



ATLANTIC CENTRAL
LEAGUE SAVINGS AND MORTGAGE

Living Our Values **Together**

Transforming Our Future

Sustainability Report 2021

Honesty | Trust | Respect | Collaboration



Message from the Chairs and CEO

This past year, credit unions drew on their collective strengths and long held values to lift their local communities as they struggled with the social and financial impacts of a global pandemic. With a belief we are stronger together than the sum of our parts, credit unions in Atlantic Canada injected time and resources in their communities and neighborhoods to address critical issues like affordable housing, supporting small business, social inclusion, and financial literacy. Together, we embarked on an exciting journey to *transform our future*.

Perhaps one of the most important indicators of our commitment to the health and resilience of our employees, members, and the communities we serve came in July 2021, when Atlantic Central and League Savings and Mortgage became the first Tier 2 Co-operative in Canada to become a Certified B Corporation™ joining a global community of leaders committed to using business as a force for good™. This recognition reflects our shared commitment to the highest standards of social and environmental performance, transparency, and accountability.

Founded on the co-operative principles of equality and equity, our organizations continue to advocate and act for social justice. In 2021, our Social Justice Framework formalized and fueled our efforts to put diversity and inclusion at the heart of our relationships with employees, members, and communities. By creating new opportunities

for listening, learning, and living our values, we are building stronger, more sustainable workplaces and communities where people can thrive.

Excellence continues to be a hallmark of our member experience. After careful listening and research, we embarked on a bold new plan to seize the opportunities and advantages of the digital world for our Atlantic credit union members. What will be a multi-year journey of digital transformation is well underway with members already benefiting from digital payments and digital account opening. New innovations are in progress thanks to strong collaboration across the system and a commitment to do business better.

This report tells the stories of so many people working across the Atlantic credit union system who have made it their mission to build strong, inclusive, and sustainable communities. It is a reflection our past commitment to our communities, and a signal of what's to come.

Special Note: We want to take this opportunity to thank Mike Leonard, outgoing Atlantic Central and League Savings and Mortgage President and CEO, who retired in the spring of 2022 after 34 years of dedicated service to the credit union movement. Mike has been the driving force behind our work to acknowledge these stories and learn from their example.



Jim MacFarlane, Chair
Atlantic Central



Raymond Surette, Chair
League Savings and Mortgage



**Kim Walker, Interim
President & CEO**
Atlantic Central & League
Savings and Mortgage

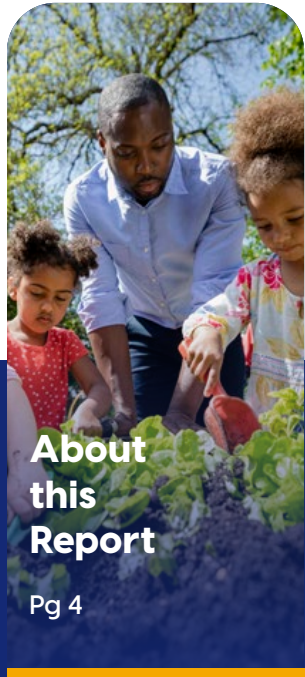
Living Our Values Together

2021 Highlights of Our Collective System Impact

Numbers demonstrate the combined impact of Atlantic Central and League Savings and Mortgage and our member credit unions. Further details on the illustrated data is available in the relevant sections of this report.

 <p>We support 44 Credit Unions serving 294,000 members in Atlantic Canada</p>	 <p>Invested over \$72,000 in school nutrition programs across Atlantic Canada</p>	 <p>The Small Business Loan Guarantee Program 514 loans issued 392 new jobs created & 1,851 jobs maintained</p>	 <p>Our 44 member credit unions joined Atlantic Central and League Savings and Mortgage to close in observation of the National Day for Truth and Reconciliation</p>	
 <p>Each One Teach One 500 people participated in 48 financial literacy workshops</p>			 <p>League Savings and Mortgage approved 4 affordable housing projects valued at \$51.1M</p>	 <p>Invested over \$120,000 in our communities through #Loyal2LocalChallenge and Pay It Forward initiatives</p>
 <p>230 students received scholarships and bursaries, representing a value of more than \$199,000</p>	 <p>Donated \$3,700 to support the #OneDollarOneCanada Initiative</p>	 <p>Atlantic Credit Unions returned almost \$3M to their members through dividends, patronage, or profit shares</p>		
		<p>Certified  Corporation</p> <p>Atlantic Central and League Savings and Mortgage became a Certified B Corporation™</p>	 <p>Increased gender diversity on our Atlantic Central Board of Directors by 100% and on our League Savings and Mortgage Board by 25%</p>	

Table of Contents



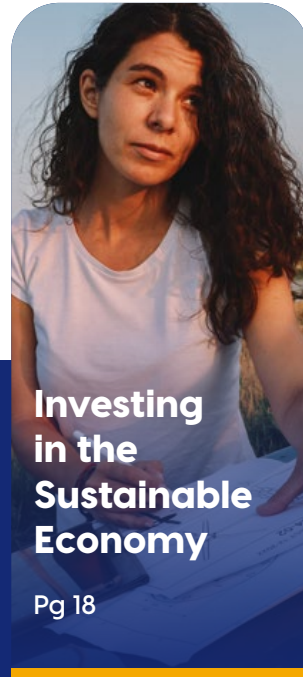
About this Report

Pg 4



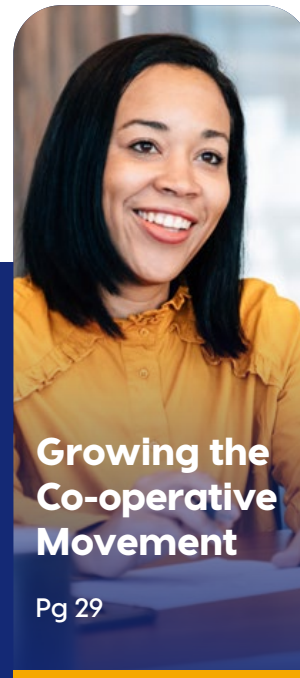
Improving Financial Inclusion & Resilience

Pg 8



Investing in the Sustainable Economy

Pg 18



Growing the Co-operative Movement

Pg 29



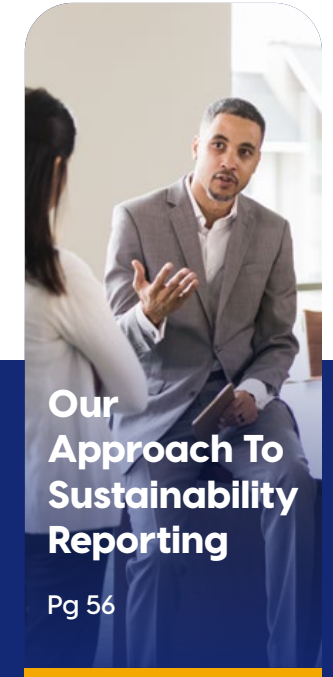
Our People

Pg 43



Governance

Pg 51



Our Approach To Sustainability Reporting

Pg 56

About this Report

Our report, *Living Our Values Together – Transforming Our Future*, illustrates how collectively we can transform our communities to improve resiliency, health and belonging now and for years to come.

This report summarizes the social, environmental and governance activities, performance, and impact of Atlantic Central and League Savings and Mortgage (AC&LSM) over the past year. We're proud to share our ongoing commitment and efforts to integrate sustainability into our corporate strategy and across our operations. Once again, we have included sustainability performance data from 31¹ of our member credit unions, demonstrating how Atlantic credit unions combine value and purpose to deliver great banking and create community benefit.

The activities and data included in this report are for the 2021 calendar year². Information from our member credit unions can be found in blue text

boxes throughout the report with the title "Our System Impact".

It is our vision to enable our credit unions and the communities we serve to grow well. Through collaboration and co-operation, we are committed to promoting financial stability, inclusion, and sustainability, helping to ensure the long-term success of our credit unions, members and the communities we serve.



¹Sustainability data was provided by 31 of our 44 member credit unions.

²For a full description of our reporting approach, please refer to [page 56](#). For information on additional activities, our corporate governance and our financial performance for 2021, please refer to our annual reports:

- [Atlantic Central Annual Report](#)
- [League Savings and Mortgage Annual Report](#)

What We Do

Atlantic Central is the regional trade association for credit unions in Atlantic Canada. With offices in Halifax, N.S., Riverview, N.B., and Charlottetown, P.E.I., our primary financial role is to manage the Atlantic credit union system's liquidity reserve requirements, and to provide central banking, investment services and customized solutions in the fulfillment of key functions.

Our services also include:



Digital and payment services



Financial consulting and analysis



Lending and risk management



Human resources



Marketing and communications

Atlantic Central's operations are closely integrated with those of our subsidiary League Savings and Mortgage Company, a federally regulated financial institution providing personal and commercial mortgages, loans, investment products, and other financial services through credit unions and directly to members and corporations across Atlantic Canada.

Our Stakeholders

As a trade association, our primary stakeholders are our member credit unions, our employees and our board of directors. To fulfill our mandate to support the Atlantic credit union system and grow the co-operative movement, we work with stakeholders to represent the interests of credit unions and to advocate on their behalf.



While we don't engage with credit union members directly, we help credit unions in Atlantic Canada to support their communities and deliver quality financial services to 294,000 members.



Our Commitment to **Grow Well**

Through co-operation we enable Atlantic credit unions and the communities we serve to grow well by being resilient, sustainable, and inclusive.

Our three strategic pillars help us live our values and deliver our purpose. They represent the issues that are important for our stakeholders and our business to succeed, and where we feel we can make the biggest impact.



Improve the financial resilience and inclusion of Atlantic Canadians

With a focus on:

- Education
- Financial Inclusion, & Entrepreneurship



Grow our investment in the sustainable economy

With a focus on:

- Sustainable Business & Communities,
- Responsible Investment & Innovation



Increase participation in the co-operative movement

With a focus on:

- Building the Co-operative Movement

Our integrated strategy weaves our unique approach to banking and our commitment to incorporating Co-operative Social Responsibility (CSR) into our business strategy, operations, partnerships, and our approach to investment.



Our Integrated Corporate Scorecard

Our integrated corporate scorecard illustrates how AC&LSM measures progress toward our strategic objectives by tracking our performance towards our long-term targets and short-term priorities. It also demonstrates how our strategy helps advance the United Nations Sustainable Development Goals (SDGs).

*A long form version of our scorecard that provides more detail into each of our priorities is available on [page 57](#).






















LEGEND

 Achieved

 On Track

 Work to do

 Impacted by COVID

Our Pillars & 2030 Goals	Our 2021 Priorities	Our 2021 Outcomes	Our Progress Towards 2030 Goals	Our 2022 Priorities	Contribution to SDGs
Improving Financial Inclusion & Resilience Improve the financial inclusion and resilience of an additional 100,000 Atlantic Canadians by 2030	Support Atlantic credit unions to provide financial literacy training to 750 people	 		<ul style="list-style-type: none">– Support atlantic credit unions to provide financial literacy training to 750 people– Finalize review of financial literacy initiatives– Design regional impact investing pilot program for launch in 2023	 
	Review all corporate initiatives that improve financial literacy to determine impact on 2030 Financial Inclusion & Resilience Target				
	Investigate opportunities to offer a regional impact investing program				
Investing in the Sustainable Economy [Target in Development]	Double the size of our ESG investments			<ul style="list-style-type: none">– Launch a second SRI product with a focus on women in leadership– Review all corporate initiatives that contribute to a sustainable economy to support development of 2030 Investing in the Sustainable Economy Target	   
	Achieve \$50M in direct lending for affordable housing projects				
	Double the investments in our Better Earth Portfolio				
Growing the Co-operative Movement Help an additional 100,000 people participate in the co-operative movement by 2030	Incorporate credit union data into our annual sustainability report to demonstrate our collective credit union system impact			<ul style="list-style-type: none">– Continue to represent the Atlantic credit union system on national and regional boards and committees	  
	Achieve B Corp certification for Atlantic Central and League Savings and Mortgage				



Improving Financial Inclusion & Resilience

We help Atlantic Canadians access education and financial products and services that will help them achieve their goals and prosper



Building Money Skills and Improving Financial Wellness in Our Communities

Each One Teach One

The Each One Teach One (EOTO) program teaches basic money skills in easy-to-understand terms to help Atlantic Canadians build their financial knowledge and resilience.

