

Detailed progress report on 2008 and 2009 targets and commitments

A key value of reporting is its use as a management tool to improve performance and demonstrate accountability and leadership. In our 2006-2007 Accountability Report, we published 35 targets and commitments to respond to stakeholder recommendations and findings that emerged from our reporting and assurance processes. This report presents accountability, status, and details of progress made for each target and commitment. Progress on targets and commitments is tracked quarterly and reported to the Audit Committee of Vancity's Board.

Summary of progress made on 2008–09 targets and commitments

During the past two years, we underwent significant changes to ensure we remained strong, focused on member needs and values-driven in a dynamic financial services industry. We adapted our structure, strategies and priorities as the economic, social and environmental context in which we operated changed. Consequently, some of the targets and commitments we set in our last Accountability Report no longer apply or are no longer priorities. In addition to the summary below, an explanation of progress made on targets and commitments is included in this report where still relevant.

Total number set	Number of targets achieved	Number of targets not achieved	Number of commitments completed	Number of commitments not completed/still in progress
13 targets & 22 commitments	6	6 1 no longer applicable	11	11

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

We set 13 2008 or 2009 targets:	
6 targets achieved	We met the following targets: efficiency ratio, net earnings, personal member loyalty for the credit union, member satisfaction for Vancity Insurance, greenhouse gas emissions and percentage of employees using sustainable transportation modes to commute to and from work. New targets have been set for all these metrics for 2010 or beyond, with the exception of personal member loyalty, (instead we have set a target for overall—personal and business—member loyalty), and Vancity Insurance member satisfaction (no longer applicable due to the sale of Vancity Insurance).
6 targets not achieved	We did not meet our targets for: employee engagement (3 targets: Vancity, Inventure Solutions, Citizens Bank), reputation score (2 targets: percentage of employees and percentage of members who agree Vancity uses its resources and expertise to benefit the community and the environment), and the community leadership product portfolio (value of products and services with social or environmental benefits). A new organizational target has been set for employee engagement. No targets have been set for the reputation score or community leadership product portfolio. We continue to monitor our reputation score, and we will revisit the community leadership portfolio as we develop metrics to support our Social Finance strategy.
1 target no longer applicable	Our personal member loyalty target for Citizens Bank is no longer applicable due to the restructuring of the Bank, see page 60.
We established 22 commitments for completion in 2008 or 2009:	
11 commitments completed	We completed commitments related to: launching an employee environmental awareness campaign, implementing changes to the Ethical Policy screening procedure, incorporating due diligence on climate change risks into the Lending Policy, community leadership outreach to employees, setting a target for recycling of waste, conducting employee exit interviews, developing a diversity strategy, developing a plan to move to electronic voting for the Board of Directors, launching Vancity's Vision, and evaluating accountability reporting. In addition, in 2009 we completed a 2008 commitment to develop an information technology strategy*.
8 commitments not completed, but these are in progress and remain a priority	We did not complete commitments related to: developing action plans for business relationships that are not aligned with our Ethical Policy, developing a policy on political contributions and lobbying, developing a growth strategy, and five commitments related to employee practices: a review of care days and disability metrics; an assessment of executive compensation; a review of our profit share and incentive programs; implementing a leadership strategy; and rolling out a talent-based compensation strategy. These five commitments will be captured under three new initiatives: our Talent Management and our Total Rewards strategies (see pages 40 - 41), and the Better Decisions, Better Results initiative (see page 44). We have set a new commitment to track Ethical Policy-related action plans, and a Political Activities Policy is under development. Our growth strategy is aligned with our Vision, and articulated in our Three Year Plan.
3 commitments not completed as they are no longer a priority	The following commitments are not priorities for us: setting and measuring targets for business and not-for-profit member loyalty (our overall member loyalty target includes business and not-for-profit members), piloting an alternative to payday lending (no longer a priority as our key concerns were addressed by positive changes in provincial payday lending legislation), and developing a sustainability supplier strategy (we remain committed to ensuring alignment to our Procurement and Ethical Policies in the selection of suppliers).

*While we developed an IT strategy in early 2008, we revisited it in 2009 to align it to the new Vision and Three Year Plan.

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

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The Materiality column indicates the importance and relevance of the issue to our key stakeholders overall. Where the target or commitment doesn't clearly align to one of the material issues we consulted stakeholders on, this is indicated by the symbol <>.

