

David Tyler
The Parker Review Committee

Improving the Ethnic Diversity of UK Business

An update report from
the Parker Review

March 2024



Building a better
working world

parkerreview.co.uk

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Co-Chair: Soumen Das

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Amy Winepress

Advisor: Tom Shropshire

Department for Business and Trade: Andrew Death
Rachel Askew-Sammut
Timothy Deller
Orkid Russell
Lydia Taylor-Jenkins
Tamsin Timbrell

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

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Ministerial Foreword
EY Foreword
David Tyler Foreword

Forewords



I would like to begin by thanking and congratulating the entire Parker Review Committee, for what is another impressively data-rich Report; charting the UK's continued journey toward securing the best of the best talent – irrespective of ethnicity – into key roles at the very top of British business.

We are delighted to have backed the Parker Review's expansion of scope this year; beyond board directorships, to include key senior executive positions, and beyond publicly listed companies, to include the UK's largest 50 private companies. Meantime, the FTSE has continued to lead the way. For example, with a year still to go until the 'One by 2024' target for the FTSE 250.

We've been impressed to see the continuing strides made by that group - reporting a 12-percentage point increase within this year alone. 70% of the FTSE 250 have now met their target ahead of the 2024 deadline.

In addition, in a further illustration of the business-led nature of this agenda, the Review has invited businesses to set their own targets for the end of 2027 for the share of ethnic minority executives in their senior management teams.

I look forward to seeing these numbers – as symbols of the UK's increasingly inclusive, meritocratic business cultures – continue to progress in the years to come; UK companies growing ever nearer the productivity that participation of all the talents can bring.

Nusrat Ghani MP

Minister of State, Department for Business and Trade

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EY is proud to continue its support of the Parker Review and grateful for the opportunity to champion the important work delivered by Chair David Tyler, Co-Chair Soumen Das and the Parker Review Committee. I would like to thank them for their continued partnership and collaboration.

This year, I was humbled to be asked to share some of my own observations on the importance of CEO engagement on delivering meaningful progress in creating and sustaining truly diverse and equitable organisations – this can be found in the [case studies section](#) of the report.

Business leadership is a constant balancing act. A tightrope of decisions and actions is needed to navigate today, whilst setting a clear path for tomorrow.

In the UK, we face the macroeconomic reality of stagnant growth, stubborn inflation, increased global volatility and geopolitical fragility. But we must expect our business leaders to retain an enduring, stewardship-like approach to progressing long-term business priorities.

As the UK seeks to transition into a high-growth economy, the need to develop and support diverse talent must remain a business and policy priority.

In a recent EY survey of international investors, the UK continued to be the most attractive destination in Europe for digital technology and life sciences investment projects. As a nation, we have the fundamentals to remain a vibrant, ambitious location at the heart of the global economy – but the strength and depth of our talent pool is critical. So, not only is diversity and inclusion at every level fair, it will also be essential in ensuring all corners of the UK benefit from tomorrow's industries, investments and opportunities.

The Parker Review, and the targets that it sets, provide an important benchmark and objective criteria to encourage fair representation of ethnic minorities. Crucially, it ensures we lead efforts to diversify UK business with respect to ethnicity from the top down and continue to be held accountable, no matter the macroeconomic climate.

Representation matters – the more diverse boardroom and executive teams are, the greater the ripples across the organisation. Over the last nine years, there has been good progress but we are still a long way from achieving parity based on ethnicity. This year's figures – 12 ethnic minority CEOs in the FTSE 100 and 7 Chairs – are encouraging but show there is work to be done to ensure our business leaders fairly represent their customers and society they serve.

At EY, we have a 20% ethnic minority partner target, of which 15% is to be Black partners by 2025. As of July 2023, 17% of our partnership is ethnic minority partners, of which 8.5% identify as Black or mixed Black Heritage. Whilst we are not yet where we want to be, we remain steadfast in our commitment.



We acknowledge that meaningful change takes time, but that change remains one of our long-term business priorities with the internal focus it deserves.

We continue to take action by developing our talent and succession pipelines in a way that is fair and equitable. We do this at all stages of the career development cycle – from students to partners.

As a business leader, I recognise the moral and commercial imperative of creating and maintaining an equitable environment where all people can flourish. What is clear is that true equity requires bold commitments and actions today.

The time, for us all, is now.

Hywel Ball

Chair and Managing Partner, EY UK

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The business community is making progress in creating more inclusive places of work for all and we believe that more will be achieved in the coming years.

The March 2024 Report from the Parker Review marks the end of an important year for the Review.

We have asked companies for the first time to give us data on their senior management teams and what share of it is composed of ethnic minorities. We have also posed them a challenging question: to set a target for what that share should be by the end of 2027.

In addition, we have asked for data for the first time from 50 Top Private Companies – believing that there is just as much benefit for private businesses as for Listed Companies in creating inclusive, diverse working cultures.

We have done all this to help improve the competitiveness and productivity of UK companies and to help provide equal opportunities for people from ethnic minorities.

We could not do this by focusing on Boards of Directors alone or by focusing on Listed Companies alone.

We thank companies for engaging with us on this initiative. The business community is making progress in creating more inclusive places of work for all and we believe that more will be achieved in the coming years.

I would also like to give my grateful thanks to everyone who has contributed in any way to the work of the Review in the last 12 months: in particular to our Committee members, our sponsors, EY, our data analysis team at Domestic and General, and the Department for Business and Trade.

David Tyler
Chair

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We are encouraged with the progress made in recent years by FTSE 350 listed companies to bring ethnic minority directors on to their boards.

Executive summary



Summary of the data at December 2023

FTSE 100	FTSE 250	Private
Currently meet the target of at least one ethnic minority director on their board . We are one year away and four years away from the deadline for FTSE 250 and private companies, respectively.		
96%	70%	44%
As a proportion of all Board Directorships, ethnic minority Directors currently represent:		
19%	13.5%	11%
On average in senior management ¹ , ethnic minorities currently represent:		
13%	12%	
Of the companies that shared their data with the Review, the average target for the proportion of ethnic minority representation in senior management in 2027 is:		
17%	15.5%	

¹Senior management is normally defined as the members of a Company's Executive Committee and the senior executives reporting directly to them.

96 companies met the target

Ethnic minority directors

Two years have passed since the target deadline for FTSE 100 companies to have at least one ethnic minority director on their board. In 2021, 89 of the 100 companies met this target. Last year, 96 companies met the target and we now report the same outcome in 2023. All 100 companies reported their data to us in each of the last three years.

We are now nine months away from the target deadline of December 2024 for each FTSE 250 company to have at least one ethnic minority director on its board. In December 2023, 175 of the 250 companies met this target which is a considerable increase of 26 companies from 149 in 2022. Of the companies that submitted their data, 79% (222) met the target. Of all 250 companies in the FTSE 250, 70% met the target compared to 60% in 2022.



We have been encouraged by the commitment of companies to meet the board target and disclose their board ethnic minority representation. We thank them for that.

Each year we see considerable progress from the FTSE 250 and we commend companies for this. We are hopeful that this momentum will accelerate as we approach the December 2024 target deadline. We encourage those FTSE 250 companies which have no ethnic minority directors to review what they might be able to do to meet the target.

In the FTSE 100, ethnic minorities now hold 19% of all director positions which is an increase of one percentage point from last year. We have also seen a rise in the number of companies with more than one ethnic minority director from 49 in 2022 to 56 in 2023. This increase reassures us that companies are not following a 'one and done' policy by simply seeking to achieve the Review target. Instead, Boards appear to be simply recruiting on merit and potential and this has led to greater numbers of ethnic minority directors.

We are particularly pleased to see a rise in the most senior roles. There are now 12 ethnic minority CEOs in the FTSE 100, an increase from 7 in 2022, and 7 Chairs, an increase from 6 in 2022.

In the FTSE 250, ethnic minorities now hold 13.5% of all director positions in the 222 companies which provided data; this is a rise of two and a half percentage points from the 2022 comparative of 11%. The number of ethnic minority Chairs in these companies has increased from 5 to 8 while the number of ethnic minority CEOs is unchanged at 14.



It emphasised the importance of focusing on the development of talented senior executives from ethnic minority backgrounds.

Extension of scope

In our Report last year, we highlighted and discussed some of the issues emerging from the data. For example, ethnic minority representation on boards was skewed towards non-executive roles. The statistics demonstrating the under-representation of ethnic minority directors in executive roles was not unexpected. Nonetheless, the numbers were disappointing. It emphasised the importance of focusing on the development of talented senior executives from ethnic minority backgrounds.

We were also aware that we had no information on the ethnic diversity of private companies – which represent a major part of the UK economy and are just as likely to benefit from ethnic diversity as companies in the listed sector.

So, we chose to extend the scope of the Review twelve months ago:

- by asking listed companies to give us information about the percentage of their senior management who were from ethnic minorities, and by asking them to set their own targets for what this percentage should be at the end of 2027.
- by asking 50 of the largest private companies to provide data to us; to have at least one ethnic minority Director on their top Board; and to set a target for the share of ethnic minority executives in senior management at the end of 2027.

We believe that the introduction of these new targets has provided a further stimulus across large companies in the listed and private sectors to enhance the competitiveness and performance of their businesses and increase opportunities for ethnic minorities.

This is the first year that we have collected data under the extension of scope of the Review.

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levels of ethnic diversity in these regions

46%
London

23%
West Midlands

7%
North-East

Senior management

We were pleased that, with only nine months' notice, the great majority of FTSE 100 companies – 82 of them – provided data on the number of people in their senior management group and how many of them were from ethnic minorities. As many as 48 of these companies also reported targets for the ethnic minority representation of their senior management by December 2027.

Averaging the data of the 82 FTSE 100 companies which provided December 2023 information to us, we find that 13% of their senior management was comprised of ethnic minority executives. We believe that this is the first time that this important statistic has been reliably measured. FTSE 250 companies report a not dissimilar figure with 12% of their senior management composed of ethnic minorities.

Looking forward, the FTSE 100 companies which provided 2027 targets for the ethnic minority share of their senior management teams had an average target of 17% - a four percentage point rise on today's average of 13% for the companies that gave us target numbers. The target increase in FTSE 250 companies is 3.5 percentage points, with today's share of 12% targeted to rise to 15.5% by 2027.

These targets are in the range we expected. In the UK population Census in 2021, an average of 17% of the UK population came from ethnic minority backgrounds and the percentage was rather higher in younger age cohorts and lower in the older cohorts. So, for the target to be as close to the average as this is an encouraging sign even though the targets will be influenced somewhat by senior managers employed by FTSE 350 companies in countries outside the UK.

The range of targets set by FTSE 100 companies ranged from 5% to 45% of their senior management teams. We expected a wide range of this kind. As we discuss in [Section 4](#) of this Report, companies with global senior management teams are likely to set higher targets than companies with senior management teams in the UK only. In addition, companies that operate in different UK regions will likely be influenced by the different levels of ethnic diversity in these regions, ranging for example from London where 46% of the population is from an ethnic minority background compared to the West Midlands (23%) and the North-East (7%)².

Private companies

Of the 50 private companies invited to participate in the Review, 36 provided their board data, as shown in [Section 6](#) of the report. Of the companies that responded to our survey, 22 report having at least one ethnic minority director on their board. This means that of the companies that reported their data to us, 61% already meet the target we have asked them to meet by December 2027. Of the total 50 companies, this figure is 44%.

We hope to receive a greater number of responses from the 50 private companies in future years. We trust that they will also then engage with setting and reporting on 2027 targets for the proportion of ethnic minorities in their senior management.

²Ethnic group, England and Wales - Office for National Statistics (ons.gov.uk)



Different Ethnic groups

At the Parker Review, we have deliberately not set targets for individual minority ethnic groups. It would not be practical to ask companies to deliver separate targets for example for different Asian or for Black ethnicities. On average, senior management teams are relatively small and there are 19 ethnic groups recorded in the ONS ethnicity classifications. These ethnicities are summarised in five broader groups (Asian, Black, Mixed or Multiple, Other, White).

However, we are aware that ethnic minority groups have varying experiences and are typically under-represented to varying degrees. We therefore collect information on the ONS ethnicity classifications of ethnic minority directors and senior managers to track progress across different ethnic minority groups, and these can be seen in the [Key Findings](#) section of this Report.

