

Glossary.

2023 Annual Report

Vancity



2SLGBTQAI+: Two-Spirit, Lesbian, Gay, Bisexual, Transgender, Queer and/or Questioning, Asexual, Intersex, and the countless affirmative ways in which people choose to self-identify.

Accountability data, information, or statements: Financial, economic, environmental, social, and governance data and information that we voluntarily disclose in our annual reports. This is in addition to financial data and information we provide to meet regulated financial reporting requirements. We do this to provide members with a more complete picture of our performance.

Accrued interest receivable: The interest from loans and financial assets that is owed to Vancity at the end of the year.

Affordable housing: Financing that results in renovations or new developments that maintain or create new affordable home ownership units.

These projects require a reasonable plan to secure affordability and ownership over time (usually through subsidies of either land, second mortgages, affordability covenants, etc.). The projects can include a mix of affordable units, with a significant number of below market units (e.g., secured by an affordability covenant) combined with market units. Typically, these projects are done through programs delivered either directly by, or in partnership with not-for-profit housing groups and/or governments. Examples include Rental Housing, Co-op Housing, and Social Housing. For more information on Vancity financing of Affordable Housing, see our [Community Impact Transactions](#) guidelines.

Allocations (e.g., from Shared Success/to members and the community): Funds accrued in the financial statements for future distribution to members and communities, i.e., funds that are recognized in the financial statements before they are paid for or distributed.

Allowance for credit losses: An estimate of the portion of loans that is unlikely to be repaid. It consists of an individual allowance for each loan and a collective allowance for the loan portfolio as a whole.

Allowance for credit losses as a percentage of total loans: Calculated as allowance for credit losses divided by gross total loans. This is an asset quality ratio that measures the allowance available to absorb loan losses relative to total loans outstanding.

Anti-racist/racism: A set of conscious efforts to provide equitable opportunities for all people on an individual and systemic level including taking action against racial hatred, bias and systemic racism; acknowledging earned and unearned

advantages; confronting acts and systems of racial discrimination; working toward changing personal racial bias.

Assets (financial, per the balance sheet): Everything Vancity owns that is determined to have a future economic benefit.

Assets under management or administration: Off-balance sheet assets that represent the market value of discretionary and non-discretionary member and client investments (including employee pensions and estates & trusts), such as mutual funds, stocks, bonds, or cash and cash equivalents that Vancity manages or administers on their behalf.

Assurance: The provision of an independent, objective examination and assessment of certain subject matter or performance information in order to give confidence or credibility.

Assurance provider—independent/external: A practitioner who provides assurance. Types of assurance providers vary from professional audit and quality assurance firms, sustainability assurance consultancies, civil society assurers, and opinion/non-governmental organization leaders, or advisory panels. Vancity uses a professional audit firm.

Balance sheet: Commonly used to describe the statement of financial position as included in the consolidated financial statements.

Banking system: The technology we use to accept deposits, lend money, and provide services that support our members' financial transactions.

Borrowings: Includes both wholesale and secured borrowings.

Borrowings (secured): Funds obtained from third parties through securitization that we can use to finance operations and manage liquidity risk.

Borrowings (wholesale): Funds we can use (in addition to deposits) to finance operations and manage liquidity risk.

Business loans: See 'Loans—business'

Business model: Describes how an organization creates value over time (economic, social, cultural, or other forms of value).

Canadian Credit Union Association (CCUA): The national credit union trade association that provides services to Canada's credit unions, caisses populaires

(outside of Quebec), and regional Central organizations. CCUA is distinct in its commitment to cooperative values and is the first national credit union governed organization in Canada.

Capital (financial, per the consolidated financial statements): Comprised primarily of retained earnings, equity shares, and contributed surplus. For regulatory purposes, capital also includes 50 per cent of our portion of retained earnings in the Credit Union Deposit Insurance Corporation, Central 1 and Stabilization Central Credit Union, and specified deductions.

Capital adequacy ratio: Regulatory capital divided by risk-weighted assets. It is one measure that reflects the strength of a financial institution and is looked upon as a cushion for unexpected losses. Capital levels for BC credit unions are regulated pursuant to the Financial Institutions Act. Minimum capital adequacy ratio is eight per cent, along with a requirement that at least 35 per cent of capital base should consist of retained earnings.

