Environmental Sustainability Implementation at Vancouver City Savings Credit Union

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**Abstract:** Climate change is one of the defining issues of this time in world history. Organizations are seeing and beginning to understand how climate change is affecting their financially focused bottom line. Co-operatives, especially financial co-operatives, need to leverage their business model and values to remain connected to their community, especially to their younger members, many of whom are active in climate change initiatives. Vancouver City Savings Credit Union (Vancity) is a values-based financial co-operative operating in British Columbia (BC) and Canada’s largest Credit Union (outside Quebec) based on assets under management. For many years, Vancity has been identified as a leader in environmental sustainability in Canada due to its environmental initiatives. The main objective of this research project was to answer the following question: What are the key themes from Vancity’s experience of implementing environmental sustainability programs that can be of value to other credit unions? Understanding Vancity’s learnings and challenges can provide critical insights for other credit unions and co-operatives contemplating instituting their own environmental programs. Interviews were conducted with current Vancity employees who have been involved in the development and implementation of Vancity’s environmental sustainability programs. Three key themes were identified: leadership; engagement of employees; and metrics and reporting. Sub themes included the effect of values-alignment of leadership and employees. Additionally, the importance of partnerships was noted. The need for organizations, especially credit unions, to start implementing environmental sustainability programs is also discussed. By identifying key learnings from Vancity’s successful implementation, the hope is more credit unions and co-operatives are inspired to broaden their social sustainability focus and start upon the environmental sustainability journey.

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*“Climate Emergency”*

*Oxford Dictionary’s 2019 Word of the Year*

### Introduction

The world is changing more rapidly than ever before and organizations are being shaped by technological disruption, societal changes and globalization. These complex challenges cannot be solved in traditional ways. As Kania and Kramer state, “no single organization is responsible for any major social problem, nor can any single organization cure it” and “complex problems can be solved only by cross-sector coalitions that engage those outside the non-profit sector” (2011, p. 38-39). There is an increased need for innovative and effective solutions to society’s problems. In the current capitalistic economic system, the goal of Investor Owned Firms (IOFs) is to maximize profit for shareholders, with those who own the largest stocks having majority voting power. Consumer, societal and environmental needs are often secondary to this pursuit of profit. The “shareholder primacy” form of corporate governance, however, is increasingly outdated and at odds with shifting societal desires and norms (Denning, 2019).

In recent years, IOFs are realizing that there is a trend among consumers, especially in an era when consumers have increased access to information, to align their values with like-minded organizations; in other words, “increasing numbers of people will prefer to buy from companies that care” (Kotler, 2011, p. 133). There has been a rise in IOFs focused on social issues that are looking for innovative ways of tapping into markets for finance, in addition to seeking grants from donors and philanthropists. The most salient and urgent of these issues, arguably the most prominent for IOFs, is the environment.

The Oxford Dictionary Word of the Year for 2019 was “Climate Emergency”. Indeed, climate change is one of the defining issues of this time in world history. Organizations are seeing and beginning to understand how climate change is affecting their financially focused bottom line. Their increasing awareness is starting to drive changes in traditional IOF governance and business practices. IOFs are adopting a broader perspective on shareholder value, including a triple bottom line approach, to include people and planet, together with profit. Triple bottom line reporting is a framework first introduced by John Elkington as “a form of corporate disclosure which integrates financial, environmental and social reporting” (Elkington, 1994, p.18).

Public awareness of organizations such as social enterprises or Benefit Corporations (B Corps), which “address the inadequate provision, or unequal distribution, of social and environmental goods” (Nicholls, 2009 p. 755), has recently grown. Like co-operatives, they are often founded to address the needs of the community due to failures in the free-market system. Consumer driven trends have created market forces that have translated into an increasing awareness and adoption of environmental, social and governance (ESG) factors in organizational and governmental investment processes and decision-making. A key difference between such ESG-aware enterprises and co-operatives, is the structure of the co-operative business model. For-profit social enterprises and B Corps may have a traditional business structure similar to an IOF with a social purpose, whereas the co-operative business model is member-owned and democratically controlled. Co-operatives have the potential to offer an alternative economic model, as the democratic business model has inherent advantages which include being: “effective in responding to market failures; regarded as more trustworthy; are unique to build the spirit of self-help, build social capital within the community, encourage participation and co-op values and generate positive externalities through their social benefits” (Spear 2000, p. 521-22). The co-operative vision is for sustainable development and “a journey towards a more ecologically oriented and socially equitable world” (Belz and Peattie, 2012, p. 13). With its focus on people rather than profit, the co-operative business model “creates greater economic, social and environmental sustainability… [and it] puts people at the heart of economic decision making and brings a greater sense of fair play to the global economy” (ICA Blueprint, 2013, p. 4).

To remain relevant in today’s economy, co-operatives need to leverage their business model and values to remain connected to their community and respond to community needs, especially their younger members. Youth play a key role in climate activism, and recently, teenagers such as Greta Thunberg have become catalysts for others who are demanding climate action from governments and organizations. This is particularly true for financial co-operatives, also known as credit unions, as the financial services industry is being disrupted by technological advances. Credit unions can develop a value proposition by implementing an environmental sustainability strategy to demonstrate their commitment to their members and community and ensuring they are publicly accountable for their impact on the environment.

