

Improving the Ethnic Diversity of UK Business

An update report from the Parker Review

David Tyler
The Parker Review Committee

March 2023

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Principal Sponsor



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Thanks to our advisors during the year
and to the contributors to this Report.

To view backgrounds for the Members of the Parker
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David Tyler

Foreword



Enhance the
performance of business
and the opportunities
of ethnic minorities.”

The Parker Review was set up in 2015 as a business-led and Government backed Review. Its purpose is twofold:

- To improve the performance of businesses in the UK by encouraging them to take full advantage of the talents of people from minority ethnic backgrounds, enhancing the competitiveness of British companies in the challenging and diverse marketplaces in which they operate in the UK and around the world.
- To help ensure that ethnic minorities have equal opportunities as others to have a successful and fulfilling career in business.

It has always been the view of the Review Committee that diverse teams in the management and boards of companies would over time improve the productivity and profitability of business (the Economic Case). Equally, it has been our view that creating a business environment where ethnic minorities have equal opportunities was simply the right thing to do (the Moral Case).

In our first Report, published in 2016, and since we have always argued that companies would benefit from ensuring that succession planning and management development throughout their senior executive layers take full account of the potential offered by ethnic minorities. We have provided information on best practice in our documents over the years.

However, the only targets which we have set until now have been for FTSE 350 Boards of Directors – at least ‘one by 2021’ and ‘one by 2024’.

Following conversations over the last twelve months and previously within the Review Committee and with businesses and representative bodies, we are now extending our targets for the first time to cover senior management teams and to include some large private businesses as well.

The details of all this are set out in our Report. We believe that extending beyond the initial targets we set in 2017 is timely, six years on, given the progress made in this period and given the increasing representation of ethnic minorities in the UK who now comprise about 17% of the population according to the 2021 Census. We believe too that these new targets will help to enhance the performance of business and the opportunities of ethnic minorities.

I would like to record our grateful thanks to Sir John Parker for everything he achieved over his seven years as Chair of the Review until his retirement last year. His energy, determination and skill have been the key building blocks of our progress. It was a privilege for me to step into his shoes in March 2022 after acting as his Co-Chair and deputy through those seven years.

I would also like to pass on my thanks to our Committee members, all of whom are volunteers, for their commitment and work over the last year as we have discussed what next steps we should take and as we have put together this latest Report. In particular, I would like to welcome the new members of our Committee: Soumen Das (our new Co-Chair), Moni Mannings and Lesley-Ann Nash.

Our thanks are also owed to the Government's Business Department – now the Department for Business and Trade – for its continuing commitment to our agenda and for its skill in collecting the data we have requested from the companies in the FTSE 350.

In addition, we are very grateful to our sponsor, EY, for its ongoing support to the Review which has been critical for our efficiency and our own productivity! Thanks in particular to its Chair, Hywel Ball, its Vice Chair, Mona Bitar, and to Amy Winepress and Fatima Tresh.

Thank you to the FTSE 100 companies who participated in our consultation exercise in December and January and to everyone else who has contributed to our research and our thinking over the last year – you know who you are! I would like to express our great appreciation for your time and for your help and your advice. We would not have got here without you.

David Tyler

David Tyler



EY Foreword



**Hywel Ball, EY
UK Chairman**

Once again, EY is proud to continue its support of the Parker Review. We believe that the more representative of society a board can be, the better decisions they can make, and therefore, better serve the communities in which their companies operate. It isn't just a matter of fairness but business sense that we find the best talent we can. Given the macro-global environment and the uncertainty we face, building and retaining a diverse workforce and leadership that represents our clients, our markets and those who they serve, will reinforce resilience. It will enable us to continually evolve and innovate.

Building and developing the kind of leadership that we need isn't something that happens overnight, and we need to recognise and applaud the huge amount of work and dedication that has already happened to make an impact. But the challenges are increasing not easing, and we need to retain a real focus on whether our next generation of leaders are representative of the world we live in and not the world that some of us came from. Our people, clients and wider society are looking to us to reflect a more diverse, and one might argue realistic, vision and we will only do that by broadening our leadership.

This year's Review highlights the importance and power of data to understand and address different outcomes across ethnicities. And I'm proud at EY's success in this area – our campaign on the importance of data has enabled us to have sufficient information for us to extend our ambitions to include a specific target for Black Partners – 15% of our 20% ethnic minority target. We are making good progress, although there is always more to be done. As of July 2022, 15% of our Partnership is ethnic minority Partners, of which 7% identify as Black.

I would like to congratulate David Tyler on his first Review as Chair, and welcome Soumen Das to the Co-Chair role. I also thank the Parker Review Steering Committee and my colleagues at EY who have supported the Steering Committee's work, and we look forward to working together to drive real and effective change in our own leadership, and in the wider business community.

**Hywel Ball, EY UK Chair and
UK&I Managing Partner**



**Dr Mona Bitar, EY
UK&I Vice Chair**

I have been delighted to take on the role of EY Sponsoring Partner for the Parker Review this year and it has been a privilege for EY to contribute to the report, along with other parties. Since the last Parker report was published in March 2022, we have all experienced one of the most volatile and disruptive 12 months on record. Socially, politically, and economically, we are all experiencing an era of radical change, and we must ensure that our leadership, and wider organisations, are capable and ready to respond to that challenge.

The significant progress that FTSE 100 and FTSE 250 companies have made in meeting or exceeding the targets is to be applauded, but it remains clear that more progress is required for authoritative roles like Chair, CEO and CFO, as such roles remain worryingly closed. We now need to focus on ensuring that we eliminate barriers to these pivotal roles for talented individuals. Bringing the perspectives and capabilities of all into senior management roles can facilitate this, which is why I am deeply encouraged that this year the report has extended its scope to include ethnic diversity targets for senior management. This is such a welcome step as we all look to improve diversity of the next generation of leaders. Building the right pipeline of talent is critical if we are to reach a truly representative reality.

The ethnic diversity of our Senior Management has been a priority for us since 2019. Our public target has been a catalyst for us all and driven us to build a sustainable pipeline. It also ensures that the most senior and influential roles are accessible to a diverse group of future leaders, supported by intentional and robust succession planning. Diversity, equity, and inclusion in these roles empowers under-represented employees to challenge traditional ways of working and help meet the demands of the changing business landscape.

This annual review acts not only as a way of benchmarking progress but also drives the discussion of diversity and the actions needed to change the make-up of board membership. It provides us with both the data and the imperative to make the debate concrete and identify what works and what doesn't.

Collectively, we can all learn from one another. To this end, the Parker Review now includes targets and reporting for the 50 largest private companies, a request that was previously limited to the FTSE 350. As one of the companies captured in the extension, we endorse the extension of the Review and recognise the enormous value that private companies can bring to this discussion, as well as the impact that a more focused approach to ethnic diversity will have on the UK business landscape. Scrutiny is a very effective tool to make sure we live up to our highest ambitions.

Alongside our sponsorship of the Parker Review, we are delighted to share our key insights and learnings on the power of ethnicity self-identification disclosure in this report to help other companies. It is essential that we understand the demography of our workforce, including our gaps in people experience and performance outcomes which is why we have invested so considerably in this exercise. We hope that other companies find our insights helpful as they construct their own approaches.

Mona Bitar, EY UK&I Vice Chair

Executive summary



Numbers of ethnic minority directors

We are pleased with the progress made in recent years by FTSE 350 listed companies to bring ethnic minority directors on to their boards. As of December 2022, the FTSE 100 had 96 companies with at least one ethnic minority director; this contrasts with 47 in 2016 when we had just started our work at the Parker Review. In the FTSE 250, we find that the number of companies with ethnic minority directors continues to grow, reaching at least 60% at the end of 2022 – with two years remaining to hit the 2024 target for each to have at least one minority ethnic director.

The Review has set a series of voluntary targets and we applaud the success of the great majority of FTSE 350 companies in meeting our targets, with the latest census demonstrating that ethnic diversity across FTSE 350 boards continues to increase.

In the FTSE 100, there were ethnic minority directors on 96% of boards at the end of 2022 (compared with 89% in 2021) and 18% of all

director positions in the FTSE 100 were filled by ethnic minorities (16% in 2021). Given that over 70% of all FTSE 100 board members are non-executive directors, it is no surprise that the great majority of positions held by ethnic minorities were as NEDs: 159 out of 190. The other 31 positions were either as Chairs or Executive Directors. While this number is relatively small, it represents 10% of Chair and Executive Director positions and is an increase of nine from 22 in 2021.

There were ethnic minority directors in 67% of the FTSE 250 companies which reported (55% in 2021). This number amounts to 60% of all FTSE 250 boards. If the Investment Trust Sector (which accounts for a third of FTSE 250 companies) is excluded, it can be seen that 73% of the boards of all FTSE 250 trading companies which reported have ethnic minority directors (compared to the number of 52% for Investment Trusts in the FTSE 250). All these numbers show rises on those of 2021. Overall, ethnic minority directors accounted for 11% of all FTSE 250 board positions (10% in 2021).



Senior management

We are confident that ethnic minority directors are having a meaningful impact on boards. In addition to their wealth of experience, it is clear that these individuals are capable of being role models for employees throughout their companies¹. Moreover, we believe that when there is diverse leadership that is more representative of society, this can have a positive impact on a wide range of stakeholders – employees, customers, suppliers, local communities, and investors.

However, the arrival of a minority ethnic director can only have a limited impact on the culture of the company as a whole. Typically, only eight to 12 people sit on the board, and this small group, particularly the non-executives, will have limited interactions across the (potentially) many thousands of people working for a business. Equal access to board positions needs to be matched by actions right across the business to impact the widest range of employees, from entry level roles to executives in senior management.

We know that companies identified as adopting good practice for board level diversity reporting have established a wide range of management development programmes¹. These programmes ensure that diverse talent, including those from a minority ethnic background, are given equal opportunities for success. We have seen

a number of examples where companies have successfully set internal targets for the percentage of their senior executives made up of people with ethnic minority backgrounds.

We have encouraged these developments over the seven years of our existence but have not to date set targets for executives below the board. In this Report, for the first time, we ask companies to set and achieve appropriate targets for ethnic minorities within their senior executive group (“ethnic minority targets”).

