

SEC Sustainability Plan

ShoreBank's Corporate Philosophy and Mission

ShoreBank Corporation is America's first community development and environmental bank holding company. A long standing "double bottom line" organization, ShoreBank focused on both financial return and community development benefits since its formation in 1973. During the late 1990s, ShoreBank affiliated with EcoTrust (description) in the Pacific Northwest, helping evolve the company to its current "triple bottom line" philosophy in 2004.

ShoreBank's triple bottom line goal is to be profitable while creating a healthy environment and building vibrant communities. ShoreBank continually seeks ways to integrate opportunities that benefit the environment into its every day work.

ShoreBank Enterprise Cleveland (SEC) believes that neighborhoods in the core city experience inordinately negative effects from climate change. In 2004, SEC recognized the need to begin to change its organizational culture to reflect this reality and to begin to take small steps modify its behavior. To that end, SEC has established several goals by which it measures conservation progress. Paper consumption (reams per employee) and green purchasing (goal of 25% of all building and office purchases) are now tracked on a quarterly basis. Paper reduction was the first goal set by ShoreBank. To date SEC has moved from using 19.2 reams per person in 2003 to 14.6 in 2007. During 2008 SEC is on track to reduce paper consumption to 12.1 reams per person, constituting an overall reduction in paper consumption of 37% in five years.

ShoreBank Enterprise Group, Cleveland's Approach

Participation in the SI Group during 2007-08 has prompted SEC to further refine its internal goals for "greening" the organization. The plan focuses on two primary programs, the Enterprise Finance Funds and the Glenville Enterprise Center. In addition, SEC is setting goals with regard to individual employees' personal carbon footprints in order to reduce carbon emissions and further the organization's culture of sustainability. .

Enterprise Finance

SEC integrated "triple bottom line" tracking for the financing it provides. This means SEC tracks the amount of financing that is considered a community development, conservation, or mission (both Community development and conservation) loan. Conservation loans are defined as those that support a company or project that provides a significant ecological benefit.

Since 2004, 62% of the total investments made by SEC were conservation loans and 100% were either community development or mission loans (both community development and conservation). As part of the underwriting and due diligence process prior to approving the loan, a staff member completes a comprehensive assessment of the company and/or its projects and attempts to determine its community and ecological benefit. Investments are not denied if

they do not fit one of the definitions, but it provides an opportunity to introduce a company to the concept of sustainability and raise awareness among customers. If customers seek additional information, SEC often refers them to a strategic partner, such as Entrepreneurs for Sustainability (E4S), where the company can connect to the knowledge and resources that will move them toward greater sustainability.

Going forward SEC will continue to use the corporate conservation loan system, but is also examining additional ways to encourage small businesses to be aware of the economic benefits of sustainability. Potential methods for measuring the level of social consciousness of a company are under review. Such a measure could allow SEC to track advancement on a social responsibility index.

Glenville Enterprise Center

In its operation of the Glenville Enterprise Center, SEC has been dedicated to installing energy saving technologies for many years. In 2004 an antiquated boiler was replaced with a hot water system that reduced gas consumption by 40%, balanced temperature levels, and dramatically improved air circulation and quality. In 2007 a window replacement project was begun. Currently, SEC is in the process of replacing incandescent light bulbs with energy efficient bulbs. All capital improvements are designed to take advantage of energy saving and green technologies. While SEC would like to move quickly on these efforts, the size and age of the building makes these projects costly, even when considering the return on investment.

During 2008, as a direct result of SEC's participation in the SI Group, SEC initiated a recycling program for the building. Special containers have been strategically placed throughout the building to make it easy for tenants to embrace recycling. A tenant seminar was held to launch the recycling program and additional information sessions are planned for 2008 and 2009.

SEC will conduct an energy audit of the building in 2009. This audit will be used to help prioritize future capital improvements. Also in 2009 SEC will begin to track the carbon footprint of the building and quantify the recycling efforts as a way to offset some of the emissions generated.

Sustainable Culture Development

In 2004, SEC recognized the need to begin to enhance its organizational culture to ensure that its mission to invest in people and their communities to create economic equity and a health environment is fully reflected by the people who work there. The first step was small and included measuring paper consumption based on reams used per employee. Later a green purchasing goal of 25% of all building and office supply purchases was added. These efforts continue to accrue gains. In 2009, SEC will ask each employee to track their transportation activities that add to their carbon footprint and to reduce the footprint by 10%. Employees have teaming up and drafted trial plans for immediate implementation to determine the most effective ways of achieving the reduction. Flexible work schedules (9 hours a day for 9 days

with 1 day off), car pooling, telecommuting, and offsetting activities are among the pilot strategies.

Neighborhoods with high rates of poverty experience inordinately negative effects from climate change. Oftentimes, residents in the neighborhoods SEC serves find little relevance between ecological sustainability and their day-to-day lives. SEC, therefore, has sought out ways to address some of the issues that most directly impact neighborhood residents. The first activity designed to do this was the creation of an asphalt garden in the south parking lot of the Enterprise Center on Earth Day 2008. Teaming with E4S and E-Prep, the garden is providing fresh produce. The students are assisting in creating a distribution system for the produce. Tenants and other residents are invited to join with the partners in tending the garden.

