

# SOCIAL PURPOSE CREDIT UNION SELF-ASSESSMENT

2017

Credit unions are formalizing and focusing their ‘social purpose’ to better meet member needs, play a stronger role in fostering resilient and co-operative communities and grow their businesses. This tool was developed to help them in that effort. Using the language of corporate social responsibility (CSR), it guides credit unions through a process of considering the purpose and focus of their social role – which includes the environment and extends beyond traditional banking and co-operative roles.

This tool was first commissioned by Libro Credit Union, based in Ontario, Canada, to assist them in their strategic planning. Libro engaged Coro Strandberg, [President of Strandberg Consulting](#), to draft the tool based on best practices in social purpose in financial institutions and consultation with “CSR” and values-based banking practitioners in the Canadian credit union system. It also incorporates leading corporate practices from outside the financial services sector.

University Federal Credit Union, based in Texas, US, subsequently engaged Coro Strandberg to update the tool to reflect best practices in the United States and globally.

The Social Purpose Credit Union Self-Assessment is designed to assist in credit union strategic planning. It is a four-stage checklist of best, leading and next practices in CSR, social purpose and values-based banking in seven areas: governance, members, employees, community, environment, suppliers and business partners and the co-operative sector.

**Author:** Coro Strandberg is a leading sustainability and corporate responsibility consultant, with over 25 years of experience advising credit unions and other companies on the design and implementation of community investment, CSR, and social purpose business models and strategies. In 2010 Filene Research Institute hired Coro to write “[Credit Union Social Responsibility: A Sustainability Roadmap](#)”. Coro is a past Director and Board Chair of Vancity Credit Union, serving on the board from 1988 - 2000. She was named the top CSR consultant in Canada in 2015. [www.corostrandberg.com](http://www.corostrandberg.com)

## Objectives

The purpose of conducting a Social Purpose Assessment is:

- **Current state:** To understand your current “CSR” practice along a continuum of social purpose and impact – to find out how much you are currently doing
- **Opportunities:** To identify strengths, gaps and opportunities your credit union could prioritize in its CSR strategy
- **Education:** To educate functional leaders on the meaning and implications of CSR and social purpose regarding their functions, the credit union, employees, members and other stakeholders

Completing this tool will provide you with the following insights:

- **Governance:** Your current core CSR philosophy, business model and view of profit generation, and the degree to which social purpose is embedded in your governance and management systems
- **Members:** How you engage members in your social purpose efforts and enable their financial resilience
- **Communities:** How you engage your communities in your social purpose efforts, enable their resilience and use your branches, products and services to foster sustainable growth
- **Employees:** How you engage your employees in your social purpose efforts, enable their health and well-being and foster an inclusive workforce
- **Environment:** How you reduce your direct and indirect environmental impacts and foster a sustainable economy
- **Suppliers:** How you engage your suppliers and business partners in your social purpose efforts
- **Co-operatives:** How you support the growth of a strong and resilient co-operative sector

This baseline assessment will help you determine where most of your efforts are, along a continuum from “basic”, through “advancing”, and “integrated” towards “social purpose”. It will improve your understanding of actions to be taken at higher levels of purpose and impact so that you can determine what areas you would like to pursue by when. Credit unions can review this tool and consider where their credit union is today and where they would like their credit union to be in three, five or ten years.

*Appendix A includes a list of tools and resources for pursuing CSR and social purpose. Appendix B describes the methodology used to develop the tool. The tool includes several embedded links to resources for more information.*

## SOCIAL PURPOSE CREDIT UNION SELF-ASSESSMENT

### Credit Union Instructions:

Please check all those practices which are in place or under development to find out where your credit union is today along the social purpose continuum. It is recommended you involve other departments and functions in filling this out. Consider inviting your executive team, Board members, CSR committee or department managers to complete the section/s relevant to them. Hold a meeting to review the results and implications for your credit union's strategy.

As many of the following measures can be achieved through collaborations, partnerships and joint ventures, rank the practice positively if the credit union has an intentional and coordinated effort with a third party/s.

In the table below the term "CSR" refers to the credit union's approach to improving its social and environmental impacts. Community investment refers to scholarship, bursaries, sponsorships, donations of money and employee time. Social purpose is a holistic, comprehensive, enterprise-wide approach described in the box below. Consider asking your internal stakeholders what they think of this definition of a social purpose credit union. They may find it to be a thought-provoking exercise, introducing a new way of thinking into the credit union. It could be embraced as an aspirational statement to work towards over time. Perhaps it could position your credit union as a leader, and make your credit union attractive to existing and new members if adopted.

**Social Purpose Credit Union Definition:** A social purpose credit union is a credit union whose core purpose is to improve long-term member and community wealth and well-being, including social, economic and environmental resilience of businesses, non-profits and households. Social purpose credit unions use all their resources, people, capital, influence, relationships, assets and scale to accelerate positive impacts. As a positive force for change in everything they do, credit unions become multipliers for responsible business practices and sustainable development of their communities. By identifying, catalyzing and building new social purpose markets they create significant social benefits, grow their business and increase their capacity to further their social purpose aims.

