

2018 Annual Report

Consolidated accountability statements

Vancity
Make Good Money.™

Cohousing group on Vancouver Island builds community

Many people can think back to a childhood when groups of neighbourhood kids ran wild, everybody knew their neighbours and people always had somebody close by they could call if they needed help.

A group of people on Vancouver Island are planning to recapture that collaborative, community spirit with a Vancity-financed cohousing project called Ravens Crossing.

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Introduction

These consolidated accountability statements supplement our 2018 Annual Report. They contain our management approach to material topics, data tables, explanations and notes. We selected the data and information based on its relevance to our business strategy, interest to stakeholders and effectiveness at demonstrating our impact. We used standard disclosures from the Global Reporting Initiative's (GRI) Sustainability Reporting Standards where applicable, including financial services sector supplement disclosures.

We collect and manage accountability data using a web-based data management system (cr360), 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. These are all available on [Vancity's annual report microsite](#):

- 2018 Annual Report
- Consolidated financial statements
- Greenhouse gas handbook and inventory report
- 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.

◆ = 2018 data has been verified by KPMG LLP

BM = external benchmark data

🔗 = more information is available online

(xxx-x) = [GRI Standards](#)

(FSx) = [GRI Financial Services Sector disclosures](#)

(PAS) = [Public Accountability Statement reporting requirements](#)

(SDG) = indicators that show Vancity's support for the [Sustainable Development Goals](#)

Member well-being and service experience

Member well-being (103-1, 103-2, 103-3)

For our approach, see [2018 Annual Report](#) 'Operating context,' p. 8 and 'Member well-being and service experience,' p. 14.

Contribution to well-being measures the degree to which a member believes that Vancity has had a positive impact on his or her well-being.

		BM	2018	2017	2016
Contribution to well-being score ◆	%	23	20	24	28

Data source: [Member relationship health survey](#).

The score represents the percentage of members who responded 8, 9 or 10 out of 10 to the question, "On a scale where 1 means 'none at all' and 10 means 'to a large extent', to what extent has Vancity had a positive impact on your personal well-being?". The percentage of respondents answering "Don't know" for personal members in 2018 was 8%. The margin of error was +/- 5.0% at a 95% confidence level.

Member feedback and service satisfaction (103-1, 103-2, 103-3)

Member feedback mechanisms (102-43)

We are committed to providing meaningful opportunities for members to provide feedback on their experience with Vancity, and to have input in setting the direction of the credit union.

Members can provide feedback through our branches, call centre, website, social media like Facebook and Twitter, as well as 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 surveys, online member panels, interviews and focus groups with members (and sometimes non-members) on various topics to inform our strategies, products and services.

As a credit union and a co-operative, our Board of Directors is accountable to our membership. Our members have the option to communicate their concerns to their Board. 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.

Our goal is to deal with member concerns in a timely manner, preferably by the employee who receives the complaint. We have a system which enables front-line employees to directly log complaints. Although not all complaints require formal logging

and reporting, themes are discussed at various management meetings. We do formally track compliments and complaints that are received by the Board of Directors, the Office of the CEO, and/or the Member Experience and Community Engagement (MECE) Executive Lead. These compliments and complaints are reported to Vancity's Board of Directors 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.

Member concerns and complaints escalated to Board, Chief Executive Officer and Executive Lead (102-33, 102-34)

In 2018, member concerns and complaints decreased to 180. There had been an increase in complaints relating to the replacement of our banking system in November 2016.

		2018	2017	2016	2015	2014
Number of member concerns and complaints	#	180	212	170	90	84

Vancity compliments and complaints vancity.com/ComplimentsAndComplaints

Vancity Community Investment Bank compliments and complaints <https://vancitycommunityinvestmentbank.ca/cb/AboutUs/ContactUs/>

Member satisfaction (102-43, 102-44)

We survey our personal 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 previous week. 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, disability, ancestry, low-income, etc.) to help ensure we are meeting the needs of all our members and communities.

For more details, see [2018 Annual Report](#) 'Member well-being and Service experience,' p. 14.

The annual [Ipsos 2018 Best Banking Awards](#) honour customer experience excellence in personal banking. Canada's Credit Unions won for overall Customer Service Excellence for the fourteenth consecutive year.

Our member satisfaction with overall service delivery score decreased in the last quarter 2018. It's likely that this figure was affected by the service outage we experienced in October 2018 after which levels of satisfaction with overall service delivery fell.

		2018	2017	2016	2015	2014
Member experience: satisfaction with overall service delivery ♦	%	49	51 ¹	43	54	52

Data source: [Member relationship health survey](#).

¹ Data prior to 2017 has been restated to align with current-year methodology.

The score represents the percentage of members who responded 9 or 10 out of 10 to the following question: Thinking about everything that you have experienced with Vancity in the past 6 months, how would you rate Vancity overall using a 10-point scale where "1" means "Poor" and "10" means "Superior". The percentage of respondents answering "Don't know" for personal members in 2018 was zero. The margin of error was +/- 3% at a 95% confidence level.

Likelihood to recommend score

In Central 1's 2016 Products & Services study, the "likelihood to recommend" score for B.C. credit unions was 63% and 32% for banks when the question is asked of their primary users (those who mainly bank with them). Vancity's score is based on both primary (those who mainly bank with us) and secondary users (those who have Vancity as a supplemental account).

		2018	2017	2016	2015	2014
Likelihood of members to recommend ♦	%	48	56	53	53	50

Data source: [Member relationship health survey](#)

The score represents the percentage of members who responded 9 or 10 out of 10 to the following question: On a scale from 1 to 10, where "1" means "not at all likely" and "10" means "extremely likely", how likely would you be to recommend Vancity if a colleague, friend, or business acquaintance asked you to recommend a financial institution? The margin of error was +/- 3% at a 95% confidence level.

Responsible marketing and selling (103-1, 103-2, 103-3)

Vancity is responsible for preserving our members' collective assets. Our goal is to provide members advice that is in their best long-term interests, including managing debt and using credit responsibly.

Mortgages and personal loans

We may say 'no' to a credit application because the level of credit risk is too high, but we are more likely to say, 'not right now' and provide alternative solutions to help applicants achieve their goals. We are also looking at creative ways to view members differently who might traditionally not have had access to credit. We do not want to provide credit or advice to members that puts them in a position of taking on debt they cannot afford if interest rates rise, but we also want to understand how credit can make a difference and we want to be inclusive of our membership.

For the retail loan portfolio (residential mortgages and personal 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 considers 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. 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.

Our policies note that a total debt-to-service ratio (TDS) of 40% or more places tight constraints on the family budget. When a household's TDS approaches or exceeds 40%, lenders are required to conduct more due diligence such as outlining in a business case the members' ability to satisfy debt obligations or sending the application to an independent credit function for review.

[🔗 First-time home buyers' hub](#)

[🔗 Financial planning \[vancity.com/Planning\]\(https://vancity.com/Planning\)](#)

Rates and fees

We're committed to delivering services at a fair, reasonable price to all our members. We monitor and adjust 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 \[vancity.com/Fees\]\(https://vancity.com/Fees\)](#)

[🔗 Business service charges \[vancity.com/BusinessAccounts\]\(https://vancity.com/BusinessAccounts\)](#)

[🔗 enviro Visa \[vancity.com/CreditCards/\]\(https://vancity.com/CreditCards/\)](#)

Privacy (103-1, 103-2, 103-3)

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

[🔗 Protecting members' information \[vancity.com/PrivacyAndSecurity\]\(https://vancity.com/PrivacyAndSecurity\)](#)

Breaches of privacy and losses of member or client data (418-1)

In 2018, the number of substantiated incidents decreased from the last calendar year, likely due to a stabilization in the banking platform and an increase in privacy training. Reasons for breaches generally include misdirected emails and letters, vendor or employee error.

		2018	2017	2016	2015	2014
Total substantiated reports and privacy breaches	#	71	96	14	12	16
Received from outside parties	#	68	86	12	7	14
Complaints from regulatory bodies	#	0	0	0	0	0
(Internally) identified leaks, thefts or losses of customer data	#	3	10	2	5	2

Percentage of employees who complete privacy training (205-2)

All employees are required to complete the online privacy training annually. Due to leaves of absence and employee turnover, it is not possible to obtain 100% within a reporting year.

To improve 2019's completion percentage, in 2018 the Privacy Office worked with Human Resources to improve the current privacy training courses. Frequent status reports to management will continue to be sent out to allow managers to encourage their staff to complete their compliance courses earlier in the year.

		2018	2017	2016	2015	2014
Employees who completed training	%	93	92	78	85	89

Technology

For our approach, see [2018 Annual Report](#) 'Technology' p. 15.

Financial literacy (103-1, 103-2, 103-3)

For our approach, see [2018 Annual Report](#) 'Financial literacy and advice', p. 16.

Financial literacy programs (PAS)

Our [financial literacy](#) programs are delivered by our employees and/or with community partners. Seminars and workshops include topics such as basic banking, investments, retirement and estate planning. Financial literacy seminars and programs for individuals help individuals learn about banking fundamentals, debt management, budgeting and strategies for saving and investing. Examples include: [Each One, Teach One](#), Financial literacy seminars provided by our Wealth Solutions department, our partnerships with [Power Play Money Manager](#), and with Family Services of Greater Vancouver for the [Money Skills workshops](#).

In 2016, we partnered with the Canadian Credit Union Association (CCUA) to share the Each One, Teach One program with credit unions across Canada. There are now 89 credit unions that have certified trainers and together, we are delivering workshops across the country. In 2018, Vancity alone reached around 3,000 participants.

Number of people assisted with financial literacy (203-2) (SDG-8)

The number of people assisted with financial literacy went down in 2018. This is partially due to employee movement. While the overall number decreased, the number of people assisted through our Each One, Teach One program increased considerably compared to last year.

		2018	2017	2016	2015	2014
Number of people assisted	#	5,879	6,955	7,722	14,688	14,775

Number of people assisted includes participants in financial literacy seminars, presentations, workshops and webinars and is based on facilitator reporting.

Number of participants in skills building workshops for new businesses launched (SDG – 8)

We plan to relaunch the curriculum offering a self-serve Each One Grow One online module. We will be training all our Small Business Advisors in order to have a bigger impact in our communities.

		2018	2017	2016
Number of people assisted	#	145	626	357

🔗 Financial literacy vancity.com/FinancialLiteracy

🔗 Financial literacy backgrounder vancity.com/Backgrounders/FinancialLiteracy

Access to basic financial services for everyone (103-1, 103-2, 103-3)

One of Vancity's 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 includes a commitment to provide access to basic financial products, services and education. We try to remove barriers to accessing banking and financial services.

For more on our approach, see [2018 Annual Report](#), 'Access to basic financial services for everyone,' p. 16.

Initiatives to improve access (FS13, FS14, PAS)

We offer products and services to help low-income or disadvantaged 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 that have a positive community impact. We place an emphasis on supporting access to affordable housing and home ownership, and economic self-reliance. We are committed to working with First Nations governments and Indigenous not-for-profit organizations in their efforts to improve the standard of living of their members and help them move towards their goal of economic strength and independence. Through a partnership with PHS Community Services, at Pigeon Park Savings we serve around 4,640 low-income and marginalized individuals living in Vancouver's Downtown Eastside – one of Canada's poorest neighbourhoods. We have a branch in the rural community of Cormorant Island near Port McNeil with our two partners, the 'Namgis First Nation and the Village of Alert Bay. We are the only financial institution with a presence in that community. Since 2016 we've had an on-site banking kiosk at the Immigrant Services Society, where we open bank accounts on arrival for refugees coming to Canada.

🔗 For more initiatives to improve access see Investing in communities vancity.com/InvestingInCommunities

🔗 Indigenous communities vancity.com/IndigenousCommunities

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

Product or service description/purpose	Target beneficiary
<i>On-reserve housing loans:</i> Mortgage-like loans that provide financing to First Nations community members who would like to purchase or renovate a home located on First Nations lands	Indigenous communities
<i>Springboard Mortgage:</i> Provides qualified participants with 100% of the money needed to buy a home, including the down payment	Low-income individuals and families who have lived in not-for-profit housing for at least two years
<i>Pigeon Park Savings accounts:</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 disadvantaged individuals living in Vancouver's Downtown Eastside—one of Canada's poorest neighbourhoods, where people lack 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 disadvantaged individuals living in Vancouver's Downtown Eastside (see above)
<i>Resettlement Assistance Program (RAP) Accounts:</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>Micro-loans:</i> Small business loans to launch a new business or get back to work in a chosen field. Includes products such as: peer loans, Be My Own Boss, Back to Work, With These Hands, By Design, Small growers, and Next step loans	Micro-entrepreneurs, new immigrants, or working poor who face barriers to traditional banking – Back to Work helps foreign-trained professionals get back into a facsimile of their previous occupation; With These Hands helps skilled trades people equip themselves to get into productive economic activity. Both these two loans provide loan funds but also build credit history

Product or service description/purpose	Target beneficiary
<i>Accessibility program Visa accounts:</i> Credit is offered to individuals who take part in a Visa literacy discussion and agree to certain conditions	Low-income and disadvantaged members and communities
<i>Secured Visa deposit account:</i> One-year term deposit account that provides individuals with up to \$500 of credit	Individuals who are ineligible for a standard credit card
<i>Resettlement Assistance Program (RAP) Visa account:</i> A Visa offered to individuals with a RAP deposit product, in order to establish credit history in Canada	Individuals (low-income, new immigrants and refugees) with challenges accessing financial services
<i>Fair & Fast loan:</i> Small credit loans designed to allow members fast, simple and convenient access to funds at an affordable cost	Individuals with challenges accessing financial services
<i>Mixer Mortgage:</i> Enables a “mix of friends” to get together to purchase a home. All parties are jointly and severally responsible for the mortgage	Singles or people in partner relationships who want to be in the property market owning their own home, and wanting or needing to do so with friends, partners, acquaintances or family
<i>Laneway Housing bundle:</i> This bundle is only available to properties that will be creating new livable laneway spaces. It has two components: \$750 towards closing costs and free appraisal and cash back (1%), if a member is transferring their mortgage from another financial institution to Vancity	Members who are creating urban density in their communities by developing either existing garages or building new laneway home structures in the City of Vancouver
<i>Community Partner Refugee Loan program:</i> to provide loans to refugees to help pay the fees associated with applying for permanent residence (PR) status in Canada	Convention Refugees and Protected Persons (refugees) per the Immigration and Refugee Protection Act (IRPA) sections 96 and 97
<i>Cormorant Island branch:</i> The only financial institution branch that delivers financial services to the remote community of Alert Bay.	Community of Cormorant Island

People assisted with products and services designed to provide access to basic financial services, affordable housing, credit and credit repair (FS7, 203-2) (SDG – 1, 8, 11)

		2018	2017 ¹	2016	2015	2014
Number of people assisted ♦	#	27,552	22,695	6,881	6,619	5,811

Data includes the number of people assisted through loans from the above list of products and accounts such as Cormorant Island, Pigeon Park and Refugee Assistance Program.

