



The **RACE** **Equality** Code **2020**

SUMMARY VERSION





The **RACE**
Equality Code
2020

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INTRODUCTION

Now is the time to dismantle structural racism once and for all. The long-overdue need to tackle a woeful lack of racial diversity in the leadership of many of our organisations, is finally getting the attention it deserves.

We are living in a rapidly developing global business environment where technological advances, climate change, the current pandemic and civil activism, are the order of the day. Our global and national economies are underpinned by having successful and sustainable businesses, that are able to navigate this complex convergence of the new global realities that we face. Integrated, transparent reporting and constructive stakeholder engagement are critical components of ethical, informed and diverse leadership.

I would contend that the business of the future will not only embrace the skills of the millennial generation, (who will be in the majority over the next 10 years), and gender diversity, but the next bastion that needs to be tackled is Race and ultimately cognition.

Governance is “the system by which companies are directed and controlled...” as defined as far back as 1992 by Sir Adrian Cadbury. What is widely recognised across jurisdictions around the world and across the private, public and voluntary sector in the UK is, if you want a robust mechanism of transparency and accountability, then having a governance code which looks at best practice and a principle-based approach, creates that environment. In my opinion if we are to have an impact on the structural aspects of racism, we should adopt a similar strategy, and have a robust governance framework.

So, what are the systems that direct and control race equity and how can we develop a principle-based approach to tackling them?

We must find a framework that recognises that it is the governance of business ethics, business culture and attitudes to corporate social responsibility, that ultimately provide the results that we want. We want organisations to be responsible for outputs i.e. an increase in an organisation’s

performance and cohesive and inclusive culture. However, we are measuring a number of inputs, i.e. representation of Black people on the board, Black candidates interviewed, number of people who have attended anti-racism training and a reduction in micro-aggressions.

“separate inputs from outputs, and hold yourself accountable for progress in outputs, even if those outputs defy measurement” - **Jim Collins**

The RACE Equality Code provides us with the opportunity to use a robust and comprehensive framework of measures and a methodology for transparent implementation of actions to which an organisation can demonstrate accountability.

Across the decades, many reports and reviews have tried to tackle race inequality and discrimination in the boardroom and the workforce.

They have all made valid recommendations and some progress has been achieved. The case for diversity and inclusion is now better established, but have charters, pledges or guidance notes succeeded in bringing about real and lasting change?

Racial tensions are being played out across the world. In 2020 we have seen the death of George Floyd, in America, and the increasing momentum of the Black Lives Matter movement, bring fresh focus and impetus of the need to address racism, discrimination and injustice once and for all.

Real change only happens when you are able to influence leadership - the board and executive management - and hold organisations to account. So, the focus of this new and very first RACE Equality Code 2020 is firmly on how we deal with race inequity in the boardrooms and senior leadership teams of the UK.

We must have robust procedures to put more Black people into leadership roles and make organisations accountable through what they publicly report. That is the driving force behind this new Code.



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Some of the wholly unacceptable statistics that emphasise the need for this focus include:

- Black workers with degrees earn 23.1% less on average than white workers.
- Just 6% of Black school leavers attended a Russell Group university, compared with 12% of mixed and Asian school leavers and 11% of white school leavers.
- In Britain, only 5.7% of Black people work as managers, directors and senior officials, compared with 10.7% of white people.
- Black people who leave school with A-levels typically get paid 14.3% less than their white peers.

The Parker Review was formed to consult on the ethnic diversity of company boards and published its first report in 2017. Since then, an 11 additional FTSE 100 companies now have a non-white director on their board, taking the total number of boards with diverse racial representation to just 37%. In the final quarter of 2020, almost 70% of FTSE 250 companies still have no diversity of race on their boards.

But we have now reached the tipping point where this unjust situation will no longer be tolerated. We are seeing some influential organisations move from 'calling' for change to 'insisting' on it. In October 2020, Legal & General, one of Britain's biggest investment companies, demanded that all FTSE 100 companies hire a non-white director by 2022. Legal & General owns up to 3% of every British blue-chip firm as part of its management of £1.2 trillion-worth of pension funds. It has written to all FTSE 100 members, as well as those in the US S&P 500 index, telling them it expects companies to have at least one Black, Asian, or other ethnic director by 1st January 2022. It says it will vote against the re-election of the Nomination Committee Chair, who are responsible for board appointments, in any companies that fail to meet the target.

The full and equal participation and progression of Black people in senior leadership roles would bring huge benefits, socially, culturally and financially. There is conclusive evidence that

organisations with diverse boards and senior leadership teams are more successful. The potential benefit to the UK economy from full representation of race across the labour market, through improved participation and progression is estimated to be £24 billion per year, which represents 1.3% of GDP.

After studying as many reports, reviews and codes as I could get my hands on and more than 200 recommendations - I have developed a single Code providing one set of standards, applicable to any and every organisation irrespective of size or sector, and aimed at delivering real change.

Organisations can carry out a self-assessment against the Code requirements to find out what their targets should be and then put together an action plan to meet them. Finally, they must report regularly on their progress.

This is not in competition with other codes and it's not to say that other charters, pledges and recommendations have been wrong. This Code brings together all the best practice from across the years in one place and builds on it. It adopts a simple but robust 'apply and explain' approach, meaning that the Code can be integrated easily into any organisation's governance framework.

Dr Karl George MBE

THE PRINCIPLES



THE RACE CODE PRINCIPLES

Words count for nothing without action. That is why the RACE Equality Code 2020 is not 'just another code'. This Code, and its accountability framework, is designed to provide organisations across all sectors and sizes, with the opportunity to address a very specific challenge. This is shown by its 4-key Principles: **Reporting, Actions, Composition and Education.**

As the strategic voice, the board of directors (or equivalent) will have the opportunity to use the 4-key Principles of the Code as the core agenda for change. This includes taking responsibility for ensuring that the principles are implemented in a meaningful and considered manner.



