

## **FTSE 350 URGED TO STEP UP TO MEET 2020 WOMEN ON BOARDS TARGETS**

- FTSE 100 firms on track to reach Government-backed target of 33% of board positions going to women by 2020 but FTSE 350 may fall short
- Halfway point of Hampton-Alexander Review shows quarter of FTSE 350 board positions are held by women, but there remain 10 all-male boards
- Online portal opens for FTSE 350 to submit 2018 gender diversity leadership data

More women than ever before are on the boards of the UK's largest companies but they still have some way to go to meet the target of 33% women by 2020, according to new data revealed today (27 June) to mark the halfway point of a Government-backed review.

Figures released today by the Hampton-Alexander Review, which aims to ensure that talented women at the top of business are recognised, promoted and rewarded show 305 positions – 29% of FTSE 100 board positions – are held by women, up from 12.5% in 2011.

Launched in 2016, the Government-backed Hampton-Alexander Review set FTSE 350 businesses a target of having 33% of all board and senior leadership positions held by women by the end of 2020. Today's statistics show that if progress matches the same gains made over the last three years, then FTSE 100 companies are on track to meet the 2020 target.

However, today's announcement also revealed that while the number of women on boards has increased to 25.5% in FTSE 350 companies, around 40% of all appointments need to go to women in the next two years for the FTSE 350 to achieve the 33% target.

While some FTSE 350 companies are on track to meet the Government-backed targets for women on boards, others are lagging behind. These have today been urged to emulate success stories of the eighty-plus companies already at or beyond the 33% such as hospitality company Whitbread, alcoholic drinks company Diageo, and fashion retailer Next.

Sir Philip Hampton, Chair of the Hampton-Alexander Review said:

“It is good to see progress of women on boards continuing with the FTSE 100 likely to hit the 33% target in 2020. However, nearly half of all available board appointments in the run up to 2020 now need to go to women if the FTSE 350 are to meet the target.

“Far too many companies still have no women – or only one woman – on their board.

“Meanwhile, progress in executive and leadership positions is eagerly awaited as the portal for companies to submit their gender data opens today. We’ll be analysing the data on women in executive leadership roles and hope to see increasing numbers of women joining Executive Committees, or reporting to ExCo members, in the FTSE 350.

Business Minister Andrew Griffiths today called on businesses to prioritise their commitment to tackling gender inequality, saying:

“While it is great to see there are more women at the top of Britain’s largest businesses than ever before and I applaud those businesses who have made great strides, it is clear there is still a long way to go and I urge businesses to keep stepping up and championing diversity.

“The Hampton-Alexander Review is highlighting the benefits of everyone having an equal opportunity to reach the top, and I commend their effort in driving this important initiative.”

Minister for Women Victoria Atkins said:

“This Government is absolutely committed to increasing diversity in business, and we are leading the way in supporting the work of the Hampton Alexander Review to make sure FTSE companies support and develop their female talent pipeline.

“Women are good for business: they bring valuable perspectives and experiences to the decision-making process. FTSE 350 companies need to do their bit and accelerate progress. There is no excuse for having an all-male board.”

The online portal for FTSE 350 companies to submit their 2018 gender leadership data also opens today. Progress made on women in executive and leadership roles will be revealed in November.

Melanie Richards Deputy Chair at KPMG, sponsor of the Review said:

“These figures are a significant step in the right direction and reflect the efforts and change in emphasis businesses have placed on tackling the gender gap. But it is undeniable that there is more to do to achieve equality in the Boardroom.

“In order to achieve these ambitious targets significant change is required, which will not happen overnight. It will take systematic focus on all aspects of recruitment and retention. The progression of women remains key, coupled with an emphasis on creating environments in which talent can thrive, leadership stereotypes are challenged and individuals are valued for their skills and capabilities.”

The Investment Association (IA) is working with investors to achieve better gender representation in the boardroom. In April 2018, the IA and the Hampton-Alexander Review wrote to 35 FTSE 350 companies who were falling short on their gender diversity targets.

Chief Executive of the Investment Association Chris Cummings said:

“The dial has shifted: gender diversity is now front and centre of investors’ minds. Firms with a diverse management team and pipeline make better decisions, so this is a business-critical issue. Companies must demonstrate that they have diverse management teams or have concrete plans to increase diversity, or face possible shareholder revolt.”

Last month, the team behind the Hampton-Alexander Review revealed shocking explanations from sexist FTSE bosses for not appointing women to their boards, which showed that some companies are still refusing to move with the times.

Tackling the gender pay gap is part of the Industrial Strategy Government’s long-term plan to build a Britain fit for the future, with the ambition to help businesses create better, higher-paying jobs and ensure everyone can be successful in the workplace.

Bridging the gender pay gap could add £150 billion to the UK economy by 2025<sup>[1]</sup>. Many companies reporting their gender pay gap earlier this year explained that the pay gap was due to insufficient women in senior roles, and/or a predominance of women in lower paid work. Ensuring women are selected in more equal numbers for senior roles, significantly helps to reduce the pay gap.

Under new laws, all companies with 250 or more employees were required to report their gender pay gaps. Over 10,000 public, private and voluntary sector businesses have now reported.

### Notes to Editors:

1. <https://www.mckinsey.com/gb/our-people/uk-gender-pay-gap-report>
2. Figures for women on boards of FTSE companies published on 1 June by BoardEx, a business intelligence provider, show:
  - FTSE 100 is at 29% up from 27.7% in October
  - FTSE 250 is at 23.6 % up from 22.8% in October
  - FTSE 350 is at 25.5% up from 24.5% in October
  - 10 FTSE 350 all-male boards
3. The 10 FTSE 350 companies with all-male boards are:
  - Baillie Gifford Japan Trust Plc
  - Daejan Holdings Plc
  - Herald Investment Trust Plc
  - Integrafina Holdings Plc
  - JP Morgan Japanese Investment Trust Plc
  - On The Beach Group Plc
  - Sports Direct International Plc
  - Stobart Group Ltd
  - TBC Bank Group Plc
  - Ti Fluid Systems Plc
4. The 2018 Hampton-Alexander Report will be published on the 13<sup>th</sup> November 2018, a year after last year's report
5. The Hampton-Alexander portal is open for FTSE 350 companies to submit their 2018 data on women in leadership – i.e. the number of men and women on the Executive Committee and the Direct Reports to the Executive Committee from 27<sup>th</sup> June – 31<sup>st</sup> July 2018 [<https://ftsewomenleaders.com>]