



**CREDIT
UNION**

SYDNEY

8th Annual Atlantic Business Ethics Award Submission

September 15, 2012



RESPONSIBILITY

Sydney Credit Union is a full service cooperative financial institution with two branches, 49 employees and 13,000 members. We have proudly been serving the needs of our members and community for 77 years and as a credit union, we are owned by our members or those we serve on a daily basis. We proudly adhere to the International Cooperative Principles, we stand behind our commitment to service excellence and always look for ways to enhance our member experience, tailor our product offering to meet the unique needs of our members and seek opportunities to facilitate positive change within our community, as we aspire to enhance the economic and social well-being of our members and our community.

Sydney Credit Union's **Five Star Success™** is a profit sharing program which is unique to Sydney Credit Union. As a cooperative financial institution, each year we share our profits with our five key stakeholders; our credit union (reinvested back into the organization to fund growth and development), our members (patronage rebate/profit share program), our staff (profit share program), our community (philanthropy) and our cooperative sector (cooperative development initiatives). We like to call our stakeholders "our five stars"! At the end of each fiscal year, we apply a formula to our bottom line which calculates the distribution of profit to each stakeholder group. Since 1997, Sydney Credit Union has given \$4.94 million dollars back to its members alone, which is just one stakeholder group in our **Five Star Success™** program! Sydney Credit Union recognizes the importance and value of its stakeholders and is guided by the grassroots cooperative philosophy of people before profits, as demonstrated through its **Five Star Success™** program.

Sydney Credit Union, through its commitment to service excellence, has a comprehensive **Customer Relationship Management (CRM)** strategy in which all staff is fully engaged. Our **CRM** strategy outlines the 'ideal member experience' and details how to achieve service excellence and high standards of service and member satisfaction. Sydney Credit Union's education/training budget for 2012 is \$150,000; a clear example of the strength of our commitment to training our staff and ensuring our members receive the highest level of professional expertise and service from Sydney Credit Union. We have contracted the industry's best to facilitate training as part of our **CRM** strategy to ensure we meet the highest standards of service we are committing to delivering to our members. In a 2009 Sydney Credit Union Member Satisfaction Survey, Sydney Credit Union achieved a **98% satisfaction rating** from members surveyed!

In 1977, 2000 and 2010, Sydney Credit Union was awarded the esteemed **Coady Award** which honors a credit union within Atlantic Canada that best exemplifies leadership, support and involvement in its community. Sydney Credit Union has also garnered national attention for its **Five Star Success™** program and its innovative approach to Corporate Social Responsibility, which we refer to as **Cooperative Social Responsibility**. The unique styling of the term CSR (Cooperative) has also gained national interest and as such, we were a guest speaker at the **national CSR conference** in 2007 in Guelph, Ontario. In 2012, Sydney Credit Union was honored as we were selected as one of two credit unions within North America by the **Filene Research Institute** (<http://filene.org>) as the subject of a case study on the topic of successful cooperative loyalty programs, shared surpluses and the application of the Daniel Cote's theory referred to as New Cooperative Paradigm.

Because Sydney Credit Union's Mission is to provide programs and services which enhance the economic and social well-being of its members and its community, we are constantly looking to identify ways to apply our philanthropy and on average provides \$100,000 annually (in recent years) to charitable causes, non-profit organizations, and community initiatives. Highlights of Sydney Credit Union's philanthropy include:

- Long history of ongoing support for the **Cape Breton Regional Hospital Foundation**, donating over \$240,000 in total. In recognition, the Foundation announced the naming of the Sydney Credit Union Trauma Centre in 2011. It is critically important to Sydney Credit Union that members of our community obtain professional medical services and specialized services here at home.
- **Cape Breton Fiddlers Run** invites runners and walkers from across Canada and beyond to come together yearly to take part in the 5km, 10km, half marathon, team-relay and Boston qualifying full marathon. With a mission to promote physical fitness and healthy living, people of all ages and fitness levels come out for this spirit-lifting event. Sydney Credit Union is the presenting sponsor of this event and has been since 2010.
- Junior Achievement (JA) is a volunteer-delivered, high school program which fosters work-readiness, entrepreneurship and financial literacy skills, and uses hands-on learning to inspire kids to come up with, start, and run their own business over a multi-week program. In 2011, Sydney Credit Union hosted the **Cape Breton JA Pitch It** session. A Dragons Den style pitching session which had students pitch their groups' business ideas to a panel of local judges. The group chosen as that night's winner received a monetary prize toward their business start-up costs and the opportunity to compete in the provincial Pitch It session in Halifax. Plans are well underway for the 2nd annual Pitch It event in 2012, hosted by Sydney Credit Union.
- In 2011, Sydney Credit Union started the first annual **Breakfast for Learning** golf tournament and raised \$26,000 for the Breakfast For Learning school program, supplying daily breakfasts to elementary school children through the Cape Breton Victoria Regional School Board. The 2nd annual Sydney Credit Union Breakfast For Learning golf tournament raised over \$30,000.