¹Calculation methodology was revised in 2017 to better reflect the intention of the performance measure and now measures total number of people assisted through outstanding products and services as of year-end. Prior year unaudited results are not comparable.

Number of new micro, small/medium enterprises started through the provision of microcredit (microloans) (SDG – 8)

		2018	2017	2016
Number of people assisted	#	45	48	54

Data includes members who have been approved for their first microloan. Data for this indicator is also included in the indicator above.

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
- Business Jumpstart High interest Savings account
- Registered Disability Savings Plans and support to register through a partnership with Ability Tax and Trust Advisors
- Registered Educational Savings Plans, and support to register for same, plus various learning grants, in partnership with Smart Saver and the Omega Foundation

Jumpstart® is a registered trademark of Vancouver City Savings Credit Union.

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

As well as providing basic banking services to individuals, it's also important we provide organizations with access to finance, including small loan amounts.

Value of loans funded by size: (millions of dollars)		2018	2017	2016	2015	2014
\$0 - \$24,999 value	\$	3	3	2	3	1
\$25,000 - \$99,999 value	\$	16	16	9	14	10
\$100,000 - \$249,999 value	\$	29	40	34	19	18
\$250,000 - \$499,999 value	\$	71	82	81	61	41
\$500,000 - \$999,999 value	\$	168	178	184	131	89
\$1,000,000 - \$4,999,999 value	\$	718	681	548	471	295
\$5,000,000 and greater value	\$	577	643	527	584	497
Total value of loans funded	\$	1,582	1,642	1,386	1,283	951
Average funded loan size	\$	0.9	1.0	1.0	0.9	0.9
Number of loans funded by size:						
\$0 - \$24,999 number	#	305	251	138	302	290
\$25,000 - \$99,999 number	#	346	324	201	295	228
\$100,000 - \$249,999 number	#	194	258	211	123	119
\$250,000 - \$499,999 number	#	208	237	233	173	118
\$500,000 - \$999,999 number	#	240	251	267	185	129
\$1,000,000 - \$4,999,999 number	#	356	341	296	244	152
\$5,000,000 and greater number	#	60	62	49	55	41
Total number of new loans funded	#	1,709	1,724	1,395	1,376	1,077

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.

Data for Community Business loans were pulled from our Customer Relationship Management system. Data prior to 2016 was pulled from our banking system. This may affect comparability with historic data. The breakdown for total value of loans is rounded to the nearest one million dollars.

Physical accessibility (FS14, PAS)

Our office and retail locations are accessible and inclusive for both members and employees. In addition to standard ramps, parking stalls, door operators and open knee spaces, features include automated teller machines (ATMs) with Braille keypads and walk-up ATMs have guided voice functionality. Corporate websites are designed to be accessible with use of 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. There are audio infrared and induction loops in our meeting rooms, training rooms and community stages, as well as at the sit-down wickets. Portable induction loop devices are available at every branch if needed while conducting business in offices. Care has been taken to also ensure contrasting colours/tones, and include emergency response equipment such as distress alarms in universal washrooms, as well as emergency evacuation chairs at all of the towers.

Tactile tape and braille hand rail identifiers in emergency exit stairwells at Vancity Centre have been integrated per our Emergency Evacuation program to ensure employees with visual impairments can exit the building independently should the need arise, or if they simply wish to take the stairs between floors. In order to ensure inclusive facilities for people of all gender identities and members using our community stages, over 200 washroom, shower, and change facilities have been identified as “Inclusive” facilities throughout our branches and offices.

For more on accessing banking services, including for members with disabilities, see Ways to bank vancity.com/Banking/WaysToBank

Affordable housing (103-1, 103-2, 103-3)

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. Lack of affordable housing is one of the top issues for our members. Our members include housing operators who work along 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 to affordable housing, see [2018 Annual Report](#), ‘Affordable housing,’ p. 18, ‘Supporting co-operatives,’ p. 20.

[Affordable housing](#)

See performance data under [Access to basic financial services for everyone](#), p. 16.

Examples of Vancity’s collaborations with other organizations in support of affordable housing in 2018 (SDG – 11)

Organization	Description of collaboration with Vancity
Canadian Housing and Renewal Association	Vancity sponsored the Canadian Housing and Renewal Association National Housing Congress. Vancity employees moderated a session on positioning the affordable housing sector to deliver long-term solutions.
BC Non-Profit Housing Association	Vancity is a major partner of BCNPHA, an umbrella organization of housing providers, stakeholders and advocacy groups. This year, the Housing Central conference convened more than 1,500 participants involved in the strategic delivery and operations of social and affordable housing in B.C. Vancity employees offered educational workshops and spoke during plenaries.
Canadian Mortgage and Housing Corporation	The Canadian Mortgage and Housing Corporation is partnering with Vancity, the Vancity Community Foundation and the Greater Vancouver Community Assistance Foundation to provide low-cost and pre-development loans to not-for-profit organizations to support the development of affordable rental housing projects.

Building healthy communities (103-1, 103-2, 103-3)

Supporting local business and organizations (203-2)

For our approach, see [2018 Annual Report](#), 'Context and strategic priorities,' p. 8 and 'Supporting local businesses and organizations,' p. 19.

Community impact loans (FS7, FS8)

We seek to do business with organizations or fund projects that align with our three guiding principles of co-operative principles and practices, social justice and financial inclusion, and environmental sustainability.

We have a variety of community impact lending programs. Broadly speaking, community impact loans are those we provide to specific types of organizations or within specific sectors that we believe improve the well-being of people and the community. We have internally developed [guidelines](#) to help guide what we categorize as community impact loans. Loans can be commercial real-estate loans, business loans (including loans to not-for-profit organizations, social enterprises and co-operatives) or micro-loans. The outstanding balances from these loans form part of our triple bottom line assets, see [p. 15](#).

🔗 Impact lending and investing vancity.com/CommunityImpactLoans

Community impact loans: key outcomes (SDG – 11)

There were significant increases in the number of both business impact loans and commercial real estate impact loans funded in 2018. This contributed to the more than 200% increase in square footage of energy efficient improvements funded.

		2018	2017	2016	2015	2014
Units of affordable housing funded	#	3,131	2,907	2,124	1,042	768
Square feet of energy efficiency improvements funded	ft ²	1,437,007	475,691	254,934	337,309	901,105

The definition for affordable housing was updated in 2016 to include rental units. For definitions of terms, see the glossary on [Vancity's annual report microsite](#)

Community grants (FS7, FS8, PAS)

As well as financing, we provide grants to help organizations. The goal of our grants is to support not-for-profits, social enterprises and impact businesses build capacity and increase knowledge to help them reach their mission and/or financial goals, while helping to build a vibrant community. In 2018, we approved \$12.4m for distribution.

		2018	2017	2016	2015	2014
Organizations supported through a grant	#	434	329	312	252	319

Community sponsorships are included in the total grants approved.

Community grants approved for distribution, by primary impact area

		2018	2017	2016	2015	2014
Indigenous communities	%	9	11	11	12	8
Energy and environment	%	8	11	9	13	9
Economic inclusion	%	17	21	20	16	13
Local and organic food	%	5	12	17	20	11
Impact business entities	%	18	19	15	15	30
Impact real estate	%	43	26	28	24	29

A grant may fall in more than one impact area.

For definitions of impact area terms, see the glossary on [Vancity's annual report microsite](#)

🔗 vancity.com/Granting

Ethical Principles for Business Relationships (103-1, 103-2, 103-3)

Who we choose to do business with and lend to has a deep impact on our members' communities.

Our guiding Ethical Principles for Business Relationships:

1. We value accountable and sustainable business leadership that engages in co-operative principles and practices.
2. We value economic and social inclusion for all people.
3. We value strong and resilient communities.
4. We value environmental and sustainability leadership.

🔗 Ethical Principles for Business Relationships vancity.com/EthicalPrinciples

For every business relationship we enter into, we look for alignment with our Ethical Principles for Business Relationships (EPBR) and we look for ways to promote positive social, economic and environmental practices. Applying the Principles 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 choose to partner with to build healthy communities together. Where possible, we aim to help move organizations along the spectrum into greater values-based alignment, rather than screening out. Our relationship managers determine the alignment along with support from EPBR specialists.

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 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 Principles 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.

Assessments for new strategic relationships (308-1, 414-1)

Strategic relationships in 2018 comprised 96% of our total suppliers (with managed purchases) and 83% of our total managed spend. In 2018, we assessed 23 potential new strategic relationships and two were awarded contracts.

		2018	2017	2016	2015	2014
Ethical Principles assessments for new strategic relationships	#	2	2	1	2	2
Strategic suppliers	#	2	1	0	2	0
Other strategic relationships	#	0	1	1	0	2

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

Ethical Principles assessments for existing strategic relationships

We assess existing treasury relationships annually, and all strategic suppliers and business relationships once every two years. In 2018, 90 relationships were due for assessment and we completed assessments for 56 of them. We had a large number of assessments due this year as they were rescheduled in 2016 and 2017. More than half the assessments due were completed in 2018, with the remainder scheduled for completion in the next two years.

		2018	2017	2016	2015	2014
Strategic relationships assessed in accordance with the Principles	%	62	100	100	100	100

Strategic relationships that are poorly aligned with the Ethical Principles

One poorly aligned existing supplier relationship was identified in 2018. We have been searching for a comparable supplier but have not yet found one that can support all the services that are currently provided. Other comparable service providers do exist, but they would also be poorly aligned.

		2018	2017	2016	2015	2014
Total known existing relationships that are poorly aligned with the Principles	#	1	0	1	1	1
Of these, relationships with action plans to address key concerns	#	1	0	1	1	1

Buying local (103-1, 103-2, 103-3)

Our procurement policy favours relationships with suppliers who demonstrate leadership in sustainable business practices. One of the ways we do this is by including social and environmental criteria in our request for proposal process, including sourcing products and services locally where possible.

Vancity's supply chain (102-9)

Vancity's supply chain is labour-and-technology intensive. Ninety one per cent of our 1,126 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 deposits from members, and providing support services and products for operations. The types of suppliers we

typically engage are providers of information technology solutions, consultants, and specialized services for financial institutions.

- Transformation: focuses on investing with impact to improve members' financial well-being and developing healthy, sustainable communities. Transformation primarily involves the core banking system and support products and services including investing with impact on behalf of our members.
- Distribution: focuses on ensuring our financial products and services reach our members and clients. Distribution channels include 59 branches in B.C.: Coast Salish and Kwakwaka'wakw territories (Metro Vancouver, Fraser Valley, Vancouver Island and Squamish-Lillooet regions), telephone, online, mobile banking and mobile in-person services.

Changes in supply chain (102-10)

[Openings, closing and relocations of branches](#) (PAS)

Suppliers (204-1)

		2018	2017	2016	2015	2014
Total value of managed purchases by region (millions of dollars)	\$	131.9	121.8	120.7	119.2	108.7
Locally-based	%	64	68	65	67	66
Rest of B.C.	%	1	<1	1	1	<1
Rest of Canada	%	21	20	22	19	21
USA/other	%	14	12	12	13	12
Total number of suppliers by region	#	1,126	1,158	1,133	1,228	1,041
Locally based	%	72	73	75	77	79
Rest of B.C.	%	2	3	3	3	1
Rest of Canada	%	17	16	14	13	13
USA/other	%	9	8	8	7	7

We determine locally-based by using the "remit to" postal code shown on supplier invoices 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: Goods and services procured by Vancity, for which decision-making and oversight are performed internally. These figures don't include payments made to the government, (municipal, provincial or federal) or costs associated with the lease of premises where Vancity has a place of business.

Paying a living wage (103-1, 103-2, 103-3) (SDG – 1, 8)

As well as being a living wage employer ♦, we've been calling on other organizations to join the living wage movement and are pleased to have been involved in a number of credit unions across the country joining the campaign. For our approach, see [2018 Annual Report](#), 'Buying local and paying a living wage,' p. 20. Remaining a Living wage employer supports the United Nations Sustainability Development Goals.

