

June 2024

# Progress on Our Pledge

Diversity, equity and inclusion annual report


**DIAMOND HILL**

INVESTED IN THE LONG RUN



At Diamond Hill, we believe differentiated thinking is necessary for delivering excellent investment outcomes for our clients. Therefore, we are committed to fostering an environment that is diverse, equitable and inclusive to empower intellectually curious professionals to do their best work.

In our [2020 pledge](#), we formalized and amplified our efforts to support diversity, equity and inclusion (DEI). Our DEI initiatives are driven by associates across the firm who are enthusiastic about leading sustainable efforts under four pillars: inclusive culture, workforce diversity, philanthropy and community, and vendor and policy. We have also committed the necessary resources and created a structure to ensure we can continue to prioritize and execute on initiatives.



Our DEI work is advanced through our DEI Action Team, which consists of associate volunteers from across the firm who work with management to develop and execute on initiatives that further our mission.

We believe it takes the sustained efforts of us all to keep DEI progress going, and that knowledge-sharing plays a key role in fostering DEI throughout our industry and community. Therefore, we remain committed to sharing our ideas, practices and lessons learned from our DEI journey with partners and clients. This commitment falls under each of our pillars and is shared by all members of our DEI Action Team.

We know DEI is a continuous journey, and we recognize that transparency and accountability are critical to driving real change. As such, we are pleased to provide our third annual report on progress we have made on our pledge and additional commitments over the past year.

## Inclusive Culture



### Our commitment

An inclusive culture is imperative to support diversity in any organization. Under this pillar, we aim to foster inclusion at Diamond Hill and communicate openly with associates on our DEI progress and efforts. Areas of focus in our inclusive culture work include:

- Building awareness around DEI issues in the workplace and aiming to further embed DEI into our culture at Diamond Hill.
- Fostering conversation and employee engagement.
- Increasing communications and transparency both internally and externally.

### Building awareness and further embedding DEI into our culture

#### *New initiatives since July 2023*

- Associates completed harassment prevention and inclusive culture courses. We also made available a wide range of courses, including micro-learning videos and documents on DEI topics such as allyship, microaggressions and anti-racism. We also now require new associates to complete unconscious bias training within their first 90 days of employment.
- We hosted an investment consultant to highlight real-life examples about how DEI influences the decisions they and their clients make and ways their DEI views have evolved over time.

#### *Ongoing initiatives*

- We provide a training platform that enables associates to engage in self-education so we can build a shared vocabulary, develop new skills and work together to strengthen our inclusive culture.
- We hold DEI interest group meetings to inform associates about our DEI initiatives and provide opportunities for feedback and recommendations for future partnerships and areas of focus.

## Fostering conversation and employee engagement

### Ongoing initiatives

- We invite organizational leaders and other professionals in DEI spaces to present or lead discussions with associates.
- We have multiple ways to share DEI resources internally, including articles, podcasts, TED talks and personal experiences from associates, to encourage active learning, personal growth and conversations. All associates also receive our “Did You Know” series which help increase awareness of important events, topics and celebrations that may have historically been overlooked.

## Increasing communication and transparency

### Ongoing initiatives

- We publish our annual DEI report each June to provide updates on our commitments and progress.
- Our emphasis on transparency is reflected on our company website, which features a dedicated DEI section and includes our DEI philosophy and access to our annual progress report. We also have a dedicated DEI section on our internal site and produce a DEI newsletter sent to all associates.
- We measure progress in fostering an inclusive culture, in part, by asking questions in engagement surveys designed to help uncover sentiments around inclusion.

We were pleased to see that survey respondents continued to express positive sentiments around inclusion, belonging and fairness in 2023. One area of focus for 2024 and beyond will be to continue to foster an environment where associates are encouraged to seek differing perspectives and be open-minded.

# Workforce Diversity



## Our commitment

We aim to create an inclusive workforce that values and promotes diversity over the long term. We believe a more diverse team of associates can help us better achieve outstanding results. Areas of focus in our workforce diversity pillar include:

- Establishing and growing a program aimed at providing internship and permanent employment opportunities to historically underrepresented groups as well as a student loan forgiveness program for our interns and permanent employees.
- Refocusing our recruitment practices to ensure we proactively seek a diverse slate of candidates for open roles. If we are unable to source diverse talent for consideration for new roles, we will engage third-party resources to increase our pool of qualified diverse candidates.
- Fostering and supporting diversity among our own associates. This includes expanding our inclusive hiring practices and broadening the diversity of candidates we reach in our recruiting efforts.
- Working to further contribute to the representation of historically underrepresented groups in our industry’s talent pipeline. This includes sponsoring educational initiatives for students from historically underrepresented groups, including scholarship opportunities.

