



Climate Disclosure 2025

coastcapital



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Coast Capital acknowledges that we live and work on the traditional and ancestral homelands of Indigenous People and Nations across Canada, each with their own unique traditions, history and culture. Our headquarters stand on the traditional territory of the Semiahmoo, Tsawwassen, Kwantlen, Katzie, the Kwikwetlem, and the Qayqayt First Nations. We are committed to strengthening relationships with Indigenous communities and the journey of reconciliation in alignment with the Truth and Reconciliation Commission's 94 Calls to Action.



Forward-Looking Statements and Notice

The Climate Disclosure (this report) dated March 31, 2026 contains forward-looking statements including, but not limited to, statements relating to Coast Capital Savings Federal Credit Union's (Coast Capital, we, us or our) strategic initiatives, climate-related objectives, vision, goals, metrics and targets, including our interim emissions reduction targets (interim targets), our interim targets covering additional sectors in the future, our plan to review and revise our initial interim targets as appropriate, our support for the transition to a net-zero economy, our commitments to help our clients transition to net-zero and our acknowledgement that the transition to a net-zero economy will require unprecedented cooperation, action, and collaboration from many parties. Forward-looking statements are typically identified by words such as "expect" and by future or conditional tense, such as "will" or "would".

The forward-looking statements require us to make assumptions and are subject to risks and uncertainties which include the possibilities that our predictions, forecasts, projections, expectations, or conclusions will not prove to be accurate, that our assumptions may not be correct and that our objectives, vision, commitments, goals, targets and strategies to mitigate and adapt to climate-related risks and opportunities will not be achieved. Moreover, many of the assumptions, standards, metrics and measurements used in preparing this report continue to evolve and are based on assumptions believed to be reasonable at the time of preparation but should not be considered guarantees.

Readers should give careful consideration to these issues and not place undue reliance on our forward-looking statements. Our actual results may differ materially from the expectations expressed in our statements due to factors which are beyond our control and cannot be predicted in advance, including but not limited to: the need for more and better climate data and standardization of climate related measurement methodologies; our ability to gather and verify data; our ability to successfully implement various initiatives throughout our enterprise under expected time frames; the risk that initiatives will not be completed within a specified period or at all or with the results or outcomes as originally expected or anticipated by us; the compliance of various third parties with our policies and procedures and their commitment to us; the need for active and continuing participation and action of various stakeholders (including governmental and non-governmental organizations, other financial institutions, businesses and individuals); technological advancements; the evolution of consumer behaviour; varying decarbonization efforts across economies; the need for thoughtful climate policies around the world; the challenges of balancing emission reduction targets with an orderly, inclusive and equitable transition and geopolitical factors that impact global energy needs; the legal and regulatory environment; and regulatory compliance considerations.

This report is presented for the purpose of assisting our stakeholders in understanding the ways we intend to address climate-related governance, strategy, risks, opportunities, metrics and targets, and may not be appropriate for other purposes.

For further clarity, this report is provided solely for informational purposes, and is not intended to provide investment, financial, legal, accounting, tax or other advice, and such information should not be relied on or acted upon for providing such advice. Many of the assumptions, estimates, judgments, standards, methodologies, scenarios, metrics and measurements used in preparing this report continue to evolve and may differ significantly from those used by other companies and those that may be used by us in the future. Each reader is solely liable for any use of the information contained in this report, whether forward-looking or based on assumptions, estimates, judgments, standards, methodologies, scenarios, metrics or measurements, and neither we nor any of our affiliates nor any of our respective directors, officers, employees or agents shall be held responsible for any direct or indirect damages arising from the use of this report by the reader.

The foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results and the information in this report. Coast Capital does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

This report and the information contained in it is unaudited. This report provides a summary of our progress in advancing how we manage climate-related risks and opportunities in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework, now incorporated into the International Sustainability Standards Board (ISSB) standards and aligned with the Office of the



Superintendent of Financial Institutions (OSFI) B-15 Climate Risk Management Guideline. This report includes voluntary and regulatory disclosures on sustainability and greenhouse gas emissions and targets, climate-related opportunities, activities and risks, governance, strategy, risk management and metrics and targets that are intended to provide information from a different perspective and in more detail than is required to be included in Coast Capital's mandatory regulatory disclosure. While certain matters discussed in this report may be of interest and importance to our stakeholders, the use of the terms "material", "significant" or similar words or phrases should not be read as necessarily rising to the level of materiality used for the purposes of Canadian securities, financial or other laws and regulations.

Any third-party information contained in this report or otherwise used to derive information in this report is believed to be reasonable and reliable, but no representation or warranty is made as to the quality, completeness, accuracy, fitness for a particular purpose or non-infringement of such information. Specifically, the methodologies utilized to measure operational greenhouse gas emissions and financed emissions, set targets, and track future progress against these targets use emissions information and estimates that have been derived from third party sources, which Coast Capital believes to be reasonable. Further, in the absence of counterparty specific emissions data, some financed emissions will be estimated

using the best information available, including that provided by third-party sources. In no event shall Coast Capital nor any of its affiliates nor any of their respective directors, officers, employees or agents be liable (whether in contract, tort, equity or otherwise) for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, such information contained herein. Certain third-party information, such as Scope 3 emissions and emissions factors, may change over time as methodologies evolve and are refined. These inherent weaknesses with current methodologies, and other factors could cause results to differ materially from those expressed in the estimates and beliefs made by third parties and by Coast Capital. While we are not aware of any misstatements regarding the industry, company or market data presented in this report, such data and estimates involve important uncertainties, risks, and assumptions and are subject to change based on various factors.

This report is provided solely for informational purposes. Nothing in this report shall form the basis of or be relied upon in connection with any contract, commitment, or investment decision whatsoever.

All data and examples in this report reflect activities undertaken during fiscal years 2022, 2023, 2024 and 2025, unless otherwise noted. All amounts in this document are in Canadian dollars unless otherwise noted.





Introduction: Our Path Forward on Climate Action

Coast Capital's social purpose—*Building Better Futures Together*—is focused on unlocking financial opportunities and growing incomes to positively impact people and communities across Canada.

As climate change continues to pose a serious and escalating threat to Canadians from coast to coast, we recognize that building a better future depends on the steps we take now to help ensure a resilient and healthy planet. Our purpose means we need to do our part to address climate change and protect communities, businesses, and the opportunities they rely on. Coast Capital's commitment to growing financial well-being includes supporting an inclusive and equitable transition to a low-carbon economy.

Climate change is impacting the financial and overall resilience of people and communities in Canada. As extreme weather and other climate risks become more frequent and severe, individuals and communities face increasing risks to their homes and livelihoods. 2025 was the second-worst wildfire season in Canadian history with more than 6,000 wildfires in Canada impacting nearly every province and territory, with forced evacuations of more than 85,000 people.⁽¹⁾ Without financial resilience, climate shocks often escalate into economic crises, leaving households and businesses vulnerable.

We believe that climate resilience supports financial resilience and climate change is not just an environmental issue, it's a people issue. Aligning financial well-being with climate action creates a future that is both economically and environmentally sustainable. Communities and

individuals with strong financial foundations—such as having an emergency savings, access to credit, and financial literacy—are better equipped to prepare for, withstand, and recover from climate-related disruptions like floods, wildfires and heatwaves.

Climate Resilience Supports Financial Resilience

In 2024, insured losses for severe weather events in Canada nearly tripled, reaching a new high of more than \$9 billion, according to the Insurance Bureau of Canada.⁽²⁾ People in British Columbia (BC) are disproportionately impacted by extreme weather compared to other parts of Canada, with a 2023 study showing 31.6 per cent of households reporting being personally affected by extreme weather in the one to two years prior, compared to a national average of 20.7 per cent.⁽³⁾ Regions with both high indebtedness and high exposure to national disasters hold 39 per cent of Canadian household debt, according to research by the Bank of Canada. These households are mainly located in BC and Ontario, where larger household debt burdens are linked to elevated housing prices.⁽⁴⁾

As a federal credit union, we are regulated by the Office of the Superintendent of Financial Institutions (OSFI). In 2025, OSFI updated its *Guideline B-15: Climate Risk Management* that sets clear expectations for how financial institutions should manage and disclose their climate risks. In the appendix of this report, we have included index tables that provide page numbers corresponding to OSFI B-15 requirements, which are aligned with the International Sustainability Standards Board's (ISSB) voluntary, International Financial Reporting Standards (IFRS) S2.

Over the past several years, we've made significant progress in our climate work, especially in measuring and understanding the impacts of climate change on our organization, members, and communities. We have voluntarily published three climate disclosures to date, well before regulatory requirements came into effect, demonstrating our commitment to accountability and transparency. This proactive approach has allowed us to steadily build the capabilities and capacity to identify, assess and prepare to respond to climate-related risks and opportunities. As a result, we are well-positioned to meet the new regulatory expectations in a structured and considered way, without unnecessary burden (see **Chart 1**).

(1) [Government of Canada provides update on 2025 wildfires as support continues – Canada.ca.](#)

(2) [2024-summer-of-catastrophe-across-canada.pdf.](#)

(3) [Climate Change Intelligence Memo | Financial Resilience Institute, 2023.](#)

(4) [Household financial vulnerabilities and physical climate risks – Bank of Canada, 2021.](#)



To make real progress on climate change, we need to collaborate with, partner with, and learn from others, including our members and industry partners. This year, we prioritized partnerships that align with our goals for sector-wide impact, and where Coast Capital can bring a unique perspective. This included engaging with the Canadian Bankers Association, the Canadian Credit Union Association, and the Partnership for Carbon Accounting Financials (PCAF). Through these partnerships, we exchanged ideas, contributed best practices from our own learnings, and deepened our engagement with peers and advisors across the financial sector.

We recertified as a B Corporation™ in 2025, achieving an overall B Impact Score of 121.9, representing a 21 per cent increase in that score since we were first certified in 2018. This reflects our continued focus on meeting high standards of performance, accountability and transparency across our organization.

In this report, we outline our approach to managing climate-related risks, employee education initiatives, industry engagement and partnerships. We are looking forward to working with our employees, members and our communities to continue to build a better future together.

In 2025, members of Coast Capital voted to merge with Prospera and Sunshine Coast credit unions. Our climate journey will continue to evolve as we move towards our planned amalgamation to form Canada's largest national purpose-driven credit union. Following the merger, we plan to work to unify our collective approach to meet OSFI's climate risk guidance, integrating our climate-related initiatives. As we shape the next phase of our work, the three organizations intend to come together to better understand stakeholders' needs across the combined credit union and chart a cohesive path forward.





Chart 1: Timeline of Coast Capital's Climate Journey

Progress to Date

2021 and prior	- Measured operational emissions internally - Joined as signatory to the Net-Zero Banking Alliance (NZBA)
2022	- Undertook Climate Maturity Assessment in alignment with the Taskforce for Climate-related Disclosure (TCFD) Framework - Joined PCAF - Initiated tracking of emissions for residential mortgages, commercial real estate, and business lending - Formed an internal climate action working group
2023	- Included TCFD-aligned reporting in our 2022 Annual Report - Published first Climate Disclosure aligned to NZBA guidelines, with Scope 1, 2 and financed emissions reporting - Developed an interim (2030) target for our residential mortgage portfolio
2024	- Published second Climate Disclosure report, aligned with the TCFD framework - Expanded upon our financed emissions by including our liquidity investment portfolio - Finalized Coast Capital's climate target operating model - Developed an implementation plan to help Coast Capital identify and address gaps to meeting its target-state - Initiated development of a climate transition plan - Revised the climate action working group membership to align with the climate target operating model - Completed OSFI's Standardized Climate Scenario Exercise (SCSE)
2025	- Performed internal climate scenario analysis - Published our third Climate Disclosure report - Completed an initial screening of our Scope 3 non-financed emissions to understand the emissions categories that are most material - Developed initial draft of internal climate transition plan (phase 1) - Launched Coast Capital's employee "Climate Change 101" education module - Launched internal climate action resource hub for employees - Approved Coast Capital's updated climate operating model

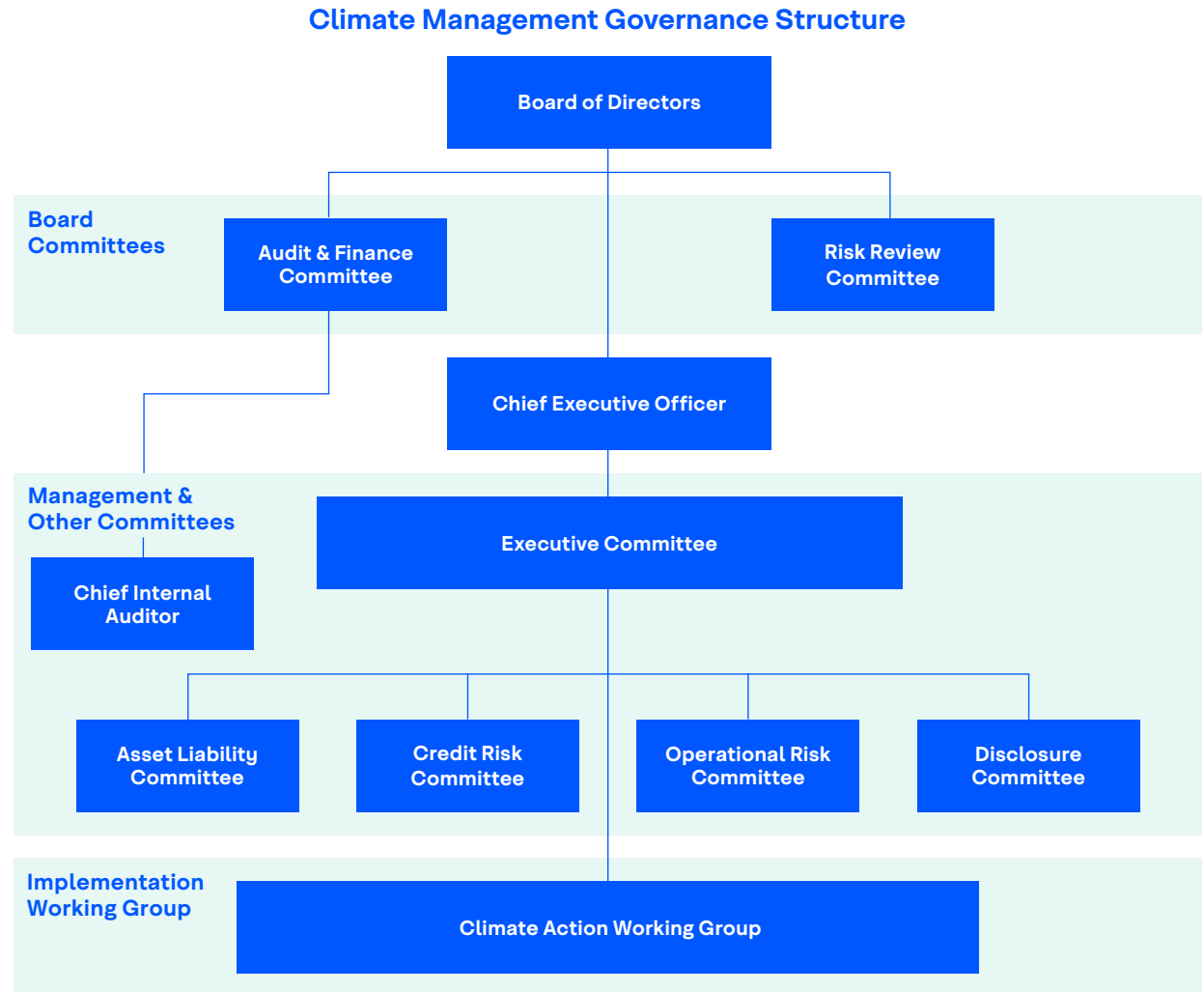


Governance

At Coast Capital, we recognize that strong climate leadership is essential to managing climate-related risks and building long-term resilience.

