

# LENS ON:

## Boardroom diversity

### FTSE Women Leaders portal open for data submission

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#### November 2024

The year end is a milestone for assessing UK companies' progress towards gender and ethnicity targets. On Friday, with 1 year to go on the FTSE Women Leaders' deadline for achieving 40% *Women in Leadership*, the review team kicked-off the period with the opening of their portal for data submissions ([link to portal](#)). December 2024 also marks the deadline set by the Parker Review for *One by 2024* for FTSE250 companies.

Progress to-date has been positive; the majority of FTSE350 companies achieved the 40% *Women on Boards* target three years early and, at the end of 2023 – a year ahead of schedule – 70% of FTSE250 companies had met the *One by 2024* target. However, extending representation further into the organisation is more challenging. The 2023 FTSE Women Leaders review reported that just over a third of leadership roles were filled by women and, to achieve the 40% target by the end of 2025, almost every other appointment until then would need to be a woman. Given that we are still seeking gender balance in leadership roles, it is unsurprising that progress has been slow towards the target of at least one of four key roles (Chair, CEO, FD, SID) being held by a woman. With the exception of the SID role, this target has been achieved by only c.10% of the FTSE100. With regard to ethnic diversity, the 2023 Parker review reported that 12.5% of senior executives in FTSE350 companies are from an ethnic minority.

#### Ellason commentary

Having the right board composition is a key element of a high-performing board. A board comprised of individuals with a diverse range of skills and experience enables robust challenge, decisions informed from consideration of different perspectives, innovation and mitigates the risk of "groupthink".

To maintain and improve diversity on boards the pool of potential candidates will need to be expanded with a focus on creating a strong pipeline of gender- and ethnically-diverse candidates below the board. Without focus on diversity amongst the below-board cadre it will be challenging to sustain diversity on boards; a diverse candidate will not be able to demonstrate the experience required to be CEO or FD and it will be challenging to extend the shortlists for non-executive roles. We look forward to the 2024 review outcomes.

Please do not hesitate to contact any of the Ellason team should you wish to discuss this issue further.