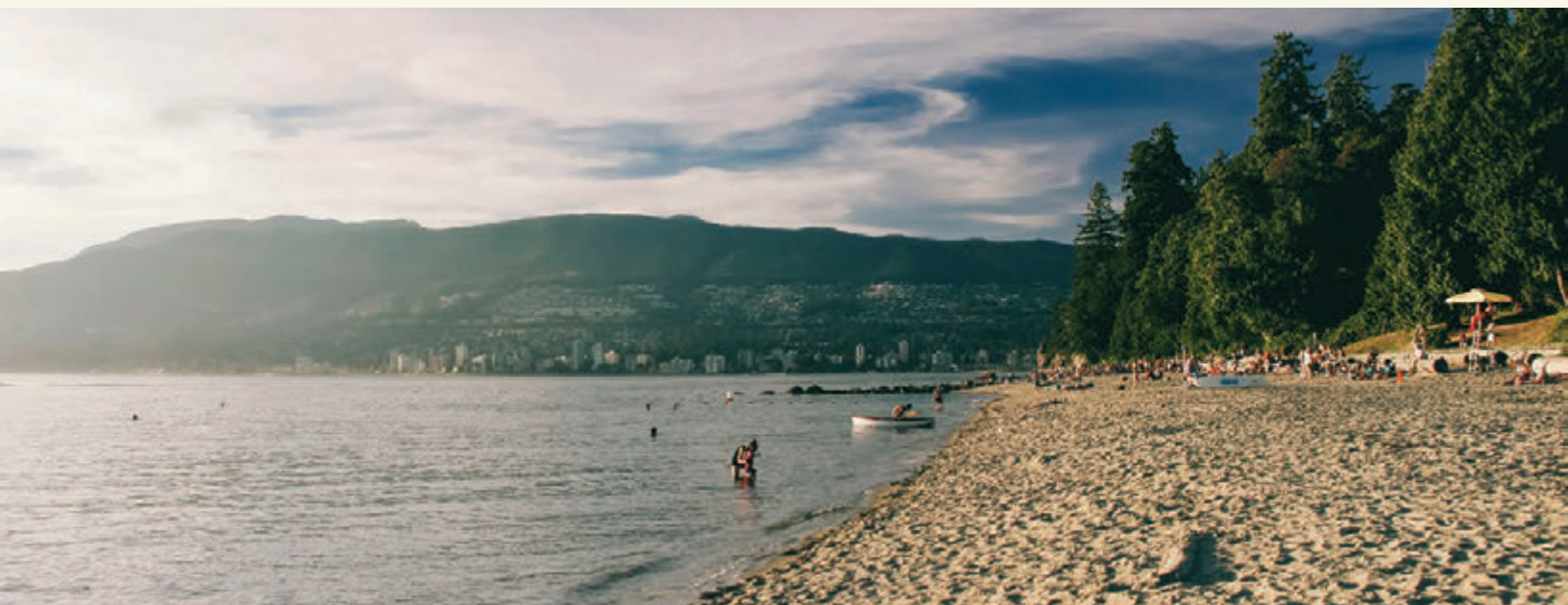
Our ESG Analyst, Tatiana Parrott, authored an article titled “Bringing Sustainability to the AI Revolution” in RIA Magazine. The article examines the rapid growth of artificial intelligence as a new form of global infrastructure and highlights the significant environmental challenges associated with the AI boom, particularly the rising energy consumption and water intensity of data centres. Tatiana also explores a range of mitigation strategies, including improved data centre efficiency, cleaner energy sourcing, better cooling technologies, and the role investors can play in supporting more sustainable AI development and deployment.

Policy engagement.

In 2025, we signed several letters addressed to governments and policymakers advocating for action on ESG related issues. Among these was a statement emphasizing the crucial role that regulation plays in enabling the transition of the chemical industry to safe and sustainable products. The statement, organized by ShareAction, outlined recommendations for governments around the world to strengthen and harmonize global policy frameworks on chemicals to support this transition.

Working with data providers.

We partner with MSCI to assess the biodiversity impacts and dependencies of our portfolios. In 2025, MSCI published a case study featuring our approach to integrating biodiversity insights into investment strategies. This case study aims to demonstrate how equity investors can leverage MSCI’s Nature and Biodiversity Portfolio Analysis Tool to analyze and evaluate nature-related investment risks and impacts. We hope that this report illustrates, in a straightforward manner, how investors can fulfill the commitments of the Finance for Biodiversity Pledge using MSCI data.



Engaging with companies.



Vancity Investment Management is dedicated to engaging with companies to reduce negative impacts and enhance positive contributions to biodiversity and climate. Our approach involves direct dialogue with companies on environment- related issues, and active participation in collaborative engagement initiatives to drive meaningful change.

Our climate engagement approach.

Vancity Investment Management's approach to engaging companies on climate fits into our broader climate risk strategy which is comprised of four pillars:

- Divestment; we have fully divested from, and excluded, fossil fuels.
- Decarbonization; for companies that pass our fossil fuel exclusion criteria, we exclude those with high emissions growth and energy use when there are no accompanying targets and strategies in line with global climate action.
- Reinvestment; we encourage reinvestment from divestment, and new fund flows, into sectors with the potential to provide lower-carbon energy and services.
- Engagement; we use each fund's rights as shareholders to encourage companies to disclose their climate-risk exposure and mitigation strategies.

As a result of this strategy, our funds inherently have a carbon footprint that is significantly lower than benchmark and has maintained this data, quarter over quarter, for years. Given that divestment is no longer a tool at our disposal, our net-zero target relies on engaging companies to reduce their own emissions, i.e., our financed emissions.

We work with companies to accurately quantify their climate impacts, set credible interim and net-zero targets, disclose sector-relevant decarbonization pathways, and disclose and improve non-carbon related climate metrics such as green cap-ex or lobbying practices.

Our biodiversity engagement approach.

Like many other investors, we are working to identify and mitigate the long-term biodiversity-associated risks facing our portfolio companies. The first, and arguably most important, step for a company to take to mitigate these risks is to conduct thorough due diligence to determine where its impacts on biodiversity lie and where it is directly dependent on the health of ecosystems for long-term business viability. We aim to engage with companies in higher-risk sectors to complete a biodiversity impact and dependencies assessment.

Our biodiversity engagement efforts to-date have primarily targeted sectors with significant biodiversity dependencies, such as food production, commodity-driven industries, and retail. Our engagements so far have focused on encouraging companies to:

- Identify their biodiversity impacts and dependencies.
- Assess and measure these factors.
- Implement strategies to mitigate risks and enhance positive outcomes.

2025 climate and biodiversity engagement numbers.

Like In 2025, we engaged with 23 companies on climate and biodiversity-related topics



Climate and biodiversity engagement numbers.

- Climate
- Water management
- Nature disclosure
- Chemicals

Company case studies.

Case study: **LVMH. Nature disclosure.**

Human health and nature risks are deeply intertwined. Substances that pose a risk to human health can additionally be detrimental to ecosystems during manufacturing and the end-of-life phase of products. While this has long been a concern for consumers, international regulations are catching up as stricter requirements are being put on companies to protect the environment and communities. Given the increasing financial risk this topic poses, along with urgent biodiversity risk, we initiated discussions with LVMH through the World Benchmarking Alliance to discuss nature-related reporting, impact and dependency assessments, measuring changes in material locations, regenerative agriculture, wastewater, and plastic. As consumer expectations evolve, we will continue to work with LVMH on these topics to ensure they have robust and secure supply chains that will be able to evolve with ecosystem sensitivities.

Case study: **Amazon. Water management.**

The rapid expansion of artificial intelligence and cloud computing is driving significant growth in water-intensive data centre infrastructure. Recognizing the material water risks associated with Amazon Web Services' continued expansion, we engaged with Amazon in 2025 through the Valuing Water Finance Initiative to better understand how water stewardship is being integrated into its growth strategy and its commitment to be water positive by 2030. The discussion focused on the credibility and regional relevance of water replenishment projects, progress in improving water-use efficiency within data centres, and the transparency of disclosures supporting reported progress. We also discussed implementing clearer links between water initiatives and underlying operational and supply-chain risks, particularly in high water-stress regions. We will continue to monitor Amazon's progress and engage as needed to support risk-aligned, transparent water stewardship as the company continues to grow its data centre operations.

