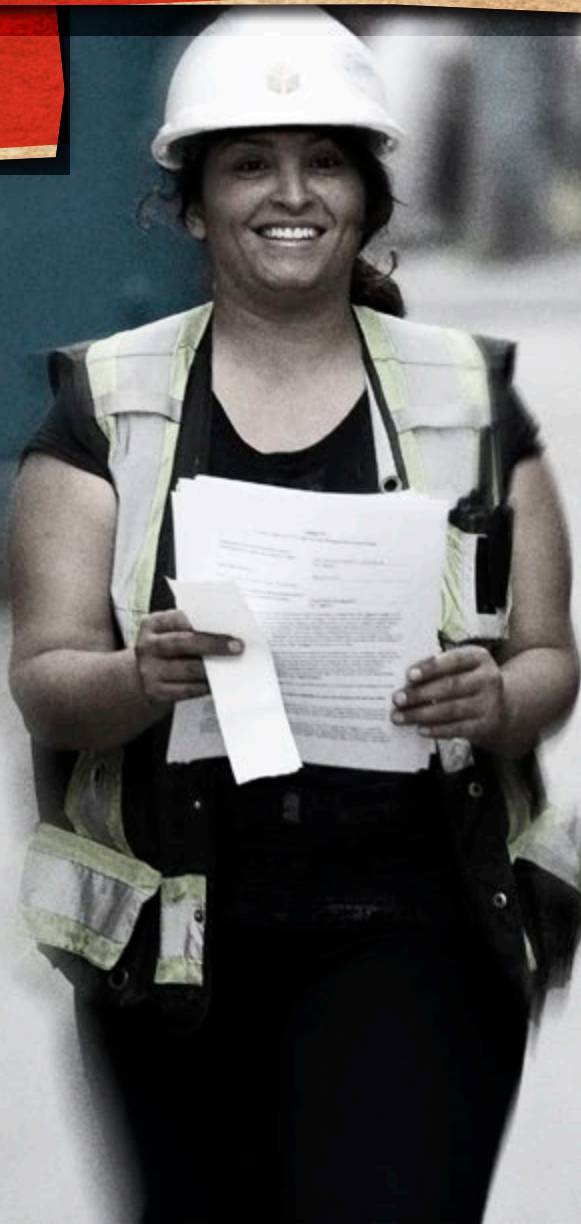


# Consolidated accountability

## statements



2013

**Vancity**  
Make Good Money.™

## **Igniting employment opportunities in Vancouver's Downtown Eastside**

The Eastside Movement for Business and Economic Renewal Society, or **EMBERS**, provides people facing multiple barriers to employment with opportunities and resources to start and grow a business. It has helped launch more than 500 businesses, placed over 1,000 people in temporary jobs and set up a construction company that specializes in sustainable building practices. It provides long-term employment for Downtown Eastside residents.

“Vancity was part of our inception,” says founder Marcia Noziak. “They create a very close relationship with you – it is not just about the dollars, it is about having someone to call on. Vancity has been there, supporting EMBERS and believing in us in a holistic way, giving us the confidence and momentum we need.”

## Contents

Introduction.....	4	Integrity .....	23
Priority topics .....	4	<i>Employee capability, engagement and diversity</i> .....	23
Management approach and data on priority topics .....	7	Employee profile and capability.....	23
Impact .....	7	Employee engagement and well-being.....	25
<i>Member well-being</i> .....	7	Employee diversity .....	26
Measuring member well-being .....	7	<i>Environmental performance and impact of our operations</i> .....	29
Financial inclusion and capacity building .....	7	Environmental impact of our operations.....	29
Member satisfaction and service experience.....	10	<i>Co-operative governance and risk management</i> .....	33
Activating members on climate change .....	11	Co-operative governance.....	33
Socially responsible investing .....	12	Executive and Board remuneration .....	33
<i>Community well-being</i> .....	14	Member participation and engagement.....	34
Community investment .....	14	Integrated risk management.....	37
Access to affordable housing.....	16	Responsible marketing and selling.....	39
Local economy, including outsourcing .....	16	Member privacy and security .....	40
Co-operative principles and practices .....	17	Management of the legal and regulatory environment .....	41
Public policy and advocacy .....	18	Reporting principles and other information.....	42
Confidence .....	19	Reporting principles .....	42
<i>Membership growth, financial performance and technology</i> .....	19	Survey data.....	42
Membership growth.....	19	Verification of key performance and impact data .....	43
Values-based banking.....	20	Changes in measures from the 2012 Annual Report .....	43
Financial performance and resilience.....	20	Global Reporting Initiative G4 content index.....	44
Technology, including renewal of our core banking system .....	22		

## Introduction

These Consolidated Accountability Statements supplement our 2013 Annual Report. They contain our management approach to priority topics, detailed data tables, explanations and notes. We select accountability measures based on their relevance to our business strategy, interest to stakeholders and effectiveness in demonstrating our impact. We use indicators from the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines where applicable, including the Financial Services Sector Disclosures. We collect and manage accountability data using a web-based data management system (Credit360), which includes data quality controls. We choose to have key performance data and information externally verified.

Throughout these statements, we refer to additional data and information contained in the following documents (PDFs), available on our website:

- 🔗 [2013 Annual Report](http://vancity.com/2013AnnualReport) (vancity.com/2013AnnualReport)
- 🔗 [Consolidated Financial Statements](http://vancity.com/2013AnnualReport/FinancialStmnts) (vancity.com/2013AnnualReport/FinancialStmnts)
- 🔗 [Greenhouse Gas Handbook and Inventory Report](http://vancity.com/2013AnnualReport/GHGHandbookandInventory) (vancity.com/2013AnnualReport/GHGHandbookandInventory)
- 🔗 [Glossary](http://vancity.com/2013AnnualReport/Glossary) (vancity.com/2013AnnualReport/Glossary)

We have listed definitions of key terms at the beginning of each section. Where a term is specific to a data table, we have included the definition as a footnote to the table.

- ◆ = 2013 data has been verified by KPMG
- BM = external benchmark data
- 🔗 = more information is available online
- (G4-X) = GRI G4 indicator numbers ([globalreporting.org](http://globalreporting.org))
- (PAS) = [Public Accountability Statement reporting requirements](http://laws-lois.justice.gc.ca/eng/regulations/sor-2002-133/FullText.html) (http://laws-lois.justice.gc.ca/eng/regulations/sor-2002-133/FullText.html)

## Priority topics (G4-18)

Priority topics are those that we think reflect our most significant economic, environmental and social impacts and/or would substantively influence the assessments and decisions of our members and other stakeholders.

In 2009, we conducted an in-depth 'materiality process' to identify priority topics. We solicited direct input from management, members and others, and we produced a comparative graph of topics. Since then, each year we review and update the set of priority topics and corresponding measures to include in our annual reports. To inform our annual review, we maintain a running list of relevant topics. Our list captures key risks, opportunities and events, and includes those that affect or could affect Vancity's direct short-term financial performance, our ability to deliver on our vision and strategic priorities, or our ability to create value or positive impact in the long term. In 2013, we asked members and employees to provide feedback on annual report topics via focus groups. We interviewed the Board and senior management. We incorporated feedback from existing engagement mechanisms such as surveys and community advisory committees. We also held an experts panel, facilitated by [Ceres](#).

For more on how we decide what to include in our report see [2013 Annual Report](#), 'Determining report content, reporting standards and external audit,' pp. 41-42 and 'About this report,' p. 4

The Audit Committee of the Board of Directors receives the annual report plan and outline (which includes topics to be disclosed) and the corresponding set of performance measures. The Board approves the annual report prior to its release. Our external assurance provider also conducts its own process as part of its AA1000 assurance procedures to ensure we have determined the relevance and importance of topics to Vancity and key stakeholders and have prioritized the material topics and responded to them strategically. This includes in the report.

### Priority topics and boundaries (G4-18, G4-19, G4-20, G4-21)

We feel it's important to use the same language in our public reports as we use internally. We've translated the Aspects included in the GRI G4 Sustainability Reporting Guidelines into those priority (material) topics that make sense to Vancity and our members. For each priority topic, we've identified where its main impacts occur. We used this to decide the boundaries of what to report for each topic, with higher priority topics receiving more coverage in the main annual report.

Vancity's priority topics	GRI G4 Aspects	Impact boundaries	
		Within Vancity*	Outside Vancity
<b>Impact</b>			
Member well-being	Indirect economic impacts		Members and the communities in which they live and work
Financial inclusion and capacity building	Indirect economic impacts Local communities Product and service labeling Product portfolio		Members and their communities
Member satisfaction and service experience	Product and service labeling		Members and clients
Activating members on climate change	Product portfolio		Members and their communities
Socially responsible investing	Active ownership		Vancity Investment Management clients, members and their communities, suppliers and business partners, including sub-advisory services provided to IA Clarington
Community investment	Economic performance Indirect economic impacts Local communities Product portfolio		Members and their communities
Access to affordable housing	Indirect economic impacts Product portfolio		Members and their communities
Local economy, including outsourcing	Market presence Indirect economic impacts Procurement practices		Communities where members live and work, suppliers, including those supporting Visa gift and reloadable cards in India and the USA (See <a href="#">2013 Annual Report</a> , p. 32)
Co-operative principles and practices	Indirect economic impacts		Members and their communities, co-operatives across Canada and internationally
Public policy and advocacy	Public policy		Members and their communities, regulators, competitors and peers
<b>Confidence</b>			
Membership growth	-	Yes	Members and their communities, regulators, competitors and peers
Values-based banking	-	Yes	Members and their communities, regulators, competitors and peers, suppliers
Financial performance and resilience	Economic performance	Yes	Members and their communities, regulators, competitors and peers
Technology, including renewal of our core banking system	-	Yes	Members, suppliers

Vancity's priority topics	GRI G4 Aspects	Impact boundaries	
		within Vancity*	outside Vancity
<b>Integrity</b>			
Employee profile and capability	Employment Training and education	Yes	
Employee engagement and well-being	Labour/management relations Occupational health and safety Labour practices grievance mechanisms	Yes	
Employee diversity	Diversity and equal opportunity Equal remuneration for women and men Investment Non-discrimination Human rights grievance mechanisms	Yes	
Environmental impact of our operations	Materials Energy Water Emissions Effluents and Waste	Yes	Suppliers and business partners, the environment around our operations
Co-operative governance	Diversity and equal opportunity	Yes	
Executive and Board remuneration	-	Yes	
Member participation and engagement	-	Yes	Members
Integrated risk management	Supplier environmental assessment Supplier assessment for labour practices Investment Supplier human rights assessment Supplier assessment for impacts on society Product portfolio Audit Active ownership	Yes	Business members, suppliers and business partners
Responsible marketing and selling	Product and service labeling	Yes	Members
Member privacy and security	Anti-corruption Customer privacy	Yes	Members, regulators
Legal and regulatory environment	Environment: Compliance Anti-competitive behaviour Social – SOC: Compliance Product and service labeling Marketing communications Social - PR: Compliance	Yes	

\*Priority topics apply to our operations as listed in the organization chart on p. 9 of our [2013 Annual Report](#).

## Management approach and data on priority topics

### Impact

#### Member well-being

#### Measuring member well-being

For our approach see [2013 Annual Report](#), ‘Measuring member well-being,’ p. 19

#### Percentage of members surveyed who strongly agree Vancity’s contribution to the community has a positive effect on their well-being

		2013	2012
Personal members surveyed who strongly agree ♦	%	51.2	50.2

New indicator.

Data source: [Member experience tracking survey](#). The margin of error in 2013 was +/- 1.14 at a 95 per cent confidence interval. The percentage of respondents answering “Don’t know” in 2013 was 12.7.

### Financial inclusion and capacity building

For more on our approach see [2013 Annual Report](#), ‘Access to basic financial services,’ p. 19 and ‘Financial literacy and trusted advice,’ pp. 19-20

#### Initiatives to improve access (FS13, FS14)

One of Vancity’s three guiding principles is to help ensure social justice and financial inclusion are enhanced in our members’ lives and communities. Our Statement of Values and Commitments entrusts us to ensure access to basic financial products, services and education. We offer products and services to help low-income or marginalized people access basic banking services, obtain credit within their means, build savings or buy a home.

We continue to look for innovative ways to recognize unique circumstances and develop programs that support access to banking and credit and that have a positive community impact. We place an emphasis on supporting access to affordable housing and home ownership, and economic self-reliance. We have an Aboriginal strategy to assist Aboriginal organizations and First Nations in their efforts to improve the standard of living of their members and help them move towards their goal of financial independence. Through a partnership with PHS, at Pigeon Park Savings we serve some 3,700 low-income and marginalized individuals living in Vancouver’s Downtown Eastside – one of Canada’s poorest neighbourhoods.

🔗 For more initiatives to improve access see Investing in communities [vancity.com/InvestingInCommunities](http://vancity.com/InvestingInCommunities)

🔗 Aboriginal communities [vancity.com/AboriginalCommunities](http://vancity.com/AboriginalCommunities)

Our branches are wheelchair-accessible, our Automated Teller Machines (ATMs) have Braille keypads and our walk-up ATMs have guided voice functionality. Our websites are designed to be accessible by those who use screen-reading devices such as JAWS (Job Access With Speech). We train senior call-centre agents to provide TTY (text telephone) banking services to members with hearing disabilities. We have installed hearing call induction loops and automated door openers in most locations.

🔗 For more on accessible banking for members with disabilities see Ways to bank [vancity.com/Banking/WaysToBank](http://vancity.com/Banking/WaysToBank)

**Products designed to provide access to basic financial services, affordable housing, credit and credit repair to individuals (FS7)**

Product description/purpose	Target beneficiary
<i>Accessibility program Visa accounts:</i> Credit is offered to individuals who partake in a Visa literacy discussion and agree to certain conditions	Low-income and marginalized members and communities
<i>Secured Visa deposit account:</i> One-year term deposit account that provides individuals with up to \$500 of credit.	Individuals with challenges accessing financial services
<i>Micro-loans:</i> small business loans to launch a new business or get back to work in a chosen field. Includes products such as: Be my own Boss, Back to Work Loans, and Circle loans	Micro-entrepreneurs, new immigrants, or working poor who face barriers to traditional banking
<i>On-reserve housing loans:</i> Mortgage-like loans that provide financing to First Nation community members who would like to purchase or renovate a home located on First Nation lands	Aboriginal communities
<i>Pigeon Park Savings account package:</i> Personal bank account package for a flat fee of \$5 per month, including cheque-cashing, unlimited withdrawals, bill payments, money orders and ATM card access. For non-members, a cheque-cashing service is available for a flat fee of \$2.99 per cheque	Low-income and marginalized individuals living in Vancouver's Downtown Eastside—one of Canada's poorest neighbourhoods that lacks easy and affordable access to basic banking services
<i>Pigeon Park Savings cashable term deposits:</i> A 12-month cashable term deposit with a significantly reduced initial minimum deposit of \$100 that ensures affordability and a preferred interest rate after 30 days	Low-income and marginalized individuals living in Vancouver's Downtown Eastside (see above)
<i>Resettlement Assistance Program deposit product:</i> A special account developed to enable government-assisted refugees the opportunity to open accounts in which to deposit initial grants and subsequent assistance payments from the Federal Government when they arrive in Canada	Individuals (low-income, new immigrants and refugees) with challenges accessing financial services
<i>Springboard Mortgage:</i> Provides qualified participants with 100 per cent of the money needed to buy a home, including the down payment	Low-income individuals and families who have resided in not-for-profit housing for at least two years

**Value of products designed to provide access to basic financial services, affordable housing, credit and credit repair to individuals (FS7)**

In 2012, the approved amount was high due to a large number of Springboard mortgages being renewed.

(millions of dollars)		2013	2012	2011
Micro-loans	\$	1.6	1.3	1.8
On-reserve housing loans	\$	0.2	0.2	0.3
Pigeon Park Savings account package	\$	2.0	1.3	1.1
Pigeon Park Savings cashable term deposits	\$	0.1	0.1	0.1
Resettlement Assistance Program deposit product	\$	0.6	0.6	0.5
Springboard Mortgage	\$	0.1	2.3	0.4

Loan dollars are based on approved amounts for the reporting period.

**Services designed to provide access to basic financial services, affordable housing, credit and credit repair (G4-EC8, FS7)**

		2013	2012
Number of people assisted	#	4,971*	2669

Data includes loans and accounts from above list of products.

\*New methodology for 2013 to include secured Visa.

In addition, we offer:

- The Jumpstart® High Interest Savings account: One per cent of net revenues (or \$70,000, whichever is greater) is used to support not-for-profit organizations that help newcomers to Canada become self-reliant. Revenues support our community partners to offer settlement services such as housing, language training, employment training, financial literacy and micro-loans. For more information on our Jumpstart® program partners see [vancity.com/JumpstartProgramPartners](http://vancity.com/JumpstartProgramPartners)
- Business Jumpstart High interest Savings account
- Registered Disability Savings Plans.

Jumpstart® is a registered trade-mark of Vancouver City Savings Credit Union.

**Description of financial literacy programs (DMA-FS16)**

The programs listed below are often delivered together with community partners. In 2013, the total number of members served from financial literacy seminars, programs and workshops doubled, mainly due to the introduction of financial literacy seminars on basic banking, investments, retirement, estate planning, etc., offered through our branches.

🔗 Financial literacy, [vancity.com/FinancialLiteracy](http://vancity.com/FinancialLiteracy)

Service description/purpose	Target beneficiary
<i>*Financial literacy seminars and programs:</i> These help individuals learn about banking fundamentals, debt management, budgeting, and strategies for saving and investing. Examples include programs such as: financial literacy offered through branches, Each One, Teach One, Money Skills, Dollars and Sense and Home Ownership readiness.	Low-income individuals, recent immigrants, single parents, youth and Vancity members
<i>Financial sustainability workshops:</i> These address not-for-profit organizations’ needs for revenue diversification, financial management improvements, resource development and, ultimately, sustainability	Not-for-profit organizations, social enterprises, co-operatives, small businesses and micro-entrepreneurs

\*Due to decentralized tracking systems in 2012 for the Each One, Teach One program, some double-counting may occur.

In addition we offer:

- Several toolkits, including Financial Fitness for not-for-profits, a micro-credit toolkit for entrepreneurs; a handbook of Good Advice to Avoid Tough Times, also for micro-entrepreneurs; and the Canadian Social Enterprise Guide through the Enterprising Non-profits program.
- Each One Coach One: Social enterprises often have business and operational challenges that granting can’t satisfy. To support them, we developed the Each One, Coach One program whereby our employees interested in volunteering their time provide hands-on expertise.