This has parallels with the approach of the FTSE Women Leaders Review which has set targets for some years for women to make up a proportion – now 40% – of senior management positions (defined as the Executive Committee and the senior managers who report directly to them).

We do not believe that a ‘one size fits all’ approach to ethnic minority targets would make sense. It would not be the right way to tackle this important issue – either for companies or for ethnic minorities. The proportion of ethnic minorities in comparison to the population as a whole can be very different across geographic regions within the UK as well as in the international locations where UK listed companies operate. So, the potential base of employees and consumers can vary significantly. For example, based on the latest census data for the UK,

the proportion of ethnic minorities in North-East England is 7% whereas it is 46% in London. There can also be a rather different ethnic mix in one industry versus another – something that may be an anachronism but cannot be changed overnight.

So, we are now setting a new objective for FTSE 350 companies: to ask them to set their own target for the percentage of their senior management group who self-identify as being in an ethnic minority. We ask that they set a target, by December 2023, for what this percentage will be in December 2027. We also strongly encourage companies to describe in their annual reports the management development plans that they have in place to encourage and support achieving a diverse and inclusive pipeline.

Private companies

To date, the Parker Review has focused only on listed companies in the FTSE 350.

However, we believe that all companies with a diverse workforce and an inclusive culture will tend to perform better for shareholders – public or private – and for their other stakeholders. We also believe that if ethnic minorities have equal opportunities for success and fulfilment in business, the corporate world can better play its part in strengthening the cohesiveness of society.

Consistent with the conclusion reached by the FTSE Women Leaders Review, we believe there is a compelling logic for setting targets for inclusion of ethnic minorities within large private companies – in addition to those set for listed companies – because private companies play a very significant role in the UK economy and society.

We note that large private companies have obligations which go beyond their responsibilities under the Companies Acts. The Wates Principles² – set out in 2018 – have obliged such companies to operate under principles of responsibility, one of which is to enhance the diversity of their employees and senior management teams.

We will therefore be asking 50 of the UK’s largest private companies with reference to turnover and to number of employees³ to provide the

Parker Review with information about their ethnic diversity each year from December 2023 onwards. We will use the same group of companies as the FTSE Women Leaders Review. We have been influenced by the success of the Women Leaders Review in defining a set of the largest 50 UK private companies and gathering data on gender diversity from them. We compliment it on its progress here and will be following a similar path.

We are therefore setting 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, and to provide targets for the percentage of ethnic minority individuals within senior management in the same way proposed in this Report for FTSE 350 Companies.

We encourage other private companies over time to adopt a similar approach, and we believe they will be influenced by pressure from their stakeholders to meet best practice.

Employee self-identification

If companies are to be successful in ensuring fairness in their organisations and in increasing the numbers of people from ethnic minority communities who have successful, fulfilling careers, they will need access to the relevant data. They need to know who is joining the business; who is leaving; who is progressing; and why. Without the data, there is a danger that the whole conversation can become too anecdotal, with the result that talent management and succession planning processes become flawed.

We believe that companies therefore need to work hard to encourage as many of their employees as possible to self-declare their ethnicity. If the data is available to guide decision-taking, companies are likely to be more successful.

We have looked at best practices in this field and have a number of suggestions for companies to adopt if they are to deliver on the recommendations of this Review. We hope that such suggestions will help companies to put more effective systems and processes in place for data gathering.

¹ Navigating barriers to senior leadership for people from minority ethnic groups in FTSE 100 and FTSE 250 companies (frc.org.uk)

² Wates-Corporate-Governance-Principles-for-LPC-Dec-2018.pdf (frc.org.uk)

³ FTSE Women Leaders Review 2022

In summary: our targets and approach

The Review has set a series of voluntary targets and dates by which these should be achieved. Targets now extend beyond Board level, to include senior management, and beyond listed companies, to include a selection of 50 private companies. Our targets, including expectations and approach are summarised on the following page:



FTSE 100

Parker Review – Report Year	2017	2023
Management level	Board	Senior management*
Date to set target	Not applicable	December 2023
Date to meet target	December 2021	December 2027
Further information	We will start to collect company targets in our 2023 survey. We expect companies to report this target in their Annual Reports published in 2024.	

FTSE 250

Parker Review – Report Year	2017	2023
Management level	Board	Senior management*
Date to set target	Not applicable	December 2023
Date to meet target	December 2024	December 2027
Further information	We will start to collect company targets in our 2023 survey. We expect companies to report this target in their Annual Reports published in 2024.	

Private companies

Parker Review – Report Year	2023	2023
Management level	Board	Senior management*
Date to set target	Not applicable	December 2024
Date to meet target	December 2027	December 2027
Further information	We will start to collect this data in our 2023 survey.	We will start to collect this data in our 2024 survey.

* We define senior management as members of the Executive Committee (or equivalent) and those senior managers who report directly to them. We refer to these groups as ‘ExCo’ and ‘ExCo minus one.’ This definition aligns with that of the FTSE Women Leaders Review.

2

Introduction

In last year's report, we looked 'behind the headlines' of the number of ethnic minority directors on listed companies' boards. We highlighted some issues within the context of FTSE board representation which are worth examining and should be addressed to make meaningful progress on ethnic diversity in business:

a. The great majority of ethnic minority directors are in NED roles

Aspirational targets are an effective means to increase the diversity of boards. We have seen success both with ethnic diversity and gender diversity on boards; we also see some challenges. The great majority of board positions held by ethnic minorities are as Non-Executive Directors (NEDs). This is partly because there are typically two to three times as many NEDs as executive directors. However, we also note that there are relatively few people from ethnic minorities in executive director or Chair roles – 31 in FTSE 100 companies and 34 in FTSE 250 companies as of December 2022 – positions which tend to carry more direct influence within companies than those of NEDs.

In the medium-term, if the proportion of executive directors of minority ethnic backgrounds matched the proportion of minority ethnic NEDs, this would demonstrate that equal opportunities exist to attain these positions of greater influence. If we reach this position, we believe that Boards will be more inclusive, and inclusive Boards are more likely to deliver the economic benefits of diversity⁴.

b. Companies risk underutilising their minority ethnic talent

The review of Annual Reports suggests to us that many companies view board diversity largely as a recruitment activity rather than a much broader and more impactful talent management activity. For example, initiatives such as including diversity

in executive search firm briefings and requiring diverse shortlists are reported more frequently in Board diversity policies than in their discussions of talent management and succession planning¹.

The slower rate of progress in board executive roles may in part be because there has been little time for companies to develop their minority ethnic talent to meet the dates of the Review's targets (2021 and 2024). The number of these positions is also often restricted to CEO and CFO roles.

A greater focus on the pipeline of ethnic minority executives would help to address this challenge. Commitment to and investment in the internal executive pipeline should at least match external recruitment activities. This approach would help to avoid the possibility of some companies underutilising their internal ethnic minority talent and it would broaden the ethnic minority candidate pool for executive roles. As a result, this would also grow the number of ethnic minority executives with the experience to assume NED positions at other companies.

c. Progress will be aided by improved data on the outcomes of different ethnic minority groups

This year, we have been able to collect data on the ethnicities of ethnic minority directors. Previously, we did not have the authoritative data one way or another to examine the perception that there seemed to be a higher proportion of Asian directors than was the case for Black directors. The data now supports this perception to some degree.

⁴ FRC Board Diversity and Effectiveness in FTSE 350 Companies (london.edu)

While Asian individuals comprise 51% of the ethnic minority population in England and Wales, Asian directors currently hold 58% of minority ethnic director positions in the FTSE 350. Black individuals comprise 22% of the ethnic minority population in England and Wales and hold 15% of directorships in the FTSE 350. A further breakdown of directors' demographics is provided in section 5.

The quality of ethnicity data to support such observations is a persistent challenge that businesses face. Better quality ethnicity data will enable a better understanding of which groups within the broader ethnic minority category are doing better or less well in business. Importantly, this data should be examined across the career lifecycle to understand and address disparities in outcomes at critical career stages.

d. Progress in representation for one demographic should not be seen as 'diluting' another

Research from London Business School and the FRC shows that personality and "diversity of thought" characterises diversity for most directors. Perhaps unsurprisingly, gender comes next, followed by other demographics including race and ethnicity¹. This prioritisation has existed for a long time and many companies continue to report on Board diversity in that order. While this mimics the chronology in which diversity work has developed, this approach can lead people to believe that increasing representation for one demographic risks dilution of another demographic.

We would like to encourage companies to think more comprehensively about diversity, recognising it as representation of a broad range of demographics, many of which can be overlapping. We recognise that many listed companies – already required to report on both gender and ethnicity – will be thinking in this way. It is interesting to note that ethnic minority directors in the FTSE 350 are currently balanced almost equally between men and women, with 48% being women.



Scope of this year's Review

In our March 2022 report, we reaffirmed our objectives to:

- Increase the ethnic diversity of UK boards
- Develop candidates for the pipeline and for executive succession
- Enhance transparency and disclosure

Since March 2022, we have been considering what else we might do to best achieve our objectives. We recognise that equality of opportunity goes beyond board level representation and requires fair access to opportunities across the business. This means that fair access is required across all levels, including but not limited to the board, and across all sectors, including but not limited to listed companies.

There has therefore been an impetus to extend the scope of the Review. In doing so, we believe that we will make greater progress on our objectives and help to address the issues highlighted above more effectively. These changes will enhance the ability of businesses to deliver the economic value of diversity. It will also mean that business is playing its part in building a more cohesive and fairer society.

We have prioritised two ways in which we will extend the scope of this Review to encourage equal access for all ethnicities in business:

1. Introduce targets for ethnic diversity in senior management (see section 3)

We aim to encourage companies to take a more active approach to ensure equal opportunities in their senior management. We plan to do this by asking them to set and achieve targets for ethnic diversity at senior management level. We believe that this approach will help to address some of the issues that we have highlighted, including the need to build the executive pipeline.

2. Extend targets for ethnic diversity to large private companies (see section 4)

We recognise that listed companies represent a limited proportion of the UK business sector and the economy. Consistent with the ambition of the FTSE Women Leaders Review, we will therefore be asking some larger private companies to set ethnicity targets and to report on their progress. Given the success of this Review in helping to diversify listed company boards from an ethnicity perspective to date, we are confident that this extension will encourage further progress towards equal opportunities in the senior levels of private companies as well.