Our climate governance structure is set out in our climate operating model, updated in 2025 to reflect our current state, and captures our approach to meeting regulatory requirements (OSFI B-15), our ongoing goal to achieve net zero by 2050, and management of climate-related risks and opportunities (**Figure 1**).

Figure 1: Climate Management Governance Structure





Board of Directors Oversight

Coast Capital has governance structures in place for managing all types of risk, including climate risk. Our enterprise-wide approach to governance is detailed in our [2025 Annual Report](#). Climate risk oversight is top-down, with ultimate responsibility sitting with the Board of Directors. The board delegates aspects of this oversight to its Audit and Finance Committee and Risk Review Committee, which provides focused review and guidance on climate-related risks, disclosures and integration into our risk management framework. Climate risk is integrated into our risk appetite statement and thereby reflected in our overall strategic planning and business model decisions. The board guides, reviews and approves the business model and strategy in line with our risk appetite statement and approves all climate-related disclosures (**Table 1**).

As reported in previous climate disclosures, our Board of Directors has continued to strengthen its climate knowledge and understanding of climate-related issues by participating in courses and webinars. We continue to review regulatory changes and best practices and to provide the board with climate updates and resources to help ensure the board members maintain the skills and competencies necessary to effectively oversee our climate program.



Table 1: Board Committee Climate-related Responsibilities

Board Committee	Key Responsibilities
Audit and Finance Committee	Support the board in reviewing significant climate-related disclosures and ensure management's adherence to financial disclosure principles.
Risk Review Committee	Oversee the identification, measurement and monitoring of climate-related risks affecting Coast Capital's strategy and business activities, while ensuring the board fulfills its compliance responsibilities under OSFI's B-15 Guideline and other emerging regulatory standards.



Management Accountability

Our management committees are responsible for executing board decisions relating to climate strategy and the assessment and management of climate-related risks. This aligns with our enterprise-wide approach (**Table 2**).

Table 2: Management Climate-related Responsibilities

Management Committee	Key Responsibilities
Executive Committee	Oversee implementation of climate-related risk and opportunity management, including approval of the climate operating model, oversight of the climate transition plan, assessment of impacts on the business model and financial performance, and alignment with divisional strategies, the climate-related risk appetite statement, and resourcing.
Asset and Liability Committee	Oversee Coast Capital's financial risk management including funding, liquidity and capital management, while considering climate risk implications and the climate-related risk appetite statement.
Credit Risk Committee	Oversee Coast Capital's credit risk management considering its climate-related risk appetite statement, including concentration and default risks arising from climate-related factors.
Operational Risk Committee	Oversee the identification and management of climate-related issues, risks and internal controls across Coast Capital, and monitor adherence to the climate-related risk appetite statement.
Disclosure Committee	Monitor and ensure climate-related disclosures align with OSFI Guideline B-15 financial disclosure principles, including consistency, relevance, clarity, reliability and proportionality.
Climate Action Working Group	Coordinate enterprise-wide climate action in line with the climate operating model, including resource planning and capability building, and support consistent management of climate-related risks by ensuring alignment between divisional plans, the climate-related risk appetite statement, risk appetite metrics and the climate transition plan.



Our climate action working group was established to explicitly support the climate program and to help ensure coordinated execution of climate action across the organization. The social purpose office is responsible for helping establish climate-related targets with business lines, which are then approved by the Executive Committee. The social purpose office assists with monitoring progress against those targets, with support from the climate action working group and key business lines. Together, the social purpose office and the enterprise and operational risk team provide quarterly progress reports to the chief risk officer, chief commercial, retail and wealth officer and the chief product, marketing, and wealth officer. A semi-annual update is provided to Coast Capital's Executive Committee, with updates to the board as appropriate.

Incentives and Remuneration

To promote progress against our climate goals, we incorporated our B Corp score, which includes environmental and climate considerations, into the Long-Term Incentive Plan (LTIP) of our executive and strategic leadership team in 2025.

We intend to continue to explore opportunities into how we may factor climate-related considerations into remuneration moving forward.

Employee Spotlight

“As part of the climate action working group, I use my skills in quantitative risk analytics to translate complex climate data into clear, decision useful insights that support climate risk management, transparent disclosure and long-term resilience for our members and the communities we serve.”

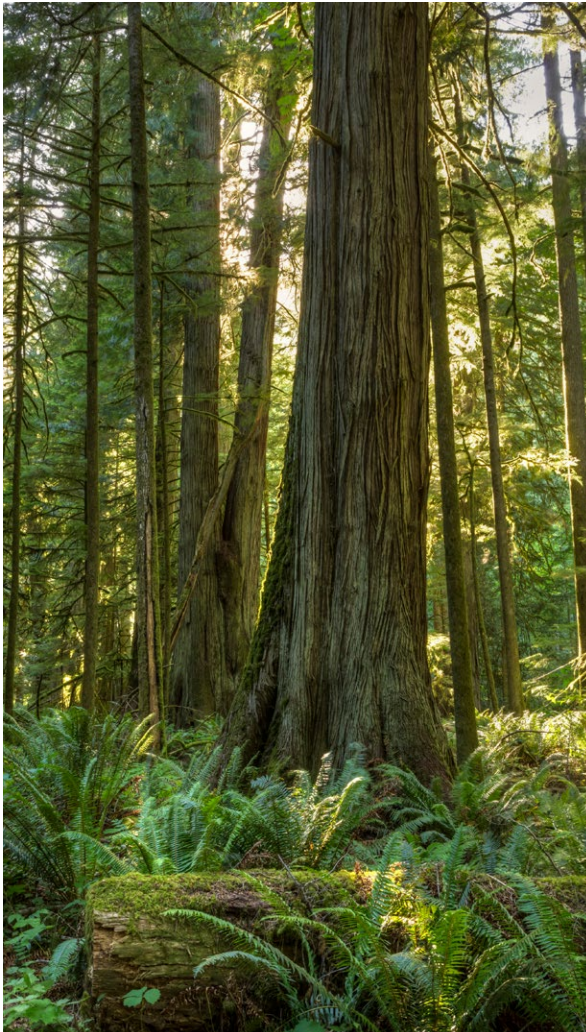
— Matthew Wang (he/him), Quantitative Risk Manager





Strategy

Rooted in our purpose to *Building Better Futures Together*, Coast Capital is committed to working toward a lower-emissions economy while supporting the financial well-being of people and businesses in Canada as they navigate the impacts of climate change. This includes addressing our own emissions, as well as working with our members and communities to advance their transition.



As a financial cooperative, purpose-driven organization and certified B Corp, we bring a unique perspective to climate action. Our ambition is to help Canadians build financial resilience while contributing to a healthier planet for our employees, members and communities. We focus on areas within our control, our operations and our portfolios, where we continue to identify opportunities to reduce greenhouse gas emissions and work toward our long-term goal of net zero by 2050 or sooner.

Understanding the climate-related risks and opportunities facing our business informs how we prioritize action across our operations, portfolios and partnerships, and supports our purpose-driven mandate to support the financial well-being of our members while contributing to the sustainability of the planet.

Climate-related Risks and Opportunities

In 2025, we deepened our understanding of the climate-related risks and opportunities we face directly, as well as those impacting our members and communities, and how these challenges are likely to evolve. The risks and opportunities faced by Coast Capital are outlined in **Table 3**.

Climate-related risks are uniquely uncertain and slow-moving and therefore require longer-term planning to capture the financial and strategic impact. We assess potential climate-related risks and opportunities across three distinct time horizons: short-term (one to two years), medium-term (three to five years) and long-term (5+ years). These time horizons align with our climate transition plan and our approach to risk management, helping us consider when climate impacts may materialize and how our response actions may differ over time.

Our understanding of climate-related risks and opportunities will continue to mature. We intend to build our scenario analysis capabilities to better understand expected impacts to our financial position and performance and expand our analysis to cover a greater range of physical and transition risk drivers.



Table 3: Climate-related Risks and Opportunities and Our Response

Risk/ Opportunity	TCFD Risk Category	Examples of Risks and Opportunities for Coast Capital	Impacts	Time Horizons
Physical risks	Acute	Increase in frequency and severity of certain extreme weather events, like flooding or wildfires in BC causing: • Direct damage to our office and branch locations • Damage to the collateral we accept from borrowers • Disruption to our members' operations	Disruption to Coast Capital's operations, including being unable to perform critical banking functions and/or employees being unable to get to work. Our response includes ensuring critical banking continuity functions are in place. Impacts to the financial position of borrowers and the value of collateral securing the credit union's loan. To understand these risks, we monitor flood and wildfire risk in our real estate portfolio, which is our largest asset class.	Medium- to long-term
	Chronic	Increase in damaging, long-term weather patterns (e.g. rising temperatures, sea level rise), causing: • Impacts on employee productivity, health, and morale • Changes to availability and price of insurance for real estate assets • Long-term impacts to members' business models in certain industries, e.g. agriculture, real estate	Borrowers in climate-affected sectors (e.g. real estate, construction, agriculture, tourism) may face: (1) declining revenues and higher default rates; (2) higher operating costs due to need for heating or cooling and higher insurance rates, resulting in increased credit risk. As part of our phased approach, we plan to assess appropriate methods to monitor these risks and explore how relevant climate risk factors could be incorporated into our credit assessment and portfolio monitoring processes over time.	Long-term
Transition risks	Policy and legal	Regulatory compliance costs, and risks associated with failure to comply with changes in regulations, including climate-related regulations like OSFI's B-15 Guideline.	Emerging regulation creates the need for expanded skills, competencies and resource allocation, potentially increasing costs to maintain compliance. We continue to invest in upskilling and educating our employees to respond to these emerging regulations.	Short-term
	Reputation	Reputational risk that Coast Capital is not equipped to manage climate-related risks and lack of confidence in ability to meet climate-related goals.	Varying expectations from a broad stakeholders' group can pose a risk to our ability to succeed in achieving our purpose.	Short-, medium-, and long-term
	Financial risk – market risk	Climate change may impact the value of our investment portfolio as companies are impacted by climate change.	Climate change may lead to fluctuating market conditions such as deteriorating credit ratings or reduced yields. This may lead to adverse financial performance for those companies in our investment portfolio, and by extension, our own performance.	Medium-term
Opportunities	New products and services	Increased market for green loans for following mitigation/adaptation activities: home-energy retrofits, deconstruction, equipment upgrades, e.g. electric vehicles.	Designing product solutions to enable and empower community resilience is key to achieving our purpose. This is part of our strategic ambition and what we plan to be building out further as we develop our climate transition plan.	Medium-term
	Operational efficiencies	Retrofitting offices and branches with energy-efficient lighting, heating and cooling systems, and insulation, to achieve lower utility costs.	We have already started implementing actions to reduce the greenhouse gas emissions associated with our operations, and plan to continue to do so, supported by our broader climate transition plan and associated implementation strategy.	Short- to medium-term
	Partnerships and collaborations	Reaching net zero will require transformational change through collaborations and partnerships	Coast Capital can continue to build collaborations and partnership within and between industries, and with government and other stakeholders, pooling resources to scale and incentivize action.	Short-term



Co-operators/CUMIS Pilot Participation

Coast Capital took part in a climate risk evaluation initiative using a leading North American climate risk digital platform for weather and hazard scenario analysis. Tools that support scenario modelling and quantify the effects of extreme weather events play a critical role in defining data needs, guiding risk insight and strengthening climate risk management decisions.



Our Climate Priorities

Building on our understanding of climate-related risks and opportunities, Coast Capital has defined clear priorities to guide our response and long-term transition. These priorities reflect our commitment to supporting members and communities through an inclusive and equitable shift to a low-carbon economy in alignment with our purpose.

Each of our four priorities reflects our ambition and helps to address risks and opportunities identified:

- **Reducing greenhouse gas emissions to achieve net zero by 2050 or sooner** means working cross-functionally to actively manage emissions across our operations, lending, and investment portfolios.
- **Leveraging and adapting products and services** helps members build financial resilience in a changing climate. By evolving our offerings, we can support members in managing climate-related risks and seizing opportunities for sustainable growth.
- **Investing in climate adaptation and resilience** strengthens the communities we serve and protects long-term economic stability. These investments can help mitigate physical risks and enable a more secure future for our members.
- **Supporting an inclusive and equitable transition** reflects our cooperative values and purpose by supporting climate action that is accessible and fair.

These priorities guided the initial development of our climate transition plan (phase 1), our first step toward developing a roadmap for reducing emissions, strengthening climate resilience, and aligning with our ambition of achieving net zero by 2050.

