

Women in Finance Charter Toolkit

The purpose of the Toolkit is to share good practice. It describes an escalating level of maturity against the Charter Commitments. It aims to:

- be closely aligned with Charter requirements
- avoid being prescriptive or judgemental
- be easy to understand and use
- evolve over time.

Organisations which have signed up to the Charter can use the toolkit to self-assess and identify further examples of activities to progress further. The Charter Board representative for each sector will be the first point of contact for discussing and sharing ideas, as part of their ongoing communication available to signatories.

The toolkit intends to indicate signatories' level of progression: moving from 'Adhering to Charter Principles' to 'Defined' to 'Adaptive/Progressive' and 'Advanced' across 5 categories:

1) Sets internal targets for gender diversity in senior management:

- › how target(s) are set
- › how target(s) are communicated
- › how target(s) are monitored/reviewed
- › rigour around senior management definition.

2) Activities to support targets:

- › how evidence-based/ considered/targeted are actions/interventions
- › how the impact is being measured.

3) One member of senior executive team responsible and accountable for gender diversity and inclusion:

- › scope of the accountable executive role
- › actions of the accountable executive.

4) Has intention to ensure the pay of the senior executive team is linked to delivery against internal targets on gender diversity:

- › how pay is linked/the mechanism
- › who it applies to
- › how effective it is.

5) Publishes progress annually against targets in reports on website:

- › quality of narrative reporting
- › format
- › timing.

Women in Finance Maturity Model

Sets internal targets for gender diversity in senior management

ADHERING TO CHARTER PRINCIPLES

- › Has set targets
- › Initial commitment from executives and non-executives

DEFINED

- › Improved understanding of data e.g. gender breakdown of recruitment, retention, promotion, attrition rates
- › Looks at firm data in context of benchmarking (in and out of sector)
- › Headline target(s) are aspirational but achievable reinforced by realistic interim targets
- › Clear definition of cohorts for Board, Senior Leadership Team and talent pipeline
- › Data reviewed on a regular basis to understand progress and keep focused on achieving targets

ADAPTIVE/PROGRESSIVE

- › Multi-layered/tiered targets set to ensure pipeline can support the overall senior level ambition.
- › Moving towards a target of 33% of women in senior roles or above, in line with recommendations made in the Hampton Alexander Review
- › Key metrics regularly monitored, reported and insight factored into decision making, targets below parity once met are revised up
- › To motivate divisional leads and get buy-in from across the business, cascade targets to individual divisions, and use data dashboards to communicate and challenge progress

ADVANCED

- › Set targets that are linked to overall business strategy, granular by e.g. business line/ function/ region etc.
- › Parity is the destination and targets are just the milestones on that journey.
- › Decision makers have mandate, authority and resource they need to prioritise diversity
- › Conducts insights reports from organisational data to identify areas for action

Women in Finance Maturity Model

Example activities to support targets

ADHERING TO CHARTER PRINCIPLES	DEFINED	ADAPTIVE/PROGRESSIVE	ADVANCED
<ul style="list-style-type: none"> › Able to evidence that various activities have been undertaken › Considers expected talent movement, over 3 – 5 years 	<ul style="list-style-type: none"> › Early stages of understanding firm's barriers to increasing female representation in senior management › Some indication that interventions are based on evidence of barriers › Targets communicated internally › Code of Conduct (or similar) requirements for external search firms, to ensure gender balanced shortlists › Clearly defined approach/plan for recruiting diversity › Reviews recruitment practices to ensure objectivity and free from unconscious bias › Unconscious bias training for recruiters 	<ul style="list-style-type: none"> › Refines understanding of firm's barriers to increasing female representation in senior management › Interventions are targeted to overcome barriers identified › Clear view of pipeline e.g. identifying and assessing female potential to support building a gender balanced internal leadership pipeline, increasing rigour of succession planning › Active use of person specification in the selection process (to recruit for gender agnostic skills, experience, attributes to get the best fit) › Elements of anonymity in the early stages of the selection process › Board effectiveness review requirements for diversity of thinking fed back through to targets 	<ul style="list-style-type: none"> › Granular, nuanced understanding of firm's barriers to increasing female representation in senior management › Actions are embedded and being rolled out through the organisation e.g. cascading training beyond senior managers › Able to show evidence of the impact and effectiveness of activities undertaken to support targets › Internal principles agreed to enable challenge to non-balanced business areas › Leverages 'real model' examples to drive the agenda forward

