

Diversity, Equity, and Inclusion (DEI) Policy CFA Society Netherlands

Adopted by the board on September 2, 2024

Introduction

In society and in our sector the interest in Diversity, Equity and Inclusion (DEI) is clearly growing. Talking with Dutch CIOs already in September 2022 about their needs, we found that improving DEI for their firms was high on the agenda. Since then, we engaged in one-on-one conversations and focus groups, offering our support and promoting the CFA Institute DEI Code¹ as a guiding tool and framework. Promotion of the Code remains a focus point in our outreach activities.

At the same time, we want to raise awareness and take further steps on DEI within our Society. In 2023 we set reflection on the perceived level of inclusion as the main theme in our 5-year merger milestone and we conducted a survey amongst our member base. We published the findings in the VBA Journaal and discussed these with our committees. In addition, we wrote a column about DEI in an external magazine. To ensure significant impact, it is essential that we take one step back and formulate a DEI policy for the Society. This policy will serve as a crucial guide for decision-making and provide a clear narrative to our members and the broader community.

In this policy document we will address why DEI is relevant for our Society and what our role should be, we will formulate a mission, vision and policy statement, and we will set goals and objectives. We will use the CFA Institute DEI Code as a framework for the positioning and strategy of our Society. Signing the Code ourselves as a Society can be part of our strategy.

Objectives and initiatives are based on the CFA Institute DEI Code Implementation Guidance, conversations within local and international networks and the findings of our inclusion survey.

¹ CFA Institute is developing regional DEI codes as a standard for investment firms in the field of Diversity, Equity, and Inclusion. In 2022 the CFA Institute DEI Code for the USA and Canada was launched and in 2023 for the UK. So far 180+ firms signed up for the Code. The Code consists of six guiding principles which apply to all geographies. However, because of different employment laws but also local variations in demographics, culture, and societal customs, implementation of the DEI code may (and probably will) differ per region. Therefore, the six global principles are supported by specifically designed implementation guidance of each region. The European DEI code with a specific Dutch addendum was launched in June 2024.

Vision, Mission and Policy Statement

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.²

Inclusion is also explicitly mentioned in the Ambition statement of our Society. The full ambition statement and mission and vision are included in the appendix.

By being an inclusive and adaptable organization, our dedicated network of members continuously shapes and strengthens the investment industry.

Having a mission, vision, and policy statement on DEI is highly beneficial. The reasons for this are fourfold:

- for a clear, transparent narrative to both members and stakeholders
- as a guidance for our internal decision-making processes
- to inspire and motivate our members to actively engage in DEI initiatives
- to provide a sense of purpose and shared vision for collective action.

Vision

Our vision is a world where the investment sector is guided by the principles of trust, belonging, and inspiration, setting a global standard for diversity, equity, and inclusion. We envision an industry where these pillars create an environment where every voice is heard, every perspective is valued, and equity and inclusion are the driving forces behind innovation, trust, and long-term success.

Mission

Our mission is to contribute to this vision by driving meaningful change within our Society and the wider investment community. We are dedicated to fostering an environment where diversity is celebrated, equity is ensured, and inclusion is the norm. By leading by example, we aim to inspire others in the investment profession to embrace these principles, ensuring that every member of our society feels valued, empowered, and inspired to contribute their best.

Policy statement

At CFA Society Netherlands, we are committed to fostering a culture of diversity, equity, and inclusion (DEI) that infuses every aspect of our operations and interactions with our community. We recognize that DEI will support investment professionals to improve investment outcomes for their clients and to better service a diverse society. Additionally, we understand that inclusion will lead to a more knowledgeable community, where every member feels fairly treated, valued for their perspectives, empowered, and respected. Therefore, we endorse the CFA Institute DEI Code and translate the six principles into actionable goals tailored to our Society's specific context and objectives. We prioritize principles based on their alignment with the Society's strategy and goals, focusing on those where we believe we can have the greatest impact.

² Source: CFA Institute Diversity, Equity and Inclusion Code (USA and Canada), 2022

For the first phase, focus will be on the following three principles:³

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 DEI and improve DEI 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 DEI results in the investment industry.

By focusing on these principles, we are committed to building a more inclusive, equitable, and adaptable Society that reflects the values and aspirations of our mission and vision. Together, we will drive meaningful change in the investment sector.

This mission, vision and policy statement echo the rationale for and wording in the inclusion survey we conducted with Deloitte under our membership in 2023.

³ Prioritization and focus will be addressed in the Strategy paragraph.

GOALS AND OBJECTIVES

Next is to set goals that align with our mission on DEI.