As one of Canada’s largest Credit Unions based on assets under administration, Vancouver City Savings Credit Union (Vancity), is a values-based financial co-operative operating in British Columbia (BC) with 543,000 member-owners, 61 branches and $28.2 billion in assets plus assets under administration (Vancity, 2020). In a highly competitive and regulated financial industry, Vancity has recognized it must leverage the strengths of its co-operative business model to differentiate itself from traditional financial institutions. In 2000, in consultation with members, employees and the community, Vancity developed a Statement of Values and Commitments (SOVAC). The SOVAC details a framework based on “mission, purpose, values and commitments” (“Statement of Values”, 2000). Since the SOVAC was publicized, Vancity has leaned into its co-operative principles and values as a source of competitive advantage for retaining and attracting members disenfranchised from the current business paradigm. In 2012, Vancity articulated three guiding principles: environmental sustainability, co-operative values, and social justice and financial inclusion.

Vancity has been identified as a leader in environmental sustainability in Canada due to key environmental initiatives, such as being “the first Canadian bank or credit union to join the UN’s Collective Commitment to Climate Action and Responsible Banking” (“Vancity’s leadership”, 2020) and the “first North American-based financial institution to become carbon neutral in 2008” (“Vancity’s leadership”, 2020). Moreover, they have been recognized as a leader in the sustainability reporting field: “companies such as VanCity and TD Bank are leaders in the financial SR (sustainability reporting) field as they have robust, comprehensive and mature reports” (Turley-McIntyre et al., 2006, p. 36). , More recently, Vancity has ensured its reporting includes relevant Sustainable Development Goals (SDGs), in support of a recent focus for the co-operative sector and its contribution to the SDGs (International Labour Organization, 2014). Overall, Vancity’s key achievements and successful environmental sustainability programs have been well documented and have received positive responses from the community. However, understanding their implementation challenges and learnings can provide critical insights for other credit unions and co-operatives contemplating instituting their own environmental programs.

The purpose of this paper is to answer the following research question: What are the key themes from Vancity’s experience in implementing environmental sustainability programs that can be of value to other credit unions? The paper reviews literature that has identified key learnings from the implementation of sustainability programs. It then compares the learnings with three key themes that emerged through interviews with Vancity employees, who have been deeply involved in the development, implementation and reporting of the successful environmental sustainability program over the last 30 years. It also discusses the future research potential of new themes that emerged from the interviews.

### Building the Context and Exploring the Literature

As this paper focuses on identifying the key learnings and challenges of implementing an environmental sustainability program, it is first important to define sustainability and other terms referenced within the paper. A discussion of business strategies for environmental sustainability follows and, finally, Bhattacharya and Polman’s (2017) six ‘pain points’ are presented as key learnings for other organizations in implementing a sustainable business model.

The most accepted definition of sustainability is from Our Common Future, also known as the Brundtland Report, which states “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission, 1987, p. 15). It is widely known that sustainability encompasses three integrated pillars of social, environmental and economic sustainability. From a corporate business perspective, the pillars are consistent with the triple bottom line reporting framework of people, planet and profit (Elkington, 1994, p.18). With climate action emerging as a key issue, this research project is focused specifically on environmental sustainability. Environmental sustainability is focused primarily on the protection of natural resources and the planet for future generations.

Although individuals have an important role to play in protecting the environment, a more collective effort from organizations is also needed. In the business world, there is a plethora of research on how to define strategy for organizations through frameworks from Michael Porter’s Five Forces Analysis (Porter, 2008), to mapping out strategy with Kaplan and Norton’s strategy maps (Kaplan and Norton, 2000). Integrating sustainability into the business strategy is important to ensure that sustainability is a long-term priority for the organization. Surveying hundreds of CEOs from companies around the world, Lacy et al. found that 93% considered sustainability to be “important to their company's future success” (2010, p. 10). Having an overall environmental sustainability strategy is important, as there may be many initiatives throughout the organization that could become more effective if brought together. This includes internal initiatives to minimize the organization’s operational impact on the environment and also external initiatives to minimize the environmental impact of its supply chain or its products and services. Forrester describes a system as “a grouping of parts that operate together for a common purpose” (1968, p. 1). A system dynamics approach can support bringing together seemingly fragmented initiatives and maintain a longer-term implementation as it “analyzes how feedback processes in a system generate or alter patterns of behavior” (Marshall et al. 2003, p. 101). Organizations embarking on a sustainability journey can build upon the knowledge and learnings from organizations with experience. The learnings can be leveraged to understand the challenges, avoid similar pitfalls and increase the potential for success in advancing the sustainability agenda.

In 2017, Bhattacharya and Polman observed a number of large multinational organizations and identified six ‘pain points’ that serve as key learnings for other organizations in implementing a sustainable business model. The six ‘pain points’ are: “sustainability is more than just a change initiative; look at the entire value chain; make sustainability a priority for the board; gain buy-in from the “undecideds”; make sustainability part of every employee’s job; and redefine the competitive space by collaborating” (Bhattacharya & Polman, 2017, p.71). The ‘pain points’ are reviewed below in more depth to understand if they are comparable to Vancity’s experience with environmental sustainability implementation.

