



Department for
Business & Trade

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31 July 2023

Parker Review: FTSE 350 Ethnic Diversity Submission for 2023

Dear Chair / CEO

We would like to thank all of the companies which have been working to enhance the ethnic diversity of their boards and their senior management teams in recent years.

We believe that the progress being made is improving the competitive advantage of UK companies and the opportunities for ethnic minorities in businesses in the UK.

Earlier this year, in March, we released our Annual Report ([The-Parker-Review-March-2023.pdf \(parkerreview.co.uk\)](#)) which demonstrated the huge strides made by FTSE 100 companies to reach our target: for every FTSE100 company to have a least one director from an ethnic minority. 96 companies had met that target at the end of 2022 compared to 47 in 2016 when we had just started our work.

In the FTSE 250, we also saw good progress. At least 60% of companies had at least one ethnic minority director – with two years remaining to meet the 2024 target for each to have at least one ethnic minority director.

In that Report in March, we announced the extension of our targets in two ways. For the first time, they will encompass senior management teams as well as Board directors. In addition, for the first time, we have asked some 50 large private companies to provide us ethnic diversity information on their boards and senior management.

This letter is to alert you that, as in recent years, we will be asking you to provide the Department for Business and Trade (previously BEIS) with data on the ethnic diversity of your Board in December 2023.

In addition, we will also be asking you to provide data privately for the first time on the ethnic diversity of your senior management team in December 2023. This would normally be defined as the members of your Executive Committee (or equivalent) and of the senior managers who report directly to members of your Executive Committee (termed Ex Co minus one).

Firstly, we will ask you for one target percentage for December 2027. This target will be calculated at that date simply by dividing the total numbers of minority ethnic

executives in your senior management team by the total number of executives in that group. The level of this target is for each company to decide and ideally to explain within its next Annual Report. Given the significant geographical differences there are for ethnic minorities in the population, it would make no sense for the Parker Review to determine a 'one size fits all' target.

Secondly, we will invite you to provide the data you have on the ethnic diversity of your senior management team in December 2023. This information will not be made public and there will be no criticism of those companies which do not provide data this year. The purpose of collecting this data this year is to be a test run for a full collection process of this data in December 2024 and in future years.

The Review plans to publish its next Report in March 2024, using the target data and actual data on senior management in aggregate rather than on a company-by-company basis.

We would ask you to prepare yourselves in your Company to provide this information to the Department for Business and Trade in December 2023, and to include relevant parts of it in your Annual Reports published in 2024.

We will be in touch with you again in the early Autumn to provide you with the format in which we would ask you to provide us this information.

In the meantime, we attach a list of possible questions which you might have together with our answers. We trust that they will be helpful in providing guidance to you in this first year of our extended survey.

Thank you in advance for your support for improving diversity and inclusion in the UK's largest businesses.

Please contact the team at the Department for Business and Trade if you have any further questions – either on the email provided above or through the email address provided on our website: parkereview.co.uk

Yours sincerely



David Tyler
Chair, Parker Review



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Co-Chair, Parker Review