The data indicate that the percentage of directorships held by Asian individuals is roughly proportionate to their representation in the UK population. It also indicates that the Black community is not proportionately represented at senior levels of business if we compare our numbers with Black representation in the UK population as a whole. We encourage companies to evolve their approach here. Hywel Ball's EY case study in [Section 5](#), discusses leadership accountability in this context.

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The top two reasons holding leaders back in making progress towards race equity are seen by them to be ‘the fear of making inappropriate statements’ and ‘the fear of being labelled racist’.

Additional Insights

Each year the Parker Review has sought to provide toolkits and additional insights to help companies consider some of the challenges and propose helpful solutions. Last year, we provided a framework for employee ethnicity data collection. We also included case studies from companies that have successfully collected high quality and representative data on the ethnicities of those in their employee base.

This year, we provide perspectives from key stakeholders actively involved in enhancing ethnic diversity in UK business.

The first perspective is that of CEOs, as included in [Section 5](#). The aim of providing this is to examine and demonstrate the impact of CEO engagement on ethnic diversity. The Committee spoke to CEOs from companies striving to improve ethnic diversity, equity, and inclusion. We sought to understand why their company is invested in ethnic diversity, how they are personally approaching the challenge, and whether they have established a business case.

The report includes case studies from Hywel Ball, Chair and Managing Partner, EY UK; Amanda Blanc, CEO, Aviva; Paul Lewis, Firmwide Managing Partner, Linklaters; Chris O’Shea, CEO, Centrica and James Wroath, CEO, Wincanton.

The second perspective is that of the academic and consultant. This is in [Section 5](#) and authored by Dr Doyin Atewologun, a Parker Review Committee member. It seeks to respond to the challenges expressed by many business leaders who are white about how to use the right language when communicating with people from ethnic minorities.

The top two reasons holding leaders back in making progress towards race equity are seen by them to be ‘the fear of making inappropriate statements’ and ‘the fear of being labelled racist’.

The third perspective is that of the executive recruiter. The contribution in [Section 5](#), provided by Satya Jeet Thakur, Egon Zehnder, seeks to provide ways of achieving an effective, inclusive Executive Search process, rebooting it as “Search 2.0” to mitigate the impact of our own cognitive biases.

We have had many positive conversations with headhunters and executive recruiters over the years focusing on how companies might best identify people of talent in ethnic minorities, including those whose careers have not followed the more conventional tracks of many in the majority community. As a result, many headhunters have adjusted their approach in recent years to meet this challenge, but Satya rightly highlights that there is more to do to ensure a truly level playing field.

The fourth and final perspective is from the ‘Change the Race Ratio’ campaign which is designed to help companies achieve the Parker Review targets and to enhance ethnic inclusion more generally in the corporate sector. It sets out in [Section 5](#) its five ESG recommendations to align culture and inclusive objectives with business strategy. We are supportive of its ambitions to work with its member organisations to increase transparency and adopt action plans to improve outcomes for individuals from ethnic minority backgrounds.

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Introduction



The number of FTSE 100 companies with ethnic minority directors has more than doubled from 47 when we set our target in 2017 to 96 today.

The purpose of the Parker Review since it started in 2015 has been:

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

When we started our life, we decided to focus on ethnic diversity at Board level because we believed that, by starting at the top, we would put ethnic diversity, and importantly equal opportunities for ethnic minorities, on the agenda at the most senior levels of UK business. We therefore judged it right to aim for diversification at Board level first before addressing senior management and set three objectives that we believed would help us to fulfil our purpose:

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

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79%

of FTSE 250
companies
reporting have
met the target

12.5%

of senior
executives are
from ethnic
minorities
in the FTSE 350

We focused on the composition of company boards, setting a reasonable target for each FTSE 100 company to have at least one ethnic minority director on its board by the end of 2021 and for each FTSE 250 company to do the same by the end of 2024.

We have largely achieved this goal with the FTSE 100 in the last two years with only four companies falling short on each occasion. The number of FTSE 100 companies with ethnic minority directors has more than doubled from 47 when we set our target in 2017 to 96 today.

With a year to go until its target date, 79% of FTSE 250 companies reporting have met the target. If we look at all FTSE 250 companies and assume (conservatively) that all of the companies which have not reported have no ethnic minority directors, then 70% of companies now meet the target.

We believe that the changes to the ethnic composition of UK listed boards since 2017 are at least in part a response to the approach we have taken at the Parker Review. In our view, it was the right first step in meeting our objectives and broader purpose.

We also believed that greater board ethnic diversity would lead over time to increasing focus on ethnic diversity throughout the pipeline. This objective was set in the context that ethnic minorities are better represented at junior levels of business with decreasing ethnic diversity with each level of seniority³.

It is promising now to see that the number of ethnic minority directors continues to rise across the FTSE 350, with a growing number of ethnic minority Chairs and CEOs.

We think it likely that there will be a growing number of ethnic minority executive directors in the years ahead. We now know that about 12.5% of senior executives are from ethnic minorities in the FTSE 350 and, over time, we anticipate that a proportion of these individuals will progress into executive director positions. In the medium term, further progress is likely to result from the maturing of the younger age cohorts in our society – age cohorts which contain higher levels of minority groups the younger they are. Greater awareness and engagement from businesses on the topic of ethnic equality is also likely, over time, to lead to greater representation of ethnic minority individuals in senior management and on boards.

We have been encouraged by the commitment of companies to meet the board target and to disclose their board ethnic minority representation. In addition, FTSE 350 companies overwhelmingly cite the Parker Review target in the section of their Annual Reports which relate to board diversity⁴. This level of engagement on boards gave us the confidence last year to extend the scope of the Review to meet our broader objectives.

³The Middle Research, The Black British Business Awards

⁴ey-parker-review-2020.pdf (parkerreview.co.uk)



We want to encourage companies to take a more active approach to ensure equal opportunities and more proportionate representation in their senior executive teams.

Extension of scope

We extended the scope of the Review in March 2023 in two ways:

Senior management: we want to encourage companies to take a more active approach to ensure equal opportunities and more proportionate representation in their senior executive teams. We have done this by asking them to set and achieve targets for ethnic diversity at senior management level. We define 'senior management' normally as being those in the Company's Executive Committee or equivalent and those senior managers reporting directly to them (in summary: 'ExCo and ExCo-1').

Private companies: We also recognise that private companies represent a very significant proportion of the UK business sector and the economy. Consistent with the ambition of the FTSE Women Leaders Review, we have asked 50 large private companies to participate in our initiative by setting ethnicity targets and to report on their progress. This is the first year that we have collected data under the extension of scope of the Review.

We will ask all companies, both listed and private, to set a target for December 2027 for the percentage of their senior management team which will be composed by ethnic minorities.

Naturally, the Parker Review has no power with companies to insist they provide the numbers; rather, we aim to obtain the figures from companies because they see the process as a positive one for business and for society. We also recognise that there are challenges associated with setting targets and we did not want to add an unnecessary burden to companies. For this reason, we did not push for senior management targets to be reported to us by December 2023 for FTSE 350 companies. Instead, we simply requested them and said that, if that was not possible, it would be acceptable for us to be given them by December 2024. In those circumstances, we are pleased to have been given targets by 44 FTSE 100 companies.

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UK Listing Rules

Starting with financial periods beginning on or after 1 April 2022, the Listing Rules require UK and overseas companies with a premium or standard listing to include in their annual reports a 'comply or explain statement' setting out whether the listed company has met various diversity targets within its accounting period including whether at least one individual on its board of directors is from a minority ethnic background. Where in-scope companies have not met the target, they must provide an explanation. This is a novel regulatory adoption for a stock exchange and the Parker Review targets have clearly played a pivotal role in shaping this requirement. It will no doubt help encourage more companies to meet the Review's targets.

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The case for ethnic diversity

The Parker Review Committee is grateful to a number of individuals who have contributed to this year's Report through a series of essays, interviews and case studies. Listening to these important stakeholders has highlighted the different ways in which ethnic diversity benefits business and society. We recognise that by taking the time to share their experiences and insights, they enable all public and private businesses to make progress towards the Review's targets.

The contributions are included in full later in this document, but we highlight some common themes here:



Reflecting stakeholders



Aviva has over 19 million customers from all sorts of backgrounds and representing multiple ethnicities, so it just makes sense that our workforce would reflect our customer base.”

Dame Amanda Blanc

Aviva



Our global markets, clients and workforce, the new generation entering our companies, and the stakeholder focus on purpose and ESG make this mission critical.”

Hywel Ball

Chair and Managing Partner, EY UK



To deliver excellent service to our clients... we know that the best talent exists in different places, so we need to find it and retain it.”

Paul Lewis

Firmwide Managing Partner, Linklaters



Those businesses fostering inclusive cultures will... attract and retain the requisite talent essential for maintaining dynamism, enabling innovation, and driving competitiveness.”

Richard DeNetto

Change the
Race Ratio

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Achieving better business outcomes



Focusing on ethnic diversity has also given us the opportunity to forge deeper relationships with our clients.”

Paul Lewis

Firmwide Managing
Partner, Linklaters



Employee engagement leads to employee retention which in turn contributes to customer loyalty, facilitating organic growth.”

James Wroath

Wincanton



If we don't have a well governed business that thinks about its role in the community then actually, we won't survive another 325 years.”

Dame Amanda Blanc

Aviva



Talent is evenly distributed across society, Search 2.0 naturally leads to much greater ethnic diversity by ensuring that our leadership populations start to resemble the make-up of wider society.”

Satyajeet Thakur

Egon Zehnder

How to enable positive change



Diversity goals are treated as the key business objectives they are and are not regarded as isolated and unaccountable side issues.”

Dame Amanda Blanc
Aviva



When discussing ‘race’... accept uncertainties and mistakes as learning opportunities, ask thoughtful questions, and be open to correction. While language is important, it should not overshadow meaningful action.”

Dr Doyin Atewologun
Parker Review



If you don’t have diversity, you are not the best”.

Chris O’Shea
Centrica



Interviewing doesn’t commence unless the candidate slate is diverse.”

Satyajeet Thakur
Egon Zehnder

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Role of Leadership



Too often we leave this work to our DE&I teams. However great they are, CEOs must lead from the top on the agendas that matter most.”

Hywel Ball

Chair and Managing Partner, EY UK



Executive Directors need to lead from the front. People from underrepresented groups aspire to see their voices acknowledged at senior levels and are looking for relatable role models.”

Richard DeNetto

Change the Race Ratio



Leaders must actively stand against racism and foster an anti-racist culture in order to create the right conditions for change.”

Chris O’Shea

CEO, Centrica



If senior leaders are able to speak visibly, and with conviction about ‘race’ and why it matters to business, companies are likely to make quicker progress.”

Dr Doyin Atewologun

Parker Review

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Importance of data



Centrica has established Diversity, Equity & Inclusion dashboards alongside Positive Action Plans for each business and function, which are reviewed quarterly and adjusted as needed.”

Chris O’Shea
CEO, Centrica



Approximately 90% of [the] 22,000 strong workforce have self-disclosed their diversity attributes.”

Dame Amanda Blanc
Aviva



What can be measured gets managed, ensuring transparency, commitment and measurable progress.”

Richard DeNetto
Change the Race Ratio



Determining a “comparative set” for a company is complex.”

Satyajeet Thakur
Egon Zehnder

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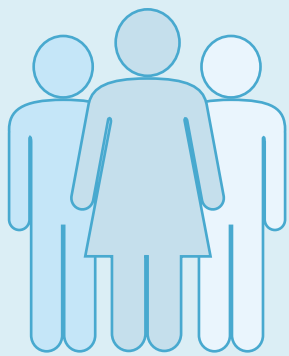
FTSE 100

FTSE 250

Top 50 Private companies

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FTSE 100 and 250 findings



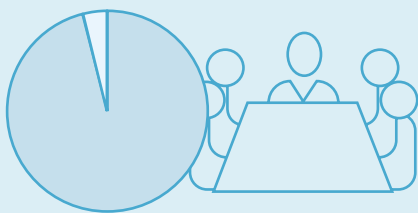
322

Companies responded – all of the FTSE 100 and 222 of the FTSE 250.