In this case, the materiality ranking is based its importance to Vancity's business strategy.

Item #	Target or Commitment	Materiality	Complete By	Accountable	Status 2008	Status 2009	Details
Managing our financial and economic performance							
1	Efficiency ratio is 84.4 per cent. (Vancity Group)	High	2008	VP Finance	●		<p>Target met Our 2008 efficiency ratio was 81.0 per cent. We also achieved our 2009 target of 79.0 per cent: in 2009, our efficiency ratio was 78.0 per cent.</p> <p>See "Get our Financial House in Order" in Vancity's 2008-2009 Accountability Report for more information and our 2010 target.</p>
2	Net earnings are \$38.3 million. (Vancity Group)	High	2008	VP Finance	●		<p>Target met 2008 net earnings were \$46.8 million. We also achieved our 2009 target of \$41.0 million: in 2009, net earnings were \$53.8 million.</p> <p>See "Get our Financial House in Order" in Vancity's 2008-2009 Accountability Report for more information an our 2010 target.</p>

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

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3	Develop a strategy to actively encourage our suppliers to adopt practices and policies that demonstrate social and environmental value. (Vancity Group)	Low	2009	VP Finance		▶	<p>Commitment not completed by the end of 2009. Some progress made.</p> <p>We conducted research into best practices, but we decided to focus our resources on continuing to ensure procuring activities are aligned with our Procurement and Ethical policies .</p> <p>See the “Non Financial Statements and Notes” in Vancity's 2008-2009 Accountability Report for more information on purchasing.</p>
Managing risk							
4	Incorporate more due diligence on climate change risks into lending policy. (Vancity Group)	Medium	2009	SVP Risk Management & Operations		●	<p>Commitment completed.</p> <p>See Vancity's Disclosure on Management Approach for a description of how we manage social and environmental risks.</p>
5	Develop a revised holistic Ethical Policy screening approach. (Vancity Group)	Medium	2009	SVP Strategy ⁱ		●	<p>Commitment completed.</p> <p>See “Foundational Strategies” in Vancity's 2008-2009 Accountability Report for more information.</p>

Vancity’s detailed progress report on 2008 and 2009 accountability targets and commitments

Item #	Target or Commitment	Materiality	Complete By	Accountable	Status 2008	Status 2009	Details
6	Rescreen strategic relationships using the revised holistic screening approach. Develop action plans to deal with non-aligned relationships. (Vancity Group)	Medium	2009	VP Finance			<p>Commitment not completed by the end of 2009. Some progress made.</p> <p>We reviewed a total of 79 relationships in 2009; 11 were non-compliant. We advised business unit relationship owners of non-aligned companies, but not all non-aligned relationships have action plans in place.</p> <p>See “Foundational Strategies” in Vancity’s 2008-2009 Accountability Report for more information and our future commitment.</p>
Meeting our members’ needs							
7	Personal member loyalty is 47 per cent. (Vancity credit union)	High	2008	SVP Member Services and SVP Member Engagement	●		<p>Target met.</p> <p>2008 personal member loyalty was 47 per cent. In 2009, we moved to an overall loyalty score—a combined percentage of business and personal member loyalty.</p> <p>See “Make the Branch Network Sing” in Vancity’s 2008-2009 Accountability Report for more information and our 2010 target.</p>

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

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8	Measure and set business and not-for-profit member loyalty targets. (Vancity credit union)	High	2008	VP Business Banking	◐		<p>Commitment not completed by the end of 2009. Some progress made.</p> <p>The business member loyalty score was 40 per cent, and met our target (also 40 per cent). The not-for-profit member loyalty score was 48 per cent, but we did not set a target. In 2009, we moved to an overall loyalty score—a combined percentage of business and personal member loyalty.</p> <p>See “Make the Branch Network Sing” in Vancity’s 2008-2009 Accountability Report for more information and our 2010 target.</p>
9	Member satisfaction is 59.5 per cent. (Vancity Insurance Services)	n/a	2008	SVP Member Services	●		<p>Target met.</p> <p>In 2008, member satisfaction was 60 per cent. This metric is no longer applicable due to the sale of Vancity Insurance Services Ltd (VISL).</p> <p>See the “Non Financial Statements and Notes” in Vancity’s 2008-2009 Accountability Report for more information on the sale.</p>

