

HM TREASURY WOMEN IN FINANCE CHARTER:



FOCUS ON ACCELERATION

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by Yasmine Chinwala, Jennifer Barrow and Sheenam Singhal

> Charter signatories increased female representation in senior management to 36% in 2024 on average, in line with the one percentage point year-on-year rise since the Charter launched. How can firms accelerate annual progress beyond one percentage point?

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INTRODUCTION & CONTENTS

What this report is about

The UK government launched the HM Treasury Women in Finance Charter in March 2016 to encourage the financial services industry to move towards gender balance in senior management. The Charter now has ~450 signatories covering about 1.3 million employees across the sector.

The [2024 Annual Review](#) monitoring signatories' progress against their Charter commitments shows average female representation in senior management edged up from 35% in 2023 to 36% in 2024, in line with the usual one percentage point annual rise since the launch of the Charter. Both Rachel Reeves MP, the Chancellor of the Exchequer and Emma Reynolds MP, the Economic Secretary to the Treasury, have called for faster progress.

The purpose of this report is to better understand:

- why we need to increase the rate of progress;
- what acceleration means for signatories;
- how signatories can move faster.

We identified a sample of signatories that had accelerated their progress since 2019, and undertook a detailed analysis of their data to draw out insights. The research is based on multiple years of signatory data, both quantitative and qualitative, and is a companion piece to the [2024 Annual Review](#).

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Methodology notes

This report analyses data from the 205 signatories that have at least 250 staff and provided data to HM Treasury in September 2024 for the 2024 Annual Review, in addition to signatory time series data. The data was analysed by Sheenam Singhal and Jennifer Barrow, under the supervision of Yasmine Chinwala.

Acknowledgements

New Financial is an independent think tank that is HM Treasury's data partner for the Women in Finance Charter. We would like to thank all our institutional members for their support; and particularly Aviva, Santander UK, London Stock Exchange Group and City of London Corporation for sponsoring our work on the HM Treasury Women in Finance Charter.



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

We believe diversity in its broadest sense is not only an essential part of running a sustainable business but a fundamental part of addressing cultural change. Our diversity research programme covers multiple aspects of diversity, culture and inclusion across the financial services sector, with a focus on diversity data and disclosure.

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

For more information on New Financial, or to offer feedback on this research, please contact: yasmine.chinwala@newfinancial.org +44 203 743 8268 www.newfinancial.org

WHY WE NEED ACCELERATION

Moving forward, but only just

Since the HM Treasury Women in Finance Charter launched in 2016, average female representation across the signatory cohort has edged up by an average of one percentage point every year, reaching 36% in 2024 (Fig.1). The exception was the pandemic period, when 2021 was flat on 2020, followed by a two percentage point surge in 2022.

The numbers are certainly moving in the right direction, albeit slowly, and seem to be consistent. If the signatory cohort keeps moving at this pace, we could reach parity – on average – in 2038.

However, if we look more closely at this one percentage point uptick, it is very exposed. There is a fine balance between the signatories that are increasing female representation in senior management roles and those that are not, as illustrated by the time series data (Fig.2).

A close call in 2024

Fig. 2 shows how many signatories lost ground on female representation in senior management, how many had a moderate increase of less than one percentage point, and how many increased by more than one percentage point in each of the past four years.

In 2024, a third of signatories decreased their proportion of women in senior management, the largest number of firms to drop back since the Charter launched, and even more than in 2021 when the average was flat. Fortunately, the retreating group was outweighed by the almost half of signatories that advanced by more than one percentage point, resulting in an average uptick overall. But only just.

Conversely, in 2022, three times as many signatories increased their levels of women in senior roles by more than one percentage point than the group of firms that moved backwards, resulting in a two percentage point increase for the cohort as a whole.

Every year, the majority of signatories are making progress, and the majority of these are increasing by more than one percentage point – but the drag of the signatories that are unable to maintain the proportion of women in their organisations has thwarted acceleration.