Carbon footprint: The greenhouse gas emissions associated with an organization's operations. See 'Greenhouse gas emissions' for more details.

Carbon neutral: A term used to signify that an organization (or individual) has reduced the net carbon footprint of their operations (or activities) to zero, usually after purchasing carbon offsets in a quantity equal to their total emissions after reduction efforts.

Carbon offsets: A reduction in greenhouse gas emissions created by one party that can be purchased and used to compensate for (offset) the greenhouse gas emissions of another party.

Central 1: Central 1 Credit Union is the central financial facility, payments settlement centre and trade association for credit unions in BC and Ontario.

CEO: Chief Executive Officer. Our CEO reports to the Board of Directors.

Climate related business opportunities and financial products: Following the UN Principles for Responsible Banking self-assessment and the IFRS S2 standard, financial products or services that are tailored to support members' and clients' reduction in GHG emissions that could reasonably be expected to affect Vancity's prospects over the short, medium, and long-term. Examples include Planet-Wise™ loans and the Commercial Retrofit Financing pilot.

Commercial loans: See 'Loans—commercial'

Community donations: Grants made by Vancity to a registered charity, not-for-profit organization, co-operative, or mission-based business.

Co-operative: An autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Co-operative principles: Guidelines for co-operatives to put their values into practice. There are seven:

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training, and information
6. Co-operation among co-operatives
7. Concern for community

Core deposit ratio: Core deposit ratio (CDR) average measures what percentage of Vancity's (credit union only) lending portfolio is funded by Core Deposits. "Core Deposits" is the total value of retail and commercial member demand deposits, but excluding Business Prime, Trust, and Promotional account balances.

The CDR is the core deposits balance divided by the total lending balance. To avoid short-term fluctuations from having a material impact on the result, the metric is based on the average for the year. To obtain the core deposit ratio average, Vancity takes the sum of the monthly CDRs divided by number of months.

Corporate engagement: This strategy employs shareholder power to influence corporate behaviour through direct corporate engagement (e.g., communicating with senior management and/or boards of companies), filing or co-filing shareholder proposals, and proxy voting that is guided by environmental, social, and governance (ESG) guidelines.

Credit repair: The process of improving one's financial reputation among creditors while providing education on responsible credit use.

Credit risk: The risk of loss attributable to the possibility that borrowers will fail to honour their payment obligations, whether on or off-balance sheet, after consideration has been given to the value of any security held in support of the payment obligations. Management of credit risk ensures the ability for the organization to remain strong as it moves through various business cycles.

Credit union: A credit union is a financial co-operative that is created and democratically controlled by its members. Profits are shared among all owners, and members elect the board of directors in a democratic, one-person-one-vote system, regardless of the amount of money they've invested in the credit union.

Deposits—agent: Deposits that are originated through a network of member deposit brokers who source the funds on behalf of Vancity.

Deposits—member (per the balance sheet): The money members hold in their bank accounts at Vancity, represented as a liability on our balance sheet.

Deposits—wholesale: Larger-scale deposits that are originated through wholesale relationships developed primarily with government, municipal, and school board members.

Dormant Account: An Account with no member-initiated activity for 24 months.

Economic inclusion: Efforts aimed at bringing financial services to underserved communities including but not limited to financial literacy seminars, microfinance loans, and poverty reduction.

Efficiency ratio: Also known as operating efficiency, this is calculated as total operating expenses, divided by total operating income excluding loan impairment expense. It measures how much we must spend to make one dollar. A lower efficiency ratio is desired because this means it costs less to generate each dollar of income.

Employee: Vancity group individual permanent full-time and part-time (regular) and non-permanent (contract and on-call) employees.

Employee—FTE (Full-time equivalents): Total active full-time equivalents based on the number of hours actually worked (excluding overtime) by all 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. Vancity Community Foundation, the Board of Directors, and external consultants are excluded from the FTE calculation.

