



2019 Annual Report

# Accountability statements

**Vancity**  
Make Good Money.™

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## Introduction

These accountability statements supplement our 2019 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 (UL360), 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 [annualreport.vancity.com](https://annualreport.vancity.com):

- 2019 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.

- ◆ = 2019 data has been verified by KPMG LLP
- BM = external benchmark data
- 🔗 = more information is available online
- n/a = data not available
- (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](#)

## People

### Member profile and growth

#### Member and client profile

Members include people, businesses and organizations who choose to bank with Vancity credit union and/or Squamish 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 (102-48)

		2019	2018	2017	2016	2015
<b>Total number of members</b> ◆	#	543,621	533,936 <sup>1</sup>	525,506	518,149 <sup>2</sup>	515,579
Personal (individual) members	%	93	92	92	93	91
Business (organizational) members	%	7	8	8	7	9

<sup>1</sup> 2018 membership has been re-stated to align with current year methodology; prior year data is not directly comparable. For definitions of terms, see the glossary on [annualreport.vancity.com](https://annualreport.vancity.com).

<sup>2</sup> 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

		2019	2018	2017	2016	2015
Total number of relationships	#	511	533	536	505	467

## Visa credit card accounts

		2019	2018	2017	2016	2015
Total number of credit card accounts	#	176,202 <sup>1</sup>	226,441	229,032	227,271	223,646

More than one credit card account may be held by the same individual.

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.

<sup>1</sup> The definition of “usable accounts” was altered when our credit card services upgrade was implemented in 2019. Previous years’ data is not comparable.

\*Visa Inc./Vancity Licensed User

## Member growth

For our approach see [2019 Annual Report](#), ‘Member growth,’ p. 13.

### Net growth in members

		2019	2018	2017	2016	2015
Net member growth*	#	9,685	9,380	7,357	8,323	10,728

\* Due to the restatement described in Note 1 to ‘Member 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](http://vancity.com/Banking/WaysToBank)

## Member well-being and service experience (103-1, 103-2, 103-3)

### 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 (such as 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 the B.C. Financial Services Authority (BCFSA), 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 Chief Member Services Officer. 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 2019, member concerns and complaints decreased to 162. There had been an increase in complaints relating to the replacement of our banking system in November 2016.

		2019	2018	2017	2016	2015
Number of member concerns and complaints	#	162	180	212	170	90

🔗 Vancity compliments and complaints [vancity.com/ComplimentsAndComplaints](http://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 [2019 Annual Report](#) 'Member well-being and service experience,' p. 14.

		2019	2018	2017	2016	2015
Member experience: satisfaction with overall service delivery ♦	%	53	49	51 <sup>1</sup>	43	54

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

<sup>1</sup> 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 2019 Products & Services study, the "likelihood to recommend" score for B.C. credit unions was 61% and 35% 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).

		2019	2018	2017	2016	2015
Likelihood of members to recommend ♦	%	55	48	56	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 that considers factors such as debt levels relative to income.

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.

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

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

🔗 enviro Visa [vancity.com/CreditCards/](http://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](http://vancity.com/PrivacyAndSecurity)

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

In 2019, the number of substantiated incidents increased from the last calendar year. This is likely due to an increased awareness of the need to report privacy breaches to the Corporate Privacy Office, stemming from improved privacy training. Reasons for breaches generally include misdirected emails and letters, vendor or employee error.

		2019	2018	2017	2016	2015
<b>Total substantiated reports and privacy breaches</b>	<b>#</b>	<b>102</b>	<b>71</b>	<b>96</b>	<b>14</b>	<b>16</b>
Received from outside parties	#	96	68	86	12	7
Complaints from regulatory bodies	#	0	0	0	0	0
(Internally) identified leaks, thefts or losses of customer data	#	6	3	10	2	5

## 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 employees to complete their compliance courses earlier in the year.

		2019	2018	2017	2016	2015
Employees who completed training	%	91	93	92	78	85

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

For our approach, see [2019 Annual Report](#) 'Financial literacy and advice', p. 15.

### 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 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 100 credit unions that have certified trainers and together, we are delivering workshops across the country.

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

The number of people assisted with financial literacy went up in 2019. This is due to continued training of new employees, which generated opportunities for community workshops, as well as adding a live stream training option.

		2019	2018	2017	2016	2015
Number of people assisted	#	7,111	5,879	6,955	7,722	14,688

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 business launched (SDG- 8)

In 2019, we relaunched our Each One Grow One workshop and are planning a self-serve online module. We will be training all our Small Business Advisors in order to have a bigger impact in our communities.

		2019	2018	2017	2016	2015
Number of people assisted	#	163	145	626	357	n/a

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

🔗 Financial literacy backgrounder [vancity.com/Backgrounders/FinancialLiteracy](http://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 enhance social justice and economic inclusion for our members 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 [2019 Annual Report](#), ‘Access to basic financial services for everyone,’ p. 15.

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

We offer products and services to help people living on low incomes or who are unable to 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 achieve economic strength and independence. Through a partnership with PHS Community Services, at Pigeon Park Savings we serve around 4,500 individuals living on low incomes 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](http://vancity.com/InvestingInCommunities)

🔗 Indigenous communities [vancity.com/IndigenousCommunities](http://vancity.com/IndigenousCommunities)

**Products and services designed to provide access to basic financial services, affordable housing, credit and credit repair to individuals (FS7) (SDG-1, 11)**

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.

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 &amp; 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 own 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)**

		2019	2018	2017	2016	2015
Number of people assisted ◆	#	18,444 <sup>1</sup>	27,552	22,695 <sup>2</sup>	6,881	6,619

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.

1 Current year figure is not comparable to prior years due to the unavailability of 2019 Visa data caused by a system change.

2 Calculation 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)**

		2019	2018	2017	2016	2015
Number of people assisted with microcredit	#	39	45	48	54	n/a

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](http://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

**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)		2019	2018	2017	2016	2015
\$0 - \$24,999	\$	4	3	3	2	3
\$25,000 - \$99,999	\$	18	16	16	9	14
\$100,000 - \$249,999	\$	31	29	40	34	19
\$250,000 - \$499,999	\$	56	71	82	81	61
\$500,000 - \$999,999	\$	113	168	178	184	131
\$1,000,000 - \$4,999,999	\$	480	718	681	548	471
\$5,000,000 and greater	\$	679	577	643	527	584
<b>Total value of loans funded</b>	<b>\$</b>	<b>1,381</b>	<b>1,582</b>	<b>1,642</b>	<b>1,386</b>	<b>1,283</b>
<b>Average funded loan by size:</b>	<b>\$</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>
<b>Number of loans funded by size:</b>						
\$0 - \$24,999	#	352	305	251	138	302
\$25,000 - \$99,999	#	368	346	324	201	295
\$100,000 - \$249,999	#	215	194	258	211	123
\$250,000 - \$499,999	#	158	208	237	233	173
\$500,000 - \$999,999	#	160	240	251	267	185
\$1,000,000 - \$4,999,999	#	223	356	341	296	244
\$5,000,000 and greater	#	60	60	62	49	55
<b>Total number of new loans funded</b>	<b>#</b>	<b>1,536</b>	<b>1,709</b>	<b>1,724</b>	<b>1,395</b>	<b>1,376</b>

Data includes all new loans and lines of credit to businesses funded by our Community Business, Community Capital, Community Real Estate teams and branch network. The funding of construction loans is staggered, and all dollars may not get disbursed in the year the loan is approved.

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 tactile 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](https://vancity.com/Banking/WaysToBank)

## Technology

For our approach, see [2019 Annual Report](#) ‘Technology’ p. 16.

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

For our approach, see [2019 Annual Report](#), ‘Employee well-being,’ p. 18. For living wage information see ‘Paying a living wage,’ p. 34.

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

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

## Employee engagement

### Employee engagement score (102-43)

		BM	2019	2018	2017	2016	2015
Employee engagement	◆	%	69	62	69	58	n/a

Survey was not conducted in 2014-2016.

Data source: [Employee Engagement Survey](#). The participation rate was 82%.

BM: 2019 Kincentric Engagement Survey - Canada Average.

## Employee profile and turnover

### Employee profile (102-8) (PAS)

Full-time equivalents (FTE) and headcount decreased this year as the number of new hires decreased while turnover increased.