**Refocusing recruitment practices and expanding our hiring programs to increase internship and employment opportunities, grow the industry pipeline for diverse talent and foster diversity among our associates***New initiatives since July 2023*

- We updated our hiring philosophy and related interviewing toolkit to ensure our hiring process is inclusive and consistent across all roles.
- We explored intentional and proactive hiring techniques to increase the number of students from historically underrepresented groups in our summer internship class, including the following:
  - We began inviting intern candidates from diverse and historically underrepresented populations to spend time in Columbus, at Diamond Hill's office and with our associates; and
  - We piloted blind recruitment activities as part of our intern hiring process.
- We worked with The Ohio State University's Women in Business student organization to create the first Women in Investment sub-group. This effort is led by Diamond Hill associates and is tailored to help students explore, learn and excel in the field of investing.
- We established a new partnership with a Columbus community-based, leadership-development program whose mission is to increase the number of African American leaders while broadening the Columbus community's awareness of the wide pool of capable and civic-minded African American professionals.

*Ongoing initiatives*

- Our five-year average employee turnover rate is less than 9%. Therefore, to improve the diversity of our associate population, we continue to ensure we consider a sufficiently diverse slate of candidates in our hiring process. We also collect demographic data from applicants to ensure we meet this commitment.
- We partner with several colleges and universities for recruitment, mentorship and education, participating in a number of virtual and in-person events. For example, our CEO and members of our investment team spoke at a number of events for college students to spur recruitment for our firm.
- We partner with various local Columbus schools and organizations aimed at encouraging high school students to learn about and consider careers in the financial services industry.
- Our internship program includes a comprehensive education component, with multiple sessions open to our partner colleges and other diversity programs.
- Our scholarship and loan forgiveness programs are intended to help reverse the disproportional student loan gap and support long-term financial wellness and equity for underrepresented groups. Interns and full-time employees are eligible to receive a monthly contribution to assist with the repayment of their qualified student loans. Additionally, we seek to award up to two scholarships each year to summer interns who demonstrate our core values of curiosity, ownership, trust and respect.
- We continue to offer housing assistance and other benefits for our summer interns to make our program more attractive to a broader population.
- In conjunction with our philanthropy efforts, we established and/or expanded partnerships with several organizations to help build a more diverse financial services industry talent pipeline and broaden our own recruitment efforts. These partners included the National Association of Securities Professionals (NASP), Jopwell, Sponsors for Educational Opportunity (SEO) and Rock the Street, Wall Street.

We continue to publicly disclose demographic data for our corporate board, mutual fund board, management team and associate populations on our web site. We believe providing this transparency demonstrates our commitment to, and accountability for, improving the diversity of our workforce over time.

## Philanthropy and Community



### Our commitment

We believe we can have a positive impact on our industry and our community through our philanthropic activities. Our activities under this pillar are guided by three aims:

- Building a more diverse financial services industry talent pipeline.
- Emphasizing efforts that focus on historically underrepresented groups, with partnerships allowing Diamond Hill to have an outsized impact.
- Supporting organizations that contribute to a vibrant minority business community.

To aid our efforts, in 2020, we pledged an initial \$1 million over five years to organizations that support anti-racism and DEI efforts. Thus far, we have distributed and/or committed more than two thirds of our pledged funds to partners and organizations, and we remain on track to distribute at least \$1 million by the end of 2025.

### **Building a more diverse financial services pipeline and focusing on historically underrepresented groups**

#### *New initiatives since July 2023*

- We were honored to receive the DEI Achievement Award from Thompson Hine, one of our law firm partners, for our DEI efforts. This annual award recognizes one client or other community member who shares Thompson Hine's commitment to DEI and demonstrates exceptional efforts and leadership in advancing the values of DEI in their organization, industry and community.