3

Targets for ethnic diversity in senior management



We ask that all FTSE 350 listed companies publicly report a target for ethnic diversity of their senior management team. This would be a target which should be achieved by the end of 2027.

With the aim of increasing equality of opportunity in business, the Parker Review started with targets for the board. This has had the benefit of bringing the conversation and subsequent calls to action to the very top of business. However, concentrating on the board alone has significant limitations. The board represents a very small portion of a business, and in some cases the board and its culture can be one step removed from the culture of the wider company. In addition, the diversification of the board can be achieved through the

appointment of non-executive directors rather than the development of a pipeline of internal talent for executive roles.

We believe that setting ethnicity targets for senior management will increase the likelihood of equal access to opportunities for minority ethnic executives across the wider business. We further outline the rationale for this specific broadening of scope on pg20:

A 'One and done' is insufficient to meet our objectives

The consequence of board targets alone can lead to an approach whereby compliance with public targets is prioritised over meaningful diversification at more junior levels. This isolated approach risks creating an environment whereby companies compete for an established but limited pool of ethnic minority directors to meet targets. Such an approach is unsustainable⁵ and would fail to meet the objectives of this Review.

We want to encourage all companies to move beyond the notion that ethnic diversity is a 'one and done' activity on the board alone. We are now at a point where nearly all FTSE 100 companies and at least 60% of FTSE 250 companies have met our board target. We are pleased with this progress, but we are mindful of the risk in some companies that insufficient emphasis may be being placed on their management teams. Equal opportunity on the board is an encouraging development and a visible sign of change, but not an end goal.

B Voluntary targets for ethnicity have been effective for increasing diversity at Board level

We have seen the positive impact of voluntary target-setting in the UK for board diversity. For example, FTSE 100 listed companies have increasingly cited the Review's target of at least "One by '21" in their board diversity policy, often attributing diversification of their board to the actions that they have taken to meet the target⁶. We believe that our recommendation to extend this approach to senior management can be similarly impactful in encouraging companies to diversify their senior management: defined as the Executive Committee and those senior managers who report directly to them (i.e., 'minus one' level).

In our view, targets have been largely effective because they encourage consensus around a clear milestone. Agreement amongst stakeholders on the specific next goal helps to focus the mind and conversations about strategy, activity, and initiatives that will deliver progress. Importantly, progress towards a target can be measured. The setting of a date to achieve such targets also allows for timely and impactful interventions by companies and their boards where sufficient progress is not being made⁷.

C Strengthening the pipeline will increase equal opportunities in executive roles

Ethnic minority representation in executive roles is important to ensure equal opportunities for all roles, including those of greatest influence. We believe that the best way to achieve equal opportunity in executive roles is through pipeline building. Typically, companies have faced challenges with converting the pipeline from middle management into more senior roles. We believe that targets for senior management, accompanied by monitoring and reporting, is the best way to address this.

We recognise that, while helpful, the setting of a target by itself will not deliver results. Companies will need to invest in solutions to meet their targets. Talent and leadership programmes are the most frequently adopted initiatives to achieve these objectives. Targeted programmes for underrepresented groups and minority groups are important to address unequal access to important career insights and opportunities. Such programmes should increase senior management and board readiness.

D A focus on the pipeline can contribute to ethnicity data disclosure

To focus on building their talent pipeline, companies will need to enhance the quality of their ethnicity data. Insight obtained from data will in turn strengthen the ability of a company to further diversify their pipeline, with respect to ethnicity and other dimension of diversity. Greater transparency by companies about their ethnic diversity objectives, particularly when these are linked to their strategic ambitions, should help build the level of trust required for employees to provide self-identification data to their employers. We believe that increased disclosure will better enable companies to take a nuanced approach to ethnicity to explore and address representation and other disparities for ethnic groups within the broader 'ethnic minority' identity. Nuanced insights facilitate actions that can drive change.



⁵ Understanding approaches to D&I in financial services | FCA

⁶ Parker Review 2020

⁷ Cranfield Female FTSE Board Report 2020

Census 2021 Areas of the UK by Ethnicity:

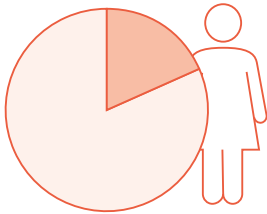
	Asian %	Black %	Mixed %	Other %	White %
East Midlands	8.0	2.7	2.4	1.3	85.7
East of England	6.4	2.9	2.8	1.4	86.5
London	20.7	13.5	5.7	6.3	53.8
North East	3.7	1.0	1.3	1.0	93.1
North West	8.4	2.3	2.2	1.5	85.6
South East	7.0	2.4	2.8	1.5	86.3
South West	2.8	1.2	2.0	0.9	93.1
Wales	2.9	0.9	1.6	0.9	93.9
West Midlands	13.3	4.5	3.0	2.1	77.0
Yorkshire and The Humber	8.9	2.1	2.1	1.4	85.4
Northern Ireland	1.6	0.6	0.8	0.3	96.6
Scotland*	2.7	0.7	0.4	0.3	96.0

*Scotland 2011 Census – Ethnicity

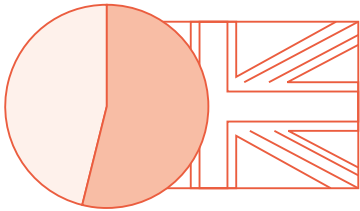
How will ethnic diversity targets for senior management be set and reported?

In contrast with gender representation, ethnic diversity and ethnic minority representation is regionally inconsistent across the UK. Overall, the latest census data show that ethnic minorities comprised about 17% of the UK population in 2021. Regionally, London is the most ethnically diverse with 54% of the population identifying as white, whereas this group comprised 77% of the population in the West Midlands and 93% in the North-East.

This distribution means that the size of the ethnic minority employee population relative to the total employee population, and wider population, can vary significantly across regions. In addition, companies with an international footprint tend to find even greater disparities between different countries. This relationship also varies across industry.



Overall, the latest census data show that ethnic minorities comprised about 17% of the UK population in 2021



London is the most ethnically diverse with 54% of the population identifying as white

whereas this group comprised 77% of the population in the West Midlands and 93% in the North-East.

Differences in ethnic minority representation make it in practice impossible to promote one fixed target for senior management across the UK. We also believe that, for the reasons stated, this approach would be unfair.

We therefore propose that companies set their own ethnic diversity targets for senior management. Our request of FTSE 350 companies is that, by December 2023, they set a percentage target for ethnic minorities in their senior management teams to be achieved by December 2027 and that they report this target to the Parker Review.

The target date of 2027 will give companies nearly five years to implement a strategy and associated initiatives which will help them to increase opportunities for ethnic minority executives within their executive pipeline, ensuring they are fully in line with those for other executives.

In setting their targets, we recommend that companies consider a range of relevant data points: the most recent census data on ethnic diversity in the regions and countries in which their senior management is located; the ethnic diversity of the company’s sector; current senior management ethnic diversity; the ethnic diversity of the talent pipeline or wider market; and any other relevant matters.

We will start to collect companies’ targets for ethnic diversity in senior management in the context of our 2023 survey, which will go out to companies in the Autumn for completion by 31 December 2023. Based on our consultations with over 30 listed companies, we believe that many listed companies will be in a position to share their targets by this date. However, we recognise that this may be too short a timeframe for some companies. We therefore ask that all FTSE 350 companies set out their target, with relevant background and context, for the ethnic diversity of their senior management team in the Annual Report they publish during 2024.

This target should capture the percentage of executives in their senior management who self-identify as being of an ethnic minority. We ask that companies provide their targets and progress to the Parker Review annually, as well as reporting these figures in their Annual Reports.

To keep the reporting requirement to a minimum, the request to FTSE 350 companies is that, alongside the percentage target, just two numbers are shared annually with the Parker Review. These numbers are:

- 1. The number of people within senior management
- 2. The number of people within senior management who self-identify as being of an ethnic minority

We define senior management as members of the Executive Committee (or equivalent) and those senior managers who report directly to them. We refer to these groups as ‘ExCo’ and ‘ExCo minus one.’

We recognise that some companies define senior management differently than our definition and may have set targets for a larger group. The Review is not seeking to ask companies to re-define their own definition of senior management, and so companies can continue to use a wider definition of senior management than ours of ‘ExCo’ and ‘ExCo minus one’ if that is important to them. However, we recommend that if at all possible companies align their approach with ours. Where companies use a wider definition of senior management, we would expect them to set out their approach in their Annual Reports.

Our request of FTSE 350 companies is that, by December 2023, they set a percentage target for ethnic minorities in their senior management teams to be achieved by December 2027 and that they report this target to the Parker Review.

The target date of 2027 will give companies nearly five years to implement a strategy and associated initiatives which will help them to increase opportunities for ethnic minority executives within their executive pipeline, ensuring they are fully in line with those for other executives.

4

Targets for ethnic diversity in large private companies



We ask that the largest 50 private companies (as defined by the FTSE Women Leaders Review) set targets and report their Board and senior management ethnic diversity over time in line with FTSE 350 targets.

The purpose of the Parker Review is to encourage businesses to have a diverse and inclusive organisation because that is likely, over time, to enhance their financial performance. It is also for business to play its part in enhancing the cohesiveness of society by helping to ensure that people from ethnic minorities have equal opportunities for success and a fulfilling career in business.

We believe that extending our targets and reporting recommendation to private companies will increase the likelihood that equal opportunities for ethnic minority executives are available across a larger proportion of UK business. The top 100 private companies employ more than one million people in the UK and generated £237 billion in sales in 2020³. Extending the Parker Review to include a significant portion of this group will move us closer to meeting our objectives. We further outline the rationale for this specific broadening of scope below:

A Voluntary targets have been effective for increasing listed companies' Board ethnic diversity

As outlined in the previous section, setting Board targets for ethnic diversity for the FTSE 350 has helped drive progress. Alongside initiatives such as the FTSE Women Leaders Review, success in diversifying Boards for publicly listed companies in the UK has been attributed to this agenda. We believe that the combination of voluntary targets and public reporting has aided this development, helping to accelerate what many listed companies were already working towards. We are confident that many private companies share our ambition to promote equal opportunities. We believe therefore that they will benefit from the enhanced focus and spotlight that targets and reporting at senior levels brings to a business in creating greater equality of opportunity.