Women in Finance Maturity Model

One member of senior executive team responsible and accountable for gender diversity and inclusion

ADHERING TO CHARTER PRINCIPLES

- › Internal advocacy
- › AE role undefined
- › Focus is on awareness raising and being an ambassador
- › Reads annual review, signatory survey, attends Charter events, signs off annual update to HM Treasury

DEFINED

- › Internal advocacy
- › AE has a defined role
- › Internal advocacy: raising the profile of the Charter with leaders and across the business; sits on relevant internal groups
- › Mentoring and sponsorship: personally contributing to the development of the female talent pipeline
- › Works closely with networks: reinvigorating employee-led networks by expanding membership and reach
- › Dedicating resources: ensuring resources are available to deliver Charter objectives

ADAPTIVE/PROGRESSIVE

- › Internal and external advocacy
- › AE makes an active contribution to leading gender diversity agenda internally
- › AE inspires and works closely with leadership and Head of HR/D&I to cascade messages through organisation
- › AEs holds internal peers to account in meeting targets and keeps diversity firmly on the corporate agenda
- › Uses annual review for benchmarking and internal challenge around targets and senior management definitions
- › AE networks with counterparts (in and out of sector) to share best practice and realised business benefits

ADVANCED

- › Internal and external advocacy
- › AE makes an active contribution to leading gender diversity agenda publicly
- › AE speaks on panels, at public events and to the press on the subject of gender diversity, discussing best practice and what it means to have gender equality across senior management
- › AEs holds external peers to account in meeting targets and keeps diversity firmly on the corporate agenda
- › AE leads challenge of diversity of thinking in the board room

Women in Finance Maturity Model

Has intention to ensure the pay of the senior executive team is linked to delivery against internal targets on gender diversity

ADHERING TO CHARTER PRINCIPLES

DEFINED

ADAPTIVE/PROGRESSIVE

ADVANCED

- › Mechanism for linked gender diversity to pay exists, but is unclear, even tenuous.

OR

- › Mechanism is not communicated clearly to HMT, or firm is unwilling to discuss it

- › The mechanism for linking gender diversity to pay is defined, e.g. diversity is built into personal performance objectives and/or non-financial objectives
- › Communicated clearly to the individuals whose pay is directly affected
- › Relevant performance objectives are monitored and assessed
- › Diversity and inclusion is incorporated into the organisation's values/behaviours frameworks

- › Allocates defined proportion of pay that is tied to diversity targets
- › Financial detriment if specified objectives are not achieved
- › Mixture of quantitative and qualitative measures within mechanism of link to pay
- › Considers extending link to pay beyond senior executive team
- › Both group and individual accountability for gender diversity targets reflected in link to pay mechanism

- › Monitors and reviews proportion of pay tied to diversity targets
- › Transparent external communication of link to pay
- › Link to pay is cascaded beyond executive e.g. to heads of functions responsible for succession planning, talent acquisition, all those with management responsibility, total workforce etc
- › Looks to ensure consistency of link across the business.
- › Combination of the link to pay and gender pay gap leading to review of how performance is assessed and measured internally and how the variable portion of pay works
- › Evidence that the link to pay is effective

Women in Finance Maturity Model

Publishes progress annually against targets in reports on website

ADHERING TO CHARTER PRINCIPLES

- › States whether or not they are on track to meet target(s)
- › Publishes annual update on the same webpage as signatory's target(s) so the two can be easily compared
- › Publishes online update on their progress against targets by the required deadline

DEFINED

- › Provides historical datapoints for the purpose of comparison/showing female representation in senior management to provide context for the update
- › Provides narrative statement explaining progress over the past year and expectations for the current year
- › Reviews publications to identify good practice

ADAPTIVE/PROGRESSIVE

- › More developed narrative reporting
- › Transparent about challenges in particular areas
- › Incorporates in corporate responsibility/public relations agendas

ADVANCED

- › Narrative reporting includes evidence of impact (e.g. case studies) and effectiveness of actions to support targets
- › Bringing elements of Charter, pay gap and other diversity reporting together to show holistic approach to diversity
- › Diversity progress linked to business performance outcomes
- › Proactive external publication (PR) of activities which have made a difference to the diversity agenda