Fig.1 Slow but consistent uptick

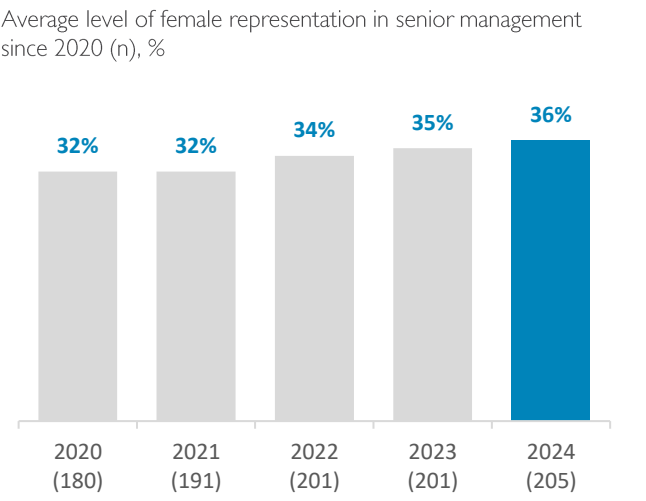
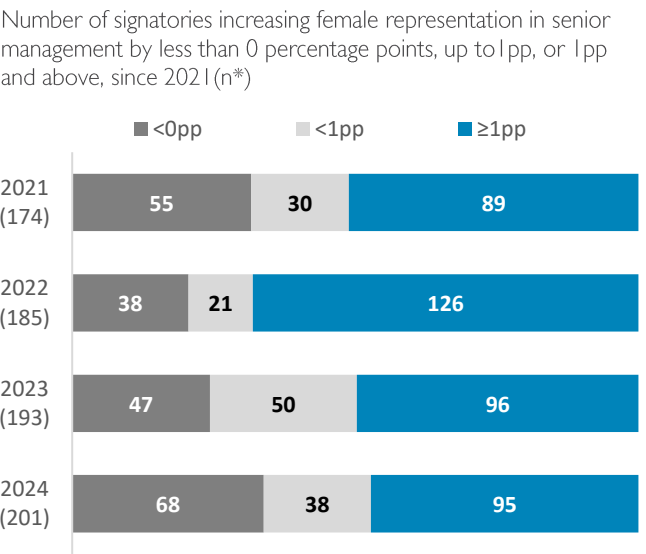


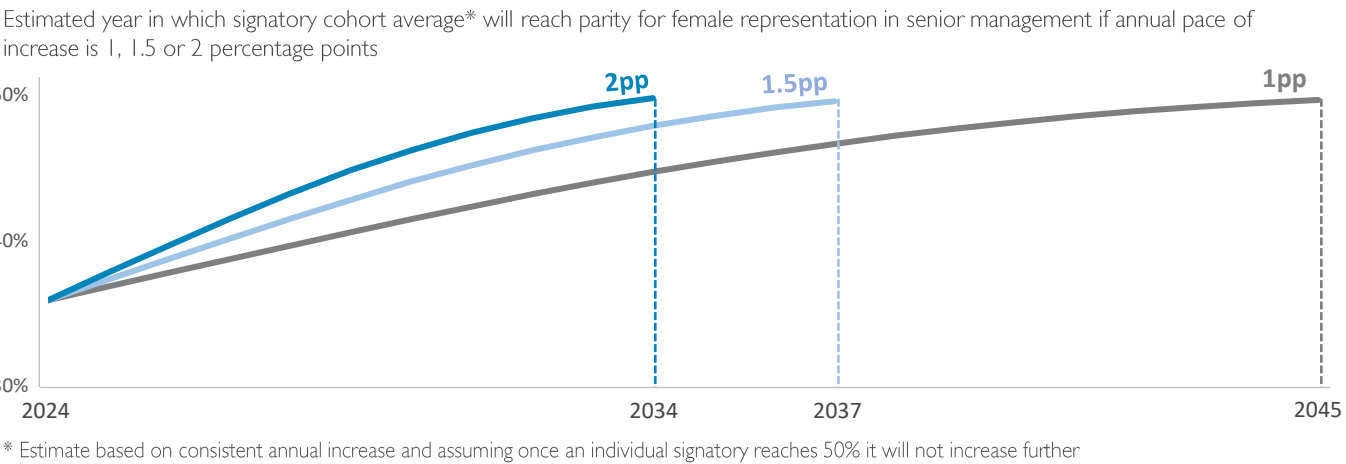
Fig.2 One percentage point in the balance



* The number of signatories in each year's data varies between Fig.1 and Fig.2 due to a number of firms with insufficient data

WHY WE NEED ACCELERATION: TIMELINES TO PARITY

Fig.3 A long road to achieve the 50% goal for female representation



One percentage point is not enough

The Charter’s overarching aim is for the financial services industry to move towards gender balance. If we assume that the one percentage point uplift continues as it has done, parity would be achieved in 2038. But it is not realistic to assume that those firms that are doing well will maintain a consistent annual increase for the next 14 years, particularly once they have reached their targets, which the data shows can act as a ceiling. Of the signatory cohort of 205 firms, only 12% have a parity target and 44% have a target of 40%.

