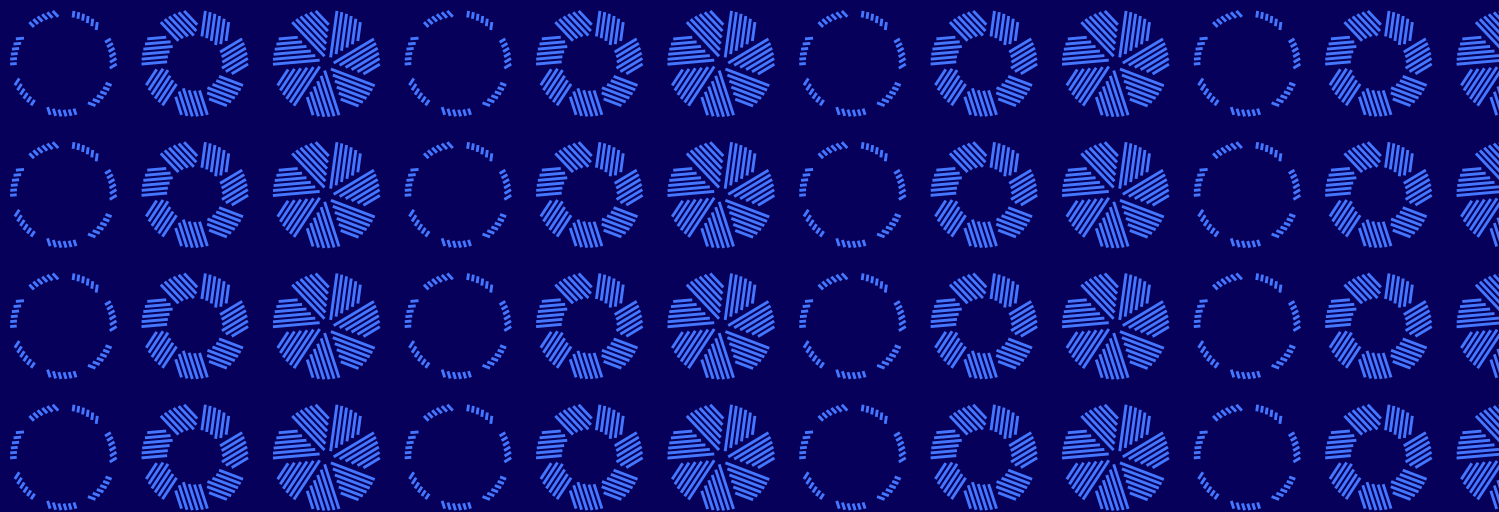


CFA INSTITUTE INCLUSION CODE (USA)

2025



Disclaimer for the Inclusion Code (USA)

The Inclusion Code aims to identify and share constructive talent management practices that are conducive to business success. It is informative guidance that does not and should not be interpreted as promoting, requiring, or endorsing any form of preferential or exclusionary treatment in hiring, promotion, leadership selections, or decisions of any kind based on any protected or personal characteristic. The Inclusion Code is not and should not be interpreted as legal advice, legal opinion, or regulatory guidance, nor does it advocate, encourage, or endorse coordinated or collective action among organizations to influence, restrict, or define labor, hiring, or any other practices within the investment or any other industry. Organizations should seek independent legal counsel to ensure any reliance or use of the Inclusion Code complies with any applicable local, state, and/or federal laws.

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

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CFA Institute

PROFESSIONAL LEARNING QUALIFIED ACTIVITY

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CFA INSTITUTE INCLUSION CODE (USA)

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. 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. To avail locally relevant guidance, we have separated Code provision for the United States and Canada into two distinct resources. This version for the United States is updated from the version published in 2022.

INTRODUCTION

In March 2020, CFA Institute tasked a Working Group 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 the Implementation Guidance, first published in February 2022.

The Group originally arrived at six core Principles that would require the support of the leadership. CFA Institute believes that each organization should work toward these core Principles but recognizes that each will implement these Principles in its own way and on its own timing, reflecting differences in organizational structures and firm cultures.