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

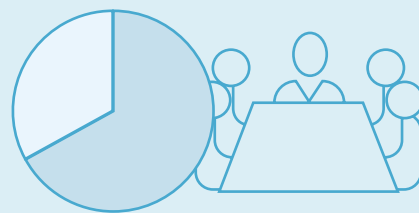
FTSE 100

FTSE 250



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

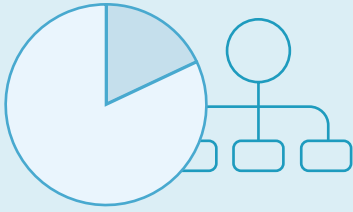
Of these 96 companies, 56 have exceeded the target by having more than one ethnic minority director on their Board.



175 out of 222 companies who submitted data (79%) currently meet the December 2024 target.

If considering the whole FTSE 250, including the companies that did not reply, the percentage meeting the target was 70% in 2023.

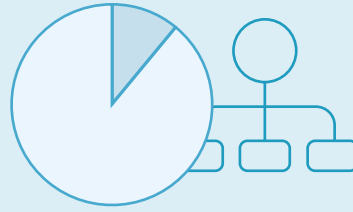
FTSE 100



There were 186 ethnic minority directors, representing 202 director positions.

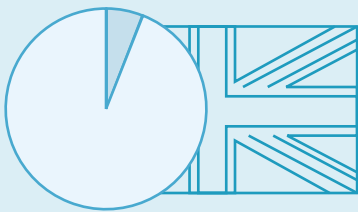
The number of positions held by ethnic minorities accounts for 19% of all 1053 positions. This represents a one percentage point increase from 2022 when there were 190 out of 1,064 positions in the FTSE 100 held by a director from a minority ethnic group (18%).

FTSE 250



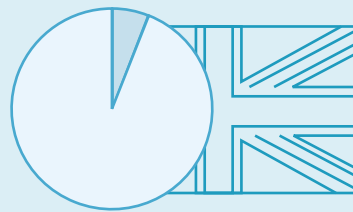
There were 211 ethnic majority directors, representing 230 director positions.

The number of positions held by ethnic minorities accounts for 13.5% all 1,701 positions. This represents a two and a half percentage point increase from 2022 when there were 188 out of 1,749 positions in the FTSE 250 held by a director from a minority ethnic group (11%).



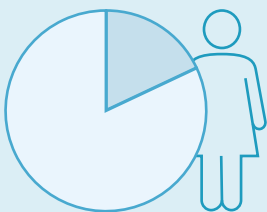
66 out of the 186 ethnic minority directors are British citizens,

This represents 7% of all positions in the FTSE 100 which is up one percentage point from last year.

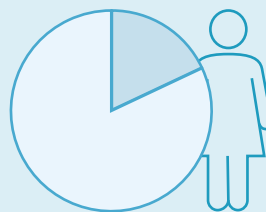


120 out of the 211 ethnic minority directors are British citizens,

representing 8% of the 1,701 total director positions in the FTSE 250.



13% of senior managers in FTSE 100 companies are minority ethnic, with females being 36% of this population.



12% of senior managers in FTSE 250 companies are minority ethnic, with females being 35% of this population.



Progress in the FTSE 100

Directors

Although the target date for companies in the FTSE 100 to meet the target of at least one minority ethnic director per board was for the end of 2021, we continue to monitor progress beyond this date. All FTSE 100 companies have submitted their data to the Parker Review. There are 96 out of the 100 companies that have met the target of one director from a minority ethnic group on the Board. This is in line with the results from last year. The outcome demonstrates continued engagement with the Review and a high level of success against targets.

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Response rates and overall findings

- The data collected was on the ethnic composition of FTSE 100 Boards as of 31 December 2023. The FTSE 100 list used is that following the December 2023 re-balancing.
- All 100 of the FTSE 100 companies responded to our voluntary census. This reflects the outstandingly positive nature of engagement with the Review, from the FTSE 100.
- Across the FTSE 100 responses, 96 of the 100 companies (96%) met the target, while 4 of the 100 companies (4%) have not done so. This mirrors precisely the results in 2022.

FTSE 100 companies meeting the target

	2023	2022	2021	2020
Companies meeting target	96	96	89	74
Companies not meeting target	4	4	11	21
Companies not responding	0	0	0	5
% Met (Base: Known Companies)	96%	96%	89%	78%

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Profile of directors, Chairs, CEOs and CFOs

- In the FTSE 100, there are 186 ethnic minority directors holding 202 director positions. In other words, some of these individuals are directors of more than one company. The number of positions held by ethnic minorities accounts for 19% of all 1053 positions. This represents a one percentage point increase from 2022 when there were 190 out of 1,064 positions in the FTSE 100 held by a director from a minority ethnic group (18%).
- Of these 202 director positions, there were seven people from ethnic minorities who held the position of Chair; 12 who were CEOs; nine who were CFOs; one who is a COO; and there were two other executive directors. The other positions were NEDs. This means that the aggregate number of Chairs and executive directors was 31 which is unchanged in the last year. However, the number of minority ethnic Chairs has increased by one, and the number of minority ethnic CEOs has increased by five.
- It should be noted that 15 individuals hold seats on Boards in both the FTSE 100 and FTSE 250 and thus have been counted in both the numbers for FTSE 100 and FTSE 250 directors.
- Of the 96 companies in the FTSE 100 who met the target, 40 of these companies had one minority ethnic director, 32 had two minority ethnic directors and 24 had more than two minority ethnic directors. Across the FTSE 100, 56 companies have exceeded the target of having one director from a minority ethnic group on their Board.

Number of directors from minority ethnic groups in the FTSE 100

	2023	2022	2021	2020
Total number of directorships	1053	1064	1056	998
Number of minority ethnic directors	186	178	155	118
Number of minority ethnic directorships	202	190	164	124
Percentage of directorships held by minority ethnic directors	19%	18%	16%	12%

Number of companies in the FTSE 100 that have met or exceeded the target in Dec 2023

	Number of Companies	Percentage
Companies that have met the target	96	96%
Companies with one minority ethnic director	40	40%
Companies with two minority ethnic directors	32	32%
Companies with more than two minority ethnic directors	24	24%

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Analysis by gender

- Of all Board positions held by directors from a minority ethnic group across the FTSE 100, 92 are held by women, comprising 49% of minority ethnic directors. In 2022, 83 directors were women, comprising 47% of minority ethnic director positions in the FTSE 100.

Analysis by Ethnicity

- Of the 186 directors, 104 (56%) were Asian, 30 (16%) were Black, 15 (8%) were Mixed/Multiple Ethnicity, and 37 (20%) were Other Minority ethnic.

UK citizens

- 66 of the 186 minority ethnic directors in the FTSE 100 were recorded as a UK citizen (35%). These directors held 78 director positions out of the 1053 in the FTSE 100. This represents 7% of all positions in the FTSE 100 which is up one percentage point from last year.

Number of minority ethnic female directors in the FTSE 100

	2023	2022	2021	2020
Total minority ethnic directors	186	178	155	118
Minority ethnic directors that are women	92	83	76	54
Percentage of minority ethnic directors that are women	49%	47%	49%	46%

Analysis by Ethnicity in the FTSE 100⁵

	FTSE 100 – Percentage	
	2023	2022
Asian	56%	55%
Black	16%	17%
Mixed/Multiple Ethnicity	8%	11%
Other Minority ethnic	20%	17%

⁵Some companies have set targets for different dates based on work that was already in place at the time the Review asked for data on senior management. The Review has proposed that companies explain this in their annual reports.



FTSE 100 Senior Management

In 2023, the Parker Review asked each FTSE 100 Company to provide the numbers of its management team as at 31 December 2023 who were from ethnic minorities and to set a target for 2027 for the percentage of its Senior Management group who identify as minority ethnic.

Response rates and overall findings

- 82 of the 100 companies in the FTSE 100 provided data on the numbers of people in their senior management group. Averaging the data of the 82 companies, we find that 13% of this group are from ethnic minorities.
- Across the FTSE 100 responses, 48 of the 100 companies have set a target for 2027⁵, while 52 have not done so.
- As this is the first year that companies have been asked for this data and to set a target, it is understandable that some have not yet been able to provide this information. We expect to have a fuller picture of the data next year.

⁵Some companies have set targets for different dates based on work that was already in place at the time the Review asked for data on senior management. The Review has proposed that companies explain this in their annual reports.

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Senior management targets

- Of the 48 companies which submitted a target for their senior management, targets ranged widely from 5% to 45%. The average target was 17%. Overall, there were 11 companies with a target between 0-10%, 28 between 11-20% and 9 with a target >20%.

Profile of Senior Management

- If we simply look at the 48 companies which provided 2027 targets to us, the average ethnic minority share of senior management amounted to 13% at the end of 2023. The average 2027 target for these companies is 17% - representing a 4-percentage point increase over a period of four years.

Number of minority ethnic female senior managers in the FTSE 100

- Approximately 36% of ethnic minority senior managers are female. In other words, they account for about 6% of all FTSE 100 senior managers.
- The numbers in the last box of this table includes both senior managers who would prefer not to state their ethnicity, and those based in jurisdictions where it is illegal to ask employees for their ethnicity.⁶

Senior management targets

	2023
Target 0-10%	11
Target 11-20%	28
Target >20%	9

Analysis by Ethnicity of senior management in the FTSE 100⁶

	FTSE 100 - Percentage
Asian	53%
Black	10%
Mixed/ Multiple Ethnicity	9%
Other Minority Ethnic	20%
Prefer not / unable to say	9%

⁶In some jurisdictions, it is illegal for companies to ask for the ethnicity of employees. In cases such as these, companies were asked to select the 'prefer not to say' option when asked to provide directors' ethnicities. We recognise that it would be ideal for companies to select an option such as 'unknown' in this case, as being required not to ask for ethnicities is not the same as preferring not to say. This will be addressed in future surveys.



Progress in the FTSE 250

Directors

The target for FTSE 250 companies is to have at least one minority ethnic director by December 2024. As of December 2023, 175 companies have achieved the target – 79% of those reporting. This is an increase of 12 percentage points on the results from last year, demonstrating significant progress during the year.

Each year we see considerable progress from the FTSE 250. We are hopeful that this momentum will accelerate as we approach the December 2024 target deadline. We encourage all companies to take action to meet the target.

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Response rates and overall findings

- The data collected was on the ethnic composition of FTSE 250 Boards as of 31 December 2023. The FTSE 250 list used is that following the December 2023 re-balancing.
- In the FTSE 250 this year, 222 out of 250 companies (89%) responded to the voluntary census. Overall, 175 companies in the FTSE 250 (70%) have already met the target.
- When comparing 2023 and 2022, there has been a 12-percentage point increase, with 175 out of 222 companies (79%) meeting the target in 2023 compared with 149 out of 224 (67%) in 2022. If considering the whole FTSE 250, including the companies that did not reply, the percentage meeting the target was 70% in 2023 and 60% in 2022.
- 28 companies did not respond to the voluntary census. This includes 5 companies⁷ that only entered the FTSE 250 in December 2023 and had insufficient time to complete the voluntary census for inclusion in this Report.
- It is unknown whether the 28 companies who did not respond had met the target. However, as with last year, there may be a social desirability effect in play, where companies who have not met the target are less likely to respond.

FTSE 250 companies already meeting the target

	2023	2022	2021
Companies already meeting target	175	149	128
Companies not yet meeting target	47	75	105
Companies not responding	28	26	17
% Met (Base: Known Companies)	79%	67%	55%
% Met out of full FTSE 250	70%	60%	51%

⁷These companies are AO World, Asia Dragon Trust, Hochschild Mining, PPHE Hotel Group and Tullow Oil

Profile of directors, Chairs, CEOs and CFOs

- In the FTSE 250 companies which reported, there are a total of 1,701 director positions, with 230 seats being held by ethnic minority directors. This accounts for 13.5% of all positions and represents a two and a half percentage point increase from 2022 director positions when there were 188 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.
- Of these 230 director positions, there were eight people from ethnic minorities who held the position of Chair; 14 who were CEOs; eight who were CFOs and there were three other executive directors including joint roles. The other positions were NEDs and five who selected 'Prefer not to say'. This means that there has been no change in the number of ethnic minorities holding these positions overall, with 34 in both 2023 and 2022. The number of CEOs has remained the same and there are two fewer CFOs. However, the number of Chairs has increased by three.