Employee—Headcount: Included in the total employee headcount are active and inactive employees. Inactive employees are those on maternity leave, short-term disability leave, short-term leaves of absence (unpaid), jury duty, compassionate care leave, workers compensation board claim, leaves managed, suspension paid and suspension unpaid. Excluded in the total employee headcount are consultants, future hires, employees on long-term disability, long-

term leaves of absence, salary continuance, and Vancity Community Foundation employees.

Employee experience: An indicator of how much employees feel they belong at their organization and can achieve their potential. This is reported as a percentile (Vancity's score compared against respondent Canadian companies in the Workforce Science Associates database for the reporting year). Employees eligible to participate include active employees with access to a current active Vancity email.

Employee fraud—substantiated incidents: Includes proven mismanagement of personal accounts, member account compromise, misrepresentation of facts, and theft of cash.

Energy efficiency/green buildings: Upgrades and new building financing of buildings that meet or exceed environmental impact and/or energy efficient building standards (e.g., LEED). Financing that includes upgrades that aim to significantly improve energy-efficiency and/or install significant onsite renewable energy generation i.e., photovoltaics (PV –solar electric) or solar thermal, or other renewable energy source. Also, financing construction or new building purchase/mortgage for buildings that meet or exceed environmental impact and/or energy efficient building standards.

Equity—members: See 'Members' equity'

Ethical Principles for Business Relationships (EPBR): Guidelines that help us decide which organizations to do business with. It covers ethical business practices, environmental leadership, respect and fair treatment, and healthy and peaceful communities. We apply it to relationships with business and not-for-profit members, suppliers, treasury relationships, strategic partners, and grant recipients.

Executive leadership team (ELT): The Chief Executive Officer of Vancity and those who report directly to her.

Expenses—operating: See 'Operating expenses'

Financed emissions: Absolute emissions that banks and investors finance through their loans and investments.

Financial capital: Comprised primarily of retained earnings, equity shares, and contributed surplus. For regulatory purposes, capital also includes 50 per cent of our portion of retained earnings in the Credit Union Deposit Insurance

Corporation, Central 1, and Stabilization Central Credit union, and specified deductions.

Financial inclusion: Providing affordable access to basic financial services to disadvantaged, marginalized, and low-income individuals.

Fossil gas: Often referred to as natural gas.

FTE (Full-time equivalents): See 'Employee FTE'

Global Alliance for Banking on Values (GABV): A network of the world's leading sustainable financial institutions sharing the commitment to achieving triple-bottom-line impact through responsible banking practices.

Global Reporting Initiative (GRI): A not-for-profit organization that produces one of the world's most prevalent standards for sustainability reporting, which includes best practice for how organizations communicate and demonstrate accountability for their impacts on the environment, economy, and people.

Green assets: Vancity's total lending in projects, products or services that reduce the use of natural resources, generate renewable energy, finance the construction or purchase of buildings that meet or exceed acceptable [green building standards](#), improve the energy efficiency of existing buildings, or finance the development of businesses and/or technologies that generate positive environmental benefits.

Measured as the total balance outstanding of: Green Buildings loans, Green Business loans, Planet-Wise™ loans, and VCIB climate financing.

Greenhouse gas emissions (GHG) — Operational: At Vancity, operational greenhouse gas emissions include those from premises energy use, paper use, our vehicle fleet, employee business travel by vehicle or air, and employee commuting to and from work in a single-occupancy vehicle. Emissions are expressed in tonnes of carbon-dioxide equivalent (tCO₂e). See the Climate Report for more details of what Vancity's includes in its GHG emissions.

Gross impaired loans: When a loan is not expected to be fully repaid, the loan is "impaired," and the balance of the loan that is recorded in the financial statements is reduced (or "written down") to the amount of the loan that is expected to be recovered by Vancity. Gross impaired loans are the total balance of all loans that we expect will not be fully repaid, before taking into account any impairment (or write down). This measure indicates the total outstanding balance of all loans that are impaired.

Gross impaired loans as a percentage of total loans: This is the total balance of all loans where it is not expected that the full balance of the loans will be recovered (also known as impaired loans) divided by the total balance of all loans outstanding. This is a loan quality indicator that represents the proportion of our entire loan portfolio that we have determined to be impaired.

