



Diversity Project

2023 Goals and Progress Tool Reporting

November 2023



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Introduction

This deck outlines the high-level results and findings from the 2023 reporting cycle for the **Diversity Project Goals and Progress Tool**.

N=83 firms completed the framework with representation from a wide range of member firms across the investment and savings industry.

Primary Sub-Sector*	#
Asset Management / Investment Management	59
Asset Owner	2
Investment Consultancy	4
Subsector - WM	3
Subsector - Other	15
Grand Total	83

Aims

1. To inspire and motivate a focus towards the goals
2. To provide a joined-up approach across all member firms
3. To highlight overall successes and future areas for focus
4. To track and monitor the progress collaboratively

This presentation was created in partnership with LGBT Great.



“

In a difficult economic environment, it's great to see firms continuing to build their commitment to greater diversity with more actions being taken. It's also encouraging that more employee-led initiatives are helping to build momentum. But there are some 'areas to address' - only 35% of firms are collecting social-economic data, for example. The Diversity Project will be releasing a social mobility toolkit in January to address this and will work with all our member firms over the coming year to help resolve the remaining issues around data as highlighted by the report.

”

Helena Morrissey, Chair of the Diversity Project

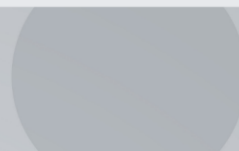




This year more firms engaged on the Goals and Progress tool reporting, and it is inspiring to see its momentum build across member firms of all sizes. The reporting highlights that many firms are placing an increased focus on action and that they have committed to one or more of the goals. In 2023, many members also reported on additional diversity and inclusion dimensions, such as flexible working, menopause and carers and families, and these data insights will play a valuable role in aligning the resources, and strategy, of the Diversity Project for 2024 and beyond. Thank you to all that took part.



Matt Cameron, CEO, LGBT Great and DP Board Member



Executive summary

Key considerations and recommendations



Executive summary: Race and Ethnicity



DP R&E GOALS

35%

Member firms committed to 90% R&E goal

15%

Member firms committed / have lower goals set (80%/70%/60%)

↓9%

Firms not committed to any goal (90% or lower) YoY

Nearly **30%** of Member firms have still not signed up to the goal. Targeted push required to boost engagement here.

ACTION(S)

89%

Member firms undertaken actions to improve R&E DE&I in the last 12 months

8.9 actions / organisations

Is the average, up 2.5 actions from the 2022 average

We saw an influx of **employee-led initiatives** in 2023

Foundational aspects around policy and tackling racism remain the most common actions. However, encouragingly, **visible allyship from leaders and junior talent is prominent.**

DATA AND DISCLOSURE

89%

Member firms collecting and monitoring R&E data

75.2%

Average disclosure rate for R&E self-ID data with no statistically significant change YOY

100%

Disclosure rate reported by **5 organisations in 2023**

R&E data capture programmes appear to be working but many firms are still struggling to improve disclosure.

MEMBER COMMENTS

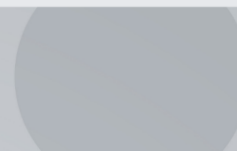
Lack of baseline data is hindering the reporting around R&E

Some organisations still **lack the right systems** to capture R&E self-ID data in the first instance

Traction issues remain, particularly for global / multi-location firms

Low-reporting rates are still experienced by many Members

Overall, engagement around R&E DE&I remains high. Of note, **many (new) partnerships between Member firms and social impact / graduate programmes** were highlighted this year.



Executive summary: Socio-Economic DE&I

DP SE GOALS

30%

Member firms committed to **one goal**

27%

Member firms committed to **two goals**

4%

Member firms committed to **all three goals**

Encouragingly, the **percentage of firms with no intention to commit to any of the goals has dropped** by 8% YoY, while 17% of firms are committing to one or more goals in the next 12 months.

ACTION(S)

75%

Member firms undertaken actions to improve SE DE&I in the last 12 months

4.8 actions / organisations

Is the average across Members

46 organisations reported **“Adding social mobility to the DE&I agenda”** in the last 12 months

Even since 2022, **momentum here has clearly** as increased. ---
With only **24 organisations reporting engagement with the DP SE workstream**, additional engagement opportunities remain.

DATA AND DISCLOSURE

35%

Member firms now collecting and monitoring SE DE&I, up 10% YoY

Almost one third

Reported not collecting the data, remaining stable YOY

Parental occupation / school type are the most common data categories captured

Only **18% of Member firms reported collecting and monitoring SE data around talent**, compared to 35% for employees.

MEMBER COMMENTS

System enhancements to enable SE data capture

Targeted focus on training around (unconscious) bias and social capital

Large range of partnerships with social mobility / impact organisations

Wide range of new initiatives targeted early career talent

In total, Member firms brought on a total of **1,355 interns over the past 12 months**, of which 158 are state-school leavers / means tested bursary recipients.



Executive summary: Gender



DP GENDER GOALS

12%

Committed to Goal 1

10%

Committed to Goal 2

30%

Committed to Goal 3

1 in 5 Member firms

Commitment to one or more goals in next 12 months

The percentage of Member firms with no intentions to commit to the Gender Goal(s) remains static at 28% down 1% from 29% in 2022.

ACTION(S)

98%

Member firms undertaken actions to improve Gender DE&I in the last 12 months

9.2 actions/organisation

Is the average, up 3.5 actions from the 2022 average

A wide range of **training, awareness, and engagement initiatives outlined**

Pay gap reporting and role modelling were the most common actions undertaken.

Great emphasis on gender-neutral/inclusive language was encouraging to see, underscoring greater support for non-binary talent.

DATA AND DISCLOSURE

85%

Member firms collecting gender pay gap data

24.6%

Average salary gap across all firms, down 3.4% YoY

51.6%

Average bonus gap across all firms down 10.1% YoY

We saw a **statistically significant** drop in the gender bonus gap.

Trans & non-binary fund managers/entry talent still significantly **underrepresented** across the industry.

MEMBER COMMENTS

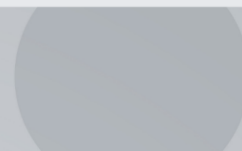
Continued lack of representation of women and non-binary people at senior leadership levels

Focus on improved and more transparent reporting externally

Improved engagement with employees on maternity leave

Clearer acknowledgement of non-binary talent

Professional / leadership development programmes to ensure upward mobility and clearer pathways for female and non-binary talent have been a common focus area.



General

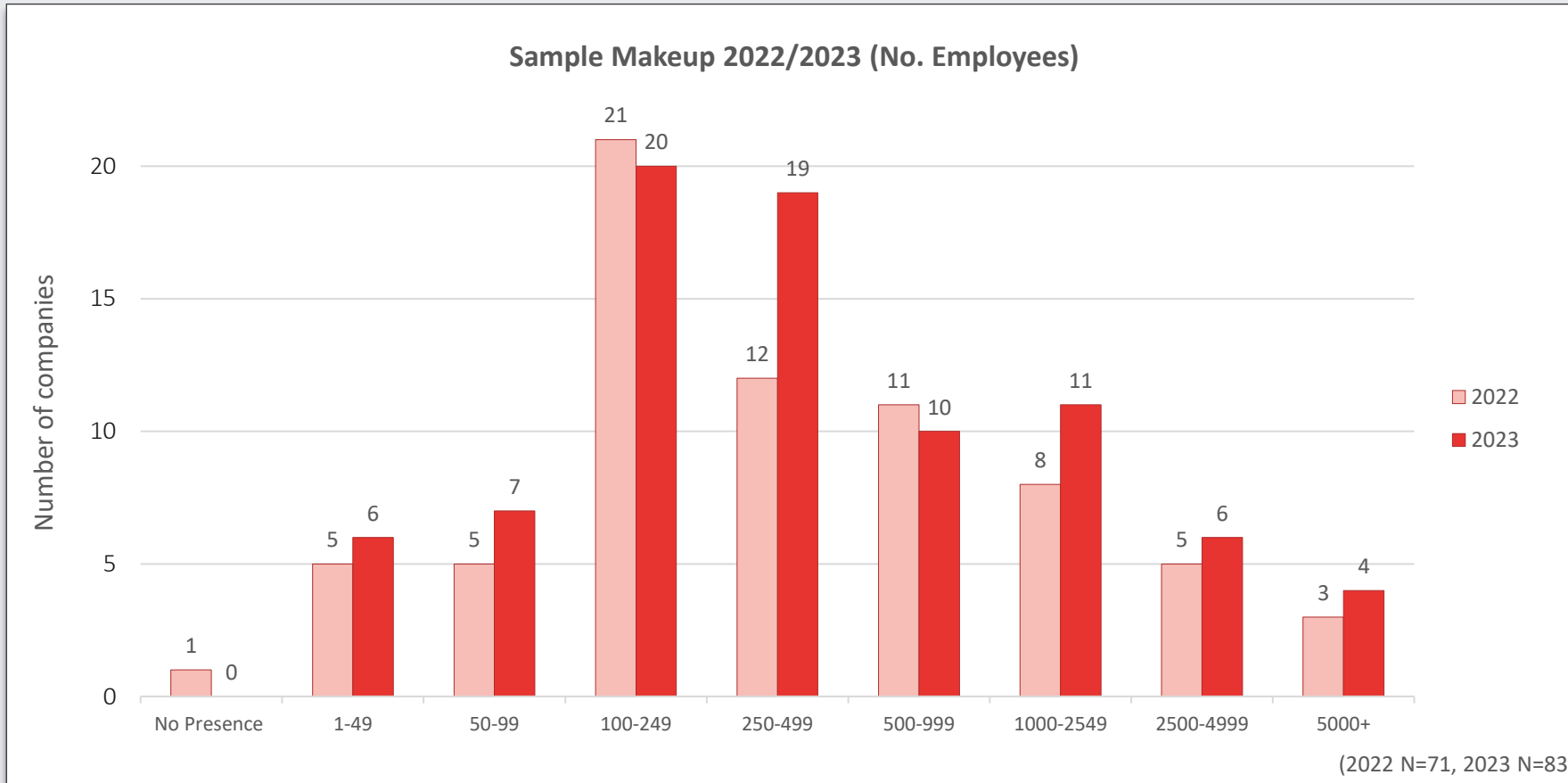
Sample, DE&I data, and additional questions



Sample | Split by employees (UK)

In total, 83 organisations completed the Framework in 2023, representing a 16% increase YoY.

We saw a good distribution across organisations of different sizes, with a notable 300% increase in small organisations of 50-99 employees.



85,936

Employees Represented (2023)

11,500

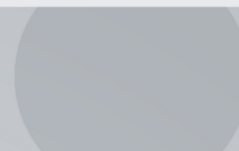
Largest firm represented (2023)

1,035

Average firm size (2023)

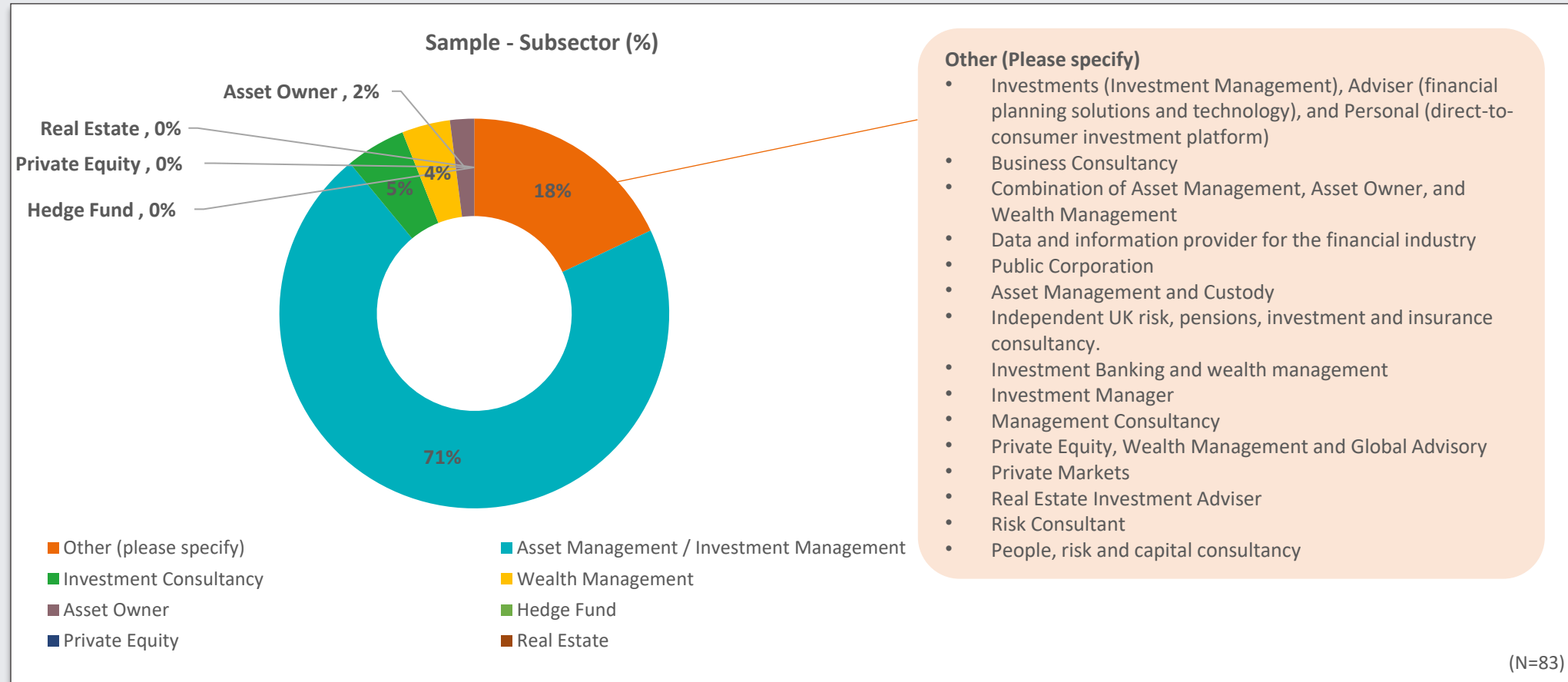
318

Mean firm size (2023)



Sample | Industry representation

We saw significant representation from Asset and Investment Management organisations. Some firms with more diverse operations selected multiple options. Broadly, however, this breakdown is consistent with what we saw in 2022. [This presentation reports on the dataset in line with the self-identification of organisations.](#)



83

Firms represented

71%

AM / IM

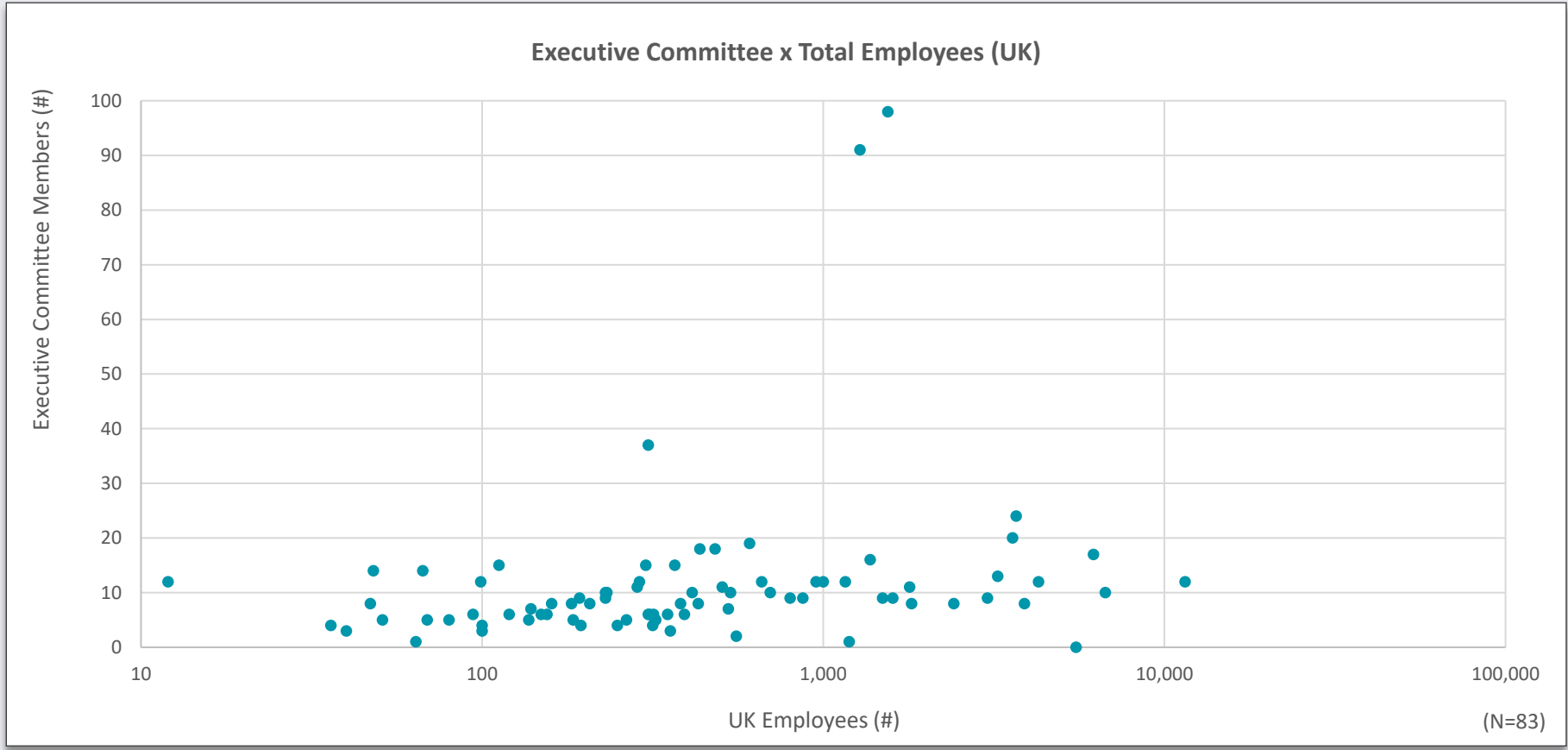
12+

More firms reported
in 2023 vs 2022



Sample | Executive Committee

With the average executive committee size around 11.5 across the 80 firms that reported this data. Despite a few outlier cases, there appears to be a sweet spot at 10-20 members for small, mid-size and large firms alike.



916

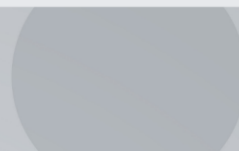
Executives represented

11.5

Average Executive Committee

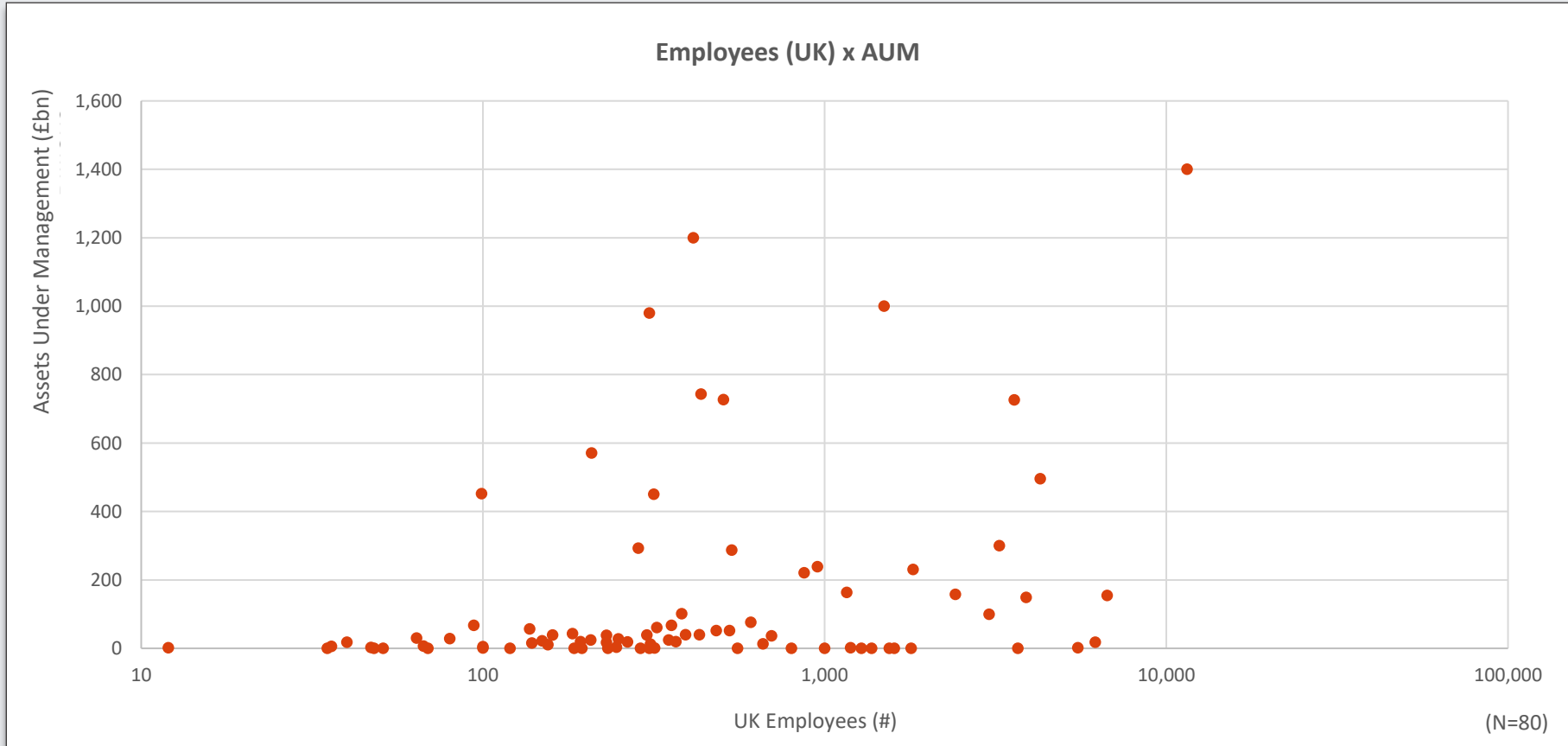
9

Median Executive Committee



Sample | AUM

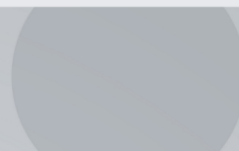
We saw representation for a wide pool of investment and asset managers, including a number of very large investment houses with >£500billion in assets under management.



£13.3tr
AUM represented

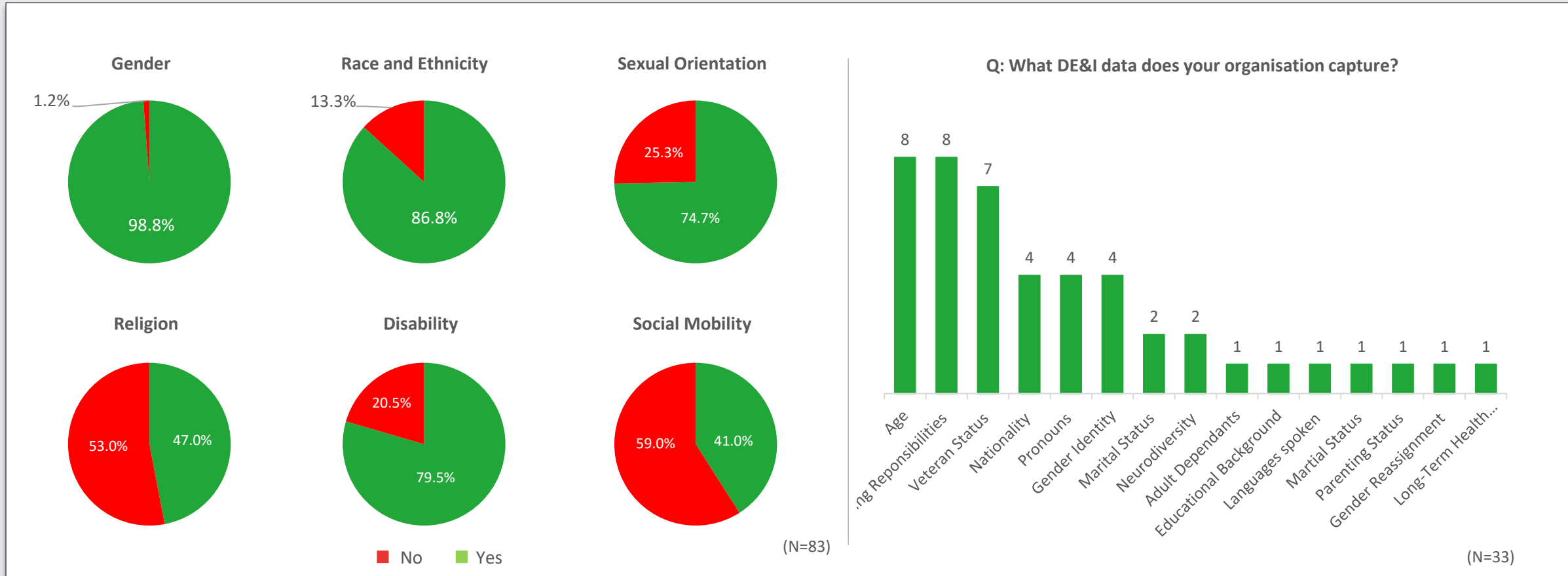
£1.4 trillion
Largest AUM

£195 billion
Average AUM



General | DE&I data collection

It was encouraging to see a majority of firms are collecting DE&I data around gender, race & ethnicity, sexual orientation, and disability. Some firms capture both gender *and* gender identity, acknowledging the nuanced understanding of biological sex as distinct from gender identity.