Case study: **Waste connections. Climate.**

Collecting and managing solid waste is both a critical part of daily life and a high emissions intensive activity. The majority of Waste Connections' emissions are from landfill methane, i.e. the anaerobic decomposition of waste within their landfills. However, vehicles used for company operations, such as garbage trucks, account for a material amount of emissions as well. Given the emissions intensity of operations and the critical nature of their business, we engaged Waste Connections with Climate Engagement Canada (CEC). The group discussed a variety of topics including methane regulations, emissions reduction targets, and physical risk preparedness. Working with Waste Connections to advance their climate work will help us reach our own net-zero target and ensure the company can continue to operate for decades to come in a decarbonizing economy.

Assessing climate impact.

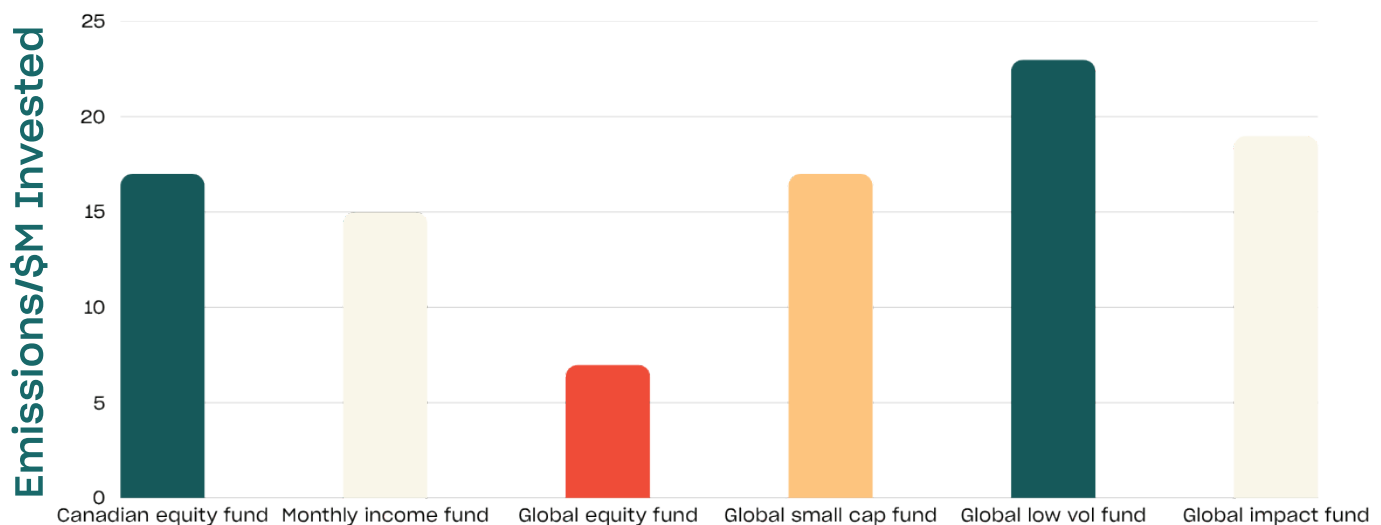


For an investment fund such as Vancity Investment management, the path to net-zero rests on lowering financed emissions. As our operational footprint is relatively small, our primary impact on climate is embedded within our funds. To reach our 2050 net-zero target, each fund must lower the carbon intensity of its holdings, meaning our target is dependent on the companies we hold decarbonizing.

There are three pillars to achieving our net-zero target.

1. Regularly assessing our financed emissions.
2. Managing our emissions on a relative basis.
3. Engaging to reduce our financed emissions.

Carbon Emissions by Fund



Regularly assessing our financed emissions.

Vancity Investment Management calculates financed emissions using two methods; Enterprise Value Including Cash (EVIC) and Market Capitalization. This is critical to our climate goals as it indicates the share of carbon emissions our investments are responsible for. While the Partnership for Carbon Accounting Financials (PCAF) favours EVIC over Market Capitalization, we currently use both methods to fulfill reporting requirements.

EVIC: financed emissions = (amount invested/EVIC) x Company Emissions. Where EVIC = Equity + Debt – Cash. This method helps investors determine the share of emissions their holdings are accountable for.

Market Cap: financed emissions = (Company Emissions/Market Capitalization) x investment amount. This method allocates all emissions to equity holders.

Managing our emissions on a relative basis.

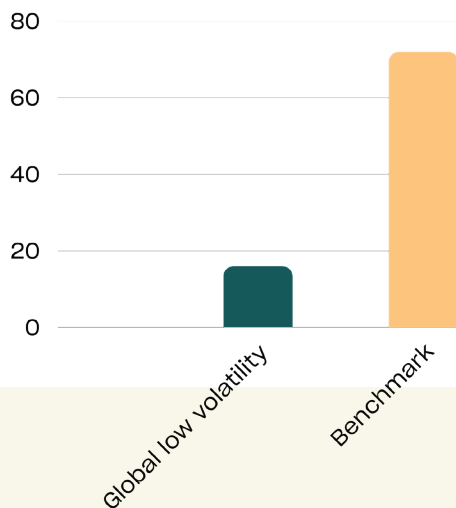
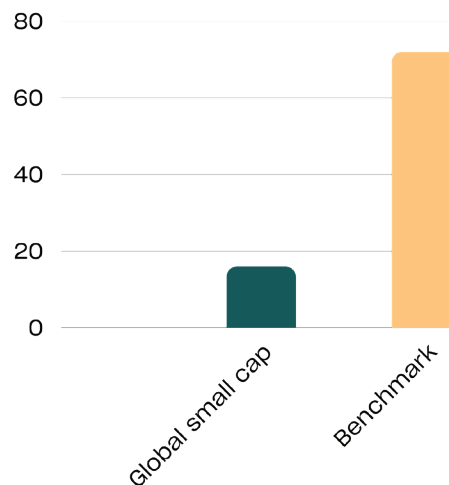
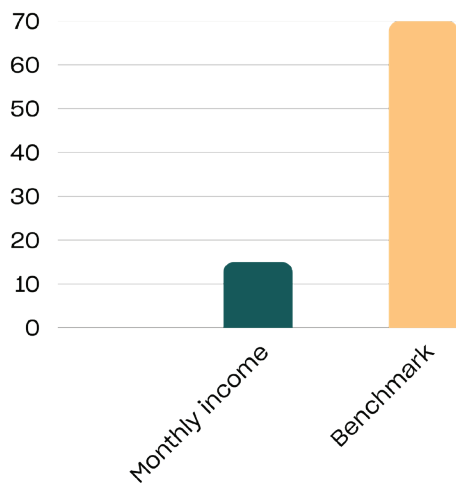
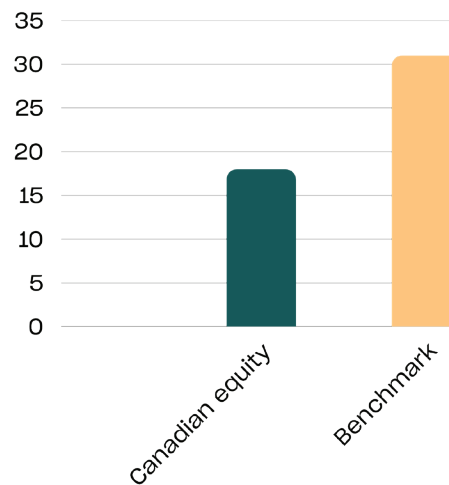
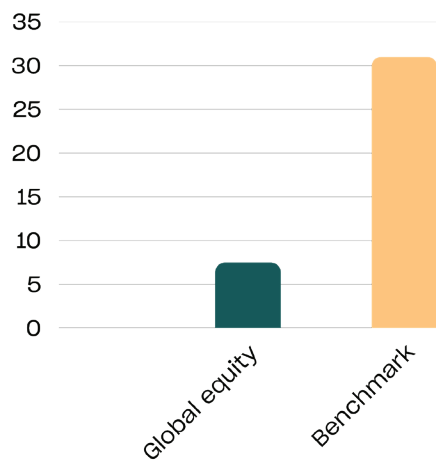
Achieving our net-zero goals relies on maintaining each funds' financed emissions below benchmark levels. We evaluate these metrics monthly using EVIC and Market Capitalization methods. Below are the EVIC-based financed emissions for our funds versus their benchmarks. Note that the Global Impact Fund is excluded from this section as it is managed on an absolute basis.



