

Diversity and inclusion at the FCA

The Women in Finance Charter





The FCA has a strong commitment to diversity and inclusion. To be an effective and efficient regulator, we need to make sure that we recruit, develop and keep the most talented, engaged and diverse workforce.

It is the FCA's aspiration to create a diverse and inclusive working environment. Our work impacts almost all UK citizens, and the lives of millions who rely on UK markets. We make thousands of judgements every day. It is vital that our people reflect the society we serve and that we bring diverse attitudes and opinions to our judgements.

We are committed to diversity and inclusion across our workforce including gender diversity. Our diversity and inclusion programme is broad and includes considerations of disability, LGBT, and gender identity through to mental health and social mobility issues. Our Executive Diversity Committee is made up of senior executives drawn from all areas of the FCA.

Our senior leaders are committed to our diversity agenda and this is now reflected in their performance objectives, but our diversity commitment doesn't just come from the top – it is shaped by our people and our staff network groups, which make the organisation more dynamic and effective.

The FCA has been involved in the 30% Club, which aims to increase the percentage of women on FTSE-100 boards, for some time and a number of our female employees have participated in the cross-company mentoring scheme. Our Board is currently 50% female – significantly above the 25.9% figure for the boards of UK FTSE 100 companies. We also have a well-established Women's Network that has seen increasing growth during the past few years and includes, among its activities, an internal mentoring scheme.

As part of our commitment to diversity in the workplace in June 2016 we signed the Government's Women in Finance Charter. The Charter is an initiative by HM Treasury that seeks to increase the representation of women in the financial services sector, particularly at senior levels. We believe that the Charter should be adopted across the UK Financial Services industry. We took the lead in becoming an early signatory as we have been doing work in this area for some time and feel that it is our duty publicly to lead by example in adopting its principles.

The Charter

- commits to support the progression of women into senior roles in the financial services sector by focusing on the executive pipeline
- asks each firm to set its own targets and implement the right strategy for their organisation
- requires signatories to publicly report on progress against those targets, as part of a commitment to transparency and accountability

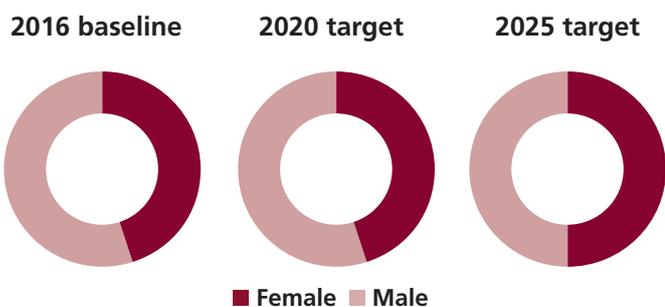
Our commitment

- Christopher Woolard, the FCA Director for Strategy and Competition and Chair of the Executive Diversity Committee, has been appointed as the accountable member of our executive team for gender diversity and inclusion.
- We have set a target for changes in the gender diversity of the FCA's employee population at senior levels. These are detailed below and will be agreed in consultation with HM Treasury.
- We have committed to publish annual metrics against these targets on our website. Our current baseline data is also published below.
- The FCA's executive team has a common shared objective on diversity which means that performance-related pay is determined by delivery against these targets.

Targets

The FCA's key criteria are that the target is achievable and aspirational. We have a number of actions and activities in place that we feel will change the mix of female and male employees in our senior leadership team. We also conducted a review of our internal metrics, external benchmarks and analysis of other organisations in the financial services industry.

To firmly demonstrate our commitment we have set a target for 45% of our senior leadership team to identify as female by 2020, and 50% by 2025.



We are committed to publishing details of the gender balance in the senior leadership team annually as part of our workforce data. The latest data is available [here](#).

The senior leadership team includes every head of department and director in the FCA and is currently 101 in number (as of March 2016). At the time of publication our data for the senior leadership team is 39% identifying as female and 61% as male.

We intend to publish details of our pay gap in future. We are confident that as we make changes in the gender diversity across our senior population our pay gap will narrow. We do not expect to see significant differences in the salary of any individual role whether the position is occupied by a male or female employee.

Our strategy

The FCA has now set up a team with gender diversity as its goal, reporting to the accountable executive and with a mandate to achieve our stated targets of 45% of our senior leadership team to identify as female by 2020, and 50% by 2025.

Following research into effective actions in other organisations, and discussion with external advisors, work is now underway in the FCA with a focus on three key areas:

- a. **Accountability** – we will link accountability for gender diversity to executive pay across our executive committee and these in turn are cascaded throughout the organisation.
- b. **Work allocation** – we will make adjustments to the existing work allocation processes and are working with people managers to ensure their allocation

decisions, and subsequently their decisions around promotions are sound and free of bias.

- c. **Talent management** – we will continue to be rigorous in the decisions we make in appointing individuals into our senior leadership team and we have introduced an audit of our shortlists when recruiting. We are training our managers to ensure they can lead and develop diverse teams.

External Assessment

As well as reporting on our internal measures and committing to publish this data annually we are already committed to a number of measures by external agencies that assess our diversity efforts. Some of our external partners include the 30% Club, Opportunity Now, Race for Opportunity, Stonewall and the Network of Networks (TNON). We are proud to be listed among Stonewall's top 100 LGBT friendly employers. In meeting the Public Sector Equality Duty (PSED) of the Equality Act 2010, we assess our processes, policies and actions to ensure that there is not a disproportionate impact on consumers who belong to protected diversity groups. Equality Impact Assessments form part of this analysis, enabling us to understand consumers and be a more effective regulator.

As part of our commitment to the Women in Finance Charter we are working in consultation with HM Treasury to discuss the appropriateness of our targets and have received full approval from this Government Department on our setting targets and the achievability of these.

Future publishing commitments

As part of our efforts around diversity and inclusion we publish our workforce data and an update on the status of our staff network groups, including the Women's Network annually in our diversity annual report. We break down our data on gender diversity by grade, and review our overall gender diversity each year. We will continue to publish this data annually as part of the diversity annual report. We are also required to report our gender diversity data to HM Treasury as part of our commitment to the Women in Finance Charter.

Financial Conduct Authority