Bhattacharya and Polman highlighted the first pain point as “sustainability is more than just a change initiative” and that “implementing a sustainability model is fundamentally different” than a change management model (2017, p. 71). In a traditional IOF, change management is a common tool for implementing strategy. However, sustainability requires consideration of the triple bottom line and needs to be integrated into the organization as it “runs deeper than most other change efforts” (Bhattacharya & Polman, 2017, p. 72). This is where strong leadership is key and Bhattacharya and Polman saw the CEO as a key leader in implementation. CEOs typically are able to utilize their formal authority to guide the organization’s strategies. This pain point is supported by a study conducted by Mross and Rothenberg, which reviewed environmental sustainability implementation in German and American printing firms. Within all the organizations studied, the CEO provided key leadership and it was noted that “without strong leadership, a proactive environmental strategy is not possible” (Mross & Rothenberg, 2007, p. 63). Leadership from the executive leadership team, especially from the CEO, appears to be a key theme in the research for sustainability implementation. However, Kashmanian et al. (2011) suggested top management leadership was important within the setting of strategic directions but did not specifically name the CEO role. Cocks also found the first driver in general strategy implementation is the “focused leadership of the right people” (2010, p. 263). These findings contrast with a study by Alamsjah, who investigated Indonesian middle-management perspectives on key success factors for implementing strategy. The results suggested that corporate culture was the most important factor of success, rather than leadership from the CEO (Alamsjah, 2011). This may have been due to the level of management targeted in the research and how included they felt in the implementation. Often if there is not appropriate buy-in, then leadership is difficult to cultivate. Overall, in three of the four studies (Alamsjah, 2011; Cocks, 2010; Kashmanian et al., 2011; Mross & Rothenberg, 2007), executive leadership appeared to be significant. This may be especially true in sustainability implementation due to the additional, more complex considerations brought by the triple bottom line.

The second pain point that Bhattacharya and Polman highlighted is to “look at the entire value chain”. They clarified that there are differences between a traditional change management program and implementing a sustainable business model (2017, p. 72). Often change management programs mainly affect the internal operations of an organization. However, if an organization is looking to truly embed sustainability, they must look at implementing programs within their supply chain and in their products and services to customers as “embedding a sustainable business model thus requires an integrated perspective” (Bhattacharya & Polman, 2017, p. 73). Sustainability initiatives are part of a larger goal to minimize the impact on the environment. Since the organization’s environmental footprint includes its value chain, implementation requires more than a regular change management program and more nuanced and purposeful integration of sustainability within all its business activities. Kashmanian et al. also supported the inclusion of “improving the value chain performance” for this reason (2011, p. 111).

Bhattacharya and Polman highlighted making “sustainability a priority for the board” (2017, p. 74) as the third pain point. If there is a lack of expertise in environmental sustainability at the board level, support and knowledge from the executive leadership team can help close the gap. In a traditional IOF, they may also look to appoint a board member with the specific expertise. In co-operatives, such as Vancity, where members vote for their board of directors, if environmental sustainability is a key concern for the members, they have the opportunity to support the nomination and appointment of such a board member to ensure the community needs are championed.

“Gain buy-in from the ‘undecideds’” (Bhattacharya & Polman, 2017, p. 72), the fourth pain point, focuses on the middle management layer. During environmental sustainability implementation, it is important to ensure communication is clear and appropriate to middle managers’ level of knowledge. The communication should be aligned with the organization and their own interests and clearly connect to how implementation provides value. Bhattacharya and Polman also suggested it is important to “establish clear targets and hold the organization accountable for them, as measurement builds accountability among employees” (2017, p. 75). Implementation metrics are needed to ensure that everyone in the organization is engaged. Metrics also help employees measure their progress. This is especially important in sustainability implementation which requires the embedding of sustainability practices within the organization. Embedding practices cannot happen through leadership alone, but by active engagement throughout the organization. Kashmanian et al. also agreed that “sustainability becomes everyone's responsibility within the company and is incorporated into the company's mission and core values” (2011, p. 110) and employees should be engaged to improve operational performance. Unfortunately, in sustainability reporting, there are many different metrics and reporting standards which provide a challenge globally in comparisons between organizations. , Turley-McIntyre, et al. (2016) found that this is indeed the case for financial institutions in Canada even though non-financial aspects of business performance and sustainability indicators are becoming increasingly important (Duguid and Balkan, 2016).

Similarly, the fifth pain point “make sustainability part of every employee’s job” (Bhattacharya & Polman, 2017, p. 72) includes ensuring employees are engaged and that they are held accountable and “play their part” (Bhattacharya & Polman, 2017, p. 76) in contributing to the success of the program. Leadership does not have to be formalized at the executive leadership level, but also can be found at other levels of the organization as “leadership does not mean just having leaders at the top – rather it is about creating leaders throughout the organization” (Hubbard et al., 2007, as cited by Cocks, 2010, p. 263). With employees engaged in sustainability activities as part of their daily jobs, they can become leaders themselves, embedding the culture of sustainability within the organization.

Finally, “redefine the competitive space by collaborating” (Bhattacharya & Polman, 2017, p. 75) suggests collaborating as opposed to competing with other organizations. This pain point aligns with Co-operative Principle 6, Co-operation among Co-operatives, as “collaborations allow companies and people to access expertise and networks of relationships and to benefit from partners’ political influence, standard-setting authority, and ability to impact public opinion” (Bhattacharya and Polman, 2017, p. 77).

