


2020

Corporate Social Responsibility Report

OBSESSED WITH YOUR SUCCESS™





es·sen·tial
[i-'sen(t)-shəl]
adjective
**Extremely important;
a central part of the
community; someone
who has your back.**

About this report

This report provides an overview of key activities during our most recent fiscal year from **November 1, 2019, to October 31, 2020**, which underscore our commitment to corporate social responsibility. Read on to learn about our sustainability journey and our ongoing commitment to our people, clients, investors and communities.

Table of contents

04 ABOUT US

06 CEO LETTER

08 OUR APPROACH TO SUSTAINABILITY

10 OUR PEOPLE

- A Great Place to Work®
- Fostering a culture of inclusion and diversity
- Team member experience and engagement
- Supporting our teams during COVID-19

24 OUR CLIENTS

- Listening to our clients
- #CWBhasyourback
- Making every relationship accessible

28 OUR INVESTORS

- Why corporate governance matters
- Key governance highlights
- Supporting responsible, ethical banking

31 OUR COMMUNITIES

- Evolving our community investment strategy
- Promoting healthy, vibrant communities

34 OUR ENVIRONMENT

- CWB climate commitments
- Cultivating sustainable practices

35 LOOKING AHEAD



“ Home is a sanctuary, and involving my work life in this sacred place meant sharing some of the most vulnerable and guarded parts of my identity. The last few months spent with my CWB family have been exceptional, and sharing days with truly remarkable teammates means I get to feel *home* everywhere.”

- Seun Williams
Manager, Digital Marketing,
Client Solutions

About us

CWB Financial Group™ (CWB) is a diversified financial services organization. We're proud to have nearly 3,000 team members across our corporate offices and 38 banking centres. Our team members provide highly responsive, specialized service to businesses and individuals across Canada.



CWB helps clients grow their businesses, manage their wealth, and realize their financial potential.

For more than 37 years, we have built our dedicated network of banking centres, business offices, mobile relationship teams and our expanding digital channels to support our customers and communities.

OUR ASPIRATION IS TO BE THE BEST FULL-SERVICE BANK FOR BUSINESS OWNERS IN CANADA

We believe small and medium-sized business owners are often underserved by other banks. They deserve a clear alternative: proactive financial services that address their unique needs and support their growth.

OUR STRATEGY IS TO CREATE UNIQUE, EXCEPTIONAL VALUE FOR THE PEOPLE WHO CHOOSE CWB EVERY DAY

We drive value through our clear focus. We set ourselves apart from other banking providers by connecting with our clients on a personal level. And we are obsessed with their success.

We are thoughtful about everything we do and believe our success depends on the responsible creation of value for those who choose CWB: our clients, our people, and our investors. We are in the relationship business, not just the banking business.

Our lines of business

FULL-SERVICE BUSINESS BANKING

We offer our business owner clients access to a full suite of financing and cash management solutions through in-person and enhanced digital channels. Business owners can streamline their financial management to focus on what matters most: growing their business.

FULL-SERVICE PERSONAL BANKING

We offer our personal clients, who are often our business owner clients and their families, access to a full complement of banking services through in-person and digital channels, including a new digital client onboarding experience.

SPECIALIZED FINANCING

We offer our clients access to a differentiated, proactive client experience through highly personalized service, specialized expertise within targeted industries, customized solutions, and faster response times.

WEALTH MANAGEMENT

We offer our clients access to comprehensive wealth management approaches for their personal and business wealth. Discretionary wealth management, comprehensive financial planning and investment solutions are available through our boutique approach delivered within CWB Wealth Management® and CWB banking centres.

TRUST SERVICES

We offer a wide variety of trustee and custodial solutions for individuals and businesses.



Living our values

It feels different working for CWB. Every day, our behaviours are values-driven, and our actions are rooted in creating an exceptional client and team member experience. Our success is built one relationship at a time. It's these seemingly intangible qualities that make CWB special.

PEOPLE FIRST Caring people are the key to our success. We work as a team and support one another. We always treat each other with respect and have the courage to be candid.	RELATIONSHIPS GET RESULTS Clients choose CWB for the best experience. We build relationships proactively, with intention and consistency. Our results depend on it.	EMBRACE THE NEW Change is everywhere. We seek out new ideas and are committed to continuous learning. We know that better is always possible.	THE HOW MATTERS How we do things is as important as what we do. We take ownership, and move with urgency and efficiency. We always act with integrity, and balance risk and reward.	INCLUSION HAS POWER Diverse teams unleash new ideas and perspectives. We are aware of our own biases. We are proud of who we are, and we are allies for those around us.
--	---	---	---	--

In 2019, we expressed our brand promise: to be obsessed with our clients' success. We provided a bold answer to the question, "Why CWB?". We deliver the kind of proactive client experience that we know can be a true difference maker for CWB in the market.

Since we formally articulated our values in an authentic way, we have captured the heart of what we do and how we do it. These values have been guiding not only our overall business strategy and how we operate, but also our approach to corporate social responsibility. Integrating these values has also allowed us to challenge our assumptions and grow as a contributing corporate citizen in the communities we serve.

CEO letter



To achieve our aspiration to be the best full-service bank for business owners in Canada, we continue to take action to create long-term value for our clients, people and investors. Throughout a challenging operating environment, brought on by the COVID-19 pandemic, our teams rallied together to support our clients and move our strategic execution forward. Over the past year, we continued to strengthen our business and culture and enhance our client experience.

At the outset of the pandemic, we launched our #CWBhasyourback program to provide financial support and personalized advice to our clients. We made it quick and easy for clients to access loan payment deferrals and government support programs and adapt their banking within a virtual environment. We also launched the ***Appetite for Good*** initiative to recognize the pandemic's unsung heroes – front-line workers – with delicious meals in partnership with our valued restaurant clients.

With our ***People First*** value firmly in mind, our top priority throughout the pandemic has been to protect the physical and psychological health and safety of our people. We took significant steps to ensure our teams have the flexibility, resources and assistance they need to continue to support our clients through challenging operating conditions. We increased our mental health and wellness support through investments in our health benefits, time off provisions and team member tools and resources. I am extremely proud of the way our teams have continued to support our clients and communities. Our actions have cemented strong relationships for years to come.

