

Key finding: Companies face a shortage of talent across all aspects of their business. To be successful, they will want to reach the widest talent pool. By reporting the ethnicity pay gap, companies show their commitment to hiring across the broadest spectrum of society.

Investors should ask companies to: publicly commit to report their ethnicity pay gap, explain why it exists, and produce a robust action plan within a reasonable timeframe.

Key finding: companies struggle with low numbers of employees disclosing their ethnicities, preventing the companies from reporting on their ethnicity pay gap.

Investors should ask companies to: use the interventions set out in this toolkit to increase employee self disclosure, such as;

- Ensure overall Diversity, Equity & Inclusion accountability sits at the executive committee level to change company culture
- Collect data on multiple characteristics (e.g disabilities, menopause, caring responsibilities, LGBTIQ) to reflect workforce needs
- Simplify tools for employees to disclose ethnicity data
- Increase trust and psychological safety by explaining what the data will be used for and how it will be stored

Key finding: companies want to increase the representation of minority workers within their workforce, particularly in senior positions, to help reduce the ethnicity pay gap.

Investors should ask companies to: set targets to increase the representation of staff from an ethnic minority background (in line with demographics) and include these in their business plans

Explore the toolkit

- Purpose of toolkit (p.7)
- Why ethnicity pay gap reporting matters (p.13)
- Statistics to report (p.14)
- Business case for reporting ethnicity pay gap (p.24)
- Industry Priorities: Financial Services (p. 30)
- Industry Priorities: Food Industry (p.32)
- Overcoming challenges to ethnicity pay gap reporting (p.35)
- Effective actions to reduce the gap (p.43)
- Actions for investors (p..48)

Case Studies

- Sodexo (p.58)
- Compass Group (p.59)
- NatWest Group (p.61)