



I share Desjardins' values  
Desjardins shares with me

# Investment policy

DESJARDINS ONTARIO CREDIT UNION

Policy adopted by the board of directors  
on June 1, 2021



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## DESJARDINS ONTARIO CREDIT UNION

### 1. Foreword

Desjardins Ontario Credit Union's mission is to contribute to the economic and social well-being of people and communities. The credit union contributes to the community by supporting projects alongside local organizations and institutions, without taking the place of government.

This policy aims to provide information to credit union members and partners on the credit union's contributions to the community. It provides the credit union's board of directors with guidelines on allocating and managing the financial support provided by the credit union, which includes the Community Development Fund (CDF), donations and sponsorships.

### 2. Purpose and objectives

This policy is based on Desjardins Group's business reality while considering the specific needs of members and the community, the credit union's strategic planning and Desjardins Group's priorities.

By supporting community development, the credit union promotes Desjardins Group's values:

- Money at the service of human development
- Personal commitment
- Democratic action
- Integrity and rigour in the cooperative enterprise
- Solidarity with the community
- Intercooperation

### OBJECTIVES OF THE INVESTMENT POLICY

- Share the framework for the credit union's community involvement
- Make sure members and the community have the information needed for their understanding
- Meet the needs of our members and the community by supporting meaningful projects
- Promote the cooperative difference and the democratic participation of members
- Promote members' access to funding by setting clear criteria

### 3. Types of contributions

There are many ways the credit union can enrich the lives of people and communities. Along with providing financial support, the credit union can encourage employees and board members to develop strong relationships with members and the community.

#### COMMUNITY DEVELOPMENT FUND (CDF)

The CDF is a way for credit union members to contribute to sustainable development in their communities, alongside other financial support mechanisms provided by local, regional or sector-specific organizations.

CDF investments are a key factor in getting many projects off the ground. They're designed to support meaningful projects that meet community needs.

Meaningful projects are projects that:

- Unite different stakeholders around a common goal that will have a lasting impact on the community
- Have a lot of added value for people and the community, empowering them to take charge of their development and their ability to act

## SPONSORSHIPS

A sponsorship is an amount of money provided in order to establish a business partnership or carry out an activity, event or project in exchange for an institutional or commercial benefit, with a view to obtaining visibility and business reciprocity so that Desjardins can reach a target clientele. Because this is a business opportunity, every file is presented with a promotion plan that defines the initial objectives, methods, budget and a way to evaluate the expected benefits.

## DONATIONS

Donations include financial assistance, materials or services provided to non-profit organizations (associations, institutions and cooperatives) to support their development activities while boosting credit union visibility. Donations directly support the organization's cause.

## VOLUNTEERING

The credit union may occasionally offer the time and expertise of its staff and board members.

## 4. Use of the Community Development Fund

Contributions to the Community Development Fund are approved by members at the annual general meeting (AGM). The contributions come from the surplus earnings reserved for

member dividends. Members who attend the AGM must receive an annual report on the use of the CDF.

The CDF is managed by the member engagement committee and community members. The committee analyzes sponsorship and donation applications greater than \$25,000 submitted to the CDF and makes recommendations to the credit union's board of directors.

The credit union's board of directors is not required to invest the total amount of money contributed to the CDF every year. In addition, the board can only use money from the CDF after it has set aside the funds required to meet earlier multi-year commitments made by the credit union.

Members receive a cooperative difference report every year at the AGM.

## 5. CDF investment priorities

The credit union always does what's best for its members. Therefore, after consulting its community collaboration group, the credit union has defined the 5 following investment priorities.

They will be used to select projects for CDF funding.

| Investment priorities                       | Details  |
|---|--|
| Entrepreneurship and business succession    | <ul style="list-style-type: none"><li>• Responds to an urgent need</li><li>• Supports entrepreneurs and their successors during business transfers</li><li>• Boosts our presence and collaboration with organizations that help new Canadians</li></ul>    |
| Economic excellence and innovation hubs     | <ul style="list-style-type: none"><li>• Stimulates rural economic activity and local initiatives</li><li>• Prevents brain drain and encourages leaders to stay in their communities</li><li>• Impacts employment and entrepreneurship priorities</li></ul> |
| Promoting success in education and training | <ul style="list-style-type: none"><li>• Builds loyalty and ensures membership renewal</li><li>• Promotes employability</li><li>• Has a wide scope that covers many investment priorities</li></ul>   |
| Environment                                 | <ul style="list-style-type: none"><li>• Is a fundamental consideration in all projects and essential to the credit union's positive image among members</li><li>• Is a sensitive issue for young people</li></ul>  |
| Health and healthy lifestyle choices        | <ul style="list-style-type: none"><li>• Affects a large segment of the aging population</li><li>• Promotes mental health</li><li>• Encourages healthy lifestyle choices</li></ul>  |

## 6. Eligibility and selection criteria (CDF, donations and sponsorships)

Desjardins member organizations will be given priority for funding. However, the credit union will consider applications from organizations that are not members, taking into account their contribution to the community.

