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DG HR

ECB-RESTRICTED

To: The Executive Board
Via: E. Murciano [approved], M. Diemer [approved]
From: [REDACTED]
Cc: Eglantine Devaux, Ildikó Ráczné Szőke, Kallia Tsitsibikou
Date: 4 November 2021
Subject: **ESCB&SSM Equality, Diversity, and Inclusion Charter**

The ESCB & SSM Diversity Network was established in 2016 as a platform for best practice exchange, to increase cooperation on diversity and inclusion at system level (see Annex I).

The ESCB & SSM Diversity network, following an initiative by the National Bank of Belgium and the ECB to develop a system-level commitment to equality, diversity and inclusion, presented the idea to develop a Charter to the Human Resources Conference (HRC) on 30 September 2019 who supported the proposal. The latter was thereafter introduced to the General Council on 19 December in 2019 who endorsed the initiative. Consequently, an inter-institutional task force was set up to draft an ESCB&SSM Equality, Diversity and Inclusion Charter, which we now propose to be presented to the General Council for approval at their meeting on 2 December 2021.

1. Objective and characteristics of the ESCB & SSM Equality, Diversity and Inclusion Charter

The Charter demonstrates a collective commitment to equality, diversity and inclusion by the signing institutions within the ESCB & SSM. By uniting the individual efforts of diverse organisations, the aim is to have a powerful impact within these peer institutions as workplaces, and within European society.

The other key objectives of the Charter are to: advocate for the value of equality, diversity and inclusion; engage ESCB & SSM colleagues and EU citizens on these topics; inspire the monitoring of progress and the implementation of concrete actions; and facilitate learning within the network of ESCB & SSM institutions.

The key objectives and characteristics of the Charter were agreed at the 4th meeting of the ESCB & SSM Diversity Network in 2019. It is built on shared guiding principles and aims to strike a balance between value-driven commitments and concrete actions. It has been carefully crafted to add value for all signing

institutions, regardless of their diverse levels of maturity on diversity and inclusion. The document is voluntary and aspirational. Its contents are not intended to create new legal obligations or rights for signing institutions.

The Charter’s contents will be regularly revisited to ensure that future changes in best practice on equality, diversity and inclusion are reflected.

2. Development process

In December 2020, a Charter task force was established, comprising representatives from Banco de España, Bundesanstalt für Finanzdienstleistungsaufsicht, Banca d’Italia, Central bank of Ireland and the European Central Bank. A thorough benchmarking and drafting process was conducted (see Annex II for overview of benchmarking findings). Key compliance elements were analysed to ensure that the content of the Charter does not come into conflict with existing system-level mission and principles. Research also covered relevant diversity and inclusion documentation of individual institutions. The final proposal was crafted by the Charter task force in an iterative process that maximised diversity of thought.

The draft was reviewed and amended by numerous stakeholders, including the Charter task force and ESCB & SSM Diversity Network members, their senior management in their respective NCBs/NCAs, and DG/L. The final proposal was endorsed by the HRC on 22 September 2021. On 15 October 2021, it was presented to, and broadly endorsed by, the ECB diversity and inclusion Executive Sponsors and strategic allies – Elizabeth McCaul, Philip Lane, Frank Elderson and Michael Diemer.

3. Communication and outreach approach

Internal and external outreach activities are envisaged to communicate the Charter to staff members within the ECB and to the NCBs and NCAs who opt to sign it, as well as to the general public. Key stakeholders will be informed and engaged with in a stepwise approach.

An overview of the key proposed initiatives can be found in the table below.

Timeframe	ECB internal communication activities	External communication activities
Q4 2021	<ul style="list-style-type: none"> Dedicated sessions to inform the ECB D&I Community¹ 	<ul style="list-style-type: none"> Presentation at the 6th ESCB&SSM Diversity Network Annual Meeting
Q4 2021 - Q1 2022	<ul style="list-style-type: none"> Email and presentations to inform key stakeholders including all ECB management 	<ul style="list-style-type: none"> Email to NCAs and NCBs with information, resources and invitation to sign the Charter Virtual signing ceremony
Q1 2022	<ul style="list-style-type: none"> Article for all staff with an announcement and input from ECB D&I Executive Sponsors and/or the President 	<ul style="list-style-type: none"> Social media post on President’s and D&I Executive Sponsors’ channels to announce the Charter to the general public.