B Diversity is increasingly required for responsible business and regulatory requirements

A 2018 FRC consultation, chaired by James Wates CBE, established a set of principles² for large private companies that addressed the need for greater transparency and accountability not covered in the UK Corporate Governance Code. On diversity, the principles for private companies state that:

- Appointments to the Board should promote diversity in line with protected characteristics within the Equalities Act 2010
- An effective Board should demonstrate that there has been a considered effort to establish an appropriate balance of expertise, diversity, and objectivity
- A policy on diversity and inclusion aligned to company strategy can support appointments to the Board and succession planning
- Such a policy should also consider targets and aspirations promoted by Government and industry initiatives or expert reviews

The targets that we recommend for private companies, including for the board and senior management, fit well with the Wates principles.

Additionally, in 2023, we expect to see further progress on the establishment of a new regulator; the *Audit, Reporting and Governance Authority* (ARGA) as part of the Audit & Corporate Governance Reform Package. Noteworthy for many large private companies is the expansion of the definition a 'public interest entity' (PIE) to include companies with a turnover of £750m or more and which also have 750 employees or more. Such companies will be regulated by ARGA.

We therefore note that aligning private companies to the requirements of listed companies on ethnic diversity is in line both with the principles of responsibility and with the reality of coming regulatory change.

We have not proposed targets for the large number of companies which will meet these PIE criteria, which is estimated to be approximately 600 private companies. We do not have sufficient resources to gather data for this number of companies. In due course it will fall to ARGA to consider what obligations these unlisted companies should have in terms of ethnicity reporting and targets.

C We have an opportunity to share best practice

The concept of ethnic diversity targets for senior management is not a new one for UK businesses. For example, the CBI's Change the Race Ratio initiative requires its signatories to meet the Parker Review target and already goes beyond that to include targets for senior management as well, also defined as ExCo and ExCo 'minus one.' A number of the largest 50 private companies identified by the FTSE Women Leaders Review are already signatories of Change the Race Ratio. A few of these companies also report their voluntary ethnicity pay gap. This type of reporting suggests that ethnicity data in these companies is sufficient at a minimum.

We believe that the inclusion of leading private companies will encourage further progress both for those companies already working on this agenda and those that are not. It also stimulates the opportunity to share best practice from private companies that are already leading in creating equal opportunities.

How will ethnic diversity targets and reporting for private companies be set and reported?

For consistency in approach and ease of reporting, we are adopting the FTSE Women Leaders Review's definition of 50 large private companies. This means that such companies will be requested to report on ethnic diversity and representation in senior leadership in a similar way as they have been requested to do for gender. We believe that this approach will minimise reporting requirements and avoid the complexities of deriving a list through a different means. As the regulatory landscape evolves in future, we will seek to revisit this list and assess its suitability relative to using the much broader PIE definition (point b left).

We ask that the 50 large private companies on the list seek to bring themselves in line with the targets of the Review for FTSE 350 listed companies by December 2027. This means that we are requesting that the 50 private companies:

- Have at least one director on their main board who self-identifies as being from an ethnic minority by December 2027,
- Set an ethnicity target by December 2024 for their senior management team – a target which would be designed to be met by December 2027 (see section 3 above on senior management targets), and
- Report progress against their targets annually in their company reports and to the Parker Review



We recognise that the structure of private companies may not be wholly comparable to listed companies. In particular, there are many private companies where the main board is composed of fewer people than comparable listed companies and where there are few non-executive directors. As a result, observers may be more interested in the percentage of their senior management teams who are from ethnic minorities than the numbers on their boards."

50 large private companies that seek to bring themselves in line with the conclusions of the Review for FTSE 350

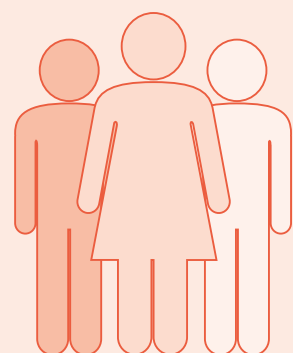
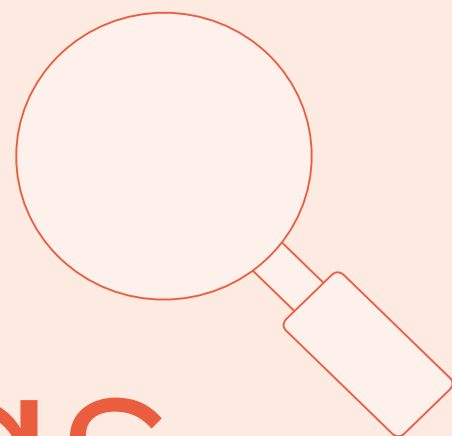
Company Name	
2 Sisters Food Group Ltd	John Lewis Partnership Plc
A.F. Blakemore & Son Ltd	John Swire & Sons Ltd
Accenture (UK) Ltd	KCA DEUTAG Drilling Group Ltd
Allen & Overy LLP	KPMG LLP
Amalgamated Holdings Wilkinson Ltd	Laing O'Rourke Corp Ltd
Anglian Water Group Ltd (AWG)	Linklaters LLP
Arnold Clark Automobiles Ltd	M Group Services Ltd
Arup Group Ltd	Mace Group Ltd
Avara Foods Ltd	Marshall Group Properties Ltd
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
CDS (Superstores International) Ltd (The Range)	Nationwide Building Society
City Facilities Management Holdings Ltd	New Look Ltd
Colt Group Holdings Ltd	Pentland Group Ltd
Deloitte LLP	PricewaterhouseCoopers LLP (PwC)
DLA Piper International LLP	Rubix Group International Ltd
EG Group Ltd	Samworth Brothers (Holdings) Ltd
Ernst & Young LLP	Specsavers Optical Group Ltd
FGP Topco Ltd (Heathrow Airport)	Thames Water Utilities Ltd
Freshfields Bruckhaus Deringer LLP	The Co-Operative Group Ltd
Hermes Parcelnet Ltd (Evri)	Virgin Atlantic Ltd
INEOS Ltd	VMED O2 UK Ltd (Virgin Media O2)
J C Bamford Excavators Ltd (JCB)	Wolseley UK Ltd

* The FTSE Women Leaders Review has determined the criteria for the Top 50 list of the largest private companies to be those companies that have an annual turnover in excess of £1 billion and an employee workforce in excess of 4000 employees. In addition, the company needs to be headquartered in the UK, with neither the company, nor the parent organisation listed on any UK or overseas stock exchange. The company will also make a significant contribution to UK business and the economy and/or have a significant UK consumer profile.



Key findings

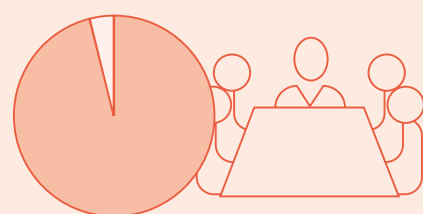
Key findings



324 Companies Responded – all of the FTSE 100 and 224 of the FTSE 250.

The census demonstrates that ethnic diversity in FTSE 350 boards is increasing.

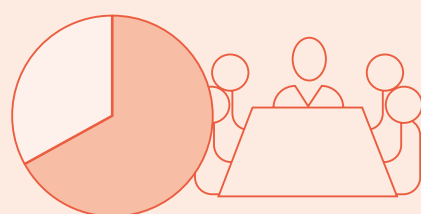
FTSE 100



96 out of 100 companies (96%) met the target.

Of these 96 companies, 49 have exceeded the target by having more than one ethnic minority director on their Board.

FTSE 250

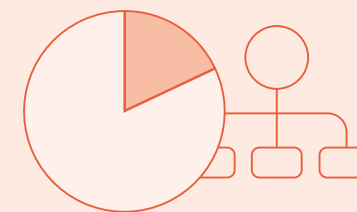


149 out of 224 companies who submitted data (67%) currently meet the December 2024 target.

This number represents 60% of all FTSE 250 companies. Of these 149 companies, 28 have already exceeded the target of the Review with these companies having more than one ethnic minority director.

If we exclude the 85 Investment Trust companies in the FTSE 250, 113 of the 165 trading companies in the FTSE 250 which have reported have already met the target of the Review. This represents 73% of those companies.

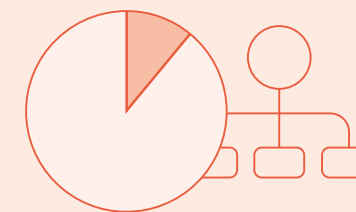
FTSE 100



There were 178 ethnic minority directors, representing 190 director positions.

This represents 18% of all director positions. There are **six** ethnic minority directors who occupy positions of Chair, **seven** who are CEOs, **nine** who occupy the position of CFOs and **nine** occupying other executive directorships. The remaining positions are NEDs.

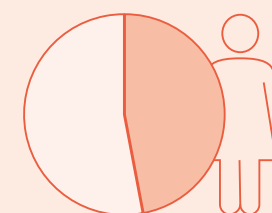
FTSE 250



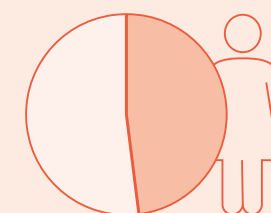
By coincidence, there were the same number of ethnic minority directors in the FTSE 250 as the FTSE 100 (178).

These 178 FTSE 250 directors held 188 director positions, representing 11% of all director positions.

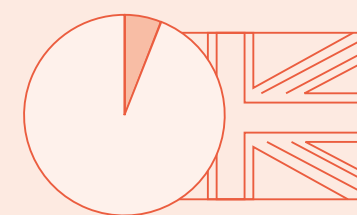
There are **five** ethnic minority directors who occupy positions of Chair, **14** who are CEOs, and **10** who occupy the position of a CFOs and **five** occupying other executive directorships.



47% of ethnic minority directors in the FTSE 100 are women.

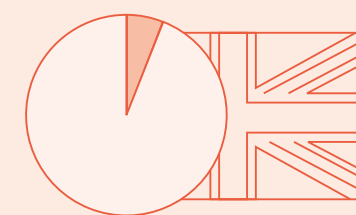


48% of ethnic minority directors in the FTSE 250 are women.