In partnership with community partners, we support the following:

- Free income tax site: A program to provide free income tax returns to low income people in the Lower Mainland
- Power Play Money Manager: Teaches youth the fundamentals of banking and is part of the approved high school curriculum in British Columbia

**Number of people assisted through financial literacy programs (G4-EC8)**

		2013	2012
Number of people assisted	#	10,456	5,870

**New funded business and commercial loans and lines of credit to members (PAS)**

For 2013, we anticipated lower loan numbers due to overall market conditions. We set the budget accordingly. This resulted in a 12-per-cent drop in the number of new loans and a 17-per-cent drop in the value of new loans approved when compared with 2012.

<b>Value of loans funded by size:</b> <i>(millions of dollars)</i>		<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$0 - \$24,999 value	\$	3	3	4	4	4
\$25,000 - \$99,999 value	\$	11	12	13	14	14
\$100,000 - \$249,999 value	\$	19	20	21	22	19
\$250,000 - \$499,999 value	\$	33	51	39	56	29
\$500,000 - \$999,999 value	\$	72	88	68	74	54
\$1,000,000 - \$4,999,999 value	\$	251	341	244	239	166
\$5,000,000 and greater value	\$	544	610	669	553	169
<b>Total value of loans funded</b>	<b>\$</b>	<b>933</b>	<b>1,125</b>	<b>1,058</b>	<b>962</b>	<b>455</b>
<b>Average funded loan size</b>	<b>\$</b>	<b>0.9</b>	<b>1.0</b>	<b>0.9</b>	<b>0.7</b>	<b>0.4</b>
<b>Number of loans funded by size:</b>						
\$0 - \$24,999 number	#	294	303	397	399	373
\$25,000 - \$99,999 number	#	246	268	293	313	316
\$100,000 - \$249,999 number	#	120	136	144	142	124
\$250,000 - \$499,999 number	#	96	143	109	160	83
\$500,000 - \$999,999 number	#	109	127	97	111	81
\$1,000,000 - \$4,999,999 number	#	122	152	126	120	79
\$5,000,000 and greater number	#	47	47	48	44	21
<b>Total number of new loans funded</b>	<b>#</b>	<b>1,034</b>	<b>1,176</b>	<b>1,214</b>	<b>1,289</b>	<b>1,077</b>

Data includes all new loans and lines of credit to businesses funded by our Community Business, Community Capital, Community Real Estate teams and branch network. The funding of construction loans is staggered and all dollars may not get disbursed in the year the loan is approved. The balance on some loans (cash-flow) fluctuates from month to month.

The breakdown for total value of loans is rounded to the nearest one million dollars.

**Member satisfaction and service experience (G4-26)**

For more on our approach see [2013 Annual Report](#), 'Member satisfaction and service experience,' p. 20

As well as providing members with outstanding service, we are committed to providing meaningful opportunities for members to have input in setting the direction of the credit union. We take member input and complaints seriously and view them as our best way to identify and rectify problems.

We survey our personal and business members (including not-for-profit members) to measure their satisfaction with our products and services. Through a 'member experience tracking survey' we learn about the in-branch experiences of members who borrowed, invested or opened new accounts in branch in the week previous to being interviewed. This information is used to understand and improve our performance. Through annual, post-transactional in-branch and ad hoc surveys, we ask members for opinions on a range of other issues. We review results by diversity (gender, age, with a disability, Aboriginal, low-income, etc.) to help ensure we are meeting the needs of all our members and communities.

In addition to surveys, members can provide feedback through our branches, call centre, website, and by mail and e-mail. Members can also attend and participate in our Annual General Meeting and run for or vote for our Board of Directors (subject to eligibility). In addition, we use online member panels and hold focus groups with members (and sometimes non-members) on various topics to inform our strategies, products and services. Feedback also comes to us through social media like Facebook and Twitter.

We are a credit union and a co-operative, so our Board of Directors is accountable to our membership. Our members have the option of communicating their concerns to their Board. Only a very small minority of concerns escalate to the Board, CEO, or senior vice president (SVP) levels. The vast majority of concerns are handled directly by front-line employees. Members may also choose to communicate their concerns via an external party, such as our regulator FICOM (Financial Institutions Commission), Central 1, or the Better Business Bureau.

With respect to member concerns, our goal is to see them dealt with in a timely manner by the branch or member-facing employee receiving the complaint. We don't formally track or report on all complaints on an ongoing basis; rather, themes are discussed at regional branch manager meetings. We do formally track complaints that are received by the Board of Directors, the Office of the CEO, and/or the SVP Member Services. These complaints are reported to the Board by category on a quarterly basis. We have systems that allow us to track, monitor, and report member responses to significant issues as they arise, for example, branch closures or a significant change to a product or service.

🔗 Vancity compliments and complaints [vancity.com/ComplimentsAndComplaints](http://vancity.com/ComplimentsAndComplaints)

🔗 Citizens Bank of Canada compliments and complaints [citizensbank.ca/ComplimentsComplaints](http://citizensbank.ca/ComplimentsComplaints)

### Member satisfaction (G4-PR5)

The annual [Ipsos 2013 Best Banking Awards](#) honour customer experience excellence in personal banking. Canadian credit unions won seven awards, taking sole honours in *Customer Service Excellence* and *Branch Service Excellence* for the ninth consecutive year and *Values My Business* for the sixth year in a row. They also tied for first place in the following categories among all financial institutions: financial planning and advice, mobile banking excellence, automated telephone banking excellence and live agent telephone banking excellence.

		BM	2013	2012	2011	2010	2009
Average (mean) branch service experience score ♦	#	--	9.13	9.08*	9.03	8.97	8.89
Vancity member services (contact) centre satisfaction score	%	76	81	80	78	75	77
Visa account contact centre satisfaction score**	%	76	78	75	73	n/a	n/a

\*We included an additional sampling stream in 2012. This had a minor effect on the score and so 2012 data may not be directly comparable to past data.

Data sources: [Member experience tracking survey](#) and [Member Services Centre quality tracking survey](#). The margin of error for the average branch service experience score in 2013 was +/- 0.03 at a 95 per cent confidence interval.

\*\*New indicator in 2013.

Contact centre satisfaction score benchmark (BM) source: SQM Group, North American Financial Institutions, 2013 average for call centres.

n/a = not available as the survey was not administered during reporting period.

### Member concerns and complaints escalated to Board, Chief Executive Officer and Chief Operating Officer (G4-HR3, G4-HR12)

In 2013, member concerns and complaints mainly related to accounts, service and products. There were no concerns or complaints related to harassment or discrimination.

		2013	2012	2011	2010	2009
Number of member concerns and complaints	#	129	145	102	154	213

Includes concerns/complaints from Citizens Bank customers.

### Activating members on climate change

One of Vancity's three guiding principles is to help ensure environmental sustainability for our members' lives and communities is enhanced. This involves providing clear environmental sustainability leadership in the financial sector. We are committed to action on four fronts:

- Reducing the environmental footprint of our operations (See [Environmental impact of our operations](#) p. 29)
- Helping members and employees act by providing education and products and services that benefit the environment
- Enabling the community to act by funding projects that reduce negative environmental impact
- Encouraging governments to implement public policy changes that reduce negative environmental impact.

We're a long-term signatory to the [Ceres principles](#), a 10-point code of corporate environmental conduct. Our Environmental Policy commits us to making our operations, products and services as environmentally responsible as possible and to pursuing and encouraging activities that enhance the ecological and social health of the community.

🔗 For more on our approach to environmental sustainability see [vancity.com/EnvironmentalSustainability](http://vancity.com/EnvironmentalSustainability)

🔗 For more on our approach to helping members with energy and environment see [vancity.com/EnergyEnvironment](http://vancity.com/EnergyEnvironment)

## Description of products designed to support members to reduce their greenhouse gas emissions (FS8)

In 2013, through retail products designed to reduce greenhouse gas emissions, our members were able to reduce 98 tonnes of greenhouse gas.

For more about our climate change products see [2013 Annual Report](#), 'Activating members on climate change,' p. 20

Product description/purpose	Target beneficiary
<i>Bright Ideas Home Financing</i> : A home renovation loan at prime rate for up to 10 years	Members (ability to reduce costs through energy efficiency) and the environment (ability to reduce greenhouse gas emissions)
<i>Clean Air Auto Loan</i> : A preferential interest rate is provided to members who purchase fuel-efficient vehicles	Members (reduced costs through fuel efficiency) and the environment (reduced greenhouse gas emissions)
<i>Mortgage with Home Energy Rebate</i> : A limited-time rebate (May to August 2013), partnered with Fortis BC, which offered \$2,000 to homebuyers who made energy-efficiency upgrades to their houses and brought a new mortgage to Vancity, or re-advanced/refinanced an existing mortgage with Vancity.	Members (ability to reduce costs through energy efficiency) and the environment (ability to reduce greenhouse gas emissions)

In addition we offer:

- enviroVisa cards and prepaid re-loadable Visa cards: At least five per cent of net revenues go to the [enviroFund™](#), which supports local environmental projects.

## Value of products designed to support members to reduce their greenhouse gas emissions (FS8)

Product (millions of dollars approved)		2013	2012	2011
Bright Ideas Home Financing	\$	0.2	0.3	0.2
Clean Air Auto Loans	\$	0.3	0.3	0.2
Mortgages with home energy rebate	\$	21.9	n/a	n/a

n/a = not available as the product did not exist in that reporting period.

## Services designed to support members to reduce their greenhouse gas emissions (FS8)

		2013	2012	2011
Number of people assisted	#	112	36	27

New indicator in 2013.

## Socially responsible investing

For our approach see [2013 Annual Report](#), 'Socially responsible investing,' p. 22

☞ Vancity Investment Management's philosophy [vcim.ca/sri](http://vcim.ca/sri)

## Value and percentage of socially responsible assets managed or advised on by Vancity Investment Management (VCIM) (FS11)

Vancity Investment Management provides discretionary investment management services to clients—individuals, unions, not-for-profits, foundations, trusts and other organizations. Through a strategic partnership with IA Clarington Investments, VCIM's sub-advisory group provides portfolio management services to IA Clarington on the Inhance SRI Fund family, including environmental, social and governance investment analysis. IA Clarington Inhance SRI funds are available to members through our branch network, as well as nationally through IA Clarington's distribution network.

(millions of dollars)		2013	2012	2011	2010	2009
Total assets managed or advised on by VCIM subject to environmental, social and governance (ESG) screens	\$	701.1	560.3	489.2	434.2	333.3
Percentage of all assets managed or advised on	%	94.1	94.0*	95.6*	90.8	86.2

Includes VCIM client investments in VCIM's ESG screened assets, credit union member investments in the IA Clarington SRI Fund family, and additional investments in socially responsible options distributed through IA Clarington's other distribution channels outside of Vancity.

In 2009, we sold our mutual fund business (Inhance Investment Management Inc.) to IA Clarington.

\*We restated data to include relevant assets we previously overlooked.

**Value and percentage of credit union member and Vancity Investment Management client investments in socially responsible options managed, advised on or administered by Vancity**

The total value of member or client investments in socially responsible options managed, advised on or administered increased by 17 per cent in 2013. This was due to improved market conditions and stronger investor confidence.

<i>(millions of dollars)</i>		2013	2012	2011	2010	2009
Total value of member or client investments in socially responsible assets managed, advised on or administered by Vancity	\$	916.1	786.0*	713.9	680.0	563.0
Total value of member or client investments in socially responsible assets managed, advised on or administered by Vancity as a percentage of total assets under administration	%	27.7	27.6*	29.4	30.2	29.3

Includes investments made by members in socially responsible mutual funds administered by the credit union's investment advisors or specialists at Vancity branches through Credential Asset Management Inc. or Credential Securities Inc., and client investments in socially responsible assets managed or advised on by Vancity Investment Management.

In 2009, we sold our mutual fund business (Inhance Investment Management Inc.) to IA Clarington.

\*We restated data to include relevant assets we previously overlooked.

**Net new credit union member and Vancity Investment Management client investments in socially responsible investment (SRI) options**

Overall, gross sales increased by eight per cent but the loss of one large account caused net sales to drop by 14 per cent.

<i>(millions of dollars)</i>		2013	2012	2011	2010	2009
Net new SRI investments by members or clients	\$	33.0	38.4*	44.2	47.0	22.6
Net new SRI investments by members or clients as a percentage of investments administered by Vancity	%	14.6	18.3*	23.2	31.2	24.0

Includes net new investments made by members in socially responsible mutual funds administered by the credit union's investment advisors or specialists at Vancity branches through Credential Asset Management Inc. or Credential Securities Inc., and net new client investments in socially responsible assets managed or advised on by Vancity Investment Management.

Net new SRI investments equals gross SRI investments less redemptions.

In 2009, we sold our mutual fund business (Inhance Investment Management Inc.) to IA Clarington.

\*We restated data to include relevant investments we previously overlooked.

**Corporate engagement (FS10)**

🔗 Vancity Investment Management engagement reports [vcim.ca/sri](http://vcim.ca/sri)

On behalf of Vancity Investment Management and the IA Clarington Inhance SRI Fund family, VCIM's sub-advisory group leads corporate engagement and shareholder advocacy activities to champion change in the companies in which members and clients invest. The group interacted with 25 companies in 2013 on topics such as climate change, conflict minerals, worker safety, gender diversity, human rights and rail safety.

		2013	2012	2011	2010	2009
Number of companies in portfolio with which Vancity Investment Management's sub-advisory group interacted	#	25	22	19	21	21
Percentage of companies in portfolio with which Vancity Investment Management's sub-advisory group interacted	%	16	15	13	14	14

## Community well-being

### Community investment

For our approach see [2013 Annual Report](#), 'Community investment,' p. 23

For more on our approach see Investing in communities [vancity.com/InvestingInCommunities](http://vancity.com/InvestingInCommunities)

#### Community impact loans (G4-EC8, FS7, FS8)

The value of our community impact loans increased by more than 20 per cent in 2013. We have criteria to help guide what we categorize as community impact loan transactions. Broadly speaking, they are loans to organizations or sectors that we believe improve or have the potential to improve the lives of people or their communities. Loans can be commercial, business (including not-for-profit organizations, social enterprise and co-operatives) or micro-loans. Our criteria will evolve over time as our understanding of impact increases.

(millions of dollars)		2013	2012	2011
Value of community impact loans approved ♦	\$	467.7	386.3	360.9
Community impact loans approved as a percentage of total commercial and business loans approved ♦	%	50.7	34.7*	35.5*

Community impact loans are approved impact loans from our community business, community real estate and community investment micro-loan portfolios. We began including micro-loans to community impact loans in 2012. They comprised 0.2 per cent of the total value in 2012).

\*We restated 2012 and 2011 data to align with 2013 methodology by excluding unassigned business loans from total approved commercial and business loans.

#### Approved community impact loans (\$468 million) by guiding principle

		2013	2012
Co-operative principles and practices	%	12	8
Environmental sustainability	%	53	61
Social justice and financial inclusion	%	34	31

Percentages may not add up to 100 due to rounding.

#### Approved community impact loans (\$468 million) by impact focus area

		2013	2012
Aboriginal communities	%	1	5
Affordable housing	%	25	4
Co-operative partnership – credit union syndicates	%	4	n/a
Energy and environment – commercial green buildings & heritage buildings	%	48	59
Energy and green business	%	2	2
Local, natural and organic food	%	3	2
Micro-credit and poverty reduction	%	<1	<1
Impact business entities (non-profit organizations, co-operatives, social enterprises and mission-based for profits)	%	5	11
Social-purpose real estate	%	8	17
Other	%	2	<1

Loans are categorized by primary impact focus area and may have secondary impact focus areas. Percentages may not add up to 100 due to rounding.

Credit union syndicates are commercial real estate loans where we have partnered with other credit unions to fund larger loans. The data includes only our portion of the loan.

Commercial green building loans are loans usually greater than five million.

Impact business entities have either (a) mission statements that express how the organization will generate social and/or environmental value through their business activities, and/or (b) are legally organized in a manner that benefits the broader community. Previously called Community minded organizations.

n/a = category did not exist in reporting period

#### Community impact loans: key outcomes (G4-EC8)

		2013	2012
Units of affordable housing funded	#	786	619
Square feet of green buildings funded	ft <sup>2</sup>	887,363	555,519

Units of affordable housing – Units projected to be constructed or preserved as a result of investments made whereby the cost (rental or ownership) does not exceed 75 per cent of the cost of market housing. Units include beds in shelter housing, rooms with shared kitchen and/or bathroom facilities, and full apartments.

Square feet green building - Number of square feet projected to be built or renovated as a result of investments made. Buildings must meet or exceed environmental impact and/or energy efficient building standards. Acceptable building standards include: LEED, BuiltGreen, Cascadia Living Buildings, Near Net Zero or Net Zero Ready, REAP building projects.

### Treasury investments in impact (G4-EC8)

The value of treasury investments in impact more than doubled in 2013. This was the result of increased investments in mortgage-backed securities pools connected to social housing programs.

These pools group certain types of assets together (in this case mortgages on social housing) and repackage them to form liquid interest-bearing securities. The interest and principal payments from the assets are passed through to the purchasers of the securities, as is the credit risk associated with the assets.

<i>(millions of dollars)</i>		2013	2012	2011
Value of treasury investments in impact ♦	\$	71.2	34.5	6.7
Treasury investments in impact as a percentage of total treasury investments	%	3.5	1.6	0.3

### Community grants approved for distribution, by type

<i>(millions of dollars)</i>		2013	2012	2011	2010	2009
Mission-based grants	\$	6.2	15.5	3.0	4.1	2.1
Community project grants	\$	0.9	1.5	1.6	1.3	1.5
<b>Total grants approved</b>	\$	<b>7.1</b>	<b>17.0</b>	<b>4.6</b>	<b>5.4</b>	<b>3.6</b>

### Community grants approved for distribution (\$7.1 million) by guiding principle

The three largest disbursements we made in 2013 were categorized as supporting 'Social justice and financial inclusion'. These included funds to support an affordable housing development by the Co-operative Housing Federation of BC and the City of Vancouver; and funds to support increased capital access to impact and indigenous businesses enterprises.