Our climate priorities are as follows:



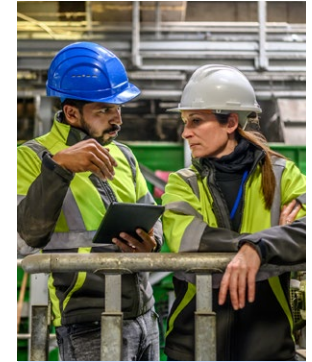
Reducing
greenhouse
gas emissions
to achieve
net zero
by 2050
or sooner



Leveraging
and adapting
products and
services to
support the
transition to a
low-carbon,
climate-resilient
economy



Investing
in climate
adaptation
and resilience



Supporting
an inclusive
and equitable
transition



Climate Transition Plan

Climate transition planning refers to the process of developing and implementing initiatives and programs, aligned with the organization's broader business plan and strategy, that guides actions to manage increasing physical risks from climate change, and the risks associated with the transition towards a low-carbon economy.⁽⁵⁾

Our climate strategy is guided by two pillars: our **climate operating model**, which promotes effective governance and compliance with OSFI's B-15 Guideline, and our **climate transition plan**, which starts to set out our long-term direction.

In 2025, we refined our climate operating model and developed our climate transition plan (phase 1). This initial phase is intentionally high level and serves as the foundation for climate-related considerations. It focuses on building systems and capabilities, improving data quality, and through its development, has helped us identify potential opportunities that support our goals. Future iterations are expected to expand and integrate climate actions into our broader corporate strategy.

Building on last year's climate disclosure, we continued to identify actions that support decarbonization in our residential mortgage portfolio, the most material lending asset class for our business, while working towards our net-zero goal. Our near-term focus continues to be on increasing the quality, accuracy and transparency of greenhouse gas emissions reporting for our lending and investment portfolios. Current estimates rely on regional and sectoral data to estimate emissions and therefore are subject to a large degree of estimation uncertainty. To address this, we continue to be a member of the PCAF, take part in its user groups to advance data and methodologies, and continue to focus on our data improvement plan.

Achieving meaningful emissions reductions in our financing activities depends not just on our actions, but on the actions of our members and the broader operating, regulatory and policy environment. We actively collaborate with industry and local community partners to advance best practices and to support real-economy decarbonization. We discuss our approach to partnerships and collaboration below.

Future iterations of the climate transition plan are expected to evolve as we refine data and methodologies, ensuring our approach remains credible, actionable and aligned with science-based targets.

Net-Zero Banking Alliance (NZBA)

Coast Capital became a signatory of NZBA in 2021 and remained an active member until October 2025, when NZBA transitioned from a membership organization to a guidance and framework provider. We are grateful for NZBA's leadership and valuable resources and global collaborative platform it provided. Our participation informed our climate approach and strengthened the foundation for the actions we are taking today.

Although the NZBA no longer operates as a membership body, we continue to leverage its resources where relevant and appropriate as we evolve our approach to a lower-carbon economy. We remain engaged with working groups that support climate risk management and transition planning. Our focus is to align with regulatory expectations, integrate climate considerations into our operations and contribute to the transition to a resilient, lower-carbon economy.

Our implementation approach considers not only our own operations and employees, but also how we support our members and the communities we serve (**Table 4**).

(5) [Climate Risk Management – Office of the Superintendent of Financial Institutions](#).



Table 4: How we work with our employees, members, and community in the transition to net-zero

Our Operations and Our Employees

- Embedding climate considerations in our decisions
- Working to reduce our greenhouse gas emissions
- Managing our climate risks and opportunities
- Undertaking employee education and engagement

Supporting Our Members

- Offering to our members products and services that support climate goals
- Ongoing education and engagement with members

Supporting Our Community and Industry

- Investing in programs that support Canada's workforce to upskill and reskill for the low-carbon economy
- Supporting youth climate leadership and financial literacy
- Collaborating with industry to develop emerging sectors and to advance climate change solutions
- Partnering on financial sector initiatives to accelerate climate action to and lessen risk capital flow to circular business models

Our Operations and Employees

We remain committed—alongside other Canadian financial institutions—to supporting the transition to a low-carbon economy. While many drivers of decarbonization, such as government policy, market incentives and regulatory frameworks, sit outside our control, we continue to focus on the areas where we can meaningfully influence progress. This includes strengthening our greenhouse gas emissions measurement and disclosure practices, improving energy efficiency across our locations, and building partnerships that enable collective action. A significant focus this year was on educating and engaging employees in climate action.

Operational Carbon Footprint

As a financial cooperative, our operational emissions mainly come from energy use in our offices, branches, and fleet vehicles. Additional emissions occur across our value-chain, including purchased goods and services, business travel, water and waste. Because we are primarily based in BC where electricity is largely hydro powered, our operational emissions are lower than those of other financial institutions operating in provinces that are reliant on fossil fuels. Nevertheless, reducing our operational footprint remains a priority.

In 2025, we implemented energy efficiency measures, enhanced recycling programs, and continued to seek ways to minimize waste across our locations. These efforts complement our broader climate strategy and help mitigate climate impacts while supporting business resilience. Each step demonstrates what is possible, raises visibility across the organization, and provides confidence that progress is achievable. These efforts inspire continued engagement with our employees and reinforce our commitment to long-term climate action.

Improving Energy Efficiency in Our Branches

Energy audits undertaken in 2024 informed energy efficiency upgrades that were undertaken in 2025. These included heat pump replacements and LED lighting upgrades. These changes enabled discussion and increased knowledge-sharing across our facilities team, as well as strengthening interdepartmental engagement and fostering greater collaboration on energy efficiency initiatives across the organization.



Employee Spotlight

“I take pride in helping our branches stay resilient for the future. Upgrading to dimmable LED lighting, switching to more sustainable heating and cooling systems, and recyclable carpet floor tiles, although these may seem small, every small change adds up to a big impact over time for our employees, members, and communities.”

— David Dendaas (he/him), Manager Facilities

Reducing Waste in Our Offices and Branches

Our Waste Wise waste management policy educates staff on how they can help reduce Coast Capital's waste footprint. Sorting procedures are implemented at all Coast Capital branches and headquarters, with staff responsible for separating their own waste, organics and recycling in accordance with municipal bylaws.



Signage with Sustainable Materials at Colwood Branch

Partnering with suppliers that are environmentally aligned, provides opportunities to make a positive impact and support a reduction in emissions along our supply chain.

In 2025, Coast Capital's facilities department identified and partnered with a new supplier, to install signage developed from sustainable materials at our Colwood branch on Vancouver Island. Imperial Sign Corporation is the first signage manufacturer in North America to be Climate Smart certified in 2019 and carbon neutral certified in 2021. The project involved installing signs made with 100 per cent recycled acrylic and recycled aluminium sourced from Canada and the US wherever possible. Recycled acrylic has a 76 per cent lower carbon footprint than industry-standard virgin plastics, and North American aluminium has up to 80 per cent lower carbon footprint than overseas alternatives. This initiative saved approximately 9,700 lbs (or approximately 4.4 metric tons) in greenhouse gas emissions, which is the equivalent to taking one gas-powered vehicle off the road for a full year.

Supporting Employee Education and Engagement

Building climate literacy among employees is foundational to activating climate action and achieving our purpose. Through education and engagement, we aim to empower employees to play an active role in our climate journey.

Our cross-functional climate action working group is central to this effort. Scheduled to meet monthly, the group:

- Shares updates on climate initiatives across the organization
- Provides educational opportunities, including internal presentations and resources
- Acts as champions disseminating information throughout the organization

These efforts have strengthened climate awareness and understanding across the organization and will continue to evolve to deepen climate literacy. This is foundational as we extend engagement to members and communities in the future.

This year, to strengthen employees' awareness and understanding of climate risks and opportunities, we launched an internal climate e-learning module and a climate action resource hub which acts as a centralized destination for resources and climate updates and delivered an employee-focused climate action webinar.

To incentivize education and engagement on climate, we're planting the future—literally.

For every employee climate learning e-module completed, trees and kelp are planted across BC, through our partnership with veritree, a fellow B Corp and purpose-driven organization. Thanks to our employees' engagement, 2025 saw the planting of around 9,000 trees and kelp, which will help to restore marine ecosystems and wildfire-impacted lands in partnership with local First Nations communities.

Employees actively engage in professional and industry associations to expand knowledge, share best practices and build networks that support our climate and business objectives. In 2025, employees presented at or attended key conferences such as GLOBE Forum, United in Sustainability Summit and the Canadian Credit Union Association National Conference, and participated in climate-related learning opportunities such as webinars and the PCAF Academy.

Employees can also choose to upskill with more formal education through our Education Assistance Program, which provides support for external learning. This flexibility allows employees to strengthen their expertise in areas that advance our organizational capacity and climate priorities.



Our Members

Sustainable Products and Services

We believe that our co-operative exists to build better futures and to create meaningful impact for people and communities. By identifying ways we can leverage and adapt our products and services to support the transition to a low-carbon economy, we aim to help our members develop better resilience to climate risk and ultimately improve their financial well-being.

We continue to offer six [Sustainable Fund Investment](#) plan options managed and offered by Guardian Capital LP, each designed with environmental, social and governance (ESG) considerations. This provides investment opportunities that are rooted in sustainability and responsible growth.

To work towards moving our lending portfolios to align with pathways to net-zero, we intend to engage with our members and community to identify how we might leverage and adapt our products and services to help them thrive in a lower-carbon economy.



Canada Mortgage and Housing Corporation (CMHC) MLI Select

Since 2023, Coast Capital has offered the CMHC MLI Select, a multi-unit mortgage loan insurance product focused on building energy efficient housing that is resilient to climate change. MLI Select uses a point system to offer insurance incentives to borrowers based on affordability, energy efficiency and accessibility. The incentives include higher loan-to-value ratios, increased amortizations, lower debt coverage ratios and reduced premiums. Since launching this product in 2023, Coast Capital has authorized \$841 million in construction loans to 38 multi-family rental projects across Canada, which will result in the development of 1,873 units of more sustainable rental housing.

Affine Climate Solutions: Banking on Buildings Partnership

The Banking on Buildings Program is a national collaboration launched in 2025 by Affine Climate Solutions, a non-profit climate consultancy, to accelerate low-carbon, climate-resilient real estate through the financial sector. The program examines both the drivers and mechanisms linking real estate performance to loan performance and credit risk, building the business case and institutional capacity for scalable, market-based financing solutions. As one of the founding financial institution partners, Coast Capital is committed to deepening our understanding of the challenges and opportunities to support members in advancing climate-resilient real estate.

Our Communities

Purpose Partnerships for Community Resilience

As a purpose-driven organization, we are committed to investing in programs that support people and businesses in Canada. Upskilling and reskilling to the low-carbon economy involves providing workers with the necessary skills and training to contribute to a cleaner and more sustainable future. Within the construction sector, according to BuildForce Canada's [Building a Greener Future](#) report (2024), transitioning Canada's building stock toward net-zero could require approximately 57,000 additional construction workers by 2032, highlighting the growing demand for skilled labour in energy-efficient and climate-resilient building projects.

Upskilling: Facilitating learning opportunities that allow for career expansion and advancement through new skills and opportunities

Re-skilling: Facilitating learning opportunities outside the worker's current skillset, allowing for career change and advancement⁽⁶⁾

Our community investments include supporting students in gaining experience and entering the workforce as sustainability leaders, as well as as professionals wishing to upskill to support sustainable initiatives within their organization. We also look for opportunities to distribute Coursera licenses to environmentally focused not-for-profits, helping them offer education and training for their members and volunteers.

(6) [Academy for Sustainable Innovation.](#)



Other climate-related partnerships in 2025 included the Centre for Ocean Applied Sustainable Technologies (COAST) Blue Pathways Training Hub, BC Youth Climate Corps, Circular Economy Leadership Canada – Circular Finance in Canada Workstream 2.0 Project, and Light House – Building Material Exchange Program.

Pacific Institute Climate Solutions (PICS)

Coast Capital supported the PICS Climate Internship Program, which connected 24 students with a community organization to gain valuable early career experience on climate projects, advance their climate leadership skills and make tangible impact, while supporting a diversity of organizations in achieving their climate goals.

“This internship has confirmed my passion for working in the climate space. I now feel equipped to share knowledge and drive meaningful climate action beyond this role, and I’m excited to carry forward the wide range of skills I developed at Coast Capital.”

— Ruby Harris (she/her), 2025 PICS Climate Intern



Leading Change Canada

Coast Capital contributed to the Leading Change Fellowship, a virtual program aimed at empowering a cohort of 25 young people aged 19-35 residing across Canada from diverse backgrounds to emerge as leaders in sustainability. Over the course of five months, through a combination of specialized training and hands-on projects, participants gain essential knowledge, skills and networks to help shape a future where financial wellbeing, resiliency, and cooperation are central tenets of societal progress.

“Being part of the fellowship was more than a learning experience. It was building a welcoming, inclusive community amongst those who want to create a more sustainable planet for the next seven generations. My fellows and I continue to regularly connect, collaborate, and lift each other up in our professional and personal lives.”

— Sarah McQuaid (she/her), 2024-2025 Leading Change Fellow



Supporting an Inclusive and Equitable Transition

An equitable transition means the shift to a low-carbon economy is fair, inclusive, and equitable particularly for marginalized communities, Indigenous peoples and workers in the industries most affected by the transition away from fossil fuels. We strive to align Coast Capital's climate work with our commitment to equity, diversity, inclusion and accessibility and our commitment to Reconciliation.

Collaboration and Engagement with Industry

Addressing climate change requires collective action. No single organization can solve this challenge alone. By working together, sharing knowledge, aligning standards and collaborating with industry associations, we can assist in strengthening how we respond to climate risk as a sector and support our sector's resilience.

We are an active member of several industry initiatives and working groups that support advancing climate action through collaboration and shared learning. By engaging with industry peers

and partners, including other financial institutions, industry associations and standard-setters, Coast Capital ensures our alignment with best practices and supports climate governance and risk management in the sector.

As one of only a few federally regulated credit unions, we occupy a unique niche in the broader landscape of Canadian financial institutions. Recognizing this, we focus on partnerships and collaborations that help advance climate progress in a way that's proportionate to our size and activities, while representing and supporting our small- and medium-sized peers (**Table 5**).

