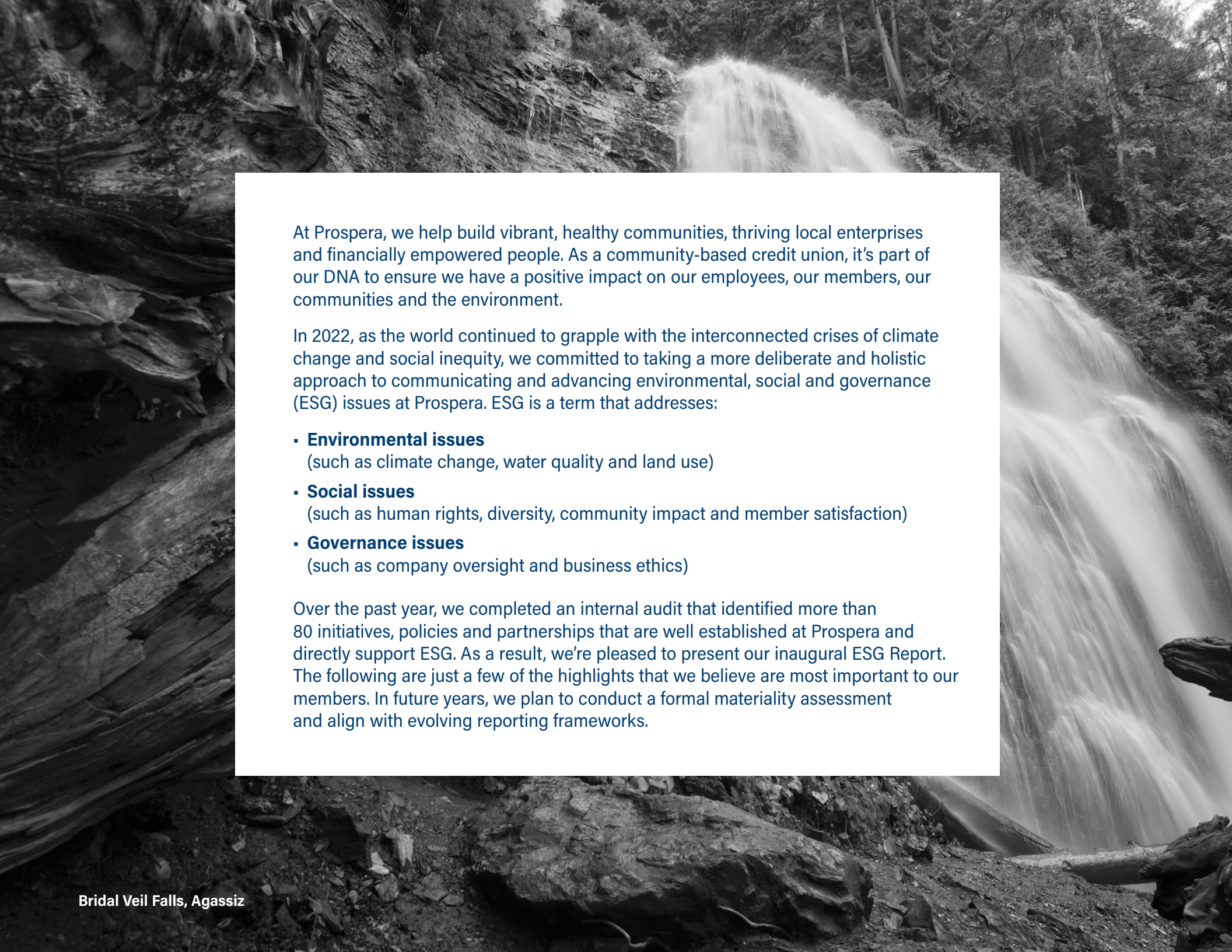




Chilliwack Valley

2022 ESG
REPORT





At Prospera, we help build vibrant, healthy communities, thriving local enterprises and financially empowered people. As a community-based credit union, it's part of our DNA to ensure we have a positive impact on our employees, our members, our communities and the environment.

In 2022, as the world continued to grapple with the interconnected crises of climate change and social inequity, we committed to taking a more deliberate and holistic approach to communicating and advancing environmental, social and governance (ESG) issues at Prospera. ESG is a term that addresses:

- **Environmental issues**
(such as climate change, water quality and land use)
- **Social issues**
(such as human rights, diversity, community impact and member satisfaction)
- **Governance issues**
(such as company oversight and business ethics)

Over the past year, we completed an internal audit that identified more than 80 initiatives, policies and partnerships that are well established at Prospera and directly support ESG. As a result, we're pleased to present our inaugural ESG Report. The following are just a few of the highlights that we believe are most important to our members. In future years, we plan to conduct a formal materiality assessment and align with evolving reporting frameworks.

