



Corporate Social Responsibility Report

For the period ending
October 31, 2019



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CSR Highlights FY2019



ECONOMIC IMPACT

AS AN EMPLOYER AND CONTRIBUTOR TO OUR PROVINCIAL ECONOMY, OUR TOTAL ECONOMIC IMPACT WAS \$3.26 BILLION

- \$2.9** BILLION IN **LOANS** TO ALBERTA BUSINESSES
- \$206** MILLION IN **SALARIES AND BENEFITS** FOR EMPLOYEES
- \$27** MILLION IN **TAXES PAID** TO ALL LEVELS OF GOVERNMENT
- \$56** MILLION IN **PROFIT SHARE®** PAID TO MEMBERS
- \$2.4** MILLION CONTRIBUTED TO **COMMUNITY** ORGANIZATIONS



SOCIAL IMPACT

OUR NOBLE PURPOSE OF SHAPING MEMBER FINANCIAL FITNESS WILL FOSTER RESILIENT AND PROSPEROUS COMMUNITIES AND BUILD A BETTER WORLD ONE MEMBER AT A TIME

- 67.1 / 100** FINANCIAL FITNESS SCORE FOR **INDIVIDUAL MEMBERS**
- 65.5 / 100** FINANCIAL FITNESS SCORE FOR **ALBERTA GENERAL POPULATION**
- 65.5 / 100** FINANCIAL FITNESS SCORE FOR **BUSINESS MEMBERS**
- 7,396** **VOLUNTEER** HOURS REGISTERED BY SERVUS EMPLOYEES
- 39** **COMMUNITY COUNCILS** ACROSS THE PROVINCE, MADE UP OF SERVUS MEMBERS WHO HELP US GROW
- 76%** OF MEMBERS **AGREE** THAT SERVUS **IS INVOLVED IN THEIR COMMUNITY**



ENVIRONMENTAL IMPACT

OUR EFFORTS TO REDUCE THE USE OF MATERIALS AND ENERGY, RECYCLE WASTE, AND LOWER GREENHOUSE GAS EMISSIONS HAS A POSITIVE IMPACT ON THE ENVIRONMENT AND OUR BOTTOM LINE.

- 10.4%** REDUCTION OF GREENHOUSE GAS EMISSIONS FROM 2015 BASELINE
- 27%** REDUCTION IN **PAPER PURCHASED** FROM 2015 BASELINE
- 100%** OF CONFIDENTIAL **PAPER RECYCLED** EQUIVALENT TO **80%** OF ALL **PAPER PURCHASED**
- 100%** OF **ELECTRONIC WASTE** REUSED OR RECYCLED

Because of the support from our members and our staff, 2019 was a year of impact at Servus. To learn more, visit: servus.ca/about/our-organization



Message from the CEO

At Servus, we understand the connected nature of the economy, society and the environment. We see the importance of being accountable for our decisions and actions and the impact those have on society and the environment that sustains us. We don't have to look far to see why social responsibility is important. The financial challenges arising from a post COVID-19 world and the heightened focus on racism and social justice, at home and globally, require collaborative solutions from governments, not-for-profit organizations and for-profit companies.

Our corporate values, commitment to social responsibility and noble purpose guide how we respond to these and future issues. Today, businesses are being called on to be authentic in our words and to back those up with credible action for effective change. How we act has a direct and meaningful impact on our members, our employees and the communities we serve. Going forward, we will listen deeply to our stakeholders, ask the tough questions of ourselves and of others, and take action that contributes to a just society and sustainable future. As the expectations of our members and of society shift, we will shift alongside ensuring we remain in-tune with what constitutes responsible business.

Our CSR report provides a view to our performance regarding environmental and social issues affecting our credit union and our members during the fiscal year of 2019. Where we've done well, we strive for more and where we've fallen short, we'll take meaningful steps to address them. Already, the world events of the first half of 2020 has shone a light on areas where greater attention is required.

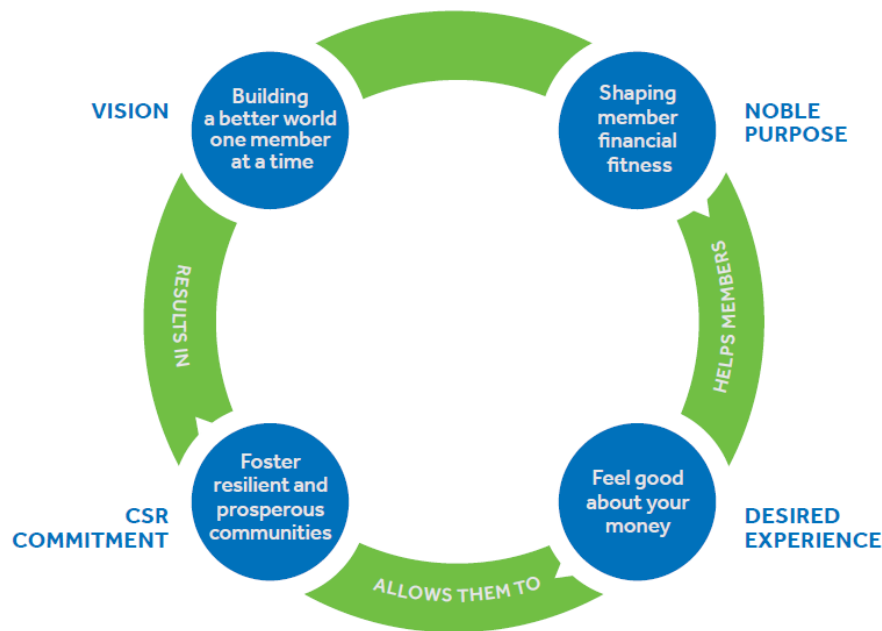
Garth Warner
President and CEO



CSR at Servus

Our vision of building a better world one member at a time is supported by our CSR commitment to foster resilient and prosperous communities. We are driven by our noble purpose of shaping members' financial fitness. When our members are financially fit, they feel good about their money and are better able to contribute to their community, which builds a better world (see Figure 1).