Data as of December 31, 2025.

Data is from pools.

Unit is emissions/\$M Invested



Engaging to reduce our financed emissions.

Given that our fund emissions are already substantially lower than those of their benchmarks, our target hinges on engaging portfolio companies to move them towards net-zero. Throughout the year we engaged companies at various stages of their decarbonization journeys. While many of our holdings already have science-based net-zero goals, some are still working towards setting them. As such, our engagements ranged from working with companies to set long-term targets, to assessing decarbonization pathways, encouraging more stringent interim targets, and more.

As of 2025, 89.4%¹ of our financed emissions within the utilities, industrial, and materials sectors were classified as net-zero aligned, aligning, or subject to engagement. This demonstrates that the vast majority of our portfolio companies in these sectors have either set SBTi-verified targets or are working with us to improve their climate performance.

¹ It should be noted that this figure captures a single moment in time given that size of positions and companies Vancity Investment Management holds changes throughout the year.”



Assessing biodiversity impact.



Sector screening and prioritization.

As a first step to understanding how our portfolios impact nature, we assessed the sectors with the highest potential impact. The Finance for Biodiversity Foundation carried out a multi-tool project in 2022, which aimed to estimate the biodiversity impacts of companies in the MSCI World Index. The study identified 10 priority sectors that account for approximately 70% of the estimated total biodiversity impact attributed to companies listed in the MSCI World Index. ²³

Table 1.

Ten priority sectors cover 30% market cap of the MSCI ACWI and 70% of the biodiversity impact on the MSCI World Index.

Primary list of priority sectors.	
Industry name (GICS)	Industry code (GICS)
Oil, gas & consumable fuels	101020
Chemicals	151010
Metals & mining	151040
Paper & forest products	151050
Automobiles	251020
Consumer staples distribution & retail	301010
Beverages	302010
Food products	302020
Pharmaceuticals	352020
Electric utilities	551010

Our exposure to priority sectors as of December 31, 2025.

	VCIM Global Equity Fund	VCIM Canadian Equity Fund	VCIM Monthly Income Fund	VCIM Global Small Cap Fund	VCIM Global Low Volatility Fund	VCIM Global Impact Fund
Oil, gas & consumable fuels						
Chemicals	1.46%			2.39%	2.99%	3.61%
Metals & mining		4.27%				
Paper & forest products						
Automobiles					0.53%	
Consumer staples distribution & retail	2.28%		2.89%	3.13%		3.06%
Beverages						
Food products		2.77%	3.14%	2.02%	1.06%	
Pharmaceuticals		3.77%	4.15%		3.84%	
Electric utilities			0.98%		2.56%	8.11%
Total portfolio exposure to priority sectors	3.74%	10.81%	11.16%	7.54%	10.92%	14.78%

Unlike climate, biodiversity loss lacks a single, standardized measure to fully capture and assess its complexity. We instead rely on a set of five drivers of nature-change from human activities outlined by the Global Assessment Report on Biodiversity and Ecosystem Services of IPBES.



The five drivers are:

1. Land and sea-use change.
2. Over-exploitation of resources.
3. Climate change.
4. Pollution.
5. Proliferation of invasive species.

By mapping the priority sectors, as identified by the Finance for Biodiversity Foundation, to the ENCORE database (version June 2024), we identify the key drivers of nature-change most relevant to our portfolios. This enables us to focus our analysis on the material factors that impact biodiversity. The decision to concentrate on these drivers is also influenced by the current availability of data.

Focus drivers of nature change and key performance indicators (KPIs).

We have established key performance indicators (KPIs) for the most material drivers across our portfolios to evaluate company performance within priority sectors. And these KPIs are integrated into our engagement activities.

Pollution.

Due to our exposure to the chemical, electric utilities, food products, and the metals and mining sectors, we monitor data points for these sectors relevant to the ENCORE pressures including:

- Emissions of non-GHG air pollutants.
- Emissions of toxic soil and water pollutants.
- Emissions of nutrient soil and water pollutants.
- Generation and release of solid waste.

Land, freshwater, and sea-use change.

Due to our exposure to the chemicals, food products, metals and mining sectors, we monitor data points for these sectors relevant to the ENCORE pressures including:

- Area of Land use.
- Area of freshwater use.

Overexploitation of resources.

Due to our exposure to the chemicals, consumer staples distribution & retail, food products, metals and mining sectors, we monitor data points for these sectors relevant to the ENCORE pressures including:

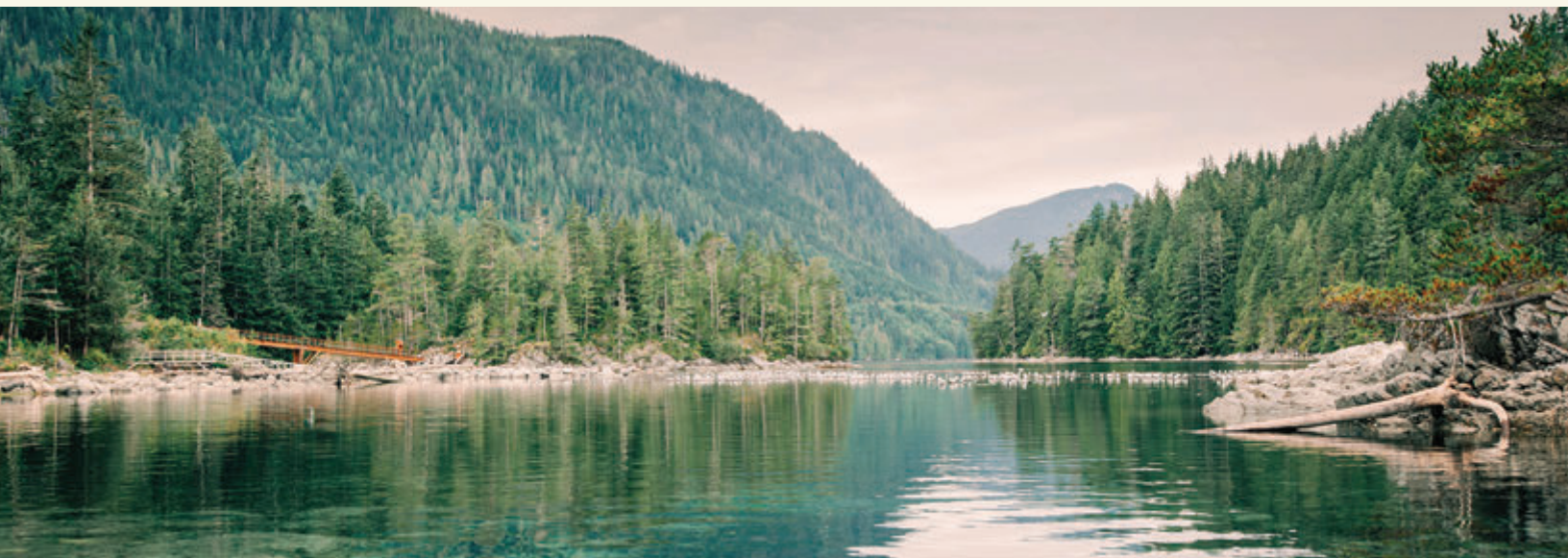
- Volume of water use.
- Other biotic resource extraction (e.g. fish, timber).

Portfolio- level assessments.

