

## Progress made on targets and action plans included in the Vancity Group's 2004-05 Accountability Report

In our last accountability reporting cycle, we developed 64 targets or action plans to improve our performance. We have produced the following progress report so stakeholders can clearly see progress made against each individual target or action plan. We've included the name of the person accountable for completing the action plan. In cases where the senior manager accountable is no longer at the Vancity Group, we've included both his/her name and the name of his/her replacement, where relevant.

In summary, by the end of 2007:

- 40 out of 48 (83 per cent) targets or action plans with a completion date of 2007 were completed;
- Five action items were not fully completed. These were: the development of formal employee volunteer program; the rollout of processes to improve work-life balance; conducting exit interviews with staff to determine key reasons why employees are leaving; the development of action plans for managing relationships not aligned with the ethical policy; and the development of policy on political contributions and lobbying;
- Three targets were not met: the Vancity Group efficiency ratio target; the percentage of employees using sustainable transportation modes; the percentage of Citizens Bank employees who agree or strongly agree that they feel free to voice their opinions openly;
- 16 targets and action plans had completion dates of 2008 or later so below we've included progress made to date, and have updated the targets/action plans to reflect our updated business strategy and plans, our performance results and changes in data collection methodology.

### Summary of progress made on targets and action plans with a completion date of Dec 31, 2007

<p><b>Providing outstanding service (4)</b></p> <ul style="list-style-type: none"> <li>○ Vancity Credit Union - 3/3 completed (100%)</li> <li>○ Citizens Bank – 1/1 completed (100%)</li> </ul>	<p><b>Leading by example (15)</b></p> <ul style="list-style-type: none"> <li>○ Vancity Group – 6/9 completed (66%)</li> <li>○ Vancity or Vancity Credit Union – 3/3 completed (100%)</li> <li>○ Citizens Bank – 3/3 completed(100%)</li> </ul>
<p><b>Being responsible and effective financial Managers<sup>(i)</sup> (17)</b></p> <ul style="list-style-type: none"> <li>○ Vancity or Vancity Credit Union – 10/10 completed (100%)</li> <li>○ Citizens Bank – 5/5 completed (100%)</li> <li>○ Vancity Group – 0/2 completed (0%)</li> </ul>	<p><b>Being a great place to work (12)</b></p> <ul style="list-style-type: none"> <li>○ Vancity Group – 5/7 completed (71%)</li> <li>○ Vancity or Vancity Credit Union – 2/2 completed (100%)</li> <li>○ Citizens Bank – 1/2 completed (50%)</li> <li>○ Inventure Solutions – 1/1 completed (100%)</li> </ul>

(i) The relatively large number of targets or action plans speaks to the focus placed on governance during 2005.

### Detailed progress report on targets and action plans with a completion date of 2007

#	Target or action plan	Accountable	Status	Progress made as of December 31, 2007
<b>PROVIDING OUTSTANDING SERVICE</b>				
1	By 2007, reevaluate the call centre's complaint-handling process and implement a checklist to improve the quality of resolutions and accountability. (Citizens Bank)	Jean-Marc Handfield, Vice President Retail & Marketing Ian Warner, former Chief Operating Officer	●	<b>Completed</b>
2	By 2007, formally launch an internal Financial Advice Centre to improve the ability of our staff to deliver financial information and advice. (Vancity Credit Union)	Steve Eccles, former Vice President Investments	●	<b>Completed</b>
3	By 2007, implement program to improve access to affordable home ownership. (Vancity Credit Union).	Ellen Pekeles, Senior Vice President Strategy	●	<b>Completed</b>
4	By 2007, review complaint handling. (Vancity Credit Union)	Karen Hoffmann, Corporate Secretary Paula Martin, Senior Vice President Member Engagement	●	<b>Completed</b>
<b>LEADING BY EXAMPLE</b>				
5	By 2007, appoint a Vice President of Community Leadership. (Vancity Credit Union)	Dave Mowat, former Chief Executive Officer	●	<b>Completed</b> Ellen Pekeles appointed Vice President Community Leadership November 2006. Position since elevated to Senior Vice President, Strategy.
6	By 2007, replace Vancity's Baseline Ethical Policy and Citizens Bank's Ethical Policy with one Vancity Group Ethical Policy.	Dave Mowat, former Chief Executive Officer	●	<b>Completed</b>