The number of minority ethnic directors in the FTSE 250

	2023	2022	2021
Total number of directorships	1701	1749	1849
Number of minority ethnic directors	211	178	169
Number of minority ethnic directorships	230	188	178
Percentage of directorships held by minority ethnic directors	13.5%	11%	10%

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

	Number of companies	Percentage of the FTSE 250
Companies that have met the target	175	70%
Companies with one minority ethnic director	134	54%
Companies with two minority ethnic directors	33	13%
Companies with more than two minority ethnic directors	8	3%

Analysis by Ethnicity

- Of the 211 directors 124 (59%) were Asian, 31 (15%) Black, 25 (12%) Mixed/Multiple Ethnicity, and 26 (12%) were Other Minority ethnic.
- 2% of directors responded with 'prefer not to say'. This includes both directors who would prefer not to state their ethnicity, and those based in jurisdictions where it is illegal to ask employees for their ethnicity.

UK citizens

- 120 of the 211 minority ethnic directors in the FTSE 250 were recorded as a UK citizen (57%). British minority ethnic directors held 8% of the 1,701 total director positions in the FTSE 250.

Analysis by Ethnicity in the FTSE 250

	2023 FTSE 250	2022 FTSE 250
Asian	59%	60%
Black	15%	13%
Mixed/Multiple Ethnicity	12%	15%
Other Minority ethnic	12%	11%
Prefer not / unable to say	2%	1%

Analysis by gender

Number of minority ethnic female directors in the FTSE 250

	2023	2022	2021
Total ethnic minority directors	211	178	169
Ethnic minority directors that are women	108	86	73
Percentage of ethnic minority directors that are women	51%	48%	44%

FTSE 250 Senior Management

- In 2023, the Parker Review asked each FTSE 250 Company to provide the numbers of its management team on 31 December 2023 who were from ethnic minorities and to set a target for 2027 for the percentage of its Senior Management group who identify as minority ethnic.

Response rates and overall findings

- Of the FTSE 250 companies in December 2023, 86 are investment trusts where the question about senior managers is irrelevant as they do not have a management team. Of the remaining 164 companies, 50 have provided us the target data for 2027 (i.e. 30% of the group).
- As this is the first year that companies have been asked for this data and to set a target, it is understandable that many companies have not yet been able to provide this information. We expect to have a fuller picture of the data next year.

Senior management targets

- Of the 50 companies which submitted a target for their senior management, targets ranged widely from 5% to 50%. The average target was 15.5%. Overall, there were 16 companies with a target between 0-10%, 25 between 11-20% and 8 > 20%.

Senior management targets

	2023
Target 0-10%	16
Target 11-20%	25
Target >20%	8

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Profile of Senior Management

- If we simply look at the 50 FTSE 250 companies which provided targets to us for 2027, we find that the average share of ethnic minorities in their senior management teams amounted to 12% at the end of 2023. This is targeted to rise by 3.5 percentage points to 15.5% in 2027.

Number of minority ethnic female senior managers in the FTSE 250

- Approximately 35% of ethnic minority senior managers in the FTSE 250 are female. In other words, about 5% of all senior managers are minority ethnic women.

Analysis of senior management by Ethnicity in the FTSE 250

	FTSE 250 - Percentage
Asian	49%
Black	9%
Mixed/ Multiple Ethnicity	9%
Other Minority Ethnic	31%
Prefer not / unable to say	2%

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Large Private Companies

In 2023, a new target has been set for each of 50 large privately-owned businesses, that they should have at least one minority ethnic director on their main Board (or equivalent) by 2027 and subsequent years.

At least 22 out of the 50 large privately-owned businesses currently have at least one minority-ethnic director on their main Board (or equivalent), meeting the 2027 target.

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Response rates and overall findings

- The data collected was on the ethnic composition of the 50 large privately owned businesses as of 31st December 2023.⁸
- 36 of the 50 large privately owned businesses responded to our voluntary census.
- Across the 50 large privately owned businesses, 22 of the 50 companies (44%) have met the 2027 target, while 14 (28%) have not done so, and 14 (28%) did not respond.

Profile of directors Chairs, CEOs and CFOs

- In the 50 large privately owned businesses, there are 42 ethnic minority directors holding 42 director positions. The number of positions held by ethnic minorities accounts for 11% of all positions (379).
- Of these 42 seats, there were three people from ethnic minorities who held the position of Chair; four who were CEOs; two who were CFOs; and there were 13 other executive directors. The other positions were NEDs or preferred not to say.

Number of the 50 large privately-owned businesses who have already met the 2027 target

	2023
Companies meeting target	22
Companies not meeting target	14
Companies not responding	14
% met (base: known companies)	44%

Number of directors from minority ethnic groups in the 50 large privately owned businesses

	2023
Total number directors	379
Number of minority ethnic directors	42
% of director positions held by minority ethnic directors	11%

⁸Director compositions may have changed since the publication of this Report.

UK citizens

- 16 of the 42 minority ethnic directors in the 50 large privately owned businesses were recorded as a UK citizen (38% of the 42 directors). British ethnic minority directors held 16 director positions out of the 379, representing 4% of all directorships.

Analysis by gender - Number of minority ethnic female directors in the 50 large privately owned businesses

	2023
Total ethnic minority directors	42
Number of ethnic minority directors that are women	17
Percentage of ethnic minority directors that are women	40%
Percentage of all directors in the 50 large privately owned businesses that are ethnic minority women	5%

Analysis by Ethnicity - Analysis by Ethnicity in the 50 large privately owned businesses

	Count	2023
Asian	24	57%
Black	6	14%
Mixed/ Multiple Ethnicity	3	7%
Other Minority Ethnic	6	14%
Prefer not/ unable to say	3	7%

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Senior Management Census

Challenges that we set out to address
through our extension of scope.



Company Questions Answered

Last year, we reported on some of the key challenges that we set out to address through our extension of scope. These issues included:

- The percentage of Chair and executive Director roles which are filled by ethnic minorities is lower than the percentage of NED roles filled by ethnic minorities.
- Companies risk underutilising their ethnic minority talent when the majority ethnic group is more likely to progress through the business than any other ethnic group.
- Examining the experiences of different ethnic minority groups as one collective will not capture the nuances in experiences and outcomes between different ethnic minority groups.

We set out how our extension of scope and corresponding data collection processes will help us to address these issues. By doing so, we hope to provide companies with support to complete the survey and greater transparency in how we intend to report this data.

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Company action	Our Recommendation	Why we ask for this information	What we do with this information	Considerations
Establish target parameters	<p>Define senior management as 'ExCo and ExCo minus one'</p> <p>Set a deadline of December 2027 for the target to be met</p>	<p>A consistent definition of senior management across companies will help us to assess progress over time</p> <p>This definition ensures that companies are promoting diversity in the most influential roles in business</p> <p>This definition aligns with the FTSE Women Leaders Review</p> <p>A consistent deadline date across companies ensures that companies are working towards the same milestone and therefore data submitted to the Review is comparable</p>	<p>For transparency, we may in future report that individual companies have adopted a different definition</p> <p>For transparency, we may in future report that individual companies have adopted a different target deadline</p>	<p>Companies with an established target for a different population should feel encouraged (but not obliged) to align their definition with the Review, where possible</p> <p>Companies with an established target that has a different deadline date should be encouraged to align their definition with the Review, where possible</p> <p>Companies with a pre-2027 target may wish to extend their target</p> <p>Companies with a post-2027 target may wish to set an interim target</p>

Company action	Our Recommendation	Why we ask for this information	What we do with this information	Considerations
Set target percentage	<p>Use a range of data points to set a target percentage, including the ethnic composition of:</p> <p>UK office regions</p>	The target percentage that companies set will allow us to examine the breadth of targets to provide information on overall representation across all companies	<p>We are likely to report in future on whether or not a company has set a target for senior management, in a similar format as we have done for Boards</p> <p>We will not report individual company targets as each company's target percentage will be specific to their geographical footprint and therefore not comparable</p> <p>We will not rank companies on their target</p>	<p>Companies should consider the Review's definition of 'ethnic minority' – any individual who identifies as Black, Asian or any other race or ethnicity that is not the white majority of the UK population as defined by the ONS and used in the 2021 UK Census (both British and non-British)</p> <p>The population's ethnic diversity varies across regions in the UK. For example, London is 46% ethnic minority, which is considerably higher than the West Midlands (23%) and the North-East (7%).</p>

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Company action	Our Recommendation	Why we ask for this information	What we do with this information	Considerations
	Overall ethnic minority representation	We use the number of ethnic minority individuals in senior management to calculate the proportion of ethnic minority representation in senior management for each company and for the FTSE 100, FTSE 250 and private companies overall		
	Breakdown of ethnic minority representation across groups	It cannot be assumed that the experiences and outcomes of different ethnic minority groups are the same. Disaggregating the data allows us to assess which groups within the broader ethnic minority category seem to be doing better or less well in business		Companies should use the UK Census categories when reporting on the ethnicities of their ethnic minority individuals in senior management
	Gender split of ethnic minority senior management population	The data on women's representation over time shows that women are more likely to be appointed to NED roles than executive roles.		
	Nationality of ethnic minority senior management population	Ethnicity and nationality are distinct but often overlapping identities. By asking for the nationality of ethnic minority individuals in senior management, we can determine to what extent British ethnic minorities are represented in the senior management of UK companies.		International companies are encouraged to develop leadership teams at board and senior management level which reflect the ethnic diversity of both the UK and the other jurisdictions in which they operate.

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CEO perspectives
Becoming 'race fluent'
Search 2.0
Change the Race Ratio

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Hywel Ball

Chair and Managing Partner, EY UK

Soon after I became Chair and Managing Partner of EY in the UK, we announced our [anti-racism commitments](#). Even though our journey at EY on race equality started long before these commitments and we have much to be proud of in terms of progress, I was struck by how enduring this problem is and that change remains incremental.

That matters to me more now than ever because, after the murder of George Floyd in May 2020, which inspired worldwide anti-racism protests, we took part in discussions in which Black employees at EY shared their experience of racism. Before then, it was tempting to believe that the path that I experienced during my own EY career was broadly the same as everyone else's. But those conversations and, indeed, discussions with my own teenagers, quickly disabused me of that belief in a level playing field.



A key part of our commitments is about recognising the unique experiences of different ethnic minority groups and the need to ensure that progress on racial equality includes progress for the Black community.

Between 1981 and 2017, reports have identified 589 recommendations to address racial inequality in employment, in communities and society at large. But they haven't led to a 'step change' in Black equality and equity in organisations.

This is not only a commercial matter, because we know that diverse perspectives can drive better decision-making, stimulate innovation and increase organisational agility. Creating a culture where, whatever your background, you feel safe to be yourself and can contribute your best is central to any organisation's success. It is also a matter of our wider role in society; large organisations have a role to play in creating opportunity and equity for the communities we serve.

So, I was keen to undertake a project to answer a different question: What is getting in the way of an organisation's ambition to achieve greater progress on Black Equality?

I was further inspired when the EY Foundation carried out research into the experience of young Black people across the UK moving from education to employment. The resulting report *Getting In, Getting On*⁹ not only revealed many disappointing but sadly familiar findings; it also identified the need for CEOs to step up to achieve a step change in impact.

I invited five CEOs from a range of sectors to join me on a new Forum, CEO Action for Black Equality, to work together to understand how better to drive change. We invested in independent, expert scrutiny, by working with Delta, led by Dr Doyin Atewologun.

The EY Foundation also brought together an advisory group of young Black people to challenge and help shape the direction and challenge our thinking.

As a result of our work, we learned that Race Equity Measures work when CEOs Lead, Champion, Hold to account, Connect to business and Insist everyone plays a part. Too often we leave this work to our DE&I teams. However great they are, CEOs must lead from the top on the agendas that matter most. It's not rocket science, CEOs must: be explicit about their own bias; know and champion their allies and mentors; truly hold Executive Sponsors to account; connect employee resource groups to the business, and insist on an ecosystem programme approach to change.

