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DIVERSIFYING GLOBAL ACCOUNTING TALENT: Actionable Solutions for Progress



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ABOUT THE AUTHORS

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California Society of Certified Public Accountants (CalCPA) staff members served as research advisors and researchers throughout the U.S. project as did International Federation of Accountants (IFAC) staff members for subsequent regional projects, connecting the research team with U.S. state CPA societies and IFAC member organizations in the Asia-Pacific, Europe and the Mediterranean, and the Middle East and North Africa regions to expand the scope and reach of the study. These team members recommended edits to the survey instruments based on regional experience and conducted interviews following IMA® (Institute of Management Accountants) research guidelines to capture the nuanced diversity, equity, and inclusion experiences from current and former accounting and finance practitioners and academics. The findings in this capstone study would not have been possible without these contributions.

ORGANIZATIONAL ENGAGEMENT

SPONSORING ORGANIZATIONS



The Association of Accountants and Financial Professionals in Business

IMA® (Institute of Management Accountants) is a global professional association focused exclusively on advancing the management accounting profession.

For more information, please visit www.imanet.org.



The **California Society of CPAs** makes CPAs and financial professionals throughout California better at what they do. For more information, please visit www.calcpa.org.



IFAC is the global organization for the accountancy profession and is dedicated to serving the public interest. For more information, please visit www.ifac.org.

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DE&I ADVOCATES

“ We are committed to collective action toward DE&I progress. ”

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FOREWORD

As Maya Angelou, American poet and civil rights activist, once said, “Ask for what you want and be prepared to get it.” When we set out on this journey together, we were very clear in what we wanted—to understand the state of diversity, equity, and inclusion (DE&I) across the global accounting profession. Our organizations joined in this effort with a shared vision of what we wanted to accomplish—to assess the current state of DE&I, to raise awareness among our stakeholder groups about the evolution of DE&I, and, importantly, to act on our findings.

From the outset, we approached this research with the intention of digging into deeply rooted issues and factors driving observed DE&I deficiencies. Our research premise: taking the traditional focus on students and the hiring process and expanding it to explore diversity among senior leadership. We aimed to investigate current dynamics to gain *new insights* and take *new actions* as a result.

We identified a *diversity gap* between senior leadership of the profession and the whole of the accounting and finance workforce (i.e., greater diversity across the profession than in leadership positions). We found that many accounting and finance professionals in already underrepresented groups have been *leaving employers and the profession altogether* due to a lack of good DE&I practices. This raised the need for rethinking. Considering the amount of time, money, and resources that an individual must invest to join the profession, obtain certifications, and navigate a career path, this ultimate outcome—willingness to leave the profession—is cause for concern and attention. While ours is a proud profession that makes a difference in society, we must address diversity gaps head-on to attract new talent for relevance and influence over the long term.

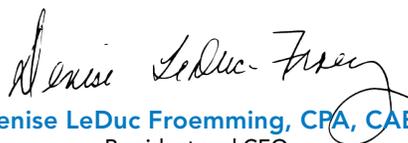
These research results served as a wake-up call for the profession to take action. We’ve reached a tipping point in which change must be made for the profession to close the gap, not only to survive but to thrive sustainably. The future of accounting and finance rests not only on the shoulders of current and future leaders, but also with others who have a natural role as conveners and drivers of change. This includes professionals, students, academics, and professional associations. A collective effort is required to uproot the tendency toward legacy solutions that failed to achieve desired expansive results. We must plant new seeds and introduce additional means of building more inclusive workplaces to attract, retain, and promote professionals from diverse demographic backgrounds. Representation matters, especially at the leadership level.

Effective solutions are needed to increase representation at all career levels, effectively measure DE&I progress, and enact coordinated, widespread improvement action across the profession. The time is now to effect change and unite the profession in a collaborative approach to solving what is a global issue. We are joined by dozens of organizations across the globe, [DE&I advocates](#), who are prepared to improve DE&I in the profession. Together with our research partner and DE&I advocates, we urge the profession to commit to take action and work together to enable and implement DE&I practices toward progress. We call on the profession’s leaders to join us in a commitment to drive change and ensure the long-term sustainability of a vibrant, diverse, inclusive, and equitable accounting and finance profession.

We’re united in what we are asking for and prepared to achieve it. Are you?



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Executive Summary

Members of the global accounting profession (collectively, “the profession”—encompassing public accountants, management accountants, and accounting and financial professionals in business) are renewing focus on the human side of the profession’s value offering to business and society. As it looks to the future, the profession seeks to achieve equity, diverse and inclusive cultures, and support for sustainable business initiatives, such as the United Nations Global Compact (UNGC) Sustainable Development Goals (SDGs), and similar sustainable business standards. In support of these objectives, members of the profession aim to implement long-lasting solutions to attract, retain, and promote diverse, talented workforces that respect one another and encourage diversity of thought and perspective.

This report (Report) serves as the capstone of a global series of five research studies on diversity, equity, and inclusion (DE&I) in the profession.

- First, in February 2021, IMA® (Institute of Management Accountants) and the California Society of Certified Public Accountants (CalCPA), with the support of a diverse group of organizations across the profession, released the results of a study of DE&I in the U.S. accounting profession.
- Second, following the initial U.S. study, IMA and the International Federation of Accountants (IFAC) jointly sponsored three DE&I studies of the accounting profession in (a) Asia-Pacific, (b) Europe and the Mediterranean, and (c) the Middle East and North Africa. These four studies included analysis of more than 8,500 online survey responses from current and former accounting professionals and interviews of more than 100 accounting, human resources, and DE&I practitioners and academics.
- Finally, this Report aggregates regional findings and shares feedback provided through the fifth study, a series of think tank sessions with leaders from each focus region. These sessions centered around the efficacy of various DE&I practices.

Note: The sponsoring organizations and our research partner acknowledge and recognize that diversity extends beyond the female demographic group. In each regional study, a minimum of three demographic groups were explored. Yet the female demographic group is the only one examined across all four regional studies. Thus, this Report presents findings in aggregate and shares specific detail for the female demographic group. To view the detailed analysis of demographic groups of focus in each region, visit the additional resources section of this Report’s web page (myima.org/DEIsolutions) to access the regional studies, which will be available by mid-2022. Proposed solutions and practices have been designed in a manner that is adaptable and applicable to all demographic groups.

Why Is Action Needed?

The diversity gap: There is greater diversity across the broader profession than in leadership positions.

The initial study in this global series, *Diversifying U.S. Accounting Talent: A Critical Imperative to Achieve Transformational Outcomes*, revealed a diversity gap: the low presence of diverse talent among leadership ranks in comparison to the demographic diversity across the profession and to regional population statistics.¹

In our subsequent global studies, comparable workforce statistics for the profession were not readily available across all jurisdictions. But our comparison of female respondents’ job titles across all regions to those of male respondents with similar education levels and experience revealed that male respondents are holding more senior positions within their organizations.

Fewer than 60% of respondents of all backgrounds view the profession as equitable or inclusive.

Only 58% of respondents across all regions and of all genders view the profession as equitable, and 59% view the profession as inclusive. A closer look at the individual studies reveals respondents from the United States and Europe and the Mediterranean are less likely to view the accounting profession in their respective geographies as equitable or inclusive than those in Asia-Pacific or the Middle East and North Africa (see Table 1).

TABLE 1: RESPONDENTS WHO VIEW THE PROFESSION AS EQUITABLE OR INCLUSIVE (ALL GENDERS)

	Asia-Pacific	Europe and the Mediterranean	Middle East and North Africa	North America: United States	All Regions
I believe the profession is equitable.	71%	58%	69%	48%	58%
I believe the profession is inclusive.	71%	59%	70%	50%	59%

Women report they have experienced inequitable treatment and exclusive behaviors that impacted career decisions and prompted some to leave the profession.

Most respondents in each region generally view the profession as equitable or inclusive, but many respondents of diverse backgrounds, regardless of these general views, state they have experienced or observed inequity and exclusion while working in the profession that affects talent retention and career decisions. Although each of the regional studies addressed a unique combination of demographic groups, the female demographic segment was explored in each. Perspectives on whether the profession is “equitable” and “inclusive” broken down by gender are captured in Table 3.

On average, 63% of women across each region surveyed report they have experienced behaviors they perceived to be rooted in bias against people like them while working in the accounting profession. These experiences impacted the career choices of one-third of female respondents. They described decisions to leave employers and, in some cases, the profession altogether. These findings (further detailed in [Catalyst for Action: Current State of DE&I in Accountancy](#)) underscore the opportunity cost to the profession of not adequately, genuinely, and sustainably improving DE&I across the profession, including the pathway into leadership.

Professional accountants have an obligation to protect the public interest and an ethical imperative to maintain honesty and integrity, committing to fair decisions free from bias.

Protecting the public interest, one of the most well-known and long-standing responsibilities of professional accountants (see [Catalyst for Action: Protecting the Public Interest](#)), also serves as a key impetus for the profession's action toward DE&I progress. It is a professional accountants' responsibility to adhere to a code of ethics with requirements that are at least as stringent as those in the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code) by the International Ethics Standards Board for Accountants (IESBA). Among others, such ethical responsibilities include acting with integrity and upholding objectivity, which involves mitigating the risk of bias affecting decisions and professional judgments (see [Catalyst for Action: Protecting the Public Interest](#)).² To that end, beyond applicability to accountants' treatment of other business professionals or how they conduct themselves personally, these obligations also extend to how accountants treat *each other*.

There is increasing demand for sustainable business information around DE&I.

A further extension of accountants' well-established ethical obligation is the evolving role of accountancy that increasingly encompasses reporting of sustainable business information, commonly referred to as ESG (environmental, social, and governance) reporting. These new reporting standards and guidelines include information on human resources capital, including DE&I. For example, many governments, securities regulators, and accounting standard-setting bodies are bringing attention and new mandates for organizational transparency, particularly around people in leadership roles.

Responding to Calls for Action

Over the past two years, the profession's attention to DE&I has markedly increased. But there have been a host of organizations committed to action toward DE&I progress in the profession for decades. Although some DE&I progress has been made across all jurisdictions studied, the current presence of the diversity gap and contemporary instances of inequitable treatment and exclusive practices within the profession confirm there is more work to be done. Participants in the series of studies resoundingly said that in order to enact the amount of change needed, coordinated and collaborative action is required. In direct response to this call by accountants around the world, this Report is intended to prompt coordinated action across the profession to achieve transformational outcomes.

This Report explores the catalysts that have prompted the profession to take action to improve DE&I, presents an inventory of actionable DE&I solutions that can be implemented in any profession, proposes indicators to monitor and measure DE&I progress in a consistent and comparable way, and issues a call to action for the global accounting profession to respond in a deliberate, collaborative manner to accelerate widespread advancement of DE&I. •

Catalysts for DE&I Action

Advances in digital technology and the expanded use of media outlets have increased visibility of social intolerance, discrimination, and inequitable treatment across the globe. The corresponding heightened awareness of these contemporary occurrences has prompted or exacerbated civil unrest in several countries. Marginalized or underrepresented groups within many business disciplines, including the global accounting profession, are more likely to experience microaggressions and subtle bias than overt, blatant discrimination.³ Interviews with more than 100 members of the global accounting profession and analysis of more than 8,500 survey responses reveal that these manifestations of inequitable practices, unfair treatment, and exclusive behaviors yield negative effects on employee morale and turnover as well as the profession's talent pipeline and prospective value delivery in the future.

In acknowledgment of the diversity, equity, and inclusion (DE&I) challenges that exist in the broader society and within the corporate sector, IMA® (Institute of Management Accountants), the California Society of Certified Public Accountants (CalCPA), and the International Federation of Accountants (IFAC) commenced a journey to empirically assess the current state of DE&I within the global accounting profession. A global series of DE&I research studies in the United States, Asia-Pacific, Europe and the Mediterranean, and the Middle East and North Africa revealed striking similarities between perceptions and experiences of members of the profession across jurisdictions. This capstone study consists of a review of existing research, analysis of aggregated findings from the regional studies, and synthesis of key themes that emerged from a series of global think tank (roundtable) discussions with accounting practitioners, academics, and representatives of professional accountancy organizations (PAOs). This methodology was employed to present overarching catalysts for action that transcend geographies, share actionable practices and metrics that can be employed by accounting leaders at any point along the talent pipeline, and spark an increase in organized, collaborative action among PAOs, firms, academics, standard-setting bodies, and other members of the accounting profession's ecosystem across the globe.

Consistent throughout study participants from all focus regions was a call for intentional, widespread, and coordinated action toward DE&I progress. Our research identified three key catalysts for action among all focus regions:

- The current state of DE&I in accountancy (comprising progress toward equality and greater diversity accompanied by underrepresentation of certain demographic groups and a lack of equity and inclusion)
- The responsibility to protect the public interest, and
- Demands for sustainable business information around DE&I.

Marginalized or underrepresented groups within many business disciplines, including the global accounting profession, are more likely to experience microaggressions and subtle bias than overt, blatant discrimination.

SPEAKING THE SAME LANGUAGE

Belonging The feeling of security and support when there is a sense of acceptance, inclusion, and identity for a member of a certain group or place, and the basic fundamental drive to form and maintain lasting, positive, and significant relationships with others.

Diversity Any dimension that can be used to differentiate groups and people from one another. These dimensions can be visible or tangible, or they can be invisible or intangible.

Equality The provision of the same (or equal) opportunities to all persons.

Equity* The promotion of justice, impartiality, and fairness within the procedures, processes, and distribution of resources.

Inclusion A state of being valued, respected, and supported.

Intersectionality The interconnected nature of social categorizations such as race, class, and gender as they apply to a given individual or group, regarded as creating overlapping and interdependent systems of discrimination or disadvantage.

Microaggressions Everyday verbal, nonverbal, and environmental slights, snubs, or insults, whether intentional or unintentional, that communicate hostile, derogatory, or negative messages to target persons based solely upon their marginalized group membership.

Stereotypes Oversimplified ideas or generalized beliefs about a particular type of person or group of people.

Unconscious bias Involuntary categories and stereotypes we use to assess people, situations, and actions.

Belonging: bit.ly/3fWQGun

Diversity: bit.ly/3AwOUJT

Equality: bit.ly/3ABAwwH

Equity: bit.ly/3bDD2LE

Inclusion: bit.ly/3ig1K5Y

Intersectionality: bit.ly/3ABx5cl

Microaggressions: bit.ly/3nlFnas

Stereotypes: bit.ly/3IDHFCK

Unconscious bias: bit.ly/3u2eg11

* The use of "equity" throughout this report, rather than "equality," which is more commonly used by some international accountancy bodies, is intentional as the focus on solutions and actionable practices aligns with the working assumption that sometimes sameness of treatment (equality) does not result in proportional fairness (equity).

Catalyst for Action: Current State of DE&I in Accountancy

A global series of DE&I studies was conducted to perform a holistic assessment of the current state of the accounting profession from a DE&I perspective. IMA and CalCPA cosponsored the U.S. study, followed by IMA and IFAC’s cosponsorship of the three subsequent regional studies in Asia-Pacific, Europe and the Mediterranean, and the Middle East and North Africa. With the support and contributions of global and regional research partners, research contributors, and research advisors, the global series of studies aimed to identify the following:

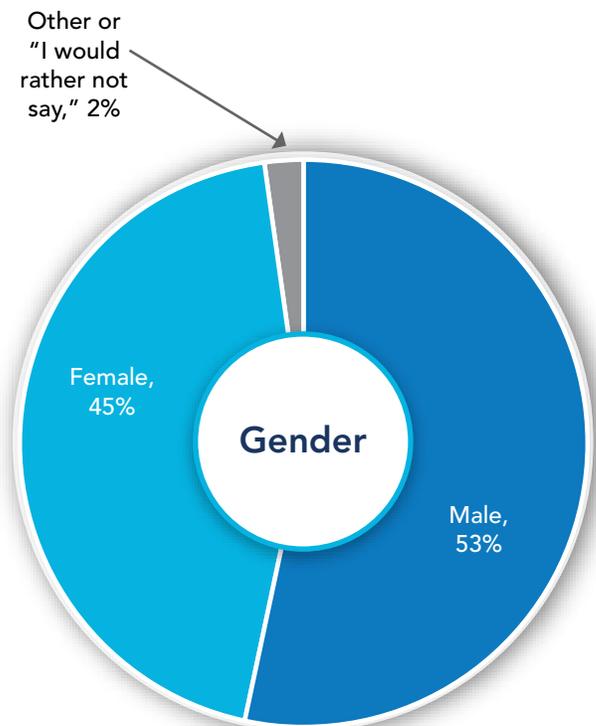
- Key factors contributing to the underrepresentation of certain demographic groups in the profession and senior leadership roles,
- Current DE&I perceptions and experiences of accounting practitioners, and
- Actions needed to sustainably remedy underrepresentation of certain demographic groups in the profession at all organizational levels.

