

Pathway to using **BUSINESS** as a force for **GOOD**

 **Cashco**

savings. loans. real world banking.



STABILITY CITY

LAKE OF UNDERSTANDING

PROSPERITY POINT

GENEROSITY FALLS

The VILLAGE
by Cashco

AWARENESS OUTPOST

VALLEY OF DEBT

MOUNTAINS OF OVERSPENDING

CONFUSION CHASM

AVOIDANCE DESERT

NSF FEE FOREST

CHAOS COVE

SWAMP OF SHAME

Pathway Report
Published April 7th, 2021

Introduction

What You'll Find Here

Cashco Financial Inc. (Cashco) is a champion for the underbanked of Canada. Over 28% of Canadians define themselves as underbanked and those are the people we service every day. The underbanked are people who do not have access to mainstream banking. They are often declined for credit (including credit cards) and therefore depend on alternative financing. We're here for those who don't have access to credit and financial services through traditional mainstream institutions.

Our Pathway to Using Business as a Force for Good report (Pathway Report) is designed to help you, our reader, understand how Cashco aligns our business strategy with our overall purpose to provide relief today and hope for tomorrow.

This Pathway Report will keep us more accountable to you in several ways. Our Report Card tells you the goals we've committed to achieve and the progress we're making. This table gives us the opportunity to tell you about the hurdles we face while working towards our goals and how we plan to overcome them.

We'll also talk about the responsibility we have to our employees and what it means to be a Cashconian (hint: we live by our 5 Core Values). Our people are the reason we're the lender of choice for many who identify as "underbanked." For you to understand what that term means, we'll paint the picture of what it means to be an underbanked person in Canada and what poverty looks like in our country.

This is our first-ever Pathway Report and we couldn't be prouder. Our commitment to you is to publish an updated Pathway Report annually going forward. These pages allow us to Communicate Honestly about the reasons we exist and the things that drive us. We are keeping ourselves accountable to never stop changing for the better.

Let us show you the steps we're taking to End Financial Exclusion. You might be wondering what exactly does financial inclusion look like to us? How will we know we've reached our goal? That will be the day when every Canadian has access to the banking services and products they need.

2,000,000 UNDERBANKED* CANADIANS



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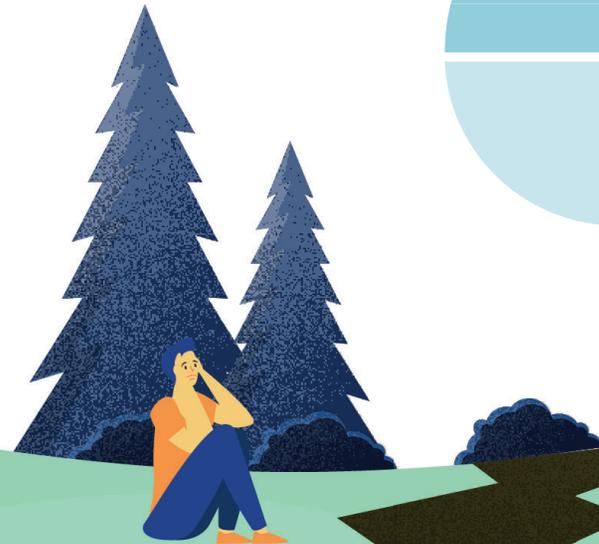
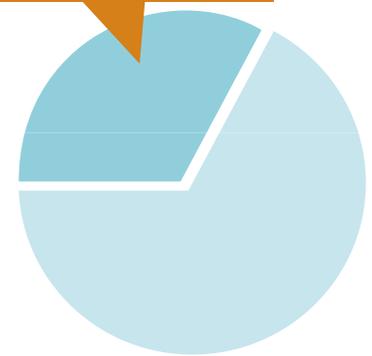
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28%
of Canadians
identify as
Underbanked*



Our Partnerships



Our partnership with Credit Verify allows our clients transparent access to their credit score, credit monitoring, and education to improve their score.



For those who don't qualify for a loan on their own. CosignSimple acts as a cosigner on their loan, so our client has access to the money they need.



We're empowered by ATB Financial! This innovative relationship allows us to give our clients access to the banking services they deserve.



Major discounts for our clients during tax season! Cashco clients get exclusive access to H&R Block software and experts.



The EVERFI team gave us the ability to develop Cashco Scholars! This program is aimed at financial education for school age children.



We work closely with Lady Loans to find the right loan for the women who enter our doors. Lady Loans creates sisterhoods of support for those who choose to borrow with them!

Message from the CEO



“This report gives us the chance to show you what we’re made of. Let us tell you how we’re changing lives, our vision for the future of our business, and how we’re committed to change.”

— *Tim Latimer, CEO*

Attitude of Gratitude

Welcome to our first-ever annual Pathway to Using Business as a Force for Good report (Pathway Report). I am humbled to share with you the work that Cashco has been doing and our goals for our future.

For over 10 years, the team at Cashco has been guiding our clients on better financial paths. Our purpose at Cashco is to provide relief today and hope for tomorrow.

The “relief” part is what we accomplish with our operations every day. We’re the ones who open our doors to those who have been turned away by the more traditional and big banks. We give access to loan products to those who have been denied time-and-time again. We believe our superpower to be

empathy, so that when a client visits us they know they’re in a space that is judgement-free. Our frontline staff members pull on my heartstrings every day because they’ve mastered the ability to create lasting relationships with their clients, just by simply being good humans.

The “hope” part of our purpose is where things get challenging; hope isn’t as tangible as a healthy credit score or a household budget that works. Hope is what we trust our clients feel after they leave a Cashco branch. Every day, we have conversations about money with people who are struggling financially, and those who don’t see a solution to their financial problems. We believe in the power of teaching our clients about how they can take control of their finances.

This is done through our financial literacy programs and initiatives. This is something we believe in companywide, and our support staff work towards innovations and products that will truly improve our clients’ financial wellbeing.

Our big, hairy, audacious goal (BHAG) is to End Financial Exclusion and I fully believe that the conversations we have within our four walls every day are key to meeting our goal.

Despite the challenges we faced in 2020, our team has been moving the needle towards ending financial exclusion.

Continued on next page ...

Message from the CEO

COVID-19 hit our entire world hard, and while there was opportunity after opportunity to reasonably crumble, the people who work at Cashco are steadfast. Our team shifted to a remote working system—something I never thought I would see and something we were not prepared for—within a couple of days of the country's first lockdown. I was in awe of the way our people showed more courage than fear. We went to work to find out how we could be accessible in the safest way possible to our clients who needed us now more than ever.

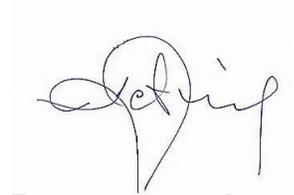
We found our stride amongst the uncertainty and we got back to the “big picture” of what Cashco needs to do in the next 3-5 years. The way our leadership team sees it, we have three major goals by 2025:

1. **Digital-First Cashco:** Digitizing the product and service offering in a thoughtfully designed omni channel strategy that will serve customer expectations and the need to efficiently and profitably deliver growth to the business.
2. **Balance Purpose & Profit:** Attention to both purpose and profit is required to maintain the company's key differentiator, ensure the sustainability of the business and thereby grow its social impact on a large scale.
3. **National Partner Ready:** A “healthy” balance sheet is required to attract investment and working capital. More importantly, the decisions required to improve the balance sheet will force business decisions rooted in the short-and long-term financial health of the business.

I strongly believe that we are more than a loan company. We are an advocate for the underbanked Canadian who lives pay cheque to pay cheque. We know that access to financial services is a right, not a privilege. Financial inclusion isn't just going to happen though. Companies like ours need to exist to help Canadians get access to what they need.

I'd like to leave you with three things I hope you keep with you always. If you practice gratitude it'll give you the letter J. If you practice humbleness it'll give you the letter O. And if you practice selflessness you get the letter Y. And if we put them together... I wish upon you a whole lot of JOY.