This has been an interesting and valuable journey. I continue to firmly believe that CEO commitment is fundamental to accelerating the progress of change for our Black employees, indeed all our under-represented communities. I believe that equitable and inclusive workplaces are increasingly 'mission critical' and that we leave Black equity (indeed, all equity) off that agenda at our peril.

Our global markets, clients and workforce, the new generation entering our companies, and the stakeholder focus on purpose and ESG, make it so. We must put our leadership and investment in place, hold ourselves accountable and be bold.

⁹https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/topicsdiversity/ey-getting-in-and-getting-on-report.pdf?download

Dame Amanda Blanc CEO, Aviva

Aviva has long been a leader and an advocate for diversity and inclusion in the workplace. A forerunner in developing gender diversity in their leadership ranks, developing ethnicity is now also an imperative for Aviva.

When asked about the ‘business case’ for diversity, Amanda Blanc, CEO, says “Aviva has over 19 million customers from all sorts of backgrounds and representing multiple ethnicities, so it just makes sense that our workforce would reflect our customer base”. Diversity is an issue of sustainability for Aviva.



We’ve always felt that if we don’t look after the client, the company doesn’t survive, and if we don’t have a well governed business that thinks about its role in the community then actually, we won’t survive another 325 years.

Initiatives which have already been key success factors in tackling gender biases have been extended to also confront racial and ethnic bias. This includes strategies to identify ethnically diverse talent internally, targets for ethnic diversity at the senior leadership levels, a bespoke leadership programme for ethnically diverse talent and an Aviva internship programme, all of which enable career progression and the development of a robust ethnically diverse pipeline at all levels. Further, diversity objectives and targets are built into organisational scorecards. This is to ensure that diversity goals are treated as the key business objectives they are and are not regarded as isolated and unaccountable side issues.

Finally, the CEO and all Exco members have diversity targets built into their LTIPs (Long-Term Incentive Plans), which includes a target to have at least 13% of its senior leadership from a minority ethnic background.

Removing barriers and ensuring ethnic minorities have equal opportunities to have successful and fulfilling careers is not without its challenges. Data is essential for organizations to understand the demography of their workforce.

Impressively, at Aviva, approximately 90% of their 22,000 strong workforce have self-disclosed their diversity attributes. While ethnicity data is captured in line with the ONS (Office for National Statistics) categories, ethnicity reporting is limited to those identifying as being a member of a minority ethnic group, rather than more granular data, because of the small population sizes.

Another challenge at Aviva is a function of the geographic makeup of their employee communities. Over half of Aviva’s colleagues reside in areas where the ethnic makeup sits well below the national average of about 18% and significantly less than the London average of about 46%, making improvements in the ethnic diversity of teams in these areas more challenging.

Aviva looks at diversity as a business imperative and while they acknowledge there is always more work to do and challenges to overcome, they continue to progress in their commitment to ensure their people are a reflection of the customers and communities they serve.

Paul Lewis

Firmwide Managing Partner, Linklaters

The business case for us is well established and embedded in our strategy. We have been working on improving ethnic diversity for over 10 years and have champions for this work at the Executive level.

We know that diversity brings different perspectives and drives better outcomes – so, if ethnic diversity (and other aspects of diversity) is good for the organisation in general, it must be good for the senior management team. I experienced this first hand when I co-opted a colleague from a different region onto our Executive Committee for a couple of years.

Conversations around the table were richer, we looked at issues from different viewpoints and angles. For us, the benefits are pretty clear and apparent.

Why has it worked? In my opinion, our line of work helps. There is a relatively direct correlation between how good someone is and their output. Law firms have a strong respect for talent – to work at this level, we want the very best of the best, with the degree of resilience we need to deliver excellent service to our clients. And we know that the best talent exists in different places, so we need to find it and retain it.

One challenge we face is that we surpass our ethnic and other diversity targets at entry level, but we are less successful, and have higher attrition, at more senior levels. So, we have a laser focus on building our pipeline.

At senior management level, we have a finite number of people who will be eligible for Partnership and we have clear targets – to have 10 Black Partners globally by 2027.

To meet this goal, we have taken a more granular approach, focussed on each individual. Using self-disclosed ethnic diversity data in the UK and US, and with specific data privacy consent, we have set up a Black talent tracker, pulling together data to track individual career development and progression.

This enables us to work with their managers to ask tough questions about potential and what support mentors or sponsors are giving. We check the robustness of line managers' ratings, look out for patterns or inconsistencies in feedback and we've trained our resource managers to ensure fair allocation of high-quality work.

In addition, we offer senior level sponsorship to all Black and minority ethnic talent globally, and we have scrutinised our promotion processes to ensure equity of opportunity. Finally, our Black Diversity Council have conducted exit interviews for departing talent, so we can get honest feedback about our culture.

We recognise the important role our leaders play in building our ethnically diverse talent pipeline. We have two very senior Race Champions - Andy Vickery, one of our Divisional Practice Heads and Aedamar Comiskey, our Senior Partner and Chair. Andy is leading on a new programme for Partners on how to manage diverse talent in their teams, talking through the importance of fairly distributing work on the really high-profile, cutting-edge

matters, how to challenge comments on 'fit', the risk of writing off people with whom you don't have an affinity, what code switching is and the impact it has on minority ethnic talent.

Focusing on ethnic diversity has also given us the opportunity to forge deeper relationships with our clients. Because we are aligned on the importance of this, we have a cross-mentoring partnership with one of the world's leading investment banks. This makes the relationship between the two businesses more relational rather than transactional, and our managers and leaders see how this has collaboration is very good for the business.

One tip I would offer other senior leaders – something I always try to hold myself to - is to frequently ask:



How do I make change happen now? What can make a difference now?

This is not about results in 10 years' time but about holding people accountable for actions they can make now.

Chris O’Shea CEO, Centrica



At Centrica, D&I means a workforce that is vibrant and looks like the world we live in.”

D&I is therefore vital because if you exclude chunks of the population, you cannot have the best performing team. At Centrica, diversity and inclusion are not just desirable, but vital for business success. Diversity offers the business competitive advantage because by reflecting the full diversity of their communities, they can understand and serve customers better.

Chris O’Shea consequently sees diversity and inclusion as not just the right thing to do, but an essential ingredient to deliver better outcomes for business and society.

As part of its broader D&I strategy, the organisation continues to focus on growing ethnic diversity. Whilst they’ve seen strong progress improving ethnic diversity at an all-company level, senior leadership representation has remained relatively static in recent years at 9%. Centrica recognises that more needs to be made to achieve its 18% target by 2030, which is in line with Census data for working populations.

To drive change and accountability, Centrica has established Diversity, Equity & Inclusion dashboards alongside Positive Action Plans for each business and function, which are reviewed quarterly and adjusted as needed. They span a range of initiatives – from the introduction of succession planning and diverse shortlists for recruitment, to talent development programmes and more.

A challenge the company encounters is boosting the rates of self-declaration among employees. So to gain a fuller picture of whose in their team and how they can support them, Centrica initiated a ‘This is Me’ campaign.

It featured members of their Senior Leadership Team from minority ethnic backgrounds who alongside other diverse colleagues, talked about why they were proud of who they were and why they’d already declared their ethnicity amongst other special characteristics.

Openness like this, motivated more employees to share their ethnicity, with the campaign achieving a 3% increase in self-declaration which the company hopes to build on.

Chris emphasised that key to achieving this, was the importance of building a culture of trust and inclusion. Centrica has therefore also focused on inclusive leadership and anti-racism training to build capability.

In particular, Chris believes that leaders must actively stand against racism and foster an anti-racist culture in order to create the right conditions for change.

That’s why Chris personally challenges himself to leverage the platforms he is given, and uses them to speak publicly about inequality and the value of difference.



If you don’t have diversity, you are definitely not the best.”

James Wroath CEO, Wincanton



Wincanton has a workforce of about 20,000 employees and believes that employee engagement leads to employee retention which in turn contributes to customer loyalty, facilitating organic growth.

Thus, for Wincanton, the business case is clear. As a logistics and supply chain solutions business, a large proportion of employees have minimal formal education and in non-professional roles. The company faces challenges in attracting a diverse talent pool for its leadership positions. There is a concentration of people from a range of diverse backgrounds in some parts of the business, such as Finance and ICT, with a recognition that other departments are less diverse.

The CEO recognises that a perceived lack of representation at the management level can cause potential employees to feel disconnected.

Further, the post-Brexit context also comes with challenges in hiring across Europe, prompting the business to focus on developing a more diverse British-based talent pool to strengthen and diversify its leadership pipeline.

Other key challenges recognised by James include reluctance from some employees to self-declare their ethnicity, particularly White colleagues.

Strategies taken by the business to diversify its management pipeline include focus on ensuring that the workforce mirrors the local community's diversity through internal career development programs (e.g. a graduate programme), internal hiring and other targeted initiatives to actively promote more diversity in junior and middle management. Additionally, the company runs the structured 'NextGen' programme to retain a diverse talent pool by providing job training, networking, and career advancement opportunities and increase diversity in leadership roles.



For James, it is important that Wincanton targets its diversification of ethnicity and other under-represented groups by aligning this focus with the business's core values of safety, well-being, inclusivity, and engagement. And, evidence indicates that events focusing on diversity, equity, and inclusion have contributed to increased engagement around the business.

James also recognises the broader societal need to focus on education and socio-economic equity to enhance diversity across the industry more broadly.

Overall, Wincanton has a multifaceted approach to diversity and inclusion more broadly and with regards to ethnicity in the management pipeline. The CEO and the business at large continue to advance on their strategic roadmap for a more diverse and equitable business.

Becoming 'race fluent'

Guidance for business leaders

Dr Doyin Atewologun

CEO, Delta



There is a barrier to action; many leaders would benefit from dispelling their fear of making mistakes.

Guidance for Business Leaders¹⁰

Anecdotal evidence collected from engagements with over 600 leaders by one of the Parker Review Steering Committee members over recent years identified that the key reason leaders hold back in making progress in race equity is “the fear of making inappropriate statements or being labelled racist”. Thus, language is frequently perceived as a barrier to action.

It seems to us at the Parker Review that if senior leaders are able to speak visibly, and with conviction about ‘race’ and why it matters to business, companies are likely to make quicker progress towards the Parker targets. We believe that, as we continue to reduce disparities in executive and Board level representation for individuals from racial or ethnic minority backgrounds, business leaders will also benefit from support in building their confidence and fluency in talking about ethnicity and ‘race’. There is a barrier to action; many leaders would benefit from dispelling their fear of making mistakes.

Some guidance on terminology

Recognising the evolving nature of language associated with race, we would want to avoid setting out a list of ‘what to say and what not to say’. However, language does matter, as words we use can carry and perpetuate implicit stereotypical or even supremacist assumptions embedded in our cultures. While offering guidance for common terms related to ethnic heritage, we

also want to invite a sense of curiosity in readers to delve more deeply into understanding why certain labels we can sometimes mindlessly use to classify people can be experienced as offensive by those to whom the term has historically been directed.

Breaking down ‘BAME’

In the contemporary global business landscape, addressing racial identities requires a nuanced understanding of terminology. For UK-based firms, the commonly used abbreviation from around the early 2000s for minority ethnic professionals has been ‘BAME’ (Black, Asian & Minority Ethnic). In the UK now, there is a general move away from using this acronym due to its homogenising assumptions. Such assumptions include a presumption of shared identities and experiences across swathes of the population, and a belief in uniform societal inequalities, belying diverse challenges, barriers and stereotypes. Research indicates that many individuals from ethnic minority backgrounds do not identify with this term. This emphasises the need for caution in its usage.

We recommend that leaders are as specific as they can be when referencing diverse ethnic groups. In both written and verbal communications, if you do need to use the term ‘BAME,’ spell out the acronym before its use to promote clarity and understanding. Refrain from using ‘BAME’ as an adjective (e.g. ‘BAME people’).

¹⁰Some of the core ideas discussed here originate from an earlier article, “Race Fluency: Getting the language right” (2021) by Dr. Doyin Atewologun, Dr. Fatima Tresh and Dr. Joy Warrington, retrievable here: <https://deltaalphapsi.com/race-fluency/>



To foster meaningful communication, leaders might do best by referencing each distinct group separately.