The six pain points highlighted by Bhattacharya and Polman demonstrate sustainability implementation requires a multi-faceted approach and needs to be embedded within the organizational culture through employees’ daily work. Due to the complex nature of sustainability initiatives, implementation can be done over multiple years, and leadership and commitment from the CEO and throughout the organization appear to be crucial to support the longevity of the program. Additionally, sustainability cannot be achieved in silos; it needs to be done in collaboration with other organizations in the value-chain. Environmental sustainability, as one of the three pillars of sustainability, may have similar pain points. This research project examined whether the key learnings from Vancity’s successful environmental sustainability implementation were comparable to the six pain points.

### Methodology

The focus of this paper is to identify key learnings from Vancity’s development and implementation of a successful environmental sustainability program. Vancity has three guiding principles: environmental sustainability, co-operative values, and social justice and financial inclusion. Environmental sustainability encompasses internal and external minimization of Vancity’s environmental footprint. Internally, the focus is on the reduction of Vancity’s carbon footprint through tracking greenhouse gas (GHG) emissions from internal operations. Externally, Vancity focuses on supporting organizations that have positive environmental impacts and also providing a selection of products and services that help Vancity’s members reduce their environmental impact within the community.

This research project utilized a primary and secondary data approach. Primary data was collected through interviews with current Vancity employees who had been or are currently involved in the development, implementation and reporting of the environmental sustainability programs since 2004. Initially potential interviewees were identified by the author of this paper, who was also a key contributor to the internal operations’ environmental sustainability program between 2012 and 2016 (and worked closely with one of the interviewees during that time). In addition to the author’s insider knowledge, potential interviewees were identified based on their knowledge and involvement in the implementation of the environmental sustainability program and the time of their involvement: prior to and/or after 2004; after 2004; or currently. To ensure all current Vancity employees who had been or were currently involved in the program were included in the research, at the end of every interview, the interviewee was asked if they could suggest other key people in the organization who were involved in the program. All interviewee suggestions were cross-referenced with the interview list, thus confirming a comprehensive list of significant contributors to environmental sustainability implementation at Vancity as of June 2020.

Eleven interviewees were selected based on the above criteria and were invited to a 45-minute interview. 10 interviewees accepted and 1 person declined as they were preparing to leave the organization within a few weeks of the proposed interview. Only current Vancity employees were interviewed, therefore no Research Ethics Board review was necessary.

Through gathering data around the type of involvement the interviewees had with the program, it was discovered that several were long time employees of Vancity They were able to provide historical knowledge of the environmental sustainability program for approximately 10 years prior to the official strategy development in 2004 and implementation of the initial formal program. The historical data was also collected within the interviews to provide context that assisted with the analysis of key drivers of the program’s original development. Interviewees included Vancity employees who were involved in all environmental sustainability programs throughout the years and also the reporting, as often these programs are integrated. Since the interviewees were all key contributors to the implementation of past or current environmental sustainability programs, and in past or current roles that included strategic development and or direct implementation, the data gathered provided a well-rounded perspective.

The focus of the interviews was to gather employee perspectives on Vancity’s implementation of environmental sustainability programs: what worked, what did not work, and what employees learned from the hands-on experience of design and implementation. The questions were formulated to understand the origins of the program, its development and implementation and how it was communicated to employees and to members and the community.

The interviewees were asked semi-structured, open ended interview questions, which were also open to conversational pieces to ensure other discoveries and allow insights to emerge. Interviews were conducted virtually. Prior to starting the questions, the interviewer provided context on the capstone paper including the purpose, use and confidentiality of the research. Throughout the paper, interview respondents are distinguished as management respondent (MR) or staff respondent (SR). The following questions were asked in the same order to each interviewee. Responses were captured during the interviews using note form.

1. Why did Vancity initially decide to focus on setting up an environmental sustainability program? Have these motivations changed over the years?
2. What are the most important initial pieces to put in place to start a program such as this?
3. What are the benefits of creating a formalized environmental sustainability program?
4. What are the risks of not creating an environmental sustainability program?
5. What environmental sustainability initiatives have had the most impact or been the most successful?
6. What key metrics do you see as most important for the success of the program? Have these changed over the years?
7. Do you think Vancity could increase/improve the reporting of their environmental sustainability initiatives to the public or internally to employees? How would this look?
8. How do you think more employees could be engaged in initiatives?

#### Research Methodology Limitations

The sample size was small since only 10 current Vancity employees had been involved with the environmental sustainability programs. The sample size could have been increased by including former Vancity employees. Within the current employees, the most senior executives interviewed were in Director leadership positions. If the research project had been expanded to former Vancity employees, former members of the board of directors, CEO’s and other senior executives could have been interviewed and their learnings captured. However, time was a limiting factor as this research project was conducted between January and August 2020. As the author had previously been involved in the implementation of the environmental sustainability program, bias was mitigated by structuring the interview with open-ended questions, to allow other findings to emerge.

