CFA Institute®

CFA INSTITUTE INCLUSION CODE (CANADA)

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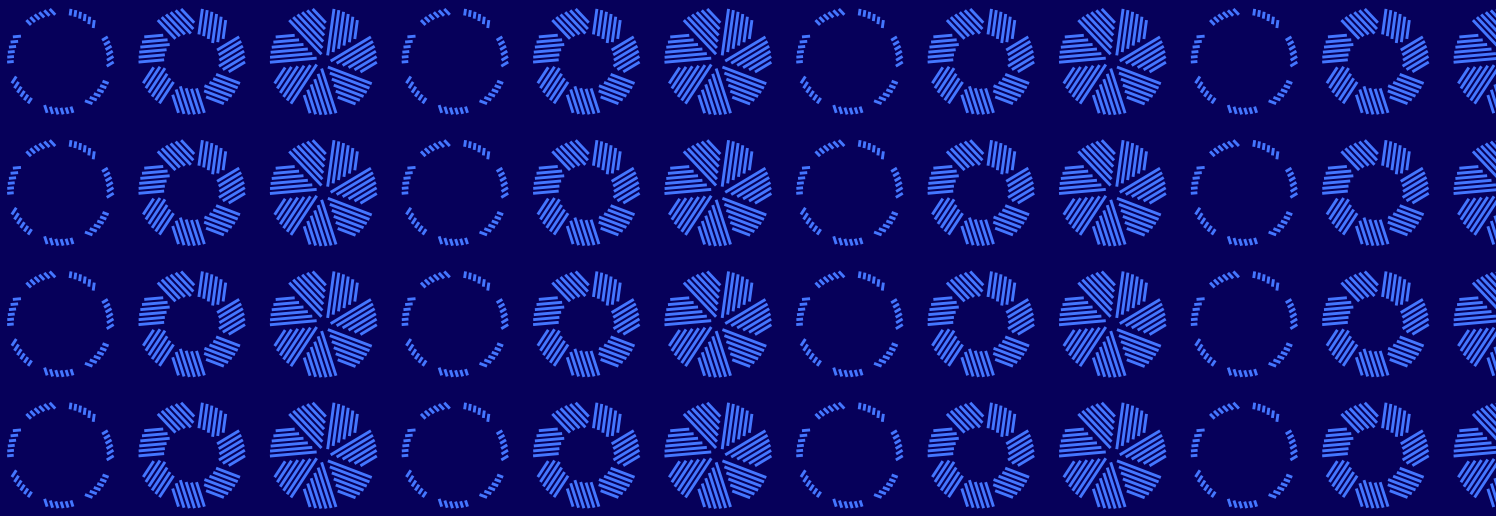

Disclaimer for the Inclusion Code (Canada)

The Inclusion Code aims to identify and share constructive talent management practices that are conducive to business success. It is informative guidance that is not and should not be interpreted as legal advice, legal opinion, or regulatory guidance. Organizations should seek independent legal counsel to ensure any reliance or use of the Code complies with any applicable laws and/or regulations.

This piece was corrected on 30 January 2024 with minor changes and updated in September 2025 to focus solely on Canada, also retitling as the Inclusion Code to reflect the Code's purpose and its application to talent strategies.

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CFA INSTITUTE INCLUSION CODE (CANADA)

GLOBAL CONTEXTUAL NOTE

A core aspect of the CFA Institute mission includes, in consultation with industry leaders, developing and administering **voluntary** codes, effectively best practice guidelines, and standards, which tend to be more specific, that guide the investment industry and help ensure that all investment professionals place client interests first. Our codes and standards typically are global. The Inclusion Code aims to identify and share constructive talent management practices that are conducive to business success. Human capital management in the investment industry in particular can involve different considerations in each geographical region. This is not only because employment laws differ but also because local variations in demographics, culture, and societal customs mean that the necessarily detailed advice in the supporting Implementation Guidance will not fit all regions equally well. A broad, strategic understanding of the key tenets and best practices in human capital management is important, but operationalizing change within organizations takes many intersectional steps that may be specific to each region.