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

Item #	Target or Commitment	Materiality	Complete By	Accountable	Status 2008	Status 2009	Details
10	Personal member loyalty is 40 per cent. (Citizens Bank)	n/a	2009	Chief Executive Officer, Citizens Bank		n/a	<p>Target no longer applicable. This metric is no longer applicable due to the restructuring of the Bank. Members of the Bank were not surveyed in 2009.</p> <p>See the "Non Financial Statements and Notes" in Vancity's 2008-2009 Accountability Report for more information on the restructuring.</p>
11	Develop an information technology (IT) strategy and implementation plan that will provide the appropriate tools and systems for both our employees and our members. (Vancity Group)	Medium-<High>	2008	Chief Information Officer	◐	●	<p>Commitment not completed by the end of 2008. Completed in 2009. While we developed an IT strategy in early 2008, this was revisited in 2009 to align with the new Vision and Three Year Plan. In 2009 we developed a more comprehensive and long-term IT strategy.</p> <p>See "Make the Branch Network Sing" in Vancity's 2008-2009 Accountability Report for more information and our future commitment.</p>

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

Item #	Target or Commitment	Materiality	Complete By	Accountable	Status 2008	Status 2009	Details
12	Develop a growth strategy. (Vancity Group)	High	2009	SVP Member Services and SVP Member Engagement		○	<p>Commitment not completed.</p> <p>Our Vision and Three-Year plan have replaced the need for a separate Growth strategy. Our strategy is to grow sustainably in a way that's aligned with our Vision and builds on our Value Proposition and Social Finance strategy.</p> <p>See "Our Values, Vision and Business Strategy" in Vancity's 2008-2009 Accountability Report for more information.</p>
13	Pilot an alternative to payday lending. (Vancity credit union)	Medium	2009	SVP Risk Management & Operations and SVP Member Services		○	<p>Commitment not completed by the end of 2009. Initiative discontinued.</p> <p>Since we set this goal, and with Vancity's support, positive changes to protect borrowers were made to the payday lending legislation in BC that addressed our key concerns. As a result, we decided not to proceed with our initiative. We'll continue to monitor the issue and to partner with community groups involved in related advocacy work.</p>
Improving the well-being of our communities							

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

Item #	Target or Commitment	Materiality	Complete By	Accountable	Status 2008	Status 2009	Details
14	Implement our community leadership outreach strategy to increase awareness amongst our employees. (Vancity Group)	<Medium-High>	2009	SVP Strategy ⁱ		●	<p>Commitment completed.</p> <p>We achieved our strategy deliverables in 2009, with the main result being a more coordinated way of supporting branches to connect more deeply in their communities through communications, events, and grants.</p> <p>See "Build our Social Finance Offer" in Vancity's 2008-2009 Accountability Report for more information.</p>
15	Reputation score: The percentage of employees who agree we use our resources and expertise to benefit the community and environment is 93 per cent. (Vancity credit union)	<Medium-High>	2008	SVP Strategy ⁱ	○		<p>Target not met.</p> <p>Our 2008 employee reputation score was 81 per cent. We dropped this custom question from our Hewitt-administered employee engagement survey in 2009 to reduce expenses and because other similar questions exist in the survey. We will continue to track results for our members and the public (see below).</p>

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

Item #	Target or Commitment	Materiality	Complete By	Accountable	Status 2008	Status 2009	Details
16	Reputation score: The percentage of members who agree we use our resources and expertise to benefit the community and environment is 82 per cent (member panel survey, Vancity credit union)	<Medium-High>	2008	SVP Strategy ⁱ	○		<p>Target not met</p> <p>Our 2008 member reputation score was 74 per cent (member panel survey). We have not set future targets but we will continue to track and monitor results. Note: We have changed the data source from the member panel survey to the more accurate ad and brand tracker survey.</p> <p>See "Build our Social Finance Offer" in Vancity's 2008-2009 Accountability Report for more information.</p>
17	<p>Increase the value of our community leadership portfolio by 10 per cent. (Vancity Group)</p> <p>Note, the CL portfolio includes deposits, loans, and investments in SRI.</p>	Medium	2008	SVP Strategy ⁱ	○		<p>Target not met.</p> <p>In 2008, the community leadership portfolio was valued at \$1.00 billion, up from \$0.98 billion in 2007. We did not set 2009 or 2010 targets, but we will revisit this metric in the context of our Social Finance strategy.</p> <p>See the "Non Financial Statements and Notes" in Vancity's 2008-2009 Accountability Report for more information.</p>
18	Maintain our greenhouse gas emissions at 6000 tonnes excluding growth through mergers and acquisitions. (Vancity Group)	Medium	2008 2009	SVP Strategy ⁱ	●	●	<p>Targets met.</p> <p>Greenhouse gas emissions in 2009 totalled 5,101 tonnes, down from 5,504 tonnes in 2007.</p> <p>See "Foundational Strategies" in Vancity's 2008-2009 Accountability Report for more information and our 2020 target.</p>