The global series of DE&I studies foundational to this capstone study employed similar methodology consisting of (a) an online survey of current and former accounting practitioners and (b) a series of interviews of accounting practitioners and academics, PAO leaders, and DE&I and human resources professionals. Although each study focused on a unique combination of demographic groups, all studies

TABLE 2: DEMOGRAPHIC COMPOSITION OF GLOBAL STUDY PARTICIPANTS—LOCATION

Study Location	Study Participants (n)	Study Participants (%)
Europe and the Mediterranean	3,268	37%
North America: United States	3,136	36%
Asia-Pacific	1,180	14%
Middle East and North Africa	1,147	13%
All	8,731	100%

FIGURE 1: DEMOGRAPHIC COMPOSITION OF GLOBAL STUDY PARTICIPANTS—GENDER



included women as one of the demographic areas of focus. An overview of key demographic criteria of the 8,731 total survey respondents and interviewees is shown in Table 2 and Figure 1. Further detail on the demographic composition of participants in each study is available in [Appendix D: Research Approach—Jurisdictional View](#).

This section presents aggregated findings of the four regional studies in the series to offer a holistic view of the current state of DE&I in the accounting profession. A deeper dive into each regional study’s findings may be found in its respective report (accessible at myima.org/DEIresearch by mid-2022).

On average, male respondents are more likely to view the profession as equitable and inclusive than females.

As noted in Table 1, the majority of respondents in all regions, regardless of gender, generally view the profession as equitable and inclusive. Breaking the data down by gender, however, provides a different perspective: Across all respondents, females are less likely than males to share this view. As Table 3 illustrates, on average, 65% and 66% of male respondents view the profession as equitable and inclusive, respectively, whereas fewer than 60% of female respondents share this belief. When comparing these views among women across the geographic regions studied, results show that there are not significant differences in the perceptions of males and females in the Asia-Pacific or the Middle East and North Africa regions, and in some instances, females are more likely than males to view the profession as equitable or inclusive.

TABLE 3: RESPONDENTS WHO VIEW THE PROFESSION AS EQUITABLE OR INCLUSIVE (BY GENDER)

	I believe the profession is equitable.		I believe the profession is inclusive.	
	Male	Female	Male	Female
Asia-Pacific	71%	73%	72%	70%
Europe and the Mediterranean	60%	57%	61%	56%
Middle East and North Africa	68%	69%	70%	70%
North America: United States	60%	33%	61%	37%
Average	65%	58%	66%	59%

Women report they are not advancing in the profession because of *inequity and exclusion*.

Although more than two-thirds of female respondents in Asia-Pacific and the Middle East and North Africa perceive the profession to be equitable and inclusive, they assert modern-day inequities and exclusion persist just as reported by women in the U.S. and Europe and the Mediterranean.

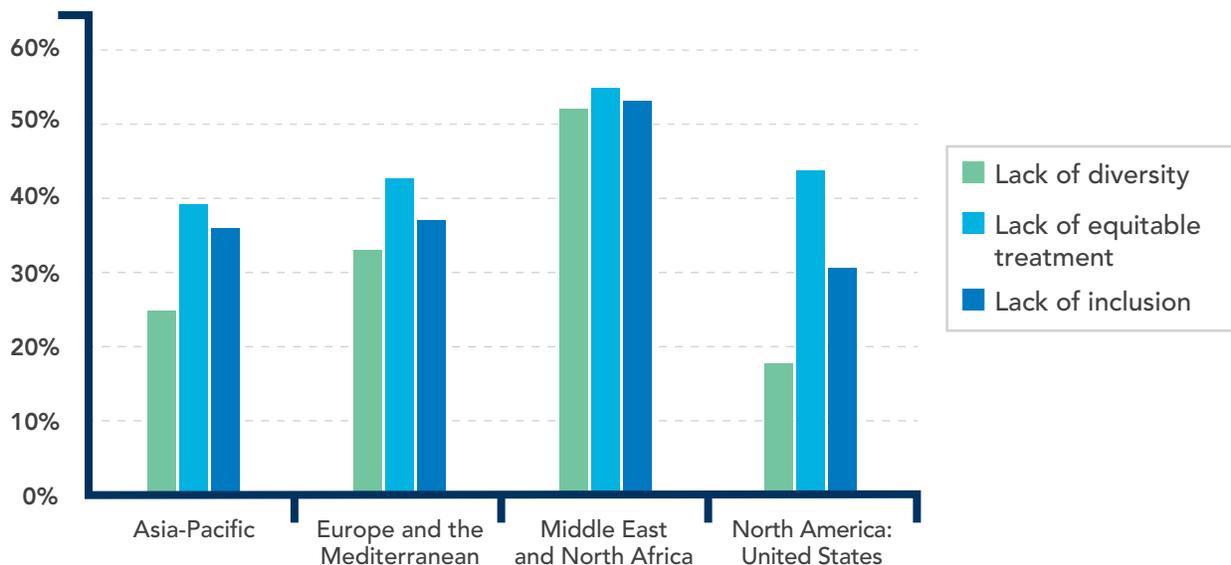
When asked to identify factors that contribute to underrepresentation of women in senior leadership roles, female respondents point to firsthand observations or experience of inequitable practices and exclusive behaviors. More than 40% of female respondents in each region studied, and as many as 73% of women in the U.S., cite instances of bias affecting recruitment, assignments, peer-to-peer interactions, promotions, compensation, mentoring and sponsorship, and retention efforts, including the following factors:

- Women do not consistently receive fair treatment in the recruitment process.
- Women do not have equitable access to sponsors or mentors within their organization.
- Leaders demonstrate unfair prejudice or bias against women that negatively affects promotion.
- There is greater emphasis on recruitment than retention of women.

A lack of DE&I negatively impacts retention of diverse talent within organizations and the profession across the globe.

Female respondents report that DE&I issues have directly contributed to decisions to leave a job and move on to another opportunity while working in the accounting profession (see Figure 2). Our study found that, on average, 42% of female respondents across all regions have left a company due to a perceived lack of equitable treatment or inclusion. This turnover rate is highest among women in the Middle East and North Africa, where 54% report leaving an employer due to a lack of equitable treatment, although this group also reported high general perceptions of equity and inclusion.

**FIGURE 2: FEMALE RESPONDENTS:
“I LEFT A COMPANY WHILE WORKING IN THE ACCOUNTING PROFESSION BECAUSE OF A LACK OF DIVERSITY, EQUITABLE TREATMENT, OR INCLUSION.”**



More than 60% of female respondents, as well as members of diverse demographic groups explored in each regional study, report personally experiencing inequitable or exclusive treatment in the accounting profession that they perceived to be rooted in bias against people like them. The following are some examples:

- Discovering that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds were receiving better compensation.
- Failing to get recognition for contributions.
- Failing to get promoted to a position for which they felt qualified.
- Feeling unsafe to contribute ideas that are different from those of others.
- Being yelled at or demeaned by a colleague, supervisor, or leader.

In addition to an average of 38% of female respondents reporting that these experiences impacted their career decisions, across all regions, 12% of women indicate that inequitable and exclusive experiences contributed to their decision to leave the profession altogether (see Table 4).

TABLE 4: FEMALE RESPONDENTS: “I EXPERIENCED BEHAVIORS THAT I PERCEIVED TO BE ROOTED IN BIAS AGAINST PEOPLE LIKE ME AND THAT CONTRIBUTED TO MY LEAVING THE PROFESSION.”

Asia-Pacific	Europe and the Mediterranean	Middle East and North Africa	North America: United States	All Regions
17%	13%	25%	7%	12%

The opportunity cost to the global accounting profession of a lack of good DE&I practices is significant. Access to the best talent is paramount to the profession’s ability to deliver value in the future. Maintaining this access requires attracting and retaining talent of all backgrounds. Yet women, and talent of other diverse demographic groups, are leaving the profession at significant rates. Their decisions are not due to a lack of interest in the profession or a desire to pursue other career paths. Instead, in their view, the profession has not yet succeeded in fostering an environment that is welcoming and inclusive for all.

Many of this study’s interviewees assert that because inequitable treatment and exclusive behaviors do not manifest today as overtly as they have in the past, it is increasingly challenging to hold colleagues accountable for this treatment or even prove the experiences have taken place. Consequently, persons on the receiving end of inequities and exclusion that manifest as stereotypes, unconscious bias, or microaggressions (see [Speaking the Same Language](#)) often suffer in silence or leave. Adding to this complexity is the presence of “intersectionality”—a term coined by Kimberlé Crenshaw in 1989—that describes the way people’s social identities can overlap.⁴ Interviewees described dealing with intersectionality by finding it difficult to determine if negative treatment was prompted by their gender, ethnicity, nationality, or a combination of these attributes.

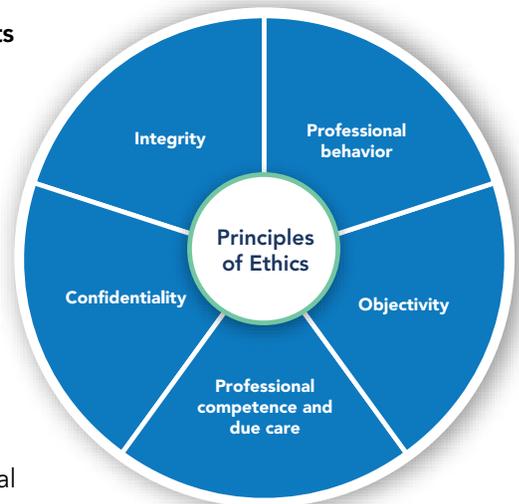
Experiences highlighted through this research reveal that inequity and exclusion persist today across multiple regions. Women and other diverse demographic groups report their perceptions that they are not advancing because of inequity and exclusion. Diverse talent is leaving employers and the profession due to a lack of DE&I. Thus, the current state of DE&I serves as a catalyst for the global accounting profession to take action and enact greater progress than has been made to date.

Catalyst for Action: Protecting the Public Interest

The hallmark of professional accountancy is its adherence to a universal set of ethics standards. Businesses, governments, and other organizations place confidence in accountants’ work because of their commitment to act in accordance with professional ethics in the public interest.

In its December 2020 Point of View (POV), “Embracing a People-Centered Profession,” IFAC expressed the view that “workforce diversity—in demographics, race, backgrounds and experiences—facilitates diversity of perspectives,” which ultimately leads to better decision making. The POV stated that:

A diverse and inclusive culture, where professional accountants can bring their authentic selves to work, combined with meaningful work-life balance and appropriate mental health awareness, all contribute to a culture of trust and integrity. For the global accountancy profession, a culture of trust and integrity supports its ability to deliver on its public interest mandate, thereby increasing its relevance into the future.⁵



The *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the *Code*) by the International Ethics Standards Board for Accountants (IESBA) sets out the five fundamental principles of ethics—integrity, objectivity, professional competence and due care, confidentiality, and professional behavior—that all professional accountants must adhere to.⁶ These principles of ethics reflect the profession’s recognition of its public responsibility and establish the general standards of behavior expected of a professional accountant. In acting in the public interest, an accountant considers not only the preference of their employing organization or an individual client, but also the interest of all stakeholders.

Note: Many jurisdictions set out accountants’ legal responsibilities with specificity. The specific phrasing of these responsibilities may differ from those set out in the *Code*. Nevertheless, the underlying principles around integrity, objectivity, professional competence and due care, confidentiality, and professional behavior are consistent.

ETHICAL ACCOUNTANTS:

- Act with **integrity** by being straightforward, honest, and fair in all professional and business relationships, and have the strength of character to act appropriately even when facing pressure to do otherwise.
- Are **objective** and exercise professional or business judgment without being compromised by bias, conflict of interest, or undue influence of others or technology.
- Attain and maintain the **professional competence**, knowledge, and skill required to exercise sound judgments and **due care** when serving their clients and employing organizations.
- Respect the **confidentiality** of information acquired as a result of professional and business relationships, but can also decide on when it might be appropriate to disclose confidential information in service to their public interest mandate.
- Demonstrate **professional behavior** that is consistent with the profession’s responsibility to act in the public interest in all professional activities and business relationships, comply with relevant laws and regulations, and avoid any conduct that might discredit the accounting profession as a whole.

The *Code* expressly prompts accountants to consider whether their own preconception or bias might be affecting the exercise of professional judgment and provides several examples of conscious and unconscious bias. The responsibility of professional accountants to protect the public interest and consistently demonstrate ethical behavior in professional dealings serves as a catalyst to taking action toward DE&I improvements across the global accounting profession.

A strong ethical culture enables the implementation of DE&I programs. This is because the ethics standards that guide the global accounting profession overlap with the underlying principles of fair and equitable treatment of individuals, including those belonging to underrepresented demographic groups. These high-quality ethics standards nurture and support bias-free recruitment and promotion practices. Such ethics standards can also support workplace policies that promote openness, respect, and inclusion when interacting with individuals of all backgrounds. Professional accountants, because of their role in fostering and maintaining an ethical culture, can make substantive contributions to the implementation of DE&I programs within their organizations and the profession at large. Under the *Code*, professional accountants are expected to encourage and promote an ethics-based culture within their organizations and firms. (See paragraphs 120.13 A1 to 120.13 A3 of the IESBA *Code*.) The promotion of an ethical culture is most effective when leaders and those in managerial roles hold themselves accountable to upholding their organization's ethical values.

Catalyst for Action: Demands for Sustainable Business Information around DE&I

Since the dawn of the modern environmental movement in the 1960s, business leaders, their accounting and finance professionals, and their stakeholders in the global community have raised the notion of corporate responsibility and citizenship. As part of this movement, new inquiries have been raised about the responsibilities of members of the profession to this global community. This examination of the profession's responsibilities for the public good has interrelated components. First, it raises inquiry into how the profession conducts itself and facilitates its members to act ethically and responsibly to public stakeholders (see [Catalyst for Action: Protecting the Public Interest](#)). Second, it calls for a reexamination of what we direct our clients and companies to account for and the factors and relationships that create and sustain value, including human resources.

In 1994, author and entrepreneur John Elkington coined the metaphor “triple bottom line” to designate three accounting objectives: people, planet, and profit. Since then, and particularly over the last decade, there has been a precipitous acceleration of accounting for sustainability, or environmental, social, and governance (ESG). Focusing on the “S” for “social,” this movement recognizes that human capital, the contributions and value of people who compose a workforce, requires due attention and care, as it enables an enterprise to perform and create value that benefits the individuals, the entity, and the community. Key among these factors is the elimination of unfounded bias that wastefully diminishes or destroys the value of human talent; that is, the promotion of DE&I.

New methodologies, frameworks, standards, and guidelines to account for sustainability factors, including human capital (and DE&I, as a top priority), have emerged. Although fragmented, several of these frameworks and guidelines have become prominent, and entities both in the profession and in other industries and sectors are in the process of implementing them. Many institutions have proactively produced transparency reports detailing staff demographic composition and formal measures in place to improve and ensure DE&I within the organization. Several have significant emphasis on demographic diversity, extending beyond gender to other demographic groups. In parallel, increasingly, some regulators and investors are requesting or requiring high-quality data on human capital, such as board diversity, to evaluate the value creation capacity and capability of the organization with associated material risks. With anticipated global sustainability standards forthcoming from the recently formed International Sustainability Standards Board (ISSB), along with those included in frameworks such as that of the Global Reporting Initiative (GRI), accountants will play a central role in the process to gather, validate, and analyze ESG data, design internal controls, and communicate or report to management and external stakeholders. Thus, there is an internal push from within the profession and an external pull for accountants to play leading roles in shaping and implementing DE&I action.

U.N. Sustainable Development Goals (SDGs)

In 2015, the United Nations (U.N.) member states unanimously adopted the 17 SDGs as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The SDGs are intended to be integrated and reflect that action in one area affects outcomes in others.

The SDGs are overseen by the global secretariat of the Division for Sustainable Development Goals in the U.N. Department of Economic and Social Affairs and are part of the 2030 Agenda for Sustainable Development. This agenda focuses on providing substantive support, delivering integrated policy analysis, and building multistakeholder partnerships.

The United Nations Global Compact (UNGC) is the “world’s largest corporate sustainability initiative.”⁷ Governments, non-governmental entities, not-for-profit entities, and businesses can voluntarily become signatories to the UNGC. Today, more than 17,000 entities, including academic institutions, business associations, and 14,000 companies in 160 countries have joined the compact.⁸ Becoming a signatory includes an express commitment not only to further the UNGC’s 17 SDGs but also to report on progress toward achieving them. Of the 17 SDGs, several have elements that directly relate to DE&I practices.

Goal 4: Quality Education. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Goal 5: Gender Equality. Achieve gender equality and empower all women and girls.

Goal 8: Decent Work and Economic Growth. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

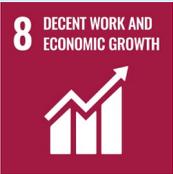
Goal 10: Reduced Inequalities. Reduce inequality within and among countries.

Goal 16: Peace, Justice and Strong Institutions. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

The SDGs also have specific accompanying targets that enable focused efforts toward progress in relevant areas. See Table 5 for SDGs and accompanying targets related to DE&I for organizations that are most relevant for the global accounting profession.⁹



TABLE 5: U.N. SUSTAINABLE DEVELOPMENT GOALS AND TARGETS RELEVANT TO DE&I IN ORGANIZATIONS

Goal	Target
	<p>4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university</p> <p>4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship</p> <p>4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations</p>
	<p>5.1. End all forms of discrimination against all women and girls everywhere</p> <p>5.2. Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation</p> <p>5.4. Recognize and value unpaid care and domestic work through the provision of public services, infrastructure, and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate</p> <p>5.5. Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life</p>
	<p>8.2. Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high-value-added and labor-intensive sectors</p> <p>8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.6. By 2030, substantially reduce the proportion of youth not in employment, education, or training</p>
	<p>10.1. By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average</p> <p>10.2. By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status</p> <p>10.3. Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices, and promoting appropriate legislation, policies, and action in this regard</p> <p>10.4. Adopt policies, especially fiscal, wage, and social protection policies, and progressively achieve greater equality</p>
	<p>16.6. Develop effective, accountable, and transparent institutions at all levels</p> <p>16.7. Ensure responsive, inclusive, participatory, and representative decision making at all levels</p>

Source: U.N., “Take Action for the Sustainable Development Goals,” bit.ly/3BbGxDH.