Black

The term 'Black' is not a word to be avoided, and typically serves as an inclusive identifier for individuals of sub-Saharan African descent. Historically, in the UK, the positive reclamation of the term 'Black' from the 1960s transformed it into a political descriptor, uniting individuals who had experienced racial discrimination based on skin colour (thus including Pakistani, Bangladeshi, Indian and other immigrant communities in the UK). This is less prevalent today. However, it remains crucial to recognise that people who identify as 'Black' may see themselves as belonging to the African and African Caribbean community while also embracing divergent religious, national and cultural affiliations.

In regions across the globe, there are additional historical and contextual considerations. For example, in South Africa and other southern African countries, where the legacies of apartheid persist, the terms 'Black' and 'Coloured' hold specific cultural meaning and weight. In contrast, in the United States and Canada, the term 'Black' unifies individuals who are descendants of enslaved people taken from Africa. In Europe including the UK, 'Black' encompasses individuals of African descent many from former

colonies and relatively more recent migrant communities (compared to the Americas). Further, Black communities with African ancestry in Central and South America (e.g. in countries like Brazil and Colombia) do not share a Western/Anglo context like their Northern American and European counterparts, thus their identities, worldviews and experiences may have more in common with other ethnic groups from the Global South.

Asian

Similarly, we would apply this lens to point out the inadequacy of the term 'Asian'. Its broad usage obscures the rich tapestry of social, geographical, cultural, and religious differences for individuals with ethnic origins traced across the Indian sub-continent to Eastern Asia. East Asia includes countries like China, Japan, and South Korea, while Southeast Asia encompasses nations such as Thailand, Vietnam, and Indonesia. South Asia includes countries like India, Pakistan, and Bangladesh, and Central Asia includes nations like Kazakhstan, Uzbekistan, and Kyrgyzstan. To foster meaningful communication, leaders might do best by referencing each distinct group separately, e.g. Bangladeshi, Chinese, Indian or Pakistani, etc..

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As language evolves, staying attuned to individual preferences allowing for self-identification and adapting communication accordingly contributes to an atmosphere of respect and understanding, fostering inclusion and belonging.

Latino/Latina/Latinx

Business leaders who have worked predominantly in Europe may find that they conflate Latin American identifiers with the descriptor ‘Hispanic’. ‘Hispanic’ broadly encompasses individuals with Spanish-speaking heritage, irrespective of race. ‘Latina’ and ‘Latino’ specifically refer to female and male individuals of Latin American descent, respectively.

Thus, ‘Hispanic’ relative to ‘Latin American’ may be seen primarily as a linguistic term, encompassing people who speak Spanish and share cultural ties to Spain (e.g. citizens of Argentina and Mexico), while ‘Latin American’ is a broader term that includes people of various racial and ethnic backgrounds who share cultural ties to the region of Latin America (including Portuguese-speaking Brazil and Haiti, a former French colony).

Terminology continues to evolve, and careful consideration is essential to promote inclusivity. The terms ‘Latina’ and ‘Latino’ traditionally denote gender-specific identifiers.

However, acknowledging the need for gender neutrality and non-binary identities, the term ‘Latinx’ has emerged. While ‘Latinx’ is gaining acceptance, it is vital to recognise that individuals may have varied preferences.

General

Leaders would do well to respond to the preferences of individuals on how they wish to be identified. These preferences may emerge from the evolving nature of language and cultural identifiers within diverse communities. As language evolves, staying attuned to individual preferences allowing for self-identification and adapting communication accordingly contributes to an atmosphere of respect and understanding, fostering inclusion and belonging. This will help to build and retain a strong diverse talent pipeline.

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A growth mindset means accepting uncertainties and mistakes as learning opportunities, asking thoughtful questions, and being open to correction.

Guidance for Business Leaders: When to use or not use various words

Above all, context matters. Context covers history and the current times – including the range of communities represented in your business, the proportions relative to each other and the total population, and how each of these individuals chooses to self-identify.

- In private and one-to-one contexts, prioritise individual preferences. If it is pertinent to the conversation (such as where you are unsure and you want to understand a person's lived experience), enquire directly how an individual would prefer to be identified rather than evading the topic.
- In public, large group social contexts (e.g. in a townhall with a diverse audience), acknowledge that language matters but that preferred terminology varies and that your preferred terms may not ring true to everyone in the audience. State what terminology you are opting to use and explain why (e.g. "this is the terminology that, following consultation, HR / our ERGS have recommended").
- In formal, written contexts e.g. published or Annual reports, you may opt to use more standardised approaches such as the UK ONS (Office of National Statistics) categories.

As a general principle, we advise business leaders to stay updated about evolving language preferences and cultural sensitivities in their local context so that they are not deemed out of touch with contemporary thinking. You may want to introduce a formal process to support you in this (e.g. asking HR/ your D&I team to consult, and agree, on terminology with your ERG leads periodically). Leaders are reminded to seek expert guidance, avoiding placing the burden on minority employees (unless you are in a professional relationship such as mentoring or sponsorship in which such questions are encouraged).

Business leaders may also find it useful to ask the most sensitive questions and grapple with the thorniest issues in conversations with executive coaches with expertise in equity and inclusion. They also might find it valuable to discuss nomenclature with reciprocal/reverse mentors, or with other similarly-placed contemporaries (e.g. their White, male, senior peers). Additionally, many business leaders gain guidance from internal experts (e.g. Chief Diversity Officers) or external consultants for guidance on appropriate terminology in their context.

- Overall, rather than looking for a strict list of 'right' and 'wrong' terminology, we urge business leaders to embrace a growth mindset when discussing 'race'. A growth mindset means accepting uncertainties and mistakes as learning opportunities, asking thoughtful questions, and being open to correction. While language is important, it should not overshadow meaningful action.

Dr Doyin Atewologun
Delta

Search 2.0

The future of leadership appointments



Satyajeet Thakur

Egon Zehnder

A definitive guide to more-inclusive outcomes

Search 2.0 is a new proposed gold standard for inclusive leadership appointments that are scalable and sustainable. With inclusivity at its core, it does not exclude any leader or seek predetermined outcomes. As talent is evenly distributed across society, Search 2.0 naturally leads to much greater ethnic diversity by ensuring that our leadership populations start to resemble the make-up of wider society.

The way leaders are chosen today, what we call “Search 1.0”, has evolved earlier than and separately from the recent emphasis on embedding Diversity, Equity, and Inclusion (DEI) into recruitment.

Search 1.0 is a well-oiled machine, forged under competitive pressures and evolving client demands to drive towards optimal talent solutions for companies in the most efficient way.

DEI aspirations have been bolted onto Search 1.0 without challenging some of its foundations. This has led to stresses and contradictions in expecting certain outcomes from a process that was not originally designed to deliver them. Efforts and progress towards greater diversity, including on ethnic diversity, have been dependent on good intentions from industry participants and expectation setting from various stakeholder groups, including the Parker Review, rather than being naturally facilitated by Search 1.0.

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Only a small minority of decisions deploy the conscious analytical power of the brain.

Search 2.0 is a fundamental upgrade. Its building blocks are as follows:

Bias identification and mitigation

The human brain relies on “shortcuts” (intuitions, common-sense, instincts) to conserve processing power. Only a small minority of decisions deploy the conscious analytical power of the brain. Both our intuitions and analyses are often correct and have been essential to our survival and thriving as a species. However, both are also prone to errors due to cognitive biases, which can negatively impact a range of leadership decisions, including progress on ethnic diversity. Search 2.0 provides a summary of cognitive biases that decision-makers need to be aware of, and suggestions to mitigate them. Ten of the more common cognitive biases influencing leadership appointments (not exhaustive) are captured below:

Ambiguity bias

The tendency to avoid options for which the probability of a favorable outcome is unknown.

Anchoring bias

The tendency to disproportionately rely on a narrow set of information received early, to guide decisions.

Attribution bias

The tendency to overemphasize personal factors and underestimate situational factors in evaluating people..

Conformity bias

The tendency to adapt our own opinions to fit with those of a group, especially with authority figures.

Confirmation bias

The tendency to selectively search for or interpret information in a way that confirms one’s preconceptions

Halo bias

The tendency for positive aspects in a profile to spill over and positively influence the view on unrelated aspects.

Horn bias

The tendency for negative aspects in a profile to spill over and negatively influence the view on unrelated aspects

Present bias

The tendency to favor lower immediate payoffs relative to greater later payoffs.

Status-quo bias

The tendency to favor the default or incumbent situation in comparison to making a change.

Zero-risk bias

The tendency to prefer reducing a small risk to zero over a greater reduction in a larger risk

Satyajeet Thakur
Egon Zehnder



Rethinking ethnic diversity ambitions

When the composition of a senior leadership population doesn't reflect the diversity of the wider population, some form of underrepresentation arises. Determining a "comparative set" for a company is complex. Considering global economic growth and demographic shifts, ethnic diversity, as it is defined in the UK, is going to be even more critical to British businesses than UK population statistics suggest, due to the growing percentage of revenues and profits that accrue from countries where white ethnic groups are not in a majority.

Search 1.0 to Search 2.0 – Evolution to the new gold standard

A search can be deconstructed into four categories of activities, (The Participants, The Plan, The Execution and The Selection) consisting of 20 steps that determine its outcome. Choices are consciously, unconsciously, or subconsciously made at each step and influence outcomes in ways big and small. Laying out the entirety of the process, breaking it down into its fundamental parts, suggesting ways in which they could be reimaged, and building it back up into an upgraded and joined-up whole is the core idea behind Search 2.0. The following chart explains this evolution.

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The participants

Search 1.0	Search 2.0
Candidate databases assumed to be largely undifferentiated	Candidate databases provide differentiated insights
Impact of consulting firm culture on candidate access not understood	Consulting firm culture enhances candidate access
Prior experiences dominates consultant team staffing choices	Experiences + personal characteristics both inform consultant staffing
Assuming DEI skills (or lack of) of consultants won't impact outcomes	Evaluating for DEI passion and knowledge in consultant staffing
Hiring (Client) team chosen solely for relevance to hiring decisions	Hiring relevance + diversity both inform hiring (Client) team make-up

The Plan

Search 1.0	Search 2.0
Prior hiring experiences guide hiring team actions	Prior experience + DEI sensitization guide hiring team
Search strategy precisely defined to acquire crucial experiences	Search strategy expanded to be inclusive and enhance choice
Role specification unrealistic, not customized or well socialized	Role specification compelling, balanced and socialized
Strong efforts to ensure a diverse candidate slate	Interviewing doesn't commence unless candidate slate is diverse
Increasing tendency to only consider diverse candidates	Ensuring a "no active or positive discrimination" policy

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The Execution

Search 1.0

One-page candidate profiles are not anti-bias checked or inclusive

Diversity statistics not agreed upon, narrowly defined and poorly tracked

Lived experiences explored inconsistently or in isolation

Candidates supported to ace interview

Interview approach inconsistent and constraints driven

Search 2.0

One-page candidate profiles are anti-bias checked and inclusive

Diversity statistics agreed upon and consistently and prudently tracked

Lived experiences tied back to leadership and team impact

Candidates given feedback on role, client culture and self-awareness

Interviewer training and interview experience a point of differentiation

The Selection

Search 1.0

Candidate calibration rushed; elimination focused

References taken late, and subject to confirmation and other biases

Psychometrics not taken or used as an evaluation tool

T&Cs not customized, and suggest conformity expectations

Work & social integration separate and on agreed templates

Search 2.0

Candidate calibration nuanced; strengths and trade-offs focused

References taken throughout process by trained reference takers

Psychometrics used to enhance awareness of traits and preferences

T&Cs avoid pay gaps, and customized to attract diverse talent

Joined-up accelerated integration authored by leader



Are you guaranteed a diverse candidate hire once you move over to Search 2.0? No, as that would not be a truly inclusive search process.

Can a process really be called inclusive if it excludes any individual who does not possess a minority or majority characteristic, or whose conclusions are loaded in favour of certain preordained outcomes? This is especially important in the current climate, to retain moral legitimacy, given the politicisation of the DEI debate, especially in the US but also in the UK, against real or perceived overreach on the part of DEI proponents into more exclusive rather than inclusive approaches.