Table 5: Coast Capital's Industry Engagements

Organization	About
Canadian Bankers Association (CBA)	The CBA is the voice of more than 60 domestic and foreign banks that help drive Canada's economic growth and prosperity. The CBA advocates for public policies that contribute to a sound, thriving banking system. Coast Capital participates in various CBA environmental-related groups, which focus on climate-related policy and regulations from various governing bodies. A Coast Capital representative co-chaired the larger OSFI B-15 working group and is continuing to chair the OSFI B-15 working group focused on small- and medium-sized banks, advocating for proportionality in regulatory expectations. This forum allows us to learn from larger peers with more climate experience, while ensuring the perspectives of smaller financial institutions are represented.
Canadian Credit Union Association's (CCUA) Climate Action Working Group	CCUA's climate action working group focuses on better understanding climate-related risks and exploring how best to implement industry-leading climate disclosure frameworks in the credit union system. A Coast Capital representative serves as co-chair of the working group, and we actively share our climate journey learnings to support the credit union sector to advance climate action. We also gain valuable perspectives, advice, and input on climate-change issues impacting Canadian credit unions.
Canadian Business for Social Responsibility (CBSR)	CBSR is a Canadian membership association for companies committed to sustainable and equitable practices. As a corporate member of CBSR, Coast Capital actively engages in leading sustainability and net-zero initiatives. This membership not only aligns us with other corporate leaders in sustainability but also provides a platform to share and highlight our best practices in our sustainability journey.
Partnership for Carbon Accounting Financials (PCAF)	PCAF is a global, industry-led initiative that provides a standardized methodology for financial institutions to measure and disclosure greenhouse gas emissions from loans and investments (financed emissions). This enables collaboration with industry peers and experts to advance more accurate and transparent greenhouse gas measurement and reporting. As a signatory and part of the PCAF Credit Union User Group, we gain access to best practices and thought leadership.



Risk Management

To achieve our climate goals, we need to understand and respond to our climate-related risks. This allows us to validate our climate commitments and help to ensure any forward-looking strategies are not derailed by unforeseen challenges, while helping us to maintain a robust approach to ongoing risk management.

Climate-related risks represent threats to an organization's assets, operations or financial performance due to climate change and society's evolving response. We categorize climate-related risks into two categories which include:

- **Physical risks:** Refer to the financial risks from the increasing severity and frequency of climate-related extremes and events (i.e., acute physical risks); longer-term gradual shifts of the climate (i.e., chronic physical risks); and indirect effects of climate change such as public health implications (e.g. morbidity and mortality impacts).
- **Transition risks:** Refer to the financial risks related to the process of adjustment towards a low-greenhouse gas economy. These risks can emerge from current or future government policies, legislation, and regulation to limit greenhouse gas emissions, as well as technological advancements, and changes in market and customer sentiment towards a low-greenhouse gas economy.

Risk Governance Risk Appetite

Coast Capital considers the total level and types of risk that it is willing to accept, or to avoid, to meet its strategic and business objectives. Our risk appetite considers the strength of our financial institution, risk management capabilities, and our stakeholders, including our clients, the communities in which we operate, our employees, and our regulators.

Coast Capital's Board of Directors approves our risk appetite which is recommended by the Risk Review Committee and Executive Committee through work performed by our three lines of defence (**Figure 2**).

Coast Capital's risk appetite statement includes climate-related risk considerations, supported by quantitative risk indicators to allow us to understand our climate-related risk exposure. We selectively and prudently take and manage risks within our existing risk appetite and tolerances while maintaining an overall risk culture defined by our Enterprise Risk Management Framework (EMRF).

Enterprise Risk Management Framework (EMRF)

Coast Capital's approach to risk management is defined by our EMRF, which outlines how we identify, assess, measure, control, monitor and report all risks facing the organization.

For climate risk management, we use the same risk management principles and governance as outlined in the EMRF. We define climate risk in our risk taxonomy as the risk of event-driven or longer-term shifts in climate patterns, including physical and transition risks, which lead to business disruption, stranded assets or misalignment with a shift to a lower-carbon economy.

On a regular basis, climate risk is reviewed with various business units to help ensure these risks are identified, assessed, managed, monitored and reported appropriately, with climate-related risk considerations introduced into different policies.



Three Lines of Defence

Coast Capital employs three lines of defence to promote robust risk management and governance (Figure 2).

Our first line of defence, business lines and central functions, owns the risk associated with their activities and is responsible for identifying and assessing climate-related risks in their operations. These business lines and central functions are accountable for managing risks and for contributing to operational resilience.

Our risk management function acts as our second line of defence, overseeing and monitoring the effectiveness of first-line risk management, and integrating climate-related risks into risk management activities for existing risks through the ERMF. The risk management function also provides regular reporting to executive management and the board, through the Risk Review Committee.

Finally, our internal audit team acts as the third line of defence providing independent review, challenge, and assurances to management and the board on climate-related risk management.

In 2025, to support our three lines of defence, Coast Capital updated our climate operating model, which articulates our approach and formalizes the roles and responsibilities of business units within each line of defence in managing and overseeing climate-related risks. This helps to ensure adherence to our climate risk management regulatory commitments under OSFI's B-15 Guideline, in a manner that is consistent with Coast Capital's ERMF. The climate operating model is a key source of information to the board, executive management and employees about the climate-related risks faced by Coast Capital and the risk management and governance structures in place to manage those risks.

Figure 2: Coast Capital's Three Lines of Defence for Climate Risk Management

Three Lines of Defence		
First Line of Defence	Second Line of Defence	Third Line of Defence
Risk Owners	Risk Oversight	Independent Internal Assurance
Accountable for the identification, assessment, measurement, mitigation and monitoring and reporting of climate risk against approved risk appetite.	Provides oversight of the effectiveness of first line climate-risk management practices. Monitors and independently reports on the level of risk against established risk appetite.	Provides independent internal assurance to management and to the board on the effectiveness of climate-risk management practices.





Identification and Assessment

Our approach to risk identification and assessment focuses on recognizing and understanding both existing risks and emerging risks that may arise from new or evolving business initiatives or from the external environment. We identify and assess climate-related risks at the enterprise level quarterly at the management level through our Operational Risk Committee meetings and at the board level at our Risk Review Committee meetings. Climate-related risks are also identified, assessed and measured annually as part of our Enterprise Risk Assessment process. This process takes views from our key stakeholders, our Executive Committee, and senior leadership team. Additionally, management assesses climate-related risks using Coast Capital's risk rating system, which evaluates the likelihood and consequences of risk scenarios.

To support identification and assessment of these climate-related risks, Coast Capital employs several targeted quantitative and qualitative analyses that inform and support our assessment of climate-related risks.

Since 2022, we've used portfolio flood risk indicators to assess our physical risk exposure in our real estate loans portfolio, and this is incorporated into our risk monitoring process. In 2025, we expanded the scope of our indicators to include wildfire risk and fluvial flood risk.

In addition to assessing our real estate loan portfolio, we also completed a flood and wildfire risk identification exercise for our branch network locations in BC. The exercise provided us with a clearer understanding of the physical climate risks facing our operations.

As we continue to consider climate risk across the enterprise, we've developed and incorporated tools such as an analysis of the vulnerability of our loan portfolio and climate scenario analysis to assess these risks.

Climate Scenario Analysis

We assess our resilience to future climate risks under various scenarios using our existing risk management processes, capital planning, and climate scenario analysis exercises.

Climate scenario analysis is a strategic tool that helps assess how different climate futures—based on varying levels of global warming, policy responses, and economic shifts—could impact Coast Capital's business, operations and financial position.



In 2024, we participated in OSFI's Standardized Climate Scenario Exercise (SCSE), which helped us build an understanding of the impacts of transition and physical risk on our portfolios.

We also assess physical and transition risks through our own internal climate scenario analysis. Flooding is the most relevant physical risk hazard given our portfolio footprint. In 2025, we updated our physical risk scenario analysis for real estate portfolios to include coastal and fluvial flood hazards. In the scenario analysis, we assessed a range of plausible and relevant scenarios over multiple time horizons. The analysis helped us evaluate how flood risk may evolve over time and identify potential impacts on asset values and credit performance. Wildfire is excluded because it is currently less material for our portfolio distribution. Transition risk is currently assessed as not material given our limited exposures in the high-emitting sectors. At this stage, climate scenario analysis outputs are used to inform climate-related risks and are not yet applied to identify climate-related opportunities (**Table 6**).

Table 6: Methodology and Risk Assessment of Three Climate Scenarios Analyses Performed in 2024 and 2025

Climate Scenario Risk Assessments	OSFI SCSE	Internal Climate Scenario Analysis	Stressed Loan Loss Assessment (ICAAP)
Risk type assessed	• Credit risk • Market risk	• Credit risk	• Credit risk
Portfolio coverage	• Residential mortgages • Commercial real estate loans portfolio	• Residential mortgages • Commercial real estate loans portfolio	• Residential mortgages • Commercial real estate loans portfolio • Equipment leasing
Physical risks assessed	• Coastal flood • Fluvial flood • Wildfire	• Coastal flood • Fluvial flood	• Coastal flood
Different types of climate scenarios used for analysis	• Current policies • Below 2°C immediate • Below 2°C delayed • Net-zero 2050	• Baseline • IPCC RCP 4.5 • IPCC RCP 8.5	• Peak of six-metre water above sea level
Climate scenario provider	OSFI SCSE scenarios	Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report	BC Ministry of Forests, Lands and Natural Resource Operations Coastal Floodplain Mapping
Time horizon covered	2030-2050	2030-2080	2100



Intergovernmental Panel on Climate Change (IPCC) is the United Nations body that assesses the science related to climate change. Representative Concentration Pathways (RCPs) define plausible future climate states based on different greenhouse gas concentration trajectories. RCP4.5 is a medium-emission scenario representing a world with some climate mitigation policies. RCP8.5 is a high-emission scenario representing a future with little to no curbing of emissions (**Table 7**).

Looking ahead, we intend to continue to enhance our scenario analysis capabilities as our understanding of climate risks evolves. This includes refining our modeling techniques, improving data quality, and expanding the scope to a broader range of relevant climate scenarios. By taking these steps, we aim to gain a deeper, forward-looking view of how climate-related risks could affect our financial position over time.

Measurement and Controls

Coast Capital employs processes to measure and quantify the risks it assumes. To measure climate-related risks, we perform an Enterprise Risk Assessment which takes views from our key stakeholders, our Executive Committee, and senior leadership team. We also incorporate a climate-related physical risk scenario into our Internal Capital Adequacy Assessment Process (ICAAP) modelling. This allows us to understand the impact of climate risk on our capital reserves and gives us confidence that we have sufficient capital resiliency under stressful climate-related scenarios. Coast Capital also employs a Risk and Control Self-Assessment (RCSA) program to enable our business units and oversight functions to assess any key climate-related risks and internal controls to mitigate these risks. These processes are key in enabling Coast Capital to further assess if our

controls are effective in identifying, escalating and monitoring significant risk issues if they were to occur.

Coast Capital incorporates a robust internal control process governed by an Internal Control Framework to help ensure that our processes, technologies, people and structure operate within our risk tolerance.

In 2025, climate-related risk controls were incorporated into various policies. The Credit Risk Management Framework and Collateral Management Framework were both updated to improve transparency and understanding of existing and emerging credit risk issues by understanding climate-related risk impacts. Furthermore, Coast Capital's treasury team updated its Investment Policy to clarify how the organization considers climate-related risks in its investment portfolios, which currently have a low exposure to such risks. Our business units will continue to rely on existing risk assessment processes for physical risks.

Additionally, key controls have been documented as part of ongoing RCSAs completed by departments across the enterprise. These key controls are evaluated on an ongoing basis with management review and assessments further tested and evaluated for their design and operating effectiveness through our three-lines-of-defence-model.

Table 7: IPCC Climate Scenarios

Scenario Name	Definition	Temperature Outlook
Baseline (current observed warming)	Reference case representing historical climate conditions used to benchmark future change.	~1.1°C above pre-industrial
RCP 4.5	Moderate-emissions pathway: emissions peak around 2040 and then decline.	~1.7°C to 3.2°C above pre-industrial
RCP 8.5	High-emissions pathway: continued growth in greenhouse gases. Serves as an upper-bound risk scenario.	~3.2°C to 5.4°C above pre-industrial



Business Continuity

To mitigate our operational risks, Coast Capital has established a Business Continuity Program (BCP) and incident response plan to guide how Coast Capital will respond to climate-related events that pose physical risks to our operations. The BCP function is responsible for overseeing all aspects of how Coast Capital will carry on business in the event of an extended disruption or disaster. Potential threats include network disruptions, utility outages, cybersecurity events, fires, floods, earthquakes and other regional disruptions. Coast Capital requires that all business functions have the appropriate strategies to adequately respond to a significant outage or loss event as well as plans to get the business back to full operations.

Monitoring and Reporting

Managing risks involves ensuring that climate-related risks do not exceed our risk appetite. This requires appropriate oversight of the ongoing climate risk profile of the organization through regular risk reporting. We achieve this by providing regular climate risk reporting to senior management through the Operational Risk Committee and to the Board of Directors through our Risk Review Committee. Our approach to monitoring for climate risks is through ongoing indicator monitoring, operational risk event monitoring, and tracking climate risk-related issues. These activities are supported by our Strategic Risk Management, Credit Risk Management, and Collateral Management Frameworks, which incorporate governance and considerations for climate-related risks.



Canadian Red Cross Disaster Response Alliance

2025 represented the second year of Coast Capital's three-year partnership with the Canadian Red Cross' Disaster Response Alliance (DRA), investing \$250,000 annually to promote readiness when disasters happen, including those driven by extreme-weather events.

This partnership not only supports the Canadian Red Cross in delivering critical programs and services but also emphasizes the importance of employee education and engagement in emergency preparedness, for floods, wildfires and other climate-related disasters.

Through this alliance, Coast Capital is committed to educating its employees on disaster response protocols and engaging them in community resilience initiatives. Employees are encouraged to participate in training sessions and volunteer opportunities, such as the Be Ready-Build a Kit preparedness events, which enhances their skills and readiness to respond effectively in times of crisis.

In 2023 to 2024, more than 81,000 people in Canada were supported by the Red Cross after an emergency, thanks in part to the proactive efforts of DRA members. In 2024 to 2025, this number was reduced to over 55,000, a shift that may reflect the growing impact of preparedness-focused efforts across the DRA. By pre-positioning supplies and readying disaster response teams, the Alliance helps ensure that communities, including our employees, are prepared for emergencies before they occur. This engagement not only strengthens community resilience but also fosters a culture of preparedness and responsiveness within the organization.