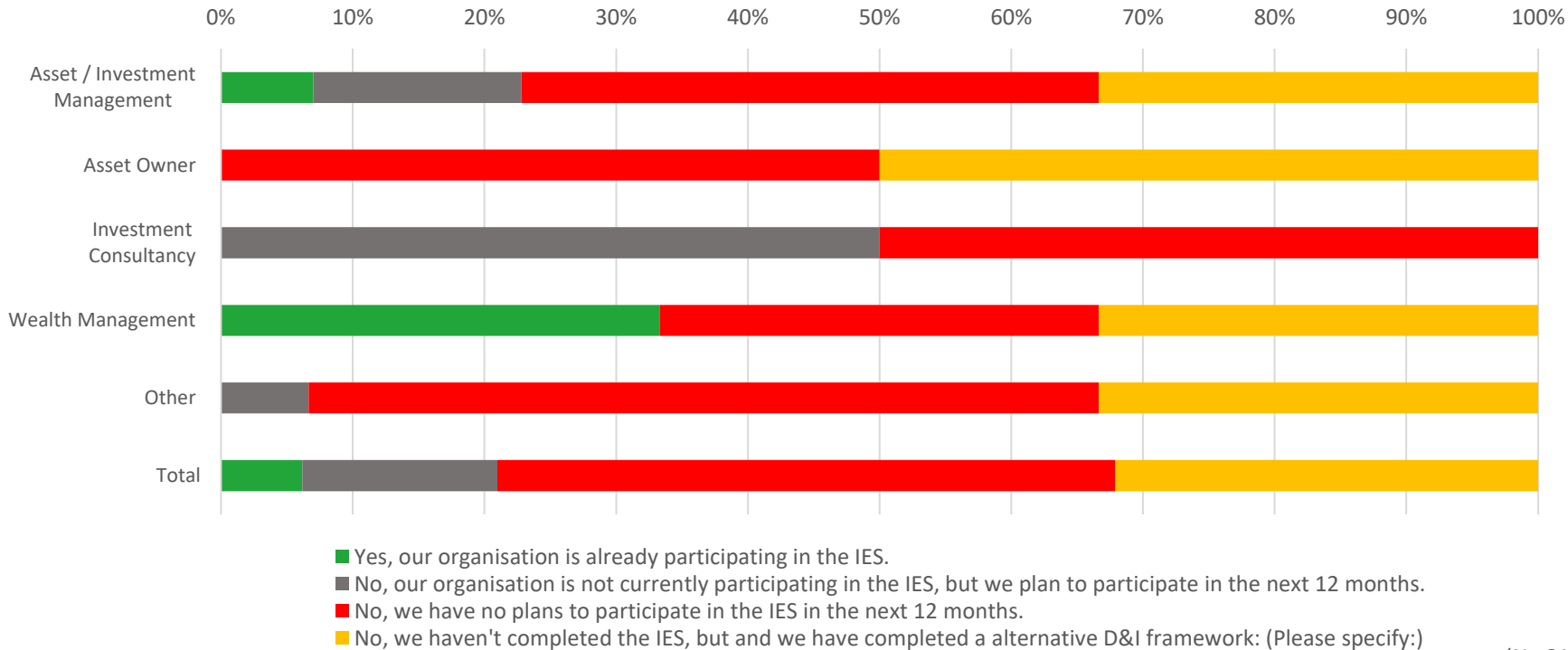


General | IES standard

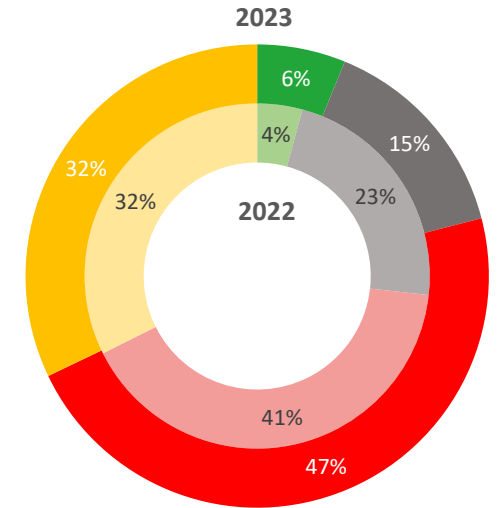
Current IES participation remains low, with little change from 2022. It is interesting to note that nearly a third of organisations have completed other benchmarks, highlighting a potential lack of consistency across the industry.



Q: Has your organisation signed up to the Inclusive Employers Standard (IES)?



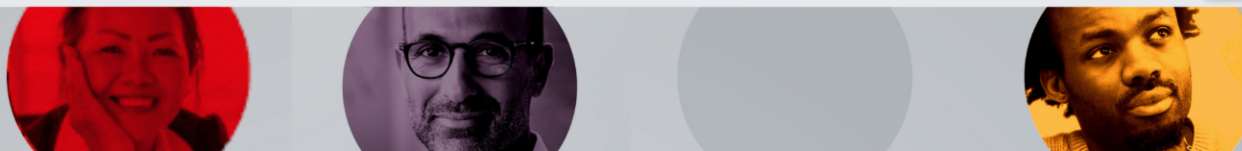
IES -- 2022/2023 Comparison



- Yes, our organisation is already participating in the IES.
- No, our organisation is not currently participating in the IES, but we plan to participate in the next 12 months.
- No, we have no plans to participate in the IES in the next 12 months.
- No, we haven't completed the IES, but and we have completed a alternative D&I framework.

(2022 N=71,2023 N=81)

NB: The following answers have been combined “No, we haven’t completed the IES, but we have completed an alternative DE&I framework” and “Other, please specify”. Note that in 2022, these were presented separately.

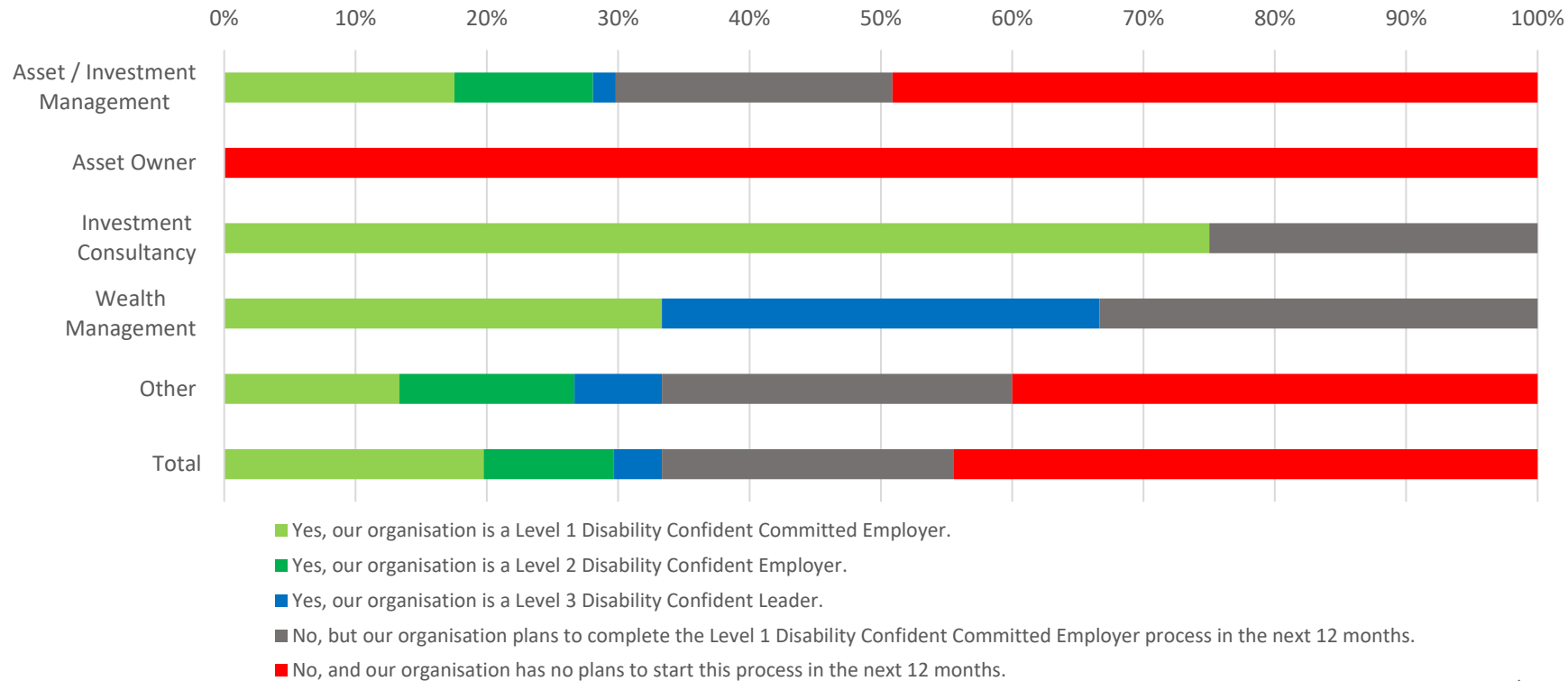


General | Disability Confident employer

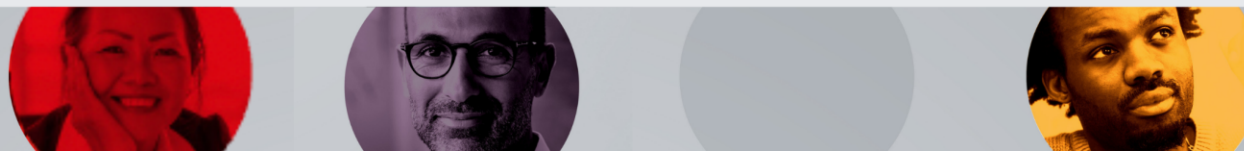
Only 1/3rd of organisations reporting have achieved any level of disability confidence, a slight increase on 2022 (26.8%). The number of organisations reporting no plans to begin a DCE process in the next 12 months remains stable at around 45%.



Q: Is your organisation a Disability Confident Employer?



DCE -- 2022/2023 Comparison

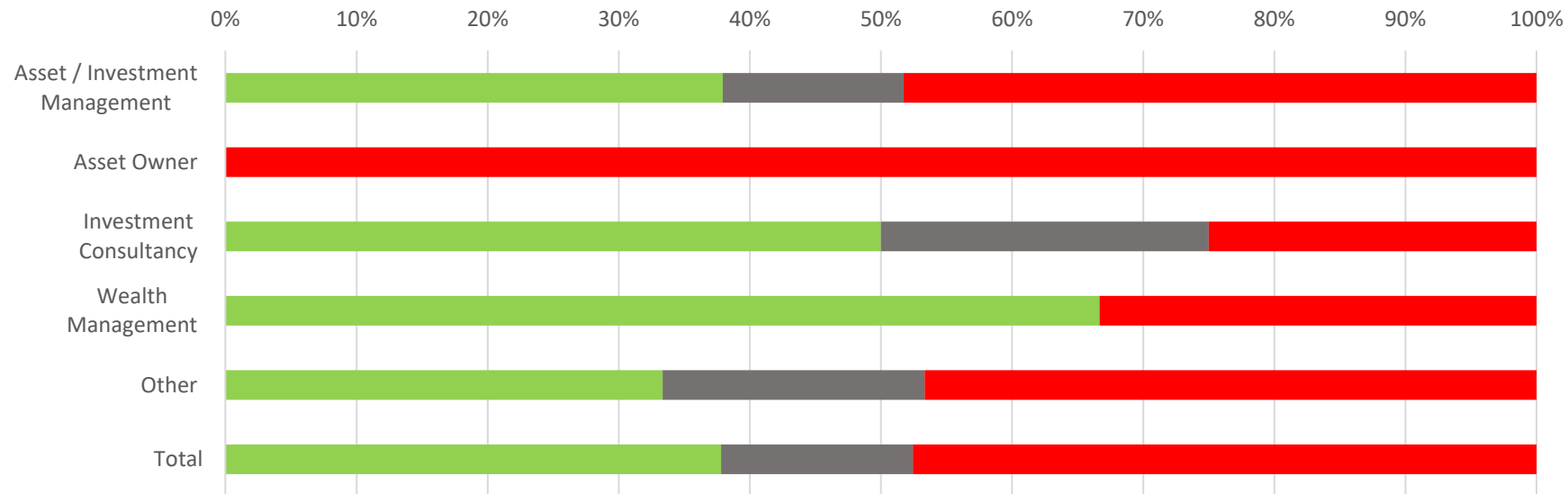


General | LGBTQ+ DE&I benchmarks

It is encouraging to see that 37.8% of organisations reported having completed an LGBTQ+ DE&I benchmark, up from 25.7% in 2022. With 47.6% of organisations reporting no plans here in the next 12 months, there is still more that can be done around LGBTQ+ DE&I.



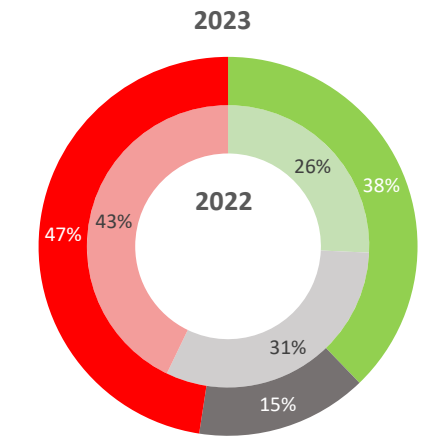
Q: Has your organisation completed an LGBTQ+ DE&I benchmark?



- Yes, our organisation has completed an LGBTQ+ benchmark
- No, our organisation has not yet completed an LGBTQ+ benchmark but plans to do so in the next 12 months.
- No, our organisation has not yet completed an LGBTQ+ benchmark and we have no plans to do so in the next 12 months.

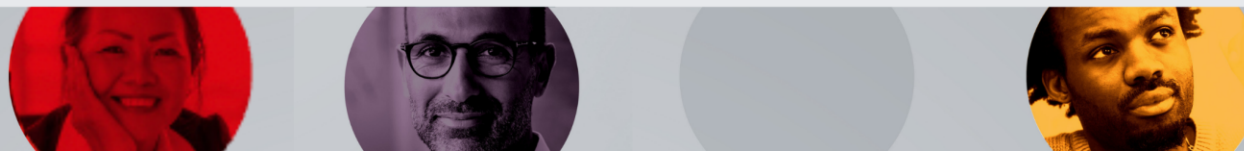
(N= 82)

LGBTQ+ Benchmarks -- 2022/2023 Comparison



- Yes, our organisation has completed an LGBTQ+ benchmark
- No, our organisation has not yet completed an LGBTQ+ benchmark but plans to do so in the next 12 months.
- No, our organisation has not yet completed an LGBTQ+ benchmark and we have no plans to do so in the next 12 months.

(2022 N=70, 2023 N=82)

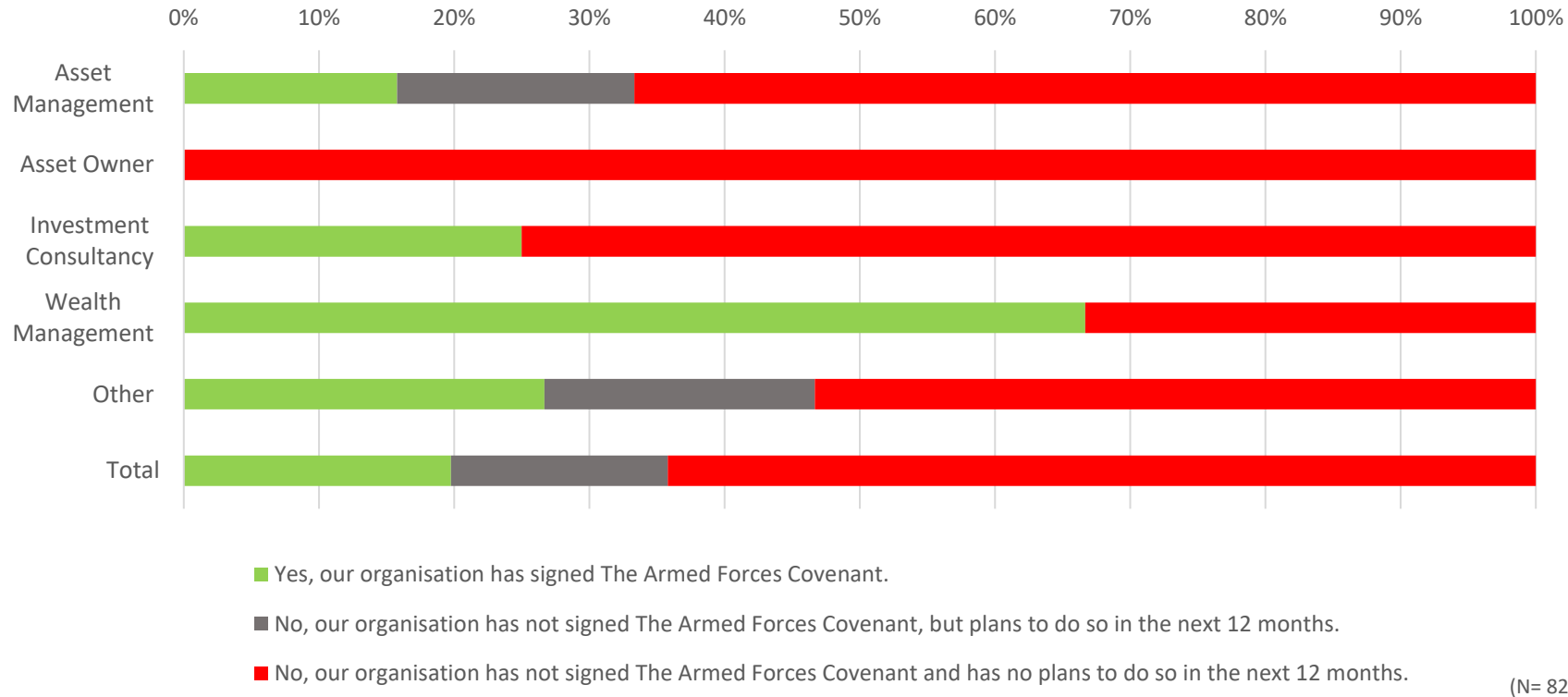


General | Armed Forces Covenant

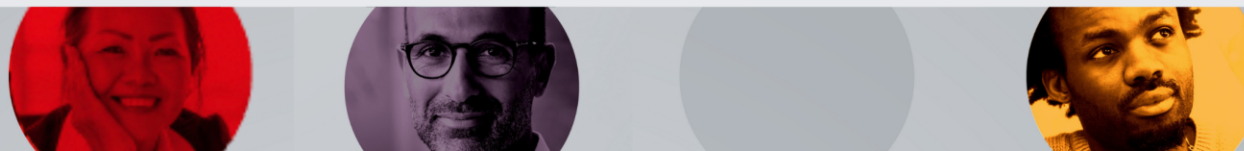
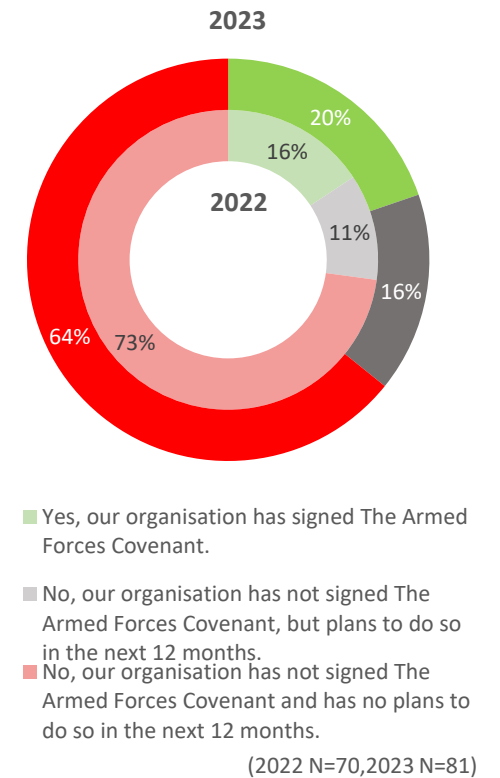
It is particularly encouraging to see that there has been growth both for signatories of the AFC, but also in those organisations intending to sign the AFC in the next 12 months. Most firms (64%) still have no plans to sign the AFC in the next 12 months, which is perhaps somewhat disappointing.



Q: Has your organisation signed The Armed Forces Covenant?



AFC -- 2022/2023 Comparison

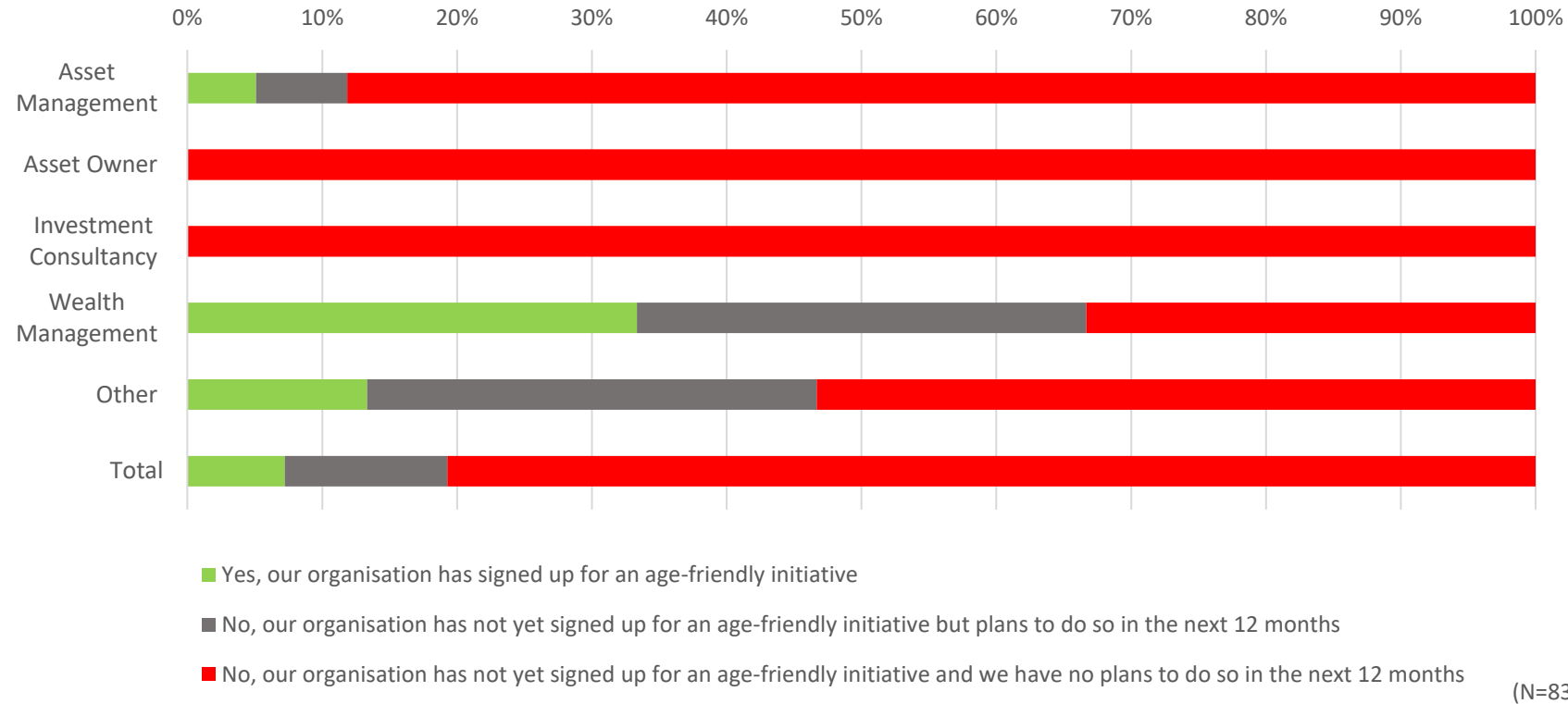


General | Age friendly

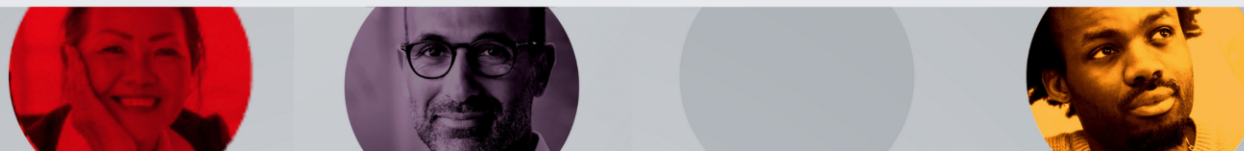
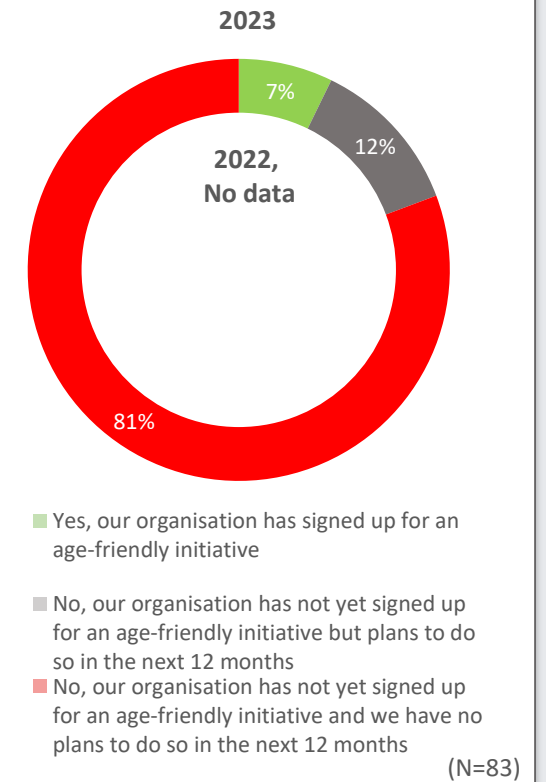
Age-friendly initiatives are an area that few (7%) of respondent organisations have invested time, money or resources into. This is a clear gap for the industry and an area where targeted interventions from the Diversity Project or others would have significant impact.



Q: Has your organisation signed up for any age-friendly initiatives?