## SOCIAL PURPOSE CREDIT UNION SELF-ASSESSMENT TOOL

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
<p><b>Philosophy, mission and business model</b></p> <p><i>What is our core CSR philosophy? What is our business model and view of profit generation?</i></p>	<p>“We give back”</p> <p>Y N DK</p> <p>We provide financial services and products</p> <p>Y N DK</p> <p>Our profits enable our community investments</p> <p>Y N DK</p>	<p>“We make a difference”</p> <p>Y N DK</p> <p>We provide financial services and contribute to community in ways that generate impact</p> <p>Y N DK</p> <p>Our profits enable CSR</p> <p>Y N DK</p>	<p>“We embed it”</p> <p>Y N DK</p> <p>We provide financial services and contribute to community, member, employee, co-operative and environmental well-being; we help our communities, members and people prosper and grow</p> <p>Y N DK</p> <p>Our profits both enable and result from CSR</p> <p>Y N DK</p>	<p>“It’s who we are”</p> <p>Y N DK</p> <p>Our business model and financial products and services are designed to improve social, environmental and economic well-being of members and their communities. We have defined and adopted a “quest”, an inspiring, aspirational social ambition as our social purpose and differentiator, where we want to have an impact. We have adopted a vision of how our business will improve future societal conditions through our core business</p> <p>Y N DK</p> <p>Our profits enable and result from our social purpose; profit is not pursued at the expense of people and the environment</p> <p>Y N DK</p>
<p><b>Governance</b></p> <p><i>How do we embed our social purpose into our governance and management systems?</i></p>	<p>Board approves community giving policy</p> <p>Y N DK</p>	<p>Board approves and monitors compliance with CSR policy / guiding principles</p> <p>Y N DK</p>	<p>Governance and management policies, procedures and documents reflect CSR commitments (e.g. governance manuals, business cases, project approvals) (see resource section)</p> <p>Y N DK</p>	<p>Mission and vision reflect social purpose; adopt long-term aspirational commitments / impact statements and bold, iconic, transformative goals and targets to achieve them even where solutions don’t yet exist; have determined where we want to stake a stand and be an advocate</p> <p>Y N DK</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
	<p data-bbox="264 232 480 326">Informal CSR expectations and practices</p> <p data-bbox="264 427 344 451">Y N DK</p> <p data-bbox="264 488 449 711">CSR (e.g. community investments and environmental) measures are tactical and one-year</p> <p data-bbox="264 748 344 773">Y N DK</p>	<p data-bbox="501 232 718 386">CSR is well-defined and consistently understood throughout the organization</p> <p data-bbox="501 427 581 451">Y N DK</p> <p data-bbox="501 488 747 613">Board adopts a CSR Vision and 3-5 year CSR strategy including goals and targets</p> <p data-bbox="501 748 581 773">Y N DK</p> <p data-bbox="501 813 747 938">Board and management monitor CSR strategy performance</p> <p data-bbox="501 976 581 1000">Y N DK</p>	<p data-bbox="783 232 1255 326">CSR is included in competency models, remuneration, leadership development and succession planning</p> <p data-bbox="783 427 863 451">Y N DK</p> <p data-bbox="783 488 1262 613">Initiatives in the CSR strategy help achieve the credit union’s business priorities / objectives and are included in the corporate strategy</p> <p data-bbox="783 748 863 773">Y N DK</p> <p data-bbox="783 813 1234 906">Measures to enhance Board diversity and Board CSR knowledge and capacity (e.g. education) are pursued</p> <p data-bbox="783 943 863 967">Y N DK</p> <p data-bbox="783 1008 1268 1133">CSR commitments are sustained during good and bad times regardless of changes in conditions (economic or social) for the credit union and its communities</p> <p data-bbox="783 1170 863 1195">Y N DK</p>	<p data-bbox="1302 232 1934 326">Credit union has a “theory of social value creation”, which describes how we generate social and business value. This framework guides all decision-making</p> <p data-bbox="1302 427 1381 451">Y N DK</p> <p data-bbox="1302 488 1990 548">The corporate strategy and social purpose strategy are one and the same</p> <p data-bbox="1302 748 1381 773">Y N DK</p> <p data-bbox="1302 813 1997 1003">Social purpose is pursued enterprise wide and institutionalized across departments; social purpose is embedded in all business and functional unit mandates and into core processes like budgeting and strategic planning; departments collaborate on social purpose initiatives; a cross-functional team enables social purpose thinking, planning, decisions and innovation</p> <p data-bbox="1302 1040 1381 1065">Y N DK</p> <p data-bbox="1302 1105 2003 1198">CEO and board chair are public advocates and spokespersons for social purpose in banking and business, and join and endorse leader initiatives</p> <p data-bbox="1302 1235 1381 1260">Y N DK</p> <p data-bbox="1302 1300 1997 1425">Employees understand and are committed to our social purpose and translate it into their daily work. Staff have social purpose competencies and social purpose results are rewarded through compensation programs. Social purpose goals are included in</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
