

2022-2023

ESG Report
(Environmental,
Social, and Governance)



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A MESSAGE FROM THE CEO

ESG is a trending industry topic driving the conversation in our world today. For Canada's credit unions, supporting ESG initiatives is woven into the fabric of their very identity. This means an unwavering commitment to supporting their communities' economic, social, and environmental well-being.

Over 10 million* Canadians trust their local credit union or caisse populaire as their financial institution of choice, and for a good reason. In 2021, Canada's credit unions gave back 3.2 percent of their pre-tax profits to local community organizations. They also employ close to 30,000 people across the country, providing meaningful, well-paying jobs in cities and towns from coast-to-coast.

The 2022-2023 ESG Report highlights the contributions Canada's credit union/caisse populaire sector continues to make to the Canadian economy. Read on to see how the sector is making a difference in local communities across the country from an environmental, social, and governance perspective.

*Figure includes Quebec.



Jeff Guthrie,
President & CEO
CCUA



SECTION I

Canada's Credit Unions

CANADA'S 422 CREDIT UNIONS AND CAISSES POPULAIRES

Are **member-owned, co-operative financial institutions**. This different way of banking allows Canadians to hold on to more of their money.

Are governed by about 1,800 volunteer directors



Women CEOs number 30%, proving credit unions are leading Canada's financial services in gender parity

Are the only financial institutions operating in 380 communities



Operate from 2,214 locations,* including rural and local locations



Serve over 10 million Canadians*



*Figure includes Quebec



GIVING BACK TO OUR MEMBERS

Credit unions exist to provide service to members and not solely to generate profit. **This different way of doing banking** allows us to help Canadians hold on to more of their money.

5,374 of Ding-Free ATMs

Across Canada, members can access surcharge-free ATMs through the ACCULINK shared service and THE EXCHANGE network. It's an ATM network bigger than most big banks!

\$18.8 million saved

Members saved over \$18.8 million on ATM fees by using THE EXCHANGE and ACCULINK networks.

Returned \$200 million to members

Canada's credit unions returned \$200 million to their members through dividends and patronage.



SECTION II

Stronger Together

STRONGER TOGETHER: SUPPORTING LOCAL COMMUNITIES

Canada's credit unions are constantly looking for ways to support their local communities and neighbourhoods. The following examples are few of the different ways credit unions continue to give back to the local economy.



Kingston Community Credit Union (ON):

Credit unions care about their communities and protecting the world we live in. As part of their ongoing commitment to support the health and betterment of the Kingston community, in 2022, Kingston Community Credit Union donated \$5,000 to the Kingston Climate Action Fund. KCCU funds help to support three local climate action projects – Extend-A-Family Kingston, Sustainability Kingston, and Cycle Kingston – to reduce greenhouse gas emissions.

Gulf & Fraser (BC):

Credit unions have a longstanding history of coming together to support communities across Canada. In the summer of 2022, the unprecedented natural disaster of Hurricane Fiona ravaged the livelihoods and homes of many Canadians living on the Atlantic Coast. To support the recovery efforts of Hurricane Fiona, Gulf & Fraser donated \$15,000 to the Canadian Red Cross Relief initiative to help those impacted build and recover.

Kindred Credit Union (ON):

With the demand for affordable community housing rising within Canada,



action is imperative. To help address the housing crisis facing many Canadians in the Waterloo region, Kindred Credit Union partnered with Waterloo Region Community Foundation (WRCF) to pilot an Affordable Housing GIC and Loan. This GIC allows depositors to invest their money knowing that the funds are matched with a lending solution for long-term and permanent affordable housing.

OMISTA Credit Union (NB):

In 2022, OMISTA Credit Union partnered with the 12 Neighbours Community Project – an organization founded on the principle that housing is just the beginning of the journey. The community project was awarded the 2022 Wyth Financial Empowering Your Community Award valued at \$5,000. Along with the funds from the award, OMISTA further showcased its devotion to tackling affordable housing by contributing an additional \$7,000 to the project. In total, OMISTA contributed \$12,000 to the 12 Neighbours Community project in support of the dignified micro-home community, to help find a unique and dignified solution to the need for housing in New Brunswick. Since embarking on this partnership, OMISTA employees have volunteered 90 hours of their time to help bring the 12 Neighbours project to life.

