

Frequently Asked Questions

What is the Diversity, Equity, and Inclusion Code for Investment Professionals (US and Canada)?

The Diversity, Equity, and Inclusion Code for the Investment Profession (US and Canada) is a comprehensive voluntary Code that aims to foster commitment from institutions to DEI action that will lead to greater inclusion of wider viewpoints from the best talent, which will lead to better investment outcomes, help create better working environments, and generate a cycle of positive change for future generations. The scope of the DEI Code is within the workplace, where signatories have direct agency and where they have influence as investors. The core six principles central to the DEI Code will drive greater diversity, equity, and inclusion efforts in a meaningful and measurable way.

- **Principle 1: Pipeline:** Expanding the diverse talent pipeline;
- **Principle 2: Talent Acquisition:** Designing, implementing, and maintaining inclusive and equitable hiring and onboarding practices;
- **Principle 3: Promotion and Retention:** Designing, implementing and maintaining inclusive and equitable promotion and retention practices to reduce barriers to progress;
- **Principle 4: Leadership:** Using our position and voice to promote DEI and improve DEI outcomes in the investment industry. We will hold ourselves responsible for our firm's progress;
- **Principle 5: Influence:** Using our role, position, and voice to promote and increase measurable DEI results in the investment industry;
- **Principle 6: Measurement:** Measuring and reporting on our progress in driving better DEI results within our firm. We will provide regular reporting on our firm's DEI metrics to our senior

Why has CFA Institute developed a DEI Code?

Diversity, Equity, and Inclusion is critical to the future of the investment industry. CFA Institute is launching the DEI Code because we recognize that diverse perspectives lead to better investment outcomes and an inclusive investment industry, one that will better serve a diverse society. These goals align with both our work with and for our members and stakeholders as investment professionals and our mission. We also recognize that an organization with an inclusive culture, awareness and education, and effective working relationships, is a better place to work.

Why is the Code focused on the US and Canada?

Diversity, equity, and inclusion mean different things to different people and each part of the globe may be in a different stage of the DEI journey. We chose the USA and Canada as the starting point since investment organizations in these markets demonstrated strong demand for a CFA Institute DEI Code to drive change. Our Codes and Standards typically are global, and

the intention over time is to create a DEI Code which will build to form a regionally adapted, global DEI Code. The DEI Code for the United and Canada grounds our efforts provide us with a path forward. We aspire to bring more markets into the effort.

What does the DEI Code require of Signatories?

The DEI Code calls for signatory organizations to commit to the six Principles that require leadership support: Pipeline, Talent Acquisition, Promotion and Retention, Leadership, Influence, and Measurement. Signatories also commit to accelerating and amplifying the impact of their commitment by making the economic, business, and moral case for diversity, equity, and inclusion. In Canada, signatories commit to implementing the Truth and Reconciliation of Canada Call to Action #92 and to embracing Indigenous reconciliation.

The DEI Code meets the industry where it is, supports companies in defining their current state, and drives cultural change from a realistic foundation. As a baseline, signatory organizations must meet the following foundational reporting requirements within two years:

- An adopted DEI policy and statement;
- An established senior leadership ownership and oversight governance process;
- An implementation plan to integrate DEI within the signatory organization's people processes and policies.

How will Signatories be held accountable?

We ask at the outset that signatories commit to reporting on their DEI metrics and discussing their progress with us. DEI Code signatories will provide a confidential annual progress report to CFA Institute using the accompanying Reporting Framework, which can be used by any size of organization. CFA Institute will report its overall findings on industry progress annually, reporting industry-level statistics once a critical mass of signatories is reached and individual organizations cannot be identified. However, we also encourage signatories to report their DEI metrics publicly.

Which organizations have become DEI Code Signatories?

CFA Institute became the first DEI Code signatory at its launch. All signatory organizations can be viewed [here](#).

Do signatory companies pay to participate?

Signatory companies do not pay to participate. Becoming a DEI Code signatory is without charge and is voluntary.

Will signatory companies be subject to independent assurance?

Signatory companies are held to account by CFA Institute Codes & Standards and External DEI teams. Assurance requirements are met through required annual reporting to CFA Institute, where individual consultations with signatories are part of the reporting process. In these meetings, each signatory will have an opportunity to explain what their DEI goals are and what their processes and progress toward integrating DEI are. Overall, CFA Institute will ask signatories to show how their culture is shifting.

Who wrote the DEI Code?

The DEI Code was authored by a highly diverse working group of investment professionals, CFA Institute members, employees and DEI practitioners. The Group shared a common belief that progress on diversity, equity, and inclusion required commitment from the senior leaders at investment organizations. In July 2021, the CFA Institute DEI Working Group published its Exposure Draft of the DEI Code seeking industry, regulatory, and public comment. Responses helped introduce foundational requirements for signatories and embedded the importance of both improving and maintaining DEI progress. The Exposure Draft and Comment Letters, are available [here](#).