Using the MSCI Nature and Biodiversity Portfolio Analysis Tool, we have conducted a comprehensive portfolio-level analysis across all our equity investments. For each portfolio, we have identified the portfolio's interface with sensitive locations, evaluated the portfolio's dependencies and impacts on nature using key metrics, and assessed nature- related risks and opportunities within the portfolio.

Interface with sensitive locations.

The tool starts with “locating” economic activities in a portfolio and assessing their interface with nature. Biodiversity impacts are inherently local, and understanding the geographical context of portfolio holdings is a crucial first step in evaluating nature-related risks and opportunities.

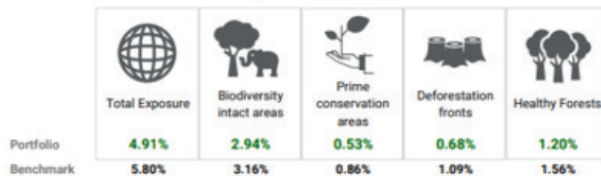


Vancity Investment Management Global Equity Fund.

Portfolio Corporate Asset Locations in Biodiversity Sensitive Areas



Biodiversity Sensitive Areas Exposure

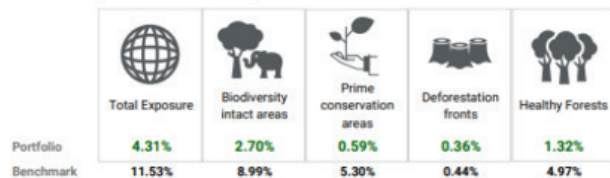


Vancity Investment Management Canadian Equity Fund.

Portfolio Corporate Asset Locations in Biodiversity Sensitive Areas



Biodiversity Sensitive Areas Exposure

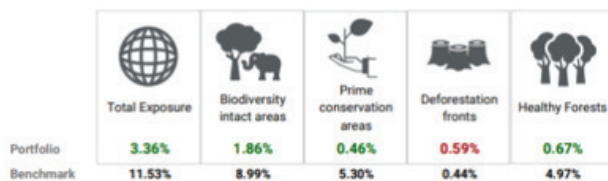


Vancity Investment Management Monthly Income Fund.

Portfolio Corporate Asset Locations in Biodiversity Sensitive Areas



Biodiversity Sensitive Areas Exposure

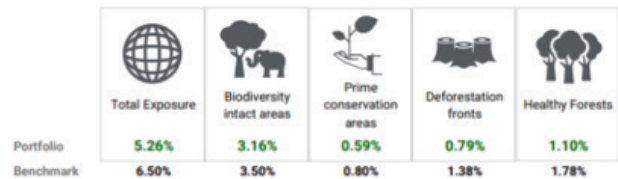


Vancity Investment Management Global Small Cap Fund.

Portfolio Corporate Asset Locations in Biodiversity Sensitive Areas



Biodiversity Sensitive Areas Exposure

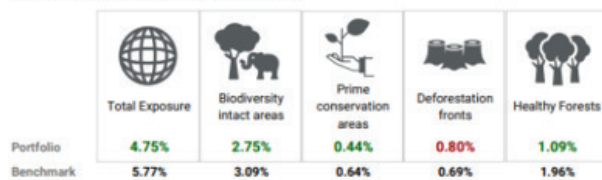


Vancity Investment Management Global Low Volatility Fund.

Portfolio Corporate Asset Locations in Biodiversity Sensitive Areas



Biodiversity Sensitive Areas Exposure

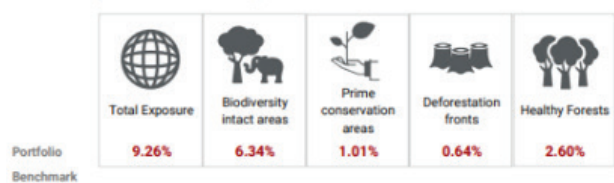


Vancity Investment Management Global Impact Fund.

Portfolio Corporate Asset Locations in Biodiversity Sensitive Areas



Biodiversity Sensitive Areas Exposure



Evaluation of impacts and dependencies on nature.

Next, MSCI provides key metrics that help assess the portfolios' aggregated dependencies and impacts on nature. These metrics offer insights into the extent to which portfolio companies rely on natural resources, and how their activities might negatively impact biodiversity.

Vancity Investment Management Global Equity Fund.

Climate Change

Indicator	MSCI Metric	Portfolio	Benchmark	Active
GHG Emissions	Financed carbon emissions Scope 1+2	6,717	26,008	-73.2%
	Financed carbon emissions Scope 3	66,785	347,852	-71.3%

Land-use change

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Land Use	Financed spatial footprint km ² /M invested	0.00002	0.00480	-99.5%

Pollution

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Waste generation and disposal	Financed hazardous waste mg/M invested	0.0666	1.9401	-96.6%
	Financed non-recycled waste mg/M invested	0.03	30.31	-99.0%
	Financed water emissions mg/M invested	0.0002	0.0517	-99.6%
	Financed NOx emissions mg/M invested	0.0125	0.3131	-94.1%
Non-GHG air pollutants	Financed SOx emissions mg/M invested	0.0015	0.1166	-98.7%
	Financed VOC emissions mg/M invested	0.0017	0.0946	-97.2%

Resource Use / Replenishment

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Water Consumption	Financed estimated water consumption m ³ /M invested	20.21	81.71	-75.3%
Deforestation	Companies with potential direct contribution to deforestation (%)	7.16%	11.62%	-4.7%
	Companies with potential indirect contribution to deforestation (%)	6.46%	9.52%	-1.1%
	High risk industry for deforestation (%)	7.16%	9.42%	-2.2%
	Production of Commodities that Contribute to Deforestation (%)	0.00%	0.22%	-0.2%

Commodity Exposure	Production		Usage	
	Portfolio	Benchmark	Portfolio	Benchmark
Timber	0.00%	0.11%	5.11%	6.23%
Beef	0.00%	0.02%	6.38%	6.48%
Palm Oil	0.00%	0.03%	8.46%	7.50%
Soybean	0.00%	0.18%	0.00%	0.92%

Drivers of Biodiversity Loss

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Mean Species Abundance	Financed extent of local ecosystem degradation MSAA/m ² /M invested	0.0000	0.0011	-99.7%
	Financed global potential species extinction PPSI/M invested	0.0047	0.0189	-75.1%
Potentially Disappeared Fraction of Species	... related to GHG emissions PPSI/M invested	0.0017	0.0067	-74.8%
	... related to water consumption PPSI/M invested	0.0000	0.0107	-71.7%
	... related to spatial footprint PPSI/M invested	0.0000	0.0016	-99.9%

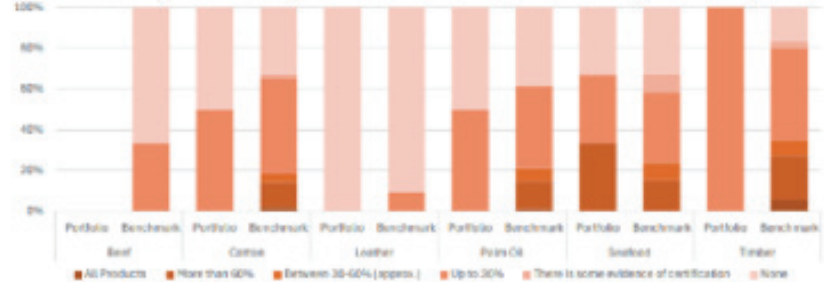
Capacity to Mitigate Impact

Nature and Biodiversity-Related Policies



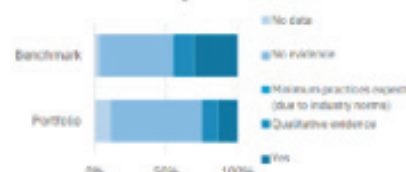
The above chart shows the disclosure of nature and biodiversity-related policies for all companies in the portfolio and benchmark, indicating whether they have disclosed or not disclosed relevant policies.