Our ***Inclusion has Power*** value confirms we reach our true potential by attracting top talent of all backgrounds by welcoming new ideas and perspectives. The past year highlighted many challenges people in our communities continue to face due to systemic racism. In response, we acknowledged our gaps and affirmed our commitments. I personally signed the BlackNorth CEO Pledge and we committed to have Black, Indigenous, and racialized people comprise at least 5% of our Executive Committee by 2025 and to have women comprise at least 30%. These composition targets will make us even stronger and more prepared for the opportunities and challenges of tomorrow.

Our Board of Directors has collectively committed to provide oversight to all aspects of our corporate responsibility and have formally added environmental, social and governance (ESG) oversight to their mandate. In 2020, our Board and Executive Management Team participated in workshops to explore our environmental priorities.

We continue to work on national and local climate-related programs. Nationally, we are involved in the Sustainable Finance Action Council and locally we participate in the City of Edmonton Corporate Climate Leaders Program and work with Climate Smart to measure our greenhouse gas (GHG) emissions in the Alberta Capital Region and enhance our energy consumption practices. In 2021, we will launch a phased approach to enhance our ongoing climate-related disclosures considering the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Our differentiated market position, high performance culture and transformational strategy are setting the stage for CWB to create attractive sustainable returns for our investors and long-term value for all our stakeholders. Our future is exciting, and sustainability will support CWB's continued success.



Chris Fowler,
President and CEO,
CWB Financial Group

Our approach to sustainability

Our strategy, culture and values guide our approach to sustainability. This includes environmental, social, and governance (ESG) factors. We believe our people, clients and investors all prosper when society is inclusive, healthy, strong, and connected.

Our Board of Directors oversees our ESG activities. Recently, we established a sustainability team under the leadership of our Chief Financial Officer. This team is responsible for designing and implementing a sustainability roadmap. The roadmap will include a focused approach on how CWB can best support the transition to a less carbon intensive economy. It will also seek to identify the part CWB can play to help address climate change.

Through this process, we will thoughtfully consider how sustainability will impact our strategy, products, risk management activities, metrics and disclosures. Our approach will be authentic to our strategic direction. We will consider the areas most important to our people, clients and investors. While we develop our longer-term, strategic approach to sustainability, we will continue to support the communities where we operate, be a strong corporate citizen, and take action to reduce our environmental footprint.

Our approach to sustainability considers five key elements:

OUR PEOPLE

We are building on our nationally recognized culture by advancing an inclusive workplace, where people feel like they belong and have meaningful opportunities to develop themselves and their careers.



OUR CLIENTS

We are committed to providing an unrivaled experience and supporting our clients' success through proactive service and a compelling mix of in-person and digital channels.



OUR INVESTORS

We are committed to providing attractive sustainable returns as a prudent manager of risk and reward, a leader in corporate governance and a responsible corporate citizen.



OUR COMMUNITY

Giving back to the communities we operate in through financial contributions and team member volunteerism is part of who we are. To maximize our impact, we direct our corporate donations and sponsorships to two areas of giving: **enabling business and promoting inclusivity.**



OUR ENVIRONMENT

We are dedicated to taking action to reduce our own overall environmental impact, including waste and energy usage, as well as supporting our clients in their efforts to green their businesses. As a founding member of the City of Edmonton's Corporate Climate Leaders Program, we manage GHG emissions for our Alberta Capital Region operations. Looking ahead, we will set emission targets across our entire operational footprint.



Our people

Our *People First* core value guides how we support team members across CWB. Our people and culture represent our core competitive advantage. Ensuring a great team member experience and high engagement is crucial to our continued success.



A Great Place to Work®

For the second consecutive year, Great Place to Work® Canada named CWB one of the 50 Best Workplaces in Canada in 2020.



We have a robust process to capture the perspectives of our people and measure our culture. We work with both internal channels and through external providers. As a certified Great Place to Work® Canada organization, we benchmark and measure engagement and trust.

Last year, confidential responses to the organizational trust survey administered by a Great Place to Work® Canada generated a *Trust Index* score of 83%, up from 77% in 2019¹. The increased score recognizes the hard work and dedication our people bring to work each day and is especially impressive as it was measured during the pandemic, with much of our team working from home.

The survey also sought to understand how best to support team members and their mental health during the pandemic. Highlighted results include:

94%	of respondents strongly agreed or agreed that CWB provided adequate support to feel physically and emotionally safe during COVID-19
97%	of respondents strongly agreed or agreed they were well informed of measures taken to protect team members
96%	of respondents strongly agreed or agreed they were well informed of measures taken to protect clients

¹Great Places to Work® Canada *Trust Index* offers in-depth and dynamic questions. Their surveys align with CWB's focus on culture, resulting in a deeper, more complete picture of our employee engagement.

The Great Places to Work® Canada *Trust Index* certifies companies who achieve a 70% *Trust Index* score. Once certified, the highest-ranking Certified Workplaces are eligible to compete for the 2020 Best Workplaces in Canada list. This list is published in the Globe and Mail as well as other industry and demographic-specific Best Workplaces lists.



In early 2020, we also conducted a robust culture audit assessment. We analyzed our meaningful efforts towards enabling a more positive workplace. The assessment identified strengths and gaps between team member experience and our people practices. Moving forward, we plan to strengthen our culture by adopting the flexible work practices that were crucial to our successful response to COVID-19.

FOSTERING A CULTURE OF INCLUSION AND DIVERSITY

Our value *Inclusion Has Power* reflects our long-term commitment to foster a strong culture of inclusion that celebrates our individual uniqueness, perspectives and insights. We care deeply about attracting and retaining team members who reflect the diversity of our clients and communities.

We know that when our team members bring their full selves to work, it leads to higher engagement, more innovation, better decision-making, improved results, and deeper client relationships.

INCLUSIVE TALENT SOURCING

We partner with diverse associations to help grow our talent sourcing network and increase brand awareness:

- **Edmonton Region Immigrant Employment Council (ERIEC)**

An industry-led not-for-profit organization dedicated to ensuring immigrants are welcomed and participate in the economy to their full potential

- **International Talent Acquisition Centre (In-TAC)**

This group connects international talent with local business for global success

- **Inclusion Alberta**

A family-based non-profit federation that advocates on behalf of children and adults with developmental disabilities and their families

- **Accessibility Work Experience Program (AWEP)**

This program provides meaningful employment opportunities for University of Alberta students and alumni who have permanent disabilities and/or mental health diagnoses

- **Forces@Work**

A division of Prospect Human Services. Forces@Work supports members of the Canadian Forces and veterans in successfully transitioning to suitable civilian employment and ensures that they will be able to maintain, if not exceed, the quality of life attained in their military careers

- **Network of Empowered Women (NEW)**

NEW fosters open communication and discussion on topics of female empowerment, career and person development, gender stereotypes, inequalities in the workplace and beyond. NEW tackles the big ideas that affect each person and our world. This work creates awareness about how empowerment will lead to a better, more sustainable future

INCLUSIVE RECRUITMENT PROCESSES

We are committed to fair, discrimination-free candidate selection practices. There is ongoing work to limit bias in the selection process. Tools such as Textio are used to create inclusive postings and practices such as anonymous screening. We're making strides to improve every year.

