



# THE ROLE OF INVESTMENT MANAGERS IN PROMOTING DIVERSITY AND INCLUSION

## ADVANCING DIVERSITY AND INCLUSION IN INVESTMENT MANAGEMENT

The IA believes diversity and inclusion create a healthy culture where staff can thrive and bring their whole selves to work. Our members are increasingly seeking more diverse voices, opinions and experiences to help reduce the risk of ‘group think’, to better connect with clients, and ensure better decision-making at all levels. Investment managers also have a responsibility not only to promote policies and initiatives that support this in their own business, but to use their stewardship role to encourage it in those they invest in too.

Our members continue to work to cultivate an inclusive culture, as well as attract, develop, retain and promote a high-quality diverse workforce. Our focus has been on gender equality, LGBT+ inclusion, ethnic diversity and social mobility, but the IA continues to seek opportunities to increase diversity. To support this we have produced a suite of practical guides for developing an inclusive working culture and a diverse workforce alongside webinars, events, and industry research

The IA supports the Commission’s commitment to further promote diversity and inclusion in the workplace, demonstrated by its ambitions shown in the

EU Gender Equality Strategy, the EU LGBTIQ Equality Strategy, as well as the EU Anti-Racism action plan to encourage firms to build an inclusive culture and attract a more diverse workforce.

## RECENT INDUSTRY WORK

The industry is taking forward a number of proactive initiatives to further advance diversity and inclusion in all its forms:

### Promoting Gender Equality

Gender equality and closing the gender pay gap is high on investment managers’ priorities. As part of a wider diversity and inclusion strategy, the IA has led a number of industry initiatives to understand and tackle the root causes of the gender pay gap in the investment management industry specifically, and to increase gender balance across financial services:

### Tackling Gender Pay Gap with practical industry-led solutions

The IA published two reports - ‘[Closing the Gap](#)’ (2019) and ‘[Addressing the Gender Pay Gap](#)’ (2020) – exploring the factors that may contribute to the gender pay gap,



**About the Investment Association**  
*The Investment Association (IA) represents the interests of more than 250 investment managers across Europe. Collectively, our members manage assets totalling more than €10.0trn, or 37% of the total assets managed in Europe, and do so through more than 640 offices. By allocating capital to businesses and projects in need of finance, our members help millions of individuals work towards their long-term financial goals and allow them to enjoy a more prosperous retirement.*

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how it impacts our investment industry, and how to help reduce it. The reports' aim is to share best practice by showcasing how member firms are proactively addressing these issues through the implementation and development of internal programmes and policies, as well as joining and supporting external initiatives. The reports also put forward practical industry solutions to help firms attract, retain and promote diverse talent.

## Increasing gender diversity on board through corporate governance

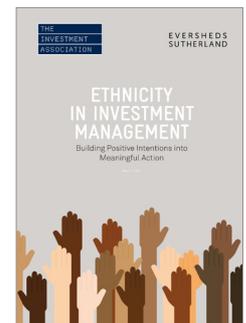
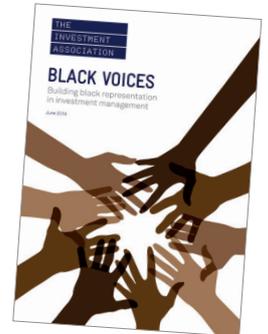
In addition to the IA **Diversity on Boards campaign**, the IA's **Institutional Voting Information Service (IVIS)** highlights to shareholders the companies that are not on course to meeting the UK government Hampton-Alexander Review target of 33% of women on Boards and senior leadership teams at the end of each year. The IA also engages with FTSE 350 companies with one or fewer women on their boards, asking them to outline what actions they are taking to improve the gender balance in their companies.

## Building LGBT+ inclusive workplace and environment

The IA has done extensive work to encourage companies to take account of LGBT+ issues in their diversity strategy and help employers to recruit and retain LGBT+ talent. In 2018 and 2019, the IA invited a group of LGBT+ people and allies from across its members to take part in discussions about what it has been like to come out and be out while working in the investment management industry. Based on their feedback, the IA published two reports – *'Bringing our whole selves to work'* (2018) and *'Do you remember the first time?'* (2019) – containing advice from LGBT+ people working in the industry to their employer as well as a number of recommendations that firms can implement to create more inclusive workplace.

## Promoting ethnic diversity

The IA is committed to increase ethnic participation and has led a number of proactive initiatives to address the under-representation of professionals from ethnic minority backgrounds in the industry. In 2019, the IA published the report *'Black Voices: Building black representation in investment management'* looking specifically at the experience of Black professionals working in the investment management industry and putting forward guidance for firms to improve the ethnic diversity of their workforce, such as implementing ethnicity pay gap reporting. In 2021, we published another report *'Ethnicity in Investment Management'* to reflect on the actions investment management firms are taking to better understand their workforce and identify where minorities are under-represented, as well as the reasons behind this. Finally, IVIS will highlight to shareholders whether or not companies have disclosed the ethnic diversity of its board or an action plan to meet the Parker Review targets of at least one director of an ethnic minority background by 2021.



### The Investment Association

For more information contact: [europe@theia.org](mailto:europe@theia.org)  
Rond-point Robert Schuman 6, Bruxelles  
Camomile Court, 23 Camomile Street, London, EC3A 7LL  
[www.theia.org](http://www.theia.org) [@InvAssoc](https://twitter.com/InvAssoc)