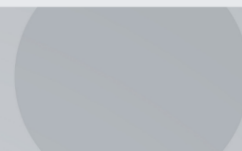
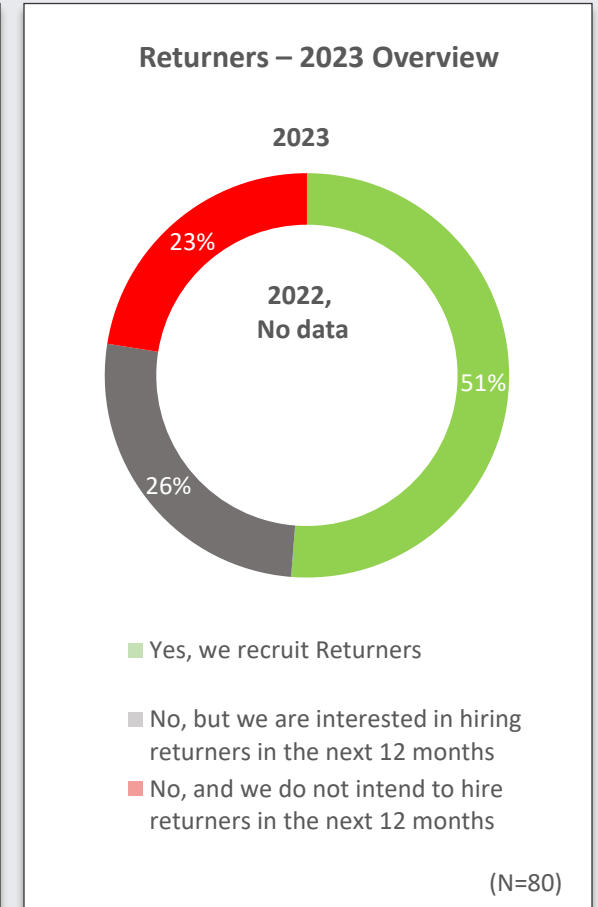
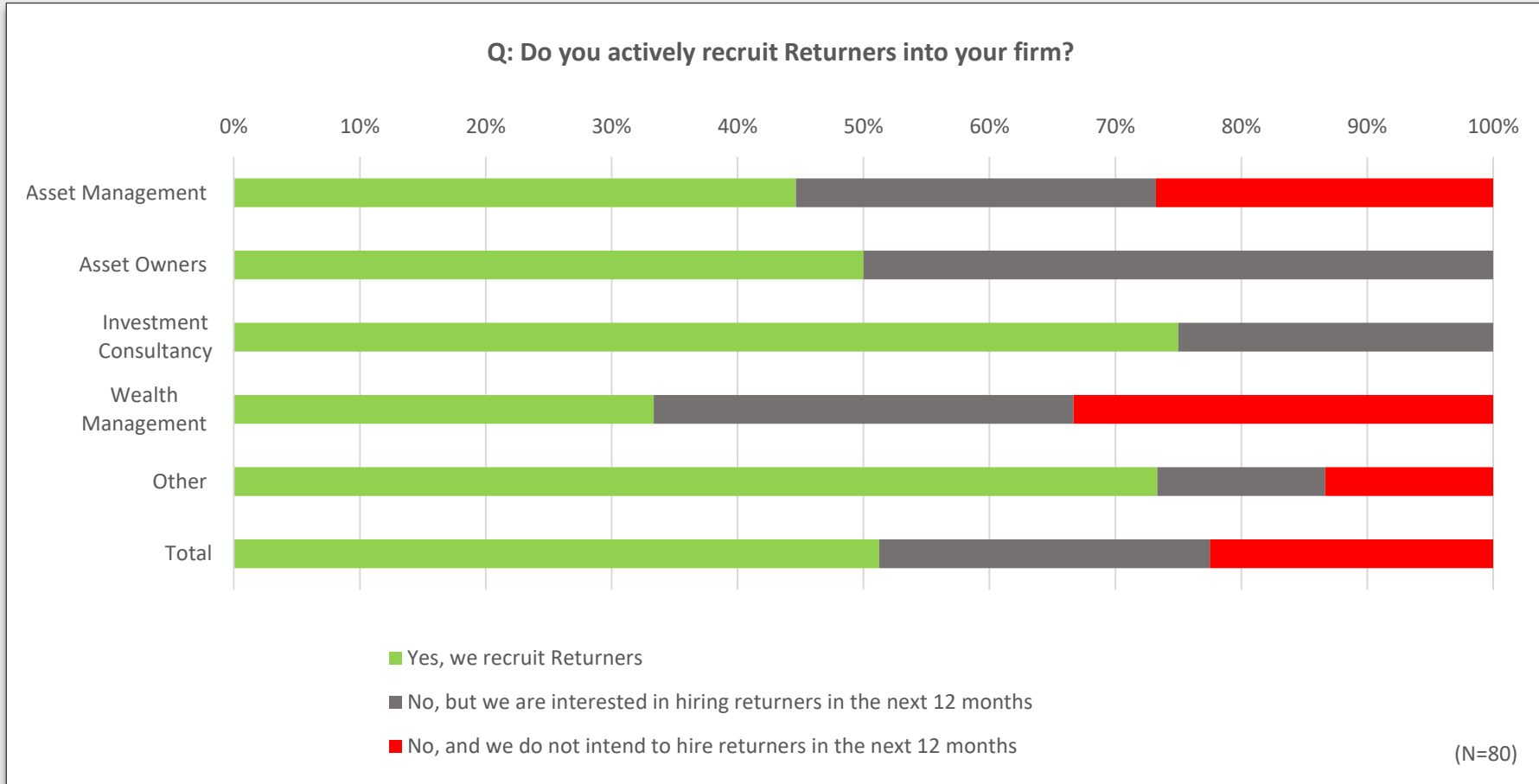


Age Friendly – 2023 Overview



General | Returners

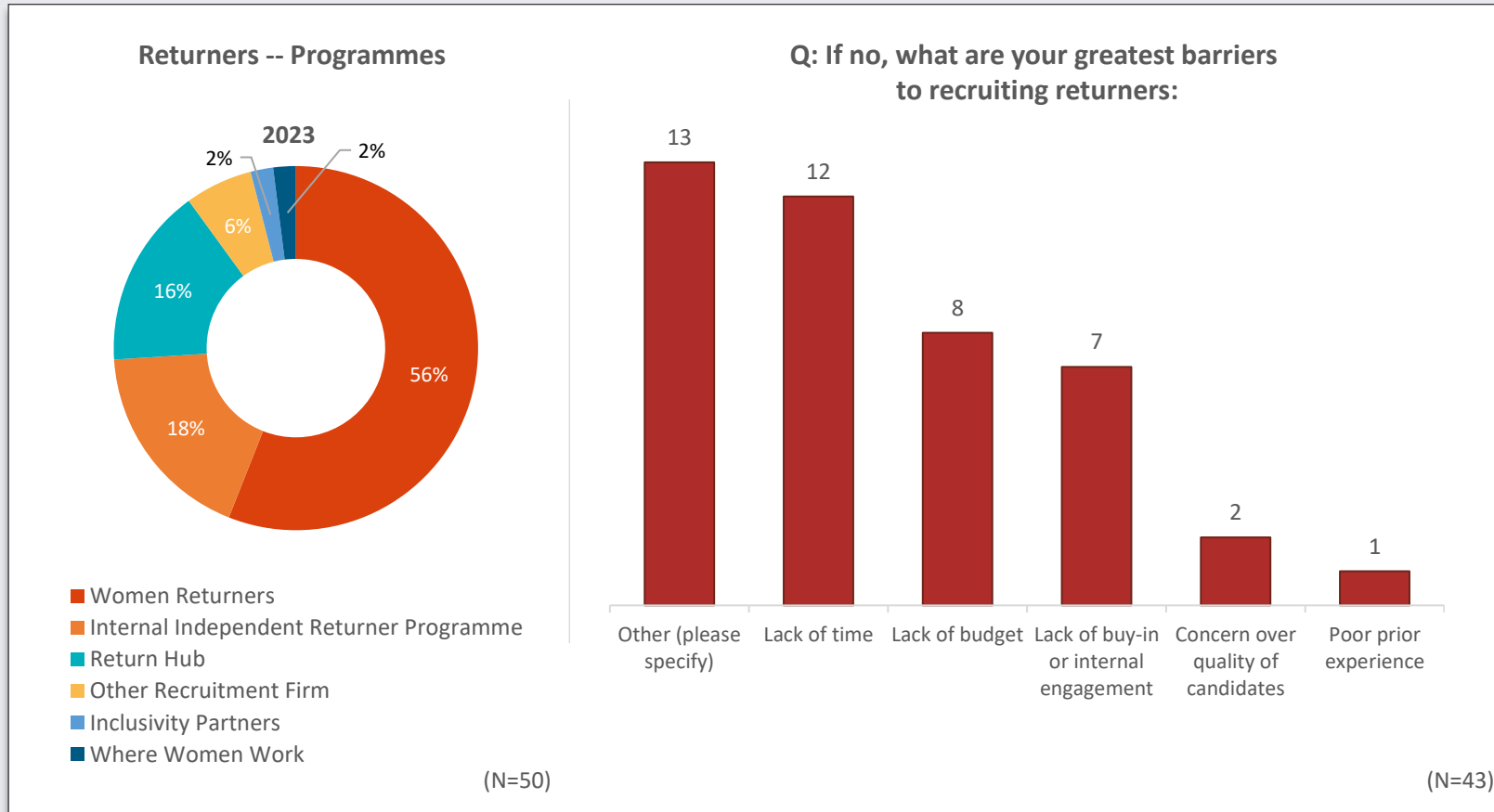
These responses paint an encouraging picture of the engagement with returners. Just over a quarter (26%) of firms plan to do more to recruit returners in the next 12 months, representing an obvious engagement touchpoint for the Diversity Project.



General | Returners – organisations and barriers



These responses paint an encouraging picture of the engagement with returners. Just over a quarter (26%) of firms plan to do more to recruit returners in the next 12 months, representing an obvious engagement touchpoint for the Diversity Project.

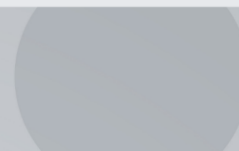


*“We are still establishing ourselves as an organisation and building out our various programmes. **Whilst we are keen to engage in this initiative, this is slated as a 2025+ programme.**”*

*“The barrier to recruiting Returners **is access to potential candidates** with the appropriate experience and skill set.”*

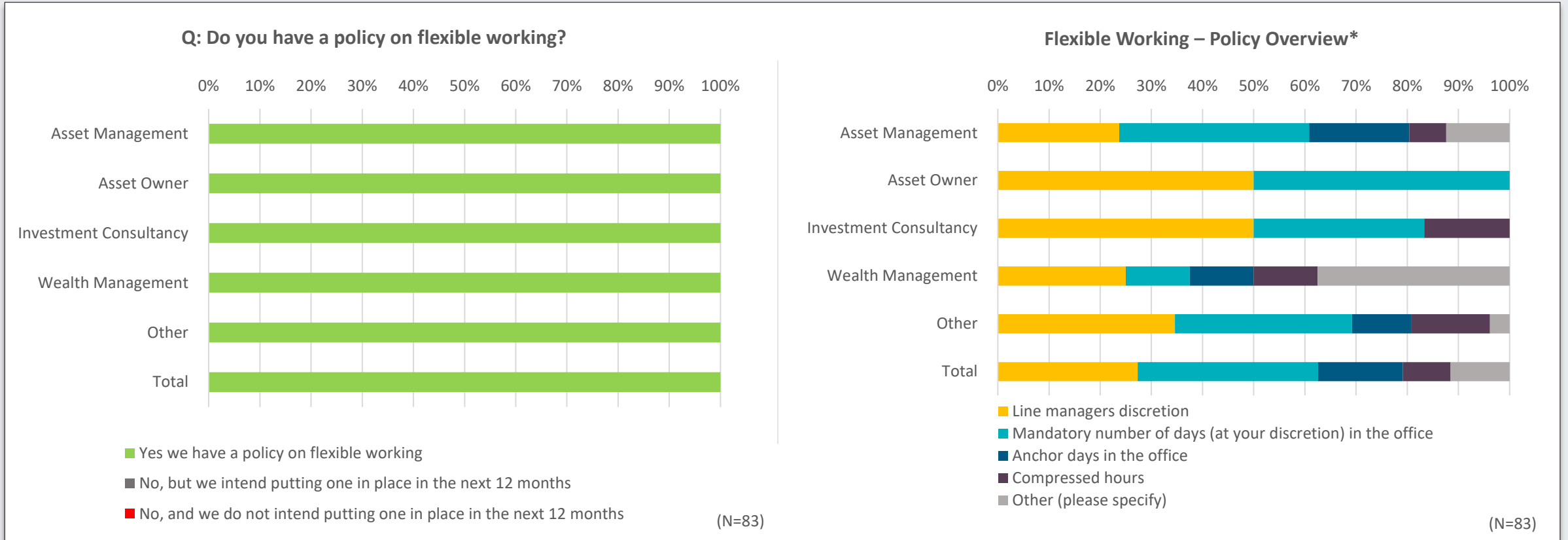
*“Our **focus has been on early careers, not Returners.**”*

*“In general, there is a **lack of hiring manager education**, as well as working on our recruitment process to help remove bias.”*

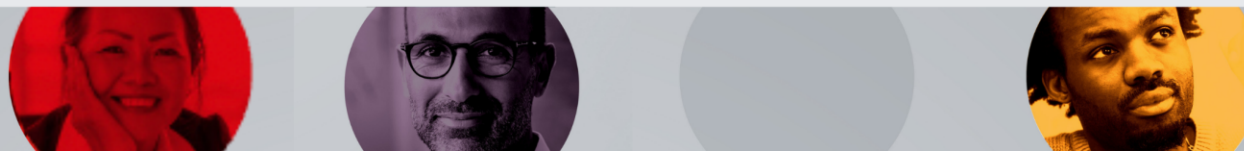


General | Flexible working

In the wake of COVID-19, it is not surprising that 100% of firms reported having a flexible working policy. However, there was some variation in how that policy is enacted, with 35% of organisations mandating employee attendance on specific days the most common.



*Responses totalled 139, indicating some crossover here.

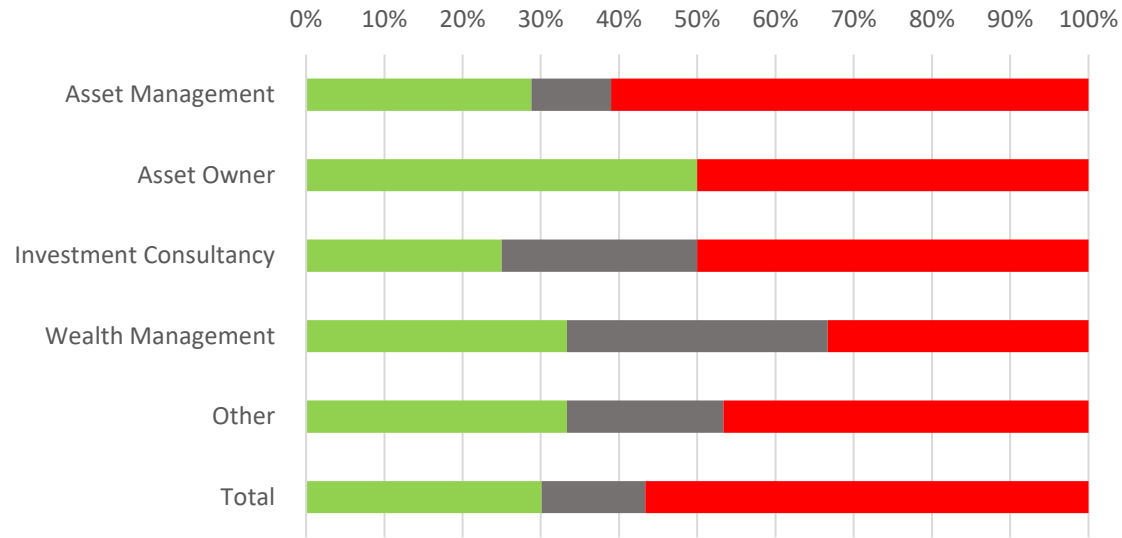


General | Flexible working

The majority of organisations (56%) reported no changes to their flexible working policies in the last 12 months. For those that did, the trend appears to be towards an increase in the number of mandated days in the office per week (59%).



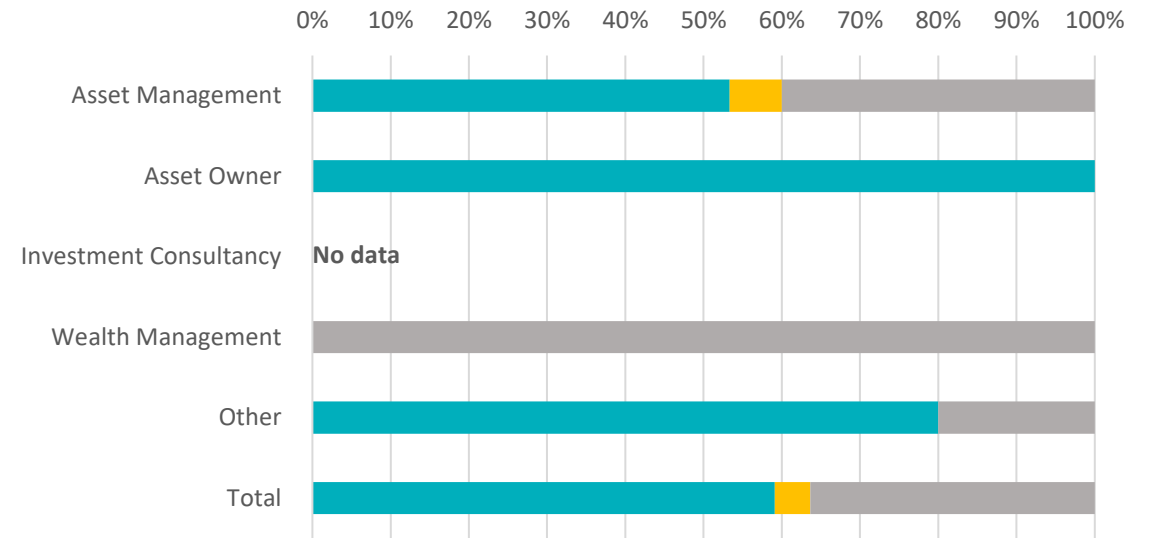
Q: Have you changed your flexible working policy in the last twelve months?



- Yes we have changed our policy on flexible working
- No, but we plan to in the next 6 months
- No

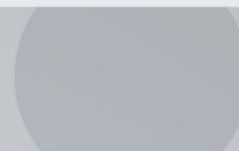
(N=83)

Flexible Working – Policy Changes



- Mandated minimum no. of days in the office increase
- Mandated minimum no. of days in the office decrease
- Mandated anchor days
- Other (please specify)

(N=22)



General | Flexible working – commentary



SUBJECT TO BUSINESS NEEDS

*"Employees are encouraged to come into the office ~3 days per week; days are flexible. Start and finish times can flex as needed. The policy outlines various other options for flex working as **agreed between the employee and business, subject to business needs.**"*

HYBRID REFLECTS ORGANISATIONS VALUES

*"The firm offers and expects flexibility. The overall goal is to enable staff to do their jobs better, to be inclusive and recognise different styles and types of working. **We seek to support and recognise that people have a range of demands on their time whilst always ensuring our priority is to our clients and the firm.** Additional flexibility is also available to those that require it due to life events or changes in personal circumstances."*

MAJORITY HYBRID

*"We offer dynamic working where employees are either 100% in the office, 100% remote or hybrid (office/remote) depending on their role type. **Over 97% of our employees are hybrid workers who enjoy a balance between home and office work – hybrid workers are expected to work in the office between 4 – 12 days per month.** In addition, we have a flexible working policy which follows the statutory flexible working regime, enabling employees to submit a formal flexible working request which, if approved, results in a change to an employee's terms and conditions, e.g. a change in hours or working location."*

*"As part of our vision to be an employer of choice for diverse talent, we are committed to finding opportunities to foster flexibility in the workplace. Whenever business and client demand allow, **we look for creative ways to help colleagues more effectively blend work and personal life.** We offer flexibility in how and where work is done and base career progress on contribution and performance - not on presence in the office."*

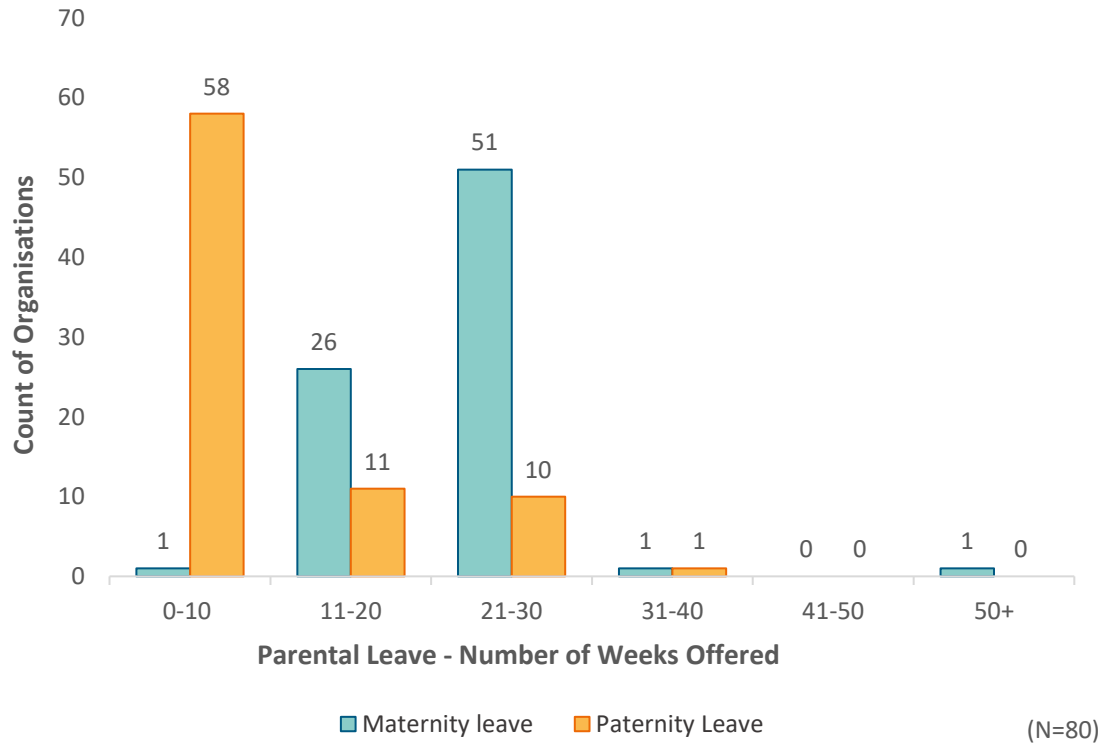


General | Parental leave

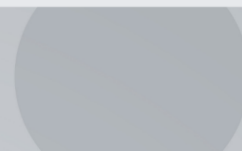
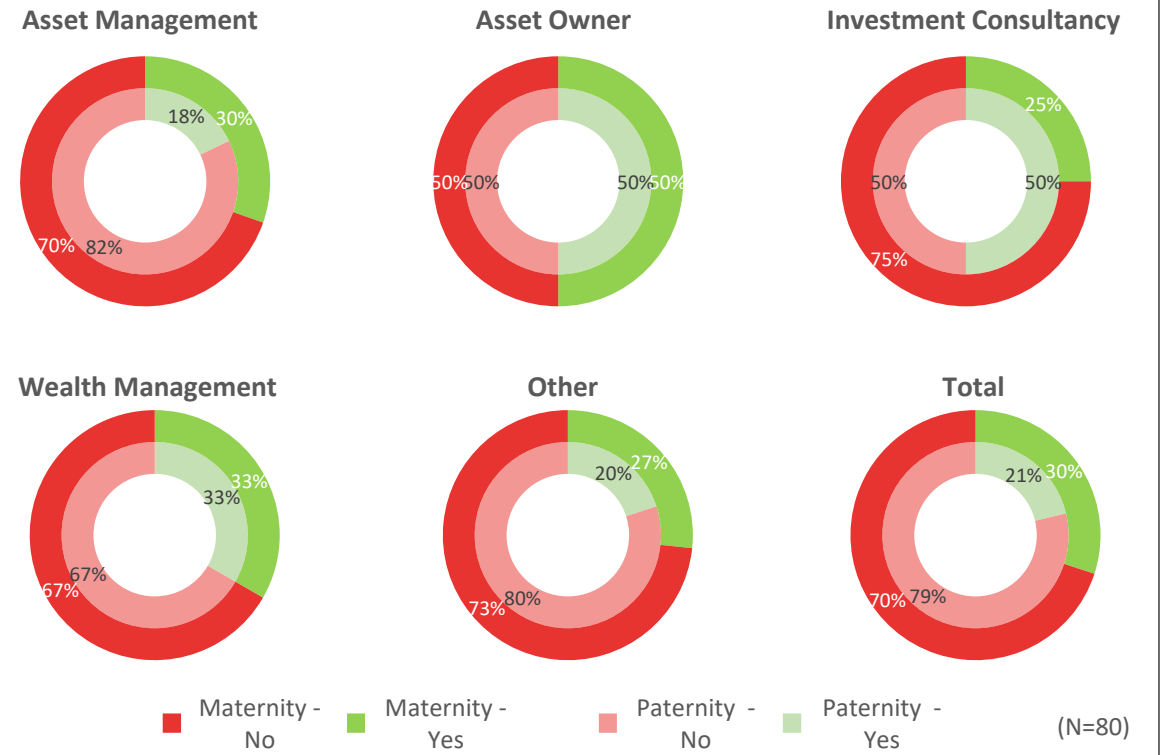
Most organisations offer parental leave in line with statutory minimums. On balance, the majority (70%) of organisations have not updated their parental leave policies in the last 12 months.



Q: How many weeks at full pay do you provide for Maternity Leave?



Q: Has your policy changed in the last 12 months for Maternity/Paternity Leave?



General | Parental leave – commentary and planned changes

The majority of respondent firms do not plan to change their maternity (60%) or paternity (63%) policies in the next 12 months. Given the consistency in reporting for both policies, our assessment is that policy changes to both occur simultaneously and cyclically.

NETWORK-LED SUPPORT AND RESOURCES

“[Our] UK Group runs a New and Expectant Parents Programme. This provides new and expectant parents a **suite of tools and resources** (and their managers) to ensure that they receive the support they need.

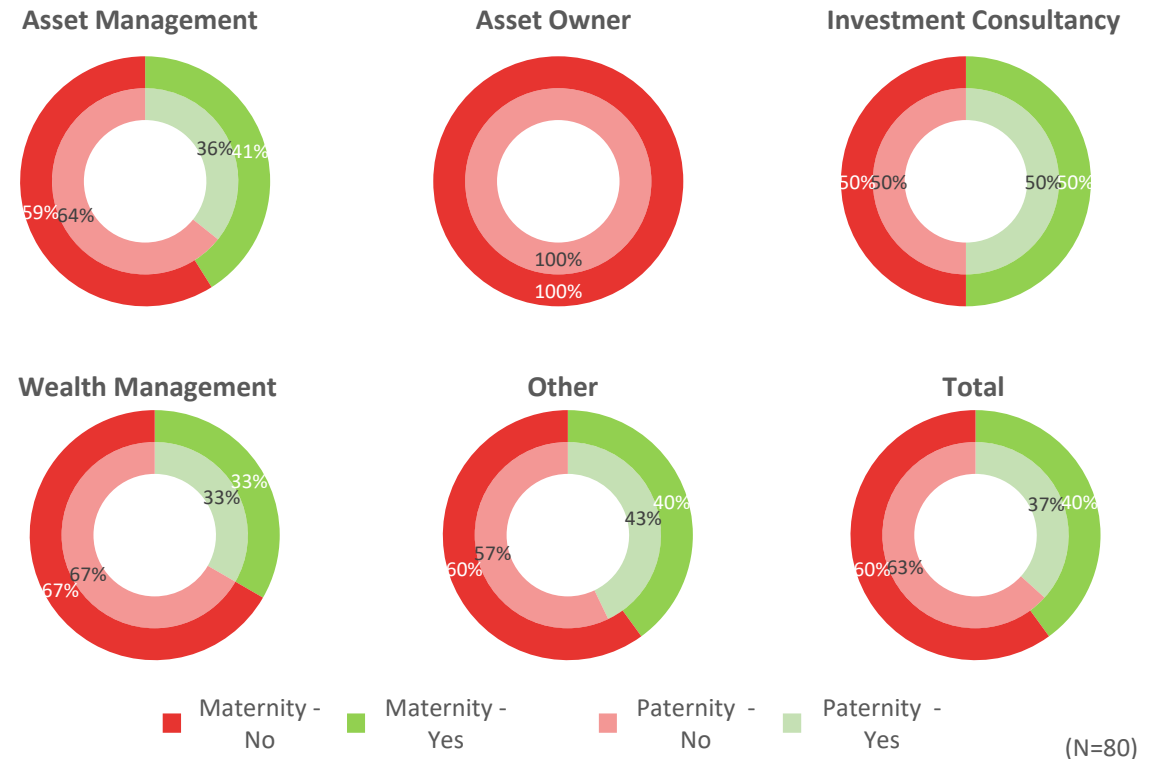
GENDER-NEUTRAL POLICIES

“To the extent permitted by law, our parental leave policies are gender **neutral** and based upon an employee’s role as a caregiver to a child. Employees receive their full benefits package alongside their full annual bonus.”

