

## Insights

# UPDATE REPORT FROM THE PARKER REVIEW

17 March 2022

## SUMMARY

Five years on significant progress has been made in reaching the goal of “At Least One by 21” (ie. every FTSE 100 company to have at least one person from a minority ethnic group on its board). At the end of 2021, 89 FTSE 100 companies had met this target. Similarly the FTSE 250 are making good progress to reach their 2024 deadline.

However, despite this progress, the overwhelming majority of these Board positions are Non-Executive Directors. Only 6 CEOs across the FTSE 100 come from a minority ethnic background and 16 minority ethnic CEOs lead FTSE 250 companies. There are even fewer chairs from a minority ethnic background -3 in the FTSE 100 and 5 in the FTSE 250.

## Key findings of the latest report from the Parker Review

The Parker Review recommended that there should be (i) one director from a minority ethnic group on each FTSE 100 board by 2021; and (ii) one on each FTSE 250 board by 2024. This update report found:

- FTSE 100 - 89 out of 100 (89%) companies met the target. 49% of directors from minority ethnic groups are women in the FTSE 100
- FTSE 250 - 128 out of 233 (55%) companies currently meet their December 2024 target. 44% of directors from minority ethnic groups are women in the FTSE 250
- The majority of minority ethnic group directors are in NED roles

The report also summarises some of the preliminary findings of research undertaken for the FRC by the Gender, Leadership and Inclusion Research Centre at Cranfield University on the barriers preventing individuals from minority ethnic groups achieving senior representation in FTSE 350 companies. The FRC will publish the full report later this year.

Update report from the Parker Review

## **Institutional investor views**

As we approach the 2022 AGM season, the Investment Association has published its [shareholder priorities and IVIS\\* approach for 2022](#). IVIS will:

- Red top FTSE 100 companies that have not met the Parker Review target of one director from a minority ethnic group.
- Amber top FTSE 250 companies that do not disclose either the ethnic diversity of their board or a credible action plan to achieve the Parker Review targets by 2024.

Separately, the [Glass Lewis 2022 Policy Guidelines](#) generally recommend against the re-election of the chair of the nomination committee at any FTSE 100 board that has failed to appoint at least one director from a minority ethnic group and has failed to provide clear and compelling disclosure for why it has been unable to do so.

\* IVIS is part of the Investment Association and provides corporate governance research. IVIS does not provide voting recommendations but instead it highlights issues or concerns for its subscribers to consider prior to voting through Colour Tops

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