INCLUSIVE LEARNING

We believe mutual respect and inclusivity in the workplace lets people know they are valued. This helps them be fulfilled, engaged, and motivated to perform at their very best. As a result, all our team members take part in *Respect in the Workplace* and unconscious bias training. We believe this will help them unlock their best selves and encourage them to do the same with others in the workplace.

“ I felt compelled to send you a personal note about the interview yesterday. Since moving to Canada, this is the most personalized interview I have ever had. You made me feel as if my professional experience matters and that my journey matters. Irrespective of the outcome of my application, thanks for yesterday. And thanks for reminding me that one day, I will be in a position to offer positive affirmations to someone who is trying to make their way in a new country... ”

– CWB applicant

Keeping an inclusive focus during COVID-19

During the early months of the pandemic, we maintained our focus on diversity and inclusion by celebrating **CWB Culture Days** in June, which included:

- A team member blog series to share personal stories about their cultures, being Canadian, and what it can be like to live here
- Team-based activities to encourage people to participate in and celebrate the diverse cultures represented at CWB
- Launching two new team member resource pages: one to promote anti-racism, and the other to enhance learning about Indigenous cultures. The pages house a large collection of articles, books, videos, podcasts, courses, and even parenting resources

INCLUSIVE LEADERSHIP

Our leaders put our values into action every day: communicating intentionally, sponsoring employee represented groups, volunteering in the community, celebrating team members who demonstrate our values, and coaching and mentoring at all levels. Each year, we incorporate new ways for leaders to learn how to recognize and mitigate bias, how to build and nurture diverse teams, how to create an open culture of acceptance, and how to lead inclusively.

INCLUSIVE EQUITY PLANNING

Last year we developed a comprehensive *Employee Equity Narrative Report* that includes representation targets for designated groups: women, Black, Indigenous and racialized persons, and persons with disabilities.



Mark Stafford, Vice President and District Manager; Fatima Paulo, Manager Sales and Service; and Aneil D'Lima, AVP, Commercial Accounts, CWB Banking Centre, Mississauga, Ontario

Spotlight: a better business banking experience in Ontario

In addition to deep industry knowledge and banking experience, diverse viewpoints are an important asset. Especially when serving a growing, multicultural region like Mississauga.

When CWB opened its first banking centre in the Greater Toronto Area (GTA) in the fall of 2020, the team was able to draw on more than 200 years of combined experience to challenge the status quo in one of Canada's most dynamic markets. The team collectively speak 18 different languages, a crucial skillset in a region featuring a prominent immigrant population. It has since become one of CWB's fastest growing banking centres.

"Inclusion and diversity are a big part of CWB's culture. We know that different perspectives unleash the best solutions for our people and clients," explains Mississauga Branch Manager Mark Stafford. "The GTA is culturally diverse, and our team reflects that."

Read the full story at cwb.com/blog/diverseteam.

Growing our employee represented groups

We value the personal and grassroots activities that make each of us unique and crucial to our collective success.



Employee represented groups (ERGs) play a pivotal role in creating belonging and community, learning opportunities and positive engagement

Groups of team members have a formal structure to support their unique needs in relation to specific personally identifying characteristics, including visible and invisible identities or qualities. In 2020, we added the following five ERGs to grow our total to seven:



Additionally, CWB Women (supporting the development potential of women at CWB) and CWB Pride (LGBTQ2S+ team members and allies) continue to build momentum and grow their impact on our culture.



CWB Women

We support a well-established, fully inclusive, grassroots team member-led women's group, adopting the United Nations' Women's Empowerment Principles. This group supports women in all aspects of their careers at CWB, particularly women aspiring to leadership roles.



CWB Pride

CWB Pride provides LGBTQ2S+ team members learning resources, organizes inclusive educational opportunities and creates a sense of belonging to help us further support and embrace the LGBTQ2S+ community at CWB.

Team member experience and engagement



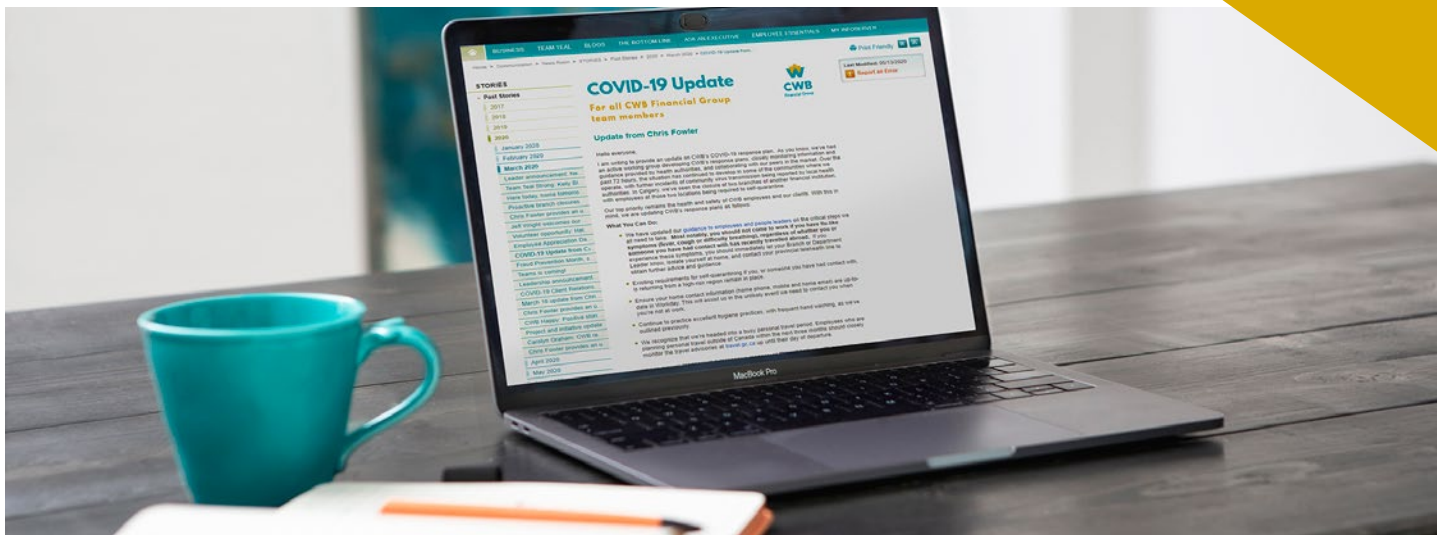
WE GROW OUR TALENT FROM THE INSIDE

Our people underpin the success of our two-pronged talent acquisition strategy to:

- 1) Grow internal talent
- 2) Recruit through team member referrals

Talent Acquisition, Learning and Development, and Human Resources team members support and encourage internal candidates to seek growth opportunities.