CFA Institute therefore decided that the voluntary Code should be published region by region, with a specifically designed, legally compliant Code, Implementation Guidance, and Reporting Framework for each region. The intention is, over time, to create a locally adapted, regionally differentiated, global framework, united by an understanding of the importance of effective human capital management for clients, employees, and shareholders.

We originally chose the United States and Canada as the starting point because investment organizations in these markets demonstrated strong demand for a CFA Institute Code to improve people management in the investment industry. Since the introduction of the Code, however, the legal environment for practice in the United States has changed. Therefore, we have separated Code provision for the United States and Canada into two distinct resources. This version for Canada is largely based on the original version published in 2022.

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INTRODUCTION

In March 2020, the CFA Institute Diversity, Equity, & Inclusion Steering Committee[1] tasked a Working Group[2] composed of volunteer members from across the investment industry with developing a set of operating principles to improve inclusion and human capital management within the investment industry. The resulting set of principles formed the basis for the initial Code and Implementation Guidance, first published in February 2022.

The Inclusion Code Working Group, itself a highly diverse team, consists of members of the volunteer CFA Institute Inclusion Steering Committee, industry practitioners tasked with building inclusive investment organizations, and investment professionals. The Group shares a common belief that progress requires commitment from the senior leaders at investment organizations, who would have to both lead by example and hold their organizations accountable. It takes everyone to make a difference with accountability, starting at the top.

The Group arrived at six core principles that would require the support of the leadership: Pipeline, Talent Acquisition, Promotion and Retention, Leadership, Influence, and Measurement. Each organization must commit to working on these core principles while collaborating with others in the field, working purposefully toward the goals, and promoting the ideals throughout the industry.

CFA Institute is aware that the industry comprises a diverse set of institutions of different sizes, each with different starting points and tool kits. As a result, CFA Institute wants to focus on principles that are appropriate for all signatories but accommodative of many different implementation strategies. Considerable time was invested in developing a variety of recommended implementation strategies for each principle so that each signatory could choose the mix appropriate for their institution. These strategies appear in the Implementation Guidance, which supports the Code. **CFA Institute understands that not all organizations have the same capacity or start from the same place, but the expectation is that all signatories to the Inclusion Code will commit to real change, to having stimulating conversations, and to making the necessary investment of resources. Moreover, all signatories will commit to continuous improvement through learning and adapting.**

Central to this work has always been the concept of **inclusion,** which we have now made explicit by renaming the Code. Inclusion refers to the intentional efforts and practices an

[1] Now the CFA Institute Inclusion Steering Committee.
[2] Now the Inclusion Code Sub-committee.

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organization undertakes to ensure that all employees feel valued, respected, supported, and fully able to participate in the workplace, regardless of their human attributes, perspectives, identities, and backgrounds. The notion that a variety of viewpoints are worth listening to is particularly important in the investment industry, where portfolio diversification is central to managing risk. A lack of divergent views in the investment decision-making process can lead to "group think" and result in unconscious, unintentional, or uncompensated investment risks.

Looking critically at your organization and committing to exploring adaptation, evolution, and innovation are never easy, and the investment industry has made attempts before without lasting impact. However, CFA Institute and those charged with designing the Code know that this commitment will lead to greater inclusion of wider viewpoints from the best talent, which will result in better investment outcomes, help create better working environments, and generate a cycle of positive change for future generations.

—The Inclusion Code Sub-committee

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EXECUTIVE SUMMARY

Our Purpose

We recognize that a diversity of perspectives will lead to better investor outcomes; an inclusive and equitable investment industry will better serve our diverse society. Further, we recognize that an organization with an inclusive culture, awareness and education, and effective working relationships is a better place to work for all. We also understand the importance of improving equity while acknowledging the magnitude of the task. Therefore, our scope is within the workplace where we have direct agency and where we have influence as investors. Our commitment to this Code is a long-term commitment to cultural change at all levels in our organization.

An Introduction to the Six Principles

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

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

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

Principle 4: **Leadership**—We commit to using our position and voice to promote inclusion and improve inclusive outcomes in the investment industry. We will hold ourselves responsible for our firm's progress.

Principle 5: **Influence**—We commit to using our role, position, and voice to promote and increase measurable inclusive results in the investment industry.

