

Our Stories.

2023 Annual Report

Vancity



People

Shareholder engagement: using the tools of banking to help drive impact and change.

Vancity Investment Management (VCIM), Vancity's wealth management subsidiary, is the sub-adviser managing IA Clarington's Inhance series mutual funds, which many Vancity members hold in their investment (SWM) portfolios. VCIM also manages portfolios for private and institutional clients. This enables VCIM to engage, often with like-minded partners, the companies whose stocks are held in these funds and portfolios, on behalf of members and clients, in seven key impact areas: biodiversity and nature; climate, energy and just transition; financial resilience and diversity, equity, inclusion, and Reconciliation; governance and disclosure; healthcare; human capital management; and human rights.

Engagement takes different forms, from filing proposals at companies' Annual General Meetings to working directly with a company's executive leadership behind the scenes. In a typical year, VCIM could have over 40 engagements with 20-30 individual companies.

In 2023, for example, VCIM filed new proposals with TD Canada Trust, Canadian Imperial Bank of Commerce, and Royal Bank of Canada, requesting that these banks disclose their CEO-to-median-worker pay ratio, having already achieved such disclosure from the Bank of Nova Scotia and Canada Pacific Kansas City (CP Rail) in 2022. These disclosures help assess whether the value generated by these large employers is improving income disparities and inequalities or making them worse.

Also in 2023, VCIM met with representatives of Brookfield, Boralex and Cisco to discuss how these companies safeguard against human rights risks across their large global supply chains. In response, all three companies demonstrated important measures that minimize the risk of forced labour, and Boralex has made improvements based on our recommendations. VCIM similarly engaged successfully with Costco to map biodiversity risks in its global supply chain.

These and other examples show how Vancity members, pooling their investments through the funds in their SWM portfolios, can help push major companies in impactful, values-driven ways.

Planet

Financing for climate-friendly building upgrades.

In British Columbia, using fossil gas for space heating and hot water produces 16 times more emissions than electricity.

So, when the owners of a four-storey apartment building in Duncan needed to make some upgrades, they knew choosing climate-friendly solutions would make a big impact. Taking the 1970s building from “really rough” to retrofitted meant a complete overhaul, including upgrading to an electric hot water heater, replacing the windows and insulation, and installing heat pumps.

It paid off. After renovations, the building achieved an impressive 91.3 per cent reduction in greenhouse gas (GHG) emissions and 40 per cent energy savings – with financing help from Vancity’s new [Commercial Retrofit Financing](#) program.

The Commercial Retrofit Financing pilot is a new offer to support commercial property owners in undertaking deep energy retrofits to make buildings more efficient and resilient. To qualify for the program, planned upgrades must reduce greenhouse gas emissions by a minimum of 30 per cent. Non-profit owned buildings are also eligible and can combine it with Vancity’s [Non-Profit Retrofit Grant](#) program.

“Retrofits can be complicated, and we really want to make this as accessible and low-barrier as possible – even if they’re starting small,” says Senior Climate Business Consultant Emily Pearson.

However, most projects will likely be able to achieve 70 to 90 per cent reduction if they’re converting from fossil gas to electric – the most effective way to reduce a building’s GHG emissions in our region. “If you combine that with smaller upgrades like better windows and insulation, achieving significant reduction is very doable,” Emily explains.

Although our current economic environment is making it challenging for many business owners to invest in retrofit projects, the program aims to make financing more accessible through alternative terms, including longer amortization periods, preferred pricing and lower debt to service ratio requirements.

“With climate change, we know we’re going to continue experiencing extreme heat events,” adds Emily. “It’s more important than ever to have clean and cool indoor air for people to live and work safely.”

But improving a building’s energy performance isn’t just good for people and the planet – it’s also good for business. Along with lowering a building’s carbon footprint and increasing resiliency to climate impacts like extreme heat, green retrofits can make buildings more affordable to operate, ready for future regulations, and more attractive to tenants.

Profit

Supporting a more diverse co-operative economy.

Solid State Community Industries is a worker co-operative developer for youth (under-35) from racialized migrant and refugee backgrounds.

[Solid State](#) has supported the development and launch of 18 co-operatives in operation, with more than 150 members from 37 identified national backgrounds. It offers resources to develop and support co-operatives for systemically underserved communities that face language barriers and precarious employment. Cohorts have access to skills-training, mentorship, working space, and co-op development support.

Vancity is providing a multi-year grant to Solid State, which “gives us a chance to build a relationship and meaningfully understand the systematic barriers that exist. It also allows us to identify opportunities, beyond financial support, that may be available,” explains Kam Sandhu, from Vancity’s community investment team.

Improving access to finance is a catalyst for fostering economic equity. That’s why Vancity supports organizations that stand to gain the most from enhanced financial inclusion. In this way, we are able to promote economic inclusion and diversity in the co-operative sector.

“We’re building something bigger than a business incubator; our vision is to build a solidarity economy starting in Surrey,” says WeiChun Kua, Coop Community Organizer. “Vancity helps fund our co-op development team - a group of five staff members that helps people who come through Solid State to reach their goals,” explains WeiChun.

With the goal to build Solid State as a co-operative of co-operatives, there is constantly an increasing [group of co-ops](#) under their umbrella. Among the co-ops developed at Solid State (which are also Vancity members) are [Ethos Lab](#) and the [Black Arts Centre](#). Another cohort is [Climate Recentered](#), formed to recenter the voices in the climate movement to racialized people.