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

Item #	Target or Commitment	Materiality	Complete By	Accountable	Status 2008	Status 2009	Details
19	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. (Vancity Group)	Medium	2009	SVP Strategy ⁱ		●	<p>Target met.</p> <p>In 2009, 55.5 per cent of staff used sustainable transportation to get to work compared to 33 per cent of Vancouver residents.</p> <p>See “Foundational Strategies” in Vancity's 2008-2009 Accountability Report for more information and our 2010 target.</p>
20	Roll out our “Cut the Carbon” climate change staff awareness campaign in partnership with BC Hydro. (Vancity Group)	Medium	2008	SVP Strategy ⁱ	●		<p>Commitment completed.</p> <p>See “Foundational Strategies” in Vancity's 2008-2009 Accountability Report for more information.</p>
21	Set a revised target for the percentage of materials recycled. (Vancity Centre)	Medium	2009	Chief Information Officer		●	<p>Commitment completed.</p> <p>See “Foundational Strategies” in Vancity's 2008-2009 Accountability Report for more information and our 2010 target.</p>
Great Place to Work							

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

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22	Employee engagement score is 75 per cent (Vancity)	High	2008	VP Human Resources	○		<p>Target not met. The 2008 employee engagement score for the credit union was 57 per cent. In 2009, we moved to an organization-wide engagement score target.</p> <p>See “Foundational Strategies” in Vancity's 2008-2009 Accountability Report for more information and our 2010 target.</p>
23	Employee engagement score is 60 per cent. (Citizens Bank)	n/a	2008	Chief Executive Officer, Citizens Bank	○		<p>Target not met. The 2008 employee engagement score for the Bank was 54 per cent. In 2009, we moved to an organization-wide engagement score target. See # 22 above.</p>
24	Employee engagement score is 63 per cent. (Inventure Solutions)	n/a	2008	Chief Executive Officer, Inventure Solutions	○		<p>Target not met. The 2008 employee engagement score Inventure Solutions was 53 per cent. In 2009, we moved to an organization-wide engagement score target. See # 22 above.</p>

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

Item #	Target or Commitment	Materiality	Complete By	Accountable	Status 2008	Status 2009	Details
25	Roll out our new talent-based compensation strategy. (Vancity credit union and Citizens Bank)	Low <Medium>	2009	VP Human Resources		●	<p>Commitment not completed by the end of 2009. Some progress made.</p> <p>Leadership in our Human Resources (HR) Division changed in 2009 as did our approach to HR strategy development. This commitment is replaced with a commitment to develop a Total Rewards strategy.</p> <p>See “Foundational Strategies” in Vancity's 2008-2009 Accountability Report for more information and our future HR commitments.</p>
26	Systematically invite all employees leaving the Vancity Group on a voluntary basis to conduct an exit interview survey using an online tool.	<Medium>	2009	VP Human Resources		●	<p>Commitment completed.</p> <p>A system is in place to conduct surveys every six months.</p>
27	Develop an overarching diversity strategy to ensure we have a welcoming, inclusive workplace that reflects the communities we serve. The strategy will include the attraction, recruitment and retention of Aboriginal employees and employees with disabilities, and an employment systems and facilities audit. (Vancity Group)	Medium	2009	VP Human Resources		●	<p>Commitment completed.</p> <p>See “Foundational Strategies” in Vancity's 2008-2009 Accountability Report for more information.</p>