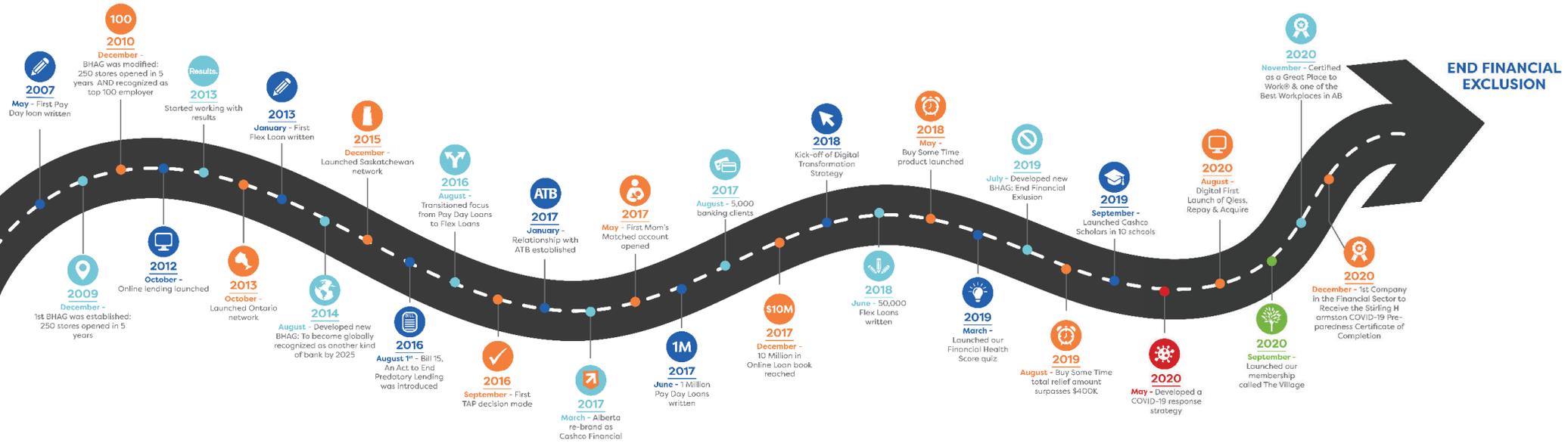
Sincerely,



— Tim Latimer, CEO



History of Cashco





**“It takes a village ...
To grow a modern, financially
inclusive person.”**



OUR COMMITMENT

Purpose

Our entire enterprise is designed to accommodate and exceed the needs and expectations of the underserved. We provide relief today by making it easy to get an immediate loan regardless of current or past credit history. We accept our clients where they are today. And due to our multiple loan options and banking products exclusive to Alberta, we are the only finance company that can help move clients through the entire credit continuum to achieve a better credit rating and create hope for tomorrow.



“ PROVIDE RELIEF TODAY AND HOPE FOR TOMORROW ”



Core Values

These values guide the company toward a common goal of building an enterprise where remarkable engaged people make clients feel accepted, appreciated, and cared about. You will hear us say that we hire and fire by these values. They are what allow us to be a great place to work, with a culture that is unlike any other.

Respect the Vision: Living “provide relief today and hope for tomorrow” in words, deeds and actions.

Embrace CANI: Never settle. Strive for constant and never-ending improvement every day, and do your best to be 1% better.

Communicate Honestly: Speak with candor, clarity, and respect, and never ignore the elephant in the room.

Own the Results: We are 100% accountable for our actions and accept responsibility for our failures, all while sharing responsibility for our success.

Live the Golden Rule: Treat others the way you want to be treated. Be kind. Always.



BHAG & Steps to Financial Inclusion

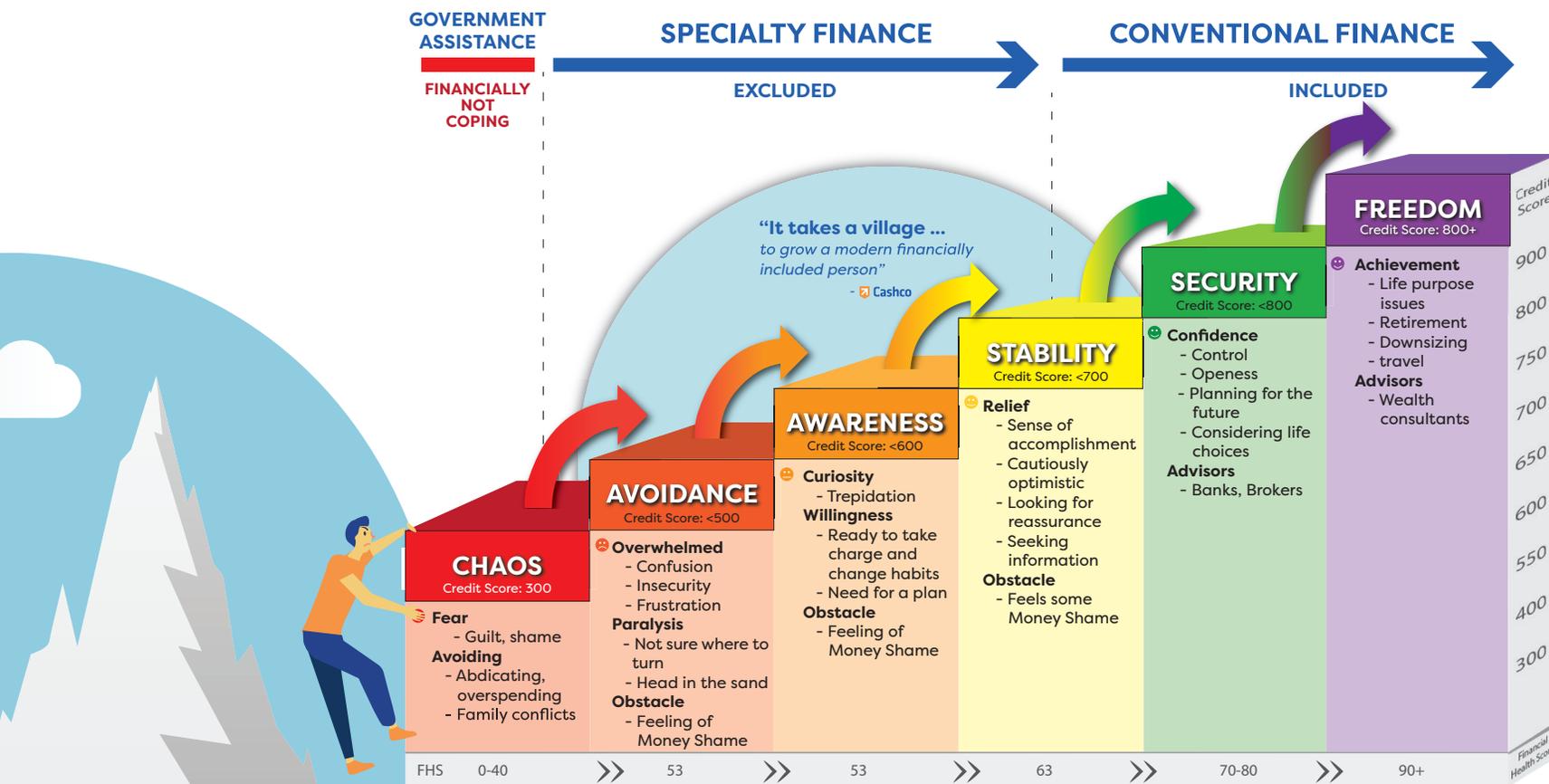
Our BHAG is To End Financial Exclusion.

Often, the clients we serve have credit scores between 300–600 which means they are in the Avoidance and Awareness stages of their financial journey. Our mission is to help our clients climb the steps to Stability and Security.

We help them with this goal in several ways. The first is by reporting their loan payments to TransUnion. The second is by guiding them to improve their financial literacy.

We often view our business as a swinging door; our products and services help our

clients to take back control of their finances. Once they gain access to more traditional credit and banking services, they may choose to move on from us, just as we welcome a new client who needs help out of the chaos.



Financial Framework

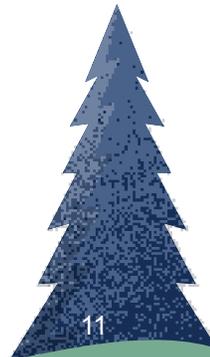
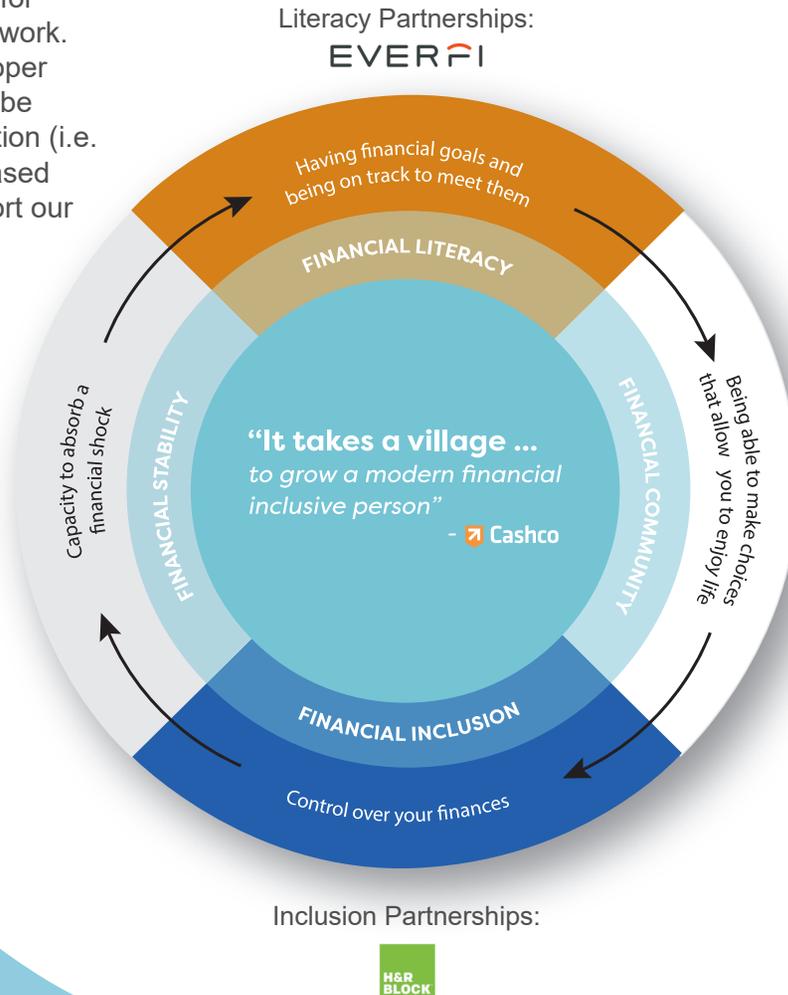
Our Financial Framework is our key to ending financial exclusion. To **End Financial Exclusion**, we believe we need to create a village where people can grow to be modern and financially included. Cashco empowers our clients by setting them up for success in each of the four sections of the Financial Framework. To do that we need to make sure they're supported with proper financial literacy programs, access to the credit they would be denied elsewhere, and help to build a solid savings foundation (i.e. an emergency fund). We've made strategic partnerships based on each section of the Financial Framework to better support our clients.