Going forward, SEC is participating in the planning of a joint CDC project that will focus on energy savings. SEC will assist in the facilitation of a program aimed at providing significant direct impact for residents. SEC believes that finding cost effective ways to bring energy efficiency to Cleveland's existing residential housing will enhance the City and develop neighborhoods of choice.

Measurement and Impact

SEC believes that sustainability is an ongoing process. There are many additional steps that can and will be taken by SEC as we progress. SEC measures its goals on a quarterly basis. Listed below are the data points that are tracked or will be added.

- Number of loans and dollar value of investments defined as community development (goal >75%), conservation (goal >30%), or mission (both community development and conservation) (goal >30%).
- Paper use based on reams per employee (goal to reduce 10% each year)
- Percent of purchases that are considered "Green".(goal 25%)
- Pounds of carbon generated by employee transportation (goal to reduce 10% each year)
- CDC project (goal TBD)

PLAYBILL

CANALWAY CENTER | CLEVELAND, OHIO

JOURNEY 2 THE VILLAGE GREEN (IF YOU KNOW WHAT I MEAN)

A PLAY IN TWO SCENES, BY CORNELL CALHOUN, III



SHOREBANK ENTERPRISE
Let's change the world.®



CAST

WRITER/DIRECTOR Cornell “Cal” Calhoun, III

An accomplished playwright and actor, Cal wrote, directed, and produced “Journey 2 the Village Green,” creating a memorable and informative play despite a cast of complete amateurs. As the building manager for the Glenville Enterprise Center, Cal oversaw the installation of several energy efficient improvements and the new recycling bins in the building.

ECO Nick Gao

Without question, the most talented actor on the staff of ShoreBank Enterprise, Nick was eager to accept his role as Eco. The organization’s accountant, Nick is adept at ensuring compliance with corporate and organizational goals for improving sustainability. Nick was also critical to the construction of SEC’s asphalt garden.

BIOMINA Bonnie Inniss

A natural on stage, Bonnie has been instrumental in the development of the Glenville Enterprise Center’s community garden. As the portfolio manager, Bonnie encourages all SEC Enterprise Finance Funds clients to consider sustainability in their business planning.

SUSTAINABELLA Nan McIntyre

When Nan is not raising money or monitoring the grants that keep SEC’s doors open, she can be found collecting the office’s recyclables, carpooling, dimming the office lights, or working in our asphalt garden. Nan’s commitment to sustainability is a key reason why SEC embarked on the E4S journey.

GREEN GUARD Matt Sattler

A recent convert to sustainability, Matt has readily accepted the challenge to become more environmentally friendly. While Matt spends his days working on strategic planning, he fills his nights by cursing his SUV and embracing things like composting, recycling, and energy efficiency.

VICE GREEN QUEEN Susan White

A recent convert to the sustainability movement, Susan has embraced its practices wholeheartedly, going so far as to require her husband to ride the bus to work three days per week. Susan gladly shares her learning with her family and has made sustainability an integral part of the White family’s home life.

GREEN QUEEN Mary Ann Stropkay

ShoreBank Enterprise’s chief sustainability officer, Mary Ann leads by example – through composting and energy efficiency at home and through her leadership on the issue at the office. During Mary Ann’s tenure at SEC, the organization has made great strides in greening the Glenville Enterprise Center for our tenants and improving internal efficiencies.

SUSTAINABILITY PLAN

The Triple Bottom Line is among the core values of ShoreBank Enterprise Group, Cleveland. The triple bottom line means that ShoreBank strives to simultaneously meet three objectives: building wealth for all in economically integrated communities; promoting environmental health; and operating profitably.

ShoreBank Enterprise Group, Cleveland’s mission is to invest in people and their communities to create economic equity and a healthy environment. Its Green Team represents a cross section of 5 employees out of a total of 12 FTE. The following strategies are or will be the focus of SEC sustainability plan over the next three years:

- Continue to track Enterprise Finance investments in terms of community development and conservation impact. SEC strives to:
 - Ensure that the dollar value of loans/investments in community development loans exceeds 75%, conservation loans exceed 30%, and mission loans (both community development and conservation) exceed 30%.
- Paper use based on reams per employee is reduced by 10% each year
- Percent of purchases that are considered “Green” is at least 25% each year
- Pounds of carbon generated by employee transportation is reduced by 10% each year
- Pounds recycled in the building (goal TBD)
- CDC project (goal TBD)

Because SEC is affiliated with ShoreBank Corporation, we will continue to coordinate our sustainability efforts with the corporation. In addition to gathering the data outlined above, SEC will document its sustainability journey on its website, in its newsletter, and through other means of outreach and communications. SEC’s full sustainability plan will be posted on its web site at: www.shorebankenterprisegroup.org