



Implementation Guidance

CFA Institute Diversity, Equity, and Inclusion Code (Singapore)

2024



CFA Institute
Research & Policy Center

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HOW TO USE THE IMPLEMENTATION GUIDANCE

This document, Implementation Guidance (Singapore), provides guidance for signatories to the CFA Institute Diversity, Equity, and Inclusion Code (Singapore), or "DEI Code (Singapore)," and should be read in conjunction with the DEI Code (Singapore) and the Reporting Framework (Singapore).

The practice cited here is derived from tested processes and ideas shared by participants in the CFA Institute Experimental Partners Program¹ and the key advisers to the DEI Code. It also leans on CFA Institute practice. This guidance is intended for DEI practices within the financial services sector to enable industry leaders to drive and accelerate change. It also summarises for each principle certain benefits that organisations may realise from effective implementation of DEI strategies. These benefits include access to the best talent and a potential reduction in expenses from lower employee turnover costs.

This Implementation Guidance, a core component of the DEI Code (Singapore), is not an exhaustive list of all the available actions. CFA Institute will review and update the guidance annually to reflect effective and tested DEI practices. The guidance is intended to provide a wide range of available actions to match the needs that each signatory assesses they require to make progress in DEI; some will be more appropriate for the short versus the long term. CFA Institute does not envisage signatories will cover every aspect at once but rather that a selection of actions will be chosen according to each organisation's strategic priorities and capacity.

Where the Implementation Guidance indicates actions signatories "should" take, we believe that the outlined actions are achievable for all signatories to the DEI Code. Where it suggests actions we "encourage," "urge," or "recommend" signatories to take, we recognise that the ability to take such actions depends on each organisation's specific circumstances and that the actions may not be achievable for all.

This guidance will be reviewed and updated regularly to reflect changing practices in the financial services sector. Signatories may wish to comment on their progress toward each Principle in narrative form using the Reporting Framework (Singapore) to explain the ways in which the organisation has adhered to each Principle under the DEI Code, even if this progress has been achieved in a way that differs from the Implementation Guidance. These tested ideas will then be considered for incorporation into the next update.

¹See Sarah Maynard and Paul Andrews, "Accelerating Change: Diversity, Equity, and Inclusion in Investment Management," CFA Institute (27 August 2021). <https://rpc.cfainstitute.org/en/research/reports/accelerating-change>.

Although the DEI Code is designed for organisations, the lessons and ideas it contains can also be practiced by individuals, line managers, leaders, and executives and can also serve as an educational resource for CFA Institute members.

Definition

The CFA Institute DEI Code (Singapore) Working Group first defines key terms in the DEI Code (Singapore) and then provides the rationale and commitment for each of the six Principles.

Diverse Groups

This is an indicative list for consideration. It designates a range of groups that organisations may wish to consider. Additional groups may be relevant to signatories, and they should also be included as needed to support work in accelerating DEI. Further detailed and regionally differentiated information can be found in the Reporting Framework.

- Disability (e.g., vision, hearing, speech, mobility, learning differences)
- Educational background
- Ethnicity
- Gender
- Gender expression/identity
- Intersectionality of two or more groups
- Multi-generation (e.g., Gen Z, millennials, Gen X, seniors)
- Nationality
- Neurodiversity
- Race
- Religion
- Sexual orientation
- Socioeconomic status
- Others (e.g., non-native-language speakers, migrant status)

Definition of Diversity

The full spectrum of human attributes, perspectives, identities, and backgrounds.

Additionally for Singapore, the resilience of humanity that comes with our diversity in origin (ethnic, cultural, and country); views (political, religious,

and ethical); identity (gender, orientation, age, and status [socioeconomic/work]); and ability (experience, neurological, and physical).

Definition of Equity

Fairness of access, opportunity, and advancement for all within an organisation, which requires eliminating barriers and root causes that have prevented underrepresented² groups from full participation within the workplace. Equity is distinct from equality, which requires that each individual be treated without discrimination, including being given equal opportunities for advancement. Note that essentially the same support for everyone regardless of the starting point is equality, but that may not provide an equitable solution. Equity offers those who need targeted support to reach their full potential.

Equity is at a very early stage of development in financial services. In part this is because it is a top-heavy industry, so it is more difficult to make strides in equity. Financial services have also historically attracted and recruited from a relatively narrow, homogeneous population, despite talent being equally distributed. Over successive generations, the sector lacks the knowledge, experience, and/or motivation to change. That situation is now changing, and this DEI Code is intended to address each of those gaps. Therefore, equity is included as a long-term goal for signatories, taking into account the local laws and context.

Definition of Inclusion

A state of operating in which every employee feels respected, valued, safe, and fully engaged.

Diversity, equity, and inclusion are referred to together in this document as DEI.

²There is a movement among some DEI practitioners to use the term “underrecognised” rather than “underrepresented.” This term emphasises an ongoing, active state that people can change and avoids reinforcing stereotypes and biases in the sector. This shift in emphasis is one useful way to deepen our understanding. Given the current DEI maturity of the global financial services sector, CFA Institute continues to use “underrepresented” here because the term has fairly broad understanding within the global financial services sector.

THE PRINCIPLES: RATIONALE AND PRACTICE GUIDANCE

This guidance is intended to suggest a range of actions for signatories (or potential signatories) to consider and/or adopt to best align to the specific DEI challenges and opportunities within their organisation. Implicit in this guidance is the need to ensure sufficient budget and resources to execute the chosen actions.

“We” in this document refers to CFA Institute Diversity, Equity, and Inclusion Code (Singapore) signatories.

Principle 1: Pipeline—We commit to expanding the diverse talent pipeline.

1.1 Rationale

1.1.1 Pipeline: Expanding the diverse talent pipeline of prospective employees is crucial to building up human capital, which is critical to the long-term success of organisations.

1.2 Commitment

1.2.1 We recognise the difficulty in sourcing diverse talent, driven at times by a lack of visibility and awareness of the opportunities in the financial services sector. Therefore, we commit to continued outreach to attract capable but often overlooked individuals from groups that remain underrepresented in the sector:

1.2.1.a To continue and extend our **outreach** to attract capable (but often overlooked) individuals from groups that remain underrepresented in the sector.

1.2.1.b To raise **awareness** of career opportunities across all groups of prospective employee candidates, including but not limited to students³ across all ages, displaced employees, and those considering a change of career.

1.2.1.c To **tackle** stereotypes and perceptions that certain qualifications are needed for a career in the financial services sector.

1.2.1.d To **collaborate** with other organisations, such as external diversity partners, for outreach to the local communities.

³See CFA Institute, “Graduate Outlook Survey 2024” (28 May 2024), <https://www.cfainstitute.org/about/graduate-outlook-survey-2024>.

1.3 Practice Guidance

1.3.1 Organisations should identify **outreach** opportunities to raise visibility and **awareness**, wherever possible, to attract diverse talent.

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
1.3.1.a	Organisations should identify outreach opportunities to raise visibility and awareness of the sector, wherever possible, to attract diverse talent.	<p>Include regular outreach to a broad swath of institutions—including all levels of education, private and public schools (including madrasahs, for example), polytechnics, colleges, universities, and institutions of higher learning—as well as raising awareness of internship and/or apprenticeship pathways through information sessions.</p> <p>Typically, organisations conducting outreach can consider sharing their professional expertise by offering financial literacy classes but not specifically marketing financial services as a career. They may also be supporting financial literacy initiatives by serving on a board, utilising their professional knowledge but not promoting potential roles at their organisation. Larger organisations may create a clear programme for outreach.</p> <p>Consider supporting overlooked, underfunded communities to help equip students with the knowledge, connections, and aspiration to enter the financial services sector. To engage with a wider audience, changing the perception of the financial services sector can be emphasised with a focus on the industry’s goal of “contributing to lasting, sustainable change.” The CFA Institute University Relations team has found that such intentional, service-based framing helps emphasise the bigger picture and could have immense influence on early talent entering the sector.</p> <p>Organisations should consider meeting with community leaders before outreach work to understand each community’s unique culture, beliefs, and norms. Such insights could then be used to inform and adapt outreach activities so that they are appropriate to and suitable for each community.</p> <p>It is important to learn from the people who know their community best, as opposed to solely relying on desktop research. This may involve some skills-based training or briefing with key watch points in intercultural competency, conflict resolution, human rights, and anti-racism.</p>