#	Target or action plan	Accountable	Status	Progress made as of December 31, 2007
7	By 2007, complete full implementation of the Vancity Group's Ethical Policy, including the formalization of an annual review, compliance monitoring, an appeals process, development of procedures and tools, and training and communication.	Ellen Pekeles, Senior Vice President Strategy	●	<b>Completed</b>
8	By 2007, develop action plans to address significant relationships not in alignment with the Vancity Group's Ethical Policy.	Rob Malli, Vice President Finance/Johan Lemmer, former Vice President Finance	◐	<b>Not completed</b>  Deferred to 2008-09 due to a change in our screening approach:  <b>2009 commitment:</b> Rescreen strategic relationships using a revised "holistic" screening approach. Develop action plans to deal with non-aligned relationships.
9	By 2007, establish Social Enterprise and Community Asset loan funds to enable us to effectively place Shared Growth investments. (Vancity Credit Union)	Kevin Zakus, former VP Business Banking Ellen Pekeles, Senior Vice President Strategy	●	<b>Completed</b>
10	By 2007, pilot regional responsive grant program to provide more local influence within our five granting regions. (Vancity Credit Union)	Ellen Pekeles, Senior Vice President Strategy	●	<b>Completed</b>
11	By 2007, formally introduce Vancity's employee involvement programs (I Gave at The Office and staff fundraiser) to Citizens Bank.	Ellen Pekeles, Senior Vice President Strategy	●	<b>Completed</b>  Employee involvement programs rolled out to Citizens Bank in Fall 2006. Both programs were subsequently discontinued following a detailed review of all our community investment programs. We plan to explore alternative ways to engage employees in charitable giving/fundraising.

#	Target or action plan	Accountable	Status	Progress made as of December 31, 2007
12	By 2007, increase the percentage of [trips by] employees using alternative [sustainable] transportation modes from 56 per cent (2005) to 60 per cent. (Vancity Group)	Ellen Pekeles, Senior Vice President Strategy	●	<p><b>Target not met</b></p> <p><b>2007 results:</b> 53 per cent  <b>2006 results:</b> 51 per cent</p> <p>This decline was driven by an eight per cent drop in the use of public transit by staff during the two-year period. Other forms of sustainable transportation use increased by 5 per cent. We suspect that overcrowding and capacity issues with public transit plus the opening of new branches in suburbs not well served by public transportation may have contributed. Support for staff to take sustainable transportation to and from work will increase in 2008 through our “Cut the Carbon” program.</p> <p><b>2008 target:</b> The percentage of employees who use sustainable transportation to commute to and from work is at least 20 percentage points more than the percentage of Vancouver residents who use sustainable transportation (accountable – Tamara Vrooman, Chief Executive Officer)</p>
13	By 2007, implement a corporate-wide framework for greenhouse gas management and reporting system and develop plan to achieve goal to be carbon neutral by 2010. (Vancity Group)	Ellen Pekeles, Senior Vice President Strategy	●	<b>Completed</b>
14	By 2007, expand the tracking of employee business travel to include road travel by employees who use their cars for their day-to-day work, and all corporate air travel. (Vancity Group)	Ellen Pekeles, Senior Vice President Strategy	●	<b>Completed</b>
15	By 2007, expand our Clean Air Auto Loan nationally through Citizens Bank.	Ellen Pekeles, Senior Vice President Strategy	●	<b>Completed</b>