### Analysis and Discussion

From the 10 interviews, three key themes emerged regarding the successful implementation of the environmental sustainability programs: leadership; employee engagement, and relevant metrics and reporting. Several employees who had worked for the organization for over 30 years and continue to contribute to the environmental sustainability program confirmed these themes had continued to be challenges throughout the years. These interviewees were also able to provide historical perspective on the period prior to Vancity’s public commitment to environmental sustainability in 2004, and on the organizational conditions which allowed the environmental sustainability program to evolve and advance Vancity’s leadership position. Their insights provided important context for the three key themes.

A brief review of the history of Vancity’s sustainability programs is presented to provide context on how the environmental sustainability program was initiated. Then the three key themes included in all interviews are analyzed. A few interviewees also provided supplemental ideas for successful implementation depending on the type of initiative which are discussed below. The benefits of developing an environmental sustainability strategy and risks of not implementing a strategy are discussed from a credit union perspective.

#### Historical Context

Vancity was started in 1946 as an open-bond credit union by 14 Vancouver residents who wanted to enable any resident of the city, regardless of social affiliation, to access financial capital. The need for unrestricted access to financial services in the broader community. was a key driver for the co-operative inception. As a values-based financial co-operative Vancity was always responsive to needs in the community. In the early 1990s, as other traditional financial institutions grew, so did Vancity achieving over “$4 billion in assets in 1994” from “$2 billion in assets in 1989” (Highlights, n.d.) – unprecedented growth for the credit union. In 1990, Vancity introduced the enviroFund program, an annual program where a certain percentage of Vancity’s Visa profits, was granted to local sustainability initiatives. This program continues today and Vancity enviroVisa cardmembers have “helped raise $8.6M” (Vancity enviroFund program, n.d.) for local sustainability initiatives. Several interviewees noted the introduction of the enviroFund program was the initial start of Vancity’s public commitment to environmental sustainability.

Internally through its operations, in the 1990s, Vancity was starting to focus on incentives through the BC PowerSmart program run by BC Hydro to help with its energy management and also on reducing paper usage by engaging employees in printing double sided. These small activities were implemented as individual projects, not part of a cohesive plan, and were “not strung together in a strategic way” (MR).

Led by the Director of Facilities, the environmental impact of operations became more integrated in the decision-making process, and Vancity referred to the Coalition for Environmentally Responsible Economies (CERES) Principles (Smith, 1993) during the building of the new head office in 1995. The CERES Principles link environmental responsibility to the corporate bottom line. Vancity utilized these principles to select and consider the impact of products for its facilities, “before life cycle assessment was commonly discussed” (MR).

Driven by board leadership, Vancity established its Statement of Values and Commitment, which reflected a triple bottom line approach and included a commitment to “model and advocate social and environmentally responsible business practices” (Statement of Values, 2000). With global interest in climate change growing, the executive team had an increasing interest in environmental initiatives, which led Vancity to develop a cohesive environmental sustainability program in 2004 and in 2006 to set a goal of becoming carbon neutral by 2010. Vancity became the first Canadian financial institution to become carbon neutral in 2008 (“Vancity’s leadership”, 2020). Although some Vancity members were interested in environmental sustainability, one executive in particular championed the leadership approach whereby Vancity was to look at not only membership needs, but also the right thing for the organization as a whole to do. Vancity decided they wanted to be a leader in environmental sustainability as it was an important focus of the 2000s and continues to be now: “don’t go to the masses to look for leadership, go to the bell curve. Leadership is not in the middle, but at the front end. We have to anticipate and look forward and take the risk, to pull others forward” (MR).

Environmental sustainability efforts started as several fragmented initiatives in different areas of the organization, which included employees taking on their own initiatives. For example, the Director of Facilities nurtured a sustainability mindset, and employees looked to reduce paper by printing double sided. This mindset, together with leadership at the board and executive level, brought together Vancity’s environmental sustainability program. By setting goals, Vancity was able to demonstrate their commitment to being a leader in the community in the environmental sustainability arena.

#### Leadership

The first key theme discussed in all interviews was the importance of leadership from both the board and the executive team. As a co-operative, the board reflects the community member-owners. Board support was critical in ensuring the program has longevity, as environmental sustainability programs are long-term programs: “there are no magic bullets, just a lot of small wins” (MR). This is supported by Kashmanian who suggested that “it is important for a company to identify a ‘true north’ that guides its strategy as it makes short-term adjustments” (2011, p. 116). Although there may be some quick wins and small projects, ongoing support from the board and executive was vital to make significant contributions to reducing the operational environmental footprint. To start implementation of an environmental sustainability program, all 10 interviewees agreed that at least one senior leader who was able to understand and champion the program was critical to gain buy in. They also agreed that it was important to “have key people in positions of power to steer and lead in the right direction” (MR) and that “without the right people, you will always fight for attention and resources. The right executive sponsor is important as they can speak to what can get done” (MR). There have been occasions at Vancity when no leader or the wrong leader has been identified as a champion prior to the presentation of an environmental sustainability program and there was no support and “nothing was prioritized” (SR) and “if leaders don’t understand the program, they will not commit funds” (SR).