Stability Partnerships:
ATB Financial

Literacy Partnerships:
EVERFI

Community Partnerships:
The VILLAGE by Cashco
cosignsimple

Inclusion Partnerships:
H&R BLOCK



Cashco's Way

Our job is to provide relief today: That's why we provide our clients with quick access to short-term and instalment loans when they need them the most. We operate out of 56 branches across 4 provinces in Canada. We want to be accessible to as many people possible; our instalment loans are offered online so that clients who cannot access a branch can still reach us.

At Cashco, we do more than provide loans. We have grown to provide our clients with the banking services they need, but can't get elsewhere. With us, they have the opportunity to save their hard-earned money for their financial goals. Our accounts are accessible and affordable, and they're a major part of providing our clients with hope.

2,800+ clients have a Savings Account with us.

2,700+ clients have a Chequing Account with us.

Our clients have saved \$500,000+ with us.

We matched \$20,000+ in savings in 2020.

“Of the 29 million Canadians with an active credit file, approximately 9.4 million have credit scores less than 720 and are deemed to be non-prime according to TransUnion.”

— goeasy Ltd. (2019). *Providing Everyday Canadians A Path to A Better Tomorrow, Today.*

80%

of our team feel like they're making a difference.



Who We're Committed To ...

We've been here for Canadians who don't have access to traditional credit for over a decade. Since we opened our doors in 2009, we've been able to help 150,000 Canadians with alternative financing solutions that meet their needs.

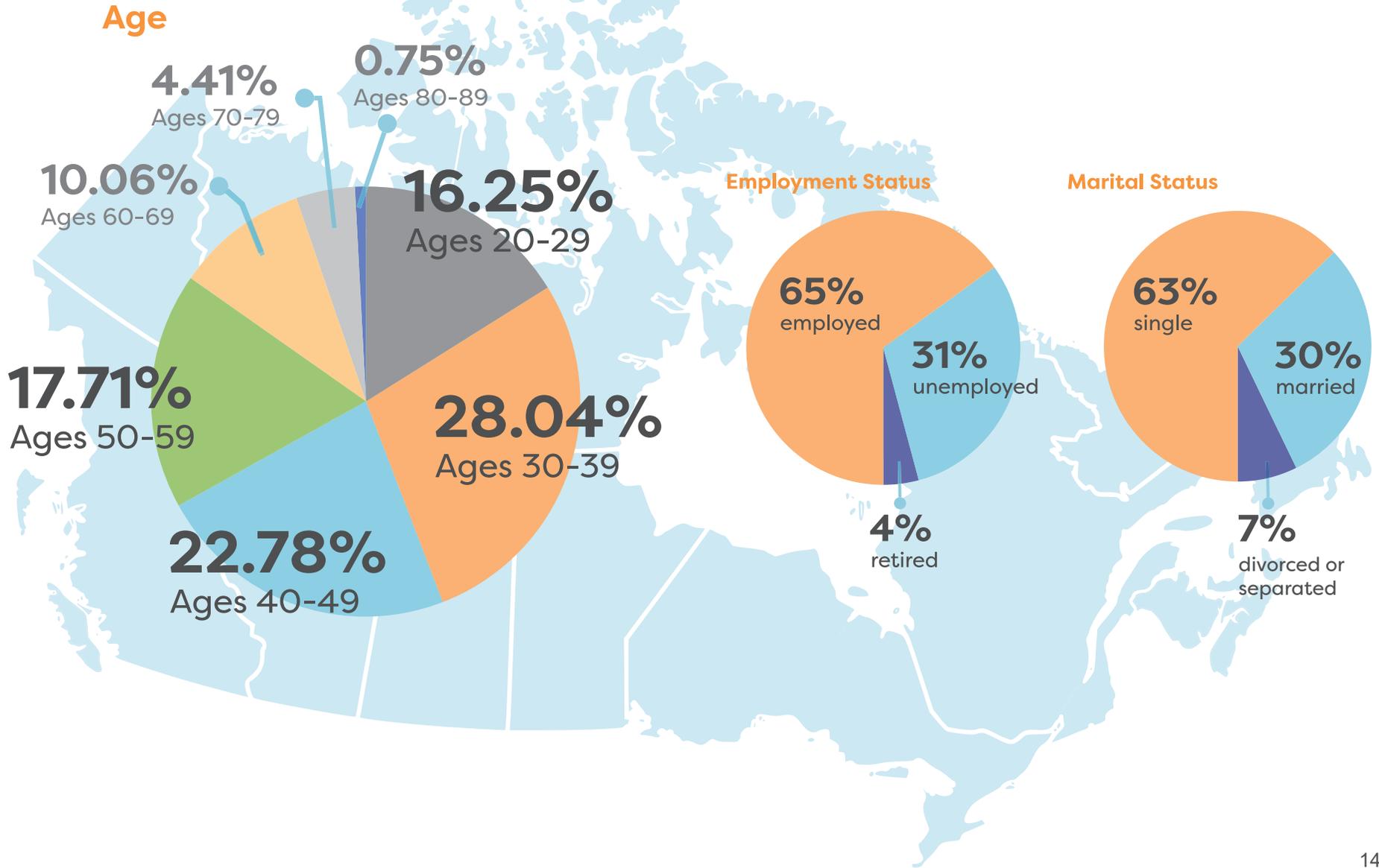


“ I am on maternity leave, supporting 4 children on my own, after my husband left us. The Banks won't give me a line of credit, overdraft or loan in any way until I am fully employed again. ”

- Cashco Client, Grassroots Survey, 2019



Our Clients



Our Clients Continued

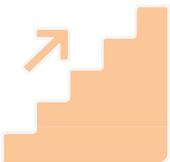
Cashco clients are not always serviced by mainstream institutions and that can be for many reasons. These are some of the common reasons we hear:



Something life-changing happened to them (e.g. lost their job, divorce, or unexpected illness).



Their income is low, irregular, or average and they have no savings.



They are on the path to rebuild their credit history.



They're living paycheque to paycheque and are unsure how to manage their money.



They need money quickly and traditional banks could not help them.

Why do Cashco's customers access 'payday' loans over government assistance or mainstream financial services?

13% "I did not qualify for government assistance."

26% "The mainstream bank wouldn't help me."

34% "I needed support quickly."



Governance & Responsibility

Corporate Social Responsibility is something we take seriously at Cashco. We know that to effectively deliver on our Pathway Report strategy, purpose, and BHAG, we must have effective governance and accountability systems in place. Our Pathway Report strategy management continues to be the responsibility of our executive leadership team and specifically our CEO, Tim Latimer.

That understanding is why we've made Pathway Report strategy a mandatory agenda item during Team One meetings, a daily gathering of our executive leadership team. They also have the responsibility to cascade this information to the rest of Cashco employees every day. Our belief is that constant communication is vital to the success of our Pathway Report goals.

Our leadership knows that our Pathway Report strategy is not something that is one-and-done after we achieve a goal. Our value to Embrace CANI exists at all levels of our business, and we will constantly strive to find ways to do things better.

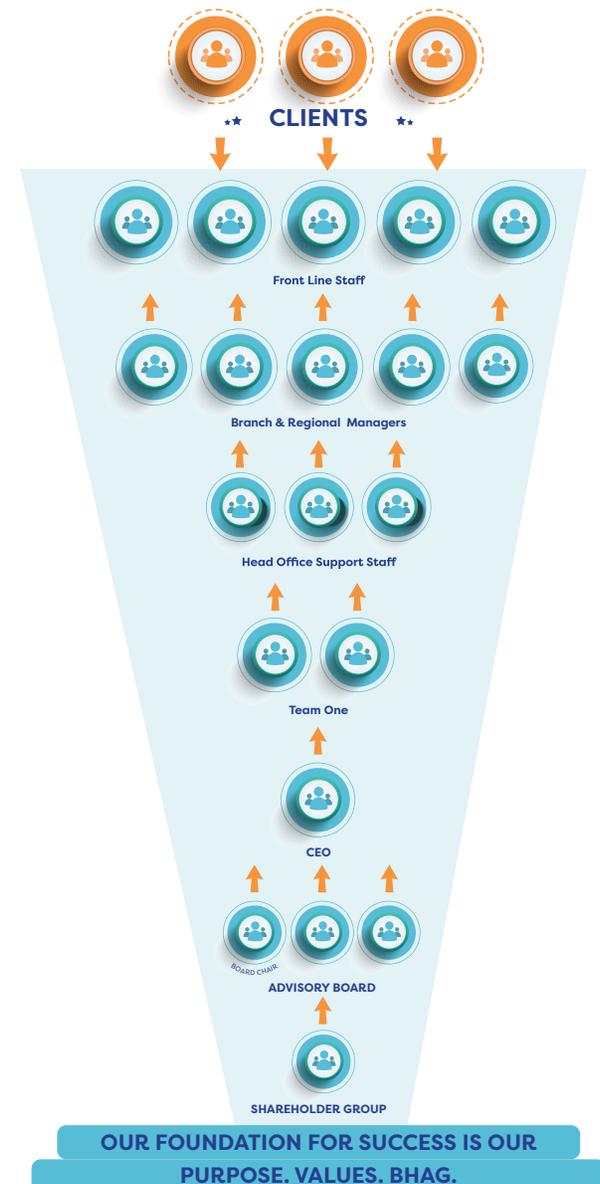
Cashco operates under a servant leadership model. Our leaders first-and-foremost work to serve the people who work for Cashco and those who are our clients. We believe this model will create healthier, wiser, and more autonomous employees and empowered clients.