PRINCIPLE 1 – REPORTING

There must be a clear commitment to be transparent and to disclose all required information and updates on the progress of race initiatives across the organisation. Openness and transparency, for all stakeholders, must be valued and actively pursued in order to create the environment for change.

The fundamental role of high-quality and consistent reporting in the push for racial equity, cannot be understated. Initiatives and programmes aimed at creating greater racial equity need to be tracked and assessed, as do the extent to which the objectives are achieved on a consistent basis. Effective and diligent reporting, and the consistent tracking of initiatives and programmes over time, demonstrates that the organisation is whole-heartedly committed to racial equality.

The 'how', 'where' and 'when' of reporting on race initiatives and programmes is important. Different organisations may have different outputs, but the purpose must be the same. That purpose is to create an enabling environment for racial equity in each organisation and to advance the mission of racial justice. These will, in turn,

serve to strengthen the organisation and render it more agile, more resilient, more transparent and fitter for its transformative purpose.

How: The way an organisation chooses to report the progress of its efforts is expected to be information-rich and not simply a presentation of data. Effective presentations are likely to include colourful or interactive charts, but whatever format is chosen, they must be easily accessible and readable. Reports are expected to be user-friendly and clear with full attention paid to their purpose. Reports should inform stakeholders with the ultimate aim of improving decision-making on matters of racial equity.

Where: Where the report will be displayed and made accessible is an important element of transparency. It is expected that reports will be clearly visible and accessible, available for analysis and to provide guidance to boards and other stakeholders. Reports showing the progress of race initiatives are expected to be on websites, in annual or quarterly reports, staff reports and other pertinent publications and documents. This is

consistent with the requirement of the UK Corporate Governance Code for FTSE 350 companies (Provision 23), and reiterated by The Parker Review Committee (The Parker Review, 2020). Whereas the UK Corporate Governance Code and the Parker Review related this to the broader remit of diversity and inclusion, this RACE Equality Code is advocating that the reporting relates specifically to Black inclusion.

When: The frequency of reporting on race initiatives may vary from one organisation to another and may be the product of internal or external factors. Whether the reports will be published monthly, quarterly or annually, the driving imperative will be the production of information and assessments, that can inform understanding of the progress that is being made in the drive for racial equity. Annual reports are where most stakeholders, including

auditors and regulators, look to ascertain what is important to the organisation (Parker Review, 2017). The publishing of an annual report is a major undertaking by any organisation, regardless of its size.

What: The publishing of targets must also include those targets that have been missed. This will allow for better monitoring by auditors. This would also provide the organisation with a more meaningful guide to how it achieves the full inclusion of Black people and brings about racial equality.

Who: The target audience of the report must be identified, as this informs both the actual detail in the report and how this information is presented. The audience will include, amongst others; board members, staff, customers, regulatory authorities and the public.



PRINCIPLE 2 – ACTION

It is necessary for each organisation, that wants to achieve real change, to set clear objectives. It must have a list of the measurable actions and outcomes that contribute to, and enable a shift in, the organisation's approach to successfully delivering change. Without a set of targets and detailed plans for their achievement, change will not happen and it becomes harder to hold organisations accountable. Organisations should ensure that they are aware of what actions will have the most impact and these should be prioritised with the necessary resources for their achievement.

The continued absence of actions and targets will promote confusion, which in turn perpetuates discrimination, injustice and racial inequality. Actions are the steps by which the organisation will rise above

these persistent afflictions and achieve the goals of justice and equity. Actions and actionable targets provide clarity at every level of the organisation and increase accountability from the boardroom to the proverbial cloakroom. The outlining of actions supports target-setting and also helps with the regular reporting, which we have already demonstrated is an essential element in the push for organisational change.

Since the earliest days of anti-racism campaigning in the UK, there has been much talk and, sadly, too little action. The rhetoric of equality often overshadows the need for action and change. This situation became the norm, forcing the recommendations that came from the Dame McGregor-Smith Review, which boldly declared, "The time for talking is over.



→ PRINCIPLE 2 – ACTION

Now is the time to act". Setting out the actions to be taken, removes the veneer of historical achievement that is often cited to deflect criticism and delay change. Nowhere is there greater proof of the maxim that 'talk is cheap' than in the continued need for racial justice and equity in the UK. Reports, reviews and recommendations are too many to mention, but action has been woefully short.

The RACE Equality Code 2020 endorses the recommendation of the Business in the Community's - Race at Work Charter principle of assigning an executive sponsor for race, to provide visible leadership. This recommendation is again reiterated by

the organisation's 2020 publication. The NHS has also cited the need for sponsors in its bid to increase ethnic minority representation. The RACE Code argues that for meaningful actions to be taken, the responsibility must lie with someone at the highest level of decision-making ie the board. This action would show all stakeholders that the organisation is serious about making change and progress, and willing to be held accountable for its actions.

Now is the time for organisations to focus on clear, measurable, time bound actions that will support the objectives aimed at achieving racial equity.

→ PRINCIPLE 3 – COMPOSITION

This RACE Code places a premium on the composition component of the approach. In this, the emphasis is on establishing a series of indicators that will provide a measure of the organisation's progress, or lack of progress. Targets and objectives are great to have, but, without distinct and definitive data it is impossible to measure progress and so tackle inequality and inequity. Therefore, it is vital to identify the key indicators that will make a real impact over the long-term, creating tangible differences to the existing landscape around race diversity of the board and senior leadership team. The narrative around what is acceptable needs to change through dialogue, and this may lead to uncomfortable, but necessary decisions which the organisation is committed to having, hearing and making. From the McGregor-Smith Review, to the most recent Business in the Community report, the importance of data is championed. For this Code, composition goes to the very heart of

what organisations need to do.