Corporate governance

2022 was a pivotal year as ESG oversight was added to the Governance and Nominations Committee's Terms of Reference and regular reporting cycle. We also created our first ESG roadmap and began planning work to launch an internal, cross-functional ESG Committee.

Our nine-person Board of Directors is committed to governance best practices and oversees the organization's strategic priorities and financial performance. Several ESG measures are embedded into our executive compensation through our corporate key performance indicators, such as our Customer Effort Index (CEI) and employee engagement (Trust Index). More details on our governance can be found in the [Governance Report](#).

Reducing our environmental impact

We know that every organization has a role to play in Canada's transition to a net-zero economy. Our work to reduce our operational footprint includes:

- In 2022, we launched our flexible work program where corporate employees come into the office to connect, collaborate, coach and celebrate – and can work remotely other days of the week. This shift has maintained the positive impacts that COVID-19 had on our carbon footprint, reducing travel to and from our office by 90 per cent from about 3,500 to 350 trips per week.
- Our corporate office building is BOMA BEST Gold certified (Canada's largest environmental assessment program for commercial buildings, which recognizes excellence in energy and environmental management). Both our office and branches use LED lighting, low-flow toilets, motion-activated faucets and motion-activated or timer-based lighting to carefully manage our energy consumption. In the near future, we're planning

to baseline our Scope 1 and Scope 2 greenhouse gas (GHG) emissions, so we can better track and set targets to reduce these emissions.

- We offer recycling and organics bins at all locations to limit the amount of landfill trash we produce. Since our merger in 2020, we've shredded and recycled 198 metric tons of paper.
- Since 2017, we've partnered with Ocean Wise, a non-profit conservation organization dedicated to empowering communities and individuals to take action to protect our world's oceans and address climate change. This includes coordinating two in-person shoreline clean-ups in our local communities, providing direct donations, and offering expertise and strategic guidance as part of Ocean Wise's Board of Directors.
- All signage for Prospera's rebranding is manufactured in BC by North America's first and only carbon-neutral signage manufacturer, Imperial Sign Corporation. It uses aluminum containing 55% recycled content, recycled acrylic and ultra-low VOC paint.

The use of recycled content in Prospera's signage resulted in an estimated GHG savings on a CO2e basis in excess of 13,600 kilograms.

Community development

Local banking means so much more than providing financial services. We believe wholeheartedly that investing in our local communities grows prosperity for everyone and helps make our members and our communities healthier and stronger.

- Through the Prospera Foundation and our direct credit union community programs, we donated more than \$1.2 million in 2022 to non-profits and

community programs focused on health, education and local business. This includes providing Local Good Grants to 30 local charities nominated by our employees, as well as \$50,000 in education grants to 30 local students. Read more in our [2022 Foundation Report](#).

- In addition to a \$15,000 donation to the Canada-Ukraine Foundation, we launched a low barrier bank account for those newly arrived in Canada and impacted by the war in Ukraine, with all monthly service charges waived for a full year. This includes an exception process for account opening, recognizing these members may not yet have Canadian credit scores or identification. This is a small way we can support those who have been displaced and this year we're looking to implement a broader offering for all refugees.
- We logged more than 500 employee volunteer hours in 2022 and anticipate this number will grow substantially as the pandemic subsides. Each Prospera employee receives one paid Volunteer Day per year to help local causes that are important to them – a value back to our local communities of more than \$150,000. This amount is over and above our corporate giving program.
- In 2022, we offered a special Local Community Account to non-profit organizations, with unlimited free transactions and no monthly fee. More than 1,300 local non-profit organizations currently take advantage of this offering.



Alouette Lake, Golden Ears Provincial Park

Member satisfaction

As a member-based organization, you're at the heart of everything we do. Prospera's Voice of the Member program gathers and analyzes a wide range of member-related feedback. We use this information to enhance our products, services and processes – always with the goal of making your member experience even better.

As part of this program, we launched the new Customer Effort Index in 2022 to better measure the ease of your service experience, with actionable data. We're honoured that our members rated us an 8.5 out of 10 in 2022 and we'll look to build on this further with your feedback.