A sub theme of leadership emerged around how much influence a leader may have, depending on their understanding and personal values alignment with the program. Environmental sustainability programs are not simple and require a systems approach (Marshall and Brown, 2003) as there may be many nuances and unintended consequences to the program. An executive who is mandated to support an environmental sustainability program by their superior, may understand the business case, but if their personal values are not aligned may be a weak champion. They may be unable to effectively communicate all sides of the program benefits and risks, especially for programs that do not make straightforward economic sense or are personal to the executive team, such as modifications to executive car allowances. They may still get buy-in from the other executives, but the program will not be a top priority. An executive who understands and whose personal values are aligned is an ideal champion as they can lead a deeper discussion on both the benefits and risks and be authentic when presenting the program for approval. Co-operative board members are also ideally positioned to understand the member-owners’ needs, the growing interest in climate change and how organizations are addressing environmental sustainability.

Overall, the findings support the literature from Mross and Rothenberg (2007) and Kashmanian et al (2011) that leadership is critical in implementation. The findings also align with two of Bhattacharya and Polman’s pain points, “Sustainability is more than just a change initiative” and “Make sustainability a priority for the board” (Bhattacharya & Polman, 2017, p.71). For Vancity, the board was a key driver and, together with an engaged executive team, it ensured that Vancity demonstrated leadership on sustainability and kept it as a priority. The board has continued its involvement over the years and has helped set strong strategic direction.

#### Engagement of employees

The second key theme to emerge was the engagement of employees in implementing the program. “It is so important to have executive level buy in, but this needs to be in combination with a grassroots movement with passionate people to help lead the charge; employees are key” (SR). Another interviewee concurred it should “not just be a top down approach, but also bottom up, as leaders need employees to do things and they need to be able to contribute” (SR). Once an environmental sustainability program has been formalized by the executive leadership team, how it is implemented and by whom is paramount. Employees are an important stakeholder. The employee community is not only a small reflection of the local community and deeply embedded within the communities they serve but employees are also a key point of contact for the co-operative members. If they understand and participate in implementing the environmental sustainability program, they then can pass this knowledge on. All too often, in some organizations, environmental sustainability is seen as something that a specific department does, such as Facility Management being responsible for energy management. In this example, although it is important that the correct energy efficient equipment is selected, employee behavior towards the energy efficient products is important. There are no gains in energy efficiency with automatic lighting if employees find the timing of the lights too short and as a result tape over the sensor to prevent the light turning off.

There was also consensus from the interviews that the formalized program supports engagement of employees by potentially ensuring it is more integrated into daily actions. A formal program ensures everyone is working towards the same goal, as it “helps to have everyone working together and not off the side of their desk” (MR), and as fragmented behaviour reduces the efficacy of the program and attainment of program goals. Engaging employees in implementing sustainability initiatives supports the literature from Bhattacharya and Polman and specifically the fifth pain point to “Make sustainability part of every employee’s job” (Bhattacharya & Polman, 2017, p.71). Making it part of daily work can also help change the culture of the organization and alleviate the fourth pain point of “Gain buy-in from the ‘undecideds’” (Bhattacharya & Polman, 2017, p.71). As the culture shifts towards embedded environmental sustainability, employees are enabled to learn about the environmental impact of their decision making and daily work.

Two sub themes around engagement of employees were also noted from the interviews: the education and values-alignment of employees. Education for the employees was raised as an important sub theme as Vancity has over 2500 employees working across 63 locations. The level of knowledge of environmental sustainability across the employee base is very broad. For those with less knowledge, it is important that part of the program is dedicated to educating and training and “meeting employees where they are at with their environmental sustainability knowledge” (SR). During the implementation of the program, those who are more passionate about Vancity’s environmental sustainability programs may be able to provide authentic and empathetic education to their colleagues. However, there is also a need to support these passionate employees with specific training to help increase their understanding specifically of Vancity’s environmental sustainability programs and the context in which these programs are implemented. For example, a program focused on transportation may provide incentives to non-drivers, but the reasons for this should be transparent and understood. Involving the employees in program implementation– in their daily actions – also provides them with experiences that they can share with colleagues and members. “It is important employees are able to experience and do these things” (SR) to enable them to have real life, authentic experiences to talk about, which in turn supports a culture shift within the organization to one that embeds environmental sustainability practices.

An additional sub theme is engaging those who are values-aligned and passionate about environmental sustainability. This helps the diffusion of the program as these employees, as noted above, have authentic experiences that help them meet people where they are at in terms of their knowledge. Vancity has had success with connecting like-minded employees across the company to form a small environmental sustainability ‘team’ who are able to collaborate and discuss learnings and potential new ideas.

Employee engagement is necessary to embed environmental sustainability within the organization. Although there may be strong leadership, it is the employees who will change the culture of the organization through their daily actions and “to effectively implement a sustainable business model, every employee must play his or her part” (Bhattacharya & Polman, 2017, p.76). Both sub themes of education and engaging with those who are already values-aligned or passionate about environmental sustainability, support the empowerment of employees and this can help “gain buy-in from the ‘undecideds’ (Bhattacharya & Polman, 2017, p.75).

#### Metrics and Reporting

The third key theme for implementing a successful environmental sustainability program that all interviewees agreed upon was the importance of having clear and relevant metrics and reporting these metrics to employees and also publicly. Metrics provided a link to the overall organizational strategy, provided clear communication on what the goals were and feedback on how they were doing. To achieve long-term outcomes internal metrics are important. Sub themes for metrics and reporting that surfaced included: goal-setting and the continuing challenge of choosing the best sustainability reporting tools.