Extent of Stringent Sustainability Certification for Commodities Contributing to Biodiversity Loss



The above chart shows the percentage of commodity supplies certified to stringent sustainability standards among companies that rely on commodities whose production and use contribute to biodiversity loss. The analysis includes only companies relevant to each commodity, with blank columns indicating no relevant companies in the portfolio.

Evidence of Targets to Reduce Water Use



The above charts take a deeper dive on the scope of ongoing efforts to mitigate water and land impact. The analysis only includes companies in relevant industries where related efforts are assessed.

Scope of Ongoing Land Restoration Efforts



Vancity Investment Management Canadian Equity Fund.

Climate Change

Indicator	MSCI Metric		Portfolio	Benchmark	Active
GHG Emissions	Financed carbon emissions	Scope 1+2	18,211	62,965	-71.1%
	Int'l CO2e/M invested	Scope 3	93,524	148,778	-37.1%

Land-use change

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Land Use	Financed spatial footprint	km ² /M invested	0.00063	0.00885	-92.8%

Pollution

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Waste generation and disposal	Financed hazardous waste	mt/M invested	0.2901	11.4063	-97.5%
	Financed non-recycled waste	mt/M invested	3.02	492.85	-99.4%
	Financed water emissions	mt/M invested	0.0000	0.0015	-100.0%
	Financed NOx emissions	mt/M invested	0.0095	0.3800	-97.5%
Non-GHG air pollutants	Financed SOx emissions	mt/M invested	0.0016	0.2569	-99.4%
	Financed VOC emissions	mt/M invested	0.0002	0.1796	-99.9%

Resource Use / Replenishment

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Water Consumption	Financed estimated water consumption	mt/M invested	181.03	176.78	2.4%
Deforestation	Companies with potential direct contribution to deforestation (%)		0.00%	6.55%	-6.5%
	Companies with potential indirect contribution to deforestation (%)		6.14%	5.70%	0.4%
	High risk industry for deforestation (%)		0.00%	6.55%	-6.5%
	Production of Commodities that Contribute to Deforestation (%)		0.00%	0.00%	0.0%

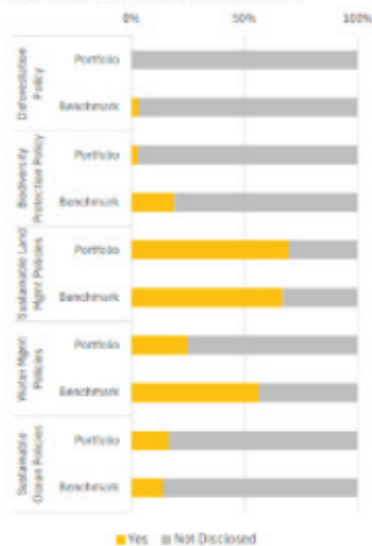
Commodity Exposure	Production		Usage	
	Portfolio	Benchmark	Portfolio	Benchmark
Timber	0.00%	0.21%	2.01%	1.67%
Beef	0.00%	0.00%	4.78%	5.23%
Palm Oil	0.00%	0.00%	6.14%	5.22%
Soybean	0.00%	0.00%	2.77%	0.36%

Drivers of Biodiversity Loss

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Mean Species Abundance	Financed extent of local ecosystem degradation	MSA/km ² /M invested	0.0000	0.0005	-94.9%
Potentially Disappeared Fraction of Species	Financed global potential species extinction	PDF/M invested	0.0477	0.0295	62.1%
	... related to GHG emissions	PDF/M invested	0.0038	0.0145	-73.7%
	... related to water consumption	PDF/M invested	0.0409	0.0142	288.2%
	... related to spatial footprint	PDF/M invested	0.0001	0.0006	-91.1%

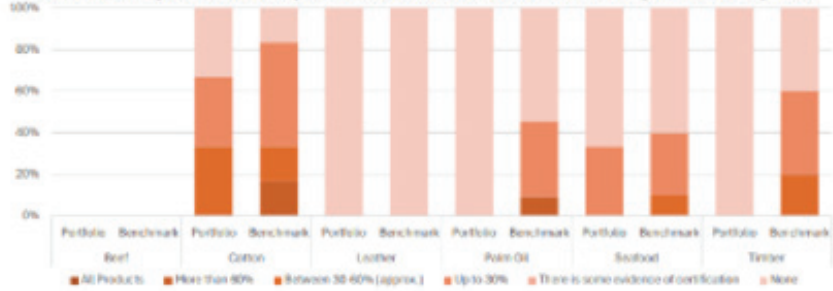
Capacity to Mitigate Impact

Nature and Biodiversity-Related Policies



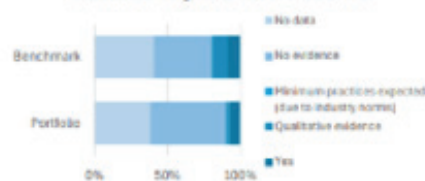
The above chart shows the disclosure of nature and biodiversity-related policies for all companies in the portfolio and benchmark, indicating whether they have disclosed or not disclosed relevant policies.

Extent of Stringent Sustainability Certification for Commodities Contributing to Biodiversity Loss



The above chart shows the percentage of commodity supplies certified to stringent sustainability standards among companies that rely on commodities whose production and use contribute to biodiversity loss. The analysis includes only companies relevant to each commodity, with blank columns indicating no relevant companies in the portfolio.

Evidence of Targets to Reduce Water Use



Scope of Ongoing Land Restoration Efforts



The above charts take a deeper dive on the scope of ongoing efforts to mitigate water and land impact. The analysis only includes companies in relevant industries where related efforts are assessed.

Vancity Investment Management Monthly Income Fund.

Climate Change

Indicator	MSCI Metric		Portfolio	Benchmark	Active
GHG Emissions	Financed carbon emissions tCO ₂ e/M invested	Scope 1+2	13,884	62,165	-78.0%
		Scope 3	127,965	148,778	-14.0%

Land-use change

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Land Use	Financed spatial footprint km ² /M invested		0.0085	0.0085	-92.4%

Pollution

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Waste generation and disposal	Financed hazardous waste mt/M invested		0.0274	11.4563	-99.7%
Non-GHG air pollutants	Financed non-recycled waste mt/M invested		1.74	492.85	-99.6%
	Financed water emissions mt/M invested		0.0002	0.0015	-83.0%
	Financed NO_x emissions mt/M invested		0.0561	0.3600	-85.2%
	Financed SO_x emissions mt/M invested		0.0106	0.2568	-95.9%
	Financed VOC emissions mt/M invested		0.0335	0.1796	-81.4%

Resource Use / Replenishment

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Water Consumption	Financed estimated water consumption m ³ /M invested		39.01	176.78	-77.9%
Deforestation	Companies with potential direct contribution to deforestation (%)		1.71%	6.55%	-4.2%
	Companies with potential indirect contribution to deforestation (%)		14.06%	5.70%	8.4%
	High risk industry for deforestation (%)		0.00%	6.55%	-6.5%
	Production of Commodities that Contribute to Deforestation (%)		0.00%	0.00%	0.0%

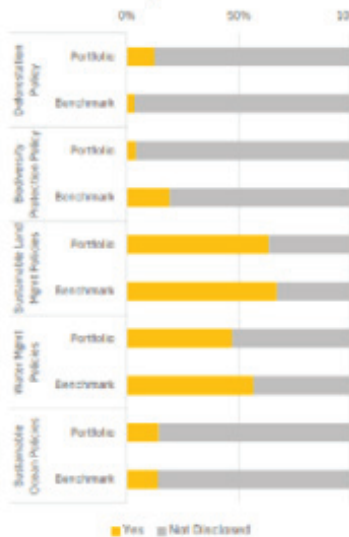
Commodity Exposure	Production		Usage	
	Portfolio	Benchmark	Portfolio	Benchmark
Timber	0.00%	0.21%	1.02%	1.67%
Beef	0.00%	0.00%	11.86%	5.23%
Palm Oil	0.00%	0.00%	14.06%	5.22%
Soybean	0.00%	0.00%	3.14%	0.36%

