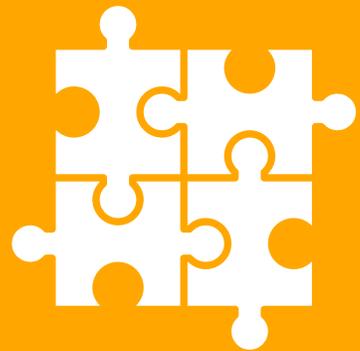


Corporate Social Responsibility Update

Helping our communities grow well.



May 2020

INTRODUCTION

This Corporate Social Responsibility Update presents an overview of some of the initiatives we supported in 2019.

We're focused on helping our communities grow well in three important ways:

Building Financial Inclusion & Resilience

We're supporting education and access to financial products, which help every person in our community manage their finances every day and when they encounter challenges along the way.

Investing in the Sustainable Economy

We're making sure that the decisions we make in our business—from our investments to financial products and managing our environmental footprint—helps to grow a sustainable world for the long-term wellbeing of our communities.

Growing the Co-operative Movement

We know co-operative values of fairness, honesty, trust, and community mindedness are at the heart of good business. That's why we support the growth of co-operatives and credit unions at home in Atlantic Canada and around the world.

We're preparing a more detailed report about our impact that will be ready to share later in 2020.

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EACH ONE TEACH ONE



Long-term financial well-being depends on people's ability to understand and use financial information so that it helps them make wise decisions for today and in the future. Financial literacy isn't always a part of our formal education, but that doesn't mean we shouldn't take the time to learn the basics.

In 2016 Atlantic Central and credit unions in Atlantic Canada joined other credit unions across Canada to deliver Each One Teach One (EOTO) workshops in their communities, helping people improve their financial literacy and resilience.

Credit union employees are trained as certified coaches who volunteer their time to deliver EOTO workshops covering a range of basic financial skills. Local community organizations, such as libraries, clubs, and non-profit organizations partner with local credit unions to provide space and promote the workshops to their community.

Thirty credit unions in Atlantic Canada now participate in EOTO. Since 2016, sixty-eight credit union staff have been trained as coaches and have delivered over 200 workshops to almost 3,000 community members.

Workshop formats are easy to follow and are successful because they're based on community need. They cover a range of topics including basic budgeting, building a healthy credit history, how to identify theft and fraud prevention, and financial wellness for seniors.

EOTO workshops are open to anyone wishing to improve their financial skills, not only credit union members, and do not promote particular products or services. The sole goal is to empower workshop participants to make the right financial decisions for themselves and their families.

In addition to better financial outcomes for workshop attendees, the training that credit union coaches receive builds their confidence and knowledge and in turn helps them to serve members better every day.

**"If more people had the information that we got from the program then a lot less people would have money struggles."
Cortney Laybolt,
workshop participant.**

**In 2019
EOTO
achieved:**

30
participating
credit unions in
Atlantic Canada

68
credit union
coaches trained

57
workshops held

614
workshops
participated

EOTO Coach Spotlight: **Adrienne Collins, MA** **Assistant Branch Manager** **Sydney Credit Union**

When EOTO was launched in Atlantic Canada in 2016 Adrienne immediately decided to jump on board as a coach. Sydney Credit Union always had a focus on building financial literacy but had to devise their own programs until EOTO was launched– “To have access to a national learning program that was developed by credit unions to be delivered by credit union staff was just awesome” says Adrienne.

Sydney Credit Union is meeting a big demand for financial literacy training in Cape Breton – Adrienne said “We have higher poverty rates in our region and many people have never been taught financial literacy so it was really important for me to give back to my community that way.”

As much as Adrienne has enjoyed supporting her community, she has also gained valuable coaching skills that she applies in her role as assistant branch manager. “I definitely have more confidence in public speaking. To realize that I can coach other team members in my credit union to become EOTO trainers and give them the confidence to deliver sessions has been the biggest thing for me.”

EOTO Coach Spotlight: **Jessica Kelly** **Assistant Branch Manager** **Bayview Credit Union**

Jessica is a keen volunteer, often representing her credit union in the community, and sees EOTO as an opportunity to “reach a lot of our community to who we may not have an opportunity to see every day with financial literacy training.”

Bayview delivers workshops in partnership with libraries and schools across their region. Attendees range from newcomers, to further education students, to seniors. “Whether there is one person or 18 participants in a workshop it feels good to make that difference for people and it gives me some satisfaction too” says Jessica.