As we appoint senior leaders for the UK's largest and most influential companies, ensuring an inclusive approach isn't just "a nice thing to do," it is also the right thing to do. Search 2.0 is reliably proven to increase the odds of improving diversity in a way that is sustainable and scalable, and importantly, does so in an inclusive, responsible, and legitimate way.

The [Search 2.0 e-book](#) has been made free to the world and is available for download. It includes a free, confidential self-diagnostic, the Search 2.0 Index, that provides companies with a clear line of sight to how far they may be from the proposed best practices to be truly world-class in their leadership appointments.

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Change the Race Ratio

Change the Race Ratio is the leading campaign in the UK calling for businesses to take action to increase racial and ethnic minority representation in their leadership teams.

Richard DeNetto

Change the Race Ratio



Achieving a change in representation isn't just about initiatives; it's also about aligning your work and progress on culture and inclusion with your business strategy.

Change the Race Ratio

Our campaign connects the directors and executives within our signatory group, enabling them to work together to solve common challenges and share good practice. We also have an events programme that's designed to support progress against our four campaign commitments while providing a safe space for discussion and knowledge exchange.

The publication of the Parker Review Report presents a pivotal moment for organisations to reflect on their progress in building an inclusive business culture.

To inform and shape your ESG actions in 2024 here are our five recommendations.

Inclusive Leadership

Businesses are currently facing a challenging economic climate and geopolitical uncertainty. It can be tempting to overlook actions on culture and inclusion, considering them as discretionary while focusing on resolving what may seem like more pressing or substantial challenges. However, the evidence base for inclusive practices driving better commercial outcomes is compelling and growing.

Executive Directors need to lead from the front. People from underrepresented groups aspire to see their voices acknowledged at senior levels and are looking for relatable role models and senior managers can significantly influence ethnic minority talent across all levels in an organisation.

Creating a sense of belonging through inclusive leadership is now more important than ever. As time progresses, those businesses fostering inclusive cultures will prove to be strong and resilient, enabling them to attract and retain the requisite talent essential for maintaining dynamism, enabling innovation, and driving competitiveness.

Accountability measures

What can be measured gets managed, ensuring transparency, commitment and measurable progress.

We ask our signatories to sign up to our commitments to change when they join the campaign. The commitments are to set and publish targets for racial and minority ethnic participation at board and senior management, in line with Parker Review targets, to commit to publishing their ethnicity pay gap and action plan within two years of joining the campaign, and to create an inclusive culture that allows all talent to thrive.

Accountability fuels progress by ensuring that these commitments turn into action. It's the cornerstone that drives meaningful change.

Transparency and data

Our signatories commit to publishing their ethnicity pay gap within two years of joining the campaign. Data can serve as a powerful tool to drive business decision making and ensure actions are targeted and impactful.

We support our signatories through the data collection and ethnicity pay gap reporting process. Analysis of workforce ethnicity data allows a business to pinpoint areas of inequality and focus efforts reduce the gap and remove barriers.



Data is about more than numbers; it encompasses a broader perspective. Data can help organisations move beyond the ‘what’ of company culture to delve into the underlying ‘why’ behind organisational dynamics and individuals’ lived experience.

Harness the power of people managers

A strategy can provide direction. An action plan outlines intentions and timelines. But true success and progress in driving race equity requires rallying the entire workforce. Failing to involve everyone can lead to push back and division.

Middle management has a crucial role to play in driving inclusive leadership and achieving race equity; managers are often the ones managing large teams and cascading information

and so they have a big influence on workplace culture and behaviour.

Providing effective support involves ongoing active listening to both managers’ concerns and wider workforce feedback, fostering a culture where people feel empowered to speak up.

AI Governance

AI stands as a transformative force in driving workforce inclusion, offering solutions for addressing unconscious bias and enhancing communication as well as streamlining processes. But despite the substantial interest in AI, lingering concerns persist. Doubts have arisen regarding its trustworthiness and the potential reinforcement of existing biases. What’s more, considerations regarding governance implications loom large.

Establishing effective governance in AI is imperative for ensuring its ethical, transparent, and accountable utilisation. Human oversight is paramount to ensure these systems function reliably, accurately, and consistently.

For those in the initial stages of AI implementation, securing access to AI experts is crucial. Experts can pinpoint risks, evaluate outcomes, and recommend contingency plans for potential system failures. In the case of established AI usage, consider establishing an ethics committee. This committee, made up of individuals well-versed in data, ethics, and technology, should encompass diverse lived experiences to incorporate a diversity of perspectives right from the start.

¹¹Some of the core ideas discussed here originate from an earlier article, “Race Fluency: Getting the language right” (2021) by Dr. Doyin Atewologun, Dr. Fatima Tresh and Dr. Joy Warmington, retrievable here: <https://deltaalphapsi.com/race-fluency/>



We have
attracted
and
supported
over 110
signatories.

Summary

As business navigates the complexities of an uncertain global landscape, integrating inclusive practices into the core business strategy has never been more important.

Our work with signatories has shown us that there is no one right way to make progress. But if you set and work towards targets and if you're transparent and accountable, then you can start to create momentum and make progress.

Since Change the Race Ratio launched in 2020, we have attracted and supported over 110 signatories make change, including many businesses in the FTSE 350.

Seeking support as you work towards your Parker Review targets? Join our peer group to help your business to put your ambition into action. Join us today to Change the Race Ratio in your leadership team.

Richard DeNetto
Change the Race Ratio

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Current profile of FTSE 100,
FTSE 250, 50 large private companies

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FTSE 100 companies that have met the target

	Company Name	Target Met
1	3I GROUP PLC	✓
2	ADMIRAL GROUP PLC	✓
3	AIRTEL AFRICA PLC	✓
4	ANGLO AMERICAN PLC	✓
5	ANTOFAGASTA PLC	✓
6	ASHTED GROUP PLC	✓
7	ASSOCIATED BRITISH FOODS PLC	✓
8	ASTRAZENECA PLC	✓
9	AUTO TRADER GROUP PLC	✓
10	AVIVA PLC	✓
11	B&M EUROPEAN VALUE RETAIL SA	✓
12	BAE SYSTEMS PLC	✓
13	BARCLAYS PLC	✓
14	BARRATT DEVELOPMENTS PLC	✓
15	BEAZLEY PLC	✓
16	BERKELEY GROUP HOLDINGS PLC	✓
17	BP PLC	✓
18	BRITISH AMERICAN TOBACCO PLC	✓
19	BT GROUP PLC	✓
20	BUNZL PLC	✓
21	BURBERRY GROUP PLC	✓

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22	CENTRICA PLC	✓	44	IMPERIAL BRANDS PLC	✓
23	COCA-COLA HBC AG	✓	45	INFORMA PLC	✓
24	COMPASS GROUP PLC	✓	46	INTERCONTINENTAL HOTELS GROUP PLC	✓
25	CONVATEC GROUP PLC	✓	47	INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA (IAG)	✓
26	CRODA INTERNATIONAL PLC	✓	48	INTERTEK GROUP PLC	✓
27	DCC PLC	✓	49	JD SPORTS FASHION PLC	✓
28	DECHRA PHARMACEUTICALS PLC	✓	50	KINGFISHER PLC	✓
29	DIAGEO PLC	✓	51	LAND SECURITIES GROUP PLC	✓
30	DS SMITH PLC	✓	52	LEGAL & GENERAL GROUP PL	✓
31	ENDEAVOUR MINING PLC	✓	53	LLOYDS BANKING GROUP PLC	✓
32	ENTAIN PLC	✓	54	LONDON STOCK EXCHANGE GROUP PLC	✓
33	EXPERIAN PLC	✓	55	M&G PLC	✓
34	F&C INVESTMENT TRUST PLC	✓	56	MARKS & SPENCER GROUP PLC	✓
35	FLUTTER ENTERTAINMENT PLC	✓	57	MELROSE INDUSTRIES PLC	✓
36	FRESNILLO PLC	✓	58	MONDI PLC	✓
37	GLENCORE PLC	✓	59	NATIONAL GRID PLC	✓
38	GSK PLC	✓	60	NATWEST GROUP PLC	✓
39	HALEON PLC	✓	61	NEXT PLC	✓
40	HALMA PLC	✓	62	OCADO GROUP PLC	✓
41	HIKMA PHARMACEUTICALS PLC	✓	63	PEARSON PLC	✓
42	HSBC HOLDINGS PLC	✓	64	PERSHING SQUARE HOLDINGS LTD	✓
43	IMI PLC	✓	65	PHOENIX GROUP HOLDINGS PLC	✓

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

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FTSE 100 Companies that have not met the target

1	DIPLOMA PLC	x
2	FRASERS GROUP	x
3	HOWDEN JOINERY GROUP	x
4	INTEREDiate CAPITAL GROUP	x

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FTSE 250 companies that have already met the December 2024 target

	Company Name	Target Met
1	4IMPRINT GROUP PLC	✓
2	ABERFORTH SMALLER COMPANIES TRUST PLC	✓
3	ABRDN	✓
4	ABRDN PRIVATE EQUITY OPPORTUNITIES TRUST PLC	✓
5	ALLIANCE TRUST PLC	✓
6	ALLIANZ TECHNOLOGY TRUST PLC	✓
7	ASCENTIAL PLC	✓
8	ASHMORE GROUP PLC	✓
9	ASTON MARTIN LAGONDA GLOBAL HOLDINGS PLC	✓
10	AUCTION TECHNOLOGY GROUP PLC (ATG)	✓
11	BAILLIE GIFFORD JAPAN TRUST PLC (THE)	✓
12	BANK OF GEORGIA GROUP PLC	✓
13	BANKERS INVESTMENT TRUST PLC	✓
14	BBGI GLOBAL INFRASTRUCTURE SA	✓
15	BLACKROCK GREATER EUROPE INVESTMENT TRUST PLC	✓
16	BLACKROCK THROGMORTON TRUST PLC	✓
17	BLACKROCK WORLD MINING TRUST PLC	✓
18	BREEDON GROUP PLC	✓
19	BRIDGEPOINT GROUP PLC	✓
20	BRITISH LAND CO PLC	✓
21	BRITVIC PLC	✓

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22	C&C GROUP PLC	✓	44	EDINBURGH INVESTMENT TRUST PLC	✓
23	CALEDONIA INVESTMENTS PLC	✓	45	EDINBURGH WORLDWIDE INVESTMENT TRUST PLC	✓
24	CAPITAL GEARING TRUST PLC	✓	46	ELEMENTIS PLC	✓
25	CARNIVAL PLC	✓	47	ENERGEAN PLC	✓
26	CENTAMIN PLC	✓	48	ESSENTRA PLC	✓
27	CHEMRING GROUP PLC	✓	49	EUROPEAN OPPORTUNITIES TRUST PLC	✓
28	CITY OF LONDON INVESTMENT TRUST PLC	✓	50	FDM GROUP (HOLDINGS) PLC	✓
29	CLARKSON PLC	✓	51	FIDELITY CHINA SPECIAL SITUATIONS PLC	✓
30	CLOSE BROTHERS GROUP PLC	✓	52	FIDELITY EMERGING MARKETS LTD	✓
31	COATS GROUP PLC	✓	53	FIDELITY EUROPEAN TRUST PLC	✓
32	COMPUTACENTER PLC	✓	54	FIDELITY SPECIAL VALUES PLC	✓
33	CRANSWICK PLC	✓	55	FINSBURY GROWTH & INCOME TRUST PLC	✓
34	CURRYS PLC	✓	56	FIRSTGROUP PLC	✓
35	DARKTRACE PLC	✓	57	GAMES WORKSHOP GROUP PLC	✓
36	DERWENT LONDON PLC	✓	58	GCP INFRASTRUCTURE INVESTMENTS LTD	✓
37	DIRECT LINE INSURANCE GROUP PLC	✓	59	GENUIT GROUP PLC	✓
38	DISCOVERIE GROUP PLC	✓	60	GENUS PLC	✓
39	DOWLAIS GROUP PLC	✓	61	GLOBAL SMALLER COMPANIES TRUST PLC (THE)	✓
40	DR MARTENS PLC	✓	62	GRAFTON GROUP PLC	✓
41	DRAX GROUP PLC	✓	63	GRAINGER PLC	✓
42	DUNELM GROUP PLC	✓	64	GREAT PORTLAND ESTATES PLC	✓
43	EASYJET PLC	✓	65	GREGGS PLC	✓