Drivers of Biodiversity Loss

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Mean Species Abundance	Financed extent of local ecosystem degradation MSA km ² /M invested	0.0002	0.0035	-94.7%
	Financed global potential species extinction PDF /M invested	0.0178	0.0295	-41.2%
Potentially Disappeared Fraction of Species	... related to GHG emissions PDF/M invested	0.0051	0.0145	-78.4%
	... related to water consumption PDF/M invested	0.0122	0.0142	-14.1%
	... related to spatial footprint PDF/M invested	0.0020	0.0006	342.5%

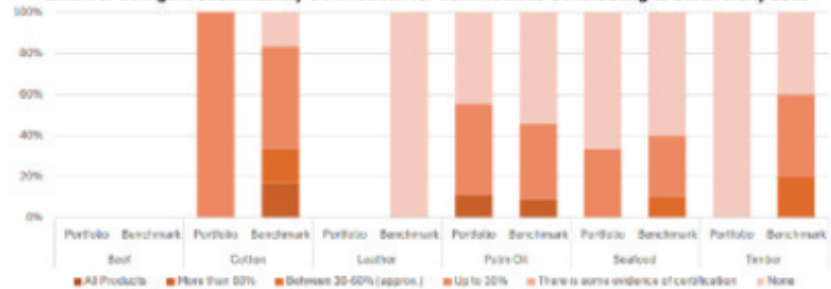
Capacity to Mitigate Impact

Nature and Biodiversity-Related Policies



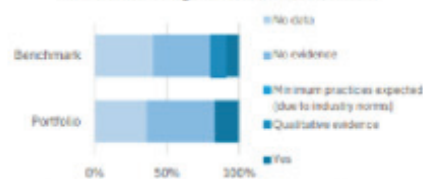
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Extent of Stringent Sustainability Certification for Commodities Contributing to Biodiversity Loss



The above chart shows the percentage of commodity supplies certified to stringent sustainability standards among companies that rely on commodities whose production and use contribute to biodiversity loss. The analysis includes only companies relevant to each commodity, with blank columns indicating no relevant companies in the portfolio.

Evidence of Targets to Reduce Water Use



The above charts take a deeper dive on the scope of ongoing efforts to mitigate water and land impact. The analysis only includes companies in relevant industries where related efforts are assessed.

Scope of Ongoing Land Restoration Efforts



Vancity Investment Management Global Small Cap Fund.

Climate Change

Indicator	MSCI Metric		Portfolio	Benchmark	Active
GHG Emissions	Financed carbon emissions	Scope 1+2	15,588	68,177	-77.1%
	Avg CO2e/M invested	Scope 3	161,120	828,668	-80.6%

Land-use change

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Land Use	Financed spatial footprint	km2/M invested	0.00027	0.00962	-97.2%

Pollution

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Waste generation and disposal	Financed hazardous waste	mt/M invested	0.6492	6.7299	-90.1%
	Financed non-recycled waste	mt/M invested	0.57	112.06	-99.5%
	Financed water emissions	mt/M invested	0.0019	18,196.2	-100.0%
	Financed NOx emissions	mt/M invested	0.1033	0.7766	-86.7%
Non-GHG air pollutants	Financed SOx emissions	mt/M invested	0.1263	0.6008	-79.0%
	Financed VOC emissions	mt/M invested	0.0134	0.8921	-98.5%

Resource Use / Replenishment

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Water Consumption	Financed estimated water consumption	mt/M invested	181.69	242.61	-25.1%
Deforestation	Companies with potential direct contribution to deforestation (%)		0.00%	1.64%	-1.6%
	Companies with potential indirect contribution to deforestation (%)		7.77%	6.51%	1.2%
	High risk industry for deforestation (%)		0.00%	1.37%	-1.4%
	Production of Commodities that Contribute to Deforestation (%)		0.00%	0.18%	-0.2%

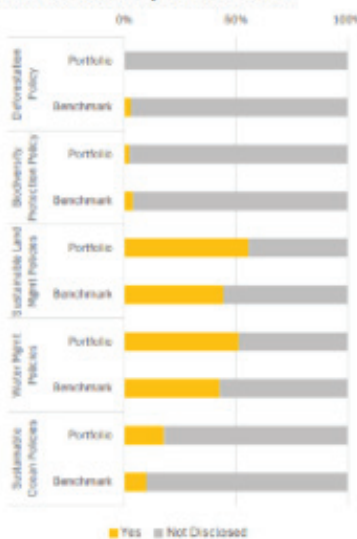
Commodity Exposure	Production		Usage	
	Portfolio	Benchmark	Portfolio	Benchmark
Timber	0.06%	0.52%	3.13%	2.43%
Beef	0.06%	0.06%	6.71%	3.78%
Palm Oil	0.06%	0.12%	6.71%	4.32%
Soybean	0.06%	0.02%	0.00%	0.84%

Drivers of Biodiversity Loss

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Mean Species Abundance	Financed extent of local ecosystem degradation	PdF/M invested	0.0000	0.0027	-99.0%
	Financed global potential species extinction	PdF/M invested	0.0446	0.0590	-16.1%
Potentially Disappeared Fraction of Species	... related to GHG emissions	PdF/M invested	0.0029	0.0157	-75.0%
	... related to water consumption	PdF/M invested	0.0405	0.0346	16.8%
	... related to spatial footprint	PdF/M invested	0.0000	0.0024	-99.3%

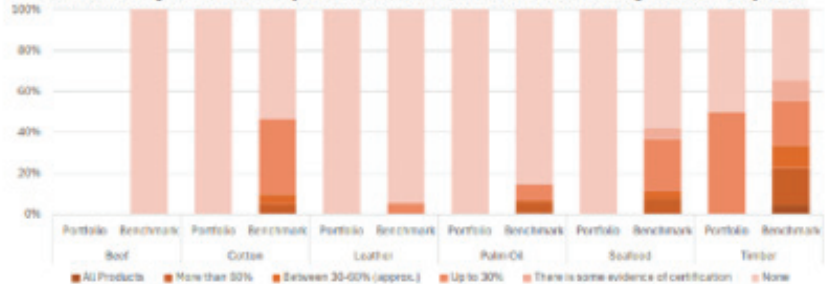
Capacity to Mitigate Impact

Nature and Biodiversity-Related Policies



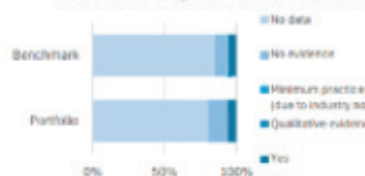
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Extent of Stringent Sustainability Certification for Commodities Contributing to Biodiversity Loss

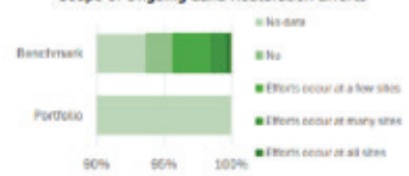


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Evidence of Targets to Reduce Water Use



Scope of Ongoing Land Restoration Efforts



The above charts take a deeper dive on the scope of ongoing efforts to mitigate water and land impact. The analysis only includes companies in relevant industries where related efforts are assessed.

Vancity Investment Management Global Low Volatility Fund.

