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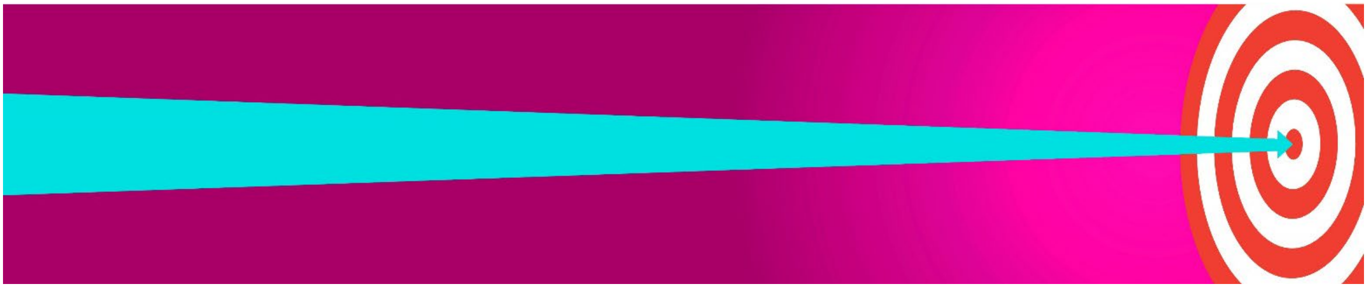

HM Treasury

HM TREASURY WOMEN IN FINANCE CHARTER: ANNUAL REVIEW 2022

MONITORING THE PROGRESS OF SIGNATORIES AND HOLDING THEM TO ACCOUNT

March 2023

by Yasmine Chinwala, Jennifer Barrow and Sheenam Singhal

> Charter signatories bounced back in 2022, with average female representation in senior management reaching 35% after a flat 2021. More signatories are increasing the use of data to monitor the impact of their actions, and most firms are maintaining some form of hybrid working post-pandemic.

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INTRODUCTION

What this review is about

The UK government launched the HM Treasury Women in Finance Charter in March 2016 to encourage the financial services industry to improve gender balance in senior management. The Charter now has more than 400 signatories covering more than a million employees across the sector.

This sixth annual review continues to monitor the progress of signatories against their Charter commitments to increase female representation in senior management, and holds them to account across the four Charter principles (see p4). The Charter data provides uniquely rich insight into female representation in financial services, how companies are executing the Charter principles and where they will need to maintain focus. The review is designed to be used by signatories to benchmark their processes and practices. Our analysis looks at:

- **Progress:** In this section, we look at the signatories that have met their targets ahead of their deadlines and those with 2022 deadlines. We analyse the group that missed their 2022 targets, and why. We also look at whether female representation has increased at signatory firms, and whether signatories with future targets are on track to meet them. For the first time, we look at the top quartile of signatories, all of which have already reached 40% female representation, and explore what sets them apart from the bottom quartile.
- **Driving change:** Here we discuss what signatories are doing to achieve their targets. This section includes an in-depth analysis of actions firms are taking to recruit, promote and retain more women, with examples from across the signatory cohort. We then zoom in on the changing focus of actions as hybrid working becomes standard practice and diversity data collection expands. We also look at the role of the accountable executive, how signatories are linking diversity targets to executive pay, and assess the annual updates that signatories are required to publish on their websites.
- **Context of targets:** This section looks at how ambitious signatories' targets are, where signatories are today compared to their targets, and how signatories define their senior management populations.

Methodology notes

This review analyses annual updates from 235 signatories that:

- signed the Charter before September 2021,
- provided an annual update to HM Treasury in September 2022,
- have at least 100* staff.

Of these 235, 19 are reporting for the first time and 52 are reporting for the sixth time. All data has been anonymised and aggregated, and no data has been attributed without consent. The data was analysed by Sheenam Singhal and Jennifer Barrow under the supervision of Yasmine Chinwala. For full methodology, see Appendix 1 (p32).

* For analysis of the 105 smaller (fewer than 100 staff) Charter signatories that provided 2022 data, see p29-32.

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New Financial is a think tank and forum that believes Europe needs bigger and better capital markets to help drive its recovery and growth.

We believe diversity in its broadest sense is not only an essential part of running a sustainable business but a fundamental part of addressing cultural change.

We provided data to the government-backed Gadhia review of senior women in financial services, *Empowering Productivity*, and we are HM Treasury's data partner monitoring the progress of signatories to the HM Treasury Women in Finance Charter.

New Financial's current diversity research topics include a *Diversity Toolkit for Investors*, *Focus on Disability*, and *The Lowdown on Diversity Data*.

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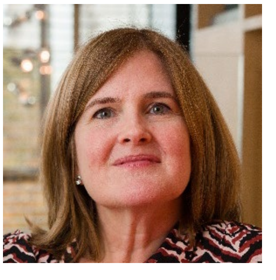
Partner, New Financial**

Yasmine has been a partner leading New Financial's diversity programme since September 2014, specialising in diversity, culture and inclusion issues across the financial services industry. She was awarded an OBE in 2020 for her work on the HM Treasury Women in Finance Charter.



**Jennifer Barrow,
Senior Adviser, New Financial**

Jennifer has been a part time senior adviser to New Financial's diversity programme since September 2018. She was previously head of corporate responsibility for the Financial Conduct Authority for more than four years and spearheaded the D&I function at global law firm Baker McKenzie.

Baroness Penn, Treasury Lords Minister

Since its launch in2016, the Charter has been a catalyst for change. We started out with a vision to increase female representation at senior levels and today we can see that we have come a long way.

This annual review shows that there is much to celebrate this year. Signatories have demonstrated their commitment to delivering on this agenda: analysing data to drill into the issue at hand, setting ambitions high, and working to develop and inspire the leaders of tomorrow. It is most encouraging to see that after last year's stall in progress, our 400+ strong signatory base is back on track.

This report should serve as a marker of strong progress but also a reminder that we shouldn't be complacent. I want to ensure that the Charter continues to be a tool for keeping the sector competitive, innovative, and productive. And I want our signatories to be able to draw on a committed community to be able to solve problems together and share what has worked for them. This journey is not linear, but together we can keep each other accountable, drive growth and boost innovation in the financial services sector.

I would like to thank all involved – our sponsors, New Financial, and our Women in Finance Champion Amanda Blanc, and most of all, our signatories – you are all critical to delivering real, sustainable change.

Amanda Blanc, Group Chief Executive Officer at Aviva, Government Women in Finance Champion

Last year I spoke of the need to use the 2021 report as a warning that we need to double our efforts to achieve gender equality and it seems that many have heeded that warning.

For the first time ever, the percentage of women represented at the highest levels has increased by more than 1%. It was 2% this year but I'll take that – any progress at this stage is good progress. But what is concerning is the gap between the signatories leading the way and those who are not – we all must play our part.

There are common themes running through all the organisations making progress. They are using data to track their diversity levels and the impact decisions have on opportunities. They are making diversity a leadership issue and are holding those leaders to account on their performance. And they are going deeper than just female representation with their research and actions.

This shows two things. First is that the more we focus on data as a tool for accountability, the more progress we make. And two, the more we look to learn from those who are making a difference and making real progress, the more all of us will reach and breach the diversity targets we've set ourselves.

Background to the HM Treasury Women in Finance Charter

In 2015, the UK government commissioned Dame Jayne-Anne Gadhia to lead a review of women in senior management across UK financial services. The review team published their findings in March 2016 in the report [Empowering Productivity: Harnessing the talents of women in financial services](#).

In support of the Gadhia review's recommendations, the UK government launched the HM Treasury Women in Finance Charter in March 2016. Firms of all shapes and sizes across financial services have signed up, with headquarters in the UK, USA, Europe and Asia. Firms sign the Charter on a voluntary basis and set their own targets.

The four Charter principles

In becoming a Charter signatory, firms pledge to promote gender diversity by:

- Having one member of the senior executive team who is responsible and accountable for gender diversity and inclusion;
- Setting internal targets for gender diversity in senior management;
- Publishing progress annually against these targets on a page on the company's website dedicated to their Charter commitment;
- Having an intention to ensure the pay of the senior executive team is linked to delivery against these internal targets on gender diversity.

https://www.gov.uk/government/publications/women-in-finance-charter

Tim Hinton, CEO of Corporate and Commercial Banking, Santander UK

I am very pleased to welcome the publication of the sixth annual review of the Women in the Finance Charter, and proud to be an Accountable Executive. It is vital to the progression of gender equality in financial services that male colleagues act as allies, supporting and advocating wherever possible, and I take this responsibility extremely seriously.

It is heartening that progress is being made, and a third of signatories have met their targets for female representation in senior management. It is also good news that incentivising the promotion of diversity within firms by linking it to pay is proving effective. There is much to be positive about.

As ever, though, there is more work to be done and no room for complacency. We need to stay focused, finish the job and also be mindful of any implications or impacts from hybrid working, as well as ensuring that we all continue to report on our progress. We are on the right track, and with the level of commitment signatories have shown thus far, I am confident that progress will continue to ramp up.

David Schwimmer, CEO, London Stock Exchange Group

The Women in Finance Charter continues to generate real momentum for change. The Charter is a valuable tool to drive improvements in representation and hold the UK's financial sector accountable. LSEG is proud to be a key signatory.

Inclusion should be embedded into our everyday practices, policies and behaviours. But effective inclusion also requires an organisational commitment to strong leadership and clear priorities. LSEG has made significant progress towards creating a more balanced leadership group. In December 2022, we reached our goal of 40% women in our senior leadership team. For two years, LSEG has featured in the top 10 best performers in the FTSE Women Leaders Review. We're also the only company in financial services recognised in FTSE 100 Leadership Roles, as well as Women on Boards and in Leadership.

We will continue to shape an inclusive culture within our global strategy, focusing on a data-led approach and driving inclusion not only at LSEG, but across the financial services sector.

Chris Hayward, Policy Chairman, City of London Corporation

This sixth annual Women in Finance Charter shows what can be achieved when dedicated people drive meaningful change. Senior female representation now stands at 35%, while four-fifths of Charter signatories have met or are on track to meet their targets. Such figures show that we are moving in the right direction, but more work must be done. A gap has emerged between the best and worst performers – the leaders and laggards – and this is something we must closely monitor and take action on.

This report also makes clear that data – the most common tool mentioned by signatories – is vital in driving change. So let's use data to ensure greater female representation in financial services, particularly at senior levels.

The City of London Corporation is committed to ensuring that our workforce, the Square Mile, and the broader UK financial and professional services sector reflects the diversity of the wider population. As such, we're delighted to support the Women in Finance Charter and look forward to our continued partnership.

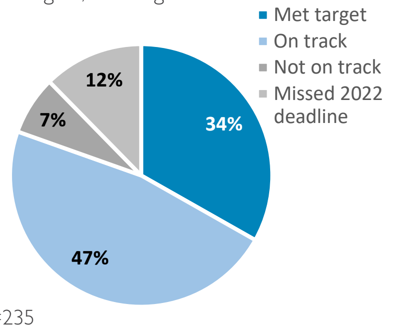
SUMMARY

Highlights of the review

1. **Meeting targets**: A third (34%) of the 235 signatories analysed in this review have met their targets for female representation in senior management, and a further 47% that have targets with future deadlines said they are on track to meet them (Fig.1).
2. **Bounce back from 2021**: After a plateau in progress in 2021 (when average female representation remained flat at 33% year-on-year), signatories have recovered lost ground, reaching an average of 35% in 2022 (Fig.2).
3. **Leaders breaking through 40%**: For the first time, the top quarter of firms (52) signed up to the Charter that conduct regulated financial activities have achieved at least 40% female representation in senior management (Fig.3). But the gap between the top and bottom quartile is getting wider (Fig.10).
4. **Fewer misses in 2022**: Of the 73 signatories with a 2022 deadline, 44 hit their targets (Fig.4b) and the remaining 29 missed (Fig.5), down from 31 in 2021. Of the 29 that missed, 22 were close – either within five percentage points or five appointments of hitting their target.
5. **Data and hybrid core to actions**: The 2022 reporting shows a significant shift in how signatories are using data to monitor actions undertaken to pursue targets and to understand their impact (p13), particularly hybrid working. Post-pandemic, 91% of signatories are exploring some form of hybrid working, and more of them are on the lookout for potential negative impacts on women (p20).
6. **Rapid expansion of diversity data**: Signatories are extending diversity data collection, with 80% capturing additional diversity data about their female senior managers, up from 53% in 2020 (Fig.18). Ethnicity, sexual orientation and disability are the most commonly collected datapoints (Fig.19). However, most firms are at the early stages of analysing this expanded dataset.
7. **Accountable at the top table**: Accountability is sitting at the highest levels of seniority, with almost all (98%) accountable executives (AE) sitting on the executive committee (Fig.20). AEs are taking an increasingly strategic approach, and their role is expanding by adding diversity strands and/or new topic areas, such as gender pay gap reporting and flexible working.
8. **Linking to pay**: More signatories are finding the link between diversity targets and pay is making a difference, with 64% reporting that they believe the link to pay has been effective, up from 53% in 2021 (Fig.22b). The intention of the link to pay is to position diversity as a business issue, rather than voluntary or owned and led by HR and D&I teams.
9. **Strong ambition on targets**: Half of signatories (50%) have set a target of at least 40% (Fig.24), corresponding with HM Treasury's desire for alignment with the *FTSE Women Leaders* review, including one in six with a target of parity. Average targets rose across all signatory sectors and sizes.
10. **Publishing updates**: Publishing progress is the only Charter principle that has not consistently improved over the years. While 77% of signatories posted an online update on their progress by the required deadline on their company website (Fig.23), only 36% included the required details, and the quality and format of reporting varied significantly.

Fig.1 Progress against targets

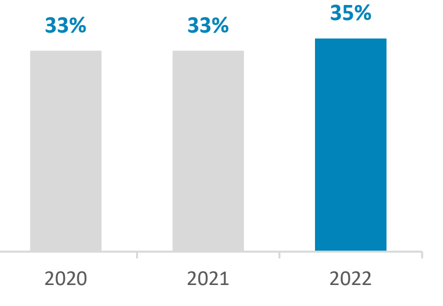
How signatories are progressing against their targets, % of signatories



n=235

Fig.2 Recovery after a flat year

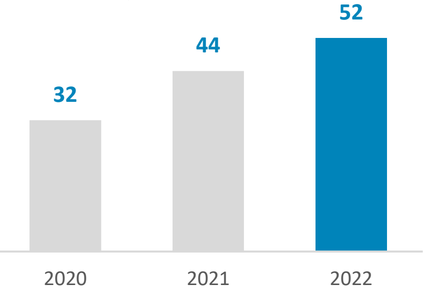
Average level of female representation in senior management since 2020, %



2020 n=211 (due to smaller cohort), 2021 n=234 (excludes one signatory with inadequate data), 2022 n=235

Fig.3 Signatories achieving 40%

Number of signatories* that have achieved at least 40% female representation in senior management since 2020



2020 n=193, 2021 n=189, 2022 n=206
* Excludes signatories that are public sector or do not conduct regulated financial activities

PROGRESS: SIGNATORIES THAT HAVE MET TARGETS

Signatories that have met targets

Setting and meeting targets for female representation in senior management is the foundation of the Charter. Of the 235 signatories in this analysis, a third (79) have met or exceeded their targets.

This group include 35 signatories that met targets ahead of their deadline (Fig.4a) and 44 with a deadline of 2022, earlier than 2022, or a "maintain" target (Fig.4b).

The 79 that have met targets have a wide range of targets, from as low as 20% up to 50%. The average target for the 79 is 38%, which is equal to the 38% average for the whole cohort of 235 signatories. Fifty-eight have a target of at least 33%, 39 have a target of at least 40%, and 12 have achieved parity.

The 79 come from all sectors, with UK banking and insurance having the highest number of signatories – 14 from each – that have met their target in 2022.

In terms of size, 33 are large (1001-10,000), 21 are medium (251-1000) sized, 18 are small (101-250 staff) and 7 are very large (more than 10,000 staff).

† Signatories listed by level of target
Δ Signatories that have set more ambitious targets

KEY TAKEAWAYS

- A third of signatories have met or exceeded their targets
- The 79 that met targets do not have easy targets – their average target is 38%, the same as the full cohort
- The 79 come from all sectors and company sizes

Fig.4a The 35 signatories that have met their targets ahead of deadline†

Signatory name	Target	Deadline
Financial Reporting Council	50%	2024
Tullow Oil	45%	2025
Virgin Money	45%	2025
Muzinich	42%	2023
Cambridge Building Society	40% - 60%	2025
British Business Bank	40% - 50%	2025
Triodos Bank UKΔ	40% - 50%	2023
Yorkshire Building Society	40% - 50%	2023
American Express	40% - 50%	2024
Addleshaw Goddard	40%	2023
Admiral Group	40%	2023
Institute of Chartered Accountants in England and Wales	40%	2023
NFU MutualΔ	40%	2024
Abrdn	40%	2025
AXA UK	40%	2026
Aegon Asset ManagementΔ	40%	2027
Quilter	38% - 43%	2023
Newcastle Building Society	35% - 40%	2023
AXA XL	35%	2023
Lloyd's of London	35%	2023
Schroders	35%	2023
Tokio Marine Kiln Insurance ServicesΔ	35%	2023
Visa EuropeΔ	35%	2023
Atom Bank	33%	2025
HSBC UK	35%	2025
OSTC	33%	2023
Lazard and Co	30% - 35%	2023
Goldman Sachs International	30%	2023
Intermediate Capital Group	30%	2023
Redwood Bank	30%	2023
Brooks Macdonald	30%	2024
Macquarie Group (EMEA) Δ	25%	2023
Marsh and Guy Carpenter	25%	2023
Rathbone Brothers	25%	2023
TP ICAP	25%	2025

PROGRESS: SIGNATORIES THAT MET 2022 DEADLINES

Fig.4b The 44 signatories that met their 2022 deadline[†]

Signatory name	Target	Deadline
Pepper (UK)	50%	Maintain*
Unity Trust Bank	50%	Maintain*
PensionBee	50%	2022
Financial Services Compensation Scheme	50% (+/- 5%)	2022
BMW Financial Services GB	45%	2022
LifeSearch	42%	2022
NatWest Group[Δ]	41%	2022
Payment Systems Regulator	50% (+/- 10%)	Maintain*
Hinckley and Rugby Building Society	40% - 50%	Maintain*
Melton Building Society	40% - 50%	2022
Interactive Investor	40%	Maintain*
TSB	40%	Maintain*
Mastercard (UK&I Division)	40%	2020[‡]
Starling Bank	40%	2021[‡]
TotallyMoney	40%	2021[‡]
Appreciate Group	40%	2022
Association of Accounting Technicians[Δ]	40%	2022
Brickendon Consulting	40%	2022
International Swaps & Derivatives Association	40%	2022
London Stock Exchange Group	40%	2022
Skipton Building Society	40%	2022
Progressive Building Society	38%	Maintain*
Canadian Imperial Bank of Commerce	35% - 40%	2022
BUPA	35%	Maintain*
Aegon UK Corporate Services	35%	2022
ClearBank[Δ]	35%	2022
Landbay	35%	2022
Leeds Building Society	35%	2022
Mercer[Δ]	35%	2022
Paragon Banking Group[Δ]	35%	2022
Wesleyan Assurance Society	35%	2022
Market Harborough Building Society	33%	Maintain*
Invesco	30% - 40%	2022
Aldermore Group	30%	2022
Cambridge & Counties Bank[Δ]	30%	2022
Ecclesiastical Insurance	30%	2022
Hastings Insurance Services	30%	2022
Investec Bank[Δ]	30%	2022
Investec Wealth & Investment[Δ]	30%	2022
LGT Vestra	30%	2022
State Street	25% - 33%	2022
Freedom Services	25%	Maintain*
Chaucer Group	25%	2022
Deutsche Bank	20% - 30%[Φ]	2022

† Signatories listed by level of target
* Maintain refers to an ongoing target without a specific deadline, so these signatories are held accountable to their target every year
Δ Signatories that have set a new more ambitious target
‡ Signatories with a deadline that has passed are held accountable to their target every year unless they set a new deadline
Φ The range reflects multiple targets for different layers of seniority

Deadlines coming due

In 2022, 73 signatories' deadlines came due, which is nearly a third of the cohort in this analysis (similar to 2021, when 76 firms had deadlines).

