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Rethinking capital markets

DIVERSITY DISCLOSURE

WHAT THE EUROPEAN CAPITAL MARKETS INDUSTRY PUBLICLY DISCLOSES ABOUT DIVERSITY

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What companies disclose about diversity is a clear statement of intent. It sends a strong message about how they approach diversity, what they want to improve, and what they are doing to address change.

What this report is about

This report aims to map what the most active organisations in European capital markets tell us about the diversity of their staff. It aims to look not only at what is disclosed about diversity in terms of numbers, targets and track record, but also to gain insight into initiatives, networks and how diversity is incorporated into recruitment practices. We will answer the following questions:

- What do companies operating in European capital markets tell us about their approach to diversity?
- Why is diversity disclosure important?
- What are different companies prioritising when it comes to improving the diversity of their workforce?
- Where a company has a focus on gender diversity, how does this impact their approach to non-gender diversity characteristics?

New Financial is planning to design a standardised model for diversity disclosure. This report is the starting point for a discussion about what information is most useful for companies to disclose that is comparable between peers, between sectors and over time.

Methodology

New Financial collected data from 115 companies and institutions with significant operations in Europe based on their size, activity in the capital markets, and availability and quality of information. These 115 included 55 public companies or subsidiaries of public companies (asset managers, alternative asset managers, stock exchanges, banks, investment banks), 20 law firms (as UK-regulated firms must by law disclose certain diversity data), as well as 20 central banks and 20 regulators (as public-sector bodies are often subject to disclosure requirements).

All data was collected from December 2014 to March 2015 using the most recent annual reports, corporate social responsibility reports, diversity reports and corporate websites. Only information written in English was recorded. Where a company was a subsidiary of a listed entity, group data was recorded.

We recorded whether or not organisations in the sample disclosed on specific criteria under six sections: workforce data, initiatives, targets, networks, track record and recruitment. The criteria were selected based on trends in disclosure across the sample that were comparable and were considered important indicators of a company's commitment to diversity (see Appendix on p11 for the full list of criteria). Each firm's scores were calculated as a percentage for each section, and each section was equally weighted to give an overall score.

Acknowledgements

All the data used in this report was painstakingly gathered and analysed by Kristine Bell, with assistance from Kaela Athay and Laurence Bax, under the supervision of William Wright and myself. I would like to thank the New Financial team for their hard work and superior knowledge of Excel.

NEW FINANCIAL
Rethinking capital markets

New Financial is a think tank and forum 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 in capital markets.

New Financial launched in September 2014 as a social enterprise, and we are seeking financial support from companies, institutions and individuals in 2015.

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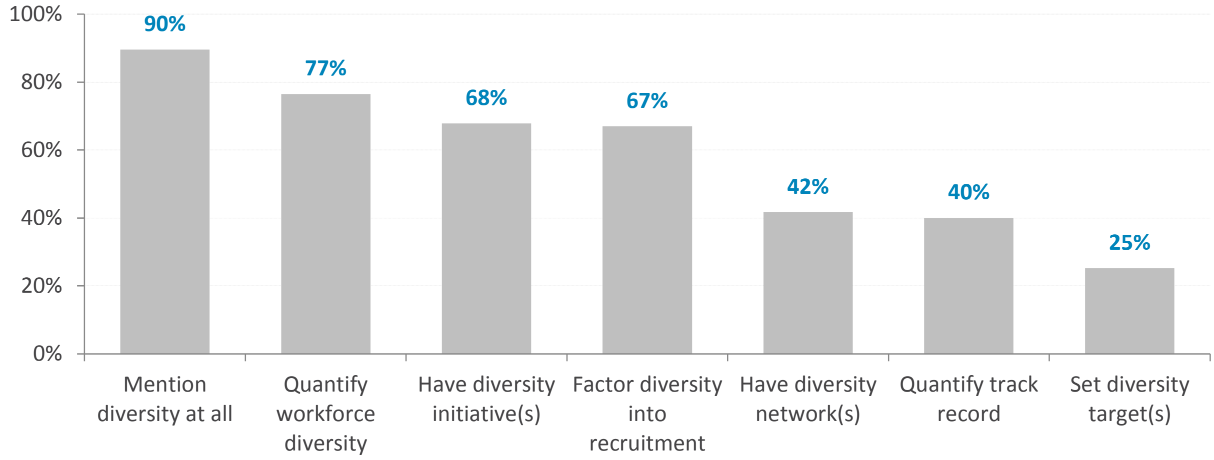
Fig. 1 What do European capital markets companies publicly disclose about diversity?

Percentage of organisations that disclose diversity information on the following criteria:



(Note: All data was collected from December 2014 to March 2015 using the most recent annual reports, corporate social responsibility reports, diversity reports and corporate websites)

Diversity disclosure in European capital markets: where are we now?

The good news...

1) It is encouraging to see that diversity is becoming a standard feature of annual reporting for the capital markets industry, with 90% of our sample mentioning diversity and more than three-quarters publishing hard numbers.

2) Diversity disclosure is important, because it is indicative of diversity outcomes – for example, as levels of disclosure increase so does female board representation.

3) There are companies in the industry who are breaking new ground on diversity disclosure, who are willing to set an example to others and lead rather than follow. Their disclosure sets an aspirational standard to peers.