Spending more time in her community with EOTO led Jessica to become chair of Bayview’s ‘Young Leader Group’ and she has recently moved into a managerial role in the credit union. She is supporting other team members to work together.

“If I hadn’t put myself out there as an EOTO coach I don’t think I would have taken on these opportunities. Building my confidence as a leader and learning how to speak and relate to people from all types of backgrounds and personalities has definitely helped me to assist our members and fellow employees at the branch.”

Junior Achievement Nova Scotia



“We truly value the unique collaborative partnership between East Coast Credit Union and Atlantic Central as we engage and inspire the future leaders and entrepreneurs of our province. Together, our collective work provides opportunities for young people to control their financial independence and develop skills to succeed in a world that ever-increasingly requires critical thinking, adaptability, and perseverance. The dedication and commitment of partners like East Coast and Atlantic Central make the vital work of JA possible.”

**~ Shakara Joseph, COO,
JA Nova Scotia**

Junior Achievement (JA) in Nova Scotia delivers financial literacy, workforce readiness, and entrepreneurship skills for thousands of young people every year. East Coast Credit Union has been the lead sponsor of the annual JA Business Hall of Fame awards since 2015—JA’s premier fundraising event. Atlantic Central League Savings & Mortgage has boosted East Coast Credit Union’s support for JA since 2017 with an additional \$10,000 contribution, bringing total joint annual sponsorship to \$25,000.

While recognizing and celebrating achievement by Nova Scotia’s business community and inspiring young people in their future careers is a central focus of the Hall of Fame Awards, net proceeds from the event also provide a vital source of unrestricted funds for JA programs.

JA’s mission is to inspire and prepare youth to succeed in the global economy. Seventy-five percent of Achievers (alumni) said that JA was critical in helping them develop financial literacy skills.

In 2019 our support for the Hall of Fame event helped JA raise an additional \$94,000, which enabled an additional 2,203 students to take part in 107 programs such as:

- It’s My Future (grade 7) students explore potential career paths, factors to consider in choosing a career, and basic job-hunting tools;
- Investment Strategies program (grades 9–12) teaches students how to save and invest for the future, and;
- Ideation Bootcamp (grades 9–12) a six week after-school program where students explore generating, developing, and evaluating ideas for launching a new entrepreneurial venture.

Achievers are:

- 50% more likely to open their own business
- 3x more likely to hold management positions
- 25% less likely to be unemployed
- 3x less likely to spend more than they earn
- 2x more likely to study and work in business and finance

In 2019 our
\$25k support for JA
has enabled:

94k
additional funds raised

107
JA program delivered

2,203
JA students
engaged in Nova Scotia

11,776
student hours in financial
literacy and entrepreneurial
learning

Note: JA figures are calculated from
July 2018 to June 2019



Business Hall of Fame event 2019



JA Students at Business Hall of Fame event 2019

Spotlight: Dollars with Sense

Grade 10 students in Nova Scotia can get the tools they need to make smart financial decisions, live debt-free, and become savvy investors by taking part in JA's Dollars with Sense program. Learning financial skills is fun with games and multimedia to boost students' self-confidence.

Students develop critical thinking and problem-solving skills, learn about budgeting, money management, credit management, saving, investing, and financial goal setting. By the end of the program, students have a stronger sense of financial responsibility and the tools they need to be wise consumers.

In the 2018-2019 school year, 546 young people took part in Dollars With Cents Sense.

"JA is a valuable experience for my students. Every year, I request a program because I know that this opportunity connects my students with experts and draws on their expertise to help my students build financial awareness."

- DWS Teacher



BULLFROG POWER



We're committed to investing in the sustainable economy by supporting the growth of the renewable energy industry in Canada. Our partnership with Bullfrog Power helps put more energy from clean sources onto the grid.

As a member of the Bullfrog Power community, a portion of our annual contribution helps to fund new, small-scale renewable energy projects across Canada and in our region. This funding provides a much-needed additional stream of revenue to independent renewable energy producers, supporting their projects to become economically viable and helping our communities grow well.

Through Bullfrog,
in 2019 we:
purchased
264 MWh
of renewable
energy certificates
which
displaced
214
tonnes of
CO₂e

Our contribution also displaces the greenhouse gas emissions for our three corporate offices in Halifax, Charlottetown, and Riverview. To offset our environmental footprint, we purchase 624 MWh of Renewable Energy Certificates (RECs) from Bullfrog, which are issued by electricity generators who feed electricity from renewable sources into the grid.