DE&I Disclosures in Financial Reports and Securities Filings

As sustainability accounting including DE&I matures, securities regulators and corporate reporting standard setters are considering new disclosures, such as in the management commentary sections of periodic filings and reports. Since 2019, authorities around the world have been accelerating their due diligence processes toward mandating more specific disclosure of this information. In sum, there is movement toward new, mandatory disclosure of material factors such as human capital and DE&I.

For example, the European Commission has directed its European Financial Reporting Advisory Group, commonly known as EFRAG, to develop sweeping new reporting mandates with the suggestion of GRI standards as a base. This regulatory activity builds on the European Union's previous sustainable finance regulations and nonfinancial reporting directives that have been codified in various forms by individual member nations.¹⁰

The U.S. Securities & Exchange Commission (SEC) has mandated companies to provide "a description of a registrant's human capital resources, including any human capital measures or objectives that the registrant focuses on in managing the business" if the information is material to an understanding of a registrant's business, taken as a whole.¹¹ Although the SEC's amended rules do not currently specify metrics, guidelines, or standards in this area, in its June 2021 regulatory agenda, there was discussion of proposed regulatory guidance for climate risk along with human capital, board diversity, and cybersecurity risk.¹² The June 2021 discussion indicated that expected disclosure elements for human capital may include metrics on workforce turnover, training and development, and workforce demographics. Definitive rules from the SEC around human capital, with particular emphasis on DE&I, are anticipated as soon as late 2022.

External stakeholders are increasingly demanding sustainable business information, including DE&I data, to determine if they will invest in companies that are purpose-driven and that "take care" of and "protect" their human resources. In addition, some jurisdictions address DE&I via regulation outside of corporate disclosure. For example, in the U.S., companies must comply with federal, state, and local equal opportunity employment law, which may include regulatory filings.¹³ To implement these regulations and provide stakeholders additional voluntary information, companies are looking to several existing sustainability reporting standards.

GRI—GRI, which issued its first voluntary reporting framework in 2000, provides one of the world's most widely used standards for sustainability reporting. *GRI 405: Diversity and Equal Opportunity 2016* provides several suggested metrics and disclosures around DE&I.¹⁴

Sustainability Accounting Standards Board (SASB)—Founded in 2011, the SASB issued standards that aim to identify the most material sustainable business disclosure items for 77 different industries. SASB's researchers considered human resources and diversity in developing these standards for all industries, including its guidelines for professional services.¹⁵ Recognizing the need for additional focus on DE&I, the SASB staff has been conducting research with an eye toward additional standard setting and the exposure of new guidelines on human capital reporting.¹⁶

During 2021, SASB and another reporting organization, the International Integrated Reporting Council (IIRC), merged into a single organization, the Value Reporting Foundation (VRF). In November 2021, the Trustees of the International Financial Reporting Standards (IFRS) Foundation announced that they planned to acquire the VRF (as well as the Carbon Disclosure Standards Board) in 2022. They also announced the formation of the independent ISSB to establish global sustainability reporting standards, of which DE&I disclosures are expected to be a part.

World Economic Forum International Business Council (WEF-IBC)—In collaboration with the Big 4 accounting firms, the WEF-IBC is conducting ongoing research to promote alignment with existing ESG frameworks. As part of its work, it has issued a set of Stakeholder Capitalism Metrics, including metrics around DE&I.¹⁷

Some companies have begun to include disclosures in accordance with these more specific guidelines into their securities filings, such as Form 10-K in the U.S. Others are issuing separate sustainability reports and disclosures around human capital in web-based content and downloadable documents.

There are members of the accounting and finance profession, however, along with leaders in talent management and DE&I, who view these disclosures as helpful but inadequate in improving DE&I along the profession’s talent pipeline. The existing indicators address diversity, but they do not appear to reflect equity or inclusion, which are considered more challenging to operationalize into metrics. In addition, entities in the profession are discovering practical solutions supported by research that remain unaddressed by the reporting standards. Yet, as shown through the published reports of the Big 4 firms, entities now are sharing their initiatives, programs, and achievements voluntarily with members of the profession as their primary audience. •

Actionable DE&I Solutions

As we explored DE&I in specific regions, we found that, although improvement in diversity is needed across the globe and particularly among senior leadership roles, any progress made around DE&I is not sustainable without persons of all backgrounds feeling welcome, accepted, and included in the profession: The profession must foster a culture of *belonging*.

Qualitative analysis of interview transcripts and quantitative analysis of survey findings related to the perceived reasons for underrepresentation of multiple demographic groups revealed that belonging is the outcome of *inclusion* and a by-product of *equality*. Yet the negative effects of bias on employee interaction, engagement, and talent management pose challenges to the prospect of inclusion. Further, systemic disparities, such as unequal access to quality education, gender discrimination, or limited economic investment in disadvantaged communities, inhibit access to opportunities for members of certain demographic groups, creating an environment in which sameness of treatment (equality) does not consistently result in proportional fairness (equity).

Thus, to aid in and facilitate the profession's achievement of a sustainable culture of belonging, this capstone report (Report) sought to present actionable solutions that can increase the amount of DE&I progress made across the profession. Advancing positive DE&I practices in a lasting way, extending beyond some short-term or smaller-scale improvements, requires examination of reasons why well-intentioned initiatives have not yielded a profession with no diversity gap or that is deemed equitable and inclusive by diverse talent.

To identify actionable practices (and conduct that inhibits progress), the research considered information adduced from several sources:

- Scholarly literature.
- Research findings from each of the regional studies (see [Catalyst for Action: Current State of DE&I in Accountancy](#)).
- A series of think tank (roundtable) sessions with 60 participating academics, practitioners, and PAO leaders in the areas of accountancy, sustainability, diversity, and ethics. Each of the geographic regions of focus in the series was represented.
- Review of action currently under way as reported by academic, corporate, nonprofit, and standard-setting institutions (including current disclosed practices of the four largest international accounting firms—Deloitte, Ernst & Young, KPMG, and PwC).

Key themes emerged that served as the foundation for the research to yield the following:

- A summary of common inhibitors of DE&I progress.
- An inventory of strategies and corresponding practices that can be employed to implement or strengthen DE&I initiatives (mapped to relevant sustainability reporting standards and DE&I outcomes).
- Proposed metrics to facilitate increased accountability for DE&I progress.
- A call for the reconsideration of a formal, explicit statement that links professional ethics and DE&I.
- Recommended next steps for the profession to commence collective action.

Inhibitors of Progress

The specific demographic groups addressed by various DE&I research initiatives typically differ based on geographic location, religious affiliation, or appetite for DE&I progress. But many institutions—corporate, academic, or nonprofit—have some form of DE&I-related strategies, policies, or initiatives in place. Yet, as reported by professors Frank Dobbin and Alexandra Kalev based on analysis of three decades of data from more than 800 U.S. firms, “most diversity programs aren’t increasing diversity. Despite a few new bells and whistles, courtesy of big data, companies are basically doubling down on the same approaches they’ve used since the 1960s—which often make things worse, not better.”¹⁸

Consistent with findings of Dobbin and Kalev in U.S. firms, more than 95% of interviewees in all regional studies covered by this Report indicated that while working in the accounting profession, they witnessed DE&I programs that were unsuccessful or did not yield the amount of progress needed. Synthesis of these observations, coupled with those identified in a review of scholarly literature, revealed five key reasons DE&I efforts have been unsuccessful, inhibiting sustained DE&I progress.

- **Diversity is not a true priority.** Diversity initiatives are sometimes treated as an “add-on.”¹⁹ Multiple study participants across all regions indicated that DE&I does not consistently receive dedicated resources or defined key performance indicators for progress comparable to strategic operational or financial priorities.
- **Implicit bias negatively affects decisions and behavior.** Overt discrimination can often be addressed through internal anonymous human resources and incident reporting mechanisms. Some theorists assert, however, that implicit biases are major contributors to the perpetuation of discrimination.²⁰ Discrimination, or the effects of implicit bias (microaggressions and stereotypes), commonly manifests as unfair recruitment and promotion practices that disadvantage members of demographic groups already underrepresented. Behaviors resulting from implicit bias are often microaggressions that have a negative effect on organizational culture and willingness to remain in the profession.²¹
- **There is a lack of role models, mentors, and sponsors for diverse talent.** Role models have proven essential to introducing youth to the profession. In 2021, the Center for Audit Quality (CAQ) conducted a study with nearly 4,000 U.S. high school and college student survey respondents. The study participants indicated mentors and role models are those with the greatest influence on career choice among students of all ethnicities.²² Other research has shown that mentors and sponsors have also positively contributed to diverse talent’s career progression.²³ Yet underrepresentation of females and members of other demographically diverse groups limits access to role models, mentors, or sponsors with whom current or future members of the profession can identify.



- **DE&I is viewed as a short-term plan rather than a cultural shift.** Often, diversity programs are stand-alone initiatives with plans developed for a finite period.²⁴ This inhibits progress, as equity and inclusion improvements are achieved and sustained not by temporary initiatives but by long-term, genuine efforts to foster a culture of belonging, ensure equitable access to opportunities, and establish accountability for inequitable or discriminatory behavior.²⁵ Some progress can be made with short-term plans but Diversifying Global Accounting Talent research series participants indicated that lasting improvement that can be felt at all levels of the organization and is demonstrable through indicators and metrics requires a shift in culture.
- **Some believe no DE&I action is needed.** While conducting each of the regional studies, a small amount of study participants reported a belief that no further action is needed to enact DE&I progress (explored further in [Ethical Commitment](#)). These perceptions, whether overt or concealed, negatively impact the success of even the best DE&I programs and the culture of the most well-intentioned organizations.
In the face of these inhibitors, efforts to encourage coordination of the most effective strategies is required.

Inventory of Actionable Practices

The research for the regional studies identified a range of practices, programs, projects, and initiatives undertaken by various institutions throughout the talent pipeline. Participants shared common means for improving DE&I, including mentorship programs, targeted recruitment strategies, internships, scholarships, training, grievance procedures, and affinity groups. It was observed that these responses generally fell into one of four categories:

- **Raise awareness** by identifying and mitigating conscious and unconscious bias so people of all backgrounds are recognized and valued.
- **Attract diverse talent** by promoting the profession as a desirable career path for people of all demographic backgrounds.
- **Drive career promotion** by taking specific steps to ensure that people of diverse backgrounds have equitable access to the factors that enable career advancement.
- **Increase accountability for progress** by defining, transparently reporting, and linking performance to DE&I metrics.

With the goal of preparing and extending beyond a list of strategic objectives, outcomes, and practices “that work,” the sponsoring organizations partnered with World Wide Generation (WWG) to extend access to sustainability subject matter experts, through a WWG-hosted think tank session, and identify and propose disclosure recommendations relating to DE&I in the guidelines issued by GRI, SASB, and the UNGC SDGs (see [Catalyst for Action: Demands for Sustainable Business Information around DE&I](#)). With respect to the SASB standards, the researchers specifically examined recommended disclosures for professional services, which aligns with professional accountancy. With respect to the SDGs, the researchers identified the specific DE&I-related areas within the SDGs: SDG 4—Quality Education, SDG 5—Gender Equality, SDG 8—Decent Work and Economic Growth, SDG 10—Reduced Inequalities, and SDG 16—Peace, Justice and Strong Institutions. In some cases, actionable practices align with an existing metric or indicator that corresponds directly. For many other actionable practices, the reporting guidelines listed do not have an associated, recommended disclosure. In these cases, this research proposed metrics for consideration.

Although actionable practices and measurements identified generally, with some overlap, fall into one of the four categories listed above, the emergence of key themes prompted some modification with respect to classification. The ideas that underlie the first category, “Raise awareness by identifying and mitigating bias,” for example, can overlap significantly with most recommended actions and measurements. In addition, as metrics were identified for each actionable practice, “Increase accountability for progress” overlaps with all recommended actions. We classified these actionable practices into one of two overarching categories that represent necessary strategic objectives for the accountancy profession’s DE&I efforts: (1) attract diverse talent and (2) retain and promote diverse talent. Specific long-term outcomes identified as essential to accomplishing these objectives are listed in Figure 3.

The findings from the literature review, regional studies, think tank sessions, and review of current action under way were distilled into an Inventory of Actionable DE&I Practices and Measurements of Progress (Inventory) depicted in [Appendix A: Inventory of Actionable Practices](#). Sources for each actionable practice (research, literature, standard setters, and institutions already enacting change in the profession) are included as codes (Practice and Indicator Source Codes) in parentheses beneath each practice description. The definitions of Practice and Inventory Source Codes (alphabetic abbreviations in most instances) are included in [Appendix B: Actionable Practices and Measurement Sources](#). Additionally, each indicator or metric is accompanied by the specific SDG target(s) the researchers or the source organization for that metric deemed most relevant. SDG targets are listed by target number (e.g., 4.4 or 10.2). See Table 5 for a detailed description of each DE&I-related SDG target.

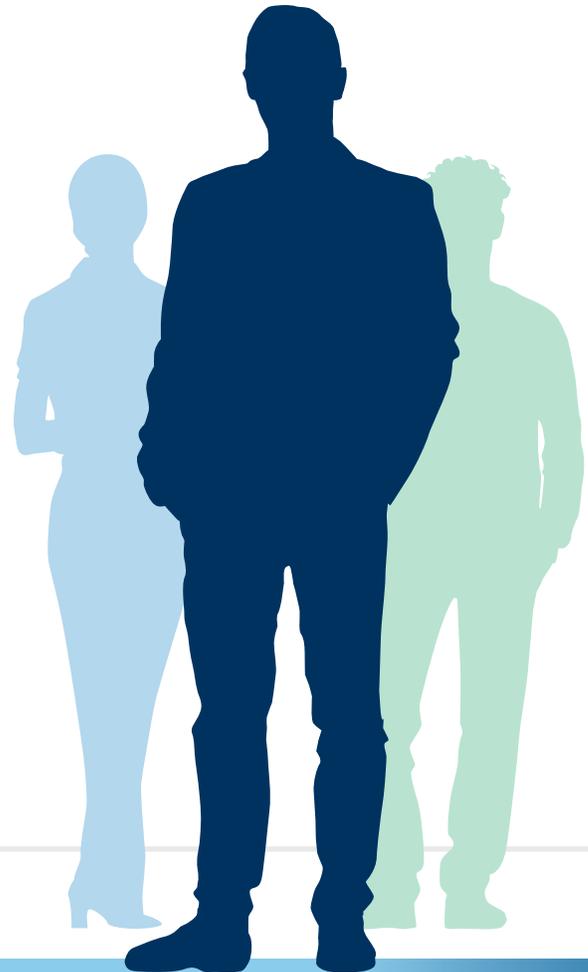
FIGURE 3: DE&I STRATEGIC OBJECTIVES AND CORRESPONDING LONG-TERM OUTCOMES FOR ACCOUNTANCY



STRATEGIC OBJECTIVE: ATTRACT DIVERSE TALENT

Long-term outcomes

- Heightened awareness of the profession as a viable and desirable career path for all
- Improved access and preparation for diverse persons to the accounting profession
- Persons of all backgrounds feel welcome to the profession
- Fair and equitable hiring and recruitment processes
- Increased number of diverse accounting faculty



STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcomes

- Fair and equitable talent management processes
- Robust bias detection and mitigation processes
- Accountability through transparent reporting and communication
- Culture of belonging
- DE&I treated as an ongoing strategic priority

To illustrate the components of the Inventory, Table 6 provides an excerpt of three of the 79 actionable practices from the Inventory. These examples include the actionable practice, corresponding indicators and metrics, as well as relevant U.N. SDGs and SDG targets for three of the 10 long-term outcomes presented in Figure 3.