4) Gender is the diversity characteristic which has the greatest disclosure, followed by ethnicity and then disability. Other areas of diversity and inclusion that are gaining traction are LGBT (lesbian, gay, bisexual, and transgender), ex-armed forces, parents and carers, work/life balance, social mobility and faith.

5) An initial focus on gender does not crowd out non-gender diversity characteristics. Greater disclosure on gender criteria in our sample is positively correlated with more disclosure on non-gender criteria.

The not so good news...

1) The capital markets industry is starting from a very low base, with plenty of organisations in our sample disclosing very little or nothing. Of our sample, 15% scored zero, a third scored 5% or less, and almost half score 10% or less.

2) There is great variety in the depth and nature of disclosure, which makes comparison between peers, across sectors and over time very difficult.

3) While there is headline concern about diversity, that does not translate into concrete action – for example, two-thirds of the sample say they factor diversity into recruitment, but only 40% mention programmes they have in place.

4) We cannot get a clear picture of sector-specific differences in diversity – for example, comparing a group's asset management business to its investment bank – without more granular data. We have had to rely on group level data for the sample, as only two companies give divisional breakdowns of workforce diversity.

5) For an industry driven by numbers and performance, it has been slow to disclose how it applies data analysis, tracking and target-setting to manage staff. While 77% disclose some diversity data, only 40% provide historical comparisons and just 25% set targets.

Why does disclosure matter?

When information is disclosed publicly, it sends a clear signal of intent. Disclosure shows a company is serious about diversity and indicates the direction of travel. What companies disclose is our only insight into how they approach diversity, what they are tracking, what they want to improve, what goals they are setting, and what they are doing to achieve those goals. And even if the numbers do not look good, disclosure allows companies to acknowledge their starting point and to feed an open discussion on important and often controversial issues.

Disclosure and diversity are linked

The data shows that greater disclosure is linked to increased diversity. Figure 1 shows there is a positive correlation (but not necessarily causation) between disclosure and female representation on boards, which is an example of a desirable diversity outcome. Figure 2 shows that for those that do disclose the percentage of women on their board (a third of our sample), the average female board representation is 24%, which is a third higher than the average of those that do not explicitly disclose the gender ratio of their board.

Gender is just the beginning

For most companies, their initial focus is on women, largely because gender is an easily identifiable diversity characteristic that does not require self-reporting, and gender has been the main focus of policymakers. Of our 57 scoring criteria, 20 focus on women, 32 relate to other diversity characteristics, and five apply to both gender and non-gender.

The data also shows us that a focus on gender does not crowd out wider diversity actions. Figure 3 shows as disclosure on gender diversity increases, so does disclosure on non-gender criteria. Figure 4 shows that the majority of companies that disclose on gender criteria also disclose something on other diversity characteristics, while the majority of those that say nothing about their female workers also disclose nothing about any other diversity type.

Figs. 1, 2 Greater disclosure is linked to better diversity outcomes

Fig. 1 Correlation between total disclosure score and % of women on board

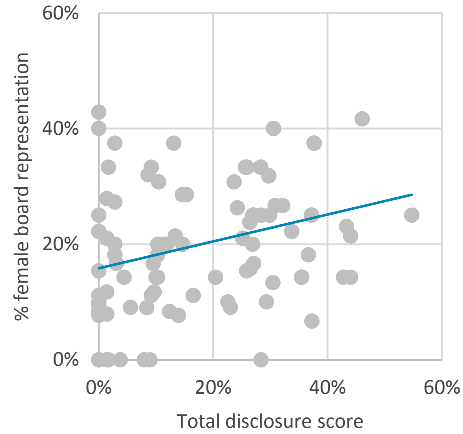


Fig 2 Female board representation, %, for organisations that do and don't disclose the percentage of women on their board

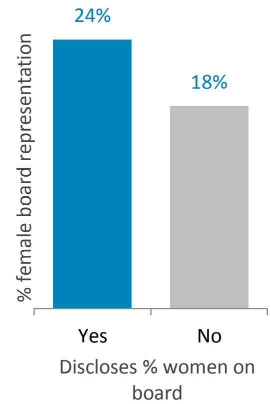


Fig. 3 A rising tide lifts all boats

Correlation between disclosure scores on gender criteria and non-gender criteria

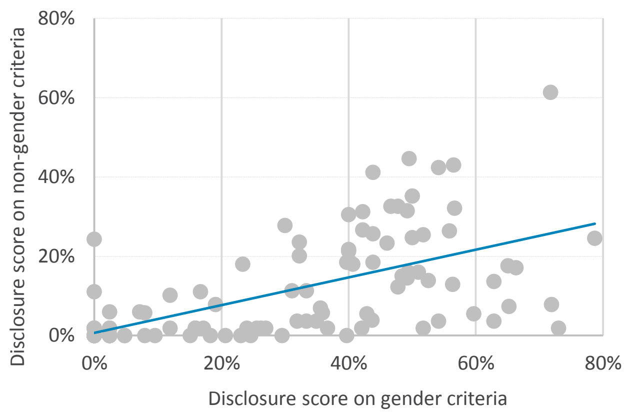


Fig. 4 Gender does not crowd out non-gender diversity

Comparison of organisations that do or do not disclose on any gender criteria and whether they do or do not disclose on any other criteria