Interior Savings Credit Union (BC):

During the height of the Ukraine-Russia humanitarian crisis, Interior Savings Credit Union offered financial assistance to support Ukrainian refugees. Interior Savings waived processing fees for wire transfers until June 30, 2022, worked with local partners to offer free banking for those fleeing the war, and made a \$5,000 donation to the United Way's Ukraine Relief Fund.



CANADA'S CREDIT UNIONS MAKE AN IMPACT IN THEIR LOCAL COMMUNITIES

An average of 3.2% of Canada's credit unions' pre-tax income went to community donations and sponsorships

In the same year, credit unions contributed **\$55 million** through:

\$39.4M

Donations



\$1.9M

1,602 credit union scholarships and bursaries

\$1.8M

Donations-in-kind



75,000+

Volunteer hours by credit union employees



8,855

Canadians reached through financial literacy programs



Discounted financial services to **35,833** community organizations



\$12M

Sponsorships



Figures are based on year-end 2021 reporting



2022-2023 ESG REPORT
(ENVIRONMENTAL, SOCIAL, AND GOVERNANCE)

SECTION III

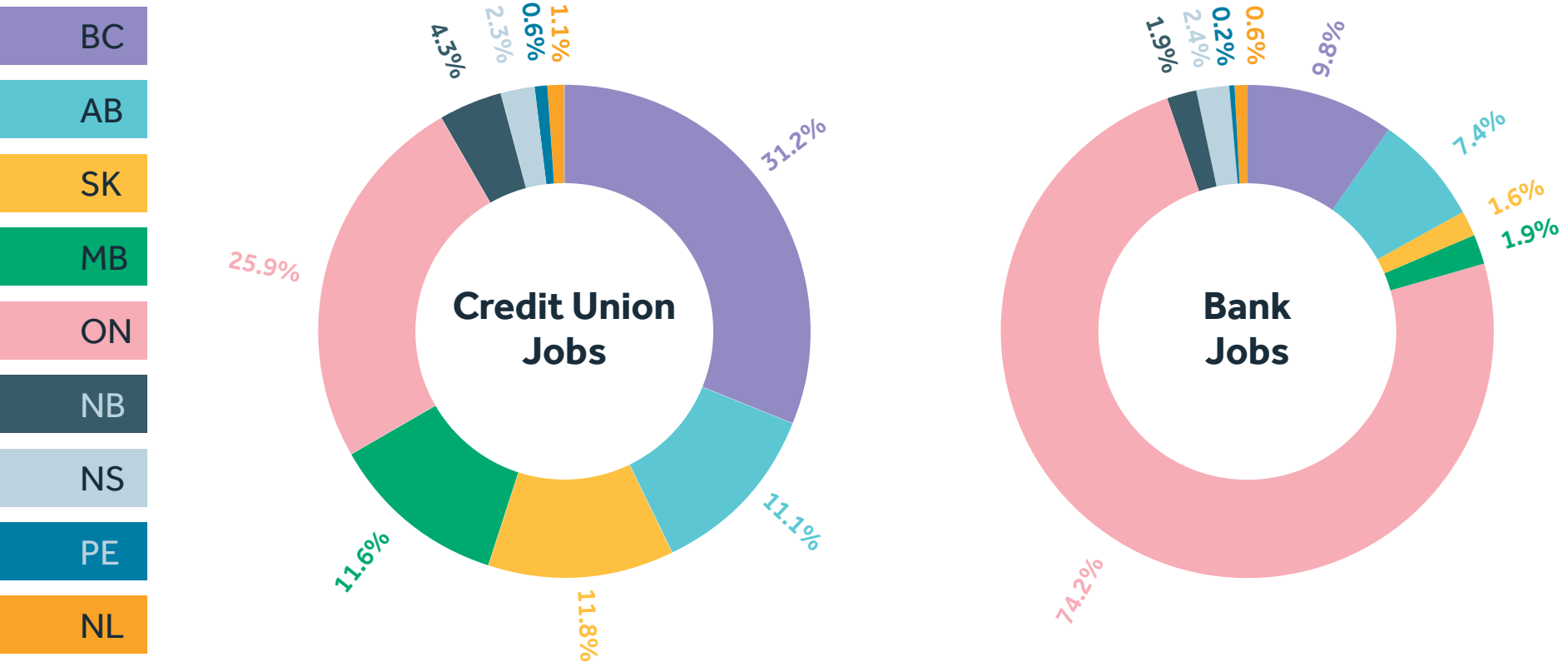
Canada's Economy

STRENGTHENING CANADA'S ECONOMY

Credit unions in Canada provide over **28,800 full-time jobs.**

Jobs on Main Street, not just Bay Street

Credit unions provide good jobs on main streets of cities and towns from coast-to-coast. Because credit unions and their head offices are based locally, professional jobs are distributed across all regions in Canada. Compare that to 74 percent of big bank jobs that are concentrated in Ontario and its big financial centres.



LENDING MARKET SHARE

Providing homeowners, small business owners, and farmers with access to vital capital.

Supporting home ownership.

Credit unions are among the largest lenders to homeowners.