Figure 1: Enabling our Vision



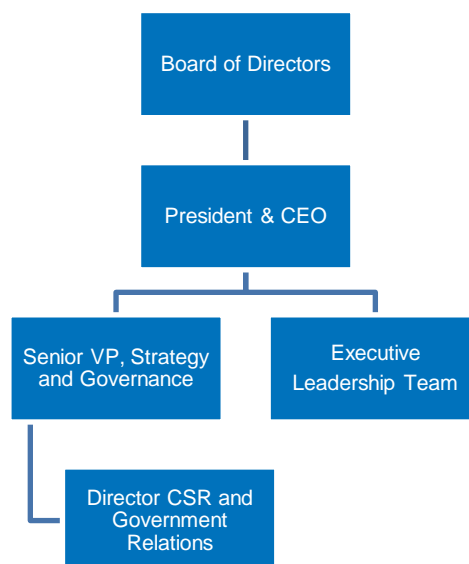
CSR governance

Servus is governed by a Board of Directors elected from the membership and they are accountable for ensuring the credit union is operated in a socially responsible manner. The president & CEO is responsible for CSR and is aided by the senior vice-president, strategy and governance; the Executive Leadership Team, and the director of CSR and government relations (see Figure 2). The board receives regular updates from the President and CEO on social responsibility issues and associated risk.

Our CSR policy defines what CSR means at Servus and refers to nine principles that outline our commitment to being socially responsible: financial stewardship, business ethics, member service, employee well-being, environmental management, community building, being a co-operative, stakeholder engagement and transparent accountability.



Figure 2: CSR Accountability



At Servus, every leader is asked to consider social responsibility in their decisions. The director of CSR is available to provide guidance and support and is responsible for reporting corporate CSR performance. All employees are involved in the credit union's journey toward a sustainable future.

Report materiality

Content for this report is based on a review of the most common reporting information found in CSR and Sustainability reports from the Canadian credit union and banking sector. It has been adjusted to align with our CSR metrics and the areas of reporting recommended by the Canadian Credit Union Association and by the Global Reporting Initiative (GRI). The report has not been prepared in accordance with either core or comprehensive reporting by GRI, but we have borrowed heavily from that disclosure framework. In fiscal year 2019, we did not conduct a formal materiality assessment or engage with external stakeholders in the preparation of this report. Nevertheless, we have reviewed comments received on last year's report and adjusted this report accordingly.

Engaging stakeholders

We define our stakeholders as any person or group affecting the operations of our company or affected by our company's operations. Every day, Servus engages with stakeholders through one or more of the channels listed below.



Table 1: Stakeholder Engagement Channels

Stakeholder	Engagement Channels
Members (owners)	<ul style="list-style-type: none"> • Branches across Alberta • Member Contact Centre • Social media and website • Email, phone and mail • Member surveys (satisfaction, financial fitness, brand awareness) • Member and public communications • Board of Directors • Director nominations and elections • 39 community councils • Annual general meetings • Actions taken by Servus to protect member privacy and data security • Marketing campaigns
Employees (also member owners)	<ul style="list-style-type: none"> • Employee engagement surveys • Whistleblower policy • Executive advisory program • Human Resources Advisory Council • Café, our internal employee blog • Servus Women's Network • Servus Young Leaders Network • Supervisors
Communities and general public	<ul style="list-style-type: none"> • In person at branches, by phone, and on-line through social media or our website • Direct engagement with senior leaders, board members and community council members • Corporate events (e.g., AGM) • Employees volunteering in the community • Corporate fundraising activities • Community events sponsored by Servus • System partners (e.g., other credit unions, Credit Union Central Alberta, Canadian Credit Union Association, Alberta Community and Co-operative Association, Co-operatives and Mutuels Canada) • Ombudsman for Banking Services and Investments • Regulatory agencies (Credit Union Deposit Guarantee Corporation and Alberta government departments, especially Treasury Board and Finance) • Members of the Legislative Assembly (MLAs) and Members of Parliament (MPs) • Better Business Bureau • Alberta, regional and local Chambers of Commerce
Suppliers and business partners	<ul style="list-style-type: none"> • Procurement activities and subsequent supplier contract management • Business partner marketing and advocacy campaigns • Business partner community engagement programs

Contributing to the economy

Servus continues to play an important role in Alberta as an employer and contributor to the provincial economy. We contribute directly in many ways, such as taxes and salaries paid, goods and services purchased, and sponsorships and donations provided to not-for-profit agencies. We contribute indirectly through the financing of small businesses, which enables new jobs and builds resilience in communities across the province. Overall, we contributed \$3.26 billion to the Alberta economy last year (see Table 2).

As an Alberta-based financial institution, we take pride in contributing our province in ways that



go beyond banking services. We are there for our individual, business and not-for-profit members throughout the year, shaping their financial fitness and helping them achieve their goals. To read more about how we've made a significant difference in the lives of our members and of all Albertans, see the Creating social value section, below.

Table 2: Economic Impact

Economic Indicators	FY17 (\$)	FY18 (\$)	FY19 (\$)
Debt financing for Alberta businesses ¹	3,225,782,279	3,091,842,908	2,898,152,364
Money spent on Goods and Services ²	71,679,657	72,480,572	64,070,407
Full time, part time and temporary employee salaries and benefits paid ³	196,486,433	200,807,141	205,813,619
Taxes paid to all levels of government ⁴	33,668,320	35,255,993	26,865,415
Profit sharing paid to members for their patronage	50,592,453	54,114,000	55,942,598
Total of Community Investment sponsorships and donations to not-for-profit organizations in Alberta ⁵	1,872,423	2,231,464	2,442,541
Contributions from employee volunteering ⁶	229,170	604,380	221,888
Value of space provided to communities at no charge in support of their operations ⁷	42,500	42,500	42,500
Discounted financial services offered to NFP organizations under our Community Plan account. ⁸	4,274,640	1,414,200	3,912,480
Total Economic Impact	3,584,627,875	3,458,773,158	3,257,463,812

¹ Includes disbursements of loans and mortgages and new and increased lines of credit to members.

² Includes payments to Alberta-based vendors and non-Alberta-based vendors with employees in Alberta.

³ Includes full-time, part-time and temporary salaries and benefits; variable pay and employee development.

⁴ Includes property, income and business taxes

⁵ Includes community-focused sponsorships and donations, brand sponsorships and employer-led fundraising.

⁶ Employee volunteering is calculated at \$30.00 per hour.

⁷ Servus has provided the Christmas Bureau of Edmonton with complementary office space above the Beverly branch as a gift in-kind since 1997. The rent and overhead are estimated to be \$42,500 per year.

⁸ The Community Plan account offers not-for-profit organizations an account that has no monthly fee, 30 free transactions per month, free monthly statements with cheque images and one free cheque order per year (up to 50 cheques) printed on demand. Only the waived account fees are included in this calculation.

Creating social value

The social value we create comes from the pursuing our noble purpose of Shaping Member Financial Fitness. If we are successful in making our members financially fit, they can better



manage their needs, contribute more to their community and build a better world.

