



2025 Annual Report.

**Sustainability
Issuance Report.**

vancity

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Throughout this report, “Vancity” or “we” refers to Vancouver City Savings Credit Union and its active subsidiaries as listed in the organization chart on page 24 of the 2025 [Annual Report](#).

Note on reporting boundary following the merger with First Credit Union

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

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

Caution regarding climate and sustainability-related statements: This report contains statements about Vancity’s climate targets, emissions, and sustainability commitments. These statements rely on data, methodologies, and measurement standards that continue to evolve, including the Greenhouse Gas Protocol, the Partnership for Carbon Accounting Financials (PCAF), and frameworks established by the Net-Zero Banking Alliance. Key terms such as “net zero,” and “financed emissions” do not yet have universally settled definitions and may be interpreted or measured differently as standards develop. Climate-related targets are based on assumptions, scenarios, and data that management believes to be reasonable at the time of publication, but that are subject to significant uncertainty. Achieving our targets will depend on factors beyond Vancity’s direct control, including the pace of grid decarbonization in British Columbia and across Canada, the availability and cost of low-carbon technologies, the actions of our members, borrowers, and investees, government policy and regulatory developments, and the quality and availability of third-party emissions data. There can be no assurance that these targets will be achieved within the stated timeframes or at all.

Disclaimer: This Sustainability Issuance Report (“Report”) is provided for informational purposes only and does not constitute an offer, solicitation, or recommendation to buy or sell any securities, including short-term bearer deposit notes, in any jurisdiction where such an offer or sale would be unlawful. The short-term bearer deposit notes referenced in this Report have not been and will not be registered under the United States Securities Act of 1933, as amended (the “US Securities Act”). Accordingly, they may not be offered, sold, or delivered within the United States or to US persons, except in transactions exempt from registration under the US Securities Act and applicable state laws. This Report does not create any obligation on Vancouver City Savings Credit Union to accept any offer to purchase short-term bearer deposit notes. All sales and transactions are subject to the sole discretion of Vancouver City Savings Credit Union and applicable regulatory approvals. The information contained herein is provided as of the date of this Report and is not guaranteed as to its accuracy, reliability, completeness, or timeliness and Vancouver City Savings Credit Union assumes no obligation to update the information, except as required by applicable law. No person has been authorized to provide information or make representations regarding this Report beyond what is included here. Any such information or representation should not be relied upon as authorized by Vancouver City Savings Credit Union.

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Introduction.

Vancity is a values-based financial co-operative serving the needs of its 588,000+ member-owners and their communities, with offices and more than 60 branches located in Metro Vancouver and Squamish, the Fraser Valley, the Sunshine Coast, the Vancouver and Gulf Islands and Alert Bay, within the territories of the Coast Salish and Kwakwaka'wakw Peoples. With \$41 billion in assets plus assets under administration, Vancity is Canada's largest credit union. Vancity uses its assets to help improve the financial wellbeing of its members while at the same time helping to develop healthy communities that are socially, economically, and environmentally sustainable.

As a co-operative, the concept of sustainability is deeply engrained in who we are. We believe that as we grow, our influence on financial inclusion, environmental sustainability and the economic resilience of our communities should grow too. Since Vancity was founded, we've been committed to ensuring that everyone in our communities has access to the financial services they need. This includes extending financial services to people who are underserved by other financial institutions or face barriers due to legacies of discrimination and racism. In terms of environmental sustainability, our goal is to provide leadership in the financial sector by reducing the emissions we finance through our lending and investments, providing education, products, and services, that help our members and employees lower emissions and increase resilience, and encouraging governments to implement public policy changes that reduce emissions and other negative environmental impacts. Vancity uses its assets to improve social inclusion, economic wellbeing, and environmental sustainability. And as part of our efforts to build healthy communities, we continue to support local businesses and invest back into the community through our grant programs. Behind this approach is Vancity's corporate governance, which is driven by the co-operative principles.

Sustainable lending and investing focus areas.

1. **Indigenous communities:** Vancity believes that Reconciliation begins with each of us, and despite Vancity's progress in many regards, there is still a long journey ahead to achieving economic inclusion and social justice for Indigenous Peoples.
2. **Energy and the environment:** Financial institutions should play a critical role in enabling the transition to a clean, resilient, and affordable economy that helps tackle the climate crisis by financing clean energy, clean transportation, energy efficiency, and green building projects.
3. **Affordable housing and impact real estate:** Vancity aims to help develop affordable housing, including solutions targeted to underhoused groups and individuals.