Mortgage Lending

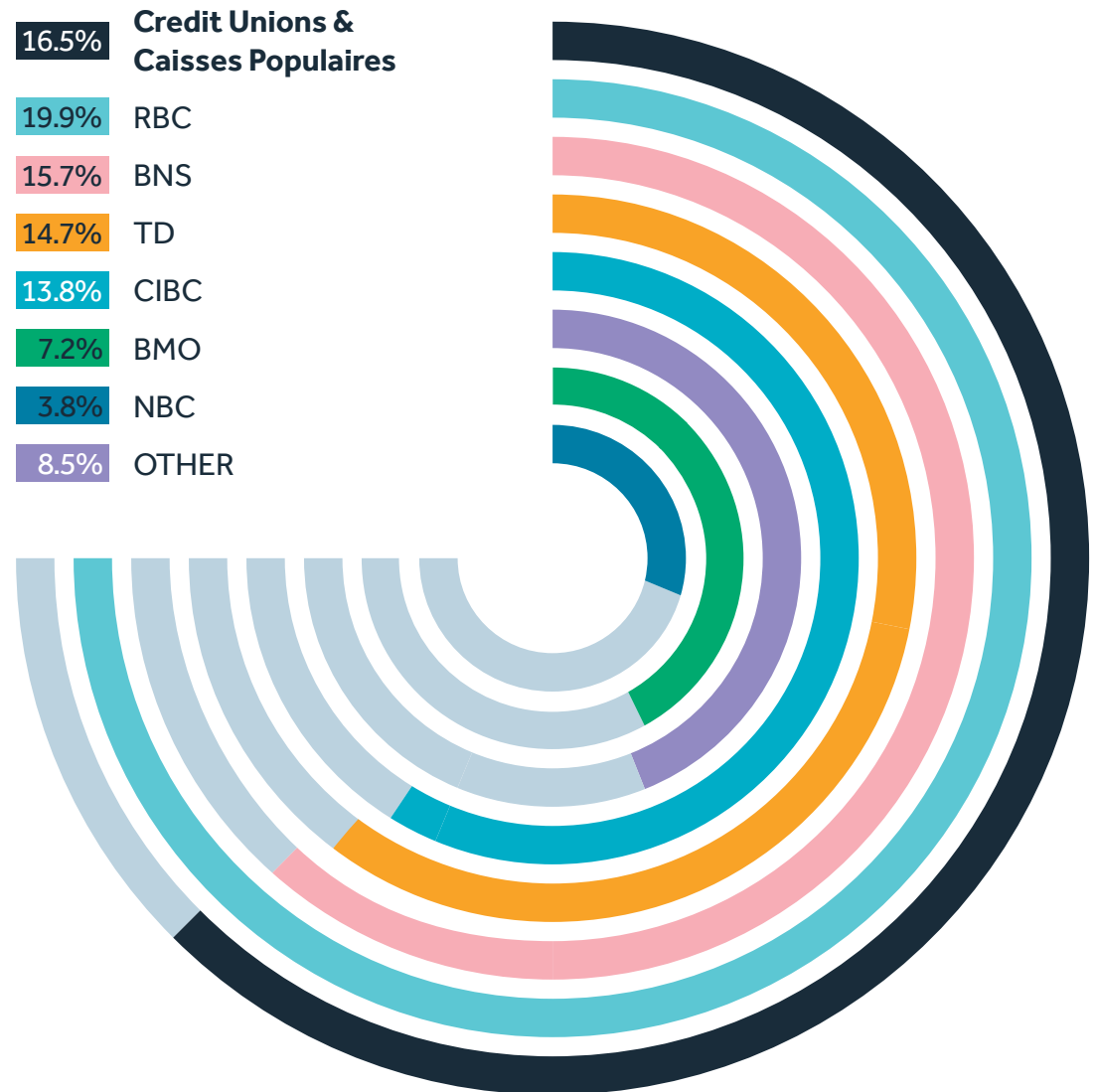
Residential mortgages:
\$146.7 Billion

Credit Union Lending

Personal loans:
\$10.3 Billion

Commercial loans:
\$84 Billion

Source: Q3, 2022



Source: CCUA, 2021. Figures include Quebec.

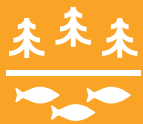


THE LEADER IN SMALL BUSINESS LENDING

Canada's credit unions support over **350,000** small and medium-sized businesses.

Credit unions and caisses populaires are responsible for **21 %** of lending to small and medium-sized businesses—a share as large as any of the big banks.

Top industries represented by small and medium-sized businesses (1-499 employees):



