

# BARRATT DEVELOPMENTS: WOMEN ON THE BOARD

## 1 ISSUE

The business case for diversity is strong. [Studies by the consultancy McKinsey](#) and others suggest that companies with executive teams featuring strong gender and ethnic diversity are more likely than companies with more uniform teams to outperform their peers on measures such as profitability. This reflects evidence that [a diverse group of people may make better decisions](#).

In the UK, all FTSE 100 and FTSE 250 companies were expected to meet the government's Hampton-Alexander Review target of 33% female representation at board and senior management level by December 2020.

Building on this, the Financial Conduct Authority now requires listed companies to meet two gender benchmarks or explain why they haven't done so. One is that at least 40% of board members should be women. The other is that at least one of the four senior board positions of chair, chief executive officer, chief financial officer and senior independent director should be female. Companies should also have at least one ethnic minority board member.

At UK housebuilder Barratt Developments, women made up only 25% of the board by the time of the 2022 AGM, though the company had met the ethnic benchmark target. As of June 2022, women held only 17% of senior manager roles, with men occupying all four senior board positions.

## 2 PROCESS

We decided to vote against the re-election of the nomination committee chair (and chair of the board) John Allan, holding him accountable for the low number of women on the board and in senior management. The nomination committee makes recommendations for appointments to the board.

## 3 OUTCOME

In all, 20.4% of shareholders voted against Mr Allan's re-election. This was above the 20% threshold needed to place the company on the UK Investment Association's Public Register. This increased pressure on the board to make changes, consult with shareholders and disclose how it has addressed their concerns. A failure to meet these targets could lead to reputational risks and votes against the chair and nomination committee directors at the next AGM.



OPPOSITION TO NOMINATION  
COMMITTEE CHAIR

20.4%