In Fig.3, we model timelines to parity assuming that signatories will stop increasing female representation in senior management once they reach 50% (which is still an optimistic assumption). On this basis, increasing at one percentage point a year, the cohort average would achieve gender balance in 2045. A 1.5 percentage point increase would reach parity in 2037, and two percentage points per year would get there in 2034.

The cohort average also masks the marked differences in representation by sector (Fig.4). The best performers are the UK banks and insurers, and furthest behind are the global / investment banks and investment managers. And while the average targets for each sector could well be achieved within the next four years, the ambition of their targets varies from 33% on average for the global / investment banks to 41% for the UK banks (Fig.5). The trailing sectors will need to step up for the cohort average to move closer to parity.

Fig.4 Sectors trends over time

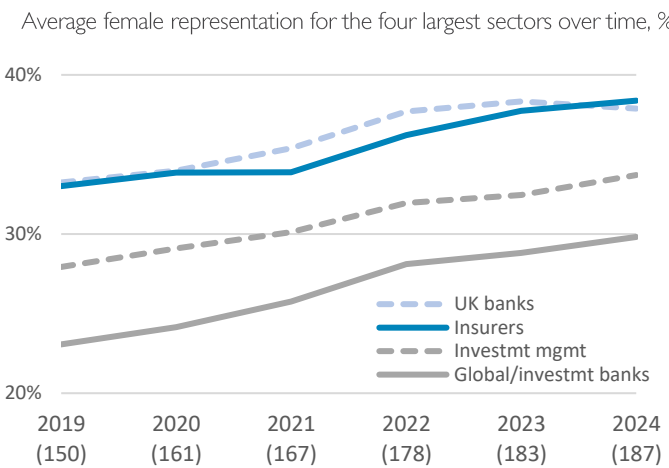


Fig.5 Sectors not far off average targets

Sector	2024 average female senior management	Average target	Year target met*
Insurance	38%	40%	2025
Global/investment banking	30%	33%	2027
Investment management	34%	37%	2027
UK banking	38%	41%	2028

*Estimate based on three-year rolling average pp change in female representation in senior management for each sector. All years have been rounded up.

THE ACCELERATORS: IMPROVEMENT BY QUARTILE

Stages of acceleration

The data presented so far has shown why acceleration is necessary and the need for the trailing signatories to step up. To better understand the different stages of acceleration, we identified a sample* of signatories from across the cohort that had progressed faster than one percentage point since 2019.

The sample is drawn from all four quartiles in terms of female representation and offers interesting insights into how these groups of signatories have matured. Fig.6a shows the average progress made by the accelerating firms in each quartile between 2019 and 2024. The fourth quartile has increased female representation in senior management by the most at 11 percentage points, arguably because they were furthest behind and it is easier to move between 20% and 30% than from 30% to 40%. The upper quartiles illustrate how progress gets harder as the level of women in senior roles gets closer to 50%.

Establishing the critical milestones

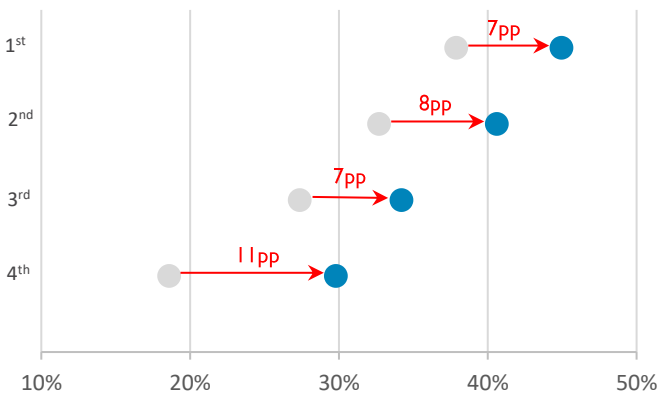
The starting point in 2019 and most recent data point in 2024 for the quartiles also show key stepping stones on the road to gender balance (Fig.6a). The first stage (fourth quartile) is moving from 20% to 30% female representation; then comes moving past the 33% mark (third quartile), then moving through 40% (second quartile), then 45% and towards parity (the first quartile).