1 Agriculture, forestry, fishing and hunting

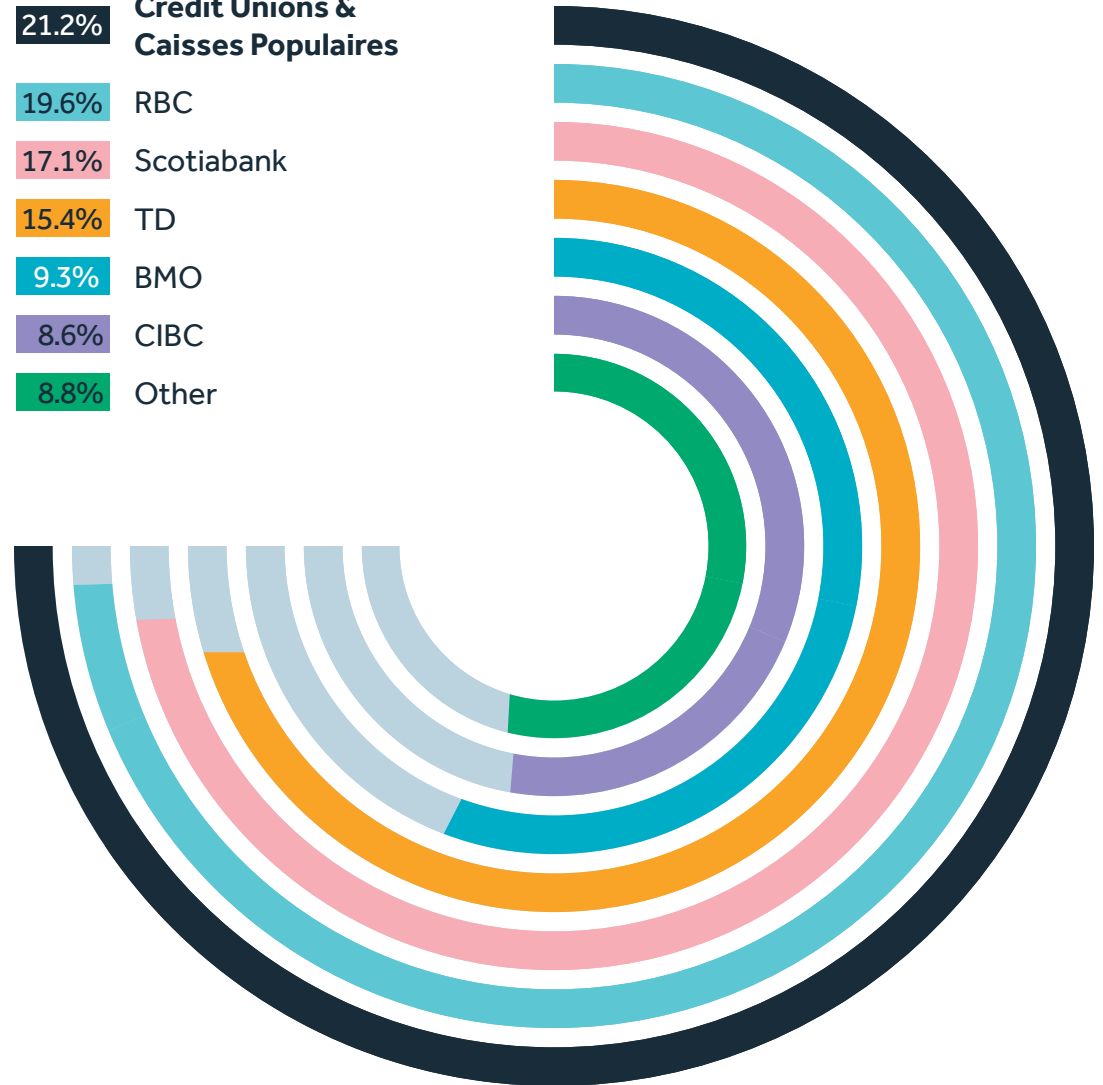
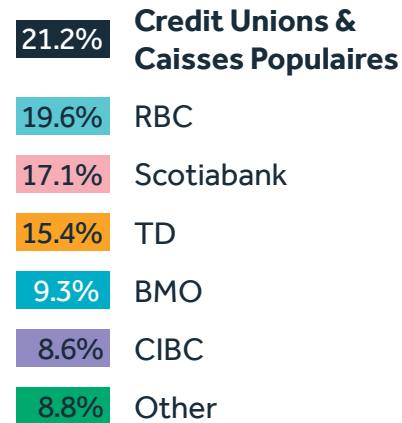


2 Construction



3 Real estate and rental and leasing

Based on the industries that Canada's credit unions report as their top 3.