Credit union employees train to certify as EOTO coaches and volunteer their time to deliver workshops in partnership with local community organizations. Twenty-eight credit unions across Atlantic Canada participated in the EOTO program in 2021.

Since 2016...



100 Atlantic credit union employees have become EOTO coaches



303 EOTO workshops delivered



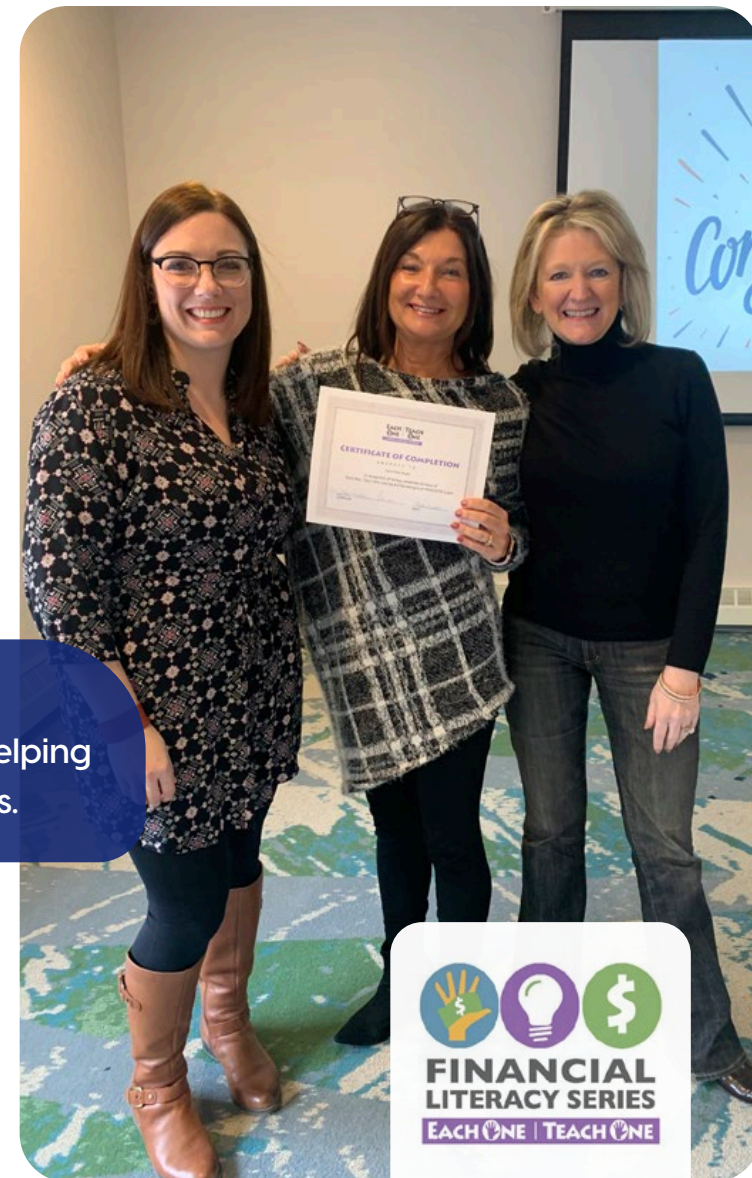
3,654 community members have gained important financial literacy skills

During the second year of the pandemic demand for EOTO workshops fluctuated as communities navigated public health guidelines with each new wave of COVID-19. Through interactive digital tools, resources and knowledge sharing, Atlantic Central continued to support credit unions across our region to offer EOTO sessions in-person or online while ensuring the safety of our communities.



In 2021, Atlantic credit unions held **48 EOTO workshops** across our region, helping **500 people** gain important financial skills.

Although we did not meet our goals in 2021, we continue to see growing interest in the EOTO program across the region. In 2022, we will keep working with new and existing community partners to deliver EOTO workshops in a safe and accessible manner. We also look forward to training a new cohort of EOTO coaches at our first in-person training session since the start of the pandemic.



YMCA Newcomer Connections

For over 25 years YMCA Newcomer Connections has welcomed newcomers and refugees to the greater Saint John, New Brunswick area. Offering a diverse range of programs including school and employment readiness, language classes and settlement assistance, Y Newcomer Connections supports clients so they can actively participate in their community.

In 2021, Bayview Credit Union hosted four Each One Teach One workshops with Y Newcomer Connections. Through the EOTO program credit unions support our partners across Atlantic Canada to develop relationships and networks that transform our communities into lasting homes for people from around the world and all walks of life.



"Having Bayview Credit Union come to do information sessions for Newcomer Connections was extremely helpful for our newcomers in the community. Our newcomers, that can have language and cultural barriers, found the information easy to understand and relevant for their family to prepare their financial lives in Saint John. Newcomers were able to ask questions and get valuable information!"

– **Rhonda Downey, Settlement Trainer,
Newcomer Connections, YMCA of Greater Saint John**



OUR SYSTEM IMPACT

Helping Students **Manage their Money**

Atlantic credit unions offer expert financial support to people at every stage of their financial journey. Partnering with local schools, universities and community organizations, like Junior Achievement, to offer online and in-person financial literacy sessions, credit unions help set students on the path to financial success.



In 2021, eleven Atlantic credit unions helped an additional **584 students** build money skills through financial literacy initiatives*.

*based on data provided by 31 Atlantic credit unions

Your Two Cents Season 3

We believe talking openly about money helps build financial literacy and create mindful consumers. Traditional conversations about finances can feel stuffy and confusing, which is why we partnered with Canadian Content Studios (CCS) to create Your Two Cents, an informative web-series that makes talking about money fun and relatable. Your Two Cents aims to give 20-30 somethings honest financial advice about the ways we make, save, spend and even struggle with money.

Since 2019, Your Two Cents has reached over 10 million people. As we navigated the second year of the pandemic, uncertainty around job security, the increased cost of living, and economic recovery added additional stress to an already exhausting situation. Knowing that money was top of mind for Atlantic Canadians, we were determined to create another season of helpful and entertaining financial content that covered relevant issues and showcased diverse talent.

Building on the success of the digital series, Atlantic credit unions worked with CCS to bring Your Two Cents into the audio space with the launch of Your Two Cents: The Podcast in November 2021. Featuring well-known Canadians such as Jonathan Torrens, Jasmine Parent, Dylan Playfair and Dane Woodland, the podcast features open and candid discussions on topics like buying a car, saving for a home, or starting a side hustle, challenging the age-old taboo that talking about money is impolite.

In 2022, we will continue to deliver practical financial information through Your Two Cents content to help young Atlantic Canadians tackle their money challenges.



In 2021 we reached 1.28M people with Your Two Cents content, demonstrating that you can learn financial skills while having fun. Though the series had less reach than the previous season, the viewers who watched were more engaged.

**YOUR
TWO
CENTS**
THE PODCAST



The YTC
Network

Sylvia Beirnes

Jonathan Torrens

Growing Entrepreneurship in Atlantic Canada

We believe that small businesses are essential for a healthy economy and play a pivotal role in helping our communities grow well. That's why we partner with like-minded organizations to offer unique programs that support small businesses and social enterprises, creating opportunities that allow entrepreneurs to prosper.

Small Business Loan Guarantee Program

For nearly 20 years the Small Business Loan Guarantee program has helped finance small and medium businesses who may not otherwise be able to access funding. Through the program, Nova Scotia businesses can apply for up to \$500,000 in loans, lines of credit and working capital to start or expand their existing enterprise.

Through our collaboration with the Nova Scotia Co-operative Council, the Provincial Government of Nova Scotia, and participating credit unions, the Small Business Loan Guarantee program has disbursed over \$176 million to more than 3,500 small businesses since launching in 2003. This support has helped create and maintain more than 19,000 jobs across rural and urban Nova Scotia, significantly benefitting the local economy. Through specialized funding streams for women, youth, newcomers, and BIPOC (Black, Indigenous and people of colour) owned businesses, the program fosters financial inclusion and resilience for entrepreneurs from equity deserving groups.

In 2021, the total value of loans issued by the Small Business Loan Guarantee Program was \$11.3M*.



336 loans issued to women-owned businesses

41 loans to BIPOC-owned businesses



392 new jobs created

1,851 jobs maintained

*Loan figures are calculated from July 2020 to June 2021



OUR SYSTEM IMPACT

Micro-Loan Program for Female Entrepreneurs in Cape Breton-Unima'ki

Following a successful pilot in 2020, Sydney Credit Union was proud to launch the second year of its microloan program offered in collaboration with the Cape Breton Partnership. The program offers low interest loans of up to \$10,000 to female entrepreneurs across Cape Breton-Unama'ki who are launching or growing their business. In 2021, 50% of the loan fund was dedicated to support Indigenous female entrepreneurs.

In addition to funding, participants receive mentoring, training and additional resources such as business planning, expert advice and research to help their business succeed. For many female entrepreneurs, access to financing is a significant barrier. The goal of the program is to reduce that barrier while directly contributing to the island's economy through new business and employment opportunities.



"The micro-loan was exactly what I needed. Not having payments for the first 6 months gave me time to breath and develop my business."

– Kalie Wang, Urban Grow Farms



Improving Access to Education

We recognize that education is vital to creating financial inclusion and resilience in our communities, which is why we support scholarships and bursaries at post-secondary educational institutions across Atlantic Canada.

Each year, we contribute \$25,000 to fund 50 bursaries at Nova Scotia Community College (N.S.), Holland College (P.E.I.), New Brunswick Community College (N.B.) and the College of the North Atlantic (N.L.).

Our contribution in 2021:



\$24,250 disbursed in student awards*



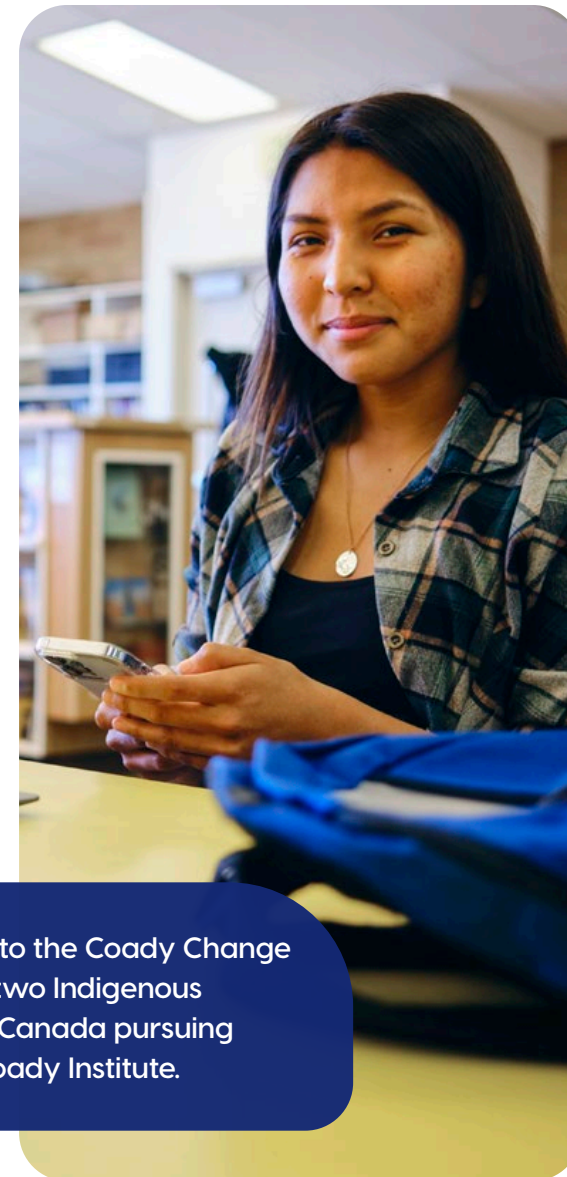
50 Students received **\$500 bursaries**

In **2021**, we contributed additional funding totalling **\$10,000** for scholarships offered through the **Coady Institute** and the **Black Lives Matter Golf program** to support Black and Indigenous students pursuing post-secondary education.