Of the 73, 44 hit their targets by their 2022 deadline (Fig.4b) and the remaining 29 missed their targets (Fig.5).

Of the 44 signatories that met their 2022 deadline, 21 have a target of at least 40% and nine have already set more ambitious targets.

KEY TAKEAWAYS

- 73 signatories had a 2022 deadline, a third of the cohort reporting
- Of these, 44 hit their target and 29 missed

PROGRESS: SIGNATORIES THAT MISSED 2022 DEADLINES

Why 29 signatories missed their deadlines

The group of 29 (Fig.5) signatories that missed their 2022 deadline come from all sectors and sizes. Here we look more closely at this group to understand why they have not achieved the targets they set themselves.

How close were they? Twenty-two of the 29 signatories were close: 17 were within five female senior manager appointments of hitting their target (for reference, the average size of the senior management population is 438 people), and 14 were within five percentage points.

Are they moving in the right direction? Of the 29, 16 increased female representation in 2022, two remained the same, while at 11 firms levels decreased.

Did they set themselves more ambitious targets? The average target for the 29 that missed was 37%, compared to 38% for the full cohort and for the 44 signatories that met their 2022 target. Twelve of the signatories that missed have a target of at least 40%.

Has their progress been slow over time or just this past year? If we look at the annualised rate each of the 29 signatories required to hit their target assuming a constant rate of annual progress, only three were above their required rate in 2021, and only four were above it in 2020. So this group had already fallen behind and were unable to catch up in the final year before their deadline.

Why did they miss their targets? The most common reasons† signatories reported for missing their targets include low turnover in senior management, setting ambitious targets, structural changes or changes in senior management.

What now for their targets? So far, four have set higher targets, seven have kept the same targets but extended their deadlines, and three have reduced their target.

KEY TAKEAWAYS

- Of the 29 signatories that missed their 2022 deadline, 22 were close
- Most had already fallen behind their trajectory of their target in recent years, not just in 2022

Fig.5 The 29 that missed their 2022 deadline

Signatory name	Target	Deadline
Sesame Services	50%	Maintain*
AIB UK	50%	2022
Castle Trust	50%	2022
Chartered Insurance Institute	50%	2022
Target Group	50%	2022
Hodge Group	45%	2022
Julius Baer International	45%	2022
National Savings and Investments	50% (+/- 10%)	Maintain*
Monzo Bank	40%	Maintain*
Collinson Group	40%	2022
Global Processing Services	40%	2022
Direct Line Group	35%	2022
Morningstar	35%	2022
Amundi UK	33%	2022
Stifel Nicolaus Europe	33%	2022
Together Financial Services	33%	2022
Columbia Threadneedle Investments	30% - 40%	2022
Pimco Europe	30%	Maintain*
ABN Amro UK	30%	2022
Artemis Investment Management	30%	2022
ANZ Banking Group	30%	2022
CNA Hardy	30%	2022
Shawbrook Bank	30%	2022
Franklin Templeton Investments	28% - 33%	2022
Man Group	27.5%	2022
KPMGΦ	25% - 49%	2022
GAM Investments	25%	2022
Grant Thornton	25%	2022
Nomura International	21.8%	2022

* Maintain refers to an ongoing target without a specific deadline, so these signatories are accountable against their target every year
Φ The range reflects multiple targets for different layers of management
† See Appendix 2 (p33) for full list of signatories' reasons for missing their targets

PROGRESS: IS FEMALE REPRESENTATION IMPROVING?

Progress rebounds after a flat year

The majority of signatories continue to move in the right direction – 71% of signatories increased the proportion of senior women over the past year (Fig.6).

This is a welcome uptick from 2021, when only 60% of signatories reported an increase in the proportion of women in senior roles, which led the average level of female representation across the cohort to remain static at 33% year-on-year (Fig.2). In 2022, the average has bounced back to 35% (Fig.7), which returns the signatory group to its trajectory of a one percentage point annual rise since the launch of the Charter.

The data points to two contributory factors: firstly, recovery from the initial impacts of Covid-19, and secondly, more ambitious targets. Our data shows that signatories tend to focus on reaching their target rather than exceeding it. Now two-thirds have a target of at least 35% and half have a target of at least 40%.

While the news is positive in 2022, it is important to remember how susceptible that one percentage point annual increase in female representation is to setbacks. In 2021 it was the impact of two years of Covid-19; now signatories face economic and geopolitical challenges, on top of which moving from 35% towards parity is far harder than moving from 25% to 35%.

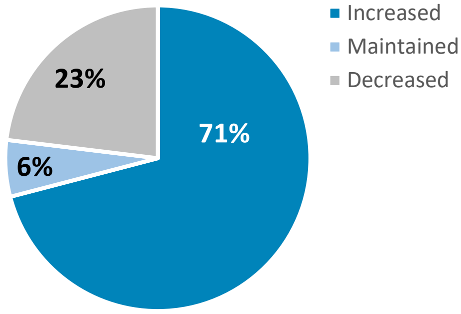
Across the 235 signatories, levels of female representation today range from as low as 11% all the way up to 64%. As in previous years, the global and investment banks have the lowest average at 28% (Fig.7) and the lowest average target of 31% (Fig.26).

KEY TAKEAWAYS

- Average female representation has rebounded to 35% in 2022 after remaining flat at 33% in 2021 and 2020

Fig.6 Signatories moving in the right direction

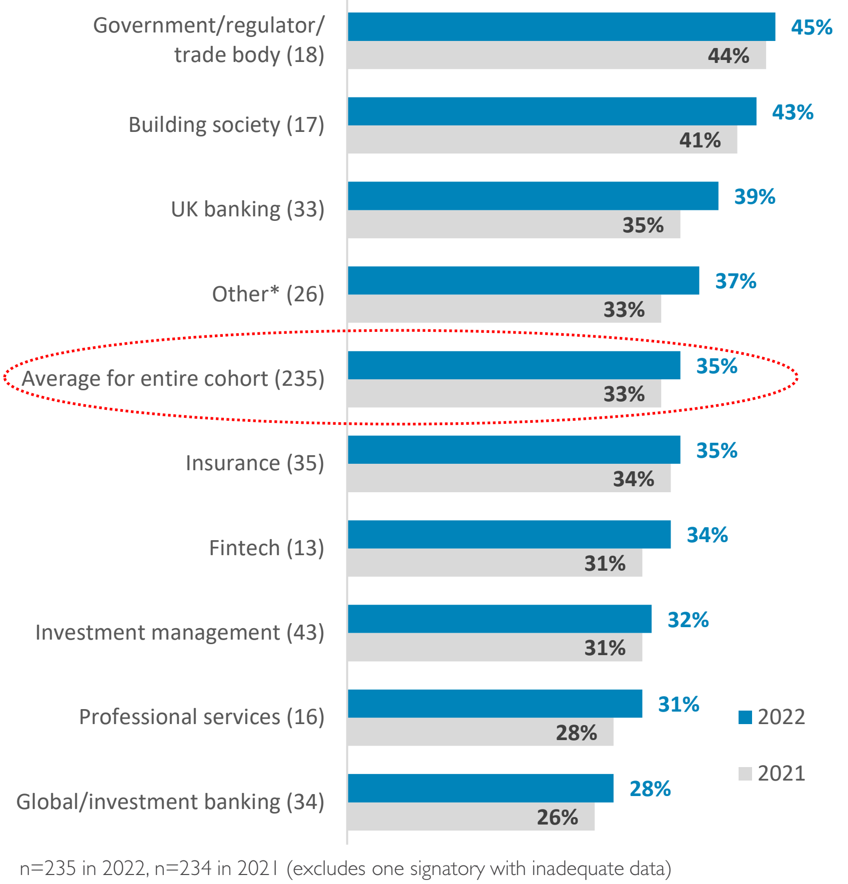
How female representation as % of senior management increased, was maintained or decreased over the reporting period, % of signatories



n=234 (excludes one signatory with inadequate data)
See Appendix 4 (p41) for sector breakdown

Fig.7 Rising levels of female representation across sectors

Average levels of female representation in senior management in 2021 and 2022, %, by sector (n)

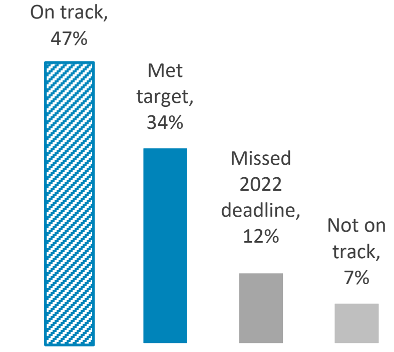


n=235 in 2022, n=234 in 2021 (excludes one signatory with inadequate data)
* Other includes market infrastructure, payment systems, financial advisers, life and pensions, consumer finance, development finance, non-bank lender, trading, law

PROGRESS: ARE SIGNATORIES ON TRACK TO MEET TARGETS?

Fig.8 Staying on target

Percentage of signatories that have met / missed their target, or said they are / are not on track to meet targets, %



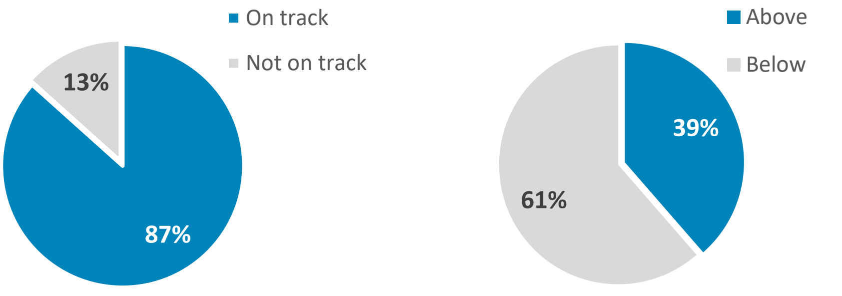
n=235

Fig.9 Mainly on track, but not there yet

Of those signatories that still have a target to meet:

a) Percentage of signatories that are on track, based on their own estimates, %

b) Percentage of signatories that are above or below their required annualised rate* of increase in female representation, %



n= 126, excludes 79 signatories that have met their targets, 29 that have missed 2022 deadlines and one signatory with inadequate data

* Annualised rate of required increase assumes constant annual rise in each year for each firm

Monitoring interim progress against targets

While 34% of signatories have met their targets and 12% have missed 2022 deadlines, 54% still have targets with deadlines ahead of them to achieve (Fig.8).

Of the group with targets outstanding, 87% believe they are on track to meet their target by their deadline, based on their own estimates and expectations (Fig.9a). Signatories usually measure their interim progress against targets on a quarterly basis, some monthly and a few do so just once a year. Only 12% said they were behind their interim objectives.

To better understand the pace at which signatories are moving towards their future targets, we compared their progress in this reporting period to the annualised rate of increase in female representation they require in order to meet their individual deadlines, assuming a constant annual rate of increase. On this basis, only 39% of signatories are at or above the level they need (Fig.9b).

Consistency pays

Although we would not expect progress at a precisely constant rate, the data shows that once signatories fall below their annualised rate it is difficult to recover. Of the 44 signatories that hit their 2022 target, 33 were above their annualised rate at least once over the previous three years (2019-2021), and 19 were above at least twice. Of the 29 that missed their 2022 target, only 12 were above the annualised rate at least once and 15 had not been above their annualised rate over the past three years.

There are 48 signatories that have a 2023 deadline that they have not already met. Of these, 22 were above their annualised rate in 2022 – the other 26 will need to work hard to avoid missing their target by their deadline.

KEY TAKEAWAYS

- Of those signatories with a target ahead of them, 87% reported they were on track, but only 39% were above their required annualised rate of increase
- Once signatories fall below their annualised rate it is difficult to recover

NEW FOR 2022: LEADERS BREAKING THROUGH 40%

Starting higher, progressing faster

In 2022 for the first time the data shows that the top quarter* of signatories have at least 40% female representation in senior management. Here we compare the top and bottom quartiles to better understand their trajectories.

Unsurprisingly, those in the top quartile started at a higher proportion of senior women – 38% on average upon joining the Charter compared to 20% for the bottom quartile. Although the averages for both groups have increased since 2018, the pace of change differs, and the gap between the leading and trailing pack has widened from 18 to 22 percentage points (Fig.10). It is worth noting that the lowest starting point for a top quartile signatory was just 20%, so it is possible to progress from 20% to 40%.

How does the leading pack differ?

The clearest difference between the top and bottom quartile is their composition by sector – the best performers are the building societies and UK banks, and furthest behind are the global / investment banks and investment managers (Fig.11).

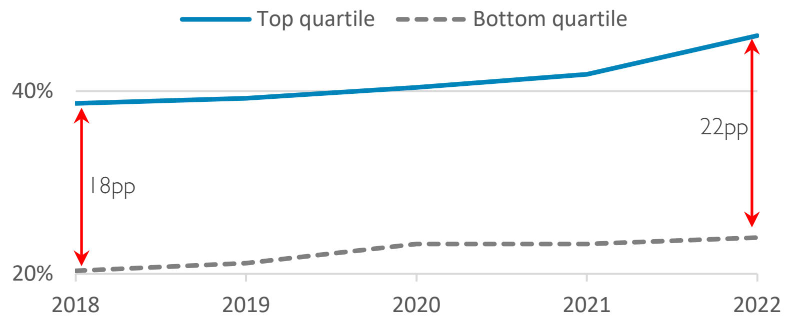
The average target for the leaders is 44% compared to 30% for the trailing group. Of the 52 top quartile firms, 36 have already hit their targets with three missing 2022 deadlines, while four of the bottom quartile have met their targets and 11 missed 2022 deadlines.

The leaders have a stronger belief in the link between pay and targets, with 54% saying the link was effective compared to 44% of the trailing group. And 41% of the top quartile have a female accountable executive compared to 16% of the bottom quartile, as the leaders have more women in senior roles.

Interestingly, both groups reported similar actions to achieve their targets – we will delve deeper into this to draw out nuances in future research.

Fig.10 Widening gap between leading and trailing groups

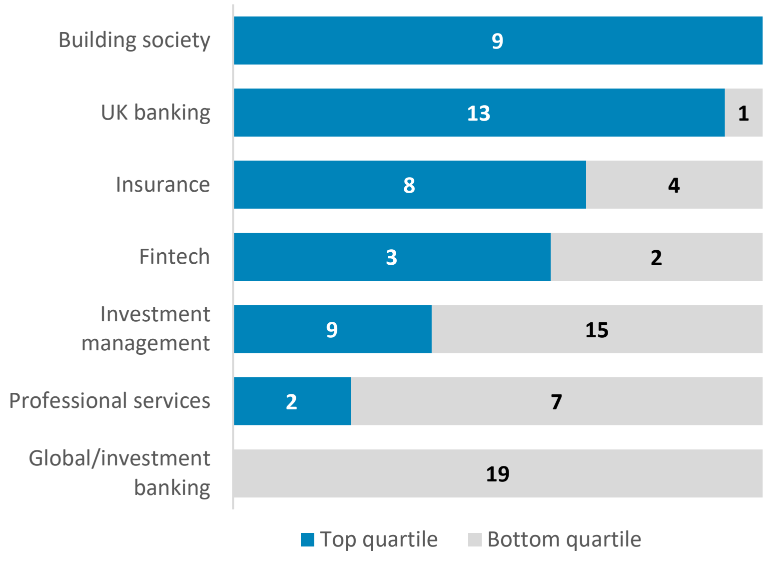
Average female representation for top and bottom quartile* over time, %



Total cohort n in 2018 n=140, 2019 n=170, 2020 n=186, 2021 n=205, 2022 n=206, as unregulated signatories have been excluded to improve comparability

Fig.11 Sector differences between top and bottom quartiles

Number of signatories in top and bottom quartile* in 2022 by sector



* Quartile data excludes signatories that are not regulated to improve comparability

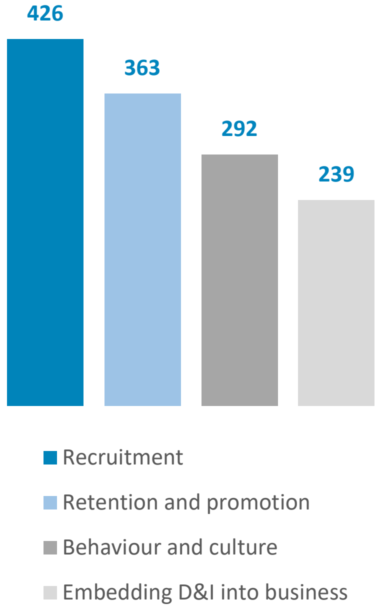
KEY TAKEAWAYS

- The top quarter of signatories have achieved 40% female representation in senior management
- The gap between the top and bottom quartile of signatories has become wider over time
- The best performers are building societies and UK banks, furthest behind are the global / investment banks and investment managers

DRIVING CHANGE: ACTIONS TO SUPPORT TARGETS

Fig.12 Focus areas for action

Number of mentions in signatory reporting



Taking action and measuring impact

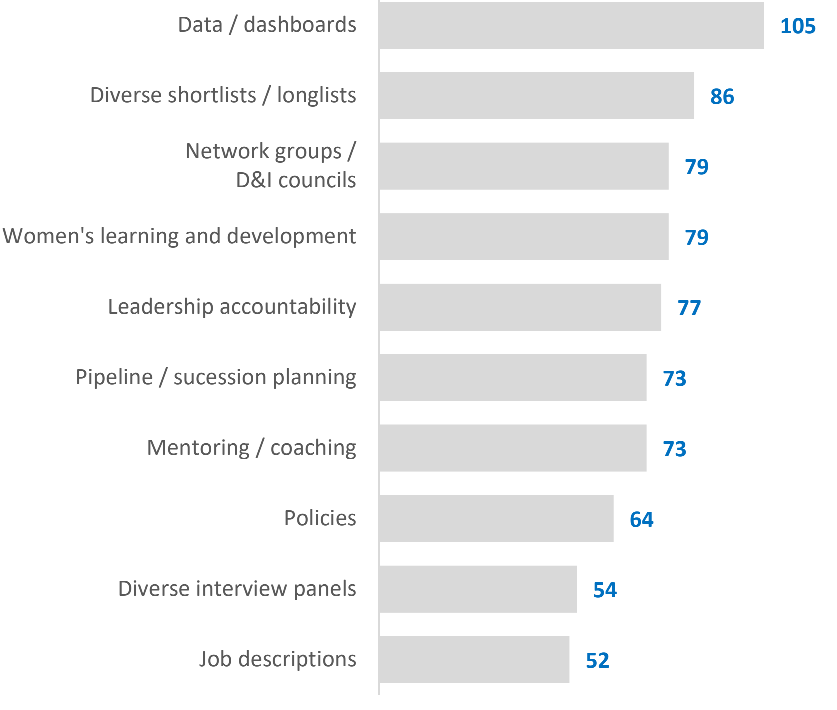
All 235 signatories reported on the top three actions they are taking to achieve their targets. In the following section, we collate the actions under four themes: recruitment, retention and promotion, behaviour and culture, and embedding diversity and inclusion into everyday business.