We know our work to shape the financial fitness of members must continue. The challenging economic environment in Alberta coupled with the financial impact from COVID-19 make it increasingly difficult for individuals, families and businesses to thrive financially. Our role is to provide our members with the knowledge, tools and respectful advice necessary for them to feel in control of their finances, build resilience against further economic challenges and pursue new opportunities when they arise — in other words, to feel good about their money.

Each year, we measure the financial fitness of our members and Albertans. In 2019, our member scores remained slightly higher than those for Alberta (see Table 4). Actions we've taken to support member financial fitness include helping them set and work toward achieving financial goals, providing information to counteract fraudulent attempts to gain access to funds, and being there in times of need.

Shaping member financial fitness is Servus's Noble Purpose. It is the reason for our being, our North Star. As we continue our Noble Purpose path, we are confident we will change the narrative of financial health in Alberta.

Community Engagement

Servus engages with our communities in several ways. We provide banking services to our member community organizations and support their efforts to deliver services to their clients and members through donations, sponsorships, volunteer time and in-kind support. We also engage with many community organizations that are not members because of their important role in building resilient and prosperous communities. It's about more than giving money and time. It's about being purposeful and working to make Alberta a great place to live. It's about enabling an inclusive and caring society that looks after those who are less advantaged and cannot advocate on their own. We thrive because our branches are deeply rooted in the communities we serve. Our investments impact the quality of life in the places where we operate. Over half of our community investment is determined by employees who live and work in those towns and cities.

Supporting Alberta's not-for-profit sector

In 2019, Servus supported 800 community organizations with \$2.3 million in financial contributions. Although we partner with hundreds of not-for-profits each year, some of our more extensive relationships are listed below. Over the past two years, we've focused on initiatives to provide free or substantially discounted access to recreational, arts and cultural programs. This gives families the opportunity to enjoy activities they might not otherwise experience. In addition, we are doing more in the area of transferring financial literacy skills and financial fitness solutions to our not-for-profits and their clients. We continue to be there for long-standing service clubs and local charities.

- Alberta 4-H
- Alberta Aviation Museum
- Alberta Community and Cooperative Association
- Alberta Soccer Association Servus Credit Union Youth Provincial Championships
- Alberta Youth Entrepreneurship Camp



- Barrhead Regional Aquatics Centre
- Bow Island - Servus Community Arena
- Calgary Zoo
- Canalta Centre
- Catholic Social Services
- Christmas Bureau of Edmonton
- Co-operative Development Foundation
- Crescent Point Regional Field House
- Edmonton Eskimos
- Edmonton Federation of Community Leagues
- Edmonton Heritage Festival Association
- Edmonton's Food Bank
- Federation of Calgary Communities
- Flying Canoë Volant
- Glenbow Museum
- GreenLearning Canada Foundation
- Junior Achievement
- KidSport
- Lakeland College
- Lethbridge Soccer Association
- Military Family Resource Centre
- New West Theatre Society
- Nitehawk Adventure Park
- NorQuest College
- Red Deer Symphony Orchestra
- Red Deer University
- Servus Arena
- Snow Valley Ski Club
- Servus Credit Union Place
- Snow Valley Ski Club
- Sylvan Lake NexSource Centre
- Tawatinaw Valley Ski Club
- The City of Lloydminster
- The Citadel Theatre
- The MAX Performing Arts Centre
- The Olympic Oval
- University of Alberta
- WinSport

Scholarships

Servus provides endowments for scholarships at post-secondary schools across Alberta. In 2019, those endowments resulted in \$19,200¹ in scholarships being awarded. Providing endowments means we can support more students through more scholarships for a longer time period. Once we make the initial investment in an endowment, it becomes self-funding (i.e., the principle amount remains intact while the investment income is used each year). Presently, we have endowments at eight post-secondary schools in Alberta:

- | | |
|------------------------------------|---|
| 1. Lakeland College | Heavy Oil Power Engineering Scholarship and an Entrance Scholarship |
| 2. Lethbridge College | Health & Human Science Scholarship |
| 3. Medicine Hat College | Leadership Award |
| 4. Red Deer College | Leadership Award |
| 5. University of Alberta | Suzanne Mah Award in Law and the Harry and Judy Buddle Leadership Award in Business |
| 6. Grande Prairie Regional College | Bursary for those with financial barriers |
| 7. Mount Royal University | Bursary for those with financial barriers |
| 8. Burnam University | Bursary for those with financial barriers |

¹ This was incorrectly reported as \$16,000 in our Management Discussion and Analysis released in March 2020.



Community Councils

Servus Credit Union has a long history of engaging communities in how we run our business. Even as we've grown, we've continued to keep close ties to what matters most to our members. One way we do this is through community councils. Some councils are based on language or ethnicity and others on location or geography. Community councils are made up of four to nine Servus members (not staff) in good standing who are committed to being corporate ambassadors in their community and providing advice and feedback on ideas to keep us focused on our members and in tune with the communities we serve.

Community councils drive business and enable us to be locally relevant by providing a strong connection between Servus, our members, and their communities. Community council members support their branches in business development efforts and attracting new members. Councillors are involved with community groups and local businesses, are advocates for the credit union way of banking and are willing to look critically at our operations. We currently operate 39 councils, as follows:

Table 3: Community Councils

Linguistic councils Located in Edmonton		
Chinese	Francophone	Ukrainian
East Indian	Korean	Vietnamese
Filipino	Polish	
Geographic councils across Alberta		
Bentley	Fort Saskatchewan	Medicine Hat
Blackfalds	High River	Okotoks
Bow Island	Innisfail	Ponoka
Calgary	Lac La Biche–Plamondon	Red Deer
Calgary North West	Lacombe	Rimbey
Crowsnest Pass	Lamont County	Sherwood Park
Delburne–Elnora	Leduc	Spruce Grove–Stony Plain
Devon	Legal	St. Paul
Drayton Valley	Lethbridge	Sylvan Lake
Inglewood	Lloydminster	Three Hills
Grande Prairie		



Special products for social benefit

Servus products are designed with our noble purpose in mind – shaping members' financial fitness. We advocate a customized solution for every member because every members' needs are different and those change over time. Financial fitness is supported when a member has the right products for their needs and stage in life. We offer the following products that stand out from our competitors for those who would benefit from a break given their specific situation.