Metrics and Targets

Coast Capital is committed to measuring and managing our exposure to climate change and its impacts.

Each year, we quantify and disclose metrics on our greenhouse gas emissions to track our progress and enhance transparency. Full details on previous years' emissions can be found in earlier [disclosures](#).

In line with our commitment to following international best practices, we use the Greenhouse Gas Protocol's Corporate Standards⁽⁷⁾ to calculate our operational and value-chain emissions, and the complementary PCAF Global Greenhouse Gas Accounting and Reporting Standard⁽⁸⁾ to calculate our financed emissions. We engage expert carbon-accounting consultants and internal subject-matter experts to support the accuracy of our calculations.

When calculating and reporting on our carbon footprint, we distinguish between greenhouse gas emissions created while running our business, known as *operational emissions*, and those resulting from the activities we facilitate through our lending and investing activities, known as *financed emissions*.

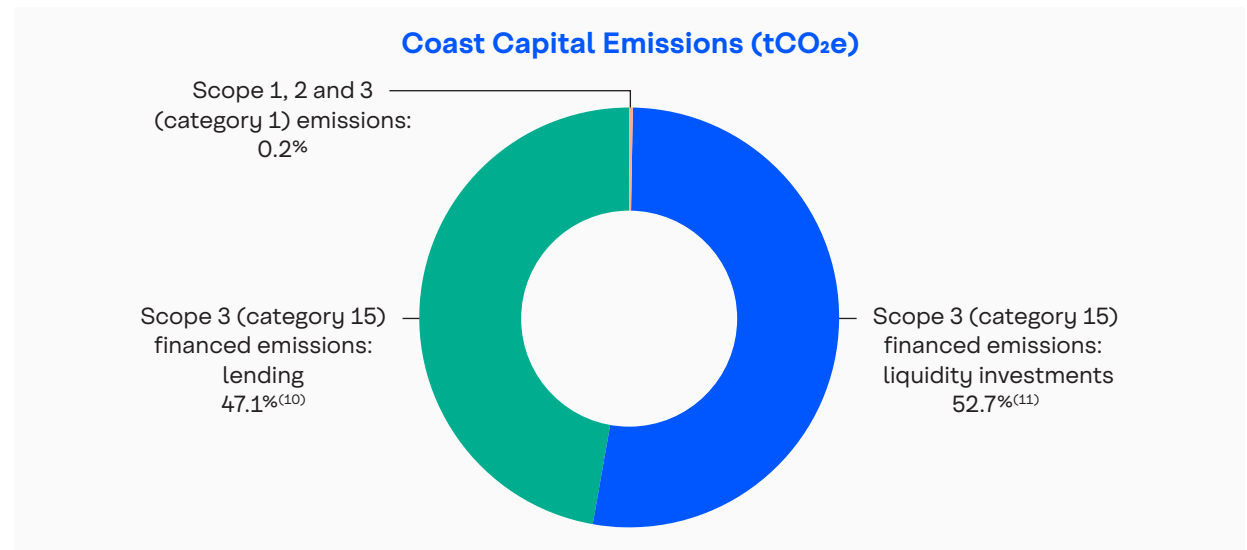
The Greenhouse Gas Protocol categorizes greenhouse gas emissions into three 'scopes':

- Scope 1: Emissions from sources we own or control as part of our day-to-day operations, such as heating our facilities and fuel used in our corporate fleet vehicles.
- Scope 2: Emissions from the electricity we purchase.
- Scope 3: Split into 15 categories, this scope captures emissions generated across our value-chain, including those associated with the goods and services we purchase, business travel, waste and other activities. This also includes *financed emissions* (category 15) resulting from the activities we enable through our lending and investing activities.

For financial institutions like Coast Capital, financed emissions typically represent a large majority of the total greenhouse gas emissions footprint, because they reflect the emissions associated with the activities we support through financing. As such, financed emissions are our primary focus areas for measurement and disclosure for Coast Capital (**Figure 3**).

Our exposure to real estate assets represents a large proportion of our financed emissions footprint, and we recognize there are risks and opportunities within this portfolio. This year, leveraging learnings from OSFI's SCSE, we identified additional climate risk metrics that help us assess Coast Capital's physical climate-related risk exposure across our financing activities.

Figure 3: Proportion of Coast Capital's estimated greenhouse gas emissions from each scope covered⁽⁹⁾



(7) [Corporate Standard | GHG Protocol](#).

(8) [The Global GHG Accounting and Reporting Standard for the Financial Industry](#).

(9) This figure represents the greenhouse gas emissions from activities Coast Capital is calculating and disclosing. There are emissions from other Scope 3 sources that are not currently captured but may impact the results. Totals may not exactly add to 100 per cent due to rounding.

(10) Represents residential mortgages, commercial real estate, and business lending.

(11) Represents sovereign bonds and corporate debt.



In 2023, we identified a target for our residential mortgage portfolio, as it is the largest lending asset class in dollar volume where both methodologies and accessible data are available. We track and monitor our progress against this target annually. However, our operating, regulatory and policy environments all play a significant role in driving meaningful progress against this target.

Establishing further portfolio-level targets remains challenging due to data availability and data quality limitations. Many of the small- and medium-sized enterprises we finance do not calculate or publicly report their emissions, and current estimated emissions rely heavily on proxy data. This makes it difficult to establish realistic, science-based targets. In addition, existing science-based target-setting methodologies do not fully account for current operating, regulatory or policy environment, all of which play a significant role in driving meaningful progress.

We continue to identify opportunities to improve the quality and accuracy of our operational and financed emissions calculations. We are also looking for ways to support small- and medium-sized enterprises by engaging with industry partners to advance practical and sector-wide solutions.

Methodology Changes and Recalculations

Changes to Coast Capital's greenhouse gas emissions calculations can occur for several reasons, including structural changes due to branch openings and consolidations throughout the year, improvements in data quality and changes in the scope of activities included in our inventory. When these changes affect comparability, Coast Capital may choose to recalculate and restate prior years' results to ensure consistency over time. This can be particularly important when tracking progress versus the baseline year.

To guide these decisions, Coast Capital has established a significance threshold for recalculation of base-year emissions of five per cent across total Scopes 1, 2 and 3 emissions. This threshold aligns with the best practice guidance from the Science Based Targets Initiative Net-Zero Standard for Financial Institutions.⁽¹²⁾ When the cumulative impacts of changes exceed this threshold, base-year emissions are recalculated.

In alignment with market best practices and the Greenhouse Gas Protocol's principle of completeness, we assess year-over-year changes annually and may recalculate base-year emissions even if the threshold is not exceeded.

In 2025, members of Coast Capital voted to merge with [Prospera and Sunshine Coast credit unions](#). Once completed, this merger will influence the combined credit union's greenhouse gas emissions profile as we integrate operations, requiring inclusion of additional assets, activities and facilities into our emissions inventory across all scopes. Given that our emissions boundary will change materially post-merger, we anticipate establishing a new emissions baseline that reflects the combined credit union. We may not restate prior year emissions given the new baseline intends to reflect a consolidated footprint that is not directly comparable to prior years' disclosures. We may review our 2030 interim residential mortgage target once consolidated data is available to determine whether an adjustment is appropriate. As this work progresses, we intend to continue to align our approach with industry best practices and evolving reporting standards.

(12) <https://sciencebasedtargets.org/>.



Greenhouse Gas Emissions Methodology Considerations

We use the Greenhouse Gas Protocol's Corporate Standards to calculate our Scope 1, 2 and 3 category 1 emissions.

Scope 1 and 2 Greenhouse Gas Emissions Methodology

We calculate our natural gas and electricity emissions based on consumption data from utility invoices. For facilities where no utility invoices are available, we estimate their energy use based on energy use per square metre intensity calculated from all facilities with available data. Emission factors for electricity and natural gas are sourced from the most recently published Canada's National Inventory Report (NIR 2025).⁽¹³⁾

In 2025, we improved the quality of our facilities' data, allowing us to identify the portion of Coast Capital's buildings that are leased to others. For 2025, we have removed additional leased space in our head office, as we have separate utility bills. For other buildings where we lease space, and where we do not have separate utility bills, we have not removed these spaces in our calculations for this year. With the upcoming merger, we intend to recalculate and re-baseline our operational greenhouse gas emissions, and plan to consider methodology changes to account for this new data at that time.

(13) [En81-4-2023-2-eng.pdf](#).

(14) [Ibid.](#)

(15) <https://c.environmentalpaper.org/>.

(16) <https://www.kpu.ca/sites/default/files/SocialPrintPaper-Trucost-SugarSheet-2017.pdf>.

For vehicle fleet emissions, we use our annual gasoline spending and the average price of gasoline in Vancouver and Victoria from Statistics Canada to calculate our annual gasoline consumption. We source an emission factor for passenger car fuel consumption from Canada's annual National Inventory Report (NIR 2025).⁽¹⁴⁾

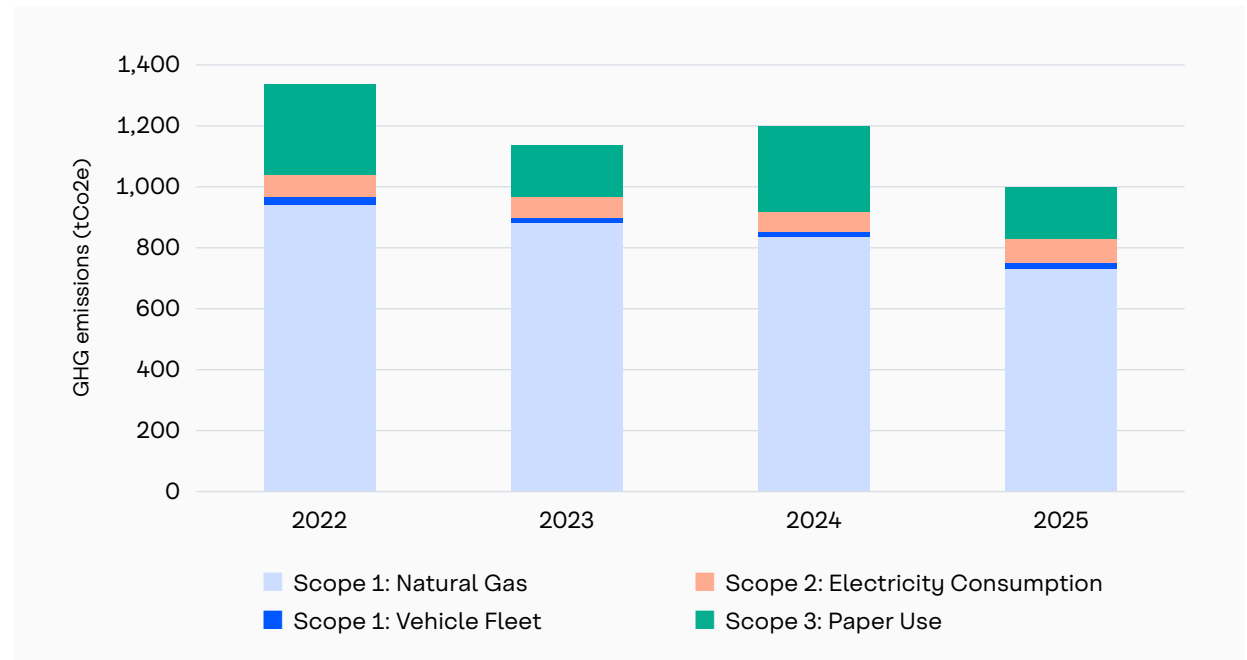
Scope 3, Category 1: Goods and Services – Paper Use

We calculate the emissions associated with our paper use based on the weight and recycled content of the different paper types we use. Emission factors are sourced from the Environmental Paper Network's online tool⁽¹⁵⁾ or from the supplier directly.⁽¹⁶⁾

Operational and Value-Chain Emissions

We currently measure our Scope 1 and Scope 2 emissions. Scope 1 emissions come from sources we directly own or control, for example natural gas from heating and cooling in our 51 branch and office locations and fuel consumption from the company owned vehicles used by Coast Capital's maintenance team. Scope 2 emissions result from the electricity we consume in our offices and branch network. We also track and report the emissions from our paper use, which represents part of our Scope 3 category 1 emissions from goods and services we purchase (**Figure 4**).

Figure 4: 2022 to 2025 Operational and Value-Chain Emissions (Paper Use)





Between our base year 2022 to 2025, our Scope 1 and 2 greenhouse gas emissions decreased by 25 per cent overall (**Table 8**). These reductions were driven by energy efficiency initiatives and changes in the number of branches between 2022 and 2023 due to planned consolidation.

In 2025, we conducted a preliminary assessment across all Scope 3 category 1-14 emissions, including business travel, employee commuting and emissions associated with our auto-equipment leasing activities. We are not reporting these emissions yet as we continue to refine methodologies, build internal capacity and identify data quality improvements. Increasing the accuracy of this information can support the development of targeted strategies to reduce emissions across our broader value chain.

We use insights from our operational emissions quantification, alongside enhanced analysis and energy audits, to identify and implement energy efficiency and decarbonization measures. These include initiatives such as providing incentives for carsharing for employees, exploring sustainable signage options and reducing copy paper use where possible, including shifting to more sustainable paper options.

Table 8: Operational and Value-Chain Greenhouse Gas Emissions (tCO₂e)

Greenhouse Gas Emission Source ⁽¹⁷⁾	Base Year 2022 (tCO ₂ e)	2025 (tCO ₂ e)	Percentage Change from Base Year 2022
Scope 1: Natural Gas	940	730	-22%
Scope 1: Vehicle Fleet	25	18	-28%
Scope 2: Electricity Consumption	75	80	+7%
Total Operational Scope 1 and 2 Emissions^(18,19)	1,039	828	-20%
Scope 3: Paper Use	298	172	-42%
Total Operational Scope 1, 2 and 3 Emissions^(19,20)	1,337	1,000	-25%

(17) tCO₂e = tonnes carbon dioxide equivalent. Per the Greenhouse Gas Protocol Corporate Standard, carbon dioxide, methane, and nitrous oxide emissions were calculated separately and then converted to CO₂e. Coast Capital uses 100-year global warming potentials from the [Intergovernmental Panel on Climate Change Sixth Assessment Report](#).