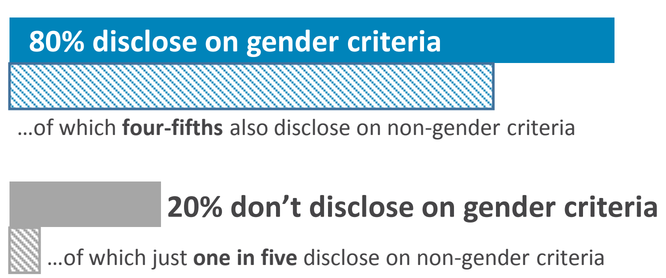


Fig. 5 The top 20 firms for diversity disclosure

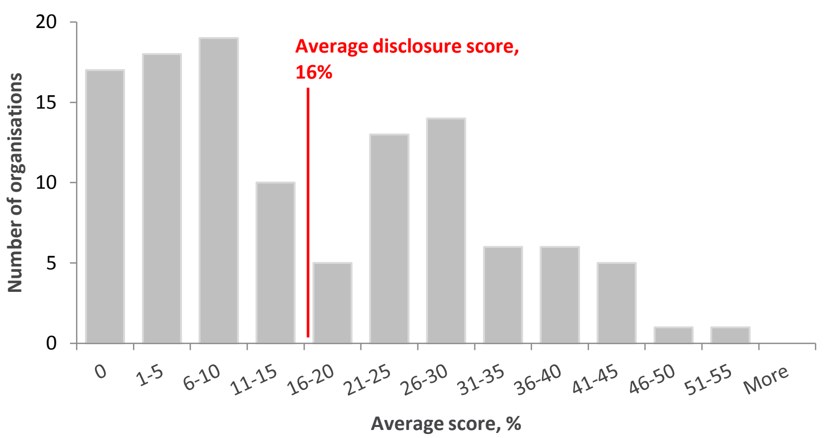
Ranked by overall disclosure score, %

Rank	Name	Country	Sector	Score
1	Lloyds Banking Group	UK	Bank	55%
2	Financial Conduct Authority	UK	Regulator	46%
3	Barclays	UK	Bank	44%
=4	Ashurst	UK	Law	43%
=4	Citi	US	Investment bank*	43%
=4	Goldman Sachs	US	Investment bank	43%
7	Clifford Chance	UK	Law	40%
8	Allen & Overy	UK	Law	39%
9	BNP Paribas	France	Bank	38%
=10	BNY Mellon	US	Asset management**	37%
=10	HSBC Holdings	UK	Bank	37%
=10	JP Morgan Chase	US	Investment bank*	37%
13	Slaughter and May	UK	Law	36%
14	Credit Suisse	Switzerland	Bank	35%
15	Deutsche Börse	Germany	Stock exchange	34%
16	Baker & McKenzie	US	Law	32%
17	Bank of America Merrill Lynch	US	Investment bank*	32%
=18	Banco Santander	Spain	Bank	31%
=18	Norton Rose Fulbright	UK	Law	31%
=18	Societe Generale	France	Bank	31%

* Listed as investment banks because they are included in our sample for their European investment banking activity, however all disclosure was collected at group level
** Listed as asset management because the company is included in our sample for its European asset management activity, however all disclosure was collected at group level

Fig. 6 Starting from a low base

The distribution of the disclosure scores of all organisations in the sample



Setting an example

In May 2014, Google published its first diversity report, a first among the big US tech companies, stating: "We've always been reluctant to publish numbers about the diversity of our workforce at Google. We now realize we were wrong, and that it's time to be candid about the issues." After Google, other big US tech firms disclosed similar data sets, including Apple, Cisco, eBay, Facebook, Google, HP, Intel, Linkedin, Microsoft, Pandora, Pinterest, Twitter and Yahoo!

Capital markets participants could choose to emulate the US tech industry's voluntary disclosure initiative, by admitting there is a problem, disclosing the numbers and engaging in a public debate to improve the situation. Figure 5 shows the organisations in our sample that are already taking the lead on diversity disclosure, ranked by their overall average score.

It would be easy to name and shame the worst performers (there are 17 with no diversity disclosure at all) but this report is about encouraging better and more consistent diversity disclosure, not exposing a lack of it. It is interesting to note there is just one regulator and no central banks in the top 20, two sectors which could choose to set an example to the industries they regulate. Six of the top 20 are law firms - a sector which has undergone its own compulsory diversity disclosure initiative in the UK.

A wide range of scores

The top score of 55% is almost an outlier, as the scores are generally quite low with the average score being 16% (Figure 6). The low scores indicate the variety and lack of standardisation of diversity disclosure. This lack of a consistency makes comparison between firms, between sectors and over time all but impossible, as well as making it harder to identify where potential problems and solutions might lie.

Starting with the numbers

Disclosing hard numbers gives us an insight into how diverse an organisation is right now. Our workforce dataset consists of 12 criteria including gender, ethnicity and disability. While 77% of our sample tell us something about the composition of their workforce (Figure 7), there is a wide variety of disclosure and it is patchy. The scores ranged from zero to 83%, with an average of 28%.

Focus on gender data

We can see in Figures 8 and 9 that there is more disclosure on gender than any other diversity characteristic. The most commonly disclosed criteria was the percentage of women in management (which 63% of the sample disclosed) and the percentage of women across the total workforce (55% disclosed).