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4. **Financial inclusion:** At Vancity we are committed to removing financial barriers that stem from systemic exclusion and inequalities that affect women, Indigenous, Black, and people of colour, newcomers and refugees, 2SLGBTQIA+, and people living with visible and invisible disabilities.
5. **Social enterprise and social venture:** Vancity is interested in supporting values-aligned organizations with missions focused on social, environmental, economic, or cultural impacts.
6. **Co-operatives and labour unions:** At Vancity we welcome the opportunity to work with organizations that value co-operative principles and practices in an effort to strengthen community resilience and stand against all forms of social and economic exclusion.

Vancity's Sustainable Bearer Deposit Notes program.

Bearer Deposit Notes (BDNs) are used as a short-term funding instrument within the capital markets. BDNs, also known as commercial paper, are used for short-term borrowing, often referred to as money market funding, and typically obtained for maturities of less than one year. Short-term borrowings are generally a cheaper source of funds for a financial institution since investors demand a higher yield or credit spread for their longer-term investments.

In September 2023, Vancity launched the Sustainable BDN program with an issuance in the form of depository notes in book entry form. The proceeds are used to finance or re-finance investments that meet green and/or social criteria as defined by Vancity's Sustainability Issuance Framework.

The issuance was the first of its kind by a Canadian community credit union using proceeds raised from BDNs to finance sustainability initiatives.

The maximum principal amount of short-term BDNs authorized to be outstanding as of the date on which any notes are issued shall not exceed three per cent of Vancity's total assets of such date.

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Sustainability Issuance Framework summary.

Vancity prepared a Sustainability Issuance Framework in line with the Green Bond Principles (2021), Social Bond Principles (2021) and Sustainability Bond Guidelines (2021) developed by the International Capital Market Association (ICMA) as well as the Green Loan Principles (2021) and Social Loan Principles (2021) developed by the Loan Syndications and Trading Associations (LSTA), Loan Markets Association (LMA), and Asia Pacific Loan Market Association (APLMA). The framework is subject to ongoing review with the next revision expected in 2026.

Use of proceeds.

Vancity intends to allocate an amount equal to the net proceeds of each green, social, or sustainable instrument to finance and/or re-finance, in part or in full, expenditures or investments. These are collectively the Eligible Assets that meet the eligibility criteria specified within each of the green and social categories defined. The Eligible Criteria is based on priorities set forth in the United Nations Sustainable Development Goals (UN SDGs) and reflect Vancity's internal impact lending guidelines.

For more information, see [Sustainability Issuance Framework](#).

Green categories	SDG alignment
Green buildings Buildings that meet or exceed recognized energy efficiency buildings standards, improved primary energy performance, or greenhouse gas (GHG) emission intensity reduction $\geq 30\%$ compared to pre-renovation.	
Clean energy Development, manufacturing, construction, acquisition, operation, transmission, distribution, and maintenance of renewable energy assets.	
Energy efficiency Activities that increase energy efficiency and/or reduce energy consumption or GHG emission intensity.	
Clean transportation Electric vehicles (EV) or EV charging stations.	 

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Social categories

SDG alignment

Indigenous communities & businesses

Indigenous Peoples or government and/or majority owned enterprises by said government or Indigenous individuals.



Women owned/controlled business

Businesses that are at least majority (51%) owned and operated by women; or where ownership or operations are not majority women then, $\geq 50\%$ owned by women; and has ≥ 1 woman as CEO/COO/CFO/President/Vice President or any other executive leadership.



Affordable housing

Housing including shelters, transitional housing, supportive housing, subsidized rentals/home ownership and other below market rental housing or affordable home ownership that meets accredited or registered affordable housing definitions and contributes to access for low- and moderate-income individuals or families.



Access to financial services or Socioeconomic advancement

Expanding access to financial services to unbanked and underserved individuals, small businesses, and not for profits that serve or are in target populations.



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Proceeds management and reporting

Process for project evaluation and selection: The Sustainability Issuance Committee meets at least twice annually for appropriate governance of this framework. The Committee is responsible for amendments to the Framework, selection, and monitoring of the pool of Eligible Assets, and reporting.

Exclusionary criteria: Issuances made under this Framework will not knowingly be allocated to any business or project in support of the following excluded activities: fossil fuels, tobacco, alcohol, weapons, gambling, and adult entertainment.

Management of proceeds: Vancity intends to allocate the net proceeds according to the Eligible Criteria to financings made in the 36 months preceding or following each Sustainability Issuance. Proceeds must be fully allocated prior to the maturity date of an issuance. We maintain a sustainable issuance register to ensure that eligible assets are greater than or equal to the aggregate amount of the outstanding issuances.

Allocation and impact reporting: Vancity reports on the use of proceeds allocation annually on its website until the proceeds of any outstanding sustainable financing instrument are fully allocated. Quantitative indicators are included. Vancity also reports on relevant environmental and social impacts of financed and/or refinanced assets where feasible and subject to confidentiality considerations.

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Allocation.

