



beneficial state foundation

"Building Better Banks" Case Study Series: Vancity Credit Union

Beneficial State Foundation's mission is to change the banking system for good. These case studies highlight some of the exceptional work banks and credit unions are doing in the areas of Diversity, Equity, & Inclusion, Environmental Stewardship, Good Governance & Leadership, and Alternative Credit Underwriting & Services. We hope that spotlighting mission-driven business and banking practices will inspire bankers to bring similar approaches to their workplaces. Imagination precedes accomplishment, and being a good bank is profitable. [This case study spotlights the exceptional Environmental Stewardship work that Vancity Credit Union prioritizes.](#)

Industry Challenge for Environmental Stewardship:

Financial institutions remain invested in the success of the fossil fuel industry despite wide recognition of how their activities accelerate climate change and diminish our planet's ecological diversity. Many prioritize maximizing shareholder return over the well-being of our communities and the health of our planet. Banks and credit unions have also neglected to proactively seek out and fund those businesses and projects with a sustainability focus. Let's take a look at how Vancity is building a better credit union.



ABOUT VANCITY CREDIT UNION

Vancity is a values-based financial co-operative serving the needs of more than 543,000 member-owners and their communities. It is Canada's largest community credit union, using its assets to help improve the financial well-being of its members while at the same time helping to develop healthy communities that are socially, economically, and environmentally sustainable.

([Link: Vancity Vision](#)).

LOCATIONS & FINANCIALS

Vancity is headquartered in Vancouver, Canada, with branches in Metro Vancouver, the Fraser Valley, Victoria, Squamish, and Alert Bay.

- Assets: \$28.2 B (2019)
- Assets Growth Rate (YTD): N/A
- Net Income: \$61.0 M (2019)
- Return on Equity: 5.6% (2019)
- Return on Average Assets: 0.3% (2019)
- Net Interest Margin: 1.9% (2019)
- Loan/Deposit Ratio: 85.6% (2019)
- Capital Adequacy Ratio: 14.7% (2019)
- Efficiency Ratio: 79.8% (2019)
- Texas Ratio: N/A

MIGHTY DEPOSITS

Mighty Deposits is a comparison tool to help the public better understand where their money goes after it is deposited at their bank or credit union.

Although Mighty Deposits is exclusively for US-based institutions, Vancity Credit Union has a comparable internal statistic: Vancity returns 30% of its Net Income to Members and Communities. For example, 27.6 percent of Vancity's capital was specifically invested in building healthy communities.

IMPACT HIGHLIGHTS



**\$7.2 Million Donated
to the Vancity
enviroFund™ Program
(2010-2019).**



**51% of Senior
Managers are Women.**



**Fossil Fuel-Free
Across All Advised
Funds.**



**Roughly \$85 million
in Purchases from Local
Businesses (2019).**



**Global Alliance for
Banking on Values
Member.**



**Carbon Neutral
Since 2008.**

“Vancity has long worked to address environmental issues. We’re now looking to deepen and accelerate the shift to our business that will enable us to contribute meaningfully to the enormous challenge of the climate crisis.”

-Excerpt from Vancity's 2019 Annual Report



ENVIRONMENTAL STEWARDSHIP SPOTLIGHT



(Courtesy of Vancity)

Carbon Neutral Footprint

About:

Being carbon neutral means that once you've reduced your operational emission as much as you can, you balance the rest by funding emissions reductions elsewhere, often by purchasing carbon offsets. Vancity has been carbon neutral in operations since 2008.

There are often questions about the sincerity of some of the carbon offsets available for companies to purchase. It is imperative to purchase high-quality offsets that meet stringent criteria so that you contribute to overall emissions reductions in the community. The criteria Vancity used to select offsets are available [here](#).

How your organization can become carbon neutral:

1. Calculate your CO₂e footprint by adding up the emissions your organization creates. At Vancity, they used the World Resources Institute's greenhouse gas protocol and the ISO 14064 standard.
2. Reduce your CO₂e emissions by making operational changes to reduce the amount of CO₂e you create.
3. Offset what you can't reduce by investing in high-quality offsets to balance your remaining emissions.

Link: ([How Your Organization can be Carbon Neutral](#)).

ENVIRONMENTAL STEWARDSHIP SPOTLIGHT

Commitment to a Net-Zero Portfolio by 2040

Problem:

It is evident that financial institutions' biggest climate impact is indirect, coming not from their operations but from the emissions-generating activity they finance. Financial institutions must promptly address financed emissions.

"The looming climate emergency is the next major crisis on our doorstep. It requires immediate action to transition to a clean economy, recovering the economy post-COVID while drastically reducing emissions."

Quote from Vancity's Climate Commitments Page

Solution:

Vancity began by identifying its major sources of financed emissions. Their next step was to set a baseline against which to measure future progress.

Working with the Partnership for Carbon Accounting Financials (PCAF), Vancity is applying PCAF's methodology to their portfolios, with an initial analysis released in 2020 and an updated 2021 analysis. This analysis revealed that Vancity's financed emissions are predominantly in its commercial and residential mortgages.

They also felt that tackling Vancity's financed emissions meant heeding the Intergovernmental Panel on Climate Change (IPCC)'s net-zero call. After consulting with external experts, **Vancity determined that it would be feasible to bring their portfolios to net-zero by 2040**, ten years ahead of the IPCC's 2050 target.

"The financial sector must play a central role supporting the shift to a low carbon economy that is clean and fair for everyone."

Christine Bergeron,
Vancity President & CEO

ENVIRONMENTAL STEWARDSHIP SPOTLIGHT



(Courtesy of Vancity)

Commitment to a Carbon Neutral Portfolio by 2040 (Continued)

Outcome:

In January 2021, they publicly committed to making Vancity net-zero by 2040 across all our mortgages and loans. Vancity is one of the first financial institutions in Canada to make such a commitment.

Vancity stated that "This outcome is, of course, only the beginning. Achieving this commitment will mean working with their members to enable affordable ways for each of them to reduce emissions. No less important, it will mean advocating for programs and policy changes to help support a broader move to reduce emissions from the built environment in Vancouver, British Columbia, and Canada."

Vancity's work with PCAF is also serving as a case study on accounting mortgage-portfolio emissions that other PCAF members can learn from. As they continue to update our accounting and refine the data's quality, Vancity hopes other financial institutions will follow suit.

"The days of business as usual are over. We must all do more if we want to address the urgent challenge that's taking place around us."

-Jonathan Fowlie,

VP of Government Relations, Public Affairs & Community Investment



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Thank you for your engagement with this case study on Vancity Credit Union.

This is part of a series of case studies on financial institutions, published by Beneficial State Foundation.

For information about how Beneficial State Foundation can support your bank's corporate social responsibility strategy, **[please click here to contact us.](#)**