Source: CFIB, 2019, Figure includes Quebec

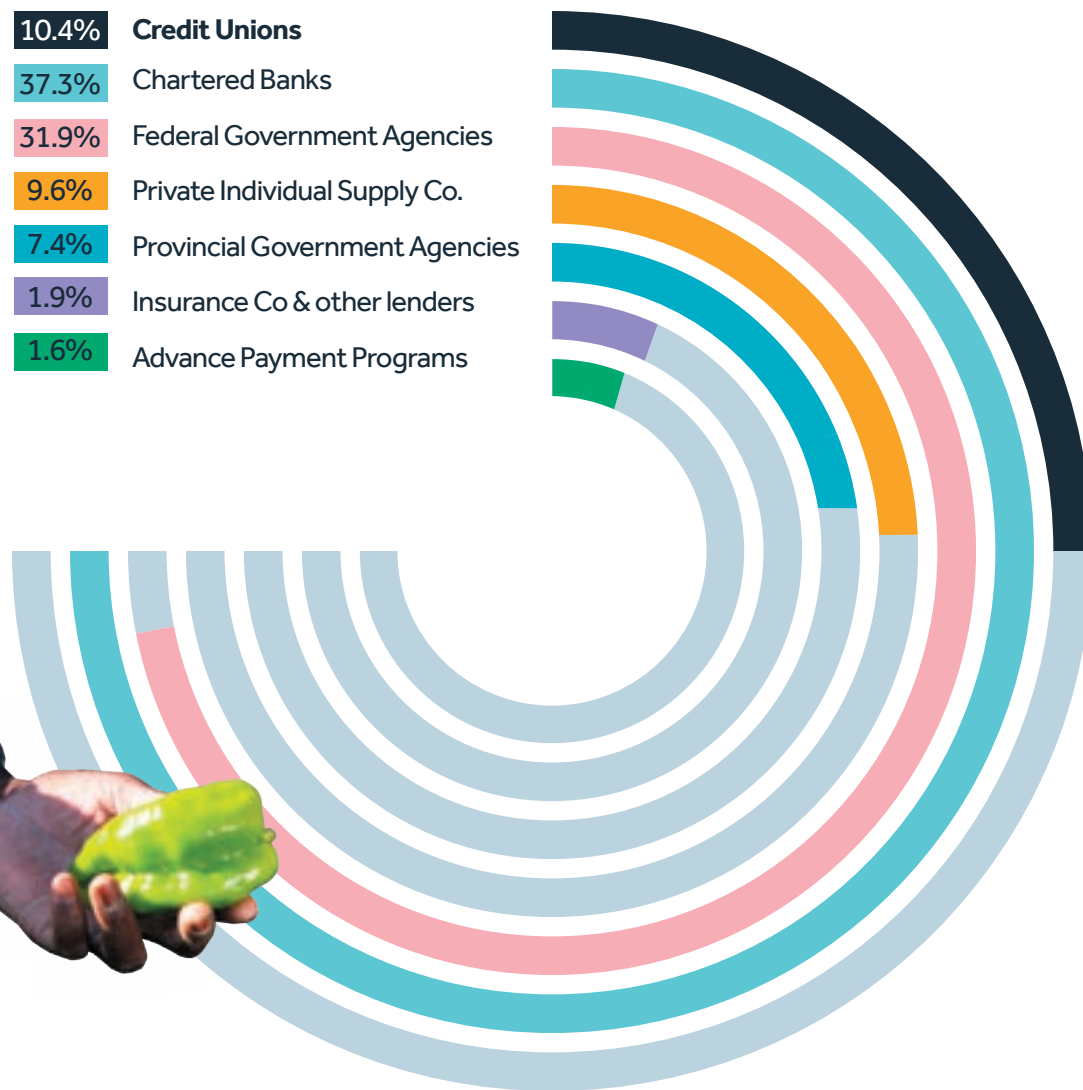




SUPPORTING RURAL COMMUNITIES AND FARMERS

AGRICULTURAL LENDING MARKET SHARE

10.4%	Credit Unions
37.3%	Chartered Banks
31.9%	Federal Government Agencies
9.6%	Private Individual Supply Co.
7.4%	Provincial Government Agencies
1.9%	Insurance Co & other lenders
1.6%	Advance Payment Programs



Source Statistics Canada, 2021. National agricultural lending market share excludes Quebec.



CREDIT UNIONS ARE ADVANCING FINANCIAL LITERACY

Each One, Teach One is an approach to providing basic and plain language financial knowledge, without ties to any products or services, with the sole goal of empowering individuals to make the right financial decisions for themselves and their families. Since 2008, volunteer credit union staff have met and worked with thousands of Canadians from coast-to-coast to help them increase their financial knowledge, skills and confidence.