In choosing Bullfrog, we're reducing the amount of greenhouse gas emissions associated with generating electricity by 214 tonnes of CO₂e every year. That's comparable to taking 45 cars off the road for a year, or diverting more than 65 tonnes of waste from landfill. It's the same amount of carbon sequestered by 82 hectares of forest in one year.

Twenty percent of our annual contribution to Bullfrog Power goes to support small-scale community renewable energy projects like these:

Spotlight: Wolfville Farmers' Market

The Wolfville Farmers' Market is home to the largest solar project in the town of Wolfville: a 20 kW system that powers the market year-round. Wolfville Farmers' Market completed the project with funding from Bullfrog Power and ACOA. The market's solar panels now reduce the facility's emissions footprint by 16 tonnes of CO₂e per year and save the organization approximately \$2,700 per year in energy costs.



Spotlight: Iron & Earth East

Iron & Earth East is the Atlantic Canadian chapter of an oilsands worker-led group championing a shift to renewable energy in Newfoundland and Labrador. The group focuses on green energy investment and renewables training for traditional energy sector employees who are out of work. Bullfrog matched all contributions to a crowdfunding campaign—even tripling them in the final two days of the campaign—for a 100% renewably powered demonstration project.





GROWING THE CO-OPERATIVE MOVEMENT

Each year we support the four Atlantic Co-op Councils with a \$25,000 contribution that helps deliver the co-operative values that we share.

Small Business Loan Guarantee Program

Since 2003 the Small Business Loan Guarantee program has filled a gap in financing for the small and medium business sector. The program provides up to \$500,000 in loans, lines of credit, and working capital to small businesses that have difficulty accessing financing for start-up, growth, and succession.

We partner with the Nova Scotia Co-operative Council, local participating credit unions, and the Province of Nova Scotia to deliver the loan program. These loans help create jobs in Nova Scotia, especially in rural areas. We're also supporting financial inclusion with financing for women entrepreneurs, businesses owned by youth, newcomers to Nova Scotia, and other minority groups.

We began with a pilot of \$3 million and the loan program has grown into a \$156 million portfolio by 2019 disbursed to 2,486 businesses who have created and/or maintained 16,358 jobs.

No other financing programs provide access to working capital or lines of credit to individuals who would like to start or purchase a small business and/or grow and expand an existing business. In fact, lines of credit account for 45% of all financing approved under the program.

The Province of Nova provides a loan (deficiency) guarantee, while credit unions provide 100% of the capital. Total loan losses have been less than 4% over a 14-year period.

Thirty-five percent of all approved financing has been issued to women entrepreneurs. We are seeing an increase in business in the resource sectors and in tourism, both mainstay sectors in the Nova Scotia economy.

In the past year loan activity continued to increase in rural areas of Nova Scotia in the South West Valley and Cape Breton regions. We also saw 756 businesses repay their loans in full at a value of \$40 million—loans are being repaid at five times the rate of loans defaulting.

"They saw our vision and potential for growth – the only hindrance was the cash flow. That was the barrier between us and our potential, but the credit union supported us."

~ Tareq Hadhad
Founder of Peace by Chocolate
Antigonish, NS

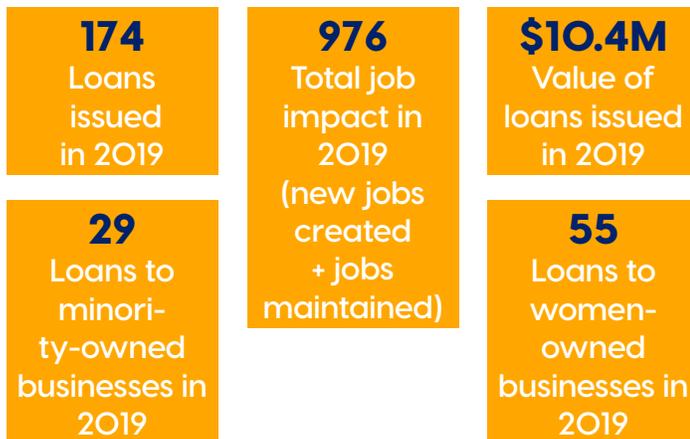
Supporting industries in times of need

With the closure of the Northern Pulp Mill in Pictou County Nova Scotia in early 2020 and the impact on businesses, communities, and livelihoods dependent on the forestry sector, the Small Business Loan Guarantee program has stepped in to provide short-term repayable financing to help contractors cover loan payments as they adjust to changes in the sector.

