



<b>POLICY: DIVERSITY, EQUITY, &amp; INCLUSION</b>	<b>POLICY #: G8</b>
<b>Owner:</b>	<b>Governance Committee</b>
Original Date of Policy	Aug. 28, 2017
Last Approval Date	Aug. 31, 2021
Current Approval Date	Sep. 20, 2022
Next Review	Q2 2023

## **PURPOSE**

The overall purpose of our Board Diversity, Equity, and Inclusion Policy is to recognize the value that a broad diversity of perspectives and thought brings to the Board of Directors and to establish a framework within which Connect First Credit Union will actively encourage diversity of representation and inclusion of diverse perspective on the board.

## **POLICY STATEMENTS**

- (i) The Board recognizes that diversity and inclusion is important to ensuring that the board possesses the qualities, attributes, experience and skills required to effectively steward and oversee the strategic direction and management of Connect First Credit Union.
- (ii) The board is responsible for ensuring this policy is consistently applied to all Board recruitment and election processes.
- (iii) The board recognizes that it must continually strive to remain relevant to Connect First Credit Union members and as such, its composition should ideally reflect the diversity of its membership base.
- (iv) The board believes that diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures that the credit union has the opportunity to benefit from all available talent. The promotion of a diverse board makes prudent business sense and makes for better governance.
- (v) In determining the optimum composition of the board and its committees, diversity includes, but is not limited to the elements outlined in Appendix A of this policy.

- (vi) The board will promote and foster an inclusive environment where directors feel welcomed, supported, listened to, and able to contribute their personal best. This includes a commitment to inclusive behaviours; fair treatment based on one's needs, valuing uniqueness and cultivating a sense of belonging, enabling an adequate voice for all Board members in decision-making.
- (vii) The board values geographic diversity as a way to ensure there is always rural and urban viewpoints at the board table. The board will use the board diversity, equity, and inclusion policy to direct the Nominations Committee to ensure qualified and diverse candidates are presented to members for election.
- (viii) Through the board renewal process, the board will strive to ensure it has backgrounds and perspectives collectively represented on the board, which reflect the demographic composition of our membership and the communities the credit union serves.
- (ix) Through the board renewal process, the board will reflect the need to provide good governance and ensure board members have the required governance skills, knowledge and competencies as well as complementary perspectives.
- (x) Connect First Credit Union believes that a board elected democratically is consistent with our co-operative roots and credit union values. In the execution of our Board Diversity, Equity, and Inclusion Policy, we will ensure our practices are fair, transparent accessible, inclusive and equitable and aligned with the democratic process.
- (xi) The board may use the Board Diversity, Equity, and Inclusion Policy to set goals to encourage representation from a targeted diversity category and to guide recommendations for candidates or appointees to the board.
- (xii) Connect First Credit Union is committed to demonstrating transparency and accountability to all stakeholders and as such, this policy will be published for all to access on the Connect First Credit Union website.

## GUIDELINES

1. Annually, the Governance Committee will review and assess the board composition based on a Board Skills, Competencies and Attributes Matrix and determine where there are any potential gaps in skills and experience.
2. Additionally, in reviewing the board's composition, the committee will consider diversity, as defined in this policy, to maintain an appropriate mix and balance of diversity of representation.
3. The outcomes of this review are used to provide guidance to the Nominations Committee and forms the proposed recruitment criteria that are published to the membership as part of the call for nominations for candidates for the annual board elections.
4. The Governance Committee may recommend diversity goals where there is a concern about a specific diversity category not being effectively represented on the board. This will transparently form part of the published recruitment criteria and will be integrated in all election communication materials and media.
5. In considering diversity goals, the Governance Committee will take the following into account:
  - i. The current and potential future composition of the board (based on elections);
  - ii. the strategic direction of the credit union and skill sets needed to guide it effectively; and,
  - iii. an assessment of what skills and perspectives are needed or missing to effectively execute on our mission, vision, values.
6. The board will be responsible for approving any diversity goals deemed necessary to achieve the optimum level of diversity on the board, as brought forward from the Governance Committee.
7. Where diversity goals are being pursued, the Governance Committee may determine that a greater positive weight, based on the diversity category, is applied to the Candidate Scoring Matrix utilized by the Nominations Committee for the purposes of endorsement. In such circumstances, any approach to weighted ratings to achieve a diversity goal will be balanced with the need to ensure fundamental governance qualifications and skills are being met. This is to ensure that the principle of recommending the best qualified candidates to the membership is not inadvertently compromised.

## **MONITORING & REPORTING**

The Governance Committee will review this policy and its effectiveness annually and recommend any necessary revisions to the board for approval.

The Governance Committee will report annually to the Board and the membership on its efforts to support diversity, equity, and inclusion in its governance practices.

## **RELATED LINKS & APPLICABLE STANDARDS**

Connect First Credit Union Bylaws 8.2

Credit Union Act (Alberta): Section 65

CUDGC Standards of Sound Business Practice:

*G1 - Understand and Fulfill Responsibilities*

*G7 - Establish standards of Business Conduct and Ethical Behaviour*

## APPENDIX A - DEFINITIONS

**“Diversity”** Any difference in people, in our organization, including visible diversity (race, ethnicity, gender, age etc.) and non-visible diversity (personality, skills, identity and orientation, background and experience, decision-making preferences, perspectives, geographic location, socioeconomic status etc.).

**“Equity”** Practices and policies designed to treat everyone fairly, regardless of characteristics or background.

**“Inclusion”** Environments in which everyone feels a sense of belonging and has the opportunity to be a full and meaningful contributor.