

Monday 13 March 2023

News release

Parker Review announces new targets to improve ethnic diversity of FTSE 350 senior management teams and large private businesses

- ▶ **The Parker Review announces 2022 results of voluntary census:**
 - **96 FTSE 100 companies met the target with at least one minority ethnic director on their boards, up from 89 last year. Of these 96 FTSE 100 companies, 49 companies have more than one minority ethnic director on their Board**
 - **FTSE 250 companies are making progress towards the 2024 deadline of appointing at least one minority ethnic director, with 67% of companies that responded meeting the target in 2022, up from 55% last year**
- ▶ **New targets have been launched for December 2027:**
 - **Each FTSE 350 company will be asked to set a percentage target for senior management positions that will be occupied by ethnic minority executives in December 2027**
 - **50 of the UK's largest private companies have been set the target of having at least one ethnic minority director on the main board by December 2027. Each company will also be asked to set a target for the percentage of ethnic minority executives within its senior management team**

London, Monday 13 March 2023: The Parker Review committee has published the 2022 results of its latest voluntary census on the ethnic diversity of FTSE 350 company boards, carried out jointly with the Department for Business and Trade.

In its first report in 2017, the Parker Review made a series of recommendations and set a "One by 2021" target for all FTSE 100 boards to have at least one director from a minority ethnic background by December 2021. The Review also set a similar "One by 2024" target for all FTSE 250 boards.

Results of 2022 voluntary census

The voluntary census showed that 96 FTSE 100 companies had minority ethnic representation on their company boards as of 31 December 2022. Of the four companies which have not met the target, one company has been acquired since December and is no longer part of the FTSE 100.

18% of all FTSE 100 director positions are held by directors from a minority ethnic group (190 roles held of a total of 1064 positions). In the FTSE 100, 31 of the chair and executive director positions were held by a minority ethnic director, comprising six people from ethnic minorities who held the

position of Chair; seven who were CEOs; nine who were CFOs and nine other executive directors. This means that people from ethnic minorities now hold about 10% of these particularly influential positions.

In the FTSE 250, 149 companies had at least one director from a minority ethnic background. This represents 67% of companies that responded to the census and equivalent to 60% of all FTSE 250 constituents. There are a further two years remaining to reach the 2024 target for each to have at least one minority ethnic director.

Directors from a minority ethnic group hold 11% of all director positions within the FTSE 250 companies that responded (188 of 1749 positions). In the FTSE 250, 34 of the chair and executive director positions were held by a minority ethnic director, comprising five people from ethnic minorities who held the position of Chair; 14 who were CEOs; 10 who were CFOs and there were five other executive directors.

Setting new targets

Senior Management

The Parker Review is pleased with the progress being made within the FTSE 350. However, equal access to board positions needs to be matched by actions across all levels in business to ensure that diverse talent, including those from a minority ethnic background, are given equal opportunities to contribute to the success of UK businesses.

Following discussions with a number of businesses and representative bodies over the past 12 months, the Parker Review believes it is now the right time to set targets for senior management positions (defined as the Executive Committee and the senior managers who report directly to Ex Co members).

Given the wide variation in the share of ethnic minorities in the population in different regions of the UK, the Parker Review recognises that there can be no “one size fits all” target percentage for ethnic minority executives in senior management. The Review will therefore ask each FTSE 350 company to set its own target for its business, for December 2027, for the percentage of its senior management team who identify as being from an ethnic minority. The Review also strongly encourages companies to describe in their annual reports the management development plans they have in place to help create a diverse and inclusive pipeline of talent.

Private Companies

The Parker Review believes there is also compelling logic for setting targets for inclusion of ethnic minorities within large private companies given the significant role they play in the UK economy and society. The Review will therefore ask 50 of the UK’s largest private companies to provide data from December 2023.

To track progress, the Review will set a target for each of these 50 large private companies to have at least one ethnic minority director on its main board by December 2027. In addition, each company will be asked to set its own target for its business, for December 2027, for the percentage of its senior management team who identify as being from an ethnic minority.

David Tyler, Chair of the Parker Review Committee, commented:

“Our latest data demonstrates that continuing progress is being made by FTSE 350 companies to bring ethnic minority directors on to their boards. The target we set in 2017, to have at least one ethnic minority director in every FTSE 100 boardroom, has effectively now been reached.

“We have long argued that companies benefit from ensuring that succession planning and management development plans include the development of ethnic minority executives. That’s why we are now asking each FTSE 350 company to set its own five-year target, for December 2027, for the percentage of senior management positions that will be occupied by ethnic minority executives. We believe this will benefit the companies and it will help to provide equal opportunities for people from minority ethnic communities.

“In addition, we recognise the growing importance of private companies to the UK economy and society. We are asking 50 of the UK’s largest private companies to set a target of appointing at least one minority ethnic director on its main board by December 2027. Further, we are asking each of them to set a target for the percentage of ethnic minority executives within their senior management teams by the same date.”

Nusrat Ghani MP, Business and Trade Minister, said:

“With more and more boardrooms voluntarily hitting their ethnicity targets this year, it’s clear that UK companies are on the right course for achieving true diversity in business.