TABLE 6: EXCERPT FROM INVENTORY OF ACTIONABLE DE&I PRACTICES AND MEASUREMENTS OF PROGRESS

STRATEGIC OBJECTIVE: ATTRACT DIVERSE TALENT	
Long-term outcome: Heightened awareness of the profession as a viable and desirable career path for all	
Actionable Practice	Indicators and Metrics
<p>Implement communication, marketing, and awareness campaigns highlighting the benefits and intellectual rewards of accounting that target persons of underrepresented groups. Identify the key motivations and strongest influencers of target groups in career path selection and tailor messages accordingly.</p> <p>(Ross, Clarke, Wells, 2014; CAQ; CPA-EFI; ICPAS; JICPA)</p>	<p>1. Do you have communication or awareness campaigns that promote the development of a skilled workforce? (Proposed 4.4)</p> <p>2. Do you have communication or awareness campaigns that increase access for girls and youth from vulnerable, marginalized, or underrepresented groups to the accounting profession? (Proposed 4.4, 4.5)</p> <p>Relevant U.N. SDGs: 4 10</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 10.2, 10.3</p>
Long-term outcome: Fair and equitable hiring and recruitment processes	
<p>Anonymize (or hire a consultant to anonymize) résumés (by scraping names and other details that can prompt discrimination from résumés) prior to having them reviewed during the recruitment process to minimize the effects of bias.</p> <p>(Blendoor)</p>	<p>Do you leverage techniques to anonymize résumés prior to review in the recruitment process to minimize the effects of bias? (Proposed 5.1, 10.3)</p> <p>Relevant U.N. SDGs: 5 8 10</p> <p>Relevant U.N. SDG Targets: 5.1, 8.5, 8.6, 10.3</p>
STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT	
Long-term outcome: Culture of belonging	
<p>Employ “perspective-taking” training exercises (the process of mentally walking in someone else’s shoes) for underrepresented demographic groups. Consider having participants write “a few sentences imagining the distinct challenges a marginalized minority might face.... [This] can improve pro-diversity attitudes and behavioral intentions toward these groups.”</p> <p>(Lindsey, King, Membere, et al., 2017; COCPA)</p>	<p>Percentage of employees receiving cultural competency training? (Proposed 5.1, 10.2)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 10.2, 16.7</p>



The Inventory is not meant to represent an exhaustive list of all good DE&I practices. Rather, these practices serve as actions that the profession, companies and organizations, and even individuals can take to help the accounting profession achieve the stated DE&I strategic objectives and corresponding long-term outcomes. They serve as a resource to aid institutions and leaders in efforts to:

- Assess the effectiveness of existing DE&I initiatives,
- Bolster DE&I programs and agendas,
- Avoid inhibitors of DE&I progress,
- Measure progress toward DE&I goals,
- Align specific DE&I practices to the SDGs and other reporting standards, and
- Expand requirements for DE&I disclosure through proposed indicators.

While the Inventory was developed with the global accounting profession in mind, its contents serve as a multidimensional baseline resource for DE&I initiatives across all industries and disciplines. Specific demographic groups, beyond gender, are not called out explicitly in the Inventory as respective jurisdictions have different underrepresented or marginalized groups. Yet each practice has been designed in a manner that makes it adaptable to additional demographic groups (e.g., ethnicity, nationality, disability, etc.). In some instances, guidance is explicitly offered to track and collect data for all relevant demographic groups.

Ethical Commitment

The IESBA Code sets out five fundamental principles of ethics and describes the expected behavior of ethical accountants (as detailed in [Catalyst for Action: Protecting the Public Interest](#)), but as currently stated, the Code does not expressly address DE&I. Nevertheless, the Code's overarching requirements note the importance of having ethical values that align internal organizational cultures to the principles of ethics in the Code. Compliance with the Code's principles of ethics can help support the effectiveness of DE&I programs. For example, compliance with integrity involves fair dealing. Fair dealing includes respecting and promoting values of DE&I. Also, compliance with the principle of professional behavior would lead a professional accountant to avoid being associated with discriminatory or biased practices that are not aligned with fundamental tenets of DE&I and, consequently, the organization's DE&I-related programs and policies. The Code imposes a responsibility for professional accountants to take action if they become aware of, or suspect noncompliance with, laws and regulations, which would include DE&I-related laws and regulations.

The global series of DE&I regional studies that preceded this Report noted researchers' observations that some individuals in the accounting profession believe "further action to improve DE&I is unnecessary."²⁶ Key themes informing this position that were consistent across a minority, yet noteworthy, subset of participants across the global studies include the beliefs that:

- A blind meritocracy would effectively resolve any presumed DE&I issues.
- Efforts to improve diversity disadvantage members of demographic groups who are not underrepresented in the profession or in leadership roles.
- The profession should not focus on addressing DE&I matters because DE&I is beyond the scope of the role of professional accountants.

In addition to the sponsoring organizations of this study, several employer organizations, firms, PAOs, and other institutions are already undertaking DE&I-related initiatives (as indicated in Table 6), underscoring widespread acceptance of the relevance and importance of DE&I within the profession (see "Examples of PAO-Led DE&I Ethics, Values, and Collective Action Initiatives"). But views about the growing momentum toward DE&I progress in the profession vary. For example:

- Some questioned the involvement of sponsoring organizations and local PAOs in DE&I research, noting that in their view, PAOs and professional accountants should not and do not have a role to play in championing DE&I, as such activities fall outside the scope of accountancy.
- Some PAO representatives in think tank sessions received similar feedback in response to publicly issued statements expressing a commitment to fight against racial injustice and other forms of discrimination in the workplace, and in society more broadly.
- Some think tank participants pointed out that in multiple instances, some practitioners threatened to resign or ultimately resigned their PAO membership in response to statements and initiatives in support of DE&I.

Notwithstanding the pushback from some individuals in the profession, there is a strongly held view that the accounting profession would benefit from taking a prominent leadership role in addressing DE&I (see [Catalysts for DE&I Action](#)).

EXAMPLES OF PAO-LED DE&I ETHICS, VALUES, AND COLLECTIVE ACTION INITIATIVES

- In 2020, the Institute of Chartered Accountants of Scotland (ICAS) made refinements to its national Code of Ethics to emphasize the responsibilities of professional accountants in relation to values of DE&I.²⁷ In addition, in March 2021, ICAS issued a publication titled *Guidance to the ICAS Code of Ethics: Equality, Diversity and Inclusion*.²⁸
- In January 2021, the Association of International Certified Professional Accountants (AICPA) issued *CPA Firm Competency Model: New Diversity and Inclusion Competencies*.²⁹ A few months later in October 2021, the AICPA hosted an Accounting Profession Diversity Symposium to provide a platform for professionals from organizations, universities, and state societies to collaborate and explore diversity-related practices and identify ways to overcome obstacles in filling and retaining the accounting pipeline with diverse professionals.³⁰
- Chartered Professional Accountants of Canada (CPA Canada) included equity, diversity, and inclusion as foundational core competencies for CPAs in its 2021 consultation document titled *Transforming to Meet the Needs of the Future: The CPA “Way Forward” Competency Map*.³¹

Calls for Explicit DE&I Responsibilities in Ethics Standards

In our think tank discussions with dozens of PAO and industry leaders from across the globe, most expressed support for having an explicit DE&I statement in the *Code*, along with supporting materials that explain how compliance with the *Code*’s principles of ethics would support DE&I policies and practices. These think tank participants pointed out that having more explicit guidance about DE&I could help professional accountants and stakeholders better understand the connection between ethics and DE&I, and the evolving role accountants have in advancing, reporting, and providing assurance on DE&I-related matters.

As support for including an explicit DE&I statement in the *Code*, think tank participants expressed a consensus that the profession’s ethics statement is a public expression of foundational, core values. They noted that unfounded bias undermines the quality of the profession’s work and the ethics standards that the accounting profession is obligated to uphold under the *Code*. Thus, the existence of unfounded stereotypes, bias, and microaggressions in accountants’ workplaces, in addition to more overt demonstrations of inequity and exclusion, could be viewed as contrary to the profession’s overarching ethical commitment.

Yet there is a long-standing position held by many global standards setters, including IESBA, that the international standards, including the *Code*, should be principles-based and should not seek to specifically address the wide range of situations and scenarios that professional accountants could find themselves in that might create ethical issues (i.e., should not be rules-based). The IESBA is of the view that the *Code* should be clear and globally operable.³² In relation to the *Code*, many stakeholders have noted that having a “rules-based” approach that attempts to address all possible situations might result in negative consequences, such as excessive emphasis on rigid “box-ticking” that could result in a focus on compliance rather than objectives. In March 2022, the IESBA established a Sustainability Working Group with a broad mandate that will involve, among other activities:

- Fact-finding to better understand the ESG landscape and to inform future standard setting.
- Providing input to inform the development of staff guidance to highlight the principles and topics in the *Code* that are relevant to address specific ESG-related issues.
- Reviewing the *Code* from an ESG perspective to identify potential areas for enhancement.

Although only about three out of four think tank participants indicated the Code should expressly deal with DE&I, there was near-unanimous consensus in support of explicitly illustrating the link between ethics and DE&I (varying only in the medium employed for such illustration). This included not only the Code but also voluntary commitments to DE&I. Alternatives and challenges to the suggestion of including an express DE&I commitment in the Code were also discussed in the think tank session, as summarized below:

- An individual PAO can amend its own local codes of ethics to incorporate DE&I expressly in a way that aligns with the Code's overarching principles (as was done by ICAS in 2020). But this study's participants noted that individual PAOs look to IFAC and IESBA to establish global standards, and making an express statement at this level can support PAOs as they make the business case for DE&I to their members as well as to smaller employer organizations and firms.
- PAOs can make voluntary commitments to DE&I via other means, such as the UNGC or CEO Action for Diversity & Inclusion.³³ Think tank participants shared a general belief (without any expressed dissenting views) that these voluntary commitments were not contrary to the profession's ethical obligations. But they expressed a stronger consensus that inclusion of an express commitment in the Code, the profession's own ethical principles, would be more meaningful.
- Relying on the extant Code's principles-based provisions to address DE&I raises practical concerns around compliance and enforcement. For example, some PAOs monitor compliance through a peer-review process, yet with a lack of specific guidance explaining how accountants are to apply existing fundamental principles in dealing with DE&I-related ethics issues. A lack of clarity, in their view, can lead to inconsistent outcomes that exacerbate perceptions that the profession is exclusive or inequitable.

Action to Be Taken Today

Ethical cultures are most effective when leaders and those in managerial roles promote and uphold the ethical values of an organization. It is critical that efforts to foster an ethical culture go beyond traditional training and educational initiatives and extend to ongoing programs that emphasize ethical values, including those relating to DE&I. Establishing or strengthening organizational culture with respect to ethics can be achieved by ingraining ethical considerations into management processes, performance evaluations, and reward criteria. It is considered beneficial, and in some cases legal, for organizations and firms to disclose DE&I-related information. In this regard, the IESBA issued an international ethics standard that offers a framework to guide professional accountants in responding to Non-Compliance with Laws and Regulations (NOCLAR). (See sections 260 and 360 of the IESBA Code.) The Code's NOCLAR provisions are relevant in circumstances when professional accountants become aware of or suspect noncompliance with DE&I laws. For example, the Code's NOCLAR provisions highlight the importance of encouraging and protecting those who report illegal or unethical behavior (actual or suspected). Having in place protections for individuals who "speak up" when they observe noncompliance is an important element of an effective DE&I policy. •

Collective Action

In 2020, events in the U.S. and around the world brought emergency-level attention to DE&I. This attention concerned not only the community at large but also, specifically, the workplace. The circumstances brought about increased self-examination by the accounting profession on how it attracts, retains, and promotes talented people.

Since then, accountancy organizations, firms, businesses, and academic departments have devoted new and energetic activity to DE&I. Examples are numerous. Each of the Big 4 firms has dedicated significant funding and released detailed reports on DE&I, and some include voluntary disclosure informed by the SDGs, GRI, SASB, and WEF-IBC. There are bold commitments from senior executives. There are new DE&I committees and DE&I directors. CEOs are holding listening sessions and roundtables. Hiring partners and personnel are arranging new outreach to historically Black colleges and universities in the U.S. and bolstering scholarship programs across the globe. They are conducting outreach and forging new partnerships with organizations dedicated to advancement of certain underrepresented or historically marginalized demographic groups in business and accountancy.

These expanded efforts are laudable steps in the right direction, but much of this activity remains fragmented across the profession. Individual U.S. state CPA (Certified Public Accountant) societies, local PAOs outside the U.S., and smaller accounting firms and companies express concern that they lack the expertise and resources to address DE&I effectively on their own. A key finding of this research is their expressed interest in working collectively to advance DE&I across the profession's ecosystem. For example, shifting from individual organizations' each creating DE&I tool kits for their stakeholders to collaborating through shared resources and efforts could yield more impactful solutions. Professionals with responsibilities for advancing DE&I within the profession can learn from each other and build on each other's insights, challenges, and innovations.

Many firms and entities in the profession have already become signatories of the CEO Action for Diversity & Inclusion, which provides a platform for knowledge sharing and coordinated activities across multiple industries. Others are considering leveraging ESG reporting platforms to track DE&I progress. Businesses are considering other means of collective action, such as becoming signatories of the UNGC. The remarks of our participants reveal qualitative consensus that a well-organized platform, targeting the profession, would create enormous value and benefits. Collective outreach can synergistically deliver the desired message: Accounting is a worthwhile and rewarding career for persons of all backgrounds.

The profession is clearly making progress around DE&I, as these developments indicate. Yet still *more* needs to be done...to coordinate and collaborate with collective purpose and perspective. To unite resources. To join together with a singular vision for the outcome. To work in unison toward a shared vision for the future of the profession, fostering a culture of belonging. That future includes one that is diverse, equitable, and inclusive. We are committed to action. There is power in numbers. Join us! •

We are committed to action. There is power in numbers. Join us!

APPENDIX A: INVENTORY OF ACTIONABLE PRACTICES

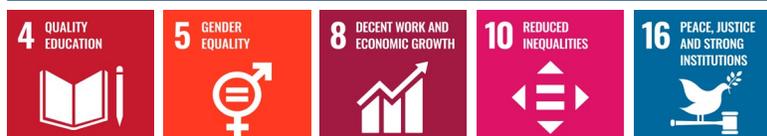
STRATEGIC OBJECTIVE: ATTRACT DIVERSE TALENT

Long-term outcome: Heightened awareness of the profession as a viable and desirable career path for all

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Implement communication, marketing, and awareness campaigns highlighting the benefits and intellectual rewards of accounting that target persons of underrepresented groups. Identify the key motivations and strongest influencers of target groups in career path selection and tailor messages accordingly.</p> <p>(Ross, Clarke, Wells, 2014; CAQ; CPA-EFI; ICPAS; JICPA)</p>	<p>1 - Do you have communication or awareness campaigns that promote the development of a skilled workforce? (Proposed 4.4)</p> <p>2 - Do you have communication or awareness campaigns that increase access for girls and youth from vulnerable, marginalized, or underrepresented groups to the accounting profession? (Proposed 4.4, 4.5)</p> <p>Relevant U.N. SDGs: 4 10</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 10.2, 10.3</p>	
<p>Host community events that illustrate accounting's value to business, the economy, financial literacy, and entrepreneurship while increasing exposure of diverse accounting professionals and academics to youth and influencers of youth career choices.</p> <p>(DEI-S; Ross, Clarke, Wells, 2014; CPA-Aus; PG)</p>	<p>1 - Do you have community partnerships or programs that promote the development of a skilled workforce? (Proposed 4.4)</p> <p>2 - Do you have community partnerships or programs that increase access for girls and youth from vulnerable, marginalized, or underrepresented groups to the accounting profession? (Proposed 4.4, 4.5)</p> <p>Relevant U.N. SDGs: 4 10</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 10.2, 10.3</p>	

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KEY U.N. SDGs



STRATEGIC OBJECTIVE: ATTRACT DIVERSE TALENT

Long-term outcome: Heightened awareness of the profession as a viable and desirable career path for all

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Develop partnerships with primary schools and local organizations that demystify accounting roles to youth. Gamify accounting activities, pair accounting with coding and development opportunities (see <i>Girls Who Code</i> series), and introduce children’s books about accounting (see <i>When I Grow Up I Want to be...An Accountant</i> by Howard University professor Adrian Mayse).</p> <p>(DEI-S; VSCPA)</p>	<p>1 - Do you have academic partnerships that promote the development of a skilled workforce? (B Lab Global 4.4)</p> <p>2 - Do you have academic partnerships that increase access for girls and youth from vulnerable, marginalized, or underrepresented groups to the accounting profession? (Proposed 4.4, 4.5)</p> <p>Relevant U.N. SDGs: 4 10</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 10.2, 10.3</p>	
<p>Develop high school partnerships that bring accounting academics and practitioners into the classroom or in wider forums to expose students to accounting concepts and career paths.</p> <p>(NABA; HU-CAE; ALPFA; local PAOs/state CPA societies)</p>	<p>1 - Do you have academic partnerships that promote the development of a skilled workforce? (B Lab Global 4.4)</p> <p>2 - Do you have academic partnerships that increase access for girls and youth from vulnerable, marginalized, or underrepresented groups to the accounting profession? (Proposed 4.4, 4.5)</p> <p>Relevant U.N. SDGs: 4 5 8 10</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.5, 8.5, 8.6, 10.2, 10.3</p>	
<p>Partner with community colleges and four-year colleges and universities to offer exposure programs for high school and community college students including employer site visits, job shadowing, introduction to accounting courses, career preparation, and interactive practitioner and academic sessions exploring real-world scenarios. Aim: Increase desirability of the profession.</p> <p>(Ross, Clarke, Wells, 2014; HU-CAE; ICPAS; INCPAS)</p>	<p>1 - Do you have academic partnerships that promote the development of a skilled workforce? (B Lab Global 4.4)</p> <p>2 - Do you have academic partnerships that increase access for girls and youth from vulnerable, marginalized, or underrepresented groups to the accounting profession? (Proposed 4.4, 4.5)</p> <p>Relevant U.N. SDGs: 4 5 8 10</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.5, 8.5, 8.6, 10.2, 10.3</p>	
<p>Promote transferable skills of other disciplines to accounting roles to promote the accounting profession to experienced diverse persons in other professions. Host career fairs aimed at encouraging persons from other disciplines to attend, and increase access to PAOs for nonaccountants who may be interested in considering the profession.</p> <p>(DEI-S)</p>	<p>Do you have initiatives that promote the achievement of full and productive employment and decent work for all women and men, including for young people and persons with disabilities? (Proposed 8.5)</p> <p>Relevant U.N. SDGs: 8 10</p> <p>Relevant U.N. SDG Targets: 8.2, 8.3, 8.5, 8.6, 10.1</p>	