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
1.3.1.b	Organisations should target outreach activity to those (not limited to young people) who are least familiar with and have the least exposure so as to raise awareness of the financial services sector.	<p>Organisations could consider delivering outreach to overlooked schools in their communities.</p> <p>This may be in the form of career fairs or similar presentations intended to help equip students with the knowledge, connections, and aspiration to enter the financial services sector to deliver outreach to school-age children, whether that be with other organisations or in partnership with external outreach and diversity organisations.</p> <p>Resources—financial, personnel, and time—are frequently cited limitations to expanding an organisation’s talent pipeline. As a result, working with a wide range of groups, such as existing affinity organisations, charities, and other organisations, can magnify the impact of the available resources. These organisations also can mobilise resources relevant to talent acquisition (Principle 2). Where possible, organisations should undertake measures to support such groups financially.</p> <p>Working with organisations, such as the Ministry of Education (MOE), and the assigned career coaches and talent developers in school clusters and industry bodies may help lesser-known organisations (which may lack brand recognition in the local industry) reach a broader outreach audience and thus attract a more diverse group of candidates.</p> <p>This approach will also maximise the impact and use of resources and not overburden organisations and schools or community groups alike. (See the Resources section for suggestions on potential partners.)</p>

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
1.3.1.c	<p>[Awareness] Organisations should encourage employee representatives to offer themselves as a source of information and inspiration. This would amplify the message of equity by celebrating role models from underrepresented groups.</p>	<p>Showcasing diverse employees as role models and “success stories” on public websites and social media platforms sends a strong signal to give potential candidates the message that the organisation values those from historically underrepresented groups.</p> <p>Promoting internship and graduate opportunities alongside these success stories can reinforce that message, which should be given credibility by communicating a public DEI strategy.</p> <p>Care should be taken in asking employees to raise their profile, however, so as not to add to cultural burden or appear disingenuous about the reality of diversity data. In particular, openness about the diversity, or lack thereof, on the board and the senior leadership team is important to avoid the appearance of “social washing” or “diversity washing.”</p> <p>Organisations must make clear to employees that the decision to showcase their diversity in response to such a request is voluntary. Moreover, organisations must also make clear that there will be no adverse employment decision made because an employee has decided to take up/not take up the request to showcase their diversity.</p> <p>Examples include classroom visits by employees from underrepresented groups, informal meetings for parents/carers, research competitions, and mock interviews to help students, teachers, and parents/carers understand the financial services sector. It is important that individuals with characteristics within DEI, including minority and/or female role models, participate when engaging with schools to help mitigate biases of students, parents/carers, and teachers.</p> <p>Organisations can also attend career fairs, provide virtual conference speakers, or set up mentoring programmes in conjunction with other entities. Business clubs, especially investment clubs at higher-education institutions, can be effective partners, offering scope for sponsorship and deeper engagement.</p>
1.3.1.d	<p>[Awareness] Organisations should clearly articulate the benefits for potential candidates of working in the financial services sector and in their organisation.</p>	<p>Although promoting the employer brand helps attract potential candidates, the employer should showcase what it has to offer potential employees in exchange for their skills and experience (the “Employee Value Proposition” or “EVP”), including examples to support health, well-being, and career development.</p>

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
1.3.1.e	<p>[Awareness] Organisations should demonstrate the alternative routes to a career in their organisation, such as internships, industrial placement programmes, and/or scholarships.</p>	<p>There is still a perception that the financial services sector recruits from a single source—namely, university students studying a limited range of degree subjects, including mathematics, economics, and finance.</p> <p>By advertising alternative routes clearly on the careers page of public websites, organisations will open new pathways into the sector.</p> <p>Limiting financial services jargon and instead using more everyday language on the careers page of public websites helps make the sector more accessible to those who tend to see it as either not open to them or unlikely to give them the same opportunities to succeed as others.</p> <p>Explaining specific terminology will also help candidates to apply for roles (see Principle 2).</p> <p>Many potential candidates from universities welcome an opportunity to gain work experience over a 2- to 12-week period during semester breaks. A number of degree courses also offer a one-year industrial placement in the final year of study. These provide students with valuable real-world experience in the sector:</p> <ul style="list-style-type: none"> • Organisations that offer these programmes must take steps to open up applications to students from a wide range of degree subjects. • Internships should be paid, open to any student to apply, and not biased in favour of selecting candidates who were introduced by a senior executive. • Organisations may decide to offer scholarships to support students from less advantaged socioeconomic backgrounds to complete their higher education. Internships that offer scholarships designed to support the advancement of talent from different socioeconomic backgrounds by providing financial support, mentoring, and advice to help interns complete their degree courses are also a valuable resource. • Signatories should ensure such opportunities are framed as offers available to all employees that fall within relevant diverse groups. We do not recommend such offers be made to individuals on the basis that the organisation believes they fall within a category of an underrepresented group.

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
1.3.1.f	<p>[Outreach] Organisations should maintain open channels to facilitate two-way feedback between the organisation and potential candidate and student pools.</p>	<p>Organisations can survey internship candidates and outreach audiences to improve their understanding of the issues that deter candidates from underrepresented groups from applying to the industry:</p> <ul style="list-style-type: none"> • Two-way feedback is a valuable resource in improving outreach. • At the same time, care must be taken to ensure feedback to unsuccessful candidates does not refer to diversity-related information and should be purely merit-based (i.e., based on a person’s skills, experience, and ability to perform the work rather than diversity-related factors). • Sustained contact over time can reach more-engaged students and nurture them over time. Even if students do not pursue a financial services career following the initial outreach, they will be more likely to see the industry positively and more likely to consider it later. Because millennials and younger generations may have multiple careers in their lifetimes, this strategy can pay back in the long term. <p>Talent pipeline expansion can also extend to older age groups beyond traditional student cohorts (e.g., entities dedicated to enabling women⁴ to return to the industry, having left for a career break or because of previous work-life balance challenges⁵).</p> <p>Even if students do not choose a career in financial services, they may well become future clients, so the brand association built early on can have a positive return on investment.</p>

⁴See Daniel Oehling, Ben Sheridan, and Roshini Bakshi, “Closing the Gender Gap in Private Capital,” BCG (31 January 2024). <https://www.bcg.com/publications/2024/singapore-closing-the-gender-gap-in-private-capital>.

⁵The Singapore National Employers Federation conducts workshops on Structured Career Planning (SCP) to help employers understand their senior workers’ career plans and address skill gaps to better prepare them for re-employment.

Principle 2: Talent Acquisition—We commit to designing, implementing, and maintaining inclusive and equitable hiring and onboarding practices.

2.1 Rationale

2.1.1 Talent Acquisition: Organisations should ensure that all aspects of hiring practice are equitable and inclusive, from intern, apprenticeship, and graduate recruitment to experienced hires and senior roles, as this is critical to improving diversity.

Such an approach will benefit organisations by ensuring they continue to attract and recruit the best talent. It will also support organisations to meet their fiduciary responsibilities to clients by ensuring the best and brightest of all identities and backgrounds are informing their decision making.

2.2 Commitment

2.2.1 We commit to creating, implementing, and regularly reviewing robust talent acquisition processes and policies. Examples include anti-bias, cultural competency, and other educational training for hiring managers, interviewers, and recruiters, as well as putting in place equitable process timelines, recognising that some candidates may take longer to apply to roles than others.

2.2.2 We commit to systematic outreach to attract talented but overlooked individuals from underrepresented groups into our organisation. Some organisations perceive difficulty in finding diverse pools of candidates via traditional routes, so in addition to exploring other sources, we will reduce the systemic and institutional barriers for talented, qualified underrepresented individuals from these traditional sources. As importantly, we will combat the **misperception that finding underrepresented candidates means organisations have to lower their criteria** and look for “alternative talent.”

2.2.3 We commit to identify and drive better DEI practices in external recruitment. This includes hiring for “cultural add” rather than “cultural fit” and modifying practices to consider a wider range of educational backgrounds, subjects of study, and experience.

2.2.4 We commit to ensuring that our onboarding policies feel inclusive and equitable to all reasonable parties. We shall be transparent in job descriptions on expected benefits, the possibility of flexibility within the role, the cultural environment we currently have, and the culture we are striving toward. Where explicitly requested by an applicant, we will provide the reasonable adjustments for essential job functions to encourage a diverse group of applicants.