These markers are also reflected in signatory targets (Fig. 6b). Moving from 20% to 30% requires targets in the high 20s and low 30s (fourth quartile), achieving 33% requires targets in the mid-30s (third quartile), pushing through the 40% barrier requires targets in the high 30s and low 40s (second quartile), and moving from 40% to 45% requires targets in mid-40s to parity (first quartile). And while we would intuitively assume this was the case, it is useful to see the data supports the correlation between targets and achievement of the key milestones.

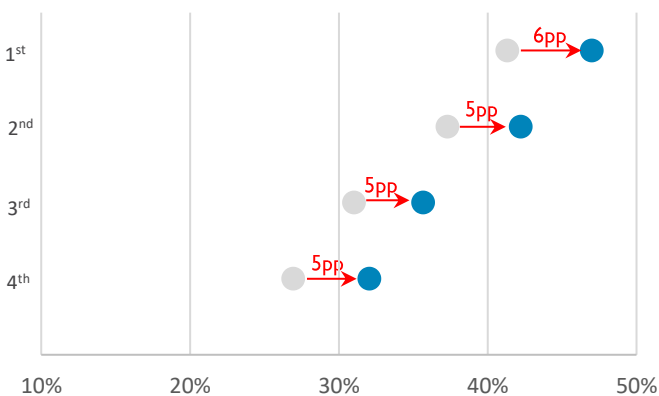
Having data to illustrate these milestones also allows us to interrogate what the signatories in each of the quartiles is doing in terms of actions, and understand if (and how) their approaches differ.

Fig.6 Progress of accelerators since 2019

a) Change in female representation in senior management by quartile* over time, ● 2019 ● 2024



b) Change in targets for female representation in senior management by quartile* over time, ● 2019 ● 2024



* Quartiles have been allocated based on 2019 level of female representation. First quartile n=9, second quartile n= 15, third quartile n= 12, fourth quartile n=16. All other signatories were excluded because they had made inadequate progress since 2019 or had inconsistent time series data due to insufficient data, significant changes to the senior management definition, their senior management population was less than 25 individuals or more than 15% of total workforce.

THE ACCELERATORS: ACTIONS

What are the four quartiles doing differently to drive acceleration?

The [2023 Annual Review](#) was the first time we zoomed in on a sample of eight signatories that were increasing female representation faster than two percentage points per year over the previous five years. Our research showed that the keys to success were introducing initiatives early, monitoring their impact, robustly reinforcing their use, aligning diversity with business strategy, and sustaining effort consistently over many years.

Building on this analysis, we looked for the common features of actions taken over the past five years by our larger sample of 52 accelerating signatories, divided into quartiles by level of senior female representation (as shown in Fig.6). We wanted to understand if there are different actions associated with different levels of representation, and if so, what specific actions a signatory should adopt when seeking to move to the next key milestone.

Top quartile

The quartiles analysis reinforces our 2023 findings on accelerating firms. The differentiating factor is not so much which actions they take, but more how actions are implemented. As well as adopting a strategic approach earlier than most, top quartile signatories have maintained and increased representation by introducing initiatives aligned to strategic intent, underpinned by diligent measurement and accountability frameworks.

Looking at the qualitative information provided by signatories with representation in the 41% to 50% range, both the quantity and quality of their Charter submissions is generally higher. There is greater rigour in measuring progress and adopting a strategic approach from the get-go. Targets, diversity dashboards and accountability frameworks are evident far earlier than other signatories, and every year their initiatives develop iteratively and they report progress.

For example, as early as 2020, top quartile signatories were developing diversity strategies, capturing and tracking recruitment-related activity, and introducing mandatory policies to areas such as diverse shortlists and focusing on succession planning.

In 2021, they were reporting evidence of progress of initiatives such as career returners, mentoring and sponsorship programmes and integrating learning to improve upon them. One signatory invested in an inclusive coaching programme, recognising that the needs of under-represented groups in coaching may have specific nuances which are overlooked by generic practices.