*In 2021, Nova Scotia Community College had three unawarded bursaries and one student changed their enrollment status meaning they were no longer eligible for the second portion of the bursary. These funds will be reallocated to additional bursaries to be re-re-posted and awarded during the college's Fall 2022 Awards cycle. They will be reflected in our 2022 sustainability report.

The Coady Institute

Located at St. Francis Xavier University, the Coady Institute offers educational programming for emerging and established community leaders who have a passion for social change. Through programs that especially benefit women, youth and Indigenous leaders, the Institute is committed to creating "a full and abundant life for all" by bringing people together to exchange innovations and learn from each other to reduce poverty and transform societies by strengthening local economies, building resilient communities, and promoting social accountability and good governance.



In 2021, we provided **\$5,000** to the Coady Change Leader Campaign to support two Indigenous women leaders from Atlantic Canada pursuing their education through the Coady Institute.



OUR SYSTEM IMPACT

Helping Students Reach their Goals

Credit unions improve financial inclusion and resilience in our region by reducing financial barriers to post-secondary education. In 2021, 20 Atlantic credit unions provided over \$165,000 in scholarships and bursaries to help hundreds of students from our communities access quality education.

In **2021**, with help from **20 credit unions**:



\$165,370

disbursed in student awards



177 students

received scholarships
and bursaries

**based on data provided by 31 Atlantic credit unions*

Living Our Values Together | Transforming Our Future

Robert D. Gregory Memorial Bursary **Souris Credit Union**

In 2021, Souris Credit Union established the Robert D. Gregory Memorial Bursary to honour a dedicated manager and champion of the credit union system. Robert Gregory is remembered as a leader, a mentor and facilitator. Many of his contributions to the system are still evident today.

The \$1,800 bursary is one of six bursaries presented by the credit union each year. Bursaries are available to graduating members, or dependents of Souris Credit Union members, attending a Canadian post-secondary institution who demonstrate community involvement, leadership, and financial need.



To date Souris Credit Union has awarded over **\$230,000** in bursaries, scholarships and educational initiatives as part of their commitment to helping youth in Eastern Prince Edward Island realize their full potential.



Providing the Ingredients for Success

To make sure students have the ingredients they need to flourish, we contribute \$15,000 annually to programs in our region that provide students with access to healthy food and promote good nutrition in schools.

Nourish Your Roots (NS)

Nourish Your Roots is a fundraiser through Nourish Nova Scotia that sells fresh produce boxes from local farms to fund nutrition programs in schools and non-profit childcare centres. During COVID-19 the program was reimagined as a community campaign, allowing customers from around Nova Scotia to order online when school fundraising was unavailable. In 2021, the program sold 4,791 produce boxes and raised over \$45,000 for healthy eating programs. Produce was sourced from 17 farms, generating \$103,289 in additional revenue within local communities across the province.

Kids Eat Smart (NL)

The Kids Eat Smart Foundation of Newfoundland and Labrador delivers volunteer-run breakfast programs at 269 local schools and community centers. Our contribution helps serve 5,000 meals to students in Newfoundland and Labrador every year.

Food Pantry (PEI)

The Food Pantry program acts as a drop-in food bank on Holland College's five campuses, helping to address food insecurity within the student community. Our \$5,000 annual donation provides students in need with access to a consistent supply of nutritious food. In 2021, funds were also used to meet requests from students who needed assistance accessing personal health and hygiene products.

Through our support in 2021:



\$15,000 to school nutrition programs



\$2,317 additional funds raised via Nourish Your Roots (N.S.) for nutrition programs in 86 schools



26 children provided with meals for one year from Kids Eat Smart Clubs (N.L.)



OUR SYSTEM IMPACT

Supporting School Nutrition

In 2021, 10 credit unions contributed **\$57,010 to local school nutrition programs** across Atlantic Canada*.

Helping Schools in Need – OMISTA Credit Union

Each year, employees from OMISTA Credit Union support breakfast programs at three schools in Moncton and Oromocto, New Brunswick. In 2021, when ongoing COVID-19 restrictions prevented employees from volunteering at the schools, OMISTA partnered with AC&LSM to donate \$5,000 to ensure students continued to get the nourishment they need each day.

The credit union also supports the Santa Sack program at two schools in the Moncton area. The program, which began in 2019 when the Mayor of Moncton reached out to OMISTA for support, engages credit union employees, members and the broader community. In 2021, OMISTA raised more than \$6,000 to provide Santa Sacks to almost 150 children.



"Statistics show that a healthy breakfast is a significant and impactful way to support a child's education and development. With the rising inflation in food prices, OMISTA is proud to be able to support critical breakfast programs within our community schools."

– **Tammy Christopher, CEO OMISTA Credit Union**

**based on data provided by 31 credit unions*





Investing in the Sustainable Economy

We're making sure that the way we do business – from our investments and financial products to the operations of our buildings – contributes to the growth of financially and environmentally sustainable communities



Investing with Our Values

One of our primary financial roles is to manage the liquidity reserve requirements of our member credit unions. By the end of 2021, we invested pooled funds of more than 1.6 billion dollars. Thirty-three percent of the balance is required by financial regulators to be held in reserve and able to be accessed quickly, while the rest of the portfolio is held in longer term investments. We manage how these funds are invested so they can grow and generate a return to meet the needs of credit union deposit holders, and support business continuity.

Financial well-being and system liquidity are always our first priority. We are confident that incorporating investment criteria that prioritizes strong governance and operating in a socially and environmentally responsible manner can positively impact our communities while creating long-term value for our Atlantic credit union system. Ethical and sustainable funds have proven to weather market fluctuations better and outperform traditional funds over the long-term, making this a fiscally responsible approach on behalf of our credit unions.

Our Investment Portfolio Management policy contains sustainable investment criteria that we

apply to 100% of our investment portfolio. These criteria outline the type of activities we will – and won’t – invest in. This helps us proactively prioritize the things we want to do more of and gives us confidence that how we do business reflects our co-operative values.

We don’t invest in companies involved in the production or sale of gambling products, pornography, tobacco, or weapons. We also exclude companies that are found to contravene global norms, including the Universal Declaration of Human Rights and the International Labour Organization standards.

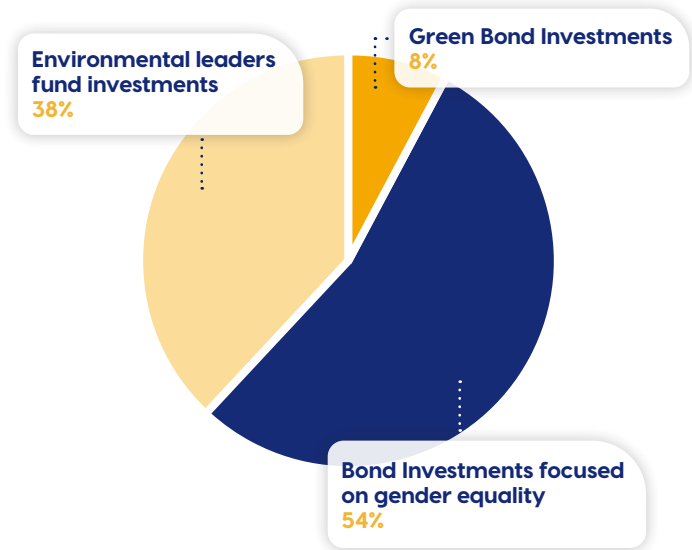
The companies that we choose to invest in are positively screened for their Environmental, Social and Governance (ESG) performance through a third-party investment management company that is a member of the UN Principles for Responsible Investment.



By the end of 2021, 1.62% of our total investment portfolio was made up of Environmental Leaders funds, as well as green and social impact bonds.

We surpassed our goal to double the size of our ESG investments in 2021. In 2022, we will continue to investigate ways to grow our responsible investment portfolio to help our communities grow well now and for years to come.

Breakdown of AC&LSM's ESG-Related Investments



As part of our commitment to growing investment in the sustainable economy, we offer Group Retirement Savings Plan (GRSP) fund options to employees that evaluate and include investments based on their Environmental, Social and Governance (ESG) characteristics*.

Of the available GRSP fund options, 50% integrate ESG factors with a focus on risk management and show evidence of active ownership. Nearly 80% of our employees who invest in GRSP have chosen portfolios that include funds with strong ESG ratings, aligning with our commitment to grow our investment in the sustainable economy.

*Excluding money market fund and GICs

Financing Affordable Housing in Our Communities

Safe, affordable housing plays an essential role in economic growth, social inclusion and building healthy communities. Rising rates, low supply and increased demand has resulted in a growing housing crisis in many communities across Atlantic Canada.

Through our programs and partnerships, League Savings and Mortgage has helped finance affordable housing in our region since 2015. We provide direct lending in the form of mortgages to housing cooperatives that provide housing at rental rates below market prices, and loans to finance new affordable housing construction projects.

We also purchase new mortgage assets for affordable housing developments through MCAP and Peoples Trust and securitize these loans, which are often in Ontario and British Columbia. Our participation in the FLEX affordable lending program through Canada

Mortgage and Housing Corporation (CMHC), allows us to lend a higher percentage of construction costs to private landlords that are planning new affordable housing projects.

Over the next year we will continue to look for new partnerships and avenues to support increased access to safe affordable housing in our region and across the country.



In **2021** we approved four affordable housing projects valued at **\$51.1 million**, surpassing our target of **\$50 million** in direct lending for affordable housing.



OUR SYSTEM IMPACT

Coastal Financial Credit Union Doctor Housing Initiative

Low availability and the high cost of housing has created another obstacle in the effort to attract doctors to rural communities. Recognizing that a strong health-care system is required for a community to thrive, Coastal Financial Credit Union demonstrated their understanding and commitment to their community through their investment in a new housing project in Yarmouth, Nova Scotia. The credit union commissioned a new apartment complex to be built, and in partnership with the Yarmouth and Area Chamber of Commerce, it will be used exclusively for doctors coming to the region.

Credit Union Place, which opened in November 2021, offers options for short-term and longer-term rentals, supporting medical students, residents and new doctors to the region looking for permanent housing. So far, the Credit Union Place apartment complex has attracted medical students and doctors from Halifax, New Brunswick and Prince Edward Island.



"Having close proximity to the hospital was ideal and helped tremendously in the interim while searching for a home in the community. The vision and generosity of Coastal Financial through their investment in Credit Union Place was key to supporting my family and I in the transition from locum physician to full time staff here in Yarmouth. Thank you!"