Community Plan

Our Community Plan is designed to support organizations that make a difference in our local communities. Our flexible service helps community organization's minimize fees and manage their finances more effectively. This plan is ideal for charities, non-profit groups, schools, community leagues and groups, sports teams or any organization that is a not-for-profit. Benefits include: no monthly fee, 30 free transactions per month, free monthly statement with cheque images and one free cheque order per year (up to 50 cheques) printed on demand.

Youth Plan 60

We offer younger members, under 17 years old, 60 free transactions, two free *Interac* e-Transfer® transactions and paper or e-statements at no cost. This account is valued at approximately \$14.95 per month.

17–25 Be Free

We offer young adults between the ages of 17 and 25 unlimited transactions, free *Interac* e-Transfer® transactions and paper or e-statements at no cost. This account is valued at approximately \$13.95 per month. It is available to all young adults, not only students.

Seniors Unlimited

We offer those aged 60 and over a free chequing account with unlimited transactions, free *Interac* e-Transfer® transactions, five cover drafts per month, a \$10 discount on a safety deposit box and 100 free cheques per year. This account is valued at approximately \$14.95 per month.

Fast Forward Small Loan

The Fast Forward Small Loan is an alternative solution to a payday lender. It provides access to cash in under an hour at a lower cost of borrowing than other options, has no fees and offers flexible payment options to meet the member's needs. Before providing a Fast Forward Small Loan, we look at the member's credit score, credit history, income and ability to make payments. This product is designed for members who need a small loan to cover unexpected expenses or shortfalls in pay and variable pay periods.

Financial literacy, capability and behaviours

Every day, we provide members with information to enhance their financial literacy. We believe that basic financial literacy is a necessary part of financial fitness but recognize that knowledge is not enough on its own. One must have the capability and supportive behaviours to put knowledge into action. That's why we work closely with our members as a team to customize their banking needs through a shared responsibility model. We meet with members in our



branches, online and over the phone, help them create goals and be there as a financial coach to shape their financial fitness through all stages of their lives.

Going beyond our members, our employees regularly speak to community groups and students at schools, universities and colleges about basic budgeting, money management and banking. This gives our employees an opportunity to engage with communities in a manner where their knowledge and skills are deeply appreciated and has resulted in new members in our credit union. We often partner with the following community organizations to deliver financial literacy and encourage positive financial behaviours in all Albertans.

Junior Achievement (northern and southern Alberta)

Since 2011, Servus has partnered with Junior Achievement to inspire and prepare students to succeed in a global economy. Even before this time, our employees were volunteering to teach Junior Achievement programs and mentor students on their journey. Junior Achievement is the world's largest organization dedicated to educating students about work readiness, entrepreneurship and financial literacy through experiential hands-on learning.

With the help of Servus employees and local business leaders, Junior Achievement offers programming to students in Grades 3 to 12. Volunteers visit classrooms and share their real-world experience with the students. Servus's continued support allows employees to select a program that matches their passion with youth. In November, Servus was the presenting sponsor of Junior Achievement Northern Alberta's teaching program during national financial literacy month.

Canadian Credit Union Association (CCUA) – Each One Teach One

CCUA's literacy program called Each One, Teach One is a fully developed financial literacy program taught in communities by our employees. The value to those who attend the sessions is immense, but there is also significant value to our employees who do the instruction.

Financial Pathways Collaborative — United Way Alberta Capital Region

For the past four years, Servus has been part of the United Way Alberta Capital Region's Financial Pathways Collaborative (FPC). This is a partnership with United Way, e4c the City of Edmonton, and seven financial institutions whose mandate is to provide people living in low income the knowledge, skills and resources needed to attain financial stability. FPC achieves this by providing free financial literacy workshops and information booths in the community and connecting people to free tax preparation services.



In 2016, FPC introduced the 'Each One Teach One (EOTO)' program described above to allow financial institution volunteers to become financial literacy trainers to vulnerable populations and individuals facing barriers to financial services. So far, FPC has hosted four EOTO trainings and accredited 96 volunteers. FPC's EOTO program includes 12 modules on basic banking,



budgeting, credit cards, loans, debt, credit history, theft and fraud prevention, investments, contracts and financial wellness for seniors.²

Another program “Make Tax Time Pay” (MTTP) is a volunteer-run initiative operating multiple tax sites across the City of Edmonton and Strathcona County through e4c. MTTP provides free income tax preparation services for low income families and individuals, as well as help in accessing available government benefits and subsidies. The FPC promotes MTTP volunteer opportunities to their colleagues and may host “Ask a Banker” booths at MTTP tax sites in the future. In 2019, 115 people volunteered at 32 MTTP sites and logged 1,926 hours. Program users secured nearly \$11.6 million in income tax refunds and \$9.7 million GST and Child Care Benefits.³

Access to financial services for the physically disadvantaged

At Servus, we are updating our premises to make them more accessible for physically disabled people. Most branch entrances are level with the sidewalk and have handicapped door opener and closer systems. Many have wheelchair accessible ATMs positioned at the Canadian Standards Association-approved height and are equipped with stabilization bars for access to the keypad, which has braille on the keys. Several branches have sit-down tellers and wider hallways to accommodate wheelchair access. All newer and renovated branches have handicapped accessible washrooms with stabilization bars. All branches have designated handicapped parking stalls and signage.

Supporting credit union and co-operative development

Servus is a strong supporter of credit unions and co-operatives here in Alberta, in Canada and across the globe.

Local engagement

In Alberta, we are deeply involved in the credit union system as a member of Credit Union Central Alberta (CUCA). We routinely participate in joint initiatives to enhance the credit union system in Alberta such as public policy advocacy (e.g., competitive neutrality, tax competitiveness, financial literacy), shared services such as payments and purchasing and system capital and liquidity management. Through CUCA, we are also a supporter of the Alberta Community and Co-operative Association (ACCA) working to enhance the resilience and prosperity of Alberta’s local communities and to educate Albertans about the role that co-operatives plays in our province. Through ACCA’s efforts, hundreds of students have learned about the co-operative business model and the positive impact credit unions have on our economy.

Being a financial co-operative means we share co-operative principles with other co-op businesses. Shared principles and values are important components of any business relationship, so it seems natural that we would partner with other co-ops in Alberta.

Nationally

Several Servus managers and executives are engaged with the Canadian Credit Union

² Financial Pathways Collaborative, Progress Report – Year Four (2019-20), United Way of the Alberta Capital Region.

³ Ibid.