The founders of the Black British Business Award programme noted the important place that data holds in increasing transparency. The RACE Code concurs with this position, while insisting that organisations must be willing to confront the hard reality that data often shows as the organisation pushes for racial equity and equality. In order for this to take place it must be the right data. Organisations must put effort into not only the collection of the data, but also the type of data that is being asked of employees and stakeholders. This relates directly to what is being measured. From recruitment to pay levels (and hence ethnic pay gaps), the right questions must be asked in order to get to the data and information that will inform the discussions.

Employers continue to be urged to encourage their staff to participate in data-collecting exercises, including surveys and

focus group discussions. This also requires employers to create an environment in which employees will feel confident that this is a worthwhile exercise, and nothing does this better than for them to see results and improvement. Every effort must also be made to ensure that all the relevant data is complete and updated regularly. One example of an attempt to consistently improve and increase the range of indicators and data, is provided by the Workforce Race Equality Standards,

as it provides a picture of advances in the workforce equality agenda, using data gleaned from across the organisations.

The RACE Code recognises the urgency that exists and the opportunity to use data to have conversations about improving Black engagement and progress at every level within the organisation, but especially at board and senior leadership levels.



PRINCIPLE 4 – EDUCATION

The highest purpose of education is to create positive change and improvement. The pursuit of racial justice and equity requires education. Developing a robust education framework that presents the ethical and moral reasoning, behind a programme of training for every organisation, (using the RACE Code Principles) is an imperative. Perspectives need to be challenged. Prejudices, as well as systemic and institutional practices, must be acknowledged and abandoned.

The recommendations presented by Dame McGregor-Smith concluded that relevant training was essential for all managers in the workplace. Particular attention was paid to unconscious bias. This Code is advocating compulsory race training and deep dives into the prejudices, rationale, machinations and effects of race and cultural superiority notions. The dismantling of deep-seated ideas is not easily done. While this is ongoing, training around positive action by organisations must also be encouraged and instituted. The RACE Code sees much value in programmes of reverse networking aimed at empowering Black employees and workers. These actions can see high levels of engagement, increased productivity

and retention, as well as community-wide empowerment via multiplier effects.

The value of group dynamics and relations is highly rated in the workplace. Group understanding must be leveraged to improve the effects on Black employees and workers. Learning opportunities must be created for meaningful inter-group interactions between Black employees and non-Black managers and executives. The principles of lifelong learning must be applied to race-related education for managers and executives for there to be meaningful change. From workshops, to lectures to intergroup sessions, regardless of the forms that these programmes of learning will take, the end result and key objectives must always be borne in mind and clearly relayed. This is about making the change; shifting away from the norm to a new level of engagement and substantial empowerment of not only Black staff but all stakeholders in the organisation.

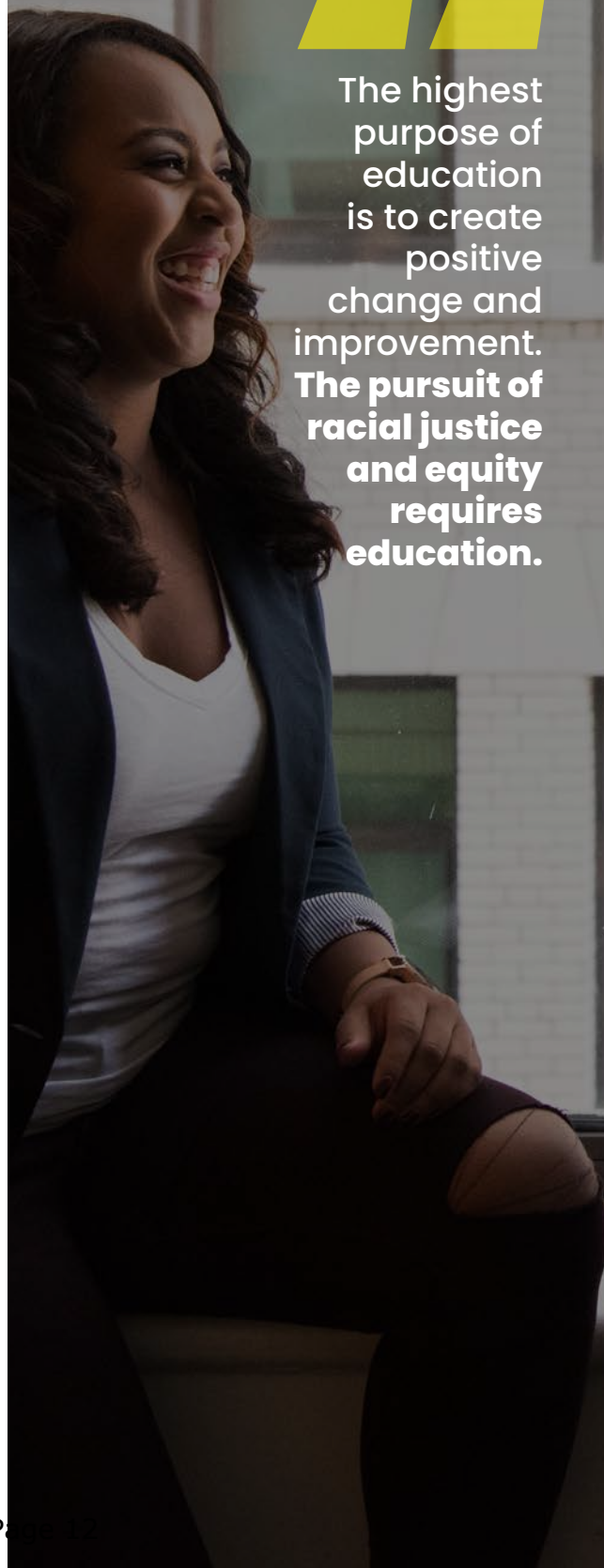
Education has the greatest potential to effect the paradigm shift and break down the mental, cultural and institutional barriers to true racial equality and inequity. Changing attitudes through learning