		BM	2019	2018	2017	2016	2015
Full-time equivalents (FTE) <sup>1</sup>	#		2,387	2,455	2,295	2,293	2,266
Head count	#		2,675	2,853	2,635	2,627	2,594
Permanent full-time	%	80	85	81	81	76	81
Permanent part-time	%	17	14	15	16	16	16
Contract/temporary	%	3	2	4	3	8	3

<sup>1</sup> We changed the methodology to exclude overtime worked to align with internal reporting of FTE. Benchmark (BM) source: HR Metrics report for B.C. credit unions, 2019 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)**

		2019	2018	2017	2016	2015
<b>Total permanent full-time</b>	#	<b>2,261</b>	<b>2,306</b>	<b>2,132</b>	<b>1,999</b>	<b>2,087</b>
Male	#	875	870	786	749	780
Female	#	1,386	1,436	1,346	1,250	1,307
<b>Total permanent part-time</b>	#	<b>366</b>	<b>442</b>	<b>421</b>	<b>409</b>	<b>424</b>
Male	#	88	109	115	98	93
Female	#	278	333	306	311	331
<b>Total contract/temporary</b>	#	<b>48</b>	<b>105</b>	<b>82</b>	<b>219</b>	<b>83</b>
Male	#	23	49	30	93	26
Female	#	25	56	52	126	57

**Number of permanent employee departures (401-1)**

		2019	2018	2017	2016	2015
<b>Total departures</b>	#	<b>292</b>	<b>216</b>	<b>216</b>	<b>207</b>	<b>155</b>
Male	#	119	87	94	81	53
Female	#	173	129	122	126	102
Aged under 30	#	95	73	58	48	41
Aged 30-50	#	128	100	106	100	78
Aged over 50	#	69	43	52	59	36
Voluntary departures	#	231	169	180	181	107

**Permanent employee turnover rates (401-1)**

		BM	2019	2018	2017	2016	2015
<b>Overall turnover</b>	%	<b>15</b>	<b>11</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>6</b>
Male	%		12	9	11	9	6
Female	%		10	8	8	8	6
Aged under 30	%		20	14	14	13	10
Aged 30-50	%		8	7	7	7	5
Aged over 50	%		11	7	8	9	6
Voluntary turnover	%	<b>13</b>	9	6	7	7	4

Benchmark (BM) source: HR Metrics report for B.C. credit unions, 2019 median scores.

**Number of permanent new employee hires, overall and broken down by gender and age (401-1)**

The number of new hires for permanent positions decreased in 2019.

		2019	2018	2017	2016	2015
<b>Total number of new hires</b>	#	<b>151</b>	<b>383</b>	<b>154</b>	<b>187</b>	<b>214</b>
Male	#	84	158	64	100	87
Female	#	67	225	90	87	127
Aged under 30	#	66	218	92	92	98
Aged 30-50	#	76	152	51	80	106
Aged over 50	#	9	13	11	15	10

**Permanent employee new hire rate, overall and broken down by gender and age (401-1)**

New hire rates in all categories decreased significantly in 2019.

		BM	2019	2018	2017	2016	2015
<b>Overall new hire rate</b>	%	<b>15</b>	<b>6</b>	<b>14</b>	<b>6</b>	<b>8</b>	<b>9</b>
Male	%		9	17	7	12	10
Female	%		4	13	6	5	8
Aged under 30	%		14	42	23	25	25
Aged 30-50	%		5	20	4	6	7
Aged over 50	%		1	2	2	2	2

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, 2019 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 practices to 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 63% of our workforce compared with 73% for Canadian credit unions that participate in the HR Metrics Service. At Canada’s six largest banks, women represented 58% of the workforce, as of 2017.

Vancity recognizes that binary statistics regarding gender are insufficient. In 2018, we implemented a new survey tool to better establish our current baseline for workforce diversity. We’ve also added a new reporting category: LGBTQ2S+ enabling participation of employees who self-identify as LGBTQ, Two-Spirit, transgender and non-binary. All employees are asked to participate in the survey, although disclosure of diversity information is voluntary. All employees have the option to “decline to answer” within the survey. 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	2019	2018	2017	2016	2015
Men	%	27	37	36	35	35	35
Women	%	73	63	64	65	65	65
Aged under 30 years	%	29	17	19	17	14	17
Aged 30-50 years	%	41	58	56	57	60	58
Aged over 50 years	%	30	25	25	26	26	24
Non-management	%		84	84	83	83	84
Management	%		13	13	14	14	13
Senior Management	%		3	3	3	3	3
Person with a disability	%	6	10	10	10	10	10
Indigenous person ♦	%	2	1.4	1.6	1.1	2.3	n/a
Member of a visible minority	%	42	37	38	47	46	44
LGBTQ2S+	%		4.3	4.6	n/a	n/a	n/a

Data for “Indigenous person”, “Member of a visible minority”, “Person with a disability” and “LGBTQ2S+” is based on employees’ self-disclosure in our Human Resources Information System. Data prior to 2018 is not comparable due to a change in data collection methodology. . Benchmark (BM) sources: women: HR Metrics report for Canadian credit unions, 2019 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 because no metro Vancouver data was available.

### Percentage of employees in non-management, by indicators of diversity (405-1) (SDG-5, 8)

		BM	2019	2018	2017	2016	2015
Men	%	31	36	35	34	34	34
Women	%	69	64	65	66	66	66
Aged under 30 years	%		20	22	20	17	20
Aged 30-50 years	%		55	54	55	57	56
Aged over 50 years	%		25	24	25	26	24
Person with a disability	%		10	10	10	10	10
Indigenous Person	%		1.5	1.7	3	3	n/a
Member of a visible minority	%	35	38	40	49	49	46
LGBTQ2S+	%		4.3	4.9	n/a	n/a	n/a

Data for “Indigenous person”, “Member of a visible minority”, “Person with a disability” and “LGBTQ2S+” is based on employees’ self-disclosure in our Human Resources Information System. Benchmark (BM) sources: women: HR Metrics report for Canadian credit unions, 2019 median scores. Member of a visible minority: Canadian Bankers Association, Banks as employers report 2017.

### Percentage of employees in management, by indicators of diversity

(405-1) (SDG-5, 8)

		BM	2019	2018	2017	2016	2015
Men	%	40	37	37	38	38	37
Women	%	60	63	63	62	62	63
Aged under 30 years	%		4	4	3	3	2
Aged 30-50 years	%		74	72	70	71	72
Aged over 50 years	%		22	24	27	26	26
Person with a disability	%		10	10	10	9	10
Indigenous Person	%		0.8	0.4	<1	<1	n/a
Member of a visible minority	%	30	33	27	38	37	40
LGBTQ2S+	%		4.4	3.2	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, 2019 median scores. Member of a visible minority: Canadian Bankers Association, Banks as Employers report 2017.

### Percentage of employees in senior management, by indicators of diversity (405-1) (SDG-5)

		BM	2019	2018	2017	2016	2015
Men	%	74	49	47	49	51	55
Women	%	26	51	53	51	49	45
Aged under 30 years	%		0	0	0	0	0
Aged 30-50 years	%		68	58	58	60	61
Aged over 50 years	%		32	42	42	40	39
Person with a disability	%		11	12	10	6	8
Indigenous Person	%		1.3	1.2	0	0	n/a
Member of a visible minority	%	15	19	21	36	32	31
LGBTQ2S+	%		1.3	2.5	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, 2019 median scores. Member of a visible minority: Canadian Bankers Association, Banks as Employers report 2017.

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

		2019	2018	2017	2016	2015
Non-management	%	92	92	92	90	91
Management	%	99	98	97	99	99
Senior management	%	111	111	107	111	108

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 behaviours that reflect an employee’s accountabilities. 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)

		2019	2018	2017	2016	2015
Employees completing their annual performance review	%	94	86	88	83	93

### 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 28 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 2019 due to six branches unionizing.

		BM	2019	2018	2017	2016	2015
Employees unionized	%	30	31	29	28	26	22

Benchmark (BM) source: HR metrics report for Canadian credit unions, 2019 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

A number of previous year(s) outstanding labour practice incidents are awaiting mediation/arbitration while others continue to be discussed with the union in efforts to resolve.

		2019	2018	2017	2016	2015
<b>Total number of grievances related to labour practices</b>	#	42	69	17	15	12
Number of grievances reviewed or addressed (file pending)	#	30	34	9	7	5
Number of grievances no longer subject to action or resolved	#	12	35	8	8	7

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)

Two outstanding incidents filed in previous years were resolved in 2019 through mediation.

		2019	2018	2017	2016	2015
<b>Total number of filed grievances related to human rights and harassment</b>	#	5	7	11	4	3
Number of grievances reviewed or addressed (file pending)	#	1	3	1	2	0
Number of grievances no longer subject to action or resolved	#	4	4	10	2	3

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.

		2019	2018	2017	2016	2015
Employees who completed training	%	94	85	-	64	-

- = 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 (four robberies in 2019), 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)**

According to Statistics Canada’s Work absence report for 2019, the number of days lost per year for the Finance and Insurance sector was eight days. On average, men lost fewer days than women—6.5 versus 9.9 days respectively.

		BM	2019	2018	2017	2016	2015
Days for short-term disability leave	#		14,435	11,661	13,299	10,901	10,947
Days for sick/care days	#		14,851	14,816	12,971	11,274	11,458
<b>Total days lost due to illness/care</b>	<b>#</b>		<b>29,287</b>	<b>26,477</b>	<b>26,270</b>	<b>22,175</b>	<b>22,405</b>
<b>Absenteeism rate</b>	<b>#</b>	<b>5</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>10</b>

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 workdays 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, 2019 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).

## Planet

### 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, nor are we a large direct emitter of greenhouse gases (GHG). However, it is still important to our members that Vancity reduce the environmental footprint of our operations as much as possible and we 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.