EMPLOYEE BENEFITS

“All employee benefits continue to be accessible during paternity leave e.g. health screen, critical illness and life cover, permanent health insurance. The Company will continue to make pension contributions on your behalf during paternity leave including any contributions arising from your participation in the Company’s pension salary sacrifice arrangement.”

Q: Are there any plans to review the policy over the next 12 months for Maternity/Paternity leave?

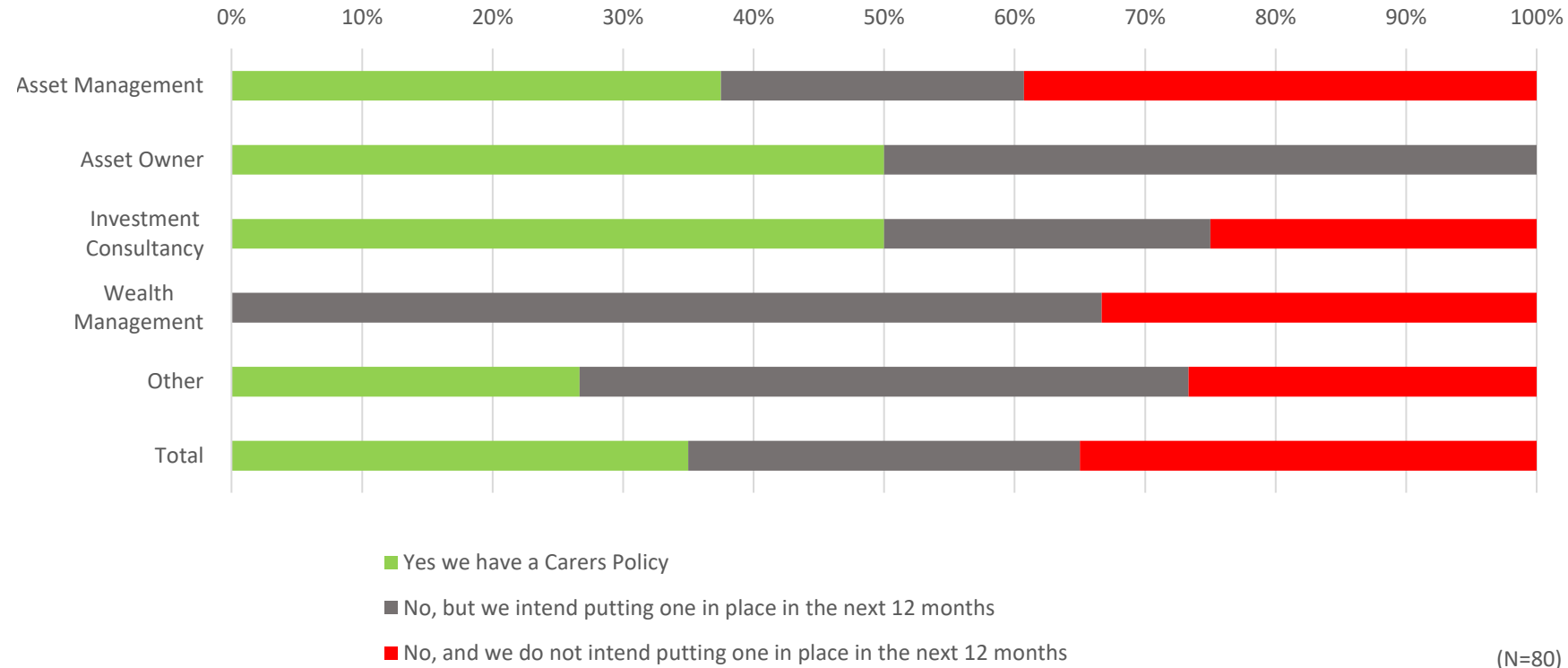


General | Carer's policy

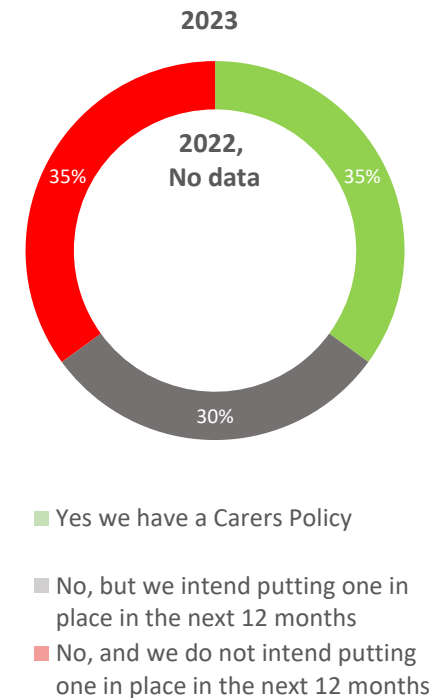
There is a fairly equal split between respondents here, with an encouraging 65% of organisations either having or planning to introduce a carer's policy in the next 12 months.



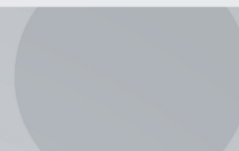
Q: Do you have a Carers Policy?



Carer's Policy – 2023 Overview



(N=80)

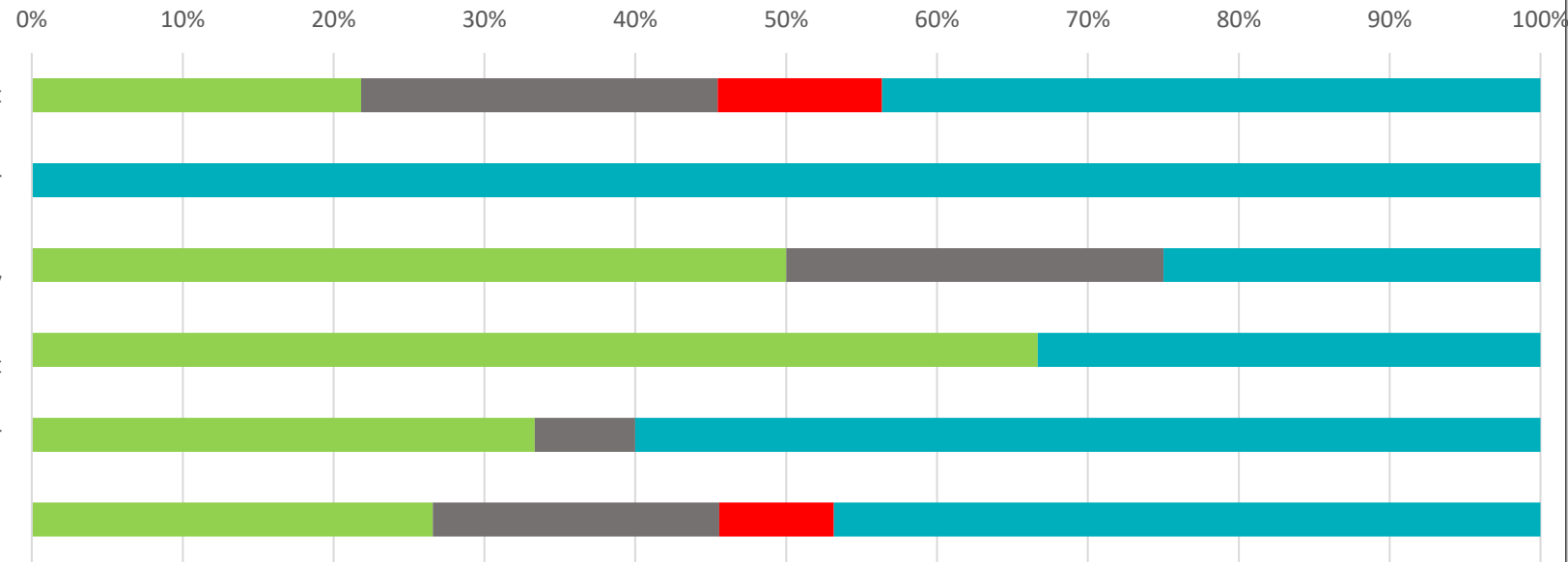


General | Menopause

Almost half of respondent organisations (47%) reported that they had taken dedicated action to provide support and resources relating to menopause, but only 26% have actively committed to the DP Menopause Pledge.



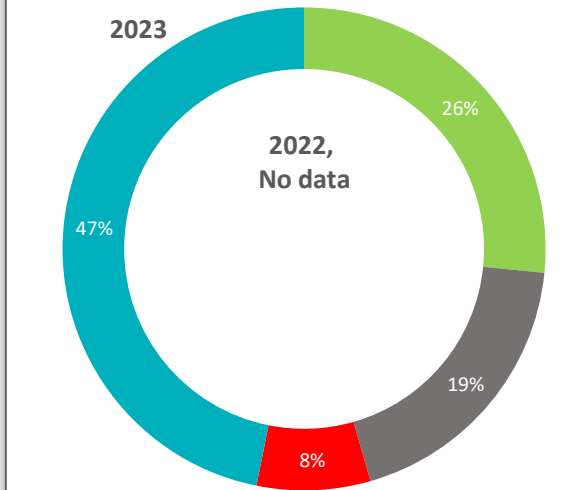
Q: Has your organisation committed to the actions set out in the Diversity Project Menopause Pledge?



- Yes, our organisation has committed to one or more actions from the DP Menopause Pledge
- No, our organisation has not committed to one or more actions from of the DP Menopause Pledge but plans to do so in the next 12 months
- No, our organisation has not committed to one or more actions from the DP Menopause Pledge and has no plans to do so in the next 12 months
- No, our organisation has not committed to one or more actions from the DP Menopause Pledge but has taken other actions to support and provide resources relating to the Menopause

(N=80)

Menopause – 2023 Overview



- Yes, our organisation has committed to one or more actions from the DP Menopause Pledge
- No, our organisation has not committed to one or more actions from of the DP Menopause Pledge but plans to do so in the next 12 months
- No, our organisation has not committed to one or more actions from the DP Menopause Pledge and has no plans to do so in the next 12 months
- No, our organisation has not committed to one or more actions from the DP Menopause Pledge but has taken other actions

(N=80)



General | Menopause – additional support and resources

Organisations reported a wide range of formal and informal support for those experiencing the menopause, including:



Awareness and education

- Specific intranet pages covering general information around menopause and employee benefits
- Training for line-managers to better understand menopause-related issues



Employee-led menopause support groups and spaces

- Informal “Drop-in” clinics and cafes to provide a physical/virtual space to discuss information and share tips
- Employee-led “support groups” to discuss on-going challenges



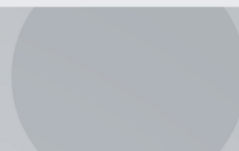
Formal physical and mental health support

- Private medical care (through EAP provider) covering physical/mental health support with menopause trained healthcare providers
- Training for on-site mental health first aiders around menopause-related issues



Policy and pledges

- Implementation of a menopause policy and supporting guidance documentation
- Engagement with external pledges around organisation-wide commitments to menopause support



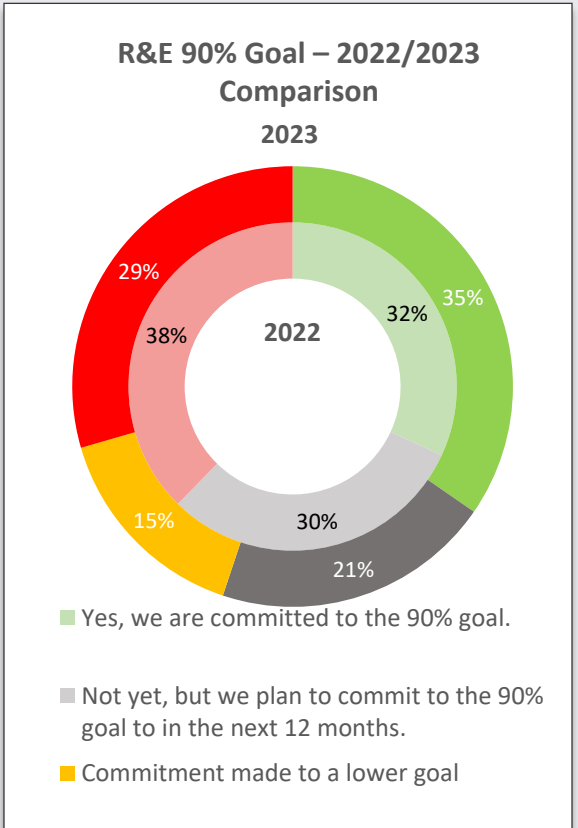
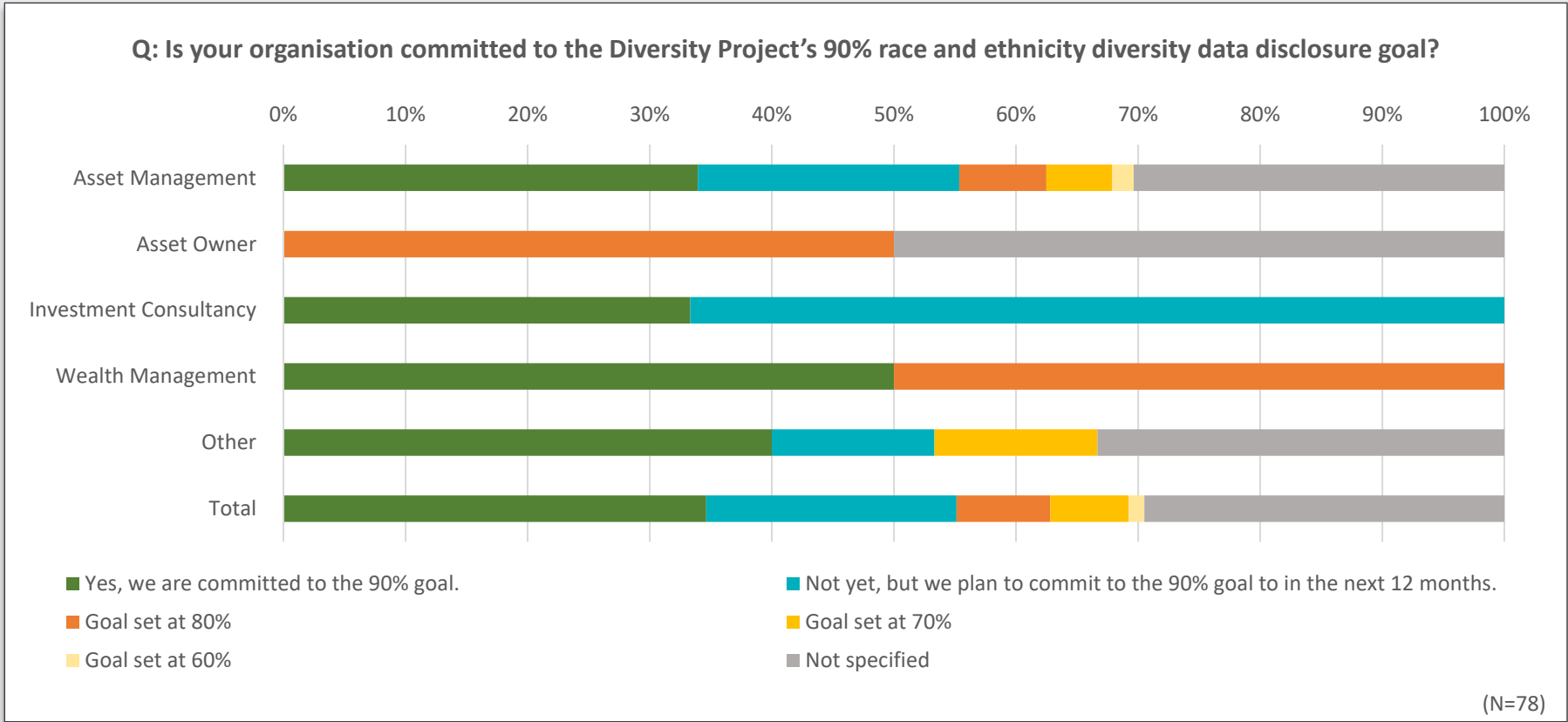
Section 1: Race & Ethnicity

Goals, actions, data capture, commentary



R&E | DP 90% reporting goal

Overall, we have seen a small increase in the percentage of organisations committing to the 90% goal, up to 35%. Of the 45% of firms reporting no commitment to achieving the 90% goal in the next 12 months, 12 organisations have committed to lower targets.



*NOTE: In the 2022 reporting cycle, "Not yet, and we have no plans to commit to the 90% goal in the next 12 months" was the only option available. In 2023, this question was asked differently to include lower targets. It must be noted that some of the respondents of "Not yet..." in 2022, may have otherwise been captured in "Commitment made to a lower goal".

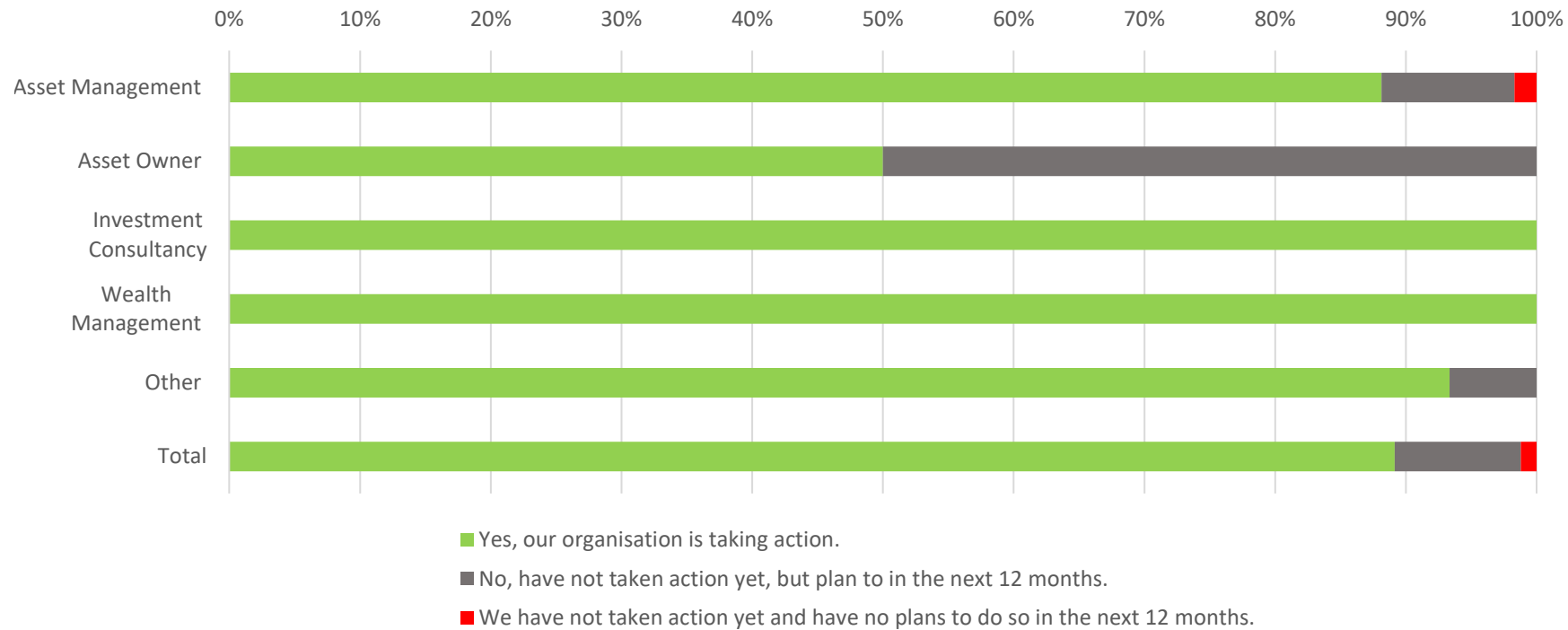


R&E | Action to improve R&E DE&I

As in 2022, it is highly encouraging to see a significant majority (89%) of respondent organisations reported undertaking dedicated actions to improve DE&I – this continues to be an area where engagement remains high. Ensuring forward-looking momentum and sufficient additional opportunities for engagement is essential.

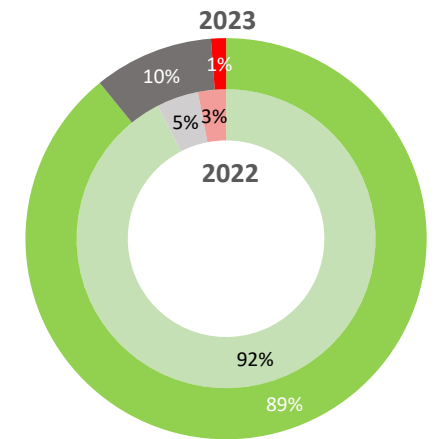


Q: Is your organisation taking action to improve race and ethnicity DE&I?



(N=83)

R&E Actions – 2022/2023 Comparison



- Yes, our organisation is taking action.
- No, have not taken action yet, but plan to in the next 12 months.
- We have not taken action yet and have no plans to do so in the next 12 months.

(2022, N=69; 2023 N=83)

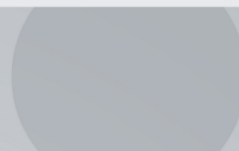
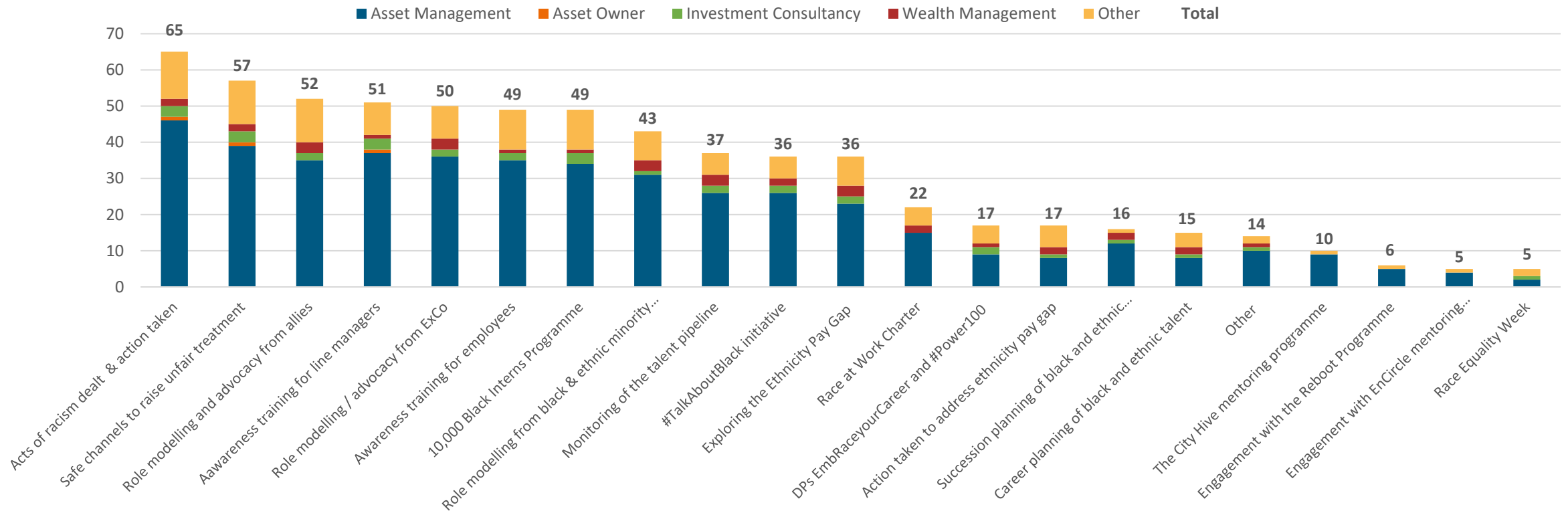


R&E | Action to improve R&E DE&I

Of the 87% of firms reporting having undertaken action(s) to improve R&E DE&I, a significant majority (n=71) reported multiple actions, with the 2023 average of 8.9 actions/organisations. This is up from 6.4 actions/organisation in 2022.



Q: What action(s) has your organisation taken in the last year to improve race & ethnicity DE&I



R&E | Action to improve R&E DE&I - other

Organisations reported a wide range of specific initiatives being undertaken to address awareness gaps around race and ethnicity, together with a large number of employee-activities.



