

The Hidden Truth

Diversity and Inclusion in the FTSE All-Share Executive Summary

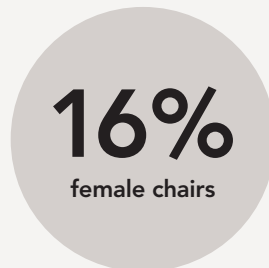
The report gives the most comprehensive picture ever of the state of diversity and inclusion across the entire FTSE All-Share. For the first time, it examines every FTSE All-Share company below the 350 (FTSE All-Share ex350) and brings together the Gender Pay Gap data across those FTSE All-Share companies, who are required to, or choose to, report.

Board Diversity

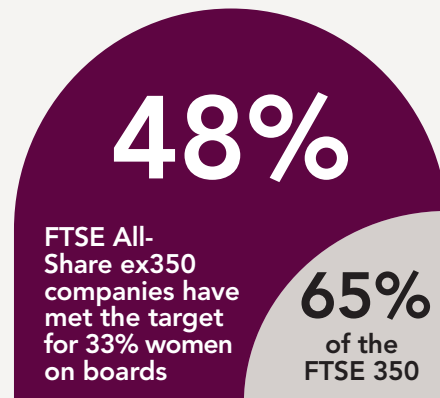
Our data exposes the hidden truth that, beyond the overall number of female non-executives, progress has been extremely limited.

We have also uncovered a significant 'diversity divide', between some firms who have majority female boards and others who have paid lip service, at best, to diversity and inclusion.

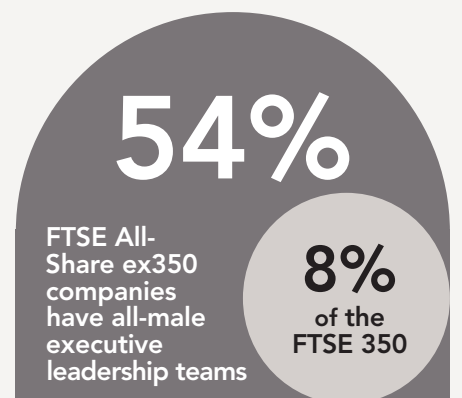
In the FTSE All-Share ex350:



In the FTSE All-Share ex350:



65%
of the
FTSE 350



8%
of the
FTSE 350

This diversity divide is particularly stark in the FTSE All-Share ex350:



Gender Pay Gap

Bringing together data for every FTSE All-Share firm which reports for the first time, we can clearly see that, as a group, these companies are performing poorly. Despite more diversity in their board and executive teams, the FTSE 350 companies have the largest average Gender Pay Gaps. Over the three years of reporting requirements, the Gender Pay Gap in FTSE All-Share companies has been broadly static. Yet, some firms have demonstrated this is far from inevitable by closing, or even reversing, their individual pay gap.

Looking at the quality of the Gender Pay Gap reports for the FTSE All-Share ex350 companies which are required to produce them, we found many demonstrated a low priority; low transparency; and were lacking in action. These are clear, if unacceptable, explanations for why their pay gaps are so high and static. Yet other firms do demonstrate high quality and innovative action.

Average Gender Pay Gap:

National average - 13.7%

FTSE 350 - 20.2%

FTSE All-Share ex350 - 17%

Average bonus gap:

National average - 20%

FTSE 350 - 44.6%

FTSE All-Share ex350 - 36%

What next?

The progress on gender diversity in non-executives shows 'proof of concept' in achieving business-led change through monitoring and scrutiny. It is not 'job done'.

Women on Boards calls for continued scrutiny and monitoring of all listed companies' diversity and inclusion metrics to ensure the achievements to date are embedded and built upon.

Specifically we recommend:

1. Scrutiny of the number of individual FTSE All-Share companies reaching board and executive diversity targets, not focusing on overall collated data.
2. All listed entities* to report their Gender Pay Gap, on a comply or explain basis.
3. FTSE All-Share companies to aim to reach the 'gold standard' of 40: 40: 20 gender balance.
4. Standardise and integrate reporting of diversity in all forms (where data permits) to enhance clarity and transparency.

*with the exception of collective investment companies, who employ very few staff directly.