Total workforce ratios can be misleading as ratios at group level may not be indicative of business lines – for example, a bank may have a 50:50 gender split at group level, but far fewer women in the investment banking division and far more women on the retail banking side. Only two organisations in our sample broke down data by division – ING and BNP Paribas.

Governments, policymakers and pressure groups have intensified efforts on improving gender diversity, initially on boards but now shifting towards building the pipeline of women in management. It is encouraging to see companies disclosing gender ratios at different levels of seniority (Figure 10). However, only 4% of the sample disclose any data related to gender pay gaps.

Beyond gender

An area of diversity that policymakers are increasingly looking at is social mobility. Law firms regulated in the UK already disclose ratios of staff that attended fee-paying schools and the percentage who were the first from their family to attend university. The capital markets industry would be in a better position to engage in the debate over elitism in financial services if it collected and disclosed this data.

Fig. 7 Say it with numbers

Organisations that disclose **any data** on the composition of their workforce, %

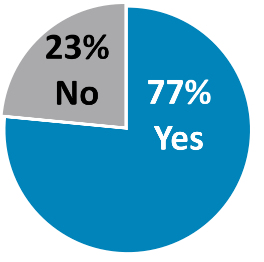


Fig. 8 Total workforce data

% disclosing breakdown of total workforce by gender, ethnicity, disability

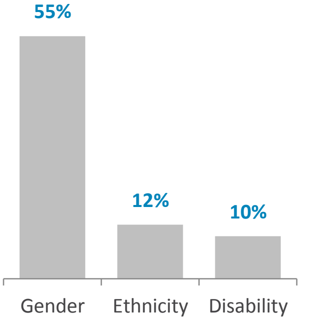


Fig. 9 Focus on diversity in management

% disclosing breakdown of management by gender, ethnicity, disability

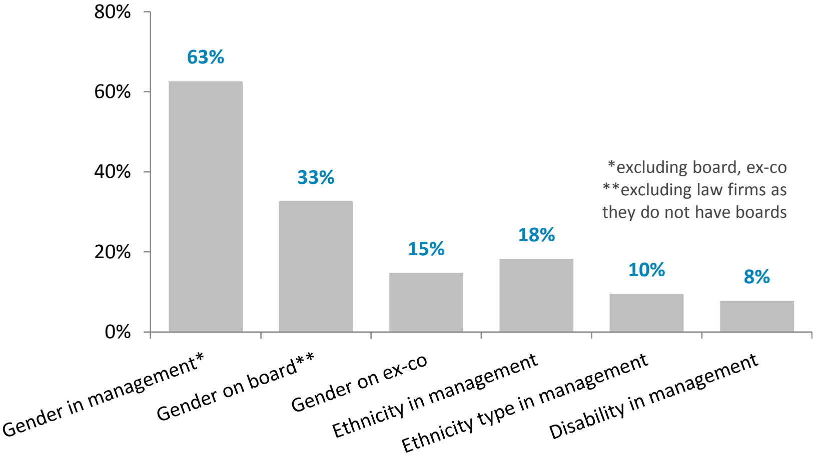


Fig. 10 Female pipeline

% disclosing gender breakdown for at least one level of seniority
(excluding board and ex-co)

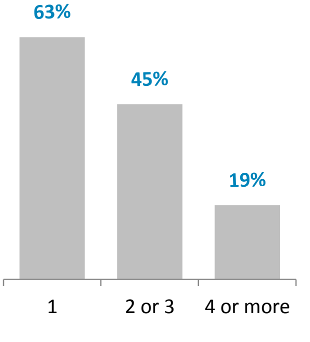


Fig. 11 Top firms for data

Top five firms ranked by disclosure score on workforce data criteria

Rank	Name	Score
1	Financial Conduct Authority	83%
=2	Barclays	75%
=2	Citi	75%
=4	Intesa Sanpaolo	67%
=4	Lloyds Banking Group	67%

Tackling diversity from within

It is not possible to change the diversity characteristics of incumbent staff, but it is possible to foster a working environment that encourages greater diversity. Disclosure around networks and initiatives offer insight into what companies are doing to improve their diversity and inclusion practices.

While 90% of our sample (Figure 1) state that diversity is important, only two-thirds disclose initiatives to tackle diversity (Figure 12), and just 42% disclose diversity networks (Figure 13). A third of our sample have neither.

We define networks as affinity groups defined by one or more diversity characteristics. There were seven types of network that came up in our sample: women, LGBT (lesbian, gay, bisexual, transgender), multicultural, disability, ex-armed forces, parents and faith. Networks are not a subset of initiatives, which we define as programmes or policies to retain and promote diverse employees. So although networks and initiatives are related and cover similar diversity characteristics, they are distinct.

Networks is the only category where a company scored 100%, but top scorer Goldman Sachs is very much an outlier, as more than half of the sample scored zero and the average was just 22%. Considering the size of the majority of the organisations in the sample, it is surprising to note how few disclose information about their internal networks. The average networks score for the 20 regulators in our sample was 4%, and for the 20 central banks just 2%.