As in every annual review since the launch of the Charter, actions related to the recruitment area are the most commonly cited by signatories (Fig.12). Looking at multiple years of data, we observe that concepts are often introduced into recruitment practices and then rolled out across other areas – for example, a 50:50 shortlist for new hires and then for succession plans. When it comes to the types of actions, data is most common, with 45% of signatories reporting a focus on developing their diversity data and analysis (Fig.13).

This reporting cycle marks a significant shift in how signatories are using data to monitor actions and understand their impact, particularly hybrid working (p20). Firms are using both sentiment surveys and demographic data across more touchpoints throughout the employee life cycle – for example, the more mature firms are tracking promotion rates for sponsees and returners, measuring uptake of family friendly policies, and looking at the impact of actions via gender pay gap monitoring metrics. A few signatories are triangulating their D&I dashboards with gender pay gap data as well as external benchmarks, and a handful mentioned D&I being integrated into risk management frameworks.

Fig.13 What signatories are doing in order to achieve their targets

Type of action, ranked by number of mentions in signatory reporting



KEY TAKEAWAYS

- Recruitment is the most common focus area for actions to support targets
- Signatories are increasingly using both employee surveys and demographic data to measure the impacts of actions in a more granular way

ACTIONS: RECRUITMENT

KEY TAKEAWAYS

- As in previous years, signatories most frequently mention actions related to recruitment activity – cited by 70% of firms
- Areas that are increasingly adopted include:
  - data capture across the recruitment cycle
  - a "check and challenge" approach to ensure inclusive recruitment processes are being implemented and adhered to
  - building in extra time to fill positions
  - advertising jobs as flexible

Common practice

Diverse shortlists and panels: More than a third of signatories insist upon diverse shortlists and 23% require diverse interview panels.

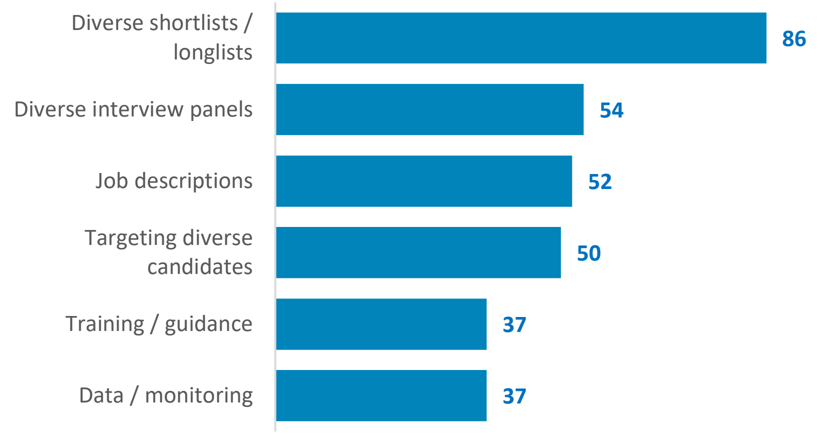
Job advert focus: 52 signatories reported focusing on job ads to seek applications from under-represented groups. Firms continue to use more inclusive language and promote flexible working opportunities in adverts.

External recruiters: 50 signatories said they are appointing external recruitment partners and using job boards targeting diverse candidates.

Data and training: One in six signatories have introduced regular reporting to monitor progress, and the same number are equipping recruiters with skills and incentives to deliver specific objectives.

Fig.14 Top signatory actions related to recruitment

Type of action, ranked by number of mentions in signatory reporting



Evolving practice

Returners programmes: One in eight signatories have introduced programmes to encourage women back after a career break – Citi's Reactivate Your Career programme has led to permanent hires, and Lloyds Banking Group has extended its returners programme due to its success in identifying female talent.

A strategic approach: It is encouraging to see signatories adopting a more strategic approach to recruitment. Twenty signatories reported that they reviewed or are reviewing their processes – for example, Fidelity International introduced a D&I Charter with its global recruitment supply chain after an extensive audit.

Accountability: Firms continue to introduce accountability frameworks, with 14 reporting details of check and challenge regimes – at Aviva, any non-diverse hire for a senior role must be signed off by the CEO, and BP Trading & Shipping closely monitors any deviation from its Hiring Inclusively policy.

Trying something new

Market mapping: Twelve signatories mentioned conducting market mapping exercises to proactively identify and source female talent and ensure candidate lists reflect the available pool, for example Allianz Global Investors, BP Trading & Shipping, Direct Line Group, Funding Circle, Just Group and Nomura.

Pay focus: State Street has introduced a policy to avoid compounding past pay inequities by not asking for compensation history for internal or external hires.

Additional resource: Five signatories have added new roles to the recruitment function to help identify and attract people from under-represented groups.

ACTIONS: RETENTION AND PROMOTION

KEY TAKEAWAYS

- Nearly 70% of signatories reported actions related to retention and promotion of women, as firms increasingly seek to nurture their female talent
- Areas that are increasingly adopted include:
  - diligent measurement of the impact of learning and development programmes
  - a granular approach to pipeline and succession management
  - improved transparency on career pathways and internal job moves

Common practice

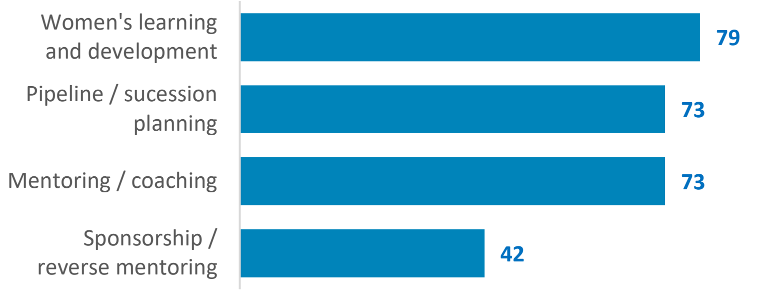
Female leadership programmes: A third of signatories mentioned programmes they have introduced to develop female talent – these range from a focus on building networks to enhancing understanding of organisational culture and politics.

Talent ID and succession planning: One in three reported they are identifying and developing internal female talent for progression into senior management positions. Firms are increasingly establishing career development plans for women, as well as toolkits and training to equip leaders building succession plans.

Mentoring and coaching: Nearly a third of signatories refer to providing mentoring and coaching programmes, both internally and by accessing cross-firm mentoring schemes.

Fig.15 Top signatory actions to support retention and promotion

Type of action, ranked by number of mentions in signatory reporting



Evolving practice

Sponsorship: One in six signatories are focusing on sponsorship and/or reverse mentoring initiatives, an area that has increased in every year of Charter reporting. For example, at Deloitte, 483 partners are sponsoring women and ethnic minorities as part of its Future Leaders Programme, Aviva has extended its sponsorship programme to more junior women, and Commerzbank rolled out reverse mentoring across the whole branch following a successful pilot.

Flexible working: Forty signatories reported a focus on flexible working and consolidating hybrid working frameworks. For example, Virgin Money launched its "A Life More Virgin" programme to remove traditional barriers to employment faced by under-represented groups.

Measuring impact: One in eight signatories are measuring the impact of programmes they have put in place, and using data to explore the barriers that women face progressing through the organisation. PwC uses real-time reporting to help managers track the impact of promotions decisions, while SMBC analyses people data to address any local or systemic bias, and governance around core people processes ensures actions and outcomes are challenged.

Trying something new

Bespoke approach: Data is being used with a laser-like focus to develop bespoke programmes. For example, Barclays designs development programmes focused on diverse communities, including one for female future leaders with opportunities such as ex-officio roles and sponsorship, and Monzo uses its data to highlight business areas that require specific attention, which led to it doubling paid leave for its enhanced caregiver leave policy.

Career progression transparency: Eight signatories reported a focus on ensuring there is more transparency about how colleagues progress. For example, Santander UK published its Career Playbook to help colleagues take control of their careers, and St James's Place initiated a more transparent promotions process in 2022 following a review.

KEY TAKEAWAYS

- Signatories are continuing to recognise that to sustain progress they need to focus on interventions that embed inclusive behaviours and culture via learning and development programmes, network group / D&I council activity, and policy changes
- Areas that are increasingly adopted include:
  - focus on allyship
  - interrogating policies and processes to ensure they are inclusive to women and other under-represented groups,
  - menopause, with a rapidly growing number of signatories introducing new policies and support programmes

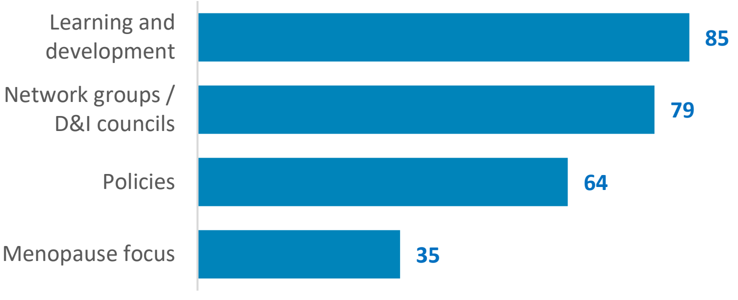
Common practice

Learning and development: More than a third (36%) of signatories reported on the learning and development (L&D) programmes that they have rolled out to embed behaviours that foster inclusion. Of these, 35 firms focused on leaders, 26 on line managers and 24 provided some kind of D&I training to all colleagues.

Internal influencers: Network groups and D&I councils are mentioned by one in three firms as important in helping change the culture of firms and build a broader base of support for their Charter ambitions. Some signatories are also providing specific training for internal functions such as communications, L&D practitioners and HR business partners.

Fig.16 Top signatory actions related to behaviour and culture

Type of action, ranked by number of mentions in signatory reporting



Evolving practice

Policy: More than a quarter (27%) of signatories mentioned policy development as a means to promote an inclusive culture. Firms reported a particular focus on ensuring family-related policies are gender neutral, and introducing policies relating to pregnancy loss, premature birth and fertility treatment.

Menopause: Thirty-five firms reported a focus on menopause awareness – up from 15 in 2021. For example, Standard Chartered Bank partnered with the Financial Services Skills Commission to conduct a study on how menopause impacts working women, and how employers can better support them. Danske Bank published guidance for colleagues and managers, and women are offered up to 10 menopause days leave a year; while RSA Insurance achieved Menopause Friendly Accreditation.

Allyship: Networks are vital to attracting new audiences. Signatories reported a growing trend of engaging allies, for example, KPMG, Royal London Group, Santander UK and UBS. Network groups are also increasingly collaborating across a range of diversity strands in order to take a more holistic approach to their work.

Trying something new

Linking diversity to culture: Eleven firms are linking D&I to culture and value programmes, and a handful mentioned work to explicitly link diversity efforts to embedding a speak-up culture. For example, the D&I steering committee at MUFG now feeds through to its culture committee, and "Listen up. Speak Up" is one of their culture principles.

New approaches to D&I training: A handful of firms have introduced experimental learning and development approaches. For example, Nomura International has piloted an immersive 'In my shoes' virtual reality programme, and Franklin Templeton's network groups were key partners in developing its seven-part Inclusion Education Series.

ACTIONS: EMBEDDING D&I INTO BUSINESS AS USUAL

KEY TAKEAWAYS

- Data continues to be an increasing focus area for bringing diversity and inclusion into everyday business, with 45% of signatories mentioning it
- Areas that are increasingly adopted include:
  - combining both demographic data and sentiment survey data to measure progress and identify areas of action
  - creating detailed D&I dashboards showing data across the employee lifecycle
  - capturing the impact of learning and development programmes as well as the uptake of policies

Common practice

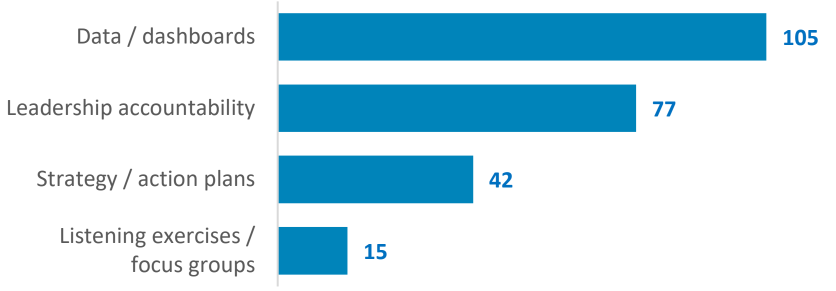
Data: Signatories are improving their use of data to inform decision making and track progress as reported by 45% of signatories. It is also becoming common practice for data dashboards to be regularly discussed at board and executive committee meetings. Several signatories are adopting tailored business line targets or goals alongside organisational targets.

Accountability: A third of signatories are increasing accountability, with leaders expected to take ownership of targets, engage in actions to meet them, and progress against targets built into senior leader scorecards.

Revisiting strategy: One in six signatories reported either revising or developing their D&I strategy to ensure it was still fit for purpose.

Fig.17 Top signatory actions to embed D&I into business as usual

Type of action, ranked by number of mentions in signatory reporting



Evolving practice

Data quality and quantity: Signatories are analysing ever more detailed diversity data, both qualitative and quantitative. For example, 15 firms conducted listening exercises to gauge colleague sentiment, the results of which fed into data dashboards and action plans, such as Hargreaves Lansdown, which holds monthly executive committee listening sessions with different colleague groups.

More than women: As data collection methods embed, firms are beginning to collect more data on a wider range of diversity strands (see p18) in order to improve tracking and prioritisation. For example, Credit Suisse has set targets for representation of Black colleagues and is continuing efforts to encourage people to share data on sexual orientation and gender identity, and another signatory increased its diversity data disclosure rate to 80% of colleagues as a result of a concerted data capture campaign.

Trying something new

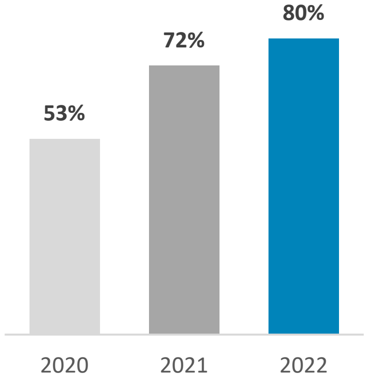
Real time data: A handful of firms have introduced real time data analysis to inform pivotal decisions that impact an individual's career – such as setting pay levels and allocating appraisal grades, for example at BNY Mellon, Mercer, PwC and Skipton Building Society.

External accreditation: A few signatories are combing internal data dashboards with external benchmarking mechanisms. For example, UBS gained external certification on fair pay practices, and AXA Investment Managers uses a tool to assess the gender equality of policies, processes and people data.

Governance: Signatories are refreshing governance structures to maintain momentum. This includes integrating D&I into risk management frameworks, changing the terms of reference of the remuneration committee, and moving accountability for D&I out of HR to other areas such as culture, ESG or sustainability committees.