¹ Diversity & Inclusion Ambassadors, Employee Networks, Staff Committee and International and European Public Services Organisation (IPSO)

DG/HR and DG/C are preparing a detailed communication plan which will be consulted with the Eurosystem/ESCB Communications Committee (ECCO) with a view to maximising system-wide impact.

The triggering event of the approval process will be the formal signing ceremony, attended virtually by senior leaders – ideally Governors/Presidents – from the signing institutions. In the long term, engagement on the topic will be fostered by revisiting the commitments in the Charter and taking stock of progress at each institution that signed it.

The *Executive Board* is invited to:

- (a) endorse the ESCB & SSM Equality, Diversity and Inclusion Charter, to be signed by the President on behalf of the ECB as a signing institution;**
- (b) decide to consult the Supervisory Board by means of a cover letter from the President to the Chair of the Supervisory Board;**
- (c) decide to delegate to the President the assessment of possible comments in the context of the consultation of the Supervisory Board, with a view to submitting the possibly revised documentation, with exception of this memo, to the members of the General Council, for consideration at their meeting on 2 December 2021.**

Annex 1: Description of ESCB&SSM Diversity Network

On 19 May 2015 the Executive Board decided to create an ESCB&SSM Diversity Network, following which the ECB approached the Heads of Personnel of all NCBs and NCAs of the EU Member States and invited them to nominate one representative from their institution to join the network.

The Network meets on an annual basis and the meetings are co-hosted by NCBs or NCAs on a voluntary basis. The first meeting took place in 2016, hosted by the ECB, with an initial focus on gender diversity. Thereafter the meetings dealt with the topics of unconscious bias, cultural diversity, cognitive diversity, age diversity, third gender and inclusive workplaces.

To date it consists of 23 member National Central Banks and Competent Authorities out of 35 eligible institutions: the ECB, Banca d'Italia, Nationale Bank van België/Banque Nationale de Belgique, Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Česká národní banka, Danmarks Nationalbank, Deutsche Bundesbank, Central Bank of Ireland, Banco de España, Banque de France, Lietuvos bankas, Banque centrale du Luxembourg, De Nederlandsche Bank, Oesterreichische Nationalbank, Banco de Portugal, Banca Națională a României, Suomen Pankki, Sveriges Riksbank, Finanzmarktaufsicht in Österreich, Banka Slovenije, Central Bank of Malta, Central Bank of Cyprus and Malta Financial Services Authority.

Annex 2: Overview of Benchmarking Exercise

As part of the benchmarking exercise, 38 relevant documents were identified and analysed. The list included national charters, relevant Diversity & Inclusion documents from NCAs and NCBs and key compliance elements (e.g. Eurosystem Mission Statements).

An overview of the main themes identified across the documents is provided in the table below.

Section	Key themes
Introduction	<ul style="list-style-type: none"> • Statement of commitment to valuing diversity, building inclusive workplaces and equal opportunities • Recognition of benefits brought by equality, diversity and inclusion (e.g. source of innovation and business success) • Mention of key characteristics (e.g. voluntary, principle-based)
Vision and aims	<ul style="list-style-type: none"> • Outline of key guiding principles and shared beliefs • Broad goals of raising awareness, combating stereotypes and discrimination, building a culture of inclusion, facilitating measurement of progress, and collaborating with other institutions
Commitments	<ul style="list-style-type: none"> • Action driven commitments, such as fostering engagement and accountability of leaders, setting internal diversity targets, communicating internally and externally, providing training on D&I, creating an inclusive employer brand, ensuring that Human Resources practices and policies are free of bias (particularly recruitment process) • Value-driven commitments, such as promoting positive attitudes towards diversity, raising awareness, encouraging a dialogue on D&I across the organisation, respecting everyone
Other	<ul style="list-style-type: none"> • Differentiation between direct and indirect discrimination