→ PRINCIPLE 4 – EDUCATION

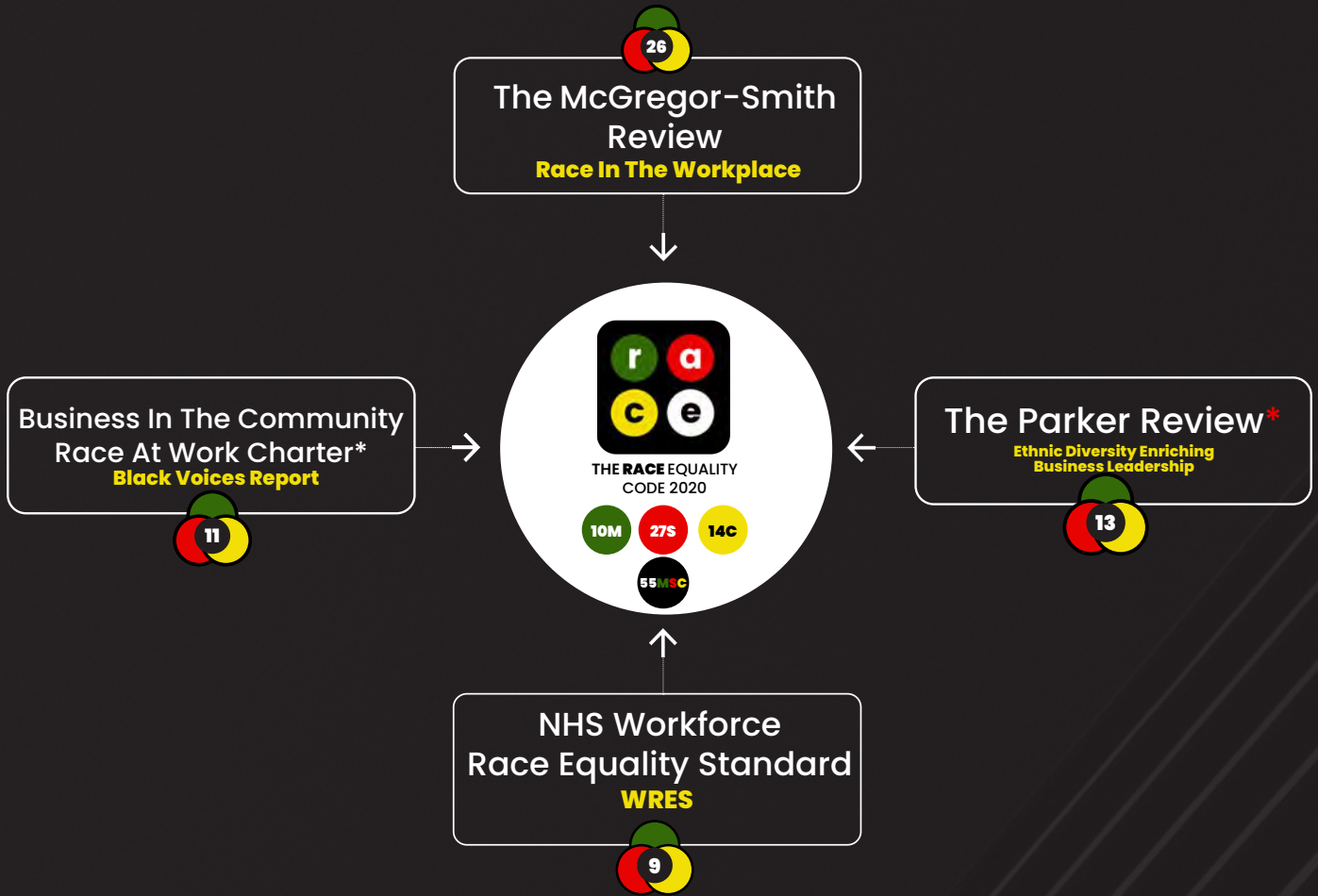
bears as much relevance to executives of an organisation as to pupils in a school setting. Because prejudice and bias are the product of culture and misguided perceptions developed over time, education must be ongoing and thorough for change to take place. It is now commonly accepted that correction to implicit bias takes time, requiring attention and understanding. It is clear that attention to racial equity and gaining understanding of the reason and need for it, in turn requires commitment, investment of resources and empathy. The potential gains in the drive for equality means that education is a pressing imperative that must be reflected by the seriousness and commitment paid by executives at the highest levels.



The highest purpose of education is to create positive change and improvement. **The pursuit of racial justice and equity requires education.**



CONSOLIDATION



- Black FE Leadership Group ✓
- U.K Music - 10 Point Plan ✓
- Commonwealth Games 2022 - 10 Point Plan ✓
- Diversity In The Boardroom ✓
- Rare - The Race Fairness Commitment ✓
- The Diversity & Inclusion Charter ✓
- Race Equality Matters ✓
- CBI - Change The Race Ratio ✓
- The FA Football Leadership Diversity Code ✓

*Includes latest updates

PROVISIONS



M → **MUST**

S → **SHOULD**

C → **COULD**

→ REPORTING

A clear commitment to be transparent to all stakeholders through the disclosure of required, concise and current information on the progress and impact of RACE initiatives across the organisation. Openness and transparency will be actively pursued and valued in order to create the right environment for change.