Results.

We work with Results, an outside organization focused on guiding our business to success. Results works with Team One, our leadership team, on a weekly basis to bridge the gap between strategy and execution.

That means we have an outside party keeping us accountable to the things we promise to do (including this report), and helping us find the best strategy to get where we need to go.

Servant Leadership Organizational Chart



A Letter from Our Advisory Board

I have been granted the honour to write this letter on behalf of the Cashco Advisory Board. Our board is proud to support Cashco with our outside expertise and knowledge. We consider ourselves to be a well-rounded collection of industry and market experts; therefore, we are certain that we are the best in the field to provide Cashco with sound guidance as they develop their strategic plan for the next 3-5 years. We have taken the time to become familiar with Cashco's business model and framework so that we can provide proper governance and leadership to their team.

We meet with their leadership team regularly to overview the current state of their business and strategize for the months ahead. These meetings provide the executive leadership team a platform to explore new business ideas and ask for advice on how to close any gaps they observe within the business. Each meeting with this company is a pleasure and we believe that these frequent discussions are paramount to the success of Cashco as a whole.

Over the next few years, we know that Cashco will achieve great milestones. We're grateful for the opportunity to witness these achievements and offer our assistance and guidance wherever we may.

Sincerely,



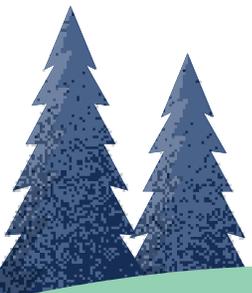
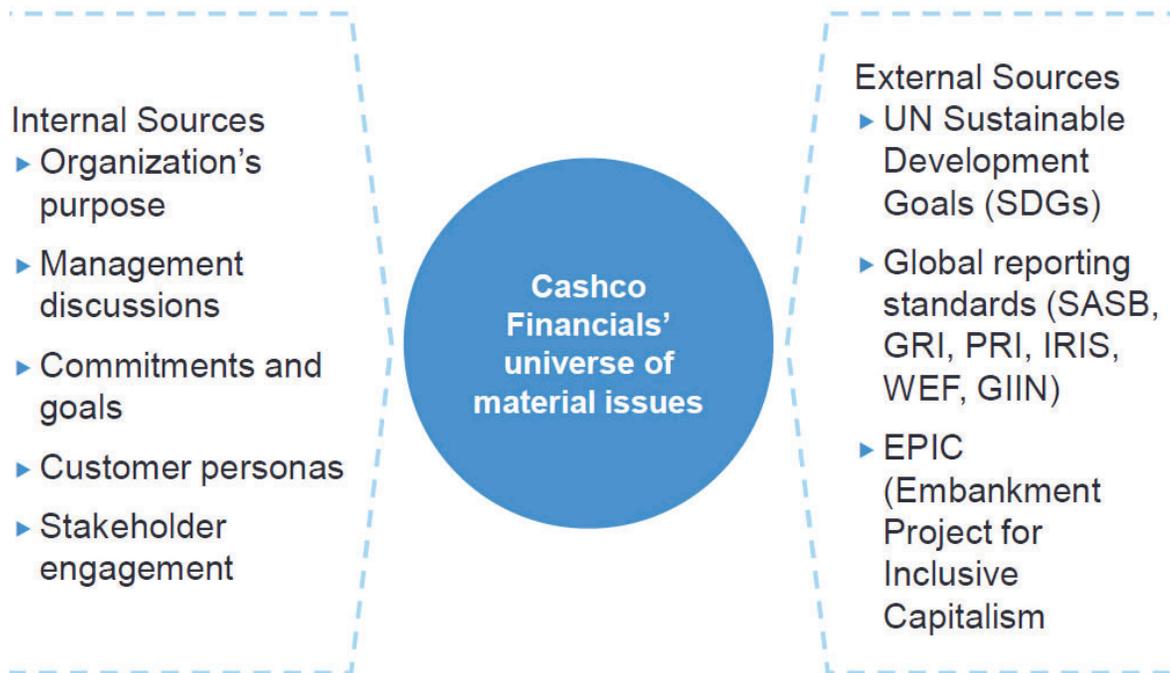
— Gerard McLinnis



Connecting with Our Stakeholders

We know that our key stakeholders play a big part in aligning business decisions with our purpose to provide relief today and hope for tomorrow. A key part of documenting our Pathway Report strategy is affirming that we strive to act responsibly.

We've identified the following groups as our key stakeholders: customers, colleagues, communities, advisory board, regulators and government.



Cashco's Materiality Assessment Matrix

While writing this report, we knew that we needed to find out what environmental, social, and governance (ESG) issues are important to our stakeholders and which issues impact our business. We wanted to do this right by including you, our reader, in a major way so that you can continue to trust us and our excellent customer service.

To do that, we partnered with EY-Parthenon to complete a materiality assessment, which is an exercise that helps us figure out what we should be measuring and reporting to our readers. We surveyed three of our major stakeholder groups: Our customers, our employees, and our advisory board. The questions we asked were all about what is

important to them and what they value in relation to Cashco. The issues we identified have been plotted on the below matrix.

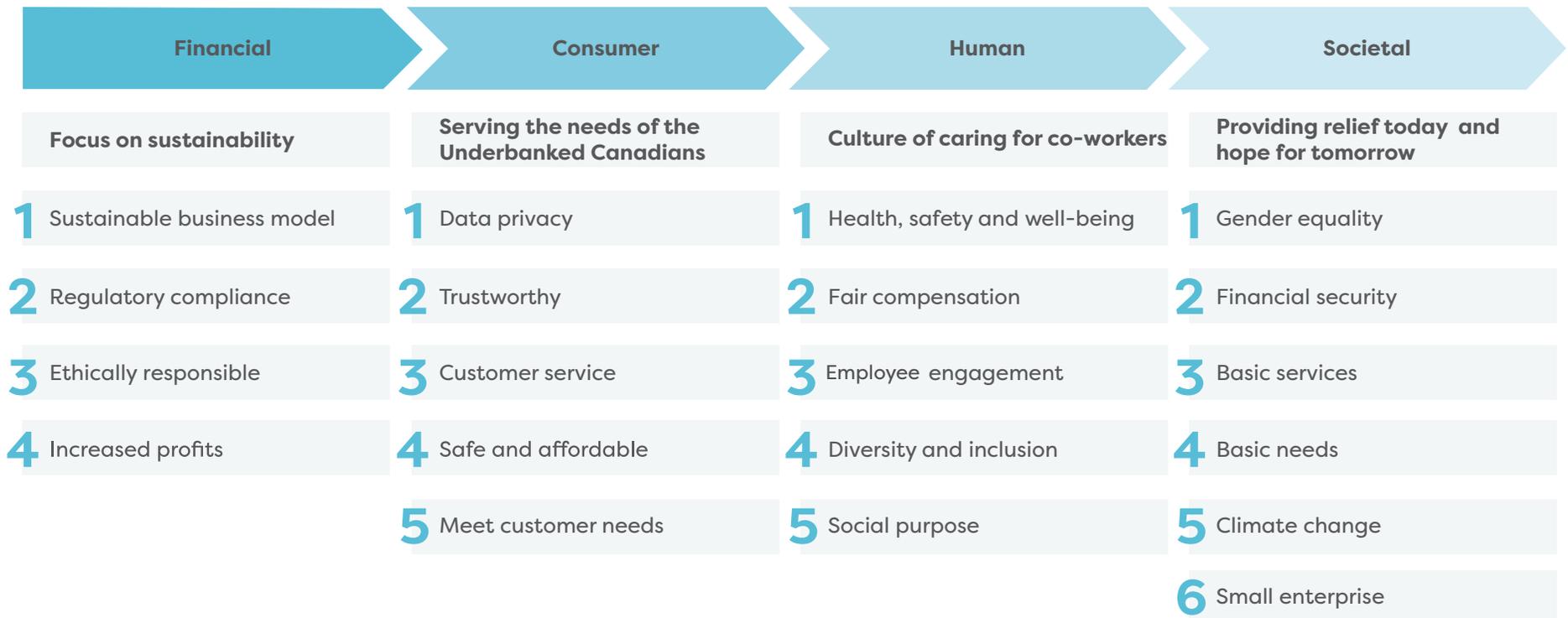
What we discovered is that data privacy, gender equality, and health, safety, and wellbeing are the most important issues to our clients, employees, and advisory board. On the next page, we'll show you what we're doing with the information we learned.