		2013	2012
Co-operative principles and practices	%	17	3
Environmental sustainability	%	32	13
Social justice and financial inclusion	%	51	84

### Community grants approved for distribution (\$7.1 million) by impact focus area

		2013	2012	2011	2010
Aboriginal communities	%	8	12	2	1
Affordable housing	%	15	20	34	15
Energy and environment	%	11	9	27	15
Financial literacy, micro-credit and poverty reduction	%	11	13	9	14
Local, natural and organic food	%	23	11	5	15
Impact business entities* (non-profit organizations, co-operatives, social enterprises and mission-based for profits)	%	22	19	17	10
Social-purpose real estate	%	6	3	2	15
Other	%	3	13	3	14

Grants are categorized by primary impact focus area, but may have secondary impact focus areas.

Data includes community project grants and mission-based grants. Due to rounding percentages may not add up to 100.

Data prior to 2012 is not directly comparable due to exclusion of community project grants.

\*Impact business entities (previously called community-minded organizations) have (a) mission statements that express how the organization will generate social and/or environmental value through their business activities, and/or (b) are legally organized in a manner that benefits the broader community.

## Community sponsorships

Over and above the Shared Success community allocation, we provided approximately \$460,000 in commercial sponsorships. These differ from our grants in that they have tangible value for us in terms of profile, brand exposure, speaking opportunities, media coverage, the chance to join a panel/run a workshop and so on.

Sponsorships [vancity.com/Sponsorships](http://vancity.com/Sponsorships)

(millions of dollars)		2013	2012	2011	2010	2009
Sponsorships	\$	0.5	0.4	0.6	0.5	0.5

Tracking systems are not in place for all sponsorships. Sponsorship dollars reported are those approved by the Community Investment Team and the CEO's office and excludes those approved at the branches and other departments.

## Access to affordable housing

Vancity invests in stable and affordable housing because it is a key driver of economic self-reliance, which in turn improves our communities' well-being. We support the continuum of affordable housing, including: emergency and homeless shelters, transition housing, not-for-profit or subsidized housing, co-operative housing, rental housing, life leases and property ownership.

For more on our approach see 'Affordable housing' [vancity.com/AffordableHousing](http://vancity.com/AffordableHousing)

For more on affordable housing see [2013 Annual Report](#), 'Community impact loans,' p. 23 and 'Kitsilano Housing Co-operative renovates to innovate,' p. 31

See also performance data under [Financial inclusion and capacity building](#), pp. 8-9, and [Community investment](#), pp. 14-16

## Local economy, including outsourcing

For our approach see [2013 Annual Report](#), 'Local economy,' p. 23, 'The community impact of our real-estate investment dollars,' p. 24, 'Support for co-operatives,' p. 26, 'What to do when a business decision may not reflect our values,' p. 32 and 'Vancity reaches milestone with its support of living wage,' p. 35

## Entry-level employee hourly wage compared with British Columbia's living wage (G4-EC5, G4-EC8)

Vancity is a certified living wage employer. This means we make annual living wage rate adjustments in what we pay our employees. In Metro Vancouver in 2013, it was \$19.62/hour, inclusive of benefits. We are 100 per cent internally compliant in paying eligible employees (full time, part time and casual employees) a living wage. Employers are allowed to have a small amount of trainees or student co-ops that are not eligible for the living wage. We're also working closely with key suppliers and contractors to support them in paying their employees a living wage.

### Metro Vancouver living wage standard

		2013	2012
Metro Vancouver hourly living wage (includes value of benefits)	\$	19.62	19.14
Equivalent hourly living wage for Vancity (excludes value of benefits)	\$	15.89	15.41

Source for Metro Vancouver living wage: [livingwageforfamilies.ca](http://livingwageforfamilies.ca)

The Metro Vancouver living wage is the minimum hourly rate that would be paid to meet basic living needs (excluding any value of benefits). If benefits are included as part of total compensation, then the living wage would be reduced to reflect "credit" for these benefits.

The equivalent hourly living wage for Vancity is the adjusted living-wage rate for permanent employees who receive benefits.

### Vancity entry-level employee compensation

The difference in entry level rates between 2012 and 2013 was due to our implementation of new base pay salary ranges. In 2013, we underwent an extensive review of our jobs and pay bands (the salary levels given to certain ranges of jobs). We redrew, redistributed and changed a number of pay bands.

		2013	2012
Vancity permanent entry-level employee hourly wage	\$	15.89	16.18
Vancity non-permanent entry-level employee hourly wage	\$	18.54	18.06

Non-permanent employees do not receive employer benefits with the exception of a vacation allowance. In 2013, non-permanent employees were paid a minimum of \$18.54 + 6% in lieu of vacation for a 'Total Rewards' package on par with Lower Mainland living wage of \$19.62.

## Vancity's supply chain (G4-12)

Vancity's supply chain is labour-and-technology intensive. Ninety-three per cent of our 1,226 suppliers are based in Canada. The supply chain's three main elements are all regulated by government and other agencies.

- **Supply:** focuses on the acquisition of "raw materials" such as deposits from members, support services and products for operations. The types of suppliers we typically engage are consultants, contractors and wholesalers. We also rely on partners that provide a variety of services, from foreign exchange to employee benefits management.
- **Transformation:** focuses on investing with impact to improve members' well-being and developing healthy, sustainable communities. Transformation primarily involves the core banking system and support products and services.
- **Distribution:** focuses on ensuring our financial products and services reach our members and clients. Distribution channels include 57 branches in BC (Metro Vancouver, the Fraser Valley, Victoria and Squamish), telephone, online and mobile banking.

Vancity's procurement policy favours relationships with suppliers who demonstrate leadership in sustainable business practices. We include social and environmental criteria in our request for proposal process, including sourcing products and services locally where possible.

## Suppliers (G4-EC9)

In 2013, the total managed expenditures decreased by 25 per cent compared with 2012. This was mainly due to decreased spending in advertising design costs and consultancy costs for the Banking Applications Renewal (BAR) program. Expenditures for several fixed costs remained stable, such as the licensing fees for the BAR program and financial processing services. However, discretionary expenses overall decreased by 34 per cent. Since our local expenditures mainly comprise discretionary expenses, this resulted in an eight percentage point drop in local spending as a percentage of total managed spending. The percentage of suppliers we used that were locally-based remained high.

		2013	2012	2011	2010	2009
<b>Total value of managed purchases* by region (millions of dollars)</b>	\$	<b>109.9</b>	<b>147.0</b>	<b>118.9</b>	<b>99.7</b>	<b>80.9</b>
Locally-based	%	67	75	75	80	72
Rest of BC	%	< 1	< 1	<1	< 1	< 1
Rest of Canada	%	21	16	16	12	18
USA/other	%	12	9	9	8	10
<b>Total number of suppliers by region</b>	#	<b>1,226</b>	<b>1,384</b>	<b>1,306</b>	<b>1,237</b>	<b>1,324</b>
Locally-based	%	78	76	76	77	75
Rest of BC	%	2	2	2	1	2
Rest of Canada	%	13	13	15	14	17
USA/other	%	7	9	7	8	6

We determine locally-based by using the "remit to" postal code shown on supplier invoice and the following criteria: the supplier has a local representative, a local store and/or local warehouse within the community where our branches operate.

\*Managed purchases are those goods and services procured by Vancity, for which decision-making and oversight are performed internally. These don't include spending related directly to payments made to the government, (municipal, provincial or federal) or costs associated with the lease of premises where Vancity has a place of business.

## Co-operative principles and practices

One of Vancity's three guiding principles is to help ensure that co-operative principles and practices flourish in the community.

For more our approach to co-operative principles and practices see [2013 Annual Report](#), 'Vision, business model and 2013 strategy,' p. 10 and 'Support for co-operatives,' p. 26

🔗 Co-operative model [vancity.com/CooperativeModel](http://vancity.com/CooperativeModel)

See also performance data under [Community investment](#), Approved community impact loans by guiding principle, p. 14 and Community grants approved for distribution by guiding principle, p. 15

## Public policy and advocacy

As a member-led, values-based financial institution, Vancity is frequently approached by members, community and public interest groups for advocacy support of various kinds. We have the opportunity to influence the public view, business practices, and political will, as well as to advocate for positive social change. We use our convening power, work in concert with community and corporate partners and engage all levels of government to further the development of healthy communities.

A Board-level policy governs political activities. Vancity is a non-partisan organization and does not affiliate with or support any particular political party. Therefore, we do not permit the use of corporate funds to provide political contributions.

For more on our approach see [2013 Annual Report](#), 'Community investment' p. 23

## Externally developed economic, environmental and social charters, principles or other initiatives to which we subscribe or endorse (G4-15)

[AA1000 series](#)

[Aboriginal Financial Literacy Committee, Aboriginal Financial Officers of BC](#)

[Canadians for the Great Bear](#)

[Carbon Disclosure Project](#)

[Ceres principles](#)

[Climate Justice Project](#)

[Co-operative principles](#), International Co-operative Alliance

[Copenhagen Communiqué on Climate Change](#), The Prince of Wales's Corporate Leaders' Group on Climate Change

[Global Reporting Initiative Sustainability Reporting Guidelines](#)

[International Co-operative Youth Statement 2012](#)

[Living Wage Employer](#)

[London Benchmarking Group](#)

[Principles of Sustainable Banking](#), Global Alliance for Banking on Values

[Safe Harbour: Respect for All](#)

Standards of Sound Business and Financial Practices for Canadian credit unions

[Task Force on Social Finance](#)

[United Nations Principles for Responsible Investment](#)

## Key memberships in associations and advocacy organizations (G4-16)

Note: Vancity's positions on key issues are not necessarily the same as the associations'.

[Aboriginal Tourism Association of BC](#)

[BC Co-operative Association](#)

[BC Living Wage Campaign](#)

[BC Non-profit Housing Association](#)

[BC Poverty Reduction Coalition](#)

[Better Business Bureau of Mainland BC](#)

[Board of Change](#)

[Business Council of BC](#)

[Canadian Bankers Association](#)

[Canadian Business Owner Strategy](#)

[Canadian Centre for Policy Alternatives](#)

[Canadian Co-operative Association](#)

[Canadian Housing and Renewal Association](#)

[Central1 Credit Union](#)

[Co-op Housing Federation of BC](#)

[Council for Clean Capitalism](#)

[Credit Union Central of Canada](#)

[Global Alliance for Banking on Values](#)

[Global Reporting Initiative](#), Organizational Stakeholder

[Industry Council for Aboriginal Business](#)

[International Integrated Reporting Committee](#), Pilot Programme Business Network

[LOCO BC](#)

[Mortgage Investment Association of BC](#)

[Partners for Social Impact](#)

[Portfolio Management Association of Canada](#)

[Presidents Group](#)

[Public Policy Forum](#)

[Realize Co-op](#)

[Reconciliation Canada](#)

[Responsible Investment Organization](#) (formerly the Social Investment Organization)

[The Co-operators](#)

[Urban Development Institute](#)

[World Council of Credit Unions](#)

Vancity is also a member of several local boards of trade, chambers of commerce and business improvement associations.

## Confidence

### Membership growth, financial performance and technology

#### Membership growth

For our approach see [2013 Annual Report](#), 'Membership growth,' p. 27

#### Increase in net active membership

		2013	2012	2011	2010	2009
Increase in net active membership ♦	#	5,049	5,373*	2,760	-1,090	-687

Active members are those who have at least one open account, a member-initiated transaction within the last 12 months, and the minimum number of shares (\$5) in their Membership Shares account.

\*We restated 2012 data to make it consistent with 2013 methodology. In 2013, we decided to exclude members who became 'active members' as a result of a program to reinstate \$5 in their Membership Shares accounts (see below) as we felt this did not meet the intention of the target. We ran this program in 2012 and 2013 only. As a result of the program, 2,433 (2012) and 12,083 (2013) individuals became 'active members.'

#### Membership numbers and breakdown

In 2013, we expanded our definition of what we included in our membership numbers to include members who do not have the minimum number of shares (\$5) in their Membership Shares account, but who bank with Vancity. In both 2012 and 2013 we ran programs to reinstate the required amount (up to \$5) to identified Membership Shares Account, assuming this did not put our members into a negative balance. Members with \$5 in their Membership Shares account:

- have access to all of Vancity's products and services,
- receive dividends on their shares, and
- can exercise their democratic rights in our financial co-operative, since only full members can vote for directors in the annual Board elections (provided they meet eligibility requirements such as being over 19 years of age and not delinquent in any obligations to Vancity).

Our membership at the end of 2013 was 501,359 compared with 520,880 the previous year. The decrease was primarily due to a one-time closure of 23,387 dormant accounts.

		2013	2012	2011*	2010	2009
Number of credit union memberships with \$5 in the Membership Shares account	#	487,742	492,101	479,528	472,032	469,542
Personal member accounts	%	92	93	93	91	91
Business member accounts	%	8	7	7	9	9
Number of credit union memberships without \$5 in the Membership Shares account	#	13,617	28,779	35,711	41,411	40,756
<b>Total number of memberships</b>	#	<b>501,359</b>	<b>520,880</b>	<b>515,239</b>	<b>513,443</b>	<b>510,298</b>

Data includes Vancity Credit Union and Squamish Savings memberships.

Business member accounts include not-for-profit members.

\*We introduced new methodology to count members in 2011—see online [2011 Consolidated Accountability Statements](#), Number of members, p. 4. We've restated historical data (2009-2010) to align with the new methodology.

#### Vancity Investment Management (VCIM) clients

		2013	2012	2011	2010	2009
<b>VCIM total number of clients</b>	#	<b>651</b>	<b>567</b>	<b>535</b>	<b>518</b>	<b>505</b>
Personal client accounts	%	88	85	85	85	85
Business client accounts	%	12	15	15	15	15

#### Visa credit card accounts

		2013	2012	2011
<b>Visa credit card accounts</b>	#	<b>206,831</b>	<b>197,640</b>	<b>186,169</b>
Vancity credit card accounts	%	95	94	93
Citizens Bank credit card accounts	%	5	6	7
Percentage of Visa credit card accounts held by Vancity members	%	82	81	80

New indicator.

Credit card accounts are based on "usable accounts"-- These are accounts that are not credit rated and are able to be used for either a purchase or cash advance.

## Citizens Bank

In 2013, there were 428 Citizens Bank personal customer accounts compared with 1,060 in 2012. This number will continue to decrease as Citizens Bank no longer operates in the personal banking marketplace. Its operations focus on foreign exchange and Visa\* credit card services and commercial real-estate lending.

For more information on Citizens Bank see [citizensbank.ca/Retail](http://citizensbank.ca/Retail)

\*Visa Inc./Vancity Licensed User

## Breakdown of personal members by age

Statistics Canada census data for 2011 and information about credit union members from the annual Ipsos (formerly Synovate) Customer Service Index suggests that credit union members tend to be older than the general population. However, as not every child has or needs a bank account, we generally skew older than the population in our member make-up.

		BM	2013	2012	2011	2010
Aged 24 and under	%	28	16	16	16	17
Aged 25-44	%	30	30	29	29	30
Aged 45-64	%	28	36	37	37	37
Aged 65 and over	%	14	18	18	17	16
Age not available	%		0	0	1	1

Benchmark (BM) source: Environics Analytics, Demographic Estimates and Projections report, 2013 -- Breakdown for Metro Vancouver Area. This is based, in part, on computer files from Statistics Canada 2011 census data.

Due to rounding, percentages may not add up to 100.

## Likelihood to recommend

		2013	2012	2011	2010	2009
Personal members	%	74	73*	69	63	59

Data source: [Member experience tracking survey](#). The margin of error in 2013 was +/- 0.9 at a 95 per cent confidence interval.

\*Data for 2012 is not directly comparable to past data due to changes in the survey methodology.

## Values-based banking

For our approach see [2013 Annual Report](#), 'Message from the President and CEO,' p. 6-7 and 'Vision, business model and 2013 strategy,' p. 10-11

See also [vancity.com/ValuesBasedBanking](http://vancity.com/ValuesBasedBanking)

We're working with the [Global Alliance for Banking on Values](#) to create awareness and to develop a scorecard to measure values-based banking.

## Financial performance and resilience

For our approach see [2013 Annual Report](#), 'Our financial plan,' p. 29 and 'Overall financial results,' pp. 29-30

As a result of a change in reporting standards, effective January 1 2010, Vancity prepared its Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS). For reporting periods up to and including the year ended December 31, 2010, Vancity prepared its Consolidated Financial Statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP). For a full discussion of the impact of these changes see our [2011 Consolidated Financial Statements](#). Financial data from 2008 and 2009 is not directly comparable to data from 2010 onwards, and we have therefore not included it.

For full details of Vancity's financial performance see Vancity's 2013 Consolidated Financial Statements [vancity.com/2013AnnualReport/FinancialStmts](http://vancity.com/2013AnnualReport/FinancialStmts)

## Shared Success allocations to members and communities

Each year, we give back the equivalent of 30 per cent of our net earnings from operations through our Shared Success program. We share net earnings with our members in the form of share dividends and patronage rebates, and with our community in the form of grants that support our vision and strategic objectives. This includes an annual donation to the Vancity Community Foundation. The Foundation is a public, separately incorporated registered charity with its own arms-length Board of Directors and is not included in Vancity's consolidated balance sheet. It makes grants to charitable organizations and delivers charitable programs.

For more on grants see [vancity.com/Grants](http://vancity.com/Grants)

Vancity Community Foundation [VancityCommunityFoundation.ca](http://VancityCommunityFoundation.ca)

<i>(millions of dollars)</i>		2013	2012	2011	2010	2009
Total Shared Success allocations to members and communities	\$	18.3	17.2	27.2	23.5	15.2
Shared Success allocations as a percentage of net earnings from operations	%	29.8	30.0	30.0	30.3	30.2

We extracted data from, or calculated these amounts using data derived from the audited Consolidated Financial Statements.

### Shared Success allocations to the community, by program

<i>(thousands of dollars)</i>		BM	2013	2012	2011	2010	2009
Vancity's community investment programs (mission-based grants)	\$		6,793	5,784	10,490	8,834	2,774
Vancity's community investment programs (responsive grants)	\$		1,306	1,261	2,100	1,620	1,189
Citizens Bank donations	\$		72	72	21	50	99
Credit card earnings allocated to Vancity's enviroFund™	\$		500	1,000	892	637	532
Annual donation to the Vancity Community Foundation	\$		350	350	350	350	390
Vancity donation to Greater Victoria merger (Legacy fund)	\$		194	194	194	194	2,460
Special projects/other	\$		562	519	461	845	874*
<b>Total community allocations</b>	\$		<b>9,777</b>	<b>9,180</b>	<b>14,508</b>	<b>12,530</b>	<b>8,318</b>
<b>Community allocations as a percentage of annual pre-tax profits</b>	%	<b>5.0</b>	<b>10.5</b>	<b>9.9</b>	<b>11.1</b>	<b>10.0</b>	<b>10.6</b>

Consistent with all items reported on the Statement of operations in the summarized and Consolidated Financial Statements, community donations were recorded on an accrual basis. Allocations made in the current year will be distributed to the community in the future.