IN 2020 **39%** of all job opportunities were filled internally



Our people continue to be excellent advocates and ambassadors for recruiting talent. They showcase the quality of our existing talent to potential recruits. They also have great instincts in identifying recruits who are a cultural fit. They find people who bring the right knowledge and capabilities to provide the high level of client experience we are known for.

IN 2020 **37%** of all external hires came through team member and client referrals

ONBOARDING IN A DIGITAL WORLD

Within the first month of CWB employment, all new team members attend a full-day, in-person orientation session. With the onset of COVID-19, we had to move to virtual delivery. Yet, our overall approach remained the same:

- A warm welcome
- A wealth of information
- Helpful resources to give support as they get settled at CWB

ENSURING A SUCCESSFUL, VIRTUAL START TO A CWB CAREER

All new team members receive their work equipment, materials and a welcome gift shipped to their homes. After virtual orientation, new team members' leaders continue to reinforce CWB values and use best practices in virtual onboarding and team engagement. Leaders engage new team members with actions like:

- Additional online training
- Frequent team and peer meetups
- Open lines of communication

USING VIRTUAL CONNECTIONS TO SUPPORT TRANSPARENCY AND COMPANY-WIDE CONNECTIONS

New team members get immediate access to several communication channels to help them learn and understand CWB's culture. Our intentionally designed channels support connections and transparency across all teams and levels, from senior leaders to front-line staff. These channels include:

- Weekly newsletters
- Monthly videos
- Executive Q&As and live chats
- Contests
- Cultural events
- Our Employee Insights Community

These connection and conversation methods have taken on different shapes during the pandemic. The goals of proactive, personal, and two-way connection remain the same.

Listening to our team members

We've created a virtual Employee Insights Community to tap into the vast expertise and experience of more than 300 team members nationwide. Through surveys, test and focus groups, people provide their insights on new product and process ideas, marketing campaign materials and operational changes.

Coaching to adopt a 'best-self' mindset

Our career coaching program helps people map a career plan to meet their aspirations and help us grow our own talent from the inside. The goal is to engage in a process of self-discovery through open-ended discussion, not direction or dictation, equipping all participants with the opportunity to support a “best-self” mindset. We strive to arm coachees with a sense of empowerment and choice in their journey, while coaches learn valuable training techniques. In 2020, more than 150 team members took advantage of this unique program.

SUPPORTING OUR TEAM MEMBERS WITH COMPETITIVE BENEFITS AND INNOVATIVE PROGRAMS

Health & Wellness	Compensation	Recognition & Engagement	Learning & Development
High value, team member benefits plan (no co-pays or annual deductibles) and an Annual Wellness Benefit	Competitive base salary and variable incentives	Our recognition programs align to our culture; encouraging behaviours aligned with our values	<i>Teal Academy</i> , CWB's online employee learning portal, provides a wide variety of learning resources
Competitive healthcare spending account	100% employer matching RRSP program	We hold fun, spontaneous events and contests to say thank you	November Learning Week included focused learning discussions and the introduction of new resources, like a mobile learning app
Employee Assistance Program with increased mental health supports under COVID-19, such as wellness sessions, peer groups and available paid time off for caregivers	CWB contributes 2% of base salary to the employee share purchase plan (ESPP) and matches up to 50% contribution for eligible team members	Teal Champion and Pillars of Excellence programs recognize extraordinary efforts aligned to our strategy and values	Career coaching program empowers self-discovery and a growth mindset



Engaging during a pandemic

We knew it would be critical to continue to foster and develop human connections when the COVID-19 pandemic hit. So we implemented over 20 team member engagement initiatives to spark camaraderie and boost morale, such as *Team Teal Triumphs*, an infographic series showcasing teams' successes since the pandemic hit; virtual live events like concerts and comedy shows on YouTube Live for team members and their families; "essential worker" wearable items like masks; dining gift cards; and even a *Day of Thanks* on July 17, 2020, when we closed for business for the day as a way to recognize our team members' dedication and commitment throughout the pandemic.

GROWING A LEARNING CULTURE

Learning culture is a key priority for CWB. This is part of our core value *Embrace the New*. In 2020, we focused on increasing awareness of the value of learning. We provided committed learning time, increased accessibility to learning opportunities, and leadership support. The objectives were:

- To help our team members build a growth mindset
- To provide social learning opportunities
- To ensure new knowledge is put into action

DEVELOPING THE TALENT OF TOMORROW

Each year we hire one or more cohorts into our **Banking Associate Program**. This unique, 12-month training program brings in new graduates to learn what it takes to become a commercial banker. Successful candidates form a small cohort who gain real work experience, while learning best practices in commercial banking. The program includes a comprehensive benefits package, as well as:

- 12 months of dedicated training with on-the-job, online and in-person learning
- Networking opportunities with leaders and peers across Canada
- Placement on a team specializing in commercial banking, real estate lending or equipment financing





PREPARING TEAMS TO EMBRACE THE NEW

Whenever we launch a major project or transformational initiative, we follow best practices in Organizational Change Management (OCM) and establish a *People First* team. This team provides cross-functional leadership and expertise in designing and implementing organization changes to achieve positive outcomes from the perspective of our people. The *People First* team fully collaborates with the business in planning and executing initiatives. For smaller initiatives, our business teams and leaders keep our *People First* core value firmly in mind, providing resources and toolkits to ensure changes roll-out thoughtfully and effectively.

OCM PULSE SURVEY:

Our OCM team uses a combination of surveys and focus groups to assess all of our change projects delivered in a quarter. Team members provide feedback on how the change was handled (in terms of impact to people) and whether they received all the information they needed.