Important Drivers for Customers & Employees

We used the materiality assessment on the last page to pinpoint four pillars that drive our stakeholders. These drivers are important to our customers and in turn they are important to us! These four Important Drivers are: Financial, consumer, human, and societal. Together, these drivers come together to identify the sustainability, culture, and safety of our business. You will see that underneath each pillar we ranked issues in order of importance to each of our stakeholder groups.

Our team knows that we cannot lose sight of these drivers whenever we make a decision that will impact our stakeholders. This understanding is why we decided to bucket each task on Our Report Card by an Important Driver. Whenever we have a goal that does not fit into one of these four pillars, we ask ourselves the question if this is a goal we should be pursuing. Everything we do should meet our purpose and the expectations of our stakeholders.



Our Commitment to the Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) are “a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030” (United Nations Development Programme, 2020).

There are 4 SDGs that we believe Cashco can contribute to in this universal mission.

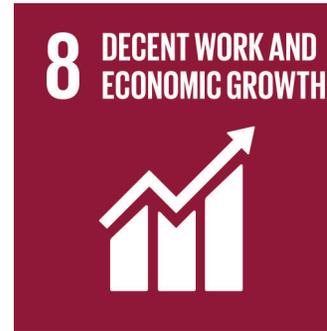
SUSTAINABLE DEVELOPMENT GOALS



Cashco's Four SDGs



A key way to end poverty in the world is to provide support to the most vulnerable populations who go without meeting their basic needs. At Cashco, we provide services to the underserved & underbanked. Our job is to provide relief to individuals who struggle to pay for housing or do not have the funds to feed their families adequately.



Cashco supports the economic growth of Canada by ensuring that there are “financial services for all” (Goal 08 Targets). We don’t believe that people should be charged for banking; we offer products that are accessible to everyone, including our no-fee Everyday Use Account.



At Cashco, we believe that financial literacy starts in the home. Our team is dedicated to improving the financial literacy level of our clientele by providing access to resources they might not otherwise have, so that in turn the children of Canada will start out with a strong understanding of finances.

That’s why we’ve partnered with Everfi to create Cashco Scholars. Cashco Scholars teaches students from kindergarten to grade 12 to understand personal finance.



In Canada, there is a large gap between the rich and poor, and therefore economic inequality is ever-present in our country. Our business attempts to reduce this gap by helping our clients climb the credit score ladder and gain the knowledge they need to take control of their finances. We’re here for those who are not accepted into traditional banking.



Our Report Card

 Achieved
  On Track
  Partial Progress
  Not achieved

What you see here is Our Report Card. We have identified targets that our team has prioritized for 2021. Each target has been bucketed into one of the four drivers we've recognized as important to our stakeholders. To remind you: These are our Financial, Consumer, Human, and Societal Drivers.

Our Report Card is what we call a “living” document. We adjust this constantly throughout the year, so the information you see here is subject to change for a variety of reasons. Our goals cannot be a one and done; they must be at the forefront of everything we do and adjusted, expanded upon, or removed based on whether they're serving our purpose to provide relief today and hope for tomorrow. The idea is that they will evolve and shape with us as we grow.

Financial Drivers	SDG	Timeframe	Progress
Repeal or adjust Section 124.3 of the Alberta	   	Ongoing	 Working together with Alberta Counsel to speak to United Conservative Party caucus in Alberta
Allocate 1% of our topline budget to do good. give back. initiatives.		February 2021	 This allocation is a part of our 2021 fiscal year discussions and is worked into our budget.
Install SMART ATMs at 3 branch locations		By January 2021	 Successful installation of 3 SMART ATMs at our locations.
Consumer Drivers	SDG	Timeframe	Progress
Maintain our Net Promoter Score (NPS) at 90% throughout 2021.	 	Ongoing	 Our average NPS score for 2021 is currently 90%

Our Report Card

✓ Achieved
➔ On Track
⊖ Partial Progress
✗ Not achieved

Consumer Drivers	SDG	Timeframe	Progress
Make improvements to NPS collection questions for a wider scope of customer satisfaction levels.		By July 2021	➔ Currently developing and revising potential improvements.
Understand our clients' values better by partnering with Ernst & Young for external research.	 	By February 2021	✓ Data gathered and analyzed by Ernst & Young.
Make a fully comprehensive customer journey map with all communications touch points to better serve our clients.		By March 2021	➔ Currently pulling together communication touchpoints from all departments.
Expand our partnership with Alberta Blue Cross to other Blue Cross associations across the country.	 	By February 2021	✗ Our test program showed that Alberta Blue Cross health benefits are not as in demand as we had hypothesized. We will reassess this offering.
Begin actively tracking how many clients regularly contribute (i.e. monthly) to their Jumpstart Savings Account or Mom's Match Savings Account.		By May 2021	➔ Our accounting department has access to this information and will begin reporting on this information regularly.
Begin actively tracking how many clients transition from short-term loans to instalment loans.		By May 2021	➔ Our business analysis team has access to this data and will be reporting on this information regularly.
Human Drivers	SDG		Progress
Distribute Employee Survey 2021 and have 90% of employees respond that they can be themselves at work.	 	By July 2021	➔ We're implementing new ways to show employees they're valued. This year we're launching our Inside Out initiatives, which includes The Big 3 mentorship program.

Our Report Card

✓ Achieved
 → On Track
 — Partial Progress
 ✗ Not achieved

Human Drivers	SDG	Timeframe	Progress
Offer mentorship program to all employees focused on financial well-being.	 	By December 2021	→ Currently in a 6-month test phase of our program The Big 3.
Establish an Equality, Diversity, and Inclusion Committee with representation from all levels of our business.		By December 2021	— The committee strategy is currently underway.
Societal Drivers	SDG	Timeframe	Progress
Shift our in-branch documentation processes to paperless.		By February 2022	→ Our software team is currently working to install tablets at each of our locations so that we can collect our clients' signatures electronically.
Begin tracking energy & water usage within our rental properties.		By August 2021	— Our team is currently assessing the best way to track energy and water usage across the board.
Reassess our suppliers and make a formal commitment to use more environmentally-friendly products wherever possible.		By August 2021	→ This is currently under review.
Work with industry specialists to align ourselves with UN Sustainable Development Goals and other industry benchmarks.	 	Ongoing	→ Currently under review to receive B Corp designation.
Release Pathway Report to all stakeholders.		By April 2021	→ A communications plan is in development to release this report.



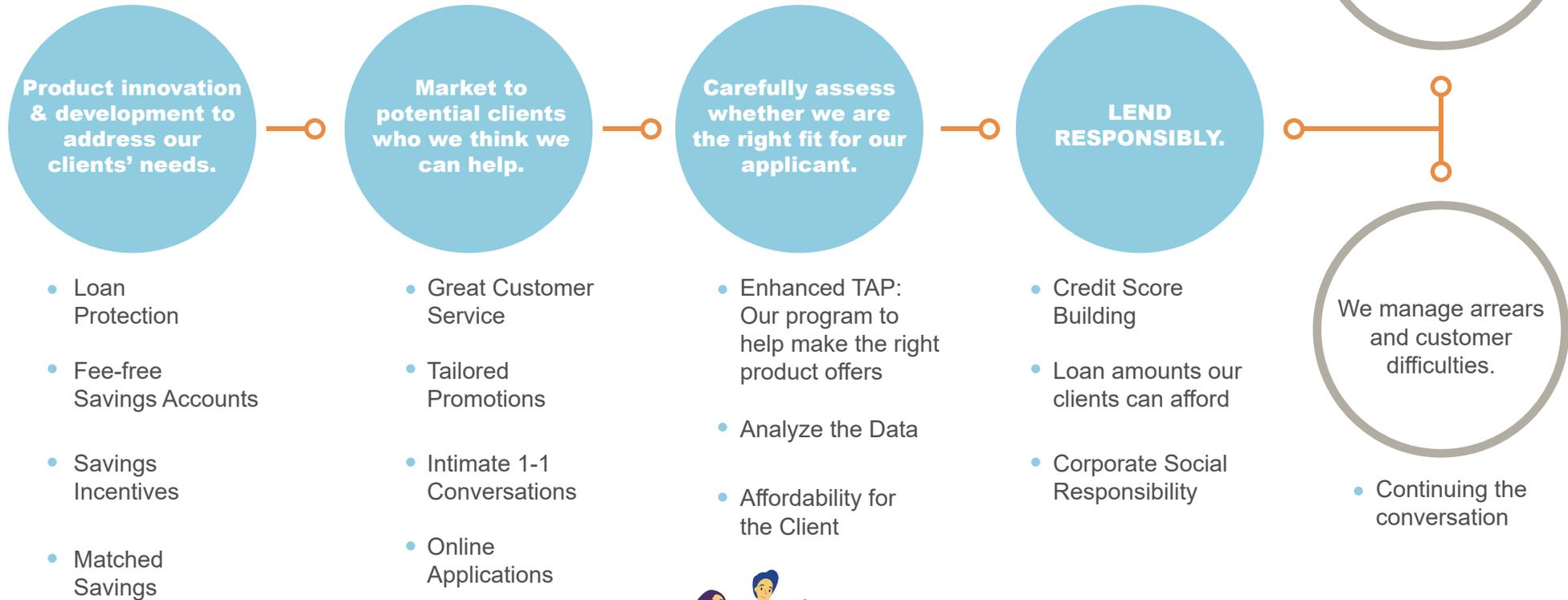
RESPONSIBLE LENDING



Our Clients' Journey

Every one of our clients follows the below journey (even though they likely don't know it).