Fig.18 Getting granular with data

Percentage of signatories that collected data on any diversity strand in the female senior management population in 2020, 2021 and 2022



2020 n=209, 2021 n=209, 2022 n =235

Improved understanding of the senior management population

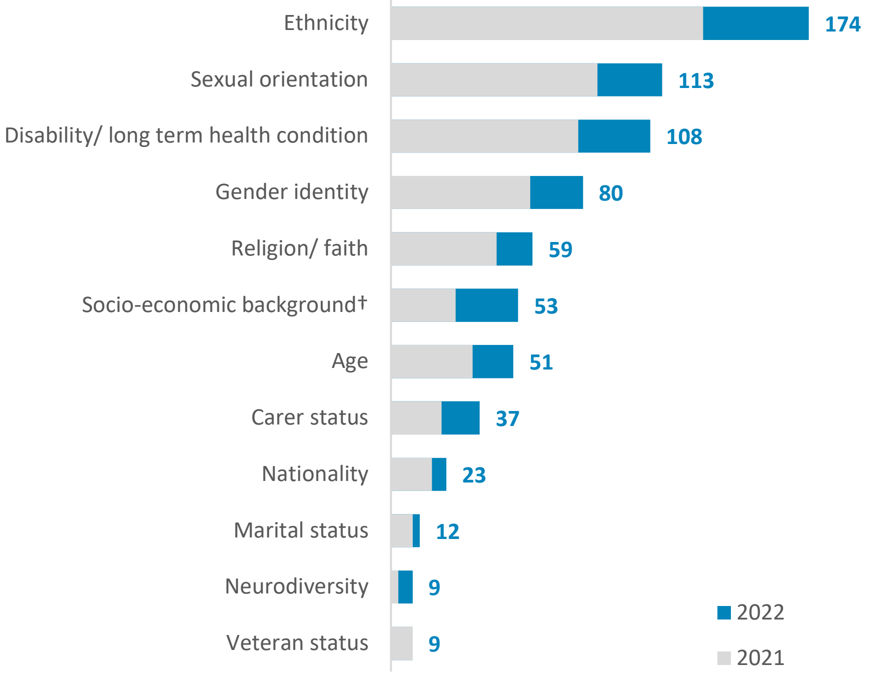
We asked signatories what diversity data they collect on their female senior managers – 80% reported capturing additional data (Fig.18), up from 53% in 2020. Ethnicity, sexual orientation and disability are the most commonly collected datapoints. The number of firms collecting data increased across all categories (Fig.19) and 22 signatories said they are in the process of collecting new data.

Three-quarters of signatories now collect ethnicity data, nearly three times as many as in 2020. For the 133 firms that provided the percentage of female senior managers from an ethnic minority background, figures ranged from 0.6% to 31.9%, with a mean of 6.2%. One in 10 signatories provided data disaggregated by ethnic group, and 16 firms reported the percentage of employees who shared ethnicity information, ranging from 64% to 95%.

However, only a handful of signatories reported that they were able to carry out detailed analysis across diversity strands. Most take a siloed approach to diversity strands, usually extending or replicating existing programmes (such as sponsorship, mentoring and leadership programmes) to other under-represented groups. One in six signatories mentioned the role of network groups in considering multi-faceted diversity issues.

Fig.19 The range of diversity data captured by signatories

Number of signatories that collected data on each diversity strand (as listed)



†Socio-economic background includes data related to education

Other areas reported include country of origin, working hours, mental health, geography, indigenous people, language

KEY TAKEAWAYS

- Diversity data collection has increased rapidly over the past two years
- 80% of signatories reported capturing additional diversity data about their female senior management population, up from 53% in 2020
- Ethnicity, sexual orientation and disability are the most commonly collected datapoints

ACTIONS: HYBRID WORKING

Signatories' different approaches to hybrid working

In 2019, just 26% of signatories reported a focus on flexible, agile or smart working. Over the past three years since Covid-19 measures compelled organisations to adopt remote working, 91% of signatories have shifted to some form of hybrid model – varying from some remote working to fully embracing hybrid for all staff, whether formally via policies or informally agreed between teams and leaders. Signatories reported a growing confidence in understanding approaches that are working best for them – some are adapting programmes in light of feedback, while others are implementing learning from trials and pilots. Newer policies this year include non-standard hours, core hours, location-less working, fully virtual roles and four-day weeks without reduction in pay.

• **Different working models**: Signatories reported exploring different models of hybrid work, with a common approach being blended working – a specified number of days in the office (usually a minimum of two) and the rest remotely. Approaches varied, with some based on role, others on discussions between line manager and colleagues, or leaving the decision to the individual.

• **Team charters**: Firms continue to encourage individual teams to create their own team charters to provide autonomy and allow them to decide what approach works best for them – for example at Bank of Ireland, esure Group, Societe Generale and Unum.

• **Levelling the playing field**: Some organisations aim to harness the positive aspects of remote working and the potential level playing field it offers, not just between men and women but also groups such as carers, older colleagues, people with disabilities and more introverted colleagues. An emerging underlying principle is to develop two-way flexibility and trust, to meet the needs of individuals, teams, clients and the firm.

"Along with hybrid/remote working, Atom implemented a 4-day week trial in November 2021 aimed at supporting even greater flexibility for all employees. The reduction of working hours without reducing pay has given employees more free time including those with childcare and caring responsibilities irrespective of gender. Feedback from employees has shown that this has been a great benefit to people, and life-changing for some."

Atom Bank

"We are redesigning some of our office spaces to encourage collaboration and innovation."

KPMG

"We have ongoing agile working pilots across the business that aim to retain the skills and knowledge of older colleagues, align working patterns to customer demands and use alternative work locations to help colleagues balance their work/life commitments."

Lloyds Banking Group

"We seek to embed ways of working that balance employee preferences with the needs of the business. We introduced hybrid working across the business post-pandemic, in addition to existing flexible working options which can be agreed between the employee and their line manager."

Credit Suisse

"We are committed to continuing with a hybrid approach to support our colleagues' need for greater flexibility and choice. Spending at least two days of purposeful, collaborative time with our teams, and having performance and coaching conversations will create the time and focus we need to connect teams and individuals across the bank."

Danske Bank UK

"We continue to explore different models with team charters and specified percentage of time dedicated to being in the office and the rest at home."

esure Group

KEY TAKEAWAYS

- A range of hybrid working options is being absorbed into business as usual
- Signatories are looking out for potential negative impacts via survey and data monitoring
- Impacts are mitigated with extra support to colleagues and managers

How signatories are monitoring the impact of hybrid working on women

As hybrid working has become widespread, in the 2022 reporting cycle we asked Charter signatories what actions they were taking to monitor potential impacts of hybrid working on women (previously we had asked how signatories were monitoring potential impacts of the pandemic on women). The data shows an encouraging shift in signatories' approaches to monitoring, with more organisations moving beyond purely tracking feedback and sentiment data to more granular vigilance on possible differentials between male and female colleagues across a wider range of career lifecycle datapoints.

- **Employee surveys**: More than half (54%) of signatories reported the use of surveys to monitor employee sentiment. For some, including for example Barclays, Chaucer Group, Prudential and PwC, specific questions on work/life blend have been added to core people engagement surveys that are run more frequently, so that results continue to feed into the development of hybrid working approaches. The ability to analyse survey responses across different groups enables signatories to monitor impact more specifically: for example, at the Financial Services Compensation Scheme, Citi, Funding Circle and Nationwide Building Society, while St. James's Place operates a feedback platform which enables employees to ask questions or raise concerns anonymously.

- **Network groups**: A quarter of signatories (26%) referred to the support offered by their network groups, especially those that focus on women, parenting and wellbeing. Some firms have created dedicated hybrid working action groups to help monitor and develop hybrid working programmes, for example at Deloitte, Market Harborough Building Society and Wellington Management International.

- **Wellbeing focus**: One in four (24%) signatories mentioned how they continued to boost their wellbeing and mental health support, including expanding employee assistance programmes, wellbeing hubs, running webinars and mental health first aider programmes. Five firms mentioned a focus on support or policies related to domestic violence – for example RSA Insurance.

- **Data dashboards**: A fifth of signatories continued to monitor the impact of hybrid working on women using their diversity data dashboards. Some signatories highlighted the potential for negative impacts of hybrid working and are using their data dashboards to track possible differences between male and female colleagues. As well as general demographic monitoring, this also included tracking promotion rates, performance ratings, resignation data, flexible working requests, and the take-up of wellbeing provisions.

- **Manager support**: One in six signatories are focusing on providing learning and development to line managers on areas such as leading their teams remotely and wellbeing. Close Brothers and Societe Generale have introduced inclusive performance review training, which focuses on how to take an inclusive and fair approach to measure performance in a hybrid environment, and Mastercard UK & Ireland has launched its Team Health Check, which is a workbook encouraging managers to reflect on the foundations of a healthy team.

"Continually listening to our people has been fundamental to understand how remote / hybrid working is impacting our people, both positively and negatively following the pandemic. We have been actively listening through regular feedback surveys and local focus groups and networks, learning and taking action on what we hear."

Bupa

"One concern has been if women are less likely to come into the office and how this may impact their career progression. We have conducted regular analysis of the impact of our approach to flexible work patterns on different demographics and their ability to progress. As of August 2022, the data does not support this theory, showing no significant gender differences."

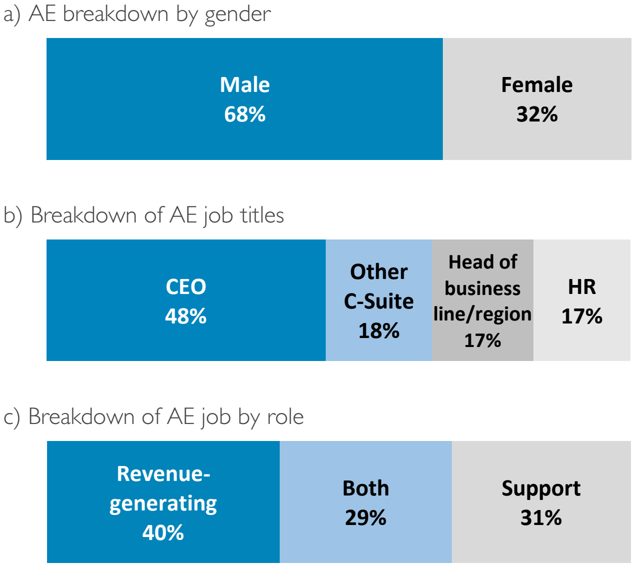
Fidelity International

"We believe we are building a pool of data and insights that will help us continue to evolve our practices to support all our colleagues – though it is fair to say we are all learning to navigate the new world of work."

Skipton Building Society

DRIVING CHANGE: ACCOUNTABLE EXECUTIVE

Fig.20 The role of the accountable executive



n=259 as seven signatories have multiple AEs

Accountability at the top

All Charter signatories must name an accountable executive (AE) who is responsible for gender diversity and inclusion. Dame Jayne-Anne Gadhia's *Empowering Productivity* review recommended that the AE should be a male senior executive in a business-facing role to reduce the risk that diversity is viewed as a silo issue or a woman's problem for a senior woman to fix.

Of this cohort's accountable executives, 68% are men, nearly half (48%) are CEOs and 69% sit in revenue generating roles (Fig.20). Nearly all (98%) AEs sit on the executive committee, 55% sit on the board as well, and less than 2% sit on neither board nor exco.

Similar to signatory reporting in 2021, some AE roles have been widened to include accountability for more diversity strands and wider related topics. For example, seven AEs are also championing ethnic diversity, four have added LGBT+ to their remit and for three firms, the AE role has been expanded to cover disability and wellbeing. Of the AEs broadening their coverage, 10 are sponsoring their firm's gender pay gap report, six are sponsoring their firm's approach to hybrid / flexible working, three are responsible for environmental, social and governance (ESG) and sustainability, and two are championing culture.

How accountable executives are driving change

Of the 235 signatories in this analysis, nearly all provided information on actions undertaken by their AE. Here we summarise the five key areas of AEs' focus:

1) Strategic focus: 160 signatories cited the strategic role in driving diversity undertaken by AEs. Just under half of signatories (104) said their AE takes responsibility for reporting on progress, and 66 are instrumental in driving accountability. By reviewing dashboards and reporting progress to their boards, they are champions for their company's D&I strategies and lead communications throughout their organisation. Some have pushed for diversity objectives to be part of performance reviews – an extension of the link to pay Charter principle – and others have introduced diversity as a core strategic value.

2) Working with councils and networks: Nearly half of signatories said their AE played a significant role in network group activities and D&I councils, for example creating new network groups, chairing D&I councils, recruiting allies and hosting listening sessions.

3) Talent and recruitment focus: Forty-five percent of signatories said their AE was involved in talent reviews and succession planning, including a focus on recruitment, such as ensuring shortlists are diverse, challenging expectations and language in job descriptions, and feeding into recruitment and promotion for senior leaders. One in five mentioned participation in sponsorship, mentoring and reverse mentoring programmes.

4) Advocacy and role modelling: AEs were cited by 105 signatories for advocacy of their firm's Charter work, ranging from public speaking to launching policies, joining campaigns and engaging with clients. AEs also acted as role models – for example, working flexibly, recruiting and promoting people from under-represented groups, and sharing personal experiences.

5) Dedicating resource: More than a fifth of firms said AEs identify resources to promote D&I and to ensure action plans are implemented – for example, securing budget for network groups, improving data capture and reporting, and creating new D&I roles to drive actions.

KEY TAKEAWAYS

- AEs are taking a more strategic role by taking responsibility for reporting progress and driving accountability

Bringing diversity targets into pay

As part of their Charter commitments, signatories must have an intention to link the pay of the senior executive team to performance against internal gender diversity targets. Over the past three years, the quality and quantity of reporting against this pillar of the Charter has stepped up significantly, illustrating how the link to pay is embedding across signatory organisations and having an impact.

Of the 235 signatories in this analysis, 81% have a link to pay (Fig.21). For those that do not, it is usually because they do not have any variable pay mechanism, or they are considering introducing a link.

For the advanced firms, diversity is treated like any other strategic objective, with a clear link to business scorecards and an expectation that senior leaders will deliver. There is also a more granular, hybrid approach in implementing the link to pay. Individuals are being held accountable, with leaders having objectives built into their personal scorecards, as well as more firms introducing diversity objectives into corporate scorecards linked to group bonus pools, reflecting the contribution of the whole firm in building an inclusive culture.

How – mechanisms to embed the link to pay

The most common mechanism for linking targets to pay (used by nearly three-quarters of signatories) is to include diversity criteria among the factors that contribute to variable pay, as recommended by the Gadhia review. Three signatories linked gender diversity to basic pay via salary review, while three apply the link to both variable and basic pay.

One in four firms reference the link being built into a corporate scorecard. For those with a balanced scorecard approach, diversity contributes one element to a variety of criteria, ranging from one of three to one of 22. This range affects how much of the bonus payment is impacted if diversity targets are not met. For signatories that provided a breakdown of the portion of bonus allocated to diversity, the portion ranges from 2% to 25%.

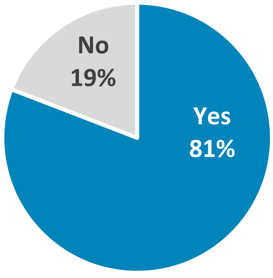
Within the scorecard, the majority of signatories link diversity under the ‘people’ or ‘culture’ element of the non-financial metrics, allocated based on a mixture of qualitative and quantitative approaches.

Examples of qualitative approaches include reviewing individual contributions to cascading D&I objectives to line managers, sponsorship, role-modelling, allyship, ensuring use of diverse shortlists, network group sponsorship and building succession plans.

Examples of a more quantitative approach include measurement via quarterly reviews of progress and targets dashboards, progress on gender pay gap figures, 360-degree feedback, increase in female candidate applications and women-owned suppliers, and scores on engagement surveys.

Fig.21 Implementing link to pay

Percentage of signatories that have a link to pay



n=235

“Originally, just the CEO and CFO were responsible, however now each direct report to the CEO has a specific and bespoke objective linked to diversity and inclusion for their department.”

Beazley

“The representation of women in senior management has increased significantly since the introduction of gender diversity metrics on the balanced scorecard of our executive. Every division now has inclusion and diversity targets in their scorecard and take measurable actions to address challenges.”

Lloyds Banking Group

KEY TAKEAWAYS

- 64% of signatories said they believe the link to pay has been effective, up from 53% in 2021
- Diversity is increasingly positioned as a business issue, rather than voluntary or owned and led by HR and D&I teams

Effectiveness of the link to pay

The percentage of signatories that have a link to pay and believe it has been effective reached 64% in 2022 (Fig.22a) – it is encouraging to see how this proportion has risen steadily every year (Fig.22b). For the 120 firms that said "yes" when asked if the link to pay was effective we have multiple years of data, which shows nearly two-thirds (75) have changed their minds to "yes" from "no" or "too early to tell" over the past two years. This implies that it takes time to embed and realise the benefits of linking pay to targets. However, it is interesting to note that 15 signatories with a link to pay have reported "too early to tell" for four years in a row.

How the link to pay is evolving

For nearly half (47%) of signatories with a link to pay, it applies to the executive team, and for a quarter (24%) the link applies to senior leaders. Eighteen signatories have extended it to all employees and five to people managers.

The data shows increasing use of a two-tiered approach: linking both to personal objectives for leaders as well as to corporate bonuses for other employees. Personal objectives (for which the individual is accountable) are mentioned by 45% of signatories, while 11% reference a collective objective – for example, an exco level collective objective or a corporate approach. One in 10 signatories reference a mixture of individual accountability for senior roles plus a collective objective for others. Signatories are adapting their approach as the link to pay is embedded throughout the business.

Twelve signatories reported that they have extended the link to pay to include objectives related to increasing ethnic diversity. For example, one organisation has extended its link to include targets related to ethnicity within senior management, as well as disability and LGBT+ representation across the organisation.

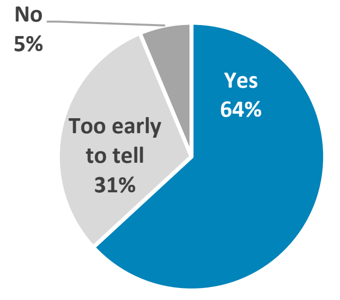
Increasingly evidence-based approach

Signatories are getting more granular and building confidence in implementing the link to pay. The data includes more examples of how an individual's contribution is evidenced. For example, Janus Henderson Investors modified the company values within its employee performance management evaluations for all employees to include language regarding inclusive behaviours, and UBS has introduced a managers' D&I toolkit to develop stronger leadership across the board.

As well as showing how an individual is supporting D&I objectives, evidence also exposes those who are not doing enough. A handful of signatories mention how failing to achieve diversity objectives could lead to withholding individual bonuses or reducing the overall bonus pool available, for example at BlackRock.

Fig.22a Impact of the link to pay

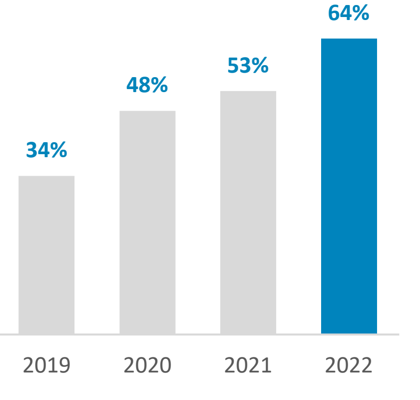
Percentage of signatories that said they believed the link to pay has been effective



n=188, excludes 45 signatories with no link to pay and two that did not provide data

Fig.22b Increasingly effective

Percentage of signatories that said they believed the link to pay has been effective over time



2019 n=155, 2020 n=174, 2021 n=179, 2022 n=188

"Assigning personal accountability for progress on our targets to senior leaders helped us to achieve our previous targets a year ahead of our deadline."