(18) Our Scope 1 and 2 emissions were calculated using utility bills directly from the utility provider. Utility data is aligned as closely as possible to a January 1 to December 31 reporting period and generally covers approximately 365 days.

(19) Totals may not add due to rounding and emission intensities may not precisely reflect the absolute figures.

(20) Scope 3, category 15 financed emissions are reported separately.



Financed Emissions – Scope 3 Category 15

We measure our financed emissions annually for Coast Capital's five largest lending and investing asset classes: residential mortgages, commercial real estate, business lending and portions of our liquidity portfolio, specifically sovereign bonds and corporate bonds (**Table 9**). While OSFI B-15 does not require financed emissions reporting until 2028, we have voluntarily disclosed these emissions for several years, reflecting our commitment to transparency. We plan to continue reporting our financed emissions and expanding our coverage to additional asset classes.

Our current asset class coverage is 81 per cent, representing the portion of total outstanding lending reported on our financial statements that is included in our emissions calculations (**Table 9**).

Because we categorize asset classes in this report according to PCAF definitions, these groupings may differ from how Coast Capital presents its business activities in our annual report. As a result, loan balances by asset class in this disclosure may not align exactly with those reported in our annual financial statements.

We do not yet include all on-balance sheet lending and investing activities in our financed emissions calculations data limitations, resource constraints and the absence of standardized methodologies for certain asset classes, or because the activity is not currently covered by PCAF. We plan to continue to expand our asset class coverage and expect to incorporate additional asset classes as data availability, internal processes, and operational capacity allow.

Coast Capital's emissions calculations exclude \$1,024 million in equipment finance, \$505 million in retail loans, \$885 million in home equity lines of credit that are grouped within residential mortgages in the financial statements, and approximately \$6 million in our lending portfolio where data accessibility or quality did not support reliable emissions calculations.

Table 9: 2025 Estimated Financed Emissions Coverage in dollars, by Asset Class

Asset Class (Defined by PCAF) ⁽²¹⁾	Outstanding Amount Loaned or Invested (\$MM) ⁽²²⁾	Outstanding Amount Covered in Calculations (\$MM)	Percentage Covered in Calculations (%)
Loans			
Residential Mortgages ⁽²³⁾	11,558	11,175	96.7
Commercial Real Estate	4,992	4,110	82.3
Business Loans	438	437	99.7
Total Loans included as defined by PCAF Asset Classes ⁽²²⁾	16,988	15,722	92.5
Investments			
Sovereign Bonds	755	755	100
Corporate Bonds	347	347	100
Total Investments included as defined by PCAF Asset Classes ⁽²²⁾	1,102	1,102	100

(21) Outstanding loan values are defined according to PCAF asset class methodology. They may vary from outstanding loan balances used in Coast Capital's financial statements due to differences in how loans are classified and year-end accounting adjustments.

(22) Totals may not add due to rounding.

(23) Includes residential mortgages acquired by Motusbank in 2025.



We do not calculate emissions for asset classes where PCAF methodologies do not yet exist, including building construction and retrofit loans, land development financing, consumer credit and business credit cards. We also do not currently calculate emissions for some asset classes where PCAF methodologies do exist, such as project finance, motor vehicle lending and equipment financing, as we continue to assess available data, internal processes, and resourcing needed to support future inclusion.

PCAF has recently updated and expanded several of its methodologies. As we plan for future implementation, we intend to take a practical, phased approach that reflects evolving guidance and our operational capacity. In total, excluded lending represents approximately 19 per cent of our on-balance sheet lending as reported on our financial statements.

For investments, we exclude certain types of on-balance-sheet investment types such as mortgage-backed securities, asset-backed securities, sub-sovereign bonds, term deposits and other fixed income assets. After these exclusions, the investments included in our emissions calculations represent approximately 37 per cent of liquidity investments reported on our financial statements.

Our financed emissions results are described below and include for comparison, current year 2025, previous year 2024 and baseline year 2022. 2023 financed emissions results can be found in previous [climate disclosures](#).

Our Financed Emissions Journey

Measuring the emissions associated with our financing activities over the past several years has been an important capacity-building exercise for our team. This work has deepened our understanding of the underlying data, the methodologies applied and how these factors influence our results (**Figure 5**). Over the last year, we have continued to build out our internal assurance and testing processes to help ensure we are using the most appropriate data quality accessible and ensuring our processes and quality controls are clearly documented.

As our measurement practices mature, we are now transitioning from developing foundational capabilities to applying these insights to identify decarbonization opportunities and measure and monitor progress in our efforts.

Figure 5: Timeline of Coast Capital's Financed Emissions Journey

2022	2023	2024	2025
Became a signatory to PCAF.	Made improvements in data quality and coverage, including obtaining building-type data for residential real estate and building-use data for commercial real estate.	Expanded portfolio coverage to include the liquidity portfolio, including corporate and sovereign bonds.	Enhanced processes and documentation for improved data accuracy.
Quantified emissions for residential mortgages, commercial real estate and business loans for 2021 Fiscal Year (FY). These first calculations were undertaken for internal readiness and capacity-building purposes.	Set 2022 FY as our baseline year for residential mortgages, commercial real estate and business loans.	Made further improvements to data quality to better identify loan characteristics and align with PCAF definitions.	
	Identified an interim 2030 target for the resident mortgage portfolio.		



Table 10: 2025 Financed Emissions by Asset Class: Current Year (2025), Previous Year (2024) and Baseline Year (2022)

Asset Class (Defined by PCAF) ⁽²⁶⁾	Scope 1 Emissions (tCO ₂ e) ⁽²⁴⁾			Scope 2 Emissions (tCO ₂ e) ⁽²⁴⁾			Scope 3 Emissions (tCO ₂ e) ^(25,26)			Scope 1 & 2 Emissions Intensity (tCO ₂ e/\$MM) ⁽²⁴⁾		
	2025	2024	Baseline year 2022	2025	2024	Baseline year 2022	2025	2024	Baseline year 2022	2025	2024	Baseline year 2022
Residential Mortgages	32,422	32,956	33,249	4,620	4,688	4,659	Not estimated	Not estimated	Not estimated	3.3	3.5	3.4
Residential Mortgages acquired from Motusbank	271	Not estimated	Not estimated	157	Not estimated	Not estimated	Not estimated	Not estimated	Not estimated	9.1	Not estimated	Not estimated
Commercial Real Estate	26,045	23,167	23,347	8,752	6,673	6,788	Not estimated	Not estimated	Not estimated	8.5	7.8	8.9
Business Loans	72,430	80,512	23,960	1,755	2,048	2,383	46,506	50,326	60,277	169.7	167.6	43.1
Total Lending Emissions⁽²⁴⁾	131,168	136,635	80,556	15,284	13,409	13,830	46,506	50,326	60,277	n/a	n/a	n/a
Sovereign Bonds	181,354 (176,674) ⁽²⁷⁾	77,424 (75,426) ⁽²⁷⁾	Not estimated	Not estimated	Not estimated	Not estimated	Not estimated	Not estimated	Not estimated	240.2	215.7	Not estimated
Corporate Bonds	14,219	1,347	Not estimated	3,579	1,291	Not estimated	21,254	3,947	Not estimated	51.2	6.9	Not estimated
Total Investment Emissions⁽²⁴⁾	190,893	78,771	Not estimated	3,579	1,291	Not estimated	21,254	3,947	n/a	n/a	n/a	n/a

(24) Totals may not add due to rounding and emission intensities may not precisely reflect the absolute figures.

(25) Member Scope 1 and 2 emissions and Scope 3 where data and methodology allow. At this time, PCAF does not have methodology developed to report Scope 3 emissions for commercial real estate and residential mortgages. Once methodology is developed, we plan to look at the feasibility of aligning our emissions measurement.

(26) Data based on Coast Capital's financial year end of December 31 2025.

(27) For sovereign bonds, calculations are expressed as Scope 1 emissions only, excluding land use, land-use change and forestry (LULCF). (Results including LULCF are provided in brackets). This is because of a divergence of views among emissions data providers and climate experts regarding the accounting of LULCF emissions due to significant data uncertainty.



PCAF Data Quality Score

PCAF provides a [data-quality scoring methodology](#) to assess the robustness and reliability of the data used to measure financed emissions. Our current data-quality scores reflect the fact that most of our reported emissions are estimated, which is typical in our industry because the practice of measuring financed emissions is still evolving.

Data availability and improving data accuracy remain key challenges for our financed emissions calculations. We continue to explore opportunities to improve data quality, including investigating options for primary data collection methods, working with third-party providers, and identifying gaps in existing systems. Strengthening these foundations can help us to increase the accuracy of our calculations and expand our emissions coverage as more reliable data becomes available.

Residential Mortgages

We carry out most of our residential lending activities in the Metro Vancouver, Fraser Valley and southern Vancouver Island regions of BC, with additional lending in regions served by our branches in the central Vancouver Island region and in the BC Interior. We have included a portfolio of mortgages Coast Capital acquired from Motusbank⁽²⁸⁾ in 2025. While Motusbank loans modestly expand the geographic distribution of our portfolio, the dollar value relative to Coast Capital's existing residential mortgage portfolio is small and the inclusion of these loans do not materially affect our overall emissions profile. We have separated out the Motusbank loans in overall totals for estimated residential mortgages financed emissions (**Table 11**) to enable comparable tracking to our residential mortgage target. We intend to include Motusbank, as well as any residential mortgages added through the merger with Prospera and Sunshine Coast credit unions, in future calculations.

Based on PCAF's guidance, we exclude mortgages for construction and renovation projects, as well as home equity lines of credit, because we are unable to confirm whether the funds are used for the home or other purchases.

Overall, emissions from our residential mortgage portfolio remain broadly flat year-over-year, decreasing two per cent since our baseline year of 2022 (**Table 10**).

(28) <https://www.coastcapitalsavings.com/about-us/press-room/news-releases/2025/20250326>.





Table 11. Estimated Residential Mortgages Financed Emissions

Asset Class (Defined by PCAF)	Outstanding Amount Loaned (\$MM)	Outstanding Amount Covered in Calculations (\$MM)	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	Scope 3 Emissions (tCO ₂ e) ⁽³⁰⁾	Scope 1 & 2 Emissions Intensity (tCO ₂ e/\$MM) ⁽³¹⁾	2025 PCAF Weighted Data Quality Score ⁽²⁹⁾
Residential Mortgages Coast Capital	11,511	11,128	32,422	4,620	n/a	3.3	4.0
Residential Mortgages Acquired from Motusbank	47	47	271	157	n/a	9.1	4.6

(29) Data Quality scores are ranked between 1 and 5, where 1 is best and 5 is the lowest data quality score. Our data quality score indicate that most our reported emissions are estimated, which is common in the industry due to the emerging nature of measuring financed emissions.

(30) At this time PCAF does not have the methodology developed to report Scope 3 emission for residential mortgages. Once the methodology is developed, we plan to look at the feasibility to align our emissions measurement.

(31) Totals may not add due to rounding and emission intensities may not precisely reflect the absolute figures.

Our Residential Mortgage Target

We identified our residential mortgage climate target in 2023 using globally recognized decarbonization pathways developed jointly by the Science Based Targets initiative (SBTi) and the Carbon Risk Real Estate Monitor (CRREM)⁽³²⁾, according to the SBTi's industry-standard Sectoral Decarbonization Approach (SDA). Our target baseline year is 2022 and therefore does not include Motusbank residential mortgages.

Our target was calculated by using the carbon intensity per floor area (kgCO₂e/m²) to determine the required rate of decarbonization for the specific building types where available. CRREM-SBTi pathways provide region-specific assumptions for floor area growth and grid decarbonization. We took the average pathway for residential buildings and used this to calibrate a decarbonization pathway for our residential portfolio that is aligned with a future that limits global warming to 1.5°C above pre-industrial levels, in line with the Paris Agreement.

The interim target identified calls for a reduction in emissions intensity per floor area by 53 per cent by 2030 (to 2.93 kgCO₂e/m²), while our longer-term target aligns with a reduction of 93 per cent by 2050 (to 0.41 kgCO₂e/m²). As of 2025, excluding Motusbank residential mortgages to ensure comparable tracking against current target scope, we achieved a two per cent reduction from our 2022 baseline, representing a reduction in emissions intensity per floor area from 6.24 to 6.12 kg CO₂e/m².

(32) [Science Based Targets initiative \(SBTi\) and the Carbon Risk Real Estate Monitor \(CRREM\)](#).



Achieving our residential mortgage target will not be possible without significant changes to the external policy environment. Many of our members continue to rely on fuels such as natural gas for their heating needs. Meaningful decarbonization of Canadian residential properties depends on supportive government regulation and incentives that help increase the uptake of low-carbon heating technologies, such as heat pumps, and make other retrofitting improvements more affordable.

We plan to support advocacy efforts that contribute to economic-wide decarbonization, recognizing that progress towards our target relies on broader policy and market changes that enable homeowners to transition to lower-carbon solutions. Achieving this transition requires significant changes to the external policy environment, including supportive government regulations and incentives to increase the adoption of low-carbon heating technologies and retrofitting improvements.

Now that we have a better understanding of our portfolio's impact and have established structures and frameworks, we intend to begin identifying the opportunities available to decarbonize our residential mortgage portfolio, thereby contributing to an economy-wide transition of the residential building stock. We plan to advance our approach by identifying direct transition levers such as exploring different types of products and services and investing in our communities, to reduce greenhouse gas emissions associated with the homes we finance. We plan to respond proactively to the risks and opportunities in our portfolio, for long-term resilience against increasing physical climate impacts.



Commercial Real Estate

Coast Capital provides commercial mortgages to purchase or refinance commercial and mixed-used buildings. We measure the absolute emissions and emissions intensity of these activities and examine how these measures differ across different types of commercial buildings.

Our commercial real estate emissions come primarily from industrial buildings, stores and apartments, which together account for the largest share of emissions among the building types we finance (**Table 12**). Since our 2022 baseline year, the outstanding lending amount covered in our calculations has increased 20 per cent due to

improved data processes, while emissions have increased by only 15 per cent (**Table 10**). This indicates an overall improvement in emissions intensity.