Guiding principles: Developed by the Board, the following guiding principles guide Vancity's management team and focus Vancity's work so we have the greatest positive impact on members and their communities:

- Co-operative principles and practices are flourishing in the community.
- Environmental sustainability for our members' lives and communities is enhanced.
- Social justice and financial inclusion are enhanced in our members' lives and communities.

IFRS S1: Issued by the International Sustainability Standards Board (ISSB) in 2023, the IFRS standard for Sustainability-related Disclosures requires an entity to disclose information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects over the short, medium, or long term.

IFRS S2: Issued by the International Sustainability Standards Board (ISSB) in 2023, the IFRS standard for Climate-related Disclosures supersedes the TCFD (see Task Force for Climate-related Financial Disclosures) that requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects over the short, medium, or long term.

Impact (positive): An improvement (or potential improvement) in the lives of people and/or the community and environment.

Impact Business Entities: Businesses that commit to creating positive social, economic, and environmental impact.

Impact Real Estate: See 'Affordable Housing'

Indigenous: Used to describe the first peoples of Canada including First Nation, Inuit, and Métis peoples. These are three distinct peoples with unique histories, languages, cultural practices, and spiritual beliefs. This term is very similar to Aboriginal, however is seen as having a more positive connotation due to its association with the UN Declaration on the Rights of Indigenous Peoples. Use is more widespread following the release of the final report of the Truth and

Reconciliation Commission of Canada and the change in the Federal Government in the fall of 2015.

Indigenous communities: Includes individuals of Indigenous ancestry who self-disclose; Indigenous entrepreneurs; Indigenous owned business; Not for Profits lead by an Indigenous Board of Directors; and First Nation or Metis Government organizations. May also include financing offered to business ventures located on First Nation lands where a First Nation member or organization has a minority ownership interest or financing that demonstrably reflects and reinforces the Call to Action for business contained within the final report of the Truth and Reconciliation Commission of Canada.

Integrated reports or reporting: An integrated report is a concise communication about how an organization's strategy, governance, performance, and prospects—in the context of its external environment—lead to the creation of value over the short, medium, and long term. Integrated reporting is a process that results in communication by an organization—most visibly a periodic integrated report—about value creation over time.

International Financial Reporting Standards (IFRS): Principles-based standards, interpretations and the framework adopted by the International Accounting Standards Board (IASB).

International Integrated Reporting Framework: The purpose of the Framework is to establish Guiding Principles and Content Elements that govern the overall content of an integrated report, and to explain the fundamental concepts that underpin them.

International Organization for Standardization (ISO): An international standard-setting body composed of representatives from various national standards organizations. The standards cover products, services, and good practice.

Liquidity: How quickly and economically assets can be converted into cash.

Liquidity ratio: Total liquid assets divided by total deposits and debt liabilities. This represents assets that could be easily liquidated to pay short-term obligations. It is calculated using the definition in the BC Financial Institutions Act.

Living wage: A living wage reflects the hourly rate of pay that enables a family with two parents working full time, with two children, to meet basic living needs. See [Living Wage for Families BC](#).

Living wage employer: Living wage employers commit to meeting the general conditions set by the Living Wage Employer Program.

Loans—Business: Loans and lines of credit to businesses (including not-for-profit organizations, social enterprises and co-operatives) and commercial loans less than \$6.5 million, generated by Vancity's Community Investment division; and small-business loans generated by Vancity's Community Member Services division (non real-estate secured loans less than \$150,000, and real-estate secured loans less than \$750,000).

Loans—Commercial real estate: Loans for both construction and fixed-rate loans. Loans include office, industrial, retail, and multi-family residential properties located in BC, Alberta, and Ontario.

Loans—Community impact: See 'Community impact loans'

Loans—Consumer: Loans and lines of credits to personal members that are not secured by real estate (e.g., car loans).

Loans—Microloans: Small loans that help build or support credit for individuals with a damaged credit history, and/or lending that provides self-employment for individuals transitioning from employment insurance.

Loans—Residential mortgages: Loans to personal members secured by real estate.

Low quality assets: Impaired Assets divided by Total Assets (gross).

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.

Material data, information, or issues: We consider something to be material if it relates to our significant economic, environmental, and social impacts or if it would substantively influence the assessments and decisions of our members or other key stakeholders.