63 out of the 178 ethnic minority directors are British citizens,

representing 6% of all director positions. This figure includes 14 who have dual or multiple nationalities, including British.



100 out of the 178 ethnic minority directors are British citizens,

representing 6% of all director positions. This figure includes 16 who have dual or multiple nationalities, including British.

Progress in the FTSE 100

Although the target date for companies in the FTSE 100 to meet the target of one or more ethnic minority director per board was December 2021, we continue to monitor progress beyond. As with last year, all FTSE 100 companies have submitted their data to the Parker Review, representing a 100% response rate. There are now 96 out of the 100 companies that have met the target of one director from a minority ethnic group on the Board. This is an increase of **seven** companies on the results from last year. The outcome demonstrates continued engagement with the Review and a high level of success against targets.

Response rates and overall findings

1. The data collected was on the ethnic composition of FTSE 100 Boards as of 31 December 2022⁸.
2. All 100 of the FTSE 100 companies responded to our voluntary census, with every company providing sufficient data to be able to discern whether or not they had met the target. This reflects the outstandingly positive nature of engagement with the Review from companies in the FTSE 100.

FTSE 100 companies meeting the target

	2022	2021	2020
Companies meeting target	96	89	74
Companies not meeting target	4	11	21
Companies not responding	0	0	5
% Met (Base: Known Companies)	96%	89%	78%

Number of directors from minority ethnic groups in the FTSE 100

	2022	2021	2020
Total number of directors	1,064	1,056	998
Number of minority ethnic directors	178	155	118
Number of minority ethnic directorships	190	164	124
% of directorships held by minority ethnic directors	18%	16%	12%

⁸ Board compositions may have changed since the publication of this Report. The FTSE 100 list used is that following the December 2022 rebalancing.

3. Across the FTSE 100 responses, 96 of the 100 companies (96%) met the target, while four of the 100 companies (4%) have not done so.
4. Of these four companies, one of them, Homeserve, is no longer in the FTSE 100 following its acquisition in January 2023.
5. When comparing 2022 with 2021, there has been a 7 percentage points increase, with 96 out of 100 companies (96%) meeting the target in 2022 compared with 89 out of 100 (89%) in 2021.

Profile of directors, Chairs, CEOs and CFOs

6. In the FTSE 100, there are 178 ethnic minority directors holding 190 director positions. In other words, some of these individuals are directors of more than company. The number of positions held by ethnic minorities accounts for 18% of all 1,064 positions and represents a two percentage point increase from 2021 when there were 164 out of 1,056 positions in the FTSE 100 held by a director from a minority ethnic group (16%).
7. Of these 178 seats, there were **six** people from ethnic minorities who held the position of Chair; **seven** who were CEOs; **nine** who were CFOs and there were **nine** other executive directors. The other positions were NEDs. This means that there has been a growth of the aggregate number of ethnic minority Chairs and Executive Directors from 22 to 31 in the last year. An increase in the number of Chairs represents three of the nine and a rise in the number of Executive Directors represents the other six.

8. It should be noted that eight individuals hold seats on Boards in both the FTSE 100 and FTSE 250 and thus will have been counted in both the numbers for FTSE 100 and FTSE 250 directors.
9. Of the 96 companies in the FTSE 100 who met the target, 47 of these companies had one ethnic minority director, 27 had two ethnic minority directors and 22 had more than two ethnic minority directors. Across the FTSE 100, 49 companies have exceeded the target of having one director from a minority ethnic group on their Board.

Number of companies in the FTSE 100 that have met or exceeded the target

	Number of Companies	Percentage of FTSE 100
Companies that have met the target	96	96%
Companies with one minority ethnic director	47	47%
Companies with two minority ethnic directors	27	27%
Companies with more than two minority ethnic directors	22	22%

Analysis by gender

10. Of all Board positions held by ethnic minority directors across the FTSE 100, 83 are held by women, comprising 47% of minority ethnic directors. In 2021, across the FTSE 100, 76 directorships were held by women, comprising 49% of ethnic minority director positions in the FTSE 100.

Analysis by Ethnicity

11. Of the 178 directors 98 (55%) were Asian, 30 (17%) were Black, 20 (11%) were Mixed/Multiple Ethnicity, and 30 (17%) were Other Minority ethnic.

UK citizens

12. 63 of the 178 ethnic minority directors in the FTSE 100 were recorded as a UK citizen (35%). British ethnic minority directors held 63 FTSE 100 director positions out of the 1,064 in the FTSE 100. This represents 6% of all positions in the FTSE 100.

Number of minority ethnic female directors in the FTSE 100

	2022	2021	2020
Total ethnic minority directors	178	155	118
Ethnic minority directors that are women	83	76	54
Percentage of ethnic minority directors that are women	47%	49%	46%

Analysis by Ethnicity in the FTSE 100

	FTSE 100 – Percentage
Asian	55%
Black	17%
Mixed/Multiple Ethnicity	11%
Other Minority ethnic	17%

Progress in the FTSE 250

The target for FTSE 250 companies is to have one minority ethnic director by December 2024. As of December 2022, 149 companies have achieved the target – 67% of those reporting. This is an increase of 12 percentage points on the results from last year, demonstrating progress during the year.

Response rates and overall findings

13. In the FTSE 250 this year, 224 out of 250 companies (90%) provided sufficient data to determine whether they have already met the 2024 target. Overall, 149 companies in the FTSE 250 (60%) have already met the target.
14. When comparing 2022 with 2021, there has been a 12 percentage points increase, with 149 out of 224 companies (67%) meeting the target in 2022 compared with 128 out of 233 (55%) in 2021. If considering the whole FTSE 250, including the companies that did not reply, the percentage meeting the target was 60% in 2022 and 51% in 2021.

FTSE 250 companies already meeting the target

	2022	2021
Companies already meeting target	149	128
Companies not yet meeting target	75	105
Companies not responding	26	17
% Met (Base: Known Companies)	66%	55%
% Met out of full FTSE 250	60%	51%

15. 26 companies did not respond to the voluntary census. This includes two companies⁹ that only entered the FTSE 250 in December 2022¹⁰ and had insufficient time to complete the voluntary census for inclusion in this Report and one company which did not want to submit data to the voluntary census.
16. It is unknown whether the 23 further companies in the FTSE 250 who did not respond had met the target. However, as with last year, there may be a social desirability effect in play, where companies which have not met the target being less likely to respond.

Investment Trusts

17. Within the FTSE 250, there are 85 Investment Trusts. Such trusts tend to have fewer overall numbers of directors than other companies and also tend to have fewer employees. Of these 85 Investment Trusts, 16 chose not to submit a response to the voluntary census, resulting in an 81% response rate — lower than the rate of the other companies which was 94%.
18. It should be noted that many Investment Trusts are based outside mainland Great Britain (e.g., in the Channel Islands) where there are fewer residents from ethnic minorities. Their boards often have fewer directors on them than other companies. There has been an increase from 69 to 85 in the number of investment trusts in the FTSE 250 in comparison to last year – a rise of 16 Investment Trusts. The results of the Investment Trust sector therefore influence the overall numbers of the FTSE 250 significantly because they represent 34% of FTSE 250 companies and because they tend to have different characteristics from the trading companies which comprise the other 66%.

Investment Trusts and Trading Companies in the FTSE 250

	Investment Trusts		Trading Companies		Total Companies	
	2022	2021	2022	2021	2022	2021
In the FTSE 250	85	69	165	181	250	250
Providing sufficient information to the Review	69	57	155	176	224	233
That have met the target	36	21	113	107	149	128
% that have met the target from those who have submitted data	52%	37%	73%	61%	67%	55%
% of sub-group meeting the target	42%	30%	68%	59%	60%	51%

The number of minority ethnic directors in the FTSE 250

	2022	2021
Number of minority ethnic directors	178	169
Number of minority ethnic directorships	188	178

19. For the 69 Investment Trusts which provided sufficient data for the 2022 census (those that responded to the voluntary census and responses that are ‘known’), 36 met the target and 33 did not meet the target. This is compared to last year where 23 met the target and 36 did not.
20. If Investment Trusts were not included in the analysis, then the percentage of FTSE 250 firms meeting the target would be 68% rather than 60%. However, for reasons of completeness we have included all these companies in the analysis. The table below shows the key statistics in 2021 and 2022 for each of these two groups of companies.

Profile of directors, Chairs, CEOs and CFOs

21. In the FTSE 250, there are a total of 1,749 director positions, with 188 seats being held by ethnic minority directors. This accounts for 11% of all positions and represents a one percentage point increase from 2021 director positions when there were 178 positions in the FTSE 250 held by ethnic minority directors. Some directors hold seats on Boards in both the FTSE 100 and FTSE 250 and thus will have been counted in both these numbers.

⁹ These companies are Barra (A.G) PLC and RPS Group PLC
¹⁰ The FTSE 250 list used is that following the December 2022 rebalancing

The number of companies in the FTSE 250 that have met or exceeded the target

	Number of companies	Percentage of FTSE 250
Companies that have met the target	149	60%
Companies with one minority ethnic director	121	48%
Companies with two minority ethnic directors	21	8%
Companies with more than two minority ethnic directors	7	3%

22. Of these 188 seats, 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. This means that there has been no change in number of ethnic minority Chairs and Executive Directors, with 34 in both 2022 and 2021. The number of Chairs has remained consistent at five. However, the number of CEOs and CFOs has dropped by five positions altogether, and this has been offset by an increase of five other executive directors.

23. Of the 149 companies in the FTSE 250 which have already met the target, 121 of these companies had one ethnic minority director, 21 had two ethnic minority directors and seven had more than two ethnic minority directors. Across the FTSE 250, 28 companies have exceeded the target of having one director from a minority ethnic group on their Board.

Analysis by Ethnicity

24. Of the 178 directors 107 (60%) were Asian, 23 (13%) Black, 27 (15%) Mixed/Multiple Ethnicity, 19 (11%) Other Minority ethnic and 2 (1%) stated that they would prefer not to say.