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

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28	Implement key components of our leadership strategy including: (a) piloting a leadership effectiveness tool, (b) fully rolling out our training program for new and/or inexperienced managers, (c) developing a leadership program for experienced managers, and (d) setting a target for the percentage of internal hires for leadership roles across Vancity. (Vancity Group)	<High>	2009	VP Human Resources		■	<p>Commitment not completed by the end of 2009. Some progress made. Leadership in our Human Resources (HR) division changed in 2009 as did our approach to HR strategy development. We will review our Leadership Development strategy as part of the development of a Talent Management strategy, and ensure integration with Better Decisions, Better Results (BDBR) and the Three Year Plan.</p> <p>See “Foundational Strategies” in Vancity's 2008-2009 Accountability Report for more information and our future HR commitments.</p>
29	Review care day and disability metrics to determine reasons for the trends and identify ways to address the issues. (Vancity Group)	Medium	2008	VP Human Resources	○	■	<p>Commitment still outstanding from 2008. Some progress made. Review completed in 2009. We will consider recommendations for addressing the issue as part of our Talent Management strategy and/or Total Rewards strategy.</p> <p>See “Foundational Strategies” in Vancity's 2008-2009 Accountability Report for more information and our future HR commitments.</p>

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

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30	Continue our regular review of competitive salaries, including a detailed review of senior positions. (Vancity credit union and Citizens Bank)	<Medium>	2009	VP Human Resources			<p>Commitment not completed by the end of 2009. Some progress made.</p> <p>We conducted a regular review of salaries and decided on no general market adjustment (GMA) for non-union employees in 2010. Merit-based increases ranged between 0%-5%. The GMA for union employees was determined through collective bargaining. We will develop a Total Rewards strategy in 2010, and we plan to complete a specific market assessment of executive compensation in 2010.</p> <p>See "Foundational Strategies" in Vancity's 2008-2009 Accountability Report for more information and our future HR commitments.</p>
31	Renew our employee profit share and incentive programs to simplify and better align these to our organizational objectives. (Vancity Group)	High	2009	VP Human Resources			<p>Commitment not completed by the end of 2009. Some progress made.</p> <p>We will review the employee profit share program upon development of a Total Rewards strategy, which will include profit share, merit pay and incentive pay.</p> <p>See "Foundational Strategies" in Vancity's 2008-2009 Accountability Report for more information and our future HR commitments.</p>
Governance and management							

Vancity's detailed progress report on 2008 and 2009 accountability targets and commitments

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32	Create a policy on political contributions and lobbying that defines what's appropriate. (Vancity Group)	Low	2009	SVP Governance, Risk and Compliance		▶	<p>Commitment not completed by end of 2009. Significant progress made.</p> <p>Our Political Activities Policy is under development. We plan to finalize this Policy in 2010.</p> <p>See Vancity's Disclosure on Management Approach for a description of our approach to public policy.</p>
33	Prepare a plan to move to electronic voting in the Director elections. (Vancity credit union)	Low <Medium>	2009	SVP Governance, Risk and Compliance		●	<p>Commitment completed.</p> <p>Plan completed. Implementation of online voting by 2011 underway.</p> <p>See "Governance and Management" in Vancity's 2008-2009 Accountability Report for more information and our future commitment.</p>
Vision, Business Strategy, and Reporting							
34	Develop a long-term directional plan/10-year vision. (Vancity Group)	High	2009	SVP Strategy ⁱ		●	<p>Commitment completed.</p> <p>See "Our Values, Vision and Business Strategy" in Vancity's 2008-2009 Accountability Report for more information on our Vision and Three Year Plan.</p>

Vancity’s detailed progress report on 2008 and 2009 accountability targets and commitments

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35	Evaluate our accountability reporting process, including opportunities to further align to our strategic and business planning processes and develop one integrated annual financial and accountability audit and report. (Vancity Group)	High	2009	VP Finance		●	<p>Commitment completed.</p> <p>In 2010, we published an Integrated Report as well as an Annual Report. We had intended releasing our first Integrated Report at our Annual General Meeting in April 2010, but we realized we needed to do more work on integrating the thinking behind what we report and how, and more time to adjust our processes. Our goal is that our integrated report will replace our Annual Report within the next two years.</p>

¹ The position of SVP Strategy no longer exists at Vancity. Future accountabilities relating to Ethical Policy lie with the SVP Governance, Risk and Compliance. Future accountabilities relating to greenhouse gas emissions and employee commuting using sustainable modes of transportation lie with the SVP Community Investment. Accountability for organizational strategy development lies with the Chief Executive Officer and Executive Leadership Team.