A third of the sample scored zero for initiatives. Initiatives to support women were most common, including identifying high potential women, management training, mentoring, maternity coaching and company-sponsored events and panel discussions. Companies also disclosed similar types of mentoring, training and events for staff of other diversity characteristics, often sponsored by employee networks within the organisation.

Fig. 12 Taking the initiative

Organisations that publicly disclose any information on diversity initiatives, %

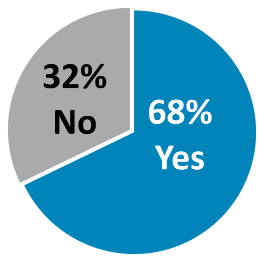


Fig. 13 Let's talk networks

Organisations that publicly disclose any information on diversity networks, %

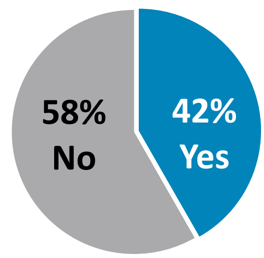


Fig. 14 Different types of networks and initiatives

% disclosing networks or initiatives on the following criteria:

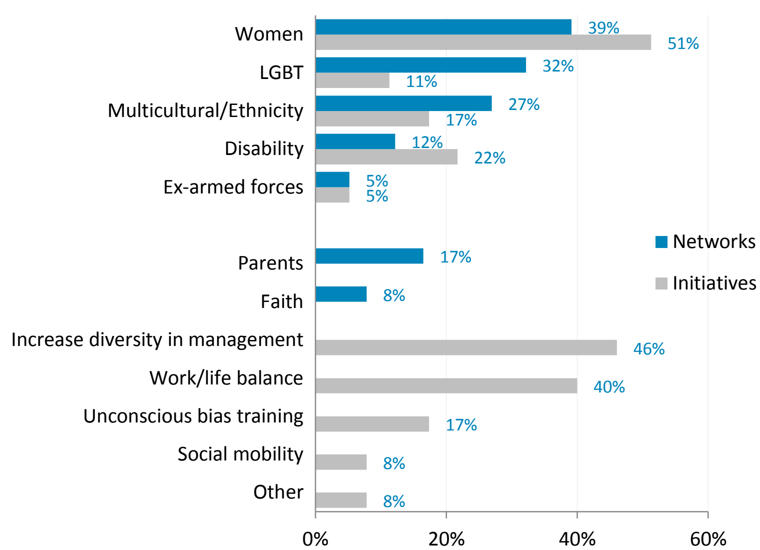


Fig. 15 Top firms for networks

Top five firms ranked by disclosure score on networks criteria

Rank	Name	Score
1	Goldman Sachs	100%
=2	Citi, Credit Suisse, HSBC Holdings	86%
=5	Ashurst, Baker & McKenzie, Bank of America Merrill Lynch, Blackrock, BNY Mellon, Financial Conduct Authority, Herbert Smith Freehills, JP Morgan Chase, RBS, Slaughter and May, UBS	71%

Fig. 16 Top firms for initiatives

Top five firms ranked by disclosure score on initiatives criteria

Rank	Name	Score
=1	Allen & Overy	70%
=1	Ashurst	70%
=1	Baker & McKenzie	70%
=1	Financial Conduct Authority	70%
=1	Slaughter and May	70%

Tackling diversity from the outside

If an organisation is serious about improving the diversity of its workforce, it needs to think carefully about recruitment. Hiring presents an opportunity to refresh the mix of people coming through the door every morning. Two-thirds of our sample say they factor diversity into their hiring practices, yet less than half disclose any numbers on new hires and only 40% have programmes in place to increase diversity in recruitment (Figure 17). Scores on recruitment criteria are the lowest of our six categories, ranging from zero to 54%, with more than half of our sample scoring zero.

Start as you mean to go on

Hiring graduates is the time when an organisation can reset expectations and set an example. The graduate intake forms the base of the pyramid upon which the talent pipeline is built, so it is important for an organisation to start out as it means to go on. We have already seen in this report that improving gender balance at senior levels is where most companies are focusing their attention, and there is a general conceit that the majority of the industry start out at a gender ratio of 50:50. But we have little evidence of that. Only 12% of our sample disclose gender ratios for graduates (Figure 18), and even fewer disclose how many hires or management hires are women, an ethnic minority or have a disability.

Types of recruitment programmes

Figure 19 shows us the areas of focus for recruitment. Gender, ethnicity and disability were the most common, but even then were only disclosed by a small minority of the sample. It is encouraging to see a handful of companies discussing non-traditional recruitment paths with programmes targeting people from different socio-economic backgrounds and those who have served in the armed forces. Returnships also tap into a valuable talent source in those who have left the industry for a few years (often women caring for children) and seeking to return.