– Dr. Joel Cox, Paediatrician



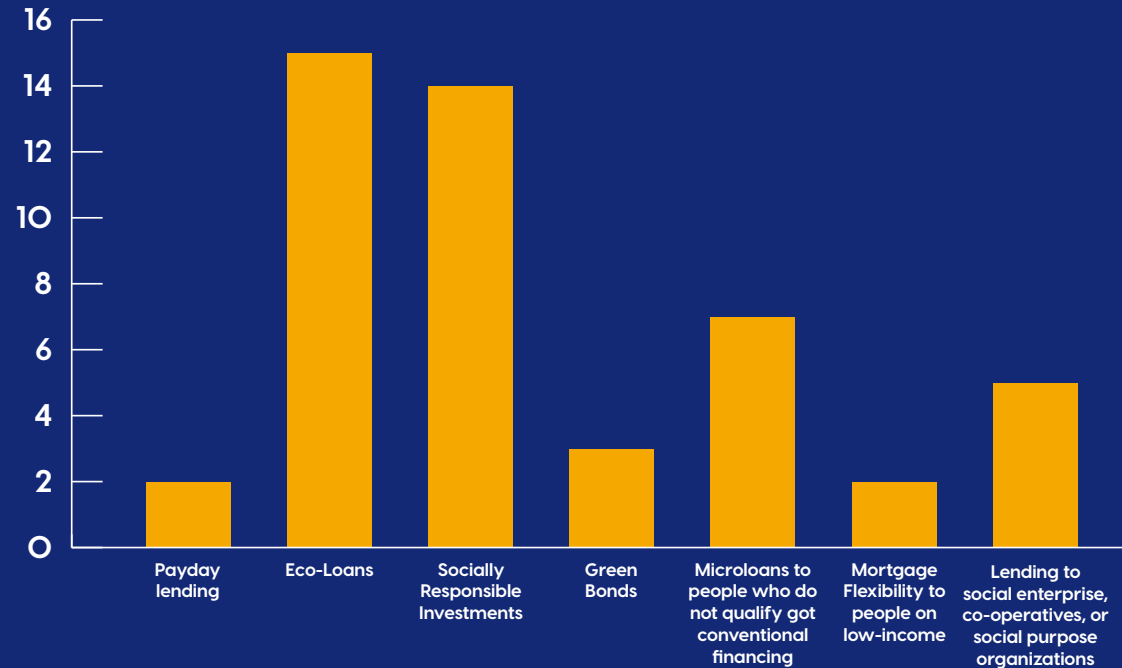
OUR SYSTEM IMPACT

Financial Products that Combine Value and Purpose

Consumers are making more socially and environmentally conscious financial decisions. This includes banking with companies that share and promote their values.

Atlantic credit unions offer innovative financial products that provide value to our members and benefit our communities and the environment. These products can take many forms including eco-loans, socially responsible investment options, microloans for people who do not qualify for conventional funding, or mortgage flexibility for people living on low income.

Products offered by Atlantic credit unions that have a **positive social and/or environmental impact***



*based on data provided by 21 Atlantic credit unions





Better Earth® Responsible Investment Product

The Better Earth® Portfolio is a socially responsible investment (SRI) product available through our partnership with Desjardins and held by League Savings and Mortgage.

This “green” investment option lets members align their money with their values to create a positive environmental impact. Companies included in the Better Earth portfolio are actively committed to sustainable operations and have implemented initiatives to decrease their greenhouse gas emissions or water consumption.

Better Earth includes companies from multiple sectors that are located around the globe, allowing investors the ability to diversify their portfolio while maintaining the security of a guaranteed investment. The result is an investment that is more resilient to economic declines without risking the initial principal.

Our goal for 2022 is to introduce a second SRI product with a focus on **women in leadership**.



In **2021**, sales of the Better Earth product increased more than **750%**, growing from \$2.3 million in 2020 to over \$19.5 million. As of December 31, 2021, there was **over \$22.3 million invested in the Better Earth portfolio**.

Reducing Our Emissions and Growing Renewable Energy in Canada

As part of our commitment to investing in the sustainable economy, we have partnered with Bullfrog Power to help grow the renewable energy sector in Canada, while reducing the impact of our operations on the environment.

In 2021 we purchased 624 Megawatt-hours of Renewable Energy Certificates issued by renewable electricity generators in Atlantic Canada.

By adding the equivalent of energy from renewable sources such as wind and solar onto the grid, we offset **397 tonnes of CO₂** from electricity used to power our three corporate offices in Halifax, Charlottetown, and Riverview. That's comparable to the electricity used to power **77 homes for a year**.

As a member of the Bullfrog Community, we contribute to new, small-scale renewable energy projects. Bullfrog Power provides grants to renewable energy projects and initiatives helping communities in their transition away from fossil fuels. In 2021, Bullfrog provided more than \$59,000 to support five community-led projects across Canada.

**In 2021,
partnering with
Bullfrog Power:**



624 MWh Renewable Energy Certificates (RECs) purchased



397 Tonnes CO₂ displaced through offsets*



100% of the RECs we purchase are issued by renewable energy companies in the Maritimes

*Emissions reductions (tonnes of CO₂ displaced) are calculated using the most recent emissions factors available from Environmental and Climate Change Canada at the time of publication.



OUR SYSTEM IMPACT

Partnering to Improve Environmental Performance

Five credit unions* across Atlantic Canada have also partnered with Bullfrog Power to reduce their environmental footprint while supporting the growth of the renewable energy sector in Canada.

NBTA Credit Union

OMISTA Credit Union

East Coast Credit Union

Provincial Credit Union

Teachers Plus Credit Union

Together in 2021, they purchased **1,725 Megawatt-hours** of Renewable Energy Certificates from renewable electricity generators. This represents **893 Tonnes of CO₂** emissions displaced, which is comparable to taking **192 cars off the road for one year**.

*based on data provided by 31 Atlantic credit unions





Creating Sustainable Communities

From partnering to tackle societal issues such as food security, to addressing the impacts of climate change in our communities, credit unions are growing their investment in a sustainable economy that will benefit our communities now and for years to come.

Helping Communities Manage the Impacts of Climate Change

Alongside our commitment to improve the environmental impact of our operations, we provide support to help communities impacted by extreme weather events caused by climate change. We partner with credit unions to support the Canadian Red Cross and their disaster relief programs as they help communities address and mitigate the impacts of climate change.



In 2021, Atlantic credit unions contributed more than **\$6,000** to Red Cross relief efforts in Canada and around the world.



OUR SYSTEM IMPACT

Advance Savings Community Orchard

With growing concerns around food insecurity, community gardens offer a local, sustainable source of nutritious food that can benefit everyone. Advance Savings Credit Union partnered with the Business Management Program at the New Brunswick Community College (NBCC) to develop a community orchard to be used as a free sustainable food source and greenspace for the Village of Petitcodiac.

With the credit union's support, students from NBCC were able to plan and build a food forest with a focus on sustainability and food security. The community embraced the project and helped raise additional funds to create a seating area with a pergola, picnic tables, and benches for everyone to enjoy. The credit union supports the maintenance of Community Orchard in collaboration with the Village of Petitcodiac.

Working Sustainably

AC&LSM is committed to improving the sustainability of our operations. At our offices we have implemented initiatives, such as recycling, to help reduce our environmental footprint.

In 2019 we began an HVAC automation upgrade to improve energy efficiency in our Halifax office, however, this project was paused with the onset of COVID-19. During the pandemic, our energy demand increased as we adjusted our air systems to allow fresh air mixture and longer run times for our HVAC system which resulted in higher energy consumption compared to the previous year. In 2021, our energy and water use returned to pre-pandemic levels.

As provincial lockdowns were introduced across Atlantic Canada, our employees quickly moved to work-from-home, continuing to offer the same first-class support to credit unions. When our region began to re-open in 2021, we conducted surveys as part of our regular check-ins and more than 96% of employees indicated they would prefer a work-from-home or hybrid-style working model. As a result, we have decided to adopt a hybrid-style working model moving forward.

In 2022 we will continue to look for ways to improve our environmental performance within our new working model. This includes operating modern, energy efficient physical spaces, and helping to reduce the environmental impact of employees working from home.



B Corp™ Certification

In July 2021, Atlantic Central and League Savings and Mortgage became a Certified B Corporation™ joining a global community of more than 5,000 business leaders committed to using business as a force for good™.

B Corporations, or B Corps, are verified to meet the highest standards of social and environmental performance. Through the B Impact Assessment, companies are measured on how their operations and business model impacts their customers, workers, community, and the environment.

Certified



We are proud to be the **first Tier 2 Co-operative in Canada** to become a Certified B Corporation.

This achievement demonstrates our commitment to transparency and accountability in measuring the impact of our business to credit unions, our communities and beyond.

Our B Corp certification will help ensure that we continue to be an innovative leader contributing to a strong and successful credit union system and helping our communities grow well.



OUR SYSTEM IMPACT

Redefining Good Business

B Corps are changemakers who are working to solve social and environmental issues in their communities, and they inspire other businesses to do the same. Our values of honesty, trust and community are well-aligned with the purpose and objectives of B Corporations. **Two Atlantic Credit Unions - OMISTA Credit Union and NBTA Credit Union in New Brunswick - are Certified B Corporations.**

Every year the B Corps who have received the top 5% of scores in the B Impact Assessment are recognized by being named Best for the World™. **In 2021, NBTA Credit Union was named Best for the World for Workers**, demonstrating their commitment to contributing to the well-being of their employees, through aspects such as compensation, career development, health and wellness and more.



Growing the Co-operative Movement

We believe the co-operative values of democracy, collaboration, fairness, and community mindedness are at the heart of good business and strong communities. That's why we support the growth of credit unions and co-operatives in Atlantic Canada and around the world



Supporting our Credit Union Members



44 member credit unions



Serving **294,000** members

As a trade association we support Atlantic credit unions by providing leadership, advocacy, and a range of business and financial solutions and services explored throughout this report.

In 2021, we helped credit unions implement programs and digital supports that build financial knowledge and offer a variety of enhanced banking channels, helping to better support members and our communities.



For the 17th year in a row, credit unions were ranked as the top financial institution in Canada for Customer Service Excellence in the 2021 Financial Service Excellence Awards an annual program through the research specialists at Ipsos.

Returning Value for Our Members

One of the most significant ways that we return value to our member credit unions is through the Special Reserve budget allocation. Since 2013 we have contributed more than \$17 million to the Special Reserve. From this, we've approved projects totalling \$8.9 million and invested \$6.1 million, supporting transformational change in the Atlantic credit union system to help credit unions become the financial institution of choice.



In 2021, we drew approximately **\$1.3 million** from the Special Reserve to fund projects including digital account opening and lending, member retention initiatives and the Your Two Cents web series and podcast.



OUR SYSTEM IMPACT

Giving Back to Members

Credit unions are committed to the financial wellbeing of their members and communities, offering well-priced competitive products and services, community investment, and profit sharing. This means that when credit unions succeed, everyone benefits.

In 2021, Atlantic credit unions returned almost \$3 million to their members through dividends, patronage, or profit shares*.

*based on data provided by 12 Atlantic credit unions



Regional Marketing Program

Our Regional Marketing Program helps grow the co-operative movement by positioning credit unions as thought leaders and a trusted source of financial information. Under the brand of Atlantic credit unions, we support the marketing activity of our member credit unions through awareness building and by demonstrating the credit union difference.

The pandemic underscored the vital role that small businesses and organizations play in the economic and social health of our communities. Understanding the potential impact we could make, in 2021 we brought back two programs with a local focus. Engaging over 1,500 employees from the Atlantic credit union system and our partner League Data, we were able to give back over \$120,000 and show our commitment to the communities that make us strong.



#Loyal2Local Challenge

For the second consecutive year, we joined a broader credit union movement to support small business through the #Loyal2LocalChallenge. Employees were given \$25 to spend locally and encouraged to share their purchases online.

The challenge was a resounding success! We engaged employees from all four provinces, and many credit unions matched the funds we provided. This resulted in an injection of more than \$80,000 into the local economy. This is an increase of 20% from 2020.

Participating employees were eligible for a chance to win an additional \$100 to spend locally and to nominate their favourite local business to receive a donation of \$100. Our 2021 small business winners were:

- Groovy Goat Farm & Soap Company (NS)
- Do or Dye Hair Salon (NB)
- M.J.'s Bakery & Caboose Café (PEI)
- Midway Store (NL)



Over the course of the one-month initiative, we were able to spread the message that **"Buying Local is Building Local"** to 1.9 million people, building awareness and igniting conversations about the value of local businesses in Atlantic Canada.



Pay it Forward

In December, employees were provided \$25 to “Pay it Forward” to a local charity, community initiative, or family that would benefit from extra help over the holiday season. From ensuring families had food on the table, to purchasing supplies for animal shelters, the Atlantic credit union system truly stepped up and honoured our core values by paying it forward in a variety of creative and inspiring ways giving back more than \$42,000 to communities across our region.