#	Target or action plan	Accountable	Status	Progress made as of December 31, 2007
16	By 2007, evaluate the option of offering Shared World and Shared Growth community investment products. (Citizens Bank)	Ellen Pekeles, Senior Vice President Strategy	●	<b>Completed</b> Shared World expanded nationally through Citizens Bank Q4 2006. We've decided not offer Shared Growth through the Bank at this time due to current issues in placing dollars.
17	By 2007, implement the first phase of our long-term Socially Responsible Investment strategy. (Vancity)	Steve Eccles, former Vice President Investments	●	<b>Completed</b>
18	By 2007, develop a formal program for employee volunteering on company time. (Vancity Group)	Ellen Pekeles, Senior Vice President Strategy Grace Pulver, former VP Human Resources	◐	<b>Not completed</b> Some progress made and options were presented to the Community Leadership Committee. However, due to resourcing issues we decided this is not a priority for 2008-09.
19	Launch GreenFeat 2006, our employee education and awareness program that will help us move toward our 2010 carbon neutral goal. As part of GreenFeat, encourage staff to recycle or shred all office paper. (Vancity Group)	Johan Lemmer, former VP Finance Ellen Pekeles, Senior Vice President, Strategy	●	<b>Completed</b>
<b>BEING RESPONSIBLE AND EFFECTIVE FINANCIAL MANAGERS</b>				
20	By 2007, an efficiency ratio range of 73-76 per cent. (Vancity Group)	Rob Malli, Vice President Finance/Johan Lemmer, former Vice President Finance	○	<b>Target range not met</b> <b>2008 target:</b> Efficiency ratio is 84.4 per cent
21	By 2007, meet the new regulatory requirements of the Basel II framework. (Citizens Bank)	Rob Malli, Vice President Finance/Johan Lemmer, former Vice President Finance	●	<b>Completed</b>

#	Target or action plan	Accountable	Status	Progress made as of December 31, 2007
22	By 2007, develop a policy on political contributions and lobbying that carefully defines what is appropriate. (Vancity Group)	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance	○	<b>Not completed</b>  Revised completion date of 2009
23	By 2007, review the merits of electronic voting. If appropriate, propose to the Board of Directors revisions to Vancity Credit Union's rules. Present any proposed changes to members for approval at the 2007 annual general meeting.	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance	●	<b>Completed</b>  Changes to the credit union's rules were approved by members at our 2007 AGM to allow electronic voting
24	By 2007, review and recommend restructuring of Vancity Credit Union's Board committees.	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance	●	<b>Completed</b>
25	By 2007, update the formal Board evaluation process. (Citizens Bank)	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance	●	<b>Completed</b>
26	By 2007, develop a formal Board evaluation process. (Vancity Credit Union)	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance	●	<b>Completed</b>
27	By 2007, complete remaining governance and management self-assessments against Stabilization Central's standards; develop action plans for improvement. (Vancity Credit Union)	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance	●	<b>Completed</b>  Action plans to address gaps in progress
28	By 2007, change the terms of reference to state that the majority of Citizens Bank's Audit Committee members will be financially literate, and that at least one Director will be a financial expert.	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance	●	<b>Completed</b>
29	By 2007, recommend an increase in Director compensation at the 2006 Annual General Meeting. (Vancity Credit Union)	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance	●	<b>Completed</b>

#	Target or action plan	Accountable	Status	Progress made as of December 31, 2007
30	By 2007, review Director compensation. (Citizens Bank)	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance	●	Completed
31	By 2007, change approval of Director compensation from a self-approval process to approval by the shareholder –Vancity’s Board. (Citizens Bank)	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance	●	Completed
32	By 2007, roll out online-based training that will provide ongoing privacy training for employees. (Vancity Group)	Karen Hoffmann, Corporate Secretary	●	Completed
33	By 2007, develop a policy for employing staff and partners from external audit firm. (Vancity Credit Union and Citizens Bank)	Rob Malli, Vice President Finance/Johan Lemmer, former Vice President Finance	●	Completed
34	By 2007, review the composition of the Board of Inhance Investment Management.	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance Vancity’s Board of Directors	●	Completed
35	By 2007, implement a process for annual sign-off on Standards of Business Conduct by employees. (Vancity)	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance Grace Pulver, former Vice President Human Resources	●	Completed
36	By 2007, create a confidential, safe process for employees to report misconduct or unethical behaviour. (Vancity Group)	Karen Hoffmann, Corporate Secretary/Fay Booker, former Advisor Corporate Governance Doug Cruickshank, Director Internal Audit	●	Completed