Association's (CCUA) efforts to raise awareness of credit unions in Canada and to ensure our participation in advocacy efforts with the national government. We gather at several forums throughout the year to advance the mutual benefits of a strong, stable credit union system and work together to bring forward innovative and responsible public policy and products and services for our members. In 2019 we participated in consultations around open banking (now consumer directed finance), federal tax policy, and regulatory proportionality for credit unions. We also participated in several initiatives through CCUA's Community Impact Committee including:

- Delivering close to 600 Each One, Teach One financial literacy workshops reaching over 8,400 Canadians from Coast to Coast.
- Profiling the journey to reconciliation of three credit unions in a piece titled "Overcoming Colonization".
- Collaborating with the Financial Consumer Agency of Canada (FCAC) on matters pertaining to consumer financial education.
- Participating in the Federal Government's Social Finance Fund design engagement, as part of the Social Innovation and Social Finance Strategy.
- Partnering with the Federal Government and SmartSAVER to increase credit union participation in the Canada Learning Bond.
- Successfully partnering with CMHC to deliver two webinar series regarding the First-Time Home Buyer Incentive.

Servus is an investor in the national Canadian Co-operative Investment Fund (CCIF) providing much needed capital to co-operatives across Canada. CCIF invests in the co-operative sector in the form of loans, equity and quasi equity investments. They primarily focus on supporting the growth of existing co-ops, but also support the conversion of traditional businesses into co-ops and start-up financing for new co-ops.

Internationally

Each year Servus joins in a worldwide celebration of international Credit Union Day in October. This is a time to reflect on the value and role credit unions play around the world. We also support the World Council of Credit Unions (WOCCU) and Co-operative Development Foundation's (CDF) programs to develop credit unions across the globe. In 2019, we provided funding to support the diversity and inclusion networking luncheon at the WOCCU annual conference in the Bahamas. This luncheon was attended by delegates of WOCCU's Global Women's Leadership Network and World Council Young Credit Union People (WYCUP).

Social advocacy

Throughout the year, Servus is engaged in supporting social causes by raising awareness with our employees and members. We often support for these causes through corporate Jeans Days. Below is a list of employee-led and employer-led causes for 2019.

- Mental health
- Anti bullying
- Food security
- Cancer (various forms)



- Organ and tissue donations
- Blood donations
- Alzheimer's research
- Epilepsy research and awareness
- Senior's financial abuse awareness and reduction
- Women's Shelters and ending violence against women at home and in the workplace.

Member privacy and data security

Servus has a responsibility to be open and accessible while, at the same time, demonstrating the greatest respect for protecting our members' privacy. Our priority is to comply with all applicable privacy legislation in all aspects of our product and service offerings. To that end, we use a variety of data and information security safeguards to protect personal information against loss or theft as well as unauthorized access, disclosure, copying, use or modification (e.g., restricted access to offices and controlled entry to data centers and a host of digital security measures).

Consumer protection and grievance mechanisms

Servus pledges to protect members and consumers by adhering to all applicable legislation regarding the disclosure and transparency of products and services. We place a great deal of importance on being ethical in our advertising and promotions. When concerns or issues arise, Servus provides several avenues for consumers and members to connect with us and our board of directors (see Table 1). Once made aware of an issue, we deal with it in a timely, efficient manner by having the responsible department review the concern and address any policy, action or decision of the credit union with the member. If the member is not satisfied with our response, they have the option of requesting an independent review by the Ombudsman for Banking Services and Investments or other agencies appropriate to the area of concern (e.g., the Alberta Privacy Commission or the Alberta Human Rights Commission).

Respectful email communications to members

Using email allows Servus Credit Union to communicate with its members in a more targeted and cost-effective manner. In support of our noble purpose and corporate goals, we are committed to providing members with relevant and timely emails about topics such as changes to accounts and maturing investments, product and service offerings, financial information through our directed communications and feedback surveys. We comply with Canada Anti-Spam Legislation (CASL) and allow members to update their preference for marketing and survey emails at any time.

Do not call registry

We are fully committed to respecting our members' preferences about receiving phone calls regarding information, promotions and surveys relating to the various products and services we offer. All our call programs are screened against the National Do Not Call Registry as well as an internal Do Not Call list to which our members can subscribe.



Fighting corruption and anti-competitive behaviour

Servus is subject to Canadian anti-corruption legislation, the Corruption of Foreign Public Officials Act (CFPOA), which covers bribery of foreign public officials. As well, the Canadian criminal code prohibits anyone from giving or offering a loan, reward or benefit of any kind to a federal or provincial government official in Canada as consideration for any kind of advantage (i.e., co-operation, assistance, or influence) with any government business or transaction. As a further check against corruption or anti-competitive behaviour, our Code of Conduct policy states that Servus will comply with all applicable laws and regulations, as well as business ethics in general, and provides safeguards against conflicts of interest. All Servus employees are required to read and declare that they are familiar with the Code of Conduct and related policies annually.

Tackling money laundering and terrorist financing

Servus maintains its commitment to preventing the laundering of the proceeds of crime and the financing of terrorism. “Proceeds of crime” is money that is derived from the commission of criminal activity. This activity includes, but is not limited to, drug trafficking, fraud, extortion, theft, human trafficking and many other crimes. Part of our public duty in the prevention of this type of financial crime is to report activity and transactions to the Financial Transactions Reports Analysis Centre of Canada (FINTRAC). We continue to work collaboratively with law enforcement and our regulatory bodies in the fight against money laundering and terrorist financing. Each year, our employees are trained and tested at various levels to ensure we are complying with legal requirements and taking necessary action on these issues.

Socially responsible procurement

Servus carries out procurement in accordance with a procurement policy that ensures a fair and transparent process for suppliers. We provide an advantage to our business members and to co-operatives. We will also place higher value on products and services that are socially and environmentally responsible when price and quality are comparable. We have not adopted a “buy local” strategy, but several of our suppliers are either based in Alberta, or have operations in Alberta, so buying from them allows us to have a direct impact on the local economy.

