



THE SOCIETY OF PENSION  
PROFESSIONALS

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Dear Consultation Team:

**SPP Response to Proposals for regulatory requirements on DEI consultation.**

We welcome the opportunity to respond to this consultation.

**Detailed Response**

**1. To what extent do you agree with the proposal to amend Principle 1.1?**

Neutral

SPP is fully supportive of the intent and direction of travel of the amendments. However, for a number of these amendments, our strong view is that the expectations are not clear, could be unduly onerous and cannot be properly understood without further guidance. The lack of guidance at this stage also makes it difficult to provide a view on the proposals.

Principle 1.1 currently reads “Members must show respect for others in the way they conduct themselves.

The first part will be amended to “Members must show respect for everyone.”

If the Actuaries Code had always read “Members must show respect for everyone”, then we would have no issue with that. However, we are unclear why the change was proposed. Please could this be clarified, so we can understand the difference between the requirements using the word “others” and the word “everyone”.

The second part of this amendment adds “and treat others fairly”.

We note that the IFoA’s own research on intergeneration fairness (Intergenerational Fairness Bulletin : Retirement May 2017) states “fairness is not easy to define”. The SPP agree with that

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statement – fairness is subjective. These bulletins listed a host of areas in which actuaries work and in which arguably there is unfairness.

Further, this amendment could be counter-productive to the intention to encourage DEI. For example, some DEI initiatives may involve “positive discrimination”; within SPP, some members will consider that such actions are unfair, others that they are a proportional method of achieving a legitimate aim and still others that they are fair. We would expect SPP members to respect the views of other SPP members who hold a different view. But this illustrates how difficult it will be in practice for individuals to judge whether or not a disciplinary committee would consider something to be fair. This amendment could therefore be counter-productive. We are not sure why this is required in addition to the new DEI requirement. On this point, it will be key to see the guidance. Without that, we cannot make a judgement as to whether or not the amendment is appropriate.

**2. To what extent do you agree with the proposal to add a new Principle 1.2 to introduce an obligation on Members to encourage DEI?**

Agree.

Again, we are pleased that the IFoA will be publishing additional guidance. However, without seeing this guidance now it is difficult to comment on the appropriateness of these proposals. Nevertheless, on balance we are supportive of these proposals, though we suggest the IFoA consider including elsewhere in the Code given the subjective nature of DEI may mean it is possible to have a disagreement on a DEI issue and still be acting with integrity.

It is helpful that the accompanying material gave some definitions of diversity, equity and inclusion as these terms are subjective and can mean different things. It is essential that information along these lines is included in guidance along with examples, especially as ‘E’ (helpfully) stands for “equity” not “equality”.

We can see from the material accompanying the proposals, that a deliberate decision has been made to use the word ‘encourage’. We think that will engender a change for some members from supporting to actively promoting DEI; in theory, we support that approach. However, the material also explains that it is a ‘should’ and outlines some circumstances in which it would be reasonable for members not to comply. It is essential that this requirement is a ‘should’ for the reasons given. Again, it is also essential that appropriate guidance is provided.

We note that 7.28 of the guidance on Principle 5 notes that “While the principles of the Code are applied to Members universally, what is viewed as unethical conduct will sometimes depend on particular cultural and geographical circumstances”. This will also be true of DEI and so something similar will be required in guidance.

Please see comment in Question 6.

**3. To what extent do you agree with the proposal to add a new Principle 1.3 to introduce an obligation on Members not to subject others to bullying, victimisation or harassment?**

Agree.

Though again there is a risk that these terms could be misinterpreted as these terms can mean different things to different people. For example, there will be times when deadlines are looming

and so some pressure may be applied. It is also possible that the principle could be referenced in making an unwarranted complaint against a member where there is friction between colleagues that might lead to unsubstantiated accusations. Similar to the guidance on speaking up, we think it would be helpful if there were guidance setting out the steps to take so that going forwards working practices could be implemented that work for both parties.

**4. To what extent do you agree with the proposal to amend Principle 5 to include specific DEI requirements?**

Disagree

We have written disagree for two key reasons.

The first is that the Actuaries Code “applies to all Members’ other conduct if that conduct could reasonably be considered to reflect upon the profession”. Each of us in our everyday lives will come across instances which could fall under the new principle 5.2, but it is simply impractical to address each and every one of them. Reassurance is needed here as to the scope of this principle.

Secondly, we are unsure how to read this requirement. If it means that members should always speak up if others are being excluded, then we do not agree. For example, there are times when it is reasonable to exclude people (e.g., because of their level of seniority or a meeting might not be relevant.) These situations could be applicable to junior or experienced individuals.

However, if the “unfairness” refers to both the “excluded” and the “treated”, then we agree, subject to amending the language to make this clearer and guidance addressing the point in our first paragraph.

**5. Do you feel that you would have any concerns about your ability to comply with the proposed amendments to the Code?**

Maybe.

As explained before, the guidance would be key to setting the expectations of the new rules in practice. However, as Principle 1 of the Code applies at a personal level, it could increase the risk that new requirements could be too onerous – please see the response to Question 6. In that sense, although we generally agree with what is stated in the Regulatory Impact Assessment, we welcome adding some further consideration to the potential impacts on individuals.

**6. How significant do you think the impact of the proposed amendments to the Code would be on your professional or personal life?**

Neutral.

With regard to the amendment to principle 1, we note that the examples given all relate to the workplace. However, principle 1 applies to a member’s personal life too. We anticipate that our members of the profession will have differing views on topical and sensitive social issues. Further, some members are likely to be in leadership positions outside work and tasked with implementing decisions which touch on those issues. Guidance would need to reflect similar principles to those in the guidance on ‘voicing opinions’ to recognise there will be limits to DEI in some circumstances. Without this, some members might be accused of not complying with this

part of the code in their personal life where they consider that a DEI approach would be against their beliefs or view of fairness.

Please also see comments in Q4.

**7. Do you feel that DEI values would be better reflected within guidance only?**

Maybe.

As noted in Q1, SPP is fully supportive of the intent and direction of travel of the amendments. As such, putting something in the Actuaries Code gives this a higher profile. However, it was clear from our discussions that SPP members interpreted terms in different ways. Given the subjective nature of these issues and the fact that breaching the Actuaries Code can lead to disciplinary action, it might be better to reflect this in guidance only. In any event, guidance will be essential.

In order for the Actuaries Code to be effective, it should be succinct and clear. As a general point, seeking to add extra requirements to the Actuaries Code risks losing its impact by making it too long. If a decision is taken to continue down the Actuaries Code route, then guidance is needed as soon as possible to understand the expectations in practice and ensure the new standards are not excessively onerous or counter-productive to the objectives. The IFoA should then reconsult with the membership.

**8. Are there any other areas of the Code you feel ought to be amended to reflect DEI expectations?**

No.

**9. If you wish to provide any other feedback not already covered then please do so here.**

No comments.

*Response ends.*

Yours faithfully,

**Kirsty Cotton**

Defined Benefit Committee, SPP

**Fred Emden**

Chief Executive, SPP

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