Minority and Women Inclusion Policy

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Policy Information

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Introduction

This FHLBank Policy, governed by the board of directors, is established to promote, to the maximum extent possible in balance with financially safe and sound business practices, the inclusion and utilization of Minorities, women, Individuals with Disabilities, and Minority-, Women-, and Disabled-Owned Businesses in all business activities of FHLBank, including in management, employment, procurement, insurance and all types of contracts at the Federal Home Loan Bank of Topeka (FHLBank). The Federal Housing Finance Agency (FHFA) regulations pertaining to Minority and Women Inclusion (MWI) at 12 C.F.R. Part 1207, as amended from time to time, are incorporated as part of this Policy.

Purpose

The purpose of this MWI Policy is to provide guidance related to the requirements of the MWI regulations. In addition, this MWI Policy promotes adherence to the principles of non-discrimination and the inclusion of Minorities, women, and Individuals with Disabilities and Minority-, Women-, and Disabled-Owned Businesses in FHLBank's business activities, including management, employment and contracting.

Scope

This Policy applies to all FHLBank business partners, to all of FHLBank's business units, and all aspects of FHLBank's operations.

Definitions

Contracts means any legally-binding and enforceable arrangement or understanding between FHLBank and one or more third parties. Examples of Contracts covered by this MWI Policy include, but are not limited to, service agreements, leases, rental agreements, licenses, letter agreements and binding purchase orders. The term Contracts also includes material revisions to a current Contract and statements of work or appendices to a master agreement. For purposes of this MWI Policy, the term Contracts does not include purchases at retail stores or restaurants, or other similar transactions, which are typically small dollar amount and conducted face-to-face, nor does it include purchases of $1,000 or less made through the following websites: amazon.com, newegg.com, and shi.com.

Applicants are defined in the regulations promulgated by the U.S. Department of Labor's Office of Federal Contract Compliance Programs.

Women-Owned Businesses are those in which: (1) more than fifty percent of the ownership or control is held by one or more women; (2) more than fifty percent of the net profit or loss accrues to one or more women; and (3) a significant percentage of senior management positions are held by women.

A *Minority* means any Black or African American, Native American or American Indian, Hispanic or Latino American, or Asian American.

Minority-Owned Business means a business where more than fifty percent of the: (1) ownership or control is held by one or more Minority individuals; and (2) net profit or loss accrues to one or more Minority individuals.

An Individual with Disabilities is an individual who has a physical or mental impairment which substantially limits one or more of that individual's major life activities.

Disabled-Owned Businesses include those: (1) that qualify as a Service-Disabled Veteran-Owned Small Business Concern; or (2) where: (a) more than fifty percent of the ownership or control of which is held by one or more persons with a disability; and (b) more than fifty percent of the net profit of loss of which accrues to one or more persons with a disability.

Diverse as used herein refers to each of Minorities, women, Individuals with Disabilities, and Minority-, Women-, and Disabled-Owned Businesses.

Governance

Board of Directors
The board is ultimately responsible for ensuring the overall effectiveness of FHLBank's MWI Program. Management shall provide the board with a copy of the annual MWI report filed with the FHFA (the MWI Annual Report) and an annual update on MWI Program activities.

Senior Management
Senior management is responsible for implementing appropriate policies and procedures to ensure FHLBank complies with all applicable laws, regulatory requirements, practices and principles.

Human Resources and Office of Minority and Women Inclusion
The HR/OMWI has been designated by the board as the office responsible for carrying out the requirements of 12 U.S.C. §4520(a) and FHFA regulations, pursuant to 12 C.F.R. §1207.20(a), and accordingly shall provide advice to the board of directors, senior management, and business partners on FHLBank's responsibilities pertaining to MWI.

Although HR/OMWI is responsible for directing and implementing the MWI Program, each business unit shall integrate respect for and attention to diversity and inclusion throughout FHLBank.

HR/OMWI shall have the following specific duties with respect to this Policy:

- Prepare, certify, and submit the MWI Annual Report no later than March 1 annually to the FHFA.
- In conjunction with other business units as necessary, develop an annual Diversity Outreach Plan (DOP) in connection with preparing the annual MWI Report that is submitted to the FHFA each March 1, addressing FHLBank's outreach initiatives.
- Review this Policy on an annual basis.