While maintaining a focus on GHG emissions, we have begun shifting towards a more holistic approach based on ecological footprint methodology, allowing Vancity to understand and consider the broader environmental impacts of our operations, products, and services while still measuring and accounting for our carbon footprint. Both internally and externally, the language of Lighter Living is used to communicate this holistic approach to an overall reduction in resource consumption and negative ecological impact.

For more on our approach see [2019 Annual Report](#), 'Environmental impact,' p. 21.

[vancity.com/EnvironmentalSustainability](https://vancity.com/EnvironmentalSustainability)

[vancity.com/EnergyEnvironment](https://vancity.com/EnergyEnvironment)

### Examples of sharing our experiences with communities to help reduce climate footprints (SDG-12)

Project or initiative	Description
Zero Waste Events	Participating in community events has always been an important part of Vancity's community investment work. However, events generate significant waste. In 2019, we strengthened our commitment to supporting our community partners make the events that we take part in green. The Zero Waste Events program pairs local event hosts (non-profits, city events, festivals, etc.) with a trusted local partner to create a plan for the event to achieve zero waste, meaning all waste is diverted from landfill to reuse, recycle or compost. Through a three-year partnership, Vancity pays a portion of the consulting fees for the event host to work with their community partner and build their capacity to delivery a completely zero waste event. In 2019, we supported approximately one dozen events through this program and are now looking to increase impact by encouraging events to shift policies to prioritize reusable cups, dishes and materials instead of single-use items.

### 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 2019, 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 2019 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 on how to reduce the greenhouse gas emissions from our operations through 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) (SDG-12)

In 2019, our total emissions decreased by 13%. See GHG emissions by source data table below for details.

		2019	2018	2017	2016	2015
Scope 1 (direct GHG emissions)	t	428	468	532	415	164
Scope 2 (indirect GHG emissions)	t	131	140	141	137	140
Scope 3 (other indirect GHG emissions)	t	3,425	3,950	3,894	3,858	4,243
<b>Total GHG emissions</b> ♦	<b>t</b>	<b>3,984</b>	<b>4,558</b>	<b>4,567</b>	<b>4,410</b>	<b>4,547</b>

t = metric tonnes of CO<sub>2</sub> -equivalent.

For definitions of Scope 1 to 3, see our greenhouse gas handbook and inventory report at [annualreport.vancity.com](#).

### GHG emissions by source (SDG-12)

**Premises energy use:** Emissions from energy use decreased seven per cent due to on-going efforts in implementing more energy efficient equipment and control system upgrades that use less natural gas.

**Paper use:** Emissions from paper use decreased 32% due to using more digital options with less paper printed for marketing collateral and campaigns. Although the percentage of post-consumer waste content in paper used also decreased, which would normally drive up emissions, the large reduction in paper consumption offset this.

**Vehicle fleet:** Vehicle fleet emissions decreased 17%. This was likely due to a decrease in the number of sites needing repair services, resulting in fewer kilometers driven.

**Employee business travel by air and vehicle:** Employee business travel emissions decreased 24% due to a decrease in the total number of flights taken, likely as a result of tighter budget management. The emission factors for flights also decreased, contributing to lower emissions.

**Employee commuting:** The primary reason for a seven per cent decrease in emissions was mainly due to a decrease in the number of employees working. A change to a more accurate methodology also had a small impact on the decrease. There was a slight increase in the average auto-related emission per employee trip in a week from 19.9 kgs. to 20.60 kgs. in 2019.

		2019	2018	2017	2016	2015	2007 base year
Premises energy use	t	712	752	859	698	663	1,495
Paper use	t	283	414	533	516	520	811
Vehicle fleet	t	38	46	58	55	47	34
Employee business travel by air and vehicle	t	740	980	784	846	871	895
Employees commuting in single occupancy vehicles	t	2,211	2,366	2,333	2,295	2,446	2,006
<b>Total GHG emissions</b> ♦	<b>t</b>	<b>3,984</b>	<b>4,558</b>	<b>4,567</b>	<b>4,410</b>	<b>4,547</b>	<b>5,241</b>

t = metric tonnes of CO<sub>2</sub> -equivalent.

For further details on how emissions are calculated for each source see 2019 GHG Handbook and inventory report on [annualreport.vancity.com](#).

### GHG emissions by source, per employee (FTE) (102-48, 305-4) (SDG-12)

		2019	2018	2017	2016	2015	2007 base year
Premises energy use	t	0.3	0.3	0.4	0.3	0.3	0.7
Paper use	t	0.1	0.2	0.2	0.2	0.2	0.4
Vehicle fleet	t	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Employee business travel by air and vehicle	t	0.3	0.4	0.3	0.4	0.4	0.4
Employees commuting in single occupancy vehicles	t	0.9	1.0	1.0	1.0	1.1	0.9
<b>Total GHG emissions per employee (FTE) ♦</b>	<b>t</b>	<b>1.7</b>	<b>1.9</b>	<b>2.0</b>	<b>1.9</b>	<b>2.0</b>	<b>2.4</b>

t = metric tonnes of CO<sub>2</sub>-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 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.

For further details on how emissions are calculated for each source see 2019 GHG Handbook and inventory report on [annualreport.vancity.com](http://annualreport.vancity.com).

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

In 2019, premises energy use decreased 7% as a result of routine preventative maintenance and continued investment towards energy-efficient retrofits and appliances.

Energy use (actual and estimated), by type		2019	2018	2017	2016	2015
Electricity use (millions)	kWh	9.4	10.1	10.2	9.8	9.9
Natural gas use	GJ	12,322	13,141	15,125	11,774	10,823

Premises energy use (electricity and natural gas)		2019	2018	2017	2016	2015
Energy use (actual) at metered locations (millions)	ekWh	11.0	11.8	12.0	11.2	11.1
Energy use (estimated) at non-metered locations (millions)	ekWh	1.9	2.0	2.4	1.9	1.8
<b>Total premises energy use (millions)</b>	<b>ekWh</b>	<b>12.9</b>	<b>13.8</b>	<b>14.4</b>	<b>13.1</b>	<b>12.9</b>
Total premises energy use per employee (FTE)	ekWh	5,383	5,580	6,274	5,713	5,715

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

Metered energy use is based on data from 59 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 [annualreport.vancity.com](http://annualreport.vancity.com).

### Employee commuting

The percentage of employees using sustainable transportation modes remained steady as well as the average auto-related emissions per employee in a week. The average travel distance travelled increased slightly by 0.25kms in 2019.

		BM	2019	2018	2017	2016	2015
Employees making trips to and from work using sustainable transportation modes	%	41	54	55	55	56	53

Data source: [Vancity's transportation survey](http://vancity.com/transportation-survey). The response rate was 74% in 2019 and 83% in 2018. Benchmark (BM) source: provided by an external consultant based on 2016 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. We donate computer or technical equipment to [Quantum Lifecycle Partners](#) (formerly GEEP), a provider of environmentally responsible electronics waste recycling. 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.

54 of our 60 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 2019, internal office paper use decreased by 16%. This decrease is likely due to a trend of employees making bulk purchases in alternating years. Other paper use decreased 40% due to continued efforts in utilizing more digital options, less printed marketing materials and the increasing adoption of member e-statements. Overall, total paper use decreased 36%. The percentage of recycled content in paper used also decreased 15 percentage points due to challenges sourcing recycled content paper as a result of a shortage in the paper industry.

		2019	2018	2017	2016	2015
Internal office paper use	t	26	31	19	33	23
Other paper use	t	103	171	233	232	224
<b>Total paper use</b>	t	<b>129</b>	<b>202</b>	<b>252</b>	<b>265</b>	<b>246</b>
Percentage of paper use with recycled content	%	58	73	66	82	67
Internal office paper use per employee	kg	11	13	8	14	10

t = metric tonnes; kg = kilograms

Data prior to 2017 has been restated due to restated FTE numbers. See employee profile table for details, p. 9.

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 (102-48, 306-2)

In 2019, 100% of our waste collected from locations in the Net Zero Waste Program was diverted from the landfill. Our efforts in educating employees on proper recycling and more frequent weighing and tracking of our waste streams resulted in an eight per cent decrease from previous year. We have a battery recycling program available to our members and employees through which we collected 1.8 tonnes of batteries in 2019.

Waste Type		2019	2018
Recycled	%	65	64
Compost	%	19	19
Waste to energy production	%	16	16
<b>Total waste diverted</b> ♦	%	<b>100</b>	<b>99</b>
Waste to landfill	%	0	1
Total waste (actual and estimated)	t	187	203 <sup>1</sup>
Waste per employee (FTE)	kg	79	83

t = metric tonnes; kgs = kilograms.

<sup>1</sup> Data was restated due to a new methodology to include estimated waste at locations where there were no tracking systems in place.

Data from locations with tracking systems was used to calculate the percentage of waste by type. In 2019, one office tower and 54 branches in the lower mainland had tracking systems in place. One tower location had tracking systems for three of the four waste streams. Where there was no or minimal tracking systems in place due to a different waste service provider, waste was estimated. Waste was estimated for the remaining locations: two office towers (plus partial estimation for one office tower) and six branches in the lower mainland using the waste per full-time equivalent (FTE) calculated from the sites with data and multiplying this by the number of FTE's at the location to be estimated. The four main streams of waste materials include: glass, metal, and plastic; all fibre materials such as paper; compost; and waste that could not be recycled.