Supporting our teams during COVID-19

In keeping with our *People First* value, a top priority throughout COVID-19 has been to protect the physical and psychological safety and wellbeing of our teams.

At the outset of the pandemic, our leadership team immediately implemented our crisis management processes, allowing us to act quickly, decisively, and in the best interest of our people.



Seun and his son Teni take a break to colour, which is a relaxing activity they like to do together.

By March 20, 2020, we supported and enabled more than 85% of our workforce to work from home, and implemented flexible work arrangements to ensure our people had the flexibility they needed.

To help us adapt and create stability, confidence and consistency in the workplace during the pandemic, we established seven *Guiding Principles* to direct our pandemic response activities:

- Safety
- Empathy
- Equity
- Flexibility and creativity
- Trust
- Productivity
- Reasonableness

These principles helped inspire us to be thoughtful and creative in navigating the many challenging decisions we've had to make throughout the pandemic, while continuing to support our clients and advance our strategic objectives.

As an essential service provider, we put people first in our decisions about banking centre hours, closures and safety protocols to protect the health of our team members and clients. We swiftly adapted processes to support our clients' banking needs virtually. We provided team members an additional 12 days of paid time off for situations requiring child or elder care, self-isolation, and quarantine.

We also put significant focus on mental health supports. In addition, we provided our banking centre team members with a one-time \$750 bonus, to recognize their unwavering commitment during the pandemic. Beyond these elements, we emphasized with our leaders the importance of being empathetic to individual circumstances and working with our team members to find appropriate solutions.

Nurturing a healthy, connected culture during the pandemic

- We implemented Microsoft Teams enterprise-wide to help connect and engage team members working remotely
- We also opened a virtual leadership dialogue with senior leadership vlogs, meetings and team member e-chats, which included personal sharing and storytelling
- To support mental health and wellness, we quickly increased available resources, which included creating a mental health hub, holding weekly meditation sessions and a *Leaders Supporting Leaders* forum, providing links to self-care resources and enhancing crisis support resources
- We continued our focus on engagement, moderating a CWB Facebook site, with weekly contests and morale boosting content, shout outs to team members and teams
- On July 17, we closed business for a day for a *Day of Thanks*, to offer all team members an extra day off work

We provided all team members with daily updates about CWB's COVID-19 response.

We also developed a centralized intranet site, open dialogue with our COVID-19 response team, and team member feedback surveys to ensure their voices were consistently heard.

IN MAY 2020

92%

of team members felt that leadership genuinely sought and responded to their questions, suggestions and ideas

Team members identified leadership (speed, decisiveness, responsiveness, clarity, vulnerability) as the most valued action they experienced in adapting to the realities of COVID-19.

'Ask me anything' to challenge uncertainty

At the height of COVID-19 uncertainty, our people had lots of questions about our business, their job security, our COVID-19 response, and how we would continue to support our clients during the pandemic. We wanted to answer those questions and create a strong sense of unity during this challenging time. We began hosting regular *Team Teal Live Q&A*, a virtual "Ask me anything" style forum using Microsoft Teams. Each session was hosted by two senior leaders, focused on a specific topic, like supporting clients during COVID-19, return to work plans, or mental health. People were free to submit questions anonymously in advance, or ask them live. We had several hundred team members attend each session and participant feedback scores rated these events 4.8 stars out of 5.

“ The unconditional support, flexibility and sincerity during this crisis... it's proactivity on so many levels, from business to personal. CWB's approach has been very much individualized (I matter), which I think has been exceptional. ”

– Anonymous team member

What is perhaps one of the most meaningful and important aspects of our initial response is that **no team members were laid off, furloughed or received a reduction in their base salary as a result of the pandemic.** In fact, our people were paid the same wage even if they were working reduced hours. This was very important for CWB and a clear demonstration of the value we place on our people and our commitment to support our teams during challenging times.

Our clients

In keeping with our *Relationships Get Results* core value, we are committed to providing an unrivaled client experience.



We connect with our clients on a personal level by being in the relationship business, not just the banking business.

We look for ways to enhance our client experience. We make banking easier and more accessible for our clients through our in-person interactions and expanding digital channels. In everything we do, we strive to be our clients' trusted financial partner and support their continued success.

We continue to make progress to enhance our in-branch client experience. Our *Branch of the Now* design supports a more collaborative experience for clients and their advisors. This includes three new banking centres openings in 2020 (Abbotsford, Calgary and Mississauga).

We have intentionally chosen to not rely on voicemails to get back to our clients, but rather to answer every call to provide a personal touch.

We launched new services such as digital client onboarding in 2020. Upcoming enhancements to our digital banking platform will make it much easier for more of our clients to access services anytime, anywhere, on their terms.

During the pandemic, as we moved team members home and adjusted banking centre hours, we expanded our ability to meet our clients' needs by:

- Discussing cash management options with our clients, such as Remote Deposit Capture, to reduce their need to visit our banking centres in person
- Booking appointment times that fit client schedules outside of public banking centre hours
- Enhancing our ability to conduct simple transactions over the phone
- Holding virtual meetings to ensure we never lose our relationship focus
- Supporting electronic signatures to provide a more convenient banking experience

#CWBHASYOURBACK

I could not be prouder of our response to COVID-19, and the compassion and determination our team demonstrated. With our #CWBhasyourback program and our team's amazing client service efforts, we worked closely with our clients to find flexible solutions to ease financial uncertainty.

Our team reached out proactively to explore options, defer or adjust loan payments for thousands of clients. All of our team members, irrespective of their role, collectively rallied to support our clients and each other. They brought our brand to life at a time when our clients needed us the most – and they won't soon forget that.

Our client feedback has been heartfelt and extremely positive. Our latest client experience surveys show that our Net Promoter Score (NPS) actually improved during the pandemic, which we consider a significant accomplishment considering the challenging operating environment.

As hard as all of this has been, we have created another significant opportunity for CWB to demonstrate how we are obsessed with business owners' success by forging stronger relationships with existing CWB clients and winning new business.

I am honoured and grateful to share this message that celebrates the deep relationships we have built with our clients over this past year.

Thank you, team.

- **Stephen Murphy**,
Executive Vice President, Banking



Appetite for Good initiative thanks pandemic's unsung heroes

CWB launched the Appetite for Good initiative to help thank the unsung heroes in our communities—front-line workers—with delicious free meals from local restaurants. Collaborating with our restaurant clients nationally, we provided free meals to nominated community members, while also helping support local eateries during a challenging time.