Employees were also invited to nominate a charity or community organization in their community for a chance to win a \$500 donation. The winner chose to divide their donation between the Evangéline School Needy Families Fund and Prince County Hospital Foundation Vital Signs campaign in Prince Edward Island.



Loyal 2 Local

\$80,000 spent locally

1.9M people reached

\$400 donated supporting local businesses in each province



Pay it Forward

\$42,000 provided to local organizations and families

\$500 donation to two initiatives



As of December 2021, all of our member credit unions offer mobile payments and were on-boarded to offer digital account opening, and lending.

Improving Digital Services

Working with our technology partner League Data, we continued our digital transformation, assisting credit unions to implement new supports that allow members to access their banking services safely and securely 24/7, merging the online and in-branch experience in a convenient and secure manner.



Mobile Wallets

Through our partnership with CCUA, credit unions continued to implement mobile wallets allowing members using Apple, Android and Samsung devices to complete transactions using their smart phone.



Digital Account Opening and Lending

Working with our partner League Data, we supported credit unions to implement a full-service digital channel that allows members to interact with their credit union anytime, anywhere to open an account or apply for a loan.

In 2022, we will embark on the next step in our digital transformation journey with the adoption of our new core banking system. This transition will allow us to move quickly and improve the member experience in response to new and emerging needs.



OUR SYSTEM IMPACT

2021 Coady Award Winner – East Coast Credit Union

Named for Moses Coady, a leader of the Atlantic co-operative movement, the Coady Award celebrates the ways credit unions give back to their communities. Each year, this prestigious award recognizes an Atlantic credit union or caisse populaire that demonstrates leadership in the areas of co-operation, volunteerism, education and environmental sustainability.

The recipient of the 2021 Coady Award was East Coast Credit Union. The credit union is an important contributor to initiatives that strengthen resilience and promote a sustainable future for the communities where they live and work. Through their support, the community of Saint Andrew's, Nova Scotia was able to move closer to their goal of becoming net carbon neutral. East Coast Credit Union donated land to house a ground-mount solar system for the St. Andrews Senior Housing Authority (S.A.S.H.A), a community run, non-profit

assisted living facility. The upgrade improved heating efficiency, increased affordability for residents and generated enough energy in its first 11 months of operation to create an estimated 20.1 tonnes in carbon reduction.

In 2021, the credit union established the #EastCoastCUCares Grant Program to support co-operatives and social enterprises that are making a measurable social or environmental impact in their community. In its first year, the program awarded \$100,000 to nine organizations working to improve health and wellness, climate resilience, and supporting community development in Nova Scotia.

The staff at East Coast Credit Union are personally invested in their communities and show their support by volunteering their time to help local organizations. Throughout 2021, Credit union staff and Board members collectively donated more than 3,288 volunteer hours.



"Volunteering, local giving, and our commitment to co-operative social responsibility are deeply rooted in our values. East Coast Credit Union is proud to be a part of the many projects and initiatives that led us to receiving the 2021 Coady Award. We are so proud to be a part of such wonderful communities."

– Ken Shea, President & CEO,
East Coast Credit Union

Co-operating to Amplify our Impact

As a co-operative we work with our members and other co-operatives to achieve our common goals and create a greater impact in our communities.

One Dollar, One Canada

Following the discovery of 215 unmarked graves in Kamloops, B.C. the residents and staff of Glen Haven Manor in New Glasgow, N.S. launched the OneDollarOneCanada initiative in support of Indigenous, First Nations, Métis and Inuit Peoples.

Working with Pictou Landing First Nation and the Nova Scotia Assembly of Mi'kmaq Chiefs, funds raised were distributed to organizations across Canada to ensure Indigenous children who never returned home from residential schools are found, have their spirits freed, are buried with dignity, and that healing is supported.



A **\$1,500 donation**, representing one dollar for each employee within the Atlantic credit union system, was made to support the campaign. Many credit unions provided additional support, and collectively we contributed **\$3,700** to this initiative designed to unify communities and bring meaningful change.

Women in Business 2021

In October 2021, we once again sponsored the annual Women in Business symposium organized by the Sobey School of Business at St. Mary's University in Halifax, N.S. The virtual event, which attracted more than 200 alumni, students, and industry professionals, was themed 'Leading Change' and focused on the important role women play in the entrepreneurial ecosystem.

Attendees actively participated in three workshop streams centering on breaking barriers, addressing system challenges, and corporate social responsibility, with the goal of helping participants gain understanding, new networks and practical tools to empower them to lead change in the world of small business and entrepreneurship.

In addition to our sponsorship, we purchased 100 tickets to distribute to students, credit union system staff and our co-operative partners. Net proceeds from the event were donated to Business is Jammin', a province-wide charitable initiative that motivates Black youth by emphasizing the importance of education and personal development.



Through our sponsorship, **36 credit union system** employees and co-operative partners from across Atlantic Canada, and **64 students** from Saint Mary's University and Business is Jammin' attended the Women in Business event.





OUR SYSTEM IMPACT

Supporting the Development of Co-operatives and Strong Communities

As financial co-operatives, credit unions are committed to our communities and co-operative values. Upon seeing a need for affordable childcare services in their community, Atlantic Edge Credit Union helped facilitate the planning and launch of a childcare co-operative in Port aux Basques, N.L.

The Growing Our Future Childcare Co-operative (GOFCC) initiative was a significant undertaking for the credit union who led the development and execution of a multi-year plan involving the coordination of many funding partners and community stakeholders with the help of a volunteer committee. The co-operative opened its doors in 2018.

In addition to their financial and administrative support, the credit union granted GOFCC an interest free mortgage. In 2021, this represented a savings of \$9,380 for the co-operative. The savings help GOFCC sustain its operations and provide high-quality, affordable childcare services to nearly 40 families in the Port aux Basques area.



Collaborating with Regional Co-operative Councils

Through our shared values of honesty, trust and respect, co-operatives work together to build strong communities and create an inclusive economy. That's why every year we provide funding to support the mission and operations of the provincial co-operative councils in Atlantic Canada. The councils support co-operatives across all sectors through education, business development, and by representing our common interests to government and industry.

We collaborate with the co-operative councils on joint initiatives that help our members and grow the co-operative movement. In December, we partnered with the Newfoundland-Labrador Federation of Co-operatives (NLFC) and other local co-operatives to launch their first Holiday Hamper community vegetable drive, which provided over 8,000 pounds of fresh produce to the Community Food Sharing Association for distribution to food banks across the province. In addition to providing nutritious and fresh food to those in need, the initiative also supported the local economy through the purchase of \$8,000 worth of product from local farmers and created new connections and relationships between NLFC and the Agriculture sector.

You can learn about our partnership with the Nova Scotia Co-operative Council and participating credit unions to support small business and social enterprise on [page 12 of this report](#).



In 2021 we gave \$20,000 to the three co-operative councils operating in Atlantic Canada.





Developing the **Next generation** of Co-operative Leaders

Atlantic Canada's Collective for Emerging Leaders

To ensure that our Atlantic credit union system stays strong now and into the future, we have partnered with Atlantic Canada's Collective for Emerging Leaders (ACCEL) to engage, develop and support the upward mobility of emerging credit union leaders in our region.



Established in 2019, ACCEL has continued to grow its influence and membership over the years and is proud to support 46 participants from across Atlantic Canada.

ACCEL contributes to our region's partnership ecosystem by establishing a network of skilled emerging leaders who lend critical insights to projects and initiatives at the system level. Participants (known as ACCElators) are invited to take part in regular education, events, networking and professional development opportunities.

In 2021, ACCElators participated in a number of regional and national committees, including the Regional Marketing Advisory Committee, the Research Advisory Council, and the Atlantic Credit Union System Strategy (ACUSS) Committee. ACCEL members also participated and provided their feedback on system projects. Moving forward, we will continue to work co-operatively to develop and retain talented employees to cultivate leadership in Atlantic Canada.



OUR SYSTEM IMPACT

Developing our **Future** Community Leaders

In 2018, Sarah Millar, CEO of Consolidated Credit Union in Prince Edward Island, lead an initiative with local high schools in Summerside to establish a credit union Youth Board. Working with the credit union, the Youth Board leads projects to make financial wellness more accessible for youth in the community.

During the 2020-2021 school year, the incredible Youth Board based out of Three Oaks Senior High School worked with presenters Bernadette Currie and Juliann Gauthier to provide an insightful presentation to their peers on the importance of mental, physical and financial wellness.

The credit union is proud to live the co-operative values and contribute to the development of the next generation of community leaders.



"I am apart of the board to gain valuable leadership qualities while becoming more involved and benefiting my community."

– Leah McDonald, Co-president, Consolidated Credit Union Youth Board 2020-2021

Government Relations

We engage with provincial and federal governments on behalf of Atlantic credit unions through an integrated partnership with the Canadian Credit Union Association (CCUA). Through this co-operative approach, we ensure that the interests of credit unions and their members are effectively represented with decision makers and that we contribute to critical policy discussions that impact our sector.

Here are a few of the ways we engaged with governments and policy makers in 2021:



Continuing work from 2020, **the New Brunswick Financial and Consumer Services Commission (FCNB) opened two public consultations on the creation of an unclaimed property program for a variety of industries.** Throughout 2021, credit unions met to discuss the proposed plans and provided critical feedback on what elements of the proposed process would be challenging for credit unions. The consultations successfully identified these barriers, and they were excluded from the final published rule. **We also worked with FCNB staff leading the development of the Unclaimed Property Program to communicate credit union feedback on a proposed online portal; the published portal incorporates input provided throughout our discussions.**

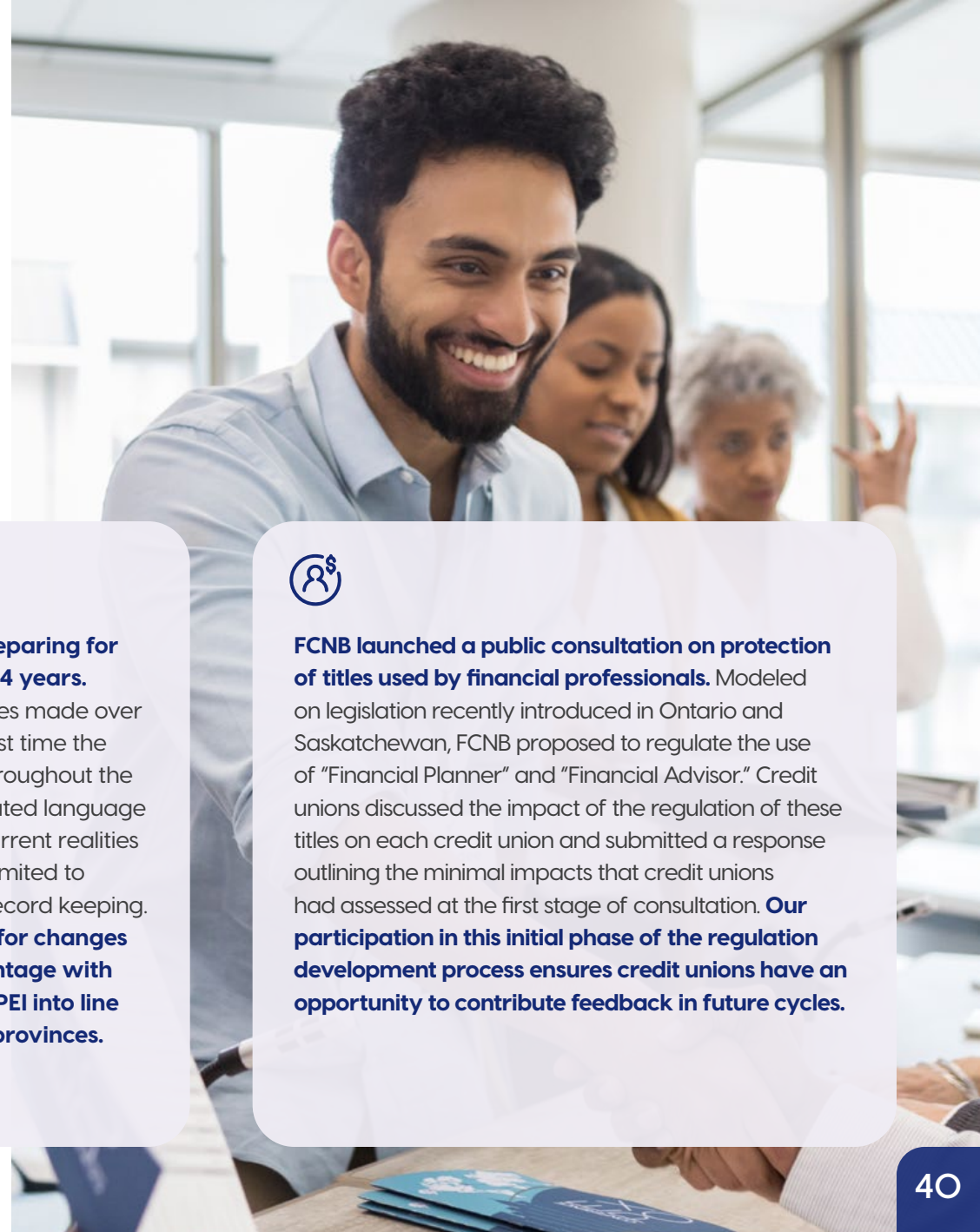


In 2021, credit unions in PEI began preparing for the first Credit Unions Act review in 34 years.