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

In 2019, we improved the accuracy of the water data we collect by increasing the number of locations with submeters from 23 to 31. The implementation of more efficient fixtures along with more accurate measurements resulted in a 16% decrease in the total estimated water use.

### Total water withdrawal by source (303-1)

(millions)		2019	2018	2017	2016	2015
Water use at metered locations	m <sup>3</sup>	16	17	14	15	16
Estimated water use at non-metered locations	m <sup>3</sup>	11	14	14	14	15
<b>Total estimated water use</b>	m <sup>3</sup>	<b>27</b>	<b>31</b>	<b>28</b>	<b>29</b>	<b>31</b>
<b>Total estimated water use per employee (thousands of litres per FTE) ◆</b>	m <sup>3</sup>	<b>11.0</b>	<b>12.8</b>	<b>n/a<sup>1</sup></b>	<b>n/a</b>	<b>n/a</b>

m<sup>3</sup> = cubic metre. All water is obtained from municipal water supplies.

<sup>1</sup> Methodology was revised to set a baseline prior year unaudited results are not comparable. Metered water use is based on data from 31 locations (29 branches and two office tower locations). Remaining 31 branches and two office locations 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) and features (e.g. community room) 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 enviro Visa™</i> : At least five per cent of net revenues go to the enviroFund™, which supports local environmental projects	Community and environment

## Buying local (102-9, 103-1, 103-2, 103-3)

Vancity's supply chain is labour-and-technology intensive and 89.5% of our 1,028 suppliers are based in Canada.

- **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 60 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)

		2019	2018	2017	2016	2015
<b>Total value of managed purchases by region (millions of dollars)</b>	\$	<b>130.4</b>	<b>131.9</b>	<b>121.8</b>	<b>120.7</b>	<b>119.2</b>
Locally-based	%	65	64	68	65	67
Rest of B.C.	%	0.4	1	<1	1	1
Rest of Canada	%	18	21	20	22	19
USA/other	%	17	14	12	12	13
<b>Total number of suppliers by region</b>	#	<b>1,028</b>	<b>1,126</b>	<b>1,158</b>	<b>1,133</b>	<b>1,228</b>
Locally based	#	673	72	73	75	77
Rest of B.C.	#	26	2	3	3	3
Rest of Canada	#	221	17	16	14	13
USA/other	#	108	9	8	8	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.

### Supporting local business and organizations (203-2)

For our approach, see [2019 Annual Report](#), ‘Operating context and strategic priorities,’ p. 40 and ‘Supporting local businesses and organizations,’ p. 26.

### 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. 23.

[Impact lending and investing \[vancity.com/CommunityImpactLoans\]\(http://vancity.com/CommunityImpactLoans\)](#)

### Community impact loans: key outcomes (SDG-11)

		2019	2018	2017	2016	2015
Units of affordable housing funded	#	2,743	3,131	2,907	2,124	1,042
Square feet of energy efficiency improvements funded	ft <sup>2</sup>	482,493	1,437,007	475,691	254,934	901,105

Counts acquisitions and renovations of homes that already existed, as well as net new homes.

In 2019 there were 1,691 net new homes.

For definitions of terms, see the glossary at [annualreport.vancity.com](#).

### 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 2019, we approved grants for 451 not-for-profits and impact businesses totaling \$10.4m.

		2019	2018	2017	2016	2015
Organizations supported through a grant	#	451	434	329	312	252

Community sponsorships are included in the total grants approved.

### Community grants approved for distribution, by primary impact area (SDG-8)

		2019	2018	2017	2016	2015
Indigenous communities	%	13	9	11	11	12
Energy and environment	%	13	8	11	9	13
Economic inclusion	%	16	17	21	20	16
Local and organic food	%	9	5	12	17	20
Impact business entities	%	16	18	19	15	15
Impact real estate	%	33	43	26	28	24

A grant may fall in more than one impact area.

For definitions of impact area terms, see the glossary on [annualreport.vancity.com](#).

[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 Ethical Principles for Business Relationships (EPBR):

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](http://vancity.com/EthicalPrinciples)

For every business relationship we enter into, we look for alignment with our Ethical Principles for Business Relationships and we look for ways to promote positive social, economic and environmental practices. 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 Procurement and Contract Management.

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)

In 2019, we assessed 39 potential new strategic relationships and three were awarded contracts; one new strategic relationship was screened for the first time in 2019.

		2019	2018	2017	2016	2015
<b>Total Ethical Principles assessments for new strategic relationships</b>	#	4	2	2	1	2
Strategic suppliers	#	3	2	1	0	2
Other strategic relationships	#	1	0	1	1	0

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

In 2019, the Risk Management Committee approved calibration of the cadence and scope of the treasury relationships and suppliers reviewed for EPBR to focus on key industries, and our most critical third-party relationships staying within our enterprise risk framework and our board-approved risk appetite.

As a result, we now assess existing treasury relationships every three years, and all strategic supplier relationships once every two years, with a focus in outsourced relationships. In 2019, 16 relationships were due for assessment and we completed assessments for all of them.

		2019	2018	2017	2016	2015
Strategic relationships assessed in accordance with the EPBR	%	100	62	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.

		2019	2018	2017	2016	2015
Total known existing relationships that are poorly aligned with the EPBR	#	1	1	0	1	1
Of these, relationships with action plans to address key concerns	#	1	1	0	1	1

### Asset management and corporate engagement (203-2)

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.23.

### Corporate engagement (FS10) (SDG-5, 13)

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 2019, the sub-advisor group engaged with thirty-two companies on issues related to climate risk, human rights, pesticides, packaging, access to medicine and gender pay equity. These engagements included filing shareholder resolutions with four banks, two insurance companies, one pharmaceutical company, one technology company, one food services company and two rail companies.

		2019	2018	2017	2016	2015
Number of companies in portfolio with which Vancity Investment Management’s sub advisory group interacted	#	32	40	25	24	24
Percentage of companies in portfolio with which Vancity Investment Management’s sub-advisory group interacted	%	21	26	17	18	18

## Prosperity

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

For our approach and more on our performance see [2019 Annual Report](#), 'Overall financial plan' p. 28.

See also Vancity's 2019 consolidated financial statements at [annualreport.vancity.com](http://annualreport.vancity.com).

### Triple bottom line assets under administration (TBLAA) (FS7, FS8) (SDG-11, 13, 17)

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

In 2019, we had \$7.8 billion or 28% of our total organization's assets invested in impact.

		2019	2018	2017	2016	2015
Value of TBLAA ( <i>billions</i> )	\$	7.8	6.9	6.1	5.4	4.4
TBLAA as % of overall Vancity assets and assets under administration ♦	%	27.6	25.1	23.2	21.1	18.6

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 (SDG-11, 13)

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.

		2019	2018	2017	2016	2015
Business lending	%	49	48	43	37	32
Consumer loans	%	3	3	2	1	1
Residential mortgages	%	17	15	14	15	13
Owned premises	%	78	79	78	79	80
Member/client investments that we manage or administer on their behalf	%	33	33	34	31	28
Treasury	%	24	18	13	8	8

For the definition of impact in each asset category, see the glossary at [annualreport.vancity.com](http://annualreport.vancity.com).

### TBLAA asset categories – values of impact assets (SDG-11, 13)

( <i>millions</i> )		2019	2018	2017	2016	2015
Business lending	\$	3,194	2,980	2,421	1,924	1,572
Consumer loans	\$	21	17	13	7	6
Residential mortgages	\$	2,094	1,806	1,662	1,816	1,501
Owned premises	\$	27	28	28	29	31
Member/client investments that we manage or administer on their behalf	\$	1,689	1,479	1,624	1,381	1,133
Treasury	\$	763	596	381	242	194

For the definition of impact in each asset category, see the glossary at [annualreport.vancity.com](http://annualreport.vancity.com).

## 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 (\$9.15m), and with our community in the form of grants and donations, (\$9.15m). This includes an annual donation to the Vancity Community Foundation. The Foundation is a registered charity that is not a subsidiary of Vancity, with its own

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](http://VancityCommunityFoundation.ca)

<i>(millions of dollars)</i>		2019	2018	2017	2016	2015
Total Shared Success allocation to members and communities	\$	18.3	24.2	27.5	18.5	19.5
Shared Success allocation as a percentage of net income attributable to members	%	30	30	30	30	30

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

<i>(thousands of dollars)</i>		2019	2018	2017	2016	2015
Mission-based grants	\$	9,395	12,385	7,502	6,802	7,242
Community project grants	\$	221	226	228	997	776
Vancity Community Investment Bank donations	\$	0	0	0	34	186
Credit card earnings allocated to Vancity's enviroFund™	\$	1,026	269	750	746	729
Annual donation to the Vancity Community Foundation	\$	350	350	350	350	350
Annual donation to Greater Victoria merger (legacy fund)	\$	0	194	194	194	200
Special projects/other	\$	291	465	734	748	925
<b>Total community allocations</b>	<b>\$</b>	<b>11,284</b>	<b>13,889</b>	<b>9,758</b>	<b>9,871</b>	<b>10,408</b>

Consistent with all items reported on the Statement of Operations in the summarized and consolidated financial statements, community donations were recorded on an accrual basis. Allocations made in the current year will be distributed to the community in the future.