Benchmark (BM): London Benchmarking Group Canada (LBG), 2013 Community investment for Canadian credit unions.

\*Includes Vancity's loan fund project (\$488,000)

### Shared Success Economic Recovery Fund

The Shared Success Recovery Fund was created in 2008 when the Board of Directors set aside \$3.0 million of members' Shared Success dollars to distribute to members facing financial hardship, or community organizations that benefit members (see p. 24 of the [2012 Annual Report](#)). By the end of 2013, \$2.84 million had been distributed. We are working with a number of organizations that can benefit from capacity building support and we plan to distribute the remaining \$158,000 by the end of 2014.

### Economic value generated and distributed (G4-EC1)

<i>(millions of dollars)</i>		2013	2012	2011	2010
<b>Direct economic value generated</b>					
Revenue (before interest payments to providers of borrowings)	\$	426.8	444.7	425.2	417.0
<b>Economic value distributed</b>					
Operating costs, including payments to suppliers	\$	124.0	143.3	112.8	107.4
Employee wages and benefits	\$	186.7	183.7	164.2	161.1
Payments to providers of liquidity (distributions to members, interest paid on wholesale borrowings, and interest paid on securitized mortgages)	\$	28.9	30.7	27.7	18.0
Payments to governments (gross taxes)	\$	16.0	20.8	15.3	31.8
Community donations/grants	\$	9.8	9.2	14.5	12.5
<b>Total economic value distributed</b>	\$	<b>365.4</b>	<b>387.7</b>	<b>334.5</b>	<b>330.8</b>
<b>Total economic value distributed as percentage of economic value generated</b>	%	<b>85.6</b>	<b>87.2</b>	<b>78.7</b>	<b>79.3</b>
<b>Economic value retained (net earnings)</b>	\$	<b>61.4</b>	<b>57.0</b>	<b>90.7</b>	<b>86.2</b>
<b>Economic value retained as percentage of economic value generated</b>	%	<b>14.4</b>	<b>12.8</b>	<b>21.3</b>	<b>20.7</b>

Amounts do not match the Consolidated Financial Statements. In the above table, 2013 revenues are before \$19.2 million in interest payments to providers of borrowings. Taxes include income taxes and redistributed property and capital taxes but exclude payroll and sales taxes.

## Key financial data and ratios

For an explanation of performance on return on average members' equity, and the efficiency, liquidity and capital adequacy ratios see [2013 Annual Report](#), 'Key financial ratios,' p. 30 and for percentage of member loans funded by member deposits see 'Overall financial results,' p. 29

We experienced a decrease in net interest margin and net interest income as a percentage of operating revenue from 2012 as result of the low interest-rate environment. Gross impaired loans as a percentage of total loans and allowance for credit losses as a percentage of total loans decreased from 2012 due to the relatively high credit quality of our portfolio.

		2013	2012	2011	2010
Return on average members' equity <sup>1</sup> ◆	%	6.7	6.5	11.0	11.8
Liquidity ratio <sup>2</sup> ◆	%	13.0	14.5	16.7	16.7
Capital adequacy ratio ◆	%	13.3	12.7	13.6	13.9
Efficiency ratio ◆	%	78.2	78.5	68.7	65.0
Return on average assets	%	0.4	0.4	0.6	0.6
Net interest margin (net interest income as a percentage of average interest earning assets)	%	2.0	2.2	2.3	2.4
Net interest income as a percentage of operating revenue	%	82.3	83.5	82.5	80.9
Gross impaired loans as a percentage of total loans	%	0.1	0.1	0.2	0.6
Allowance for credit losses as a percentage of total loans	%	0.4	0.5	0.6	0.8
Loan growth funded by growth in member deposits <sup>3</sup>	%	108.2	39.9	64.3	30.8
Percentage of member loans funded by member deposits <sup>3</sup>	%	78.7	77.3	80.5	81.4
Assets under management or administration <sup>4</sup> (millions of dollars)	\$	3305.9	2799.8	2424.7	2250.9

Data is derived from or is calculated using data from Vancity's audited Consolidated Financial Statements.

<sup>1</sup> In 2011 we began using a more precise calculation. 2010 data may not be directly comparable because the required 2010 information was not available for the new calculation.

<sup>2</sup> We recalculated historical data for the liquidity ratio using the definition in the BC Financial Institutions Act (FIA)

<sup>3</sup> We restated data to align with a more precise calculation in 2013.

<sup>4</sup> Includes client investments managed or advised on by Vancity Investment Management and investments made by members administered by the credit union's investment advisors or specialists at Vancity branches through Credential Asset Management Inc. or Credential Securities Inc.

## Taxes paid and payable

(millions of dollars)		2013	2012	2011
Federal taxes	\$	11.3	9.5	13.1
Provincial taxes	\$	6.2	2.9	4.0
<b>Total taxes paid or payable</b>	\$	<b>17.5</b>	<b>12.4</b>	<b>17.1</b>
Current tax expense	\$	11.2	9.2	17.9
Deferred tax expense	\$	0.8	8.2	(5.9)
<b>Total income tax expense</b>	\$	<b>12.0</b>	<b>17.4</b>	<b>12.0</b>

## Technology, including renewal of our core banking system

For our approach see [2013 Annual Report](#), 'Technology and renewal of our core banking system,' p. 32

As a member of the Direct Banking Strategy Committee of Central 1, we provide our insights and expertise for the evolution of our online banking platform, which is shared with other credit unions.

## Integrity

### Employee capability, engagement and diversity

#### Employee profile and capability

For our approach see [2013 Annual Report](#), 'Employee capability and engagement,' p. 33

☞ Employee benefits, learning and development, compensation, time off [vancity.com/Benefits](http://vancity.com/Benefits)

For living wage information see [Local economy, including outsourcing](#), p. 16

#### Employee profile (G4-10)

		BM	2013	2012	2011	2010	2009
Full-time equivalents (FTE)	#		2,213	2,239	2,157	2,080	2,228
Head count (number of individuals)	#		2,483	2,544	2,459	2,397	2,384
Permanent full-time	%		80	78	78	78	78
Permanent part-time	%	20	17	17	17	17	16
Contract/temporary	%	4	3	5	5	5	6

Contract consultants hired directly from lines of businesses are not tracked.

Benchmark (BM) source: BC HRMA Annual metrics report for BC credit unions, 2012 median scores.

Full-time equivalents (FTE): Total active full-time equivalents based on the number of hours actually worked by all employees (permanent and non-permanent) in the fiscal year. Total hours worked divided by 1,820 working hours in a year. We use this number to normalize some data.

Headcount: Total number of individual permanent full-time, part-time, and non-permanent (contract) employees. Includes active and inactive employees. Inactive employees are those on maternity leave, short-term disability leave or short-term leaves of absence, excluding employees on long-term disability and long-term leaves of absence.

#### Position status for all employees (headcount), by gender (G4-10)

The proportion of employees by position status has remained fairly consistent over the years. In 2013, 80 per cent of our employees were permanent, a slight increase from previous years; 17 per cent were part-time, remaining steady; and three per cent were contract or temporary, slightly lower than previous years.

		2013	2012	2011	2010	2009
Total permanent full-time	#	1,987	1,983	1,922	1,874	1,859
Male	#	725	732	696	n/a	n/a
Female	#	1,262	1,251	1,226	n/a	n/a
Total permanent part-time	#	411	439	423	405	388
Male	#	78	87	79	n/a	n/a
Female	#	333	352	344	n/a	n/a
Total contract/temporary	#	85	122	114	118	137
Male	#	37	36	34	n/a	n/a
Female	#	48	86	80	n/a	n/a

n/a = data not available

#### Number of employee departures (G4-LA1)

		2013	2012	2011	2010	2009
<b>Total departures</b>	#	<b>165</b>	<b>166</b>	<b>200</b>	<b>190</b>	<b>402</b>
Male	#	61	61	84	71	146
Female	#	104	106	116	119	256
Aged under 30	#	47	44	74	56	82
Aged 30-39	#	46	47	59	59	124
Aged 40-50	#	36	31	32	49	124
Aged over 50	#	36	44	35	26	72
Voluntary departures	#	126	123	143	130	177

## Employee turnover rates (G4-LA1)

Seven per cent of employees left Vancity in 2013, including five per cent voluntarily. Our turnover rate has been steady since 2010.

		BM	2013	2012	2011	2010	2009
<b>Overall turnover</b>	%	<b>11</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>17</b>
Male	%		8	8	11	10	19
Female	%		7	7	7	8	16
Aged under 30	%		10	9	14	12	16
Aged 30-39	%		6	7	8	8	17
Aged 40-50	%		5	5	5	7	18
Aged over 50	%		7	9	7	6	17
Voluntary turnover	%	<b>8</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>8</b>

Data is based on permanent employees and excludes churnover (internal movement).

Benchmark (BM) source: BC HRMA Annual metrics report for BC credit unions, 2013 median scores.

Turnover rate – The number of permanent employees who leave Vancity during the year divided by the average number of permanent employees in the year. Employees who leave the organization voluntarily or due to dismissal or retirement are included. It excludes 'churnover' (internal movement).

## Number of new employee hires, overall and broken down by gender and age (G4-LA1)

We continue to look for ways to provide more career and development opportunities. As a result, we have seen more internal transfers in 2013 than in past years and a resultant reduction in external hires.

		2013	2012	2011
<b>Total number of new hires</b>	#	<b>165</b>	<b>318</b>	<b>282</b>
Male	#	67	129	128
Female	#	98	189	154
Aged under 30	#	79	191	137
Aged 30-39	#	49	74	81
Aged 40-50	#	29	33	43
Aged over 50	#	8	20	21

## New hire rate, overall and broken down by gender and age (G4-LA1)

The new hire rate is the rate of new (permanent) employees joining the organization for the first time. Of employees aged under 30, 17 per cent were new hires. The 23 percentage-point-drop in this age category was due to a significant number of new hires in 2012 for member-facing employees, who tend to be younger.

		BM	2013	2012	2011
<b>Overall new hire rate</b>	%	<b>11</b>	<b>7</b>	<b>13</b>	<b>12</b>
Male	%		8	16	16
Female	%		6	12	9
Aged under 30	%		17	40	26
Aged 30-39	%		7	10	11
Aged 40-50	%		4	5	6
Aged over 50	%		2	4	4

Benchmark (BM) source: BC HRMA Annual metrics report for BC credit unions, 2013 median scores.

New hire rate is calculated by the total number of new employees hired for the year divided by the average number of employees for the year, multiplied by 100

## Percentage of employees completing their annual performance review (G4-LA11)

The percentage of employees with completed performance reviews for 2013 increased by two percentage points from the previous year. Incomplete reviews may be due to vacations, unexpected absences, staffing changes and competing priorities. Leaders are provided with review status updates to encourage completion of reviews.

		2013	2012
Employees completing their annual performance review	%	83	81

## Percentage of employees who agree employee learning and development is strongly supported at Vancity

		BM	2013	2012	2011	2010	2009
Employees who agree	%	<b>81</b>	<b>73</b>	<b>74</b>	<b>70</b>	<b>64</b>	<b>57</b>

Benchmark (BM) source: Aon Hewitt Best 50 Employers

## Employee engagement and well-being

We've been measuring employee engagement—defined as the energy or passion employees have for their employer—for many years through an annual survey. This, along with monitoring of employee turnover and additional employee feedback, provides us with a picture of how we're doing as an employer. Employee engagement is one of metrics on our organizational scorecard. We believe a primary driver of employee engagement comes from the leadership capabilities of the organization. In 2013, the compensation of senior management was tied to the achievement of annual employee engagement targets.

For more on our approach see [2013 Annual Report](#), 'Employee engagement,' p. 33

### Employee engagement score

		BM	2013	2012	2011	2010	2009
Employee engagement score ◆	%	79	75	76	71	61	53

Data source: employee engagement survey.

Benchmark (BM) source: Aon Hewitt Best 50 Employers.

Employee engagement score: the energy or passion employees have for their employer. The overall engagement score represents the percentage of survey respondents whose average scores are greater than or equal to 4.5 (on a scale of six) for the following six questions: I would, without hesitation, highly recommend this organization to a friend seeking employment, given the opportunity, I tell others great things about working here, it would take a lot to get me to leave this organization, I hardly ever think about leaving this organization to work somewhere else, this organization motivates me to do more than is normally required to complete my work, and this organization really inspires me to do my best work.

### Labour-management relations, freedom of association and collective bargaining

We have collective agreements with two unions: The BC Government and Services Employees Union (BCGEU) and the Pulp and Paper Workers of Canada (PPWC). We have 16 branches and three departments that are unionized.

We believe that open and intentional communications with our union colleagues can promote discussion, transparency and proactive problem-solving around both issues and opportunities that impact community, members, employees and our workplace. Vancity does not endorse or discourage unionization, and recognizes that it's each employee's individual choice.

Our Employee Code of Conduct, Employment Equity Policy and Respect in the Workplace Policy set out procedures for making and dealing with employee complaints and any requisite corrective actions. Our collective agreements govern union employees and include formal procedures for resolving workplace issues. We track

grievances and breaches of the Code of Conduct and report these quarterly to the Governance and Conduct Review Committee of the Board.

### Employees covered by collective bargaining agreements (G4-11)

		BM	2013	2012	2011	2010	2009
Employees unionized	%	8	19	18	18	19	18

Benchmark (BM) source: BC HRMA Annual metrics report for BC credit unions, 2013 median scores.

### Operational changes (G4-LA4)

To ensure continued industry competitiveness, at times we are required to make changes in the delivery of our services that result in changes to existing roles and/or the elimination of positions. We make every effort to retain the skills and knowledge of displaced people within Vancity through redeployment to alternative positions. During periods of transition, we are committed to open communications and we provide career transition support to assist and support impacted employees. Our Employment Transition Policy for non-union employees requires us to provide as much notice as possible to employees who are directly affected by proposed changes.

For unionized locations, the BC Labour Relations Code specifies that if an employer introduces or intends to introduce a measure, policy, practice or change that affects the terms, conditions or security of employment of a significant number of employees to whom a collective agreement applies, then the employer must give at least 60 days notice from the effective date to the trade union.

### Occupational health and safety - robberies

We are committed to providing a healthy and safe workplace. As a financial institution, our most significant health and safety issue is the risk of robberies. We have extensive robbery training and security procedures as well as a robbery support program for affected employees. Our rules and safe-work-procedures manual contains policies and procedures for workplace violence, including prevention and dealing with irate members or customers. Training for new hires includes a module on Handling a Robbery. An employee assistance program is available to all employees and their immediate families. It's a voluntary, confidential, short-term counselling, advisory and information service available 24 hours a day, seven days a week, and includes a robbery recovery support program. We annually track and report robbery-related incidents, monitor the number of paid care days used per permanent employee and maintain records of employee training on health and safety.

## Employee grievances related to labour practices (G4-LA16)

		2013
<b>Total number of filed grievances related to labour practices</b>	#	<b>2</b>
Total number of grievances reviewed or addressed (file pending)	#	1
Filed by men	#	0
Filed by women	#	1
Total number of grievances no longer subject to action or resolved	#	1
Filed by men	#	1
Filed by women	#	0

New GRI G4 indicator.

## Incidence of injury and days lost (G4-LA6)

In 2013, there were seven robberies (and 11 in 2012). No injuries resulted. Overall, the number of incidents remained low and there was a decrease in the lost day rate.

		2013	2012	2011	2010	2009
<b>Total number of incidents accepted by WorkSafe BC</b>	#	<b>9</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>7</b>
Falls/slips/trips, strains/sprains and cuts	#	4	6	4	3	7
Robbery-related stress/acts of violence	#	0	0	0	0	0
Other incidents	#	5	1	3	0	0
<b>Injury rate (number of injuries per 100 people)</b>	#	<b>0.5</b>	<b>0.3</b>	<b>0.4</b>	<b>0.2</b>	<b>0.3</b>
<b>Lost day rate (number of lost days per 100 people)</b>	#	<b>7</b>	<b>17</b>	<b>11</b>	<b>5</b>	<b>8</b>

There were no work-related fatalities or incidents of occupational diseases in 2013.

Data source: WorkSafe BC.

Injury rate is calculated by the number of claims (accepted by WorkSafe BC) x 200,000 (equivalent to 100 full-time employees working 40-hour weeks, 50 weeks per year), divided by the hours worked.

Lost day rate is calculated by the number of days lost (from WorkSafe BC claims) divided by number of hours worked x 200,000 (equivalent to 100 full-time employees working 40-hour weeks, 50 weeks per year).

## Number of days lost due to employee illness (G4-LA6)

According to Statistics Canada's Work absence report for 2011, the number of days lost per year for the Finance and Insurance sector was nine days, while the benchmark for credit unions is seven compared to nine at Vancity. We are monitoring causes and we plan to review our wellness program in 2014.

		BM	2013	2012	2011	2010	2009
Days for short-term disability leave	#		9,112	7,217	7,060	5,760	8,714
Days for sick/care days	#		10,313	9,347	9,469	9,289	10,079
<b>Total days lost due to illness</b>	#		<b>19,425</b>	<b>16,564</b>	<b>16,529</b>	<b>15,049</b>	<b>18,793</b>
<b>Absenteeism rate</b>	#	<b>7</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>9</b>

Data includes permanent full-time and part-time employees.

Benchmark (BM) source: BC HRMA Annual metrics report for BC credit unions, 2013 median scores.

Absenteeism rate is the number of work days missed (lost) by employees due to illness per permanent full-time equivalent. Days lost due to illness includes time taken by employees to care for a sick family member.

## Employee diversity

For our approach see [2013 Annual Report](#), 'Workplace diversity,' p. 35

Commitment to diversity [vancity.com/WorkplaceDiversity](http://vancity.com/WorkplaceDiversity)

## Employee breakdown by diversity

Women represented 67 per cent of our workforce compared with 77 per cent for BC credit unions who are members of the BC Human Resources Management Association (BC HRMA). Employees between 30 and 50 years old (31 and 29 per cent) were well-represented from the Metro Vancouver population (20 and 23 per cent). We had a smaller proportion of employees aged 15 to 29 and over 50 than the Metro Vancouver population for these age categories.