- Resolve any conflicts related to the administration or interpretation of any provision of this Policy.
- Provide the FHLBank management Operations Risk committee and the Operations committee of the board with periodic reports on the status of the MWI Program.
- Provide the FHLBank management Leadership committee with regular updates on MWI activities and initiatives.
- Develop appropriate procedures to track and report on the applicant and employee information necessary to complete the reports required to be submitted to the FHFA in the MWI Annual Report.
- Receive and, in consultation with the Legal department: (1) conduct reasonable investigations into complaints involving FHLBank's Anti-Harassment and Equal Employment Opportunity Policy Statement and/or this Policy; and (2) analyze any requests for a reasonable accommodation for disabilities.
- Document all action taken with regard to complaints and requests for reasonable accommodation.
- Develop internal procedures as required by this Policy.

MINORITY AND WOMEN INCLUSION PROGRAM

The MWI Program focuses on five categories – Employment and Management, Contracting, Other Business Activities, Complaint Handling and Requests for Reasonable Accommodation, and Monitoring/Reporting. In meeting its obligations with regard to each of these categories, a business unit shall consider the following:

Employment and Management

Recruitment and Employment Outreach
FHLBank shall endeavor to recruit and provide outreach to Minorities, women, and Individuals with Disabilities for purposes of recruitment to and advancement in, employment and management.

Recruitment and outreach activities are those activities directed at encouraging Diverse individuals to seek or apply for employment, and may include: (1) recruiting at colleges that typically serve Minority populations or at job fairs in urban communities; (2) placing employment advertisements in newspapers and magazines oriented toward diverse individuals; and (3) partnering with organizations that are focused on developing opportunities for Diverse individuals for placement in industry internships, summer employment, and full-time positions.

The DOP shall further set forth the FHLBank employment outreach focus each year.

Contracting

To ensure the inclusion of Minorities, women, Individuals with Disabilities, and Minority-, Women-, and Disabled-Owned Businesses in contracting opportunities, unless otherwise excluded from certain of the provisions of this Policy as noted in the Appendix to the Contract Review Policy (the Appendix), FHLBank shall endeavor to publicize and provide outreach to

Minorities, women, and Individuals with Disabilities and Minority-, Women-, and Disabled-Owned Businesses (Diverse Vendors).

Publication and Vendor Outreach
As a primary component of vendor outreach, FHLBank has engaged a third party to establish and maintain a diverse supplier registration portal (Supplier Portal) on FHLBank's behalf. FHLBank shall provide a link to the Supplier Portal on the diversity and inclusion page of FHLBank's external website and encourage Diverse Vendors to register. Types of contracting opportunities that are not excluded in the Appendix shall be noted on the Products and Services List on the Supplier Portal (Publication Requirement).

Moreover, to promote competition and inclusion in the contracting process, and to support this MWI Program, each contracting business unit is expected to be knowledgeable regarding the pool of potential vendors available to supply goods or services to the business unit by consulting the Supplier Portal for potential Diverse Vendors, and, if the business unit is aware of an appropriate Diverse Vendor, the business unit should invite the Diverse Vendor to review the contract or request-for-proposal opportunity.

The DOP shall further set forth the FHLBank contracting outreach focus each year.

Consideration and Selection
Except as provided in the Appendix, each business unit in its review and evaluation of contract proposals shall consider the diversity of the vendor as one component of its selection criteria (the Vendor Selection Requirement). After consideration of diversity and all other relevant criteria, the business unit should select the contract proposal that represents the best value to FHLBank, in accordance with FHLBank's obligations to balance financially safe and sound business practices.

Equal Opportunity Clause Requirement
Except as noted in the Appendix, contracts with vendors must include the following clause (subject to changes necessary to conform to the applicable contract's defined terms) (the Equal Opportunity Clause Requirement):

> (1) The contractor shall practice the principles of equal employment opportunity and non-discrimination in all its business activities, to the maximum extent possible, and at a minimum regardless of color, national origin, sex, religion, age, disability status or genetic information. Business activities include operational, commercial and economic endeavors of any kind, whether for profit or not for profit and whether regularly or irregularly engaged in by the contractor, and include, but are not limited to, management of the contractor, employment, procurement, and all types of contracts.
> (2) The contractor shall include the provisions of paragraph (1) to the maximum extent possible, in each subcontract it enters for services or goods provided to FHLBank.
> (3) In the event of the contractor's noncompliance with this section, this contract may be cancelled, terminated or suspended, in whole or in part, without penalty to FHLBank.