Member: A Vancity Credit Union Member is a living person or business entity that holds at least five dollars in Class B Membership Shares or holds less than five dollars in Membership Shares and is the owner of at least one additional open financial account.

Member—Business: An organizational member, including not-for-profit organizations, social enterprises, and co-operatives.

Member—Eligible (to vote in the Board of Director elections): A member who is 19 years of age or older, not delinquent in any obligations to Vancity, and has at least five dollars in a Class B Membership Shares account for each member named on the account.

Member—New: An individual or business who opens a core banking account during the year or an individual who joins a joint banking account during the year.

Member—Personal or retail: Individual members (i.e., not business members).

Member—Primary: A member is considered to be using Vancity as their primary financial institution if, in at least two of the previous three months, the member met the three following criteria: ten or more member-initiated transactions, one or more eligible preauthorized transactions, and two or more Active Service Dimensions from among Deposit, Borrow, Invest, or Pay

Member satisfaction: The score represents the weighted average score of members who responded to the 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”.

Members’ equity: Capital and reserves attributable to members. It includes contributed surplus, retained earnings, and accumulated other comprehensive income.

Microfinance (microbusiness) and poverty reduction: Small loans that provide access to credit that a member may otherwise be unable to gain, or that support credit build or repair for individuals with a damaged or non-existent credit history, and/or lending that provides self-employment for individuals transitioning away from employment insurance.

Microloans: See ‘loans—microloans’

Net income attributable to members: Revenue less operating expenses. Income is reported after deducting normal operating expenses, but before taking gains or losses from the sale of securities, other losses and charge-offs, and additions to the reserve account for possible losses.

Net income before distribution and tax: Revenue less operating expenses plus non-operating income.

Net interest income: The income we earn from loans (interest income) less the interest we pay on deposits (interest expense). Also called ‘Financial margin.’

Net interest income as a percentage of operating revenue: Net interest income divided by total operating income, excluding loan impairment expense. Operating revenue includes non-interest income such as fees, commissions, real estate development income and net gains on financial assets. This ratio represents the relative proportion of net interest income in relation to operating revenue.

Net interest margin: Net interest income divided by average interest-earning assets. It represents the average yield on the credit union’s interest-earning assets.

Net lending growth: The change in the total value of loans issued from period to period. Calculated as new lending products opened plus increases in existing lending products during the period less closed loans, principal payments, and prepayments during same period.

Net sustainable wealth management (SWM) inflows: Net funds added/lost to the SWM portfolio during the period. Calculated as inflows minus outflows, excluding market value changes and excluding Vancity group RRSP, SMRP, and Vancity pension.

Net zero: Commitment to eliminate or significantly reduce greenhouse gas emissions (~90% reduction in GHG emissions from an established baseline) from all loans and mortgages with remaining emissions (~10% by 2050) being brought to net zero.

New hire rate: 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.

Off-balance sheet assets: See ‘Assets under management or administration’

On-balance sheet assets: See ‘Assets (financial, per the statement of financial position)’

Operating earnings: The earnings which are calculated as income before distribution and tax, adjusted for impairment expense.

Operating expenses: The costs to run our business, including employee salaries, branch operating costs, and technology maintenance.

Organizational scorecard: The key annual Vancity-wide targets used internally to track quarterly progress.

Partnership for Carbon Accounting Financials (PCAF): Open-source methodologies that enable financial institutions to measure the greenhouse gas emissions associated with their loans and investments.

Persons living with disabilities: A person who considers themselves to be or believes that an employer might consider themselves to be, a person with a disability (e.g., long-term or recurring physical, mental, or learning impairment).

Planet-Wise™ loans:

- Transportation such as upgrading a vehicle fleet to zero- or low-emission options
- Energy-efficient equipment such as purchasing or upgrading to Energy-star® rated commercial-grade appliances, purchasing equipment to assist in reducing paper use, or purchasing energy-efficient process and manufacturing equipment
- Building retrofits such as upgrading building insulation or installing high performance windows and weatherstripping
- Other energy-saving products, equipment, and technologies considered on a case-by-case basis

Primary member: See 'Member—Primary'

Principles for Responsible Banking (PRB): UNEP FI's framework for a sustainable banking system, specifically aligning banking activities to the Paris Agreement and the Sustainable Development Goals. Signatories commit to conducting a portfolio-level impact analysis and publicly reporting progress.