Analysis by gender

25. Of all Board positions held by directors from a minority ethnic group across the FTSE 250, 86 are held by women, comprising 48% of ethnic minority directors. In 2021, across the FTSE 250, 73 directorships were held by women, comprising 44% of ethnic minority director positions in the FTSE 250.

UK citizens

26. 100 of the 178 ethnic minority directors in the FTSE 250 were recorded as a UK citizen (56%). British ethnic minority directors held 100 FTSE 250 director positions out of the 1,749 total director positions available in the FTSE 250 (6%).

Analysis by Ethnicity in the FTSE 250

	FTSE 250 – Percentage
Asian	60%
Black	13%
Mixed/Multiple Ethnicity	15%
Other Minority ethnic	11%
Prefer not to say	1%

Number of minority ethnic female directors in the FTSE 250

	2022	2021
Total ethnic minority directors	178	169
Ethnic minority directors that are women	86	73
Percentage of ethnic minority directors that are women	48%	44%



6

Current profile of FTSE 100 and FTSE 250 companies (December 2022)

FTSE 100 companies that have met the target

	Company Name	Target Met
1	3I GROUP PLC	✓
2	ABRDN PLC	✓
3	ADMIRAL GROUP PLC	✓
4	AIRTEL AFRICA PLC	✓
5	ANGLO AMERICAN PLC	✓
6	ANTOFAGASTA PLC	✓
7	ASHTED GROUP PLC	✓
8	ASSOCIATED BRITISH FOODS PLC	✓
9	ASTRAZENECA PLC	✓
10	AUTO TRADER GROUP PLC	✓
11	AVEVA GROUP PLC	✓
12	AVIVA PLC	✓
13	B&M EUROPEAN VALUE RETAIL SA	✓
14	BAE SYSTEMS PLC	✓
15	BARCLAYS PLC	✓
16	BARRATT DEVELOPMENTS PLC	✓
17	BEAZLEY PLC	✓
18	BERKELEY GROUP HOLDINGS PLC	✓
19	BP PLC	✓
20	BRITISH AMERICAN TOBACCO PLC	✓
21	BRITISH LAND CO PLC	✓
22	BT GROUP PLC	✓
23	BUNZL PLC	✓
24	BURBERRY GROUP PLC	✓
25	CENTRICA PLC	✓
26	COCA-COLA HBC AG	✓
27	COMPASS GROUP PLC	✓
28	CONVATEC GROUP PLC	✓
29	CRH PLC	✓
30	CRODA INTERNATIONAL PLC	✓
31	DCC PLC	✓
32	DIAGEO PLC	✓
33	DS SMITH PLC	✓

	Company Name	Target Met
34	ENDEAVOUR MINING PLC	✓
35	ENTAIN PLC	✓
36	EXPERIAN PLC	✓
37	FLUTTER ENTERTAINMENT PLC	✓
38	FRESNILLO PLC	✓
39	GLENCORE PLC	✓
40	GSK PLC	✓
41	HALEON PLC	✓
42	HALMA PLC	✓
43	HARGREAVES LANSDOWN PLC	✓
44	HSBC HOLDINGS PLC	✓
45	IMPERIAL BRANDS PLC	✓
46	INFORMA PLC	✓
47	INTERCONTINENTAL HOTELS GROUP PLC	✓
48	INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA (IAG)	✓
49	INTERTEK GROUP PLC	✓
50	JD SPORTS FASHION PLC	✓
51	KINGFISHER PLC	✓
52	LAND SECURITIES GROUP PLC	✓
53	LEGAL & GENERAL GROUP PLC	✓
54	LLOYDS BANKING GROUP PLC	✓
55	LONDON STOCK EXCHANGE GROUP PLC	✓
56	M&G PLC	✓
57	MELROSE INDUSTRIES PLC	✓
58	MONDI PLC	✓
59	NATIONAL GRID PLC	✓
60	NATWEST GROUP PLC	✓
61	NEXT PLC	✓
62	OCADO GROUP PLC	✓
63	PEARSON PLC	✓
64	PERSHING SQUARE HOLDINGS LTD	✓

	Company Name	Target Met
65	PERSIMMON PLC	✓
66	PHOENIX GROUP HOLDINGS PLC	✓
67	PRUDENTIAL PLC	✓
68	RECKITT BENCKISER GROUP PLC	✓
69	RELX PLC	✓
70	RENTOKIL INITIAL PLC	✓
71	RIGHTMOVE PLC	✓
72	RIO TINTO PLC	✓
73	ROLLS-ROYCE HOLDINGS PLC	✓
74	RS GROUP PLC	✓
75	SAGE GROUP PLC	✓
76	SAINSBURY(J) PLC	✓
77	SCHRODERS PLC	✓
78	SCOTTISH MORTGAGE INVESTMENT TRUST PLC	✓
79	SEGRO PLC	✓
80	SEVERN TRENT PLC	✓
81	SHELL PLC	✓
82	SMITH & NEPHEW PLC	✓
83	SMITHS GROUP PLC	✓
84	SMURFIT KAPPA GROUP PLC	✓
85	SPIRAX-SARCO ENGINEERING PLC	✓
86	SSE PLC	✓
87	ST JAMES'S PLACE PLC	✓
88	STANDARD CHARTERED PLC	✓
89	TAYLOR WIMPEY PLC	✓
90	TESCO PLC	✓
91	UNILEVER PLC	✓
92	UNITED UTILITIES GROUP PLC	✓
93	VODAFONE GROUP PLC	✓
94	WEIR GROUP PLC (The)	✓
95	WHITBREAD PLC	✓
96	WPP PLC	✓

Companies that have not met the target

- 1 F&C INVESTMENT TRUST PLC
- 2 FRASERS GROUP PLC
- 3 HOMESERVE PLC*
- 4 UNITE GROUP PLC (THE)

* This company has delisted from the FTSE 100 following its acquisition in January 2023





FTSE 250 companies that have
already met the December 2024 target

	Target Met	Already Met
1	4IMPRINT GROUP PLC	✓
2	888 HOLDINGS PLC	✓
3	ABERFORTH SMALLER COMPANIES TRUST PLC	✓
4	ABRDN PRIVATE EQUITY OPPORTUNITIES TRUST PLC	✓
5	ALLIANCE TRUST PLC	✓
6	ALLIANZ TECHNOLOGY TRUST PLC	✓
7	ASCENTIAL PLC	✓
8	ASTON MARTIN LAGONDA GLOBAL HOLDINGS PLC	✓
9	AUCTION TECHNOLOGY GROUP PLC (ATG)	✓
10	BBGI GLOBAL INFRASTRUCTURE SA	✓
11	BELLEVUE HEALTHCARE TRUST PLC	✓
12	BIFFA PLC	✓
13	BIG YELLOW GROUP PLC	✓
14	BLACKROCK THROGMORTON TRUST PLC	✓
15	BLACKROCK WORLD MINING TRUST PLC	✓
16	BODYCOTE PLC	✓
17	BRITVIC PLC	✓
18	C&C GROUP PLC	✓
19	CAPITAL & COUNTIES PROPERTIES PLC	✓
20	CAPRICORN ENERGY PLC	✓
21	CARNIVAL PLC	✓
22	CENTAMIN PLC	✓
23	CITY OF LONDON INVESTMENT TRUST PLC	✓
24	CLARKSON PLC	✓
25	CLOSE BROTHERS GROUP PLC	✓
26	COATS GROUP PLC	✓
27	COMPUTACENTER PLC	✓
28	CRANSWICK PLC	✓

	Target Met	Already Met
29	CURRYS PLC	✓
30	DERWENT LONDON PLC	✓
31	DIRECT LINE INSURANCE GROUP PLC	✓
32	DISCOVERIE GROUP PLC	✓
33	DOMINO'S PIZZA GROUP PLC	✓
34	DR MARTENS PLC	✓
35	DRAX GROUP PLC	✓
36	DUNELM GROUP PLC	✓
37	EASYJET PLC	✓
38	ELEMENTIS PLC	✓
39	ENERGEAN PLC	✓
40	ESSENTRA PLC	✓
41	FDM GROUP (HOLDINGS) PLC	✓
42	FIDELITY CHINA SPECIAL SITUATIONS PLC	✓
43	FIDELITY EUROPEAN TRUST PLC	✓
44	FIDELITY SPECIAL VALUES PLC	✓
45	FINSBURY GROWTH & INCOME TRUST PLC	✓
46	FIRSTGROUP PLC	✓
47	GCP INFRASTRUCTURE INVESTMENTS LTD	✓
48	GENUS PLC	✓
49	GRAFTON GROUP PLC	✓
50	GRAINGER PLC	✓
51	GREAT PORTLAND ESTATES PLC	✓
52	GREGGS PLC	✓
53	HAMMERSON PLC	✓
54	HARBOUR ENERGY PLC	✓
55	HAYS PLC	✓
56	HELIOS TOWERS PLC	✓
57	HICL INFRASTRUCTURE PLC	✓
58	HIKMA PHARMACEUTICALS PLC	✓
59	HILL & SMITH HLDGS PLC	✓

	Target Met	Already Met
60	HIPGNOSIS SONGS FUND LTD	✓
61	HISCOX LTD	✓
62	IBSTOCK PLC	✓
63	IG GROUP HOLDINGS PLC	✓
64	IMI PLC	✓
65	IMPAX ENVIRONMENTAL MARKETS PLC	✓
66	INCHCAPE PLC	✓
67	INTEGRAFIN HOLDINGS PLC	✓
68	INTERMEDIATE CAPITAL GROUP PLC	✓
69	INTERNATIONAL DISTRIBUTIONS SERVICES PLC	✓
70	IP GROUP PLC	✓
71	ITV PLC	✓
72	JOHNSON MATTHEY PLC	✓
73	JPMORGAN AMERICAN INVESTMENT TRUST PLC	✓
74	JPMORGAN EMERGING MARKETS INVESTMENT TRUST PLC	✓
75	JPMORGAN EUROPEAN DISCOVERY TRUST PLC	✓
76	JPMORGAN INDIAN INVESTMENT TRUST PLC	✓
77	JPMORGAN JAPANESE INVESTMENT TRUST PLC	✓
78	JUPITER FUND MANAGEMENT PLC	✓
79	JUST GROUP PLC	✓
80	LAW DEBENTURE CORP PLC	✓
81	LIONTRUST ASSET MANAGEMENT PLC	✓
82	LXI REIT PLC	✓
83	MAN GROUP PLC	✓
84	MARKS & SPENCER GROUP PLC	✓
85	MARSHALLS PLC	✓
86	MEDICLINIC INTERNATIONAL PLC	✓
87	MICRO FOCUS INTERNATIONAL PLC	✓