#	Target or action plan	Accountable	Status	Progress made as of December 31, 2007
<b>BEING A GREAT PLACE TO WORK</b>				
37	By 2007, conduct exit interviews with staff to determine the key reasons why employees are leaving; as appropriate, set a range for turnover. (Vancity Credit Union and Citizens Bank)	Brian Forward, Vice President Human Resources/Grace Pulver, former Vice President Human Resources	○	<b>Not completed</b>  Very few exit interviews were completed. Recommendations have been made and presented on a revised exit interview strategy.  <b>2009 commitment:</b> Systematically invite all employees leaving the Vancity Group on a voluntary basis to conduct an exit interview survey using an online tool
38	By 2007, develop a strategy to address turnover, specifically the contact centre. (Citizens Bank)	Grace Pulver, former Vice President Human Resources	●	<b>Completed</b>
39	By 2007, develop model to help us better gauge appropriate branch staffing levels. (Vancity Credit Union)	Grace Pulver, former Vice President Human Resources	●	<b>Completed</b>
40	By 2007, roll out improvements to strategic planning processes, key processes and communication strategies to improve employees' work-life balance. (Vancity Group)	Grace Pulver, former Vice President Human Resources Executive Leadership Team	◐	<b>Not completed</b>  Some improvements made. Improvements to systems, tools and processes are a key focus for 2008 and are expected to improve employee engagement across the Group.  <b>2008 targets:</b> See individual employee engagement score targets for Vancity, Citizens Bank and Inventure Solutions
41	By 2007, roll out 'Courageous Conversations' program to managers and working groups. (Vancity Group)	Grace Pulver, former Vice President Human Resources	●	<b>Completed</b>

#	Target or action plan	Accountable	Status	Progress made as of December 31, 2007
42	By 2007, 61 per cent of employees agree or strongly agree that they feel free to voice their opinions openly, up from 59% in 2005. (Vancity)	Grace Pulver, former Vice President Human Resources	●	<b>Target achieved</b>  <b>2007 results:</b> 61 per cent <b>2006 results:</b> 61 per cent
43	By 2007, 61 per cent of employees agree or strongly agree that they feel free to voice their opinions openly, up from 53 per cent in 2005. (Citizens Bank)	Grace Pulver, former Vice President Human Resources	○	<b>Target not met</b>  <b>2007 results:</b> 51 per cent <b>2006 results:</b> 60 per cent  Despite several programs and initiatives in place, score remains low and we will continue to monitor this issue. The priority for 2008-09 is on improving systems, tools and process to improve employee engagement.  <b>2008 target:</b> 60 per cent employee engagement score (accountable: Jason Farris, Citizens Bank Chief Executive Officer)
44	By 2007, host “Career Discovery Days” to increase awareness of and encourage career development opportunities. (Vancity Group)	Grace Pulver, former Vice President Human Resources	●	<b>Completed</b>
45	By 2007, launch revised leadership training (L <sup>1</sup> ) to move towards our goal of a “leaderful organization”. (Vancity Group)	Grace Pulver, former Vice President Human Resources	●	<b>Completed</b>
46	By 2007, establish an employee committee to identify new and improve existing employee recognition programs. (Vancity Group)	Grace Pulver, former Vice President Human Resources	●	<b>Completed</b>  Revised recognition and loyalty programs to be rolled out in 2008
47	By 2007, develop an employment transition policy. (Vancity Group)	Grace Pulver, former Vice President Human Resources	●	<b>Completed</b>

#	Target or action plan	Accountable	Status	Progress made as of December 31, 2007
48	By 2007, set a target for employee engagement. (Inventure Solutions)	Tom Haksi, Interim Chief Executive Officer Inventure Solutions	●	<p><b>Completed</b></p> <p>2007 target set and achieved (56 per cent)</p> <p><b>2008 target:</b> 63 per cent employee engagement score</p>

