

# BOARD HIGHLIGHTS

## Credit Unions: A Family of Companies

You may know many commercial enterprises tie their fiscal year to the calendar year. Consequently, during late winter, their auditor examines their books and they report to their shareholders during their Annual General Meetings (AGMs). Your credit union operates along these same lines, and as a shareholder, you have a right to attend the AGM and to review the activities of the previous year. This year the AGM of our credit union will start at 7:00 p.m. on 28 April at the Royal Canadian Legion in St. George's. I encourage you to attend. Coffee, tea, and dessert will be available. Related to this topic, I should provide to you some information about the credit union system.

Most importantly, you should know that our Leading Edge Credit Union does not float on its own in the financial marketplace. No, you are a shareholder - an owner - of a significant financial company that has aligned closely with 56 such other enterprises in Atlantic Canada. Cooperatively, these companies own three other business partners: Atlantic Central, League Data, and League Savings and Mortgage. Just as you are an owner of LECU, your credit union is an owner of these companies. In the same way you can participate in the governance of your credit union, your credit union can participate in the governance of these companies.

During the second week of April, a number of directors of LECU attended the AGMs of these companies. They received reports, discussed plans for the future and elected directors. I am pleased to advise you that Newfoundland and Labrador delegates elected to the Board of Directors of the Atlantic Central, the Chair of LECU, Gary O'Brien. Gary will represent our credit unions on the Board of Atlantic Central for the next three years, at which time he will be eligible for reelection.

From all reports, I believe it is fair to say that credit unions and their related companies enjoyed much success in 2013.

## Corporate Social Responsibility

No doubt, you have recently heard companies talk about corporate social responsibility (CSR). Have you wondered what CSR means? From whence did the concept arise? Do you know what your credit union does in this context?

Corporate Social Responsibility is a concept by which businesses hold themselves accountable to a wide range of stakeholders, both inside and outside the company. "Key areas of concern are environmental protection and the wellbeing of employees, the community and civil society in general, both now and in the future."<sup>1</sup> The concept (in different words) goes back a long time.

In 1900, because the limited availability of affordable loans to his fellow citizens in Lévis, Quebec, concerned him, Alphonse Desjardins opened the first *caisse populaire*, the beginning of current North American credit unions. His goal was to provide to his parish members a solution to social issues. In 1927, the Rev. Moses Coady, who stimulated the development of many co-operative enterprises and credit unions in English Canada, testified before a Government of Canada commission. His opinion was that ordinary people with the right kind of education – critical thinking, scientific methods of planning and production – using co-operative entrepreneurship could revitalize local economies. Each leader perceived a business enterprise having its primary focus on social development. If the owners thrived, their companies thrived, and their communities thrived.

Until recently, although it has always played an active role in the communities it serves, your credit union did not fully track its efforts under the CSR banner. The Annual Report for this year will include a more complete listing. You will be able to see the contributions both the staff members and your company make to our communities. You will also be able to see the efforts LECU makes to keep its environmental footprint at a minimum and to ensure that our social order continues to thrive in the present and in the future.

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<sup>1</sup> International Institute for Sustainable Development