Principle 6: **Measurement**—We commit to measuring and reporting on our progress in driving better diversity, equity, and inclusion results within our firm. We will provide regular reporting on our firm's related metrics to our senior management, our board, and CFA Institute.

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Our Commitment

In addition to the Principles, we undertake to accelerate and amplify their impact by making the economic, business, and ethical case for greater inclusion as follows:

- COLLABORATE (economic case) with other firms to publicize careers in the investment industry and provide informational materials, combined with concerted outreach to extend economic opportunities.
- SHARE (investment and business case) tried and tested inclusion practices with other signatories, working and learning together to develop new, aspirational strategies and to build awareness that integrating diversity, equity, and inclusion can improve investment outcomes and enhance business success.
- PROMOTE (ethical case) acceptance and implementation of the Principles within the investment industry by speaking about our progress and socializing the Code and the Principles with our global workforce and colleagues to improve understanding of the wider society we serve.

We commit to implementing the Truth and Reconciliation Commission of Canada Call to Action #92, and we embrace Indigenous reconciliation.

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HOW THE CODE WORKS

We trust that signatories will be able to demonstrate innovation in their approach to these principles. The Principles are intended to be additive to existing commitments because they are specifically designed for the investment industry. In creating this Code, we consulted extensively with a wide range of industry trade bodies, other stakeholders, and regulators, and we reviewed existing pledges and frameworks.

We ask at the outset that signatories commit to reporting on their related metrics and discussing their progress with us. The purpose of this voluntary Inclusion Code is to meet the industry where it is, define the current state, and drive improvement from a realistic foundation. We have designed a Reporting Framework to guide signatories in this process, which can be used by any size of organization. CFA Institute is a professional organization, not a governmental or regulatory agency, nor a trade body—hence our emphasis on the voluntary nature of this Code. Our mission is to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society.

Following their commitment to the Principles, signatories may provide a confidential, annual progress report to the CFA Institute Inclusion and Codes & Standards teams using the Reporting Framework within 12 months of becoming signatories. In turn, CFA Institute will report on industry-level statistics *once a critical mass of signatories has been reached and individual organizations cannot be identified*. However, we also encourage signatories to report their related metrics publicly where possible.

Individual consultations with signatories are part of the reporting process. In these meetings, each signatory will have an opportunity to explain what their inclusion-related goals are, as well as related processes and progress. Overall, we will ask them to show how their culture is shifting. The Reporting Framework also contains qualitative sections for this information.

CFA Institute will give organizations bespoke, private feedback on their reports relative to the industry. Individual company details will be kept confidential, although with their agreement, firms' progress may be showcased, with appropriate measures to protect employee confidentiality, on the Code's webpages, at our conferences and webinars, and in CFA Institute publications to keep the industry and partners knowledgeable and accountable. CFA Institute will take the lead in convening annual roundtables for signatories to share their practices and report positive business impact from their related initiatives, including their cycle of positive change. In these sessions organizations can also explore new ideas, which may well differ from those in the Implementation

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Guidance. We will also work to integrate these learnings into our member resources. Therefore, accountability for impact is a critical factor for all entities involved.

The Principles are metrics based. Their successful integration requires commitment to cultural change, not only a compliance-led approach. We recognize, however, that compliance is a helpful tool for level-setting in this work. For signatories who are unable to show any progress over a two-year period, we will offer extensive support and engagement, following which we will hold them accountable to enact urgent change or else have their signatory status lapse.

Foundational reporting requirements for completion by the end of the initial two-year period from becoming a signatory comprise the following:

- An adopted inclusion policy and/or statement
- An established senior leadership ownership and oversight governance process
- An implementation plan to integrate inclusion within the signatory organization's people, processes, and policies

It must be emphasized, however, that CFA Institute is recommending, and the Code is designed to enable accelerated change in investment organizations of any size—hence the illustrative Commitment explaining possible actions for each Principle. The Implementation Guidance has ideas and strategies from foundational and simple to more complex for signatories with mature inclusion practices, with flexibility for small firms. We expect signatories to focus on the most impactful initiatives for their own circumstances. Therefore, although this Code constitutes a *voluntary and aspirational* set of baseline principles for firms to work toward, we look for more than a minimal mindset.