2.3 Practice Guidance

2.3.1 Talent Acquisition Processes and Suggested Guidance

Some pointers in Principle 1 may also apply.

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
2.3.1.a	Organisations should take steps to ensure the talent acquisition process is inclusive at all stages.	<p>Aligning inclusive talent acquisition with strategic business imperatives to grow the organisation gives these DEI-focused changes credibility and increases buy-in.</p> <p>Inclusive thinking should be embedded at all stages of the talent acquisition process, from developing job descriptions and written applications to the interview and onboarding process:</p> <ul style="list-style-type: none"> • Methodically reviewing each step against the criterion of inclusivity is a good start. • Considering candidates in terms of cultural add or complement and supplement as well as just cultural fit is more likely to support diverse hiring and avoid building homogeneous teams.
2.3.1.b	<p>Organisations should ensure job advertisements and job descriptions are clear, concise, and written in plain language.</p> <p>Organisations should also ensure that characteristics described as role requirements include only criteria that are essential for the role.</p>	<p>The first experience a candidate has of an organisation's commitment to DEI is plausibly the job advertisement and job description:</p> <ul style="list-style-type: none"> • Explain any terminology in the job advertisement, limit the use of technical jargon, and scrutinise whether minimum qualifications are critical for the role or a "nice-to-have." • Clearly list any flexibility offered in the role. <p>The Fair Consideration Framework (FCF) sets out the requirements for all employers in Singapore to consider candidates fairly for job opportunities. Employers should not discriminate against candidates based on non-job-related characteristics, such as age, sex, nationality, or race.</p>
2.3.1.c	Organisations should commit to creating and implementing a fair and consistent experience for candidates.	<p>Interviews should employ standardised, competency-based questions appropriate to the role and score candidate responses numerically as well as qualitatively. To aid wide adoption, the questions and tests should be closely related to the specific roles.</p> <ul style="list-style-type: none"> • Incorporating an objective, competency-based analysis—for instance, using a skills rubric given to those involved in the interview and hiring process—can help focus interviewers on the matrix of skills required to perform a role, as opposed to relying on more subjective instincts about the candidate that may be predicated upon a common background or common interests to the exclusion of others.

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
		<p>Organisations should note that interviewing “standards” may not work for some candidates. For example, some neurodiverse candidates may fail to interpret social cues and overlook nonverbal communication through a standardised interviewing procedure:</p> <ul style="list-style-type: none"> • In order to interview candidates who self-identify as neurodiverse, advice from qualified consultants should be taken as to how to design and implement an inclusive selection process. <p>When scheduling interviews and assessments, organisations are recommended to provide as much information as possible to candidates on the entire recruitment process:</p> <ul style="list-style-type: none"> • Make it clear to candidates what the recruitment process is—for example, whether there may be an assessment stage (often used for early-career recruitment) and the various interview stages. This should include an expected time frame for completion of the recruitment process. • Consider accessibility requirements throughout the process. Recruiters and/or hiring managers may consider including a statement in any communication with candidates and new staff to encourage them to request any arrangements necessary.
2.3.1.d	Organisations should invest in continuous training of recruiters and hiring managers to maintain anti-bias practices.	<p>Inclusive talent acquisition requires dedicated training specific to the task of recruitment. Such training helps recruiters and hiring managers improve their ability to recognise and appreciate diverse backgrounds, experiences, and skills with the goal of mitigating bias.</p> <p>As an example, educational and professional attainment should be reviewed in the context in which they were achieved, such as a candidate who may have been studying while working two jobs or coping with family caring responsibilities. Such candidates may have a less linear education record than others, but they can still bring valuable determination, grit, and commitment to a role, as well as ability:</p> <ul style="list-style-type: none"> • Hold training for hiring managers closer to the hiring season for interns and new graduates. Refresher training should be available ahead of an experienced-hire process. • Training for managers around interview techniques and management styles should include approaches that are more suitable for people with disabilities (including those with “invisible disabilities”) and/or neurodivergent candidates.

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
		<p>Training for all involved in recruitment should ideally include at least some of the following:</p> <ul style="list-style-type: none"> ● Awareness of implicit biases, the costs of stereotyping, and the behavioural benefits of challenging our own assumptions. ● Building an understanding of the Principles, the skills involved for managers, and the commitment to cultural change, including cultural competency. ● Actions needed to change previous practices. ● Identifying gaps in cultural intelligence, as well as in skills, on an existing team. ● How to frame a broad search to produce a larger pool of candidates. ● How to mitigate bias to create inclusive and effective job descriptions. ● Interview practice for hiring managers, including communicating for understanding, and listening skills.
2.3.1.e	Organisations are encouraged to commit to ensuring interview panels are diverse wherever possible.	<p>Research shows that demographically homogeneous panels tend to deter diverse candidates from joining. Homogeneous panels are also less effective at the complex task of identifying and acquiring talent because of selection and other biases:</p> <ul style="list-style-type: none"> ● Interview panels should include diverse members of the organisation, from any function, where relevant. <p>Including members of employee resource group ("ERG") or business resource group ("BRG") on interview panels can help to identify cultural add as well as inform candidates about organisational culture.</p> <p>ERGs and BRGs can be helpful in discussing processes and policies if they have the experience and capacity. ERGs are more likely than the general employee population to have diverse professionals in their networks and so can be effective ambassadors for the organisation:</p> <ul style="list-style-type: none"> ● Active BRGs tend to have more capability to contribute to recruitment policy review because they are more closely aligned with business goals, understand the steps to achieve those goals, and receive training to that end. Therefore, organisations should include active BRGs in recruitment policy review.

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
2.3.1.f	Organisations should have accountability at both the mid- and senior levels when standard recruiting tools do not result in diverse candidate pools or when the DEI mindset is not embedded within the culture (also see Principle 4: Leadership).	<p>It is incumbent not only upon senior leaders to follow through on broadening their recruiting pool; more importantly, managers should also follow up on the process and adapt to improve results.</p> <p>Accountability can take the form of a “comply or explain” approach. Many organisations are also introducing incentive-based compensation and/or management performance metrics that result in adjusted remuneration.</p>

2.3.2 Talent Acquisition Outreach

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
2.3.2.a	Organisations are encouraged to continually grow diverse talent networks to cultivate broader pools of talent, even when a job vacancy is not immediately available.	<p>Leveraging ERG networks through an understanding that the organisation is “always-on recruiting” for mid- and senior-level hires can also be a productive approach.</p> <p>Always-on recruiting means building relationships with potential hires even when the organisation has no open roles. ERGs are more likely to have diverse networks and thus can be effective ambassadors for the organisation.</p> <p>Using the always-on approach, quality hires might take place two to three years from inception. In the meantime, cultivating the relationship is key, as is a focus on quality rather than quantity of candidates:</p> <ul style="list-style-type: none"> When involved in recruiting through networks, employees need to be comfortable with articulating and living the organisation's values and understand how to communicate them in a way that best presents the organisation's culture. They may need some training along always-on recruiting lines, similar to that for an organisation's talent team and/or hiring managers. <p>This training will also serve the purpose of building capabilities within the existing workforce. If BRGs have been involved in creating a cultural framework, they may be well placed to present it.</p>
2.3.2.b	Organisations should be open to both traditional and non-standard routes to hiring.	<p>Traditional routes include premier universities with long-established, regular campus outreach from financial services organisations and headhunters that keep producing fairly homogeneous lists of candidates.</p> <p>Organisations may fail to attract underrepresented students and/or pools because:</p> <ul style="list-style-type: none"> Recruiters are not looking: “No one makes an effort to find something they do not think exists.” The lack of diversity makes the financial services sector unattractive to underrepresented groups, creating a vicious circle.