“ I can't express enough support for @CWB – they were the first bank to listen, and they have gone so above and beyond it's unbelievably refreshing. ”

- Edmonton client **Cory Wagner**,
President, Hotel Equipment and Supply Co (on Twitter®)

“ CWB is all over this, and because of that, its customers can in turn help their customers, who can in turn help their customers, and so on. It is appreciated and will be remembered. ”

- Vancouver client **Eric Carlsson**,
CEO, Anthem Properties Group (on LinkedIn®)

LISTENING TO OUR CLIENTS

We listen to our clients regularly. We use:

- Client surveys
- Focus groups
- Market research

This feedback focuses on their satisfaction and confidence in our products, channels, and banking centre relationships.

Our intentional approach to client feedback ensures we're always on track to provide an unrivaled client experience.

We leverage the CWB Insights Exchange, a panel of more than 400 business clients, who help guide our development of products, policies, processes, and communications. This ongoing dialogue allows us to gain insights, which in turn inform the actions we take to support our clients.

MAKING EVERY RELATIONSHIP ACCESSIBLE

We strive to create an accessible and inclusive environment where clients with different needs from all backgrounds see CWB as a great place to bank.

ACCESSIBILITY FOCUS

Our retail team members attend our virtual Client Obsession Academy. The focus is on helping them:

- Identify and gain a deeper understanding of clients' objectives
- Have great conversations
- Address any barriers clients may experience

ACCESSIBLE SERVICES

We offer a number of service options tailored to our specific clients' needs, such as:

- **Flexible financial services:**
 - No-fee accounts
 - A flexible, low-cost chequing account
 - Fully online account opening enabled by accessibility technology
 - Waived monthly account fees for youth under the age of 18 or students pursuing post-secondary education

- Access to services via our no-fee Gold Leaf Plus® account for clients aged 57+
- Community banking program to serve non-profits

- **Increased inclusivity:**

- Sit-down banking options and accessibility in the design of our new banking centres
- Multilingual banking centre team members offer streamlined services in a number of languages
- Documents offered in alternate formats, such as braille, large font, or other languages upon request



We encourage clients to contact us if they require an alternate accessible format for any of our printed materials. Questions, concerns or comments regarding accessible services can be shared at cwb.com/about-us/accessibility or by calling **780.423.8888** during regular operational hours.



Luke Shaheen,
Managing Partner, APEX Active Entertainment Group

Spotlight: obsessed with our clients' success

In the early weeks of Canada's response to COVID-19, Luke Shaheen, Managing Partner of APEX Active Entertainment Group in Regina, was sussing out details on impending relief from the Canada Emergency Business Account (CEBA).

CWB stepped up to partner with clients to help them access funds quickly and rebound from the pandemic.

"We were in constant contact with our relationship manager at CWB as soon as we heard about CEBA," says Luke.

"He provided us with the information we needed, including how the program would be rolled out, interest rates and the dates, which made things easier for us as we manage businesses in different jurisdictions. I didn't have to go searching for details on repayment periods, for instance, as he equipped me with all of that information as soon as he had it."

Read the full story at cwb.com/blog/navigatingCEBA.

Our investors

Our strategy to focus on our people, clients and communities is designed to provide attractive and sustainable returns to our investors. In keeping with our *The How Matters* core value, we are committed to following strong governance practices, and balancing risk and reward. This ensures we continue to earn and maintain the trust of our investors.



Note – This photo was taken before the pandemic and has been altered to reflect board membership as of Oct 31, 2020.

WHY CORPORATE GOVERNANCE MATTERS

Our strong corporate governance culture is founded on the principles of integrity and accountability. Our corporate governance practices are designed to foster ethical conduct, promote responsible business practices, and build shareholder value over the long term.

OUR APPROACH

The mandate of the Board of Directors (the Board) is to:

- Determine our approach to governance issues, including ethical conduct
- Approve and oversee items essential to prudential CWB oversight, such as risk appetite, capital plans, and key policies
- Provide advice, guidance, and challenge CWB senior management

BOARD OF DIRECTORS

Strong corporate governance practices start with an independent chair leading a board of committed directors to oversee strategy and risk management, and promote ethical behaviour throughout our organization. The Board delegates certain powers, duties and responsibilities to committees, in order to fulfill its duties and responsibilities. The Board has four committees: Audit, Governance and Conduct Review, Human Resources and Risk.

Our corporate governance framework provides clearly defined roles for our Board and committees. The Governance and Conduct Review Committee oversees corporate governance policies and practices, and makes recommendations to the Board on its nomination, development, and compensation practices and overall effectiveness.

Key governance highlights

Board independence	All directors are independent, except for CWB's President and CEO who is the only non-independent director. <i>The Bank Act</i> (Canada) requires that the CEO be a CWB Board member.
Separate Chair and CEO positions	The Chair of the Board is an independent director. Separating the roles of CEO and Chair of the Board allows the Board to effectively oversee management and avoid potential conflicts of interest.
Annual individual election of directors	Directors are elected annually, and votes are cast for individual directors, not by slate. The average director tenure is 8.9 years, striking a good balance between experience, continuity, and fresh perspectives without mandated term limits.
Majority voting policy for directors	The Board has adopted a majority voting policy. A director who is elected, but does not receive a majority of votes cast in their favour, must immediately submit their resignation to the Board.
Retirement age for directors	Directors are not eligible for re-election at the first annual meeting of shareholders immediately following their 75th birthday.
Board diversity policy	<p>Directors are nominated based on their skills, expertise, experience, integrity, independence, residency and geographic location, and diversity criteria such as race, ethnicity, age, gender identity, sexuality and abilities.</p> <p>The Governance and Conduct Review Committee is CWB's nominating committee and uses an expertise and skills matrix to assess competencies of current directors, recognize any gaps, identify desirable skill sets in new candidates, and consider where skills and experience need to be strengthened.</p> <p>With 46% of directors (6) identifying as women and 15% (2) identifying as Black, Indigenous or racialized persons, CWB is becoming an industry leader in realizing and benefiting from board diversity.</p>
Board assessment process	In even years, board members assess the effectiveness of the Board as a whole and each of its four committees. In odd years, board members assess the effectiveness of each director, the Chair of the Board and each of the committee Chairs, in terms of their performance as Chair.
Annual advisory vote on executive compensation	CWB solicits feedback from its shareholders through its "Say on Pay" advisory resolution on executive compensation.
Share ownership requirements for directors	All independent directors of CWB are required to hold, either directly or indirectly, CWB common shares or deferred share units with a value equivalent to six times the maximum annual cash component of the director retainer.
Share ownership requirements for executives	<p>The President and CEO is required to hold, either directly or indirectly, CWB common shares, performance share units or restricted share units with a value equivalent to five times their annual salary.</p> <p>Executive officers are required to hold, either directly or indirectly, CWB common shares, performance share units or restricted share units with a value equivalent to two times their annual salary.</p>
Shareholder engagement program	CWB is committed to transparent and effective communication with our shareholders and other stakeholders through various channels, such as our annual report, management proxy circular, annual information form, quarterly reports, corporate social responsibility report, news releases, our website, presentations at investor and industry conferences, and other meetings. CWB promptly responds to inquiries and requests for information from shareholders, investors and other stakeholders.