2025 Issuances.

Table 1. Allocation

Allocation reporting	Unit	2025	2024	2023 ⁶
Net proceeds raised through issuance ¹	\$	278,860,080 [◆]	199,373,850	196,719,550
Amount allocated in aggregate ²	\$	278,887,936 [◆]	199,446,363	197,739,273
Balance of unallocated proceeds ³	\$	0 [◆]	0	0
Share of proceeds used for financing versus refinancing ⁴	%	1 ⁵ [◆]	4 ⁵	15

◆ = 2025 data has been assured by KPMG LLP. See KPMG LLP's independent practitioner's limited assurance report page 13.

1 The net proceeds are the face value amount minus discounts, fees, and commissions.

2 We allocate an amount equal to the net proceeds of each issuance to finance and/or refinance assets that meet the Framework green and social criteria. Given that eligible loan balances will rarely add up precisely to net proceeds raised, our approach is to allocate an amount equal to or greater than net proceeds raised.

3 Proceeds must be allocated in full prior to maturity. As BDNs are short-term instruments, proceeds will typically be allocated in full at the time of issuance.

4 The share of proceeds used for financing versus refinancing is calculated as the percentage of the total amount of BDNs used for financing divided by the total amount of BDNs issued. An asset is considered financed if it was funded on or after the date of an issuance and refinanced if funded within the 36 months before the date of an issuance. As BDN notes are "rolled" during the reporting period, issuances may shift the proportion of the issuance from refinancing to financing or vice versa.

5 In 2024, the weighted average date of issuance of the BDNs was one month later than in 2023, moving it from November 17 to December 16. As a result, a larger portion of the issuances went to refinancing in 2024 than in 2023. The weighted average date of issuance for 2025 was December 13, keeping the portion of issuances used for financing low.

6 In 2023, figures included all BDNs, whereas 2024 figures include only BDNs outstanding as at December 31, 2024.

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Table 2. Issuance summary, December 31, 2025

Face value	Discounts	Commissions	Net proceeds
Face value of outstanding Sustainable BDNs as at December 31, 2025	Total discounts on Sustainable BDNs outstanding as at December 31, 2025	Total commissions on Sustainable BDNs outstanding as at December 31, 2025	Face value less discounts and commissions
\$280,000,000	\$1,120,620	\$19,300	\$278,860,080

Table 3. Detailed issuance listing, December 31, 2025

Cusip number	Issuance date	Maturity date	Original face value	Remaining face value	Discount	Commission	Net proceeds
92157SPE0	15-Dec-25	13-Feb-26	20,000,000	20,000,000	91,600	1,600	19,906,800
92157SNT9	22-Dec-25	26-Jan-26	8,000,000	8,000,000	21,600	320	7,978,080
92157SNU6	19-Dec-25	27-Jan-26	20,000,000	20,000,000	60,000	1,200	19,938,800
92157SNL6	19-Nov-25	19-Jan-26	10,000,000	10,000,000	46,200	900	9,952,900
92157SN85	25-Nov-25	08-Jan-26	20,000,000	20,000,000	66,600	1,200	19,932,200
92157SNQ5-1	22-Dec-25	23-Jan-26	15,000,000	15,000,000	37,050	600	14,962,350
92157SNN2_1	21-Nov-25	21-Jan-26	5,000,000	5,000,000	23,050	400	4,976,550
92157NN948	12-Dec-25	09-Jan-26	20,000,000	20,000,000	42,800	800	19,956,400
92157SNH5	16-Dec-25	16-Jan-26	20,000,000	20,000,000	47,800	800	19,951,400
92157SPL4	19-Dec-25	19-Feb-26	20,000,000	20,000,000	95,400	1,600	19,903,000
92157SNP7	18-Dec-25	22-Jan-26	10,000,000	10,000,000	27,000	400	9,972,600
92157SNN2	20-Nov-25	21-Jan-26	20,000,000	20,000,000	94,000	1,600	19,904,400
92157SNX0	30-Dec-25	30-Jan-26	20,000,000	20,000,000	47,800	800	19,951,400

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Cusip number	Issuance date	Maturity date	Original face value	Remaining face value	Discount	Commission	Net proceeds
92157SNV4	29-Dec-25	28-Jan-26	12,000,000	12,000,000	27,720	480	11,971,800
92157SNQ5	19-Dec-25	23-Jan-26	10,000,000	10,000,000	27,000	400	9,972,600
92157SNM4	11-Dec-25	20-Jan-26	20,000,000	20,000,000	61,200	1,000	19,937,800
92157SSM9	17-Dec-25	20-May-26	20,000,000	20,000,000	235,200	4,000	19,760,800
92157SQK5	18-Dec-25	18-Mar-26	10,000,000	10,000,000	68,600	1,200	9,930,200
				\$280,000,000	\$1,120,620	\$19,300	\$278,860,080

These are the issuances as at December 31, 2025, however since the reporting date many of these BDNs will have rolled again.