When setting goals, it is important to have a baseline from which to start. With environmental sustainability, it is difficult to compare metrics from other organizations perfectly as other organizations may vary in size, type of operations and industry. Vancity does benchmark against other financial institutions for some of its environmental sustainability metrics; however, it is not a perfect comparison. As one interviewee described, “it doesn’t have to be sophisticated but start measuring and don’t stop measuring, this is key to also contributing to the longevity of the program. You can’t manage what you don’t measure” (MR). Pointedly, another interviewee stated, “Keep it Simple Stupid, so that the goals are more easily understood” (MR). Therefore, it is important for an organization to start measuring something, however small such as paper usage, to set its own baseline. There is no need for complicated metrics, simple goals that can be easily communicated are a good first step.

It is important that the goals align with the organizational goals, and ideally also with local community goals. In 2006 when Vancity set its own Big Hairy Audacious Goal (first coined by Collins and Porras (1997)) to reduce its carbon emissions and become carbon neutral by 2010, it aligned with the City of Vancouver’s goal to also become carbon neutral. Aligning with city and local goals provides some motivation and authenticity. Aligning with global goals and “tying in with global metrics is important” (MR) to show how the organization is contributing to larger environmental sustainability change. Indeed, one interviewee stated that the “metrics at Vancity should be clearly attached to broader targets like the SDGs and these in turn should also be tied to performance metrics and pay” (SR). Another interviewee noted that environmental sustainability metrics should be part of an employees’ job description and role to support their involvement in the program as “the employees are able to use the metrics and data to help communicate the success of the initiatives” (SR). , Similarly to the employee engagement theme, this data also supports the fourth and fifth pain points of Bhattacharya and Polman’s research, “Gain buy-in from the ‘undecideds’” and “Make sustainability part of every employee’s job” (Bhattacharya & Polman, 2017, p.751). Sustainability metrics and reporting are key for any environmental sustainability program but tying them to employees’ compensation or performance goals demonstrates to every employee that the program is a priority for the organization. Enabling employees to develop a connection between their work and the overall environmental sustainability strategy showing how it all contributes to larger global goals such as the SDGs may also provide them with a sense of pride.

Sustainability reporting has been key to the success of Vancity’s environmental sustainability program. Doing an environmental scan to understand where the organization is in relation to its peers in sustainability reporting is useful when first deciding on metrics and how to report, as there “are metrics which are hard numbers, such as greenhouse gas emissions, and then metrics which are harder to measure but important to track “(MR). For a financial institution these may include how many green buildings were financed in a year or how many loans were disbursed to impact businesses. One interviewee confirmed that “having proper tracking systems and mechanisms and processes, which supports formalized reporting to senior management is of vital importance. The information needs to be regularly reported to someone who has power to manage” (SR). This ties back to the need for a key sponsor or engaged leader who understands the metrics and can champion the program as a priority. Without reporting, the program may not have had the longevity it has had. Vancity realized early on it was important to build in the feedback loop employed in system dynamics (Marshall & Brown, 2003).

#### Supplemental ideas for successful implementation

An additional theme that emerged from some interviews was the importance of partnerships and collaboration. This aligns with Bhattacharya and Polman’s research, specifically with two of the pain points noted as “Redefine the competitive space by collaborating” and “Look at the entire value chain” (2017, p. 72).

Depending on the initiative, partnerships and collaboration may be an important way to gain efficiencies and leverage additional expertise. Initially, to develop its sustainability strategy and specifically the environmental focus, Vancity successfully collaborated with key partners who are well respected in the environmental sustainability space, such as the David Suzuki Foundation and Pembina Institute. Two interviewees acknowledged that Vancity was not familiar with how to start environmental sustainability implementation and approached the key partners “for advice as they were the experts in the environmental space. Their expertise is critical as it can help target your investments and resources” (SR). There are many environmental initiatives that can be identified by the organization, but initiatives that require the least resources and have the highest impact should be considered as the priorities.

Organizations with experience in identifying such priorities are good partners. Collaboration was also potentially easier for Vancity as a co-operative, as the Co-operative Principle 6 is co-operation among co-operatives. Although identifying co-operatives in the environmental space was initially difficult, Vancity has attracted co-operatives focused in this area by maintaining its environmental sustainability leadership. Other partners include most recently One Earth to help deliver the approved Lighter Living program that integrated the environmental sustainability programs from both internal operations and external member programs to reduce the carbon footprint. One interviewee supported this approach in that with this “two-pronged approach, we need internal operations to walk the talk and provide us (employees) the license to talk to people about the environment in an authentic and trusted way” (SR).

By looking at the entire value chain, the organizational environmental impact can be assessed more accurately, as the partnerships along the value chain need to be included. The idea of reviewing the value chain to be included in environmental sustainability programs was daunting but starting small and identifying key stakeholders can ultimately lead to a ripple effect - “including stakeholders was key in implementing our programs” (MR) - and many become key partners, especially if they are doing this for the first time also.

These themes were not determined to be key themes as not all interviewees mentioned them, possibly due to the perspective or direct experience of the interviewee. For example, those working closely with community members may have had more frequent involvement with a broader range of stakeholders and partners then those working on internal programs that are focused more on employees.