		BM	2013	2012	2011	2010	2009
Men	%		33	34	33	32	32
Women	%	77	67	66	67	68	68
Aged under 30 years	%	29	18	20	20	21	22
Aged 30-39 years	%	20	31	30	30	31	31
Aged 40-50 years	%	23	29	29	29	29	29
Aged over 50 years	%	29	22	20	20	19	18
Non-management	%		83	83	83	84	84
Management	%		14	14	14	13	13
Senior management	%		3	3	3	3	3
Of Aboriginal descent*	%	2	1	1	1	1	1
Belong to a visible minority group*	%	44	40	41	40	39	38

\*Data for percentage of employees belonging to visible minority, of Aboriginal descent, is based on employees' self-disclosure in our annual online employee engagement survey. Due to rounding percentages may not add up to 100.

Benchmark (BM) source: BC HRMA Annual metrics report for BC credit unions, 2013 median scores, Statistics Canada. Vancouver, CMA, British Columbia: 2011 Census Profile (Aged 15-64 years) and 2011 National Household Survey (Aged 15 years and above)

### Representation of people with a disability in our workforce

In British Columbia, 5.8 per cent of the population aged 15 to 64 considered employable are persons with disabilities. At Canadian banks, 3.9 per cent of employees are persons with disabilities (Canadian Bankers Association, *Banks as Employers*, 2012).

		BM	2013	2012	2011	2010	2009
Employees having a disability ♦	%	5.8	3.12	2.09	1.71	2.20	2.12

Data is based on employees' self-disclosure in our annual online employee engagement survey. Benchmark (BM) source: Government of Canada's 2006 Employment Equity Data Report

### Percentage of employees in non-management, by indicators of diversity (G4-LA12)

		BM	2013	2012	2011
Men	%		32	33	32
Women	%	77	68	67	68
Aged under 30 years	%		22	n/a	n/a
Aged 30-39 years	%		31	n/a	n/a
Aged 40-50 years	%		26	n/a	n/a
Aged over 50 years	%		21	n/a	n/a
Belong to a visible minority group	%	32	42	44	42

The reporting format of this table has changed to better reflect the GRI G4 specifications.

Data source: Data for employees belonging to a visible minority group is based on employees' self-disclosure in our annual online employee engagement survey. The remainder of the data is pulled from Vancity's Human Resource Information Technology System (HRIS).

The percentage of employees of Aboriginal descent is one per cent of our workforce. Due to the small number, our tracking system is unable to report this by level.

Benchmark (BM) source: BC HRMA Annual metrics report for BC credit unions, 2013 median scores and Canadian Bankers Association, *Banks as employers* report 2012.

### Percentage of employees in management, by indicators of diversity (G4-LA12)

		BM	2013	2012	2011
Men	%		37	35	35
Women	%	67	63	65	65
Aged under 30 years	%		3	n/a	n/a
Aged 30-39 years	%		35	n/a	n/a
Aged 40-50 years	%		38	n/a	n/a
Aged over 50 years	%		23	n/a	n/a
Belong to a visible minority group	%	24	35	35	33

The reporting format of this table has changed to better reflect the GRI G4 specifications.

Data source: Data for employees belonging to a visible minority group is based on employees' self-disclosure in our annual online employee engagement survey. The remainder of the data is pulled from Vancity's Human Resource Information Technology System (HRIS).

The percentage of employees of Aboriginal descent is one per cent of our workforce. Due to the small number, our tracking system is unable to report this by level.

Benchmark (BM) source: BC HRMA Annual metrics report for BC credit unions, 2013 median scores. and Canadian Bankers Association, *Banks as employers* report 2012.

**Percentage of employees in senior management, by indicators of diversity (G4-LA12)**

		BM	2013	2012	2011
Men	%		58	56	59
Women	%	40	42	44	41
Aged under 30 years	%		0	n/a	n/a
Aged 30-39 years	%		8	n/a	n/a
Aged 40-50 years	%		53	n/a	n/a
Aged over 50 years	%		39	n/a	n/a
Belong to a visible minority group	%	11	19	22	24

The reporting format of this table has changed to better reflect the GRI G4 specifications.

Data source: Data for employees belonging to a visible minority group is based on employees' self-disclosure in our annual online employee engagement survey. The remainder of the data is pulled from Vancity's Human Resource Information Technology System (HRIS).

The percentage of employees of Aboriginal descent is one per cent of our workforce. Due to the small number, our tracking system is unable to report this by level.

Benchmark (BM) source: BC HRMA Annual metrics report for BC credit unions, 2013 median scores.

**Average compensation for women as a percentage of average compensation for men (G4-LA13)**

Through deeper analysis of the non-management category, we found that the average hourly wage and average annual salary of males and females were very close and did not show any inequity. The variable component of total compensation was the cause of the discrepancy. There are more men in information technology roles, an industry with highly competitive salaries. There are also more men in commission-based roles—roles that have the potential for higher earnings. And men have tended to generate more commission income than women in commission-based roles, consistent since 2011.

		2013	2012	2011
Non-management	%	84	85	82
Management	%	91	91	93
Senior management	%	108	110	104

We restated data for 2011 and 2012 to include missing variable compensation for one segment of the employee population.

Compensation includes: base pay, profit share or variable pay and benefits.

**Percentage of employees who completed biennial training on policies and procedures concerning relevant aspects of human rights (G4-HR2)**

We did not offer training in 2013 due to the introduction of new Worksafe legislation, effective November 1<sup>st</sup>, which affected policies pertaining to psychological safety in the workplace and altered our procedures to address bullying. We will launch new training in 2014 to include these new provisions.

		2013	2011
Employees who completed training	%	n/a	91

**Employee grievances related to human rights and harassment (G4-HR3, G4-HR12)**

There were no grievances related to human rights or harassment in 2013. One grievance filed in 2012 was not substantiated and closed in 2013.

		2013	2012	2011	2010	2009
<b>Total number of filed grievances related to human rights and harassment</b>	#	0	7	12	4	6
Total number of grievances reviewed or addressed (file pending)	#	0	1	3	0	0
Filed by men	#	0	0	0	0	0
Filed by women	#	0	1	3	0	0
Total number of grievances no longer subject to action or resolved	#	0	6	9	4	6
Filed by men	#	0	1	1	0	2
Filed by women	#	0	5	8	4	4

Grievances refer to legal actions, complaints registered with the organization or competent authorities through a formal process, or instances of non-compliance reported by union and non-unionized employees. Some grievances are filed on behalf of a collective group.

## Environmental performance and impact of our operations

### Environmental impact of our operations

For our approach see [2013 Annual Report](#), 'Environmental impact of our operations,' p. 36

For more on our approach to environmental sustainability see [vancity.com/EnvironmentalSustainability](http://vancity.com/EnvironmentalSustainability)

One of Vancity's three guiding principles is to help ensure environmental sustainability for our members' lives and communities is enhanced. This involves providing clear environmental sustainability leadership in the financial sector. As a service-based financial institution we do not manufacture any products and we are not a large direct emitter of greenhouse gases. However, it is still important to our members that Vancity reduce the environmental footprint of our operations as much as possible. We also expect our business partners to do the same. While we can't control which environmental programs are in place in the buildings we don't own, we try to work with our landlords where possible.

### Greenhouse gas (GHG) emissions and premises energy use

We've been [carbon neutral](#) since 2008. This means we measure and reduce our greenhouse gas emissions as much as possible, then offset emissions through the purchase of registered carbon offsets from emission-reducing activities that others have undertaken. We focus our emission reduction efforts in four areas: employee commuting, premises energy use, paper use and business-related travel, including a small fleet of vans and cars.

We are guided by the World Resources Institute's GHG Protocol and we prepare our reporting on greenhouse gases in accordance with [ISO14064 Part 1](#). Our greenhouse gas emissions and carbon neutral assertion are externally assured. For our purchases to offset 2012 greenhouse gas emissions and our [offset criteria](#), refer to our [Greenhouse Gas Handbook and Inventory Report](#).

We educate and engage our employees in reducing the greenhouse gas emissions from our operations by conducting regular employee communication and awareness campaigns. We have incentives and programs to encourage employees to commute via sustainable transportation modes and we have a policy of locating our corporate offices near access to rapid transit.

### GHG emissions by scope (G4-EN15, G4-EN16, G4-EN17)

Scope 1: Energy burned in an appliance operated by Vancity. Includes vehicle fleet and natural gas from the operation of boilers and other fuel consuming appliances on the premises for facilities owned by Vancity.

Scope 2: Energy used that isn't classified as Scope 1. Includes electricity required to operate Vancity's office buildings and branches.

Scope 3: Other emission sources that are pertinent to Vancity's business operations and reasonable and cost-effective to quantify. Includes: employee commuting, business air and vehicle travel and paper use, and natural gas emissions from facilities not owned by Vancity.

		2013	2012	2011	2010
Scope 1 (direct GHG emissions)	t	405	514*	501*	415
Scope 2 (indirect GHG emissions)	t	149	151	178	385
Scope 3 (other indirect GHG emissions)	t	3,995	4,426	4,252	3,983
<b>Total GHG emissions</b> ♦	t	<b>4,549</b>	<b>5,091*</b>	<b>4,931*</b>	<b>4,783</b>

\*We restated data. See the 'Premises energy use' table below for the reason.

### GHG emissions by source

**Premises energy use:** Energy emissions decreased due to an overall decrease in energy use.

**Paper use:** Although the percentage of recycled content decreased by 18 percentage points (which negatively affects our GHG emissions), the amount of paper we used also decreased by 41 per cent. This resulted in an overall decrease of 36 per cent in emissions.

**Vehicle fleet:** Emissions remained the same.

**Employee business travel by air:** Emissions decreased by 27 per cent due to a decreased number of flights and less long-distance travel due to managing expenses.

**Employee business travel by vehicle:** Emissions from vehicle travel decreased due to fewer kilometres driven.

**Employee commuting:** Emissions stayed the same. Even though more people took sustainable modes of transportation, this was offset by longer commutes on average and in slightly less fuel-efficient vehicles compared with 2012.

GHG emissions from:		2013	2012	2011	2010	2009	2007 base year*
Premises energy use	t	1,032	1,129*	1,139*	1,408	1,594	1,495
Paper use	t	561	870	796	925	532	811
Vehicle fleet	t	48	47	58	34	26	34
Employee business travel by air and vehicle	t	624	760	866	588	709	895
Employees commuting in single occupancy vehicles	t	2,284	2,285	2,072	1,828	2,240	2,006
<b>Total GHG emissions ♦</b>	t	<b>4,549</b>	<b>5,091*</b>	<b>4,931*</b>	<b>4,783</b>	<b>5,101</b>	<b>5,241</b>

\*We restated data. See the 'Premises energy use' table below for the reason.

#### GHG emissions by type, per employee (FTE) (G4-EN18)

		2013	2012	2011	2010	2009	2007 base year*
Premises energy use	t	0.5	0.5**	0.5**	0.7	0.7	0.7
Paper use	t	0.3	0.4	0.4	0.4	0.2	0.4
Vehicle fleet	t	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Employee business travel by air and vehicle	t	0.3	0.3	0.4	0.3	0.3	0.4
Employee commuting in single occupancy vehicles	t	1.0	1.0	1.0	0.9	1.0	0.9
<b>Total tonnes of GHG per employee (FTE):</b>	t	<b>2.1</b>	<b>2.3**</b>	<b>2.3**</b>	<b>2.3</b>	<b>2.2</b>	<b>2.4</b>

t = metric tonnes.

Due to rounding, numbers may not add up to totals.

Emissions from premises energy use are based on estimated energy use.

Emissions from employee commuting are based on responses to a survey, and are extrapolated to represent all employees.

\*In 2010, we recalculated the base year (2007) data, as required by ISO14064 Part 1, to reflect the impact our 2009 divestitures (a reduction in full-time equivalents of 6.96 per cent). This allows fairer comparison between our 2010, 2011 and 2012 performance and the base year.

\*\*We restated data. See the 'Premises energy use' table below for the reason.

#### Premises energy use (electricity and natural gas) (G4-EN3, G4-EN4, G4-EN5)

In 2013, electricity use dropped slightly while natural gas use dropped by 17 per cent due to two branches discontinuing the use of gas-powered units. There was an eight-per cent decrease in total premises energy use as a result of the closure of our Station Square Community Branch, an increase in energy efficiency in relocated branches and energy efficiency projects.

Energy use (actual and estimated), by type:		2013	2012*	2011*	2010	2009
Electricity use (millions)	kWh	10.5	10.9	10.4	12.4	13.5
Natural gas use	GJ	17,007	20,405	19,413	20,591	22,853
<b>Premises energy use (electricity and natural gas):</b>						
Energy use (actual) at metered locations (millions)	ekWh	12.6	13.5	11.2	10.8	12.2
Energy use (estimated) at non-metered locations (millions)	ekWh	2.6	3.0	4.5	7.3	7.6
<b>Total premises energy use (millions)</b>	ekWh	<b>15.2</b>	<b>16.5</b>	<b>15.7</b>	<b>18.1</b>	<b>19.8</b>
<b>Total premises energy use per employee (FTE)</b>	ekWh	<b>6,286</b>	<b>7,393</b>	<b>7,312</b>	<b>8,702</b>	<b>8,887</b>

kWh = kilowatt hours; ekWh = equivalent kilowatt hours (unit of measure used when different unit of measures are combined, such as gigajoules of gas converted to kilowatt hours); GJ = gigajoules.

Metered energy use is based on data from 54 locations with electricity meters, 33 locations metered with gas and 15 locations with no gas use (only electricity).

For branches, we estimated the energy use of non-metered retail locations by multiplying the average annual energy use per square foot from similar metered locations according to building type (free-standing, strip mall or mall) by the total square footage of the un-metered location and then prorating for the number of days the location was in operation. For office-based locations, we estimated the energy use of some of our non-metered office locations by multiplying the total square footage by the Natural Resource Canada (NRCAN) average energy use per unit area of an office building in BC or applicable province, for the reporting year and other non-metered office locations by multiplying the average annual energy use per square foot from similar office metered locations by the total square footage of the un-metered location and then prorating for the number of days the location was in operation.

\*We restated premises energy use due to the electricity usage of one location changing from estimated energy use to actual metered energy use. The latest electrical emissions factors (EF) were also applied. Due to a two-year lag in reporting by Environment Canada, electrical emission factors may be re-reported every three years dependent on the mix of electricity. The variance between the previous and current emissions factor was three per cent.

## Employee commuting

The percentage of employees who commuted to and from work using transit, by walking or cycling or as a passenger or driver in a car was 56 percent, 16.5 percentage points higher than the percentage of Metro Vancouver residents who used these sustainable modes of transport. However, employee commutes for those who drove in 2013 were slightly longer and were in slightly less fuel-efficient vehicles than in 2012.

		BM	2013	2012	2011	2010	2009
Employees making trips to and from work using sustainable transportation modes	%	39.5	56	55	57	63	56

Data source: [Vancity's transportation survey](#).

Benchmark (BM) source: 2011 Census, Statistics Canada, for Vancouver Central Metropolitan Area

## Materials and waste

Our Environmental Policy states we want to reduce our consumption of natural resources and production of waste, and to reuse and recycle resources and materials. As a service-based organization, our major material input and output is paper. Paper use and quality is managed as part of our carbon neutral commitment. We have recycling and waste-reduction programs along with a commitment to using environmentally friendly office materials wherever possible, including office paper that is made from 100 per cent post-consumer waste. Our printers are set to print double-sided. We have a comprehensive recycling policy and program covering paper products (including paper towels and disposable coffee cups), as well as glass, cans, plastic, batteries, toner cartridges, fluorescent tubes, electronic equipment, furniture and construction waste. We also have a composting program.

We recycle, re-use or donate furniture, computer or technical equipment that has reached the end of its life at Vancity. In addition, we have a list of environmental criteria for contractors to follow when renovating or building office locations. We also have criteria to cover other services: for example, we request paint made with low or no volatile organic compounds, and green products for cleaning.

Our Facility Management department conducts waste audits every two years to measure and track the volume and type of outputs from our operations and employee activities. The results of these audits allow us to implement additional programs and engage suppliers and employees in efforts to reduce waste.

## Paper use (G4-EN1, G4-EN2)

In 2013, paper use decreased by 41 per cent. The decrease was likely due to initiatives such as the introduction of digitally-based signage, re-using marketing materials prints for each campaign and an employee "paperlite" campaign to create awareness of reducing paper. The percentage of recycled content fell by 18 percentage points, even though we implemented a new policy in 2013 that requires employees to purchase 100 per cent recycled content, where feasible. We will continue with paper use reduction campaigns and continue to encourage the use of 100%/higher recycled content in our paper.

		2013	2012	2011	2010	2009
Total paper use	t	256	433	427	553	260
Percentage of paper use with recycled content	%	59	77	85	89	73
Paper use per employee (FTE)	kg	116	193	198	266	117

t = metric tonnes; kgs = kilograms.

Paper use is based on amount of paper purchased. Includes: letterhead, copier, printer and fax paper, member statements, marketing materials, communication to members, business cards and envelopes. In 2013, we estimated 20 per cent of paper use.

## Waste generated, recycled and diverted from the landfill at Vancity Centre (G4-EN23)

The amount of glass, plastic and metal we recycled decreased by more than half compared with 2012. This may be largely due to changing composition of this mixed material, most significantly, the substitution of heavy glass and metal with lighter-weight plastic packaging. We also implemented an improved measurement process for at the start of 2013, which also accounted for part of this decrease.

The amount of paper, cardboard, and other fibrous materials recycled decreased by 14 per cent, likely due to a greater awareness among employees to only print materials as necessary.

The amount of waste to landfill decreased 25 per cent from the previous year. Overall, total materials collected decreased 19 per cent and our percentage of materials recycled or diverted to the landfill remained steady.