#### *Ongoing initiatives*

- We continue to seek partnerships with organizations that source financial services career opportunities for members of diverse and/or historically underrepresented groups.
- We collaborate with SEO Career, a professional development program focused on mentoring and job placement for historically underrepresented groups, to recruit and hire top talent from for our summer internship program. SEO also hosted a discussion with our associates to highlight our partnership and the work the organization does.
- Our CEO and associates have been speakers at and participated on panels at industry conferences, discussing our DEI initiatives and journey.
- Our associates participate on the DEI committees of various industry trade associations, both to share ideas and best practices and to develop recommendations and materials to support further industry progress.
- We share and discuss our annual progress reports with our partners and clients and collaborate about our respective DEI journeys.

## Emphasizing efforts that focus on historically underrepresented groups, with partnerships allowing Diamond Hill to have an outsized impact

### *New initiatives since July 2023*

- We sponsored the first regional Student Diversity Leadership Conference, which was a multiracial, multicultural gathering hosted by four high schools in Columbus. This event focused on helping students develop effective strategies for social justice practice through dialogue and networking.

### *Ongoing initiatives*

- Our partnership with the National Association of Securities Professionals (NASP) supports its mission to convene, educate and advocate for historically underrepresented and other diverse professionals. For example, our President was a keynote speaker at the 2024 NASP Women's Forum. This event – conceived, planned and hosted by women of color – featured panels and interactive discussions around the advancement, support and empowerment of women in the financial industry.
- We [participate](#) in the Columbus Partnership's DEI Leaders Forum, collaborating with other participants to develop materials and recommendations to assist with the recruitment and retention of Black and minority talent.

## Supporting organizations that contribute to a vibrant minority business community.

### *New initiatives since July 2023*

- We have taken additional steps to increase our support of the minority business community, with an emphasis on equity promotion and leadership development. We established a new partnership with the African American Leadership Academy (AALA) to help expand the number of African American leaders excelling in their professions and engaging in community service throughout Central Ohio.
- We partnered with the Ohio Chamber of Commerce's Research Foundation on a first-of-its-kind Ohio Black-owned business economic impact study. This research is intended to help Ohio policymakers and other key stakeholders be more intentional about fostering the success of Black-owned businesses.

### *Ongoing initiatives*

- To support our associates' engagement with charitable organizations, the firm makes annual financial contributions to non-profit organizations that have Diamond Hill associates as members of their boards or committees.
- Our firmwide community service initiative encourages associates to give their time to local non-profit organizations. Our community engagement calendar also helps promote cultural appreciation and increases our associates' awareness of local volunteer opportunities.

# Vendors and Policy



## Our commitment

We believe we can positively reinforce our DEI efforts internally through our policies, processes and philosophies. Externally, we can extend our impact by partnering with vendors who share our commitment to advancing DEI. Because DEI progress is a journey for us as well as our vendors, we want to evaluate our partners based on where they are trying to go. Our current stated commitments are to:

- Conduct a review of existing vendor relationships to ensure we are doing business with partners who are committed to and hold themselves accountable for DEI progress.
- Ensure at least one minority-, LGBTQ+ or female-owned or -led firm are included in new vendor searches whenever possible.
- Continually evaluate our internal policies, processes and philosophies to ensure they combat systemic biases and create an environment of equity and inclusivity.

**Partnering with vendors who are committed to DEI progress***New initiatives since July 2023*

- We formalized the distribution of our DEI vendor questionnaire as part of our vendor RFP process.

*Ongoing initiatives*

- We partner with minority-, LGBTQ+, and female-owned food, entertainment and other local recreation vendors. We distribute our DEI vendor questionnaire to these vendors as part of our vendor selection process.
- We share our DEI vendor questionnaire with partners and clients wanting to implement a similar survey at their organizations.

**Evaluating our internal policies to create an environment of equity and inclusivity***New initiatives since July 2023*

- We created additional learning opportunities by offering associates DEI-focused training on inclusive culture.
- We increased the frequency of our associate engagement surveys to help us better understand where we are strong and where we have work to do in ensuring that our culture is inclusive.

*Ongoing initiatives*

- We partner with a digital health platform vendor to provide a meaningful range of family-focused services to our associates, which ensures our associates and their families in all locations have safe access to health-care travel assistance and treatment for certain services that are not locally available.
- We offer associates a parent transition month in addition to our paid parental leave to support new parents returning to work with additional flexibility in adjusting to new routines.
- We provide paid parental leave benefits for birth parents to 12 weeks, irrespective of birth type, consistent with the Family and Medical Leave Act.