Fidelity International

DRIVING CHANGE: PUBLISHING ANNUAL UPDATES

Improvement in meeting reporting obligations

As part of their Charter commitments, signatories submit a detailed annual update to HM Treasury every September, and that data is compiled into the annual review. Signatories are also obliged to provide a brief update on their progress towards their Charter targets publicly on their company website, to support the transparency and accountability needed to drive change.

It is encouraging to see that 77% of signatories published an update on their website by HM Treasury's deadline of December 31st 2022, a significant uptick compared to 59% in 2021 (Fig.23), and the highest level since the Charter launched. However, the content signatories published in their updates varied greatly:

- **36%** covered all the points HM Treasury expects to be included in the annual update,
- **73%** mentioned the proportion of female senior managers in 2022,
- **54%** provided a historical data point to provide context for comparison,
- **50%** stated whether or not they were on track to meet their target,
- **47%** included an accompanying narrative explaining progress over the past year and expectations for the coming year.

Of the 29 signatories that missed their target, only a handful stated they had missed their target, and 12 did not publish an update.

Understanding barriers to publishing an update

Publishing an annual update is the only one of the four Charter principles where signatories have not shown consistent improvement over time. This year, for the first time, we followed up with the signatories that had not published an update on their website by HM Treasury's 2022 deadline in order to understand why.

Some signatories said their Charter update was part of their annual reporting cycle or gender pay gap reporting, so although they had missed the December 31st deadline, they did still plan to publish.

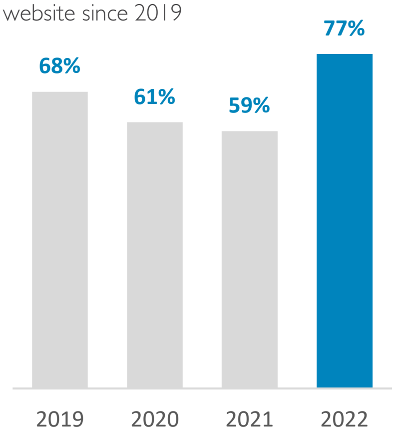
Several firms said they had forgotten to publish, or had misunderstood the requirement to publish. A handful said their website was being restructured and another small group said there had been a technical glitch in posting the update. Nine did not provide a reason why they had not published.

If we look by sector, nearly all building societies and UK banks published an update, while half of professional services signatories did not. More than a third of the largest (those with more than 10,000 staff) signatories did not publish an annual update on time.

While persistent failure to publish has been a concern, the proportion of signatories that did not publish an update in consecutive years has fallen from half (of those that did not publish) in 2021 to less than a third in 2022.

Fig.23 Publishing progress online

Percentage of signatories that have published Charter progress on their website since 2019



2019 n=193, 2020 n=209, 2021 n=209, 2022 n=235

Note: 2022 data was gathered in January 2023

KEY TAKEAWAYS

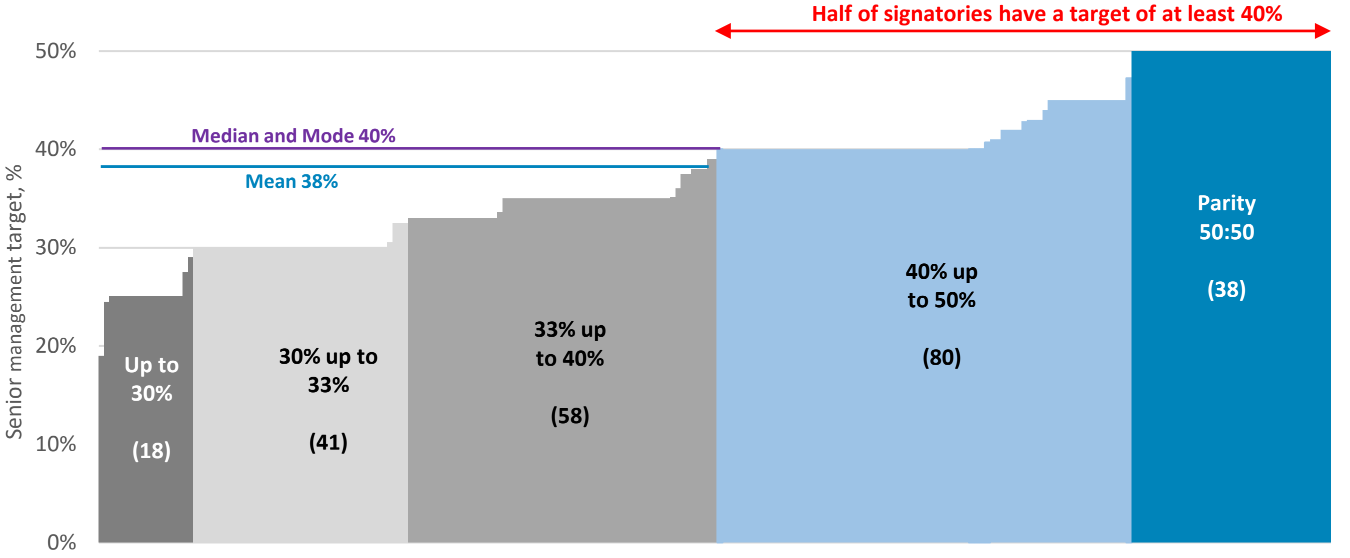
- Publishing progress remains the only Charter principle which has not consistently improved
- While 77% of signatories provided a Charter update on their website on time, only 36% covered the minimum points required by HM Treasury

NB: Transparency is a key pillar of the Charter. HM Treasury has removed signatories from the Charter for failing to comply with this principle. and will continue to remove signatories who do not submit or publish their updates.

CONTEXT OF TARGETS: HOW AMBITIOUS ARE TARGETS?

Fig.24 The full range of signatory targets

Distribution of all signatories by headline* target for female representation in senior management



n=235

* See Appendix 1 (p32) for further methodology notes on our definition of headline targets. Analysis in Fig.25-26 includes new targets for those firms that have changed their targets in this reporting period to better assess the level of ambition of the cohort.

Rising ambition of signatory targets

The Charter offers signatories the flexibility to choose their own targets for female representation in senior management. This approach recognises the variety of company sectors, types, sizes and structures captured by the Charter, the differing levels of organisational maturity and different views on target-setting. Targets range from 19% to 50% (Fig.24), with those at the lower end starting from a lower base.

The 2022 data reinforces 2021's shift in the level of ambition of targets. While the mean target has remained constant at 38%, the median (the midway point) has risen from 38% to 40%, and the mode (the most common target) is 40%, chosen by 51 firms (up from 45 in 2021). This increased ambition is vital to drive momentum, as the data shows that the target can act as a ceiling rather than a milestone towards parity.

Half (118) of signatories have set a target of at least 40%. Of these, 39 have already met their target and 62 have a deadline within the next three years. HM Treasury would like to see all signatories set targets of at least 40% in order to align Charter targets with the FTSE Women Leaders review, which encourages FTSE 350 companies to reach 40% female representation on boards and in leadership teams. Of the 68* signatories that changed their target in the reporting period, 40 set a target of at least 40%, of which 13 moved from a target of 35% or less.

The number of signatories with a target of 50% has increased from 34 in 2021 to 38 in 2022, and there are others with lower interim targets that mention parity as their ultimate goal, for example at NatWest.

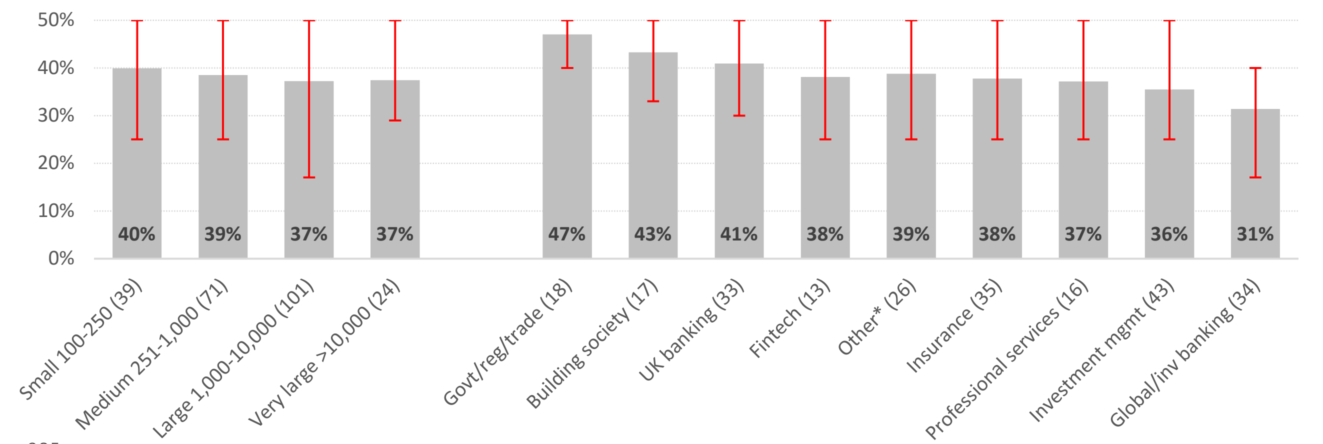
* For a full list of signatories' new targets, see Appendix 3 (p35-37).

KEY TAKEAWAYS

- Signatory targets continued to rise in 2022
- Half (50%) have a target of at least 40%
- The most common target is 40%
- Average targets have increased for every size and sector

Fig.25 How targets vary by sector and size

Average target and target ranges for female representation in senior management by sector and size, red bars show category target range
a) by size, category (n) b) by sector, category (n)



n=235
* Other includes market infrastructure, payment systems, financial advisers, life and pensions, consumer finance, development finance, non-bank lender, trading, law

A closer look at targets

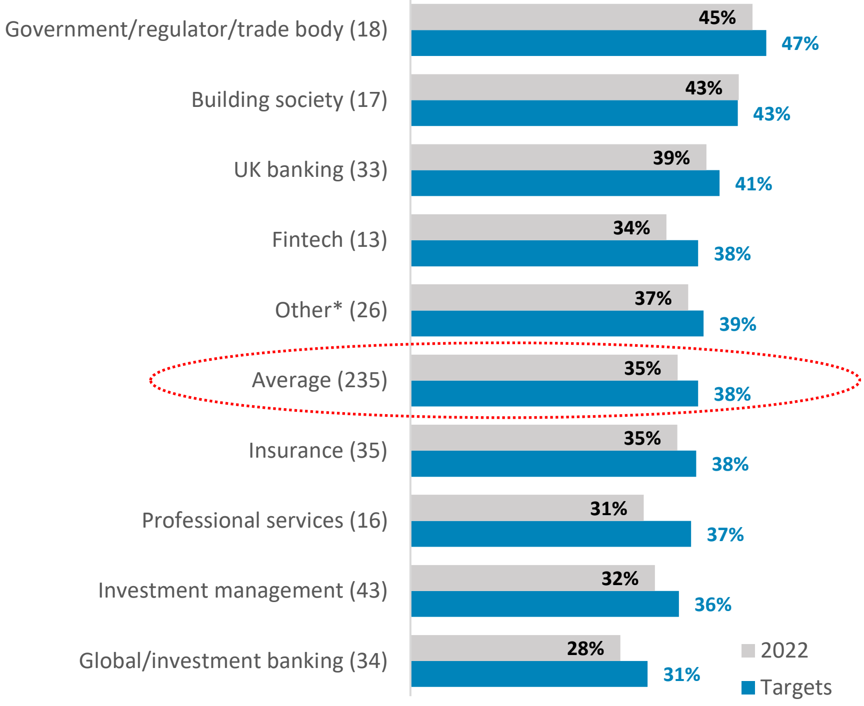
Segmenting targets by sector and size (Fig.25) shows that 50% targets appear across all firm sizes and all sectors except global/investment banking. Average targets have increased for every sector and every size group compared to 2021, again illustrating the step up in signatory ambitions.

The government, regulator and trade body signatories have the most challenging targets, ranging from 40% - 50%, while the global and investment banking category has the lowest range of 17% - 40% (Fig.25b).

Fig.26 shows that the UK banking sector has to increase female representation by two percentage points to reach the 41% average target. However, that two percentage points is the equivalent of almost a third (30%) of all women required for the cohort as a whole to reach targets (see Appendix 4, p39, Fig.v), while global / investment banking accounts for more than quarter (27%). More than half (52%) of the additional women required will need to take up senior roles at the largest firms.

Fig.26 Today compared to targets

Average level of female representation in senior management in 2022 and target, by sector, %

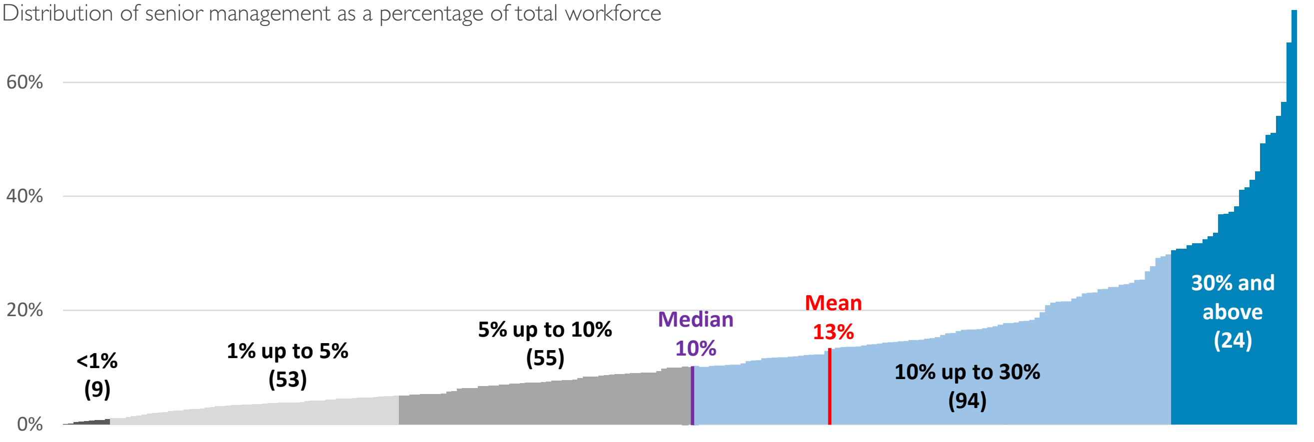


n=235
* Other as for Fig.25 above

CONTEXT OF TARGETS: DEFINING SENIOR MANAGEMENT

Fig.27 How definitions of senior management vary

a) Distribution of senior management as a percentage of total workforce



n=235

Who is included in senior management?

Just as Charter signatories choose their own targets, they can define their own senior management population. This approach recognises the variety of company types, sizes and management structures across the financial sector. Definitions range from 0.1% of total workforce up to 72.7% (Fig.27a), with the mean being 13% (equivalent to 438 people) and 11 signatories choosing a definition of 40% or more of total workforce. However, there is a clear consensus – for half of signatories, senior management accounts for up to 10% of staff.

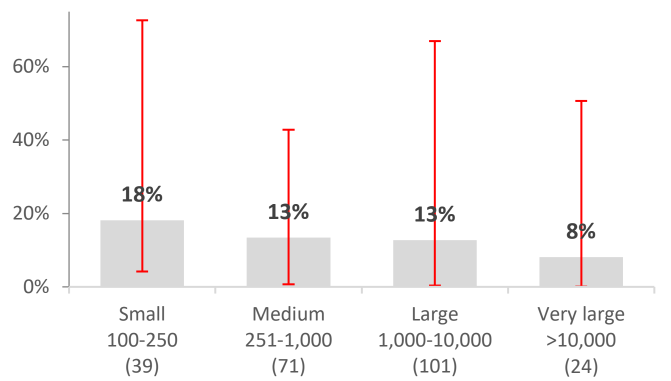
While the senior management population as a percentage of total workforce is larger for smaller signatories, there are outliers in every size category (Fig.27b). More than three-quarters of signatories (79%) have chosen a definition which includes the top three levels of management (Fig.27c), with the most common definition being exco-1 (executive committee and the reporting layer below it), used by 42% of signatories.

Twelve signatories changed their definition of senior management in 2022, mainly to focus on seniority and decision-making roles (see Appendix 3, p38, Fig.iii), and 10 changed the region to which the target applies.

KEY TAKEAWAYS

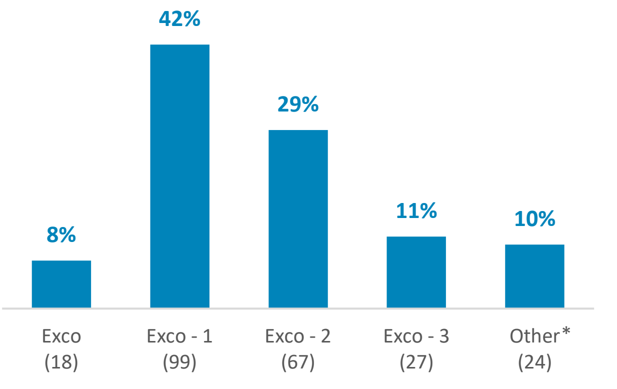
- For half of signatories, senior management accounts for up to 10% of the total workforce, with exco-1 being the most common definition

b) Senior management as a percentage of total workforce, average, % (red bars show range within each size category)



Category (n), total n=235

c) Different definitions of senior management, % of signatories



Category (n), total n=235

* Other includes signatories that define senior management as board, partners, top quartile of organisation by remuneration, exco-4 or exclude exco from the definition of senior management

"Since the introduction of the Women in Finance Charter seven years ago, we have seen a real step change in the approach taken by the financial services sector to female representation. It is becoming accepted that firms should treat diversity like any other strategic business objective - with an expectation that results must be delivered."

"HM Treasury remains committed to seeing gender balance achieved at all levels across financial services, to make the sector as productive, competitive, and innovative as it can be."