Employee-led networks and initiatives

- One firm reported launching a network for the first time
- Many examples of employee-led initiatives (social events, drop-in “cafes” etc.), particularly numerous during Black History Month



Action plans and policy

- 12 months R&E action plans / strategy development and implementation
- Formal review of harassment / bullying policy



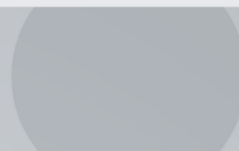
Data-driven initiatives

- Implementation of specific reporting structures and processes for understanding R&E data
- Launch / publication of dedicated reports around DE&I, including targeted reports on R&E



Career development and support

- Dedicated coaching and mentoring programmes for black and minority ethnic talent launched
- Internal-led internship opportunities offered to a wider range of talent with a focus on reaching underrepresented talent



R&E | Actions – commentary



“We are engaging with the 10000 Black Interns programme and ensuring that all acts of racism are dealt with appropriate action and seriousness. Safe channels have also been created where ethnically diverse talent can raise unfair treatment”

*“Our bespoke **Diverse Leaders Programme continues to evolve, specifically focused on ethnic minority talent at mid-management level.** It has been run since 2014 and has been designed to help support participants realise their own authentic leadership style and build the necessary skills and confidence to successfully navigate our organisation. The programme also provides participants with access to a professional coach, a mentor and ongoing networking opportunities. **65% of participants have expanded their role or been promoted after attending the programme.**”*

*“Our ethnicity action plan ensures we’re making progress systemically to attract ethnic minority talent and remove any barriers to retain and develop a diverse group of talented people. This will enable us to better represent our customer/client needs globally, as well as provide innovative and creative solutions for future growth. **We set our first ethnicity target in 2020 and are now working on additional more granular targets which will be in place for 2024.**”*

*“The Firm’s diversity efforts are **led by our Chairman and CEO and supported and reinforced through annual diversity reviews with each business unit** and ongoing diversity and inclusion education for managers and leaders, with a significant focus on race and ethnicity. At the divisional level, each business reviews succession planning with respect to key roles and creates development plans to ensure an ongoing dialogue around talent pipeline. **We have seen greater ethnic diversity at junior levels due to our sustained campus recruiting efforts & partnerships with Rare Recruitment, 10,000 Black Interns, Bright Network, Entrepreneurs in Action (EIA) and on-campus societies such as Afro-Caribbean Student Societies.**”*

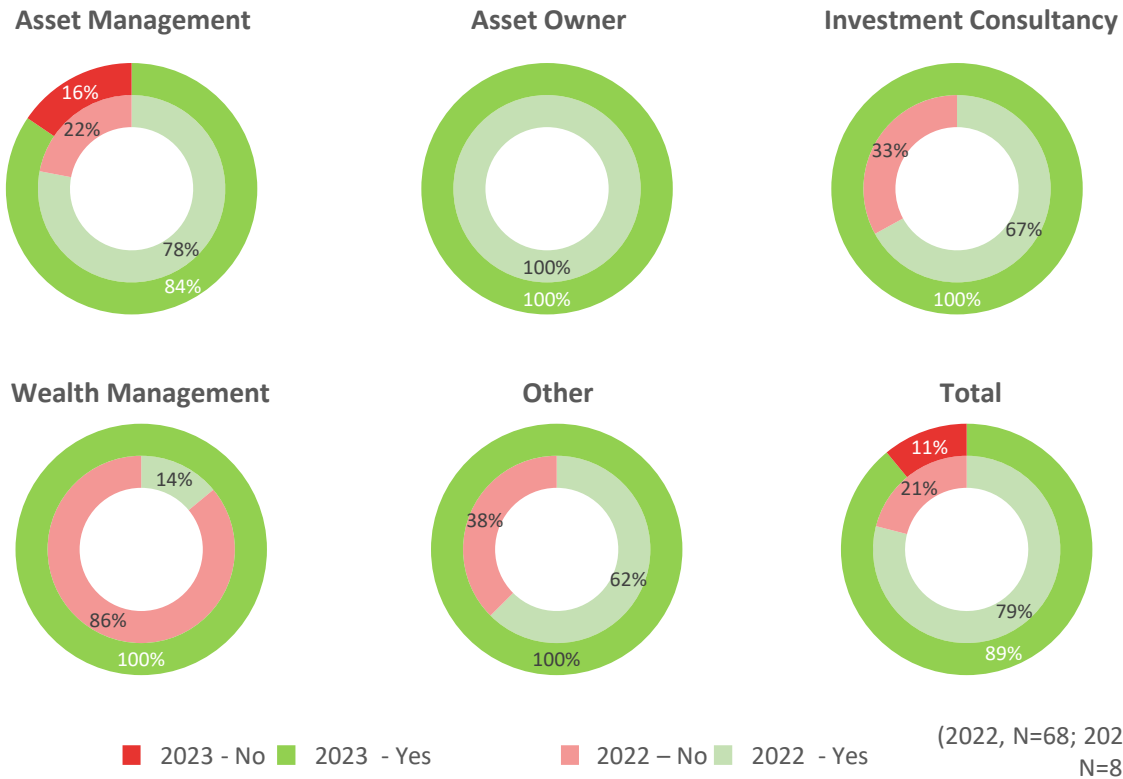


R&E | Data capture

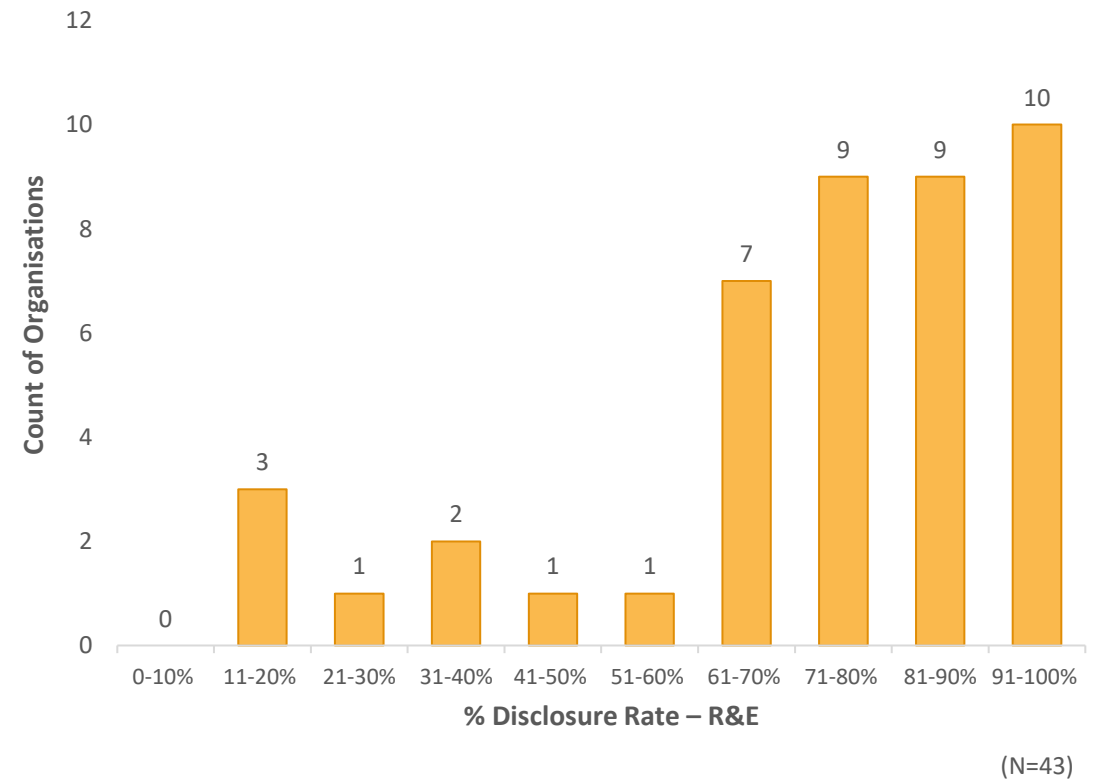
Overall, we have seen a slight increase in respondent firms reporting the collection of race and ethnicity self-ID data, up to 89% in 2023 from 79% in 2022.



Q: Is your organisation collecting and monitoring the race and ethnicity data for your employees?



Q: What percentage of your employees have disclosed their R&E data?

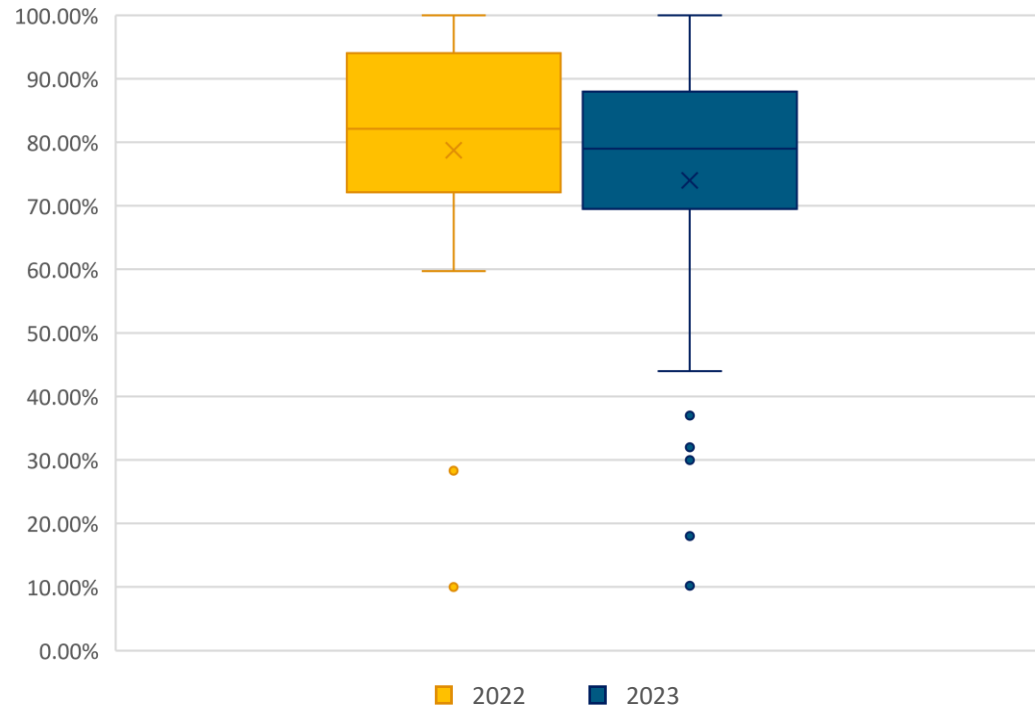


R&E | Data capture



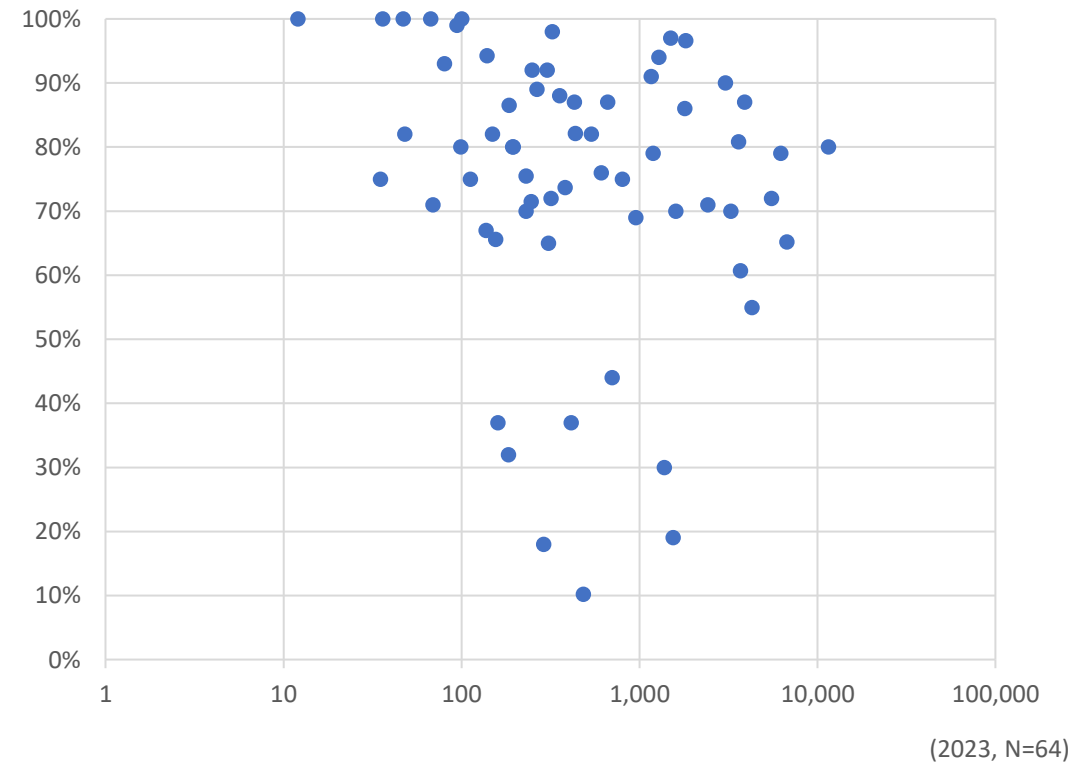
The average disclosure rate in 2023 was reported at 75.2% across the respondent sample. We noted no statistically significant difference in disclosure rate YOY.* Five organisations reported 100% disclosure rate for R&E data in 2023.

Q: What percentage of your employees have disclosed their R&E data? (2022 and 2023)



(2022, N=34; 2023, N=64)

Q: What percentage of your employees have disclosed their R&E data? (2023)



*Differences between 2022 and 2023 samples were assessed using an unpaired t-test (P=0.43).



R&E | Data capture – commentary

Qualitative commentary suggests that dedicated programmes and pilots are achieving good reach across employee populations, but that systems and engagement may still remain a struggle for organisations early on in their DE&I journey.



DATA-DRIVEN DECISION MAKING

*“We have reached **80% completion and continue to promote the value of self-disclosure**. We report against this data to the Executive Committee and Board and have used this to compare against London ethnicity census data with an aim to identify where we need to focus.”*

SYSTEM IMPLEMENTATION

*“In 2024, **we will roll out the technical solution** which will give us the possibility to collect ethnicity data from our employees whilst securing anonymity of their disclosures.”*

TRACTION ISSUES

*“We are currently collecting and monitoring the data through an equal opportunities monitoring form. **However, this had very little traction and we are going to relaunch the campaign** once we move across [the Company’s] Workday platform in 2024.”*

TARGETED CAMPAIGNS

*“In 2022, we launched [a firmwide campaign] designed to raise awareness about self-identification and encourage employees to voluntarily share their demographic information to the firm. **It spanned 20 countries and reached 93% of our employee population.**”*

REPORTING THRESHOLDS

*“Yes, we have the mechanism to collect this data, but **we don't have enough respondents to provide any meaningful analytics at this stage.**”*

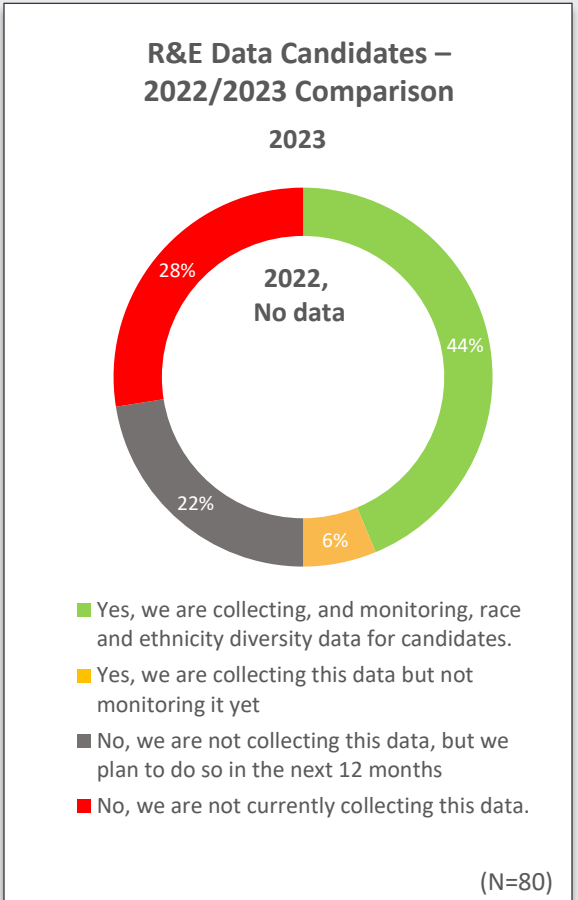
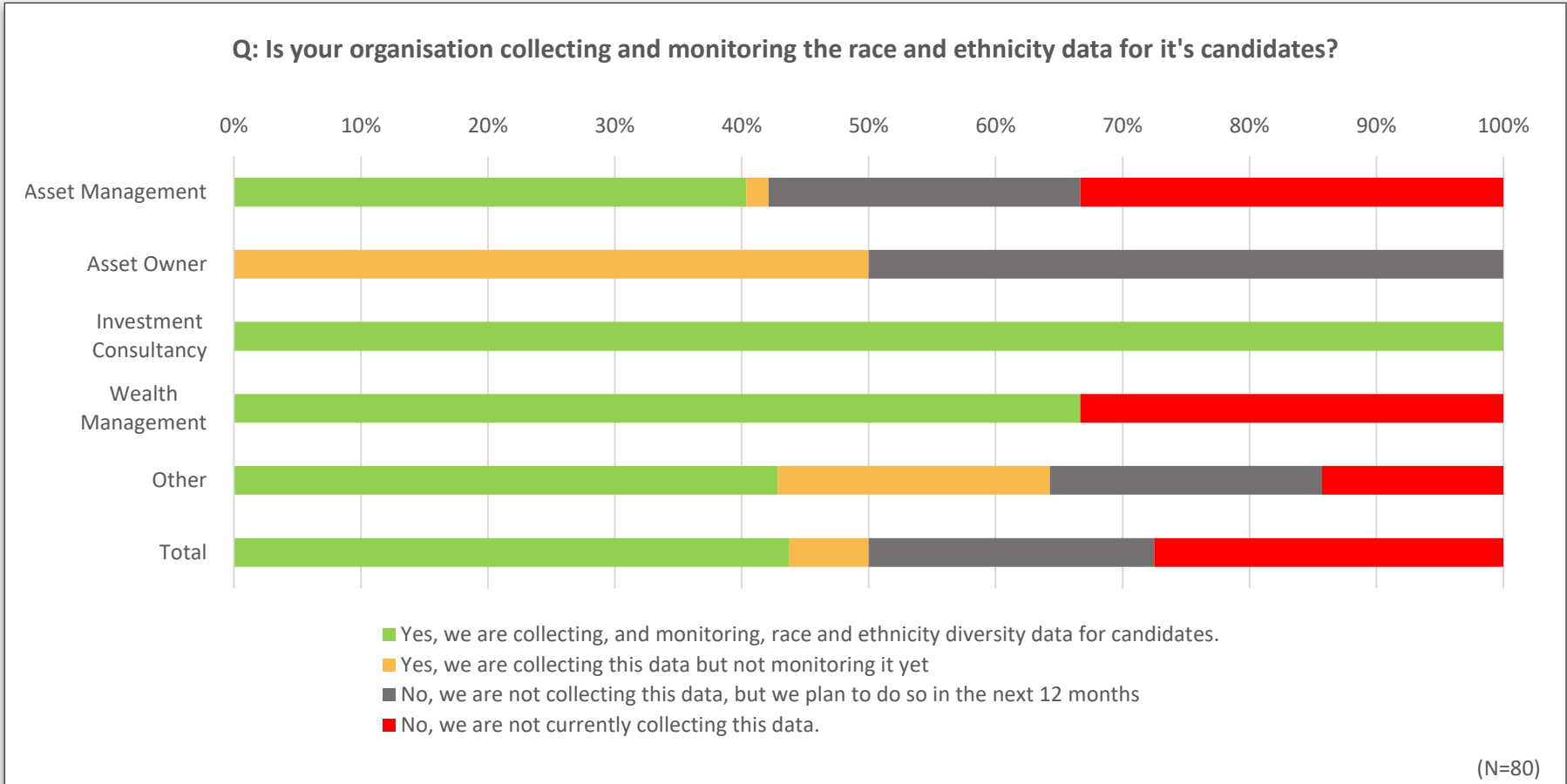
ROLLING DATA CAPTURE TO BE INTRODUCED

*“We currently do not collect data on race and ethnicity. **In October 2023, we plan to launch a pilot data collection project in the UK.** The data collection will include data on race and ethnicity. We do an annual Inclusion Survey that provides data on how included our employees feel at the workplace, where we do collect data on ethnicity and race. This data is aggregated and anonymized”*



R&E | Data capture – talent

Only 28% of respondent firms have no intention to collect and/or monitor the R&E data of candidates in the next 12 months, which is highly encouraging. Ensuring that talent acquisition teams and systems are set up to capture and report this data is essential and has, accordingly to qualitative commentary been a historical blocker for some organisations.



R&E | Candidate data capture – commentary



Qualitative commentary suggests that dedicated programmes and pilots are achieving good reach across employee populations, but that systems and engagement may still remain a struggle for organisations early on in their DE&I journey.

TARGETED ACTIONS TO IMPROVE DATA QUALITY

*“Our current process is inefficient, but it is in place. It relies on 3rd party agencies to provide this info from the candidates. **However, we have now added resource internally of an In-House Recruiter and we are also introducing a new electronic recruitment systems.** This will greatly improve our data collection and reporting data.”*

SYSTEM SET UP

*“Currently our **HR system doesn’t permit** this at the application process.”*

GDPR CONCERNS

*“We would be interested to understand how others can do this? **Surely under GDPR this is difficult, as well as who asks the questions.**”*

LACK OF TA SYSTEMS A BLOCKER

*“We are finalising our recruitment strategy, which includes issuing a DEI survey to recruiters and candidates as part of the interviewing process. **We struggle to capture this data currently as we do not have a TA system to support the collection and storage of this data.**”*

HIGH-LEVEL REPORTING

*“When candidates apply to [the Company], they are asked a series of DEI questions which includes their ethnicity. Where this information is disclosed, it would be tracked as the candidate pool progresses through each recruitment stage. By tracking this data, we are able to identify at what point drop off is happening, building in more proactive support mechanisms. **It is important to note that individual candidate data is not tracked per stage – it is the macro view of the broader candidate pool which enables us to identify trends.**”*

RELIANCE ON THE QUALITY OF THIRD-PARTY TA PARTNERS

*“We have updated our standard recruitment terms and asked recruitment agencies to disclose this information to us, where possible. As the majority of recruitment the firm does is through third party recruitment agencies, **we are beholden to the data that they collect. Where possible, we ask them to disclose the race and ethnicity for the candidates in an aggregated manner.**”*



Section 2: Socio-Economic DE&I

Goals, actions, data capture, commentary

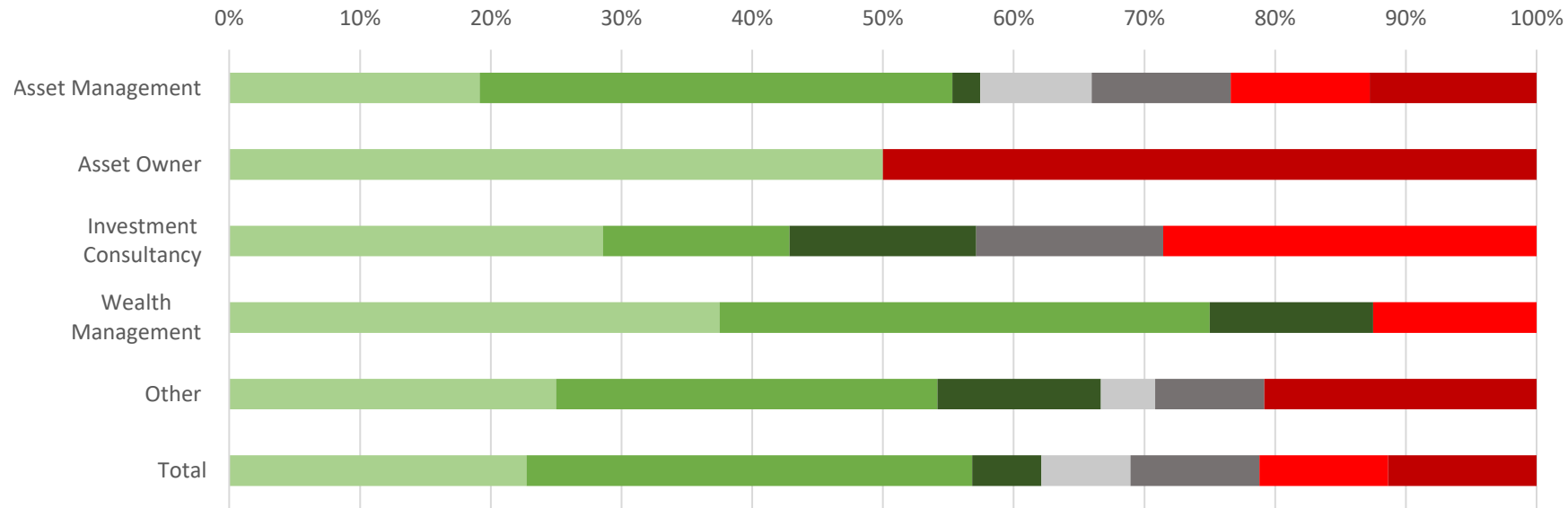


SE | DP goals

Of reporting firms, 30% have committed to one of the SE goals, 27% to two goals and only 4% of firms to all three. Confirmation of committing to the remaining or to any of the goals remains static in the high teens (17%), while the number of firms with no intentions to commit further has decreased to 21%.



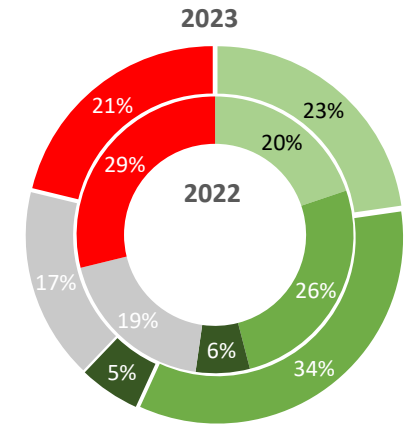
Q: Has your organisation committed to the Diversity Project's 3 socio-economic goals?



- Yes, our organisation has committed to Goal 1, to collect socio-economic diversity data for all employees.
- Yes, our organisation has committed to Goal 2, to support, one, or more, graduate/school leaver socio-economic recruitment programmes.
- Yes, our organisation has committed to Goal 3, adoption of specific and appropriate socioeconomic targets.
- Of the goals we have not yet committed to, we plan to do so in the next 12 months.
- No, our organisation has not committed to any of the 3 goals yet, but plans to in the next 12 months.
- Of the goals we have not yet committed to, we have no plans to do so in the next 12 months.
- No, our organisation has not committed to the 3 goals yet and has no plans to in the next 12 months.