Entry-level employee hourly wage compared with British Columbia's living wage (202-1, 203-2)

Vancity is a certified living wage employer. This means we make annual living wage rate adjustments in what we pay our employees. The Metro Vancouver living wage was \$20.91 per hour in 2018, inclusive of benefits. This is the minimum hourly rate that would be paid to meet basic living needs.

Vancity includes benefits in addition to base pay as part of a total compensation package. This means the equivalent hourly living wage we need to pay employees to be living wage compliant is reduced to reflect "credit" for these benefits.

We are fully 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.

The living wage rate increased slightly from \$20.62/hr in 2017 to \$20.91/hr. Vancity continues to pay its contracted suppliers, existing contracts, and new contracts the living wage rate of \$20.91; and its permanent employees at the rate of \$21.73, which is above the Metro Vancouver living wage rate.

[Living wage livingwageforfamilies.ca](#)

Metro Vancouver living wage standard

		2018	2017	2016	2015	2014
Metro Vancouver hourly living wage, including the value of benefits	\$	20.91	20.62	20.64	20.68	20.10
Equivalent hourly living wage requirement for Vancity, adjusted to reflect the value of benefits which we provide to permanent employees in addition to base pay.	\$	17.82	16.79	16.79	16.80	16.47

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

Vancity entry level employee hourly wage for permanent employees

		2018	2017	2016	2015	2014
Permanent entry level employee hourly wage	\$	17.82	16.80	16.80	16.80	16.47
Permanent entry level employee hourly value of benefits	\$	3.83	3.88	3.88	3.88	3.63
Permanent entry level employee hourly wage plus value of benefits	\$	21.65	20.68	20.68	20.68	20.10

Vancity entry level employee hourly wage for non permanent/contract employees

We don't provide non-permanent employees with benefits, with the exception of a vacation allowance. In 2018, we paid non-permanent employees a minimum of \$20.50 plus a vacation benefit. Living wage assumes a minimum amount of vacation time off or equivalent vacation paid in lieu (equivalent to 70 hours). Vancity offers vacation time or vacation time in lieu equivalent to 105 hours (35 hours in excess of the living wage ceiling). The additional week that Vancity offers our employees is considered a benefit that is equivalent to \$1.23/hr.

		2018	2017	2016	2015	2014
Non-permanent entry level employee hourly wage	\$	20.50	20.12	20.12	20.12	18.96
Non-permanent entry level employee hourly value of benefits (vacation allowance)	\$	1.23	0.56	0.56	0.56	1.14
Non-permanent entry level employee hourly wage plus vacation allowance	\$	21.73	20.68	20.68	20.68	20.10

Vacation benefit is based on vacation leave available to employees beyond 70 hours. Prior to 2015, the value of benefits (vacation allowance) was calculated based on vacation time equivalent to 105 hours or 6% in lieu.

Asset management and corporate engagement

As a signatory to the [UN Principles for Responsible Investment](#), we follow the socially responsible investment (SRI) philosophy—that is, investing in companies that use progressive environmental, social and governance practices to manage their business.

🔗 Vancity Investment Management's philosophy vcim.ca/approach/

Socially responsible assets under management

Vancity Investment Management (VCIM) 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-advisor 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. Our socially responsible assets under administration form part of our triple bottom line assets, see [p. 15](#).

Corporate engagement (FS10)

🔗 Vancity Investment Management engagement reports vcim.ca/impact/

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. In 2018, the sub-advisor group engaged with forty companies on issues related to fair wages, climate risk, human rights, water, pesticides, packaging, rail safety, anti-microbial resistance and gender pay equity. These engagements included filing shareholder resolutions with three banks, two insurance companies, one food retailer, one royalty company and two rail companies.

		2018	2017	2016	2015	2014
Number of companies in portfolio with which Vancity Investment Management's sub-advisory group interacted	#	40	25	24	24	26
Percentage of companies in portfolio with which Vancity Investment Management's sub-advisory group interacted	%	26	17	18	18	16

Member profile and growth

Member and client profile

Members include people, businesses/organizations who choose to bank with Vancity credit union and/or Squamish Savings (excluding Pigeon Park Savings) and hold Class B Membership shares, regardless of the amount of shares. Members with a balance of less than \$5 in Class B Membership shares need to hold at least one additional member activated financial account (excluding Shared Success Patronage accounts).

Member numbers and breakdown by type

		2018	2017	2016	2015	2014
Total number of members ♦	#	534,886	525,506	518,149*	515,579	509,008
Personal (individual) members	%	92	92	93	91	92
Business (organizational) members	%	8	8	7	9	8

*1 Data has been restated to reflect a change in the definition of a member and as a result data prior to 2016 is not directly comparable.

Vancity Investment Management investor relationships

		2018	2017	2016	2015	2014
Total number of relationships	#	533	536	505	467	425

An investor relationship includes all investment accounts related to a single household (similar address or control of assets).

The total number of investor relationships decreased in 2018. This is likely due to the changing marketplace conditions.

Visa credit card accounts

		2018	2017	2016	2015	2014
Total number of credit card accounts	#	226,441	229,032	227,271	223,646	214,885

Credit card accounts are based on "usable accounts"—accounts that are not credit rated and are able to be used for either a purchase or cash advance. More than one credit card account may be held by the same Vancity member. Some data issues were discovered and cleaned up in 2017. Data prior to 2017 is likely not comparable.

*Visa Inc./Vancity Licensed User

Member growth

For our approach see [2018 Annual Report](#), 'Member growth,' p. 22.

Net growth in members

		2018	2017	2016	2015	2014
Net member growth*	#	9,380	7,357	8,323	10,728	8,059

* Due to the restatement described in Note 1 to 'Members numbers and breakdown by type', these numbers cannot be recalculated.

For more on accessing banking services, including for members with disabilities, see Ways To Bank vancity.com/Banking/WaysToBank

Financial performance (103-1, 103-2, 103-3)

For our approach and more on our performance see [2018 Annual Report](#), 'Financial performance and resilience,' p. 24.

See also Vancity's 2018 consolidated financial statements on [Vancity's annual report microsite](#)

Triple bottom line assets under administration (TBLAA) (FS7, FS8) (SDG – 11,13)

Our Triple bottom line assets under administration metric is modeled after the work of the Global Alliance for Banking on Values. This metric measures how much of Vancity's assets are allocated towards building healthy communities.

In 2018, we had \$6.9 billion or 25% of our total organization's assets invested in impact.

		2018	2017	2016	2015	2014
Value of TBLAA (<i>billions</i>)	\$	6.9	6.1	5.4	4.4	3.9
TBLAA as per cent of overall Vancity assets and assets under administration ♦	%	25.1	23.2	21.1	18.6	17.2

Includes triple bottom line assets from the asset categories in the table below.

TBLAA asset categories – impact assets as a percentage of total assets in each category

TBLAA is a composite measure of the percentage of on- and off-balance-sheet assets invested in impact. It is comprised of the six asset categories in the table below.

		2018	2017	2016	2015	2014
Business lending	%	48	43	37	32	25
Consumer loans	%	3	2	1	1	1
Residential mortgages	%	15	14	15	13	14
Owned premises	%	79	78	79	80	n/a
Member/client investments that we manage or administer on their behalf	%	33	34	31	28	28
Treasury	%	18	13	8	8	4

n/a = data not available

For the definition of impact in each asset category, see the glossary on [Vancity's annual report microsite](#)

TBLAA asset categories – Value of impact assets

<i>(millions)</i>		2018	2017	2016	2015	2014
Business lending	\$	2,980	2,421	1,924	1,572	1,177
Consumer loans	\$	17	13	7	6	6
Residential mortgages	\$	1,806	1,662	1,816	1,501	1,478
Owned premises	\$	28	28	29	31	n/a
Member/client investments that we manage or administer on their behalf	\$	1,479	1,624	1,381	1,133	1,059
Treasury	\$	596	381	242	194	107

n/a = data not available

For the definition of impact in each asset category, see the glossary on [Vancity's annual report microsite](#)

Shared Success allocation to members and communities

Each year, we give back the equivalent of 30% of our net income through our Shared Success program. We share net income with our members in the form of share dividends, loan rebates and bonuses on deposits and investments (\$12.1m), and with our community in the form of grants and donations, (\$12.1m). This includes an annual donation to the Vancity Community Foundation. The Foundation is a registered charity that is not a subsidiary of Vancity City Savings Credit Union, 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.

🔗 Vancity Community Foundation VancityCommunityFoundation.ca

<i>(Millions of dollars)</i>		2018	2017	2016	2015	2014
Total Shared Success allocation to members and communities	\$	24.2	27.5	18.5	19.5	16.4
Shared Success allocation as a percentage of net income attributable to members	%	30.0	30.0	30.0	30.0	30.0

We extracted data from, or calculated these amounts using data derived from the audited consolidated financial statements.

Shared Success allocation to the community, by program (PAS)

<i>(Thousands of dollars)</i>		2018	2017	2016	2015	2014
Mission-based grants	\$	12,385	7,502	6,802	7,242	6,231
Community project grants	\$	226	228	997	776	692
Vancity Community Investment Bank donations	\$	0	0	34	186	72
Credit card earnings allocated to Vancity's enviroFund™	\$	269	750	746	729	713
Annual donation to the Vancity Community Foundation	\$	350	350	350	350	350
Vancity donation to Greater Victoria merger (Legacy fund)	\$	194	194	194	200	194
Special projects/other	\$	465	734	748	925	486
Total community allocations	\$	13,889	9,758	9,871	10,408	8,738

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.

Key financial data and ratios

For an explanation of financial performance including return on average members' equity and the efficiency, liquidity and capital adequacy ratios, see [2018 Annual Report](#), 'Financial performance and resilience,' p. 24.

		2018	2017	2016	2015	2014
Return on average members' equity ◆	%	6.3	7.6	5.5	6.2	5.5
Return on average members' equity before distribution to community and members	%	7.9	9.3	6.8	6.8	7.0
Liquidity ratio	%	13.3	12.9	14.3	13.7	13.4
Capital adequacy ratio ◆	%	14.8	14.1	13.4	13.3	13.4
Efficiency ratio	%	78.4	74.1	78.4	79.4	81.3
Return on average assets	%	0.4	0.4	0.3	0.3	0.3
Net interest margin (net interest income as a percentage of average interest earning assets)	%	2.0	2.0	1.9	1.9	1.9
Net interest income as a percentage of operating revenue	%	83.5	77.1	82.5	80.9	82.2
Gross impaired loans as a percentage of total loans ¹	%	0.0	0.0	0.0	0.0	0.1
Allowance for credit losses as a percentage of total loans	%	0.4	0.4	0.4	0.4	0.4
Net growth funding ratio ² ◆	%	52.6	102.1	144.8	110.4	121.9
Percentage of member loans funded by member deposits	%	84.4	85.7	85.0	81.9	80.2
Assets under management or administration (AUM/AUA) ³ (billions of dollars)	\$	4.5	4.7	4.4	4.0	3.8
Total assets and AUM/AUA ◆ (billions of dollars)	\$	27.4	26.4	25.6	23.9	22.4
Equity to Total Assets	%	5.8	5.6	5.4	5.5	n/a
Asset Quality Ratio	%	0.01	0.02	0.02	0.02	n/a
Client Funding to Total Assets	%	75.7	80.0	75.4	72.6	n/a
Real Economy Exposure to Total Exposure	%	84.1	85.6	84.6	87.1	n/a

Real Economy Revenue to Total Revenues	%	84.1	86.8	85.9	93.7	n/a
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Data is derived from or is calculated using data from Vancity's audited consolidated financial statements unless otherwise stated.

¹ Effective 2018, gross impaired loans are based on Stage 3 loans per IFRS 9. Prior year data has not been restated.

² Also called Loan growth funded by growth in member deposits. This methodology uses average member deposit balances and excludes certain general ledger accounts, therefore is not calculated using Vancity's audited consolidated financial statements.

³ Includes client investments managed or advised on by Vancity Investment Management and investments made by members administered by the credit union's wealth planners at Vancity branches through Credential Asset Management Inc. or Credential Securities Inc.

Taxes paid and payable (201-4, PAS)

Credit unions in B.C. are eligible for the small business tax rate, which is calculated based on a percentage of our member shares and deposits. The amount of credit union deduction fluctuates from year to year depending on the size of our members shares and deposits.

(Millions of dollars)		2018	2017	2016	2015	2014
Federal taxes	\$	19.2	9.2	3.9	10.5	8.5
Provincial taxes	\$	3.1	2.2	1.7	2.3	2.6
Total taxes paid or payable	\$	22.3	11.4	5.6	12.8	11.1
Current tax expense	\$	18.0	18.6	5.9	10.5	7.8
Deferred tax expense	\$	(8.5)	7.7	9.3	(3.9)	(2.4)
Total income tax expense	\$	9.5	26.3	15.2	6.6	5.4

Loss utilization: The ability to obtain relief for losses incurred in prior years. This is subject to tax laws and may be different from accounting rules governing when losses can be recognized.

Risk management

We see risk management as an opportunity to generate insights and achieve positive impact on a large scale. We need to maintain our reputation as a leader in driving social change through a disciplined approach to decision making and focused attention on reputational impact. We also need to ensure members continue to have confidence in Vancity.

