

Monday 11 March 2024

News release

New Parker Review report reveals good progress on ethnic diversity for FTSE 250 ahead of 2024 target, and a large rise in FTSE 100 ethnic minority CEOs

- ▶ **The Parker Review announces 2023 results of voluntary census:**
 - **FTSE 250 companies are making progress towards the December 2024 deadline of appointing at least one ethnic minority director, with 79% of responding companies meeting the target in 2023, 12 percentage points higher than last year.**
 - **96 FTSE 100 companies met the target of at least one ethnic minority director on their boards, in line with last year.**
 - **There are now 12 ethnic minority CEOs in the FTSE 100, up from 7 in 2022.**
 - **Authoritative data is revealed for the first time on the ethnic diversity of senior management teams in the FTSE 350. 13% of senior management at FTSE 100 companies came from ethnic minority backgrounds. This was 12% in the FTSE 250.**

London, Monday 11 March 2024: The Parker Review Committee has published the 2023 results of its latest voluntary census on the ethnic diversity of the boards of FTSE 350 companies and 50 of the UK's largest private companies, carried out jointly with the Department for Business and Trade, and sponsored by EY.

In its first report, published in 2017, the Review made a series of recommendations, setting a "One by 2021" target for all FTSE 100 boards to have at least one director from an ethnic minority background by December 2021 and a similar "One by 2024" target for all FTSE 250 boards. Last year, the Parker Review set 50 of the UK's largest private companies a target of having at least one ethnic minority director on the main board by December 2027. It also asked each FTSE 350 company and each top 50 private company to set its own target for December 2027, for the percentage of its senior management team who identify as being from an ethnic minority.

Results of 2023 voluntary census

FTSE 100

The voluntary census showed that 96 FTSE 100 companies had ethnic minority representation on their company boards as of 31 December 2023. This is in line with the 2022 reported data.

There are now 12 ethnic minority CEOs in the FTSE 100. This is a significant rise from 7 in 2022. There are also 7 ethnic minority Chairs, an increase from 6 last year.

People with ethnic minority backgrounds now hold 19% of all director positions in the FTSE 100, a rise of one percentage point from last year. The data also shows an increase in the number of companies with more than one ethnic minority director from 49 in 2022 to 56 in 2023.

FTSE 250

With the Parker Review's "One by 2024" target date fast approaching in December, 79% of the 222 FTSE 250 companies reporting have met the target. This is an increase of 12 percentage points from 2022, demonstrating significant progress during the year.

In December 2023, 175 of the 250 companies (70%) met this target. This is an increase from 149 in 2022. Although the pace of change is encouraging, there needs to be much more progress in 2024 if the FTSE 250 target is to be met.

Setting new targets

Senior Management

The vast majority of FTSE 100 companies - 82 of them - provided data on the number of people in their senior management group and the proportion of which identified as having an ethnic minority background. On average, 13% of senior management positions of these companies are occupied by people with ethnic minority backgrounds.

As many as 48 of these companies also reported that they had set targets for the ethnic minority representation within their senior management by December 2027. The average target is 17%, representing a 4 percentage point rise from current levels. The range of targets set by companies ranged from 5% to 45% of senior management teams, influenced by the wide variation in the share of ethnic minorities in the wider population amongst different regions of the UK and internationally.

Private Companies

Of the 50 private companies invited to participate in the Review, 36 provided data about their board composition. Of the companies that responded, 22 report having at least one ethnic minority director on their board. This means that of the companies that reported their data, 61% already meet the target that they were asked to meet by December 2027.

The Review hopes to receive a greater number of responses from the selected 50 private companies in future years and trusts that these companies will also engage with setting and reporting on targets for the proportion of ethnic minorities in their senior management by 2027.

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

"We've seen continued good progress this year on ethnic diversity across FTSE 350 boards. For the first time, we have authoritative data too on ethnic minority representation in senior

management, revealing that 13% of FTSE 100 and 12% of FTSE 250 senior management teams are from ethnic minority backgrounds.

“This year, we have also seen a big jump - from 7 to 12 – in the number of ethnic minority CEOs in the FTSE 100.

“The FTSE 250’s progress towards its December 2024 deadline, for at least one ethnic minority director on each board, is encouraging, reaching 79% of those reporting. With the time remaining, we urge those FTSE 250 companies without an ethnic minority director to do what they reasonably can to reach the target.”