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66	HAMMERSON PLC	✓	88	ITV PLC	✓
67	HARBOUR ENERGY PLC	✓	89	JLEN ENVIRONMENTAL ASSETS GROUP LTD	✓
68	HARBOURVEST GLOBAL PRIVATE EQUITY LTD	✓	90	JOHNSON MATTHEY PLC	✓
69	HARGREAVES LANSDOWN PLC	✓	91	JPMORGAN AMERICAN INVESTMENT TRUST PLC	✓
70	HAYS PLC	✓	92	JPMORGAN EMERGING MARKETS INVESTMENT TRUST PLC	✓
71	HELIOS TOWERS PLC	✓	93	JPMORGAN EUROPEAN DISCOVERY TRUST PLC	✓
72	HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC	✓	94	JPMORGAN INDIAN INVESTMENT TRUST PLC	✓
73	HERALD INVESTMENT TRUST PLC	✓	95	JPMORGAN JAPANESE INVESTMENT TRUST PLC	✓
74	HG CAPITAL TRUST PLC	✓	96	JUPITER FUND MANAGEMENT PLC	✓
75	HICL INFRASTRUCTURE PLC	✓	97	JUST GROUP PLC	✓
76	HILL & SMITH PLC	✓	98	LANCASHIRE HOLDINGS LTD	✓
77	HIPGNOSIS SONGS FUND LTD	✓	99	LAW DEBENTURE CORP PLC (THE)	✓
78	HISCOX LTD	✓	100	LONDONMETRIC PROPERTY PLC	✓
79	IBSTOCK PLC	✓	101	MAN GROUP PLC	✓
80	ICG ENTERPRISE TRUST PLC	✓	102	MARSHALLS PLC	✓
81	IG GROUP HOLDINGS PLC	✓	103	MERCANTILE INVESTMENT TRUST PLC	✓
82	IMPAX ENVIRONMENTAL MARKETS PLC	✓	104	MITIE GROUP PLC	✓
83	INCHCAPE PLC	✓	105	MOBICO GROUP PLC	✓
84	INTEGRAFIN HOLDINGS PLC	✓	106	MONEYSUPERMARKET.COM GROUP PLC	✓
85	INTERNATIONAL DISTRIBUTIONS SERVICES PLC	✓	107	MONKS INVESTMENT TRUST PLC	✓
86	INVESTEC PLC	✓	108	MOONPIG GROUP	✓
87	IP GROUP PLC	✓	109	MORGAN ADVANCED MATERIALS PLC	✓

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110	MORGAN SINDALL GROUP PLC	✓	132	PZ CUSSONS PLC	✓
111	MURRAY INCOME TRUST PLC	✓	133	QUILTER PLC	✓
112	MURRAY INTERNATIONAL TRUST PLC	✓	134	RATHBONES GROUP PLC	✓
113	NB PRIVATE EQUITY PARTNERS LTD	✓	135	REDDE NORTHGATE PLC	✓
114	NETWORK INTERNATIONAL HOLDINGS PLC	✓	136	REDROW PLC	✓
115	NINETY ONE PLC	✓	137	ROTORK PLC	✓
116	OCTOPUS RENEWABLES INFRASTRUCTURE TRUST PLC	✓	138	RUFFER INVESTMENT CO LTD	✓
117	OSB GROUP PLC	✓	139	SAFESTORE HOLDINGS PLC	✓
118	OXFORD INSTRUMENTS PLC	✓	140	SAVILLS PLC	✓
119	PACIFIC HORIZON INVESTMENT TRUST PLC	✓	141	SCHRODER ASIA PACIFIC FUND PLC	✓
120	PAGEGROUP PLC	✓	142	SCHRODER ORIENTAL INCOME FUND LTD	✓
121	PANTHEON INTERNATIONAL PLC	✓	143	SDCL ENERGY EFFICIENCY INCOME TRUST PLC	✓
122	PARAGON BANKING GROUP PLC	✓	144	SENIOR PLC	✓
123	PENNON GROUP PLC	✓	145	SERCO GROUP PLC	✓
124	PERSIMMON PLC	✓	146	SHAFTESBURY CAPITAL PLC	✓
125	PETERSHILL PARTNERS PLC	✓	147	SOFTCAT PLC	✓
126	PETS AT HOME GROUP PLC	✓	148	SPECTRIS PLC	✓
127	PLAYTECH PLC	✓	149	SPIRE HEALTHCARE GROUP PLC	✓
128	PLUS500 LIMITED	✓	150	SPIRENT COMMUNICATIONS PLC	✓
129	PREMIER FOODS PLC	✓	151	SSP GROUP PLC	✓
130	PRIMARY HEALTH PROPERTIES PLC	✓	152	SYNCONA LTD	✓
131	PURETECH HEALTH PLC	✓	153	TATE & LYLE PLC	✓

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154	TBC BANK GROUP PLC	✓
155	TEMPLE BAR INVESTMENT TRUST PLC	✓
156	TEMPLETON EMERGING MARKETS INVESTMENT TRUST PLC	✓
157	THE RENEWABLES INFRASTRUCTURE GROUP LTD (TRIG)	✓
158	TP ICAP GROUP PLC	✓
159	TRAINLINE PLC	✓
160	TRAVIS PERKINS PLC	✓
161	TRITAX BIG BOX REIT PLC	✓
162	TRUSTPILOT GROUP PLC	✓
163	TUI AG	✓
164	TWENTYFOUR INCOME FUND LTD	✓
165	VESUVIUS PLC	✓
166	VIETNAM ENTERPRISE INVESTMENTS LTD (VEIL)	✓
167	VINACAPITAL VIETNAM OPPORTUNITY FUND LTD	✓
168	VIRGIN MONEY UK PLC	✓
169	VOLUTION GROUP PLC	✓
170	WATCHES OF SWITZERLAND GROUP PLC	✓
171	WETHERSPOON(J.D.) PLC	✓
172	WITAN INVESTMENT TRUST PLC	✓
173	WIZZ AIR HOLDINGS PLC	✓
174	WORKSPACE GROUP PLC	✓
175	WORLDWIDE HEALTHCARE TRUST PLC	✓

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FTSE 250 Companies that have not met the December 2024 target

1	POLAR CAPITAL TECHNOLOGY TRUST PLC	x
2	AG BARR PLC	x
3	SMITHSON INVESTMENT TRUST PLC	x
4	AVI GLOBAL TRUST PLC	x
5	INDIVIOR PLC	x
6	TRITAX EUROBOX PLC	x
7	FERREXPO PLC	x
8	BYTES TECHNOLOGY GROUP PLC	x
9	3I INFRASTRUCTURE PLC	x
10	FORESIGHT SOLAR FUND LTD	x
11	APAX GLOBAL ALPHA LTD	x
12	CREST NICHOLSON HOLDINGS PLC	x
13	UK COMMERCIAL PROPERTY REIT LTD	x
14	RHI MAGNESITA NV	x
15	SCOTTISH AMERICAN INVESTMENT CO PLC	x
16	DOMINO'S PIZZA GROUP PLC	x
17	AJ BELL PLC	x
18	BALTIC CLASSIFIEDS GROUP (BCG) PLC	x
19	TELECOM PLUS PLC	x
20	SIRIUS REAL ESTATE LTD	x
21	BELLWAY PLC	x
22	JTC PLC	x
23	INTERNATIONAL PUBLIC PARTNERSHIPS LTD	x

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FTSE 250 Companies that have not met the December 2024 target

24	BABCOCK INTERNATIONAL GROUP PLC	x
25	GREENCOAT UK WIND PLC	x
26	HILTON FOOD GROUP PLC	x
27	BALFOUR BEATTY PLC	x
28	JOHN WOOD GROUP PLC	x
29	VICTREX PLC	x
30	NEXTENERGY SOLAR FUND LIMITED	x
31	EMPIRIC STUDENT PROPERTY PLC	x
32	VISTRY GROUP PLC	x
33	RENISHAW PLC	x
34	BLUEFIELD SOLAR INCOME FUND LTD	x
35	JPMORGAN GLOBAL GROWTH & INCOME PLC	x
36	MITCHELLS & BUTLERS PLC	x
37	FORESIGHT GROUP HOLDINGS LTD	x
38	TARGET HEALTHCARE REIT PLC	x
39	TI FLUID SYSTEMS PLC	x
40	WH SMITH PLC	x
41	QINETIQ GROUP PLC	x
41	MERCHANTS TRUST PLC	x
43	KAINOS GROUP PLC	x
44	EUROPEAN SMALLER COMPANIES TRUST PLC (THE)	x
45	TYMAN PLC	x
46	BLACKROCK SMALLER COS TRUST PLC	x

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FTSE 250 Companies that did not respond to the December 2023 survey

1	AO WORLD PLC ¹⁰	-
2	ASIA DRAGON TRUST PLC ¹⁰	-
3	BAKKAVOR GROUP PLC	-
4	BALANCED COMMERCIAL PROPERTY TRUST LTD	-
5	BELLEVUE HEALTHCARE TRUST PLC	-
6	BH MACRO LTD	-
7	BIG YELLOW GROUP PLC	-
8	BODYCOTE PLC	-
9	DIVERSIFIED ENERGY COMPANY PLC	-
10	FUTURE PLC	-
11	HOCHSCHILD MINING PLC ¹⁰	-
12	HUNTING PLC	-
13	ITHACA ENERGY PLC	-
14	IWG PLC	-
15	KELLER GROUP PLC	-
16	LXI REIT PLC	-
17	ME GROUP INTERNATIONAL PLC	-
18	NORTH ATLANTIC SMALLER COMPANIES INVESTMENT TRUST PLC	-
19	PERSONAL ASSETS TRUST PLC	-
20	PPHE HOTEL GROUP LTD ¹⁰	-
21	RIT CAPITAL PARTNERS PLC	-

¹⁰Company joined the FTSE 250 in December 2023



22	SEQUOIA ECONOMIC INFRASTRUCTURE INCOME FUND LTD	-
23	STHREE PLC	-
24	SUPERMARKET INCOME REIT PLC	-
25	TR PROPERTY INVESTMENT TRUST PLC	-
26	TULLOW OIL PLC ¹⁰	-
27	URBAN LOGISTICS REIT PLC	-
28	WAG PAYMENT SOLUTIONS PLC (EUROWAG)	-

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Companies from the 50 large privately owned businesses that have met the December 2027 target

	Company Name	Target Met
1	ACCENTURE (UK) LTD	✓
2	ALLEN & OVERY LLP	✓
3	ANGLIAN WATER GROUP LTD	✓
4	ARUP GROUP LTD	✓
5	ASDA GROUP LTD	✓
6	BRITISH UNITED PROVIDENT ASSOCIATION LTD (BUPA)	✓
7	DLA PIPER INTERNATIONAL LLP	✓
8	EY	✓
9	FRESHFIELD BRUCKHAUS DERINGER LLP	✓
10	JOHN LEWIS PARTNERSHIP	✓
11	KCA DEUTAG GROUP	✓
12	KPMG	✓
13	LAING O'ROURKE	✓
14	LINKLATERS LLP	✓
15	MACE GROUP LTD	✓
16	MERLIN ENTERTAINMENTS LTD	✓
17	MORRISONS	✓
18	NATIONWIDE BUILDING SOCIETY	✓
19	PWC	✓
20	RUBIX LTD	✓
21	THE CO-OPERATIVE GROUP LTD	✓
22	WOLSELEY UK LTD	✓

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Ongoing engagement with companies was undertaken to promote maximum response.

Methodology

- Data on companies' directors was obtained through an online voluntary census of all FTSE 350 firms and a survey of 50 large UK private companies¹². Ongoing engagement with companies was undertaken to promote maximum response. Data was collected between October 2023 and January 2024 with companies asked to provide details on their Boards and senior management at 31 December 2023.
- Questions in the voluntary census and survey 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, ethnicity, nationality, and any other FTSE 350 Boards on which the director sits.
- 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 follows the same approach used in the 2021 and 2022 Reports.
- 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.

¹²As defined by the FTSE Women Leaders Review.

Improving the Ethnic Diversity of UK Business

An update report from the Parker Review

David Tyler
The Parker Review Committee

March 2024