Our mission is to provide them relief with loan products that are designed to meet their needs. We believe in right-sized products for them and our job is to provide the tools they need to overcome financial hardships.



Empathy: Our Superpower

At Cashco one of our Core Values is to Live the Golden Rule. We believe in treating all clients with empathy and kindness, no matter what phase of the client journey they are in. Empathy is a major component of our approach to handling clients who are in arrears or who are making a complaint. We believe in the power of empathy so much, that we host seminars and online sessions to help our employees to hone their compassionate empathy.

Guidance Through Collections

Although we know empathy makes a situation better, we want to do more for our clients who fall behind on their payments. Our Collections Team is trained to work with our clients to set up repayment plans that work for them. We also have an in-house coach who helps these clients find ways to reduce their spending and manage their budget, in an effort to help them find a way to make all of their payments.

We recognize that it's not one-size-fits-all. We're committed to getting it right all the time, not just some of the time.

90.6%
Our NPS score for 2020.

Our Net Promoter Score is how we find out if our clients are happy with our business. This asks them the question if they're likely to refer our business to a friend.

“My children and I are currently staying in a women’s shelter. My partner previously managed all our finances. **I can’t open my own bank account as I don’t have proof of a permanent address.**”



How We're Regulated

Our team believes in the importance of working closely with our provincial and federal governments and regulators. This is how our business can be sure that we are always doing right by our clients and adhering to the directives set out by our leaders.

When you walk into a Cashco branch, you can be sure that we are abiding by all standards and are properly licensed.



ALBERTA COUNSEL

As a trusted advisor in our space, we know the importance of bringing the government, consumers, and industry members to table discussions to move forward for what's best for the underbanked. We've been working closely with Alberta Counsel to have our voice heard about our concerns with Alberta's Consumer Protection Act (CPA).

Specifically, in 2017 Section 124.3 was introduced to the CPA. This section hinders our clients' flexibility to repay their short-term loan on their next pay day. Many of our clients want to pay off their short-term loan on their next pay day, and they want it paid automatically.

Alberta Counsel and Cashco have been working to have this section removed or changed, so that we can give our clients the services they need in the way they need it.

In other words? **We want to help Albertans help themselves.**





WORKING TOGETHER

The Cashco Consensus: Our People

A Message from Cashco’s People Services Team

Cashco has a unique and healthy workplace culture that comes from putting people first: Always. There are people of all walks of life working here and this environment is comfortable enough that people can be themselves. This isn’t just something we’re saying; keep reading and you will see numbers that support equality, diversity, and inclusion within Cashco.

Our mission is to build good humans with an attitude of gratitude. Our people services team strives to deliver on all accounts. We are mindful of cultivating a culture where staff feel good about their workplace, are fairly compensated, and best supported with their professional development — all with an attitude of gratitude as we explore our financial journeys together. Becoming an employer of choice will signify that we have a fantastic workplace culture, that our employees are compensated fairly, and that we invest in our employees’ education and development.

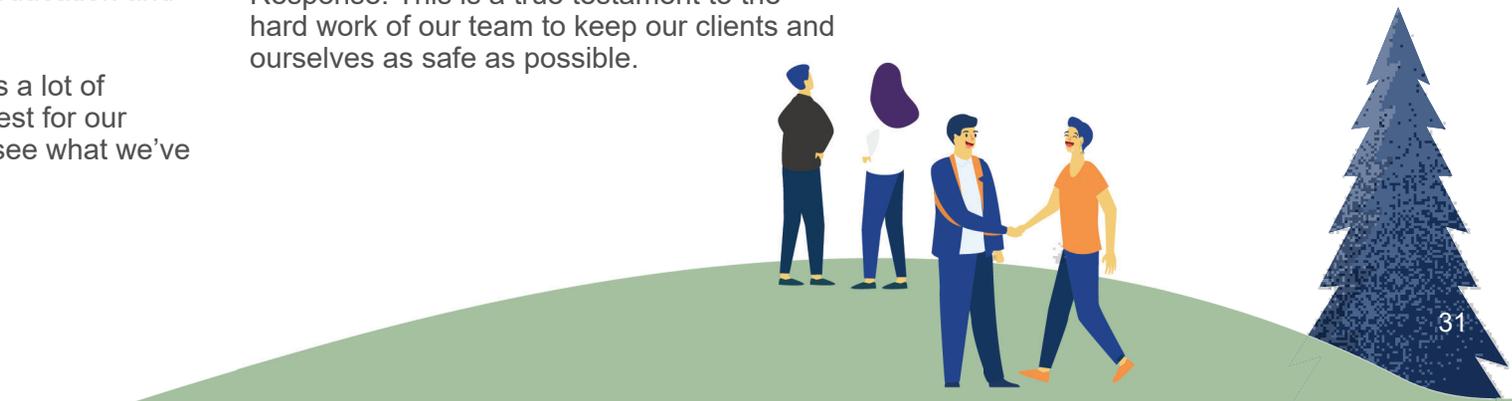
Accomplishing this goal takes a lot of consideration about what’s best for our people. In this section you’ll see what we’ve

done to build from the Inside Out: Our strategy to make sure there’s something for everyone who works for Cashco. We are no strangers to the idea that by building our people, we can build our business better for our clients.

We’re already making great headway with our goal. We’ve received multiple awards from Great Place to Work®. Our Core Values, purpose, and BHAG come together to provide a unique working culture that nurtures job satisfaction and allows us to continue to be a Great Place to Work.

Our Response to COVID-19

We are immensely proud of the way our people responded to the pandemic that swept the world in 2020. We are the first in the financial sector to receive the Stirling Harmston Certificate of Preparedness and Response! This is a true testament to the hard work of our team to keep our clients and ourselves as safe as possible.



Equality, Diversity, & Inclusion

Our company is one that celebrates the diversity of our people. We know that diversity makes our company stronger and better. Our People Services team is dedicated to making sure that all people are represented throughout our company, and we're proud that our team members identify as different genders, races, ages, and sexual orientations. We view equality and inclusion as diversity in action.

Cashco is committed to a workplace where our people feel safe from discrimination in all its forms. We want every day with us to be a day that they can be themselves, and that's why we're honoured that 88% of Cashconians feel like they can be themselves at work. We look forward to the day when that number is 100%.

201
employees
across Canada



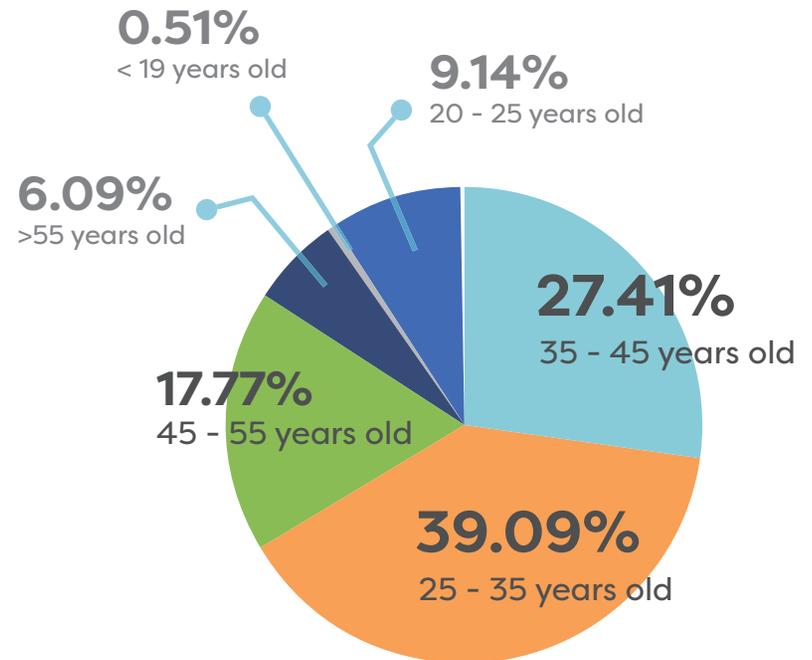
86%
of middle & senior
management are
female



9%
identify as LGBTQ+



26%
identify as a visible
minority



Inside Out

As we work to achieve our Big Hairy Audacious Goal (BHAG) to End Financial Exclusion for our clients, we also recognize the importance of creating opportunities for our people to succeed with their own financial journey.

The internal BHAG of “Building Good Humans with an Attitude of Gratitude,” works hard to shine a light on our people. Our commitment to people is best delivered through our programs below:

School of Hard Knocks: Imagine a set of initials dedicated to your life lessons and the story they tell. We must honor this badge, ensure inclusivity, and highlight the good humans who support our clients best.