In fulfilling our vision, we take calculated risks to seize opportunities to fulfill our strategic intent while rigorously managing risks that could potentially harm or disrupt our community ecosystem of members, communities, and Vancity. To ensure our business model is sustainable, we have a low risk appetite in areas that would not add value for our members and/or those that could lead to breaching regulatory requirements or excessive financial or reputational risk. However, we willingly accept greater risk in other areas that enables us to innovate and advance us to meeting our strategic objectives. In other words, we clearly articulate the amount of acceptable risk we want to take in each of our risk dimensions – we recognize that our risk appetites are different for each area of the business and require specific risk appetite statements and metrics for specific areas.

In 2018, we continued to improve and evolve Vancity’s Enterprise Risk Management (ERM) program. Most notably, the Risk Appetite Framework was revised by increasing alignment with our strategy, improving the risk appetite statements to be clearer and more tangible and added risk indicators with set risk tolerance limits. The risk indicators support the risk appetite statements by acting as a “warning system” to notify if and when we are trending outside of our desired risk tolerance. The practicality of this framework comes to life when leaders across the organization can use it as a tool to recognize when we may be falling outside of our risk appetite under specific risk dimensions. And when reviewing strategic projects, it may be the case that a project breaches the risk appetite of one or two risk dimensions. In this scenario, it does not mean the project is now deemed no-go, it just means that we are aware that we are taking more risk in a certain area but at least this drives an “eyes wide open” approach to our decision-making process.

To keep a balanced focus on innovation, strategy and risk, our executive-level decision-making structure is designed to look at our strategy and our need for innovation with a deeper understanding of risk. This gives us the ability to be bolder, within the parameters of our regulatory requirements as defined in our risk appetite framework.

Lending (102-11)

Because we have deep roots in relationship banking and understand the needs of the real economy, we see some risks differently. We move beyond the assumption that risk is carried by two parties alone (e.g. the borrower and the lender) because we are able to pull together a network of support to provide credit that delivers a compounding benefit

to the community. We believe this means we can produce better returns that leverage the resources and knowledge of a larger network, and we’re able to distribute the risk and in turn, generate lower unexpected losses.

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 Principles for Business Relationships 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 for 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. Online training on the Ethical Principles for Business Relationships is available to all employees.

Climate change risk

In 2017, we introduced a new Climate Change Risk Dimension to our ERM framework. The 2018 Hazard Risk Vulnerability Assessment results showed that our preventative maintenance practices are effective at managing and reducing our operational physical climate risk exposure. Over the past year, we began analyzing our climate change risk from a member- affecting and organizational- affecting perspective. In 2019, we look to better understand our business members and the specific industries in which they conduct their business. This data will help in addressing the recommendations outlined

by the Taskforce for Climate-Related Financial Disclosures (TCFD) by identifying which members are subject to the physical and transition risks due to Climate Change.

Business and commercial loan portfolio (dollars outstanding) by North American Industry Classification System (F56) (PAS)

In 2018, six per cent of all business loans were approved outside of British Columbia through Vancity Community Investment Bank.

		2018	2017	2016	2015	2014
British Columbia						
Accommodation & food services	%	3	2	2	2	2
Construction	%	17	12	9	7	5
Health care & social assistance	%	3	3	3	3	3
Manufacturing	%	1	2	2	2	2
Other	%	11	6	6	4	4
Other services	%	5	4	4	3	3
Professional, scientific & technical	%	2	1	1	1	1
Real estate, rental & leasing	%	54	65	70	75	77
Retail trade	%	1	1	1	1	1
Transportation & warehousing	%	1	1	1	1	1
Wholesale trade	%	1	1	1	1	1
Outside of British Columbia (Vancity Community Investment Bank)						
Construction	%	11	8	4	2	2
Real estate, rental & leasing	%	89	92	96	98	98

Employee talent and well-being (103-1, 103-2, 103-3)

For our approach, see [2018 Annual Report](#), 'Employee well-being,' p. 29. For living wage information see 'Buying local and paying a living wage,' p. 20.

🔗 Commitment to diversity vancity.com/WorkplaceDiversity

🔗 Employee benefits, learning and development, compensation, time off vancity.com/Benefits

Employee engagement

Employee engagement score

Between 2014 and 2016, we conducted periodic employee well-being surveys. Although they were useful for us to understand the overall well-being of our employees, they didn't allow them to share some of the day-to-day experiences about working at Vancity. We revisited the employee survey mandate in 2017 and launched an employee engagement survey to address a broader range of topics. In 2018, our employee engagement score increased above our target of 66%.

		BM	2018	2017	2016	2015	2014
Employee engagement ♦	%	78	69	58	n/a	n/a	n/a

n/a = data not available. Survey was not conducted in 2014-2016.

Data source: [Employee Engagement Survey](#). The participation rate was 86%.

BM: 2018 Aon Best Employers in Canada Top Quartile.

Employee profile and turnover

Employee profile (102-8, PAS)

FTE and headcount increased this year as the number of new hires increased while turnover remained consistent. The strategic hiring was to support key projects in our business plan and to ensure we continue to meet our members needs through all channels of delivery.

		BM	2018	2017	2016	2015	2014
Full-time equivalents (FTE)*	#		2,455	2,295	2,293	2,266	2,208
Head count	#		2,853	2,635	2,627	2,594	2,539
Permanent full-time	%		81	81	76	81	81
Permanent part-time	%	14	15	16	16	16	16
Contract/temporary	%	5	4	3	8	3	3

*We changed the methodology to exclude overtime worked in order to align with internal reporting of FTE.

Benchmark (BM) source: HR Metrics report for B.C. credit unions, 2018 median scores.

Full-time equivalents (FTE): Based on the number of hours actually worked (excluding overtime) by all active employees (permanent and non-permanent) in the fiscal year. It is calculated by dividing total hours worked by 1,820 working hours in a year.

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 and contract consultants hired directly from lines of businesses.

Position status for all employees (headcount), by gender (102-8, PAS)

		2018	2017	2016	2015	2014
Total permanent full-time	#	2,306	2,132	1,999	2,087	2,048
Male	#	870	786	749	780	751
Female	#	1,436	1,346	1,250	1,307	1,297
Total permanent part-time	#	442	421	409	424	406
Male	#	109	115	98	93	79
Female	#	333	306	311	331	327
Total contract/temporary	#	105	82	219	83	85
Male	#	49	30	93	26	33
Female	#	56	52	126	57	52

Number of employee departures (401-1)

		2018	2017	2016	2015	2014
Total departures	#	216	216	207	155	163
Male	#	87	94	81	53	57
Female	#	129	122	126	102	103
Aged under 30	#	73	58	48	41	45
Aged 30-50	#	100	106	100	78	84
Aged over 50	#	43	52	59	36	34
Voluntary departures	#	169	180	181	107	140

Data is based on permanent employees.

Employee turnover rates (401-1)

		BM	2018	2017	2016	2015	2014
Overall turnover	%	15	8	9	8	6	7
Male	%		9	11	9	6	7
Female	%		8	8	8	6	7
Aged under 30	%		14	14	13	10	12
Aged 30-50	%		7	7	7	5	6
Aged over 50	%		7	8	9	6	6
Voluntary turnover	%	12	6	7	7	4	6

Data is based on permanent employees.

Benchmark (BM) source: HR Metrics report for B.C. credit unions, 2018 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 (401-1)

The number of new hires for permanent positions increased significantly in 2018 as we made an effort to hire new staff to support our operations.

		2018	2017	2016	2015	2014
Total number of new hires	#	383	154	187	214	184
Male	#	158	64	100	87	70
Female	#	225	90	87	127	114
Aged under 30	#	218	92	92	98	87
Aged 30-50	#	152	51	80	106	82
Aged over 50	#	13	11	15	10	15

Data includes permanent hires.

New hire rate, overall and broken down by gender and age (401-1)

As discussed above, new hire rates in all categories increased significantly in 2018, particularly among staff under 30. Much of our increased hiring was in branch and member-facing staff tend to be younger.

		BM	2018	2017	2016	2015	2014
Overall new hire rate	%	16	14	6	8	9	8
Male	%		17	7	12	10	8
Female	%		13	6	5	8	7
Aged under 30	%		42	23	25	25	23
Aged 30-50	%		20	4	6	7	6
Aged over 50	%		2	2	2	2	3

The new hire rate is the rate of new (permanent) employees joining the organization for the first time. Benchmark (BM) source: HR Metrics report for Canadian credit unions, 2018 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.

Workforce diversity and pay equity (103-1, 103-2, 103-3)

We value inclusiveness and diversity, and we welcome people of all backgrounds to apply for positions within our organization. For applications from persons with disabilities we will actively seek to make any reasonable adjustments to our hiring process in order to adapt it to the needs of a specific individual and ensure fairness and equity.

We believe in rewarding innovation, supporting diversity, and making a positive impact—socially, economically, and environmentally. Vancity welcomes applications from all qualified job seekers from all skill levels and backgrounds. For applicants with diverse abilities, we work with them to make reasonable workplace accommodations that they may need for their best work performance.

The expertise and passion our employees bring to the organization are integral to our success, and our compensation policies reflect the high value we place on their contributions. We strive to be informed and fair in setting base salaries, and provide additional financial rewards to employees who demonstrate excellence and contribute to our success.

Employee breakdown by diversity (SDG – 5, 8)

Women represented 64% of our workforce compared with 73% for Canadian credit unions who are organization participants of HR Metrics Service. At Canada’s six largest banks, women represented 58%, as of 2017.

Vancity recognizes that binary statistics regarding gender are insufficient. In 2018, we implemented a new tool to better establish our current baseline for workforce diversity. We’ve also added a new reporting category: LGBTQ+2/S enabling participation of employees who self-identify as LGBTQ, Two-Spirit, transgender and non-binary. All employees are asked to participate in the tool, however disclosure of diversity information is voluntary. All employees have the option to “decline to answer” within the tool. The participation rate was much higher than in previous years, at 80%◆. For this reason there are significant changes in diversity data from 2017.

Accurate diversity data helps us better reflect the communities we serve, better meet employee needs and ensures equitable employment opportunities and benefits.

We continue to work with our existing vendors to look at ways their systems can provide gender options beyond binary.

		BM	2018	2017	2016	2015	2014
Men	%		36	35	35	35	34
Women	%	74	64	65	65	65	66
Aged under 30 years	%	29	19	17	14	17	16
Aged 30-50 years	%	41	56	57	60	58	59
Aged over 50 years	%	30	25	26	26	24	25
Non-management	%		84	83	83	84	84
Management	%		13	14	14	13	13
Senior management	%		3	3	3	3	3
Person with a disability	%	6	10	10	10	10	10
Indigenous person ◆	%	2	2	1*	n/a	n/a	n/a
Member of a visible minority	%	42	38	47	46	44	44
LGBTQ+2S			5	n/a	n/a	n/a	n/a

Data for “Indigenous person”, “Member of a visible minority”, “Person with a disability” and “LGBTQ+2S” is based on employees’ self-disclosure in our Human Resources Information System.

*Data prior to 2017 has been restated to align with the methodology used for internal reporting.

Benchmark (BM) sources: Women: HR Metrics report for Canadian credit unions, 2018 median scores. Age categories: Statistics Canada. Vancouver, CMA, British Columbia: 2016 Census Profile (aged 15-64 years). ‘Indigenous person’ and ‘Member of a visible minority’: Employment Equity Act: Annual Report 2017, Metropolitan Vancouver availability. ‘Person with a disability’: Employment Equity Act: Annual Report 2017, British Columbia availability used as no metro Vancouver data available.

Percentage of employees in non-management, by indicators of diversity (405-1)

		BM	2018	2017	2016	2015	2014
Men	%		35	34	34	34	33
Women	%	74	65	66	66	66	67
Aged under 30 years	%		22	20	17	20	19
Aged 30-50 years	%		54	55	57	56	57
Aged over 50 years	%		24	25	26	24	24
Person with a disability	%		10	10	10	10	10
Indigenous Person	%		1	3	3	2	2
Member of a visible minority	%	35	40	49	49	46	46
LGBTQ+2/S	%		5	n/a	n/a	n/a	n/a

Data for "Indigenous person", "Member of a visible minority", "Person with a disability" and "LGBTQ+2S" is based on employees' self-disclosure in our Human Resources Information System.
 Benchmark (BM) sources: Women: HR Metrics report for Canadian credit unions, 2018 median scores.
 Member of a visible minority: Canadian Bankers Association, Banks as employers report 2017.
 n/a = data not available.

Percentage of employees in management, by indicators of diversity (405-1)

		BM	2018	2017	2016	2015	2014
Men	%		37	38	38	37	35
Women	%	63	63	62	62	63	65
Aged under 30 years	%		4	3	3	2	2
Aged 30-50 years	%		72	70	71	72	72
Aged over 50 years	%		24	27	26	26	26
Person with a disability	%		10	10	9	10	10
Indigenous person	%		<1	<1	1	1	<1
Member of a visible minority	%	30	27	38	37	40	37
Self-identify as LGBTQ+2/S	%		3	n/a	n/a	n/a	n/a

Data for "Indigenous person", "Member of a visible minority", "Person with a disability" and "LGBTQ+2S" is based on employees' self-disclosure in our Human Resources Information System.
 Benchmark (BM) sources: Women: HR Metrics report for Canadian credit unions, 2018 median scores.
 Member of a visible minority: Canadian Bankers Association, Banks as Employers report 2017.
 n/a = data not available.