MUST

SHOULD

COULD

R1 Organisations **must** publish the following information in their Annual Report and in an easily accessible place, i.e. publicly on organisation's website and on any internal forums used by employees:

- Board race diversity
- Senior Leadership Team race diversity
- Board and Senior Leadership Team measurable race diversity targets (including an explanation where targets have not been met by a relevant date).
- Steps being taken to improve race diversity within the organisation and the results of any initiatives taken.
- Breakdown of employees by race and pay band
- Description of the Board's and Organisation's policy on race diversity

The information must disclose the number of individuals in role, by ethnicity, including Black colleagues. References to targets include a long-term (5-year) target with annual milestones to track progress against those targets. Companies that do not meet Board composition recommendations by the relevant date should disclose in their annual report why they have not been able to achieve compliance and the steps being taken to achieve compliance.

R2 Organisations **should** document and report at board level their strategy for dealing with Race inequity and the resources, financial and otherwise, that they will commit to ensuring transformational change.

R3 All organisations **should** have a publicly available anti-racism statement. This should make clear and promote that:

- The organisation has zero tolerance of racism,
- The organisation has zero tolerance of harassment and bullying

→ **REPORTING** CONTINUEDMUSTSHOULDCOULDR4

All organisations **should** report in their annual report or other employee publications on how they have included their commitment to ensure there is a golden thread between achieving race equity, within its broader values and how this is aligned with its purpose and strategy.

R5

When referring specifically to the statements of the Chair and CEO in the annual report or other employee publications, they could document what steps they are taking to improve ethnic diversity, making specific reference to Black people.

→ ACTION

A list of the measurable actions and outcomes that contribute to and enable a shift in the organisation's approach to delivering positive and sustainable change in race equity and equality. Without a set of targets and detailed plans for their achievement, real change will not happen, and organisations will not be accountable.

MUST

SHOULD

COULD

- A1** Organisations **must** take positive action to improve reporting rates amongst its workforce demonstrating how supplying data will assist the organisation in increasing diversity overall, with a focus on Black people.
- A2** Organisations **must** identify a board-level sponsor for race or include the remit for race within an appropriate broader responsibility of a board member for example if there is a director whose responsibility is employee matters this may be considered to be a useful fit). This individual will provide visible leadership on race for the organisation, and drive actions including:
- Being responsible for the setting and overall delivery of race diversity targets. Ensuring appropriate mentoring and sponsorship is in place.
 - How recruitment agencies are briefed.
 - Progressing actions and reporting on actions from the RACE Equality Code.
- A3** Organisations **must** ensure that all elements of reward and recognition, from appraisals to bonuses, include a target around race and are fair and reflect the racial diversity of the organisation. This ensures Black employees and all ethnic groups are paid the same as their White counterparts in a similar performance band and comparable role if the organisation uses a role classification, performance ratings and management system.
- A4** Organisations **must** include diversity in every board evaluation as a measure directly linked to performance, including what it has done in reviewing the RACE Code, its strategy around improving Race Diversity as a part of the overall Diversity and Inclusion Strategy, and progress against its formal Race objectives.
- A5** Organisations **must** commit to growing diverse talent, supporting Black employees to reach the very top of the organisation. Organisations must take actions that support Black people with their career progression. That action must have career progression "currency" and readily translate into evidence that Black employees have developed competencies, knowledge and skills relevant to progression. Black people performing at a certain level must be as likely to be promoted as their non-black counterparts, performing at the same level.

→ ACTION CONTINUED

MUST

SHOULD

COULD

- A6** Actions to improve diversity in talent pipeline **should** include:
Embedding mentoring and sponsorship schemes in their organisations.
- New entrants to the organisation should receive a proper induction, including basic and clear information on how that organisation's career progression works, its pay and reward guidelines and how promotions are awarded - ensuring transparency on career pathways.
 - A robust Talent Management Strategy to fill current senior vacancies and future leadership pipelines. Increase participation levels from Black students in key programmes.
- A7** Organisations **should** measure the effectiveness of mechanisms to identify, develop and promote Black employees within their organisation in order to ensure over time, that there is a pipeline of board capable candidates and their senior leadership ranks appropriately reflect the importance of diversity to their organisation.
- A8** Organisations **should** review their governing documents to ensure race is fundamentally and consistently embedded (for example, are roles and responsibilities of the board and senior management relating to race accountability documented? Is that accountability upheld and does discourse on race inform board and committee discussions and decisions?)
- A9** There **should** be a clear accountability framework to address the performance criteria and targets that have been set around race equality. This should include how decisions and how often monitoring reports are made to the board, ensuring that responsible board members and the senior leadership team are accountable for racial diversity. Actions as a result of such monitoring should be reported.
- A10** Organisations **should** make clear that supporting equality in the workplace is the responsibility of all leaders and managers. They should include a clear race diversity objective in all leaders' annual appraisal, (covering their responsibility to support fairness for all staff), with race diversity as a key performance indicator, to ensure that they take positive action seriously. Employee's performance reviews and remuneration should tie in with contributions to development in this area.

→ ACTION CONTINUED

MUST

SHOULD

COULD

A11 Organisations **should** ensure formal interview processes are held for all roles and that diversity quotas around race are set and met during recruitment (panels) and interview/short-listing and recruitment agencies used. Organisations should ensure proportional representation on long and short recruitment selection lists and reject lists that do not reflect the local and/ or stakeholder working age population.