The Big 3 Mentorship Program: The opportunity to partner with a mentor based on your story and your needs is available to our staff across the country. Each partnership dedicates their commitment by taking the time to discuss and plan their financial future. This program works to encourage conversation dedicated to the following structure:



- Achieving a personal credit score of 675+
- Working toward ZERO consumer debt
- Building a pathway to home ownership

The Great Place to Work Membership: : Inspired by The Village by Cashco, our Staff membership program creates an ideal scenario that speaks to our own financially inclusive journey. Members get to reap the rewards of financial literacy tools, resources, and daily HandUps that help set them on the right path for their next household budget session.

Cashco Savvy Savers: Small groups of staff members work together to achieve their savings goals.

Training & Development: Our People Services team works with the Canada Alberta Job Grant (CAJG) program to help cover the cost of additional training and education for our team! We work with our team members to create a clear plan that will feed their passion on their personal development path.

By providing a process, capability and thought partner with each of our programs, we’ve allowed our people to Embrace CANI as they each work to climb up the financial ladder using our very own financial wellness framework.

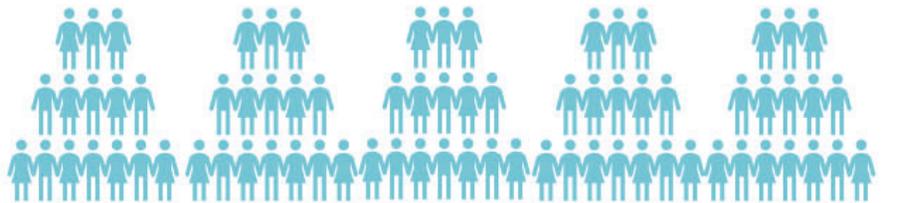




SOCIAL IMPACT

Canadians Living in Poverty

Poverty is defined by the Federal Government of Canada as: The condition of a person who is deprived of the resources, means, choices and power necessary to acquire and maintain a basic level of living standards and to facilitate integration and participation in society.



4 million

Canadians live below the official poverty line

32%

of children living in female-lone-parent families live below the poverty line

Cost to the Canadian tax payer estimated at

\$\$\$\$\$\$\$\$\$\$\$\$

86.2 billion annually

Including:

\$7.6 billion on Healthcare

\$2.0 billion on Crime

\$41.2 billion in Lost Productivity

48.8% of Canadians cannot cover unexpected expenses or reduced income.

27% of Canadians who borrowed money in 2019 did so to cover daily expenses because they are short on money. **26% of Cashco clients said the bank would not help them.**

Sources: Stats Canada. *The Cost Of Poverty, An Analysis Of The Economic Cost Of Poverty In Ontario*, Nate Laurie 2008, Stats Canada. *Opportunity for All - Canada's First Poverty Reduction Strategy*, Federal Government of Canada 2018. *Living in the Gap (Dignity for All, 2018)*, Statistics Canada, Financial Consumer Agency of Canada (FCAC).

Financial Inclusion

You've heard us say it throughout this report: Our BHAG is to End Financial Exclusion. Our belief is that to create healthier communities, we need to create healthy individuals, and that includes progressing an individual's financial health.

Our products, services, and programs are designed to help individuals improve their financial literacy and financial health. We help them define their savings goals, reassess their budgets, and start planning for the future. We also give them access to the

credit they need to get ahead. We know that by helping individuals improve their finances, we're helping create healthier communities and we have the research to back it up.



Building resilience by facilitating recovery from shocks and encouraging investments that are riskier but potentially more profitable in the longer term.



Capturing opportunity refers to the ways financial services help people to take advantage of opportunities such as getting an education, or receiving medical treatment.



Increasing women's financial control enables positive outcomes for both them and their children, such as increasing their participation in the labour force.



Reduction in poverty and an increase in economic growth through a rise in economic activity.

Our Financial Health Score Quiz

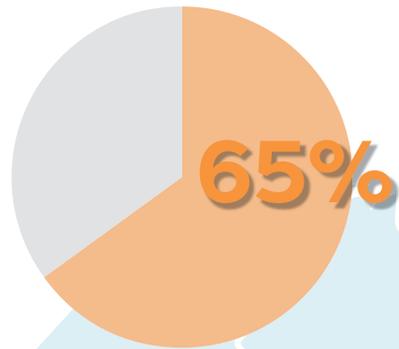
To get a pulse on our clients' financial health, we have them complete a Financial Health Score Quiz.

This quiz quantifies our clients' ability to manage their day-to-day financial demands, absorb a financial shock, and prepare for financial goals. Clients are rated between 0-100.

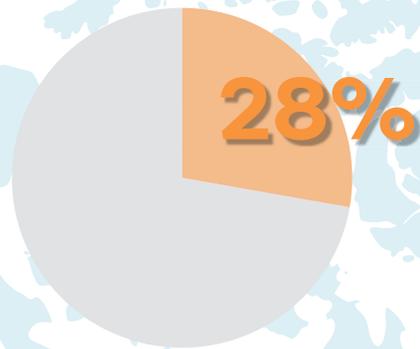
To date, we've surveyed 11,500+ clients with an average score of 54.58. This shows us that our clients are financially coping; ideally, our clients will be financially healthy. We asked our clients to retake the Financial Health Score quiz approximately 1 year after

their initial score, and we observed an average improvement of 0.3 after one year of using our services.

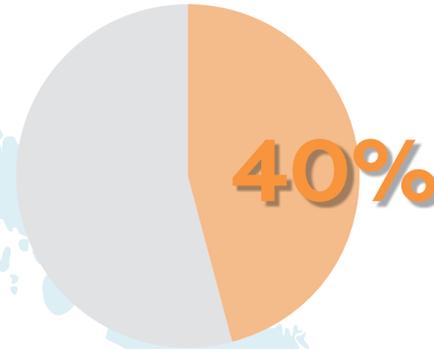
Who Are the Underbanked of Canada?



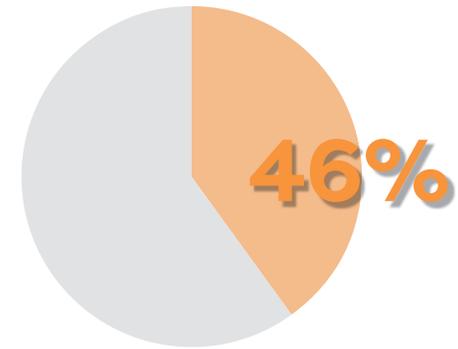
Are aged 18-34.



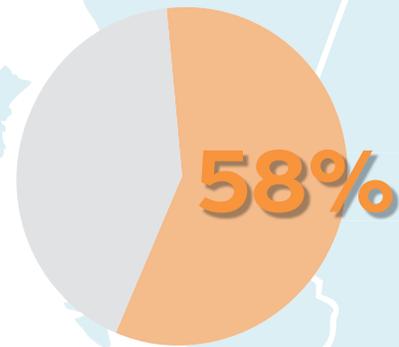
Are unemployed, retired or unable to work.



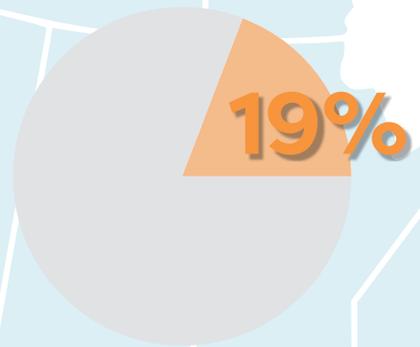
Have a highschool diploma or less.



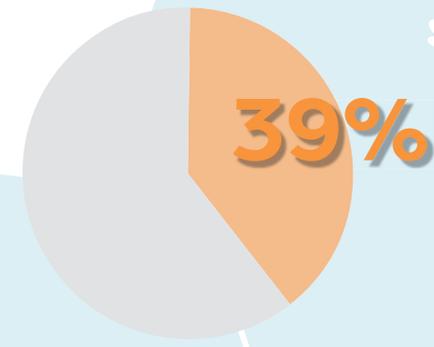
Have an income of \$50,000 or less.



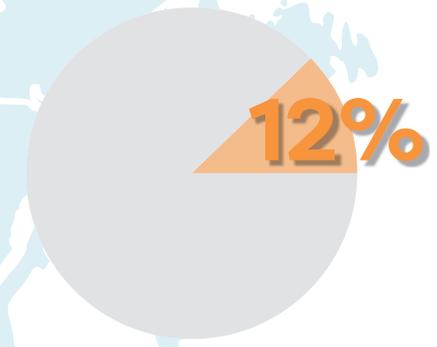
Are men.



Were born outside of Canada.



Are students.



Are rural residents.

The Barriers to Inclusion

You've heard us talk about the underbanked & underserved Canadians. They're the ones we are committed to helping out of the chaotic cycle that accompanies being underbanked.

The Government of Canada tells us that in 2019, **27% of Canadians borrow money for daily expenses because they are short on money. Another 17% of Canadians are borrowing because their monthly spending exceeds their monthly income.** These are often the people who walk through our doors: They need a hand up so that they can afford groceries or that last bit of rent.

“I tried to open an RESP account for my son. **The bank refused to open the account because they didn't believe I could afford to make regular contributions.**”



Limited finance education or skills



Challenging personal finances

What are Barriers to Financial Inclusion?



Unable to access financial support (or don't know how)



Lack of confidence with finances

do good. give back.

At Cashco, we understand that a kind gesture can reach a wound that only compassion can heal. Through meaningful action, we trigger positive change. Whether it comes in the form of something small or big, we are able to better the lives of the people around us. It all starts when you and I do good and give back.

