



Under embargo until 00:01am Friday 12 March 2021

News release

Rupa Sudra Bharadva

EY Media Relations, UK & Ireland

+44 (0)7552 271 121

Rsudrabharadva@uk.ey.com

Latika Shah/ Andrew McLagan

Edelman Smithfield

+44 (0)7950 671 948/ +44 (0)7817 998 161

latika.shah@edelmansmithfield.com / andrew.mclagan@edelmansmithfield.com

Significant progress on improving ethnic diversity of FTSE 100 boards reveals new data from the Parker Review

- ▶ **74 FTSE 100 companies had ethnic representation on their boards (Nov 2020), compared to 52 in January 2020**
- ▶ **21 FTSE 100 companies had no ethnic representation on their boards (Nov 2020) [Plus, three no responses and two unable to provide information]**
- ▶ **By March 2021, a further seven FTSE 100 companies reported that they had appointed a director from a minority ethnic group, showing there is still time to act to meet the 'One by 2021' target**
- ▶ **FTSE 250 companies will be surveyed by the end of 2021 and have until 2024 to appoint at least one ethnic minority director on their boards**

London, Friday 12 March 2021: Today, the Parker Review committee publishes the results of the latest survey of FTSE 100 companies, carried out jointly with the Department of Business, Energy & Industrial Strategy (BEIS), which show that 74 FTSE 100 companies had ethnic minority representation on their company boards as of 2 November 2020, the official feedback cut-off date.

In addition, by early March 2021, a further seven FTSE 100 companies have appointed directors from a minority ethnic group, effective in the early months of this year, illustrating there is still time to act to meet the Review's 'One by 2021' target.

Significant progress has therefore been made by FTSE 100 companies on improving the ethnic diversity of their boards, despite the COVID-19 pandemic affecting board recruitment processes.

The committee's latest update - which is based on voluntary data submissions – shows a major change in the pace of progress. As of 2 November 2020, 21 companies that completed the survey, still had to meet the December 2021 target, compared to 31 a year earlier. Three companies did not respond to the latest survey, compared to four last year. Two companies reporting were unable to provide information at that time. Importantly though, seven further companies have made announcements that they joined their peers in meeting the target since November 2020, showing that the pace of progress is continuing.

The survey showed that 124 out of the 998 board positions, across the FTSE 100 companies that responded to the survey, are held by 118 ethnic minority [12%] directors, compared to 95 directors in 2020. 36% of ethnic minority directors identify as British citizens, while 11% sit on two or more FTSE boards (five sit on other FTSE 100 boards and the other eight sit on FTSE 250 boards). Of the 118 ethnic minority directors, 54 [46%] are women, which is an increase of 42% compared to 2020.

Progress remains slower in the key functional roles of boards. Across the FTSE 100 companies that responded to the survey, only five ethnic minority directors occupy a CEO position (compared to six ethnic minority directors that held CEO/Chair positions in 2020), all of whom are men. Two occupy a Chair role, one man and one woman, and four men occupy a CFO role.

Chaired by Sir John Parker and sponsored by EY and Linklaters LLP, the Parker Review Committee was commissioned by BEIS in 2015 to consult on the ethnic diversity of UK boards. 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. While FTSE 250 companies were not included in this latest study, they will be surveyed towards the end of 2021 as they work towards a "One by 2024" target.

The Committee's business case, underpinning the ethnic diversity targets, was to ensure boards are better aligned to their customer base, and to recognise that the future recruitment

of talent will be significantly influenced by the demographic changes taking place now and in the future in the UK and overseas.

Sir John Parker, Chairman of the Parker Review Committee, said: “This survey of FTSE 100 companies represents significant progress towards the target. Achieving this result demonstrates committed leadership by FTSE 100 chairs, their boards, and the headhunting community, to align with the Review’s ethnic diversity objectives. We would hope the remaining companies in the FTSE 100, who still have time to meet the target, will ensure they follow this encouraging lead and align with the business case that underpins the review.

“Corporate Britain, in my view, is becoming more comfortable with boardroom diversity. I believe too, that the majority of FTSE board leaders want British companies to be seen, not only as the best governed in the world, but also comprising of society’s best diverse talents.”

(TBC) Kwasi Kwarteng MP, Secretary of State for Business, Energy & Industrial Strategy, said: “The progress made in the past year to increase ethnic diversity on FTSE boards is very promising, particularly given the difficult circumstances businesses have been facing.

“FTSE companies are seeing the benefits of diverse leadership teams first-hand as we build back better from the pandemic. We hope more companies harness this momentum to go further and faster to ensure our boardrooms are fully representative of British society.”

Sir Kenneth Olisa, advisor to the Parker Review, adds: “The Parker Review’s target of ‘One by 21’ is now within reach. The next challenge will be to make that achievement sustainable. There would be little point in hitting our target next December only for us to return to business as usual in January. As the Hampton-Alexander Review and the work of Green Park have shown us recently, there is much more to be done on the pipeline, to bring minorities into executive committees and, ultimately, in the boardroom. Board diversity is a driver of competitive advantage - talent must rise up the corporate pyramid no matter what colour it is.”

Arun Batra, EY Partner, CEO of the National Equality Standard and adviser to the Parker Review added: “I am proud that we are making real progress and that at the latest count, we have 81 FTSE 100 companies who have diversified their boards. But there can be no rest, until all companies have met the ‘One by 2021’ target. Good corporate leaders are agents for change and use their position of power, privilege and influence to turn intent into action.”

The recommendations set out in the 2020 Parker Review report remain just as relevant today as a year ago. They focus on measuring board level diversity and helping to build a

pipeline of board-ready candidates. The report also contains a detailed and broad-ranging toolkit for companies and those responsible for recruitment, to help implement many of the recommendations. [View the full report.](#)

-ends-

Notes to Editors

As of 2 November 2020, Parker Review survey results: 97 of the FTSE 100 responded

- 74 companies indicated they have met the target of having at least one ethnic minority director on their board by 2021
- 21 companies indicated that they have not yet met the target of having at least one ethnic minority director on their board, but have until December 2021
- Three companies did not respond to the survey
- Two companies responded that they were unable to provide ethnicity information at the time.
- Since the survey, a further seven companies have stated they appointed ethnic minority directors to their boards, effective in the early months of 2021. See Annex 1 for more information

About the Parker Review

This iteration of the Parker Review was conducted through survey research of all FTSE 100 companies. Data presented is therefore self-reported by companies. This year we have changed the way in which companies are required to report ethnicity by using the ONS classifications of ethnicity.

In addition, we have expanded the coverage beyond FTSE 100 companies, to include the FTSE 250. But on this occasion, we have only surveyed FTSE 100 Companies.

Data on companies' directors was obtained through an online survey of FTSE 100 companies, with the cut-off 02 November 2020. Further desktop research was carried out between December 2020 and February 2021. If a company made a change to their board after 2 November 2020 that change will not necessarily be reflected in this update. The committee welcomes any responses from companies who identify as meeting the target after the release of the report but note that this highlights the challenges of collating data with regards to ethnic diversity on boards.

About EY

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

This news release has been issued by Ernst & Young LLP for UK.

Contact details:

EY obtained your contact details (name, email address, job title and company) from Gorkana, with the intention to share information with you relating to your beat. If you no longer wish to receive these communications or wish to receive information on different subjects please reply to this email. If you indicate that you no longer wish to receive communications from EY or respond to this e-mail, we will no longer contact you with and will remove your data from our database. Please see our [Privacy Policy](#) for further information on how we may handle your data.