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
		<p>Educating and training hiring managers can help to combat the misperception that finding underrepresented candidates means managers immediately have to lower their criteria and look for “alternative talent.”</p> <p>Inclusive sources include sourcing candidates from public finance and working with alternative recruiters with strong networks among a wide selection of potential candidates, including women and individuals from underrepresented communities.</p> <p>Besides employing fresh graduates from universities, organisations can consider other routes to recruit from a broader talent pool, such as returners and mid-career conversion candidates.</p> <p>Other useful practices include:</p> <ul style="list-style-type: none"> • Encouraging organisations to provide support and training for workforce returners. Mid-career recruitment can include sourcing candidates through returners, especially women rejoining the workforce. They will have industry experience but may need support updating their skill sets before being able to accelerate their progress. • Encouraging organisations to analyse the potential among existing mid-career diverse employees working in non-finance-related positions. • Involving “in-reach” to mid-career professionals by taking a second look at the talent already present in the industry. Many organisations have talented employees from underrepresented groups. These existing employees may not work in financial services-related roles. Underrepresented people became underrepresented in the financial services sector not because they lacked the skills or education but because they were not given the opportunity to enter early in their careers. For example, female graduate hires are sometimes funnelled from potential financial services roles into marketing and client service, and other minority groups are sometimes directed into operations roles. Supporting employees in pursuing professional credentials can enable this transition and benefit both employer and employee. • Internal referrals from diverse employees should be recognised, encouraged, and incentivised. For example, an organisation employee mentoring an external mentee from an underrepresented group could recruit that individual to join the organisation, effectively reaching this candidate through the employee’s network.
2.3.2.c	Organisations should extend search times and broaden their criteria for roles that have very specific qualification requirements.	<p>In the case where there is a limited pool of individuals possessing specific qualifications required (e.g., the Certified Financial Planner [CFP] qualification in Singapore), greater flexibility may be needed:</p> <ul style="list-style-type: none"> • If the pool is too limited in number, employers could broaden their criteria by looking out for non-traditional candidates or by reaching out to candidates outside the geographical area or sector and offering relocation or appropriate assistance.

Principle 3: Promotion and Retention—We commit to designing, implementing, and maintaining inclusive and equitable promotion and retention practices to reduce barriers to progress.

3.1 Rationale

3.1.1 Promotion: Equitable promotion is pivotal for enhancing employee visibility, experience, talent recruitment, retention, and fostering a robust pipeline for long-term organisational success. In ensuring fair and inclusive promotion practices within the financial services sector, organisations should prioritise equitable access to training, mentorship, sponsorship, progression, new opportunities, and appraisal processes. This encompasses mid-career steps, including “stretch” assignments and high-profile projects, as well as individual recognition through role advancements.

3.1.2 Retention: Inclusive retention minimises turnover and associated costs, enabling all talent to contribute fully. Recommended actions include the following:

- Shifting career conversations toward diverse progression and development.
- Rewarding organisations for retaining people and their potential across the entire organisation, not just within teams.
- Fostering workplace inclusivity with local and cultural support systems.
- Eliminating harassment and protecting against office bullying to reduce turnover.
- Designing inclusive retention systems like mentorship and work-life accommodations.
- Identifying and addressing barriers for underrepresented employees and valuing their contributions.

3.2 Commitment

3.2.1 We commit to creating and implementing robust promotion and retention processes that are subject to a cycle of regular review and improvement. This work will be supported by managers, senior leaders, and wider organisational cultural competency training to embed inclusive and equitable practices.

3.3 Practice Guidance

3.3.1 Promotion

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
3.3.1.a	<p>Organisations should assess talent based on their experience, skills, and job profiles as applicable to the organisation.</p>	<p>Encourage the focus on the development of organisation-wide people potential and review with cross-functional leadership, human resources, training, and/or consultant advice.</p> <p>On a business-as-usual basis, those managing teams and allocating work should be mindful that this is done fairly and equitably, with all employees being given opportunities to enhance their skills and gain experience in stretch projects and roles:</p> <ul style="list-style-type: none"> • The provision of DEI training can assist managers in understanding and implementing equitable allocation of work for the purpose of employee promotion.
3.3.1.b	<p>Organisations should provide transparency of opportunities available and promotion processes to encourage all candidates to apply for internal opportunities.</p> <p>Organisations should also consider shortening the promotion process, where possible.</p> <p>Progression of responsibilities in the furtherance of personal/professional development is even more important than job title promotions, which can lead to unproductive title inflation (not uncommon in the financial services sector).</p>	<p>If every promotion and opportunity were to be opened to all potential applicants, it may encourage applications from a broader pool of talent. This will increase the selection pool and support equitable practices:</p> <ul style="list-style-type: none"> • To increase the selection pool, managers (with the support of the business leaders) should allocate time to hold career conversations with team members. Being aware of individual career aspirations (both near and medium term) will enable managers and leaders to actively encourage a broad range of employees and colleagues to pursue opportunities and promotions that are relevant to them. <p>They may also wish to provide additional support and coaching to those who are qualified but less confident.</p> <p>Managers and leaders should also suggest or prompt promotion positions that an employee has the potential to reach in the near or medium term, particularly to employees who are less confident or do not realise that they have the qualities and prerequisites to go further.</p>

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
3.3.1.c	Organisations should intentionally identify potential leaders as part of systematic succession-planning programmes and set clear ambitions for inclusive representation in the programmes to include the widest selection of potential talent.	<p>In building an accelerated programme for future leaders to enhance senior-level diversity of experience, managers and/or business leaders must inquire about the next step for a team member to get into a primary functional leading role within the organisation:</p> <ul style="list-style-type: none"> • Conduct reviews to ensure diverse talent has ample opportunities for such roles or to determine whether certain diverse groups are being concentrated in support roles/non-primary functions within the organisation. <p>Ambitions for inclusive representation may be in the form of DEI goals and targets linked to the overall business strategy.</p> <ul style="list-style-type: none"> • Establish DEI objectives in line with the overall business strategy. • Integrate targets for inclusive representation into organisational goals. <p>Organisations are encouraged to create rotational opportunities for exposure across various business functions to diversify their operational experience:</p> <ul style="list-style-type: none"> • Encourage smaller organisations to develop a shadowing system to help guide mid-level management to prepare for top leadership roles. • Organisations are encouraged to use credible systems, processes, and groups, such as ERGs and BRGs, to identify individuals with untapped leadership potential.
3.3.1.d	In identifying barriers to diverse employee progress and valuing underrepresented employees' contributions, organisations should consider and understand specific factors that typically do not present challenges for members of the majority group.	<p>Employees from certain socioeconomic groups may not have had the same shared cultural and social experiences as those who grew up in a more affluent environment. This can impact their confidence, perceived gravitas, and ability to fit in.</p> <p>They may also lack the networks of family and friends to provide informal guidance, support, and introductions:</p> <ul style="list-style-type: none"> • Organisations are encouraged to seek a person knowledgeable in DEI matters to hold regular workshops and talk sessions to improve visibility among the staff. For example, the sessions could highlight unconscious bias behaviours and blind spots. • Hold mentoring and sponsorship programmes, which have important roles to play in career development for talent, especially for diverse talent. <p>Reassessing the impact of these programmes regularly (at least annually) can help maintain efficacy and encourage line managers and leaders to make revisions where necessary.</p>

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
3.3.1.e	<p>Organisations are encouraged to observe the emphasis on leadership accountability for successful implementation.</p> <p>Leadership commitment is crucial for setting the tone and driving the adoption of DEI principles throughout the organisation.</p>	<p>Lack of equal access to growth opportunities can lead to one group having a cumulative advantage over the other.</p> <p>Organisations are encouraged to check if underrepresented groups are informed about temporary projects or rotations as effectively as majority groups.</p> <p>Managers and leaders should ensure fairness in offering growth opportunities to all employees on a regular basis:</p> <ul style="list-style-type: none"> • Allocate work in a way that provides equal chances for skill enhancement and experience building. • Provide DEI training to help managers and leaders understand and implement fair allocation of work. • Ensure that employees from all backgrounds can participate in stretch projects and diverse roles.