More detailed information about CWB's corporate governance practices can be found at www.cwb.com/about-us/corporate-governance

Supporting responsible, ethical banking

Ensuring our clients feel safe, secure and heard is an integral element of our commitment to service excellence.

Code of business conduct and ethics

CWB has a strong ethical culture based upon CWB's core values. This is reflected in the CWB Financial Group Code of Conduct: Living our Values, which sets out our standards of legal, ethical and responsible behaviour.

The privacy and safety of our business and personal clients using all of our channels, including our growing digital services, is paramount. We benchmark and enhance the effectiveness of our cyber security risk and control frameworks to stay ahead of new threats.

Our expanded cyber security team continues to improve data governance practices, implement security safeguards to prevent unauthorized use, sharing, loss or theft of information, and proactively manage potential issues to ensure a secure online banking experience for our clients.

Given the increasing sophistication of cyber criminals, we provide learning designed to equip our team members with the skill and knowledge to spot and act on threats to CWB. Learning modules cover email and mobile device security, password policy, as well as protection against ransomware, insider threats and phishing.



Anti-corruption and anti-bribery

CWB follows strict anti-corruption and anti-bribery guidelines, in full compliance with all Canadian laws and regulations.

Information about our privacy management practices and the options available to our clients is available at our banking centre locations or online at cwb.com/about-us/privacy

Our communities

We take pride in contributing to the overall health and wellbeing of the communities in which we operate. We show our community commitment by promoting and supporting team member volunteering efforts, and by providing financial support through corporate donations and sponsorships to charitable and not-for-profit partners.

EVOLVING OUR COMMUNITY INVESTMENT STRATEGY

Contributing to a rich, diverse economy and supporting the development and future of business from a community perspective is important to us as a community leader. In 2020, we refined our community investment approach to reflect our business goals and strategy. We've now shifted our community investment focus to ensure we maximize our impacts in the following areas: **Enabling Business and Promoting Inclusivity.**

ENABLING BUSINESS

To contribute to the long-term success of our economy, we've adopted a proactive approach to making positive impacts for business owners and the business community in Canada. We do this by investing in community organizations that enable business by offering:

- Education
- Thought leadership
- Entrepreneurial inspiration
- Skill development
- Experiential learning

PROMOTING INCLUSIVITY

CWB is striving to unlock the power of inclusivity so we as Canadians can all contribute to the success and growth of our country. We strive to create equitable opportunities for all people by investing in community organizations focused on removing barriers for those pursuing:

- Financial empowerment
- Skill development
- Learning and mentorship
- Business opportunities

PROMOTING HEALTHY, VIBRANT COMMUNITIES

Each year, we give a portion of our net income to charitable and not-for-profit organizations. Despite the challenges facing everyone in 2020, we were still able to support approximately 150 community and charitable partners across Canada. Donations and sponsorships totalled more than \$1.5 million.



Note – This photo was taken before the pandemic.

CONTRIBUTING MORE THAN \$500,000 TO UNITED WAY™ NATIONALLY

CWB has been an active supporter of the United Way™ for 35 years. With the emergence of the COVID-19 pandemic, we recognized their exceptional ability to deploy funds quickly to support society's most vulnerable. At the beginning of the pandemic, we allocated \$50,000 towards United Way™ locations in Alberta. Despite having to move exclusively to virtual fundraising, our team members' community spirit was remarkable. Through our annual workplace campaign, they raised an additional \$180,000 for this cause. Overall, we gave over \$280,000 to United Way™ locations across our markets. In addition, our team members at CWB National Leasing™ donated over \$220,000 to the United Way™ Winnipeg through fundraising efforts and matching contributions.



Empowering the financially vulnerable during COVID-19

We believe we have a responsibility to support the financial health of our clients, our team members and our communities. To support vulnerable populations disproportionately affected by the pandemic, CWB has supported a number of employability, professional development and financial literacy programs, such as:

- Bissell Centre's *Financial Empowerment Program* in Edmonton
- *The Dollars and Sense Program* through the Launch Community Development Foundation in Kelowna
- Wellspring's *Return to Work Workshops* through the Alberta Cancer Foundation in Southern Alberta
- Read Saskatoon's *Financial Literacy Program*
- The Calgary John Howard Society's *Learning Employment Enhancement Program*

SUPPORTING THE BATTLE AGAINST SYSTEMIC RACISM

The past year highlighted that many people in our communities continue to face challenges with systemic racism. In response, CWB took a moment to pause, listen and learn. Then we took decisive action.

We broadened our inclusion work to make meaningful commitments to the Black community in Canada. We were honoured to gain four new partnerships to support learning and mentorship opportunities for Black youth in Canada. Giving more than \$45,000 in donations, we will continue to strengthen these new partnerships and pursue more in the future. In addition, our CEO Chris Fowler signed the BlackNorth CEO Pledge, committing CWB to specific actions and targets designed to end anti-Black systemic racism.

SUPPORTING THE ARTS

CWB has a long history of supporting Canadian artists and access to arts and cultural activities. We proudly display 300 pieces of Canadian art at the CWB National Leasing™ office in Winnipeg. Over the past few years, we have donated \$50,000 to the Winnipeg Art Gallery in support of opening the Inuit Art Centre, which opened early 2021. The Centre houses the world's largest public collection of Inuit art.



SUPPORTING SKILLED MEDICAL PROFESSIONALS

We are proud to support community organizations serving Canadians in need at various phases of their life. This includes organizations like **Windmill Microlending**, who offer microloans to skilled immigrants and refugees to continue their careers in Canada, so they can contribute to the growth of our country.

