



# Diversity, Equity and Inclusion Policy

## Background

ARC's purpose is "our energy creates a better world for everyone." We have an inclusive and equitable work environment where diverse thoughts, skills and experiences benefit decision-making and drive performance. In 2018, we formalized our focus on diversity with a goal to increase female representation at the Board and Management level. In 2022, recognizing that diversity has several facets, we are expanding our focus on diversity beyond gender and are evolving our commitments and practices related to the inclusion and equitable treatment of all employees and potential employees.

We take pride in our disciplined culture which is built on our values of respect, integrity, trust and community. Moving forward, we will continue to evolve and iterate our commitments, practices and policies in the area of diversity, equity and inclusion ("DE&I").

## Policy Statement

We believe in equity and inclusiveness, and recognize the benefits of diverse thoughts, skills and experiences on decision-making outcomes and overall corporate performance.

We foster an environment where all individuals are treated fairly and respectfully, have equal access to opportunities and resources, feel a sense of belonging and can contribute fully to the organization's success.

We are committed to the equitable treatment of all employees and potential employees and to implementing practices and policies that prevent discrimination on the basis of age, race, colour, ethnicity, religion, sex, gender, gender identity or expression, sexual orientation, disability or any other characteristic protected under federal or provincial law.

## Board Policy and Oversight

Diversity, inclusion and equity begins at the Board level and cascades throughout the organization.

The Board believes that an informed, curious, and engaged team with a diverse mix of expertise, experiences, perspectives, and backgrounds is a critical component of the Board's effectiveness and the company's success. The Board believes this should be evidenced through the diverse representation of highly qualified individuals on the Board, in Management, and throughout the organization.

In fulfilling its governance responsibilities, the Policy and Board Governance Committee ensures the Board of Director Nomination process considers a broad and diverse pool of best-qualified individuals. In practice, prospective Board of Director candidates are identified with the help of an external search firm and are evaluated based on relevant skills and experience in relation to the Directors Skills Matrix, current Board composition, diversity, and future strategic plans for the organization.

The Human Resources and Compensation Committee of the Board is responsible for monitoring compliance with the Corporate DE&I targets and workplace practices.

## Corporate Targets and Practices

We have developed and nurtured a unique culture, where inclusivity and equity are core components, and diversity of thought and experience are valued. We believe DE&I should be evidenced through targets and practices that are supported by our purpose, culture and values.

- **Gender Diversity Target:** Continue to pursue representation of highly qualified females on the Board, in Management, and throughout the organization. ARC has an established target of 30% female representation on our Board and Management teams. Our Board and Management succession, progression and development processes are designed to support the recruitment and development of highly qualified female candidates.
- **Objective Recruitment and Succession Planning Processes:** All vacancies are filled based on objective criteria established to determine the skills, experience, and fit required for open roles. We have a rigorous recruitment process which includes multiple interviews with multiple leaders and peers, to reduce the risk of bias. Where applicable, we will retain an external search firm to identify a diverse pool of applicants and create further objectivity in the recruitment and assessment process.
- **Workplace Practices:** ARC is committed to workplace practices that support and recognize the distinct needs of all employees including, but not limited to, flexible and hybrid work schedules, partnerships with child-care services, comprehensive benefits programs, and regular review of compensation to ensure pay-for-performance and internal equity. In addition, we are committed to continuing to educate and train our teams to ensure a diverse, equitable and inclusive organization that is consistent with our Code of Business Conduct and Ethics.

Management will review the progress of ARC's DE&I practices on an ongoing basis.

We will continue to evolve and iterate our commitments, practices and policies in DE&I, through expanded DE&I targets, the continuous improvement of our objective recruitment and succession planning processes, and the continuous evolution of our workplace practices.