Percentage of employees in senior management, by indicators of diversity (405-1)

		BM	2018	2017	2016	2015	2014
Men	%		47	49	51	55	57
Women	%	28	53	51	49	45	43
Aged under 30 years	%		0	0	0	0	0
Aged 30-50 years	%		58	58	60	61	58
Aged over 50 years	%		42	42	40	39	42
Person with a disability	%		12	10	6	8	9
Indigenous person	%		1	0	0	0	0
Member of a visible minority	%	15	21	36	32	31	25
LGBTQ+2/S	%		2	n/a	n/a	n/a	n/a

Due to the small number of employees in the senior management category, an increase in one employee can cause a significant increase or decrease in the percentage, as it has for "Member of a visible minority".
 Data for "Indigenous person", "Member of a visible minority", "Person with a disability" and "LGBTQ+2S" is based on employees' self-disclosure in our Human Resources Information System.
 Benchmark (BM) sources: Women: HR Metrics report for Canadian credit unions, 2018 median scores.
 Member of a visible minority: Canadian Bankers Association, Banks as Employers report 2017.
 n/a = data not available.

Average compensation for women as a percentage of average compensation for men (405-2) (SDG – 5, 8)

		2018	2017	2016	2015	2014
Non-management	%	92	92	90	91	91
Management	%	98	97	99	99	100
Senior management	%	111	107	111	108	112

Data set includes permanent full-time employees (and those who may be on short-term leaves) and excludes part-time, contract employees, and employees on long-term leaves.
 Compensation includes: actual salaries from baseline earnings, profit share and benefits.

Performance management (103-1, 103-2, 103-3)

At Vancity, we align our vision and values with the needs of our members, so that our success helps to build healthy communities. A performance-planning cycle connects individual performance to organizational goals, and helps each employee's contribution positively impact the community in which they live and serve. Performance plans incorporate both strategic organizational goals and more specific behaviour-based goals reflective of an employee's division or department. Ongoing coaching and feedback is critical to supporting the growth and development of our employees.

Percentage of employees completing their annual performance review (404-3)

		2018	2017	2016	2015	2014
Employees completing their annual performance review	%	86	88	83	93	90

Labour-management relations and human rights (103-1, 103-2, 103-3)

Collective agreements

We have collective agreements with two unions: The B.C. Government and Services Employees Union (BCGEU) and the Public and Private Workers of Canada (PPWC). We have 23 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 communities, 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 (102-41)

Unionized employees increased in 2018 due to one branch unionizing.

		BM	2018	2017	2016	2015	2014
Employees unionized	%	16	29	28	26	22	22

Benchmark (BM) source: HR metrics report for Canadian credit unions, 2018 median scores.

Operational changes (402-1)

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 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 B.C. 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. Vancity abides by language in collective agreements with BCGEU and PPWC regarding terms, conditions and obligations for employment status changes affecting employees covered by these agreements.

Employee grievances related to labour practices

The significant increase in grievances from 2017 to 2018 was largely due to the Thanksgiving long weekend service outage. Most grievances related to the overtime payments and meal breaks allocated for work performed on the holiday Monday.

Of the nine incidents outstanding in 2017, eight have been resolved and one remains outstanding in 2018.

		2018	2017	2016	2015	2014
Total number of filed grievances related to labour practices	#	69	17	15	12	9
Total number of grievances reviewed or addressed (file pending)	#	34	9	7	5	3
Filed by Union on behalf of employees	#	1	3	0	0	0
Total number of grievances no longer subject to action or resolved	#	35	8	8	7	6
Filed by Union on behalf of employees	#	2	2	0	0	0

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.

Employee grievances related to human rights and harassment (406-1)

The one outstanding incident from 2017 was resolved in 2018.

		2018	2017	2016	2015	2014
Total number of filed grievances related to human rights and harassment	#	7	11	4	3	0
Total number of grievances reviewed or addressed (file pending)	#	3	1	2	0	0
Total number of grievances no longer subject to action or resolved	#	4	10	2	3	0

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.

Percentage of employees who completed biennial training on policies and procedures concerning relevant aspects of human rights (412-2)

All employees are expected to complete training on policies and procedures concerning aspects of human rights and have two years to complete this training.

		2018	2017	2016	2015	2014
Employees who completed training	%	85	--	64	--	91

-- = non reporting year.

Health and safety (103-1, 103-2, 103-3)

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 in our branches 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 (five

robberies in 2018), monitor the number of paid care days used per permanent employee and maintain records of employee training on health and safety.

Number of days lost due to employee illness (102-48, 403-2)

Our total days lost to illness and care in remained steady in 2018. We have updated our methodology to include unpaid care days taken to better represent the wellness of our staff. Canadian benchmarks do not include unpaid days.

According to Statistics Canada's Work absence report for 2018, the number of days lost per year for the Finance and Insurance sector was nine days. On average, men lost fewer days than women—5.8 versus 10.8 days respectively.

		BM	2018	2017	2016	2015	2014
Days for short-term disability leave	#		11,661	13,299	10,901	10,947	9,060
Days for sick/care days	#		14,816	12,971	11,274	11,458	10,791
Total days lost due to illness/care	#		26,477	26,270	22,175	22,405	19,851
Absenteeism rate	#	6	11	11	10	10	9

Data has been restated to include unpaid care days taken.

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

Days lost due to illness includes time taken by employees to care for a sick family member.

Absenteeism rate is the number of work days missed (lost) by employees due to illness or family care per permanent full-time equivalent.

Benchmark (BM) source: HR Metrics report for Canadian credit unions, 2018 median scores. Credit unions in the benchmark data have a short-term disability leave policy of four months versus six months for Vancity (so the number of days included for Vancity will tend to be greater in comparison).

Environmental sustainability (103-1, 103-2, 103-3)

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 five fronts:

- Reducing the environmental footprint of our operations
- Helping members and employees act by providing education and products and services that benefit the environment
- Enabling the community to act by financing and funding projects that reduce negative environmental impact
- Helping to build capacity and promote an enabling environment for environmentally progressive economic and community development
- Encouraging governments to implement public policy changes that reduce negative environmental impact

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.

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 see [2018 Annual Report](#), ‘Environmental sustainability,’ p. 32.

vancity.com/EnvironmentalSustainability

vancity.com/EnergyEnvironment

Examples of sharing our experiences with communities to help reduce climate footprints (SDG – 13)

Project or Initiative	Description
Climate Smart	At Vancity, we are committed to improving the environmental performance of our business members. One of the ways we do this is through our partnership with Climate Smart. Climate Smart provides training, coaching, and software for businesses to measure their carbon footprint, identify opportunities for cost, energy, and carbon savings, and communicate their efforts internally and externally. Vancity members are offered a \$1000 scholarship for Climate Smart training and 160 members have gone through the program.
BCIT Zero Emission Building Lab	BCIT’s High Performance Building Lab has been developed in partnership with Vancity, B.C. Housing and B.C. Hydro in order to provide hands-on training in zero emission buildings. With the elevated state of practice in high performance building, coupled with new building code requirements to pre-existing and new construction, education upgrades for construction technologists, designers and builders-alike. Construction in the coastal region of B.C. is sensitive to high moisture levels resulting in the deterioration of materials and failure. It’s essential that building envelope application technologies are implemented properly and even more so with high energy efficiency envelope systems. This also helps to mitigate additional climate risk pressures we’re beginning to account for.

Greenhouse gas (GHG) emissions and premises energy use (103-1, 103-2, 103-3)

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. To provide confidence that the offsets we purchase are high quality, we have robust offset criteria that we developed in consultation with external subject matter experts including the David Suzuki Foundation and the Pembina Institute. In 2018, the process for selecting carbon offsets was a direct award. The same criteria as previous years was employed to ensure that we maintain consistent standards for any carbon offset project that is selected.

We are guided by the World Resources Institute’s GHG Protocol and we prepare our reporting on greenhouse gases in accordance with [ISO 14064 Part 1](#) and our own internal criteria for reporting. Our greenhouse gas emissions and carbon neutral assertion are externally assured. For our purchases to offset 2018 greenhouse gas emissions, our [offset criteria](#) and our basis for GHG reporting, refer to our [greenhouse gas handbook and inventory report](#).

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 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 (305-1, 305-2, 305-3)

		2018	2017	2016	2015	2014
Scope 1 (direct GHG emissions)	t	468	532	415	164	287
Scope 2 (indirect GHG emissions)	t	140	141	137	140	133
Scope 3 (other indirect GHG emissions)	t	3,950	3,894	3,858	4,243	4,060
Total GHG emissions ♦	t	4,558	4,567	4,410	4,547	4,480

t = metric tonnes of CO₂-equivalent

For definitions of Scope 1 to 3, see our greenhouse gas handbook and inventory report on [Vancity’s annual report microsite](#).

GHG emissions by source

Premises energy use: Emissions from energy use decreased 12 per cent due to implementing more energy efficient equipment and control system upgrades that use less natural gas.

Paper use: Emissions from paper use decreased 23 per cent due to increased digital marketing and reduced paper marketing. The percentage of post-consumer waste content in paper used also increased.

Vehicle fleet: Vehicle fleet emissions decreased 21 per cent due to one vehicle being sold mid-year and a decrease in the number of project sites which needed repair services, resulting in fewer kilometers driven.

Employee business travel by air and vehicle: Employee business travel emissions increased 25 per cent due to a 17 per cent increase in the total number of flights taken and a 29 per cent increase in long haul flights.

Employee commuting: The average auto-related CO₂e per employee per week decreased from 19.68 kgs in 2017 to 18.43kgs in 2018. Because our total employee count increased eight per cent in 2018, we had a slight increase in emissions.

		2018	2017	2016	2015	2014	2007 base year
Premises energy use	t	752	859	698	663	878	1,495
Paper use	t	414	533	516	520	553	811
Vehicle fleet	t	46	58	55	47	43	34
Employee business travel by air and vehicle	t	980	784	846	871	695	895
Employees commuting in single occupancy vehicles	t	2,366	2,333	2,295	2,446	2,311	2,006
Total GHG emissions ♦	t	4,558	4,567	4,410	4,547	4,480	5,241

t = metric tonnes of CO₂-equivalent

GHG emissions by source, per employee (FTE) (305-4), (SDG – 13)

		2018	2017	2016	2015	2014	2007 base year
Premises energy use	t	0.3	0.4	0.3	0.3	0.4	0.7
Paper use	t	0.2	0.2	0.2	0.2	0.3	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	0.4	0.3	0.4	0.4	0.3	0.4
Employee commuting in single occupancy vehicles	t	1.0	1.0	1.0	1.1	1.0	0.9
Total tonnes of GHG per employee (FTE) ♦	t	1.9	2.0	1.9	2.0	2.0	2.4

t = metric tonnes of CO₂-equivalent; FTE = full-time equivalent: Based on the number of hours actually worked (excluding overtime) by all active employees (permanent and non-permanent) in the fiscal year. It is calculated by dividing total hours worked by 1,820 working hours in a year.

Due to rounding, numbers may not add up to totals. Emissions from premises energy use are based on metered and estimated energy use. Emissions from employee commuting are based on responses to a survey, and are extrapolated to represent all employees.

Premises energy use: electricity and natural gas (302-1, 302-3)

In 2018, electricity use remained steady. Natural gas use decreased by 13 per cent, as a result of implementing more energy efficient equipment and control system upgrades.

Energy use (actual and estimated), by type		2018	2017	2016	2015	2014
Electricity use (millions)	<i>kWh</i>	10.1	10.2	9.8	9.9	10.5
Natural gas use	<i>GJ</i>	13,141	15,125	11,774	10,823	14,665
Premises energy use (electricity and natural gas)						
Energy use (actual) at metered locations (millions)	<i>ekWh</i>	11.8	12.0	11.2	11.1	12.2
Energy use (estimated) at non-metered locations (millions)	<i>ekWh</i>	2.0	2.4	1.9	1.8	2.0
Total premises energy use (millions)	<i>ekWh</i>	13.8	14.4	13.1	12.9	14.1
Total premises energy use per employee (FTE)	<i>ekWh</i>	5,580	6,274	5,713	5,715	6,365

kWh = kilowatt hours

ekWh = equivalent kilowatt hours (unit of measurement used when different units of measurement are combined, such as gigajoules of gas converted to kilowatt hours)

GJ = gigajoules.

Metered energy use is based on data from 60 locations with electricity meters, 31 locations metered with gas and 21 locations with no gas use (only electricity).

For details on the calculation for estimated branches, see our greenhouse gas handbook and inventory report on [Vancity's annual report microsite](#).

Employee commuting

Our employee transportation survey had a record response rate of 83% in 2018. While the percentage of employees using sustainable modes of transportation remained the same as 2017, the average auto-related CO₂e per employee per week, decreased by 1.3kgs. This drop can be attributed to a decrease in average distance traveled per employee. In 2018, we offered more employees the opportunity to work from home or a location closer to home.

		BM	2018	2017	2016	2015	2014
Employees making trips to and from work using sustainable transportation modes	%	41	55	55	56	53	54

Data source: [Vancity's transportation survey](#). The response rate in 2018 was 84%.

Benchmark (BM) source: Provided by an external consultant based on 2017 Census, Statistics Canada, for Vancouver Central Metropolitan Area

Materials and waste (103-1, 103-2, 103-3)

Our Environmental Policy states that 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% 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, milk cartons, pizza boxes, etc.), as well as glass, cans, plastic, batteries, toner cartridges, fluorescent tubes, light bulbs, electronic equipment, furniture and construction waste. We also have a composting program.

We recycle, re-use or donate furniture that has reached the end of its life at Vancity. For computer or technical equipment we donate them to [freegeekvancouver](#). They in turn recycle and donate as needed. 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.