Table 4: Social Impact

Metric	FY17	FY18	FY19	Target
Retail banking member average financial fitness score out of 100.	70.5	68.5	67.1	No Target
Alberta General Population average financial fitness score out of 100.	65.0	68.1	65.5	No Target
Business banking member average financial fitness score out of 100.	Started in FY18	65.5	65.5	No Target



Metric	FY17	FY18	FY19	Target
Total community-focused sponsorships and donations	FY15-17 average: \$2.0 million FY15-17 average % of pre-tax profit: 1.76	FY16-18 average: \$2.2 million FY16-18 average % of pre-tax profit: 1.80	FY17-19 average \$2.2 million FY17-19 average % of pre-tax profit: 1.79	Between 1 and 3% pre-tax profit on a three-year rolling average by October 31, 2019. Target achieved
Total dollars raised through employer-led fundraising efforts	\$284,819	\$223,500	\$185,679	No target
Scholarships awarded	\$20,200 from 8 endowments with 6 Alberta post-secondary institutions	\$16,200 from 9 endowments with 7 Alberta post-secondary institutions	\$19,200 from 10 endowments with 8 Alberta post-secondary institutions	No target
Number and value of Fast Forward Small Loans granted (alternative to payday loans that are fair and carry far lower interest) *Restated in this report	138* \$221,226	95* \$141,908	65 \$110,221	No target
Percent of members surveyed who agree or strongly agree with the following statement: "I believe that Servus is involved in my community."	82%	83%	76%	Increase to 85% by October 31, 2019 89% of target met
Percent of members surveyed who agree or strongly agree with the following statement: "Servus's commitment to social and environmental responsibility is one of the reasons I bank with you."	52%	42%	38%	Increase to 41% by October 31, 2019 93% of target met
Percent of members surveyed who agree or strongly agree with the following statement: "Servus makes business decisions that are socially and environmentally responsible."	65%	57%	51%	Increase to 75% by October 31, 2019 68% of target achieved
Percent of members surveyed who agree or strongly agree with the statement: "Servus's co-operative business model is one of the reasons I bank with you."	69%	59%	59%	Increase to 47% by October 31, 2019 Target achieved

Having purpose at work

In September 2009, our employees selected the values for our company, and since then, we have been living those values. They are member service, community, fairness, integrity, investing



in our people, life/work balance and teamwork. How do we support a healthy, safe, respectful and inclusive workplace? At the core, we are all employees of a credit union — a financial co-operative whose purpose has always been to provide service to our members. We put that purpose into four short, but powerful words and made it our noble purpose — shaping member financial fitness. This single unifying statement gives meaning to the work we do and keeps us focused on helping members achieve financial fitness every day. We start our day thinking about how we can help members and we end it thinking about how we helped members. We don't begin with targets or products; we begin with understanding what our members need. That changes everything.

Servus offers one of the best work environments. In 2019, we marked our tenth consecutive year as a Platinum Club member of Canada's Best Managed Companies. We have been a Best Managed Company designate since 2003. As well, for the second consecutive year, Servus was recognized as a top employer on Forbes' list of Canada's Best Employers.

We provide competitive salaries and benefits, profit share, incentive pay, professional development and training support. We offer short-term leave with guaranteed job upon return to pursue education and personal development, programs for skills management, lifelong learning and employee assistance programs for those in need of specialized services. We also assist with transition to retirement and offer programs to keep retired employees engaged at the credit union. Each year all employees are required to read and verify our Code of Practice and we have as well-established whistleblower policy and program.

Empowering young leaders and women

For several years now, we have provided a welcoming platform for all employees to participate in the Servus Young Leader's Network (SYLN) and the Servus Women's Network (SWN). These networks are supportive and empowering forums and channels for our employees to grow and learn from one another and from role models in our organization, communities and partner networks nationally and internationally. Each network is regularly involved in community engagement and fundraising and support leadership development through conferences, meetings and workshops. Both networks participate in national and international credit union and co-operative networks with similar mandates.

Direct feedback from employees to leadership

The Executive Advisory Program provides employees an opportunity to provide insights and input directly to the president & CEO. The program focuses on issues that affect employees, members and other stakeholders and can be specific to a geographical region. Volunteers attend one semi-annual meeting per year. The meetings are held in different locations to encourage in-person participation. This program replaced the President's Advisory Committee in August 2019.

Recognizing volunteers

Every year, our employees volunteer with our not-for-profit partners in their communities and often act as expert advisors to community organizations both during and outside working hours. Our employee volunteer support program offers time off incentives for volunteering with



registered community organizations during both working and non-working hours. In 2019, our employees recorded 7,396 hours of volunteer time. It's worth noting that most of our employee volunteering occurs during non-working hours, usually in local communities.

Volunteer Type	FY17 (hours)	FY18 (hours)	FY19 (hours)
Non-remunerated Board Work During Working Hours	84	286	143
Volunteering During Non-Working Hours	6,619	17,944*	6,624
Volunteering During Working Hours	866	1,694	563
Volunteering for Special Company Programs	70	222	66
TOTALS	7,639*	20,146*	7,396
*Restated in this report			

NOTE: The hours shown in this table are from those voluntarily recorded by each employee and used to calculate time-off benefits associated with our employee volunteer program.

Employee fundraising

Each year, our employees participate in employer-led fundraising activities supporting partner charities. Our largest annual fundraiser is our United Way/Catholic Social Services campaign. We also run a fall campaign for the Edmonton Christmas Bureau. Throughout the year, our employees can participate in employee-led fundraising through Jeans Days and direct contributions to support causes important to them (see also Social advocacy, above).

Servus Alumni Association

In 2016, Servus launched the Servus Alumni Association, whose mission is to offer opportunities for Servus retirees to stay connected to and interact with each other and the credit union after retirement. The association creates opportunities for retirees to stay involved with Servus through activities, communication about full-time employment, part-time or temporary work, project work, mentorship, training, and volunteering. It gives retirees access to discounts, perks and various other benefits. To help stay connected, we launched a Facebook group for our association members where we engage with them by posting what's happening, volunteer opportunities and social activities.

Financial fitness for employees

We offer our employees several benefits that assist with their financial fitness. Employees have access to financial advisors, estate planners, investment specialists, mutual fund experts and many others through employee financial services. We offer employees on-line learning (financial literacy) on topics covering basic money management to investing, insurance and estate planning. We help them understand the importance of putting knowledge into action by making it easy to plan and achieve financial goals. We further support employees' financial fitness by providing programs for their physical and mental health, which are deeply connected to a



person's financial health.

Since 2017, we've invited our employees to participate in a survey of their personal financial fitness. Those who participated received an overall score of their level of fitness in the categories of save, spend, borrow and plan along with suggestions on what they could do to increase their fitness in areas where they may have scored below their goals

Diversity and inclusion

At its simplest definition, diversity means variety. In terms of talent management, diversity means consideration of the variety in heritage, background and tendencies of candidates and employees. Inclusion is the deliberate act of welcoming diversity and creating an environment where all different kinds of people can thrive and succeed. Inclusion, at its best, is a sense of belonging for each employee. It's the feeling that "I can be myself" at work. An inclusive environment accepts personal differences among employees.