3.3.2 Retention

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
3.3.2.a	Organisations should develop and deploy DEI training programmes for all employees.	<p>Developing DEI training programmes for all is important to cultivate an inclusive workplace culture, ensuring employees at every level undergo training to champion diversity, mitigate bias, and contribute to a fair and inclusive work environment:</p> <ul style="list-style-type: none"> • Organisations should proactively create and execute DEI training for all employees. This entails developing educational initiatives to boost comprehension, awareness, and skills in diversity, equity, and inclusion.
3.3.2.b	Organisations should develop and maintain a DEI communications roadmap to explain the purpose of the organisation's DEI efforts at each career stage.	<p>Start with a clear purpose, acknowledging the interdependence of business and society:</p> <ul style="list-style-type: none"> • Consider work redesign and rewire with training. Work redesign is cost neutral 20% of the time. • Collaborate with external partner organisations to look for differentiated talent pools. Some partner organisations are able to train and prepare different-abled talents for the corporate environment (see K. T. Goh, D. Z. Mack, and J. Ang, <i>The Inclusive Organizing Playbook</i> [Singapore Management University, 2023]). <p>Share tested practices for success, such as organisational and leadership perspectives on the importance of DEI, and identify periodic focus topics to engage all employees:</p> <ul style="list-style-type: none"> • Improve clarity within the organisation by working with persons knowledgeable in DEI matters and external advocacy to create caregiver awareness workshops. <p>Expand communication of when and how to extend support when employees are faced with personal challenges in the workplace.</p>

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
3.3.2.c	<p>Organisations should ensure that HR policies and practices include robust complaint procedures, creating safe spaces to escalate issues around harassment or disrespectful behaviour.</p> <p>Leaders and HR should be trained to effectively address such concerns.</p>	<p>Offering confidential third-party software allows employees to provide feedback anonymously on instances of harassment and bias.</p> <p>Also, offering partner organisation training on recognising and addressing “microaggressions,” or subtle acts of exclusion, is crucial for fostering a safe environment. It empowers employees to appropriately support colleagues and prompts self-reflection for behavioural change.</p> <p>Senior leaders can lead by example, emphasising that an inclusive culture benefits everyone. Focusing on affirming desired behaviours proves more effective than solely instructing on what not to do, helping to address any potential resentment or resistance.</p>
3.3.2.d	<p>Organisations should implement policies that support flexible work⁶ and inclusive workplace environments.⁷</p>	<p>Research interviews suggest that creating a structured approach, including trained individuals for supportive listening, is crucial. Implementing a well-structured set of questions and having dedicated experts handle cases, working in collaboration with human resources, can be beneficial.</p> <p>To support working mothers and caregivers, organisations should refresh the human capital management approach in a hybrid flexi-work environment. Findings from a Financial Women’s Association Singapore (FWA) survey⁸ show:</p> <ul style="list-style-type: none"> ● 47% want re-skilling and managerial training to enable them to pursue excellence. ● 48% would like more leadership and mentoring opportunities to enable them to progress. ● 68% want to be better resourced to help them meet the growing demands and new business complexities. <p>To work toward an inclusive workplace for disabled employees,⁹ organisations are encouraged to make step-by-step changes to organisational design (refer to <i>The Inclusive Organizing Playbook</i>):</p> <ul style="list-style-type: none"> ● Identify the diversity goals for disabled persons and seek support from the leadership and line management. ● Identify the job roles and how they will add to the overall organisational performance.

⁶The Tripartite Guidelines on Flexible Work Arrangement Requests (see the Resources section at www.tal.sg/tafep/resources) will plausibly come into effect in December 2024.

⁷See Tripartite Alliance for Fair & Progressive Employment Practices, “Managing a Flexible Working Team: Solutions to Supervisors’ Top Concerns” (25 February 2020), www.tal.sg/tafep/resources/articles/2020/managing-a-flexible-working-team---solutions-to-supervisors-top-concerns.

⁸Financial Women’s Association Singapore (FWA Singapore), “Empowering for a Sustainable & Equitable Future: 2022 Survey Findings” (2022).

⁹See SG Enable and STUCK, *Design Playbook for Inclusive Spaces* (2022). www.sgenable.sg/docs/default-source/i%27mable/i%27mable-resources/design-playbook-for-inclusive-spaces.pdf.

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
		<ul style="list-style-type: none"> • Develop the workflow for the specified roles into separate tasks. • Develop measures to track the progress of an inclusive workplace. <p>Organisations are encouraged to consider providing training for understanding, developing inclusive hiring practices and mentorship and support programmes.</p> <p>To support older workers,¹⁰ organisations are encouraged to expand their caregiving policies. Singapore has one of the most rapidly aging populations in the world. It is estimated that by 2030, one in four people will be aged over 65 years, and by 2050, this estimate will rise to almost one in two (refer to population census data from the Department of Statistics Singapore):</p> <ul style="list-style-type: none"> • Consider expanding the Employee Assistance Programme (EAP)¹¹ in caregiving and eldercare workshops. • Make available resource information or external assistance. • Work with third-party agencies to align the organisational goals to flexible work scheduling, educational workshops and cross-training, and backup plans.
3.3.2.e	Organisations should award remuneration using an established assessment process, which is subject to senior leadership review periodically.	<p>This type of approach can ensure clarity, transparency, and a level playing field for all employees with respect to compensation and the path toward promotion:</p> <ul style="list-style-type: none"> • Organisations should make a commitment to involve persons knowledgeable on DEI matters (internal or external) for guidance toward a fair appraisal and an equitable remuneration. <p>Organisations are also encouraged to follow the Singapore Tripartite Guidelines for fair and progressive practices. This approach should address improved transparency when communicating adjustments to compensation or lack thereof with employees:</p> <ul style="list-style-type: none"> • Organisations are encouraged to consider an internal DEI audit across the organisation to identify the gaps with underrepresented employees, remuneration, and disabled segments to identify the “bottlenecks” that prevent employees from delivering their key performance indicators (KPIs) for the purpose of employee retention.
3.3.2.f	Organisations should incorporate DEI considerations when conducting organisational downsizing.	<p>DEI is also relevant in downsizing/layoff procedures.</p> <p>These policies are less likely to adversely affect workforce diversity if they use previous performance ratings rather than last-hired/first-fired or job category rules.</p>

¹⁰Employment Credit Scheme and wage offsets and other government incentives (particularly around inclusive workplaces).

¹¹An EAP generally offers confidential assessments and short-term counselling for employees.

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
3.3.2.g	Organisations are encouraged to implement cultural competency training to help build inclusion within the organisation as employees develop their understanding of their colleagues' communities, lived experience, and heritage.	<p>Such training can be particularly useful for those who are motivated to learn but worried about saying the wrong thing—"putting their foot in it." This group sometimes needs the language and the tools to feel more confident about DEI.</p> <p>People can be encouraged to educate themselves. There are many resources available. The goal is better understanding, more effective communication, and improved collegiality.</p> <p>Some organisations offer certification for managers completing DEI training and education programmes that incentivise participation.</p>
3.3.2.h	Organisations are encouraged to conduct "stay interviews" with as many employees as possible to understand why employees stay with the organisation.	<p>Consult employees with leadership potential—and all employees, if possible—about their aspirations, but manage expectations by encouraging employees to frame those aspirations with close reference to organisational strategic business goals.</p> <p>The process of identifying high-potential talent should also be reviewed to mitigate bias. Such concepts as leadership potential and high potential can be very subjective, so an intentional approach can establish robust, inclusive definitions that contribute to business resilience and future success.</p> <p>Coaching and support to enable apparently underperforming individuals to improve can be even more additive to overall organisational performance than solely focusing on the obvious high performers.</p>
3.3.2.i	Organisations are encouraged to conduct exit interviews to understand why employees leave.	<p>Research suggests that employees are more likely to leave due to an ineffective manager than because of the job or organisation. Exit data can be helpful in bringing issues to light and providing insights.</p> <p>Ideally, the turnover rate for members of underrepresented groups is in parity with that of the majority group. If a significant difference arises, this information can operate as a prompt to investigate the causes.</p>
3.3.2.j	Organisations are encouraged to develop a clear strategy for addressing employee mental health and well-being to enhance retention.	<p>Promoting open discussions about mental health is becoming a new normal.</p> <p>Supporting managers in fostering team well-being and addressing workplace stress is crucial. Enhanced wellness packages, including virtual classes during COVID-19 lockdowns, have proven effective in boosting retention rates.</p>

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
		<p>Stress is a leading factor in employee turnover, making good employee engagement strategies vital. Regular mental health pulse checks and promoting available support help reduce stigma around anxiety:</p> <ul style="list-style-type: none"> • Organisations should normalise stress checking as part of health assessments, using third party partner organisations. • Create a safe environment to encourage employees to voice concerns with designated counsellors. • Recognising the challenges of employees who are caregivers, parents to young children, or facing any other pertinent issues is essential. <p>CEO transparency about mental health experiences can contribute to a supportive culture. However, preparing for managing employee well-being requires developing capabilities, including when to seek professional referrals and how to handle sensitive personal information in human resources processes.</p>