Our goals relate to three target groups:

- 1) Improving DEI within our own organization
- 2) Improving DEI within our Society
- 3) Improving DEI within the (Dutch) investment community

In these three areas our stance can range from informing, facilitating, championing/stimulating to even enforcing.

We aim for improvement on all three target groups, though we set a different level of responsibility and accountability and therefore stringency for ourselves depending on the group.

We do not set goals to improve DEI within broader society. We feel our direct impact would be limited and opt to focus on a cascade model, where our impact on the investment community indirectly filters through to society.

Goal for improving DEI within our own organization

Having a clear policy in place aimed at improving DEI within our own organization is a prerequisite in the sense that you should practice what you preach. If we do not set the example in our own organization, we wouldn't be credible to the rest of our Society or the sector. In addition, it relates to the rationale a 'better place to work'. Our policy here will be *stringent* within the limits of practicality. As our DEI policy will be determined by the Board, we consider the Board as part of the own organization, next to the Staffed Office.

This would mean inter alia, but not exclusively,

- Transparent recruitment/nomination processes for board positions, addressing unconscious biases as much as possible.
- Do a training on inclusive habits & mindsets and/or unconscious bias.
- Diversity in the board/staffed office in terms of gender, age, professional education and background.

Goal for improving DEI within our Society

When we talk in this context about the Society, this comprises of, but not exclusively, committees, events, the RBA education and MiFID program. Considering the amount and range of activities the Society organizes and the large number of people (volunteers) involved, we should not underestimate the impact we can have here. We could opt for a policy with stringent conditions that should be met when for instance organizing an event or running a committee (comply). On the other side of the spectrum, we could set expectations for behavior and formulate guidelines, with compliance on a voluntary basis.

We will start with explaining the narrative for the Society (vision and mission) and set the expected behavior of all operating within the context of our Society. Next phase could be making the guidelines more stringent and introducing a comply-or-explain requirement (explain when expectations have not been met). Making compliance mandatory – even in the future further out - seems too far stretched for a Society that exists by volunteers though we could think about a transition period. Where we have a commercial relationship (RBA program) compliance should be mandatory though in a reasonable time period.

Practitioners and academics stress the importance of a clear communications roadmap and narrative supporting the guidelines, the more if we foresee that policies would become more stringent over time.

Guidelines would consist of the following (not exclusively):

- Committees open to new members irrespective of their gender, age, professional education and background, native language.
- Diverse speaker program (meaning fi no manels, secure for diverse opinions).
- Diverse line-up of teachers in our educational programs (RBA and MiFID).

In addition, we would for instance:

- Pro-actively invite underrepresented members to join committees, events, conversations.
- Review event-calendar to ensure topics are diverse and attractive to a greater variety members.
- Offer training on inclusive habits & mindsets and/or unconscious bias to committee chairs and committee members who aspire to become one.

Goal to improve DEI within the (Dutch) investment community

When again looking at the vision, mission and ambition of the Society (Appendix), we see our role bigger than our own Society. We talk about the investment community, investment sector and even broader society. This gives us a clear reasoning to set goals to improve DEI within the (Dutch) investment community.

This would mean in practice for instance:

- We would promote signing of the CFA Institute DEI Code in the broad investment sector.
- We would ask (though not require) our strategic partners and tactical sponsors to sign the CFA Institute DEI code or to support DEI initiatives in another meaningful and visible way.
- We would advocate DEI in external messaging, for instance at events, in our columns.

To recap, implementation of our DEI policies would be

Implementation of DEI policies	Voluntary	Comply-or-Explain	Comply
Organisation-level			X
Society-level – activities run by volunteers	X	Possibly for second phase	
Society level – commercially run activities			X
Industry-level	X		

Strategy

We will list strategies and initiatives that we can employ to achieve our DEI objectives. We use the six Principles of the CFA Institute DEI Code as a framework and translate them into meaningful actions for our Society. We close with the Principles and initiatives to prioritize for now based on our vision/mission, impact and feasibility.

Principle 1: Pipeline

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

In the context of our Society, we define pipeline as prospective students in the CFA program and people entering the investment sector.

- Consider when doing outreach to students (Research Challenge, promotion of the CFA Program) to expand to universities/schools/programs further than the 'usual suspects'. Consider promotion to older age groups beyond traditional student cohorts.
- Use social media (and finfluencers) to appeal to students.

Principle 2: Talent Acquisition

We commit to designing, implementing, and maintaining inclusive and equitable hiring and onboarding practices.