# Partner Spotlight

Our DEI work is made possible by a number of organizations we partner with. We are grateful to these partners, the excellent work they are doing, and the role they are playing in advancing DEI at our firm, in our industry and in our community.

## **African American Leadership Academy (AALA)**

The African American Leadership Academy (AALA) is a community-based leadership development program that expands the number of African American leaders excelling in their professions and engaging in community service throughout Central Ohio.

## **Columbus Partnership**

The Columbus Partnership is a non-profit, membership-based organization of more than 70 leaders who represent the Columbus business community and strategically consider how to uphold the shared vision of advancing economic development, smart mobility, public policy, education, leadership development, philanthropy, community branding and downtown development in the region.

## **I Know I Can (IKIC)**

IKIC's mission is to inspire, enable and support Columbus City School students in pursuing and completing a college education.

## **Kaleidoscope Youth Center**

KYC has been supporting LGBTQ+ youth since 1994, offering community education, advocacy and civic engagement, health and wellness services and housing opportunities.

## **National Association of Securities Professionals (NASP)**

NASP is the premier organization that helps Blacks, ethnic minorities and women achieve inclusion in the financial services industry.

## **Sponsors for Educational Opportunity (SEO)**

SEO provides college and intern preparation, professional training, education and mentorship across all career stages – all intended to develop and advance careers for historically underrepresented groups.

## **Stonewall Columbus**

Stonewall's mission is to increase visibility, inclusion and connection for the LGBTQ+ community. One of its many programs is Lavender Listings, a platform to reach central Ohio's LGBTQ+ community by listing local products, services and job openings from LGBTQ+ friendly businesses and organizations.

## **The Ohio State University – Women in Business**

Women in Business' mission is to foster a community of students interested in empowering women by encouraging personal and professional growth in supportive environments through meaningful relationships, engaging discussions, leadership development and philanthropy.

## **The WELD/African American Directors' Forum (AADF)**

The WELD/African American Directors' Forum seeks to increase the representation of African Americans in the boardrooms of Ohio's publicly traded companies through a forum that brings together highly qualified African American executives with the CEOs, board chairs and nominating/governance chairs of Ohio-based companies.



# Our Pledge

June 2020

To our Associates, Clients and the Community:

We recognize the roots of racism run deep through America's history. We are outraged that systemic biases remain entrenched, continuing a cycle of inequity and violence while sapping opportunity from people based purely on skin color. We recognize that Black people continue to be deprived of due process under the law. We resolve to do our part to foster diversity and inclusion at Diamond Hill, in our industry and within our community.

In June, along with 750 other Columbus, Ohio-based business leaders, we signed a letter supporting a Columbus City Council resolution declaring racism a public health issue. This was an important first step, but it's just a start. We are taking a hard look internally at what we must do to combat unconscious bias and create more opportunities for diversity. We are committed to a future where our company is reflective of the communities we serve.

As a next step, Diamond Hill is implementing the following tangible measures:

- We are establishing a program aimed at providing internship and permanent employment opportunities to historically underrepresented groups. It will include a student loan forgiveness program. This intends to address the inequalities of the student loan debt gap.
- We will refocus our recruitment practices to ensure we proactively seek diverse candidates for all roles. If we are unable to source diverse talent for consideration for new roles, we will engage third-party resources to increase our pool of qualified diverse candidates.
- We are conducting a broad review of our existing vendor relationships to ensure we are doing business with partners who embrace our commitment to diversity and inclusion. For example, we will seek to ensure that at least one minority or female-owned firm is included in new vendor searches.

At the community level, we are pledging \$1 million over the next five years to organizations that support anti-racism efforts, diversity and inclusion, starting with a \$50,000 donation made to the Columbus Urban League.

Our vision – to be an exceptional active investment boutique that our clients trust to deliver excellent long-term investment outcomes – is better served by the differentiated thinking inherent in a diverse team. It is important that our actions are sustained, and we commit to continue to improve. We should all be held to a higher standard and pledge our commitment to do so.

Signed 18 June 2020:

Diamond Hill Management Team