Fig. 17 Talking the talk vs walking the walk in recruitment

% of organisations that disclose whether they:

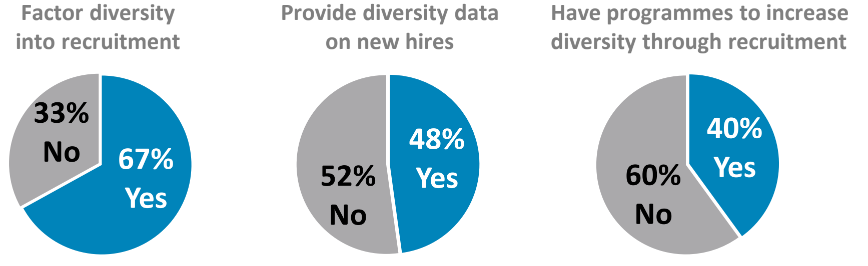


Fig. 18 Breaking down the numbers for new hires

% of organisations that disclose data for recruits by gender, disability, ethnicity

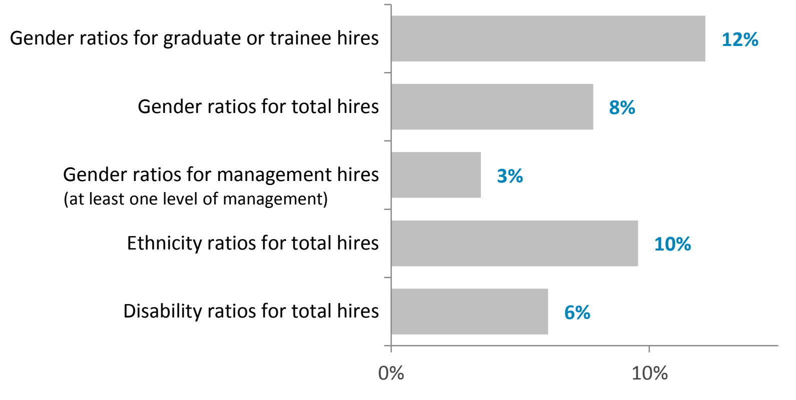


Fig. 19 Recruitment programmes by type

% that disclose programmes aiming to recruit from specified groups

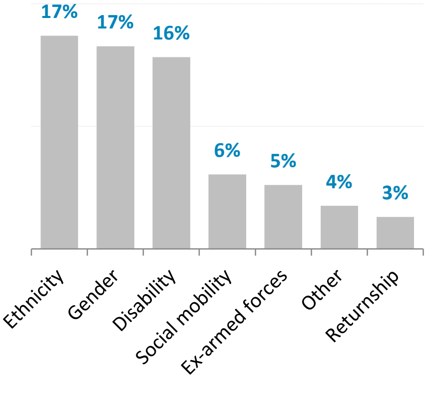


Fig. 20 Top firms for diversity in recruitment

Top five firms ranked by disclosure score on recruitment criteria

Rank	Name	Score
1	Allen & Overy	54%
2	Shearman & Sterling	42%
=3	Goldman Sachs	38%
=3	Herbert Smith Freehills	38%
=3	JP Morgan Chase	38%

Measuring change over time

Possibly the most powerful signal companies can send to underline their commitment to diversity is how their numbers are changing by disclosing historical data. However, only 40% of our sample disclose any diversity data in the context of comparable figures from previous years (Figure 21).

Our track record category consists of seven criteria – three are related to gender, three to ethnic minorities and one related to staff with disabilities. The range of scores is from zero to 71%, with 60% of the sample scoring zero.

While nearly two thirds of organisations in our sample disclose the percentage of women in their total workforce, less than one third give an indication of how that has changed since the previous year (Figure 22). The levels of disclosure are similar for women in management.

If there is no comparable data disclosed year-on-year, either companies aren't recording this information or they are choosing not to disclose it. Without such data, there is no means of monitoring progress to identify where problems may lie or work out which solutions may be working and which aren't. Not disclosing that data, even if it paints a depressing picture right now, shuts down a very important discussion about whether the dial is shifting, and if not, why not.

It is important to remember none of the challenges that the capital markets industry faces to improve the diversity of its talent pool are unique to financial services. Nor are these issues that can be easily resolved at company or even industry level.

A set of data that is consistent, comparable between peers, between sectors and over time will help identify nuances which are sector-specific and areas where blunter policies can be applied successfully. It can inform the debate with governments, policymakers and pressure groups from a solid foundation of facts.

Fig. 21 Disclosing a track record

Organisations in sample that publicly disclose any historical data on workforce diversity, %

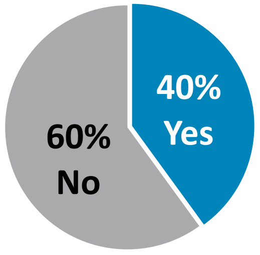


Fig. 22 Evidence of shifting the dial (or not...)

% that disclose ratios by diversity type for the current year and previous year(s)