We believe a diverse workforce in an inclusive and collaborative work environment brings out the full talents of all employees. This leads to diversity of thought and that means better decision-making, innovation, superior member service and a stronger culture overall. The reasons for building a diverse and inclusive organization go beyond the idea that welcoming people of all types. It's the right the right thing to do and essential for competitive advantage.

Servus has an extremely diverse workforce and supports all employees in pursuing their career aspirations. In 2019, our employees spoke 29 different languages, which enabled us to deliver superior service to our members in their first language.

To codify our culture of diversity, we have a respectful workplace policy (i.e., freedom from harassment and discrimination), which is reviewed and signed off by all employees on an annual basis. Its purpose is to:

- maintain a working environment that is free from all forms of harassment, including discrimination;
- alert all employees that most forms of workplace harassment are an offence under the law and contrary to the Alberta Human Rights, Citizenship and Multiculturalism Act and the Canadian Human Rights Code;
- set out the types of behaviour that may be considered objectionable, abusive or offensive; and
- delegate responsibilities to Servus for maintaining a working environment in which members, employees, supervisors, subordinates, peers, directors and officers treat each other with mutual respect.

Table 5: Workplace

Metric	FY17	FY18	FY19	Target
Employee engagement score	83%	85%	84%	82% by October 31, 2019



Metric	FY17	FY18	FY19	Target
				Target achieved
Leadership climate index	73%	74%	74%	75% by October 31, 2019 99% of target achieved
Percent of employees who value our commitments and actions to CSR	75%	77%	76%	74% by October 31, 2019 Target achieved
Percent of employees who value working for a company based on the co-operative business model	79%	82%	82%	81% by October 31, 2019 Target achieved
Gender distribution	N/A	Male: 596 Female: 1,639	Male: 582 Female: 1,565	No target
Full time and part time distribution: <small>*restated in this report</small>	N/A	Full time: 1,776* Part time: 459*	Full time: 1,748 Part time: 399	No target
Number of languages spoken among employees (voluntary disclosure)	40	29	29	No target

Reducing our environmental footprint

Servus’s direct impact on the environment results from the consumption of energy and materials used to operate. By reducing our consumption, or consuming materials in an environmentally responsible way, we can reduce our greenhouse gas emissions and overall impact. Reducing consumption also saves money and contributes to our credit union’s financial fitness.

We are also careful to protect our members assets through managing prudently the credit we extend and the investments we make. We also consider the impact to members’ assets from ongoing and emerging health and environmental risks (e.g., floods, fires and pandemics).

We have identified key impacts caused by our operations, tracked our performance and set reduction targets for each (see Table 6). Our focus is on reducing energy and materials consumption, purchasing sustainable products and recycling wastes.

Our intention is to increase our operational efficiency, reduce our costs and mitigate emerging risks over the long term. That is why we do not offset our carbon impact by purchasing emission



reduction credits. Our preferred approach is to reduce our impact through better operational practices. That means there will be years when our energy and material consumption increase due to factors outside our control such as colder than normal winters or hotter than normal summers. Following is a list of our actions to date.

Energy efficiency

- Continued our retrofit program to LED lighting throughout the province. These retrofits have saved and will continue to save significant amounts of money with reduced electricity consumption and lighting maintenance costs as the new LED's can last up to ten years or more based on current usage.
- Installed self-contained refrigerant units to minimize GHG emissions leakage during maintenance of heating, ventilation and air conditioning (HVAC) systems
- Enhanced building envelopes of certain branches and corporate offices to reduce energy usage
- Installed low flow faucets and toilets in Servus Corporate Centre and branches to reduce water consumption
- Replaced interior/exterior lighting and signage with LED to reduce energy consumption and GHG emissions
- Replaced numerous furnaces, boilers and rooftop units with high-efficiency models as they age out and require replacement
- Continued to look at the cost effectiveness of investing in building designs and materials to enhance the sustainability of our branches and corporate offices. For example, our branch in the community of Panorama Hills in Calgary that was designed with a significantly reduced footprint, advanced controls technology and modular reusable interior components.
- Complied with our procurement policy, which includes preference for socially responsible products and services where price and quality are matched in competitive bid processes.
- Acted to reduce paper consumption
 - Continued our progress toward digital marketing and communications replacing traditional print mediums
 - Incited members to choose electronic statements by charging a nominal fee for paper statements
 - Launched an internal program to manage workflow documents in an electronic format, use e-signatures for members and significantly reduce the need to print.

Waste management and recycling

- Recycled the paper we consume in our operations and all our e-waste.
- Donated unwanted electronics equipment to the Electronic Recycling Association, which refurbishes the old equipment for reuse by several Alberta community organizations.
- Donated beverage containers to benefit local charities. For example, in Edmonton we



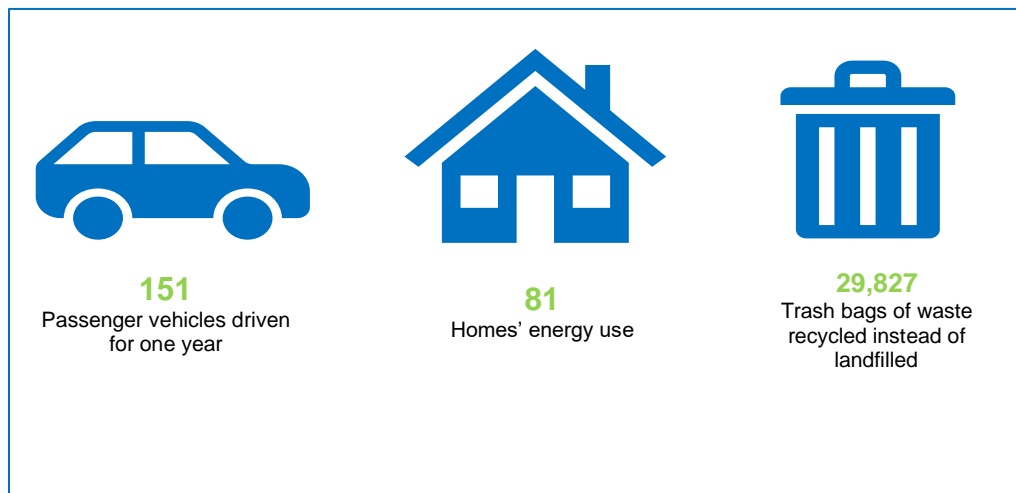
partnered with the Winnifred Stewart Foundation and its Empties to Winn program. The foundation provides supports to adults with developmental disabilities.