Fifty two of our fifty nine branches and Vancity Centre are net zero waste. Net zero waste means no waste is taken to the landfill. The little waste that we do have is taken to an energy plant and burned to generate energy and our compost is turned into soil.

Our Facility and Environmental 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 (301-1, 301-2)

In 2018, internal office paper use increased by 63 per cent. This increase is likely due to employees making bulk purchases in alternating years. Other paper use decreased 27 per cent due to more digital options and less printed marketing materials. Overall, total paper use decreased 20 per cent and the percentage of post-consumer waste content in paper used improved eight percentage points.

		2018	2017	2016	2015	2014
Internal office paper use	t	31	19	33	23	39
Other paper use	t	171	233	232	224	231
Total paper use	t	202	252	265	246	270
Percentage of paper use with recycled content	%	73	66	82	67	72
Internal office paper use per employee (FTE)	kg	13	8	14	10	18

t = metric tonnes; kg = kilograms

Paper use is based on amount of paper purchased. Internal office paper includes: letterhead, copier, printer and fax paper. Other paper includes: member statements, marketing materials, communication to members, business cards and envelopes.

Waste generated, recycled and diverted from the landfill (306-2)

In 2018 we expanded our waste measurement program to better represent our impact. 2018 data includes Vancity Centre and 52 branches in the lower mainland. We have a battery recycling program available to our members and staff through which we collected two tonnes of batteries in 2018.

(tonnes)	2018
Recycling and diversion to energy production	114.2
Compost	27.1
Garbage	1.7
Total	143.0
% Recycled/diverted◆	99%

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) and 52 lower mainland branches. Branches 34 (Abbotsford), 36 (Mission), 42, 67, 68, 69 (Vancouver Island), and 71 (Cormorant Island) are not part of data collection because they are serviced by a different service provider. Office towers at 369 Terminal, 815 West Hastings, 900 West Hastings, Central City (Surrey), DRS, Bosa, Beta Collective, Immigrant Services Society are also excluded. These locations are excluded as service providers are not able to report numbers that satisfy our reporting requirements. Branch 65 is part of the Kruger Plant; the waste and recycling are tracked by the Kruger's service provider. Materials recycled include: glass, plastic, metal, paper, fibrous material (cardboard, pallets and wood), compost, polystyrene, and fluorescents. It also includes non-recyclable materials sent to waste-to-energy facility. Materials recycled exclude: electronic waste, toner cartridges and ribbons, furniture, ATMs and construction waste as we do not have adequate tracking systems in place. It does not include batteries as this weight includes recycled batteries from members and employees and therefore does not accurately reflect waste from operations. Recycling programs exist for all items excluded.

Water (103-1, 103-2, 103-3)

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. Since January 1st 2018 we have been tracking and reporting on premises that have a sub water meter.

Total water withdrawal by source (303-1)

(millions)		2018	2017	2016	2015	2014
Water use at metered locations	m ³	17	14	15	16	16
Estimated water use at non-metered locations	m ³	14	14	14	15	18
Total estimated water use	m³	31	28	29	31	34
Total estimated water use per employee (thousands of litres per FTE) ◆	m ³	13	n/a ¹	n/a	n/a	n/a

m³ = cubic meter. All water is obtained from municipal water supplies.

¹ Methodology was revised for determining a baseline prior year unaudited results are not comparable. Metered water use is based on data from 22 locations (20 branches, 815 W. Hastings office space and Vancity Centre). Remaining 38 branches and office locations with Vancity FTEs are estimated. We estimated the water use of each non-metered location by multiplying the average annual water use per FTE from similar metered locations according to building type (office or branch) by the FTE of the unmetered location and then prorating for the number of days the location was in operation.

Products and services to reduce GHG emissions (FS8)

Product description/purpose	Target beneficiary
<i>Vancity Home Energy™ Loan</i> : A preferential personal loan rate is offered to members who undertake energy efficient home renovations	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>Vancity enviroVisa</i> : At least five per cent of net revenues go to the enviroFund™ , which supports local environmental projects.	Community and environment

Vancity Home Energy loan was previously called Bright Ideas Home Renovation loan.

Transparent and inclusive governance

For our approach see [2018 Annual Report](#), ‘Transparent and inclusive governance,’ p. 34.

🔗 Values-based banking vancity.com/ValuesBasedBanking

🔗 Co-operative model vancity.com/CooperativeModel

🔗 Board of Directors vancity.com/BoardofDirectors, including meeting attendance vancity.com/BoDAnnualReporting

Governance (102-29, 102-30, 102-31)

The Board of Directors has overall responsibility for the establishment and oversight of Vancity’s risk management framework. The Board has established six committees to oversee and manage Vancity’s exposure in specific areas of risk. The Risk Committee’s role is to provide effective oversight and advice to the Board in relation to current and potential future risk exposure and future risk strategy. It ensures management has established, and follows, an enterprise risk management framework which includes the establishment of risk appetite by risk dimension 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

The Board considers the legitimate interests that stakeholders such as employees, suppliers, members and communities may have in Vancity. It calls on 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. All this may influence Directors’ views of risks and opportunities.

A senior management committee structure provides effective oversight and risk management of the principle risks affecting Vancity. The Risk Management Committee consists of: the Chief Executive Officer; Chief Risk Officer; Executive Lead; Member Experience and Community Engagement Executive Lead; Vice President of Community Member Service; Vice President; Enterprise Intelligence and Data; and the Senior Strategic Management Consultant.

Board diversity (103-1, 103-2, 103-3, 102-22, 405-1)

According to the Canadian Board Diversity Council’s [2018 Annual report card](#) for FP500 Boards, women comprise 24.5% of Boards, up from 22.6% in 2017. Based on self-reporting, the report card showed 5.9% belonging to a visible minority group (4.3% in 2017), 7.6% aged 30-49 (5.1% in 2017), 92.4% aged 50 and over (94.8% in 2017) and 0% under 30. The representation of women on boards in the finance and insurance sector

accounted for 33.1% (29.5% in 2017).

		2018	2017	2016	2015	2014
Directors aged under 30	%	0	0	0	0	0
Directors aged 30-50	%	33	33	44	22	33
Directors aged over 50	%	67	67	56	78	67
Directors who are women	%	89	89	89	67	67
Directors who belong to a visible minority group	%	44	33	33	11	11

Vancity’s Board of Directors is elected by our members. Data is based on nine board members.

Board and senior management pay

Board remuneration (102-35, 102-36, 102-37)

Director remuneration is usually 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 increased by \$3,000 for each director for each of the 2016, 2017, and 2018 Board years.

🔗 For more on our approach to Directors’ remuneration, including each Director’s remuneration and expenses, see vancity.com/BoDAnnualReporting

Senior management and CEO compensation (102-35, 102-36)

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.

See [2018 Annual Report](#), 'Senior management and executive compensation,' p. 37.

[CEO compensation](#)

President and Chief Executive Officer compensation

		2018	2017	2016	2015	2014
Total compensation	\$	1,040,078	1,028,046	990,022	962,679	1,006,076

The Financial Institutions Commission (FICOM) is British Columbia's regulatory agency for credit unions. FICOM's compensation definition includes: base pay and variable pay (short- and long-term incentive plan) and excludes pension and benefits/perks.

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

		2018	2017	2016	2015	2014
Ratio of Vancity's President & Chief Executive Officer compensation to our lowest-paid permanent full-time employee	#	28	28	29	27	29

CEO compensation includes: base pay and variable pay (short- and long-term incentive plan) and excludes pension and benefits/perks.

Entry-level employee compensation includes base pay and profit share and excludes benefits.

President and Chief Executive Officer annual compensation compared with median annual total compensation for all employees (102-38)

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.

		2018	2017	2016	2015	2014
Ratio of Vancity's President & Chief Executive Officer compensation to median annual total compensation for all employees	#	15	15	15	15	16

GRI's compensation definition for our President and 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.

President and Chief Executive Officer percentage increase in annual total compensation compared with median annual percentage increase in annual total compensation for all employees (102-39)

In 2018, the percentage increase in annual total compensation for our President and CEO was lower than the increase for annual total median compensation for employees at 1.15%.

		2018	2017	2016	2015	2014
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	#	0.6	4.5	1.0	-0.6	1.4

GRI's compensation definition for our President and 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 in elections and other engagement (102-43)

Board Elections

[Elections vancity.com/Election](#)

		BM	2018	2017	2016	2015	2014
Number of eligible members who voted	#		14,770	18,331	17,916	19,576	21,312
Percentage of eligible members who voted	%	1.6	3.2	4.1	4.4	4.9	5.3

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

Engagement

Engagement builds trust and strengthens relationships. It also helps us understand our business better, including identifying risks and highlighting opportunities. For more on our approach to engagement with members, see '[Member feedback and service satisfaction](#)' on p.4.

For engagement with members and employees on our annual reports and our use of AccountAbility AA1000 Principles see [‘Material topics and determining report content,’](#) p. 36.

Percentage of members surveyed who rate Vancity 9 or 10 out of 10 for ensuring they have a say in Vancity’s growth and future direction

		2018	2017	2016	2015	2014
Personal members	%	37	44	41	47	44

Data source: [Member relationship health survey \(surveyed in February 2019\)](#). Percentage of respondents answering “Don’t know” for personal members in 2018 was 0%. The margin of error in 2018 was +/- 3% at a 95% confidence level.

Examples of how we engage with our stakeholders (102-40, 102-43)

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 use a variety of formal and informal approaches to gather feedback, discuss issues and collaborate with members, employees, peers, community groups and thought-leaders. Many of our employees, leaders and Board Directors meet regularly with members through their day-to-day work, at community events or through volunteering.

Key stakeholders and ways we engaged with them in 2018	
Members	<p>Insights: Online member panel, post-transactional surveys, focus groups, social media and “explorer network”</p> <p>One-on-one: Through our branches, by phone, in writing and online, our employees are available to listen and respond to members. Providing financial literacy workshops for retail and business members (Each One, Teach One, etc.)</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>Insights: Surveys, interviews, focus groups</p> <p>Internal engagement: Intranet, manager/divisional/ team meetings, Orientation-Immersion, quarterly performance updates with executive and managers, surveys, focus groups, executive branch visits.</p> <p>One-on-one: Managers are encouraged to meet regularly with their direct reports and also their direct reports’ direct reports.</p>

Community	<p>Insights: Surveys and focus groups on an ad-hoc basis and “explorer network”</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.
Other stakeholders and ways we engaged with them in 2018	
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, as well as providing information on becoming a Living wage employer
Public interest groups	Fund and/or work together on advocacy initiatives. Monitor and respond to specific issues as they are raised

Identifying stakeholders (102-42)

We last revised our categorization of stakeholders in 2011 when we undertook a comprehensive inventory of how we engaged with stakeholders. We conducted a formal stakeholder mapping exercise in 2009 as part of an in-depth materiality process.

Key topics and concerns that have been raised through engagement (102-44)

For topics members raised in discussion and rated most important that Vancity focus on, see [‘Material topics and determining report content,’](#) p. 36.

For which stakeholders are most impacted by each topic and where to find our responses to material topics raised, see [‘Material topics and boundaries,’](#) p. 37.

Public policy and advocacy (103-1, 103-2, 103-3)

As a member-led, values-based financial institution, Vancity works in concert with community and corporate partners and all levels of government in support of vibrant, resilient and healthy communities.

An Advocacy Opportunity Review team considers requests and makes recommendations regarding high value advocacy opportunities on behalf of our members and communities. We've identified five priority areas for collaboration with strategic and systemic partners to promote economic inclusion, Indigenous partnerships, the cooperative economy, environmental sustainability and a robust national social finance community of practice – all underpinned by Vancity's commitment, as a core value, to embedding the Truth and Reconciliation Commission's reconciliation framework in every facet of our work.

A Board-level policy governs political activities. Vancity is a non-partisan organization and does not permit the use of corporate funds to provide political contributions.

Externally developed economic, environmental and social charters, principles or other initiatives to which we subscribe or endorse (102-12)

[AA1000 series of standards](#)
[Carbon Disclosure Project](#)
[Climate Justice Project](#)
[Co-ops for 2030](#)
[Face of leadership - Diversity pledge](#) (Minerva Foundation)
[Finance Montreal Declaration on financial risks related to Climate Change](#)
[Global Reporting Initiative Reporting Standards](#)
[ISO14064 Part 1](#)
[Living Wage Employer](#)
[Marine Plan Partnership for the North Pacific Coast \(MaPP\)](#)
[National Impact Investment Practitioners Table](#)
[Principles for Reconciliation](#) (Truth and Reconciliation Commission: Calls to Action)
[Principles of Sustainable Banking](#) (Global Alliance for Banking on Values)
[UN Declaration on the Rights of Indigenous Peoples](#)
[United Nations Principles for Responsible Investment](#)
[Vancouver Climate Pledge](#)

Key memberships in associations and advocacy organizations (102-13)

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

[BC Co-operative Association](#)
[BC Living Wage for Families Campaign](#)

[BC Non-profit Housing Association](#)
[BC Partners for Social Impact](#)
[BC Poverty Reduction Coalition](#)
[Board of Change](#)
[Building Owners and Managers Association of BC](#)
[Business Council of British Columbia](#)
[Canadian Bankers Association](#)
[Canadian Centre for Policy Alternatives \(BC Office\)](#)
[Canadian Council for Aboriginal Business](#)
[Canadian Credit Union Association](#)
[Canadian Environmental Grantmakers' Association](#)
[Canadian Housing and Renewal Association](#)
[Center for Financial Services Innovation](#)
[Central1 Credit Union](#)
[Co-operative Housing Federation of BC](#)
[Co-operatives and Mutuals of Canada](#)
[Council for Clean Capitalism](#)
[Credit Union Business Owner Strategy](#)
[Credit Union Foundation of British Columbia](#)
[Empower me](#)
[Global Alliance for Banking on Values](#)
[Global Reporting Initiative](#) (GRI GOLD Community)
[Green Jobs Coalition](#)
[Indigenous Tourism Association of BC](#)
[Integrated Reporting Business Network](#)
[International Cooperative Alliance](#)
[International Facility Management Association](#)
[LOCO BC](#)
[Mackay CEO Forums](#)
[Mortgage Investment Association of BC](#)
[National Housing Collaborative](#)
[Portfolio Management Association of Canada](#)
[Presidents Group](#)
[Public Policy Forum](#)
[Reconciliation Canada](#)
[Registered Disability Savings Plan Action Group](#)
[Responsible Investment Association](#)
[Social Innovation and Social Finance Steering Committee](#)
[Urban Development Institute](#) (Pacific Region)
[World Council of Credit Unions](#)

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

Compliance (103-1, 103-2, 103-3)

Vancity is regulated by the Financial Institutions Commission (FICOM), an agency of the B.C. government. Vancity Community Investment 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 goal is to be aware of and have procedures in place to check 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 are reported to the Board’s Audit Committee quarterly. Provisions are recorded in the financial statements where appropriate.