Gwyneth Nurse,
Director General,
Financial Services,
HM Treasury

10 suggestions for discussion

This annual review shows positive signs of Charter signatories' progress to improve female representation in senior management across financial services in 2022. Here are 10 discussion points raised by our findings to stimulate thought and action on improving diversity:

1. **Keep diversity on the agenda:** Global economic and geopolitical turmoil present a complex and challenging backdrop for the financial services industry. To prevent diversity and inclusion sliding back to being considered a non-essential activity, leaders must clearly communicate how D&I connects to strategy, and take opportunities to transform business with D&I in mind whenever and wherever they arise.
2. **Maintain focus on women:** As the D&I agenda has matured, a broader range of diversity priorities are vying for attention, but focused effort is still required to increase representation of female colleagues and unlock their full potential. Women are half the population, they cut across all diversity strands, the best quality data is on women, and many D&I innovations are first tried and tested with women – we have to get this right.
3. **Step up the pace:** Is a one percentage point increase in female senior managers across the signatory cohort per year enough? At this pace, parity is 15 years away. The industry needs to think long and hard about what genuine sustainable change will look like, how long it should take to get there, and what still needs to be done.
4. **Mind the gap:** The clear and growing gap between the leading and trailing sectors raises the risk of reaching a tipping point where the leaders enjoy a virtuous cycle of attracting, retaining and promoting diverse talent, while the laggards get trapped in a vicious cycle. The trailing sectors – particularly the global / investment banks and investment managers – must work with their peers to get back on track.
5. **Follow the data:** Every year, signatories find new ways to use ever more granular diversity data to inform actions and measure their impact. The next step is to ensure the right people see the data at critical moments when it can affect their decision making.
6. **Enforce accountability:** The data shows that most signatories have introduced numerous initiatives, processes and systems that have the potential to deliver positive D&I outcomes. The next step is to bring in accountability mechanisms to prevent avoidance and subversion of those plans, such as targets, check and challenge, or comply and explain.
7. **Monitor hybrid:** Wide adoption of hybrid working is a lasting legacy of the pandemic, particularly in efforts to attract and retain women. But firms need to stay alert to potential differential impacts on promotion prospects, and be prepared to act quickly to avoid creating a different kind of pipeline problem in the years ahead.
8. **Face up to a public conversation**: Publishing a Charter update is one of the four core Charter principles and should be taken seriously, but many signatories are still not communicating their Charter commitments effectively, either internally or externally. It is important to remember why transparency is so valuable.
9. **Stay on target:** A significant number of signatories appear to know and accept that they will miss their target at least one or two years ahead of their deadline. Firms must hold themselves accountable to targets if diversity is to shift from a side-of-desk activity and be treated as any other strategic objective for the business.
10. **Use the evidence:** Every year, the Charter data set becomes richer and more compelling. This analysis is a valuable resource for signatories, or indeed any firm, to benchmark and kick the tyres on their own thinking, processes and practices. Signatories should be asking themselves if they are outliers, and which areas they need to tackle next.

PROGRESS OF SMALLER SIGNATORIES

How are smaller signatories doing?

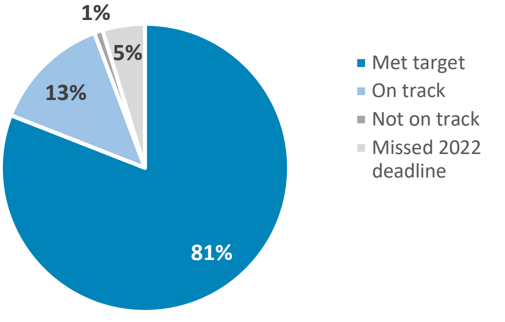
An additional 105 signatories with 100 staff or less provided an annual update to HM Treasury in September 2022. We have simplified the analysis of these smaller organisations (compared to the larger signatories) in order to maintain a proportionate approach to monitoring them and to ensure comparability across all signatories.

The majority of the smaller signatories have more ambitious targets, which they have already met, and many have a female CEO.

Of this group of 105, 81% (85 firms, Fig.b) have already met their targets and a further 13% are on track to meet their targets by their deadlines (Fig.a). Five with a 2022 deadline or a maintain target missed their target (Fig.c).

Fig. a Progress against targets

How smaller signatories are progressing against their targets, % of signatories



n=105

Fig. b The 85 smaller signatories that have met their targets

Signatory name	Target	Deadline
Beaufort Group Consulting	100%	Maintain*
Campbell & Fletcher	100%	2022
Independent Women	100%	2023
VIBE Financial Services	100%	2023
Partners Credit Union	67%	2022
Fintellect Recruitment	66%	2020
Wave Community Bank	60%	Maintain*
Bridging Finance Solutions	60%	2022
Anglia Angels	50%	Maintain*
Archipelago Eco Investors	50%	Maintain*
Ark Investment Management	50%	Maintain*
Barcadia Media	50%	Maintain*
Berry & Oak	50%	Maintain*
Capital Credit Union	50%	Maintain*
Executive Benefit Services UK	50%	Maintain*
First Wealth (London)	50%	Maintain*
GAAPweb	50%	Maintain*
Institute of Legal Finance & Management	50%	Maintain*
Jane Smith Financial Planning	50%	Maintain*

Signatory name	Target	Deadline
Magenta Financial Planning	50%	Maintain*
Medianett	50%	Maintain*
Mortgages for Business	50%	Maintain*
Scotwest Credit Union	50%	Maintain*
Sturgeon Ventures	50%	Maintain*
Teamspirit	50%	Maintain*
Warren Partners	50%	Maintain*
Whyfield	50%	Maintain*
Blakeney Partners	50%	2020
Bluestone Leasing	50%	2021
City Hive	50%	2021
Coreco Group	50%	2021
OAC	50%	2021
Sestini & Co	50%	2021
Armstrong Wolfe	50%	2022
Connect IFA	50%	2022
Credit Services Association	50%	2022
EdAid	50%	2022

* Maintain refers to an ongoing target that does not have a specific deadline

SMALLER SIGNATORIES PROGRESS (continued)

Fig. b (continued) The 85 smaller signatories that have met their targets

Signatory name	Target	Deadline
Innovate Finance	50%	2022
Key Fund	50%	2022
LDNfinance	50%	2022
MT Finance	50%	2022
AMC Executive Search	50%	2023
Association of British Insurers	50%	2023
Crito Capital	50%	2023
Enterprise Investment Scheme Association	50%	2023
Investing Ethically	50%	2023
London Capital Credit Union	50%	2023
TFA (Trusted Financial Advice)	50%	2023
Leverton Search	50%	2024
Channel Islands Adjusters	50%	2025
Whitechurch Securities	50%	2025
Hope Capital	45%	2021
Brightstar Financial	45%	2023
Castlefield Partners	43% - 57%	2022
Lucas Fettes & Partners	40%	Maintain*
Ridgeway Partners	40%	Maintain*
TheCityUK	40%	Maintain*
British Friendly Society	40%	2022
Financial Services Culture Board	40%	2022
Investment Association	40%	2022
Ask Inclusive Finance	40%	2023
British Insurance Brokers' Association	40%	2023

Signatory name	Target	Deadline
Carrington Wealth Management	40%	2023
Willis Owen	40%	2023
Hartsfield Group	40%	2024
Personal Investment Management and Financial Advice Association	40%	2024
EQ Investors	35%	2022
FinTech Strategic Advisors	33%	Maintain*
Lomond Wealth	33%	Maintain*
Zebedee Capital Partners	33%	Maintain*
Unividual	33%	2021
AE3 Media	33%	2022
Finance & Leasing Association	33%	2022
Nacional Financiera	33%	2022
Uinsure	33%	2022
Sainty, Hird & Partners	33%	2024
British Private Equity & Venture Capital Association	30%	Maintain*
Building Societies Association	30%	Maintain*
Earth Capital	30%	2021
Fiduciam Nominees	30%	2021
Prytania Solutions	30%	2021
Shepherds Friendly Society	30%	2022
HW Global Talent Partner	30%	2023
Scottish Equity Partners	30%	2023
IM Asset Management	30%	2025

* Maintain refers to an ongoing target that does not have a specific deadline

Fig. c The 5 small signatories that missed 2022 targets

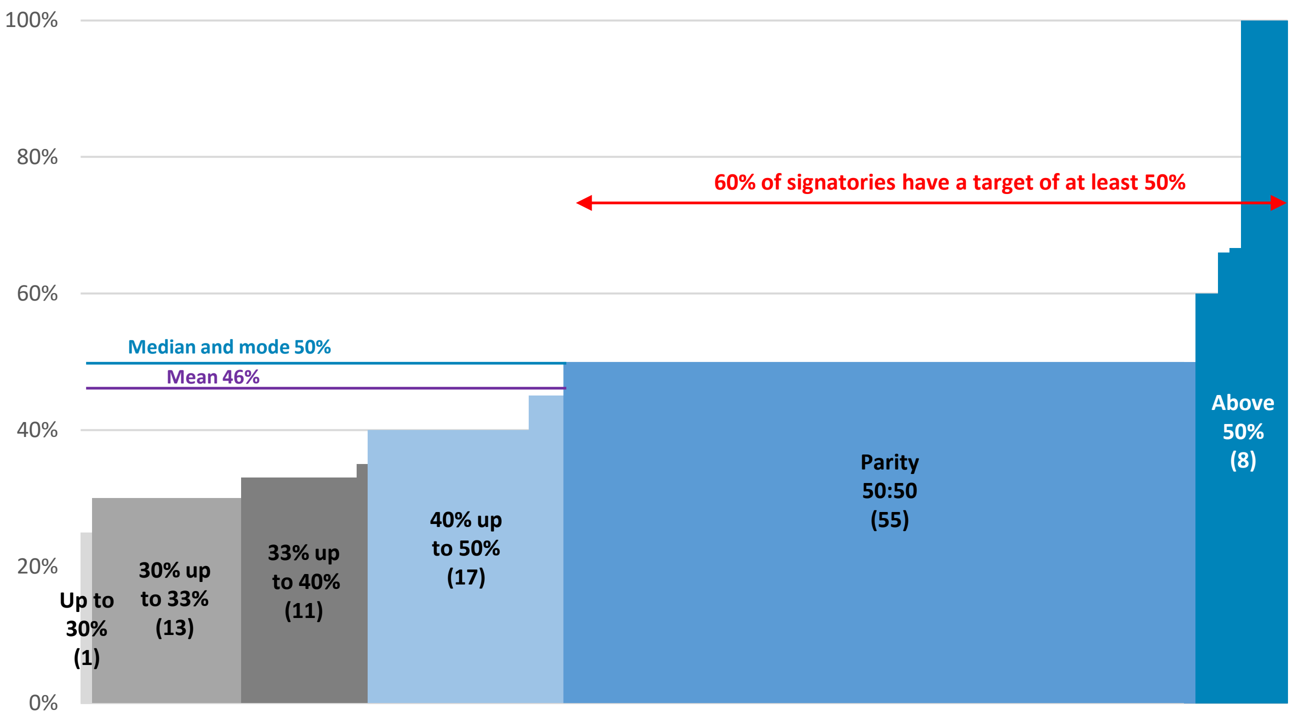
Signatory name	Target	Deadline
Beckett Investment Management	50%	Maintain*
H/ Advisors Cicero (Formerly Cicero)	50%	Maintain*
Bovill	50%	2022

Signatory name	Target	Deadline
DDGI	50%	2022
Pensions and Lifetime Savings Association	50%	2022

* Maintain refers to an ongoing target that does not have a specific deadline

Fig. d The full range of smaller signatory targets

Distribution of all smaller signatories by headline* target for female representation in senior management



n=105
* See Appendix 1 (p32) for further methodology notes on our definition of headline targets

Smaller signatories demonstrate high ambition

The smaller signatories have noticeably higher targets than the larger signatories group (Fig.d). While targets range from 25% to 100%, three-quarters (76%) of smaller signatories have a target of at least 40%, 60% have a target of at least 50%, 55 firms have a target of parity, and eight firms have a target of more than 50% female representation in senior management. The mean average target is 46%, ranging from 25% to 100%, with a mode and median target of parity.

The average level of female representation in senior management for the group of smaller signatories is 54%, ranging from 0% to 100%.

In summary, this group of signatories is markedly different from the 235 larger firms (more than 100 staff) in the deeper analysis (Fig.e).

Fig. e Clear differences between the two cohorts

Criteria for comparison	105 smaller signatories	235 larger signatories
% of signatories that met targets	81%	34%
Average (mean) target	46%	38%
Most common (mode) target	50%	40%
% of signatories with parity targets	52%	16%
Range of targets	25% - 100%	19% - 50%
Average level of female representation in 2022	54%	35%
Range of levels of female representation in 2022	0 - 100%	11% - 64%
Total number of employees covered by the Charter	3,500	1.2 million

APPENDIX 1: CONTENTS / METHODOLOGY

Contents

Methodology

This review analyses annual updates from 235 signatories that signed the Charter before September 2021, provided† an annual update to HM Treasury in September 2022, and have more than 100 staff‡. The data was shared with New Financial on a confidential basis. All data has been anonymised, aggregated, and no data has been attributed without consent from the relevant signatory.

Headline senior management targets

All targets analysis is based on a single target and deadline for each signatory.

- For firms that set targets for multiple tiers of senior management, we used an average weighted by the size of the senior management population in each band.
- For those that set targets for multiple groups including one for senior management, we used the senior management target.
- For firms that submitted targets against multiple deadline years, we used the shorter-term target and deadline provided (for example, if a signatory set targets for 2025 and 2030 we used the 2025 deadline year and corresponding target as the headline target).
- For firms with a target range, we used the midpoint.
- For firms that set a target with a tolerance of +/- *x*%, we used the midpoint.

Criteria for meeting targets

A signatory has been listed as having met its target if the firm has met or exceeded its stated target during the reporting period.

- For firms with targets for multiple tiers of senior management or multiple groups, we also take into account whether the firm believes it has met its targets as a whole, not just on a weighted average basis.
- For firms with a target range or range of tolerance, we accept meeting or exceeding the bottom of the range or range of tolerance as having met the target.

† The data provided by each signatory has not been verified by HM Treasury or any other body. Enquiries on any individual firm's approach to the Charter should be directed to that firm.
‡ An additional 105 signatories with 100 staff or less provided an annual update. This data has been analysed separately (see p29-31) in order to focus on comparability across all signatories.

NB: References to 2021 in this review reflect data provided by the 235 signatories in their 2022 submission forms – therefore the 2021 data analysed in this review is not directly comparable with the 2021 data from 209 signatories presented in the *annual review* published in June 2022.

APPENDIX 2: REASONS SIGNATORIES MISSED 2022 TARGETS

Fig. i **List of reasons why 29 signatories missed their deadline in 2022** (listed by target)

Signatory name	Target	Comment on why they missed
AIB UK	50%	AIB reached 48.5% in 2022, an increase of 7.5% on 2021, narrowly missing its 50% target. It has specific measures in place through its diversity and inclusion programme.
Castle Trust	50%	Castle Trust's target was impacted by low turnover in senior management roles and the implementation of a new grading structure. The firm is on track to achieve its revised target of 35% by 2023.
Chartered Insurance Institute	50%	The Chartered Insurance Institute met its previous 30% target in 2021 and set a target of 50% for 2022. While female representation increased to 42%, it missed the target due to attrition. The organisation plans to introduce a women's leadership programme in 2023.
Sesame Services	50%	Sesame fell just short of its ambitious target of 50%, due to changes in its senior management population.
Target Group	50%	Target Group has extended its deadline to 2025. It has been reviewing its organisational structure and expects a greater shift in female representation over the next three years.
National Savings and Investments	50% (+/- 10%)	NS&I narrowly missed its target but remains committed to achieving 50:50 within its senior leadership team.
Hodge Group	45%	Hodge achieved 38% but missed its ambitious target of 45% female representation in the senior leadership team due to a number of factors, including changes to its exco. Hodge has revised its target to 45-50% by 2026.
Julius Baer International	45%	Julius Baer exceeded its target for exco but missed its senior management target by just one percentage point due to changes within its UK senior management team in 2022.
Collinson Group	40%	While Collinson has made progress, moving from 28% to 31% female senior managers, it has missed its target due to lack of staff turnover in senior positions. The firm has changed its deadline to 2024.
Global Processing Services	40%	Global Processing Services went through a significant change management programme following a recent investment, which led to a higher percentage of turnover than expected. The firm has extended its deadline to 2023 and expects to meet the 40% target by then.
Monzo Bank	40%	Monzo achieved its target of 40% women on its board (56%), but not on its exco (25%). All of its board sub-committees (audit, nomination and governance, risk and remuneration committee) are chaired by women.
Direct Line Group	35%	Direct Line Group has made progress, moving from 22% women in senior management in 2016 to achieving 31.3% by the end of 2022, but missed its 35% target. It is focusing on talent and succession planning and will be setting new targets in 2023.
Morningstar	35%	Morningstar UK acquired two subsidiary companies which increased overall headcount. Whilst the number of women in senior management increased, the percentage within the overall population did not. The firm has committed to achieving its new target of 30% in 2023.
Amundi UK	33%	Amundi missed its target due to very low turnover in senior management positions as well as changes to the senior management population following an acquisition and restructure. Amundi has extended its deadline to 2023.
Stifel Nicolaus Europe	33%	Stifel missed its target of 33% for its board due to market difficulties in recruitment and retention. Following the pandemic, the firm has been refocusing efforts on diversity and inclusion to provide a sustainable and positive work environment for all.