(N=80)

SE Goals – 2022/2023 Comparison

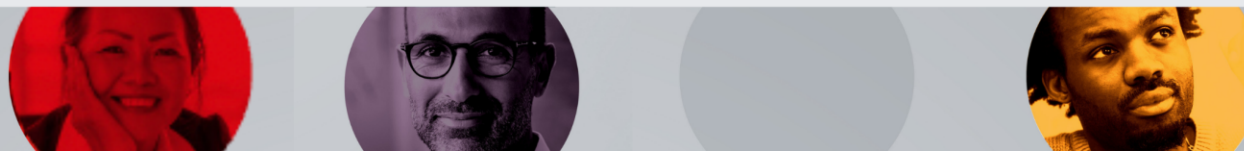


- Goal 1
- Goal 2
- Goal 3
- Commitment in next 12 months*
- No plans to commit**

(2022, N=69; 2023 N=80)

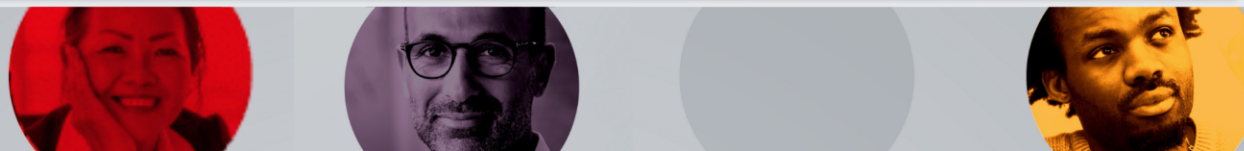
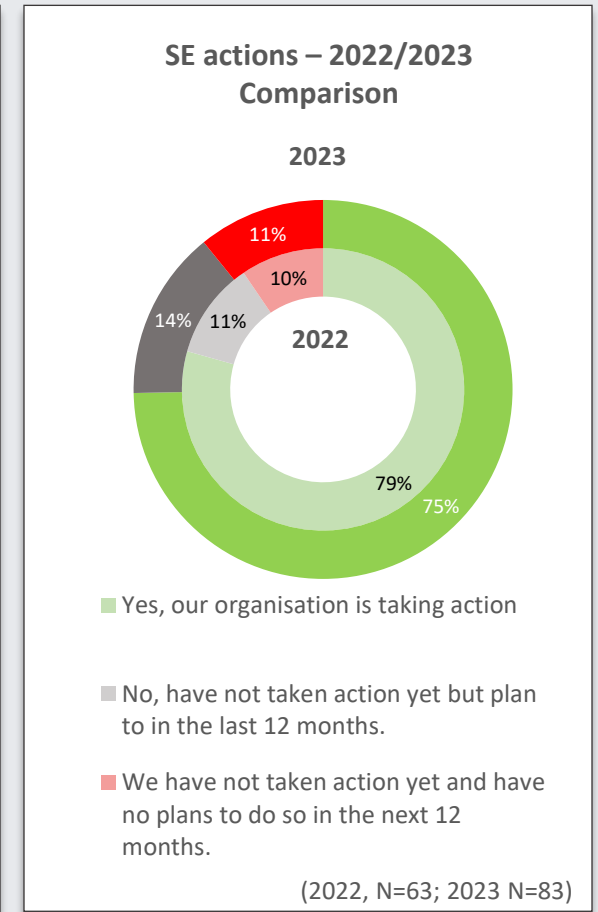
*Combines "Of the goals we have not yet committed to, we plan to do so in the next 12 months" and "No, our organisation has not committed to any of the 3 goals yet, but plans to in the next 12 months."

**Combines "Of the goals we have not yet committed to, we have no plans to do so in the next 12 months" and "No, our organisation has not committed to the 3 goals yet and has no plans to in the next 12 months"



SE | Action to improve SE DE&I

As in 2022, it is highly encouraging to see around three quarters (75%) of respondent organisations reported undertaking dedicated actions to improve DE&I. With 14% of organisations reporting intentions in this space over the next 12 months, there remains significant opportunity for the DP to support and drive engagement.

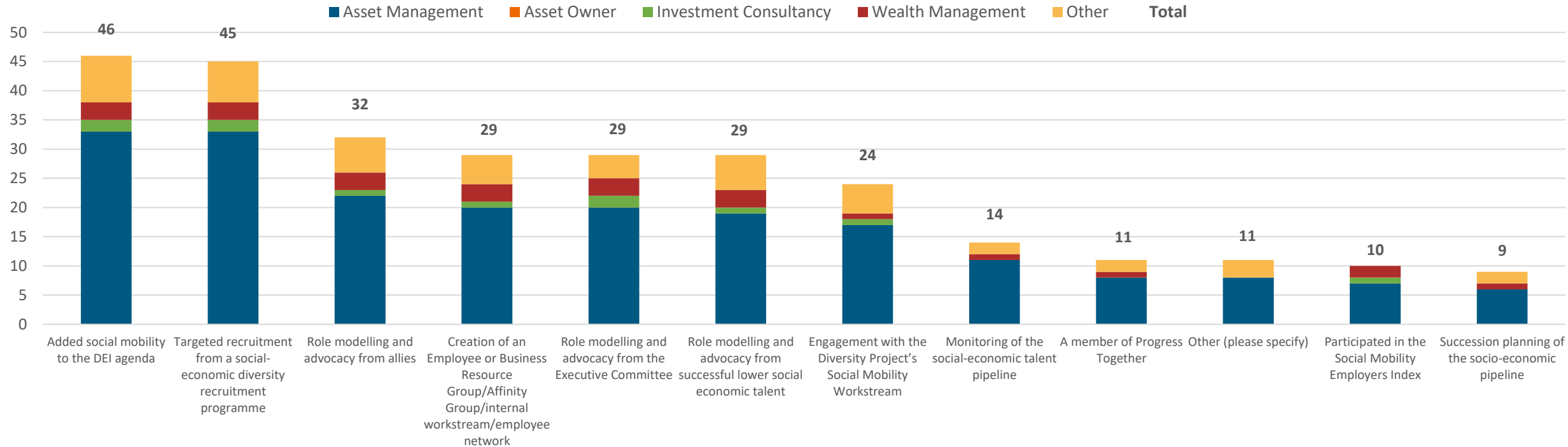


SE | Action to improve SE DE&I

Of the 75% of firms reporting having undertaken action(s) to improve SE DE&I, a significant majority (n=54) reported multiple actions, with the 2023 average of 4.8 actions/organisations with N=46 organisations reporting having added SE to the DE&I agenda, suggesting gathering momentum around SE across the industry.



Q: What action(s) has your organisation taken in the last year to improve SE DE&I



(N=62)



SE | Actions – commentary

Of the additional actions taken by respondent organisations, notable examples centred on targeted action and engagement with a range of internal and external stakeholders.



TARGETED SOCIAL INCLUSION PLAN

*“Our social inclusion action plan ensures we’re making progress systemically to attract talent from different social backgrounds and remove any barriers in order to retain and develop a diverse group of talented people with **focus areas on improving social mobility outcomes across the organisation, industry and community**”*

SE INTEGRATION IN TA SYSTEMS

*“We have **included specific socio-economic questions in our new recruitment system which will enable more effective collation of data**. Our graduate programme also included universities that may offer scholarships to capture more diverse backgrounds”*

CHANGES TO ASSESSMENT CRITERIA

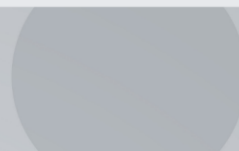
*“**We no longer ask for grades, degrees, and years of experience on job descriptions or interviews**. This was approved by ExCo and the Board as well as published in our action plan”*

PARTNERSHIPS

*“Socioeconomic DEI is a significant focus for the Firm Data Collection depicted through the introduction of a UK wide **partnership with a non-profit consultancy to design and roll-out** (Nov 2023) a socioeconomic survey to all permanent employees.”*

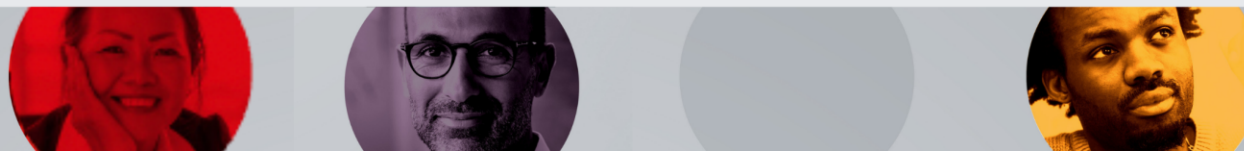
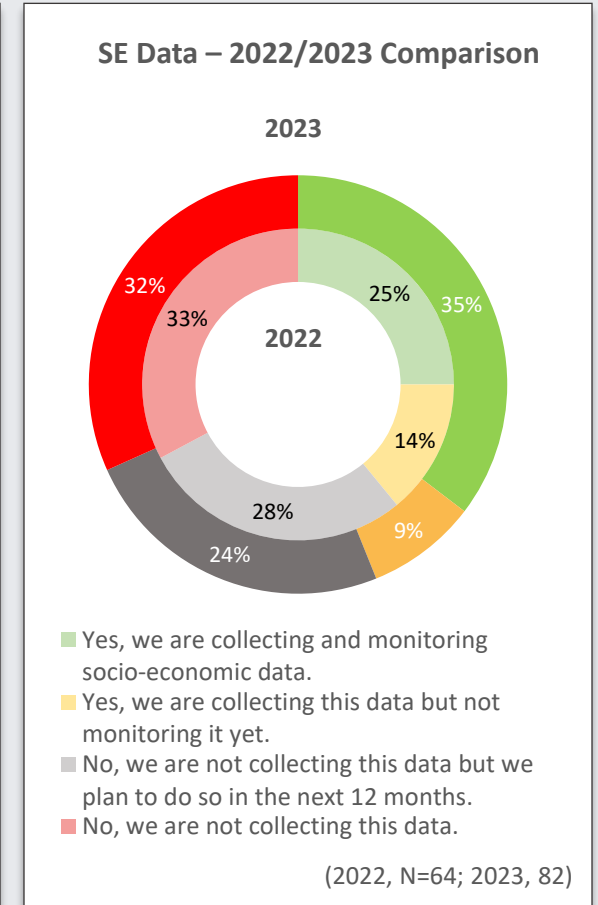
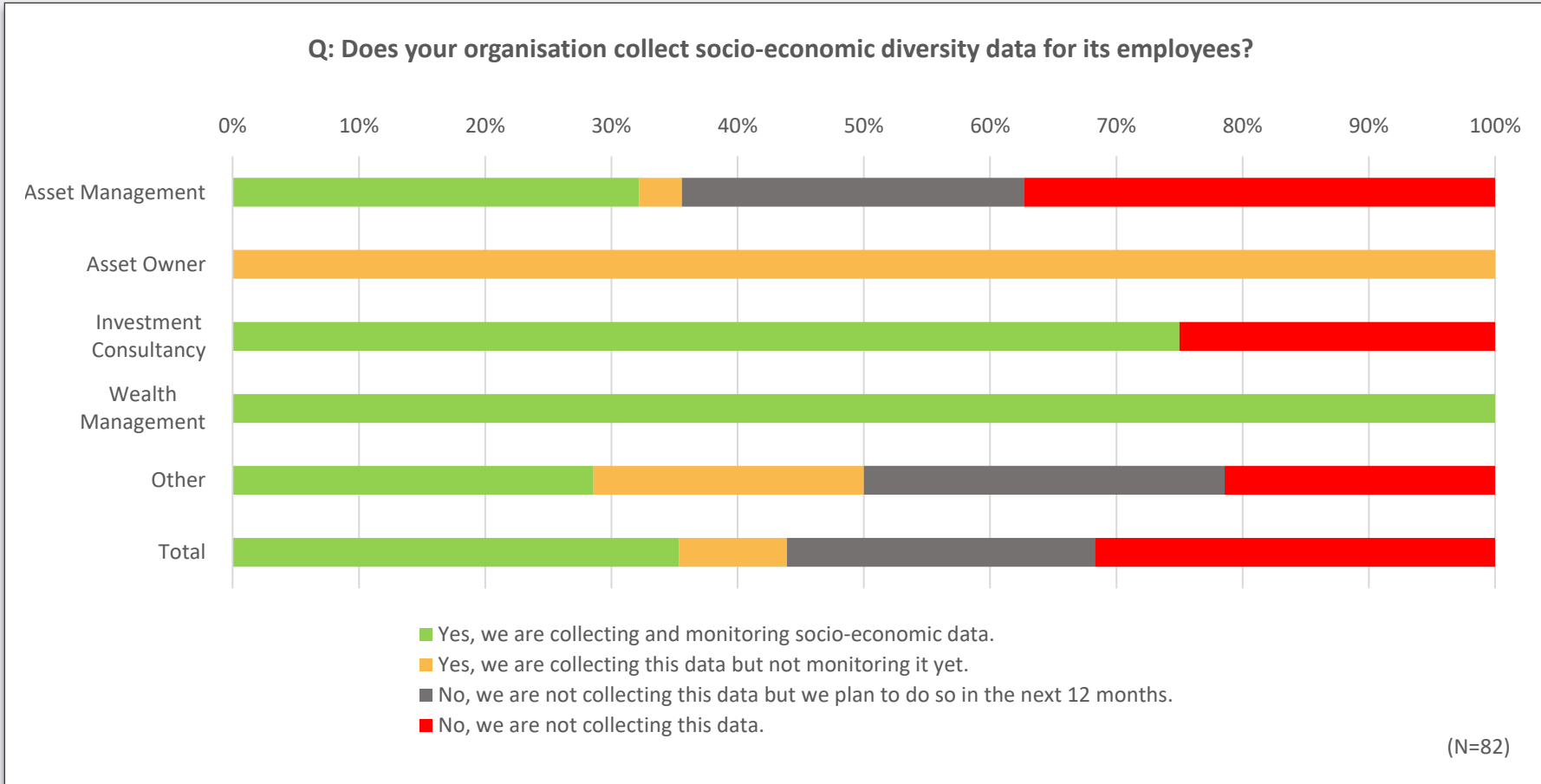
TRAINING AROUND BIAS AND SOCIAL CAPITAL

*“Our DEI team have successfully run an **accent bias series in the summer to make connections between unconscious bias and social capital**, and hosted [a] workshop where we shared learning from accent bias and the Sutton Report (2022) as a way for organizations to begin raising awareness of the prevalence of this bias in the industry and how to tackle it on a psychological and behavioural level.”*



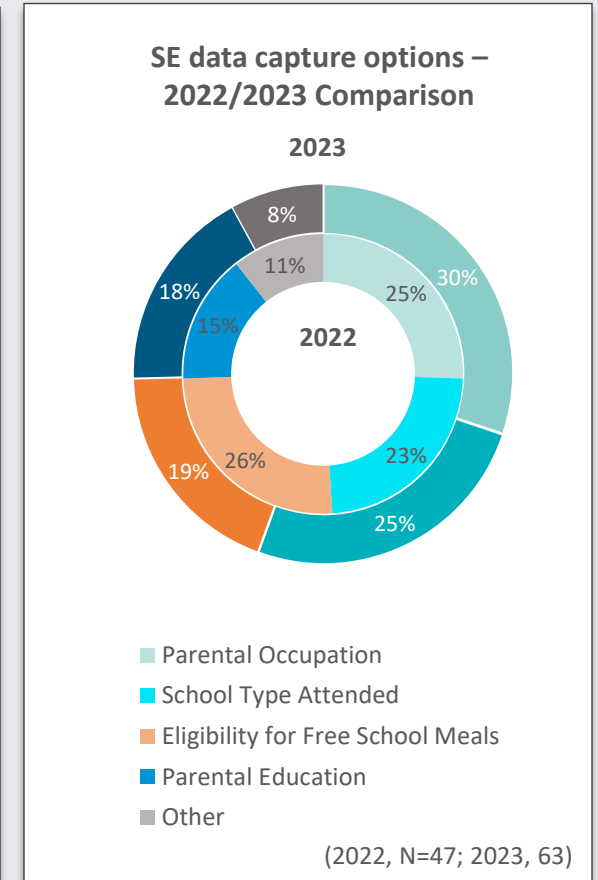
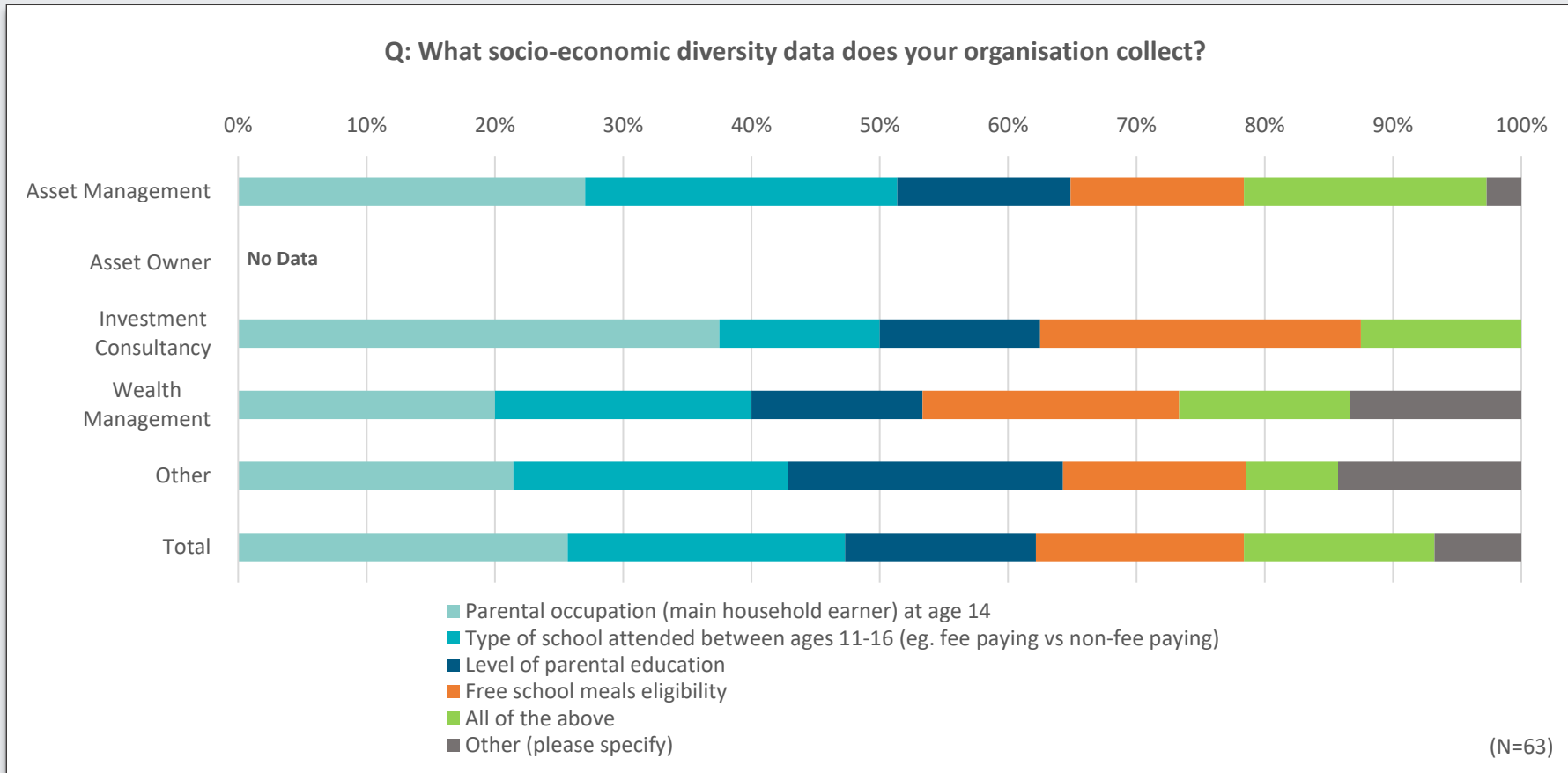
SE | Data capture

In 2023, 35% of respondent firms reported to be both collecting and monitoring SE data, an encouraging increase from the 2022 sample. Given the number of firms that have already (or are intending) to submit to one or more of the SE goals in the next 12 months, we see this as further evidence of the gathering momentum and increased conversations that are occurring around SE.

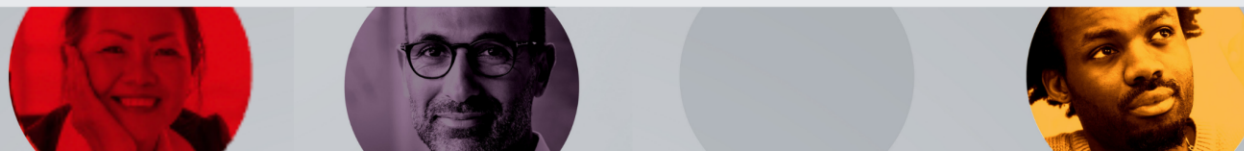


SE | Data capture – specifics

Of the organisations that collect SE data, 11 organisations reported to collect all 4 categories. More generally, parental occupation (30%) and type of school attended (25%) were the most common data points collected. “Other” categories were represented by questions around university / first job.*

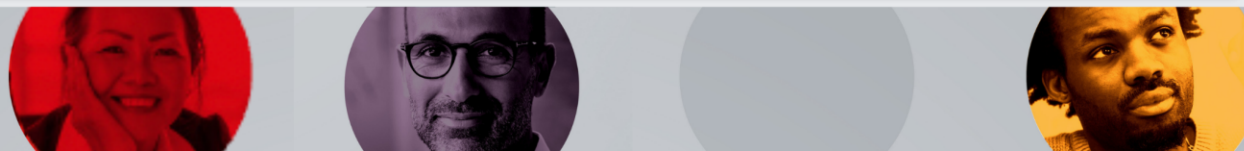
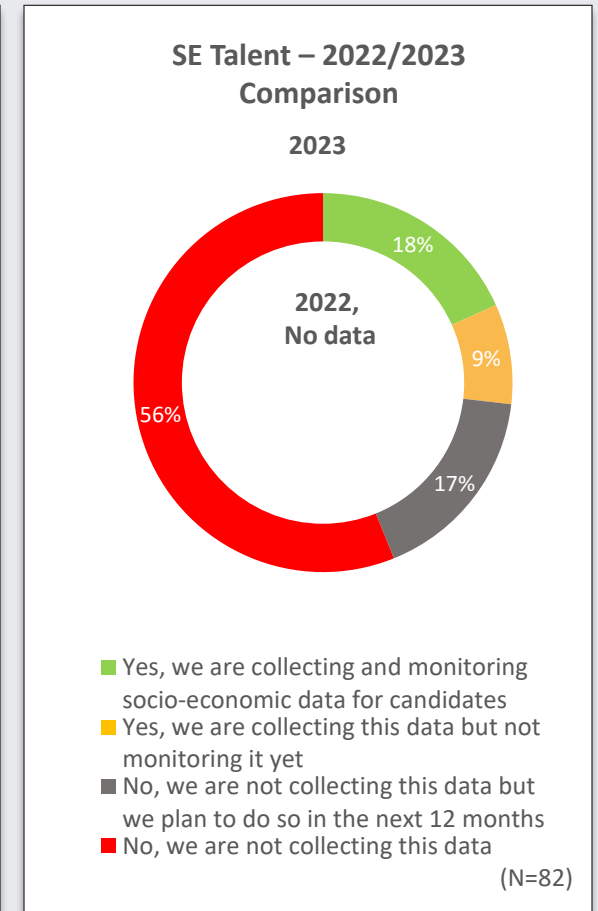
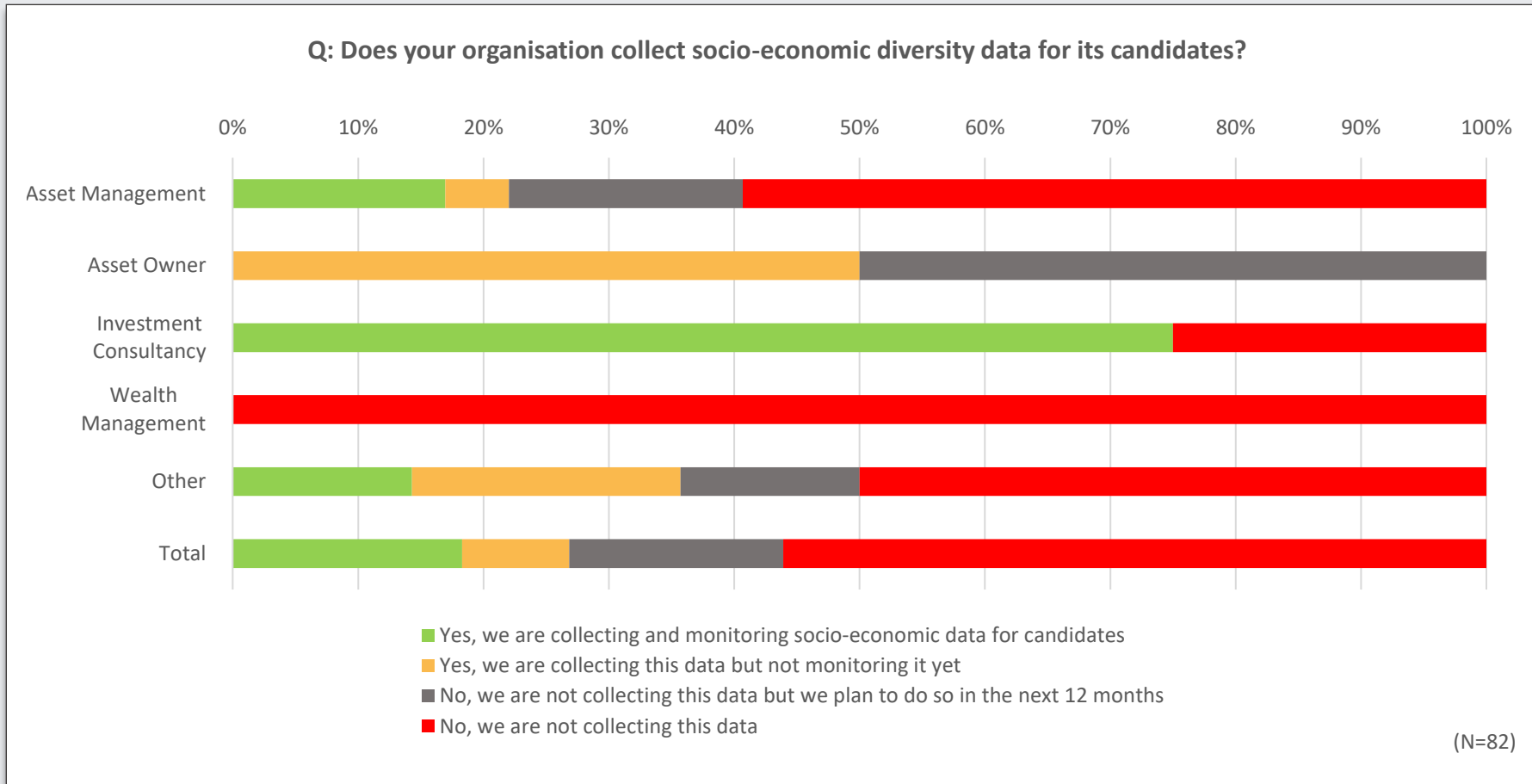


*E.g. “Were you the first in your immediate family to go to university?” or “Did you attend a Russell group university?”



SE | Data capture – talent

Mature data collection strategies for talent throughout the pipeline have historically focused on gender identity, sexual orientation and race & ethnicity. In the 2023 cohort, 56% of respondent organisations stated that they are not collecting/monitoring socio-economic data for talent.