### 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 [2019 Annual Report](#), 'Overall financial plan,' p. 28.

		2019	2018	2017	2016	2015
Return on average members' equity (ROME) - business results ♦	%	5.6	7.9	9.3	6.8	7.8
ROME after taxes and Shared Success distributions to members and communities ♦	%	4.5	6.3	7.6	5.5	6.2
Allowance for credit losses as a percentage of total loans	%	0.4	0.4	0.4	0.4	0.4
Assets under management or administration (AUM/AUA) <sup>1</sup> <i>(billions of dollars)</i>	\$	5.1	4.5	4.7	4.4	4.0
Total assets and AUM/AUA <i>(billions of dollars)</i>	\$	28.2	27.4	26.4	25.6	23.8
Equity to Total Assets	%	6.0	5.8	5.6	5.4	5.5
Efficiency ratio	%	79.8	78.4	74.1	78.4	79.4
Liquidity ratio	%	13.1	13.4	12.9	14.3	13.7
Capital adequacy ratio	%	14.7	14.8	14.1	13.4	13.3
Return on average assets	%	0.3	0.4	0.4	0.3	0.3
Net interest margin (net interest income as a percentage of average interest earning assets)	%	1.9	2.0	2.0	1.9	1.9
Net interest income as a percentage of operating revenue	%	82.1	83.5	77.1	82.5	80.9
Percentage of member loans funded by member deposits	%	85.6	84.4	85.7	85.0	81.9
Gross impaired loans as a percentage of total loans <sup>2</sup>	%	0.57	0.46	0.0	0.0	0.0
Low Quality Assets <sup>3</sup>	%	0.48	0.38	0.01	0.03	0.03
Real Economy Exposure to Total Exposure	%	70.1	84.1	85.6	84.6	87.1
Real Economy Revenue to Total Revenues	%	79.8	84.1	86.8	85.9	93.7

Data is derived from or is calculated using data from Vancity's audited consolidated financial statements unless otherwise stated.

1 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.

2 Effective 2018, gross impaired loans are based on Stage 3 loans per IFRS 9. Prior year data has not been restated. 2018 restated to reflect 2019 calculation.

3 Formerly Asset Quality Ratio. Data prior to 2018 is not comparable.

## 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 member shares and deposits.

<i>(millions of dollars)</i>		2019	2018	2017	2016	2015
Federal taxes	\$	13.8	19.2	9.2	3.9	10.5
Provincial taxes	\$	7.4	3.1	2.2	1.7	2.3
<b>Total taxes paid or payable</b>	\$	<b>21.2</b>	<b>22.3</b>	<b>11.4</b>	<b>5.6</b>	<b>12.8</b>
Current tax expense	\$	16.8	18.0	18.6	5.9	10.5
Deferred tax expense	\$	(4.7)	(8.5)	7.7	9.3	(3.9)
<b>Total income tax expense</b>	\$	<b>12.1</b>	<b>9.5</b>	<b>26.3</b>	<b>15.2</b>	<b>6.6</b>

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.

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

At Vancity, we hear from our members every day that access to affordable housing is among their most pressing concerns. It's affecting their quality of life and the well-being of our communities.

In British Columbia, there is a backlog of nearly 80,000 new rental units needed to address current demand for affordable rental housing. The province needs an average of 7,000 new rental units a year to accommodate for projected growth in population. In our own trade region, almost half of renter households are paying more than 30% of their income on rent and utilities. And significantly, one in five renter households in Metro Vancouver are spending more than half their income on rent and utilities, leaving them with little disposable income. Our members include these renter households. Our members also include community housing operators who are working to support people living along the housing continuum from emergency and homeless shelters, through to transitional housing, subsidized

housing, co-operative housing, below market rental housing, life leases, and property ownership.

For more on our approach to affordable housing, see [2019 Annual Report](#), 'Affordable housing,' p. 33.

[Affordable housing](#)

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

## Examples of Vancity's collaboration with other organizations in support of affordable housing in 2019 (SDG-11)

Organization	Description of collaboration with Vancity
<a href="#">BC Non-Profit Housing Association</a>	Vancity partnered with the BC Non-Profit Housing Association to offer the IAP2 Foundations in Public Participation Course to 23 community housing sector organizations. The program is designed to increase community engagement and support for affordable housing. Through this partnership we also delivered our first Vancity Housing Impact Talks event, as part of a pre-Housing Central conference.
<a href="#">Metro Vancouver</a> and <a href="#">TransLink</a>	Vancity partnered with Metro Vancouver and TransLink to develop a Rail-Volution Regional Forum to gather regional transportation, planning and sustainability professionals, not-for-profit organizations, and advocacy groups in a discussion about the intersections between transportation, affordable housing, climate change and equity.
15 Community Housing Organizations	Vancity delivered two "Building It Right" workshops designed to help organizations assess their readiness and develop a real estate vision that can help guide subsequent affordable housing development decisions. There were 45 participants from 15 organizations, including two First Nations.

## Paying a living wage (103-1, 103-2, 103-3)

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.

### Entry-level employee hourly wage compared with British Columbia's living wage (201-1, 203-2) (SDG-8)

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 \$19.50 per hour in 2019, 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 number 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 decreased from \$20.91/hr in 2018 to \$19.50/hr. However, Vancity continued to pay its contracted suppliers, existing contracts, and new contracts the living wage rate of \$21.73/hr; and its permanent employees at the rate of \$20.91 /hr, which is above the Metro Vancouver living wage rate.

Living wage [livingwageforfamilies.ca](http://livingwageforfamilies.ca)

### Metro Vancouver Living Wage standard (SDG-8)

		2019	2018	2017	2016	2015
Metro Vancouver hourly living wage, including the value of benefits	\$	19.50	20.91	20.62	20.64	20.68
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	\$	17.08	17.82	16.79	16.79	16.80

### Vancity entry level employee hourly wage for permanent employees

		2019	2018	2017	2016	2015
Permanent entry level employee	\$	17.08	17.82	16.80	16.80	16.80
Permanent entry level employee hourly value of benefits	\$	3.83	3.83	3.88	3.88	3.88
Permanent entry level employee hourly wage plus value of benefits	\$	21.91	21.65	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 2019, 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.

		2019	2018	2017	2016	2015
Non-permanent entry level employee hourly wage	\$	20.50	20.50	20.12	20.12	20.12
Non-permanent entry level employee hourly value of benefits (vacation allowance)	\$	1.23	1.23	0.56	0.56	0.56
Non-permanent entry level employee hourly wage plus vacation allowance	\$	21.73	21.73	20.68	20.68	20.68

Vacation benefit is based on vacation leave available to employees beyond 70 hours.

## Transparent and inclusive governance

For our approach see [2019 Annual Report](#), 'Section three: About Vancity,' p. 35.

🔗 Values-based banking [vancity.com/ValuesBasedBanking](http://vancity.com/ValuesBasedBanking)

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

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

The Board considers the legitimate interests that stakeholders such as employees, suppliers, members and communities may have in Vancity. It calls 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 principal risks affecting Vancity. The Risk Management Committee consists of: the Chief Executive Officer; Chief Risk Officer, Chief Member Services Officer; Vice President of Community Member Service; Vice President; Enterprise Intelligence and Data; and the Senior Strategic Management Consultant.

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

According to the Canadian Board Diversity Council's [2018 Annual report card](#) for FP500 Boards, women comprise 24.5% of Boards. Based on self-reporting, the report card showed 5.9% belonging to a visible minority group, 7.6% aged 30-49, 92.4% aged 50 and over and 0% under 30. The representation of women on boards in the finance and insurance sector accounted for 33.1%.

		2019	2018	2017	2016	2015
Women	%	78	89	89	89	67
Aged under 30	%	0	0	0	0	0
Aged 30-50	%	44	33	33	44	22
Aged over 50	%	55	67	67	56	78
Person with a disability	%	0	n/a	n/a	n/a	n/a
Indigenous person	%	0	n/a	n/a	n/a	n/a
Member of a visible minority	%	44	44	33	33	11
LGBTQ2S+	%	11	n/a	n/a	n/a	n/a

Vancity's Board of Directors is elected by our members. Data is based on nine board members. Additional Board of Directors diversity segment tracking was introduced in 2019

## 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 each.

In 2019, we continued to improve and evolve Vancity's Enterprise Risk Management (ERM) program. Most notably, we revised the Risk Appetite

Framework by increasing alignment with our strategy and added risk indicators with set risk tolerance limits. The risk indicators act 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 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 business/commercial activities that, while technically in compliance with laws and regulations, may have significant adverse environmental or social consequences.