APPENDIX 2: REASONS SIGNATORIES MISSED (continued)

Fig. i (continued) **List of reasons why 29 signatories missed their deadline in 2022** (listed by target)

Signatory name	Target	Comment on why they missed
Together Financial Services	33%	While Together Financial has made rapid progress moving from 26% to 31% in just one year, it missed its 33% target.
Columbia Threadneedle Investments	30% - 40%	Columbia Threadneedle met its targets for women in the total workforce and female investment professionals, but is still working towards its targets for the board, exco and topco. The firm has been impacted by an acquisition that doubled its EMEA population and plans to set new goals for the combined organisation in 2023.
ABN Amro UK	30%	ABN Amro UK narrowly missed its target, achieving 29% (up from 23% in 2019 when it joined the Charter) for a second year, due to a small senior management population with low turnover. The firm is planning to redefine its senior management population.
Artemis Investment Management	30%	Artemis missed its target as a result of structural changes within teams, and because it has fewer female fund managers leading its investment strategies (excluding fund managers, it would have achieved the target). The firm has a new accountable executive and is reviewing its D&I strategy.
ANZ Banking Group	30%	ANZ narrowly missed its target, achieving 29% female senior managers, although its UK and Europe exco has 50% female representation.
CNA Hardy	30%	CNA Hardy missed its target because of two senior women leaving and low turnover of senior managers.
Pimco Europe	30%	Pimco Europe achieved 25% but missed its target. The firm has made progress in building its female talent pipeline and has seen positive momentum over a multi-year period.
Shawbrook Bank	30%	Shawbrook increased female representation in senior leadership from 24.6% to 27.3% but missed its 30% target due to low turnover in its senior management population. The bank has extended its deadline to 2024 and is refreshing its D&I strategy.
Franklin Templeton Investments	28% - 33%	Due to ongoing organisational activity following the acquisition of Legg Mason, Franklin Templeton did not achieve its stated target for 2022, and has extended it to 2025. However, female representation at Franklin Templeton has increased to 24.39% in 2022 from 20.97% in 2021.
Man Group	27.5%	Man Group has made progress from 16% in 2016 to 26%, narrowly missing its 2022 target due to some female senior managers leaving (although overall turnover of male and female staff is broadly the same). It has set a new target of 30% by the end of 2024.
KPMG	25% - 49%‡	KPMG exceeded its target of 25% female representation at partner level, but missed its targets for senior managers and for directors, as the pandemic significantly impacted recruitment and promotions. The firm has revised its targets to at least 40% women at both partner and director level by 2030.
GAM Investments	25%	GAM has made progress from 16.7% women in senior management when it joined the Charter in 2018 to 21.2% in 2022, but fell short of its aspirational 25% target.
Grant Thornton	25%	Grant Thornton had 16% women at partner level when it signed up to the Charter in 2018, and achieved 22% in 2022, but missed its 25% target. The firm has revised its target to 27% female partners by 2025, which it believes is stretching and realistic.
Nomura International	19%	While Nomura has reached its goal of parity for female representation amongst graduates, it missed its senior management target, achieving 15%. The firm has revised its target to 17% by 2026.

‡ Target range covers different targets for multiple layers of senior management

APPENDIX 3: SIGNATORIES THAT CHANGED THEIR TARGETS

Fig. ii List of 68 firms that changed their targets (by category, listed by level of new target)

Raising the bar: 26 signatories that have met their targets and increased them				
Signatory name	**Previous target**	**Previous deadline**	**New target**	**New deadline**
Metro Bank	38%	2021	50%	2025
Nottingham Building Society	35%	Maintain*	50%	2025
Association of Accounting Technicians	40%	2022	45%	2027
Bank of Ireland (Retail UK) Δ	38%	2021	43%	2024
Unum	40%	2021	43%	2026
ClearBank	35%	2022	42%	2023
Mercer	35%	2022	41%	2023
Covéa Insurance	35%	2021	40.7%	2025
Triodos Bank UK	30%	Maintain*	40% - 50%	2023
Brown Shipley	25%	Maintain*	40%	2023
Phoenix GroupΔ	30%	2021	40%	2023
Cambridge & Counties Bank	30%	2022	40%	2024
NFU Mutual	38%	2021	40%	2024
Paragon Banking Group	35%	2022	40%	2025
QuilterΔ	38% - 43%	2023	40%	2025
RSA Insurance	34%	2023	40%	2025
Tokio Marine Kiln Insurance Services	35%	2023	40%	2025
Aegon Asset Management	30%	2021	40%	2027
Visa Europe	35%	2023	36.5%	2025
Chaucer GroupΔ	25%	2022	36%	2023
Morgan Stanley International	30%	2023	35%	2025
Macquarie Group (EMEA) Δ	25%	2023	35%	2026
Investec Bank	30%	2022	35%	2027
Investec Wealth & Investment	30%	2022	35%	2027
Barclays	28%	2021	33%	2025
Deutsche Bank	20% - 30%‡	2022	20% - 30%‡	2025

Δ Previous target applied to a different senior management definition
* Maintain refers to an ongoing target that does not have a specific deadline
‡ Target range covers different targets for multiple layers of senior management

Fig. ii (continued) **List of 68 firms that changed their targets** (by category, listed by level of target)

Extending deadline: 8 signatories that increased the timeframe (having met previous targets)				
Signatory name	**Previous target**	**Previous deadline**	**New target**	**New deadline**
Financial Services Compensation Scheme	50% (+/- 5%)	2022	50% (+/- 5%)	2024
PensionBee	50%	2022	50%	Maintain*
BMW Financial Services GB	45%	2022	45%	2023
Virgin Money	45%	2020	45%	2025
Institute of Chartered Accountants in England and Wales	40%	2020	40%	2023
Appreciate Group	40%	2022	40%	2024
Aldermore Group[Δ]	30%	2022	30%	2023
Ecclesiastical Insurance	30%	2022	30%	2023

Increasing targets: 11 signatories that have raised their targets (having not yet met previous targets)				
Signatory name	**Previous target**	**Previous deadline**	**New target**	**New deadline**
Mazars	27% - 45%‡	2023	32% - 46%‡	2027
Hodge Group	45%	2022	45% - 50%	2026
Bain & Company (UK)	40%	2025	45%	2025
KPMG[Δ]	25% - 49%‡	2022	40%‡	2030
Principality Building Society	33%	2021	40%	2030
BP Trading & Shipping	33%	2020	35% - 40%‡	2025
Tesco Bank[Δ]	33%	2024	35%	2025
Mizuho Bank	5% - 10%	2021	33%	2030
Man Group	27.5%	2022	30%	2024
Wellington Management International	25%	2025	30%	2025
Grant Thornton	25%	2022	27%	2025

Δ Previous target applied to a different senior management definition
* Maintain refers to an ongoing target that does not have a specific deadline
‡ Target range covers different targets for multiple layers of senior management

APPENDIX 3: CHANGED TARGETS (continued)

Fig. ii (continued) **List of 68 firms that changed their targets** (by category, listed by level of target)

Extending deadlines: 15 signatories that increased the timeframe to reach existing targets (having not yet met previous targets)				
Signatory name	**Previous target**	**Previous deadline**	**New target**	**New deadline**
Santander UK	50% (+/- 10%)	2021	50% (+/- 10%)	2025
Target Group	50%	2022	50%	2025
Julius Baer International	45%	2022	45%	2023
LV=	43%	2021	43%	2023
Global Processing Services	40%	2022	40%	2023
Nucleus Financial Group	40%	2020	40%	2023
Collinson Group	40%	2022	40%	2024
iPipeline UK	40%	2023	40%	2024
IRESS	40%	2022	40%	2024
Wise Payments	40%	2021	40%	2025
Allianz Global Investors	30% - 40%‡	2021	20% - 35%‡	2024
Amundi UK	33%	2022	33%	2023
Stifel Nicolaus Europe	33%	2021	33%	2023
Aon	30%	2020	30%	2024
Franklin Templeton Investments	28% - 33%	2022	28% - 33%	2025

Lowering targets: 8 signatories that reduced their targets (having not yet met previous targets)				
Signatory name	**Previous target**	**Previous deadline**	**New target**	**New deadline**
International Swaps & Derivatives Association	45%	2023	40%	2023
Capital One Europe	50% (+/- 10%)	2025	40%	2025
Castle Trust∆	50%	2022	35%	2023
People's Partnership (Formerly B&CE Holdings)	50%	2025	35%	2024
Morningstar	35%	2021	30%	2023
Perella Weinberg (UK)	35%	2023	30%	2024
JM Finn	30%	2021	25%	2025
Nomura International	19%	2022	17%	2026

∆ Previous target applied to a different senior management definition
‡ Target range covers different targets for multiple layers of senior management

Fig. iii List of 12 signatories that changed their senior management definition in 2022

2 narrowed their definition to a more senior level
Chaucer Group
KPMG

5 broadened their definition to add levels of managers
Aldermore Group
British Business Bank
Phoenix Group
Tesco Bank
Vanquis Banking Group

5 made changes that had little or no impact on size
Bank of Ireland (Retail UK)
Castle Trust
DAS UK
Federated Hermes
Quilter

APPENDIX 4: ADDITIONAL REFERENCE DATA

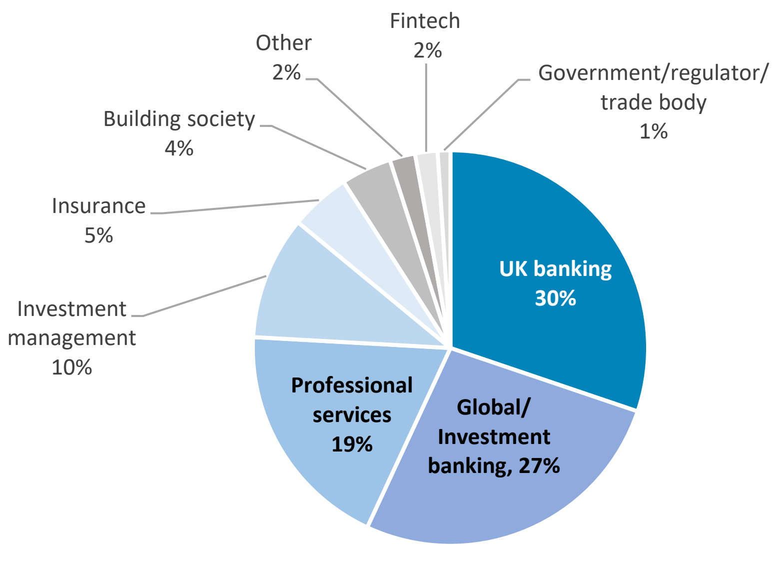
Fig. iv Size of total workforce and senior management populations by sector

Sector (n)	Number of employees to which Charter applies	Number of senior managers as per senior manager definition	Number of female senior managers in 2022
Global/investment banks (34)	524,497	38,285	10,891
UK banking (33)	215,089	13,903	5,293
Insurance (35)	136,506	7,845	2,685
Professional services (16)	114,505	18,470	7,186
Investment management (43)	91,746	14,960	4,946
Other* (26)	63,099	4,648	1,691
Building societies (17)	33,229	2,165	686
Government/regulators/trade body (18)	21,713	1,599	696
Fintech (13)	11,328	1,128	325
Total (235)	1,211,712	103,003	34,399

* Other includes market infrastructure, payment systems, financial advisers, life and pensions, consumer finance, development finance, non-bank lender, trading, law

Fig. v How many women by sector

Of the 4,221 women required for all signatories to meet targets, percentage required by each sector, %



n=180 signatories that still have targets to meet (including those that set a new target)
* Other includes market infrastructure, payment systems, financial advisers, life and pensions, consumer finance, development finance, non-bank lender, trading, law

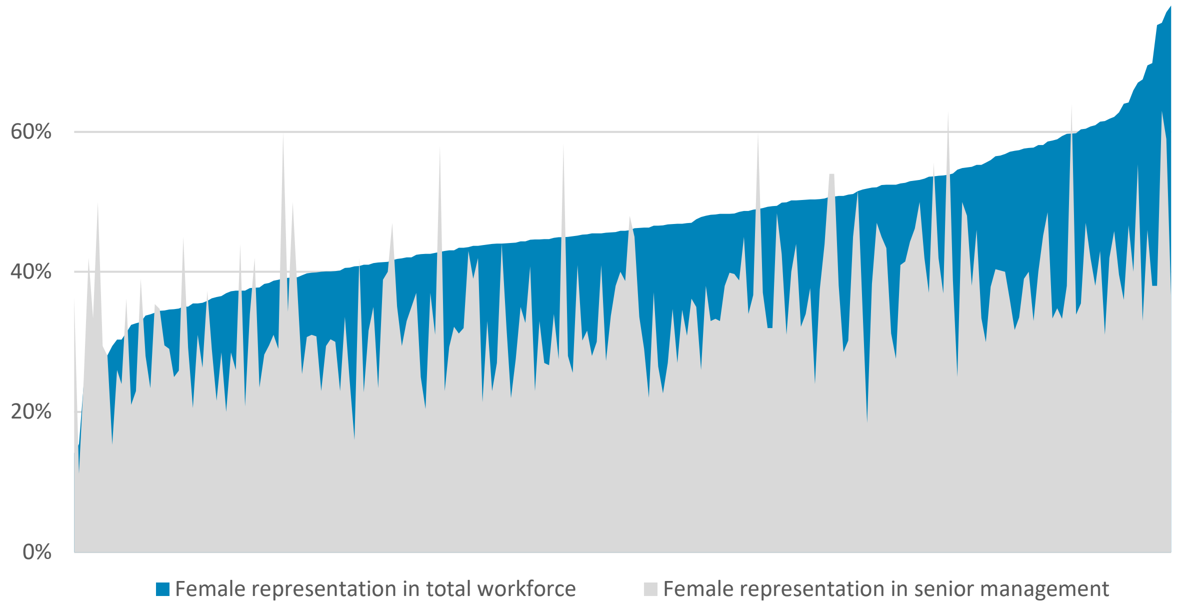
We estimate this group of 235 signatories would have to add around 4,221 women in order to meet their targets, which is a 6% decrease from 2021.

This is a rough estimate:
- we assume the size of the senior management population will stay the same as it is today,
- we had to exclude signatory data that was incomplete or inconsistent,
- there is rounding error.

This chart shows the sectoral breakdown of the 4,221 women required to join senior management, by sector, as a percentage of 4,221 women.

Fig. vi Gap between senior management and total workforce

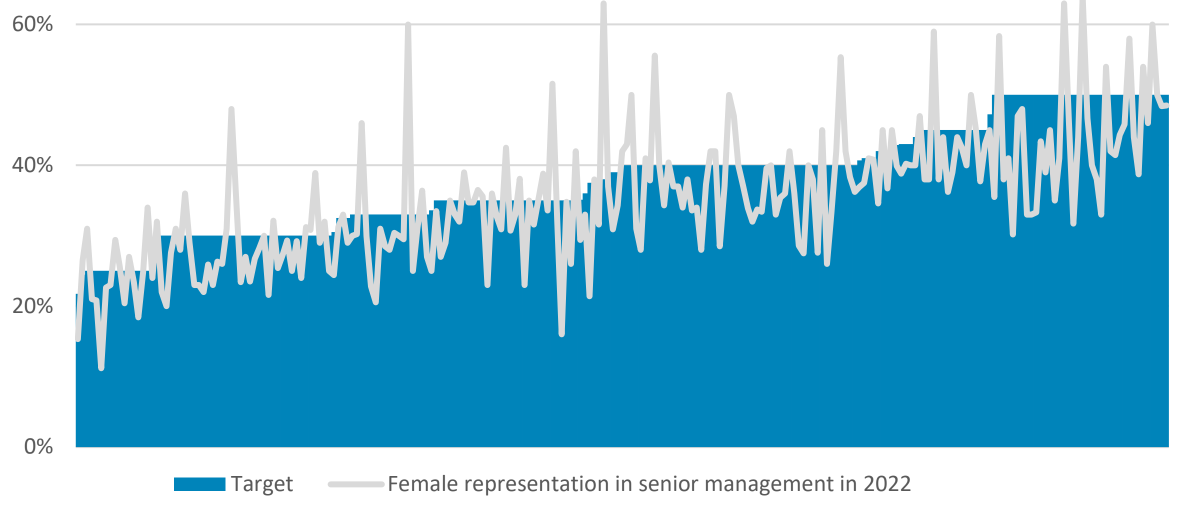
Distribution of female representation in senior management and female representation in total workforce for all signatories, %



n=232, excludes three signatories with inadequate data

Fig. vii Gap between female representation in 2022 compared to target

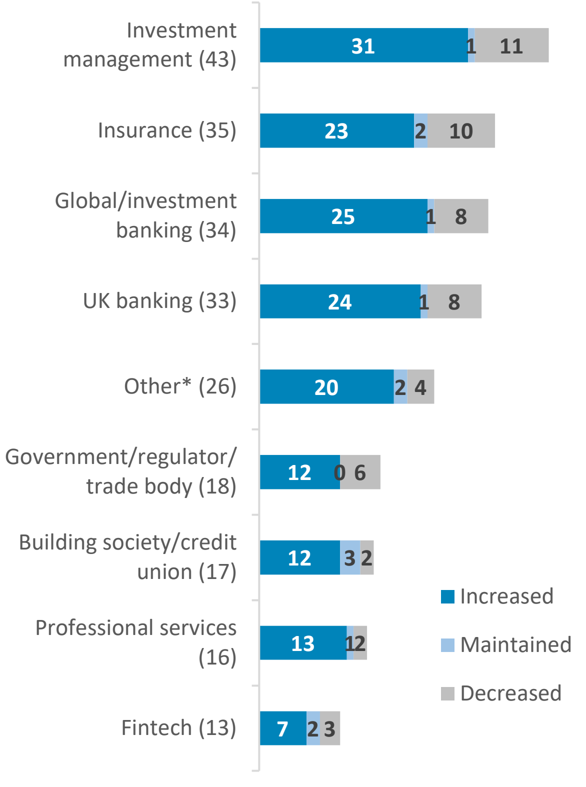
Distribution of female representation in senior management in 2022 and target for all signatories, %



n=235

Fig. viii Signatories moving in the right direction

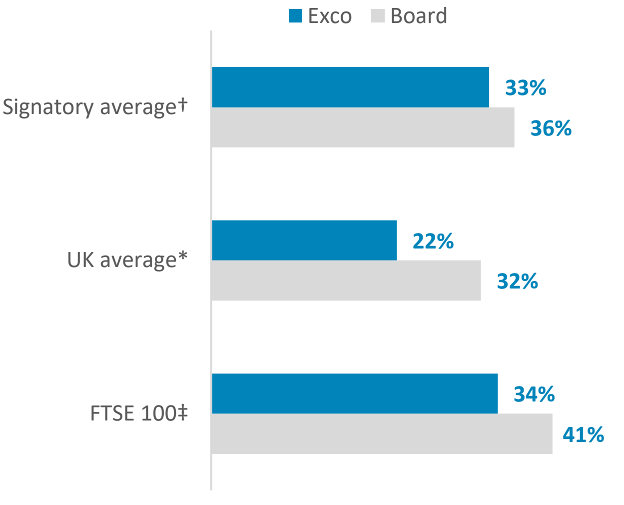
Number of signatories where female representation as % of senior management increased, was maintained or decreased over the reporting period, by sector (n)



n=234, excludes one signatory with inadequate data
* Other includes market infrastructure, payment systems, financial advisers, life and pensions, consumer finance, development finance, non-bank lender, trading, law

Fig. ix Female representation on boards and excos

Average female representation on boards and executive committees of signatory firms

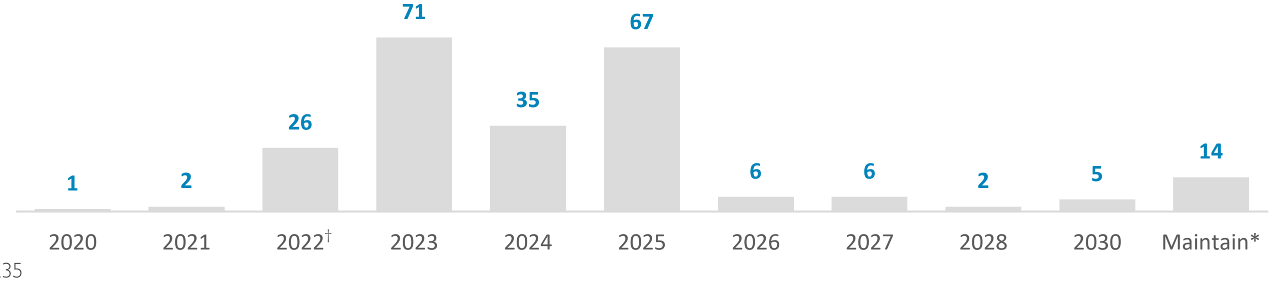


†214 signatories provided data, 192 for boards, 199 for excos
* UK average from New Financial data for HM Treasury Women in Finance Charter: Five Year Review, July 2021
‡ FTSE100 from the 2023 FTSE Women Leaders Review. Note that the exco definition used here is executive committee and direct reports.