Although there had been minor changes made over the past three decades, this was the first time the Act had been thoroughly reviewed. Throughout the process, we prioritized removing outdated language and modernizing sections to include current realities of financial services, including but not limited to online banking, virtual meetings, and record keeping. **Credit unions were able to advocate for changes that would ensure competitive advantage with other financial institutions and bring PEI into line with credit union legislation in other provinces.**



FCNB launched a public consultation on protection of titles used by financial professionals. Modeled on legislation recently introduced in Ontario and Saskatchewan, FCNB proposed to regulate the use of "Financial Planner" and "Financial Advisor." Credit unions discussed the impact of the regulation of these titles on each credit union and submitted a response outlining the minimal impacts that credit unions had assessed at the first stage of consultation. **Our participation in this initial phase of the regulation development process ensures credit unions have an opportunity to contribute feedback in future cycles.**



Co-operative Development

Foundation of Canada

We belong to global community of partners who are committed to a growing movement centered in the co-operative principles of collaboration and self-reliance. Working together we contribute to the sustainable growth and resilience of communities in Atlantic Canada and beyond.

We donate \$20,000 annually to the Co-operative Development Foundation of Canada (CDF), an international development organization that builds capacity and promotes the growth of credit unions and co-operatives around the globe.

CDF partners directly with local groups to build vibrant co-operative communities through projects aimed to bridge agricultural and financial access, close the gap on gender inequality, promote financial inclusion, and strengthen resilience and sustainability.

Every year, our support benefits thousands of people worldwide. Through CDF's funding partnerships each dollar we contribute is multiplied 8.7 times, further amplifying our impact.

In addition to financial support, our credit union system contributes time and energy toward CDF's valuable work. Currently AC&LSM's Director of Product Solutions serves on CDF's Board of Directors.



Our Support
for **CDF**
in 2021:

\$20K
Contribution to CDF

\$174K additional
funding leveraged

30K people supported
from leveraged funds

The 4R-Nutrient Stewardship Project

The 4R-Nutrient Stewardship Project strives to improve the well-being and resilience of smallholder farmers in Ethiopia, Ghana, and Senegal through enhanced agricultural productivity and sustainability. The project provides 80,000 smallholder farmers with hands-on training in crop production and farm-management techniques, along with access to resources and new markets.

The program's gender-parity approach increases the capacity of women smallholder farmers to participate as extension agents and leaders in co-operatives, resulting in greater representation and influence of women in leadership positions and decision-making bodies in their communities.

Smallholder farmer and Community Volunteer Agric Extension Agent, Danakpe Adjoa, employed the agronomic practices she learned through 4R to achieve a germination rate of 90% in her groundnut farm. She plans to apply these techniques to her maize fields and share her learnings with her community.



"With the generous support of Atlantic Central and the Canadian Co-operative community, we can continue our work to reduce poverty and provide the support, training and expertise needed to strengthen cooperatives in developing countries around the world."

– Benoit Andre, CDF Canada Executive Director



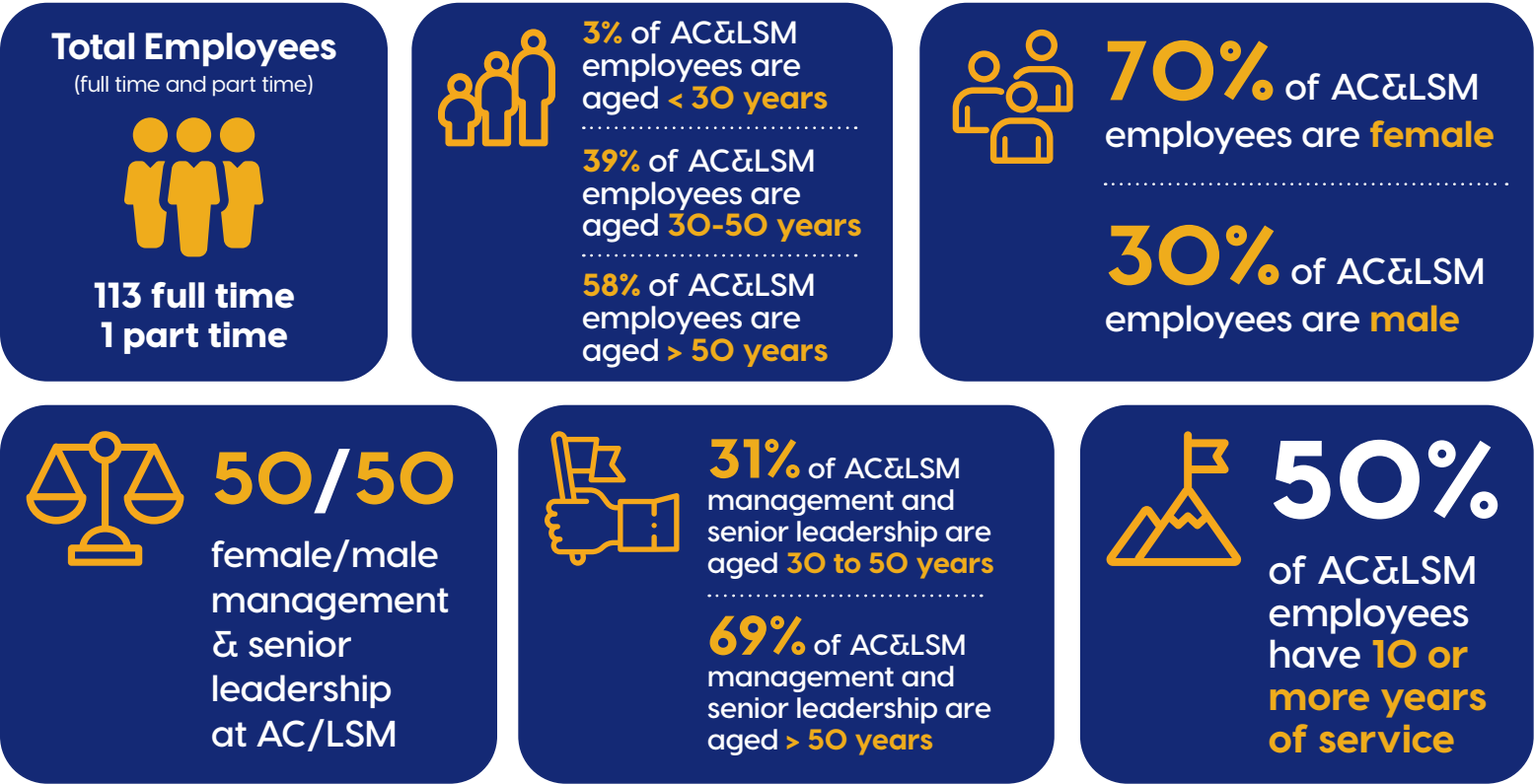


Our People

Our talented team of employees play a vital role in the success of our companies. Our shared commitment to our co-operative values and providing exceptional service to our member credit unions strengthens our ability to support credit unions to become the financial institution of choice for Atlantic Canadians



Our Team at a Glance



We recognize that a diverse and inclusive workforce extends beyond age and binary categories of male and female. In our 2021 employee engagement survey, we included voluntary self-identification to better understand the current diversity within our organization. Factors surveyed include gender identity, sexual orientation, Indigenous identity, belonging to a racialized population group, disability and language.

In 2022, we will look to further enhance our data collection and benchmark our current state to expand our reporting and identify areas where diversity in our team can be improved. Through our commitment to non-discrimination, equity and fairness in our business, we continue to review our policies and processes to ensure they are inclusive to all identities of employees. To learn more about our social justice framework see [page 46](#).



OUR SYSTEM IMPACT

Atlantic credit unions

In 2021, credit unions employed 1,378 people across New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.



*includes data from 31 credit unions
**Includes both senior and middle management



Employee Engagement

We believe that an engaged team drives innovation and strengthens our resilience and capability. That is why we are committed to creating an environment where all employees feel welcome, valued, supported and inspired to do their best work.

We measure employee engagement through our annual employee survey. In 2021 our employee engagement score was 87.6%, **(an increase from 85% in 2019*)**.

In 2021 a new engagement driver, Workplace Inclusion, was added to the annual employee survey to measure the extent to which employees feel respected and valued for being how they are, trust that they can speak up and be fairly treated, and have a sense of belonging.



Employee Awards and Recognition

To ensure our team members feel valued at work we recognize and reward employees for their achievements and contributions to our success. In 2021 we spent \$74,590 in awards and gifts for service recognition, and an additional \$16,378 on departmental employee recognition activities to acknowledge our team's accomplishments.

We also recognize employees through the Excellent Rating in our Performance Sharing Incentive Plan (PSIP). This award recognizes employees who have demonstrated outstanding qualities, such as exceptional performance in their work, served as a role model or mentor, and created or took advantage of opportunities that led to exceptional contributions to the credit union system, at times setting new standards of excellence. In 2021, we paid \$102,227 to the recipients of PSIP Excellence Awards, and additional \$20,500 in Special Recognition awards, and \$12,000 for the Team Award.

*We did not conduct an annual engagement survey in 2020. Instead, we conducted a cultural assessment survey to help define our desired culture and the values that characterize that culture as part of our larger multi-year People Strategy that began in 2021.

Our Commitment to Advancing Social Justice

We believe that our companies have an important role to play in creating a society where everyone has equal access to the distribution of wealth, opportunities, and privilege.

As part of our commitment to advancing Social Justice, we created a framework comprised of five strategic pillars to help us better understand the systems we are a part of and take actionable steps to evolve and meet our objectives. Our Social Justice Committee (SJC) provides guidance and holds us accountable to our commitment. The SJC is comprised of employees from both of our companies and representation from our senior leadership.



We recognize that this work takes time and does not happen in silos. In 2021 we undertook several initiatives that supported different strategic pillars within our framework:

Listen and Learn: In July 2021, the SJC developed a three-part Inclusive Language Learning Series for employees which covered topics including correct pronoun usage, reclaimed words and phrases, and the evolution of language. There was a 45% participation rate for the series, and staff expressed their appreciation for this unique learning experience.

On September 30, we were joined by our 44 member credit unions in closing to observe the National Day for Truth and Reconciliation and honour the Survivors of residential schools, their families and communities, as well as the children who never returned home. AC&LSM employees were encouraged to use this day to learn about the history and ongoing legacy of residential schools in Canada and within our communities and reflect on they can support reconciliation.