In the context of our Society, we translate hiring and onboarding practices to becoming member of our Society, our committees, our board, attending events, registering for our educational programs and joining our staffed office.

- Transparent recruitment/nomination processes, addressing unconscious biases as much as possible.
- Vacancies for committees, board, staffed office should be written inclusively (gender/language neutral, everyday language, no jargon).
- Committees open to new members irrespective of their gender, age, professional education and background, native language⁴.

Principle 3: Promotion and Retention

We commit to designing, implementing, and maintaining inclusive and equitable promotion and retention practices to reduce barriers to progress.

When talking about promotion and retention in the context of our Society, we refer to promotion and retention within the board, staffed office, committees, and membership in general.

⁴ The Committee Manifest needs to be updated for DEI policies in due course, for example for recruiting members and retention and promotion.

- Rotation chair positions in committee and board meetings so that members with aspiration to become chair can learn on the job
- Review event-calendar to ensure topics are diverse and attractive to a greater variety members
- Accessibility of events/in-class room lecturers should always be considered, offering pro-actively or support for any arrangements to be made if necessary
- Diverse speaker program (meaning fi no manels, secure for diverse opinions)
- Diverse line-up of teachers in our educational programs (RBA and MiFID)
- Pro-actively invite underrepresented members to join committees, events, conversations
- Use English as main language, check communication on biases language
- Emphasizing and affirming desired behavior (for instance showcasing best practices of committees) instead of negative lessons/feedback
- Target specific (minority)groups with member surveys (segmented engagement surveys)
- Have robust complaints procedures in place and 'safe spaces' to escalate issues around non-inclusive behavior (invite people to speak up)
- Allow for flexible working in the staffed office

Principle 4: Leadership

We commit to 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.

Leadership relates to the board, staffed office and committee chairs of our Society.

- Develop and offer training on inclusive habits & mindsets and/or unconscious bias for board/staffed office and committee chairs and committee members who aspire to become one.
- Board should define the Society's non-negotiables in terms of behavior/output.

Principle 5: Influence

We commit to using our role, position, and voice to promote and increase measurable DEI results in the investment industry.

We can copy this statement for our Society.

- Promoting signing of the CFA Institute DEI Code in the Dutch investment sector and in particular stimulating our strategic partners (sponsors) to sign.

As mentioned in the Goal to improve DEI within the (Dutch) investment community we do not go as far as excluding working with firms who do not sign the DEI Code. Firms may have their own policies in place to improve DEI, without wanting the commitment to sign the Code. We do however require from all firms we work with in one way or another that they meet our standards for ethics and professionalism.

- Drawing attention when non-inclusive language is being used when we are asked by a firm to promote a vacancy.
- Speaking on DEI on industry events
- Signing the CFA DEI Code ourselves as a Society

Note there are no immediate requirements on reporting or on any minimum actions for each principle, but by the end of the initial two-year period from becoming a signatory the following requirements should be met.

- An established senior leader ownership and oversight governance process
- Formal, written publicly available communications outlining the organization's DEI strategy, policy, commitments, and high-level objectives.
- An implementation plan to integrate DEI within the signatory organization's people, processes, and policies.

Principle 6: Measurement

We commit to 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 management, our board, and CFA Institute.

This translates for our Society to measure member data and report to and discuss with the Board.

- Collect data on member demographics and members leaving. Ideally the turnover rate for members of underrepresented groups is in parity with that of the majority group. Track development over time. Aim is to do better than the industry in terms of diversity.

Communicate clearly about the scope and the strategic purpose for data collection.

We prioritize and focus for now on Principles 3, 4 and 5.

The outreach to students (Principle 1) has in general a lower priority in the Society's strategy due to the long-term nature and relatively low conversion in Society members. Retention of members (Principle 3) seems logical to be firstly addressed instead of acquisition (Principle 2). This only succeeds with leadership in place aimed at DEI (Principle 4). With our strong brand and foothold in the Dutch market our impact on the industry could be big (Principle 5).

Appendix

WEBSITE CFA SOCIETY NETHERLANDS

OUR VISION

A stable, trusted and proactive investment community is an essential foundation for prosperity in society.

OUR MISSION

At CFA Society Netherlands we contribute to the advancement and stability of the investment community by setting standards, raising ethics, improving competence and sharing knowledge.

We equip our members with the tools to better serve their clients, and to master the challenges of our constantly changing profession.

OUR AMBITION

Promoting education and knowledge is our core endeavor, while focusing on high standards in attitudes, behaviors and skills.

By being an inclusive and adaptable organization, our dedicated network of members continuously shapes and strengthens the investment industry.