

Board Equity, Diversity, and Inclusion Policy

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1 Introduction

1.1 Intent

This policy outlines Tru Cooperative Bank's ("Tru" or the "Cooperative Bank") Board of Directors ("the Board") approach to equity, diversity, and inclusion. This policy applies to the Board and its Committees.

1.2 Review cycle

The Governance Committee will review this policy at least annually and recommend any necessary revisions to the Board for approval.

2 Board equity, diversity, and inclusion

2.1 Policy statement

Tru Cooperative Bank is committed to equity, diversity, and inclusion, at all levels. The Board is dedicated to ensuring equitable and fair representation of equity deserving and inequity experiencing groups, including but not limited to women, people with disabilities, and Black, Indigenous and People of Color. This commitment guides the identification and nomination of Board candidates. The Cooperative Bank values diverse representation among its Directors, reflecting the varied backgrounds of our members, employees, other external audiences, and the communities it serves.

Diversity and inclusion are essential for the Board to collectively possess the qualities, attributes, experience, and skills required to effectively steward and oversee the Cooperative Bank's strategic direction.

Recognizing the value of a diverse composition, the Board views equity, diversity, and inclusion essential to attracting high-calibre Directors and sustaining a high-performing Board. When determining the optimum composition of the Board and its Committees, priority will be given to diverse representation. Wherever possible, and through the democratic process, steps will be taken to ensure the Board's composition reflects the communities it serves.

The Board recommends candidates or appointees based on the collective abilities, skills and experience required, while recognizing that a diverse and inclusive complement strengthens Board effectiveness.

The Board, through its recruitment efforts and continuous learning is committed to removing barriers for all individuals, including but not limited to, women, people with disabilities (including invisible and episodic disabilities), Indigenous, Black, and People of Colour, and 2SLGBTQAI+ individuals, and other equity deserving groups.

2.2 Definitions

2.2.1 Diversity

For purposes of this policy, the term “diversity” includes but is not limited to visible and non-visible forms of uniqueness, age, geography, sexual orientation, gender and sexually diverse individuals, and inequity experiencing groups including those who identify as Racialized, Indigenous, Black, and People of Colour (visible minorities) and People with disabilities (including invisible and episodic disabilities).

2.2.2 Inequity experiencing groups

For the purposes of this policy, the term “inequity experiencing group(s)” refers to a specific demographic or social group that encounters disparities, unfair treatment, or discrimination in various aspects of life. Inequity experiencing groups may face systemic inequalities and/or inequities that affect their access to opportunities, resources, or rights. Inequity experiencing groups include but are not limited to those facing discrimination based on factors such as race, ethnicity, gender, sexual orientation, socioeconomic status, disability, or other identity markers. The term emphasizes the active experience of inequality within a societal context and underscores the need for addressing and rectifying such disparities.

For the purposes of this policy, the term “inequity experiencing groups” includes but is not limited to women, people with disabilities, Indigenous, Black, and People of Colour, and 2SLGBTQAI+ individuals.

2.2.3 Equity deserving groups

For the purposes of this policy, the term “equity deserving group(s)” refers to a specific demographic or social group that is recognized as deserving fair and just treatment, with an emphasis on rectifying historical and/or systemic disparities. Equity deserving groups include but are not limited to those who have experienced discrimination based on factors such as race, ethnicity, gender, sexual orientation, socioeconomic status, disability, or any other identity markers or immutable characteristics. The term emphasizes the need for targeted efforts to ensure equality and fairness, acknowledging historical and structural factors that have contributed to marginalization.

For the purposes of this policy, the term “equity deserving groups” includes but is not limited to women, people with disabilities, Indigenous, Black, and People of Colour, and 2SLGBTQAI+ individuals.

2.3 Board responsibilities

The Board is responsible for:

- Ensuring this policy is consistently applied to all Board recruitment and election processes.
- Ensuring that there is zero tolerance of discriminatory language and/or behaviour at Board meetings or any other type of Board activity.
- Ensuring Board processes are accessible, inclusive, and equitable.
- Ensuring 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.
- Setting targets and developing specific action plans as deemed necessary to achieve the optimum level of diversity on the Board from time to time.
- Engendering a meeting culture that ensures all Directors have opportunities to bring their diverse experiences, thoughts, and views to all Committee and Board meetings while recognizing that diversity and unique experiences bring valuable insight to decision-making.
- Approving changes to this policy.

2.4 Governance Committee responsibilities

The Governance Committee is responsible for reviewing and assessing Board composition, recommending amendments to the Board Skills, Competencies, and Attributes Matrix, and developing the annual Director Recruitment Profile for Board approval. In this process, the Committee ensures an appropriate balance of diversity, attributes, skills, experience, and backgrounds as defined in this policy.

Additionally, the Governance Committee oversees the Board's annual performance evaluation in accordance with the Board Effectiveness and Renewal Policy, considering the mix of skills, experience, independence, knowledge and diversity among Directors.

2.5 Nominations Task Force responsibilities

The Nominations Task Force is responsible for endorsing qualified candidates for recommendation to the Board based on the requirements outlined in the approved Director Recruitment Profile and plays an integral role in seeking candidates who bring diverse perspectives to the Board.

In identifying suitable candidates for election/appointment to the Board, the Nominations Task Force will consider candidates on merit against objective criteria and with due regard for the benefits of equity, diversity, and inclusion in the Board's composition.

2.6 Ideal composition

The following table outlines the ideal composition of the Board with respect to each of the diversity dimensions the Board has identified as material to its success:

Dimension	Why it matters	Ideal composition
Representation of women	Historically, women have been unfairly underrepresented on boards. Studies show that boards which are composed of at least one-third women make better decisions, consider issues differently, and operate more effectively.	At least 50% female Directors.
Equity Deserving & Inequity Experiencing Groups	Historically, equity deserving and inequity experiencing groups have been unfairly underrepresented on boards. Studies show that equitable, diverse, and inclusive boards make better decisions, consider issues differently, and operate more effectively. The Board further recognizes that the people who call the Cooperative Bank's communities home come from varied backgrounds and have varied experiences. It is important to ensure that our Board reflects the make-up of the Cooperative Bank's communities.	The ideal composition of the Board is one in which equity deserving groups and inequity experiencing groups are treated equitably in order to ensure inherent diversity, experiential diversity, and diversity of thought. Therefore, the Board is committed to ensuring at least 30% of the Board's composition represents equity deserving and/or inequity experiencing groups.
Age	Each generation approaches problems and issues differently. As the Cooperative Bank serves members in all life stages, it is important to include a good mix of ages on the Board.	No more than one-third of Directors in each age bracket: <ul style="list-style-type: none"> • Under 50 • 50 – 60 • 60 and over
Geography	Local economies, local member needs, local politics, and needs in the Cooperative Bank's service areas differ broadly. These points of view should be represented at the Board table.	Representation from each of the Cooperative Bank's regions.

2.7 Reporting

The Governance Committee will report:

- Annually to the Board on the diversity of the Board and its Committees.
- Annually, in the governance section of the Cooperative Bank's Annual Report, on the process it has used to optimize Board equity, diversity, and inclusion. The report will include a summary of this policy, the measurable objectives set for implementing this policy, and progress towards achieving those objectives.