Creating broader economic impact for Nova Scotia

In 2017 a study by PricewaterhouseCoopers found that through direct, indirect, and induced impacts, loan recipients generate:

- \$913 million of GDP and \$1.55bn of output to the Nova Scotia economy annually;
- Total labour income was estimated to be \$581 million or \$48,900 per job facilitated in the province, and;
- \$95 million is contributed in provincial taxes on production and imports, personal income taxes, and corporate income taxes each year.



Cumulative impact since 2003*



*Note: Cumulative figures are up to June 2019

Spotlight: My Home Apparel

Truro
Employees: 8
Founded: August 2015

This company sells clothing that celebrates where you call home, while working to give all Canadians a home—5% of all profits are donated to help end homelessness in Canada. They pride themselves on using made-in-Canada clothing and hand-printing each item. They have donated over \$18,000 in less than two years to homelessness organizations.

“The success of small business is dependent on companies and banks believing in people’s dreams and giving them the foundation needed. The credit union believes in rural entrepreneurship and that is incredible. My Home Apparel is living proof that growing a business is possible in small town Nova Scotia.”

~ Miriah Kearney,
CEO & Founder of My Home Apparel

Spotlight: HoofenFeather Farm

Dutch Settlement, Nova Scotia
Employees: 7 part-time
Founded: 2005

This horse-boarding facility, owned by Christina and Thomas Martin, is located halfway between Halifax Regional Municipality and Truro. Their business is not only caring for other people’s horses, but also to provide them with the opportunity and freedom to enjoy their passion to the fullest.

“The credit union is taking a very bold and community-minded step with this initiative. The identification and promotional opportunity they have created here is crucial to the success of small businesses throughout Atlantic Canada.”

~ Christina and Thomas Martin
Owners of HoofenFeather Farm

Co-operative Development Foundation of Canada



While our deep roots are in Atlantic Canada, we're part of a global community committed to co-operative values. We work together with other co-operatives to grow a movement that encourages sustainable growth and long-term prosperity that is built on self-reliance and co-operation.

Since 2013 we've donated \$20,000 annually to support the Co-operative Development Foundation of Canada (CDF), an international development organization that works with community-owned co-operative enterprises in developing countries.

In 2019 our \$20k contribution has helped CDF to:

leverage

\$174k

from funders to support the lives of

30k

people through leveraged funds

CDF partners directly with local groups to help smallholder farmers, traders, and producers build and bolster co-operative ventures that provide the necessary goods and services that their communities could not access or develop on their own.

Through our partnership with CDF we have helped and changed the lives of thousands of people every year. And, every dollar we contribute is multiplied 8.7 times by CDF's funding partnerships, further amplifying our impact in growing the co-operative movement through projects and programs like these:

Spotlight:

MyFINANCE in MYanmar

MyFINANCE is a project implemented by CDF Canada that helped to establish two township savings credit unions in the Myingyan region of Myanmar. Through this project approximately 7,000 smallholder farmers have accessed small loans to strengthen their situation and productive capacity. Daw Than Nwe (pictured) is one such farmer, who used her loan to hire four women from her community to help with the farm, as well as purchased fertilizer to boost her crop yields. Daw's membership in the local township credit union is also helping her to save the money she earns, opening up new opportunities for her and her family.



CDF (con't)

Spotlight:

Women's Mentorship Program ECHO Uganda

Since 2002 CDF Canada has hosted the annual Women's Mentorship Program (WMP), a flagship initiative that invests in women to improve financial inclusion in communities around the world. In January 2020, with additional financial support from its partners, CDF supported an extended program: WMP ECHO Uganda, in Kampala. This homegrown initiative builds on the domestic leadership from three local WMP alumnae – Mercy (WMP 2017), Dorothy (WMP 2018), and Ritah (WMP 2019) – and responds to the extensive need for skills and leadership development for women in the Ugandan credit union community. Building upon their WMP experience, Mercy, Dorothy, and Ritah partnered with the Uganda Co-operative Savings and Credit Union and tailored a comprehensive training program that brought together 15 women credit union managers from every corner of Uganda.



We also contribute our time and energy toward the CDF's valuable work: our Director of Product Solutions, Jeanette Wakelin, volunteers her time as a member of the board of directors and serves as Chair of CDF Canada's Human Resources Committee.

CDF is guided by Seven Co-operative Principles

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