Gathering accurate data for this asset class remains challenging, particularly as our portfolio primarily consists of small- and medium-enterprises. Calculating emissions relies heavily on highly estimated data and regional proxies, making it difficult to set meaningful targets. By focusing on enhancing data accuracy, internally and through partnerships, we aim to build a more robust foundation for future target-setting and emission reduction efforts.



Table 12. 2025 Commercial Real Estate Financed Emissions by Property Type

Asset Class (Defined by PCAF)	Outstanding Amount Loaned or Invested (\$MM)	Covered Loan Value in Calculations (\$MM)	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	Scope 1 & 2 Emissions Intensity (tCO ₂ e/\$MM) ^(34,36)	2025 PCAF Weighted Data Quality Score ⁽³⁵⁾
Apartments	1,220	1,054	4,662	1,295	5.7	4.7
Industrial buildings	851	826	9,524	4,330	16.8	
Office buildings	329	315	1,671	360	6.5	
Residential	911	581	854	146	1.7	
Special purpose	170	167	1,635	321	11.7	
Stores	1,029	1,014	5,459	1,826	7.2	
Transport	18	13	118	17	10.2	
Warehouse	140	140	2,123	458	18.5	
Other including land financing ⁽³³⁾	323	—	—	—	—	n/a
Commercial Real Estate^(33,34,36)	4,992	4,110	26,045	8,752	8.5	4.7

(33) Loans for land financing and construction financing are excluded as no PCAF methodologies currently exist. We also exclude lines of credit, which are captured in business lending as the use of proceeds from these loans are unknown. This is in alignment with PCAF's methodology to include lines of credit where proceeds are unknown in the business-lending asset class.

(34) At this time, PCAF does not have the methodology developed to report Scope 3 emissions for commercial real estate. Once the methodology is developed, we plan to look at the feasibility to align our emissions measurement.

(35) Where 1 is best and 5 is the lowest data quality. Our data-quality scores indicate that most of our reported emissions are estimated, which is common in the industry due to the emerging nature of measuring financed emissions.

(36) Totals may not add due to rounding and emission intensities may not precisely reflect the absolute figures.



Business Lending

Coast Capital primarily provides business lending to small- and medium-sized enterprises across BC. Overall business lending and emissions for 2025 are shown in **Table 13**.

While absolute emissions from our business lending have decreased nine per cent year-over-year, they show an increase of 39 per cent versus our 2022 base year (**Table 10**). Specifically, emissions increased significantly due to an increase in lending within the power generation sector in 2024. Although emissions have increased in this sector (**Figure 5**), financing we provided has supported communities to move away from coal-power in other parts of Canada, an important step in the low-carbon transition.

Figure 5: Estimated Comparison of Business Lending Share and Scope 1, 2 and 3 Financed Emissions by Sector

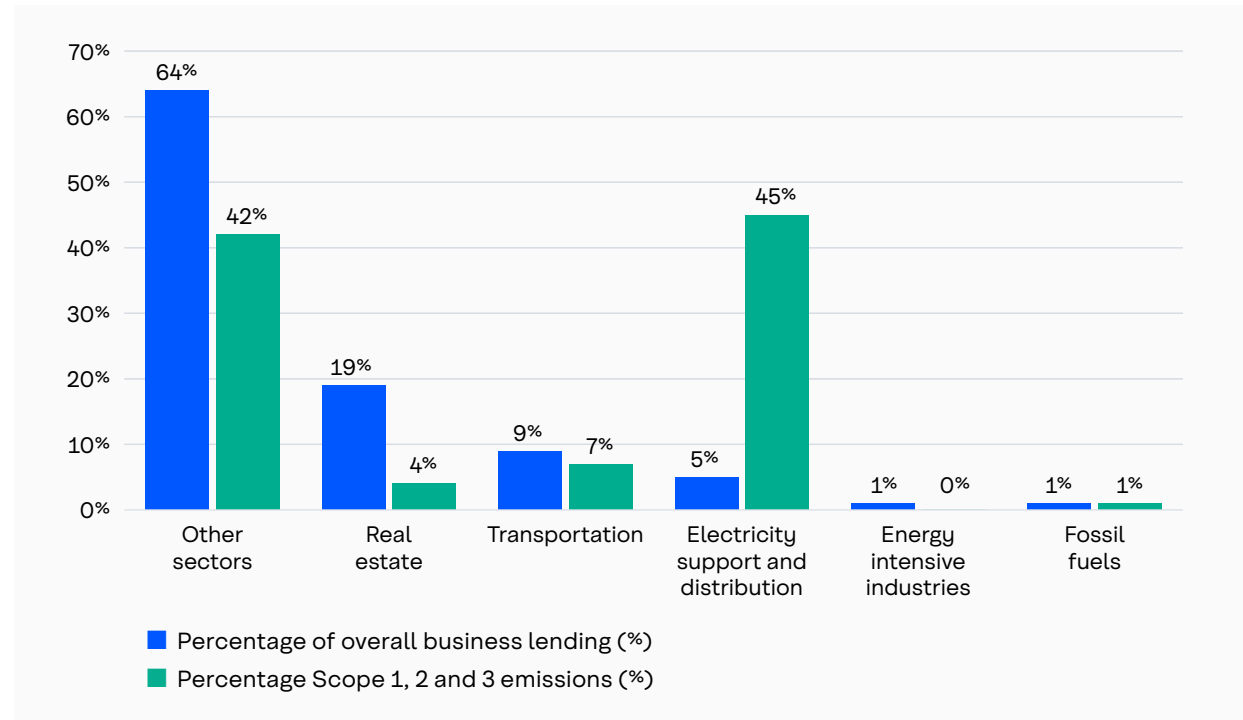


Table 13: 2025 Estimated Business Loan Financed Emissions

Asset Class (Defined by PCAF)	Outstanding Amount Loaned or Invested (\$MM)	Outstanding Amount Covered in Calculations (\$MM)	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	Scope 3 Emissions (tCO ₂ e)	Scope 1 & 2 Emissions Intensity (tCO ₂ e/\$MM) ⁽³⁸⁾	2025 PCAF Weighted Data Quality Score ⁽³⁷⁾
Business Loans	438	437	72,430	1,755	46,506	169.7	5.0

(37) Where 1 is best and 5 is the lowest data quality. Our data-quality scores indicate that most of our reported emissions are estimated, which is common in the industry due to the emerging nature of measuring financed emissions.

(38) Totals may not add due to rounding and emission intensities may not precisely reflect the absolute figures.



Our small- and medium-sized enterprises often lack the resources and capabilities to quantify and report on their emissions. In most cases, there is no regulatory requirement for them to do so. As a result, obtaining accurate data directly from our members and precisely calculating our financed emissions from the business-lending asset class is challenging. Due to a lack of accurate member-specific information, we rely on highly estimated proxy data to calculate our emissions, contributing to our low data quality score. Given most businesses in Canada are classified as small- and medium-sized enterprises, measuring emissions in the small- and medium-sized enterprises sector remains an important component of understanding Canada's overall greenhouse gas emissions and identifying pathways to reach net zero.

Corporate Debt and Sovereign Bonds

Most of our emissions in this asset class are associated with our on-balance sheet investments. The primary purpose of these investments is for liquidity, which constrains the available assets Coast Capital can hold for these purposes. The emissions increase associated with Canadian sovereign bonds is a result of the economic activities and sectors that the government funds and supports through its borrowing. Financial institutions like Coast Capital do not have direct influence over how governments use the funds raised through sovereign bonds, and responsibility to decarbonize this asset class lies primarily with the government.

The emissions associated with our corporate debt have increased significantly, driven by multiple factors including data categorization changes, data quality and by an increase in holdings in Canadian corporates from high-intensity sectors including energy, transport and agriculture (**Table 14**). This is an example of how our financed emissions reporting gives us deeper insight into which lending and investment decisions shape our environmental footprint. It also highlights how sensitive our exposure can be to changes in portfolio composition. We plan to continue to monitor these metrics annually and improve our data quality.

Table 14: Estimated 2025 Sovereign and Corporate Debt Emissions

Asset Class (Defined by PCAF)	Outstanding Amount Loaned or Invested (\$MM)	Outstanding Amount Covered in Calculations (\$MM)	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	Scope 3 Emissions (tCO ₂ e)	Scope 1 & 2 Emissions Intensity (tCO ₂ e/\$MM) ⁽⁴²⁾	2025 PCAF Weighted Data Quality Score ⁽⁴¹⁾
Sovereign Bonds⁽⁴⁰⁾	755	755	181,354 (176,674) ⁽³⁹⁾	n/a	n/a	240.2 (234.0) ⁽³⁹⁾	1.0
Corporate Debt	347	347	14,219	3,579	21,254	51.2	4.3

(39) For sovereign bonds, calculations are expressed excluding land use, land-use change and forestry (LULCF). (Results including LULOF are provided in brackets). This is because of a divergence of views among emissions data providers and climate experts regarding the accounting of LULCF due to significant data uncertainty and variability.

(40) Emissions Intensity for sovereign debt includes Scope 1 emissions only.

(41) Where 1 is best and 5 is the lowest data quality. Our data-quality scores indicate that most of our reported emissions are estimated, which is common in the industry due to the emerging nature of measuring financed emissions.

(42) Totals may not add due to rounding and emission intensities may not precisely reflect the absolute figures.



Scope 3 Category 15 Financed Emissions Methodology

We use the [PCAF Global Greenhouse Gas Accounting and Reporting Standard](#) to calculate our financed emissions.

Residential and Commercial Real Estate

Coast Capital's residential mortgage exposure is determined by calculating each outstanding mortgage amount relative to the value of the property when the loan was first taken out.

Scope 1 and 2 emissions are estimated using PCAF emissions factors that estimate the energy used in our members' homes, which is determined using property type and floor area data.

Based on PCAF's guidance, mortgages for construction, renovation projects and home equity lines of credit have been excluded from the calculations. Other reasons for loan exclusions include missing values, missing loan purpose or building type information, as well as loan value exceeding property value.

Business Loans

Coast Capital's exposure to business lending is determined by estimating the emissions of the small- and medium-sized businesses Coast Capital finances according to their sector and region.

Loans were excluded when North American Industry Classification System (NAICS) codes could not be determined, as we were unable to attribute the business activity. PCAF has released new emissions factors according to the Comprehensive Environmental Data Archive (CEDA). Given limited internal capacity and recalculation requirements due to the merger, Coast Capital intend to review and incorporate these new emissions factors in future.

Sovereign Debt

For sovereign debt, emissions are allocated according to the share of national emissions (Scope 1, including and excluding LULCF) based on Coast Capital's proportion of the sovereign's total outstanding debt.

This year, we calculated our emissions to reflect an update in the way we calculate our attribution factor for this asset class. We have also identified an alternative data source for sovereign emissions reporting that we plan to incorporate into our calculations in future years. In accordance with PCAF's methodologies for sovereign debt, municipal, central bank and sub-sovereign debt is excluded from the calculations.

This year, PCAF released a new methodology for calculating sub-sovereign debt—the debt from smaller sovereign entities such as municipalities, regions, provinces and states. While we are not required to apply it at this time, we plan to consider it as we continue to look for opportunities to expand the scope of our financed emissions coverage. Any adoption of new methodologies will be done in a phased and practical manner, recognizing that implementation takes time and must align with operational priorities.

Corporate Debt

Emissions are allocated based on Coast Capital's share of the enterprise value of the companies being financed. For public companies, this is based on their enterprise value including cash (EVIC) and for private companies this is calculated as book value of equity plus debt. Issuer-reported data remains hard to obtain, and so Coast Capital uses PCAF's emissions factors where these data are unavailable. In 2025, we obtained better data to allow us to better classify our corporate debt and this year we decided to exclude term deposits as these are not included in PCAF methodology.

As we intend to align our emissions for the combined credit union, in 2025 we have maintained the approach of not recalculating previous years, as we plan to re-baseline in future.



Looking Ahead

Our priorities in the coming years include continuing to build internal capacity and looking at how we can improve the things within our control: data processes, employee and member engagement, community investment and quantifying additional greenhouse gas emissions across our physical and financial assets.

Following the completion of Coast Capital's planned merger with Prospera and Sunshine Coast credit unions, we plan to incorporate the combined credit union's assets and activities into one combined set of greenhouse gas emissions calculations, and to consider the impact of these on the combined credit union's targets across activities and residential mortgage target.

As we continue to improve our data collection and measurement processes, we intend to continue reporting on the greenhouse gas emissions of our activities and identifying portfolio decarbonization targets where it makes sense to do so.

The year ahead will be a defining chapter in our journey as Coast Capital plans to come together with Prospera and Sunshine Coast credit unions to form Canada's largest national purpose-driven credit union. We are united by shared values and a commitment to serving our members and strengthening our communities. By harnessing our collective strengths and shared resources, we are excited to build on our existing climate efforts and to deliver greater and more positive impact for our members, employees, communities and the environment.