Sustainable finance

We know that ESG is not just about community giving, it's about where we – and our members – choose to invest. Our Wealth Planning Advisors all earn their Responsible Investment Specialist (RIS) certification, and we offer responsible investment funds through NEI Investments.

- We hold approximately \$126 million in NEI Investments assets, which undergo an ESG screening. This ensures our members can achieve their financial goals while knowing they're making a positive impact on the world at the same time.
- In 2022, we amended our Investment Policy and Foundation Investment Policy to each include a new ESG framework. This means we take ESG factors into account when selecting how we invest as a credit union and through the Prospera Foundation.

Diversity, equity and inclusion (DEI)

We were incredibly proud to be certified a Great Place to Work again in 2022, in addition to making the 2023 Best Workplaces in Canada List based on our Trust Index score and the quality of our programs and policies supporting employees in 2022. We believe a big part of our strength in employee engagement comes from living our organization value of cultivating trusting relationships, which includes embracing diversity in all forms. We're on a continuous journey with DEI and are focused on ensuring our business is welcoming and accessible to all members, and that we reflect the diversity of our communities through our giving and volunteerism.

- We served as the title sponsor of Surrey Pride and published a guide for our branch employees to navigate gender and pronoun conversations with our members.
- Our employee-led DEI Council helps to guide our DEI program, and represents a diverse mix of cultural backgrounds, genders, leadership levels, experience and thinking styles. In 2022, we also launched two resource groups to provide support and enhance career development for our 2SLGBTQ+ employees (Prospera Pride) and women in our organization (Prospera Women's Network). As of November 2022, 56 per cent of Prospera's people leaders and 43 per cent of Prospera's senior leaders identify as women.
- We provided DEI training to approximately 150 people leaders in the organization and launched a full review of our talent attraction process to minimize any barriers to interviewing and hiring diverse applicants. We want

At Prospera, together, we help build vibrant and healthy communities, thriving local enterprises and financially empowered people. We leverage our unique backgrounds, talents and perspectives to create a great place to work for all and better serve our members where we live, work and play. Diversity, equity and inclusion is part of everything we do, and we're on a continuous journey to ensure every employee and member feels like they #BelongAtProspera.

to ensure that our recruitment is more closely reflective of the diversity of our membership and the communities we serve.

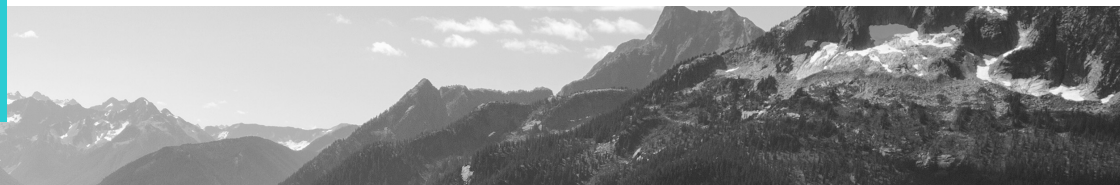
- Following the outbreak of war in Ukraine, we worked with our employee bonding agent to simplify the process for hiring and bonding those fleeing humanitarian crises in their home country. In September, we hired our first Ukrainian employee through this program. We're actively seeking to reduce employment barriers while hiring qualified individuals to serve our membership.

Indigenous rights and reconciliation

In recent years, we've taken steps to strengthen truth and reconciliation in our organization, providing Indigenous awareness training and educational opportunities to our senior leaders and employees, adding land acknowledgments to all public events and publicly featuring some of our Indigenous business members and their enterprises. 2022 highlights included:

- We honoured National Day for Truth and Reconciliation on September 30 by providing a paid day of observance for all employees and bringing in an Indigenous educator to speak with all employees and answer questions.
- We partnered with the BC Lions to present the new BC Lions Indigenous Youth Program. This five-week training and skills development program connected Indigenous youth with coaching from current Lions football players.
- We also served as presenting sponsor of the BC Lions Orange Shirt Day Game, focused on raising awareness of truth and reconciliation. Our employees volunteered at BC Place to hand out orange shirts to the first 10,000 attendees.
- These initiatives are all part of our journey to increase Indigenous awareness and education for our employees, demonstrate our commitment publicly in our communities and ensure our Indigenous members also feel recognized and feel that they belong at Prospera.

We look forward to building on these successes and keeping our members updated on our progress in the coming months and years.





**Credit union industry directorships held
by directors and officers**

Colin MacKinnon
Stabilization Central Credit Union

Gavin Toy
Canadian Credit Union Association

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