The Implementation Guidance, a core component of this Code, is not an exhaustive list of all the available actions. It will be revised and updated annually by CFA Institute to reflect effective, tested inclusion practices, including those of signatories. The Guidance is intended to provide a wide range of resources to match the needs that each signatory assesses they require to make progress; some will be more appropriate for the short versus the long term. It is not envisaged that every aspect be covered at once but rather that organizations choose a selection of actions according to their strategic priorities and capacity.

Although the Code is designed for organizations, the learnings and ideas it contains can also be practiced by individual managers and used as an educational resource by CFA Institute members.

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Diverse Groups

The Code is specifically intended to apply to all groups, no matter their human attributes, perspectives, identities, and backgrounds. This is an indicative list for consideration. It designates not only legally protected groups but also a range of groups to which organizations may wish to give consideration. Additional groups may be relevant to signatories, however, and these groups should also be included as needed to support firms' work in accelerating inclusion. Further detailed and regionally differentiated information appears in the Implementation Guidance and in the Reporting Framework.

- Gender
- Gender expression/identity
- Sexual orientation
- Race
- Indigenous groups
- Ethnicity
- Generation (e.g., Gen Z, millennials, Gen X, Gen Y, seniors)
- Socioeconomic status
- First-generation college students
- Mental well-being
- Other, such as citizenship status and non-native-language speakers
- Intersectionality of two or more groups

Definition of Inclusion

A dynamic state of operating in which any employee can be and feel respected, valued, safe, and fully engaged.

Definition of Diversity

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

Definition of Equity

Fairness of access, opportunity, and advancement for all within an organization, which requires eliminating barriers and root causes that have prevented underrepresented groups from full participation within the workplace. Note that equity is distinct from equality, which requires that each individual be treated without discrimination, including

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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 it personalized resources to reach their full potential.

Inclusion, diversity, and equity are separate concepts with individual meanings. In general, we focus on inclusion, which benefits all employees. We note, however, that equity is at a very early stage of development in the investment industry. In part, this is because it is a top-heavy industry, so it is more difficult to make these strides in equity areas. Investment management has also historically attracted and recruited from a relatively narrow, homogeneous population, despite talent being equally distributed across all populations. Over successive generations, the industry has lacked the knowledge, experience, or motivation to change. This Code is intended to help address each of those gaps to improve people management. Therefore, equity is included as a long-term, aspirational goal for those signatories who chose to pursue it.

Definition of Reconciliation for Firms Operating in Canada

"Call to Action #92" states:

> We call upon the corporate sector in Canada to adopt the United Nations Declaration on the Rights of Indigenous Peoples as a reconciliation framework and to apply its principles, norms, and standards to corporate policy and core operational activities involving Indigenous peoples and their lands and resources.

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THE INCLUSION CODE (CANADA)

The Principles

We as signatories of the CFA Institute Inclusion Code (Canada) commit to the following principles:

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

Definition:

Expanding an inclusive talent pipeline of prospective employees is critical to the investment industry's long-term success.

Commitment:

To tackle the difficulty, driven at times by perceptions of scarcity and lack of awareness of the opportunities in the industry, in sourcing diverse talent, we commit to continued outreach to attract capable but often overlooked individuals from underrepresented groups. We will raise awareness among students prior to post-secondary education, particularly in schools consisting of lower-income student bodies, and those in Indigenous communities; among those at various higher-education institutions, including but not limited to colleges and universities, and Indigenous-focused institutions and programs; and among other underserved groups that have not historically been attracted to a career in financial services. We also commit to collaborative outreach with other organizations, such as external partners that attract early talent from an inclusive lens, because we recognize that only through sustained, systematic effort to build capacity, industry understanding, and mutual awareness across populations can the lack of inclusion in our industry be addressed.

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

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Definition:

Ensuring that all aspects of hiring practice are inclusive and equitable, from intern and graduate recruitment to experienced hires and senior roles, is critical to improving diversity.