		<p>Environmental and social risks of loans and investments are assessed at the transaction level</p> <p>Y N DK</p>	<p>Credit union understands its exposure to social and environmental risks; enterprise risk management addresses risks and opportunities from social and environmental trends; we understand the commercial risks and opportunities of climate change, including our portfolio carbon risk, and how to act on them (<a href="#">resource</a>)</p> <p>Y N DK</p>	<p>employee profit sharing. Social purpose drives action throughout the organization and provides employees the framework to think about everything they do in the business. When making decisions, staff ask: is it connected to our social purpose? There is internal alignment on what the credit union stands for, and an internal supporting system and structure that fosters social purpose innovation and a social purpose culture</p> <p>Y N DK</p> <p>Risk models reflect our social purpose ambitions. Our social purpose investments are leveraged as a tool for risk and opportunity management within enterprise risk strategies (<a href="#">resource</a>); we identify and tackle emerging social and environmental trends that are likely to affect the future prosperity of our key stakeholders where we have the assets, relationships, skills, experience and influence, to make a difference (e.g. aging, increasing inequality, youth unemployment, housing affordability, sharing and second hand economy, etc.); understand the impacts of the transition to a low carbon, circular, and inclusive society on our business, members, suppliers and communities, including risks and opportunities, and implement positive measures to address them; we routinely assess the impacts of emerging social and environmental trends on our lending and investment portfolio and engage members and communities to anticipate, manage, influence and optimize risks from social and environmental trends</p> <p>Y N DK</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
	<p>Report to the public on community grants and showcase employee volunteering initiatives</p> <p>Y N DK</p> <p>CSR is managed by grants manager</p> <p>Y N DK</p> <p>Measure inputs and activities, e.g. \$ value of donations; number of employee volunteer hours</p> <p>Y N DK</p>	<p>External CSR reporting follows international standards (<a href="#">resource</a>); stakeholders are consulted on CSR priorities and expectations to determine CSR strategy and reporting focus</p> <p>Y N DK</p> <p>CSR is managed by CSR manager</p> <p>Y N DK</p> <p>Measure outputs, e.g. number of people participating in financial literacy programs</p> <p>Y N DK</p> <p>Measure social purpose/impact portfolio (e.g. \$ and % of social purpose financing)</p> <p>Y N DK</p>	<p>CSR reporting adheres to international integrated reporting standards (<a href="#">resource</a>)</p> <p>Y N DK</p> <p>CSR is managed by senior manager/VP with cross-functional steering committee</p> <p>Y N DK</p> <p>Measure outcomes, e.g. improvements in financial literacy (financial health / empowerment) levels, number of affordable housing units supported, credit score improvements, etc.</p> <p>Y N DK</p>	<p>Transparency drives CSR disclosure; CSR performance disclosure is third-party certified. Lending and investment information is provided to members so they can understand how their funds are used (e.g. local assets, nature of commercial loans, etc.). The carbon intensity of our investment offerings is disclosed to members. Members are provided opportunities to publicly rate and review the service they receive</p> <p>Y N DK</p> <p>Social purpose is led by the CEO and managed by the executive</p> <p>Y N DK</p> <p>Measure impact, e.g. increase in savings rate, reduced incidence of over-indebtedness, improvements in member financial well-being, social or environmental results from financed social purpose businesses, such as total greenhouse gas emissions avoided over life of loans</p> <p>Y N DK</p> <p>Measure degree to which members agree the credit union’s “social purpose” investments have a positive effect on their community and well-being and one of the reasons they do business with the credit union</p> <p>Y N DK</p> <p>Measure progress on social purpose/impact targets</p> <p>Y N DK</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
		<p>Metrics enable assessment of success on goals and targets from CSR strategy</p> <p>Y N DK</p> <p>Inform stakeholders of CSR strategy</p> <p>Y N DK</p>	<p>Metrics enable assessment of the degree to which CSR is successfully integrated throughout the organization</p> <p>Y N DK</p> <p>Identify and engage stakeholders in the development of the CSR strategy; have best practices in stakeholder consultation and engagement</p> <p>Y N DK</p>	<p>Metrics enable understanding of social, economic and environmental risks, impacts, dependencies and opportunities of lending and investment portfolio</p> <p>Y N DK</p> <p>Harness social innovation tools and methods to innovate products and processes; social purpose is a factor in innovation; structures and processes are in place to identify opportunities to increase social purpose impacts with business and personal members; space and resources are provided for social innovation and pilots/ prototypes (<a href="#">resource</a>)</p> <p>Y N DK</p> <p>Co-create and collaborate with stakeholders on innovations that address systemic CSR issues faced by members and communities</p> <p>Y N DK</p> <p>External stakeholder / expert panel advises the board and / or senior leadership on emerging CSR trends and best practices</p> <p>Y N DK</p>



Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
				<p>Lead and join collaborations with other social purpose / sustainable banking financial institutions to accelerate and scale social / sustainable banking domestically and internationally. Support social / sustainable finance education in schools, universities, business schools and continuing professional development for financial professionals. Convene events and networking opportunities to raise the profile of, and demand for, social purpose banking / sustainable finance. Invest in measures to build a social purpose/ sustainable finance movement</p> <p>Y N DK</p> <p>Achieve third party certification of social purpose practices (e.g. B Corporation)</p> <p>Y N DK</p> <p>Merge and joint venture with other organizations to advance the credit union’s social purpose</p> <p>Y N DK</p> <p>All the credit union’s resources enable social purpose because it is built into its culture and business model</p> <p>Y N DK</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
<p><b>Members</b></p> <p><i>How do we engage our members in our social purpose efforts, how do we enable their financial resilience and how do we use our products and services to foster sustainable growth?</i></p>	<p>Provide occasional in-branch financial literacy seminars</p> <p>Y N DK</p> <p>Support members in difficult times on a case by case basis</p> <p>Y N DK</p>	<p>Offer a range of financial literacy services or programs to members and their families (e.g. training workshops, online tutorials and videos, smart phone apps, financial counseling, etc.)</p> <p>Y N DK</p> <p>Adopt financial accessibility commitment and pursue financial inclusion measures to support underserved, under-banked and those in difficult times, promoting greater accessibility to financial services for individuals who experience barriers to banking (including people living with disabilities)</p> <p>Y N DK</p>	<p>Build financial health, empowerment, capacity and resilience of members into our core financial advisory services</p> <p>Y N DK</p> <p>Help people, non-profits and small businesses prevent and overcome financial hardship through financial hardship / “tough times” advisory and loan repayment solutions, credit repair assistance, etc.; work with members, including organizational members, facing life-cycle events or challenges</p> <p>Y N DK</p>	<p>Provide financial literacy education for employees of business and non-profit members</p> <p>Y N DK</p> <p>Provide sustainable economics education, i.e. education of personal and business members on “co-operative, local and sustainability economics/business/banking” so members understand where their money goes and the interplay between the local economy, the environment and society and how it affects their region / community; offer this education to employees of business members, credit union employees and the broader public</p> <p>Y N DK</p> <p>Provide hardship awareness education and tools to enable staff to recognize and address financial hardship among members; employee performance evaluations incentivize and reward staff for proactively supporting member financial health. Provide measures to help members break the cycle of debt and over-indebtedness</p> <p>Y N DK</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
	<p>Offer informal flexibility to provide access to accounts for underserved</p> <p>Y N DK</p>	<p>Offer pay-day loan alternatives</p> <p>Y N DK</p> <p>Offer “socially responsible investment” wealth management products to members</p> <p>Y N DK</p>	<p>Pursue opportunities to uncover and finance new underserved markets, e.g. provide affordable, basic, transparent, responsible and accessible banking for un- and under-banked, low income, low wealth and other disadvantaged and underserved people, organizations and communities</p> <p>Y N DK</p> <p>Wealth management, estate management and insurance services include CSR options (e.g. philanthropy CSR legacy funds for high net-worth members, third party or own “impact” investments, insurance discounts on hybrid vehicles or green homes, etc.)</p> <p>Y N DK</p> <p>Offer products and services that improve social and environmental conditions (socially-focused product development; positive impact financing; positive impact lending,</p>	<p>Provide life cycle support for social purpose business and community economic development enterprises: Fund, advise, and accelerate/fast-track social purpose/positive impact businesses. Pursue long-term financial partnerships with mission aligned / impact enterprises, from early planning/pre-launch, to start-up and launch through to expansion, growth and scale phase. Help them develop their business model, build entrepreneurial and management skills, connect to workshops, coaching, business tools, programs and initiatives, increase their social and environmental impact, establish business and community partnerships, and enhance their profile in the community and among credit union members and other consumers/buyers. Support services include management advice, technical assistance, project consulting, collaborative opportunities, connections to business expertise, partnerships, learning opportunities, government advocacy, procurement strategies with the credit union and other organizations such as government, and access to a range of financial solutions including grants, start-up and growth capital, flexible lending policies, and everyday banking, operating loans and investment services</p> <p>Y N DK</p> <p>Pursue social purpose market development: Work proactively to grow, strengthen and fast-track social purpose markets/sectors and enhance supply and demand in social purpose sectors, leveraging grants, investments and credit union/other organization procurement, conducting research, and working with external partners. Build new business around market clusters and supply chains that demonstrate “social purpose” and growth potential. Create specialized solutions for target “social purpose” sectors by connecting them to business expertise, partnerships, learning opportunities and financing that includes micro-credit, cash-flow or growth financing as needed. Work with business members to support the growth of the members’ domestic (local) supply chains to stimulate the local economy; develop strong sectors through</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
			<p>deposits and wealth<sup>1</sup>) (e.g. loan or deposit products for affordable housing, micro-finance, financing that creates environmental benefits, financing for local, social/non-profit sector, women- and minority-owned and Native American/Aboriginal business, affinity credit cards, etc.); has a suite of products dedicated to help members adopt sustainable lifestyles (e.g. green mortgages, green car loans, etc.) (<a href="#">resource</a>)</p> <p>Y N DK</p> <p>Include CSR in lending, credit and account opening procedures and policies; does not knowingly conduct business with organizations whose practices conflict with our values or mission; avoid loans to communities that may have negative consequence on the residents through displacement, environmental harm or other impacts</p> <p>Y N DK</p>	<p>government advocacy and support for intermediary and capacity building organizations</p> <p>Y N DK</p> <p>Support community revitalization by locating branches and facilities in underserved communities, and extending banking services through partnerships with local groups. Finance community development projects and rehabilitate historic buildings in areas that have suffered from disinvestment. Engage personal and business members using our brand and reach to advance our social purpose. Support members to set examples that inspire others; mobilize members as change agents and brand ambassadors and to become drivers and catalysts of social change. Encourage business members to adopt good CSR practices to address their CSR risks and opportunities and increase their potential for positive social and environmental impact. Encourage credit union’s business and social enterprise / social mission members to connect and pursue collaborations</p> <p>Y N DK</p>