Variations or modifications to the above provision only may be approved by an HR Manger, the Director of HR/OMWI or a Senior Vice President or above and shall be indicated on the Contract Review Form.

Other Business Activities

Board of Directors
FHLBank management shall encourage the consideration of diversity in nominating individuals to the board of directors.

Member Outreach
FHLBank shall annually establish in the DOP planned outreach and recruiting efforts to members or potential members that are owned by diverse individuals.

Complaint Handling and Requests for Reasonable Accommodation

Complaints
In accordance with FHLBank's complaint procedure, which provides for a prompt, thorough, and objective investigation of any assertion of a violation of the MWI regulations or this Policy, whether from an Applicant, an employee, or a potential vendor, any complaint shall be directed to the Director of HR/OMWI.

The MWI complaint form is located on FHLBank's website and may be requested via hard copy by calling 1-785-438-6045. Completed forms may be submitted electronically to: Amanda.Kiefer@FHLBTopeka.com; or hard copy to: FHLBank Topeka, Attn: Director of HR/OMWI, One Security Benefit Place, Suite 100, Topeka, Kansas, 66606.

After receiving a complaint form, the Director of HR/OMWI, in conjunction with the Legal department, shall conduct an investigation and take whatever remedial or preventive measures are necessary to ensure that both the letter and the spirit of this Policy are enforced. All MWI-related complaints shall be tracked for purposes of including in the MWI Annual Report.

Requests for Reasonable Accommodation
In accordance with HR/OMWI procedures, any request for a reasonable accommodation for disabilities shall be directed to the Director of HR/OMWI. After receiving any such request, the Director of HR/OMWI shall follow such procedures as s/he has developed, with consultation and approval of an attorney in the Legal department as deemed necessary and appropriate, for accepting, reviewing, and granting or denying requests for reasonable accommodations of disabilities and shall document the reasons for granting or denying the request on the request for reasonable accommodation form. All requests shall be tracked for purposes of including in the MWI Annual Report.

Retaliation against anyone for reporting complaints pursuant to this Policy, or for cooperating with an investigation of a complaint, or for making a request for a reasonable accommodation for disabilities, is expressly and strictly prohibited.

Monitoring and Reporting

HR/OMWI shall implement appropriate internal procedures to track the information necessary to prepare the necessary reports required by this Policy, including information on diverse

Applicants and employees, complaints involving this Policy, and requests for reasonable accommodation. HR/OMWI shall also implement appropriate internal procedures to gather the information necessary from various business units to track and report on Diverse Vendors. Such information shall be compiled in the MWI Annual Report, which shall be certified by the Director of HR/OMWI and reported to the FHFA, with data as of December 31, no later than March 1, each calendar year.

Limitation of Expressed Rights or Benefits

This Policy does not, and should not be construed to create, any right or benefit, substantive or procedural, enforceable at law, in equity, or through administrative proceeding, by any party against FHLBank or its directors, officers, employees, agents or any other person.

Access to Information

HR/OMWI shall have the right to access all information necessary to carry out its responsibilities as FHLBank's Office of MWI. Business partners shall cooperate in supplying such information, as requested by the Director of HR/OMWI.

Exceptions/Violation

Exceptions to this Policy are permitted only by the Director of HR/OMWI, unless otherwise contemplated in this Policy or the Appendix.

Any violation of this Policy may result in disciplinary action up to and including termination.

Policy Publication

This Policy shall be posted on FHLBank's web site, in a format that is readable by reading software for the visually impaired.

Policy Review

This Policy shall be reviewed annually and revised as needed by the Director of HR/OMWI. Following such review, the Policy shall be submitted for review and approval by the Policy Oversight Group. In the event of any revisions to the Policy, such revisions shall be submitted for review and approval by the Operations committee and the board.