3.3.3 Employer and DEI Value Proposition

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
3.3.3.a	Organisations should attract diverse talent.	<p>Diverse teams are better equipped to address the complex challenges facing the financial sector.</p> <p>Embracing DEI principles attracts a broader pool of talent, bringing in diverse perspectives and skills crucial for innovation and problem-solving.</p>
3.3.3.b	Organisations should leverage DEI to enhance decision making.	<p>Inclusive teams lead to better decision making by considering a wide range of perspectives, mitigating groupthink, and fostering creativity.</p> <p>The integration of diverse voices in financial decision making can contribute to the development of sustainable investment strategies and environmentally responsible practices.</p>
3.3.3.c	Organisations should leverage DEI to strengthen their reputation and client relations.	<p>A commitment to DEI enhances the reputation of the financial institution, attracting socially conscious clients and investors. Clients increasingly consider environmental, social, and governance (ESG) factors, making a DEI-focused approach align with the values of many stakeholders.</p>
3.3.3.d	Organisations should leverage DEI to mitigate risk.	<p>Promoting diversity helps mitigate risks associated with potential biases in decision making, ensuring a more thorough evaluation of risks and opportunities. Sustainable and socially responsible financial practices contribute to long-term stability and resilience in a changing global landscape.</p>

Principle 4: Leadership—We commit to using our position and voice to promote DEI and improve DEI outcomes in the financial services sector. We will hold ourselves responsible for our organisation’s progress.

4.1 Rationale

4.1.1 Leadership: Leaders set the standards and expectations for—and model—inclusive behaviour and help define their organisations’ culture by example, both internally and externally. To drive progress, building the right inclusive mindset and behaviours in all leaders (those who manage others and lead teams) is important. Leadership is about helping others achieve their potential and being equipped with the critical skills and behaviours to inspire, develop, and support diverse teams.

4.2 Commitment

4.2.1 We commit to empowering leaders and to create robust leadership development processes. These processes focus on:

- building a common understanding of DEI;
- increasing awareness of inequities;
- embedding inclusive people management skills; and
- establishing a culture of empowerment and accountability.

These processes are ongoing and subject to regular review, with oversight from senior leaders.

4.3 Practice Guidance

4.3.1 Embedding DEI in Leadership Activities and Objectives

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
4.3.1.a	Organisations should integrate DEI within a leadership-level position with accountability for DEI integration, implementation, and measurement.	<p>Clearly articulated DEI goals and objectives should be established for all C-suite executives and for those in the corporate hierarchy immediately below C-suite:</p> <ul style="list-style-type: none"> • Where it is not possible or practical to establish a leadership-level position focused solely on DEI, organisations should at a minimum allocate responsibility to a C-suite-level leader or equivalent. • The person in this role should have enough responsibility and influence within the organisation to embed DEI in both strategy and practice (i.e., champion, integrate, implement, and measure). <p>Achievement of these objectives should be considered in the broader context of an executive's overall performance and development.</p>
4.3.1.b	Organisations should ensure the tone from senior management promotes an inclusive culture that allows all employees to fully realise their talent and creativity. This includes ensuring decision-making processes on DEI matters are clear, well documented, and effectively communicated within the organisation.	<p>Inclusive cultures actively support employees to do their best work and foster innovation, creativity, and resilience. Leaders can model transparent decision making (where possible) by actively collaborating across the business, participating in DEI and community-building initiatives, and being open with employees on lessons learned from challenges.</p> <p>Leadership structures vary between organisations. Organisations should seek to delegate decision making on DEI thoughtfully and appropriately across functions, ensuring decisions are made as transparently as possible.</p> <p>Recognise leaders' expertise: Good leaders delegate effectively by giving credibility to others.</p> <p>If the organisation's established management maxims do not necessarily tie to DEI or even contradict it, managers and leaders will need to review their use to create a consistent and inclusive culture. For example, a focus on a star portfolio manager without sufficiently acknowledging the importance of the manager's team can undermine the opportunity of DEI and create the risk of hubris.</p>

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
4.3.1.c	Organisations should ensure a common understanding of DEI throughout the organisation, founded on DEI's economic, business, and moral case.	<p>DEI fosters innovation and collaboration, builds stronger teams, and is critical in driving organisation success.</p> <p>Common understanding of DEI can be fostered through but is not limited to the following:</p> <ul style="list-style-type: none"> • DEI-related topics should feature as standing agenda items in regular executive-level meetings and organisation-wide meetings. • The language of DEI is heard differently by different people. Personal anecdotes and experience can help employees accept ideas. Hence, it is best to communicate in a way that is engaging and relevant. • Allow local staff to co-create solutions that work in their contexts. Done correctly, DEI can be a major anchor and enabler of employee engagement.
4.3.1.d	Organisations should place focus on inclusive communication, including listening to diverse groups and ensuring visibility of a diverse range of employees.	<p>Inclusive communication means active listening and facilitating these forums in a way that creates space for all to contribute. Managers and leaders should engage authentically. This could be done by:</p> <ul style="list-style-type: none"> • linking DEI to the corporate vision and purpose; • making salient DEI impact on society at large; and • profiling instances where inclusion has resulted in better solutions, better well-being, and better outcomes for stakeholders. <p>Managers and leaders need to understand the specific enablers and obstacles that diverse colleagues may experience.</p> <p>Managers and leaders should also devote time to activities that promote DEI. Examples include small group conversations, informal virtual open door video calls, and organisation-wide town hall meetings.</p>
4.3.1.e	Organisations should establish an approach to identify and address systemic biases and other obstacles to DEI.	<p>Systems can be designed to create change or perpetuate and support the status quo. Interrogating and reviewing organisational systems, people processes, and decision making through this lens can help identify obstacles to DEI:</p> <ul style="list-style-type: none"> • There should be a feedback loop whereby DEI-related items are communicated top down, whilst also fed "bottom up." <p>Examples include, but are not limited to, town hall meetings, results of staff surveys, and recommendations from staff network groups:</p> <ul style="list-style-type: none"> • Organisations should use this feedback loop to identify and remove systemic biases, make progress on each level of employee representation, and develop a culture where employees experience being heard and included.

Ref.	Guidance	Rationale/Benefits to Organisation/Additional Information
4.3.1.f	Organisations should embed DEI training within leadership training and across all levels of the organisation on a regular basis.	<p>Organisations should look to provide formal DEI training, including coaching, counselling, support, training, professional opportunities, and development for current and next-tier leaders on a regular basis:</p> <ul style="list-style-type: none"> Managers and leaders should be constantly encouraged to periodically audit how opportunities are being distributed to help counteract systemic barriers. <p>In addition, targeted training should be provided to key personnel (C-suite minus one or two department heads) to support their understanding of evolving best practice with respect to DEI-enhancing behaviours, awareness of systemic bias, and knowledge on topical issues that may be impacting their employees.</p>

Principle 5: Influence—We commit to using our role, position, and voice to promote and increase measurable DEI results in the financial services sector.

5.1 Rationale

5.1.1 Influence: Influence refers to the ability and responsibility of individuals, groups, or entities within an organisation to shape the culture, opportunities, and outcomes for all in the organisation through actions, decisions, and interactions. It also encompasses the direct and indirect effects that actions and decisions have on promoting diversity, fostering equity, and nurturing an inclusive environment where every individual feels valued, respected, and empowered.

Influence is exercised through leadership decisions, policy formulation, interpersonal relationships, and daily practices. We should lead by example and encourage employees, clients, and the financial services sector to adopt the DEI Code, including activities that promote DEI best practices for the ultimate benefit of society. We urge persons in the organisation who have or are in the position of influence—such as (but not limited to) the CEO and/or other C-suite leaders, HR/DEI head and Nominating Committee board chairs, and board members—to do the same.

5.2 Commitment

We commit to advocate for the adoption of the DEI Code and DEI best practices within the financial services sector:

5.2.1 To our employees

- We commit to develop corporate policies and practices on DEI and to track our progress on DEI.
- We also commit to being open and transparent on DEI practices.
- We shall take proactive steps to show and communicate inclusion.
- We strive to foster a workplace where diversity is celebrated, equity is a cornerstone, and inclusion is ingrained in every aspect of our work life. We also strive to develop a culture of belonging, where all employees feel valued, heard, and empowered to reach their full potential.