<sup>1</sup> Positive Impact Finance is financing which verifiably produces a positive impact on the economy, society or the environment once any potential negative impacts have been duly identified and mitigated. From the UNEP Finance Initiative: <http://www.unepfi.org/banking/positive-impact/>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
		<p>Increase member CSR and co-operative awareness and understanding</p> <p>Y N DK</p>	<p>Provide opportunities to members to participate in our CSR effort, including CSR deposits and savings accounts (e.g. where funds are lent out to advance social purpose), mortgages and loans, impact investments, donations and volunteering (including matched incentives), buy local programs, and other social purpose campaigns</p> <p>Y N DK</p> <p>Promote social purpose and social responsibility to business members and connect them with resources and partners to learn more</p> <p>Y N DK</p> <p>Attract social purpose capital from foundations and other institutions seeking a social return to invest in social purpose initiatives</p> <p>Y N DK</p> <p>Anticipate future needs of aging and culturally diverse members and introduce initiatives to support their financial wellbeing including retirement planning, retirement savings vehicles for members who don't have employer plans, religious compliant finance, etc.</p> <p>Y N DK</p>	

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
	<p>Most marketing and communications focuses on traditional banking</p> <p>Y N DK</p>	<p>Marketing and communications is designed to build awareness of credit union CSR efforts and the co-operative business model</p> <p>Y N DK</p>	<p>CSR communications are integrated into all member touchpoints (e.g. statements, social media, ATMs, AGMs, etc.)</p> <p>Y N DK</p>	<p>By embedding our social purpose into everything we do, it is communicated through all our relationships</p> <p>Y N DK</p> <p>Communicate the social purpose stories of our business members to raise their profile and help them build their customer base</p> <p>Y N DK</p>
<p><b>Communities</b></p> <p><i>How do we engage our communities in our social purpose efforts, how do we enable their resilience and how do we use our branches, products and services to foster sustainable growth?</i></p>	<p>Provide grants such as donations, scholarships and sponsorships</p> <p>Y N DK</p>	<p>Create multi-year strategic partnerships to advance community priorities</p> <p>Y N DK</p> <p>Community budget includes employee volunteering during work hours, in-kind contributions,</p>	<p>Use both financial and non-financial resources and core competencies, products and services, assets, skills, and expertise to contribute to the community (<a href="#">resource</a>) (e.g. provide capital and asset-based financing to non-profits to help them grow, scale and become self-reliant; provide grants, loans, capacity building and mentorship for community agencies or social enterprises that create jobs and employment pathways for people from disadvantaged or minority communities, such as immigrants, refugees, long-term unemployed, people living with disability or mental illness, Native Americans/Aboriginal people, etc.)</p> <p>Y N DK</p> <p>Provide a range of funding options from grants to loans to equity investments, pooled funds and social impact bonds</p> <p>Y N DK</p>	<p>Business development priorities include financing and providing technical assistance for “social purpose” opportunities; grants, loans and other resources are used as impact business development tools across commercial banking and retail branch system. Business development goals and strategies are set around social purpose objectives</p> <p>Y N DK</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
		<p>program management costs and grants</p> <p>Y N DK</p>         <p>Community goals and targets are set and incorporated into our CSR strategy</p> <p>Y N DK</p>	<p>Prioritize community initiatives and projects which advance both credit union business goals and stakeholder priorities; community partnerships are designed to pool resources and leverage skills, capabilities and networks and complement credit union expertise</p> <p>Y N DK</p> <p>Develop and manage commercial real estate with a focus on community revitalization; lease office and retail space to new and established businesses, non-profits, restaurants and professionals</p> <p>Y N DK</p> <p>Initiate and participate in affordable home loan and other social purpose secondary market programs</p> <p>Y N DK</p> <p>Community goals and targets are incorporated into our corporate strategy</p> <p>Y N DK</p>	<p>Adopt measures to build financial capacity of communities and the public, enhance savings, reduce over-debt levels, increase affordable home ownership and promote sustainable consumption community-wide</p> <p>Y N DK</p> <p>Engage and collaborate across sectors with government, academic institutions, business, other financial services providers, and non-profits/non-governmental organizations (NGOs) to advance sustainable community economic development, address barriers and solve complex social or environmental problems and accelerate the implementation of solutions; advocate for measures to enhance community well-being. Mobilize external funding (e.g. public, government, foundation) and find synergies with business partners and members to advance social purpose collaborations. Engage with cross-sector partners to “make markets”, finance social progress, gain new market insights and access new customer engagement channels</p> <p>Y N DK</p> <p>Fund fellowships to incentivize and scale social innovation in banking</p> <p>Y N DK</p> <p>Work with multi-sectoral stakeholders to increase the supply of affordable rental and owned housing, community workspaces, and green and community-owned real estate</p> <p>Y N DK</p> <p>Pursue research, innovation, thought leadership and government policy advocacy for social purpose solutions and encourage others to do the same. Initiate, lead, join and endorse campaigns related to social purpose. Publish strategic research and encourage media</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
	<p>Branches post community information notices</p> <p>Y N DK</p>	<p>Branches have community meeting space</p> <p>Y N DK</p>	<p>Branches have established strategic community partnerships to address local issues</p> <p>Y N DK</p>	<p>coverage to increase public awareness on social purpose issues. Support, build and partner with coalitions to pursue social purpose initiatives</p> <p>Y N DK</p> <p>Work with community advocates, policy makers, industry groups and other financial service providers, to achieve predatory lending and affordable housing reforms and fair financial practices (e.g. auto loans, student loans, debt collection and checking account overdraft fees, etc.). Engage governments, regulators and opinion leaders on the need for an enabling environment for social purpose finance</p> <p>Y N DK</p> <p>Branches have community development strategies in place</p> <p>Y N DK</p>
<p><b>Employees</b></p> <p><i>How do we engage our employees in our social purpose efforts, how do we enable their health and well-being and how do we foster an inclusive workforce?</i></p>	<p>Ad hoc employee volunteering and matched granting initiatives</p> <p>Y N DK</p>	<p>Adopt volunteering policy including provision for paid volunteer days</p> <p>Y N DK</p>	<p>Volunteering program is strategically linked to employee skills, training and development and aligned with business objectives and core competencies; skills-based volunteer opportunities including secondments/externships are promoted</p> <p>Y N DK</p>	<p>Include social purpose volunteering opportunities linked to career development in performance plans</p> <p>Y N DK</p>



Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
		<p>Strategic volunteering program is linked to community priorities; employees are involved in local branch and organization-wide initiatives; employee matched granting programs are aligned with the strategic CSR direction</p> <p>Y N DK</p> <p>Offer health and wellness programs and provide financial literacy programs for staff as a component of healthy lifestyles programs</p> <p>Y N D</p>	<p>Measures and funding are in place to encourage employees to become social intrapreneurs (people within a company who advance social innovation; internal entrepreneurs)</p> <p>Y N DK</p> <p>Adopt and implement a wellness policy and strategy</p> <p>Y N DK</p> <p>Adopt a policy and strategy to create a diverse and inclusive workplace and culture (i.e. diverse cultural backgrounds and ethnicities, ages, abilities, genders, sexual orientation, etc.)</p> <p>Y N DK</p>	<p>Encourage employees to be champions of CSR at work, at home and in the broader community. Employees feel responsible and empowered to integrate social purpose in their daily work activities. Employees at all levels are engaged in experimentation, learning and developing new social purpose know-how</p> <p>Y N DK</p> <p>Create a workplace culture and physical environment that supports employee mental, physical, social and financial well-being; offer holistic well-being programs (e.g. employee assistance, disease prevention, healthy lifestyles, flexible and alternative work arrangements, carer programs, etc.); all employees achieve targeted financial literacy (financial health / empowerment) levels</p> <p>Y N DK</p> <p>Set diversity targets to achieve employment parity, i.e. to have the workforce reflect the broader population</p> <p>Y N DK</p> <p>Social purpose is embedded in the employee life cycle from the recruitment brand to engagement of retirees; employer brand</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
			<p>Train and hire people with employment barriers</p> <p>Y N DK</p> <p>Provide youth and student intern opportunities to learn about social purpose / sustainable banking and finance</p> <p>Y N DK</p> <p>Become a living wage employer and contractor (<a href="#">resource</a>)</p> <p>Y N DK</p> <p>Help employees understand their CSR role through training, capacity building and leadership development</p> <p>Y N DK</p>	<p>investments are used to foster a new generation of advocates for sustainable growth and social purpose banking / finance</p> <p>Y N DK</p> <p>Support employees to pursue professional development in social banking models and strategies</p> <p>Y N DK</p> <p>Social purpose training is open to community and other stakeholders</p> <p>Y N DK</p>
	<p>Offer employee professional development opportunities</p> <p>Y N DK</p>	<p>CSR is included in performance management and training</p> <p>Y N DK</p>		