		2013	2012	2011	2010	2009
Glass, plastic, and metal recycled	t	2	6	15	8	8
Percentage of total materials	%	3	9	24	16	11
Paper, cardboard, and other fibrous materials recycled	t	38	44	27	27	34
Percentage of total materials	%	71	66	44	56	44
Compost	t	5	5	4	4	n/a
Percentage of total materials	%	9	7	7	7	n/a
Waste to landfill	t	9	12	15	11	36
Percentage of total materials	%	17	18	25	21	45
<b>Total materials collected</b> ♦	t	<b>54</b>	<b>67</b>	<b>61</b>	<b>49</b>	<b>78</b>
<b>Percentage of total materials recycled or diverted from the landfill</b> ♦	%	<b>83</b>	<b>82</b>	<b>75</b>	<b>79</b>	<b>55</b>
<b>Materials collected per employee (FTE)</b>	kg	<b>92</b>	<b>112</b>	<b>113</b>	<b>84</b>	<b>122</b>

t = metric tonnes; kgs = kilograms. n/a = data not available.

Data is for Vancity Centre (Vancity's head office building located at 183 Terminal Avenue, Vancouver). At Vancity Centre, two tenants shared our compactor and recycling unit.

Materials recycled exclude batteries, fluorescent tubes, electronic waste, toner cartridges and ribbons, furniture, ATMs and construction wastes since there aren't adequate tracking systems in place. Recycling programs exist for all these items.

'Other fibrous materials' include pallets and wood.

## Water

To conserve water at owned facilities, we use water-efficient appliances, repair water leaks as soon as is reasonably possible, and use water-efficient taps, faucets, toilets and urinals. We have set requirements for low water use in many of our new buildings. We track and report water use annually at facilities where water meters are installed.

### Total water withdrawal by source (G4-EN8)

Metered water use at metered locations increased by 77 per cent primarily due to the inclusion of 815 West Hastings, whose water use we estimated in prior years. Water use at this location per square foot was nearly double the consumption of water use at Vancity Centre. Other factors that contributed included an increase in water use at some branches for landscaping and cooling during renovations. Combined, the increase in metered consumption raised the water-use-intensity figures that we use to estimate water use at our non-metered sites. This resulted in an increase in total estimated water use of 10 per cent.

		2013	2012	2011	2010	2009
Water use at metered locations (millions)	/	23	13	12	13	15
Estimated water use at non-metered locations (millions)	/	22	20	18	17	24
<b>Total estimated water use (millions)</b>	/	<b>45</b>	<b>33</b>	<b>30</b>	<b>30</b>	<b>39</b>
<b>Total estimated water use per employee</b> (thousands of litres per FTE)	/	<b>20</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>17</b>

l = litres. All water is obtained from municipal water supplies.

We estimated the water use of each non-metered location by multiplying the average annual water use per square foot from similar metered locations according to building type (office or branch) by the total square footage of the un-metered location and then prorating for the number of days the location was in operation.

Metered water use is based on data from 11 branches, 815 W. Hastings office space and Vancity Centre. Branch 42 is excluded from the calculation of a typical branch due to sharing water consumption with a high-use business.

## Co-operative governance and risk management

### Co-operative governance

For our approach see [2013 Annual Report](#), ‘Board of Directors,’ pp. 8 and 37

🔗 Board of Directors [vancity.com/BoardofDirectors](http://vancity.com/BoardofDirectors), including meeting attendance [vancity.com/BoDAnnualReporting](http://vancity.com/BoDAnnualReporting)

#### Board diversity (G4-38, G4-LA12)

According to Corporate Knights’ 2012 Diversity Index report, 10.3 per cent of overall Canadian board members are female, and 28 per cent of Canadian boards have representation from visible minority groups. At Vancity, 56 per cent of our Board Directors are women and 11 per cent are individuals from visible minority groups. Further data compiled by Corporate Knights on directors at the companies that make up the S&P/TSX 60—large companies that represent more than two-thirds of Canada’s stock market value—found just four individuals under the age of 40.

		2013	2012	2011	2010	2009
Directors aged under 30	%	0	0	0	0	0
Directors aged 30-50	%	11	22	22	22	22
Directors aged over 50	%	89	78	78	78	78
Directors who are women	%	56	56	67	67	78
Directors who belong to a visible minority group	%	11	11	11	0	0

Vancity’s Board of Directors is elected by our members.

## Executive and Board remuneration

### Board remuneration (G4-51, G4-52, G4-53)

Director remuneration is approved every three years by the membership at the Annual General Meeting (AGM). The Directors’ Remuneration ad hoc Committee reviews Director remuneration and makes a recommendation to members for approval. This Committee comprises three appointed general members who are unaffiliated with, and independent from, the Vancity Board of Directors. The committee reviews Board Directors’ remuneration to ensure it continues to be appropriate for the credit union and reflective of the level of responsibility our Directors hold, and the expertise and time it takes to carry out those responsibilities. Director remuneration increases by BC’s provincial Consumer Price Index if Vancity’s target for operating earnings is achieved for that year.

🔗 For more on our approach to Directors’ remuneration and remuneration data see [vancity.com/BoDAnnualReporting](http://vancity.com/BoDAnnualReporting)

### Executive pay (G4-51, G4-52)

The Board of Directors has the responsibility for monitoring and evaluating the performance of our President and Chief Executive Officer (CEO) and for determining the President and CEO’s compensation. The Board sets a compensation philosophy for Vancity and ensures that the compensation for the President and CEO, and senior management, is appropriate in relation to organizational needs and sector comparisons. The Board’s Human Resources Policy and CEO Compensation Committee leads the evaluation and compensation process for the President and CEO.

For more on our approach see [2013 Annual Report](#), ‘Executive pay’ and ‘What do compensation and incentives look like at a values-based financial institution?’ p. 37

### President and Chief Executive Officer compensation compared with lowest entry-level employee compensation

		2013	2012	2011*
Ratio of Vancity's President & Chief Executive Officer compensation to our lowest-paid permanent employee	#	28	27	30

\*We restated data to include missing variable compensation for the entry level employee.

The compensation of our President and Chief Executive Officer compensation includes base pay, variable pay (short- and long-term incentive plan) and benefits/perks. It excludes pension. Entry-level compensation includes base pay, profit share and benefits.

**President and Chief Executive Officer annual compensation compared with median annual total compensation for all employees (G4-54)**

The median employee pay is the pay of the employee in the middle, when employee pay is ranked from highest to lowest. Many organizations focus on the ratio of Chief Executive Officer pay to median employee pay. From market scans, we understand the difference to be much less at Vancity than at other comparable Canadian financial institutions. According to a 2012 [study](#) by Meridian Compensation Partners on compensation at six Canadian banks, the total cash compensation ratio of bank CEO pay to median employee pay was roughly 135 to one. At Vancity, the ratio was 16:1.

		2013	2012	2011
Ratio of Vancity's President & Chief Executive Officer compensation to median annual total compensation for all employees	#	16	16	17

New GRI G4 indicator.

President and Chief Executive Officer compensation includes base pay, variable pay (short- and long-term incentive plan) and benefits/perks. It excludes pension. Median employee compensation includes base pay, profit share or variable pay and benefits.

**President and Chief Executive Officer percentage increase in annual total compensation compared with median annual percentage increase in annual total compensation for all employees (G4-55)**

		2013
Ratio of Vancity's President & Chief Executive Officer percentage increase in annual total compensation to median annual percentage increase in annual total compensation for all employees	#	1

New GRI G4 indicator.

The compensation of our President & Chief Executive Officer includes base pay, variable pay (short- and long-term incentive plan) and benefits/perks. It excludes pension. Median employee compensation includes base pay, profit share or variable pay and benefits.

**Member participation and engagement (G4-26)**

**Participation in Governance**

For our approach to member participation in Vancity's governance, including elections, see [2013 Annual Report](#), 'Board of Directors,' p. 37

🗳️ Elections [vancity.com/Election](http://vancity.com/Election)

**Board Elections**

		BM	2013	2012	2011	2010	2009
Total votes cast	#		58,207	49,531	51,689	43,931	70,195
Percentage of eligible members who voted*	%	1.6	5.5	4.8	5.1	4.2	6.9

Benchmark (BM) source: Central 1 Credit Union, 2010 AGM Study for Canadian Credit Unions.

\*We restated historical data to correct a discrepancy (some duplication) in the number of eligible voters, which resulted in us reporting a lower percentage than we should have.

**Engagement**

Engagement is vital to our business model of member-led innovation. It's part of developing a deep understanding of member and community needs to gather insights and identify opportunities that will allow us to go beyond the basics of offering good service and competitive rates, and to increase the positive impact we have on members and their communities.

For more on our approach to engagement with members see 'Member satisfaction and service experience' on p. 10

For engagement with members and employees on our annual reports and our use of AA1000 Principles see [2013 Annual Report](#), 'Determining report content,' p. 41

**Percentage of members surveyed who rate Vancity nine or 10 out of 10 for ensuring they have a say in Vancity's growth and future direction**

The improvement from 39 per cent to 44 per cent is not statistically significant when tested at the 95-per-cent confidence level.

		2013	2012
Personal members	%	44	39

Data source: [Brand health study](#).

Percentage of respondents answering "Don't know" for personal members in 2013 was one per cent

**Examples of how we engage with our stakeholders (G4-24, G4-25, G4-26)**

Members are both Vancity's owners and customers and our most important and influential stakeholders. Other key stakeholders include employees (who are also members and owners), the communities in which we operate and our regulators.

We conducted a formal stakeholder mapping exercise in 2009 as part of an in-depth materiality process. (See [2008-09 Accountability Report](#) appendix on 'Materiality and Stakeholder Engagement' p. 1 for details).

We revised our categorization of stakeholders in 2011 when we undertook a comprehensive inventory of how we engaged with stakeholders.

<b>Key stakeholders</b>	
Members	<p>Research: online member panel, post-transactional surveys, focus groups, including focus groups on our annual reports, community advisory committees</p> <p>One-on-one: Through our branches, by phone, in writing and online our employees are available to listen and respond to members.</p> <p>Co-operative governance: Members can speak with Directors, be a candidate in and vote in Board Director elections, and attend and make resolutions at the Annual General Meeting.</p>
Employees	<p>Research: annual employee engagement survey, employee-led process called V-check (for vision check) to identify systemic contradictions, focus groups, including focus groups on our annual reports.</p> <p>Internal engagement: Intranet, manager/divisional/ team meetings, quarterly performance updates with executive and managers, surveys, focus groups, executive branch visits</p>

	One-on-one: Managers are encouraged to meet regularly with their direct reports and also their direct reports' direct reports. As part of performance management program, employees and managers meet every quarter to review goals.
Community	<p>Research: Surveys and focus groups on an ad-hoc basis, community advisory committees</p> <p>Partnerships: Longstanding partnerships with many community groups.</p> <p>One-on-one: Meet regularly with community groups. Provide grants and sponsorships to not-for-profits and community groups. Regularly participate in community events. Many Vancity employees sit on the Boards of community groups or are involved in working groups.</p>
Regulators	Meet and correspond regularly with our regulators. Formally report on performance and respond to their questions.
<b>Other stakeholders</b>	
Competitors and peers	Work with peers on issues of common interest through industry and other working groups and committees, including Central 1 and the Global Alliance for Banking on Values.
Suppliers and business partners	"Request for proposal" process. Ethical Principles for Business Relationships. Our supplier relationship managers have meetings as needed to discuss contractual obligations and delivery.
Public interest groups	Fund and/or work together on advocacy initiatives. Monitor and respond to specific issues as they are raised.

## Key topics and concerns that have been raised through engagement (G4-27)

The following topics were raised through engagement with our key stakeholders. For topics raised in focus groups on our 2012 Annual Report see [2013 Annual Report](#), 'Determining report content,' p. 41

	Stakeholders				Responses	
	Members	Employees	Community	Regulators	Accountability Statements	Annual Report
<i>Impact</i>						
Financial inclusion and capacity building	X		X		7-10	10, 19, 23
Poverty, homelessness	X		X		7-9, 14-16	6-7, 23-25, 29
Member experience (service, rates, fees)	X	X			10-11, 40	20-21, 30, 32, 48
Protecting the environment, climate change	X	X	X		11-12, 29-32	20, 36, 41
Socially responsible investing	X				12-13	22
Community investment	X				14-16	23
Affordable housing	X		X		7-8, 14-16	23-26, 31, 41
Local economic development	X		X		16-17	23-24, 32, 39
Living wage	X		X		16	35, 39
Gentrification (lending and granting in Downtown Eastside)	X		X		-	24
Outsourcing, temporary foreign workers	X				-	32
Local organic food, food security	X		X		14-15	6, 23, 25
Co-operative model			X		17	26
Public policy and advocacy			X		18	23
<i>Confidence</i>						
Financial performance and resilience	X	X		X	20-22	29-30, 32 <sup>1</sup>
Stability of the credit-union system				X	-	5, 39
Technology, including renewal of core banking system	X	X			22	7, 30, 32, 39
<i>Integrity</i>						
Compensation, incentives, benefits, pension plans		X			16, 28, 33-34	13, 33, 35, 37 <sup>2</sup>
Performance management, career opportunities, recruitment		X			24	33-35
Employee engagement	X	X			25-26	33
Board governance (composition, role)				X	33	8, 37
Director remuneration	X				33 <sup>3</sup>	-
Election process	X				34	8, 37
Risk governance and management				X	37-39	38
Compliance with regulatory requirements, esp. capital				X	41	30, 32, 37-38 <sup>4</sup>
Changes to federal & provincial tax and credit union regulation	X				-	5, 30, 39

<sup>1</sup>See also our 2013 Consolidated Financial Statements [vancity.com/2013annualreport/FinancialStmts](http://vancity.com/2013annualreport/FinancialStmts)

<sup>2</sup>For more on compensation and benefits see Notes 10 and 25(b) of the 2013 Consolidated Financial Statements [vancity.com/2013annualreport/FinancialStmts](http://vancity.com/2013annualreport/FinancialStmts)

<sup>3</sup>For more on Director remuneration see [vancity.com/BoDAnnualReporting](http://vancity.com/BoDAnnualReporting)

<sup>4</sup>For more on regulatory and capital management see Note 21 2013 of the Consolidated Financial Statements [vancity.com/2013annualreport/FinancialStmts](http://vancity.com/2013annualreport/FinancialStmts)

## Integrated risk management

For more on our approach see [2013 Annual Report](#), 'Integrated risk management,' p. 38

🔗 What are the risks we need to understand? [‘Three Year Plan’](#) pp. 20-22

### Governance (G4-45, G4-46, G4-47)

The Board of Directors has overall responsibility for the establishment and oversight of Vancity's risk management framework. The Board has established five committees and one ad hoc committee to oversee and manage Vancity's exposure in specific areas of risk. The Risk Committee's role is to provide effective oversight of Vancity's risk management activities. It ensures management has established, and follows, an enterprise risk management framework which includes the establishment of risk tolerances and appropriate policies with respect to the risks to be taken, the level of risks, and the monitoring of compliance to those policies. It meets at least four times a year and reports to the Board.

🔗 Board Committees [vancity.com/Committees](http://vancity.com/Committees)

The Board considers the legitimate interests that stakeholders such as employees, suppliers, members and communities may have in Vancity. It calls upon expert advice to offer an opinion when required. It receives reports of insights from various engagements with members and others, such as results of surveys and focus groups, and some Directors sit in on meetings of our Community Advisory Committees. All this may influence Directors' views of risks and opportunities.

To help better integrate risk and opportunity management, in 2013 we created the role of Chief Risk Officer (CRO) to lead the Risk division and continued to align roles and accountabilities to create a risk culture that aligned with our vision. A senior management committee structure provides effective oversight and risk management of the principal risks affecting Vancity. It consists of a Risk Management Committee under the leadership of the CRO, with membership consisting of the Executive Leadership and Chairs of the Asset and Liabilities Committee, and the Management Credit Committee.

In 2013, we continued to strengthen our risk appetite framework to build on the components already in place. Vancity has very strong oversight and insights into our regulated risks, specifically around our capital requirements and credit risk, liquidity risk and market/interest-rate risk. We are enhancing this oversight to include our non-financial risks of strategic, business, reputation, talent, technology and legal and regulatory.

## Percentage of employees who agree Vancity considers long-term social, environmental and economic impacts when it makes decisions

		2013	2012	2011	2010	2009
Employees who agree	%	88	85	84	82	81

Data source: Aon Hewitt employee engagement survey. Score is based on respondents answering "five" or "six" out of six for this question.

### Confidential and anonymous reporting system (G4-58)

Our anonymous and confidential whistle-blower system is intended to provide employees and members with an avenue to report concerns about serious business misconduct. In 2013, five reports were still under investigation and one report was substantiated and categorized as 'sensitive'.

		2013	2012	2011	2010	2009
Number of reports made through confidential and anonymous reporting system	#	6	2	5	2	1

'Sensitive' refers to a complaint that is not appropriate for management to review or where the complainant does not feel comfortable escalating to the highest level of management. Sensitive complaints are reviewed by the Chair of the Audit Committee.

### Lending (G4-14, DMA-FS1, DMA-FS4, DMA-FS9)

We manage key lending risks, including social and environmental risks, through our lending and investment policies, which are aligned to our Ethical Principles for Business Relationships. Beyond risk management, we take a proactive approach to lending and seek to do more business with organizations that benefit their communities.

Our Lending policy requires us to consider social and environmental issues. Environmental risk procedures require employees to exercise due diligence in identifying environmentally risky situations. Loan underwriting must include an assessment of the potential financial, legal and reputational risks associated with these issues. We reserve the right to decline financing for activities that, while technically in compliance with laws and regulations, may have significant adverse environmental or social consequences.

Social and environmental risks of larger business banking loans (non-credit-scored loans) and commercial mortgages are assessed at the time of the loan application, guided by our Ethical and Lending policies, and subject to environmental due diligence. An environmental cautions list assists employees in determining which organizations

and projects may have significant adverse environmental consequences and so require further investigation prior to engaging or renewing a relationship. When managing risk on lending to any type of business on this list, we take additional precautions, such as more frequent and in-depth monitoring. For commercial mortgages and our larger business banking loans, site and/or business visits are a mandatory pre-funding condition. These visits can identify environmental and social issues.

Our personal, commercial and business lending areas are subject to internal audits scheduled based on the degree of risk they pose. To the extent that regulatory and strategic risks are addressed by environmental and social policies, the controls that ensure compliance are reviewed and tested by Internal Audit, as required. Staying abreast of changes in the external environment and developing the capabilities necessary to address these is integral to maintaining our professional standards.

### Business and commercial loan portfolio (dollars outstanding) by North American Industry Classification System (FSG)

In 2013, approximately 24 per cent of all business loans originated outside of British Columbia. These are commercial real-estate loans through Citizens Bank.