A12 Organisations **should** use relevant and appropriate language in job specifications: Job specifications should be drafted in plain English and provide an accurate reflection of essential and desirable skills to ensure applications from a wider set of individuals, paying particular attention to ethnicity.

A13 Nomination Committees **should** require their human resources teams or search firms (as applicable), to identify and present qualified Black people and other ethnic groups to be considered for board appointment when vacancies occur.

A14 Organisations **should** ensure that any executive search firm used follows the Standard Voluntary Code of Conduct for Executive Search Firms that the relevant principles of that code be extended on a similar basis to the recruitment of Black and other ethnic candidates.

A15 Led by board chairs, existing board directors **should** mentor and/or sponsor Black employees within the organisation where possible to ensure their readiness to assume senior leadership positions internally, or non-executive board positions externally.

A16 Executive Recruiters **should** be demonstrably proactive in identifying and marketing talented Black candidate and be provided with specific targets.

A17 Employers **should** convene conversations involving Black people throughout the decision-making process in the workplace for active listening, and then make plans on agreed actions together with their Black employees.

A18 Organisations **could** identify and develop a pool of high potential Black leaders and senior managers as part of a cross-sector sponsorship/mentoring programme.

A19 Organisations **could** encourage and support candidates drawn from diverse backgrounds, including Black people, to take on Board roles internally (e.g. subsidiaries) where appropriate, as well as board and trustee roles with external organisations, to develop individuals' oversight, leadership and stewardship skills.

→ ACTION CONTINUED**MUST****SHOULD****COULD**

- A20** Organisations **could** adopt the Race at Work Charter or similar sector specific guide and commit to the actions promoting race equality.
- A21** Organisations **could** seek out opportunities to provide work experience to a more diverse group of individuals, looking beyond their standard social demographic, (this includes stopping the practice of unpaid or unadvertised internships), ensuring race diversity from a work experience level.
- A22** Organisations **could** ensure that the selection and interview process is undertaken by more than one person and should ideally include individuals from Black backgrounds to help eliminate bias (ensuring a diverse interview panel)
- A23** Organisations **could** critically examine entry requirements into their business, focusing on potential achievement and not simply which university or school the individual went to (challenging school and university selection bias).
- A24** Organisations **could** use contracts and supply chains to promote diversity, ensuring that contracts are awarded to bidders who show a real commitment to race diversity and inclusion.

→ COMPOSITION

A set of key indicators that create tangible differences in race diversity across all levels of the organisation. The narrative around what is acceptable will need to change through dialogue and data, and this will lead to challenging conversations resulting in necessary decisions which the organisation is committed to making.

MUST

SHOULD

COULD

C1

Organisations **must** collate the following information and set stretching targets: Board race diversity; Board race diversity;

- Senior Leadership Team race diversity;
- Board and Senior Leadership Team race diversity targets (including an explanation where targets have not been met by a relevant date). Breakdown of employees by race and pay band.
- Steps being taken to improve race diversity within the organisation.
- Description of the Board's and Organisation's policy on race diversity.

C2

Organisations **must** have clear race diversity objectives covering their responsibility to support fairness for all staff, with race diversity as a Key Performance Indicator. Actions can include ensuring that performance objectives for leaders and managers cover their responsibilities to support fairness for all staff.

C3

As a minimum, organisations **should** set a target of having at least one Black board member, and at least one Black member of the senior leadership team, within one year of adoption of the Code. In the medium to long term, setting aspirational and ambitious targets for recruiting Black members of the board and the senior leadership is fundamental to the spirit of the Code.

C4

Organisations **should** measure (by percentage) the comparison between the organisations' board voting membership by race and its overall workforce by Race.

C5

Organisations **should** record the percentage of employees, by race, and

- experiencing harassment, bullying or abuse within the workplace from non-employees, (ie stakeholders) in the past 12 months.
- experiencing harassment, bullying or abuse from another employee in the past 12 months.
- believing that their employer provides equal opportunities for career progression or promotion
- personally, experiencing discrimination at work from a manager/team leader or other colleagues in past 12 months
- within each band/grading compared with the percentage of employees, by race, in the overall workforce.

→ COMPOSITION CONTINUED

MUST**SHOULD****COULD**

- C6** Organisations **should** record the relative likelihood of
- applicants, by race, being appointed from shortlisting across all posts.
 - employees, by race, entering the formal disciplinary process.
- C7** Organisations **could** measure opportunities to provide work experience to Black people.
- C8** Organisations **could** measure the relative likelihood of White employees, accessing non-mandatory training and CPD around Diversity.

→ EDUCATION

A robust organisational framework that develops the ethical, moral, social and business reasoning for race diversity at all levels of the organisation. This will be underpinned by inclusive and embedded programmes of continuous professional development (using the Principles) through which perspectives and prejudices will need to be challenged, and systemic and institutional practices acknowledged.

MUST

SHOULD

COULD

E1

Organisations **must** explain to all employees how supplying diversity data around race will assist the organisation in improving racial diversity overall. Organisations must demonstrate how they have used the diversity data already collected to positive effect.

E2

Organisations **must** build psychological safety in boards and throughout the organisation to create a culture where racial issues and experiences are discussed and shared to encourage empathy.

E3

Organisations **should** ensure that all employees undertake Race Awareness Training.

E4

Organisations **should** make clear that supporting equality and race equity specifically in the workplace, is the responsibility of all leaders and managers.

E5

Organisations **should** make clear arrangements to educate senior leaders to actively sponsor Black talent in their workplaces.