ETHICAL DECISION MAKING

Sydney Credit Union is committed to supporting the economic and social well-being of its members and the community, as a socially responsible, cooperative financial institution. One such element of support is for a sustainable local economy through the adherence of Sydney Credit Union's **Purchasing Policy**, as follows:

Suppliers: Sydney Credit Union will purchase or obtain, where possible considering price, quality, availability of product, timeliness of delivery and product/service support, required products and services from the following sources, listed in order of priority: (a) Sydney Credit Union members, (b) Cooperatives, (c) Social enterprises and /or community organizations

Products and Services: Sydney Credit Union will purchase or obtain, where possible, required products and services in accordance to the following guidelines: (a) Use of locally produced goods and services. If product is not produced locally or a service is not available locally, consideration shall be given to "product miles" or "service miles", i.e. the distance the product travelled to reach its final "for sale" destination. In addition to supporting a sustainable local economy, fewer product miles or service miles also equates to a smaller environmental footprint. (b) Preference shall be given to products manufactured from recycled materials. (c) Preference shall be given to products which are recyclable.

Another example of Ethical Decision Making is Sydney Credit Union's **Financial Literacy** program. We strongly believe that financial literacy is critical in the growth and achievement of independence and prosperity of those in our community. Sydney Credit Union developed a comprehensive **Financial Literacy** program which we tailor for various audiences of the program. It is a critical component of our ethical and social concern for members, non-members at the community at large. We have delivered our program in schools, various

employees groups, parenting groups, and virtually at every opportunity identified. We feel it is our ethical and social responsibility to educate and empower people within our community to make wise financial decisions for their financial future. Canadian consumer debt is at an all-time high and we believe that education and empowerment is critical to wise money management.

ETHICAL INITIATIVES OR PROGRAMS

Sydney Credit Union promotes ethical behavior at all times and is part of a national service called **Integrity In Action Program** which provides a means for Sydney Credit Union staff to anonymously report employee dishonesty. Sydney Credit Union promotes employee education and awareness as the foundation for preventing and detecting fraud.

By virtue of our **Five Star Success™** program, balancing the interests of stakeholders is uppermost when making decisions at the executive level. Our culture of prioritizing ‘people before profit’ is the foundation for our program and is further entrenched in our day to day operations. Staff are empowered to waive service fees when appropriate (forgo revenue for service), as well, Sydney Credit Union has several programs including no charge accounts for charitable organizations, reduced fee accounts for community organizations, no fee accounts for youth, and no fee and reduced fee accounts for seniors. At the governance level, Sydney Credit Union’s Board of Directors have completed courses in Ethical Practices for Directors and Ethical Decision Making.

In response to concern expressed by local downtown merchants regarding the lack of police presence in the downtown core, Sydney Credit Union opened the **Sydney Credit Union Community Police Office** in the YMCA building on Charlotte Street in downtown Sydney. Sydney Credit Union funded the community police office from 1998 until it was relocated in 2002.

In 2010, Sydney Credit Union purchased an **Argo** for the **Cape Breton Search and Rescue** team, which is an integral addition to their life saving equipment and enables the team to be quickly transported in an emergency situation through rough terrain, both on land and in water. After a tragic missing person case in our community, Sydney Credit Union felt an ethical responsibility to assist the volunteer based Cape Breton Search and Rescue team acquire the lifesaving equipment the team felt they needed. The 2010 Argo Avenger 750 HDi model is hailed as the most versatile off-road vehicle in the world and was purchased by Sydney Credit Union. The Argo Avenger floats and propels through water, travels through the toughest conditions including rugged terrain, hills, water, deep snow and ice.