Middle quartiles

The signatories in these two quartiles, ranging from 28% to 40%, tended to adopt similar actions, however there is less evidence of scaffolding in place to leverage their full potential. Programmes were also introduced at a later stage, for example a focus on capturing and reviewing data. Although later than top quartile firms, second quartile signatories did introduce more granular approaches, for example localised data dashboards and DEI plans customised to different business areas.

Bottom quartile

The signatories that have remained in the lowest range (representation under 28%) all started at the lowest levels. For example, one signatory started at 8% female representation in senior management and reached 24% in 2024, and another moved from 17% in 2019 to 28%, so it is important to note that progress has been made.

Many of the actions are similar to those introduced by firms with far higher representation. A significant difference is that there are fewer accountability mechanisms in place to track progress and to ensure that actions are being implemented consistently across the organisation.

There is some evidence of innovation in this quartile, for example one signatory created four guest roles on the management committee to ensure diverse perspectives are incorporated into decision making.

Note: This analysis is a thematic overview. To read more specific examples of signatory actions, see the [2024 Annual Review](#).

KEY TAKEAWAYS AND CALLS TO ACTION

“While average progress is steady at one percentage point a year, not all signatories are accelerating. I am counting on all signatories to sustain their efforts, as increasing women’s representation can improve productivity and competitiveness, and ultimately support economic growth.”

Emma Reynolds MP,
Economic Secretary to HM Treasury

“As the Charter approaches its 10th year, it is a moment for signatories to step up and continue increasing women’s representation in senior leadership. It’s not just what signatories do, it’s how they do it – using best practice, tracking progress and ensuring actions are implemented consistently across their organisations.”

Gwyneth Nurse,
Director General, Financial Services, HM Treasury

“Signatories are at different stages – many are facing multiple challenges. The Charter is here to highlight progress, share best practice, and offer guidance. Please do use the evidence-based resources like the [Annual Review](#) and the [Women in Finance Blueprint](#) to help your organisation move forward.”

Dame Amanda Blanc,
Group CEO at Aviva and Government Women in Finance Champion

Key takeaways

1. **Acceleration is necessary:** Since the HM Treasury Women in Finance Charter launched in 2016, signatories have edged up by an average of one percentage point every year, reaching 36% in 2024. While this is progress, it is slow and at risk of slowing further.
2. **A single percentage point uptick is vulnerable:** If we look more closely at this one percentage point uptick, it is very exposed. There is a fine balance between the signatories that are increasing female representation in senior management roles and those that are not.
3. **A long road to parity:** The Charter’s overarching aim is for the financial services industry to move towards gender balance. Our estimates show that increasing at one percentage point a year, the cohort average would achieve gender balance in 2045, while two percentage points per year would get there in 2034.
4. **Sectors are moving at different speeds:** Focusing on the cohort average achieving parity masks the marked differences in representation by sector. The best performers are the UK banks and insurers, and furthest behind are the global / investment banks and investment managers.
5. **There are signatories moving at more than 1pp:** Every year, the majority of signatories are making progress, and the majority of these are increasing by more than one percentage point. But, the drag of the signatories that are unable to maintain the proportion of women in their organisations has thwarted acceleration for the cohort as a whole.

Calls to action

1. **Focus on acceleration:** The maths is quite simple. To increase average female representation at more than one percentage point a year, more signatories need to increase by at least 1pp a year. Those moving in tiny increments need to accelerate, and those going backwards must at least hold their ground. Firms can learn from the accelerators and course correct to achieve progress faster.
2. **Trailing signatories must step up:** The leading firms will likely slow down as they come closer to 50% and will inevitably stop increasing female representation in order to maintain balance. Without their lifting power, it will be up to the trailing firms to pick up the baton.
3. **Keep moving through key milestones:** This research identifies the four stages of maturity. Moving through each phase requires greater effort and a tailored approach. Targets should be stepping stones towards parity, not a ceiling on representation.
4. **Take an accelerating approach to actions:** It is not just what signatories do, but how they do it that can make the critical difference between a marginal improvement and a fundamental, sustainable shift – taking a data-led approach, being strategic, increasing accountability and innovating.
5. **Use the evidence:** Every year, the Charter data set becomes richer and more compelling. This report shows that female representation at senior levels across Charter signatories is not only desirable but necessary and achievable. We know the nature of the task ahead – we must now embrace the challenge and deliver.