Privacy breach: A breach of Vancity's Privacy Code regarding the privacy, confidentiality, and security of member personal information. Examples of breaches could include improperly accessing member personal information without consent, losses of customer data, and mail, email, or telephone calls that are directed to the wrong location.

Real economy: The part of the economy that generates goods and services, rather than the financial economy, which is concerned exclusively with activities in financial markets.

Real economy revenue: Net interest margin on Real Economy Assets and fees for providing banking services.

Retail member, service, or banking: Retail refers to personal or individual banking (rather than commercial or business banking).

Return on average assets: Net earnings from operations divided by average assets. It measures how efficient we are at using our assets to generate earnings.

Return on average members' equity (ROME): Net earnings from operations divided by average members' equity, excluding member shares. It measures how much profit we generate with every unit of members' equity. (Members' equity is capital and reserves attributable to members. It includes contributed surplus, retained earnings, and accumulated other comprehensive income.)

Revenue: Income earned by Vancity, primarily through interest income from loans and investments, and fee and commission income.

Retrofit financing: Vancity loans that provide financing to help members switch from fossil gas to electric space heating and hot water, or improve other building components such as windows, doors, insulation, air sealing, ventilation, or passive cooling to improve a building's energy efficiency, lower its overall energy use, and heighten its ability to withstand future climate events. Programs include the Commercial Retrofit Financing pilot, which supports commercial property owners in undertaking deep energy retrofits to make buildings more efficient and resilient. Preferred pricing is granted when there is a minimum reduction of 30% in total greenhouse gas (GHG) emissions compared to pre-upgrade levels.

Risk appetite: The level of risk we are prepared to accept, in the pursuit of our vision.

Senior management: Director-level management and above, including the Executive Leadership Team.

Shared Success: As a financial co-operative, each year we give back the equivalent of 30 per cent of our net earnings from operations to members and communities. We call this dividend Shared Success.

Social enterprises: Organizations that are mission-based – their mission (i.e., the purpose of the business) is first and foremost in their operations – and there is strong community benefit in their structure. They may be structured as not for profits, co-operatives, mission-based for profits, Indigenous owned businesses, or First Nation ventures. Their mission could be focused on social, environmental, economic, or cultural impact. The enterprises could be delivering products or services that meet this mission; providing jobs for individuals facing

barriers as their main mission; or generating revenues in order to support the financial sustainability of the not for profit or co-operative.

Social justice: A society that gives individuals and groups fair treatment and a just share of the benefits of society. This concept demands people have equal rights and opportunities.

Socially Responsible investments (SRI): SRI is the inclusion of environmental, social, and governance (ESG) considerations into the management and selection of investments.

Sponsorship: Donation of cash and/or in-kind resources that support an organization's event or idea in return for public recognition of Vancity and our members' support for the project.

Stakeholder: Individuals or groups that affect and/or are affected by the organization or its activities.

Stakeholder engagement: The process by which an organization understands and involves its stakeholders and their concerns in its activities and decision-making.

Supplier—Locally based: We determine locally based suppliers by using the "remit to" postal code shown on supplier invoice and the following criteria: the supplier has a local representative, a local store and/or local warehouse within the communities our branches operate in.

Supplier—Strategic: Suppliers with total annual spending of more than \$250,000, or who pose a high financial or reputational risk.

Sustainable revenue: Revenue from sales of goods and services that contribute to an efficient, renewable, low-carbon energy system, or to a circular economy, or to sustainable production generally, and in a limited number of well-defined cases, to social benefits. Vancity calculates sustainable revenue as the sum of interest income earned on TBLAA lending; impact investment income or revenue earned on treasury investments in green bonds; and revenue earned from member or client investments in options according to the Corporate Knights' list of Green Flag companies.

Sustainable transportation mode: Any transportation mode (e.g., public transit, carpooling, biking, walking, or working remotely) except for driving alone (i.e., single occupancy vehicle).