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Sustainability issuance impacts.

Table 4. Green categories

Green categories	Unit	2025	2024	2023
Green buildings				
Portfolio balance	\$	122,890,999	129,083,529	129,800,229
Loans	#	37	86	72
Square feet financed	Ft ²	287,957	302,683	345,026
Clean energy				
Portfolio balance	\$	15,606,809	21,933,338	20,676,413
Loans	#	5	1	2
Energy efficiency				
Portfolio balance	\$	11,945,265	16,480,074	13,437,232
Loans	#	65	4	1
Clean transportation				
Portfolio balance	\$	4,971,231	728,729	221,818
Loans	#	131	5	3

Table 5. Social categories

Social categories	Unit	2025	2024	2023
Socioeconomic advancement				
Portfolio balance	\$	37,512,597	31,220,693	17,286,252
Loans	#	13	9	2
Women-owned business				
Portfolio balance	\$	265,750	0	9,989,405
Loans	#	6	0	66

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Social categories	Unit	2025	2024	2023
Indigenous communities & businesses				
Portfolio balance loans	\$	6,427,609	0	6,327,925
Loans	#	10	0	12
Affordable housing				
Portfolio balance	\$	79,267,676	0	0
Loans	#	43	0	0
Number of affordable units	#	1,084	0	0

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Assurance.

KPMG LLP’s independent practitioner’s limited assurance report.

To the Board of Directors of Vancouver City Savings Credit Union

We have undertaken a limited assurance engagement on certain performance metrics of Vancouver City Savings Credit Union (“Vancity”) included in the accompanying Sustainability Issuance Report (the “Report”), for the year ended December 31, 2025.

The scope of our limited assurance engagement, as agreed with management, comprises the following performance metrics (collectively, the “subject matter information”) and criteria:

Subject matter information	Amount and unit	Criteria
Net proceeds raised through issuance	\$278,860,080	Internally developed
Amount allocated in aggregate	\$278,887,936	
Balance of unallocated proceeds	\$0	
Share of proceeds used for financing versus refinancing	1%	

The subject matter information is denoted by the symbol **◆** in the Report.

Other than as described in the preceding paragraph, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

There are no mandatory requirements for the preparation or presentation of the subject matter information. As such, Vancity has applied internally developed criteria in relation to the subject matter information. The criteria are further described on page 5 of the Report (“applicable criteria”).

Management’s responsibility

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error. This responsibility includes determining Vancity’s objectives in respect of sustainability performance and reporting, identifying stakeholders and material issues, and selecting or developing appropriate criteria.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the subject matter information based on the procedures we have performed and the evidence we have obtained. We

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conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (“CSAE”) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our engagement to obtain limited assurance about whether the subject matter information is free from material misstatement.

A limited assurance engagement involves assessing the suitability of the criteria used by Vancity in preparing the subject matter information in the circumstances of the engagement, assessing the risks of material misstatement, whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances.

We exercised professional judgment and maintained professional skepticism throughout the engagement. Our procedures were designed and performed to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. In carrying out our engagement, we:

- Evaluated the suitability of Vancity’s use of the criteria, as the basis for preparing the subject matter information in the circumstances;
- Through inquiries, obtained an understanding of Vancity’s control environment, processes and systems relevant to the preparation of the subject matter information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether Vancity’s methods for developing estimates are appropriate and had been consistently

applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Vancity’s estimates;

- Inspected a limited number of items to or from supporting records, as appropriate;
- Performed analytical procedures by comparing the expected figures to actual figures and made inquiries of management to obtain explanations for any significant differences we identified; and
- Considered the presentation and disclosure of the subject matter information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

We have complied with the independence and other ethical requirements of relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

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The firm applies Canadian Standard on *Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Significant inherent limitations

Historical non-financial information, such as that contained in the Report, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time. It is important to read Vancity's reporting methodology presented on page 5 of the Report.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that Vancity's subject matter information for the year ended December 31, 2025, is not prepared, in all material respects, in accordance with the applicable criteria.

Our conclusion on the subject matter information does not extend to any other information, reports or documents that accompany, are presented with, or contain the subject matter information and our assurance report.

Restriction on use

Our report is intended solely for use by the Vancouver City Savings Credit Union for the purpose(s) set out in our engagement agreement. Our report may not be suitable for any other purpose and is not intended for use or reliance by any third parties. While KPMG LLP acknowledges that disclosure of our report may be made, in full, by the Vancouver City Savings Credit Union in the Sustainability Issuance Report, KPMG LLP does not assume or accept any responsibility or liability to any third party in connection with the disclosure of our report.



Chartered Professional Accountants
Vancouver, Canada
April 30, 2026