		2013	2012	2011	2010
<b>British Columbia</b>					
Accommodation & food services	%	2	2	2	3
Construction	%	5	5	5	6
Health care & social assistance	%	2	2	3	3
Manufacturing	%	2	2	2	3
Other	%	4	4	5	5
Other services	%	3	3	3	4
Professional, scientific & technical	%	1	1	1	1
Real estate, rental & leasing	%	79	78	76	71
Retail trade	%	1	1	1	2
Transportation & warehousing	%	1	1	1	1
Wholesale trade	%	1	1	1	2
<b>Outside of British Columbia</b>					
Construction	%	3	3	1	9
Real estate, rental & leasing	%	97	97	99	91

Due to rounding percentages may not add up to 100.

### Ethical Principles for Business Relationships (DMA-FS1, DMA-FS2, DMA-FS3, DMA-FS4, DMA-FS5)

For more on the evolution of our Ethical Policy see [2013 Annual Report](#), 'Ethical Principles for Business Relationships,' p. 38

🔗 Ethical Principles for Business Relationships [vancity.com/EthicalPrinciples](http://vancity.com/EthicalPrinciples)

For every business relationship we enter into, we look for alignment with our Ethical Principles for Business Relationships, and we look for ways to promote positive social, economic and environmental practices. In 2013, we began the transition from our Ethical Policy to the refreshed Ethical Principles. We revised related policies and procedures, training and coaching, and began implementation of the new Principles in late 2013 in the majority of our business units.

Our transition from Ethical Policy to Ethical Principles is an important step in our journey toward greater use of discretion in our decision-making. It gives our employees the ability to have values-based conversations with business partners to truly understand how they contribute to their communities and to ultimately make decisions about who we chose to partner with to build healthy communities together.

Our procedures are risk-based: the more significant the relationship in terms of dollars or profile, the deeper the level of analysis performed. Assessment procedures have been integrated into existing policies and procedures where possible, such as lending, account opening, and purchasing policies and procedures. Vancity Internal Audit and our external sustainability assurance provider may periodically check performance. Training and coaching resources are available to all employees to develop their skills for asking thoughtful and engaging questions and having meaningful conversations.

### Ethical Policy assessments

Our reporting is based on the Ethical Policy and will be updated to reflect the Ethical Principles in 2014.

Ethical Policy assessments consider the following criteria when determining alignment: ethical business practices, environmental, social, and community impact, environmental policies, practices, services and products, employee relations, supplier relations, labour practices, workplace conditions, community investment and partnerships, diversity, human rights, involvement in and exposure to controversial industries, sectors and business practices.

A requirement of our Ethical Policy was to ask an independent third party to annually review Vancity’s operations using the same criteria we used to assess other organizations. In 2013, the review concluded Vancity was aligned with its own Ethical Policy.

**Ethical Policy assessments for new strategic relationships** (G4-EN32, G4-LA14, G4-HR10, G4-SO9)

The number of strategic relationships comprises seven per cent of our total suppliers (with managed spending) and 65 per cent of our total managed spend. In 2013, we assessed five new ‘other strategic relationships’. We did not assess any new strategic suppliers that were subsequently awarded procurement contracts.

The supplier assessment we did were for suppliers that did not meet the \$250,000 minimum spending threshold to be classified as a “strategic supplier” or for existing strategic suppliers to Vancity. As well, in some cases the Request For Proposal or Request For Supplier was still in process and no contract has been awarded as of December 31, 2013.

		2013
<b>Ethical Policy assessments for new strategic relationships</b>	#	5
Strategic suppliers	#	0
Other strategic relationships	#	5

Strategic relationships have one or more of the following attributes: high financial or reputational risk, an expenditure of over \$250,000 annually, an outsourced relationship or a designated Business Continuity Plan key business partner.

Other strategic relationships include business and Treasury relationships.

**Ethical Policy assessments for existing strategic relationships**

Our Ethical Policy requires us to assess existing treasury relationships annually, and all strategic suppliers and business relationships once every two years. In 2013, 82 relationships were due for assessment. We conducted assessments for them all.

		2013	2012	2011
Strategic relationships screened in accordance with the Policy	%	100	73	82

**Strategic relationships not aligned with the Ethical Policy**

		2013	2012	2011
Total known existing relationships that are not aligned with the Policy	#	2	2	7*
Of these, relationships with action plans to address key concerns	#	2	1	2

\*We restated 2011 data to exclude a relationship that was not in-scope for Ethical Policy assessment but was assessed at the request of the executive accountable for the relationship. This relationship involved no revenue or expenditure for Vancity.

**Responsible marketing and selling** (DMA-FS15)

Vancity’s overarching fiduciary duty is to preserve our members’ collective assets. That, along with our vision, makes it vital for us to be a trusted advisor that provides members with best advice on how they structure their debt and use credit responsibly, and to educate members on financial management.

**Lending**

Average household debt is high. If interest rates continue to be low, our members may face increasing pressure to take on more debt. We do not want to provide credit or advice to members that puts them in a position of taking on debt they cannot afford. While we may say ‘no’ to a credit application because the level of credit risk is too high, we are more likely to say ‘not right now’ and provide alternative solutions to help them achieve their goals.

For the retail loan portfolio (residential and consumer loans), Vancity’s underwriting methodologies and risk modeling are member-based rather than product-based. We review the member’s capacity to repay the loan rather than relying exclusively on collateral. Decisions on consumer loans are based on an overall assessment of credit risk using a scoring model that takes into account factors such as debt levels relative to income and Beacon scores (a number generated by the Equifax Credit Bureau to rank how likely it is that a borrower will repay a loan).

Our policies encourage member-serving employees to work directly with members. For example, our residential mortgage process includes an advisory session as the first step in the application process to determine if debt is the best option for the member. We offer a variety of tools to help members understand the true costs and obligations of borrowing and build their wealth and well-being in ways that reflect their values.

🔗 Planning [vancity.com/Planning](http://vancity.com/Planning)

## Rates and fees

We're committed to delivering services at a fair, reasonable price to all our members. We monitor and make adjustments to interest rates to ensure our competitiveness. In accordance with relevant legislation, we disclose interest rates and fees associated with our products and services.

🔗 Personal banking account service fees [vancity.com/Fees](http://vancity.com/Fees)

🔗 Business service charges [vancity.com/BusinessAccounts](http://vancity.com/BusinessAccounts)

## Visa fees

For details on our financial literacy initiatives for Visa see [2013 Annual Report](#), 'Financial literacy and trusted advice,' p. 19

All fees associated with our Visa cards are disclosed in our Visa disclosure statement. We post our approach to member fees on our website.

In 2011, with increasing cardholder concerns over commonly charged monthly fees during the life of Visa gift cards, we became the first Canadian issuer to remove monthly fees charged during the life of the card. In 2013, we replaced the existing inventory with new gift cards that included an after-expiry monthly fee of \$2.50 per month to cover ongoing operational costs once the card has expired. Consistent with Consumer Protection legislation, this fee is clearly disclosed on the card package and within the Cardholder Agreement. Based on our experience, 90 per cent of cardholders spend their card within the first 12 months and most of that within the first three months. Therefore, the majority of cardholders are not subject to this fee.

The Visa gift cards continue to function in exactly the same way. Cardholders have full access to their balance to spend throughout the 'good thru' life of the card, and if the card expires, they can call our contact centre to obtain a free replacement card.

## Member privacy and security

🔗 For our approach to privacy and security see [vancity.com/PrivacyAndSecurity](http://vancity.com/PrivacyAndSecurity)

🔗 For our policies on money laundering and terrorist financing see [vancity.com/MoneyLaunderingTerroristFinancing](http://vancity.com/MoneyLaunderingTerroristFinancing)

## Breaches of privacy and losses of member or client data (G4-PR8)

Privacy issues are handled by our Corporate Privacy Office, which is overseen by our Chief Risk Officer.

In 2013, the number of substantiated reports increased. This was likely due to our Privacy Office's efforts to focus on areas of greatest risk, identified in the previous year, and enhanced reporting. No substantiated complaints were received from regulatory bodies in 2013.

		2013	2012	2011	2010
Substantiated reports and privacy breaches	#	16	5	9	6

Data reflects the number of breaches reported to Vancity's Privacy Office from a branch, member or customer. Key reasons for breaches generally include misdirected emails, letters and telephone calls or employee misconduct/errors.

## Percentage of employees who reviewed and signed Vancity's Code of Conduct (G4-SO4)

All employees are required annually to review and sign off on a Code of Conduct, which necessitates adherence to a high standard of business ethics. We have a process to monitor that this gets done. The Code also sets out the reporting responsibilities of employees, should they observe anything that appears to violate its terms.

In 2013, the annual Code of Conduct declaration resulted in a return rate of approximately 90 per cent. The desired state is a 100 per cent return rate. Due to various leaves of absence and employee churn/turnover, some inherent challenges exist in achieving this outcome. We continue to work with people leaders to highlight the importance of ensuring that employees understand and abide by the Code.

		2013	2012
Employees who signed Vancity's Code of Conduct	%	90	90

## Number of internal fraud incidents investigated (G4-SO5)

Employee dishonesty is covered in the security training given to new employees whose jobs require it. Representatives from our Corporate Security department periodically meet with groups of branch managers to raise awareness of employee dishonesty and provide guidance in managing incidents. Our Employee Dishonesty policy requires that all incidents of employee dishonesty are reported for investigation. If substantiated, the employee could be dismissed. We report incidents of employee dishonesty and/or breach of conduct to the Audit Committee and Governance and Conduct Review

Committee, who monitor for any significant breakdown in controls and/or business ethical issues.

		2013	2012	2011	2010	2009
Substantiated incidents	#	3	4	4	5	6

Internal fraud can include: mismanagement of personal accounts, member account compromise, misrepresentation of facts and theft of cash. In 2010 we refined the data collection to only include fraud and theft and not other Code of Conduct employee-related incidents, so historic data is not directly comparable.

## Management of the legal and regulatory environment

Vancity is regulated by the Financial Institutions Commission (FICOM), an agency of the BC government. Citizens Bank is federally regulated by the Federal Office of the Superintendent of Financial Institutions (OSFI). Citizens Trust is regulated both provincially by FICOM and federally by OSFI.

Our tolerance for legal and regulatory risk is low. The current risk environment is becoming more complex as evolving information and capital requirements are demanding more of financial institutions. As a result, we are doing more stress-testing against regulatory regimes, testing against the highest regulatory requirements including BASEL III and OSFI.

Our goal is to be aware of and have procedures in place to ensure compliance with applicable laws, regulations, legislation and codes of conduct. As part of the normal course of business, Vancity occasionally faces legal proceedings. Updates on significant litigation and potential litigation are reported to the Board's Audit Committee quarterly. Provisions are recorded in the financial statements where appropriate.

### Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act (FATCA) is a United States law requiring financial institutions around the world to create information collection and reporting systems for accounts held by Americans residing outside of the United States. The FATCA start date is scheduled for July 1, 2014. Vancity, along with a number of

Canadian financial institutions and credit unions around the world, has expressed concern that issues regarding privacy, human rights and other interests of Canadians remain fully protected under existing Canadian laws. When implementing technical and operational frameworks to meet FATCA requirements, our goal is to ensure FATCA implementation has as little impact as possible on our operations and our members.

### Incidents of non-compliance

(G4-S07)

Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	One pending in 2013	Nothing to report between 2009 to 2012
--	---------------------	--

(G4-EN29, G4-S08, G4-PR9)

Monetary value and description of significant fines and non-monetary sanctions for non-compliance with laws and regulations (including environmental laws and regulations and concerning the provision and use of products and services)	Nothing to report between 2009 to 2013	
--	--	--

(G4-PR4, G4-PR7)

Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship	Nothing to report between 2009 to 2013	
--	--	--

## Reporting principles and other information

### Reporting principles

We apply the following principles to the data we report:

- We report data for Vancity unless otherwise stated. Vancity refers to Vancouver City Savings Credit Union and its subsidiaries—see [2013 Annual Report](#), ‘Organizational overview,’ p. 9.
- We report data for the calendar and fiscal year January 1 to December 31 with the following exception: we report energy and water data for the previous year’s fourth quarter to the current year’s third quarter. (For example, 2013 energy data is reported for the period October 1, 2012 to September 31, 2013). We use annual full-time equivalent (FTE) employee numbers to normalize energy and water data.
- We include five years of data where comparable and available.
- If data increases or decreases by a material amount from the prior year, or if over five years data is trending up or down, we include an explanation in the accountability statements or in the business review of Vancity’s 2013 Annual Report. We consider a material amount to be either +/- five per cent, or an amount we or our third-party survey providers consider to be a statistically significant variance for survey results.
- We include external industry benchmarks from sources we consider to be reliable, where meaningful and available, to provide context for our performance.
- We disclose in the table notes if data is estimated or based on extrapolation, and we provide details of the estimation or extrapolation.
- For relevant indicators, we follow the indicator protocols contained in the GRI’s sustainability reporting guidelines (version G4) unless otherwise stated. When requirements under the protocols change, we restate data and include a minimum of three years of data, where available.
- We’re continuously improving our non-financial data tracking and reporting processes. Sometimes this means that while data quality improves, we may lose comparability of data over time. In these cases, historical data is either omitted, recalculated (if possible) or included with an appropriate table note if we think showing the historical data is of value. We indicate restatements and omissions of data in the table notes.

### Survey data

The following describes some of the key surveys we use to gather data.

**Brand health study:** An annual study conducted by Ipsos ASI to understand the strength of the Vancity brand and our Good Money™ brand strategy, as well as factors that may limit growth. The study is conducted with a representative sample of members between the ages of 19 and 70 in the Lower Mainland and Victoria. The survey uses a 10-point scale, where “10” means “agree more.” We report the percentage of members responding nine or 10. The margin of error for 2013 is +/- 6 per cent at a 95-per-cent level of confidence.

**Employee Engagement survey:** An annual confidential online survey administered by Aon Hewitt that uses a six-point scale. We report the percentage of employees responding five (“agree”) and six (“strongly agree”). All employees were surveyed. In 2013, the response rate was 86 per cent and the margin of error was +/- 0.9 per cent.

**Member experience tracking survey:** A confidential telephone survey administered by Market Probe Canada in the week following select, in-branch transactions by a sample of members. The survey uses a 10-point scale, where “10” means “superior/extremely likely”. We report the average score or the percentage of members responding nine or 10 on a cumulative basis for the year. In 2013, we interviewed approximately 7,000 members. See data tables with specific scores for margins of error.

**Member Service Centre quality tracking survey:** A monthly telephone survey administered by SQM Group. Call centre customer satisfaction (CSat) is the percentage of members who answered “very satisfied” (top box response) about their overall call centre experience. We report a year-to-date (as of December 31) cumulative score. The margin of error in 2013 was +/- 2 per cent.

**Vancity transportation survey:** An annual confidential online commuting survey administered in the fourth quarter of the year by Acuere Consulting. We report the percentage of employees responding that they took a sustainable mode (walk, bike, carpool, transit) in their work commute. The margin of error was not available.

™ Make Good Money, Making Good Money, Start Making Good Money, Good Money Plan and Good Money are trademarks of Vancouver City Savings Credit Union.

## Verification of key performance and impact data

Data for performance and impact measures, below in bold, were verified to a reasonable level. The remaining measures were verified to a limited level by KPMG. We selected these measures to be assured because they are strategic measures with organizational targets and relate to our priority topics, where quantifiable.

- **Member well-being**
- **Community impact loans approved as a percentage of total business and commercial loans approved**
- **Net active membership growth**
- **Return on member equity**
- **Representation of people with a disability in our workforce**
- **Employee engagement score**
- **Greenhouse gas emissions**
- Net earnings from operations
- Net earnings from operations before distribution and tax
- Liquidity ratio
- Capital adequacy ratio
- Efficiency ratio
- Average branch service score
- Treasury investments in impact
- Percentage of waste recycled or diverted from the landfill

We have included detailed explanations of the methodology used to measure our performance and impact in the [glossary](#).

## Changes in measures from the 2012 Annual Report (G4-23)

The following list includes measures we changed or deleted in 2013. New measures are indicated throughout this report.

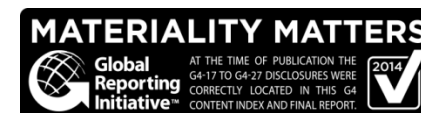
- We no longer report ‘Percentage who agree to the statement, “Both myself and my community will be better off if I bank with Vancity”’ and ‘Percentage (a) members (b) public who identify Vancity as an organization who supports the environment’. These have been replaced by ‘Percentage of members surveyed who strongly agree Vancity’s contributions to the community have a positive effect on their well-being’.
- We replaced ‘Retail banking products with social or environmental benefits’ with ‘Products and services designed to provide access to basic financial services,

affordable housing and credit’ and ‘Products, services and initiatives designed to support members to reduce their greenhouse gas emissions.’ We also changed the value reported from outstanding amounts to-date to approved amounts for the reporting period.

- We no longer report ‘Business banking products with social or environmental benefits’ since this is captured in our community impact loans.
- We changed the breakdown for ‘Tax expense, by type’ to align with the [Public Accountability Statement reporting requirements](#).
- We no longer report ‘Employee participation rates in the Defined Benefit Plan and Group RRSP,’ ‘Benefits provided to full-time employees not provided to temporary or part-time employees,’ or ‘Percentage and number of business units analyzed for risks related to corruption’ since these measures are not key to explaining our performance and impact.
- We changed ‘Community donations as a percentage of average previous three year pre-tax profits’ to ‘Community donations as a percentage of annual pre-tax profits.’
- We no longer report ‘Economic capital ratio’ since this is not an easy indicator to understand.
- We no longer report ‘Proportion of senior management hired from within the local community (BC)’ since our local hiring efforts focus on branch employees.
- We changed ‘Number of formal ethical policy screens’ to ‘Number and percentage of new suppliers formally assessed’ to align with the new GRI G4 guidelines.
- We no longer report ‘Number of existing relationships that have undergone or are awaiting an appeal’ since we no longer have an appeal process for our Ethical Policy.

## Global Reporting Initiative G4 content index

This report was prepared in accordance with the Global Reporting Initiative's **G4 Core** Sustainability Reporting Guidelines, including the Financial Services Sector disclosures.