5.2.2 To our clients

- We commit to upholding the principles of DEI in all aspects of our business dealings.
- We seek to provide services that respect our clients' diverse needs and backgrounds to ensure equitable access and treatment in all our interactions.

5.2.3 To the financial services sector

- We commit to leverage our influence to advance DEI within the sector and the broader community.
- We strive to integrate DEI principles into our ESG strategies, investment decisions, corporate governance, and stakeholder engagement processes. By doing so, we aim to contribute to creating a more equitable and sustainable financial services ecosystem.

5.2.4 To our supply chain providers

- We commit to promoting DEI throughout the supply chain, recognising the crucial role that suppliers play in our business success.
- Whenever feasible, we pledge to engage with and select suppliers who demonstrate superior commitment to DEI principles, fostering partnerships that reflect our dedication to fairness, respect, and equal opportunity.
- We seek to include DEI practices in the regular review of service providers and actively encourage all our suppliers to adopt DEI best practices.

5.3 Practice Guidance

These recommendations should help guide various organisations toward implementing practices that not only enhance their own DEI performance but also contribute to a more diverse, equitable, and inclusive financial services ecosystem.

5.3.1 Recommendations for Financial Services Organisations

The following table lists DEI practice recommendations:

Ref.	Guidance
5.3.1.a	Implement recruitment, retention, and promotion policies that improve diversity within the organisation.
5.3.1.b	Support DEI training for all levels of staff to enhance awareness and foster an inclusive culture. Implement DEI education/programmes and training covering unconscious bias, cultural competency, and strategies for incorporating DEI into financial services practices.
5.3.1.c	Invest in community projects and initiatives that promote diversity and inclusion, particularly those that address economic disparities and support financial literacy.
5.3.1.d	Actively participate in industry efforts to promote DEI, including supporting policies that advance diversity and inclusion in the financial services sector.
5.3.1.e	Encourage regular feedback and communication with employees, collecting data and information where possible.
5.3.1.f	Develop robust DEI policies, and enforce them when necessary, so that employees can understand the organisation's commitment to upholding a strong anti-discrimination culture.
5.3.1.g	Encourage the review of organisations that raise DEI concerns in their impact investing/ESG strategies, and analyse DEI impacts for all relevant financial services.
5.3.1.h	Collaborate with others to advance DEI in all sectors of finance and investing. Use investment stewardship activities to advance DEI issues.
5.3.1.i	Sponsor and/or participate in DEI-related events, including those that promote the CFA Institute DEI Code.
5.3.1.j	Mentor other leaders on executing DEI in their organisations.
5.3.1.k	Share DEI best practice and, where applicable, metrics demonstrating the impact and progress of DEI.
5.3.1.l	Regularly review progress against the DEI Code with CFA Institute, and refine the Code as experiences in DEI management deepen.
5.3.1.m	Encourage the use of diverse vendors in the supply chain (broker/dealers, software, audit, and other functions), contributing to economic inclusion.

5.3.2 Recommendations for Asset Owners and Allocators

The following table lists DEI practice recommendations:

Ref.	Guidance
5.3.2.a	Commit to a diverse investment committee that is capable of traditional and progressive idea generation and also familiar with more-inclusive investment processes.
5.3.2.b	Incorporate DEI goals in the investment policy statement (IPS). If the organisation does not have an IPS, investment staff can make a distinct effort for DEI outside of an IPS.
5.3.2.c	Embed DEI information requests in the manager research and selection process, including assessments of the following: <ul style="list-style-type: none"> • Ownership • Organisational leadership • Investment team composition • DEI policies and practices • Incorporation of a DEI lens in investment strategy
5.3.2.d	Use ownership and shareholder positions to advocate for enhanced DEI practices within investee entities and across the financial services industry.
5.3.2.e	Make direct investments toward funds or projects that have a clear DEI focus or support underserved communities, aiming to achieve both financial return and social impact.
5.3.2.f	Adopt DEI reporting and measure the progress year on year. Target an increase in diverse talent on asset owner and capital allocator teams to expand the funnel of potential investment ideas.
5.3.2.g	Publicise status as a signatory to the CFA Institute DEI Code, and encourage other stakeholders to consider becoming signatories.
5.3.2.h	Look to connect appropriate managers with relevant diversity networks to help demonstrate support and awareness.
5.3.2.i	Actively engage diverse networks through conferences to increase visibility of the capital allocator role, to publicise DEI goals to attract and retain diverse talent, and to show investment managers that DEI is a priority.

5.3.3 Recommendations for Asset Managers

The following table lists DEI practice recommendations:

Ref.	Guidance
5.3.3.a	Commit to diverse asset management teams and assemble diverse investment teams to bring a variety of perspectives to investment strategy and decision making.
5.3.3.b	Offer investment products that meet the DEI objectives of asset owners, including bespoke portfolios focused on specific DEI outcomes.

Ref.	Guidance
5.3.3.c	Incorporate DEI criteria into the portfolio construction process across all asset classes, identifying opportunities to invest in diverse-led enterprises and initiatives.
5.3.3.d	Prioritise equity investments in companies with strong DEI practices or in sectors that directly support or benefit underrepresented communities.
5.3.3.e	Allocate to bonds supporting projects with clear DEI objectives, such as social bonds or bonds issued by minority-led governments or organisations.
5.3.3.f	Invest in venture capital or private equity funds that focus on underrepresented entrepreneurs or in funds managed by diverse teams.
5.3.3.g	Direct investments toward real estate or infrastructure projects in underserved areas, focusing on those that promote economic development and diversity.
5.3.3.h	Look to connect appropriate managers with relevant diversity networks to help demonstrate support and awareness.
5.3.3.i	Integrate DEI considerations as a core component of ESG analysis, particularly for investments that can directly influence social outcomes.

Principle 6: Measurement—We commit to measuring and reporting on our progress in driving better DEI results within our organisation. We will provide regular reporting on our organisation’s DEI metrics to our senior management, our board, and CFA Institute.

6.1 Rationale

6.1.1 Measurement: Measurement is key to improving DEI. What gets measured gets evaluated and managed, particularly in a data-driven sector such as financial services. A systematic reporting framework backed by outcome-based metrics is essential to improving performance and to creating a positive impact through the DEI Principles. Interoperability of the framework with other reporting frameworks is critical to overcoming challenges with multiple existing frameworks by harmonising reporting standards and comparability of metrics.

Data collection is critical to establishing baselines from which improvements to the organisation’s performance and positive impact can be measured, managed, and monitored. Effective DEI practices and initiatives foster positive shifts in organisational culture, one that must be built around education, empathy, engagement, and accountability to advance trust. Commitment to the CFA Institute DEI Code allows signatories to advance their positions of leadership and influence.

6.2 Commitment

- We shall report annually on activities and advancement toward implementing the DEI Code through the Reporting Framework.
- We will promote acceptance and implementation of the DEI Code within the financial services sector and collaborate to focus measurement on outcomes so as to increase representation and drive DEI at all levels.

6.3 Practice Guidance

6.3.1 Guidelines and goals or targets may differ by organisation. As a general tenet, however, those groups that face the greatest inequities and least inclusion should be prioritised.

METRICS

This section provides guidance for assigning metrics that incorporate the six Principles. The guidelines provided are not exhaustive, and DEI should be thought of as a long-term organisation strategy.

General Guidelines

- i. For full information on role definitions used by CFA Institute, please see the Competency Framework: <https://interactive.cfainstitute.org/competency-framework>.
- ii. Each signatory should complete the Reporting Framework to measure progress on DEI. Establishing a baseline initially and then regularly checking progress can help drive changes in approaches to all aspects of people processes. Measuring progress in DEI should be regularly re-assessed over time because results can fluctuate as expectations increase and practices evolve.
- iii. Clear communication about the scope and the strategic purpose of data collection is essential in building trust for each of the many interactions cited in this section. Data collection communication can be anchored in storytelling about employees' experience and should be embedded in the organisation's overall organisation strategy.
- iv. Partnerships with HR should be a meaningful driver of DEI growth with all parts of the business. Such partnerships should provide data collection and analysis to inform the organisation strategy.
- v. There are multiple leadership approaches, from appointing a chief diversity officer at the executive level to creating DEI business councils within business units, recognising that even within organisational DEI, implementation can look very different depending upon the functions. Frequently established practice should be a formal, written DEI policy or initiative, as well as at least one member of the organisation's management committee or equivalent leading DEI initiatives. Research in "[Accelerating Change: Diversity, Equity, and Inclusion in Investment Management](#)" shows that organisations with established DEI governance in place tend to score more highly on a spectrum of DEI, which can be measured from mature to early stages. Therefore, we ask signatories for information about these indicators.
- vi. The Reporting Framework sets out what to measure in detail. The following section provides general guidance.