Since 2019

450+ credit union staff volunteers have trained to deliver Each One, Teach One workshops



1,030+

Workshops delivered



13,000+

Canadians benefited from the workshops



CLIMATE CHANGE IS AN URGENT CRISIS

Climate change is an urgent crisis with broad social and environmental consequences. Credit unions are responding to climate change by:

Reducing paper waste through specific program(s)



Adopting climate-related financial risk disclosures



Offering eco-loans and/or socially responsible investment products



Reducing IT waste with procurement guidelines and/or equipment optimization processes, and/or by participating in recycling programs

Lending to social enterprises, co-operatives or other businesses that have an explicit mission to address social and/or environmental issues

Maintaining robust waste management programs to divert materials away from landfills



SECTION IV

Credit Unions from Coast-to-Coast

CANADA'S CREDIT UNIONS: FROM COAST-TO-COAST



British Columbia's 36 credit unions

- Serve over 2 million members.
- 39% of British Columbians bank with a credit union.
- Operate from 358 locations.
- Are the only financial institution operating in 36 BC communities.
- Are governed by 320 volunteer directors.
- Provide 9,030 full-time jobs.

Alberta's 14 credit unions

- Serve over 616,700 members.
- 14% of Albertans bank with a credit union.
- Operate from 196 locations.
- Are the only financial institution operating in 13 AB communities.
- Are governed by 110 volunteer directors.
- Provide 3,203 full-time jobs.



CANADA'S CREDIT UNIONS: FROM COAST-TO-COAST



Manitoba's 20 credit unions

- Serve over 714,000 members.
- 51% of Manitobans bank with a credit union.
- Operate from 194 locations.
- Are the only financial institution operating in 79 MB communities.
- Are governed by 194 volunteer directors.
- Provide over 3,353 full-time jobs.

Saskatchewan's 35 credit unions

- Serve over 496,800 members.
- 42% of Saskatchewanans bank with a credit union.
- Operate from 224 locations.
- Are the only financial institution operating in 137 SK communities.
- Are governed by 310 volunteer directors.
- Provide over 3,421 full-time jobs.



CANADA'S CREDIT UNIONS: FROM COAST-TO-COAST



Ontario's 60 credit unions

- Serve 1,618,000 members.
- 12% of Ontarians bank with a credit union.
- Operate from 516 locations.
- Are the only financial institution operating in 44 ON communities.
- Are governed by 499 volunteer directors.
- Provide over 7,499 full-time jobs.

New Brunswick's 9 credit unions

- Serve over 230,000 members.
- 28% of New Brunswick residents bank with a credit union.
- Operate from 66 locations.
- Are the only financial institution operating in 25 NB communities.
- Are governed by 82 volunteer directors.
- Provide 1,232 full-time jobs.



CANADA'S CREDIT UNIONS: FROM COAST-TO-COAST

Nova Scotia's 23 credit unions

- Serve 143,000 members.
- 14% of Nova Scotians bank with a credit union.
- Operate from 69 locations.
- Are the only financial institutions operating in 23 NS communities.
- Are governed by 168 volunteer directors.
- Provide 666 full-time jobs.

P.E.I.'s 4 credit unions

- Serve over 48,300 members.
- 28% of Prince Edward Islanders bank with a credit union.
- Operate from 13 locations.
- Are the only financial institution operating in 6 P.E.I. communities.
- Are governed by 39 volunteer directors.
- Provide 186 full-time jobs.

Newfoundland and Labrador's 8 credit unions

- Serve 61,000 members.
- 12% of Newfoundlanders bank with a credit union.
- Operate from 36 locations.
- Are the only financial institution operating in 17 NL communities.
- Are governed by 68 volunteer directors.
- Provide over 308 full-time jobs.



A PROUD HISTORY OF CREDIT UNION INNOVATION IN CANADA

1900

Alphonse Desjardins opens first Canadian credit union in Lévis, QC



1961

First financial institution to lend to women in their own names



1977

First full-service ATMs



1982

First debit card service



1995

First fully functional online banking



2013

First mobile cheque deposit app



2014

First loans offered as an alternative to payday lenders



2016

First socially responsible GICs in Canada



CCUA[®]
Canadian Credit Union Association

ACCF[™]
Association canadienne des
coopératives financières



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