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
<p><b>Environment</b></p> <p><i>How do we reduce our direct and indirect environmental impacts and foster a sustainable economy?</i></p>	<p>Ad hoc efforts to reduce environmental impacts (e.g. recycling, double-sided printing), support volunteer employee “green teams”</p> <p>Y N DK</p>	<p>Set goals, targets and measures to reduce direct environmental impacts from operations and assign accountability, e.g.</p> <ul style="list-style-type: none"> <li>• Energy and GHG reduction</li> <li>• Waste reduction</li> <li>• Paper and toner use reduction, e-statements</li> <li>• Renewable energy (self-generated or sourced)</li> <li>• Green buildings / branches and retrofits (e.g. number of LEED certified or solar powered buildings)</li> <li>• Business travel reduction</li> <li>• Employee commuting</li> <li>• Green meetings</li> <li>• Green IT</li> <li>• Green cleaning</li> </ul> <p>Y N DK</p>	<p>Provide general and function specific environmental education to employees</p> <p>Y N DK</p> <p>Engage and mobilize employees to help achieve organizational environmental targets</p> <p>Y N DK</p> <p>Provide short-term interest free loans to help employees purchase items to improve their household water and energy efficiency</p> <p>Y N DK</p> <p>Embed environmental responsibilities in job descriptions and performance management as relevant</p> <p>Y N DK</p> <p>Provide members with financial products and services to promote environmentally sustainable choices, and help them adapt to environmental challenges, e.g. green business / housing / car / renovation loans, solar installation financing, etc.</p> <p>Y N DK</p> <p>Finance early stage and growing environmental companies such as renewable energy, clean technology, sustainable and local food / agriculture, recycling and sharing economy companies, ecotourism, land</p>	<p>Adopt, achieve and maintain zero or net positive direct operational environmental impacts (e.g. carbon / waste neutral or positive); carbon impacts are offset by third party verified, international standard offsets</p> <p>Y N DK</p> <p>Support and champion the decoupling of economic and emissions growth and the need for a responsible transition to a low-carbon, zero waste, sustainable economy</p> <p>Y N DK</p> <p>Encourage members and other stakeholders to make positive environmental choices and choose sustainable levels of consumption through education and engagement, e.g. provide information to business members on the benefits of green business practices</p> <p>Y N DK</p> <p>Measure and reduce the GHG emission (carbon) intensity of our lending and investment portfolio (i.e. financed emissions)</p> <p>Y N DK</p> <p>Help business members understand, prevent, mitigate, influence and address business impacts of environmental trends influencing the community/region (e.g. rising energy costs, climate change, government environmental regulation, etc.)</p> <p>Y N DK</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
			<p>conservation, green building and businesses providing green products and services</p> <p>Y N DK</p>	<p>Engage and collaborate with government, local business, financial services sector, community groups and others on initiatives to restore and enhance the local environment</p> <p>Y N DK</p> <p>Partner with energy companies to provide loans to customers undergoing energy efficiency retrofits, with loan repayment through energy bill savings</p> <p>Y N DK</p>
<p><b>Suppliers and business partners</b></p> <p><i>How do we engage our suppliers and business partners in our social purpose efforts?</i></p>	<p>Ad hoc efforts to source green/ sustainable and local products (e.g. energy efficient IT and computing solutions)</p> <p>Y N DK</p>	<p>Adopt sustainable purchasing policy and strategy (see resource section in Appendix A)</p> <p>Y N DK</p> <p>Source green/social products from environmentally and socially responsible suppliers</p> <p>Y N DK</p> <p>Source from local, co-operative, diverse (e.g. immigrant, minority, Native American / Aboriginal owned, etc.), social enterprises and businesses driven</p>	<p>Collaborate with suppliers to improve social and environmental impacts of the credit union’s supply chain (<a href="#">resource</a>); suppliers are self-assessed on their sustainability performance and are encouraged to pursue measures to improve their social and environmental impacts (e.g. supplier action plans)</p> <p>Y N DK</p> <p>Engage other buyers in social/green/ local procurement collaborations</p> <p>Y N DK</p> <p>Support suppliers to develop financial literacy programs for their employees</p> <p>Y N DK</p>	<p>Engage suppliers in our social purpose quest through education, collaboration and joint projects</p> <p>Y N DK</p> <p>Shift procurement philosophy to source in ways that “transform lives” and “improve environmental conditions” (<a href="#">resource</a>)</p> <p>Y N DK</p> <p>Create opportunities for suppliers to participate in our volunteering programs and source from suppliers with strong employee financial literacy (financial health / empowerment) programs</p> <p>Y N DK</p>