	Target Met	Already Met
88	MITIE GROUP PLC	✓
89	MONEYSUPERMARKET.COM GROUP PLC	✓
90	MONKS INVESTMENT TRUST PLC	✓
91	MOONPIG GROUP PLC	✓
92	MORGAN ADVANCED MATERIALS PLC	✓
93	MORGAN SINDALL GROUP PLC	✓
94	MURRAY INCOME TRUST PLC	✓
95	NATIONAL EXPRESS GROUP PLC	✓
96	NCC GROUP PLC	✓
97	NETWORK INTERNATIONAL HOLDINGS PLC	✓
98	NINETY ONE PLC	✓
99	OSB GROUP PLC	✓
100	OXFORD INSTRUMENTS PLC	✓
101	PARAGON BANKING GROUP PLC	✓
102	PENNON GROUP PLC	✓
103	PETERSHILL PARTNERS PLC	✓
104	PETS AT HOME GROUP PLC	✓
105	PLAYTECH PLC	✓
106	PLUS500 LIMITED	✓
107	PREMIER FOODS PLC	✓
108	PRIMARY HEALTH PROPERTIES PLC	✓
109	PURETECH HEALTH PLC	✓
110	PZ CUSSONS PLC	✓
111	QUILTER PLC	✓
112	RATHBONES GROUP PLC	✓
113	REDDE NORTHGATE PLC	✓
114	RIT CAPITAL PARTNERS PLC	✓
115	ROTORK PLC	✓
116	SAVILLS PLC	✓
117	SCHRODER ASIA PACIFIC FUND PLC	✓
118	SCHRODER ORIENTAL INCOME FUND PLC	✓
119	SDCL ENERGY EFFICIENCY INCOME TRUST PLC	✓

	Target Met	Already Met
120	SEQUOIA ECONOMIC INFRASTRUCTURE INCOME FUND LTD	✓
121	SERCO GROUP PLC	✓
122	SHAFTESBURY PLC	✓
123	SIRIUS REAL ESTATE LTD	✓
124	SOFTCAT PLC	✓
125	SPECTRIS PLC	✓
126	SPIRE HEALTHCARE GROUP PLC	✓
127	SPIRENT COMMUNICATIONS PLC	✓
128	SSP GROUP PLC	✓
129	SYNCONA LTD	✓
130	SYNTHOMER PLC	✓
131	TATE & LYLE PLC	✓
132	TBC BANK GROUP PLC	✓
133	TEMPLE BAR INVESTMENT TRUST PLC	✓
134	TEMPLETON EMERGING MARKETS INVESTMENT TRUST PLC	✓
135	TP ICAP GROUP PLC	✓
136	TRAINLINE PLC	✓
137	TRAVIS PERKINS PLC	✓
138	TRITAX BIG BOX REIT PLC	✓
139	TUI AG	✓
140	VESUVIUS PLC	✓
141	VIETNAM ENTERPRISE INVESTMENTS LTD (VEIL)	✓
142	VIRGIN MONEY UK PLC	✓
143	VOLUTION GROUP PLC	✓
144	WATCHES OF SWITZERLAND GROUP PLC	✓
145	WETHERSPOON(J.D.) PLC	✓
146	WH SMITH PLC	✓
147	WITAN INVESTMENT TRUST PLC	✓
148	WORKSPACE GROUP PLC	✓
149	WORLDWIDE HEALTHCARE TRUST PLC	✓



Methodology

1. Data on companies' directors was obtained through an online voluntary census of all FTSE 350 firms. A letter was addressed to the Chair and CEO of each company and sent to the chair and other relevant positions. Ongoing engagement with companies was undertaken to promote maximum response. Data was collected between October 2022 and January 2023 with companies asked to provide details on their Boards correct as at 31 December 2022.
2. Questions in the voluntary census covered a screening question to ensure directors had consented to their information being processed in line with the Review's Privacy Notice, which set out how data would be used; company details; the total number of directors and the self-identified ethnicity of each; and, for directors identifying as ethnic minorities, questions to record their name, function, gender, nationality, and any other FTSE 350 Boards on which the director sits.
3. The ethnicity categories offered to respondents were based on the ONS classification and included: Asian, Black, Mixed/multiple ethnic groups, Other ethnic groups, White, and Prefer not to say (PNS). This is the same as the 2022 Report's survey, which was also based on ONS classifications.
4. Directors are defined as all non-executive and executive directors appointed to the Board. A director was defined as from a minority ethnic group if they identified as Asian, Black, Mixed or Other, with the option to describe the Other group. If a director was identified as White or PNS, they were not counted as a minority ethnic director.
5. With the exception of the 2021 Report, results from the full FTSE 350 are not fully comparable to previous years. This is because the current methodology differs from that used to collect data for the 2017 Parker Review Report, and the 2018 press release; the latter relying on assumed ethnicities, based on analysis of director names, photographs, biographical data from databases, and, where necessary, additional data obtained from open sources. This mode of obtaining data is no longer used due to GDPR restrictions.

7

Best practice on ethnicity self-identification



Our aim in this section is to share lessons learned and best practice for companies in collecting ethnicity data so that they can understand the demographics of their employees. This will also help them meet the recommendations of this Review.

We recognise that collecting employee ethnicity self-identification data remains a difficult task for many companies. This challenge has been discussed considerably since we started the Review, and it was raised again in our consultations this year. In 2017, we included a case study of Nationwide, which has had success in increasing ethnicity data sharing by their employees.

This year, we include case studies of EY UK LLP, Snap Inc., and Tesco PLC to demonstrate how high ethnicity self-identification rates can be achieved across industries.

We have reviewed some of the challenges and opportunities that companies face, and we outline 25 recommendations:

Stage

Actions

Recommendations

Plan

Data collection should be treated as any other business or DE&I initiative. Taking this approach means that companies should be able to assess the impact and effectiveness of this exercise. Part of this process requires identifying ‘what good looks like’ and potential barriers to achieving that before the data collection begins.

Set objectives to define what good looks like, agree:

- The scope of the initiative
- The target percentage disclosure rate

Agree key messages to help overcome potential barriers. Messages should aim to:

- Address mistrust
- Increase engagement

- Set out a plan to be achieved over a number of years as data collection can take time to establish
- Aim to achieve a minimum of 80% ethnicity data in order to ensure the great majority are included

- Use the Office for National Statistics (ONS) census categories¹¹ to include a broad range of ethnic identities
- Add additional options, such as a ‘prefer not to say’ category, free text, and the ability to select multiple identities to reflect how people self-identify
- Adopt the language of ‘self-identification’ and ‘reporting’ rather than ‘disclosure’ to reframe the message
- Indicate that data will only be reviewed and reported in aggregate and where there is sufficient representation of each ethnicity, to ensure anonymity
- Confirm that all personal data will be destroyed when an individual leaves the company
- Plan for communications to come from senior leadership
- Take feedback on board from a range of stakeholders that will highlight any additional barriers to be considered

Collect

Data collection can often be viewed as an administrative ‘tick-box’ exercise. Companies should utilise opportunities in the employee and talent lifecycle to request data from their employees. Embedding this exercise in other processes will increase the likelihood of ethnicity self-identification.

Utilise opportunities in the employee and talent lifecycle to:

- Embed data collection as part of formal processes
- Reduce the time commitment of employees

Include messaging on company-wide DE&I commitments to:

- Convey the importance of data disclosure
- Demonstrate how data can be used for meaningful change

- Include clear instructions, including links where possible, for employees to provide their data
- Be clear about the time commitment
- Request ethnicity self-identification from employees as part of their onboarding activities when they start at the company
- Encourage employees to self-identify during annual talent processes, such as engagement surveys, performance / promotion cycles
- Send reminders out alongside key announcements throughout the year, including business updates, new people strategies, or the launch of relevant initiatives

- Explain how self-identification can help to meet the DE&I strategy and company priorities
- ‘Walk the talk’ on commitments to DE&I by reporting on progress
- Provide case study examples of how data has helped to drive change

Store

There are legalities surrounding the collection and storage of employee information. There are also myths about what is and what is not legal. In the UK, employee demographic data can be lawfully collected, and appropriate systems should be in place to store it.

Introduce appropriate systems to:

- Store data for ongoing use
- Overlay demographic data with talent insights and outcomes

Remain legally compliant by responding to:

- GDPR requirements
- Global inconsistencies

- Store data on up-to-date employee database systems with highly restricted access
- Keep the data in a format that allows for efficient analysis of different outcomes for different ethnicities
- Ensure that the specificity of the data captured is retained on the system

- Read the Equality Act 2010¹² which outlines what the data can be used for
- Obtain consent from each employee
- Clearly articulate how the data will be stored and what it will be used for
- Accept the inevitability of global inconsistencies in legalities, processes, and definitions – lead from the UK and other regions will follow
- Collaborate with colleagues across geographies to share best practice

Conclusion and next steps for companies

If companies are to meet the approach set out by the Review, they will need sufficient and specific ethnicity data on their workforce. This data will help to set appropriate targets for the ethnic diversity of their senior management and to track progress.

We propose that companies aim for a minimum rate of 80% ethnicity self-identification reporting, and we encourage companies to record in their Annual Reports the percentage of their employee population who have self-identified and shared their ethnicity data with the company.

We hope that the insights provided in this section will help companies to identify factors that may be inhibiting their progress and options to address these. In addition, the studies from companies that have successfully obtained a high rate of ethnicity self-identification reporting should also help other companies to apply these insights to their specific context.