Action plans with a completion date of 2008 or later

#	Target or action plan	Accountable	Progress made as of December 31, 2007
<b>PROVIDING OUTSTANDING SERVICE</b>			
1	By 2008, increase percentage of personal members who are totally satisfied (those who rate us 5 out of 5) with service from 28 per cent (2003) to 45 per cent. (Citizens Bank)	Jason Farris, Chief Executive Officer, Citizens Bank	<p><b>2007 result:</b> 42 per cent</p> <p><b>2006 result:</b> 38 per cent</p> <p>Target replaced with a more comprehensive loyalty target:</p> <p><b>2009 target:</b> Personal member loyalty is 40 per cent</p>
2	By 2008, increase percentage of personal members who are totally satisfied (those who rate us 5 out of 5) with Vancity's service from 36 per cent (2003) to 41 per cent. (Vancity Credit Union)	Rick Sielski, Senior Vice President Member Services Lydia Johnson, former Vice President Sales and Service	<p><b>2007 results:</b> not available as we've moved to a more comprehensive loyalty measure</p> <p><b>2006 results:</b> 41 per cent</p> <p>Target replaced with a more comprehensive loyalty target:</p> <p><b>2008 target:</b> Personal member loyalty is 47 per cent (accountable: Rick Sielski, Senior Vice President Member Services, and Paula Martin, Senior Vice President Member Engagement)</p>
3	By 2008, increase percentage of personal members satisfied overall (those who rate us 4 and 5 out of 5) with the way their complaint was handled from 48 per cent (2003) to 75 per cent. (Vancity Credit Union)	Rick Sielski, Senior Vice President Member Services Lydia Johnson, former Vice President Sales and Service	<p><b>2007 results:</b> not available as we've moved to a more comprehensive loyalty measure</p> <p><b>2006 results:</b> 44 per cent</p> <p>Target replaced with a more comprehensive loyalty target (see #2 above)</p>

#	Target or action plan	Accountable	Progress made as of December 31, 2007
4	By 2008, decrease percentage of personal members who experience an error from 17 per cent (2003) to no more than 10 per cent. (Vancity Credit Union)	Rick Sielski, Senior Vice President Member Services Lydia Johnson, former Vice President Sales and Service	<b>2007 results:</b> not available (survey methodology has changed) <b>2006 results:</b> 16 per cent  We plan to set a revised target based on our new survey methodology.
5	By 2011, decrease percentage of business members who experience an error from 26 per cent in 2006 to no more than 16% in 2011. (Vancity Credit Union)	Senior Vice President, Social Finance (to be appointed) Kevin Zakus, former Vice President Business Banking	<b>2007 results:</b> 23 per cent <b>2006 results:</b> 26 per cent  We plan to set a revised target based on a new survey methodology, which will be introduced for business members in 2008-09.
6	By 2008, increase percentage of clients who are totally satisfied (those who rate us 5 out of 5) with service from 41 per cent (2005) to 43 per cent. (Vancity Insurance Services)	Terry Taciuk, President, Vancity Insurance	<b>2007 result:</b> n/a (survey methodology has changed) <b>2006 result:</b> 41 per cent  Target updated to reflect revised survey methodology and expected improvements in Insurance client satisfaction: <b>2008 target:</b> Insurance client satisfaction is 59 per cent (accountable: Rick Sielski, Senior Vice President Member Services)
7	By 2008, increase percentage of business members who are totally satisfied (those who rate us 5 out of 5) with service from 35% (2003) to 37%. (Vancity Credit Union)	Senior Vice President, Social Finance (to be appointed) Kevin Zakus, former Vice President Business Banking	<b>2007 result:</b> 36 per cent <b>2006 results:</b> 40 per cent  Target to be replaced with a more comprehensive loyalty target (see #5 above)