Through the CWB loan fund for medical professionals at Windmill, we're proud to support skilled professionals like **Frederick Tetteh**, a registered nurse from Ghana, who is working on his Canadian accreditation with the added challenge to support his wife and new child while working at night at a hospital janitorial job.



Raising \$5,000 for the ARNET Pandemic Nurse Education Fund

In the spring of 2020, we held a special campaign to celebrate and support nurses through the Alberta Registered Nurse Education Trust (ARNET). For every social media post thanking a nurse shared before May 31, we donated \$5 to ARNET. It was one small way we could show our thanks to all the nurses who make so many sacrifices for us, especially during the pandemic.

Our environment

CWB CLIMATE COMMITMENTS



CONTRIBUTING TO A MORE SUSTAINABLE FUTURE

Climate change presents both risks and opportunities for society and the global economy. It will take a collective effort between businesses, government, and individuals to limit greenhouse gas (GHG) emissions to safe levels. CWB is committed to a more sustainable future and supports the transition to a low-carbon economy.

Enhancing our climate-related disclosures

Transparent and timely communication on our climate-related work is important to our stakeholders. This year, we will develop and initiate a phased approach to enhance our climate-related disclosures in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, which aim to facilitate consistent and comparable reporting of climate-related risks and opportunities across industries.

As we develop a sustainability roadmap, our climate ambition will be a key focus area. This will include targets and a plan to reduce our own GHG emissions. It will be a focused approach to how CWB can support Canada's climate goals.

TAKING ACTION TO REDUCE OUR CARBON FOOTPRINT

CWB is one of the founding partners of the City of Edmonton's Corporate Climate Leaders program. The design of this initiative supports the growing number of profit and non-profit organizations that are concerned about climate change and committed to act. As program partner, we are working towards five- and fifteen-year plans to reduce our greenhouse gas (GHG) emissions from our operations in the Alberta Capital Region. This includes our Edmonton corporate office and Edmonton-area banking centres. We are reviewing our climate plans and are creating a revised climate ambition and GHG reduction targets to support Canada's climate goals.

To measure our GHG output we partner with Climate Smart, a social enterprise in Vancouver, whose approach to measurement complies with the *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard*. The following figures include our GHG output from electricity, heat, and team member commuting, which we recognize as our highest energy outputs. GHG output is measured in tons of carbon dioxide equivalent (tCO₂e), which represents the varying global warming potential of different GHGs and converts them into equivalent tons of carbon dioxide.

Alberta Capital Region GHG emissions:¹

- FY2017 emissions (baseline): 6,366 tCO₂e
- FY2019 emissions: 6,070 tCO₂e
- FY2020 emissions: 4,878 tCO₂e

Our FY2020 GHG emissions in the Alberta Capital Region were 23% below our baseline year, predominantly driven by a reduction in our Scope 1 and Scope 2 emissions from electricity and heat. This reduction reflects the increase of remote work during the COVID-19 pandemic, which reduced electricity consumption in our corporate office and throughout our network of banking centres. It also reflects certain efficiencies achieved through our increased use of eco-friendly building features, such as lights-on sensors and LED lighting. In 2021 and 2022, we expect our GHG emissions may rise from 2020 figures as many of our team members return to the office.

As we refine our climate approach and disclosures, we will include more detailed analysis of the material sources of our GHG emissions.

CULTIVATING SUSTAINABLE PRACTICES

Waste management is a key focus for us, as we commit to reduce, reuse and recycle. These sustainable practices help decrease our environmental impact.

It starts with our paper usage, which we continue to take steps to reduce. We continue to encourage our people to print fewer documents and reports and use paper-shred services on every office floor. In 2020, we shredded and recycled more than 97,892 kg of paper, representing an estimated 1,844 trees.

Recycling old technology also helps us meet our environmental responsibilities. We partner with the Electronic Recycling Association to recycle old technology.

In 2020, we returned more than 570 items, such as computer monitors, laptops and printers, after they were securely wiped of all files and information. Through this effort, we recycled more than 1,748 kg of hardware.

BUILDING SUSTAINABLY

With our new *Branch of the Now* design, we are using more eco-friendly materials made in Canada. Whether we're building a new banking centre or renovating an existing space, we incorporate green features where possible, such as:

- Lights-on sensors
- LED lighting
- Energy-efficient mechanical systems

Our new banking centre locations also include electrical car charging stations for our clients.

¹CWB's fiscal 2017 greenhouse gas (GHG) baseline inventory and fiscal 2019 GHG inventory were recalculated in 2021 due to improvements in the accuracy of activity data collected for electricity and heating at the Central Alberta CWB locations. The revised activity data resulted in an 8% increase in emissions reported in the baseline fiscal 2017 and fiscal 2019 inventories.

Climate Smart's recalculation policy states any change in a company's emissions over a '5% significance threshold' triggers an inventory recalculation. This approach adheres to the GHG Protocol's guidance on baseline recalculation and ensures CWB's GHG inventories continue to align with the principles of the GHG Protocol.

LENDING RESPONSIBLY

We evaluate the potential environmental risks of applicants' business activities as part of the regular due diligence of our credit granting process. We are committed to supporting our clients in growing and expanding their businesses. However, if we identify potential environmental risks that do not align with our values and cannot be resolved to our satisfaction, we will deny loan applications.

Looking ahead

Thank you for reading our Corporate Social Responsibility Report 2020. The included stories and information reflect our ongoing commitment to support our people, clients, investors, and communities. As we look ahead, we will continue to intentionally consider our approach to sustainability. We are committed to engage with our stakeholders and to update and enhance our disclosures available on our website. We invite you to follow our progress at www.cwb.com/corporate-social-responsibility.

For information about CWB Financial Group's corporate governance practices, see our 2020 annual report available online at cwb.com/investor-relations or in print at one of our locations.

Our most recent public accountability statement is available at our locations or online at cwb.com/investor-relations/financial-information/regulatory-filings-and-disclosures.

CWB Financial Group™, Obsessed with your success™, and CWB Wealth Management® names and logos mentioned and/or shown in this report are registered trademarks or trademarks of Canadian Western Bank. Canadian Western Bank trademarks may be used publicly by authorized users only with the written permission from Canadian Western Bank. The names [and logos] of third party companies mentioned [and/or shown] in this report are the property of their respective owners and may also be trademarks.