“There’s still more to do however, and the Parker Review’s recommendations clearly set out how companies must improve diversity from top to bottom in the coming years, so they can make the most of untapped talent available and ensure British boardrooms and senior management teams are truly reflective of British society.”

Hywel Ball, EY UK Chair and UK&I Managing Partner, added:

“I’m proud to support the Parker Review and grateful to the Steering Committee and my colleagues involved for their work and commitment to this important issue. The findings this year demonstrate that good progress is being made across FTSE 350 companies. However, diversity can’t just be a boardroom issue. Companies need to ensure they are taking action across every part of their business. As leaders we have an important role to play by setting the tone from the top, ensuring that we are fostering diversity of thought and creating equal access for all. Additional targets will drive further change, helping to break down barriers and improve the diversity of UK business.”

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About the Parker Review

The Parker Review Committee was commissioned by BEIS in 2015 to consult on the ethnic diversity of UK boards. It is chaired by David Tyler and sponsored by EY. In its first report, published in 2017, the Review made a series of recommendations and set a "One by 2021" target for all FTSE 100 boards to have at least one director from a minority ethnic background by December 2021 and a "One by 2024" target for all FTSE 250 boards. In 2023, the Parker Review set new targets the UK's 50 largest companies and for senior management teams of FTSE 350.

The Committee's business case, underpinning the ethnic diversity targets, is to ensure boards are better aligned to their employee and customer base, and to recognise that the future recruitment of talent will be significantly influenced by the demographic changes taking place.

This iteration of the Parker Review was conducted through a voluntary census of all FTSE 100 and FTSE 250 companies. Companies provided data on the ethnicity of all directors who were members of their Boards on 31 December 2022.

More details can be found on the website: www.parkerreview.co.uk

Data as at 31 December 2022

Please see pages 29 - 45 in the March 2023 Report for more information. To summarise:

As of 31 December 2022, Parker Review census results (all companies in the FTSE 100 responded):

- 96 FTSE 100 companies had minority ethnic representation on their boards, compared to 89 in December 2021.
- Of these four companies one is no longer in the FTSE 100 due to a delisting following its acquisition in January 2023.
- Women comprise 47% of the minority ethnic directors on FTSE 100 boards.
- c.18% of all FTSE 100 board positions are held by minority ethnic directors (190 out of the 1,064 director positions).

- 31 of the Chair and executive director positions were held by a minority ethnic director, compared to 22 last year. In 2022, there were six people from ethnic minorities who held the position of Chair; seven who were CEOs; nine who were CFOs and nine other executive directors. The other positions were NEDs.

As of 31 December 2022, Parker Review census results (224 companies of the FTSE 250 responded):

- FTSE 250 companies have until December 2024 to meet the target.
- 149 FTSE 250 companies had ethnic representation on their boards, compared to 128 companies in December 2021.
- Women comprise 48% of the minority ethnic directors on FTSE 250 boards.
- c.11% of board positions of the FTSE 250 companies which responded are held by minority ethnic directors (188 out of the 1749 director positions).
- 34 of the Chair and executive director positions were held by a minority ethnic director. There were five people from ethnic minorities who held the position of Chair; 14 who were CEOs; 10 who were CFOs and there were five other executive directors including joint roles. The other positions were NEDs.

Private companies

The UK's 50 largest private companies which are expected to be included in the 2023 are outlined below. These will be the same group of companies as set out by the FTSE Women Leaders Review:

2 Sisters Food Group Ltd	John Lewis Partnership Plc
Accenture (UK) Ltd	John Swire & Sons Ltd
AF Blakemore & Son Ltd	KCA DEUTAG Drilling Group Ltd
Allen & Overy LLP	KPMG LLP
Amalgamated Holdings Wilkinson Ltd	Laing O'Rourke Corp Ltd
Anglian Water Group Ltd (AWG)	Linklaters LLP
Arnold Clark Automobiles Ltd	M Group Services Ltd
Arup Group Ltd	Mace Group Ltd
Avara Foods Ltd	Marshall of Cambridge (Holdings) Limited
AWE PLC	Matalan Ltd
Bestway Group Ltd	Merlin Entertainments Ltd
Bet365 Group Ltd	Mott MacDonald Group Ltd
British United Provident Association Ltd (BUPA)	Muller UK & Ireland Group LLP (Müller Wiseman)
CDS (Superstores International) Ltd	Nationwide Building Society
City Facilities Management Holdings Ltd	New Look Ltd
Co-operative Group Ltd (The Co-op)	Pentland Group Ltd
Colt Group Holdings Ltd	PricewaterhouseCoopers LLP (PwC)
Deloitte LLP	Rubix Group International Ltd
DLA Piper International LLP	Samworth Brothers (Holdings) Ltd
EG Group Ltd	Specsavers Optical Group Ltd
Ernst & Young LLP	Thames Water Utilities Ltd
FGP Topco Ltd (Heathrow Airport)	Virgin Atlantic Ltd
Freshfields Bruckhaus Deringer LLP	VMED O2 UK Ltd (Virgin Media O2)
Hermes Parcelnet Ltd (Evri)	Wolseley UK Ltd
INEOS Ltd	
J C Bamford Excavators Ltd (JCB)	

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