APPENDIX 5: SIGNATORY DESCRIPTIONS

Fig. x Signatories by deadline year

Signatories grouped by year of target deadline, number of firms, based on new targets for the 68 firms that updated their target



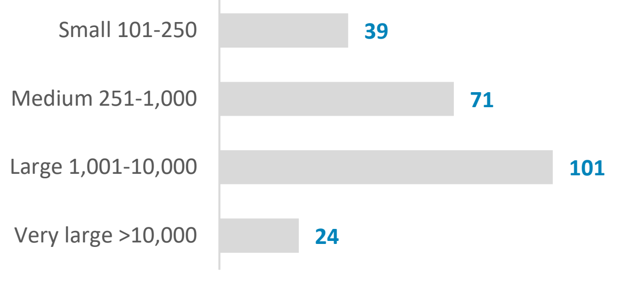
n=235

† Of the 56 firms that had a 2022 deadline, 30 have also set a new target deadline recorded in this data

* Maintain refers to an ongoing target which has already been met

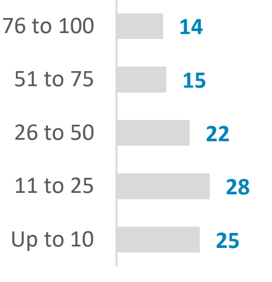
Fig. xi Signatories by size

a) Larger signatories grouped by number of employees



n=235

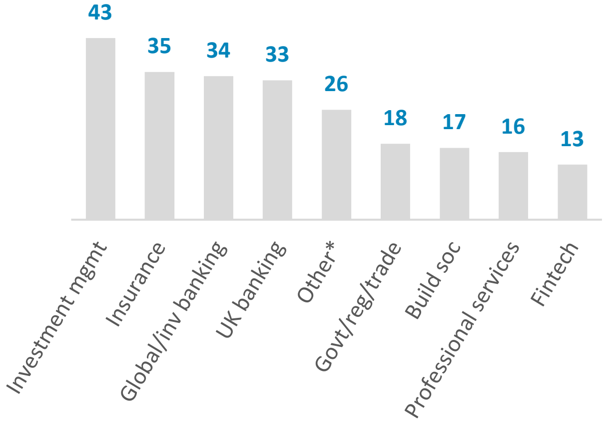
b) Smaller signatories grouped by number of employees



n=105

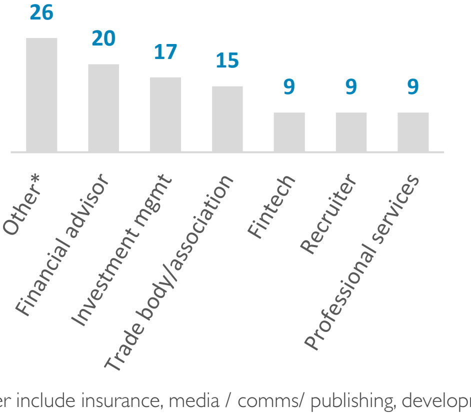
Fig. xii Signatories by sector

a) Larger signatories grouped by sector, n=235



* Other includes market infrastructure, payment systems, financial advisers, life and pensions, consumer finance, development finance, non-bank lender, trading, law

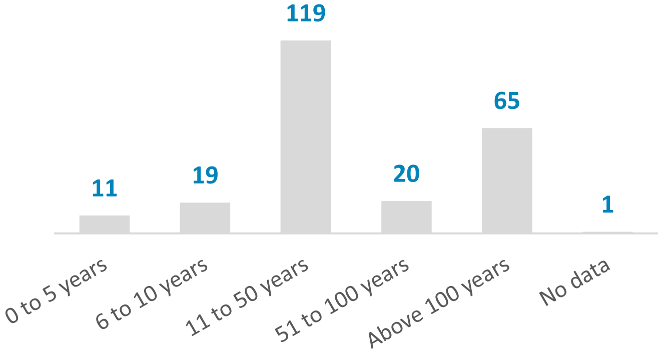
b) Smaller signatories grouped by sector, n=105



* Other include insurance, media / comms/ publishing, development bank, membership body, specialist lender, mortgage broker, training and coaching consultancy, short term finance, building society, credit unions, asset finance, professional services, social investment

Fig. xiii Signatories by age

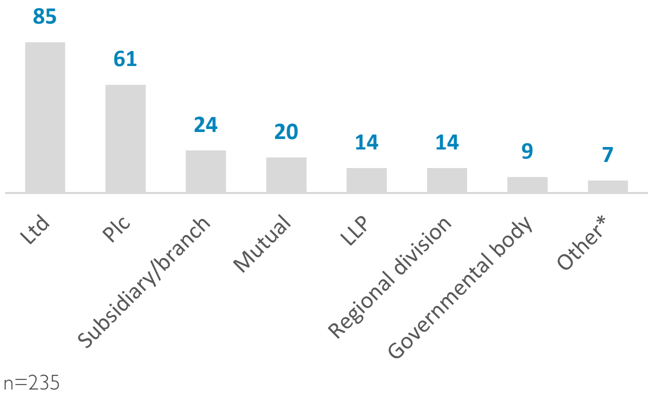
Signatories grouped by age, number of firms in each category



n=235

Fig. xiv Signatories by company type

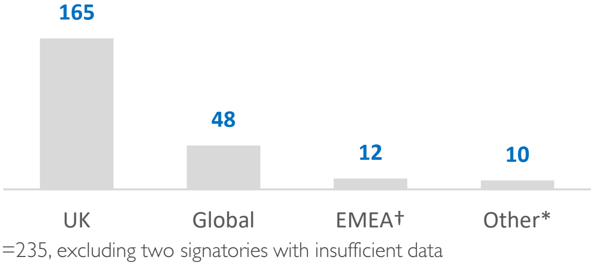
Signatories grouped by company type, number of firms in each category



n=235
* Other includes not for profit, public corporation, royal charter body, professional body

Fig. xv Region to which target applies

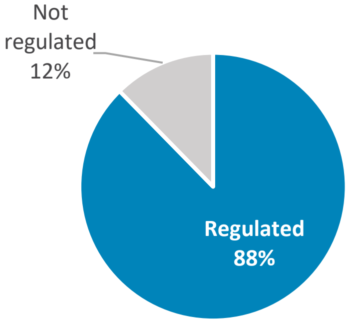
Signatories grouped by region to which Charter target applies



n=235, excluding two signatories with insufficient data
† Europe, Middle East and Africa
* Other includes UK and Channel Islands; UK and Ireland; UK and Jersey; UK and Northern Ireland; UK, Europe and Ireland

Fig. xvi FCA-regulated signatories

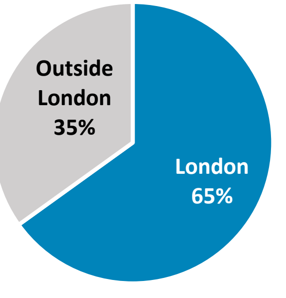
Percentage of signatories that are regulated by the Financial Conduct Authority or conduct regulated activities, %



n=235

Fig. xvii Location of headquarters

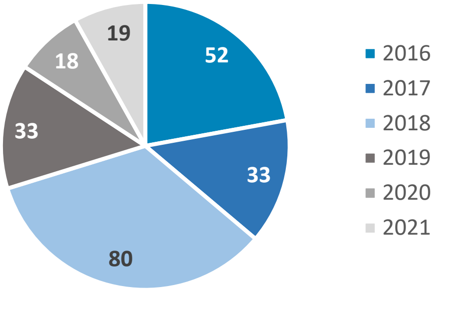
Percentage of signatories with headquarters in London, %



n=232, excluding three signatories with insufficient data

Fig. xviii Signatories by year of joining the Charter

Signatories grouped by year of joining the Charter



n=235

APPENDIX 6: LIST OF SIGNATORIES ANALYSED

Fig. xix List of 235 signatories included in this analysis

This review includes data from the 235 signatory firms listed below, in alphabetical order by sector.
For an up-to-date list of all Charter signatories, visit https://www.gov.uk/government/publications/women-in-finance-charter

Banking (global/investment banks)
ABN Amro UK
ANZ Banking Group
Bank of America
Barclays
BNP Paribas London CIB
BNY Mellon
Canadian Imperial Bank of Commerce
Citi
Commerzbank (London branch)
Credit Suisse
Daiwa Capital Markets Europe
Deutsche Bank
Goldman Sachs International
Handelsbanken (UK)
JP Morgan
Lazard and Co
Macquarie Group (EMEA)
Mizuho Bank
Mizuho International
Morgan Stanley International
MUFG
Natixis (London branch)
Nomura International
Northern Trust (UK branch)
Perella Weinberg (UK)
Rothschild & Co
Royal Bank of Canada
SMBC Bank International and SMBC Nikko Capital Markets
Societe Generale
Standard Chartered
State Street
Stifel Nicolaus Europe
UBS
UniCredit Group

Banking (UK banks)
AIB UK
Aldermore Group
Atom Bank
Bank of Ireland (Retail UK)
Bank of London and The Middle East
Brown Shipley
Cambridge & Counties Bank
Castle Trust
ClearBank
Close Brothers Group
Danske Bank (UK)
Hodge Group
HSBC UK
Investec Bank
Lloyds Banking Group
Metro Bank
Monzo Bank
NatWest Group
OneSavings Bank
Paragon Banking Group
Post Office
Redwood Bank
Sainsbury's Bank
Santander UK
Shawbrook Bank
Starling Bank
Tesco Bank
The Co-operative Bank
Triodos Bank UK
TSB
Unity Trust Bank
Virgin Money
Zopa

Building societies
Cambridge Building Society
Coventry Building Society
Cumberland Building Society
Hinckley and Rugby Building Society
Leeds Building Society
Leek United Building Society
Market Harborough Building Society
Melton Building Society
Nationwide Building Society
Newcastle Building Society
Nottingham Building Society
Principality Building Society
Progressive Building Society
Skipton Building Society
Suffolk Building Society
West Bromwich Building Society
Yorkshire Building Society

Fintech
Allica bank
BGC Brokers (UK)
Funding Circle
Global Processing Services
iPipeline UK
IRESS
Landbay
London Metal Exchange
Morningstar
Nucleus Financial Group
PensionBee
TotallyMoney
Wise Payments

Government/regulators
Bank of England
British Business Bank
City of London Corporation
Financial Conduct Authority
Financial Ombudsman Service
Financial Reporting Council
Financial Services Compensation Scheme
HM Treasury
National Savings and Investments
Payment Systems Regulator
Pension Protection Fund
UK Export Finance
UK Government Investments

NB: The company names listed here include a mixture of group, parent company, subsidiary and trading names. For many companies, the Charter applies to a subsidiary, a specific entity, a branch, a division or region, and not necessarily to all staff at the company name as listed here. The sector allocations are based on signatories' own selections.

Fig. xix (continued) List of 235 signatories included in this analysis

This review includes data from the 235 signatory firms listed below, in alphabetical order by sector.
For an up-to-date list of all Charter signatories, visit https://www.gov.uk/government/publications/women-in-finance-charter

Insurance
Admiral Group
Ageas UK
Argo Managing Agency
Aviva
AXA UK
AXA XL
Beazley
BUPA
Canada Life
Chaucer Group
CNA Hardy
Collinson Group
Covéa Insurance
DAS UK
Direct Line Group
Ecclesiastical Insurance
esure Group
Family Assurance Friendly Society
Freedom Services
Hastings Insurance Services
LifeSearch
Lloyd's of London
LV=
Marsh and Guy Carpenter
Motor Insurers' Bureau
National House Building Council
NFU Mutual
Prudential
QBE European Operations
RSA Insurance
Tokio Marine Kiln Insurance Services
Unum
Vitality Corporate Services
Wesleyan Assurance Society
Zurich Insurance UK

Investment management
Abrdn
Aegon Asset Management
Allianz Global Investors
Amundi UK
Artemis Investment Management
AXA Investment Managers
BlackRock
Brooks Macdonald
Charles Stanley
Columbia Threadneedle Investments
Federated Hermes
Fidelity International
Foresight Group
Franklin Templeton Investments
GAM Investments
Hargreaves Lansdown
Interactive Investor
Intermediate Capital Group
Invesco
Investec Wealth & Investment
Janus Henderson Investors
JM Finn
Julius Baer International
Jupiter Asset Management
Lazard Asset Management
Legal & General Group
LGT Vestra
M&G
Man Group
Muzinich
Ninety One
Octopus Investment
Pepper (UK)
Pimco Europe
Quilter
Rathbone Brothers
RBC Brewin Dolphin (formerly Brewin Dolphin)
Royal London Group
Schroders
Seven Investment Management
St. James's Place
Vanguard Asset Services
Wellington Management International

Professional services
Aon
Bain & Company (UK)
BDO
Brickendon Consulting
Capco
Crowe
Deloitte
EY
Grant Thornton
KPMG
Mazars
Mercer
Progeny Wealth
PwC UK
Stonehage Fleming Services
Target Group

Trade associations
Association of Accounting Technicians
Chartered Insurance Institute
Institute of Chartered Accountants in England and Wales
International Swaps & Derivatives Association
UK Finance

Other
Addleshaw Goddard
Aegon UK Corporate Services
American Express
Appreciate Group
B&CE Holdings
Belmont Green Finance
BMW Financial Services GB
BNP Paribas Personal Finance
BP Trading & Shipping
British International Investment (formerly CDC Group)
Crown Agents Bank and Investment Management
Capital One Europe
Enra Specialist Finance
Just Group
London Stock Exchange Group
Mastercard (UK&I Division)
Nest
OSTC
Phoenix Group
Sesame Services
The Fry Group
Together Financial Services
TP ICAP
Tullow Oil
Vanquis Banking Group (formerly Provident Financial)
Visa Europe

NB: The company names listed here include a mixture of group, parent company, subsidiary and trading names. For many companies, the Charter applies to a subsidiary, a specific entity, a branch, a division or region, and not necessarily to all staff at the company name as listed here. The sector allocations are based on signatories' own selections.

APPENDIX 6: LIST OF SMALLER SIGNATORIES

Fig. xx List of the 105 smaller signatories included in this analysis

This review includes data from the 105 signatory firms listed below, grouped in alphabetical order by sector
For an up-to-date list of all Charter signatories, visit https://www.gov.uk/government/publications/women-in-finance-charter

Financial advisor
Archipelago Eco Investors
Berry & Oak
Brightstar Financial
Carrington Wealth Management
Connect IFA
Coreco Group
Crito Capital
Ellis Davies Financial Planning
Executive Benefit Services UK
First Wealth (London)
Hartsfield Group
Independent Women
Investing Ethically
Jane Smith Financial Planning
LDNfinance
Lomond Wealth
Lucas Fettes & Partners
Magenta Financial Planning
TFA Trusted Financial Advice
Unividual

Fintech
Ask Inclusive Finance
DDGI
EdAid
Fiduciam Nominees
FinTech Strategic Advisors
Funding Options
IFAST Global Bank
Prytania Solutions
Swoop Funding

Investment managers
Ark Investment Management
Beckett Investment Management
Big Society Capital
Castlefield Partners
Earth Capital
EQ Investors
IM Asset Management
Mustard Seed Impact
Patrizia Infrastructure (formerly Whitehelm Capital Limited)
Sapphire Capital Partners
Scottish Equity Partners
Social Investment Scotland
Sturgeon Ventures
Tribe Impact Capital
Whitechurch Securities
Willis Owen
Zebedee Capital Partners

Other
AE3 Media
Anglia Angels Limited (trading as Anglia Capital Group)
Armstrong Wolfe
Barcadia Media
Beaufort Group Consulting
Bluestone Leasing
Bridging Finance Solutions
British Friendly Society
Capital Credit Union
Financial Services Culture Board
Flood Re
Hope Capital
Key Fund
London Capital Credit Union
Medianett
Mortgages for Business
MT Finance
Nacional Financiera
Partners Credit Union
Scotwest Credit Union
Shepherds Friendly Society
Swansea Building Society
Teamspirit
Uinsure
VIBE Financial Services
Wave Community Bank

Professional Services
Bovill
Channel Islands Adjusters
GAAPweb
H/ Advisors Cicero (formerly Cicero)
Institute of Legal Finance & Management
OAC
Operis Group
Sestini & Co
Whyfield

Recruiter
AMC Executive Search
Blakeney Partners
Campbell & Fletcher
Fintellect Recruitment
HW Global Talent Partner
Leverton Search
Ridgeway Partners
Sainty, Hird & Partners
Warren Partners

Trade body / association / network
Alternative Investment Management Association
Association for Financial Markets in Europe
Association of British Insurers
British Insurance Brokers' Association
Building Societies Association
City Hive
Credit Services Association
Enterprise Investment Scheme Association
Finance & Leasing Association
Innovate Finance
Investment Association
Pensions and Lifetime Savings Association
Personal Investment Management and Financial Advice Association
The British Private Equity & Venture Capital Association
TheCityUK