Industry Minister Nusrat Ghani commented:

“This report charts the UK’s continued journey toward securing the best of the best talent – irrespective of ethnicity – into key roles at the very top of British business.

“I’m happy that since the launch last year, the Parker Review has worked to ensure we have increasingly inclusive business cultures, but there is still more to be done to guarantee British boardrooms and senior management teams are truly reflective of British society.”

Hywel Ball, EY UK Chair, added:

“At a time when business leaders are having to grapple with the realities of a challenging macroeconomic environment, coupled with geopolitical fragility and political uncertainty, it’s important not to lose sight of longer-term priorities. While this year’s Parker Review shows that progress is being made to increase the representation of ethnic minority talent, there’s still more to do.

Business leaders need to retain an enduring, stewardship-like approach to progressing these goals. As the UK seeks to transition into a high-growth economy, developing and supporting diverse talent must remain a business and policy priority.

At EY we have a target to increase the proportion of ethnic minority Partners in our UK business to 20% by 2025, of which 15% are to be Black. As of July 2023, 17% of our Partners were from an ethnic minority background, of which 8.5% identify as Black or mixed Black Heritage. Whilst we are not yet where we want to be, we are steadfast in our commitment and taking action across all parts of our business to continue our progress.

The Parker Review, and the targets that it sets, provide an important benchmark and objective criteria to increase the representation of ethnic minorities across UK business. Crucially, it ensures that efforts to diversify UK business are led from the top down and that, as leaders, we continue to be held accountable - regardless of the macroeconomic climate.”

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Notes to Editors

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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 an ethnic minority background by December 2021 and a "One by 2024" target for all FTSE 250 boards. In 2023, the Parker Review set new targets for 50 of the UK's largest private companies and for senior management teams of FTSE 350 companies.

This iteration of the Parker Review was conducted through a voluntary census of all FTSE 350 companies and 50 of the UK's largest private companies. Companies provided data on the ethnicity of all directors who were members of their Boards on 31 December 2023.

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

Data as at 31 December 2023

To summarise:

FTSE 100

As of 31 December 2023, Parker Review census results (all companies in the FTSE 100 responded):

- 96 FTSE 100 companies had ethnic minority representation on their boards, compared to 96 in December 2022.
- Women comprise 49% of the ethnic minority directors on FTSE 100 boards.
- c.19% of all FTSE 100 board positions are held by ethnic minority directors (202 out of the 1053 director positions).
- 31 of the Chair and executive director positions were held by a ethnic minority director, unchanged from last year. In 2023, there were seven people from ethnic minorities who held the position of Chair; 12 who were CEOs; nine who were CFOs and two other executive directors. The other positions were NEDs.

FTSE 250

As of 31 December 2023, Parker Review census results (222 companies of the FTSE 250 responded):

- FTSE 250 companies have until December 2024 to meet the target.
- 175 FTSE 250 companies had ethnic representation on their boards, compared to 148 companies in December 2022.
- Of the companies that submitted their data, 79% met the target. If none of the non-reporting companies had an ethnic minority director, our data indicates that 70% met the target compared to 60% in 2022.
- Women comprise 51% of the ethnic minority directors on FTSE 250 boards.
- c.13.5% of board positions of the FTSE 250 companies which responded are held by ethnic minority directors (230 out of the 1701 director positions).
- 34 of the Chair and executive director positions were held by an ethnic minority director. There were eight people from ethnic minorities who held the position of Chair; 14 who were CEOs; eight who were CFOs and there were four other executive directors including joint roles. The other positions were NEDs.

Senior Management

- 82 FTSE 100 companies provided data on the number of people in their senior management group and how many of them were from ethnic minorities.
- 48 of these companies also reported targets for the ethnic minority representation of their senior management by December 2027.
- The FTSE 100 companies which provided 2027 targets for the ethnic minority share of their senior management teams had an average target of 17% - a four percentage point rise on today's average of 13% from the companies which reported.
- The range of targets set by FTSE 100 companies ranged from 5% to 45% of their senior management teams.
- The FTSE 250 companies which provided 2027 targets for the ethnic minority share of their senior management teams had an average target of 15.5% - a 3.5 percentage point rise on today's average of 12% from the companies which reported.

Private companies

- Of the 50 private companies invited to participate in the Review, 36 provided their board data.
- Of the companies that responded to our survey, 22 report having at least one ethnic minority director on their board.
- This means that of the companies that reported their data to us, 61% already meet the target we have asked them to meet by December 2027. Of the total 50 companies, this figure is 44%.