Sydney Credit Union proudly launched the **Sydney Credit Union Charitable Foundation** in November 2010 in honor of its 75th anniversary celebrations. After years of development, the Foundation has been established as a means for members, non-members and the community at large to be able to leverage contributions to the Foundation with the contributions of others, in support of programs that aim to better the lives of those within our community. The Foundation also allows Sydney Credit Union the ability to accumulate funds for specific community projects year over year, as well as the ability to provide tax deductible receipts to members who contribute to the Foundation. As part of the launch, Sydney Credit Union made the first contribution to the Foundation in November 2010 in the amount of \$75,000 and another contribution of \$73,546 in 2011.

Sydney Credit Union partnered with Cape Breton University for the development of a **Cooperative Development Research project** for a student in the MBA CED program at CBU. Sydney Credit Union provided a \$5,000 research grant to the student who conducted the research and the research project results will be used by Sydney Credit Union to create a Cooperative Development Initiative (CDI) within the Cape Breton Regional Municipality. The research project aims to address two specific areas; to identify the needs and challenges of local cooperatives, and to identify best practices for supporting the cooperative sector that could be implemented by Sydney Credit Union through our **Five Star Success™** program for the our cooperative sector stakeholder group. The research project will utilize further partnerships with the Nova Scotia Cooperative Council, as well as researchers from the Atlantic Node of the Social Economy Research Project. The final research paper was received in August 2012 and plans are underway for the development of a CDI by Sydney Credit Union for the benefit of local cooperatives.

ETHICAL LEADERSHIP

In 2011, Sydney Credit Union had discussions with the Director of Mental Health Services for the Cape Breton District Health Authority. She profiled the lifestyle that is typical of the patients her staff work with day to day. A lifestyle characterized by sub-standard housing, food insecurity, minimal access to education, virtually no access to employment, social/geographical isolation, and exclusion and marginalization. She shared her vision of an organization that would provide all of the services necessary to improve the quality of life for those in our community with health and social challenges. Sydney Credit Union responded by joining forces with the Cape Breton District Health Authority and New Dawn Enterprises (the oldest Community Development Corporation in Canada) for the creation of a new community organization referred to as "**Share, Support and Recovery**". Sydney Credit Union has committed \$250,000, through its Sydney Credit Union Charitable Foundation, for the establishment of a sustainable social enterprise which will provide a broad range of interconnected services for individuals recovering from mental health disorders and addictions.

The Mission for the new organization, **Share, Support and Recovery**, is "To help people with health and social challenges by creating opportunities for independence, education, housing, employment and social engagement". In addition to its financial commitment, Sydney Credit Union will facilitate it **Financial Literacy** program on an on-going basis to the residents of **Share, Support and Recovery**.

When approached by two community organizations in 2012, the Centre for Craft & Design and the Cape Breton Farmers' Market, about their desire to identify and support the next generation of farmers, growers, artisans and crafters, Sydney Credit Union responded with the development and launch of our **Microfinance** program. Both of these community organizations are not only motivated to ensure a viable future from an organizational perspective but more importantly are committed to support the next generation of farmers and skilled craftspeople from a community economic development perspective. Sydney Credit Union's **Microfinance** program was developed in response to this need, to support small business entrepreneurs who require access to credit to finance their innovative business ventures that are flexible and will meet their financial needs that inadvertently, may be restricting them from being economically self-reliant. Unlike traditional business financing, Sydney Credit Union's **Microfinance** program approves credit based on the character of the entrepreneur and strength of the business idea/plan. Sydney Credit Union's **Microfinance** program also includes **Financial Literacy** training as a mandatory requirement for financing as we see this program as an opportunity to mentor local entrepreneurs to ensure a viability future for their business venture.