Social and environmental risks of business banking 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. When managing risk for lending to any type of business, 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

As a pioneer of values-based banking, Vancity has long recognized climate change and society's response as critical issues. We believe the need for climate action is urgent, and we are committed to advancing the transition to low-carbon future.

This is Vancity's first report aligned to recommendations of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD). It covers our approach to managing climate-related risks and opportunities. Like others in the financial sector, we are in early stages of this work and expect to provide increasingly robust disclosures in future.

See [2019 Annual Report](#), 'Climate risks and opportunities,' p. 49.

### Business and commercial loan portfolio (dollars outstanding) by North American Industry Classification System (FS6) (PAS)

In 2019, 11% of all business loans were approved outside of British Columbia through Vancity Community Investment Bank.

		2019	2018	2017	2016	2015
<b>British Columbia</b>						
Accommodation and food services	%	3	3	2	2	2
Construction	%	15	17	12	9	7
Health care & social assistance	%	3	3	3	3	3
Manufacturing	%	1	1	2	2	2
Other	%	10	11	6	6	4
Other services	%	5	5	4	4	3
Professional, scientific & technical	%	2	2	1	1	1
Real estate, rental & leasing	%	57	54	65	70	75
Retail trade	%	1	1	1	1	1
Transportation & warehousing	%	1	1	1	1	1
Wholesale trade	%	2	1	1	1	1
<b>Outside of British Columbia (Vancity Community Investment Bank)</b>						
Construction	%	11	11	8	4	2
Real estate, rental & leasing	%	89	89	92	96	98

## 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.

For more on our approach to Directors' remuneration, including each Director's remuneration and expenses, see [vancity.com/BoDAnnualReporting](http://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 [2019 Annual Report](#), ‘Senior management and executive compensation,’ p. 38.

[CEO compensation](#)

**President and Chief Executive Officer compensation**

		2019	2018	2017	2016	2015
Total compensation	\$	1,050,152	1,040,078	1,028,046	990,022	962,679

The B.C. Financial Services Authority (BCFSA), is British Columbia’s regulatory agency for credit unions. BCFSA’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**

		2019	2018	2017	2016	2015
Ratio of Vancity’s CEO compensation to our lowest paid permanent full-time employee	#	28	28	28	29	27

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 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.

		2019	2018	2017	2016	2015
Ratio of Vancity’s CEO compensation to median annual total compensation for all employees	#	15	15	15	15	15

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 2019, 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 1.9%.

		2019	2018	2017	2016	2015
Ratio of Vancity’s CEO percentage increase in annual total compensation to median annual percentage increase in annual total compensation for all employees	#	0.6	0.6	4.5	1.0	-0.6

GRI’s compensation definition for our CEO 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](http://vancity.com/Election)

		BM	2019	2018	2017	2016	2015
Number of eligible members who voted	#		13,461	14,770	18,331	17,916	21,312
Percentage of eligible members who voted	%	1.6	2.8	3.2	4.1	4.4	4.9

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. 3.

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

		2019	2018	2017	2016	2015
Personal members	%	43	37	44	41	47

### 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 2019	
Members	<p>Insights: Online member panel, post-transactional surveys, focus groups, social media</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</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	<p>Meet and correspond regularly with our regulators. Formally report on performance and respond to their questions.</p>

<b>Other stakeholders and ways we engaged with them in 2019</b>	
Competitors and peers	Work with peers on issues of common interest through industry and other working groups and committees, including Central 1 and the Global Alliance for Banking on Values
Suppliers and business partners	“Request for proposal” process. Ethical Principles for Business Relationships. Our supplier relationship managers have meetings as needed to discuss contractual obligations and delivery, 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 for Vancity to 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. All advocacy opportunities are filtered through our organizational business plan to determine their ability to influence systems change in priority areas of importance to our members and communities. 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. This is 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.

### Externally developed economic, environmental and social charters, principles or other initiatives to which we subscribe or endorse (102-12) (SDG-13, 17)

[AA1000 series of standards](#)  
[Carbon Disclosure Project](#)  
[Climate Change Commitment](#)  
[Climate Justice Project](#)  
[Co-ops for 2030](#)  
[Face of leadership - Diversity pledge](#) (Minerva Foundation)  
[Global Reporting Initiative Sustainability Reporting Standards](#)  
[ISO14064 Part 1](#)  
[Living Wage Employer](#)  
[National Impact Investment Practitioners Table](#)  
[Partnership for Carbon Accounting Financials](#)  
[Principles for Reconciliation](#) (Truth and Reconciliation Commission: Calls to Action)  
[Principles of Values-based Banking](#) (Global Alliance for Banking on Values)  
[Taskforce for Climate-related Financial Disclosures](#)  
[United Nations \(UN\) Declaration on the Rights of Indigenous Peoples](#)  
[UN Principles for Responsible Banking](#)  
[UN Principles for Responsible Investment](#)  
[UN Sustainable Development Goals](#)  
[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 Poverty Reduction Coalition](#)  
[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 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 Foundation of British Columbia](#)  
[Environment Funders Canada](#)  
[Financial Health Network](#)  
[Global Alliance for Banking on Values](#)  
[Global Reporting Initiative](#) (GRI Community)  
[Integrated Reporting Business Network](#)  
[International Cooperative Alliance](#)  
[International Facility Management Association](#)  
[LOCO BC](#)  
[Mackay CEO Forums](#)  
[Mortgage Investment Association of BC](#)  
[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 Strategy Co-Creation Steering Group](#)  
[UNEP Finance Initiative](#)  
[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 B.C. Financial Services Authority (BCFSA), 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 BCFSA 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](http://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 2019, the annual Code of Conduct declaration resulted in a return rate of approximately 96%. 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.

		2019	2018	2017	2016	2015
Employees who signed Vancity’s Code of Conduct	%	96	92	90	92	93
Signed by non-management	%	96	92	90	91	92
Signed by management	%	95	95	90	97	96
Signed by senior management	%	88	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 three substantiated incidents in 2019, all resulted in progressive discipline, warning and/or termination.

		2019	2018	2017	2016	2015
Substantiated incidents	#	3	4	4	2	5

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)

		2019	2018	2017	2016	2015
Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	#	0	0	0	0	0

1 Incident reported in 2014 was still pending as of Dec 31, 2019

(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 2015 to 2019
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(417-2, 417-3)

	2019	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	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 [2019 Annual Report](#) 'Structure and executive leadership team,' p. 39.
- 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, 2019 energy data is reported for the period October 1, 2018 to September 31, 2019).
- 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 [2019 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 800 members in the fourth quarter of 2019. See data tables with specific scores, margins of error and levels of confidence.

**Member Services Centre quality tracking survey:** A 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 +/- 1.8%.

**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 Kincentric (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.

- **Size of membership**
- **Satisfaction with overall service delivery**
- **Likelihood to recommend**
- **Employee engagement score**
- **Return on average members' equity (after Shared Success)**
- **Return on average members' equity (business results)**
- **Triple bottom line assets under administration**
- **Greenhouse gas emissions**
- **Carbon neutral assertion**
- **Carbon footprint per full-time equivalent**
- Percentage of employees who self-identify as Indigenous
- Number of people assisted with products and services designed to provide access to basic financial services, affordable housing, credit and credit repair
- 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 accountability statements, in the [glossary](#) and in the [greenhouse gas handbook and inventory report](#).

## Changes in measures from 2018 (102-49)

The following list includes measures we changed or discontinued in 2019.

Added, because it was added as a target in the 2019 business plan:

- Return on average members' equity (ROME) – business results

Discontinued, because they were not 2019 business plan targets:

- Members who do not report a problem
- Contribution to well-being: the degree to which members believe Vancity has had a positive effect on their well-being
- Net growth funding ratio

## 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 that 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 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 2019’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 and surveys. 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 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 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 topics 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 Topics	Impact boundaries		Page references	
		Within Vancity*	Outside Vancity	Accountability Statements	Annual Report
<b>People</b>					
Member profile and growth	-	Yes	Members and their communities, regulators, competitors and peers	3	13
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	3	14
Financial literacy	Economic: Indirect economic impacts Product responsibility: Product and service labeling	-	Members and their communities	5	15
Access to basic financial services for everyone	Economic: Indirect economic impacts Society: Local communities Product responsibility: Product portfolio	-	Members and their communities	6	15
Technology	-	Yes	Members, employees, regulators, suppliers	9	16
Employee talent and 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		9	18
<b>Planet</b>					
Environmental sustainability	Environmental: Materials Environmental: Energy Environmental: Water	Yes	Members and their communities, suppliers and business partners, the environment around our operations	15	21

	Environmental: Emissions Environmental: Effluents and Waste Product responsibility: Product portfolio				
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	19, 20, 21, 22	23, 26, 27, 34
<b>Prosperity</b>					
Financial performance	Economic: Economic performance Product responsibility: Audit	Yes	Members and their communities, regulators, competitors and peers	23	28
Affordable housing	Economic: Indirect economic impacts Product responsibility: Product portfolio	-	Members and their communities	25	33
<b>About Vancity</b>					
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	27	36

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

## Global Reporting Initiative content index

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 Standards <https://www.globalreporting.org/standards>

The page numbers below refer to this document (2019 accountability statements), unless noted otherwise. See documents at [annualreport.vancity.com](http://annualreport.vancity.com).

