

March 2015

## **KHALSA CREDIT UNION'S COMMITMENT TO VALUES BASED BANKING**

As a socially responsible co-operative, our **mission** is to provide financial services for the betterment of our members, employees, and communities. We are driven by the **vision** of a world where financial services in local communities contribute to a sustainable future for all. Guided by our **values** (Equality, honesty, accountability, ethical behavior, Seva, sharing) we act in the best interests of our members, employees, communities and the environment.

The 'triple bottom line' (people, planet, prosperity<sup>1</sup>), is at the heart of how we do business, and we actively use financial services for the benefit of people and the environment. We believe that **values based banking** contributes to long-term business success and helps build a better world for all.

We will consistently strive to lead by example and be a catalyst for transforming how business and banking gets done. We will seek to sustain our commitment to values based banking even in times of economic and financial difficulties. Difficult times may be challenging for KCU but they are even more challenging for vulnerable groups and we believe a sustained commitment during such times is important.

### ***A way of doing business***

This policy is intended to help us stay true to our mission, vision and values as we grow and change. It provides guidance for embedding values based banking into how we govern and manage the credit union and conduct business day-to-day. It applies to decisions and actions across the organization and to all aspects of the business, including the products and services we offer and our relationships with members, employees, communities and those we partner and do business with.

All KCU directors and employees should understand this policy and how it applies to them. We will have plans in place to implement this policy and are committed to making continuous progress in living up to these commitments.

<sup>1</sup> Prosperity encompasses profit, but is a broader concept. It emphasizes long-term economic well-being and sustainable profitability and discourages the pursuit of profit at the expense of people and the environment.

### ***A living document***

This policy was created in consultation with KCU board, management, employees, members and a panel of local and national experts. As a living document it will be reviewed and updated every two years to reflect changing circumstances and expectations.

### **PRINCIPLES OF VALUES BASED DECISION MAKING**

Our values, and social, economic and environmental considerations, will be incorporated into decision-making. Where there are conflicting and competing interests, we will strive to make decisions that are in the best interest of the collective whole.

The following principles will guide our decisions and activities:

1. **Accountability:** We will be accountable for our impacts on community, the economy and the environment. Should our actions or decisions unintentionally result in significant harm or misalignment we will take measures to remedy the situation and prevent it from being repeated.
2. **Transparency:** We will be open about KCU decisions and activities that affect members, employees, community, the economy and the environment and communicate these in a clear, accurate, timely, honest and complete manner.
3. **Ethical Behaviour:** We will actively foster and practice ethical behaviour throughout KCU, in our decision-making and in our interactions with others.
4. **Stakeholder Engagement:** We will proactively engage with members, employees, community and other key stakeholders, such as regulators and the credit union system, to obtain their views and input and inform our decisions, innovations, and future direction.
5. **Respect for the rule of law:** We will comply fully with or voluntarily exceed the letter and spirit of all applicable laws and regulations. We will also meet the requirements of regulations, codes and initiatives to which we voluntarily subscribe

## **VALUES BASED BANKING COMMITMENTS**

In addition to applying the Principles of Values Based Decision Making we make the following commitments:

### **Strong Governance**

As a financial co-operative, the board of KCU is elected by and accountable to our members, and is committed to providing direction and oversight over KCU's mission, vision, values and commitment to values based banking so there is alignment between what we say and do.

### **Financial Sustainability**

KCU is committed to strong financial performance so we have the financial resources, strength, and resilience to successfully carry out our mission. Financial sustainability enables our success. It is the means to an end, not an end in itself.

- We will not put the pursuit of profit before the well-being of people and the environment;
- We will have the courage to turn down profitable business and opportunities that are clearly in conflict with our mission, vision, values and commitment to values based banking.

### **Social and Cultural Inclusion**

KCU is committed to being an inclusive provider of financial services. This includes how we serve our members and communities, how we govern the credit union, and how we conduct ourselves as an employer.

### **Member Well-Being**

As a financial co-operative owned by our members, KCU is committed to providing products and services that meet members' evolving needs and contribute to their long-term economic and financial well-being. Our members are the reason we exist.

- We value all our members and treat them fairly, regardless of life circumstance, and seek to build long-term relationships that support them through both good and tough times;
- We will adopt fair and responsible marketing practices and not knowingly encourage members to purchase products and services that do not meet their needs;
- We will protect the privacy of our members and safeguard their personal information.
- We are particularly interested in supporting the efforts of youth and newcomers to become financially literate member of our community

### **Employee Well-Being**

KCU is committed to being a fair employer and to providing meaningful and rewarding work that contributes to the well-being of employees. Our employees enable us to achieve our mission and values based banking goals, and to grow profitably serving our members and communities.

- We will recruit, hire, develop and promote people who share our values and support our mission and commitment to values based banking, and provide them with the training

and tools they need to be successful in their roles;

- We will train and empower employees at all levels to make decisions consistent with our mission, vision, values and commitment to values based banking, and support them to be effective ambassadors for KCU with members and in the community;
- We will provide a socially and culturally safe, inclusive and healthy working environment, reasonable job security, and fair compensation for the contributions they make to KCU;

### **Healthy Eco-Systems**

KCU is committed to modeling and promoting environmentally responsible business practices and to making business decisions that have a net positive impact on the environment. Healthy eco-systems are essential for human communities and economies to thrive over the long term.

### **Business Leadership**

KCU is committed to modeling and promoting the adoption of a triple bottom line business model by organizations in our sphere of influence. This includes partners, suppliers, contractors, members (businesses, non-profits, co-operatives), and others we lend to, invest in, or otherwise support.

- We will model fair and ethical conduct, and enable employees, members and other organizations to report unethical and unfair treatment by KCU, without fear of reprisal;
- Where possible, we will give preference to organizations that contribute to local social, environmental and economic well-being. We will not knowingly do business with organizations whose practices are clearly in conflict with our values and this policy.

### **Sustainable Communities**

KCU is committed to investing financial and nonfinancial skills and resources to foster social justice, economic self-reliance and environmental sustainability in our communities. Our long term success depends on the health and strength of the communities where we live and work.

- We will actively use our unique skills and expertise as a financial institution to help address priority social, cultural, environmental and economic issues facing our communities, and will consult with representative community groups in determining these priorities;
- We will invest skills and resources to support the development and growth of local businesses, social enterprises and co-operatives contributing to wealth and income creation while helping to reduce poverty and protect eco-systems. As appropriate, this may include purchasing from, lending to, or otherwise doing business with them;

### **Advocacy and Influence**

KCU is committed to using our influence and voice to help bring about positive change in our

communities and in the financial sector.

- In solidarity with others, we will support the development of public policies and practices that contribute to the common good;
- We recognize the fundamental role Aboriginal peoples have played in building this country and respect their unique histories, values and rights. We will work in respectful partnership with Aboriginal communities to foster understanding and awareness among our members, employees and others within our sphere of influence;
- We will advocate for and collaborate in efforts to advance the triple bottom line (people, planet, prosperity) within the local business community, the financial sector and the cooperative movement;
- We will actively participate in building the movement for values-based banking – locally, nationally and internationally, and collaborate in efforts to transform the financial sector