Change Policy and Systems: To move this work forward we feel it is crucial to look inward and implement the knowledge we have gained to determine where our existing policies and practices discourage participation from impacted communities and identify opportunities to improve diversity and inclusion. Applying our learnings, the SJC developed guiding principles to support the review and evolution of our policies and provide direction as we develop new policies that will better support our employees and members from all communities.

Create Opportunities: We partnered with Black Lives Matter Golf (BLMG), a Nova Scotia-based program that aims to make golf more inclusive and bring awareness to the Black Lives Matter social justice movement. In August 2021, we sponsored the second BLMG Invitational at Grandview Golf and Country Club and provided a \$5,000 donation to the BLMG scholarship fund. In 2022, we will support youth in the program interested in applying to AC&LSM summer internship positions.

Moving forward we will continue listen and build relationships to help us better understand the experiences and needs of underrepresented communities and how financial institutions can better support them. We will create further learning opportunities for staff to build cultural competency and improve their diversity, equity and inclusion skills. We will also work to share our learnings with the broader Atlantic credit union system.

Compensation

We're committed to non-discrimination, equity and fairness in all of our policies, procedures and employment activities. This includes hiring, training, promotion, compensation, benefits and our work environment.

We offer competitive total compensation packages that meet or exceed the living wage¹ in our region. In 2021, women made up 70% of our total workforce, with the highest representation of women in administrative and supervisory roles. At the management and senior leadership level, we've achieved gender parity with equal representation of women and men.

Our Fair Treatment of Employees policy governs our approach to pay equity, along with our Non-Discrimination policy. Our Total Compensation policy and program is based on objective criteria and reviewed regularly to ensure that employees in each pay category with similar duties and levels of responsibility are paid equally, and that pay is competitive relative to our defined labour market for comparable jobs.

Employees typically begin their employment at between 85-95% of the maximum salary for a position (the "job rate") and as they move closer to full competency in the role, their salary increases to 100% of the job rate. At any given time, there will be employees who are newer to their roles who are moving towards their job rate and some that are at the job rate. As illustrated here our average gender pay ratio shows higher compensation levels in some categories for male and in others for female employees. This is a reflection of individual employees working through their progression to the job rate. We are proud that we have achieved wage parity as an organization and employees can depend on a fair and competitive compensation environment.

1 : 0.98
Gender pay ratio

(Average base salary for full time and part time employees, excludes CEO)

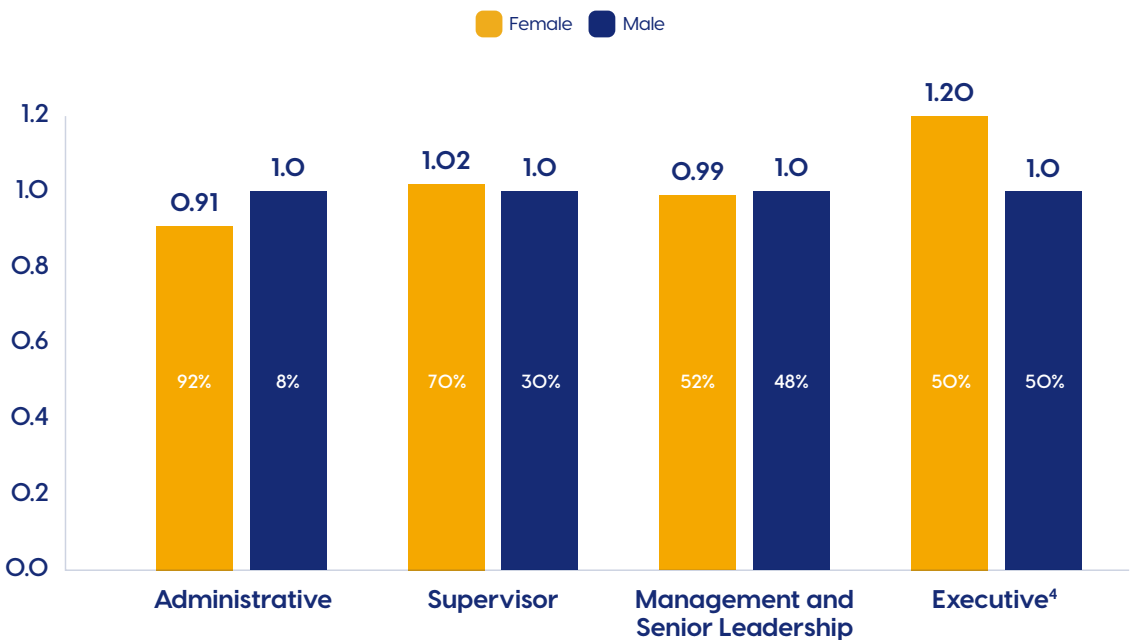
Benchmark: 1 : 0.89²

4.6 : 1
CEO to average worker pay ratio

Benchmark: 202 : 1³

Gender Pay Ratio by Employment Category

(Average base salary for full-time and part-time employees, excludes CEO)



¹We use the highest living wage in our region, which is in Halifax, N.S., as our basis for reviewing compensation

²Based on the 2021 Canadian national average (Source: StatCan 2022)

³Based on the salaries of the highest paid CEOs in Canada (Source: "The Golden Cushion", The Canadian Centre for Policy Alternatives, 2021)

⁴Executive gender pay ratio excludes the CEO

Performance and Training

At AC&LSM, we strive to create a workplace culture that empowers employees and encourages their development. As part of our annual performance planning, we help employees create individual Personal Development Plans where they establish their own goals and identify opportunities for success.

Employees are encouraged to engage in job-related training and learning opportunities to enhance their performance and help them fulfill their long-term aspirations. Throughout the year, 66 employees engaged in formal training such as skill-building workshops, conferences, and continuing education programs (a decrease of 1% from 2020). The value spent on education in 2021 was more than \$2,200 per employee trained.

Employees also participate in informal learning opportunities within our organizations. This includes cross-training with other teams, secondments, and temporary assignments where employees gain practical training and experience to support their career growth.

Through our partnership with Saint Mary's University, we help foster leadership skills within the Atlantic credit union system. We offer scholarships to AC&LSM and credit union employees from across the region to pursue masters and certificate programs in co-operative management through the International Centre for Co-operatives. There was one student enrolled in the program in 2021.

Looking forward, we will continue to enhance our reporting on training and explore ways to further promote the uptake of both informal and formal learning opportunities within our performance management process.



58%
of employees pursued training or education

100%
of employees completed performance reviews

Giving Back to Our Communities

Helping people and supporting the growth of thriving communities are central to our co-operative values. We provide employees with two days of paid leave every year to volunteer their time. This represents a commitment of more than \$86,000 of in-kind value available to support organizations in our communities.



Of employees used all or a portion of their paid volunteer days



18.5 Total volunteer days used

In 2021 we saw a 61% increase in employee volunteering over the previous year as restrictions were lifted and organizations began to reinstate volunteer programs and events. We will continue to encourage employees to use their volunteer time by identifying and removing barriers to using paid volunteer days, communicating local opportunities to get involved, and by having senior leaders champion volunteer initiatives.

Throughout the year we hold regular employee fundraising campaigns for charities such as the United Way. In 2021 we raised \$19,989 for the United Way through employee donations and activities, such as a silent auction and prize draws. This amount includes over \$5,000 that our companies matched on behalf of our team members. Total funds raised decreased by 18% from 2020 as a result of continued reduction in campaign activity due to COVID-19.

\$19,989 donated to the United Way from AC&LSM employee fundraising efforts



OUR SYSTEM IMPACT

Volunteering with Local Organizations

Volunteering is one of the many ways credit unions give back to the communities they serve. In 2021, employees from 10 credit unions volunteered over 9,000 hours to organizations across Atlantic Canada. This is the equivalent of 1,252 days.*



Atlantic credit union employees volunteered **1,252 days**

*based on data provided by 31 Atlantic credit unions



Employee Health and Wellness

We foster a healthy and productive workplace through a balanced approach to mental and physical health and wellness. Our Wellness Team engages employees by organizing educational programs and activities that promote a healthy lifestyle and offer opportunities to reduce stress and improve well-being.

As the pandemic entered its second year, our Wellness Team continued to find new and innovative ways to encourage employees to stay active and provide support while we worked from home.



In July, we hosted a Cross Canada Virtual Challenge. Participants accumulated kilometers through exercise and being active with the goal of 'walking' more than 7,000 km from Vancouver, B.C. to St. John's, N.L.



In November, employees were invited to take part in Virtual Home Ergonomic Assessments to proactively assess their work from home station and identify opportunities for improvement to optimize their health and safety.

Occupational Health and Safety

Our Joint Occupational Health and Safety Committee ensures our commitment to a safe and healthy work environment. The committee assists in developing and administering our occupational health and safety (OH&S) program, including performing inspections, educating employees, and regularly reporting to the program's executive sponsor.

All new employees at AC&LSM receive OH&S training during their initial orientation, and we regularly communicate OH&S topics and alert employees to potential hazards. Each year, all employees are asked to review the OH&S policy and program as they review our Code of Corporate Ethics and Business Conduct. In addition, members of the Joint OH&S committee receive training on our OH&S program, First Aid, and AED.

The risk of workplace injury in our offices is low, and in 2021 just one incident was reported.



Governance

The Boards of Directors for our two companies, Atlantic Central and League Savings and Mortgage Company, approve our purpose, vision and values, and provide critical oversight of major financial decisions and our strategic direction. They also act as stewards in building relationships with our members and our communities





Corporate Governance

Sound governance and ethical behaviour begin with our two Boards of Directors, who are accountable to our shareholder members and assume responsibility for the stewardship of Atlantic Central and League Savings and Mortgage.

At the end of 2021, there were 12 directors on the Board of Directors of each of our two companies. Directors serve three-year terms, with a nine-year maximum. Our boards are comprised of directors who are either nominated or elected by delegates representing our shareholder member credit unions in the four Atlantic provinces.

Atlantic Central is provincially regulated under the *Nova Scotia Credit Union Act*, formally reporting to the Nova Scotia Superintendent of Credit Unions. League Savings and Mortgage Company is federally regulated under the *Trust and Loan Companies Act of Canada*, formally reporting to the Office of the Superintendent of Financial Institutions (OSFI).



A detailed overview of our two boards, board committees, and our corporate governance can be found in the annual reports for [Atlantic Central](#) and [League Savings and Mortgage Company](#).

Qualifications and eligibility criteria for directors are outlined in the Acts and are strictly adhered to. In addition to legislated requirements, our directors must also:



Demonstrate an understanding of the Atlantic credit union system.



Possess personal qualities of integrity, financial literacy, and good judgement.



Be able to regularly attend and actively participate in board and committee meetings.



Possess an appropriate mix of skill, knowledge, and experience, including in the areas of accounting, financial management, banking law, risk management, consumer issues relating to credit unions, corporate governance, communications, IT strategy and system implementation and leadership, digital transformation leadership, liquidity management and commercial credit.



Board Accountability for Social and Environmental Impact

Our commitment to creating a positive social and environmental impact is directed by the joint Co-operative Social Responsibility Committee (CSR Committee). The CSR Committee is a standing committee of our two boards of directors and is comprised of directors from the Atlantic Central and League Savings and Mortgage boards, with representation from all four Atlantic provinces.

Mandated to ensure alignment with our commitment to social and environmental business practices, the CSR Committee develops and supports clear policies that define our belief in social well-being and sustainability for consideration by our boards. They oversee the budget and program execution of our community

investment, social justice, and awards and recognition. The Committee also ensures sustainability and environmental impacts are considered in our operations and across our premises. Through the boards, they are responsible for annual CSR reporting to our stakeholders.

In 2021, the CSR Committee provided regular reviews and feedback on the implementation of our integrated strategy and oversaw the following initiatives: our B Corporation certification and the creation of a position dedicated to advancing CSR within our organizations. In 2022, the CSR Committee will provide their oversight as we develop a regional impact investing program pilot.



Overseen by the Joint CSR Committee, in 2021 we gave 3.6% of pre-tax profits to support our communities.