The earlier Code Working Group, now re-constituted as the Inclusion Code Sub-committee under the volunteer CFA Institute Inclusion Steering Committee, has responsibility for ensuring that the Code is enhanced and adapted over time to ensure that it remains relevant for the industry. The Sub-committee anticipated a periodic review and update cycle, originally expected to be every five years. In April 2025, slightly more than three years after the original Code was finalized, the Sub-committee initiated a review and update of the Code and formed a new Inclusion Code Working Group for this purpose. This document reflects the outcome of this Group's efforts, working with CFA Institute.

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 organizations but accommodate different implementation strategies. Considerable time was invested in developing a variety of recommended implementation strategies for each Principle so that each organization could choose the mix appropriate for their institution. These strategies appear in the Implementation Guidance, which supports the Inclusion Code. **CFA Institute understands that not all organizations have the same capacity or start from the same place, but the aspiration is that all organizations using the Code will explore strategies to align with effective practices at fostering inclusive workplace cultures, to having stimulating conversations, and to making the necessary investment of resources. Moreover, all organizations should strive toward continuous improvement in how to leverage the talents of each individual employee 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 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 Inclusion Code know that this approach will lead to greater consideration of wider viewpoints from the best talent, which will result in better investment outcomes for clients; help create better, more cohesive working environments; and generate a cycle of positive change for future generations.

—The Inclusion Code Sub-committee

EXECUTIVE SUMMARY

Our Purpose

We recognize that a diversity of perspectives within investment decision making will lead to better investor outcomes. 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.

An Introduction to the Six Principles

Principle 1: Access—expanding access to ensure the most qualified candidate pool.

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

Principle 3: Promotion and Retention—designing, implementing, and maintaining inclusive promotion and retention practices.

Principle 4: Leadership—using our position and voice to support inclusion in our firm. We will hold ourselves responsible for our firm's progress.

Principle 5: Inspire—using our role, position, and voice to educate about the importance of inclusion in the investment industry.

Principle 6: Measurement—measuring and reporting on our progress in fostering an inclusive workplace within our firm.¹ We may provide regular reporting on our firm's equal employment opportunity, non-discrimination, and anti-harassment efforts, as well as our track record of cultivating an inclusive workplace culture to our senior management, our board, and CFA Institute.

¹Not to make employment-based decisions.

Our Aspiration

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

- PUBLICIZE (economic case) 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 human capital management practices with the industry, learning together to develop new, aspirational strategies and to build awareness that integrating inclusion can improve investment outcomes and enhance business success.
- ENCOURAGE (ethical case) acceptance and implementation of the Principles within the investment industry by socializing the Principles with our global workforce and colleagues to improve understanding of the wider society we serve.

HOW THE CODE WORKS

We trust that organizations will be able to demonstrate innovation in their approach to these Principles. The Principles are intended to be additive to other initiatives because they are specifically designed for the investment industry.

The purpose of this voluntary 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 be used internally by organizations in this process, which can be used by any organization, regardless of size. 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 to be implemented unilaterally by organizations. 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.

Organizations are invited to provide a voluntary, confidential, annual informational report to the CFA Institute Inclusion and Code & Standards teams using the Reporting Framework portal. CFA Institute will report on industry-level statistics once it receives a critical mass of submissions and individual organizations cannot be identified.

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 express agreement, firms' insights 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 organizations to share their practices and report business impact from their inclusion initiatives, including their cycle of change. In these sessions organizations can also explore new ideas, which may well differ from those in the Implementation Guidance. We will also work to integrate these learnings into our member resources. In the end, each organization will make its own decisions as to how it implements the Principles, but all can benefit from perspectives of other firms as to what has and has not worked in their implementation of the Principles.

Foundational reporting requests for completion by the end of the initial two-year period from starting this work comprise the following:

- Adopted policies that support inclusion and equal opportunity
- An established senior leadership ownership and oversight governance process
- An implementation plan to integrate inclusion within the organization's people, processes, and policies

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

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 other investment organizations. The Guidance is intended to provide a wide range of resources to match the needs that each organization assesses it requires 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.

Representation of All Groups

The Code is specifically intended to apply to all groups, no matter their human attributes, perspectives, identities, and backgrounds.