Targets and results: A set of annual targets and results included in our Annual Report. These measure progress against our strategic objectives and help move us closer to our vision.

Task Force on Climate-Related Financial Disclosures (TCFD): A set of recommendations by the Financial Stability Board for voluntary and consistent climate-related financial risk disclosures. In 2023, the TCFD framework was superseded by the IFRS S2 standard. See 'IFRS S2.'

TBLAA (Triple bottom line assets and assets under administration): To qualify as TBLAA, the Global Alliance for Banking on Values (GABV) states that activities supported with assets or financing must contribute to at least one dimension of social/cultural, economic or environmental wellbeing, to the best of our knowledge, not have an incremental negative impact on other dimensions of wellbeing, and in financing, be affordable to the member, with fair terms and conditions. TBLAA is comprised of six asset categories: Administered investments, Business lending, Owned premises, Residential mortgages, Retail loans, and Treasury investments.

TBLAA—Administered investments: The portion of assets under management that meet our impact criteria, the portion of assets managed by [Vancity Investment Management](#) that are subject to investment screening process, as well as, the portion of the assets managed by Aviso that relate to socially responsible funds as outlined by the Responsible Investment Association. See 'Socially responsible investments.'

TBLAA—Business lending: Commercial, business, and microloans that facilitate positive community impact defined as an improvement (or potential improvement) in the lives of people and/or the community and environment, and informed by Vancity's [Guidelines for impact lending](#), which are reviewed and updated annually by the Impact Lending Working Group (ILWG). Impact businesses include not-for-profit organizations, social enterprises or ventures, 'green' businesses, co-operatives and other credit unions, unions, First Nation Governments, educational and care facilities, churches and other religious facilities, businesses owned/controlled by Indigenous people, women, newcomers, black entrepreneurs, members of the 2SLGBTQIA+ community, microbusiness, B corporations, and Community Contribution Companies. This does not include investment real estate lending. These loans support sectors such as affordable housing; arts & culture/heritage building; clean technology; co-operative and credit union syndicates; energy efficient/green buildings; green businesses, health and wellness; Indigenous communities; local and organic food; microfinance and poverty reduction; social purpose real estate; women entrepreneurs and others.

TBLAA—Owned premises: Buildings (including fixtures and fittings) that we own that provide access, are energy efficient properties/green buildings, and/or include affordable housing units.

TBLAA—Residential mortgages: Mortgages and other home financing that:

1. contribute to at least one of the following principles: social justice and financial inclusion, environmental sustainability, or cooperative practices or principles (detailed criteria has been developed for classification under each principle);
2. are a reasonable size and value for the region;
3. allow individual households to build, renovate, or buy residential property with a maximum of 4 units; and
4. are owner occupied, unless rented for below-market rent.

The majority of financing for residential mortgages classified as impact is for homes in location efficient areas, defined as either (a) postal codes where at least 40 per cent of residents commute by transit, bicycle, or walking as defined by Statistics Canada, or (b) homes in walkable, transit-oriented communities as defined by Walk Score. Location efficient mortgages classified under criteria (a) are not required to meet criteria (3) and (4) above.

TBLAA—Retail loans: Consumer loan/Visa products that support social & cultural inclusion, community building, financial inclusion/address issues of affordability, and/or environmental sustainability.

TBLAA—Treasury investments: The book value of all liquidity investments in the form of CMHC (Canada Mortgage and Housing Corporation) mortgage-backed securities (MBS) pools connected to social housing, investments in green bonds, plus equity investments that meet the definition of a community impact transaction. These include transactions with social purpose real estate, social enterprises, and microbusiness.

Values-based banking: Values-based banking puts the needs of people and communities first. It places the tools of banking in service of economic, social, and environmental development in a manner that is fair, transparent, and accountable.

Vancity: Vancouver City Savings Credit Union and its active subsidiaries and partnerships, as listed in the Annual Report and Consolidated Financial Statements.

Vancity Centre: Vancity's head office building located at 183 Terminal Avenue, Vancouver BC.

Water consumption: Water is tracked from direct water meter, sub water meter, or estimated with like premises.

Waste: Includes waste from four sources: generated on premises, electronic, furniture, and construction for Vancity offices and branches.