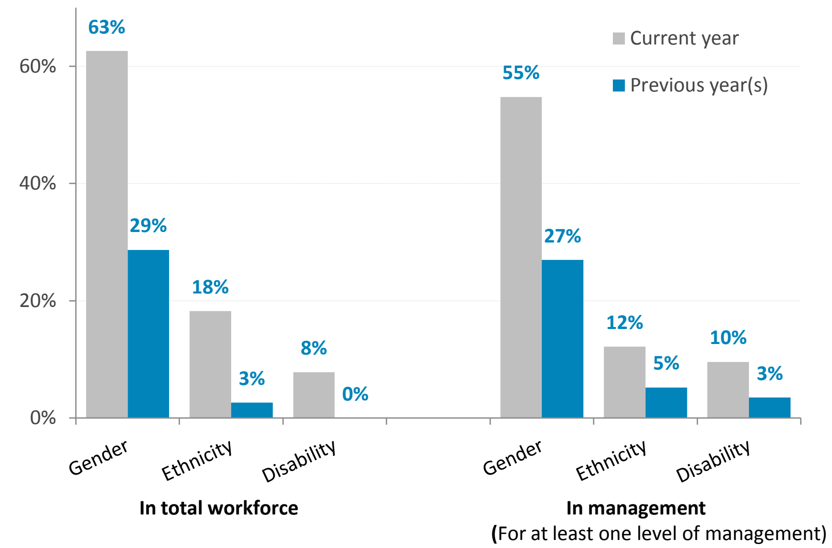


Fig. 23 Top firms for disclosure of track record

Top five firms ranked by disclosure score on track record criteria

Rank	Name	Score
1	Lloyds Banking Group	71%
=2	F&C Asset Management	57%
=2	Intesa Sanpaolo	57%
=2	Natixis Asset Management	57%
=5	Banco Santander	43%
=5	Bank of America Merrill Lynch	43%
=5	Barclays	43%

Setting targets

Going public with targets sends a very clear message to staff internally, to rivals and peers, to governments and policymakers. It is a clear statement of intent and commitment to make changes that will lead to a desired outcome.

Of the six categories of disclosure we looked at for this report, setting targets had the highest count of zero scorers. Only a quarter of our sample publicly disclose that they set any type of diversity target.

In an industry that is dominated by performance, numbers, data, metrics, and targets, it is inconceivable that the majority of the organisations in our sample aren't setting any targets at all. It is far more likely that they are choosing not to disclose them.

Talking openly about targets could diffuse the ever-present threat of quotas imposed by governments or the European Parliament – who have a social justice rather than a business agenda when it comes to diversity. Many (but not all) organisations in our sample currently have the flexibility to set targets in the context of their individual starting points and circumstances without being dictated to by legislation. But that might change if policymakers do not see market participants moving in the right direction on diversity.

Gender dominates targets

Most of the targets that companies set are related to gender (Figure 26). Of those in our sample that did set targets, nearly 90% have a target for women in management positions, while less than 10% set non-gender targets.

Hitting deadlines

It is encouraging to see that when companies do set targets, they are making themselves accountable. Of those in our sample that did set targets, 80% also set a deadline for achieving it (Figure 26).

Fig. 24 Target seekers

Organisations that publicly disclose any diversity target, %

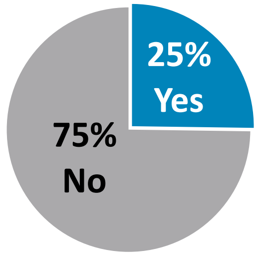


Fig. 25 Number of targets

% of organisations disclosing targets

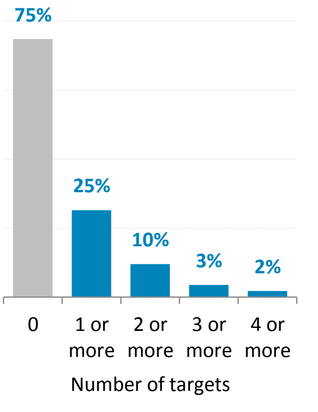


Fig. 26 Different types of targets

% of organisations that disclose the following types of target
*excludes board

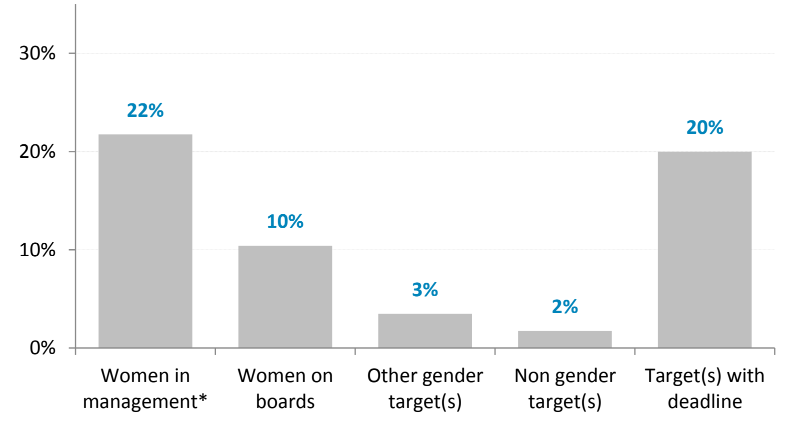


Fig. 27 Top firms for disclosing targets

Top five firms ranked by disclosure score on targets criteria

Rank	Name	Score
1	De Nederlandsche Bank	88%
=2	Deutsche Börse	63%
=2	DLA Piper UK	63%
=4	Allianz Asset Management	50%
=4	Ashurst	50%
=4	Barclays	50%
=4	Lloyds Banking Group	50%

APPENDIX: SCORING CRITERIA

Below is a list of the 57 criteria we used to score diversity disclosure across our six areas of focus. These criteria were largely dictated by disclosure by the companies in the sample rather than our preconceptions of what we would like to see, as our starting point for this research was what companies currently tell us about their approach to diversity. Each criterion was scored 1 for yes, 0 for no. The total scores for each of the six sections were then converted to a percentage, and the six percentages were then averaged to give the overall score for each organisation in the sample.