(calculated using total sponsorships and donations, and the value of employee volunteering hours)



Gary O'Brien

Lisa Loughery

Sarah Millar

Camille Maillet

Thomas Vickers

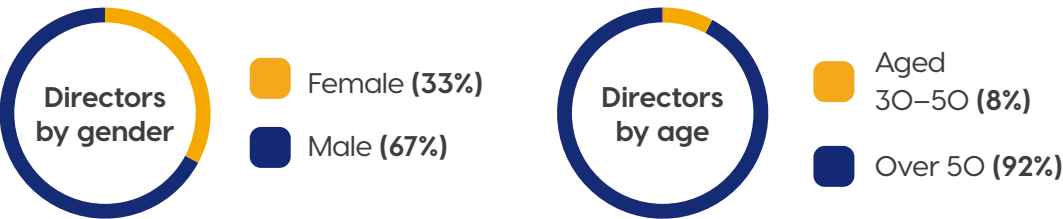
CSR Board
Members
in
2021

Board Diversity

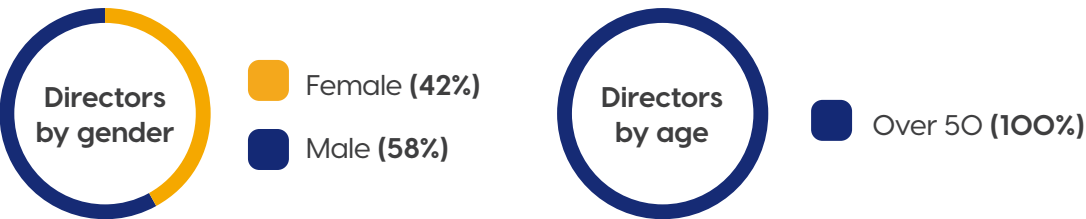
We recognize the value of a diverse board of directors in creating strong governance, driving business success, and helping us better serve our members and communities through well-informed decision-making. Our boards believe it is important for our organizations to be governed by a mix of highly qualified directors from diverse backgrounds who bring a broad range of perspectives, insight, and experience.

In addition to highlighting the requisite knowledge, skills and experience to participate in the effective governance of our organizations, during our board nominations we aim to increase the representation of women and other equity deserving groups on our boards with the goal that our boards represent our membership and the communities we serve. While competency and expertise are of paramount importance in all directors and will not be compromised, diversity on all fronts is viewed as a prime consideration and cornerstone of success.

Atlantic Central (As of Dec. 31st, 2021):



League Savings and Mortgage (As of Dec. 31st, 2021):



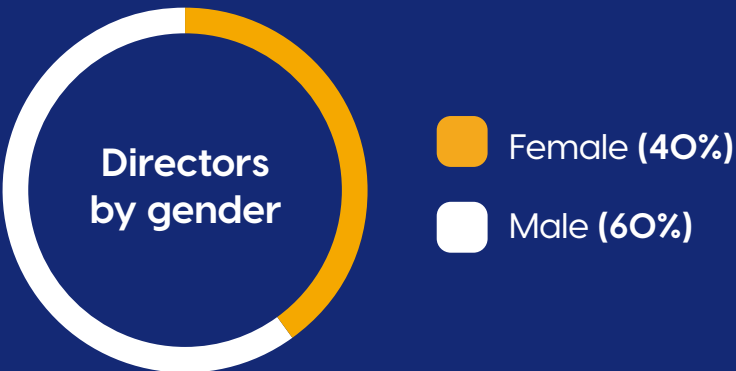
In 2021, we continued to work on our goal to achieve more diverse and inclusive representation at the board level. At the end of the year, the number of women directors on the Atlantic Central board increased 100% from the previous year, and the number of women directors on the League Savings and Mortgage board increased by 25%.



OUR SYSTEM IMPACT

Atlantic Credit Unions

As of December 31, 2021



*based on data from 40 Atlantic credit unions
** In our 2020 Sustainability Report 'Living Our Values Together: Leading in Exceptional Times', we reported that the percentage of women directors in Atlantic credit unions was 62%. This value is inaccurate and should have been reported as 38%.



Ethics

Our Code of Corporate Ethics and Business Conduct helps guide employees and directors to act fairly and with integrity in all aspects of our business.

The Code sets standards for ethical behaviour and contains guidelines and procedures to follow to ensure compliance with these standards, helping to set up our team for success. Upon starting with AC&LSM, and every year thereafter, all employees and directors are required to review the Code and acknowledge receipt, agreement and compliance with the Code and management policies.

In upholding our values of honesty, trust, respect, and collaboration, we actively encourage open and genuine communication in our workplace. When an employee believes the Code or other organizational policies have been violated, they are encouraged to report the violation to their supervisor so that we may investigate and respond right away. In situations where employees prefer to remain anonymous, they can make a confidential report 24/7 using the [Integrity in Action Hotline](#), set up through the Credit Union Bonding Program.



Our Approach to Sustainability Reporting

Report Scope

This report covers the calendar year from January 1, 2021 to December 31, 2021, unless otherwise stated.

Report Boundaries

Our reporting boundaries include entities over which Atlantic Central and our subsidiary League Savings and Mortgage Company have operational control, unless otherwise indicated. This includes our three corporate offices in Halifax, N.S., Riverview, N.B., and Charlottetown, P.E.I. We have reported on sustainability performance indicators for these entities as applicable.

Our report also includes initiatives where we have partnered with one, or several, of the independent credit unions in Atlantic Canada. We have clearly indicated where data covers the activities of Atlantic Central and League Savings and Mortgage Company only, and where it includes partnership initiatives within the Atlantic credit union system. Where indicated, our report also includes sustainability performance provided by 31 of our 44 member credit unions. Our member credit unions are independent businesses and are not under our operational control.

Sources for statistical information referenced that are not related directly to Atlantic Central and League Savings and Mortgage Company are noted on relevant pages. All financial information is reported in Canadian dollars.

We believe this information accurately represents our sustainability initiatives and performance results for the 2021 reporting year (unless otherwise stated).

Restatements

As stated on page 56 of our 2020 Sustainability Report 'Living Our Values Together: Leading in Exceptional Times', we reported that that the percentage of women directors in Atlantic credit unions was 62%. This value is inaccurate and should have been reported as 38%.

Reporting Methodology

Our approach to sustainability reporting is informed by the Global Reporting Initiative (GRI) Standards, including the Financial Services Sector Supplement disclosures, however, we are not reporting "in accordance" with the GRI Standards. We have aligned our sustainability report and performance indicators to demonstrate how we are contributing to the UN Sustainable Development Goals (SDGs).

Our Content Index outlines indicators taken from the GRI Standards and the GRI Financial Services Sector Disclosures.

Materiality

Topics and data included in this report were selected based on a review of the social, environmental, and economic impacts and opportunities we perceive as most important to our stakeholders and our business success. We've drawn on the GRI Standards materiality guidance to inform our reporting approach. Our review included a comprehensive competitive analysis, desk research on topics most important to the credit union and banking sectors in Canada and abroad, discussions with the CSR Committee of our Boards, benchmarking of our ongoing sustainability initiatives, and input from our employees who are in contact with our stakeholders throughout the year.





Feedback


Our Living Our Values Together report is how we report on the social, environmental, and economic impact and performance of our businesses.

Please contact us with any questions or feedback on our initiatives and progress at csr@aclsm.ca.

Appendix:

Longform Corporate Scorecard

LEGEND			
	Achieved		On Track
	Work to do		Impacted by COVID


Our Pillars	Our 2030 Goals	Measured by	Our 2021 Priorities	Our Progress Towards 2030 Goals	Our 2022 Priorities	Contribution to SDGs
Improving Financial Inclusion & Resilience	Improve the financial inclusion and resilience of an additional 100,000 Atlantic Canadians by 2030	Number of people receiving support for education that improves financial inclusion and resilience	<p>Support Atlantic credit unions to provide financial literacy training to 750 people.</p> <p>Goal not met. Similar to 2020, fewer sessions were offered as a result of COVID-19 restrictions.</p> <p>Review all corporate initiatives that improve financial literacy to determine impact on 2030 Financial Inclusion & Resilience Target.</p> <p>Goal in progress. Our corporate initiatives are currently under review as we develop a dashboard to further track our progress towards our 2030 Goals</p>		<ul style="list-style-type: none"> Support Atlantic credit unions to provide financial literacy training to 750 people Finalize review of financial literacy initiatives Design regional impact investing pilot program for launch in 2023 	<p>Target 4.4 By 2030, increase the number of youth and adults who have technical and vocational skills, for employment, decent jobs and entrepreneurship</p> <p>Target 4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy</p>
		Number of people and businesses that face barriers accessing financial services who are approved for credit union products and services	<p>Investigate opportunities to offer a regional impact investing program</p> <p>Goal met. In 2023 we will apply our learnings to design a regional impact investing pilot program for launch in 2023.</p>			<p>Target 8.1 Strengthen the capacity of domestic financial institutions to expand access to banking and financial services for all</p>

A full list of the Sustainable Development Goals (SDGs) is available [here](#).

Appendix:

Longform Corporate Scorecard


LEGEND			
	Achieved		On Track
	Work to do		Impacted by COVID

Our Pillars	Our 2030 Goals	Measured by	Our 2021 Priorities	Our Progress Towards 2030 Goals	Our 2022 Priorities	Contribution to SDGs
Investing in the Sustainable Economy	<p>[2030 Target in Development]</p> <p>In 2021, we continued to determine our approach for setting a target to grow our investment in the sustainable economy based on best practices and methodology</p> <p>In 2022, we will finalize our approach and collection of baseline data to set future targets</p>	Total value of financing to support gender equity	Double the size of our ESG investments		<ul style="list-style-type: none"> Launch a second SRI product with a focus on women in leadership Review all corporate initiatives that contribute to a sustainable economy to support development of 2030 Investing in the Sustainable Economy Target 	Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership
		Total value of financing to support initiatives that address climate change and its impacts	Goal exceeded. We surpassed our goal to double the size of our ESG investments in 2021			Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters
		Total value of financing to make communities safe, resilient and inclusive	Achieve \$50M in direct lending for affordable housing projects			Target 11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services
		Total value of financing to support access to sustainable, affordable and efficient energy use	Double the investments in our Better Earth Portfolio			Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

A full list of the Sustainable Development Goals (SDGs) is available [here](#).

Appendix: Longform Corporate Scorecard

LEGEND			
	Achieved		On Track
	Work to do		Impacted by COVID

Our Pillars	Our 2030 Goals	Measured by	Our 2021 Priorities	Our Progress Towards 2030 Goals	Our 2022 Priorities	Contribution to SDGs
<p>Growing the Co-Operative Movement</p>	<p>Help an additional 100,000 people participate in the co-operative movement by 2030</p>	<p>Type and number of stakeholders engaged in partnerships, evaluating and reporting on progress delivering our values</p>	<p>Incorporate credit union data into our annual sustainability report to demonstrate our collective credit union system impact</p> <p>Goal met. Our 2020 report included data from 42 of our 45 member credit unions</p>		<p>– Continue to represent the Atlantic credit union system on national and regional boards and committees</p>	<p>Target 17.16 Enhance the global partnership for sustainable development by mobilizing and sharing knowledge, expertise, technology and financial resources</p> <p>Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership</p> <p>Target 8.5 By 2030, achieve full and productive employment, equal pay for equal work and decent work for all people</p>
			<p>Achieve B Corp certification for Atlantic Central and League Savings and Mortgage</p> <p>Goal met. In July 2021, AC&LSM became the first Tier 2 Co-operative in Canada to become a Certified B Corporation™</p>			

A full list of the Sustainable Development Goals (SDGs) is available [here](#).



ATLANTIC CENTRAL LEAGUE SAVINGS AND MORTGAGE

Our more than 40 member
credit unions serve individuals, families
and businesses in locations across all
four provinces in Atlantic Canada.

6074 Lady Hammond Road
Halifax, N.S., B3K 2R7

honestmoney.ca/CSR