STRATEGIC OBJECTIVE: ATTRACT DIVERSE TALENT

Long-term outcome: Improved access and preparation for diverse persons to the accounting profession

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Provide scholarships to diverse students from low-income, poverty-stricken, or underprivileged communities or households for accounting collegiate studies—undergraduate and graduate (including doctoral) to eliminate financial need as a barrier to higher education. (Ross, Clarke, Wells, 2014; ASCPA; several PAOs, corporations, firms, and foundations)</p>	<p>1 - Do you have programs that increase access for youth from vulnerable, marginalized, or underrepresented groups to the accounting profession? (Proposed 4.4, 4.5)</p> <p>2 - Percentage of scholarship recipients who major in accounting and graduate in accounting from a four-year college/ university? (Proposed 4.4, 8.5)</p> <p>3 - Number of scholarship recipients who are female or from marginalized, vulnerable, or underrepresented groups that major in accounting, graduate in accounting, and enter the accounting workforce? (Proposed 4.4, 8.5)</p> <p>Relevant U.N. SDGs: 4 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.1, 8.5, 8.6, 10.1, 10.3, 16.7</p>	
<p>Develop and support fully-funded development programs in partnership with universities to provide in-depth exposure to high school and community college students to the accounting profession and foundational accounting concepts. (Ross, Clarke, Wells, 2014; PG)</p>	<p>1 - Do you have programs that promote the development of a skilled workforce? (Proposed 4.4)</p> <p>2 - Do you have programs that increase preparedness of young women and young adults from vulnerable, marginalized, or underrepresented groups for the accounting profession? (Proposed 4.4, 4.5, 8.5, 8.6)</p> <p>3 - Percentage of program participants who major in accounting and graduate in accounting from a four-year college/ university? (Proposed 4.4, 8.5)</p> <p>4 - Number of program participants who are female or from marginalized, vulnerable, or underrepresented groups who major in accounting, graduate in accounting, and enter the accounting workforce? (Proposed 4.4, 8.5)</p> <p>Relevant U.N. SDGs: 4 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.1, 8.5, 8.6, 10.1, 10.3, 16.7</p>	

STRATEGIC OBJECTIVE: ATTRACT DIVERSE TALENT

Long-term outcome: Improved access and preparation for diverse persons to the accounting profession

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Implement a program to encourage, enable, and facilitate transfers from community colleges to four-year institutions, including scholarships, development programs, targeted internships, and access to professional networks and associations. (Ross, Clarke, Wells, 2014; HU-CAE)</p>	<p>1 - Do you have academic partnerships that promote the development of a skilled workforce? (B Lab Global 4.4)</p> <p>2 - Do you have academic partnerships that increase preparedness of young women and young adults from vulnerable, marginalized, or underrepresented groups for the accounting profession? (Proposed 4.4, 4.5, 8.5, 8.6)</p> <p>Relevant U.N. SDGs: 4 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.1, 8.5, 8.6, 10.1, 10.3, 16.7</p>	
<p>Provide funding and preparation materials to students and young professionals seeking professional accounting certifications. (AICPA; IMA; HU-CAE; several PAOs, firms, and corporations)</p>	<p>1 - Do you have programs that promote the development of a skilled workforce? (Proposed 4.4)</p> <p>2 - Do you have programs that increase preparedness of young women and young adults from vulnerable, marginalized, or underrepresented groups for the accounting profession? (Proposed 4.4, 4.5, 8.5, 8.6)</p> <p>Relevant U.N. SDGs: 4 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.1, 8.5, 8.6, 10.1, 10.3, 16.7</p>	
<p>Actively support, fund, and advocate for the addition of accounting courses or programs to curricular offerings of high schools in remote and underserved communities. (DEI-S; PBJ)</p>	<p>Do you support initiatives that increase the number of accounting programs in high schools in remote and underserved communities? (Proposed 4.4, 4.5, 8.6)</p> <p>Relevant U.N. SDGs: 4 8 10</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 8.5, 8.6, 10.2, 10.3</p>	<p>“A lack of high school accounting programs in remote and underserved communities limits the pipeline of potential candidates.” (PBJ)</p>
<p>Convert roles to remote from in office (and advertise as such during recruitment) unless being in the office is mandatory for the fulfillment of job responsibilities. Aimed at improving access to diverse talent (especially in geographic areas with limited demographic diversity). (DEI-S)</p>	<p>Do you offer and advertise remote roles when activities can be performed effectively outside the office? (Proposed 5.1, 10.3)</p> <p>Relevant U.N. SDGs: 5 10</p> <p>Relevant U.N. SDG Targets: 5.1, 10.3</p>	<p>Some geographic areas are much less diverse than others. To increase demographic diversity in the candidate pool and diversity of perspective within the organization, offer remote work for roles and advertise them as remote to attract candidates from varied locations. Provide remote staff with resources needed to ensure success (e.g., ergonomic office equipment, hybrid meeting offerings, webcam, internet coverage, phone service coverage, etc.), and offer to sponsor travel to deepen and maintain connectivity with colleagues.</p>

STRATEGIC OBJECTIVE: ATTRACT DIVERSE TALENT

Long-term outcome: Improved access and preparation for diverse persons to the accounting profession

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Collect data on professional certification examination pass rates by demographic group, and establish strategies to proactively provide tailored support to increase preparedness and improve examination pass rates.</p> <p>(JICPA; NABA)</p>	<p>1 - Percentage of examination candidates who passed by demographic group? (Proposed 16.6)</p> <p>2 - Do you have programs in place to ensure equitable distribution of examination preparation materials and to support overcoming challenges faced by members of certain demographic groups during preparation? (Proposed 8.6, 10.3)</p> <p>Relevant U.N. SDGs: 8 10 16</p> <p>Relevant U.N. SDG Targets: 8.6, 10.3, 16.6</p>	
<p>Offer or actively support an internship preparation program that prepares diverse students for and aids in their placement in successful accounting internships through exposure to the profession, practical training, access to mentors, and internship interviews.</p> <p>(ICPAS)</p>	<p>Do you have or actively support an internship preparation program for young female students and youth from vulnerable, marginalized, or underrepresented groups? (Proposed 4.4, 8.5, 8.6)</p> <p>Relevant U.N. SDGs: 4 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.1, 8.5, 8.6, 10.1, 10.3, 16.7</p>	<p>Consider including academic scholarship offerings for program participants.</p>
<p>Grant a paid sabbatical to give students the time to adequately prepare for exams without balancing the challenges of acclimating to the corporate arena.</p> <p>(Shahbaz, 2021; Ross, Clarke, Wells, 2014)</p>	<p>Do you offer a paid sabbatical to graduate hires to allow time for them to adequately prepare for professional certification exams? (Proposed 4.4, 8.5, 10.3)</p> <p>Relevant U.N. SDGs: 4 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.1, 8.5, 8.6, 10.1, 10.3, 16.7</p>	
<p>Increase alignment between accounting curricula and practice to ensure preparedness of young diverse professionals for accounting careers. Target efforts to close the gap between accounting curricula and practice in colleges and universities that have a large proportion of students from demographically diverse backgrounds (for example, U.S. historically Black colleges and universities, tribal colleges, Hispanic Association of Colleges and Universities, etc.)</p> <p>(IMA; ALPFA; ASCPA; NABA; The PhD Project; other PAOs)</p>	<p>Do you actively participate in initiatives to increase alignment between accounting curricula and practice to ensure preparedness of young diverse professionals for accounting careers? (Proposed 4.4, 8.5, 10.3)</p> <p>Relevant U.N. SDGs: 4 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.1, 8.5, 8.6, 10.1, 10.3, 16.7</p>	

STRATEGIC OBJECTIVE: ATTRACT DIVERSE TALENT

Long-term outcome: Persons of all backgrounds feel welcome to the profession (and the specific institution)

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Advertise job vacancies in a wide array of platforms/forums to ensure access to a diverse pool of candidates. (IMA DI Kit)</p>	<p>Do you advertise job vacancies in a wide array of platforms to ensure access to a diverse pool of candidates? (Proposed 10.2) Relevant U.N. SDGs: 5 8 10 Relevant U.N. SDG Targets: 5.1, 8.5, 8.6,10.2, 10.3</p>	
<p>Employ data science to create more inclusive job descriptions (responding to research that unconscious bias can manifest in job description word choice, narrowing the pool of diverse qualified candidates applying for the job). (Textio)</p>	<p>Do you employ targeted techniques to create more inclusive job descriptions? (Proposed 10.2) Relevant U.N. SDGs: 5 8 10 Relevant U.N. SDG Targets: 5.1, 8.5, 8.6, 10.2, 10.3</p>	
<p>Ensure website photography, commercials, video, and printed advertisements include demographically diverse persons. (DEI-S)</p>	<p>Do you have policies that require representation of demographically diverse persons in institutional collateral (on website, in advertisements, etc.)? (Proposed 10.2) Relevant U.N. SDGs: 5 8 10 Relevant U.N. SDG Targets: 5.1, 8.5, 8.6, 10.2</p>	
<p>Encourage diverse staff and allies’ active participation in “diversity recruitment and community outreach endeavors including participation in conferences, committees, or coalitions related to diversity and the reduction of disparities.” (UHS-UCB)</p>	<p>1 - Are diverse staff encouraged or incentivized to participate in recruitment and community outreach initiatives to attract diverse talent? (Proposed 10.2) 2 - Percentage of staff who are diverse participating in recruitment and community outreach initiatives to recruit talent? (Proposed 10.2) Relevant U.N. SDGs: 5 8 10 Relevant U.N. SDG Targets: 5.1, 8.5, 8.6, 10.2, 10.3</p>	
<p>Promote (publicize) availability of diverse mentors, mentorship programs, advancement opportunities, and employee forums. (DEI-S; UHS-UCB)</p>	<p>Do you promote the availability of diverse mentors, mentorship programs, advancement opportunities, and employee forums? (Proposed 10.3) Relevant U.N. SDGs: 5 8 10 Relevant U.N. SDG Targets: 5.1, 8.5, 8.6, 10.3</p>	

STRATEGIC OBJECTIVE: ATTRACT DIVERSE TALENT

Long-term outcome: Fair and equitable hiring and recruitment processes

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
Require a demographically diverse candidate pool prior to advancing to the interview stage of the recruitment process. (DEI-S)	Do you require a demographically diverse candidate pool prior to advancing to the interview stage of internal and external recruitment processes? (Proposed 5.1, 10.3) Relevant U.N. SDGs: 5 8 10 Relevant U.N. SDG Targets: 5.1, 8.5, 8.6, 10.3	
Proactively establish a database of (or file of résumés for) demographically diverse candidates for key disciplines that can be searched alongside other databases when vacancies occur. (DEI-S)	Do you proactively establish a database of demographically diverse candidates for key disciplines or roles that can be searched alongside other databases when vacancies occur? (Proposed 5.1, 10.3) Relevant U.N. SDGs: 5 8 10 Relevant U.N. SDG Targets: 5.1, 8.5, 8.6, 10.3	Apply to internal and external recruitment initiatives, including succession planning.
Anonymize (or hire a consultant to anonymize) résumés (by scraping names and other details that can prompt discrimination from résumés) prior to having them reviewed during the recruitment process to minimize the effects of bias. (Blendoor)	Do you leverage techniques to anonymize résumés prior to review in the recruitment process to minimize the effects of bias? (Proposed 5.1, 10.3) Relevant U.N. SDGs: 5 8 10 Relevant U.N. SDG Targets: 5.1, 8.5, 8.6, 10.3	
Require a diverse candidate selection panel (multiple interviewees on panel from diverse demographic background—e.g., at least one female, member of an underrepresented ethnic group, etc.) (DEI-S)	Do you require a diverse candidate selection panel during internal and external recruitment? (Proposed 5.5, 10.3, 16.7) Relevant U.N. SDGs: 5 8 10 16 Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 8.6, 10.3, 16.7	
Regularly review demographic composition of candidates hired and have an independent review process in place to assess lack of diversity in employee selection to ensure progress toward, or maintenance of, demographically diverse staff composition. (DEI-S)	Ratio of diversity of employees hired vs. diversity of persons in application pool? (Proposed 5.1, 10.3) Relevant U.N. SDGs: 5 8 10 16 Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 10.3, 16.6, 16.7	Track for each role hired for a defined period of time. Track changes as more individuals are hired.
Institute mandatory training for persons serving on interview panels or candidate search committees. Training objectives can include “unconscious bias and the implications of making judgments on a person...based on details unrelated to job performance and work ethic.” (UHS-UCB; Brown-Liburd and Joe, 2020)	Percentage of interviewers for internal and external candidates receiving training on the effects of bias in recruitment? (Proposed 5.1, 10.3) Relevant U.N. SDGs: 5 8 10 16 Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 8.6, 10.3, 16.7	

STRATEGIC OBJECTIVE: ATTRACT DIVERSE TALENT

Long-term outcome: Fair and equitable hiring and recruitment processes

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Implement an objective evaluation process through use of rubrics with preestablished criteria at the initial stage of the job search that will be used for all candidates.</p> <p>(Brown-Liburd and Joe, 2020)</p>	<p>Do you have a documented objective candidate evaluation and selection process through use of rubrics with preestablished criteria? (Proposed 10.3)</p> <p>Relevant U.N. SDGs: 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 8.6, 10.3, 16.7</p>	<p>Apply to internal and external recruitment initiatives.</p>
<p>Host an independent review of all compensation packages included in employment offers prior to submitting to successful candidates to ensure at least the national living wage is offered and there are no apparent disparities between comparable candidates of differing demographic groups.</p> <p>(DEI-S)</p>	<p>1 - Percentage of employment offers totaling compensation that is at least the recommended national living wage? (Proposed 10.1)</p> <p>2 - Percentage of women’s basic salary and remuneration offer to men’s for roles of equal value? (Proposed 10.2)</p> <p>Relevant U.N. SDGs: 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 8.5, 8.6, 10.1, 10.2, 10.3, 16.7</p>	<p>2 - Calculate for other demographic groups.</p>
<p>Conduct a periodic audit of compensation packages offered to new hires to ensure no trends of unfair distribution across demographic groups.</p> <p>(DEI-S)</p>	<p>1 - Do you regularly audit compensation packages offered to new hires to ensure no trends of unfair distribution across demographic groups? (Proposed 10.2)</p> <p>2 - Percentage of women’s basic salary and remuneration to men’s for work of equal value? (WBA 5.1, 10.2)</p> <p>Relevant U.N. SDGs: 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 8.5, 8.6, 10.1, 10.2, 10.3, 16.7</p>	<p>2 - Calculate for other demographic groups.</p>
<p>Host an independent review of all scholarship awardees (for programs not targeted to specific demographic groups) to ensure no unfair or disproportional distribution of resources.</p> <p>(DEI-S)</p>	<p>1 - Do you conduct audits of scholarship program awardees to ensure no unfair or disproportional distribution of resources? (Proposed 4.4, 4.5)</p> <p>2 - Percentage of total scholarship recipients by demographic group? (Proposed 4.4, 8.5)</p> <p>3 - Number of scholarship recipients who are female or from marginalized, vulnerable, or underrepresented groups? (Proposed 4.4, 8.5)</p> <p>Relevant U.N. SDGs: 4 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.1, 8.5, 8.6, 10.1, 10.3, 16.7</p>	

STRATEGIC OBJECTIVE: ATTRACT DIVERSE TALENT

Long-term outcome: Increased number of diverse accounting faculty

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Establish and actively support strategic programs that are dedicated to increasing representation of diverse accounting faculty—aligning with the premise that greater diversity in front of the classroom increases access for diverse students to diverse mentors and role models who can improve graduation rates of diverse accounting students.</p> <p>(Chronicle; Shahbaz, 2021; Brown-Liburd and Joe, 2020; The PhD Project)</p>	<p>1 - Do you participate in or actively support programs dedicated to increasing representation of diverse accounting faculty? (Proposed 5.5, 10.2, 16.7)</p> <p>2 - Number of diverse accounting faculty? Track at a point in time and monitor increases or decreases in this number over time. (Proposed 5.5, 10.2, 16.7)</p> <p>3 - Percentage of accounting faculty who are women or from marginalized, vulnerable, or underrepresented groups? (Proposed 5.5, 10.2, 16.7)</p> <p>Relevant U.N. SDGs: 4 5 8 10</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.1, 5.5, 8.3, 8.5, 8.6, 10.2, 10.3, 16.7</p>	<p>Calculate and monitor for all demographic groups.</p>
<p>Establish programs devoted to increasing the number of accounting faculty of diverse backgrounds receiving tenure (support research, increase transparency, sponsor junior faculty, and expand networks).</p> <p>(The Tenure Project; The PhD Project)</p>	<p>1 - Do you participate in or actively support programs dedicated to increasing the number of diverse accounting faculty receiving tenure? (Proposed 5.5, 10.2, 16.7)</p> <p>2 - Number of tenured diverse accounting faculty monitored over time? (Proposed 5.5, 10.2, 16.7)</p> <p>3 - Percentage of tenured accounting faculty who are women or from marginalized, vulnerable, or underrepresented groups? (Proposed 5.5, 10.2, 16.7)</p> <p>Relevant U.N. SDGs: 4 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.1, 5.5, 8.3, 8.5, 8.6, 10.2, 10.3, 16.7</p>	<p>Calculate and monitor for all demographic groups.</p>

STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: Fair and equitable talent management processes

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Collect and maintain demographic data on workforce diversity at all employment levels (new hires, team leaders and managers, executive leadership, etc.). Collect this data through human resources on all relevant demographic groups, e.g., gender, ethnicity, nationality, age, etc.</p> <p><i>Note: Legal considerations to be taken into account for local laws in this area.</i></p> <p>(DEI-S)</p>	<p>1 - Percentage of company leadership who are from vulnerable, marginalized, or underrepresented social groups? (UNGC 10.2)</p> <p>2 - Percentage of middle and senior management who are female? (UNGC 5.5)</p> <p>3 - What is the ratio of employee turnover for women to men? (WBA 5.1)</p> <p>Relevant U.N. SDGs: 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 8.6, 10.2, 10.3, 16.6</p>	<p>Calculate and monitor for each employment level and all demographic groups, including age.</p>
<p>Collect and maintain demographic data on the population in geographic locations in which the organization has operations. Collect this data through local government agencies, where possible.</p> <p>(DEI-S)</p>	<p>Ratio of percentage of staff and company leadership who are women or from vulnerable, marginalized, or underrepresented groups to percentage of population from the same groups? (Proposed 10.2)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 10.2, 10.3, 16.6</p>	
<p>Collect and maintain demographic data on the relevant industry and/or profession within which the institution operates. Collect this data through relevant government labor force or workforce agencies, professional associations, etc.</p> <p><i>Note: Legal considerations to be taken into account for local laws in this area.</i></p> <p>(DEI-S)</p>	<p>Ratio of percentage of staff and company leadership who are women or from vulnerable, marginalized, or underrepresented groups to percentage of industry and/or professional members from the same groups? (Proposed 10.2)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 10.2, 10.3, 16.6</p>	
<p>Identify the widest gaps of underrepresentation of various demographic groups at each stage of the talent pipeline.</p> <p>(DEI-S)</p>	<p>Do you have a process in place to identify the widest gaps of underrepresentation of vulnerable or marginalized groups at each stage in the talent pipeline relative to the population and industry/profession? (Proposed 10.2)</p> <p>Relevant U.N. SDGs: 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 10.2, 10.3, 16.6, 16.7</p>	

STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: Fair and equitable talent management processes

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Collect and analyze data on compensation and advancement (promotion from one employee level to the next highest level) by demographic groups and across all employee levels. Identify compensation and advancement gaps among demographic groups.</p> <p>(DEI-S)</p>	<p>1 - Percentage of women’s basic salary and remuneration to men’s for work of equal value? (WBA 10.2)</p> <p>2 - Percentage of company workforce paid at least the national living wage? (Future-Fit 10.1)</p> <p>Relevant U.N. SDGs: 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 10.1, 10.2, 10.3, 10.4, 16.6, 16.7</p>	<p>Calculate percentage for other demographic groups.</p> <p>Calculate percentage of women and men receiving promotions by employment level for a period of time. Calculate for other demographic groups.</p>
<p>Regularly review demographic diversity of candidates filling the talent pipeline in succession planning efforts.</p> <p>(IMA DI Kit)</p>	<p>Do you regularly review the demographic composition of candidates filling the talent pipeline in succession planning efforts? (Proposed 10.3, 5.5)</p> <p>Relevant U.N. SDGs: 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 10.3, 16.6, 16.7</p>	
<p>Regularly audit recruitment, performance, and promotion processes for equity.</p> <p>(Romansky, Garrod, Brown, et al., 2021—GII)</p>	<p>Do you regularly perform audits of recruitment, performance, and promotion processes for equitable treatment across vulnerable, marginalized, or underrepresented groups? (Proposed 10.3, 5.5)</p> <p>Relevant U.N. SDGs: 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 10.1, 10.3, 10.4, 16.6, 16.7</p>	
<p>Conduct regular performance reviews of all staff through formal performance management processes including written and agreed-upon performance goals, milestones, and evaluations using performance ratings applied to all staff.</p> <p>(DEI-S)</p>	<p>Percentage of employees receiving a regular performance and career development review? (GRI 10.3)</p> <p>Relevant U.N. SDGs: 10 16</p> <p>Relevant U.N. SDG Targets: 10.3, 16.6, 16.7</p>	<p>Calculate and monitor this percentage in aggregate and across demographic groups.</p>

STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: Fair and equitable talent management processes

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
Provide all employees nondiscriminatory access to training and development programs. (WEP; UNGC)	<p>1 - Ratio of expenditures on employee training of women to men, per employee? (WEP 4.3, 5.1, 8.2)</p> <p>2 - Percentage of the workforce that receives annual training to enhance vocational and technical skills? (UNGC 4.4, 8.5)</p> <p>3 - Does the company provide nondiscriminatory and open access to employees to training, internship programs, and further education? (UNGC 4.5)</p> <p>Relevant U.N. SDGs: 4 5 8 10</p> <p>Relevant U.N. SDG Targets: 4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.2</p>	2 - Calculate and monitor this percentage in aggregate and across demographic groups.
Provide nondiscriminatory support to employees throughout post-school education, ensuring access for persons of all demographic backgrounds. (UNGC)	<p>Percentage of workforce that the company has supported throughout their post-school education (e.g., paying for degree/apprenticeship/master's)? (UNGC 4.3, 5.1, 8.2)</p> <p>Relevant U.N. SDGs: 4 5 8 10</p> <p>Relevant U.N. SDG Targets: 4.3, 5.1, 8.2, 8.5, 10.2</p>	Calculate and monitor this percentage in aggregate and across demographic groups.

Long-term outcome: Robust bias detection and mitigation processes

Establish "robust, well-crafted, and consistently followed antidiscrimination policies" that include penalties for retaliatory acts. (Krentz, 2019; DEI-S)	<p>Do you have and enforce a company-wide nondiscrimination policy on hiring, promotion, and workplace behavior? (B Lab Global 10.3)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.2, 10.2, 10.3, 10.4, 16.6, 16.7</p>	
Establish a bias-related incident reporting system with an option for anonymous reporting or self-identification. (DEI-S; UMASS)	<p>1 - Do you have a system to report workplace incidents of gender-based violence? (UNGC 5.2)</p> <p>2 - Number of reported workplace-related incidents of gender-based violence? (UNGC 5.2)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.2, 10.2, 10.3, 10.4, 16.6, 16.7</p>	<p>1 - Reporting system should be accompanied by a robust incident investigation process, disciplinary penalties for offenders, and zero tolerance for retaliation.</p> <p>2 - Reporting should incorporate violence or any bias-related incidents (not just gender-based and not just violence).</p>

STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: Robust bias detection and mitigation processes

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Offer ongoing training programs and host regular forums aimed at demonstrating strategies for mitigating the effects of bias, increasing cultural competency, fostering inclusion, and promoting an anti-harassment and antidiscrimination culture.</p> <p>(Krentz, 2019; DEI-S; EY; KP; KPMG; MSCPA; NYSSCPA; PG)</p>	<p>1 - Number of employees receiving gender discrimination training? (WBA 5.1)</p> <p>2 - Percentage of employees receiving antidiscrimination, antiharassment, and bias mitigation strategies training? (Proposed 5.1, 10.2)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.2, 10.2, 16.7</p>	
<p>Encourage a culture of social accountability during which persons are comfortable speaking up when manifestations of bias are observed.</p> <p>(DEI-S)</p>	<p>Percentage of employees who report they are comfortable speaking up when they observe manifestations of bias? (Proposed 5.1, 10.2)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 10.2, 16.6, 16.7</p>	
<p>Offer and encourage participation in educational opportunities targeted at raising awareness of the history and prevalence of racism, misogyny, and other forms of discrimination against various demographic groups.</p> <p>(Ascend; COCPA; CPA-Aus; NJCPA)</p>	<p>1 - Number of employees receiving racial discrimination training? (Proposed 10.2)</p> <p>2 - Number of educational offerings that provide exposure to the lived experiences of members of marginalized demographic groups? (Proposed 5.1, 10.2)</p> <p>3 - Percentage of employees participating in educational offerings that provide exposure to the lived experiences of members of marginalized demographic groups? (Proposed 5.1, 10.2)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.2, 10.2, 16.7</p>	<p>Raise awareness through expansion of advocacy, allyship, education, and community engagement to promote cultural competence and foster sustainable change.</p>

Long-term outcome: Accountability through transparent reporting and communication

<p>Transparently report workforce demographic diversity statistics for the institution with comparisons to local population and relevant industry and/or profession statistics.</p> <p><i>Note: Legal considerations to be taken into account for local laws in this area.</i></p> <p>(DEI-S; UMASS; Deloitte; EY; KPMG; PwC)</p>	<p>Do you transparently report workforce demographic diversity statistics for the organization as compared to local population and relevant industry and/or profession? (Proposed 10.2, 16.6)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 10.3, 16.6</p>	
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STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: Accountability through transparent reporting and communication

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Draft and publicize (among staff, at a minimum) leadership’s commitment to DE&I improvement to include a “clear case for change and set concrete goals, prioritized in concert with [the organization’s] diverse employees.” (Krentz, 2019; JICPA)</p>	<p>Do you have a written commitment to DE&I improvement that has been communicated to all staff? (Proposed 16.6)</p> <p>Have DE&I-related goals been established and transparently shared with staff and other relevant constituents? (Proposed 16.6)</p> <p>Relevant U.N. SDGs: 16 Relevant U.N. SDG Targets: 16.6</p>	
<p>Extend DE&I commitment beyond staff, members, or students to include partnership with diverse suppliers, clients, and other key stakeholders (e.g., women-owned, minority-owned, and small business) and/or those committed to equitable and inclusive practices. Ensure equal pay to diverse suppliers. Note: “Diverse stakeholders” to be defined by organization in the context of industry, geography, and organizational goals. (IMA DI Kit)</p>	<p>1 - Supply chain spend (OPEX) on suppliers that are members of vulnerable, marginalized, or underrepresented social groups? (B Lab Global 10.1)</p> <p>2 - Percentage of suppliers that systematically offer training(s) to low-income workers? (UNGC 10.1)</p> <p>3 - Value of supply chain expenditures paid to companies who pay all workers a living wage? (GLWC 10.1)</p> <p>4 - Percentage of suppliers screened for issues such as training and policies on harassment, trafficking, and exploitation of their workforce? (GRI 5.2)</p> <p>Relevant U.N. SDGs: 5 10 16 Relevant U.N. SDG Targets: 5.1, 5.2, 10.1, 10.3, 16.6</p>	<p>Collect data on stakeholder diversity and regularly review procurement processes to determine if adjustments are needed to enable increased partnership with diverse stakeholders.</p>
<p>Establish and transparently report on key performance indicators (KPIs) that measure DE&I progress over time. Refine DE&I approach to progress based on insights gained through KPI review. (Martin, 2020; Krentz, 2019)</p>	<p>Do you transparently report KPIs that measure DE&I progress over time? (Proposed 16.6)</p> <p>Relevant U.N. SDGs: 16 Relevant U.N. SDG Targets: 16.6</p>	
<p>Employ a communication plan to transparently share DE&I-related actions taken as a result of employee feedback collected through surveys or other forums. (DEI-S)</p>	<p>Do you have a communication plan to transparently share DE&I-related actions taken as a result of employee feedback? (Proposed 16.6)</p> <p>Relevant U.N. SDGs: 16 Relevant U.N. SDG Targets: 16.6</p>	<p>Transparently sharing the impact feedback can increase the likelihood that employees will share their honest opinion in the future.</p>
<p>Hold leaders accountable for progress toward DE&I goals by linking leadership performance to specific, measurable DE&I indicators. (Krentz, 2019)</p>	<p>Is executive performance linked to measurable DE&I progress? (Proposed 16.6)</p> <p>Relevant U.N. SDGs: 16 Relevant U.N. SDG Targets: 16.6</p>	

STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: Accountability through transparent reporting and communication

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Require leaders to model good DE&I behaviors. Hold leaders accountable through performance metrics for this contribution to organizational culture.</p> <p>(Romansky, Garrod, Brown, et al., 2021—GII)</p>	<p>Is executive performance linked to improved organizational culture? (Proposed 16.6)</p> <p>Relevant U.N. SDGs: 16</p> <p>Relevant U.N. SDG Targets: 16.6</p>	<p>Leaders should model “behaviors known to increase inclusion, such as supporting team growth, managing the team’s networks, fostering team accountability, effectively resolving team conflict, and displaying interpersonal integrity.... Leaders are also well-positioned to spot microaggressions (within a team or across the organization) or cultural violations, and bear responsibility to do so.”</p> <p>(Romansky, Garrod, Brown, et al., 2021—GII)</p>
<p>Monitor progress toward DE&I goals by leveraging data analytics and visualization tools to derive actionable insights.</p> <p>(PwC)</p>	<p>Do you employ use of data analytics tools and techniques to gain insights on equitable practices and monitor progress toward DE&I objectives? (Proposed 16.6)</p> <p>Relevant U.N. SDGs: 16</p> <p>Relevant U.N. SDG Targets: 16.6</p>	
<p>Conduct (or partner with those who conduct) DE&I research within your respective discipline or industry to understand current trends, specific sentiments and perceptions, and how to meet challenges faced.</p> <p>(IMA; CaICPA; IFAC; ACCA; WWG; Ascend; CAQ; several PAOs)</p>	<p>Do you conduct or partner with organizations or researchers who conduct DE&I-related research within relevant disciplines and industries? (Proposed 16.6)</p> <p>Relevant U.N. SDGs: 16</p> <p>Relevant U.N. SDG Targets: 16.6</p>	

Long-term outcome: Culture of belonging

<p>Establish employee resource groups/networks (also known as special interest groups or business resource groups) for focus on demographic groups with goals, metrics, and objectives aligned to organizational strategy. Assign an executive sponsor or champion to the group, document the group’s goals and strategic objectives, and establish key performance indicators (KPIs) of the group’s progress toward goals.</p> <p>(DEI-S; KP)</p>	<p>Do you have forums for persons and allies of varied demographic groups to convene, share experiences, and build networks? (Proposed 10.2)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 10.2, 10.3, 16.6</p>	<p>Note: Forums that allow for social gathering of like members promote camaraderie among like persons, not necessarily improving inclusion among persons of all backgrounds. While these groups may contribute to talent retention, they do not consistently lead to career promotion or advancement opportunities for group members. Aligning to strategy and establishing KPIs, incorporating formal development opportunities, etc., increase the likelihood of contributions to reducing underrepresentation.</p>
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STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: Culture of belonging		
Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Establish (or expand) parental leave and family leave policies beyond legal requirements, offering paid time off for employees to care for children or family members, regardless of gender or age.</p> <p>(IMA DI Kit, PwC)</p>	<p>1 - Ratio of amount of parental care that is offered from female to male? (Future-Fit 5.4)</p> <p>2 - Retention rates of employees who took parental leave? (GRI 5.4)</p> <p>3 - What is the operating expense dedicated to childcare provision per employee? (UNGC 5.4)</p> <p>Relevant U.N. SDGs: 5</p> <p>Relevant U.N. SDG Targets: 5.4</p>	
<p>Offer on-site childcare or backup on-site childcare for all staff.</p> <p>(Krentz, 2019)</p>	<p>1 - Do you offer backup on-site childcare for all staff? (Proposed 5.4)</p> <p>2 - Does the company offer work time flexibility or other benefits, such as on-site childcare services, that ensure children can be readily transported to and from education development opportunities? (B Lab Global 4.2, 5.4)</p> <p>Relevant U.N. SDGs: 4 5</p> <p>Relevant U.N. SDG Targets: 4.2, 5.4</p>	
<p>Establish or strengthen flexible work policies.</p> <p>(DEI-S)</p>	<p>Percentage of workforce that is offered flexible working conditions? (WEP 5.4)</p> <p>Relevant U.N. SDGs: 5</p> <p>Relevant U.N. SDG Targets: 5.4</p>	<p>Include work-from-home programs and flexible working hours, and ensure employees participating in these programs are not disadvantaged for additional development and career opportunities, and resources to complete their work relative to employees opting out of these programs.</p>
<p>Regularly conduct a survey through anonymous data collection to assess the climate and culture of the organization as it relates to DE&I (inquiring of perceptions of inclusion and equity in the workplace and among leadership).</p> <p>(Romansky, Garrod, Brown, et al., 2021—GII)</p>	<p>1 - Do you conduct a survey through anonymous data collection to assess the climate and culture of the organization as it relates to DE&I or specific aspects of job satisfaction (happiness, interteam relationships, recognition, etc.)? (Proposed 16.6)</p> <p>2 - Do employees/students/members perceive an inclusive culture? (Proposed 16.6)</p> <p>Relevant U.N. SDGs: 5 16</p> <p>Relevant U.N. SDG Targets: 5.5, 16.6, 16.7</p>	<p>Job satisfaction and inclusion are not always directly linked, so focus should be ascribed to specific subject areas to better understand if employees feel welcome at their job. For example, if employees are content with job responsibilities but lack relationships with other employees or do not feel comfortable speaking up in meetings, these could be signs that they do not feel included.</p> <p>(Harver, 2021)</p>

STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: Culture of belonging

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Develop or leverage an inclusion index or scorecard to assess employee sentiments toward inclusion.</p> <p>(Romansky, Garrod, Brown, et al., 2021—GII; TXCPA)</p>	<p>Do you actively use a scorecard, survey, or assessment tool to assess employee sentiments toward inclusion? (Proposed 5.1, 10.2, 16.6)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 10.2, 10.3, 16.6, 16.7</p>	<p>Several DE&I-related indices exist. Most attempting to measure inclusion suggest a regular survey of employees to gauge inclusion at a point in time and over time. As an example, the Gartner Inclusion Index leverages the extent to which employees agree with seven statements to gain a holistic view of inclusion in the workforce.</p> <ol style="list-style-type: none"> 1. Fair treatment: Employees at my organization who help the organization achieve its strategic objectives are rewarded and recognized fairly. 2. Integrating differences: Employees at my organization respect and value each other's opinions. 3. Decision making: Members of my team fairly consider ideas and suggestions offered by other team members. 4. Psychological safety: I feel welcome to express my true feelings at work. 5. Trust: Communication we receive from the organization is honest and open. 6. Belonging: People in my organization care about me. 7. Diversity: Managers at my organization are as diverse as the broader workforce. <p>(Romansky, Garrod, Brown, et al., 2021—GII)</p>
<p>Employ "perspective-taking" training exercises (the process of mentally walking in someone else's shoes) for underrepresented demographic groups. Consider having participants write "a few sentences imagining the distinct challenges a marginalized minority might face.... [This] can improve pro-diversity attitudes and behavioral intentions toward these groups."</p> <p>(Lindsey, King, Membere, et al., 2017; COCPA)</p>	<p>Percentage of employees receiving cultural competency training? (Proposed 5.1, 10.2)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 10.2, 16.7</p>	

STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: Culture of belonging

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
Incorporate a goal-setting exercise into diversity training. Have trainees “set specific, measurable, and challenging (yet attainable) goals related to diversity in the workplace... [Example:] a trainee might set a goal to challenge inappropriate comments about marginalized groups when overhearing them in the future (in combination with receiving information about how to best handle them).” (Lindsey, King, Membere, et al., 2017)	Percentage of employees receiving antidiscrimination, antiharassment, and bias mitigation strategies training? (Proposed 5.1, 10.2) Relevant U.N. SDGs: 5 10 16 Relevant U.N. SDG Targets: 5.1, 10.2, 16.6, 16.7	
Offer training on the link between DE&I and ethics aimed at “illustrating ways to better promote diversity, equity and inclusion as part of an organization’s ethics-based culture.” (VSCPA)	Percentage of employees receiving DE&I and ethics training? (Proposed 5.1, 10.2) Relevant U.N. SDGs: 5 10 Relevant U.N. SDG Targets: 5.1, 10.2, 10.3	

Long-term outcome: DE&I treated as an ongoing strategic priority

Establish robust, ongoing DE&I training programs for leaders. (DEI-S; EY; MSCPA; NYSSCPA; PwC)	Percentage of leaders receiving diversity-related training? (Proposed 5.1, 10.2) Relevant U.N. SDGs: 5 10 16 Relevant U.N. SDG Targets: 5.1, 10.2, 16.7	Consider making the training mandatory for leaders. Include training on: <ul style="list-style-type: none"> - Inclusion strategies among team members - Ensuring each voice is heard in meetings - Commitment to anti-oppression - Equitably distributing stretch assignments - Social and performance accountability for DE&I - Fostering an inclusive culture - Mitigating the effects of bias
Establish formal sponsorship programs aimed at career progression with individual road maps, including multiyear development plans, for advancement of diverse persons. (Krentz, 2019; DiversityInc; IMA DI Kit)	1 - Percentage of sponsorship program participants who are women or from marginalized, vulnerable, or underrepresented groups? (Proposed 10.2) 2 - Percentage of sponsors who are women or from marginalized, vulnerable, or underrepresented groups? (Proposed 5.5, 10.3, 16.7) 3 - Percentage of sponsorship program participants who have received promotions? Collected by demographic group and measured at a point in time and over time. (Proposed 10.2) Relevant U.N. SDGs: 5 10 16 Relevant U.N. SDG Targets: 5.1, 5.5, 10.1, 10.2, 10.3, 16.7	Include: <ul style="list-style-type: none"> - Training for sponsors and program participants - Development goals, milestones, and plans - Sponsors should be senior leadership team members - Maximize executive exposure to high potentials from underrepresented groups - Forum for feedback from sponsors and participants - Encourage more than one sponsor per program participant - Monitor career promotion for program participants

STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: DE&I treated as an ongoing strategic priority

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Establish mentorship programs aimed at supporting and guiding diverse persons as they navigate performance, interactions, and challenges.</p> <p>(DiversityInc; IMA DI Kit)</p>	<p>1 - Percentage of mentorship program participants who are women or from marginalized, vulnerable, or underrepresented groups? (Proposed 10.2)</p> <p>2 - Percentage of mentors who are women or from marginalized, vulnerable, or underrepresented groups? (Proposed 5.5, 10.2)</p> <p>3 - What is the ratio of employee turnover rate for women to men and as compared among other demographic groups? (Proposed 5.1, 16.6)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 10.1, 10.3, 16.6, 16.7</p>	<p>Include:</p> <ul style="list-style-type: none"> - Training for mentors and mentees - Establish goals and track progress - Ideally, only mentors who voluntarily participate - Formal mentor/mentee pairing process - Forum for feedback from mentors and mentees - Encourage more than one mentor - Monitor talent retention for mentees
<p>Involve members of diverse groups “in the design and assessment of [DE&I] programs to ensure they will work and take hold.”</p> <p>(Krentz, 2019)</p>	<p>Are members of diverse groups involved in the design and assessment of DE&I programs? (Proposed 10.2, 16.7)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 10.2, 10.3, 16.6, 16.7</p>	
<p>Employ combination top-down and bottom-up approaches when shaping and refining DE&I programs. Top-down examples: DE&I training for leaders; tracking promotion and compensation across demographic groups. Bottom-up examples: strategies to aid managers in thinking about who is invited to and facilitates important meetings.</p> <p>(Krentz, 2019)</p>	<p>1 - Is DE&I incorporated into your organizational values and strategic priorities? (Proposed 16.6)</p> <p>2 - Do you employ top-down and bottom-up approaches to achieving DE&I goals? (Proposed 10.2)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.5, 10.2, 16.6, 16.7</p>	
<p>Establish voluntary DE&I committees and/or task forces dedicated to shaping or informing DE&I efforts, monitoring effectiveness of initiatives, and measuring progress toward DE&I goals. Assign an executive sponsor from the senior leadership team to ensure alignment with overall strategy and increase accountability for progress.</p> <p>(DEI-S; AAA; IMA; CalCPA; J.S. HELD; NYSSCPA)</p>	<p>1 - Do you have a volunteer DE&I committee or task force? (Proposed 10.2)</p> <p>2 - Does the committee have goals, key performance indicators, and an executive sponsor? (Proposed 16.6)</p> <p>Relevant U.N. SDGs: 5 10 16</p> <p>Relevant U.N. SDG Targets: 5.5, 10.2, 16.6</p>	<p>Voluntary committee/task force composition rather than mandatory participation has proven more effective.</p>

STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: DE&I treated as an ongoing strategic priority

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Ensure dedicated staff resources are appointed to oversee and advance DE&I progress.</p> <p>(DEI-S; IMA; CalCPA; several PAOs, firms, and corporations)</p>	<p>Do you have staff resources dedicated to oversee and advance DE&I progress? (Proposed 16.6, 16.7)</p> <p>Relevant U.N. SDGs: 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 10.2, 10.3, 16.6</p>	<p>Consider appointing a director of DE&I or chief diversity officer. In larger organizations, a team may need to be established to ensure progress toward DE&I goals.</p>
<p>Enhance DE&I governance and oversight by establishing a clear governance process and by adding a board-level director focused on diversity, equity, inclusion, and belonging.</p> <p>(KPMG; AAA)</p>	<p>1 - Do you have a documented governance process to achieve accountability and consistency in DE&I-related practices? (Proposed 16.6, 16.7)</p> <p>2 - Do you have board-level oversight in place for diversity, equity, inclusion, and belonging? (Proposed 16.6, 16.7)</p> <p>Relevant U.N. SDGs: 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 10.2, 10.3, 16.6, 16.7</p>	
<p>Increase diverse representation on board of directors, and establish measures to ensure responsive, inclusive, and participatory decision making.</p> <p>(NASDAQ; U.S. SEC; UNGC; DEI-S)</p>	<p>1 - Percentage of board directors who are female? (Proposed 5.5, 10.2)</p> <p>2 - Percentage of board directors from members of vulnerable, marginalized, or underrepresented social groups? (Proposed 10.2)</p> <p>3 - Percentage of board directors who report feeling included and that their contributions are valued? (Proposed 16.7)</p> <p>Relevant U.N. SDGs: 5 8 10 16</p> <p>Relevant U.N. SDG Targets: 5.1, 5.5, 8.5, 10.2, 10.3, 16.6, 16.7</p>	<p>Collect and maintain demographic data on board directors and for leadership roles on the board (committee chairs, board chair, etc.). Collect this data for all relevant demographic categories.</p> <p><i>Note: Legal considerations to be taken into account for local laws in this area.</i></p>
<p>Incorporate DE&I into organizational values and strategic priorities, ensuring alignment to and ownership by the organization broadly.</p> <p>(Gartner, 2019 II; AAA; KPMG)</p>	<p>Is DE&I incorporated into your organizational values and strategic priorities? (Proposed 16.6)</p> <p>Relevant U.N. SDGs: 10 16</p> <p>Relevant U.N. SDG Targets: 10.2, 16.6, 16.7</p>	<p>This can be done by incorporating hiring, recruitment, and talent management practices recommended in this inventory, establishing a DE&I commitment, and detailing DE&I-related goals and linking them to strategic objectives and values.</p>

STRATEGIC OBJECTIVE: RETAIN AND PROMOTE DIVERSE TALENT

Long-term outcome: DE&I treated as an ongoing strategic priority

Actionable Practice (Source)	Indicators and Metrics (Source Specific U.N. SDG Targets)	Supplemental Guidance
<p>Embed DE&I into existing talent and business processes. (Gartner, 2019)</p>	<p>Have you embedded DE&I into existing talent and business processes? (Proposed 10.2, 16.6)</p> <p>Relevant U.N. SDGs: 10 16</p> <p>Relevant U.N. SDG Targets: 10.2, 16.6, 16.7</p>	<p>Research shows that rather than nearly exclusively leveraging “people to champion DE&I efforts.... D&I leaders believe that leveraging processes is more effective at achieving D&I goals.” In addition to talent management processes, consider embedding DE&I into procurement, finance and accounting, and operational processes to ensure DE&I becomes part of the culture and is sustained. (Gartner, 2019)</p>
<p>Follow up on the findings of employee surveys by interviewing or hosting listening sessions or focus groups with members of the parts of the organization that reported high levels of inclusion and low levels of inclusion. Develop a plan to make improvements and monitor progress through future surveys or index scores. (Romansky, Garrod, Brown, et al., 2021—GII)</p>	<p>Do you have a process in place to evaluate and act upon feedback regarding DE&I progress or initiative effectiveness within the institution? (Proposed 16.6, 16.7)</p> <p>Relevant U.N. SDGs: 5 16</p> <p>Relevant U.N. SDG Targets: 5.5, 16.6, 16.7</p>	
<p>Incorporate DE&I goals and objectives into the organization’s long-term sustainability strategy. (WWG; IMA; UNGC)</p>	<p>Do you have documented sustainability goals and metrics related to the “social” aspect of ESG? (Proposed 16.6)</p> <p>Do your documented sustainability goals and metrics related to the “social” aspect of ESG include DE&I-related strategies and indicators? (Proposed 16.6)</p> <p>Relevant U.N. SDGs: 16</p> <p>Relevant U.N. SDG Targets: 16.6</p>	

APPENDIX B: ACTIONABLE PRACTICES AND MEASUREMENT SOURCES

Inventory Code	Organization/Research	Website
AAA	American Accounting Association	aaahq.org
ACCA	Association of Chartered Certified Accountants	accaglobal.com
AICPA	Association of International Certified Professional Accountants	aicpa.org
ALPFA	Association of Latino Professionals For America	alpfa.org
Ascend	Ascend	ascendleadership.org
ASCPA	Alabama Society of Certified Public Accountants	ascpa.org
B Lab Global	B Lab Global	bcorporation.net
Blendoor	Blendoor	blendoor.com
Brown-Liburd and Joe, 2020	Helen Brown-Liburd and Jennifer R. Joe, "Research Initiatives in Accounting Education: Toward a More Inclusive Accounting Academy," <i>Issues in Accounting Education</i> , September 2020, pp. 87-110	bit.ly/3B1Xikw
CalCPA	California Society of CPAs	bit.ly/363UQPI
CAQ	Center for Audit Quality	thecaq.org
Chronicle	Chronicle of Higher Education, <i>Diversifying Your Campus: Key Insights and Models for Change</i> , 2021	bit.ly/3stLXpF
COCPA	Colorado Society of CPAs	cocpa.org
CPA-Aus	CPA Australia	cpaaustralia.com.au
CPA-EFI	CPA Endowment Fund of Illinois	bit.ly/3HuPtXe
DEI-S	IMA, CalCPA, and IFAC, Diversifying Global Accounting Talent Research Series	myima.org/DEIresearch
Deloitte	Deloitte LLP	deloitte.com
DiversityInc	DiversityInc, <i>DiversityInc Meeting in a Box: Mentoring/Sponsorship</i> , 2014	bit.ly/3gs0aOp
EY	Ernst & Young	ey.com
Future-Fit	Nordic Sustainability—Future-Fit Business Benchmark	bit.ly/3gyy8k6

Inventory Code	Organization/Research	Website
Gartner, 2019	Mary Baker, "3 Steps to Sustainable Diversity and Inclusion Strategies," Gartner, October 30, 2019	gtmr.it/3GxUPiV
Gartner, 2019 II	Gartner, "Gartner Says Diversity and Inclusion Are the No. 1 Talent Management Priority for CEOs; Most D&I Initiatives Ineffective," October 30, 2019	gtmr.it/3opEmrb
GLWC	Global Living Wage Coalition	globallivingwage.org
GRI	Global Reporting Initiative	globalreporting.org
Harver, 2021	Harver, "Diversity and Inclusion Metrics: What and How to Measure," February 25, 2021	bit.ly/3oqElh4
HU-CAE	Howard University Center for Accounting Education	bit.ly/3HxfaGK
ICPAS	Illinois CPA Society	icpas.org
IFAC	International Federation of Accountants	ifac.org
IMA	Institute of Management Accountants	imanet.org
IMA DI Kit	IMA, <i>Diversity & Inclusion Jump-Start Kit</i> , 2020	bit.ly/3HGVzUj
INCPAS	Indiana CPA Society	incpas.org
JICPA	The Japanese Institute of Certified Public Accountants	jicpa.or.jp
J.S. HELD	J.S. Held	jsheld.com
KP	Kaiser Permanente	kp.kaiserpermanente.org
KPMG	KPMG	kpmg.com
Krentz, 2019	Matt Krentz, "Survey: What Diversity and Inclusion Policies Do Employees Actually Want?" <i>Harvard Business Review</i> , February 5, 2019	bit.ly/3glcfVD
Lindsey, King, Membere, et al., 2017	Alex Lindsey, Eden King, Ashley Membere, and Ho Kwan Cheun, "Two Types of Diversity Training That Really Work," <i>Harvard Business Review</i> , July 28, 2017	bit.ly/3Gyr8zy
Martin, 2020	Matt Martin, "5 moves that actually increase diversity, equity and inclusion," <i>Chief Learning Officer</i> , August 27, 2020	bit.ly/3rFbqNy
MSCPA	Massachusetts Society of CPAs	masscpas.org
NABA	National Association of Black Accountants	nabainc.org
NASDAQ	Nasdaq, Inc.	nasdaq.com
NJCPA	New Jersey Society of Certified Public Accountants	njcpa.org
NYSSCPA	New York State Society of Certified Public Accountants	nysscpa.org

Inventory Code	Organization/Research	Website
PBJ	Suzanne Stevens, "The accounting industry has a diversity problem. Here's what Portland firms are doing about it," <i>Portland Business Journal</i> , January 31, 2022	bit.ly/3uGioDV
PG	Procter & Gamble	pg.com
PwC	PwC	pwc.com
Romansky, Garrod, Brown, et al., 2021—GII	Lauren Romansky, Mia Garrod, Katie Brown, and Kartik Deo, "How to Measure Inclusion in the Workplace," <i>Harvard Business Review</i> , May 27, 2021 (Introduction of the Gartner Inclusion Index)	bit.ly/3seGenK
Ross, Clarke, Wells, 2014	Frank K. Ross, Allyson T. Clarke, and Jean T. Wells, <i>Attracting Underrepresented Minorities to the Accounting Profession: Insights into Diversifying the Talent Pipeline</i> , Howard University School of Business Center for Accounting Education, April 2014	
Shahbaz, 2021	Ali Shahbaz, "Deloitte's New Initiative Commits \$75 Million to Increase Diversity in Accounting," <i>Forbes</i> , June 2, 2021	bit.ly/3LiGSsU
Textio	Textio	textio.com
The PhD Project	The PhD Project	phdproject.org
The Tenure Project	University of Washington—The Tenure Project	bit.ly/34lpXiD
TXCPA	Texas Society of Certified Public Accountants	tx.cpa
UHS-UCB	University Health Services, University of California, Berkeley, <i>A Toolkit for Recruiting and Hiring a More Diverse Workforce</i> , April 2013	bit.ly/3opEYgt
UMASS	University of Massachusetts Amherst, <i>What Works? Evidence-Based Ideas to Increase Diversity, Equity, and Inclusion in the Workplace</i>	bit.ly/3gzpPoo
UNGC	United Nations Global Compact	unglobalcompact.org
U.S. SEC	U.S. Securities & Exchange Commission	sec.gov
VSCPA	Virginia Society of CPAs	vscpa.com
WEP	Women's Empowerment Principles	weps.org
WBA	World Benchmarking Alliance	worldbenchmarkingalliance.org
WWG	World Wide Generation	worldwidegeneration.co