ENVIRONMENTAL SUSTAINABILITY

Sydney Credit Union's CSR Value Statement is "Sydney Credit Union's commitment to Cooperative Social Responsibility defines its recognition of stakeholders, while in the pursuit of sustainable solutions that involve and balance the interests of our organization, our members, our staff, our communities, our cooperative sector and our environment. In demonstrating its environmental leadership in the Sydney business community, Sydney Credit Union has undertaken a **Carbon Footprint and Office Greening Program**. Having identified environmental action as an organizational priority, measuring Sydney Credit Union's carbon emissions is the essential starting point in reducing its impact on climate change, along with reducing operating costs and acting on this mandate. Sydney Credit Union believes that managing carbon and energy can provide tangible, financial benefits, as well as improve decision making by quantifying present and forecasted resource efficiency. As a result of our **Carbon Footprint Study** in 2011, Sydney Credit Union has developed an **Office Greening Strategy** with various phases which includes upgrading to energy efficiency lighting, green certified cleaning products, as well as strategies to reduce water consumption and paper consumption. Because you can't manage what you don't measure, carbon inventories and paper audits provide a great starting point to track reductions in resources and costs. Long-term, high-value changes will come from ongoing commitment and continuous improvement in accordance to our **Office Greening Strategy**.

Sydney Credit Union is a strong promoter of the benefits of physical activity, particularly when combined with the beauty of our natural surroundings. Sydney Credit Union has financially supported **our community's three local nature trails**; the Baille Ard Trail, Coxheath Mountain Trail and the East Bay Trail.

Sydney Credit Union's **Like Your Bike** program has seen the distribution of custom made bike racks at various locations throughout our community. Signage on the bike racks illustrates Sydney Credit Union's logo along with a message to encourage both physical activity and an alternative means of transportation (eco-friendly transportation via one's bicycle).

Both branches of Sydney Credit Union are designated **Idle Free Zones** with signage displayed in both parking lots to encourage drivers to not idle while on Sydney Credit Union property.

Sydney Credit Union is pleased to support the **New Dawn Cold Climate Greenhouse Project**. New Dawn Enterprises, in collaboration with Eskasoni First Nation community, has designed and constructed an innovative 1800 square foot Cold Climate Greenhouse (CCG) facility in Sydney River. Part of the innovation of the design is derived from a newly developed infrared heating system that will mean significant energy cost savings and efficiencies and a longer local growing season so as to enhance local food production, as well as improved produce affordability, quality and nutrition. Part of the impetus for the project stems from the nutrition-related health challenges facing the people of Eskasoni First Nation:

- Eskasoni's incidence of both obesity and diabetes is four times the provincial average
- The Eskasoni reserve is highly limited by its land base. The reserve consists of a narrow strip of land bordered on one side by the Bras d'Or Lakes and on the other by a large mountain. There is little to no arable land on the narrow strip.
- Eskasoni has a young and growing population. It is, in fact, the largest Mi'kmaq community in Atlantic Canada with a population of 4,000. Given this growing population, much of their remaining available land is used for housing and infrastructure.

- Eskasoni shares with all of Cape Breton (and indeed with all subarctic climates) a short, inconsistent and unreliable growing season.

These challenges point to a need to initiate a new approach to food production and consumption. The **Cold Climate Greenhouse** will enable this community to be more deeply engaged in the production of fresh produce as a year round and affordable activity. Providing the residents of Eskasoni with some control over the selection, planting and harvesting of food will, in turn, go a long way to transforming the health of the community. At the same time, many of these health and agricultural challenges affect the entire population of Cape Breton Island and populations around the world. The applications for, and implications of, **Cold Climate Greenhouses** are thus far reaching. Sydney Credit Union is proud to support this initiative with a two year commitment of \$10,000.

Highlights of Sydney Credit Union's community giving, support for non-profits, support for its stakeholders, environmental sustainability, support for marginalized groups, support for economic and social development.



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Sydney Credit Union purchases an Argo for Cape Breton Search and Rescue.

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Sydney Credit Union Community Board Room – provides a facility for non-profits and community organizations to use free of charge.



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Sydney Credit Union Room (CE265) on campus at Cape Breton University. The room was sponsored by Sydney Credit Union as part of the university's capital fundraising campaign for the construction of the university's Great Hall.



Christmas gifts purchased and delivered by Sydney Credit Union for women staying in a local homeless shelter.



Sydney Credit Union staff delivering Sydney Credit Union's Financial Literacy program to a group of students.