AR = 2019 Annual Report

FS 2019 = consolidated financial statements

For information on External Assurance see KPMG's Independent Assurance Report on p. 44 of the 2019 Annual Report and Verification of Key performance and impact data, p. 35.

Disclosure	Description	Page number
<b>GRI 102: General Disclosures 2016</b>		
<b>Organizational profile</b>		
<b>102-1</b>	Name of the organization	AR p. 7 Organizational overview
<b>102-2</b>	Activities, brands, products, and services	AR p. 7 Organizational overview
<b>102-3</b>	Location of headquarters	AR p. 7 Organizational overview
<b>102-4</b>	Location of operations	AR p. 7 Organizational overview
<b>102-5</b>	Ownership and legal form	AR p. 7 Organizational overview
<b>102-6</b>	Markets served	AR p. 7 Organizational overview
<b>102-7</b>	Scale of organization	AR p. 7 Organizational overview
<b>102-8</b>	Information on employees and other workers	Employee profile and position status for all employees (headcount), by gender, p. 9 We report on our significant location of operations in B.C. We have six employees in Alberta and twenty-seven employees in Ontario. We do not track self-employed consultants. There are no significant seasonal fluctuations in our employee numbers.
<b>102-9</b>	Supply chain	Vancity's supply chain, p. 19
<b>102-10</b>	Significant changes to the organization and its supply chain	Changes in supply chain, p. 19
<b>102-11</b>	Precautionary Principle or approach	Lending, p. 28
<b>102-12</b>	External initiatives	Externally developed economic, environmental and social charters, principles, or other initiatives to which we subscribe or endorse, p. 32
<b>102-13</b>	Membership of associations	Key membership in associations and advocacy organizations, p. 32
<b>Strategy</b>		
<b>102-14</b>	Statement from senior decision-maker	AR p. 4 Message from the Chair AR p. 5 Message from the CEO
<b>102-15</b>	Key impact, risks, and opportunities	AR p. 7 Vision and business model AR p. 9 Key results AR p. 18 Innovation and engagement AR p. 24 Advocacy AR p. 40 Operating context and strategic priorities AR p. 41 Key performance indicators and targets

<b>Ethics and integrity</b>		
<b>102-16</b>	Values, principles, standards, and norms of behavior	AR p. 7 Vision and business model <a href="#">Vision and business model</a>
<b>102-17</b>	Mechanisms for advice and concerns about ethics	Percentage of employees who received and signed Vancity's code of Conduct p. 33
<b>Governance</b>		
<b>102-18</b>	Governance structure	<a href="#">Governance structure</a> All committees have responsibilities related to decision-making on economic, environmental and social impacts. <a href="#">vancity.com/Committees</a>
<b>102-20</b>	Executive-level responsibility for economic, environmental, and social topics	Members of the <a href="#">Executive Leadership Team</a> , including the CEO (who is accountable to the Board of Directors), each have and/or share accountabilities relating to economic, environmental and social topics.
<b>102-21</b>	Consulting stakeholders on economic, environmental, and social topics	See <a href="#">Rule 4.11</a> . 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.
<b>102-22</b>	Composition of the highest governance body and its committees	Board diversity, p. 28 All Board Directors are non-executive and independent. Directors' background information is included only if they choose to disclose it voluntarily. <a href="#">vancity.com/Committees</a> <a href="#">vancity.com/BoardofDirectors</a>
<b>102-23</b>	Chair of the highest governance body	The Chair is not an executive officer of the organization.
<b>102-24</b>	Nominating and selecting the highest governance body	See election process and desired skills and attributes of directors, <a href="#">vancity.com/Election</a>
<b>102-25</b>	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). <a href="#">vancity.com/Committees</a>
<b>102-26</b>	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. <a href="#">vancity.com/GoodGovernance</a>
<b>102-27</b>	Collective knowledge of the highest governance body	See Professional development <a href="#">vancity.com/GoodGovernance</a>
<b>102-28</b>	Evaluating the highest governance body's performance	See Commitment to Vancity's success <a href="#">vancity.com/GoodGovernance</a>
<b>102-29</b>	Identifying and managing economic, environmental, and social impacts	Governance, p. 27
<b>102-30</b>	Effectiveness of risk management processes	Governance, p. 27
<b>102-31</b>	Review of economic, environmental, and social topics	Governance, p. 27
<b>102-32</b>	Highest governance body's role in sustainability reporting	The Board of Directors, on recommendation from the Audit Committee
<b>102-33</b>	Communicating critical concerns	Member concerns and complaints escalated to Board, Chief Executive Officer and Executive Lead, p. 3
<b>102-34</b>	Nature and total number of critical concerns	Member concerns and complaints escalated to Board, Chief Executive Officer and Executive Lead, p. 3

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
<b>Stakeholder engagement</b>		
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. 13
102-42	Identifying and selecting stakeholders	Identifying stakeholders, p. 32
102-43	Approach to stakeholder engagement	Member feedback mechanisms, p. 3 Member satisfaction, p. 4 Employee engagement score, p. 9 Member participation in elections and other engagement, p. 31 Examples of how we engage with our stakeholders, p. 31
102-44	Key topics and concerns raised	Member satisfaction, p. 4 Key topics and concerns that have been raised through engagement, p. 32
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.
<b>Reporting practice</b>		
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: Member numbers and breakdown by type, p. 2 Number of days lost to employee illness, p. 14 GHG emissions by source, per employee (FTE), p. 17 Waste generated, recycled and diverted from the landfill, p. 18
102-49	Changes in reporting	Changes in measures from the 2018 Annual Report, p. 36
102-50	Reporting period	Reporting period: fiscal year, January 1 – December 31, 2019
102-51	Date of most recent report	Last report: 2018 Annual Report, published May 2019

<b>102-52</b>	Reporting cycle	Reporting cycle: annual
<b>102-53</b>	Contact point for questions regarding the report	Contact: <a href="mailto:accountability@vancity.com">accountability@vancity.com</a>
<b>102-54</b>	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
<b>102-55</b>	GRI content index	Global Reporting Initiative content index, p. 39
<b>102-56</b>	External assurance	AR p. 44 KPMG LLP's independent assurance report
<b>Economic Performance</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Financial performance, p. 23 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Financial performance, p. 23
	103-3 Evaluation of the management approach	Financial performance, p. 23
<b>GRI 201: Economic Performance 2016</b>	201-4 Financial assistance received from government	Taxes paid and payable, p. 25 FS p. 40 Note 10 Income taxes, financial statements
<b>Market Presence</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Paying a living wage, p. 26 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Paying a living wage, p. 26
	103-3 Evaluation of the management approach	Paying a living wage, p. 26
<b>GRI 202: Market Presence 2016</b>	201-1 Ratios of standard entry level wage by gender compared to local minimum wage <sup>1</sup>	Entry-level employee hourly wage compared with British Columbia's living wage, p. 26
<b>Indirect Economic Impacts</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Member well-being and service experience, p. 3 Financial literacy, p. 5 Access to basic financial services for everyone, p. 6 Buying local, p. 19 Supporting local businesses, p. 20 Ethical Principles for Business Relationships, p. 21 Asset management and corporate engagement, p.22 Affordable housing, p. 25 Paying a living wage, p. 26 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Member well-being and service experience, p. 3 Financial literacy, p. 5 Access to basic financial services for everyone, p. 6 Buying local, p. 19 Supporting local businesses, p. 20 Ethical Principles for Business Relationships, p. 21

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

		Asset management and corporate engagement, p.22 Affordable housing, p. 25 Paying a living wage, p. 26
	103-3 Evaluation of the management approach	Member well-being and service experience, p. 3 Financial literacy, p. 5 Access to basic financial services for everyone, p. 6 Buying local, p. 19 Supporting local businesses, p. 20 Ethical Principles for Business Relationships, p. 21 Asset management and corporate engagement, p.22 Affordable housing, p. 25 Paying a living wage, p. 26
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-2 Significant indirect economic impacts	Number of people assisted with financial literacy, p. 6 People assisted with products and services designed to provide access to basic financial services, affordable housing, credit and credit repair, p. 8 Supporting local business and organizations, p. 20 Entry-level employee hourly wage compared with British Columbia's living wage, p. 26
<b>Procurement Practices</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Buying local, p. 19 Ethical Principles for Business Relationships, p. 21 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Buying local, p. 19 Ethical Principles for Business Relationships, p. 21
	103-3 Evaluation of the management approach	Buying local, p. 19 Ethical Principles for Business Relationships, p. 21
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Suppliers, p. 19 Significant locations of operations refers to communities where we have branches.
<b>Anti-corruption</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Privacy, p. 5 Compliance, p. 33 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Privacy, p. 5 Compliance, p. 33
	103-3 Evaluation of the management approach	Privacy, p. 5 Compliance, p. 33
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	Percentage of employees who completed Privacy training, p. 5 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