Global Reporting Initiative's G4 Guidelines [globalreporting.org/Reporting/G4/](http://globalreporting.org/Reporting/G4/)

GENERAL STANDARD DISCLOSURES		
<b>General Standard Disclosures</b>	<b>Page number or link</b>  The page numbers below refer to this document (2013 Consolidated Accountability Statements), unless noted otherwise: AR = 2013 Annual Report <a href="http://vancity.com/2013AnnualReport">vancity.com/2013AnnualReport</a> FS = 2013 Consolidated Financial Statements <a href="http://vancity.com/2013annualreport/FinancialStmts">vancity.com/2013annualreport/FinancialStmts</a>	<b>External Assurance</b> See KPMG's Independent Assurance Statement on pp. 43-44 of <a href="#">2013 Annual Report</a>
STRATEGY AND ANALYSIS		
G4-1	AR pp. 5 - 7 (Message from the Chair and Message from the President and CEO)	
G4-2	AR pp. 10 - 11 (Vision, business model and 2013 strategy) AR pp. 12-17 (Key results) AR pp. 39 (Future plans and targets) AR p. 38 (Integrated risk management)	
ORGANIZATIONAL PROFILE		
G4-3	AR p. 9 (Organizational overview and executive leadership team)	
G4-4	AR p. 9 (Organizational overview and executive leadership team)	
G4-5	AR p. 9 (Organizational overview and executive leadership team)	
G4-6	AR p. 9 (Organizational overview and executive leadership team)	
G4-7	AR p. 9 (Organizational overview and executive leadership team)	
G4-8	AR p. 9 (Organizational overview and executive leadership team)	
G4-9	AR p. 9 (Organizational overview and executive leadership team)	
G4-10	Employee profile and Position status for all employees (headcount), by gender, p. 23.  We report on our significant location of operations. We do not track self-employed consultants. There are no significant seasonal fluctuations in our employee numbers.	
G4-11	Employees covered by collective bargaining agreements, p. 25	
G4-12	Vancity's supply chain, p. 17	
G4-13	There were no significant changes during the reporting period.	
G4-14	Lending, p. 37	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which we subscribe or endorse, p. 18	
G4-16	Key memberships in associations and advocacy organizations, p. 18	

<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		<b>External Assurance</b> Assured: description of Vancity's adherence to the AA1000 principles of inclusivity, materiality and responsiveness.
G4-17	All entities in the consolidated financial statements are covered by the report: Vancouver City Savings Credit Union and its subsidiaries	Not assured
G4-18	Priority topics and boundaries, p. 4 AR pp. 41-42 (Determining report content, reporting standards and external audit)	Not assured
G4-19	Priority topics and boundaries, pp. 4-6	Not assured
G4-20	Priority topics and boundaries, pp. 5-6	Not assured
G4-21	Priority topics and boundaries, pp. 5-6	Not assured
G4-22	Wherever we have restated data, it is indicated in the footnotes to the data tables.	Not assured
G4-23	Changes in measures from the 2012 Annual Report, p. 43	Not assured
<b>STAKEHOLDER ENGAGEMENT</b>		<b>External Assurance</b> Assured: description of Vancity's adherence to the AA1000 principles of inclusivity, materiality and responsiveness.
G4-24	Examples of how we engage with our stakeholders, p. 35	Not assured
G4-25	Examples of how we engage with our stakeholders, p. 35	Not assured
G4-26	Member satisfaction and service experience, p. 10 Member participation and engagement, p. 34 Examples of how we engage with our stakeholders, p. 35	Not assured
G4-27	Key topics and concerns that have been raised through engagement, pp. 36-37	Not assured
<b>REPORT PROFILE</b>		
G4-28	Reporting period: fiscal year, January 1 – December 31, 2014	
G4-29	Last report: 2012 Annual Report, published May 2013	
G4-30	Reporting cycle: annual	
G4-31	Contact: <a href="mailto:accountability@vancity.com">accountability@vancity.com</a>	
G4-32	a. Core b. Global Reporting Initiative G4 content index, pp. 44-51 c. AR pp. 43-44 (KPMG's independent assurance statement)	
G4-33	AR p. 42 (External audit) AR p. 43-44 (KPMG's independent assurance statement) d. The Board's Audit Committee retains the external assurance providers.	
<b>GOVERNANCE</b>		
G4-34	All committees have responsibilities related to decision-making on economic, environmental and social impacts. <a href="http://vancity.com/Committees">vancity.com/Committees</a>	

G4-36	Members of the Executive Leadership Team, including the CEO (who is accountable to the Board of Directors), each have and/or share accountabilities relating to economic, environmental and social topics. <a href="http://vancity.com/LeadershipTeam">vancity.com/LeadershipTeam</a>	
G4-37	See Rule 4.11 <a href="http://vancity.com/GovernanceRules">vancity.com/GovernanceRules</a> Special Resolutions can also be brought forward by the membership under the Credit Union Incorporation Act S.77 (1).	
G4-38	Board diversity, p. 33 All Board Directors are independent. Directors' background information is included only if they choose to disclose it voluntarily. <a href="http://vancity.com/Committees">vancity.com/Committees</a> <a href="http://vancity.com/BoardofDirectors">vancity.com/BoardofDirectors</a>	
G4-39	The Chair is not an executive officer of the organization.	
G4-40	<a href="http://vancity.com/Election">vancity.com/Election</a>	
G4-41	The Governance and Conduct Review Committee has accountability for establishing and monitoring processes around conflicts of interest. The Board also has a Conflict of Interest Policy (for internal use only). <a href="http://vancity.com/Committees">vancity.com/Committees</a>	
G4-42	Board's role in setting purpose, values and strategy are in its Terms of Reference. <a href="http://vancity.com/GoodGovernance">vancity.com/GoodGovernance</a>	
G4-43	See Professional development <a href="http://vancity.com/GoodGovernance">vancity.com/GoodGovernance</a>	
G4-44	See Commitment to Vancity's success <a href="http://vancity.com/GoodGovernance">vancity.com/GoodGovernance</a>	
G4-45	Governance, p. 37	
G4-46	Governance, p. 37	
G4-47	Governance, p. 37	
G4-48	The Board of Directors, upon recommendation from the Audit Committee.	
G4-51	Board remuneration, p. 33 Executive pay, p. 33	
G4-52	Board remuneration, p. 33 Executive pay, p. 33	
G4-53	Board remuneration, p. 33	
G4-54	President and Chief Executive Officer compensation compared with median annual total compensation for all employees, p. 34	
G4-55	President and Chief Executive Officer percentage increase in annual total compensation compared with median annual percentage increase in annual total compensation for all employees, p. 34	
<b>ETHICS AND INTEGRITY</b>		
G4-56	AR pp. 10-11 (Vision, business model, and 2013 strategy) <a href="http://vancity.com/OurValues">vancity.com/OurValues</a>	
G4-58	Confidential and anonymous reporting system, p. 37	

SPECIFIC STANDARD DISCLOSURES			
DMA and Indicators	Page Number (or link)	Omissions	External Assurance
	The page numbers below refer to this document (2013 Consolidated Accountability Statements), unless noted otherwise: AR = 2013 Annual Report <a href="http://vancity.com/2013AnnualReport">vancity.com/2013AnnualReport</a> FS = 2013 Consolidated Financial Statements <a href="http://vancity.com/2013annualreport/FinancialStmts">vancity.com/2013annualreport/FinancialStmts</a>		See KPMG's Independent Assurance Statement on pp. 43-44 of <a href="#">2013 Annual Report</a>  Specific assured disclosures are indicated below.
ECONOMIC			
ECONOMIC PERFORMANCE			
G4-DMA	Community investment, p. 14 Financial performance and resilience, p. 20		
G4-EC1	Economic value generated and distributed, p. 21		
G4-EC4	FS Note 9 (Income taxes)		
MARKET PRESENCE			
G4-DMA	Local economy, including outsourcing, p. 16		
G4-EC5	Entry-level employee hourly wage compared with British Columbia living wage, p. 16	As entry-level wage for employees is the same for male and female, this indicator by gender is not material.	Assured: that we met living wage employer requirements (supporting commitment)
INDIRECT ECONOMIC IMPACTS			
G4-DMA	Measuring member well-being, p. 7 Financial inclusion and capacity building, p. 7 Community investment, p. 14 Access to affordable housing, p. 16 Local economy, including outsourcing, p. 16 Co-operative principles and practices, p. 17		Assured: % members surveyed who strongly agree Vancity's contribution to the community has a positive effect on their well-being (key target)
G4-EC8	Services designed to provide access to basic financial services, affordable housing, credit and credit repair, p. 8 Number of people assisted through financial literacy programs, p. 9 Community impact loans, p. 14 Community impact loans: key outcomes, p. 14 Treasury investments in impact, p. 15 Entry-level employee hourly wage compared with British Columbia's living wage, p. 16	G4-EC 8b)	Assured: % community impact loans approved (key target); and \$s treasury investments in impact (supporting target)
PROCUREMENT PRACTICES			
G4-DMA	Local economy, including outsourcing, p. 16		
G4-EC9	Suppliers, p. 17  Significant locations of operations refers to communities where we have a branch.		

<b>ENVIRONMENTAL</b>			
<b>MATERIALS</b>			
G4-DMA	Environmental impact of our operations, p. 29		
G4-EN1	Paper use, p. 31		
G4-EN2	Paper use, p. 31		
<b>ENERGY</b>			
G4-DMA	Environmental impact of our operations, p. 29		
G4-EN3	Premises energy use, p. 30 Primary source is from natural gas.		
G4-EN4	Premises energy use, p. 30 Primary source is from hydroelectricity, measured in kilowatt hours.		
G4-EN5	Premises energy use, p. 30		
<b>WATER</b>			
G4-DMA	Environmental impact of our operations, p. 29		
G4-EN8	Total water withdrawal by source, p. 32		
<b>EMISSIONS</b>			
G4-DMA	Environmental impact of our operations, p. 29		Assured: our carbon neutral assertion for 2012 (key public commitment)
G4-EN15	GHG emissions by scope, p. 29 Natural gas and fuel consumption from fleet vehicles are included in the calculation.		Assured: tonnes of GHG emissions (supporting target)
G4-EN16	GHG emissions by scope, p. 29		Assured: tonnes of GHG emissions (supporting target)
G4-EN17	GHG emissions by scope, p. 29		Assured : tonnes of GHG emissions (supporting target)
G4-EN18	GHG emissions by type, per employee (FTE), p. 30		
<b>EFFLUENTS AND WASTE</b>			
G4-DMA	Environmental impact of our operations, p. 29		
G4-EN23	Waste generated, recycled and diverted from the landfill at Vancity Centre, pp. 31-32		Assured: % waste recycled or diverted from the landfill at Vancity Centre (supporting target)
<b>COMPLIANCE</b>			
G4-DMA	Management of the legal and regulatory environment, p. 41		
G4-EN29	Incidents of non-compliance, p. 41		

<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>			
G4-DMA	Ethical Principles for Business Relationships, p. 38 Ethical Policy assessments, pp. 38		
G4-EN32	Ethical Policy assessments for new strategic relationships, p. 39		
<b>SOCIAL</b>			
<b>LABOUR PRACTICES AND DECENT WORK</b>			
<b>EMPLOYMENT</b>			
G4-DMA	Employee profile and capability, p. 23		
G4-LA1	Number of employee departures, p. 23 Employee turnover rates, p. 24 Number of new employee hires, overall and broken down by gender and age, p. 24 New hire rate, overall and broken down by gender and age, p. 24 Our primary operations are in BC.		
<b>LABOUR/MANAGEMENT RELATIONS</b>			
G4-DMA	Labour-management relations, freedom of association and collective bargaining, p. 25		
G4-LA4	Operational changes, p. 25		
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
G4-DMA	Occupational health and safety - robberies, p. 25		
G4-LA6	Incidence of injury and days lost, p. 26 Number of days lost due to employee illness, p. 26 We use FTE to normalize the number of days absent for absenteeism rate as this is more applicable to us as a financial institution. We had no reported claims of injuries, lost days and fatalities for independent contractors. Occupational health and safety (OSH) legislation in Canada outlines the general rights and responsibilities of the employer, the supervisor and the worker. Each of the 10 provinces, three territories and the Federal Government has its own OSH legislation.	As the physical work environment for both genders is the same in the financial industry, this indicator by gender is not material. The majority of injuries are falls/slips/trips, strains/sprains and cuts.	
<b>TRAINING AND EDUCATION</b>			
G4-DMA	Employee profile and capability, p. 23		
G4-LA11	Percentage of employees completing their annual performance review, p. 24 Our system can only confirm who has had a performance review and does not confirm whether a career development conversation took place (although we intend those conversations to take place during performance review discussions).	As all employees are expected to complete a performance review, this indicator by gender is not material.	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>			
G4-DMA	Employee diversity, p. 26 Co-operative governance, p. 33		

G4-LA12	Percentage of employees in non-management, management, and senior management positions by indicators of diversity, pp. 27-28 Board diversity, p. 33		Assured: % employees who self-declare they have a disability (key target)
<b>EQUAL REMUNERATION FOR WOMEN AND MEN</b>			
G4-DMA	Employee diversity, 26		
G4-LA13	Average compensation for women as a percentage of average compensation for men, p. 28		
<b>SUPPLIER ASSESSMENT FOR LABOUR PRACTICES</b>			
G4-DMA	Ethical Principles for Business Relationships, p. 38 Ethical Policy assessments, pp. 38		
G4-LA14	Ethical Policy assessments for new strategic relationships, p. 39		
<b>LABOUR PRACTICES GRIEVANCE MECHANISMS</b>			
G4-DMA	Labour-management relations, freedom of association and collective bargaining, p. 25		
G4-LA16	Employee grievances related to labour practices, p. 26		
<b>HUMAN RIGHTS</b>			
<b>INVESTMENT</b>			
G4-DMA	Employee diversity, p. 26		
G4-HR2	Percentage of employees who completed biennial training on policies and procedures concerning relevant aspects of human rights, p. 28	Total hours not available. The actual time to complete online training module by each employee is not tracked. The module takes approximately one hour to complete.	
<b>NON-DISCRIMINATION</b>			
G4-DMA	Employee diversity, p. 26		
G4-HR3	Employee grievances related to human rights and harassment, p. 28 Member concerns/complaints escalated to Board, Chief Executive Officer and Chief Operating Officer, p. 11		
<b>SUPPLIER HUMAN RIGHTS ASSESSMENT</b>			
G4-DMA	Ethical Principles for Business Relationships, p. 38 Ethical Policy assessments, pp. 38		
G4-HR10	Ethical Policy assessments for new strategic relationships, p. 39		
<b>HUMAN RIGHTS GRIEVANCE MECHANISMS</b>			
G4-DMA	Employee diversity, p. 26		
G4-HR12	Employee grievances related to human rights and harassment, p. 28 Member concerns/complaints escalated to Board, Chief Executive Officer and Chief Operating Officer, p. 11		

<b>SOCIETY</b>			
<b>LOCAL COMMUNITIES</b>			
G4-DMA	Financial inclusion and capacity building, p. 7 Community investment, p. 14		
G4-SO2	AR p. 24 (The community impact of our real-estate investment dollars)		
FS13	Initiatives to improve access, p. 7		
FS14	Initiatives to improve access, p. 7		
<b>ANTI-CORRUPTION</b>			
G4-DMA	Member privacy and security, p. 40		
G4-SO4	Percentage of employees who reviewed and signed Vancity's Code of Conduct, p. 40		
G4-SO5	Number of internal fraud incidents investigated, p. 40-41		
<b>PUBLIC POLICY</b>			
G4-DMA	Public policy and advocacy, p. 18		
G4-SO6	We do not provide political contributions.		
<b>ANTI-COMPETITIVE BEHAVIOR</b>			
G4-DMA	Management of the legal and regulatory environment, p. 41		
G4-SO7	Incidents of non-compliance, p. 41		
<b>COMPLIANCE</b>			
G4-DMA	Management of the legal and regulatory environment, p. 41		
G4-SO8	Incidents of non-compliance, p. 41		
<b>SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY</b>			
G4-DMA	Ethical Principles for Business Relationships, p. 38 Ethical Policy assessments, pp. 38		
G4-SO9	Ethical Policy assessments for new strategic relationships, p. 39		
<b>PRODUCT RESPONSIBILITY</b>			
<b>PRODUCT AND SERVICE LABELING</b>			
G4-DMA	Responsible marketing and selling, pp. 39-40		
DMA-FS15	Responsible marketing and selling, pp. 39-40		
DMA-FS16	Description of financial literacy programs, p. 9		
G4-PR4	Incidents of non-compliance, p. 41		
G4-PR5	Member satisfaction, p. 11		Assured: average branch service experience score (supporting target)
<b>MARKETING COMMUNICATIONS</b>			
G4-DMA	Responsible marketing and selling, pp. 39-40		
G4-PR7	Incidents of non-compliance, p. 41		
<b>CUSTOMER PRIVACY</b>			
G4-DMA	Member privacy and security, p. 40		

G4-PR8	Breaches of privacy and losses of member or client data, p. 40		
<b>COMPLIANCE</b>			
G4-DMA	Management of the legal and regulatory environment, p. 41		
G4-PR9	Incidents of non-compliance, p. 41		
<b>PRODUCT PORTFOLIO</b>			
DMA-FS1	Lending, p. 37 Ethical Principles for Business Relationships, p. 38		
DMA-FS2	Ethical Principles for Business Relationships, p. 38		
DMA-FS3	Ethical Principles for Business Relationships, p. 38		
DMA-FS4	Lending, p. 37 Ethical Principles for Business Relationships, p. 38		
DMA-FS5	Ethical Principles for Business Relationships, p. 38		
FS6	Business and commercial loan portfolio (dollars outstanding) by North American Industry Classification System, p. 38	The majority of our portfolio is small and medium sized businesses and therefore we have not broken down this indicator by size.	
FS7	Products designed to provide access to basic financial services, affordable housing, credit and credit repair to individuals, p. 8 Services designed to provide access to basic financial services, affordable housing, credit and credit repair p. 8 Community impact loans, p. 14		Assured: % community impact loans approved (key target)
FS8	Description and value of products designed to support members to reduce their greenhouse gas emissions, p. 12 Community impact loans, p. 14		Assured: % community impact loans approved (key target)
<b>AUDIT</b>			
DMA-FS9	Lending, p. 37		
<b>ACTIVE OWNERSHIP</b>			
DMA-FS12	<a href="http://vcim.ca/sri">vcim.ca/sri</a>		
FS10	Corporate engagement, p. 13		
FS11	Value and percentage of socially responsible assets managed or advised on by Vancity Investment Management, p. 12		