The credit union will give special attention to project developers and donation and sponsorship applicants that have taken sustainability into account.

Associations, groups, organizations, individuals and project developers that apply for funding from the credit union must meet the following criteria:

|  | CDF  | SPONSORSHIP   | DONATION  |
|--|--|---|---|
| <b>Eligibility criteria</b>                    | <ul style="list-style-type: none"> <li>Be a non-profit corporation, cooperative, association, organization or group               <ul style="list-style-type: none"> <li>Individuals and private-sector businesses will only be considered for programs specific to the credit union, such as scholarships and support for entrepreneurs (microcredit for businesses, Créavenir Youth Entrepreneurship Program, etc.)</li> <li>Project or event taking place in the credit union's territory</li> <li>Aligned with the credit union's investment priorities</li> </ul> </li> </ul>   |   |   |
| <b>Specific selection or analysis criteria</b> | <ul style="list-style-type: none"> <li>Reflects the credit union's and Desjardins Group's missions and serves one of their clientele</li> <li>After each event, is able to provide a report detailing the number of people reached, the value of the communication plan, social media performance and any other relevant information</li> </ul>  |   |   |
|  | <p>Show how the project will benefit the community.</p> <p>Provide visibility for the credit union that is in line with the scope of the funding.</p>  | <p>Provide the credit union significant visibility or business opportunities through a reciprocal business relationship.</p> <p>Fall in line with the credit union's business objectives.</p> <p>Offer several sponsorship arrangements.</p> <p>Include an exclusive relationship in the financial services sector for a reasonable period.</p> | <p>Be registered as a foundation or non-profit organization.</p> <p>Have demonstrated self-sustainability for more than one year.</p> |
| <b>Not eligible</b>                            | <ul style="list-style-type: none"> <li>✓ Funding cannot be used to support the regular operations of a public sector entity or government body</li> <li>✓ Funding cannot replace government financial aid programs, but can be part of the community's share or outlay, as required by the program</li> <li>✓ Organizations that receive support from the credit union must not compromise Desjardins Group's values</li> <li>✓ Projects cannot be political in nature</li> <li>✓ Funding cannot be used to pay back debt or invested in a reserve</li> <li>✓ Organizations that have been involved in fraud or whose activities could negatively affect the credit union's reputation will not be considered</li> </ul> |   |   |

## 7. Submission and analysis procedure

The credit union will ask the applicant for information based on the scope of the application.

Any incomplete applications will not be analyzed and will be returned to the applicant for correction. The application will need to be submitted again and processed only when all required documents have been received.

### 7.1 Project submission and deadlines

#### 7.1.1 Community Development Fund

The application must be submitted with the form on the [credit union's website](#).

Applications can be submitted on a rolling basis. Once all the requested documents have been received, the credit union will notify the applicant of when their application will be analyzed.

After analysis and recommendation, applicants will be informed of how much funding they will receive from the credit union.

#### 7.1.2 Donations and sponsorships

Applications for donations and sponsorships can be submitted at any time of year using [this form](#).

All applications will be reviewed and processed 30–60 days after they are received, provided they are complete.

After analysis, applicants will be informed of how much funding they will receive from the credit union.

### 7.2 Code of Professional Conduct

Anyone called upon by the credit union to complete a task on its behalf related to this policy is bound by Desjardins's *Code of Professional Conduct*, including the provisions on confidentiality and conflict of interest management.

## 8. Recipient's commitment

The relationship created when the credit union agrees to provide assistance is similar to the credit union's business relationships. The credit union may require both parties to sign a partnership agreement. The organization must agree in writing to comply with the requirements set out in this policy and in their application, as well as any requirements issued by the credit union, as applicable.

### 8.1 Respect

The credit union and the organization agree to fully respect each other's missions.

### 8.2 Transparency

The credit union and the organization agree to be as transparent as possible with respect to the funding provided. In particular, the organization agrees to notify the credit union of any change that could impact the funding provided by the credit union based on the original application.

### 8.3 Business relationship with the credit union

The organization agrees to further develop its business relationship with the credit union. It also agrees to encourage its members to do business with the credit union, or more generally, with Desjardins Group entities.

### 8.4 Commitment and relationship with the credit union

The individuals or organizations that receive funding must show that they're committed to using all the resources available to them to ensure a successful project or activity.

### 8.5 Visibility

Sponsorships and funding provided through the CDF must include a detailed visibility plan that promotes the credit union's community involvement. The credit union can also ask that board members and employees attend the event or project announcement.

Partners that receive funding from the credit union over multiple years must prepare an annual report to ensure continued visibility and ongoing compliance with the terms of the agreement.

The organization must also make sure that it can provide photos of the event, project or participants to be included in the credit union's annual report.

### 8.6 Activity review and reporting

For the purpose of continuous improvement and reporting, the organization agrees to provide Desjardins with an overview presenting the project and its impact on members and the community.

## 9. Review of the Investment Policy

The credit union agrees to review this policy as necessary.