E6

Organisations **should** create safe workplaces that are free from harassment and couple this responsibility with an open environment that allows employees to speak out about experiences, policies, practices etc that contravene a diverse, equal opportunities and anti-racist organisation. Employee 'whistleblowing' procedures must be communicated and made accessible without fear of reprisals.

E7

Senior management teams, executive boards and those with a role in the recruitment process, **should** go further than taking mandatory training and undertake more comprehensive workshops that tackle bias.

E8

All induction programmes **should** include modules to show how the career ladder works in the organisation (noting for Black employees the stats show a lack of career progression and may be structurally racist).

E9

Organisations **should** establish formal race diversity networks and encourage individuals to participate and use the networks to provide education opportunities. Organisations **should** consult with the networks (as appropriate) and allow the networks to contribute to decisions that have the potential to impact Black employees.



→ EDUCATION CONTINUED

MUST**SHOULD****COULD**

- E10** Mentoring and sponsorship schemes **should** be made available to anyone who wants them, and the organisation should ensure that they are implemented with the necessary training, support and resources.
- E11** Senior leaders and executive board members **could** undertake reverse mentoring with Black individuals, to better understand their unique challenges as well as the positive impacts from diversity.
- E12** As part of the education of Black employees, employers **could** explain how success has been achieved: Senior managers should publish their job history internally (in a brief, LinkedIn style profile) so that junior members of the workforce can see what a successful career path looks like.
- E13** The organisation **could** seek to source or work with employee representatives, trade unions and third sector organisations to develop a simple guide on how to discuss race in the workplace.
- E14** The organisation **could** seek to source or develop an online portal for employees to source the information and resources they need to take effective positive action.

HOW TO ADOPT THE CODE

FRAMEWORK

The RACE Equality Code 2020 is a governance code. In order to demonstrate compliance with the Code there are a number of procedures that should be followed. The aim is to provide organisations of all sizes and maturity, and across sectors, with a robust framework for developing a RACE Equality Code Action Plan and then to ensure accountability, it is to presented stakeholders of the organisation.

The Code has 4-key Principles which they are expected to apply **and** explain and 55 provisions which they are expected to comply **or** explain. Any actions that arise from carrying out the diagnostic should then be used to create the Action Plan.

APPLY AND EXPLAIN

This approach to governance finds its origins in the King IV Report on Corporate Governance for South Africa, and assumes that organisations will already be in compliance with the principles. They should move beyond a “tick box” approach by describing how their practices achieve compliance with the **principles**.

COMPLY OR EXPLAIN

This approach rejects the view that “one size fits all” and was first introduced after the recommendations of the Cadbury Report of 1992. This is a regulatory approach that allows for the organisation to explain publicly why they do not comply with a **provision** Code.

