



HM Treasury



Women in Finance Charter

a pledge for gender balance across financial services

Too few women in financial services get to the top. Plenty of young female graduates join financial services firms, but these women do not progress beyond the mid-tier or they leave the sector entirely. As employees rise in seniority, unequal gender representation in financial services worsens. Just 14% of executive positions are held by women.

The government asked Jayne-Anne Gadhia, CEO of Virgin Money, to investigate this further by leading a review into the representation of women in senior management in financial services which specifically targets the talent pipeline at the executive population below board level. This work complements the government's wider programme of work to tackle gender inequality and support women in the workplace.

The review, *Empowering Productivity: Harnessing the talents of women in financial services*, was published in March 2016 and makes four recommendations to industry to improve gender diversity, which have received widespread support from the sector.

- Appoint one member of the senior executive team who is responsible and accountable for gender diversity and inclusion.
- Set and publish internal targets for gender diversity in senior management.
- Publish progress annually against these targets in reports on their website.
- Have an intention to ensure the pay of the senior executive team is linked to delivery against these gender diversity targets.

To take forward Jayne-Anne's work, the government launched the [HM Treasury Women in Finance Charter](#) which asks firms to commit to implement the review's recommendations.

The government is committed to ensuring as many firms as possible sign the Charter and implement these recommendations in their organisation. Widespread adoption of these recommendations across the sector will make a genuine difference to gender diversity in financial services, and help ensure we make the most of the UK's talented workforce in a global competitive economy.

Firms of all shapes and sizes across financial services have already signed up, with headquarters in the UK, USA, Europe and Asia – from global banks to credit unions, the largest insurance companies to the smallest fintech start-ups. We ask signatories to publish their gender diversity targets on their individual websites – the most up-to-date list of signatories and links to their websites can be found [here](#).

To sign the Charter and formally commit to implement these recommendations please complete the online form at www.womeninfinance.org.uk.

Guidance on the Charter

The Women in Finance Charter is owned by HM Treasury and was launched to take forward the recommendations from Jayne-Anne Gadhia's review. HM Treasury is committed to working with firms to support their efforts to comply with the Charter.

The list of Charter signatories on the gov.uk website will be updated every three months.

Which firms are in scope?

The Charter is aimed at all financial services firms, as defined by the Financial Conduct Authority, with significant operations in the UK.

What does my organisation have to do?

Senior executive accountable for gender diversity

- Firms must appoint one member of the senior executive team responsible and accountable for gender diversity and inclusion within three months of signing the Charter. There is no obligation to publish the name of this senior executive, but details must be provided in confidence to HM Treasury. Firms are welcome to publish these details if they choose.

Example: Almost all firms choose their CEO or other C-suite member as the accountable executive.

Senior executive pay linked to delivery against gender diversity targets

- Firms must demonstrate to HMT how they have linked executive variable pay to delivery against their gender diversity targets.
- Given the diversity of the sector, firms have discretion on how they do this, including determining which employees are in scope and the proportion of variable pay or bonus affected.
- Firms do not have to publish details of how senior executive pay is linked to their gender diversity targets, but must submit a short statement in confidence to HM Treasury to explain this link. Firms are welcome to publish these details if they choose.
- Firms that do not operate any kind of variable pay can still be signatories, but would need to state their position on variable pay to HM Treasury in writing.

Example: Many firms choose to link variable executive pay through performance review objectives or balanced scorecard.

Gender diversity targets in senior management

- Firms must set at least one numerical target for gender diversity in senior management and set a target year to aim for (i.e. X% women in senior management by 20XX).
- This headline numerical target should ideally be part of a package of targets designed to improve gender diversity at the senior levels of your organisation. For example, we encourage firms to also set targets for a range of activities in areas such as flexible working, recruitment, promotion and retention. Firms have discretion on the detail of these targets.
- We encourage firms to develop a narrative which explains the rationale for their targets and plans to achieve them and is published on their website alongside the targets.
- Gender diversity targets can be set on an annual basis or up to five years. Longer term targets may be set, but this would need to be discussed with HM Treasury.

Example: Most firms have committed to have at least 30% women in senior roles by 2021.

Reporting gender diversity targets

Deadline for signing Charter	Deadline for reporting targets to HMT	Deadline for reporting annual progress against targets to HMT
28 February 2018	31 May 2018	31 July 2019
30 June 2018	30 September 2018	31 July 2019
31 October 2018	31 January 2019	31 July 2020

- Firms should report their gender diversity targets to HM Treasury using the approved submission template within three months of the relevant deadline for signing the Charter (see table above for details).
- These targets must be published on a webpage on the firm's website which includes the Women in Finance Charter Mark logo. Firms must provide a link to this webpage by the deadline which will be published on the gov.uk website alongside the list of current signatories. The webpage should be easily navigable with the targets clear and easy to find (e.g. not buried in a large document).
- Alongside the targets themselves, the webpage should also include some narrative text which explains why the firm has chosen these targets and how they can help improve gender diversity in senior management. When publishing progress annually against these targets, this narrative should also explain why the firm has or has not met their targets.
- Firms must provide the current figures relating to their targets so HM Treasury has a baseline to assess progress. These baseline figures do not have to be published and can be shared confidentially with HM Treasury.
- Firms have 12 months from the date they set their gender diversity targets to report progress against these targets to HM Treasury (see table above). This progress should be published alongside the targets on the firm's webpage. Reporting progress against these targets will then be on an annual basis.

Women in Finance Charter annual review

- HM Treasury will publish an annual review on how the sector is performing against the Charter commitments, in partnership with New Financial (the official data partner for the Charter). The review will assess how signatory firms have progressed in delivering against their gender diversity targets.
- The review will comprise a report which evaluates the extent to which firms have met their Charter commitments, identifying areas for improvement and case study examples of best practice across a variety of financial services firms. How the data is aggregated and presented in the annual review will depend on the information provided by firms when they report their progress to HM Treasury.
- The first annual review will cover the progress of the first cohort of signatories announced in July 2016 who will publish annual progress against their targets by 30 September 2017. It may also include later signatories that have already set their targets by September 2017. A date for publication will be set shortly.
- Firms that signed the Charter after July 2016 will be primarily featured in the second annual review in 2018.

HM Treasury welcomes interest in the Women in Finance Charter from all firms of any type and size. If you would like more information on the Charter, or would like to speak to the team about issues related to the Charter that are specific to your organisation, please contact:

womeninfinance@hmtreasury.gsi.gov.uk