Appendix: OSFI B-15 Climate Risk Management Guidelines Index

Table 15: Overview of Progress During Fiscal Year 2025 Against Specific Disclosure Requirements in OSFI B-15

OSFI Section	Requirement	Reference Pages
Governance	Describe the governance body/bodies (e.g. board of directors, committee, other) or individual(s) responsible for oversight of climate-related risks and opportunities, including their identity, responsibilities, skills and competencies, process around staying informed, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress towards those targets, and a description of whether and how climate-related considerations are factored into their remuneration.	Pages 9-11
	Describe management's role in monitoring, managing, and overseeing climate-related risks and opportunities, including the identity of the management-level position or committee as applicable, its governance processes, controls, and procedures, and how oversight is exercised over that position or committee.	Page 10
Strategy	Describe the climate-related risks and opportunities the FRFI has identified that could reasonably be expected to affect its cash flows, access to finance or cost of capital, including: • The classification of each climate-related risk as either physical or transition risk; • The expected timeframe for the occurrence of effects associated with each risk and opportunity (short, medium, or long term); • The FRFI's definitions of 'short term,' 'medium term,' and 'long term' in relation to strategic decision-making planning horizons.	Pages 12-13
	Business model and value chain Describe: • The current and anticipated effects of climate-related risks and opportunities on the FRFI's business model and value chain; • Where in the FRFI's business model and value chain the climate-related risks and opportunities are concentrated.	Page 12-13

OSFI Section	Requirement	Reference Pages
Strategy (continued)	Strategy and decision making Disclose information about current and anticipated: • Changes to the FRFI's business model, including its resource allocation, to address climate-related risks and opportunities; • Direct mitigation and adaptation efforts; • Indirect mitigation and adaptation efforts. Financial position, financial performance, and cash flows Describe: • How climate-related risks and opportunities have affected the FRFI's financial position, financial performance, and cash flows for the reporting period; • How the FRFI expects its financial position, financial performance, and cash flows to change over the short, medium, and long term, given its strategy to manage climate-related risks and opportunities.	Page 12-13
	Describe the FRFI's climate transition plan [See Climate Transition Plan Risk Management Expectation in Chapter 1 of this Guideline].	Pages 15-22
	Describe the resilience of the FRFI's strategy, taking into consideration different climate-related scenarios, including a scenario which limits warming to the level aligned with the latest international agreement on climate change, or lower.	Page 25-26
Risk Management	Disclose information about the FRFI's processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks. In meeting this disclosure expectation, the FRFI should explain how it has applied Principle 3, and its supporting paragraphs, in Chapter 1 of this Guideline.	Pages 23-28
	Disclose information about the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities including information about whether and how the FRFI uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Pages 23-28
	Disclose information about the extent to which, and how the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the FRFI's overall risk management process.	Pages 23-28

OSFI Section	Requirement	Reference Pages
Metrics and Targets	Disclose the metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 29-42
	Disclose separately the FRFI's Scope 1 and location-based Scope 2 absolute gross greenhouse gas emissions for the period. Disclose the measurement approach, inputs, and assumptions the FRFI uses to measure its Scope 1 and Scope 2 greenhouse gas emissions, and the underlying reasons for these decisions. Disclose the reporting standard used by the FRFI to calculate and disclose greenhouse gas emissions. If the reporting standard used by the FRFI is not the greenhouse gas Protocol Corporate Standard, disclose how the reporting standard used by the FRFI is comparable.	Pages 29-32
	Disclose the FRFI's Scope 3 absolute gross greenhouse gas emissions for the period. In preparing its Scope 3 greenhouse gas emissions disclosure, the FRFI should consider its entire value chain and all 15 categories of Scope 3 greenhouse gas emissions, disclose which of these categories are included in the Scope 3 greenhouse gas emissions disclosure, and ensure inclusion of Category 15: Investments emissions. For all in-scope FRFIs, Category 15 entails emissions from loans and investments (financed emissions).	Pages 33-42
	For in-scope FRFIs that participate in asset management activities, Category 15 entails emissions from Assets Under Management (AUM). See Metrics and Targets disclosure element b) iii below for disclosure expectations and implementation date of Scope 3 greenhouse gas emissions from AUM.	Not required for 2025
	For in-scope FRFIs that participate in financial activities associated with property and casualty insurance (excluding mortgage insurance), Category 15 entails emissions from insurance and reinsurance underwriting portfolios (insurance-associated emissions).	Not required for 2025
	FRFIs should not combine but should present separately financed emissions, insurance-associated emissions, and emissions from AUM.	Not required for 2025

OSFI Section	Requirement	Reference Pages
Metrics and Targets (continued)	Disclose the measurement approach, inputs, and assumptions the FRFI uses to measure its Scope 3 greenhouse gas emissions, and the underlying reasons for these decisions.	Pages 29-31 and 42
	Disclose the reporting standard used by the FRFI to calculate and disclose greenhouse gas emissions. If the reporting standard used by the FRFI for Scope 3 greenhouse gas emissions is not the greenhouse gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, disclose how the reporting standard used by the FRFI is comparable.	
	Disclose the reporting standard used by the FRFI to calculate and disclose greenhouse gas emissions. If the reporting standard used by the FRFI for Category 15 is not the PCAF Global greenhouse gas Accounting and Reporting Standard, disclose how the reporting standard used by the FRFI is comparable.	
	Disclose additional and specific information about the FRFI's Category 15 Investments emissions. - The FRFI's absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions by asset class and for any corporate investments or loans (i.e., the following asset classes under PCAF A: Listed equity, corporate bonds, business loans, and unlisted equity), by sector. When disaggregating by: - Asset class – the disclosure should include, at a minimum, investments, and loans.	Pages 33-42
	Sector – the FRFI should use the OSFI designated sectors for classifying counterparties, reflecting the latest version of the classification system available at the reporting date.	Not required for 2025
	The FRFI's gross exposure to each asset class as the carrying amounts (before subtracting the loss allowance, when applicable), expressed in the Canadian dollars.	Not required for 2025
	- The percentage of the FRFI's gross exposure included in the financed emission calculation. The FRFI should: - If the percentage of the FRFI's gross exposure included in the financed emission calculation is less than 100%, explain the exclusions (e.g. due to lack of methodology or lack of data), including the type of assets excluded.	Page 33
	The methodology the FRFI used to calculate its financed emissions, including the method of allocation the FRFI used to attribute its share of emissions in relation to the size of the gross exposure.	Page 42

OSFI Section	Requirement	Reference Pages
Metrics and Targets (continued)	For in-scope FRFIs that participate in financial activities associated with property and casualty insurance (excluding mortgage insurance), disclose: - The FRFI's absolute gross insurance-associated emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions by line of business and, for commercial lines (i.e., the following lines of business under PCAF Standard C: commercial lines portfolios), by sub-sector. When disaggregating by: - Line of business – the disclosure should include, at a minimum, commercial lines portfolios and personal motor portfolios. - Sector – the FRFI should use the OSFI designated sectors for classifying insureds, reflecting the latest version of the classification system available at the reporting date. - The FRFI's insurance revenue from each line of business, expressed in Canadian dollars. - The percentage of the FRFI's insurance revenue included in the insurance-associated emissions calculation. The FRFI should: - If the percentage of the FRFI's insurance revenue included in the insurance-associated emission calculation is less than 100%, explain the exclusions (e.g. due to lack of methodology or lack of data), including the lines of business excluded. - The methodology the FRFI used to calculate its insurance-associated emissions, including the method of allocation the FRFI used to attribute its share of emissions in relation to the size of its insurance revenue.	Not required for 2025
	Additional and specific information about FRFIs' Category 15 Investments emissions Disclose the following, as applicable: For in-scope FRFIs that participate in asset management activities, disclose: - The FRFI's absolute gross financed emissions pertaining to assets under management (AUM), disaggregated by Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. - For each of the disaggregated items in (1), above, the total amount of AUM that is included in the financed emissions disclosure, expressed in Canadian dollars. - The percentage of the FRFI's total AUM included in the financed emissions calculation. - If the percentage is less than 100%, the FRFI should explain the exclusions (i.e., due to lack of methodology or lack of data), including types of assets and the associated amount of AUM. - The methodology used to calculate the financed emissions from AUM, including the method of allocation the FRFI used to attribute its share of emissions in relation to the size of the AUM balance.	Not required for 2025
	Disclose any quantitative and qualitative climate-related targets the FRFI has set to monitor progress towards achieving its strategic goals, including: - The objective of the target; - The period over which the target applies; - The base period from which progress is measured; - Any revisions to the target and an explanation of those revisions;	Pages 37-38

OSFI Section	Requirement	Reference Pages
Metrics and Targets (continued)	Disclose information about the FRFI's approach to setting and reviewing each target and how it monitors progress against each target.	Pages 37-38
	Disclose information about the FRFI's performance against each climate-related target and an analysis of trends or changes in the FRFI's performance.	Pages 37-38
	For any greenhouse gas emissions target disclosed (and the corresponding metrics, if applicable), disclose it both gross of, and net of, carbon offsets, if applicable, and explain the type of offset (for example, carbon credit, nature-based, other).	Not applicable to Coast Capital (no offsets)
	Disclose the following cross-industry metrics: 1. climate-related transition risks: the amount and percentage of assets or business activities vulnerable to climate-related transition risks; 2. climate-related physical risks: the amount and percentage of assets or business activities vulnerable to climate-related physical risks; 3. climate-related opportunities: the amount and percentage of assets or business activities aligned with climate-related opportunities; 4. capital deployment: the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities; 5. internal carbon price: i. an explanation of whether and how the FRFI is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and ii. the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions 6. remuneration: i. the percentage of Senior Management and other material risk-takers' remuneration recognized in the current period that is linked to climate-related considerations.	Not required for 2025
	Disclose industry-based metrics. In determining the industry-based metrics that the FRFI discloses, consider the applicability of the industry-based metrics associated with disclosure topics described in the industry-based Guidance on Implementing Climate-related Disclosures, (Financials Sector, as applicable to the FRFI's business model/activities).	Not required for 2025



Glossary of Terms

B Corp™ Certification: B Corp Certification is awarded to companies that meet high standards of performance, accountability, and transparency, including employee benefits, charitable giving and supply chain practices. To be certified, a company must score at least 80 out of 200 on the B Impact Assessment, pass a risk review, legally commit to stakeholder accountability and make their B Lab™ performance publicly available.

Source: <https://www.bcorporation.net/en-us>

Base-year emissions: The benchmark year's greenhouse gas emissions against which an organization's emissions reduction progress is measured. Base-year emissions should be representative of a company's typical greenhouse gas profile, accurate and verifiable.

Source: [FAQs – Science Based Targets \(sciencebasedtargets.org/faqs\)](https://sciencebasedtargets.org/faqs)

Climate adaptation: Adjustments in ecological, social or economic systems in response to actual or expected climate stimuli and their effects. This refers to changes in processes, practices and structures to moderate potential damages or to benefit from opportunities associated with climate change.

Source: [UNFCCC – Adaptation and Resilience \(unfccc.int\)](https://unfccc.int)

Climate resilience: The ability to withstand, adapt to, and recover from the impacts of climate change. It involves surviving adverse events, maintaining essential functions, and thriving in the face of these challenges.

Source: [BDC – What is climate resilience? \(bdc.ca\)](https://bdc.ca)

Climate risk: The threats posed by climate change and the global response to the safety and soundness of financial institutions, and the broader financial system. These include physical risks from climate-related disasters, longer-term gradual shifts of the climate and indirect effects of climate change such as public health implications. They also include transition risks related to adjustment towards a low-greenhouse gas economy. These risks could emerge from future regulation, technological advancements and market changes.

Source: [Climate Risk Management \(osfi-bsif.gc.ca\)](https://osfi-bsif.gc.ca)

Carbon intensity: The amount of emissions of carbon dioxide (CO₂) released per unit of another variable such as gross domestic product (GDP), output energy use or transport.

Source: <https://www.ipcc.ch>/Glossary – Global Warming of 1.5°C (ipcc.ch)

Decarbonization: The process by which countries, individuals or other entities aim to achieve zero fossil carbon existence. Typically refers to a reduction of the carbon emissions associated with electricity, industry and transport.

Source: [IPCC – Global Warming of 1.5°C \(ipcc.ch\)](https://ipcc.ch)

Financed emissions: Financed emissions refer to the greenhouse gas emissions associated with the loans and investments made by financial institutions and is a Scope 3 activity.

Source: [PCAF – Financed Emissions \(carbonaccountingfinancials.com\)](https://carbonaccountingfinancials.com)

Greenhouse Gas (GHG) Protocol: A widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions.

Source: [Greenhouse Gas Protocol \(ghgprotocol.org\)](https://ghgprotocol.org)

Greenhouse gases (GHGs): Gases that trap heat in the atmosphere. Among the most common are CO₂, CH₄, and N₂O.

Source: [Overview of Greenhouse Gases | US EPA](https://www.epa.gov)

Inclusive and equitable transition: A transition that equitably distributes the costs and benefits of climate action while supporting affected workers and communities.

Source: [World Resources Institute \(wri.org\)](https://wri.org)

Low-carbon economy: An economy designed to minimize the production of greenhouse gas emissions while still supporting economic growth and social progress.

Source: [BDC – Low-carbon economy \(bdc.ca\)](https://bdc.ca)



Net-zero emissions: Net-zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period.

Source: [Glossary – Global Warming of 1.5°C \(ipcc.ch\)](https://www.ipcc.ch)

Net-Zero Banking Alliance: Until October 2025, the Net-Zero Banking Alliance (NZBA) was an industry-led, UN-convened group of global banks committed to financing ambitious climate action to transition the real economy to net-zero greenhouse gas emissions by 2050. In 2025, NZBA transitioned from a membership organization to a guidance and framework provider.

Source: [Net-Zero Banking Alliance \(unepfi.org\)](https://www.unepfi.org)

Operational emissions: Direct and indirect emissions that result from the day-to-day operations of an organization, across Scopes 1, 2 and 3 (except financed emissions).

Source: [GHG Protocol \(/https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf\)](https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf)

OSFI B-15 Guideline: Guidelines issued by the Office of the Superintendent of Financial Institutions (OSFI) in Canada, outlining expectations for federally regulated financial institutions in managing climate-related risks.

Source: [Guideline B-15 – Climate Risk Management \(osfi-bsif.gc.ca\)](https://www.osfi-bsif.gc.ca)

Risk appetite: The risk appetite is the amount and type of risk an organization takes to achieve its objectives.

Source: [Bank of Canada – Risk Management \(bankofcanada.ca\)](https://www.bankofcanada.ca)

Scenario: A plausible description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces (e.g. rate of technological change, prices) and relationships. Note that scenarios are neither predictions nor forecasts but are used to provide a view of the implications of developments and actions.

Source: [Glossary – Global Warming of 1.5°C \(ipcc.ch\)](https://www.ipcc.ch)

Scenario analysis: A process for identifying and assessing the potential implications of a range of plausible future states under conditions of uncertainty. Scenarios are hypothetical constructs and are not designed to deliver precise outcomes or forecasts. Instead, scenarios provide a way for organizations to consider how the future might look if certain trends continue or certain conditions are met.

Source: [TCFD Recommendations \(fsb-tcfd.org\)](https://www.fsb-tcfd.org)

Task Force for Climate-related Financial Disclosures (TCFD): Taskforce created by the Financial Stability Board to develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing climate-related risks.

Source: [TCFD \(fsb-tcfd.org\)](https://www.fsb-tcfd.org)

Transition plan: A transition plan is an aspect of an organization's overall business strategy that lays out a set of targets and actions supporting its transition toward a low-carbon economy, including actions such as reducing its greenhouse emissions.

Source: [TCFD Guidance on Metrics, Targets, and Transition Plans \(fsb-tcfd.org\)](https://www.fsb-tcfd.org)



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