Climate Change

Indicator	MSCI Metric		Portfolio	Benchmark	Active
GHG Emissions	Financed carbon emissions tons CO2e/M invested	Scope 1+2	22.267	48.485	-54.1%
		Scope 3	140.826	208.079	-32.2%

Land-use change

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Land Use	Financed spatial footprint km2/M invested		0.00007	0.01257	-99.5%

Pollution

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Waste generation and disposal	Financed hazardous waste mt/M invested		0.0907	0.1265	-28.2%
	Financed non-recycled waste mt/M invested		0.35	4.58	-92.3%
	Financed water emissions mt/M invested		0.0001	0.0087	-95.6%
Non-GHG air pollutants	Financed NOx emissions mt/M invested		0.0181	0.1110	-83.7%
	Financed SOx emissions mt/M invested		0.0031	0.0659	-95.3%
	Financed VOC emissions mt/M invested		0.0148	0.0412	-61.1%

Resource Use / Replenishment

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Water Consumption	Financed estimated water consumption mt/M invested		46.98	69.43	-32.3%
Deforestation	Companies with potential direct contribution to deforestation (%)		7.54%	6.74%	-2.2%
	Companies with potential indirect contribution to deforestation (%)		12.98%	13.24%	-0.2%
	High risk industry for deforestation (%)		4.63%	6.92%	-2.2%
	Production of Commodities that Contribute to Deforestation (%)		0.00%	0.38%	-0.4%

Commodity Exposure	Production		Usage	
	Portfolio	Benchmark	Portfolio	Benchmark
Timber	0.00%	0.00%	7.04%	3.64%
Beef	0.00%	0.28%	4.55%	8.16%
Palm Oil	0.00%	0.00%	8.40%	10.30%
Soybean	0.00%	0.00%	0.00%	2.29%

Drivers of Biodiversity Loss

Indicator	MSCI Metric		Portfolio	Benchmark	Active
Mean Species Abundance	Financed extent of local ecosystem degradation MSA km2/M invested		0.0000	0.0028	-99.5%
	Financed global potential species extinction PDP /M invested		0.0112	0.0290	-61.4%
Potentially Disappeared Fraction of Species	... related to GHG emissions PDP/M invested		0.0050	0.0113	-55.9%
	... related to water consumption PDP/M invested		0.0062	0.0140	-55.6%
	... related to spatial footprint PDP/M invested		0.0000	0.0037	-99.4%

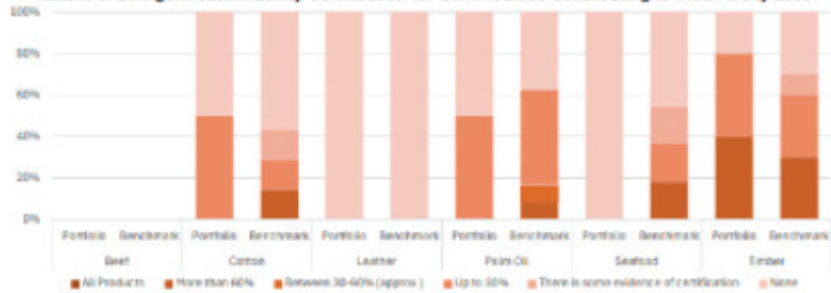
Capacity to Mitigate Impact

Nature and Biodiversity-Related Policies



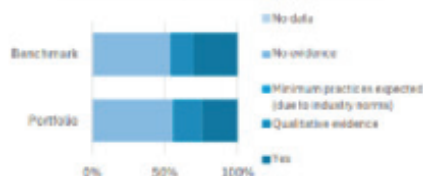
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Extent of Stringent Sustainability Certification for Commodities Contributing to Biodiversity Loss



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Evidence of Targets to Reduce Water Use



The above charts take a deeper dive on the scope of ongoing efforts to mitigate water and land impact. The analysis only includes companies in relevant industries where related efforts are assessed.

Scope of Ongoing Land Restoration Efforts



Vancity Investment Management Global Impact Fund.

Climate Change

Indicator	MSCI Metric	Portfolio	Benchmark	Active
GHG Emissions	Financed carbon emissions tons CO2e/M invested	Scope 1+2	17.781	
		Scope 3	913.321	

Land-use change

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Land Use	Financed spatial footprint km2/M invested	0.00759		

Pollution

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Waste generation and disposal	Financed hazardous waste mg/M invested	0.2137		
	Financed non-recycled waste mg/M invested	0.63		
	Financed water emissions mg/M invested	0.0000		
	Financed NOx emissions mg/M invested	0.0513		
Non-GHG air pollutants	Financed SOx emissions mg/M invested	0.0022		
	Financed VOC emissions mg/M invested	0.0057		

Resource Use / Replenishment

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Water Consumption	Financed estimated water consumption m3/M invested	58.03		
Deforestation	Companies with potential direct contribution to deforestation (%)	0.00%		
	Companies with potential indirect contribution to deforestation (%)	4.00%		
	High risk industry for deforestation (%)	0.00%		
	Production of Commodities that Contribute to Deforestation (%)	0.00%		

Commodity Exposure	Production		Usage	
	Portfolio	Benchmark	Portfolio	Benchmark
Timber	0.00%		1.75%	
Beef	0.00%		3.04%	
Palm Oil	0.00%		4.80%	
Soybean	0.00%		0.00%	

Drivers of Biodiversity Loss

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Mean Species Abundance	Financed extent of local ecosystem degradation MSA km2/M invested	0.0023	0.0000	
	Financed global potential species extinction PDF/M invested	0.0094	0.0000	
Potentially Disappeared Fraction of Species	... related to GHG emissions PDF/M invested	0.0046	0.0000	
	... related to water consumption PDF/M invested	0.0041	0.0000	
	... related to spatial footprint PDF/M invested	0.0007	0.0000	

Capacity to Mitigate Impact

Nature and Biodiversity-Related Policies



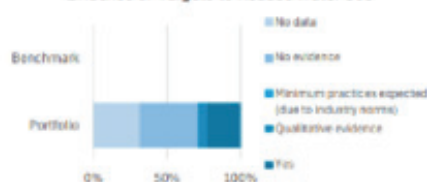
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Extent of Stringent Sustainability Certification for Commodities Contributing to Biodiversity Loss



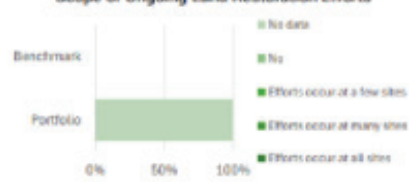
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Evidence of Targets to Reduce Water Use



The above charts take a deeper dive on the scope of ongoing efforts to mitigate water and land impact. The analysis only includes companies in relevant industries where related efforts are assessed.

Scope of Ongoing Land Restoration Efforts



Assessment of nature-related risks and opportunities.

The MSCI tool provides an aggregated view of nature-related risks and opportunities that are material to an organization. This report provides benchmark results that help assess and prioritize risks and opportunities to guide potential next steps.

Vancity Investment Management Global Equity Fund.

Nature Risks

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Physical Risks	Assets in biodiversity sensitive areas	0.71%	0.83%	-0.12%
	Average water scarcity hazard	47.16%	45.47%	1.68%
Transition Risks	Operations in high land/marine disturbance segments	0.00%	3.76%	-3.76%
	Operations in high toxic emissions segments	4.46%	11.18%	-6.71%
	Operations in high water intensity segments	6.03%	7.71%	-1.68%
	Revenue from high packaging waste products	3.11%	6.18%	-3.07%
	Land use and biodiversity	0.000%	0.025%	-0.025%
Reputational Risks (Controversies)	Operational waste (non-hazardous)	0.000%	0.000%	0.000%
	Toxic spills & releases	0.000%	0.024%	-0.024%
	Water stress	0.000%	0.001%	-0.001%

Reputational Risk represents the percentage of a portfolio's value coming from holdings involved that are facing Severe or Very Severe ongoing controversies with the company's direct involvement.

Nature Opportunities

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Sustainable Revenues	Pollution prevention revenue	0.12%	0.15%	-0.03%
	Sustainable agriculture revenue	0.00%	0.04%	-0.04%
	Sustainable water revenue	0.14%	0.08%	0.06%
Sustainable CAPEX	Renewable energy CAPEX share of total CAPEX	0.37%	0.49%	-0.12%

Vancity Investment Management Canadian Equity Fund.