Commitment:

We commit to creating, implementing, and regularly reviewing robust talent acquisition processes and policies, such as anti-bias, cultural competency, and other educational training for hiring managers, interviewers, and recruiters, as well as to driving positive progress in the inclusivity of the workforce. We commit to systematic outreach to attract talented but often overlooked individuals from underrepresented groups into our organization and to offer existing employees opportunities to move functional area within our organization. Some firms perceive difficulty in finding a diverse pool of candidates via traditional routes, so in addition to exploring more inclusive sources of candidates, we will reduce the systemic barriers for talented, qualified, underrepresented individuals from these traditional sources. As importantly, we will combat the misperception that finding underrepresented candidates means organizations have to lower their criteria and look for "alternative talent." We also commit to collaborating with other organizations to identify and drive better inclusive practices in external recruitment, including hiring for cultural add as well as cultural fit, and modifying practices to consider a wider range of education level, degree type, and experience. We also commit to ensuring that our onboarding policies feel inclusive and equitable to all reasonable parties.

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

Definition:

Promotion involves ensuring that all aspects of access to training and development—including mentorship and sponsorship, progression, new opportunities, and appraisal processes—are equitable and inclusive and seek to address inequities resulting from systemic discrimination and other forms of bias. Promotion covers intermediate step opportunities and individual recognition, which can be crucial in building employee visibility and experience.

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Retention involves designing and maintaining inclusive retention and support systems, such as mentorship and sponsorship, work–life accommodations, and efforts to eliminate harassment, which can be a principal cause of departure. To further equity, this work requires identifying barriers to historically underrepresented employees' progress, as well as valuing their contribution. This may include accommodating obligations of Indigenous people to participate in and lead initiatives within their communities and with Indigenous governments, where applicable.

Commitment:

We commit to creating, implementing, and regularly reviewing robust processes, including looking inward and identifying where our actions lead to our overlooking underrepresented candidates who meet traditional criteria. We will support this work with regular manager, senior leader, and wider organizational cultural competency training to embed inclusive and equitable practices.

Principle 4: **Leadership**—We commit to using our position and voice to promote inclusion and improve inclusive outcomes in the investment industry. We will hold ourselves responsible for our firm's progress.

Definition:

Leaders set the standards and expectations for inclusive and equitable behavior, model the behavior, and help define their firms' culture by example, both internally and externally. To drive progress, leadership must be inclusive, accountable to stakeholders, and trained to manage and lead diverse teams at all leadership levels within the organization.

Commitment:

We commit to using our role as leaders, both executive and non-executive, to create robust leadership development processes. These processes should focus specifically on building understanding, increasing awareness of the root causes of inequities, improving skills, and changing behavior around inclusion within the workforce for the better, along with ongoing implementation and regular review of those processes by our senior leaders.

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Principle 5: **Influence**—We commit to using our role, position, and voice to promote and increase measurable inclusive results in the investment industry.

Definition:

As members and clients of the investment industry, we have the ability to encourage and motivate providers of industry services, including investment management, to adopt the Principles of this Code as well as practices that promote greater inclusion within the investment industry.

Commitment:

We commit to the creation of robust, regular review processes for service providers, sub-advisers, and vendors with respect to inclusive practices proportionate to our firm's size.

Principle 6: **Measurement**—We commit to measuring and reporting on our progress in driving better diversity, equity, and inclusion results within our firm. We will provide regular reporting on our firm's related metrics to our senior management, our board, and CFA Institute.

Definition:

Recognizing that we cannot improve what we do not measure, the first five Code Principles require a systematic framework around measurement and tracking. Measurement is key to success in improving inclusion: What gets measured gets evaluated and managed, particularly in a data-driven industry such as investment. Data collection is also important, not only as a tool for greater understanding but also in introducing wider cultural change, which includes recognizing employees' individuality as they self-identify wherever possible and understanding all they can contribute to the workplace.

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Commitment:

We commit to an annual completion of the Reporting Framework and to the regular review of the returns by senior management, including updates for our board, to ensure our organization is making progress on increasing representation and driving inclusion at all levels. Measuring inclusion is not an exact science; not all elements of inclusion are obvious or are captured well in human resources (HR) systems or legislation, such as the Canada Business Corporations Act (CBCA) or other legal categories. We also commit to collaborate with other organizations to surface and drive better measurement practices.

Guidelines and goals or targets may differ by firm. The guidelines provided are not exhaustive, and inclusion should be thought of as a long-term business strategy with a positive return on investment. There is no finish line but rather an iterative, continuous improvement process that requires commitment from every individual.

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