8

Case studies

EY case study: ethnicity self-identification

At EY UK, we have had a longstanding focus on diversity, equity, and inclusiveness (DE&I). Over the past three years, we have had a dedicated focus on collecting self-identification data collected. As a result, we have achieved an ethnicity disclosure rate of 84.2% for all people and 92.7% for partners. This success is attributable to three actions:

1 A clear ambition and consistent communication

In 2019, we reviewed and refocused our diversity, equity, and inclusiveness (DE&I) priorities to help us identify: a) key differences between employee experiences for different populations; b) our most impactful DE&I initiatives; c) trends in our industry and in the world of work, and d) our workforce and our aspirations. We used these outcomes to create a new DE&I strategy, focused on:

- **A culture of belonging** driven by actively inclusive behaviours
- **A differential focus on race and gender** including a target of 40% female and 20% ethnic minority (of which 15% Black representation) in the partnership by 2025
- **A strong, disruptive voice on DE&I** so that all our people feel accountable and can talk openly and confidently

We then communicated our strategy and Partner targets across the business, with consistent and reinforced commitment from leadership. Our differential focus on race and gender provided a starting point from which to build trust and measure

change. We highlighted the importance of data disclosure in communications as a key mechanism to track progress.

We have since refreshed our strategy and broadened our commitment to accelerate diversity in all forms. We are clear on the logic behind our ambitions and strategy to achieve this, which is about delivering an exceptional experience for our people and value for our business.

2 Transparency and progress reporting: data-driven action

We regularly share our progress on DE&I against our strategy and targets with our people and publicly too. We use multiple channels to reach different audiences including webcasts, newsletters, social media. We equip our leaders and managers to discuss how self-identification data helps us to track progress on representation and closing gaps between ethnicities on people experience scores, performance, promotion, and progress outcomes.

Our Talent Leaders, ranging from Partners to people managers, receive quarterly reports detailing DE&I metrics, against which our business units are held to account at the end of the financial year. Ongoing reporting and intervention puts our business in the best possible position for proportionate outcomes at year-end. Our people are aware of our progress in closing these gaps which contributes to having trust to share their data.

Other examples of tangible progress on DE&I based on self-identification is our disaggregation of ethnicity. Data shows that outcomes are not the same across ethnicities. We track and report on progress across ethnic minority groups which offers meaningful change in DE&I for our people. This development led to the introduction of our Black Partner target, which was not previously possible without the level of disclosure that we have now. We also voluntarily disclose our ethnicity and Black pay gaps. Transparency on our commitments and actions demonstrates to our people that we are using their self-disclosed data for positive means.

3 Targeted campaigns: debunking myths and promoting action

Feedback from our people suggests that some common misconceptions persist. In response, we launched a 'Getting to Know You' campaign that debunked some of the myths around how the data is and is not used. We also share the meanings behind often used terms such as anonymity, data aggregation, and the value of self-identification, in plain English.

We provide clear instructions, including bite-size video demos, and links to complete data disclosure to make this process as simple as possible. We distribute these communications to all people periodically across our internal communication channels, at critical points in the employee lifecycle, including onboarding, talent reviews, and performance cycles.

Some diversity characteristics are less likely to be disclosed. We focus on one characteristic at a time to address questions and concerns in relation to each identity which is more likely to increase disclosure. This targeted approach also allows the business to demonstrate awareness of some of the complexities, personal considerations, and evolving language around different identities. It is clear to our people that this is more than a tick-box exercise.

Where pockets of low disclosure rates persist, we support business leaders to personally encourage their teams to self-identify to inform DE&I decision-making. This request is positioned as a call to action to make a personal contribution to DE&I in the business.

Our key learnings and recommendations:

1. Have a clear firm-wide ambition that is meaningful and adds value to people
2. Be consistent in communicating the strategy, grounded in logic
3. Don't wait for perfect data, visible action will increase trust
4. Be transparent about gaps and follow-through on commitments to action
5. Adopt a leader-led approach over compliance
6. Demonstrate awareness of the limitations of language and labels on identity
7. Be clear on the how the data is used and reported
8. Make the process of disclosing as easy as possible
9. Work with business leaders to personalise their communications
10. Be willing to listen, learn, and adapt to have a meaningful impact



Tesco case study: diversity data

Our ambition at Tesco is to build an inclusive workplace that reflects the diversity of the communities we serve. We are committed to ensuring that Everyone's Welcome, regardless of who they are. Central to achieving this goal is our diversity and inclusion strategy. We know diverse and inclusive teams improve performance, drive our growth and enhance engagement among our colleagues with our customers and suppliers.

Our D&I strategy is built on 3 core pillars:

- 1 Lead & role model inclusion: collect, report diversity data, inclusive leadership & attract, retain & develop diverse talent
- 2 Embed inclusion in everything we do: conscious inclusion across all touchpoints
- 3 Listen, learn, act: elevate diverse voices, educate colleagues and support communities

We recognise a variety of different traits influence and shape our colleagues into the unique individuals they are. Becoming data-led through our Diversity Data collection (also known as This is Me) has been a key enabler of the D&I strategy since launch in 2020. As one of the UK's largest private sector employers – with over 300,000 colleagues – we know that collecting this data to create a full picture of our business will take time and we are currently at 63% completion.

Key to our approach has been our communication strategy with colleagues. Our Chief People Officer launched This is Me on a video to all colleagues, detailing the importance of data in helping us to: identify additional areas for improvement, make more inclusive decisions, and support our ambition to participate in voluntary reporting, such as the Ethnicity Pay Gap. To ensure trust in the sharing of confidential data we also clearly explained what data would be captured and how it would be stored. For all questions we provide a 'prefer not to say' response option so colleagues can share only what they feel comfortable to do so.

One of the biggest challenges we have faced is reaching our front-line colleagues who don't all have email addresses. To engage them we shared posters in stores and added This is Me messaging to 'Team 5' meetings led by team managers. An important part of This is Me design is for it to remain 'always on' as we're mindful that diversity characteristics such as disability status can change and colleagues should be able to reflect this in their data disclosure. To keep this option and functionality

front of mind we have added reminders of how to complete This is Me in key diversity related communications throughout the year.

Alongside This is Me, we also run an annual colleague engagement survey – Every Voice Matters. This survey allows us to capture colleague feedback from across the business, which when cut through the lens of different diversity characteristics, enables us to understand challenges and opportunities for specific colleague populations.

Diversity insights from Every Voice Matters and This is Me data collected so far have helped to shape a number of diversity initiatives, including the launch of our Diverse Talent Communities – focused on the development of colleagues from LGBTQ+, disability and ethnic minority backgrounds, and our Black Action Plan. We have also shared it with our colleague networks to help shape the priorities for the communities they represent.

When sharing our diversity data collection approach externally with other organisations we are often asked for key learning and recommendations. At the forefront of this exercise should be 'the why'. It's important to really understand and communicate clearly why the data is being asked of colleagues and how it will be used and stored. Our colleague networks have been particularly influential in promoting engagement and sharing stories of colleagues from diverse communities who see the importance of sharing their data. Having strong leadership buy-in has also helped to spread this message and sets the tone for the importance placed on a data driven diversity strategy.

Snap case study: diversity, equity, inclusion (DEI) self-ID survey

Since 2020, Snap has been collecting DEI Self-ID data to understand more about the makeup of our global workforce across numerous key characteristics, including: gender identity, LGBTQ+, race/ethnicity, disability status, nationality, parental status, carer status, veteran status and first-generation student. So far, the DEI Self-ID survey is available to approximately 92% of our workforce across eight countries, and nearly 80% of these team members have completed the survey. We continue to expand the survey into further markets as a strategic priority.

Our journey to date:

1 Defining a legally compliant permissible and culturally appropriate question set

As we have expanded our DEI Self-ID survey into new countries, our Inclusion Diversity Equity Awareness (IDEA) team has partnered closely with our legal teams to obtain clarity on the legal risks around DEI data capture in an effort to comply with local regulations. Our legal terms were involved from the outset, conducting a thorough review of our proposed question set as well as technical text on data access, storage and use. Of course, there are some demographic characteristics that, although legally permissible to capture, may be seen as culturally inappropriate or too intrusive to ask. To mitigate this risk, our IDEA team also consulted with in-country stakeholders to understand cultural nuances, as well as an external global research expert to learn more about their experience in these markets and successful vs less successful question phrasing.

Key learnings:

- One of the biggest barriers to Self-ID data capture is the perception that “you can’t ask that”. Whilst accurate in some markets, it requires validation in each

location in order to achieve company ambitions and hence in some regions there is a perception disconnect.

- There is a balance to strike between aligning with cultural norms and trying to change the status quo. Encouraging new conversations and a comfort with the uncomfortable is a key first step to enabling the necessary change to create an equitable workplace.

2 Encouraging disclosure

We developed a detailed multi-channel communications campaign to support the launch of the DEI Self-ID survey. Comms were channelled through our global IDEA team and, critically, embedded by local leaders. FAQs and Leader talking points were developed to support employee concerns and provide team members with transparency on why we wanted to capture this data and how we use it. Additionally, each year we run a reminder campaign for those markets where Self-ID is already established to continually increase our response rates. Our Self-ID survey is also assigned as an onboarding task for new hires in the relevant markets. Throughout all of these campaigns it is made clear and reiterated that the survey is voluntary and that there are no adverse consequences if team members choose not to participate.

Key learnings:

- When asking employees to provide their employers with sensitive, personal data, transparency and clarity is key. This is particularly important in markets where employees are less familiar with providing this information to employers.
- Providing tangible, real-world examples of what this data has helped the company to do helps to bring Self-ID to life and encourage greater disclosure.

3 Reporting / using the data

We report externally on our DEI data, including our DEI Self-ID data, annually in our Diversity Annual Report. Internally, we use the data to ideate, refine and tailor our DEI initiatives as we strive to increase the diversity of our Snap workforce. We also continue to identify opportunities to discuss these data trends in our quarterly DEI progress meetings with our business leaders.

Key learnings:

- When you have multiple data sets (such as Self-ID data and regulatory data in locations where you are required to collect data for regulatory purposes), it is important to think through which data set you will use to track progress toward your DEI initiatives. If you decide to combine the data, it is critical to think through how you will do that and the impact it may have on your ability to report on certain data points. For instance, regulatory data in the US often requires US employers to collect a smaller subset of data than companies may wish to collect through Self-ID data. This requires companies to identify one data set as the default while supplementing with the other data set for areas that are not covered by the first data set.

Improving the Ethnic Diversity of UK Business

An update report from the Parker Review

David Tyler
The Parker Review Committee

March 2023