Criteria	% of sample that disclosed
Workforce data (12 criteria)	**%**
% of women in total (or regional) workforce	55
% of women on board	33
% of women on executive committee	18
% of women at least one other level of management	63
% of women at 2 or 3 other levels of management	45
% of women at 4 or more other levels of management	19
Pay data broken down by gender	4
% of ethnic minorities in total (or regional) workforce	12
% of ethnic minorities at least one level of management	18
% of ethnic minorities at least one level of management with breakdown by ethnicity	10
% of total (or regional) workforce with disabilities	10
Any other diversity-related workforce data	39
Track record (7 criteria)	**%**
% of women in total (or regional) workforce for previous year(s)	27
% of women at different levels of seniority for previous year(s)	29
% of women promoted by level of seniority for previous year(s)	10
% of ethnic minorities in total (or regional) workforce for previous year(s)	5
% of ethnic minorities at different levels of seniority for previous year(s)	3
% of ethnic minorities promoted by level of seniority for previous year(s)	1
% of total (or regional) workforce with disabilities for previous year(s)	3
Targets (8 criteria)	**%**
Any diversity target with a deadline	20
A target for women on boards	10
A target for women in management	22
Other gender targets (e.g. total female hires or graduate/ trainee hires)	3
Any non-gender diversity target	2
Has 2 or more targets	10
Has 3 or more targets	3
Has 4 or more targets	4

Criteria	% of sample that disclosed
Initiatives (10 criteria)	**%**
Any gender diversity initiative(s)	51
Any initiative(s) for employees with disabilities	22
Any initiative(s) focussed on ethnic minorities or different cultures	17
Any initiative(s) for LGBT employees	11
Any initiative(s) to encourage social mobility	8
Any initiative(s) for ex-armed forces employees	5
Any initiative(s) to increase diversity in management	46
Any initiative(s) to encourage work/life balance	40
Any unconscious bias or diversity training initiative(s)	17
Any other diversity-related initiative(s)	8
Networks (7 criteria)	**%**
Any network(s) for women	39
Any network(s) focussed on ethnic minorities or different cultures	27
Any network(s) for LGBT employees	32
Any network(s) for parents/carers/family balance	17
Any network(s) for disabled employees	12
Any network(s) for ex-armed forces	5
Any network(s) focused on faith/religion	8
Recruitment (13 criteria)	**%**
Any initiative(s) to increase gender diversity	17
Any initiative(s) to increase ethnic diversity	17
Any initiative(s) to hire employees with disabilities	16
Any initiative(s) to hire ex-armed forces	5
Any initiative(s) to encourage social mobility through recruitment	6
A returnship programme	3
Any other diversity-related recruitment initiative(s)	4
% of female hires	8
% of female graduate or trainee hires	12
% of female hires for one or more levels of management	3
% of hires from ethnic minorities	10
% or number of hires with a disability	6
% or number of hires by any other diversity characteristic	6

NEWFINANCIAL
Rethinking capital markets

New Financial believes that diversity in its broadest sense is not only an essential part of running a sustainable business but a fundamental part of addressing cultural change in capital markets.

As part of our aim to move the diversity debate forward, we host seminars and workshops on different aspects of diversity, and we publish surveys and research.

If you have any feedback on this report or are interested in taking part in our events programme, please contact:

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10 suggestions for debate

Diversity disclosure could be an important step towards improving diversity in European capital markets. This report is the starting point for a discussion about what information is most useful for companies to disclose that is comparable between peers, between sectors, over time and is not onerous to collate and publish. Here are some suggestions raised by our findings to feed into the debate:

1. Every organisation, big or small, has to decide whether it genuinely believes in diversity, and if so, why and what resources to commit to improving the situation. These are fundamental questions, and our research shows that the answers cannot be taken for granted.

2. Public disclosure is important as a statement of intent – to acknowledge that the capital markets industry is starting from a difficult position but wants to change, is capable of change, and how it plans to make those changes – without waiting to be told what to do by regulators.

3. Collaborating to produce a clear, consistent data set for the industry that is comparable between peers, between sectors and over time will help inform the debate around diversity based on facts rather than relying on anecdotal evidence. This data will open up difficult discussions that need to take place.

4. Disclosure shouldn't just be about the numbers – organisations could also commit to narrative reporting around what is being done to improve their numbers and to share ideas around networks and initiatives to improve best practice across the board.

5. Capital markets participants are not alone in the challenge to improve diversity disclosure, and can learn from other sectors, such as the disclosure initiatives from the US technology firms and UK-regulated law firms.

6. Those in a position to set an example should do so. Regulators and central banks are perfectly placed to lead the discussion on diversity disclosure and engage the industry, without resorting to legislation.

7. There are companies willing to face up to the challenges and opportunities of being a first mover on diversity disclosure. If one firm – or a small group – is willing to be brave, peer pressure will convince others to step up.

8. Companies would benefit from spending time and resources on normalising a culture of self-reporting among staff. This would expand the dataset beyond gender to include ethnicity, disability and sexuality as well as social mobility and faith, which are moving up the political agenda.

9. While group level data is a first step for many companies, the biggest organisations ought to consider breaking down disclosure by their main business lines to give a fuller picture of differences between sectors.

10. If companies apply the rigour of data analysis that is customary in product development, sales and marketing to their own people data, they can better monitor diversity and inclusion practices and assess what is and isn't shifting the dial.