Component	1.0 Basic CSR	2.0 Advancing CSR	3.0 Integrated CSR	4.0 Social Purpose
		<p>by a social or environmental mission (<a href="#">resource</a>)</p> <p>Y N DK</p>		<p>Promote adoption of social purpose business models to other businesses and organizations in our sphere of influence</p> <p>Y N DK</p> <p>Influence CSR standards and performance in industry sectors and professional associations</p> <p>Y N DK</p>
<p><b>Co-operatives</b></p> <p><i>How do we support the growth of a strong and resilient co-operative sector?</i></p>	<p>Provide grants for co-op development; join and pay dues to co-op associations</p> <p>Y N DK</p>	<p>Pursue strategy to enhance the co-operative sector with goals and targets to increase co-op lending, sourcing, partnering and joint venturing</p> <p>Y N DK</p>	<p>Co-operative strategy includes measures to support emergent co-operative and collaborative models such as crowd funding, sharing of goods, the circular economy, etc.</p> <p>Y N DK</p> <p>Pursue measures to increase staff and member awareness and value of the co-operative model, behaviour and practices (e.g. training)</p> <p>Y N DK</p> <p>Co-finance social purpose investments with other co-operative financial institutions or organizations</p> <p>Y N DK</p>	<p>Promote co-operation, co-operative values and co-operative business models to stakeholders and invest in the creation of a co-operative, collaborative and sharing economy</p> <p>Y N DK</p> <p>Lead or join collaborations with the credit union and co-operative sector to improve the sector’s CSR and co-operative performance and to tackle common social purpose priorities together</p> <p>Y N DK</p>

## Appendix A Tools and Resources

Canadian Credit Union Association (CCUA) provides the following resources on its [Credit Union Social Responsibility Hub](#) which can be used as references in the pursuit of CSR and social purpose. (CCUA uses the term Credit Union Social Responsibility, or CUSR.)

- CUSR Strategy Development: [Credit Union Social Responsibility: A Road Map for the Development of a Sustainability Strategy](#)
- Governing and Managing CUSR: [Governance and Management for Credit Union Social Responsibility](#)
- CUSR Business Case: [Developing the Business Case for Credit Union Social Responsibility](#)
- CSR Vision and Policy Development: [Developing a CSR Vision & Policy Statement](#)
- Sustainable Procurement: [Responsible Purchasing Guide for Credit Unions](#)
- CUSR Reporting: [Credit Union Social Responsibility Reporting](#)
- CUSR Metrics: [Non-Financial Metrics in the Financial Sector](#)

FileNet Research Institute produced the following research reports for credit unions to help them develop CSR strategies:

- [Choosing Relevance: How Credit Unions Can Harness Transparency and Show Impact](#)
- [Risk Management's New Tool: Corporate Social Responsibility](#)
- [Credit Union Social Responsibility: A Sustainability Roadmap](#)

United Nations Environment Program Financial Institutions (UNEP FI) produced a How-To Guide on Sustainable Banking:

- [Guide to Banking and Sustainability](#)

## Appendix B Methodology

Libro Credit Union commissioned Coro Strandberg, President of [Strandberg Consulting](#), to develop the Social Purpose Assessment checklist tool for credit unions to help define a social purpose approach to CSR. The checklist, developed originally in 2015, was based upon leading research into sustainable and values-based banking, with input from credit union CSR and values-based banking practitioners in Canada. The credit unions expressed positive support for the tool and thought it could foster an important discussion within the credit union system on the meaning, definition and standards of CSR and social purpose.

The tool was informed by the following sources:

- [International Co-operative Principles](#)
- United Nation Environment Program Financial Institution (UNEP FI) [Sustainability Commitment](#)
- UNEP FI's [Guide to Banking and Sustainability](#)
- Global Reporting Initiative's [Financial Sector Supplement](#)
- Principles of the [Global Alliance for Banking on Values](#)
- [B Corp](#) Assessment Tool (Benefit Corporations)
- Canadian Business for Social Responsibility's [Qualities of a Transformational Company](#)
- [Scan of Non-Financial Metrics in the Financial Sector](#) (Canadian Credit Union Association)
- Assiniboine Credit Union's "Values-Based Banking" Commitment and social purpose models of Vancity, Mountain Equipment Co-op and Unilever
- [RBC's Environmental Blueprint](#)
- [Social Value Business Guide](#)
- [Choosing Relevance: How Credit Unions Can Harness Transparency and Show Impact](#) (Filene Research Institute)
- [Risk Management's New Tool: Corporate Social Responsibility](#) (Filene Research Institute)

Credit union CSR and values-based banking practitioners from these Canadian credit unions and credit union organizations provided feedback on the initial tool:

- Affinity Credit Union
- Assiniboine Credit Union
- DUCA Financial
- Grand Forks Credit Union
- Credit Union Central of Canada
- Credit Union Central of Manitoba

- Connect First Credit Union
- Mennonite Savings and Credit Union
- SaskCentral
- Servus Credit Union
- Vancity Credit Union

One year later (2016) University Federal Credit Union commissioned Strandberg Consulting to update the tool. A scan was conducted of US and international best practices financial institutions to identify new practices to incorporate into the tool:

- Beneficial State Bank, US
- Merkur Bank, Denmark
- Self-Help Credit Union, US
- Westpac Bank, Australia

Representatives from the following organizations were consulted to provide feedback on the tool:

- Bank of America
- Filene Research Institute
- Mission Capital
- Vermont State Employees Credit Union
- Vestment Global Services