

News story: Business Minister urges UK's largest companies to increase transparency around workplace diversity

- UK's largest companies urged to increase transparency around diversity policies and targets
- new Business Diversity and Inclusion Group meets for the first time
- the Financial Reporting Council will consider proposals for greater transparency around diversity as part of a review of the UK Corporate Governance Code

Business Minister Margot James today (7 September) urged the UK's largest companies to increase transparency about the diversity of their workforce ahead of the first meeting of the new Business Diversity and Inclusion Group.

The group was set up to coordinate action to increase diversity and inclusion in business and build on the work of a number of government-backed reviews led by senior business leaders into workplace diversity. At today's meeting chaired by Business Minister Margot James, the group will seek to establish what information listed companies could disclose to help tackle barriers in the workplace.

It comes a week after the government put forward proposals for listed companies to increase transparency about their diversity policies, targets and progress towards those targets, as part of its corporate governance reforms.

The Financial Reporting Council (FRC), which sets high standards of governance for listed firms through the UK Corporate Governance Code, will consider the government's proposals as part of a review of its code later this year.

Speaking ahead of chairing the first-ever meeting of the Business Diversity and Inclusion Group today, Business Minister Margot James said:

Being open and transparent about the diversity of workforces is effective in bringing about cultural change – helping to remove barriers in the workplace from the shop floor to the boardroom.

So I am calling on our largest companies to lead from the front and promote greater inclusion in their workplaces by increasing transparency about their diversity policies, targets and progress.

I would also like to acknowledge the hugely valuable role played by the late Dame Helen Alexander in the effective work on the gender issue. Her loss will be felt by all members of the group.

Stephen Haddrill, CEO, FRC, said:

Diversity at all levels in organisations builds strong foundations for long-term success, in both the private and the public sector. Making good use of the talent, skills and experience of all drives better corporate performance and a successful economy.

Those businesses which reflect the diverse nature of the environment in which they and their stakeholders operate are the ones that employees, customers and other stakeholders value.

The Business Diversity and Inclusion Group will build on the work of a number of government-backed reviews into workplace diversity, including:

All reviews have set targets to improve diversity in the workplace including aiming for 33% of FTSE 350 board positions to be filled by women by 2020, all FTSE 350 firms to have at least one director from an ethnic minority and for all companies with more than 50 employees to publish a breakdown of their workforce by race and pay band.

The meeting is set to be attended by:

- Business Minister Margot James
- Minister for Women Anne Milton
- Baroness McGregor-Smith, Chair of Race in the Workplace Review
- Sir John Parker, Chair of Ethnic Diversity on Boards Review
- Sir Philip Hampton, Chair of FTSE Women Leaders Review
- Jayne-Anne Gadhia, Government champion for women in finance
- Stephen Haddrill, Chief Executive of the Financial Reporting Council
- David Isaac, Chief Executive of the Equalities and Human Right Commission
- Amanda Mackenzie, Chief Executive of Business in the Community
- Lady Barbara Judge, chair of the Institute of Directors
- Neil Carberry, Managing Director of People and Infrastructure at the Confederation of British Industry
- Denise Wilson, CEO of the Hampton-Alexander Review

1. The Hampton-Alexander Review was published in November 2016. The key recommendations were:
 - 33% target for women on FTSE 350 Boards by the end of 2020
 - 33% target for women on FTSE 100 Executive Committees and Direct Reports to the Executive Committee on a combined basis by 2020
 - FTSE 350 companies to increase number of women roles of Chair, Senior Independent Director and into Executive Director positions on their boards
2. The McGregor-Smith Review was published in February 2017. The key recommendations for companies with more than 50 employees were to:
 - publish a breakdown of their workforce by race and pay band
 - draw up 5-year aspirational diversity targets
 - nominate a board member to deliver on these targets
3. The Parker Review was published in November 2016. The key recommendation

for FTSE 350 companies was to:

- have at least one director from an ethnic minority