Definition of Inclusion

Inclusion refers to the intentional efforts and practices an 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. 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. That situation is now changing as the industry competes for talent to serve evolving client demands and market conditions. This Code is intended to support these business-centric goals.

Definition of Diversity

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

THE INCLUSION CODE (USA)

The Principles

Principle 1: Access—expanding access to ensure the most qualified candidate pool.

Definition:

Expanding a qualified and inclusive talent pool is critical to the investment industry's long-term success.

Illustration:

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 will explore continued outreach to attract capable individuals from all backgrounds and experiences. We will raise awareness among students prior to college (both public schools and private schools catering to lower-income student bodies), such as those of different socioeconomic backgrounds, geography, and access to education, regardless of the individual's membership in a protected class. We will also explore outreach with other organizations, such as external community groups that attract early talent, because we recognize the importance of sustained, systematic effort to build capacity, industry understanding, and mutual awareness across populations.

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

Definition:

Ensuring that all aspects of hiring practice are inclusive, from intern and graduate recruitment to experienced hires and senior roles, and support the creation of an inclusive work environment.

Illustration:

We will explore creating, implementing, and regularly reviewing robust talent acquisition processes and policies, such as bias mitigation, cultural understanding, and other educational training for hiring managers, interviewers, and recruiters. Some firms perceive difficulty in finding an inclusive and qualified pool of candidates through 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 will also explore how to identify and drive better inclusive practices in external recruitment, including hiring the most qualified candidate that also includes a cultural add as well as cultural fit and modifying practices to consider a wider range of education level, degree type, and experience. We will also work to ensure that our onboarding policies feel inclusive to all reasonable parties.

Principle 3: Promotion and Retention—designing, implementing, and maintaining inclusive promotion and retention practices.

Definition:

Promotion involves ensuring that all aspects of access to training and development—including mentorship and sponsorship, progression, new opportunities, and appraisal processes—are inclusive and seek to address pay 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.

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 inclusion, this work requires identifying barriers to historically underrepresented employees’ access to opportunity.

Illustration:

We will explore 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 training to embed inclusive practices.

Principle 4: Leadership—using our position and voice to support inclusion in our firm. We will hold ourselves responsible for our firm’s progress.

Definition:

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

Illustration:

We will explore 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 barriers to opportunity, 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.

Principle 5: Inspire—using our role, position, and voice to educate about the importance of inclusion in the investment industry.

Definition:

As members and clients of the investment industry, we have the ability to inform providers of industry services, including investment management, who may be interested in adopting the Principles of this Code as well as practices that promote greater inclusion within the investment industry.

Illustration:

We will explore 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—measuring and reporting on our progress in fostering an inclusive workplace within our firm.² We may provide regular reporting on our firm's equal employment opportunity, non-discrimination, and anti-harassment efforts, as well as our track record of cultivating an inclusive workplace culture to our senior management, our board, and CFA Institute.

Definition:

Recognizing that we cannot improve what we do not measure, the first five Inclusion Code Principles provide a systematic framework around measurement and tracking. Measurement is key to success in enhancing an inclusive workplace culture that respects diverse backgrounds and ensures effective talent management. What gets measured gets evaluated and managed, particularly in a data-driven industry such as investment. Data collection³ is also important, not only as a tool for greater understanding of workforce trends but also in introducing wider cultural change, which includes recognizing all employees' individuality as they self-identify wherever possible and understanding all they can contribute to the workplace.

Illustration:

We will explore annually completing the Reporting Framework and having senior management regularly review it, including updates for our board, in order to identify successes and opportunities for continuous improvement. Measuring an inclusive workplace culture is not an exact science. Although tools such as EEO-1 reporting and human resources (HR) systems may facilitate insight on some demographic information, measuring and monitoring the spectrum of dimensions of diversity and inclusion—both quantitative and qualitative—calls for collaboration across the business to identify and disseminate effective strategies to measure an inclusive workplace culture.

²Not to make employment-based decisions.

³For informational purposes only, to analyze data and trends—not to make employment-based decisions.

Different firms may take different approaches. The guidelines provided are not exhaustive. Inclusive workplace cultures and constructive talent management should be considered as part of a long-term strategy that optimizes business outcomes. There is no finish line but rather an iterative, continuous improvement process that requires engagement from every individual.