#### Benefits and Risks

The interviews provided some additional learnings and suggestions for other credit unions who are considering an environmental sustainability program. These insights are dependent on the sophistication of the environmental sustainability program being implemented and on the size of the organization. All interviewees noted that it was important to communicate the benefits of formalizing an environmental sustainability program and the risks in today’s market environment.

Financial institutions are seeing increasing regulatory requirements and in future these may include environmental sustainability due to the impact and risk of climate change. It is important for credit unions to get ahead of these regulatory requirements to help with resource and potential financial constraints. Credit unions need to stay relevant and as youth are now more engaged in environmental sustainability due to the climate crisis, focusing and reporting on environmental sustainability can help the credit unions attract members and new employees and retain existing employees. As one interviewee reflected, “everyone is aware they cannot continue on the current trajectory for planetary boundaries so credit unions must do something to stay relevant” (MR). All interviewees mentioned a key benefit of implementing the environmental sustainability program over the years was that it provides a level of authenticity to its employees, members and community. Greenwashing in which environmental sustainability is not embedded within the organization but is more about marketing may alienate potential new members, especially youth.

The historical context provided insight into small environmental initiatives that were occurring before Vancity formalizied their environmental sustainability program. It demonstrated that small initiatives can help contribute to a bigger strategy by providing a starting point. Leadership from the board and executive was key in initiating a more formal program, setting it as one of the guiding principles and ensuring it continues to be a priority for the long-term. The three key themes demonstrated the importance of both a top down and bottom up approach, with leadership and engaged employees necessary for successful implementation and everyone working together towards a common goal. By inspiring employees to engage with a Big Hairy Audacious Goal, Vancity highlighted its leadership position in the environmental sustainability space when it achieved its goals. Metrics and reporting to internal and external stakeholders provided feedback for improving implementation. Additionally, the reporting provided authenticity to the organization and employees to talk genuinely about their experiences. When needed, Vancity did not hesitate to bring in knowledgeable partners to help them achieve their goals. Overall, the three themes align with Bhattacharya and Polman’s six pain points. Together, the pain points and themes help provide insights into challenges organizations might face when implementing a sustainability strategy. The benefits and risks also highlighted the need for organizations, especially credit unions, to start implementation, so as not to have to become reactive to potential upcoming environmental regulations.

### Conclusion

Through the interviews, three key themes emerged from learnings from the interviewees who had been directly involved in the implementation of the environmental sustainability: leadership; employee engagement, and the importance of metrics and reporting. The three themes are key to starting a successful program and also to maintaining the momentum. Although the three themes have been discussed separately, it is clear that they are intricately linked and all are needed for successful outcomes. Integration also supports longer-term success of the strategy. Embedding environmental practices within the organization helps drive a change in organizational culture from a single financial focus to a triple bottom line focus. The themes are congruent with the literature review and it is clear that there were several overlaps with Bhattacharya and Polman’s research. The themes could be mapped to the six identified pain points. The learnings from Vancity provide more specific understanding of the potential challenges that other credit unions may face and areas of focus when starting environmental sustainability programs of this kind.

The supplemental theme of partnerships and collaboration also aligned with the literature but did not appear as a key theme throughout all interviews, perhaps due to the types of initiatives Vancity implemented as a credit union. Internal operational initiatives, such as reducing energy through new technology, may not require additional partnerships. This theme could be explored by future research.

The historical context and sub themes helped unearth some interesting nuances for Vancity that could also be explored by future research. An example is the importance of values-alignment in the board, executive and employees in successful implementation of environmental sustainability initiatives. At Vancity, prior to the development of the sustainability strategy, the board was motivated to explore where Vancity wanted to position itself in the environmental sustainability space. As a co-operative, Vancity’s board members are chosen by its member-owners and therefore the types of board members and their expertise or interest may reflect some of the needs emerging in the community. The values-alignment of the board supports a leadership position and prioritization of a long-term program such as environmental sustainability. Due to the governance structure, co-operatives also are more likely to be more long term focused than IOFs.

Many of the interviewees noted that Vancity currently had many employees who are passionate about climate change. The employees were attracted by Vancity’s reputation for environmental sustainability leadership and wanted to work for a values-aligned organization. At all levels of the organization, including executive leadership, many employees have an interest or passion in environmental sustainability. Further research could look at whether this passion translates into daily actions at work which contribute to minimizing the organization’s impact on the environment. Are environmental sustainability practices embedded more quickly than in other organizations due to the values-alignment or passion for the topic at all levels ofthe organization? As the culture shifts to having environmental sustainability within Vancity’s DNA, and as the implementation continues to succeed, Vancity can ensure that its environmental leadership position is authentic. One interviewee summed it up perfectly stating, “we absolutely have to walk the talk, what does it look like if we are asking others to do it?” (MR).

This research project suggests credit unions implementing environmental sustainability programs can focus on the three key themes identified here: leadership; engagement of employees; and metrics and reporting. It is important that credit unions look at leveraging their co-operative values to contribute more to the defining issue of our time, climate change. Hopefully by understanding some of the key themes learned from Vancity’s successful implementation, more credit unions and co-operatives are inspired to broaden their social sustainability focus and start upon the environmental sustainability journey.

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