Nature Risks

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Physical Risks	Assets in biodiversity sensitive areas	0.55%	0.76%	-0.22%
	Average water scarcity hazard	42.16%	39.51%	2.65%
Transition Risks	Operations in high land/marine disturbance segments	0.06%	24.19%	-24.13%
	Operations in high toxic emissions segments	8.00%	27.61%	-19.61%
	Operations in high water intensity segments	7.60%	22.46%	-14.86%
	Revenue from high packaging waste products	7.71%	2.86%	4.85%
	Land use and biodiversity	0.000%	0.005%	-0.005%
Reputational Risks (Controversies)	Operational waste (non-hazardous)	0.000%	0.000%	0.000%
	Toxic spills & releases	0.000%	0.022%	-0.022%
	Water stress	0.000%	0.000%	0.000%

Reputational Risk represents the percentage of a portfolio's value coming from holdings involved that are facing Severe or Very Severe ongoing controversies with the company's direct involvement.

Nature Opportunities

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Sustainable Revenues	Pollution prevention revenue	0.20%	0.17%	0.03%
	Sustainable agriculture revenue	0.12%	0.10%	0.02%
	Sustainable water revenue	0.06%	0.06%	0.01%
Sustainable CAPEX	Renewable energy CAPEX share of total CAPEX	1.09%	0.41%	0.67%

Vancity Investment Management Monthly Income Fund.

Nature Risks

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Physical Risks	Assets in biodiversity sensitive areas	0.58%	0.76%	-0.18%
	Average water scarcity hazard	43.65%	39.51%	4.14%
Transition Risks	Operations in high land/marine disturbance segments	0.14%	24.19%	-24.05%
	Operations in high toxic emissions segments	2.42%	27.61%	-25.18%
	Operations in high water intensity segments	5.11%	22.46%	-17.35%
	Revenue from high packaging waste products	11.17%	2.86%	8.31%
Reputational Risks (Controversies)	Land use and biodiversity	0.016%	0.005%	0.011%
	Operational waste (non-hazardous)	0.000%	0.000%	0.000%
	Toxic spills & releases	0.000%	0.022%	-0.022%
	Water stress	0.000%	0.000%	0.000%

Reputational Risk represents the percentage of a portfolio's value coming from holdings involved that are facing Severe or Very Severe ongoing controversies with the company's direct involvement.

Nature Opportunities

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Sustainable Revenues	Pollution prevention revenue	0.00%	0.17%	-0.17%
	Sustainable agriculture revenue	0.14%	0.10%	0.04%
	Sustainable water revenue	0.01%	0.06%	-0.05%
Sustainable CAPEX	Renewable energy CAPEX share of total CAPEX	0.00%	0.41%	-0.41%

Vancity Investment Management Global Small Cap Fund.

Nature Risks

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Physical Risks	Assets in biodiversity sensitive areas	0.39%	0.40%	-0.01%
	Average water scarcity hazard	42.28%	43.84%	-1.56%
Transition Risks	Operations in high land/marine disturbance segments	0.37%	6.00%	-5.63%
	Operations in high toxic emissions segments	5.57%	15.18%	-9.61%
	Operations in high water intensity segments	2.64%	12.94%	-10.30%
	Revenue from high packaging waste products	8.25%	5.19%	3.07%
Reputational Risks (Controversies)	Land use and biodiversity	0.000%	0.002%	-0.002%
	Operational waste (non-hazardous)	0.000%	0.000%	0.000%
	Toxic spills & releases	0.000%	0.003%	-0.003%
	Water stress	0.000%	0.000%	0.000%

Reputational Risk represents the percentage of a portfolio's value coming from holdings involved that are facing Severe or Very Severe ongoing controversies with the company's direct involvement.

Nature Opportunities

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Sustainable Revenues	Pollution prevention revenue	2.03%	0.46%	1.56%
	Sustainable agriculture revenue	0.00%	0.13%	-0.13%
	Sustainable water revenue	0.46%	0.37%	0.09%
Sustainable CAPEX	Renewable energy CAPEX share of total CAPEX	0.01%	0.44%	-0.43%

Vancity Investment Management Global Low Volatility Fund.

Nature Risks

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Physical Risks	Assets in biodiversity sensitive areas	0.39%	0.40%	-0.01%
	Average water scarcity hazard	42.28%	43.84%	-1.56%
Transition Risks	Operations in high land/marine disturbance segments	0.37%	6.00%	-5.63%
	Operations in high toxic emissions segments	5.57%	15.18%	-9.61%
	Operations in high water intensity segments	2.64%	12.94%	-10.30%
	Revenue from high packaging waste products	8.25%	5.19%	3.07%
Reputational Risks (Controversies)	Land use and biodiversity	0.000%	0.002%	-0.002%
	Operational waste (non-hazardous)	0.000%	0.000%	0.000%
	Toxic spills & releases	0.000%	0.003%	-0.003%
	Water stress	0.000%	0.000%	0.000%

Reputational Risk represents the percentage of a portfolio's value coming from holdings involved that are facing Severe or Very Severe ongoing controversies with the company's direct involvement.

Nature Opportunities

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Sustainable Revenues	Pollution prevention revenue	2.03%	0.46%	1.56%
	Sustainable agriculture revenue	0.00%	0.13%	-0.13%
	Sustainable water revenue	0.46%	0.37%	0.09%
Sustainable CAPEX	Renewable energy CAPEX share of total CAPEX	0.01%	0.44%	-0.43%

Vancity Investment Management Global Impact Fund.

Nature Risks

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Physical Risks	Assets in biodiversity sensitive areas	0.52%		
	Average water scarcity hazard	39.32%		
Transition Risks	Operations in high land/marine disturbance segments	0.21%		
	Operations in high toxic emissions segments	8.80%		
	Operations in high water intensity segments	9.18%		
	Revenue from high packaging waste products	5.07%		
	Land use and biodiversity	0.000%		
Reputational Risks (Controversies)	Operational waste (non-hazardous)	0.000%		
	Toxic spills & releases	0.000%		
	Water stress	0.000%		

Nature Opportunities

Indicator	MSCI Metric	Portfolio	Benchmark	Active
Sustainable Revenues	Pollution prevention revenue	0.41%		
	Sustainable agriculture revenue	0.00%		
	Sustainable water revenue	1.44%		
Sustainable CAPEX	Renewable energy CAPEX share of total CAPEX	7.37%		

Reputational Risk represents the percentage of a portfolio's value coming from holdings involved that are facing Severe or Very Severe ongoing controversies with the company's direct involvement.



Biodiversity-related targets.



In 2025, we took the first step in our nature-related targets journey by working towards our initiation targets. In 2026, we will continue to implement the phased adoption of TNFD recommendations, as well as monitoring the key performance indicators for relevant sectors, as outlined above.

Progress in 2025.

Capacity building.

In 2025, the Investment Management Team conducted training on the relationship between nature loss and investing. The internally generated training covered key scientific concepts related to biodiversity, the relevance of nature loss for investors, emerging regulatory considerations, and potential opportunities for investing in biodiversity-related solutions. This training supported the integration of nature-related considerations into investment thinking and decision-making.

Phased adoption of TNFD recommendations.

Governance.

In 2025, we strengthened our internal processes and reporting structure related to nature and biodiversity risk. Within our internal process structure, we formalized the ESG team's role in evaluating nature-related impacts, dependencies, risks, and opportunities. We also formalized our reporting process by publishing our inaugural biodiversity progress report.

Strategy.

In 2025, members of our Investment Management team conducted training on the link between nature loss and investing. This training allowed members of our investment team to further explore how nature loss impacts companies, as well as economic systems, and integrate this knowledge into their strategic investment approach.

Risk management.

Our internal ESG process includes an explicit focus on identifying, assessing, and managing nature-related dependencies, impacts, risks, and opportunities across our portfolios. Within the ESG review conducted on every company that is added to our portfolios, we assess the environmental impact and risks associated with operations, business model, and products. We also closely assess and monitor environmental-related controversies.

Metrics and targets.

In 2025, we completed a portfolio-level nature and biodiversity assessment using MSCI's Nature and Biodiversity Portfolio Analysis Tool, including screening for exposure to biodiversity "priority sectors," assessing interface with sensitive locations, and evaluating portfolio impacts and dependencies. We also established key performance indicators aligned to the most material drivers of nature change (including pollution, land/freshwater/sea-use change, and overexploitation of resources).



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