Suggestions on What to Measure—Voluntary Reporting

- a. Gender and gender identity. A binary definition of gender (i.e., female and male only) is already captured in most cases for employees when joining the organisation. Extending this to include a supplementary question on gender identity provides an opportunity for a wider spectrum of gender to be considered—for example, number and percentage of male, female, non-binary, and non-declaring (prefer not to say) employees overall and within each function (as well as other internal breakdowns, such as job groups). This information can be broken down by category—for example, applicants, external hires, internal hires, managers, senior leaders, and departures. This data collection can only be optional. A further question can be asked to include transgender employees: “Is gender the same as assigned at birth?” This data collection can only be voluntary and must offer a “prefer not to say” option response.
- b. Race and/or ethnicity. Number and percentage of employees overall (and broken down by groups) by race and/or ethnicity and also categorised by applicants, external hires, internal hires, managers, senior leaders, and departures. This data collection can only be voluntary and must offer a “prefer not to say” option response.
- c. Disability. Number and percentage of employees who have identified as and/or have reported a disability (e.g., vision, hearing, speech, mobility, and learning differences). This data collection can only be voluntary and must offer a “prefer not to say” option response.
- d. Neurodiversity. Includes autism spectrum condition (ASC), attention deficit hyperactivity disorder (ADHD), dyslexia, dyspraxia, dyscalculia, and hyperlexia. This data collection can only be voluntary and must offer a “prefer not to say” option response.
- e. Sexual orientation. This data collection can only be optional and must offer a “prefer not to say” option response. Number and percentage of employees who have self-designated as follows:
 - Straight or heterosexual
 - Gay or lesbian
 - Bisexual
 - Other sexual orientation
 - Prefer not to say
- f. Socioeconomic background. Number and percentage of employees overall (and broken down by groups) by socioeconomic background and also categorised by applicants, external hires, internal hires, managers, senior leaders, and departures. This data collection can only be voluntary and must offer a “prefer not to say” option response. If the

employer knows the home postcode, it is straightforward to determine socioeconomic background. There are also indices based on parental qualifications and occupations as well as indices based on the level of youth participation in higher education in a postcode. Any of these sources should help employers determine socioeconomic status.

- g. Multi-generation refers to distinct cohorts of individuals born during specific time periods, each characterised by shared experiences and cultural, social, and technological influences and marked by distinct developmental changes. These include baby boomers (born 1946–1964), Generation X (born 1965–1980), Millennials (born 1981–1996), Generation Z (born 1997–2012), and Generation Alpha (born 2013 and later).¹²
 - h. Additional voluntary reporting measures. As organisations become more sophisticated at requesting, analysing, and reporting on diversity data, organisations may want to consider asking employees to share additional information. This information could include asking employees about their parenting and/or caring status, their religion, and so on.
 - i. Diversity data collection is only applicable to individuals who are currently employed by the organisation. This includes full-time, part-time, temporary, and contractual employees.
- vii. Having clear, long-term goals is important but may be difficult depending on the maturity of each organisation's DEI strategy. When a specific, numerical long-term goal does not make sense, measuring interim, more practical goals is a suitable replacement. For DEI goals that will incrementally lead to the desired state, organisations could, for example, measure the diversity of applicant and interview pools during the year of signing the Code and endeavour to improve that statistic. They could then develop recording and analysing job group changes and promotions. Next, they could review the number and percentage of employees moving from one job group to another, which can be categorised in multiple ways.
 - viii. It is open to signatories to consider adding inclusion metrics (e.g., diversity and ethnicity pay gaps, parental leave policy and utilisation, disaggregated employee engagement results, evaluation of the effectiveness of procedures designed to address sexual harassment). This can assist signatories to look beyond analysing headcount to focus on cultural change and long-term organisational shifts that develop equity and inclusion.
 - ix. For small organisations, particularly those just starting DEI work, a few focused data points clearly linked to the organisation's business goals tend to be more effective in improving performance than a swath of detailed numbers that cannot be readily absorbed and acted upon. Therefore, smaller organisations or organisations at an early stage in this work may initially be unable to complete the whole Reporting Framework.

¹²See <https://www.enablingguide.sg/disability-info/life-stages-transitions> and https://cityofgood.sg/wp-content/uploads/2020/10/GMF-The-Singapore-Giver_A-Life-Stage-Perspective_230118-1.pdf.

- x. Signatories should strongly explore tying management incentives to agreed-upon targets and goals to help ensure real, measured progress is achieved just as with any other business initiative. See contextual information under Principle 4: Leadership.
- xi. Signatories should consider signing additional DEI pledges where they would provide further resources, but with discretion—this should be about genuine change, not a performative exercise.
- xii. Measuring DEI may seem challenging but can begin with anonymous HR surveys, such as the annual employee engagement survey. This approach ensures a safe space for employees to provide survey responses and feedback, with active support and promotion from the leadership level. Diversity without inclusion is fleeting. Both are necessary, with equity, to effect change.
- xiii. Signatories are encouraged to triangulate their employee data to identify departments or teams where results suggest that inclusive practices are not embedded and where support and training may be needed. Note that as communication on DEI increases in the early stages of adoption, expectations may rise—leading to more questions, some early disappointment if the pace of change is slow, or more complaints as employees feel empowered to disclose any experiences that fall short of the new vision.
- xiv. Signatories should report information about their DEI efforts to their board of directors and/or other governing bodies and key stakeholders. Signatories should also consider communicating this information on external and internal websites. DEI functions may work closely with CSR, sustainability, and ESG reporting to understand wider reporting trends.
- xv. Hitting specific targets is not the endgame; DEI is a continuous improvement exercise. The desired outcome is not hitting arbitrary numbers—it involves real, measurable, and long-term behavioural and organisational shifts. Setting goals is helpful in making those shifts. Evidence of change can include diversity data, DEI metrics, survey returns to track cultural change, and a comparison of qualitative versus quantitative data.

RESOURCES

Ref.	Resource	Link
General	Reference to MySkillsFuture CareGiver Framework: Courses to Support Caregivers Training Education, Career and Personal Development	https://myskillsfuture.gov.sg
General	"The Future of Financial Advice" (World Economic Forum, July 2024)	https://www.weforum.org/publications/the-future-of-financial-advice/
General	"Womonomics: 25 Years and the Quiet Revolution" (Goldman Sachs Research, July 2024)	https://www.goldmansachs.com/intelligence/pages/womonomics-25-years-and-the-quiet-revolution.html
General	Financial services industry-focused DEI research	https://rpc.cfainstitute.org/en/topics/diversity-equity-and-inclusion
1.3.1.b	Ministry of Education Singapore	https://www.moe.gov.sg/
1.3.1.f	Employers can tap the "Part-Time Re-employment Grant" when implementing SCP and other age-inclusive workplace practices.	https://www.mom.gov.sg/employment-practices/schemes-for-employers-and-employees/part-time-re-employment-grant
2.3.1.b	Fair Consideration Framework (FCF)	https://www.mom.gov.sg/employment-practices/fair-consideration-framework
2.1	"Tripartite Guidelines on Fair Employment Practices in Pre-Employment and Recruitment." Sets out guidance for fair job advertisements: "Guide to Writing Fair Job Posts & Advertisements" TAFEP	https://tal.sg
3.3.2.b	<i>The Inclusive Organizing Playbook</i> by Kenneth T. Goh, Daniel Z. Mack, and Jovina Ang (Singapore Management University, 2023)	https://ink.library.smu.edu.sg/lkcsb_research/7370/
3.3.2.d	<i>The Inclusive Organizing Playbook</i>	See above
3.3.2.d	FWA survey	https://www.fwasg.org/
3.3.2.d	Population census data from Department of Statistics Singapore	https://www.singstat.gov.sg/find-data/search-by-theme/population/population-and-population-structure/latest-data