For our policies on money laundering and terrorist financing, see vancity.com/MoneyLaunderingTerroristFinancing

Percentage of employees who reviewed and signed Vancity’s Code of Conduct (102-17, 205-2)

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. Our anonymous and confidential whistle-blower system is provided by an external third-party and is intended to provide employees and members with an avenue to report concerns about serious business misconduct.

In 2018, the annual Code of Conduct declaration resulted in a return rate of approximately 92%. The desired state is a 100% return rate. Due to various leaves of absence and employee 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.

		2018	2017	2016	2015
Employees who signed Vancity’s Code of Conduct	%	92	90	92	93
Signed by non-management	%	92	90	91	92
Signed by management	%	95	90	97	96
Signed by senior management	%	77	88	91	91

Number of internal fraud incidents investigated (205-3)

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.

There were four substantiated incidents in 2018, all resulted in progressive discipline, warning and/or termination.

		2018	2017	2016	2015	2014
Substantiated incidents	#	4	4	2	5	3

Internal fraud can include: mismanagement of personal accounts, member account compromise, misrepresentation of facts and theft of cash.

Legal actions and incidents of non-compliance

(206-1)

		2018	2017	2016	2015	2014
Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	#	0	0	0	0	1*

*Incidents reported in 2014 was still pending as of Dec. 31 2018.

(307-1, 419-1)

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 2013 to 2018
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(417-2, 417-3)

	2018	2017	2016-2013
Total number of incidents of non-compliance with regulations and voluntary codes concerning (a) marketing communications, including advertising, promotion and sponsorship, or (b) product and service information and labelling	0	1	0

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 [2018 Annual Report](#) ‘Structure and executive leadership team,’ p. 38.
- 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, 2018 energy data is reported for the period October 1, 2017 to September 31, 2018).
- We include five years of data where comparable and available (for new indicators added in the reporting year as well).
- 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 [2018 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 disclosures, we follow the protocols contained in the GRI’s sustainability reporting standards 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.

Member relationship health survey: A confidential telephone survey conducted quarterly by Sentis Market Research Inc. We report the fourth quarter (December) score or percentage of members responding nine or ten from a scale of one to ten. We interviewed 993 members in the fourth quarter of 2018. See data tables with specific scores, margins of error and levels of confidence.

Member Services 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 2018 was +/- 2%.

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.

Employee Engagement Score: The score is derived by Aon Hewitt (survey administrator) as the percentage of employees with a score of 4.5 out of 6 on six standard questions asked in the survey.

Verification of key performance and impact data

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

- **Triple bottom line assets under administration**
- **Total assets + assets under administration**
- **Return on average members' equity**
- **Member experience: satisfaction with overall service delivery**
- **Member experience: members who do not report a problem**
- **Member experience: likelihood to recommend**
- **Size of membership**
- **Greenhouse gas emissions**
- **Carbon neutral assertion**
- **Carbon footprint per full-time equivalent**
- Capital adequacy ratio
- Net growth funding ratio
- Contribution to well-being score
- Employee engagement score
- Percentage of employees providing diversity data
- Number of people assisted with products and services designed to provide access to basic financial services, affordable housing, credit and credit repair
- Percentage of employees participation in at least one reconciliation experience
- Percentage of employees who self-identify as Indigenous
- Recertification as a living wage employer
- Percentage of waste recycled or diverted from the landfill
- Water use per employee

We have included detailed explanations of the methodology used to measure our performance and impact throughout these consolidated accountability statements, in the [glossary](#) and in the [greenhouse gas handbook and inventory report](#).

Changes in measures from 2017 (102-49)

The following list includes measures we changed or discontinued in 2018. New measures are indicated throughout these statements.

Measure replaced by new 2018 organization or management measures:

- Members not reporting a problem with the Banking Application Renewal program
- Products and services designed to support members to reduce their greenhouse gas emissions

Measures that do not influence Vancity lending or business decisions:

- Percentage of credit card accounts held by Vancity members

Material topics and determining report content (102-46)

We follow a number of international reporting standards and frameworks and we include specific material topics in our annual reporting, placing greater emphasis on the most material.

Under the AA1000 AccountAbility Principles Standard, material topics “influence the decisions, actions or behaviour of stakeholders or the organization itself.” The Integrated Reporting Framework requires we include “information about matters that substantively affect the organization’s ability to create value over the short, medium and long term.” Similarly, this report and the consolidated accountability statements include “topics that reflect the organization’s significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders,” as laid out by the Global Reporting Initiative’s (GRI) Sustainability Reporting Standards.

Each year we review and update the set of material topics and corresponding measures to include in our annual reports. To inform our annual review, we maintain a running list of relevant topics, which captures key risks, opportunities and events. It includes topics 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.

We include the most material information in our integrated annual report, and supplementary information in these accountability statements, the [Consolidated financial statements](#), [Greenhouse gas handbook and inventory report](#) and a [Glossary](#).

For 2018’s reporting, we focused on the priorities our members asked us to concentrate on. These member priorities – financial literacy, access to basic financial services, affordable housing, the living wage and household and personal debt – influenced our choice of material topics.

Our business strategy and discussions with Board Directors and executives also informed the choice of material topics. We considered feedback on our previous reporting from member and employee focus groups. Members told us our reporting covers topics they want to know about.

The Audit Committee of the Board of Directors receives the annual report plan (which includes topics to be disclosed) and the corresponding set of performance measures. The Board approves the annual report and consolidated accountability statements prior to their release. Our external assurance provider also conducts its own process as part of its AccountAbility 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.

Our Annual report is aligned with the [International Integrated Reporting Framework](#) and is also prepared, including the consolidated accountability statements, in accordance with the [Global Reporting Initiative’s \(GRI\) Sustainability Reporting Standards](#), Core option.

Material topics and boundaries (102-47, 103-1, 103-2, 103-3)

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 Sustainability Reporting Standards into those material topics that make sense to Vancity and our members. For each 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 integrated annual report and additional disclosures in these accountability statements.

Vancity's material topics	GRI Topic	Impact boundaries		Page references	
		Within Vancity*	Outside Vancity	Accountability Statements	Annual Report
Impact					
Member well-being and service experience	Economic: Indirect economic impacts Human rights: Non-discrimination Human rights: Human rights grievance mechanisms Society: Anti-corruption Product responsibility: Product and service labeling Product responsibility: Customer privacy Product responsibility: Product portfolio		Members, clients and the communities in which they live and work; regulators	4	14
Technology	-	Yes	Members, employees, regulators, suppliers	7	15
Financial literacy	Economic: Indirect economic impacts Product responsibility: Product and service labeling		Members and their communities	7	16
Access to basic financial services for everyone	Economic: Indirect economic impacts Society: Local communities Product responsibility: Product portfolio		Members and their communities	7	16
Affordable housing	Economic: Indirect economic impacts Product responsibility: Product portfolio		Members and their communities	10	18
Building healthy communities	Economic: Economic performance Economic: Market presence Economic: Indirect economic impacts Economic: Procurement practices Environmental: Supplier environmental assessment Labour: Supplier assessment for labour practices Human rights: Supplier human rights assessment Society: Local communities Society: Supplier assessment for impacts on society Product responsibility: Product portfolio Product responsibility: Active ownership		Members, clients and their communities; suppliers and business partners	11	19
Confidence					
Member growth	-	Yes	Members and their communities, regulators, competitors and peers	15	22
Financial performance	Economic: Economic performance Product responsibility: Audit	Yes	Members and their communities, regulators, competitors and peers	15	24

Integrity					
Employee well-being	Labour: Employment Labour: Labour/management relations Labour: Occupational health and safety Labour: Training and education Labour: Diversity and equal opportunity Labour: Equal remuneration for women and men Labour: Labour practices grievance mechanisms Human rights: Investment Human rights: Non-discrimination Human rights: Human rights grievance mechanisms	Yes		19	29
Environmental sustainability	Environmental: Materials Environmental: Energy Environmental: Water Environmental: Emissions Environmental: Effluents and Waste Product responsibility: Product portfolio	Yes	Members and their communities, suppliers and business partners, the environment around our operations	25	32
Transparent and inclusive governance	Environmental: Compliance Labour: Diversity and equal opportunity Society: Anti-corruption Society: Public Policy Society: Anti-competitive behaviour Society: Compliance Product responsibility: Product and service labeling Product responsibility: Marketing communications Product responsibility: Compliance	Yes	Members, regulators, competitors and peers	29	34

*Material topics apply to our operations for Vancity and its subsidiaries.

Global Reporting Initiative content index (102-54, 102-55)

This report has been prepared in accordance with the GRI Standards: Core option. We also report against select Financial Services Sector disclosures.

🔗 Global Reporting Initiative Sustainability Reporting Standards
<https://www.globalreporting.org/standards>

The page numbers below refer to this document (2018 consolidated accountability statements), unless noted otherwise. See documents on [Vancity's annual report microsite](#):

AR = 2018 Annual Report

FS = 2018 consolidated financial statements

For information on External Assurance see KPMG's Independent Assurance Report on p. 44 of the [2018 Annual Report](#) and [Verification of key performance and impact data](#), p. 35.

Disclosure	Description	Page number
GRI 102: General Disclosures 2016		
Organizational profile		
102-1	Name of the organization	AR p. 7 Organizational overview
102-2	Activities, brands, products, and services	AR p. 7 Organizational overview
102-3	Location of headquarters	AR p. 7 Organizational overview
102-4	Location of operations	AR p. 7 Organizational overview
102-5	Ownership and legal form	AR p. 7 Organizational overview
102-6	Markets served	AR p. 7 Organizational overview
102-7	Scale of organization	AR p. 7 Organizational overview
102-8	Information on employees and other workers	Employee profile and position status for all employees (headcount), by gender, p. 20 We report on our significant location of operations in B.C.. We have seven employees in Alberta, thirteen employees in Ontario and one in Quebec. We do not track self-employed consultants. There are no significant seasonal fluctuations in our employee numbers.
102-9	Supply chain	Vancity's supply chain, p. 12
102-10	Significant changes to the organization and its supply chain	Changes in supply chain, p. 13
102-11	Precautionary Principle or approach	Lending, p. 18
102-12	External initiatives	Externally developed economic, environmental and social charters, principles, or other initiatives to which we subscribe or endorse, p. 32
102-13	Membership of associations	Key membership in associations and advocacy organizations, p. 32
Strategy		
102-14	Statement from senior decision-maker	AR p. 4 Message from the Chair AR p. 5 Message from the CEO
102-15	Key impact, risks, and opportunities	AR p. 8 Context and strategic priorities AR p. 9 Vision and business model AR p. 10 Key results AR p. 36, 37 Innovation, engagement and advocacy AR p. 39 Plans and targets

Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	AR p. 9 Vision and business model Vision and business model
102-17	Mechanisms for advice and concerns about ethics	Percentage of employees who received and signed Vancity's code of Conduct p. 33
Governance		
102-18	Governance structure	Governance structure All committees have responsibilities related to decision-making on economic, environmental and social impacts. vancity.com/Committees
102-20	Executive-level responsibility for economic, environmental, and social topics	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.
102-21	Consulting stakeholders on economic, environmental, and social topics	See Rule 4.11 . Special Resolutions can also be brought forward by the membership under the Credit Union Incorporation Act S.77 (1). Information regarding this is disseminated to the members in the Election Bulletin, printed in April every year.
102-22	Composition of the highest governance body and its committees	Board diversity, p. 29 All Board Directors are non-executive and independent. Directors' background information is included only if they choose to disclose it voluntarily. vancity.com/Committees vancity.com/BoardofDirectors
102-23	Chair of the highest governance body	The Chair is not an executive officer of the organization.
102-24	Nominating and selecting the highest governance body	See election process and desired skills and attributes of directors, vancity.com/Election
102-25	Conflicts of interest	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). vancity.com/Committees
102-26	Role of the highest governance body in setting purpose, values, and strategy	Board's role in setting purpose, values and strategy are in its Terms of Reference. vancity.com/GoodGovernance
102-27	Collective knowledge of the highest governance body	See Professional development vancity.com/GoodGovernance
102-28	Evaluating the highest governance body's performance	See Commitment to Vancity's success vancity.com/GoodGovernance
102-29	Identifying and managing economic, environmental, and social impacts	Governance, p. 29
102-30	Effectiveness of risk management processes	Governance, p. 29
102-31	Review of economic, environmental, and social topics	Governance, p. 29
102-32	Highest governance body's role in sustainability reporting	The Board of Directors, on recommendation from the Audit Committee
102-33	Communicating critical concerns	Member concerns and complaints escalated to Board, Chief Executive Officer and Executive Lead, p. 5
102-34	Nature and total number of critical concerns	Member concerns and complaints escalated to Board, Chief Executive Officer and Executive Lead, p. 5
102-35	Remuneration policies	Board remuneration, p. 29 Senior management and CEO compensation, p. 30