That belief is why we make do good. give back. initiatives a part of our top line discussions. We believe in the importance of putting money towards our communities before making a profit.

do good.
give back.

Speak with love.
listen with patience.
act with compassion.

Pop-Up Pantries: We host Pop-Up Pantries in select branches around major events in the year*. We have our Back-to-School Pop-Up Pantry which allows parents to pick & choose school supplies for their kids, or our festive Holiday Pop-Up Pantry that offers all the fixings for a proper family meal. These pantries are 100% free to anyone who stops by and visits one of our host branches.

Sponsorship of The CMHA – Edmonton Distress Line: Every year we sponsor the Canadian Mental Health Association – Edmonton’s annual distress line fundraiser. The connection between financial health and mental health is undeniable, and that’s why we believe we need to support this resource that helps so many people who are in crisis.

Letters to Santa: Each December, every single one of our branches across Canada select one client they think deserves a hand up of \$100 in relief. All they have to do is write a Letter to Santa and recommend what they think their client will get the most benefit from.

Ronald McDonald House Charities®: We love any opportunity to be a volunteer sponsor for Ronald McDonald House Charities® (RMHC) Alberta! This non-profit organization supports families with seriously ill or injured children who desperately need medical attention. In the past, we’ve had over 120 Cashconians volunteer their time at the annual Block Party fundraiser. Due to COVID-19, RMHC® Alberta has not been able to accept group or event volunteers; we’re looking forward to when we can be a part of their events again!

“I’m just glad they were there to help in my time of need.”

— Cashco Client



**Unfortunately, COVID-19 meant a pause in our Pop-Up Pantries for 2020 to ensure the health & safety for our team and our clients. We’re looking forward to resuming as soon as we are able!*



“ [I felt] like there was a little light in the chaos of life and turmoil.”

— Kristine S., The Village Member, \$100 in Groceries HandUp Recipient

All Roads Lead to Financial Success

The Village by Cashco is our membership program with features and benefits that work together to provide relief today and hope for tomorrow. All roads in The Village lead you to financial success. Our membership programs provide access to the power, knowledge, and tools you need to improve your finances and boost your quality of life today.

When you're surrounded by the best resources and like-minded individuals, we believe that you can joyfully manage the ups and downs of life. Because at Cashco, we know that life happens to the best of us and despite our best intentions. That's why we've built The Village by using our financial wellness framework: community, literacy, inclusion, and stability.

As an example, when we provide cash HandUps structured around typical household bills, such as gas and groceries, we have provided access to basic needs that allow us to put food on the table and get to work on time.

Improving FinLit: One Household At A Time

Financial Literacy lies at the heart of our confident conversations. Each member of The Village has been gifted a physical and custom copy of the *Wealthening Like Rabbits* book on financial literacy, written by esteemed Canadian author, Robert R. Brown. This book is a life-change take on how we view our money.

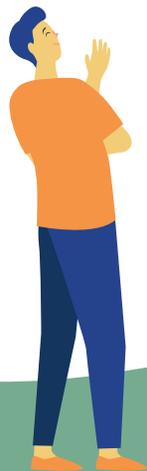
Furthermore, we work hard to encourage each member to budget for an Emergency Savings Funds. Planning a fund for a rainy day takes time and many clients believe it is impossible to save a dollar, but when we show them how a dollar or two can add up, we start to create a sense of hope when it's needed the most.

Financial Literacy goes a step further when we start to guide the youth in each household. Providing the adults with the tools required to reach their children is when we can truly step up and provide the supports needed to help change a generation. Therefore, we've partnered with Everfi to bring our Cashco Scholars program to life.

One Up Giving Day

Level Up is a custom program with access to financial literacy resources and a complimentary 30 minute budget session with our Membership Coordinator. Our coordinator takes the time to review household budgets, emergency funds, and pay back schedules that will help our clients maximize their income; all while paying back their overdue bills that are typically in recovery with our collections team.

The Village Numbers



On the Horizon

Bettering Ourselves with B Corp

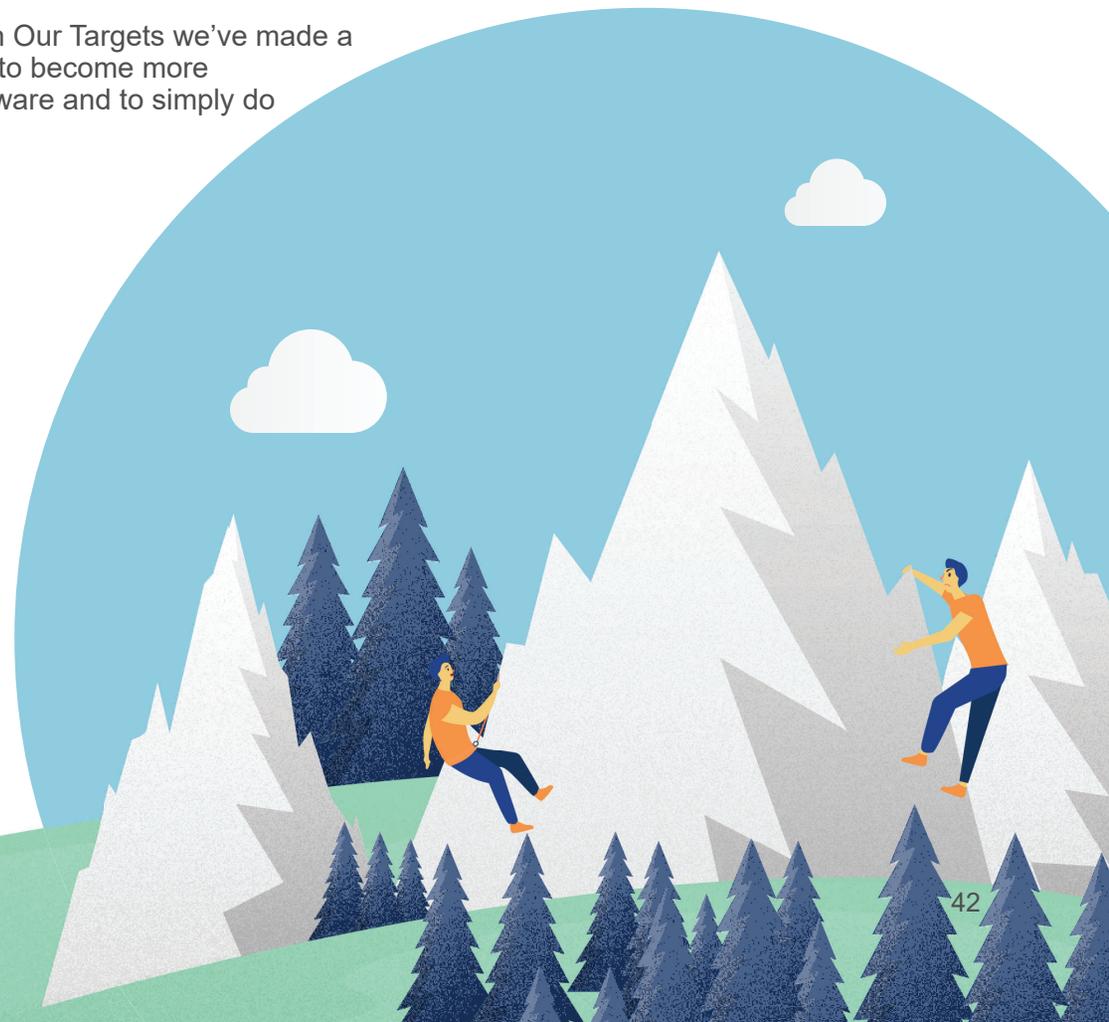
This year, our team is thrilled to have pushed the “submit” button on our B Corp Impact Assessment. Becoming a Certified B Corporation would be a badge of honour that proves we meet the highest standards of social performance, transparency, and accountability. There are 3,400+ esteemed businesses across the world that are certified B Corporations; we would be proud to be included in their ranks.

We are currently working with the B Corp Impact Team to achieve this certification. The B Impact Assessment is a rigorous process that evaluates businesses under five pillars and ensures these businesses meet certain accountability, legal, and transparency standards. Our hope is to have our certification by 2022; however, we know that the assessment can often be extended based on the B Impact Team’s counsel. We’re looking forward to the day we can share the good news with you!

A Greener Cashco

We want to do our part to take care of the environment. That’s why in 2021, we’ll be taking some of the first steps to becoming more environmentally conscious and examining how our business operations impact the earth.

You’ll have seen in Our Targets we’ve made a few commitments to become more environmentally aware and to simply do better.



Conclusion

Our commitment to you is to republish this report each year with progress updates on our Pathway Report strategy. We believe in keeping ourselves accountable so that we can become a better business with each passing year.

Elisa's real world story.

After visiting one of our branches for a Back to School Giveaway, Elisa gave us a gift by writing this letter.

“I was feeling so alone. I was exhausted and didn't want to get out of bed. Then, someone, something sent me an angel. You did more than help me financially. You gave me strength and hope to keep going. For my son, my everything. When my son lined up his new school supplies and tried on his backpack. His smile, it made me cry. I will never forget what you did for us. You have changed our world, for real.”





savings. loans. real world banking.

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