APPENDIX C: DE&I ADVOCATES

Organization	Website
GLOBAL	
American Accounting Association (AAA)	aaahq.org
Association of Chartered Certified Accountants (ACCA)	accaglobal.com
FP&A Trends Group	fpa-trends.com
IMA (Institute of Management Accountants)	imanet.org
International Federation of Accountants (IFAC)	ifac.org
ASIA-PACIFIC	
ASEAN Federation of Accountants (AFA)	afa-accountants.org
The Japanese Institute of Certified Public Accountants (JICPA)	jicpa.or.jp
Vietnam Association of Certified Public Accountants (VACPA)	vacpa.org.vn
Vietnam Association of Accountants and Auditors (VAA)	vaa.net.vn
Institute of Indonesia Chartered Accountants (IAI)	web.iaiglobal.or.id
Mongolian Institute of Certified Public Accountants (MonICPA)	monicpa.mn
Lao Chamber of Professional Accountants and Auditors (LCPAA)	lcpaa.la
Institute of Singapore Chartered Accountants (ISCA)	isca.org.sg
CPA Australia	cpaaustralia.com.au
EUROPE AND THE MEDITERRANEAN	
Union of Chambers of Certified Public Accountants of Türkiye (TÜRMOB)	turmob.org.tr
The Institute of Certified Public Accountants of Cyprus (ICPAC)	icpac.org.cy
MIDDLE EAST	
Lebanese Association of Certified Public Accountants (LACPA)	lacpa.org.lb
Palestinian Association of Certified Public Accountants (PACPA)	pacpa.ps
Jordan Association of Management Accountants (JAMA)	jama.jo
Iraqi Association of Certified Accountants (IACA)	iaca-iraq.org
Iraqi Union of Accountants and Auditors (IUAA)	iquaa.com

Organization	Website
NORTH AMERICA - U.S.	
Ascend	ascendleadership.org
Alabama Society of Certified Public Accountants (ASCPA)	ascpa.org
Alaska Society of CPAs (AKCPA)	akcpa.org
Association of Latino Professionals For America (ALPFA)	alpfa.org
California Society of CPAs (CalCPA)	calcpa.org
Center for Audit Quality (CAQ)	thecaq.org
Colorado Society of CPAs (COCPA)	cocpa.org
The Educational Foundation for Women in Accounting	efwa.org
Florida Institute of Certified Public Accountants (FICPA)	ficpa.org
Hawaii Society of Certified Public Accountants (HSCPA)	hscpa.org
Healthcare Financial Management Association (HFMA)	hfma.org
Illinois CPA Society (ICPAS)	icpas.org
Indiana CPA Society (INCPAS)	incpas.org
Iowa Society of CPAs (ISCPA)	iacpa.org
Kansas Society of CPAs (KSCPA)	kscpa.org
Kentucky Society of Certified Public Accountants (KyCPA)	kycpa.org
Maine Society of Certified Public Accountants (MECPA)	mecpa.org
Maryland Association of Certified Public Accountants (MACPA)	macpa.org
Massachusetts Society of CPAs (MassCPAs)	masscpas.org
Michigan Association of Certified Public Accountants (MICPA)	micpa.org
Mississippi Society of Certified Public Accountants (MSCPA)	ms-cpa.org
National Association of Black Accountants (NABA)	nabainc.org
National Society of Black Certified Public Accountants (NSBCPA)	nsbcpa.org
Nebraska Society of Certified Public Accountants (NESCPA)	nescpa.org
Nevada Society of Certified Public Accountants (NVCPA)	nevadacpa.org
New Hampshire Society of Certified Public Accountants (NHSCPA)	nhscpa.org

Organization	Website
NORTH AMERICA - U.S.	
New Jersey Society of Certified Public Accountants (NJCPA)	njcpa.org
New York State Society of Certified Public Accountants (NYSSCPA)	nysscpa.org
North Carolina Association of Certified Public Accountants (NCACPA)	ncacpa.org
Oklahoma Society of CPAs (OSCPA)	oscpa.org
Oregon Society of Certified Public Accountants (OSCPA)	orcpa.org
Pennsylvania Institute of Certified Public Accountants (PICPA)	picpa.org
Rhode Island Society of Certified Public Accountants (RISCPA)	riscpa.org
Society of Louisiana Certified Public Accountants (LCPA)	lcpa.org
Tennessee Society of CPAs (TSCPA)	tscpa.com
Texas Society of Certified Public Accountants (TXCPA)	tx.cpa
The PhD Project	phdproject.org
Utah Association of CPAs (UACPA)	uacpa.org
Virginia Society of CPAs (VSCPA)	vscpa.com
Washington Society of Certified Public Accountants (WSCPA)	wscpa.org
West Virginia Society of CPAs (WVSCPA)	wvscpa.org
Wisconsin Institute of Certified Public Accountants (WICPA)	wicpa.org
Wyoming Society of Certified Public Accountants (WYOCPA)	wyocpa.org

APPENDIX D: RESEARCH APPROACH—JURISDICTIONAL VIEW

The research approach employed for each of the four studies preceding this capstone study included an online survey and interviews of persons within each respective jurisdiction. Each of the four foundational studies in the global series was performed in partnership with organizations local to the respective geographic area of focus. An online survey was distributed to current and former members of the accounting profession within each jurisdiction, and interviews were conducted with a subset of study participants. The number of study participants per region is available in Table 2. A list of the organizations engaged in the individual studies is available within each regional report. Further detail on the demographic composition of study participants is available in Figure D1 and Table D1.

FIGURE D1: DEMOGRAPHIC COMPOSITION OF GLOBAL STUDY PARTICIPANTS—GENDER

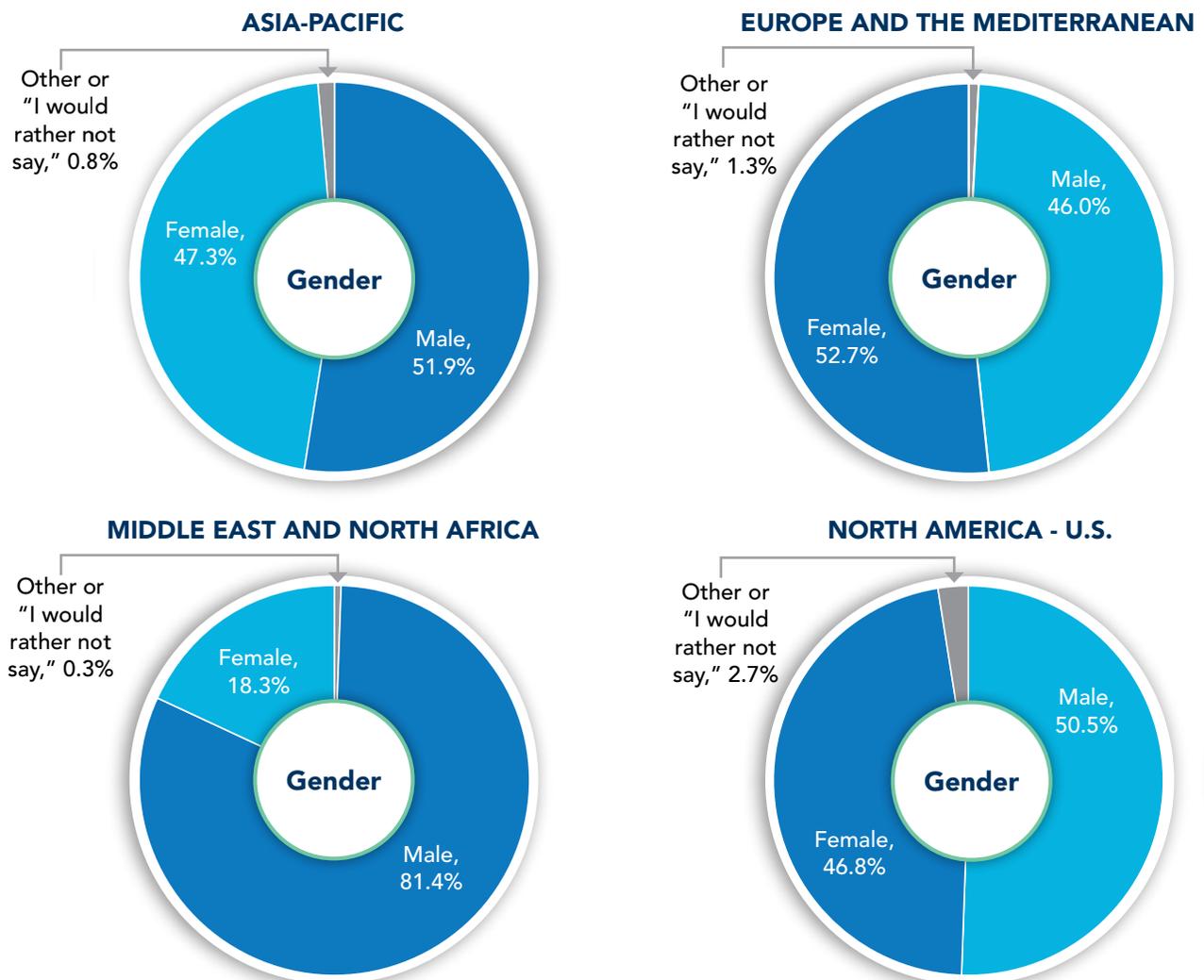


TABLE D1: DEMOGRAPHIC COMPOSITION OF GLOBAL STUDY PARTICIPANTS—LOCATION

Asia-Pacific	Europe and the Mediterranean	Middle East and North Africa	North America
Australia	Austria	Egypt	United States
Indonesia	Belgium	Iraq	
Japan	Cyprus	Jordan	
Laos	France	Kuwait	
Malaysia	Germany	Lebanon	
New Zealand	Ireland	Pakistan	
Philippines	Luxembourg	Palestinian National Authority	
Singapore	Netherlands	Qatar	
Thailand	Poland	Saudi Arabia	
Vietnam	Portugal	Sudan	
	Romania	United Arab Emirates	
	Russia	Yemen	
	Spain		
	Switzerland		
	Turkey		
	United Kingdom		

Limitations

- This study employed nonstatistical sampling methods. Results are based on analysis of the adduced data, but representativeness of the sample cannot be measured with precision.
- In conducting interviews, during instances of intersectionality, the research team and study participants often could not differentiate between personal narratives based on one demographic (such as race, ethnicity, or nationality) vs. another demographic (such as gender). For example, it was not uncommon for a woman of an underrepresented race, ethnicity, or nationality to state she was unable to discern whether inequitable or exclusive behavior toward her is prompted by her race, ethnicity, or nationality, or her gender.
- The survey produced voluminous data that were analyzed for the purpose of identifying major trends and potential solutions. Cross-comparison on all questions was not conducted. Further analysis in the future may yield results that provide additional depth of insight. •

ENDNOTES

- ¹ Loreal Jiles, Shari Helaine Littan, and Diane Jules, *Diversifying U.S. Accounting Talent: A Critical Imperative to Achieve Transformational Outcomes*, IMA and CalCPA, February 2021, bit.ly/3s9NW1P.
- ² IFAC, "Overview of the IESBA Code—Parts and Sections," bit.ly/3DpnTt6.
- ³ Phebian Davis, Denise Dickins, Julia Higgs, and Joseph D. Reid, "Auditing While Black: Revealing Microaggressions Faced by Black Professionals in Public Accounting," *Current Issues in Auditing*, Fall 2021, pp. A24-A33, bit.ly/3uLLgde; Sarah S. Walker, Abby Corrington, Mikki Hebl, and Eden B. King, "Subtle Discrimination Overtakes Cognitive Resources and Undermines Performance," *Journal of Business and Psychology*, April 2021; Eden King and Kristen Jones, "Why Subtle Bias Is So Often Worse than Blatant Discrimination," *Harvard Business Review*, July 13, 2016, bit.ly/3Gm8VnG.
- ⁴ Kimberlé Crenshaw, "Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory and Antiracist Politics," *The University of Chicago Legal Forum*, 1989, pp. 139-167, bit.ly/3uxNk9n.
- ⁵ IFAC's Points of View, "Embracing a People-Centered Profession," December 2020, bit.ly/3uv1yYG.
- ⁶ IESBA, *International Code of Ethics for Professional Accountants (including International Independence Standards)*, bit.ly/3Gf1L4H.
- ⁷ UNGC, "Who We Are," bit.ly/3AVAPWw.
- ⁸ UNGC, "Application Process," bit.ly/34iWvzV.
- ⁹ GRI and UNGC, *Business Reporting on the SDGs: An Analysis of the Goals and Targets*, 2017, bit.ly/3gp80rX.
- ¹⁰ European Commission, "Sustainable finance," bit.ly/35DJVsK; European Commission, "Corporate sustainability reporting," bit.ly/35RoOGb.
- ¹¹ SEC, "Modernization of Regulation S-K Items 101, 103, and 105," 2020, bit.ly/3smWlQ6.
- ¹² SEC, "SEC Announces Annual Regulatory Agenda," June 11, 2021, bit.ly/3HzVEcp; Office of Information and Regulatory Affairs, "Agency Rule List—Fall 2021: Securities and Exchange Commission," bit.ly/3ovlNI6.
- ¹³ For timely updates on ESG regulatory instruments around the world, see The Reporting Exchange—WBCSD/Arabesque: app.reportingexchange.com; Carrots & Sticks—GRI/KPMG: www.carrotsandsticks.net.
- ¹⁴ GRI, *GRI Standards, GRI 405: Diversity and Equal Opportunity 2016*, bit.ly/3GualXV.
- ¹⁵ SASB, *Professional & Commercial Services, Sustainability Accounting Standard*, bit.ly/3JcTlqM.
- ¹⁶ SASB, "Human Capital," bit.ly/3rz2YMF.
- ¹⁷ World Economic Forum, *Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation*, September 2020, bit.ly/3sm3MHn.
- ¹⁸ Frank Dobbin and Alexandra Kalev, "Why Diversity Programs Fail and What Works Better," *Harvard Business Review*, July-August 2016, bit.ly/3Ergl8E.
- ¹⁹ Frank Dobbin and Alexandra Kalev, "The Origins and Effects of Corporate Diversity Programs," *The Oxford Handbook of Diversity and Work*, ed. Quinetta M. Roberson, Oxford University Press, New York, 2013, pp. 253-281; Chronicle of Higher Education, *Diversifying Your Campus: Key Insights and Models for Change*, 2021, bit.ly/3stLXpF.
- ²⁰ Patricia G. Devine, Patrick S. Forscher, Anthony J. Austin, and William T.L. Cox, "Long-term reduction in implicit race bias: A prejudice habit-breaking intervention," *Journal of Experimental Social Psychology*, November 2012, pp. 1,267-1,278; Dobbin and Kalev, 2016.
- ²¹ Davis, et al., 2021.
- ²² CAQ, *Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities*, 2022, bit.ly/3LxEKgl.
- ²³ Alexandra Kalev, Frank Dobbin, and Erin Kelly, "Best Practices or Best Guesses? Assessing the Efficacy of Corporate Affirmative Action and Diversity Policies," *American Sociological Review*, August 2006, pp. 589-617; Dobbin and Kalev, 2016.

- ²⁴ Alex Lindsey, Eden King, Ashley Membere, and Ho Kwan Cheung, “Two Types of Diversity Training That Really Work,” *Harvard Business Review*, July 28, 2017, bit.ly/3Gyr8zy.
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- ²⁶ Jiles, et al., 2021.
- ²⁷ ICAS, “ICAS Code of Ethics,” bit.ly/3sqV36M.
- ²⁸ ICAS, *Guidance to the ICAS Code of Ethics: Equality, Diversity and Inclusion*, March 2021, bit.ly/3Jh7pFb.
- ²⁹ AICPA, *CPA Firm Competency Model: New Diversity and Inclusion Competencies*, January 2021, bit.ly/3uC7bV0.
- ³⁰ AICPA, “AICPA Accounting Profession Diversity Symposium,” bit.ly/3rB3A7S.
- ³¹ CPA Canada, *Transforming to Meet the Needs of the Future: The CPA “Way Forward” Competency Map*, 2021, bit.ly/3uyarRa.
- ³² See pp. 3, 8, and 12 of IESBA’s current Strategy and Work Plan, 2019–2023, *Elevating Ethics in a Dynamic and Uncertain World*, April 2019, bit.ly/3urE3j6.
- ³³ CEO Action for Diversity & Inclusion, ceoaction.com.