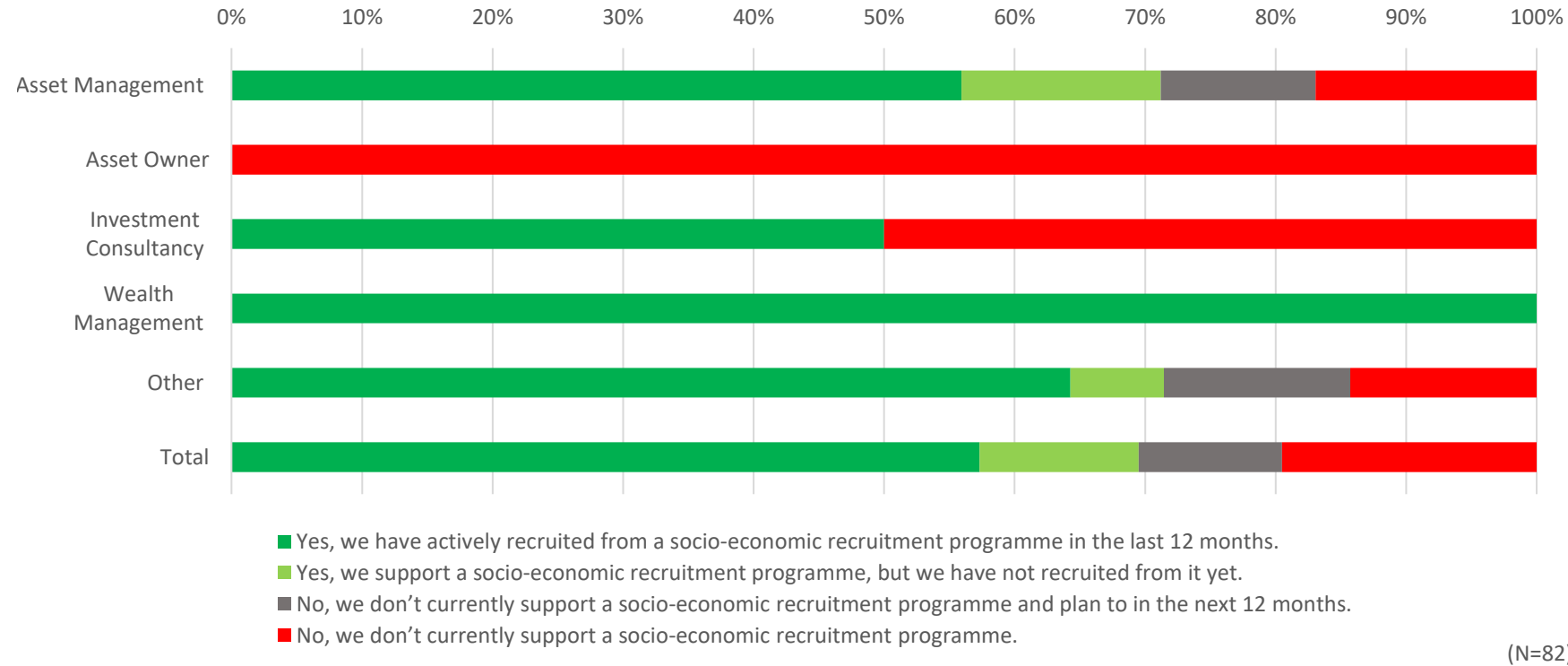


SE | Graduate / leavers programme

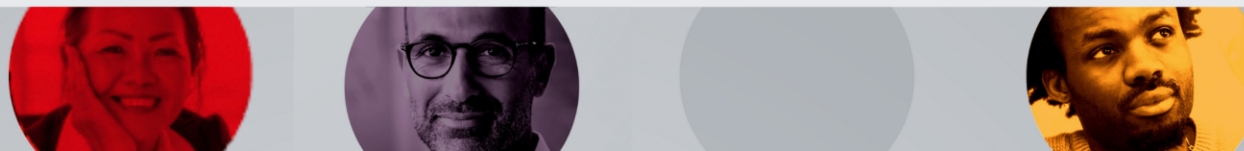
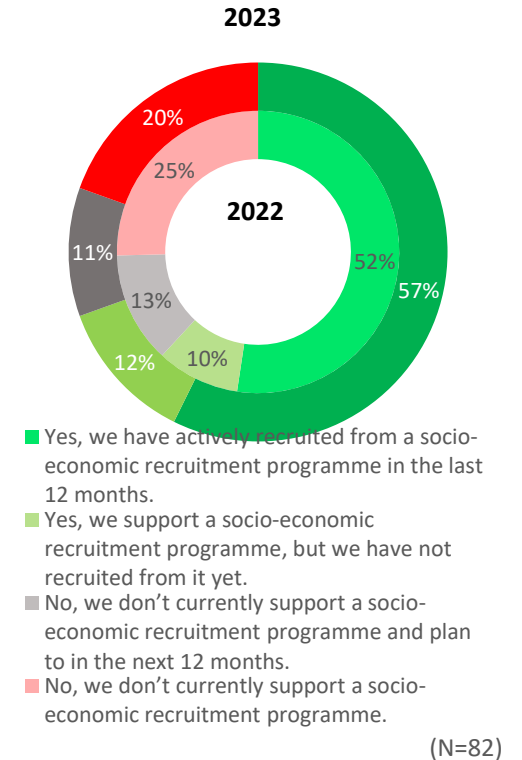
Proportionally, it is encouraging to see that the majority of reporting organisations have actively recruited from (57%) or supported (12%) a socio-economic recruitment programme. However, 1 in 5 (20%) still do not support a programme in anyway.



Q: Does your organisation support a socio-economic graduate, or school leaver, recruitment programme?



SE Graduate Programme – 2022/2023 Comparison

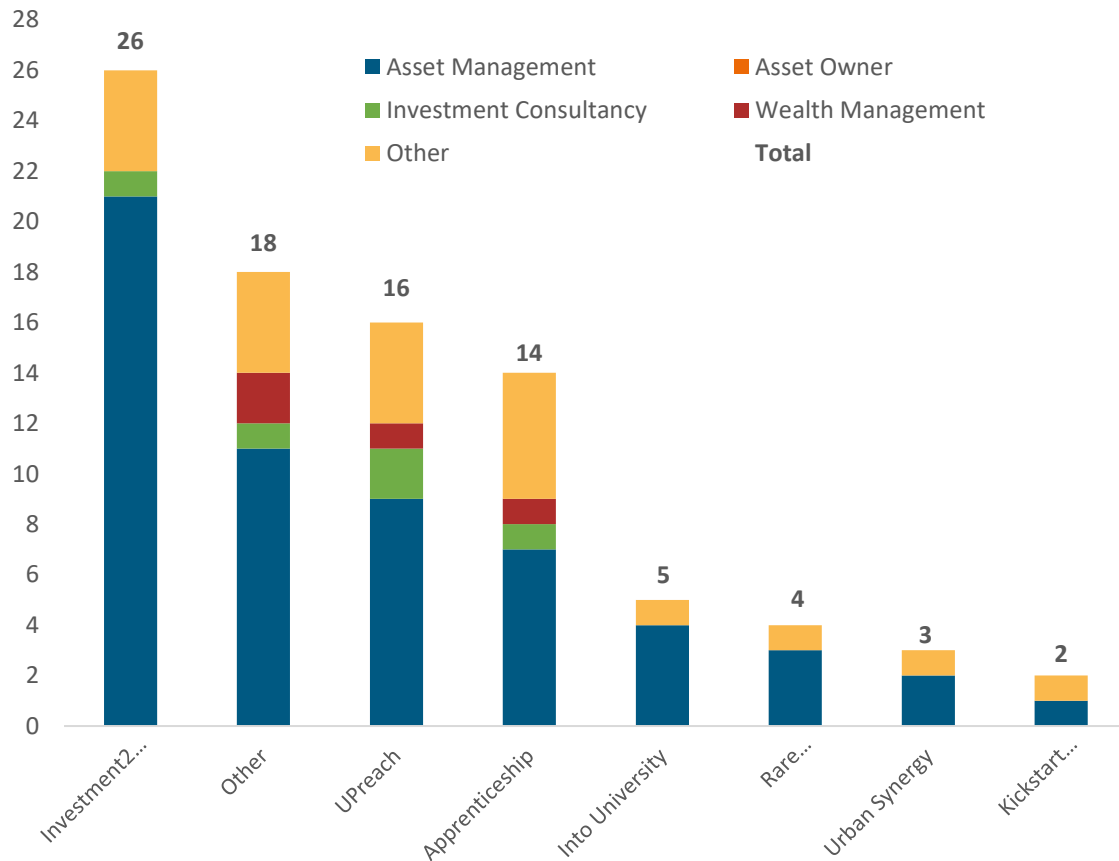


SE | Graduate programme engagement

Respondent organisations reported having recruited from 15 social-economic graduate, school leaver or recruitment programmes. Investment 2020 was the most popular programme, followed by UpReach.



Q: Which partner organisations have you recruited from?



DIVERSITY RECRUITMENT EXCELLENCE



SE | Interns and state-school leavers



FOCUS ON IMPROVING ACCESS

*"We have partnered with Investment 20/20 to hire Trainees through their programme (hired 3 YTD), and also partner with them to **engage with socio- and ethnically diverse schools for our school work experience programme giving early talent access to life in the city**"*

NEW INITIATIVES

"Our graduate programme went live in 2023. Although we welcome applications from diverse socio-economic backgrounds, we did not limit candidates on that basis"

INTERNS

36.1%

Of organisations took in Interns in the last 12 months

45

Average number of Interns

430

Largest total Interns (single org.)

1355

Total Interns

STATE-SCHOOL / BURSARIES

32%

Of firms reported that they had taken on graduates, school-leavers or interns attended state-funded secondary or received means-tested bursary

5.8

The average

44

The largest intake

158

Total



Section 3: Gender

Goals, actions, data capture, commentary



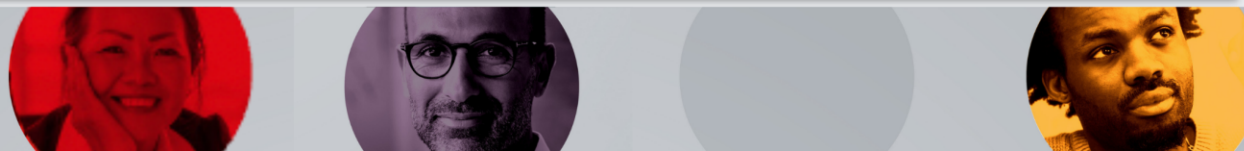
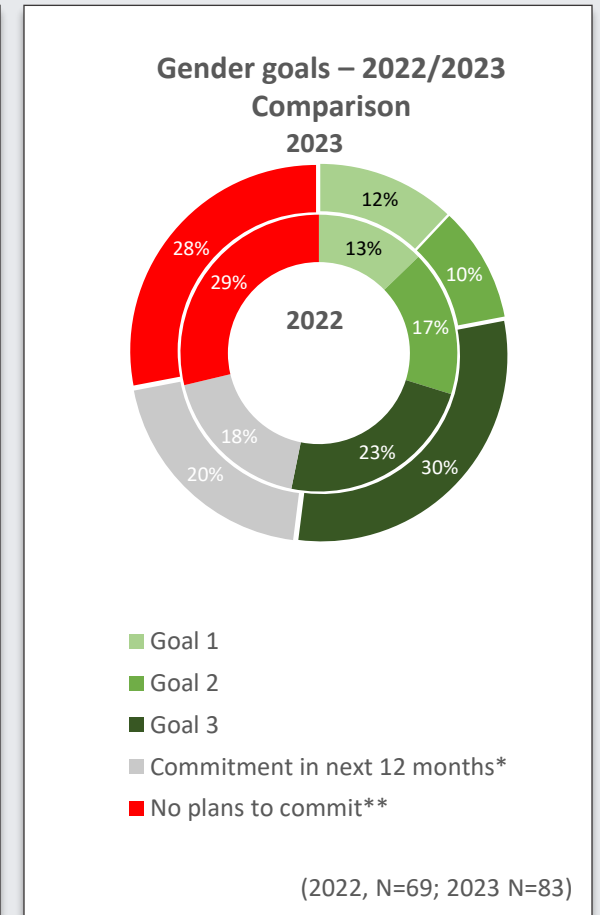
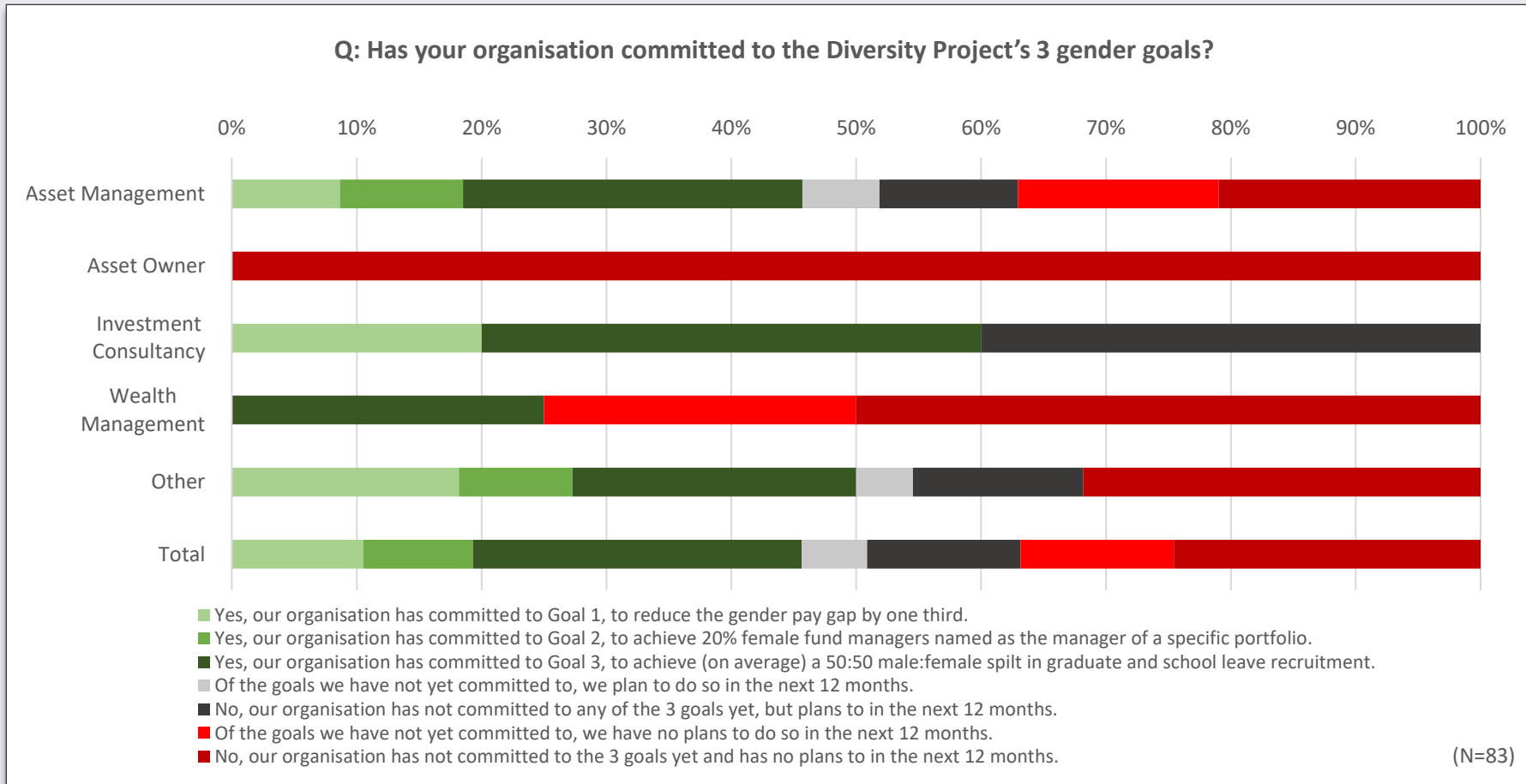
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**Combines “Of the goals we have not yet committed to, we have no plans to do so in the next 12 months” and “No, our organisation has not committed to the 3 goals yet and has no plans to in the next 12 months”



Gender | DP goals

The picture from 2022 remains largely consistent, with a slight increase in the number of firms committing to Goal 3 of the DP framework. 1 in 5 organisations have acknowledged an additional commitment to one or more of the DP Gender goals within the next 12 months. Continued engagement around the 28% of organisations that have made no commitments at all is clear.

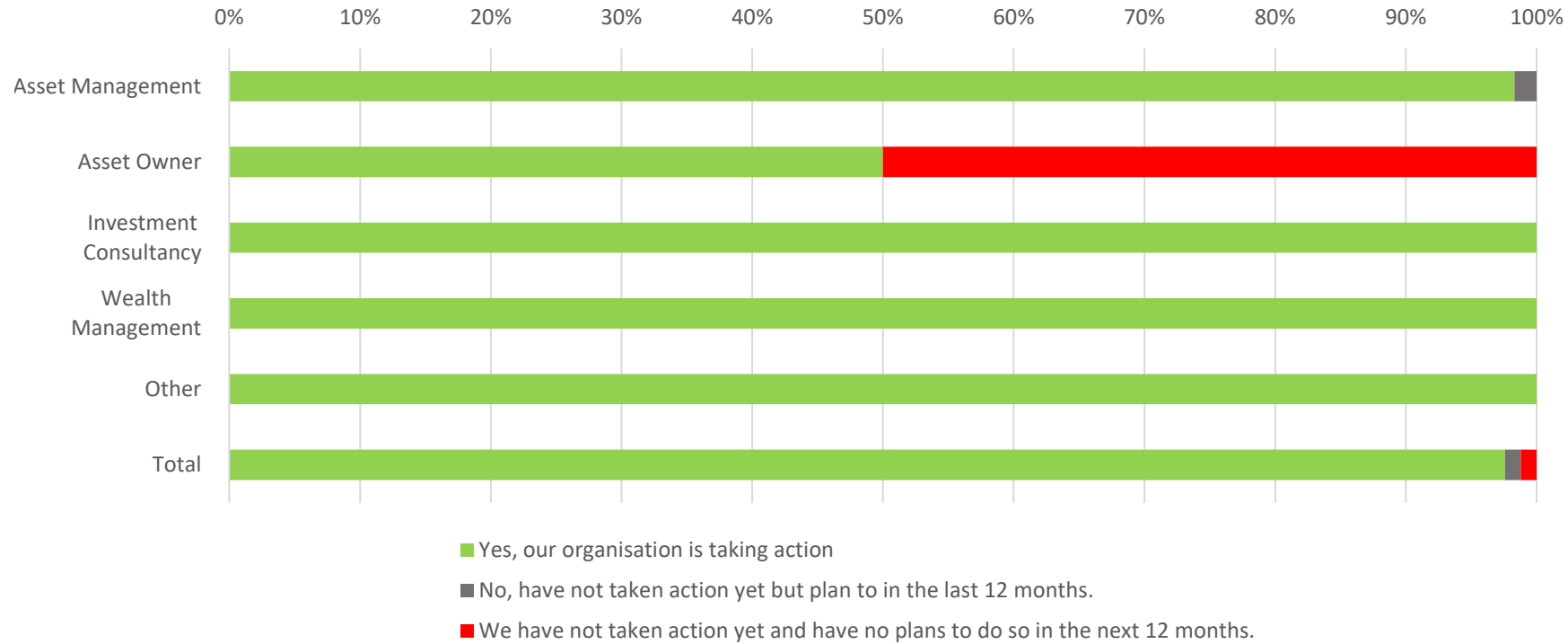


Gender | Action to improve Gender DE&I

As in 2022, it is highly encouraging to see an almost all (98%) respondent organisations reported undertaking dedicated actions to improve gender DE&I – this continues to be an area where engagement remains high. Despite regulation-driven mandates, organisations should ensure that they don't remain complacent here and commit to ensuring that genuine engagement continues.

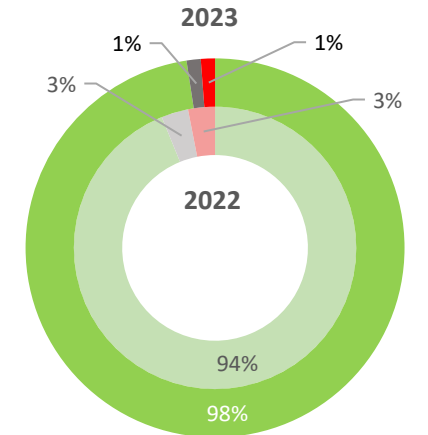


Q: Is your organisation taking action to improve gender DE&I?



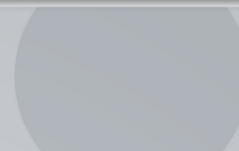
(N=83)

Gender actions – 2022/2023 Comparison



- Yes, our organisation is taking action
- No, have not taken action yet but plan to in the last 12 months.
- We have not taken action yet and have no plans to do so in the next 12 months.

(2022, N=65; 2023 N=83)

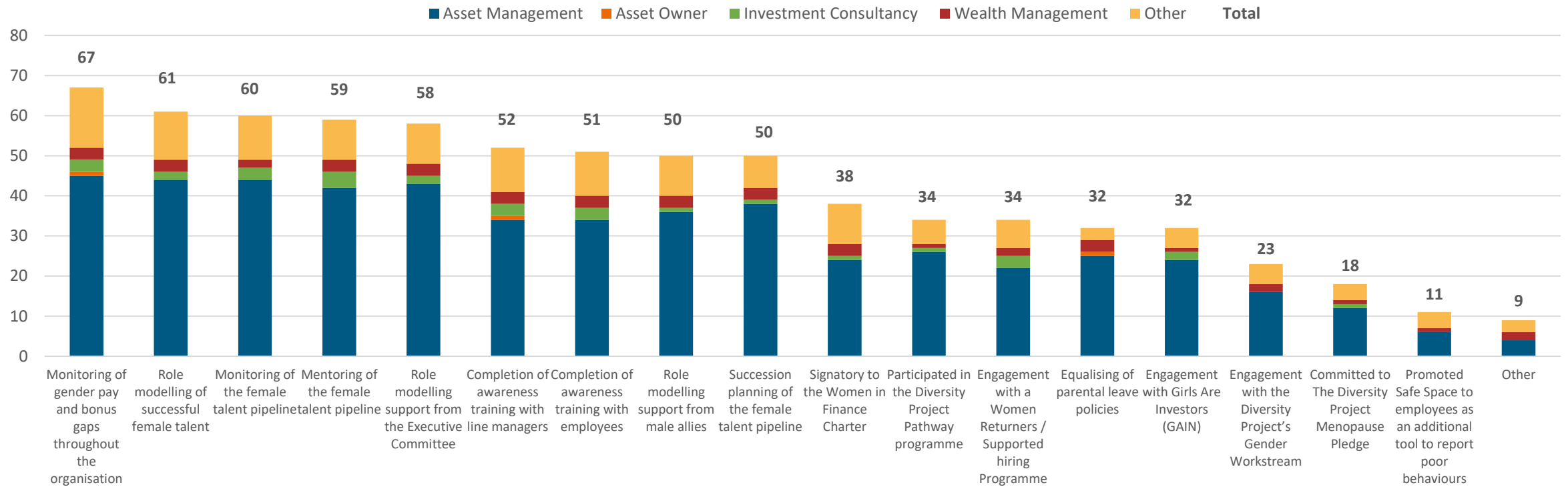


Gender | Action to improve Gender DE&I

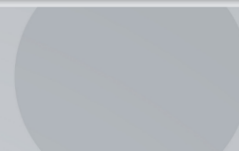
Of the 96% of firms reporting having undertaken action(s) to improve gender DE&I, nearly all (n=80) reported multiple actions with the 2023 average of 9.2 actions/organisations. This has risen significantly from the 2022 average of 5.7 actions.



Q: What action(s) has your organisation taken in the last year to improve gender DE&I



(N=80)



Gender | Action to improve Gender DE&I - other

Respondent firms also reported a range of additional actions and engagement, focusing on inclusion, empowerment and communications.