102-36	Process for determining remuneration	Board remuneration, p. 29 Senior management and CEO compensation, p. 30
102-37	Stakeholders' involvement in remuneration	Board remuneration, p. 29
102-38	Annual total compensation ratio	President and Chief Executive Officer compensation compared with median annual total compensation for all employees, p. 30
102-39	Percentage increase in annual total compensation ratio	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. 30
Stakeholder engagement		
102-40	List of Stakeholder groups	Examples of how we engage with our stakeholders, p. 31
102-41	Collective bargaining agreements	Employees covered by collective bargaining agreements, p. 23
102-42	Identifying and selecting stakeholders	Identifying stakeholders, p. 31
102-43	Approach to stakeholders engagement	Member feedback mechanisms, p. 4 Member satisfaction, p. 5 Member participation in elections and other engagement, p. 30 Examples of how we engage with our stakeholders, p. 31
102-44	Key topics and concerns raised	Member satisfaction, p. 5 Key topics and concerns that have been raised through engagement, p. 31
102-45	Entities included in the consolidated financial statements	Vancity's financial statements include the following entities: Vancouver City Savings Credit Union, Vancouver Community Investment Bank, SCU Insurance Services Ltd., Vancity Capital Corporation, Vancity Investment Management Ltd. and Vancity Life Insurance Services Ltd. All entities included in Vancity's consolidated financial statements are covered by the report.
Reporting practice		
102-46	Defining report content and topic Boundaries	Material topics and determining report content, p. 36
102-47	List of material topics	Material topics and boundaries, p. 37
102-48	Restatements of information	Restatements are due to changes in measurement methods and the effect is usually that prior year results are not comparable. See footnotes to the following data tables for details of the specific effects of each restatement: Number of days lost to employee illness p. 24
102-49	Changes in reporting	Changes in measures from the 2017 Annual Report, p. 36
102-50	Reporting period	Reporting period: fiscal year, January 1 – December 31, 2018
102-51	Date of most recent report	Last report: 2017 Annual Report, published May 2018
102-52	Reporting cycle	Reporting cycle: annual
102-53	Contact point for questions regarding the report	Contact: accountability@vancity.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	Global Reporting Initiative content index, p. 39
102-56	External assurance	AR p. 44 KPMG's independent assurance report
Economic Performance		
	103-1 103-1 Explanation of the material topic and its Boundary	Financial performance, p. 15 Material topics and boundaries, p. 37

GRI 103: Management Approach 2016	103-2 103-2 The management approach and its components	Financial performance, p. 15
	103-3 103-3 Evaluation of the management approach	Financial performance, p. 15
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	Taxes paid and payable, p. 17 FS Note 10 Income taxes, financial statements p. 45
Market Presence		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Paying a living wage, p. 13 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Paying a living wage, p. 13
	103-3 Evaluation of the management approach	Paying a living wage, p. 13
GRI 202: Market Presence 2016	201-1 Ratios of standard entry level wage by gender compared to local minimum wage ¹	Entry-level employee hourly wage compared with British Columbia's living wage, p. 13
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Member well-being and service experience, p. 4 Financial literacy, p. 7 Access to basic financial services for everyone, p. 7 Affordable housing, p. 10 Building healthy communities, p. 11 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Member well-being and service experience, p. 4 Financial literacy, p. 7 Access to basic financial services for everyone, p. 7 Affordable housing, p. 10 Building healthy communities, p. 11
	103-3 Evaluation of the management approach	Member well-being and service experience, p. 4 Financial literacy, p. 7 Access to basic financial services for everyone, p. 7 Affordable housing, p. 10 Building healthy communities, p. 11
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Number of people assisted with financial literacy, p. 7 People assisted with products and services designed to provide access to basic financial services, affordable housing, credit and credit repair, p. 9 Supporting local business and organizations, p. 11 Entry-level employee hourly wage compared with British Columbia's living wage, p. 13

¹ Omission: Not applicable - Disclosure by gender is not applicable because entry-level wage for employees is the same for all genders.

Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Ethical Principles for Business Relationships, p. 11 Buying local, p. 12 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Ethical Principles for Business Relationships, p. 11 Buying local, p. 12
	103-3 Evaluation of the management approach	Ethical Principles for Business Relationships, p. 11 Buying local, p. 12
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Suppliers, p. 13 Significant locations of operations refers to communities where we have branches.
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Privacy, p. 6 Compliance, p. 33 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Privacy, p. 6 Compliance, p. 33
	103-3 Evaluation of the management approach	Privacy, p. 6 Compliance, p. 33
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Percentage of employees who completed Privacy training, p. 6 Percentage of employees who reviewed & signed Vancity's Code of Conduct, p. 33
	205-3 Confirmed incidents of corruption and actions taken	Number of internal fraud incidents investigated, p. 33
Anti-competitive Behavior		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Compliance, p. 33 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Compliance, p. 33
	103-3 Evaluation of the management approach	Compliance, p. 33
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Legal actions and incidents of non-compliance, p. 33
Materials		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materials and waste, p. 27 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Materials and waste, p. 27
	103-3 Evaluation of the management approach	Materials and waste, p. 27
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Paper use, p. 27
	301-2 Recycled input materials used	Paper use, p. 27

Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Environmental sustainability, p. 25 Greenhouse gas (GHG) emissions and premises energy use, p. 25 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Environmental sustainability, p. 25 Greenhouse gas (GHG) emissions and premises energy use, p. 25
	103-3 Evaluation of the management approach	Environmental sustainability, p. 25 Greenhouse gas (GHG) emissions and premises energy use, p. 25
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Premises energy use, p. 27 Electricity and natural gas used for heating and cooling.
	302-3 Energy intensity	Premises energy use, p. 27
Water		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Water, p. 28 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Water, p. 28
	103-3 Evaluation of the management approach	Water, p. 28
GRI 303: Water 2016	303-1 Water withdrawal by source	Total water withdrawal by source, p. 28
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Environmental sustainability, p. 25 Greenhouse gas (GHG) emissions and premises energy use, p. 25 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Environmental sustainability, p. 25 Greenhouse gas (GHG) emissions and premises energy use, p. 25
	103-3 Evaluation of the management approach	Environmental sustainability, p. 25 Greenhouse gas (GHG) emissions and premises energy use, p. 25
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG emissions by scope, p. 26 Natural gas and fuel consumption from fleet vehicles are included in the calculation.
	305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions by scope, p. 26
	305-3 Other indirect (Scope 3) GHG emissions	GHG emissions by scope, p. 26
	305-4 GHG emissions intensity	GHG emissions by source, per employee (FTE), p. 26
Effluents and Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materials and waste, p. 27 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Materials and waste, p. 27
	103-3 Evaluation of the management approach	Materials and waste, p. 27
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	Waste generated, recycled and diverted from the landfill, p. 28
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Compliance, p. 33 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Compliance, p. 33
	103-3 Evaluation of the management approach	Compliance, p. 33

GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Legal actions and incidents of non-compliance, p. 33
Supplier Environmental Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Ethical Principles for Business Relationships, p. 11 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Ethical Principles for Business Relationships, p. 11
	103-3 Evaluation of the management approach	Ethical Principles for Business Relationships, p. 11
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Assessments for new strategic relationships, p. 12
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Employee talent and well-being, p. 19 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Employee talent and well-being, p. 19
	103-3 Evaluation of the management approach	Employee talent and well-being, p. 19
GRI 401: Employment 2016	401-1 New employee hired and employee turnover	Number of employee departures, p. 20 Employee turnover rates, p. 20 Number of new employee hires, overall and broken down by gender and age, p. 20 New hire rate, overall and broken down by gender and age, p. 20 Our primary operations are in B.C..
Labour/Management Relations		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Labour-management relations and human rights, p. 23 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Labour-management relations and human rights, p. 23
	103-3 Evaluation of the management approach	Labour-management relations and human rights, p. 23
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Operational changes, p. 23
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Health and safety, p. 24 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Health and safety, p. 24
	103-3 Evaluation of the management approach	Health and safety, p. 24
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities ²	Number of days lost due to employee illness, p. 24 We use FTE to normalize the number of days absent for absenteeism rate as this is more applicable to us as a financial institution. Occupational health and safety (OHS) legislation in Canada outlines the general rights and responsibilities of the employer, the supervisor and the worker. Each of

² Omission: Not applicable: Injury rates and fatalities by gender are not applicable because the majority of injuries are falls/slips/trips, strains/sprains and cuts and the physical work environment in the financial industry does not vary with gender.

		the 10 provinces, three territories and the Federal Government has its own OHS legislation.
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Employee talent and well-being, p. 19 Performance management, p. 22 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Employee talent and well-being, p. 19 Performance management, p. 22
	103-3 Evaluation of the management approach	Employee talent and well-being, p. 19 Performance management, p. 22
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews ³	Percentage of employees completing their annual performance review, p. 23 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).
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Workforce diversity and pay equity p. 21 Board diversity p. 29 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Workforce diversity and pay equity p. 21 Board diversity p. 29
	103-3 Evaluation of the management approach	Workforce diversity and pay equity p. 21 Board diversity p. 29
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Percentage of employees in non-management, management, and senior management by indicators of diversity, p. 22 Board diversity, p. 29
	405-2 Ratio of basic salary and remuneration of women to men	Average compensation for women as a percentage of average compensation for men, p. 22
Non-Discrimination		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Labour-management relations and human rights, p. 23 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Labour-management relations and human rights, p. 23
	103-3 Evaluation of the management approach	Labour-management relations and human rights, p. 23
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee grievances related to human rights and harassment, p. 24
Human Rights Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Labour-management relations and human rights, p. 23 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Labour-management relations and human rights, p. 23
	103-3 Evaluation of the management approach	Labour-management relations and human rights, p. 23

³ Omission: Not applicable: Disclosure by gender is not applicable because all employees are expected to complete a performance review.

GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures ⁴	Percentage of employees who completed biennial training on policies and procedures concerning relevant aspects of human rights, p. 24
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Access to basic financial services for everyone, p. 7 Building healthy communities, p. 11 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Access to basic financial services for everyone, p. 7 Building healthy communities, p. 11
	103-3 Evaluation of the management approach	Access to basic financial services for everyone, p. 7 Building healthy communities, p. 11
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	AR p. 19 Supporting local businesses and organizations
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Ethical Principles for Business Relationships, p. 11 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Ethical Principles for Business Relationships, p. 11
	103-3 Evaluation of the management approach	Ethical Principles for Business Relationships, p. 11
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Assessments for new strategic relationships, p. 12
Public Policy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Public policy and advocacy, p. 32 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Public policy and advocacy, p. 32
	103-3 Evaluation of the management approach	Public policy and advocacy, p. 32
GRI 415: Public Policy 2016	415-1 Political contributions	We do not provide political contributions.
Marketing and Labeling		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Member feedback and service satisfaction, p. 4 Responsible marketing and selling, p. 5 Financial literacy, p. 7 Compliance, p. 33 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Member feedback and service satisfaction, p. 4 Responsible marketing and selling, p. 5 Financial literacy, p. 7 Compliance, p. 33
	103-3 Evaluation of the management approach	Member feedback and service satisfaction, p. 4 Responsible marketing and selling, p. 5

⁴ Omission: Not applicable: The online training module takes about one hour. The actual time each employee takes is not tracked.

		Financial literacy, p. 7 Compliance, p. 33
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Legal actions and incidents of non-compliance, p. 33
	417-3 Incidents of non-compliance concerning marketing communications	Legal actions and incidents of non-compliance, p. 33
Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Privacy, p. 6 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Privacy, p. 6
	103-3 Evaluation of the management approach	Privacy, p. 6
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Breaches of privacy and losses of member or client data, p. 6
Socioeconomic Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Compliance, p. 33 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Compliance, p. 33
	103-3 Evaluation of the management approach	Compliance, p. 33
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Legal actions and incidents of non-compliance, p. 33
Financial Services Sector Supplement Disclosures		
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/large) and by sector	Business and commercial loan portfolio (dollars outstanding) by North American Industry Classification System, p. 19
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Products and services designed to provide access to basic financial services, affordable housing, credit and credit repair to individuals, p. 8 People assisted with products and services designed to provide access to basic financial services, affordable housing, credit and credit repair p. 9 Community impact loans, p. 11 Community grants, p. 11 Triple bottom line assets under administration (TBLAA). P. 15
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Community impact loans, p. 11 Community grants, p. 11 Triple bottom line assets under administration (TBLAA). P. 15 Products and services to reduce GHG emissions, p. 28
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	Corporate engagement, p. 14
FS13	Access points in low-populated or economically disadvantaged areas by type	Initiatives to improve access, p. 7
FS14	Initiatives to improve access to financial services for disadvantaged people	Initiatives to improve access, p. 7 Physical accessibility, p. 10