2021 ANNUAL REPORT

Glossary.

Vancity

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

AA1000 principles: Inclusivity, Materiality, Responsiveness, and Impact. Inclusivity—taking into consideration information and insights gathered from engagement with members, communities, and others we have an impact on or who have an impact on us, and including these groups in our response to sustainability. Materiality—determining the relevance and importance of an issue to our organization, to our members and their communities, and to society. Responsiveness—demonstrating responsiveness to issues through our decisions and actions, and through communications, including our annual reports and strategic plans. Impact – demonstrating accountability through monitoring and measuring how our actions affect our broader ecosystem.

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, (excluding small-scale speculative projects), 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 – financing or refinancing that delivers purpose-built rental housing (non-market or market), defined as construction or renovation developed specifically for the rental housing market, including multi-unit rental buildings. Projects that achieve rents that are accessible at Housing Income Limits (or better) for that community would be particularly impactful. This does not include luxury rental products. Co-op Housing – financing that results in creating, retaining, renovating, or expanding non-profit housing co-op stock. Social Housing – financing that results in upgrades to existing or development of new non-market housing stock (especially those with public subsidies) to make it more livable and has a reasonable plan to mitigate any permanent displacement of tenants. Financing for affordable units that house vulnerable populations (e.g., single-room occupancy hotel units) should either be community-owned properties (i.e., a mission-driven organization or public agency), operated through a deep-seated partnership between a private owner and a community-based organization, or the project should address localized housing issues in a unique way.

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, 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 lending (in impact) (asset category in TBLAA): What's included is informed by Vancity's Guidelines for impact lending which are reviewed and updated annually by the Impact Lending Working Group (ILWG). Impact transactions, such as Community business loans, Community Capital loan, Community real estate loans, microloans, and Alert Bay business loans, are defined according to the type of business and/or sector. The ILWG meets to review, discuss impact deals. Our internal Guidelines are aligned with the GABV Guidelines for Financing Micro, Small and Medium-sized Businesses.

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.

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.

Community impact loans: 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. These are loan transactions with impact businesses and impact sectors. 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. Detailed criteria for what constitutes a community impact loan are established internally and reviewed annually by the ILWG.

Community Response Fund (CRF): A fund to rapidly deploy essential relief to organizations that provide frontline services to people and organizations that are disproportionately impacted by COVID-19 and its economic consequences. The partnership is led by four Community Advisors: Vancouver Foundation, Vancity credit union, United Way Lower Mainland, and the City of Vancouver.

Consumer loans (in impact) (asset category in TBLAA): Consumer loan/Visa products that support social & cultural inclusion, community building, financial inclusion/address issues of affordability, and/or environmental sustainability.

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

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.

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.

Eligible members: See 'Member—eligible'

Employee engagement: The energy or passion employees have for their employer.

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'

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.

Full-time equivalents (FTE): 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.

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.

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 (tCO_2e). See the Greenhouse gas handbook and inventory 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 is 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.

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.

Healthy community: Our definition will continue to evolve but we have identified three key dimensions of a healthy community: co-operative principles and practices flourish; all people have basic human rights and equal access to the benefits of their society; and environmental sustainability is enhanced.

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'

Impact metrics: Measures that speak to the difference we make in the lives of people and/or the community and environment, within the areas defined by our guiding principles (co-operative principles and practices, environmental sustainability, and social justice).

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: 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. In 2021, the Metro Vancouver living wage was $20.52 an hour, inclusive of benefits.

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

- All employees (full time, part time, and casual employees) must be paid the current living wage rate. Overall compensation provided to employees paid by incentive-based pay must equal or exceed the Living Wage; and
- Living wage employers must commit to insert a 'Living Wage clause' in all future contracts for services.

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.

Local, organic food: Businesses and not-for-profit organizations with explicit missions to grow and promote a viable and sustainable local (within our operating region) and/or organic food system or where a significant portion of their business revenues support local and/or organic food.

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: An individual or business who banks at Vancouver City Savings Credit Union, Squamish Savings or Pigeon Park Savings, and holds Class B Membership shares. As of 2017, to be considered in our reported total membership number, people, or businesses with a balance of less than five dollars in Class B Membership shares need to hold at least one additional member-activated financial account (excluding Shared Success Patronage accounts).

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

Member/client investment that we manage or administer on their behalf (in impact) (category in TBLAA): The portion of assets under management that meet our impact criteria which includes CoPower Inc. clean energy and energy efficiency loans, 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'

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 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 satisfaction with overall service delivery: The score represents the percentage of members who responded 9 or 10 out of 10 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.

Net zero: Commitment to eliminate or significantly reduce greenhouse gas emissions from all loans and mortgages with remaining emissions 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 and non-recurring items.

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.

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

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 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).

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.

Residential mortgages (in impact) (asset category in TBLAA): Mortgages and other home financing that supports social & cultural inclusion and community building, financial inclusion/ address issues of affordability, and/or environmental sustainability, informed by the *GABV Guidelines for Residential Home Financing.* The majority of residential mortgages in impact is financing for homes in location efficient areas, defined by Statistics Canada as areas where at least 40 per cent of residents' commute by transit, bicycle or walking.

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.

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 – i.e., 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.

Strategic supplier: See 'Supplier—strategic'

Substantiated incidents of employee fraud: See 'Employee fraud—substantiated incidents'

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.

Sustainability: For Vancity, sustainability means ensuring we're a strong enduring organization by doing business in a way that contributes to the wellbeing of our members, communities, and the environment.

Sustainable: Capable of being maintained at a steady level without exhausting resources or causing damage.

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.

Treasury (impact investments) (asset category in TBLAA): 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 (see 'Community impact loans'). These include transactions with social purpose real estate, social enterprises, and microbusiness.

Triple bottom line assets and assets under administration (TBLAA): To qualify as "impact" or TBLAA, the Global Alliance for Banking on Values (GABV) states that activities supported with assets or financing must: a) contribute to at least one dimension of social/cultural, economic or environmental wellbeing, b) to the best of our knowledge, not have an incremental negative impact on other dimensions of wellbeing, and c) in financing, be affordable to the member, with fair terms and conditions.

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 recycled or diverted from the landfill: Waste that is composted and/or recycled or non-recyclable materials sent to waste-to-energy facility. Waste recycled includes glass, plastics, metal, paper, cardboard, fibrous material (anything that was made from a tree), compost, polystyrene, and fluorescents. These materials are retrieved by Urban Impact Recycling and are eventually sent to recycling mills to create new products.