Supporting environmental initiatives in the community

- Participated in the City of Edmonton's energy transition and climate adaptation workshops and promotional campaigns. This includes Servus's participation in the City of Edmonton's large building energy benchmarking program where Servus Corporate Center's total GHG emissions and energy savings are made public as a demonstration of leadership in the city.
- Hosted a two-day workshop on building community-scale renewable energy generation.

Top-line results⁴

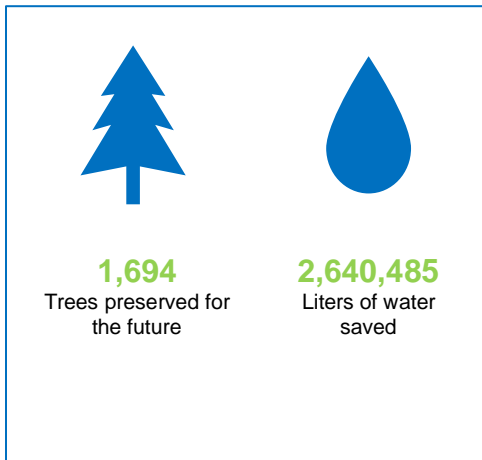
In 2019, Servus decreased our year-over-year carbon footprint per member from 16.5 kg to 16.0 kg. and now sits at 24.3% below our FY15 baseline levels and well below our targeted reduction of 6%. Our Greenhouse gas (GHG) emissions decreased year-over-year by 4% and now sits at 10.4% below our FY15 baseline levels, exceeding our FY20 target of a 4% reduction in absolute tonnes. An 10.4% reduction since FY15 is equivalent to the GHG emissions from the following:



Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

Servus decreased paper use year-over-year by 4.2%, and we are now 27% below the FY15 baseline levels, exceeding our target to reduce by 15%. In addition, we recycled the equivalent of 80% of all paper consumed by us and outsourced suppliers, which was slightly down from 82% in FY18. The total 27% reduction in paper use since FY15 is equivalent to the following:

⁴ The numbers contained in this section and Table 6 have been restated from that reported in the 2020 MD&A. This was necessary given an April 2020 critical update to several GHG Emissions, Global Warming Potential impact libraries used in calculating GHG emissions.



Source: <https://www.usi.edu/recycle/paper-recycling-facts/>

Additionally, we recycled 100% of electronic waste (e.g., computers, monitors, laptops, cell phones, etc.).

Table 6: Environmental Impact

	FY15 (Baseline)	FY16	FY17	FY18	FY19	Target from Baseline by Oct. 31, 2020
GHG Emissions	Servus follows the World Resources Institute's Greenhouse Gas (GHG) Protocol, as amended. We use financial control as our organizational scope. Scope 1 and 2 emissions include heat, power, and fuel consumed in equipment at facilities we own (i.e. have financial control). Scope 3 emissions include those from heat and power from space we lease from others (lessee), paper use and fuel from rented vehicles and employee vehicles used for business travel. We do not include air travel on commercial airlines in our Scope 3 reporting.					
Total from all sources (Scopes 1, 2 and 3) in metric tonnes	6,728	6,191	6,300	6,279	6,028	Reduce 4% to 6,457 Target achieved
Direct emissions (Scopes 1 and 2) in metric tonnes	4,598	4,179	4,289	4,153	4,037	Reduce 6% to 4,322 Target achieved
Indirect emissions (Scope 3) in metric tonnes	2,130	2,012	2,011	2,126	1,991	Maintain baseline level at 2,130 Target achieved



	FY15 (Baseline)	FY16	FY17	FY18	FY19	Target from Baseline by Oct. 31, 2020																														
<h3>GHG Emissions - All Scopes (t CO2e)</h3> <table border="1"> <caption>GHG Emissions - All Scopes (t CO2e)</caption> <thead> <tr> <th>Year</th> <th>Scope 1</th> <th>Scope 2</th> <th>Scope 3 (no waste)</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2014/2015</td> <td>2,568</td> <td>2,030</td> <td>2,130</td> <td>6,931</td> </tr> <tr> <td>2015/2016</td> <td>2,341</td> <td>1,838</td> <td>2,012</td> <td>6,156</td> </tr> <tr> <td>2016/2017</td> <td>2,605</td> <td>1,684</td> <td>2,011</td> <td>6,350</td> </tr> <tr> <td>2017/2018</td> <td>2,712</td> <td>1,441</td> <td>2,126</td> <td>6,309</td> </tr> <tr> <td>2018/2019</td> <td>2,645</td> <td>1,392</td> <td>1,991</td> <td>5,927</td> </tr> </tbody> </table>							Year	Scope 1	Scope 2	Scope 3 (no waste)	Total	2014/2015	2,568	2,030	2,130	6,931	2015/2016	2,341	1,838	2,012	6,156	2016/2017	2,605	1,684	2,011	6,350	2017/2018	2,712	1,441	2,126	6,309	2018/2019	2,645	1,392	1,991	5,927
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Total GHG emissions per member (kilograms)	21.1	16.3	16.9	16.5	16.0	Reduce 6% to 19.8 Target achieved																														
Paper	Paper includes that used by Servus in our operations and that used by our external contractors (e.g. outsourced printing).																																			
Tonnes of paper purchased	335	328	328	255	245	Reduce 15% to 285 Target achieved																														
Percent of paper from recycled material	18.6	23.3	23.6	27.6	26.4	No Target																														
Percent of paper certified from sustainable harvest practices	65.6	69.8	71	68.4	51.7	Increase to 80% by October 31, 2020																														
Waste Recycled	Servus's main waste streams are paper and electronics. Mixed (comingled) general waste generation and recycling data collection is still being developed. Presently, it is at an insufficient level of completeness for reporting.																																			
Electronics recycled	100%	100%	100%	100%	100%	Maintain at 100% Target achieved																														
Paper recycled as percentage of paper purchased	72	65	71	82	80	Increase to 85%																														



About this report

- Scope: This report includes Servus Credit Union Inc., wholly owned subsidiaries and any joint ventures using the Financial Control method to determine organizational scope.
- Reporting period: Fiscal Year November 1, 2018 – October 31, 2019
- Report development: CSR with input from various internal sources.
- Metrics development and monitoring data: Strategy, Corporate Services, Human Resources, Accounting, Information Services, Marketing and Communications.
- Key metrics with targets approval: Executive Leadership Team
- Internal review: Senior VP, Strategy and Governance
- For questions, contact the Director CSR and Government Relations.