#	Target or action plan	Accountable	Progress made as of December 31, 2007
8	By 2008, maintain percentage of non-profit organization members who are totally satisfied (rate us 5 out of 5) with service at a minimum of 42 per cent (2003). (Vancity Credit Union)	Senior Vice President, Social Finance (to be appointed) Kevin Zakus, former Vice President Business Banking	<b>2007 results:</b> 45 per cent <b>2006 results:</b> 46 per cent  Target to be replaced with a more comprehensive loyalty target: <b>2008 target:</b> measure and set a non-profit member loyalty target (accountable: Shabir Amarshi, Interim Vice President Business Banking)
<b>LEADING BY EXAMPLE</b>			
9	In consultation with stakeholders, explore options to align or develop values and/or commitments applicable to the entire Vancity Group.	Ellen Pেকেles, Senior Vice President Strategy	<b>Progress made:</b> Completed - the Statement of Values and Commitments has been adopted by the Vancity Group, including all affiliates/subsidiaries.
10	By 2010, Vancity Group to be carbon neutral.	Tamara Vrooman, Chief Executive Officer Vancity Group	<b>Progress made:</b> Completed two years early - in 2008, the Vancity Group announced it was "carbon neutral." See our 2006-07 Accountability Report for more details.
11	By 2008, increase percentage of waste recycled to 60 per cent. (Vancity Centre)	Johan Lemmer, former Vice President Finance Tom Haksi, Interim Chief Information Officer Ellen Pেকেles, Senior Vice President, Strategy	<b>2007 results:</b> 47 per cent <b>2006 results:</b> 41 per cent  Target to be revised: <b>2009 commitment:</b> Set a revised target for the percentage of materials recycled (accountable: Tom Haksi, Interim Chief Information Officer)

#	Target or action plan	Accountable	Progress made as of December 31, 2007
12	By 2008, decrease energy use per employee by 10 per cent from 2003. (Vancity Centre and metered branches)	Johan Lemmer, former Vice President Finance Tom Haksi, Interim Chief Executive Officer, Inventure Solutions Ellen Pেকেles, Senior Vice President Strategy	<b>Progress made:</b> By end of 2007, we had reduced energy consumption at metered locations by 10 per cent per employee (headcount)  Target replaced with an overarching Group target for greenhouse gas emissions. This target includes emission from energy use, as well as paper use, business travel, and employee commuting. We plan to continue to practice and implement energy-saving initiatives.  <b>2008 target:</b> Maintain our greenhouse gas emissions at 6,000 tonnes (accountable: Tamara Vrooman, Vancity Chief Executive Officer)
<b>BEING RESPONSIBLE AND EFFECTIVE FINANCIAL MANAGERS</b>			
13	By 2008, an efficiency ratio of 75 per cent. (Citizens Bank)	Rob Malli, Vice President Finance/Johan Lemmer, former VP Finance	<b>2007 results:</b> 145.7 per cent <b>2006 results:</b> 82.5 per cent  Target replaced with an overarching Group target for our efficiency ratio:  <b>2008 target:</b> Vancity Group’s efficiency ratio is 84.4%
14	By 2008, assess climate change risk associated with our core business. (Vancity Group)	Chris Dobrzanski, Senior Vice President Risk Management and Operations Ellen Pেকেles, Senior Vice President Strategy	<b>Progress made:</b> Lending policy updated. Research being conducted to identify high risk industries and regions.  Action plan revised to be more specific:  <b>2009 commitment:</b> Incorporate more due diligence on climate change risks into lending policy (accountable: Chris Dobrzanski, Senior Vice President Risk Management and Operations)

#	Target or action plan	Accountable	Progress made as of December 31, 2007
<b>BEING A GREAT PLACE TO WORK</b>			
15	2008, achieve a 75 per cent employee engagement score. (Citizens Bank)	Executive Leadership Team	<p><b>2007 results:</b> 50 per cent  <b>2006 results:</b> 66 per cent</p> <p>Target revised to reflect 2007 results:  <b>2008 target:</b> 60 per cent employee engagement score (accountable: Jason Farris, Citizens Bank Chief Executive Officer)</p>
16	By 2008, achieve a 78 per cent employee engagement score. (Vancity)	Executive Leadership Team	<p><b>2007 results:</b> 68 per cent  <b>2006 results:</b> 75 per cent</p> <p>Target revised to reflect 2007 results:  <b>Revised 2008 target:</b> 75 per cent employee engagement score (accountable: Tamara Vrooman, Vancity Chief Executive Officer)</p>