<b>Anti-competitive Behavior</b>		
<b>GRI 103: Management Approach 2016</b>	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
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Legal actions and incidents of non-compliance, p. 34
<b>Materials</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Materials and waste, p. 17 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Materials and waste, p. 17
	103-3 Evaluation of the management approach	Materials and waste, p. 17
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Paper use, p. 18
	301-2 Recycled input materials used	Paper use, p. 18
<b>Energy</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Environmental sustainability, p. 15 Greenhouse gas (GHG) emissions and premises energy use, p. 15 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Environmental sustainability, p. 15 Greenhouse gas (GHG) emissions and premises energy use, p. 15
	103-3 Evaluation of the management approach	Environmental sustainability, p. 15 Greenhouse gas (GHG) emissions and premises energy use, p. 15
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Premises energy use electricity and natural gas, p. 17 Electricity and natural gas used for heating and cooling.
	302-3 Energy intensity	Premises energy use: electricity and natural gas, p. 17
<b>Water</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Water, p. 19 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Water, p. 19
	103-3 Evaluation of the management approach	Water, p. 19
<b>GRI 303: Water 2016</b>	303-1 Water withdrawal by source	Total water withdrawal by source, p. 19
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<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Environmental sustainability, p. 15 Greenhouse gas (GHG) emissions and premises energy use, p. 15 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Environmental sustainability, p. 15 Greenhouse gas (GHG) emissions and premises energy use, p. 15

	103-3 Evaluation of the management approach	Environmental sustainability, p. 15 Greenhouse gas (GHG) emissions and premises energy use, p. 15
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	GHG emissions by scope, p. 16 Natural gas and fuel consumption from fleet vehicles are included in the calculation. See GHG handbook p. 19 for more information on emissions factors and GWPs See GHG handbook p. 22 for more information on base year rationale
	305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions by scope, p. 16 See GHG handbook p. 22 for more information on base year rationale
	305-3 Other indirect (Scope 3) GHG emissions	GHG emissions by scope, p. 16 See GHG handbook p. 22 for more information on base year rationale
	305-4 GHG emissions intensity	GHG emissions by source, per employee (FTE), p. 17
<b>Effluents and Waste</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Materials and waste, p. 17 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Materials and waste, p. 17
	103-3 Evaluation of the management approach	Materials and waste, p. 17
<b>GRI 306: Effluents and Waste 2016</b>	306-2 Waste by type and disposal method	Waste generated, recycled and diverted from the landfill, p. 18
<b>Environmental Compliance</b>		
<b>GRI 103: Management Approach 2016</b>	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
<b>GRI 307: Environmental Compliance 2016</b>	307-1 Non-compliance with environmental laws and regulations	Legal actions and incidents of non-compliance, p. 34
<b>Supplier Environmental Assessment</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Ethical Principles for Business Relationships, p. 21 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Ethical Principles for Business Relationships, p. 21
	103-3 Evaluation of the management approach	Ethical Principles for Business Relationships, p. 21
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Assessments for new strategic relationships, p. 21
<b>Employment</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Employee talent and well-being, p. 9 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Employee talent and well-being, p. 9
	103-3 Evaluation of the management approach	Employee talent and well-being, p. 9

<b>GRI 401: Employment 2016</b>	401-1 New employee hired and employee turnover	Number of employee departures, p. 10 Permanent employee turnover rates, p. 10 Number of new employee hires, overall and broken down by gender and age, p. 10 Permanent employee new hire rate, overall and broken down by gender and age, p. 10 Our primary operations are in B.C.
<b>Labour/Management Relations</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Labour-management relations and human rights, p. 12 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Labour-management relations and human rights, p. 12
	103-3 Evaluation of the management approach	Labour-management relations and human rights, p. 12
<b>GRI 402: Labour/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	Operational changes, p. 13
<b>Occupational Health and Safety</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Health and safety, p. 14 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Health and safety, p. 14
	103-3 Evaluation of the management approach	Health and safety, p. 14
<b>GRI 403: Occupational Health and Safety 2016</b>	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities <sup>2</sup>	Number of days lost due to employee illness, p. 14 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 the 10 provinces, three territories and the Federal Government has its own OHS legislation.
<b>Training and Education</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Employee talent and well-being, p. 9 Performance management, p. 12 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Employee talent and well-being, p. 9 Performance management, p. 12
	103-3 Evaluation of the management approach	Employee talent and well-being, p. 9 Performance management, p. 12

<sup>2</sup> 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.

<b>GRI 404: Training and Education 2016</b>	404-3 Percentage of employees receiving regular performance and career development reviews <sup>3</sup>	Percentage of employees completing their annual performance review, p. 12 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).
<b>Diversity and Equal Opportunity</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Workforce diversity and pay equity p. 11 Board diversity p. 28 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Workforce diversity and pay equity p. 11 Board diversity p. 28
	103-3 Evaluation of the management approach	Workforce diversity and pay equity p. 11 Board diversity p. 28
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Percentage of employees in non-management, management, and senior management by indicators of diversity, p. 11 Board diversity, p. 28
	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. 12
<b>Non-Discrimination</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Labour-management relations and human rights, p. 12 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Labour-management relations and human rights, p. 12
	103-3 Evaluation of the management approach	Labour-management relations and human rights, p. 12
<b>GRI 406: Non-Discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Employee grievances related to human rights and harassment, p. 13
<b>Human Rights Assessment</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Labour-management relations and human rights, p. 12 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Labour-management relations and human rights, p. 12
	103-3 Evaluation of the management approach	Labour-management relations and human rights, p. 12
<b>GRI 412: Human Rights Assessment 2016</b>	412-2 Employee training on human rights policies or procedures <sup>4</sup>	Percentage of employees who completed biennial training on policies and procedures concerning relevant aspects of human rights, p. 14
<b>Local Communities</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Access to basic financial services for everyone, p. 6 Buying local, p. 19 Supporting local businesses, p. 20

<sup>3</sup> Omission: Not applicable: Disclosure by gender and employee category is not applicable because all employees are expected to complete a performance review.

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

		Ethical Principles for Business Relationships, p. 21 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Access to basic financial services for everyone, p. 6 Buying local, p. 19 Supporting local businesses, p. 20 Ethical Principles for Business Relationships, p. 21
	103-3 Evaluation of the management approach	Access to basic financial services for everyone, p. 6 Buying local, p. 19 Supporting local businesses, p. 20 Ethical Principles for Business Relationships, p. 21
<b>GRI 413: Local Communities 2016</b>	413-2 Operations with significant actual and potential negative impacts on local communities	AR p. 26 Supporting local businesses and organizations
<b>Supplier Social Assessment</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Ethical Principles for Business Relationships, p. 21 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Ethical Principles for Business Relationships, p. 21
	103-3 Evaluation of the management approach	Ethical Principles for Business Relationships, p. 21
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Assessments for new strategic relationships, p. 21
<b>Public Policy</b>		
<b>GRI 103: Management Approach 2016</b>	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
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	We do not provide political contributions.
<b>Marketing and Labeling</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Member feedback and service satisfaction, p. 3 Responsible marketing and selling, p. 4 Financial literacy, p. 5 Compliance, p. 33 Material topics and boundaries, p. 37
	103-2 The management approach and its components	Member feedback and service satisfaction, p. 3 Responsible marketing and selling, p. 4 Financial literacy, p. 5 Compliance, p. 33
	103-3 Evaluation of the management approach	Member feedback and service satisfaction, p. 3 Responsible marketing and selling, p. 4

		Financial literacy, p. 5 Compliance, p. 33
<b>GRI 417: Marketing and Labeling 2016</b>	417-2 Incidents of non-compliance concerning product and service information and labeling	Legal actions and incidents of non-compliance, p. 34
	417-3 Incidents of non-compliance concerning marketing communications	Legal actions and incidents of non-compliance, p. 34
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	103-2 The management approach and its components	Privacy, p. 5
	103-3 Evaluation of the management approach	Privacy, p. 5
<b>GRI 418: Customer Privacy 2016</b>	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. 5
<b>Socioeconomic Compliance</b>		
<b>GRI 103: Management Approach 2016</b>	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. 3
<b>GRI 419: Socioeconomic Compliance 2016</b>	419-1 Non-compliance with laws and regulations in the social and economic area	Legal actions and incidents of non-compliance, p. 34
<b>Financial Services Sector Supplement Disclosures</b>		
<b>FS6</b>	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. 29
<b>FS7</b>	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. 7 People assisted with products and services designed to provide access to basic financial services, affordable housing, credit and credit repair p. 8 Community impact loans, p. 20 Community grants, p. 20 Triple bottom line assets under administration (TBLAA) p. 23
<b>FS8</b>	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Products and services to reduce GHG emissions, p. 19 Community impact loans, p. 20 Community grants, p. 20 Triple bottom line assets under administration (TBLAA) p. 23
<b>FS10</b>	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. 22

<b>FS13</b>	Access points in low-populated or economically disadvantaged areas by type	Initiatives to improve access, p. 6
<b>FS14</b>	Initiatives to improve access to financial services for disadvantaged people	Initiatives to improve access, p. 6 Physical accessibility, p. 9