Gender-inclusive language

- Review of internal/external facing comms to improve gender neutrality in language
- Job descriptions and talent-engagement explicitly gender neutral and inclusive of non-binary people



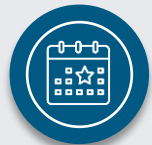
Leadership and empowerment programmes

- Launch of internal mentoring programmes
- Leadership programmes (launch, participation) focusing on empowering junior/mid female talent



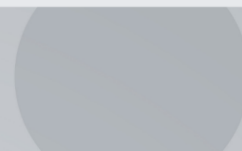
Maternity engagement

- Surveys and engagement to understand the experience of being on maternity leave



Socials, networking, sponsorship

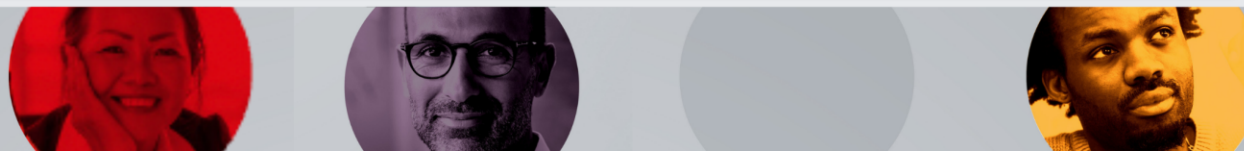
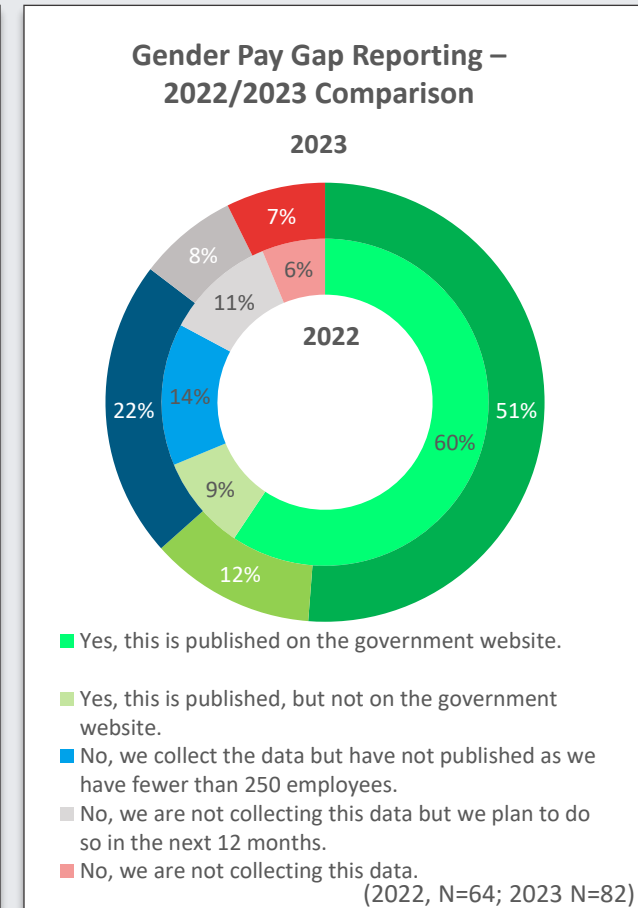
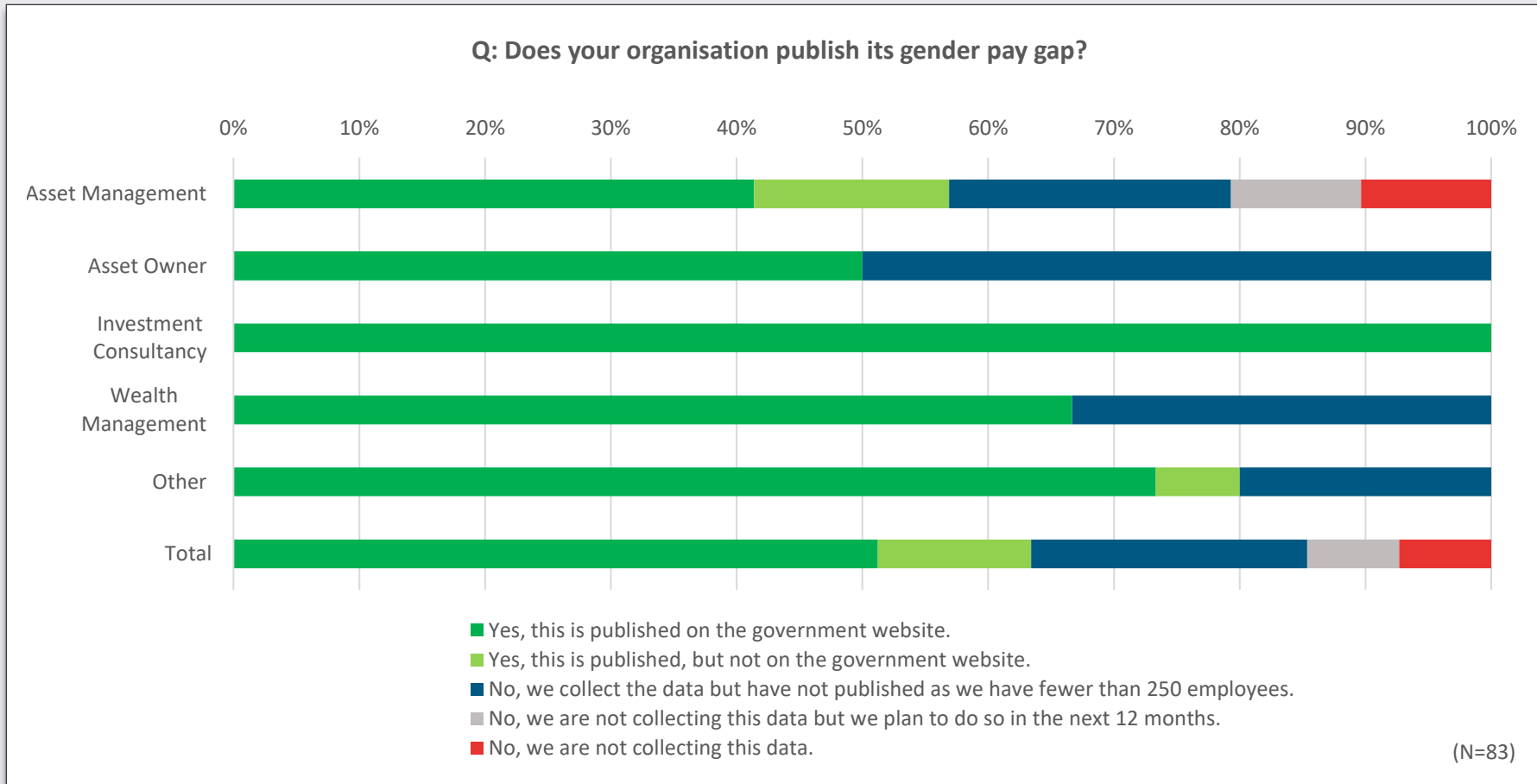
- Quarterly events focusing on bringing together women from across financial services at all levels
- Sponsoring socials, receptions, roundtables



Gender | Pay gap reporting



Due to increased representation of smaller firms in this cohort of respondent firms, we have seen a proportional rise in companies confirming that they collect this data but do not publish this externally. Building a culture of data transparency for small firms here remains a challenge.



Gender | Pay gap reporting – commentary



LACK OF FEMALE REPRESENTATION AT LEADERSHIP LEVELS

“We are committed to ensuring that all of our professionals are compensated fairly and equitably for their contributions to the firm and our clients regardless of their background. To that effect, we conduct regular assessments of compensation differentials.

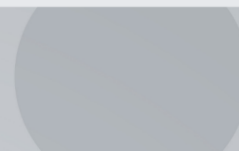
*[The Company’s] UK Gender Pay Gap report is an example of our pursuit of transparency on this topic in jurisdictions where we are able to do so. The report [highlights]...the proportionately lower numbers of women than men in senior roles and businesses where market rates of pay are highest. **Continued focus on increasing the female representation in senior leadership will be key to our future success in narrowing the pay gap.** We have a **robust action plan** in place to help address the gender pay gap and we are committed to increasing the number of women in senior management roles and **proactively developing our female talent at every level.**”*

EMPLOYEE THRESHOLDS

*“We have [#] employees in the region, but they are **split between two separately operating business entities**, neither of which crosses the threshold of 250+ employees, hence why we have not published.”*

COMMITMENTS AND REPORTING

*“In the UK (where we are headquartered) we comply with requirements to report our Gender Pay gap information, Women in Finance Charter annual reporting, FTSE Women Leaders, [Race] at Work Charter and FTSE Women leaders reporting requests. Our progress against these requirements is reported in our Annual Report & Accounts. **We believe that being transparent about our actions** – including our commitment to reducing our gender pay gap – will help to improve progress in our business and across our industry. **We have reduced our gender pay and bonus gaps in 2022 for the fifth consecutive year.**”*



Gender | Narrowing the gender pay gap

Engagement around understanding what the barriers are here is a clear area of focus for the Workstreams.



MULTI-ASPECT PLANS

“Yes, we have a four-point plan to narrow our gender pay gap:

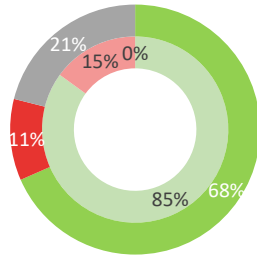
- (1) We **set and publish representation targets** for women at all levels of the organization.
- (2) We have a **comprehensive gender action** plan in place to focus actions on attraction, retention, and progression of women at early, mid and senior career stages (see response above)
- (3) We have **committed to the collective DP target** to reduce industry gender pay gap by 50% by 2030 and state this regularly and transparently when we talk about what we are doing to address the pay gap.
- (4) We signed the **Women in Finance Charter** and through this linked delivery of our targets to pay through our Executive Director scorecard.”

CONFIDENCE AND REPRESNETATION

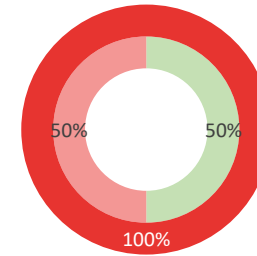
“Our gender pay gap arises from the **lack of senior female talent** in the organisation. We are certain that our efforts to improve our gender balance in the Investment Team, Senior Management and Executive population, will narrow the gender pay gap.”

Q: Do you have a plan to narrow the gender pay gap?

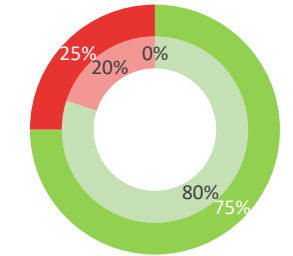
Asset Management



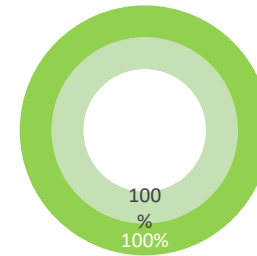
Asset Owner



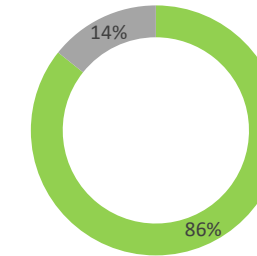
Investment Consultancy



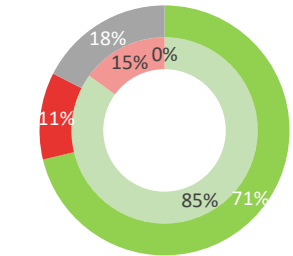
Wealth Management



Other*



Total



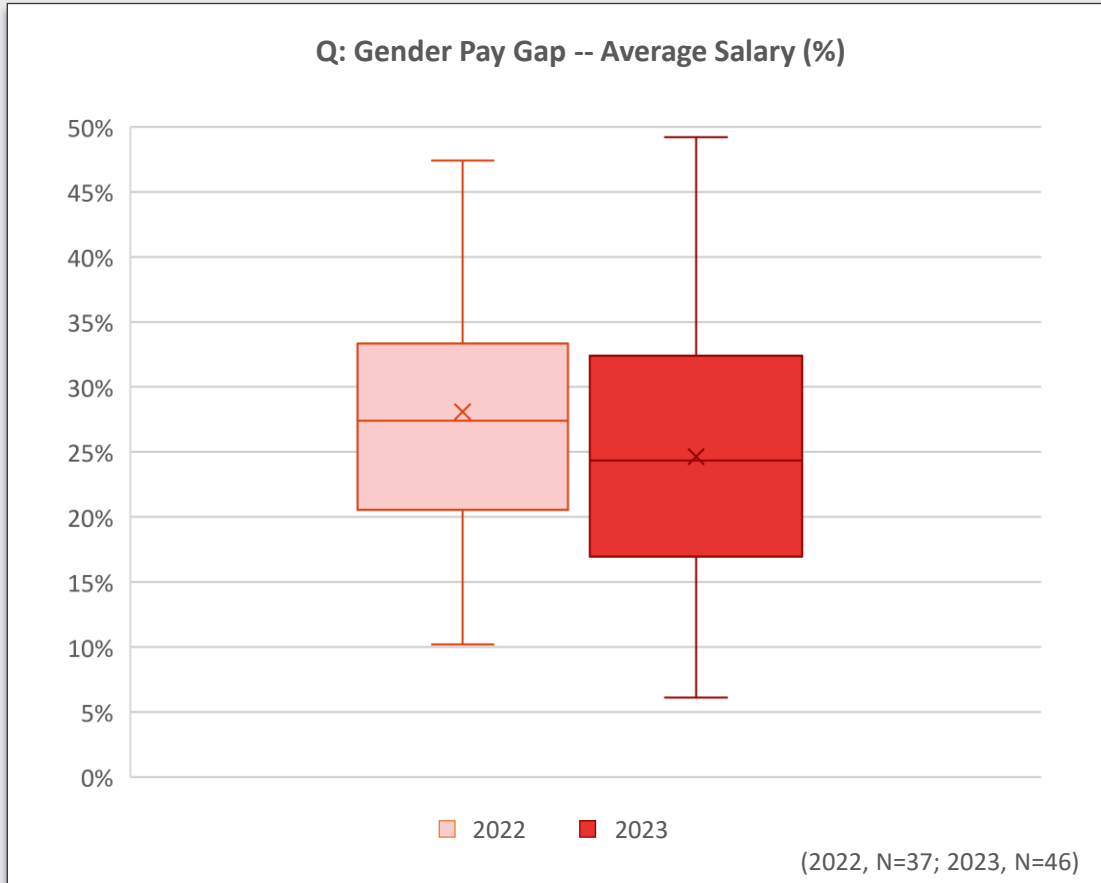
■ 2023 - No
 ■ 2023 - Yes
 ■ 2023 - N/A
 ■ 2022 - No
 ■ 2022 - Yes
 (2022, N=68; 2023, N=83)

*Other was not reported in the same way in 2022.



Gender | Average salary pay gap

The mean average % pay gap in 2023 was reported at 24.6% across the respondent sample. We noted no statistically significant difference in average % salary gap YOY.*



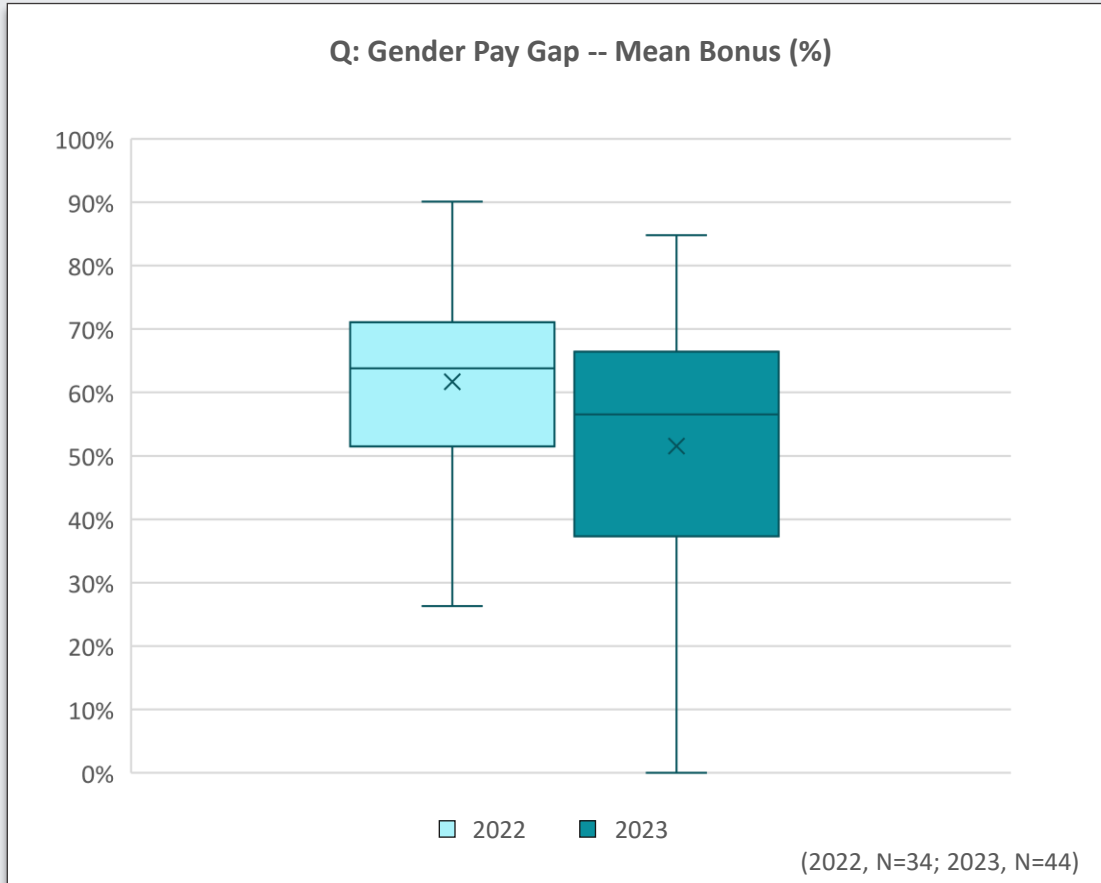
*Differences between 2022 and 2023 samples were assessed using an unpaired t-test (P=0.09).

Gender Pay Gap – Average Salary (%)		2023 Vs. 2022
24.6% Mean average salary gap		↓ 3.4% Mean average salary gap
6.1%-49.2% Range of salary gaps reported		+1.8% Between highest reported salary gaps (2022 vs 2023)
Only 54% Of respondent firms reported this data		Static Percentile of respondent firm reported this data



Gender | Average bonus gap

The mean average % bonus gap in 2023 was reported at 51.6% across the respondent sample. We noted a statistically significant 10% drop YOY in the mean average % bonus gap.



Gender Pay Gap – Median Salary (%)		2023 Vs. 2022
51.6%	Mean average bonus gap	↓ 10.1% Mean average Bonus gap
2%-84.8%	Range of bonus gaps reported	↓ 5.3% Between highest reported bonus gaps (2022 vs 2023)
53%	Of respondent firms reported this data	Slight increase Percentile of respondent firm reported this data

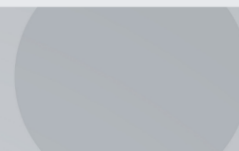
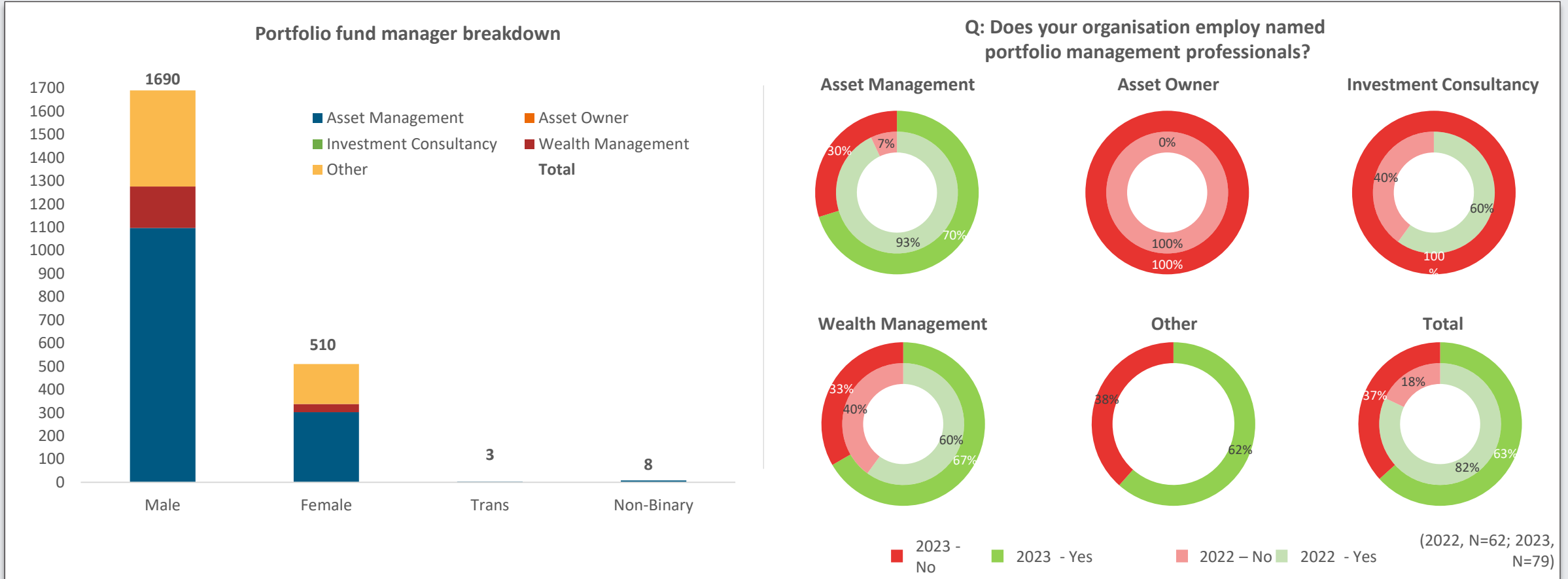
*Differences between 2022 and 2023 samples were assessed using an unpaired t-test (P=0.016).



Gender | Fund managers



We have seen a slight increase, notably 8 non-binary fund managers, for LGBTQ+ fund managers since the 2022 reporting cycle. Of the total fund managers represented in the sample trans and non-binary people represent 0.14% and 0.36% respectively.



Gender | 50:50 gender balance

Commitments to goals around a 50:50 gender balance remain static. However, it is encouraging to see that there is increased acknowledgement of non-binary talent emerging in formal and informal communications, policies and targets.



LONG/SHORTLISTS

*“40:40:20 gender representation on all longlists. Our ultimate aim is to attract and recruit the best talent. We will strive to **achieve gender balanced long lists and ensure shortlists are diverse to find the right candidate for the position.** We want to continue to be explicit in our ask of our recruitment partners and we review their success rate in meeting our requirements. **We have adopted a ‘comply or explain’ approach and where longlist and shortlist requirements for a role haven’t been met, this will be escalated to the Head of Resourcing”***

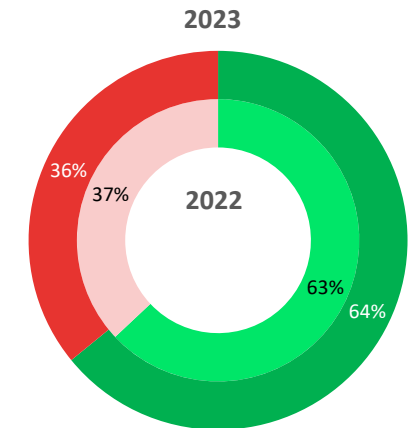
ACKNOWLEDGEMENT OF NON-BINARY TALENT

*“We aim for gender balance in our recruitment overall. This is not necessarily 50/50 as **we recognise that some of our candidates do not identify as male or female.** We have robust processes in place to ensure we have both diverse slates and diverse panels for experienced hires”*

INFORMAL TARGETS

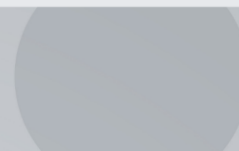
*“Although we are not specifically aiming for a 50:50 split as our current balance is more or less there, we do highlight gender balance in our reporting and monitor this closely. It has been highlighted that female recruitment is a preference for 2023/24, **but given the recruitment pool constraints and current competition for talent, it may not be possible to focus solely on female recruitment”***

50:50 Gender Balance – 2022/2023 Comparison



- Yes, our organisation is currently working towards a 50:50 male:female balance in recruitment.
- No, our organisation is not currently aiming for 50:50 male:female in recruitment.

(2022, N=65; 2023, N=78)

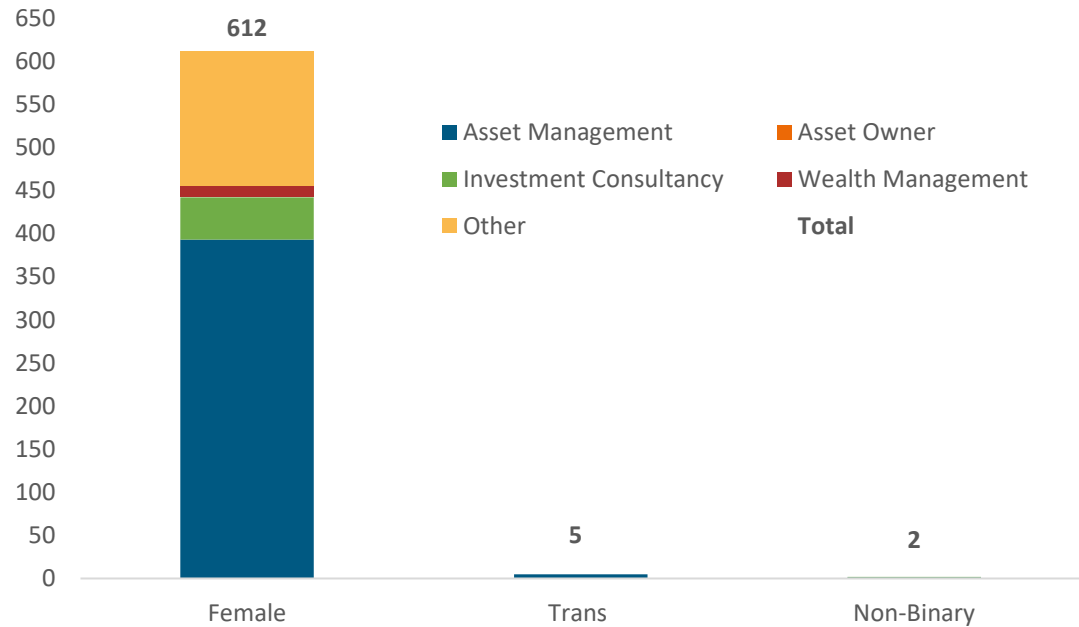


Gender | Graduates and school leavers



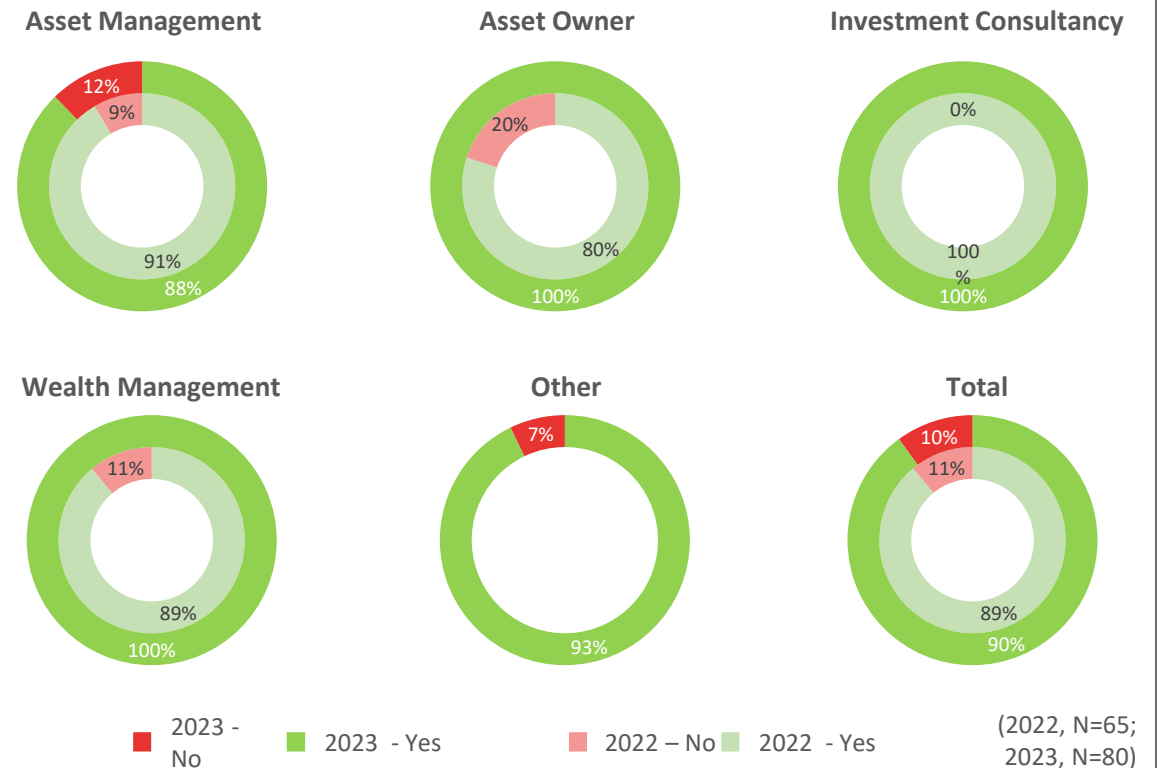
Of the 1,519 total graduates and school leavers recruited across respondent organisations over the last 12 months, 40.3% identified as female, 0.3% as trans and 0.1% as non-binary. More work to engage trans and non-binary talent is needed.

Breakdown of graduates and school leavers recruited (2023)



(N=54)

Q: Has your organisation recruited graduates or school leavers in the last 12 months??



(2022, N=65; 2023, N=80)



Contact

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