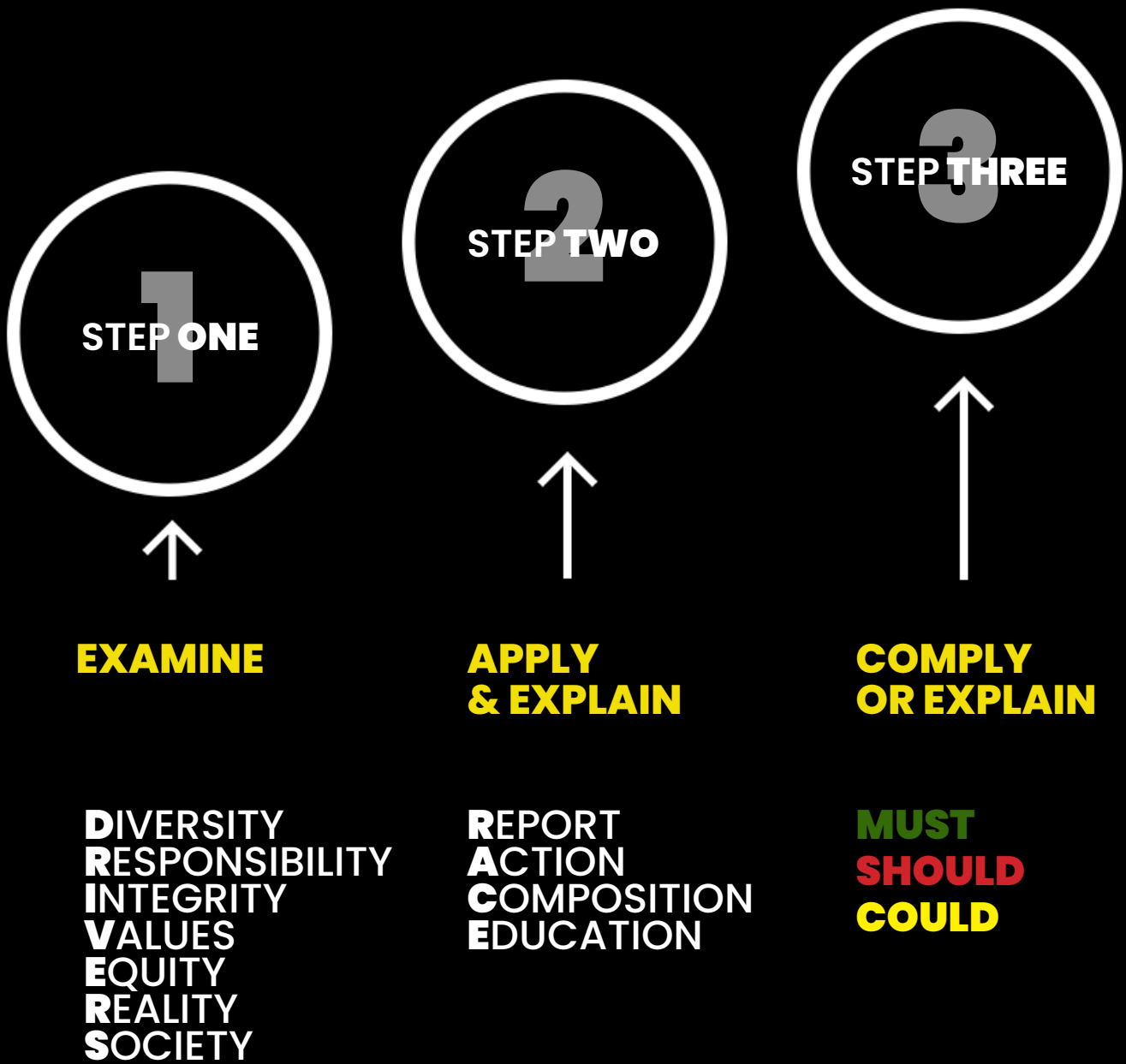
BENCHMARK 20

We are currently creating a national benchmarking exercise with early adopters of the Code. Please visit the website to be part of this initiative to compare compliance with the provisions.

→ theracecode.org

WHAT YOU NEED TO DO

- 1. Read and discuss the DRIVERS with your Board and Senior Leadership Team.** These are the key concepts around Race Equality and are found on the website www.theracecode.org. Also take some time to consider some of the key terminology by reviewing recommended books, articles and videos on the subject. The aim is to get some consensus around the key concepts that drive this Code. Create (or use an existing group if you have one), a small team or Committee, with representation from your Board, and include the CEO plus an executive colleague with responsibility for Diversity and Inclusion. This Committee will take the necessary time to consider each of the 4 key Principles of the RACE Code and the 55 provisions that have been identified.
- 2. APPLY AND EXPLAIN** - Once the 4-key Principles have been discussed and the questions answered, the Committee should draft a robust statement (to be approved by the Board), as to how your organisation will apply these Principles. This statement should also identify any actions that arise as a result of your discussions.
- 3. COMPLY OR EXPLAIN** - Finally take the time to review each of the 55 provisions assessing whether the organisation is non, partially or fully compliant.
 - It is expected that the **Must** provisions where there is partial, or non-compliance, will have a statement as to how and when compliance will be achieved.
 - It is expected where there is none or partial compliance with the **Should** explanations, that there is either an explanation of when compliance will be achieved or a robust and comprehensive description on the reasons that compliance would not improve the organisations race equality impact.
 - Finally, where the **Could** categories have not been complied with, the organisation can choose which items to include in its action plan and which ones to disclose.



HOW TO GAIN PUBLIC/SECTOR RECOGNITION

To receive the Quality Mark and publicly evidence your commitment to Race Equality, contact the Race Code Consultancy (RCC) and our team of specialist Race Consultants will explore and review your organisation's practices against the full framework and provide a comprehensive action plan.

An example of the RACE questions

Write comments to the extent that you agree with the following statements and provide as much evidence as you can to support your comments and how you will apply the RACE Code in relation to the 4-key Principles.

REPORTING - Are you happy with how your organisation reports on race, is information transparent and accessible by all stakeholders?

ACTIONS - Are you satisfied that the actions your organisation is taking are robust enough to make a real difference to race equality and that the board is accountable?

COMPOSITION - Has your organisation gathered the appropriate data? Are you satisfied with the targets that your organisation has decided upon, and that they are challenging enough? Has your organisation developed the relevant governance structure to ensure there is accountability?

EDUCATION - Are you confident that you have considered how your organisation will educate staff at all levels of the organisation and all the key stakeholders that work with your organisation around race equality, and that you have considered how to examine the culture, ensuring there is an inclusive and belonging environment?

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Doncaster & Bassetlaw NHS Foundation Trust
Trident Group
Greater Birmingham Chamber of Commerce

Birmingham City Council
West Midlands Combined Authority
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→ PROGRAMME TALENT PIPELINE

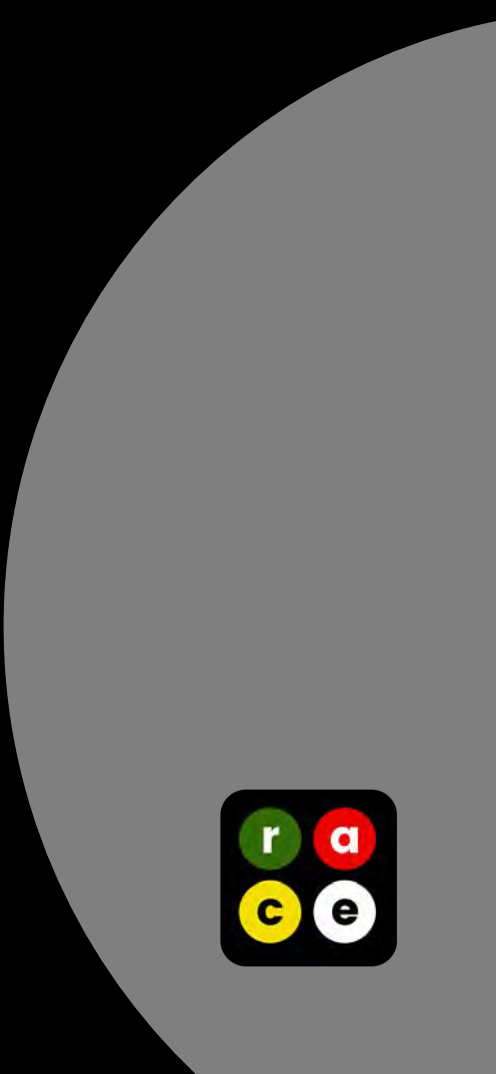
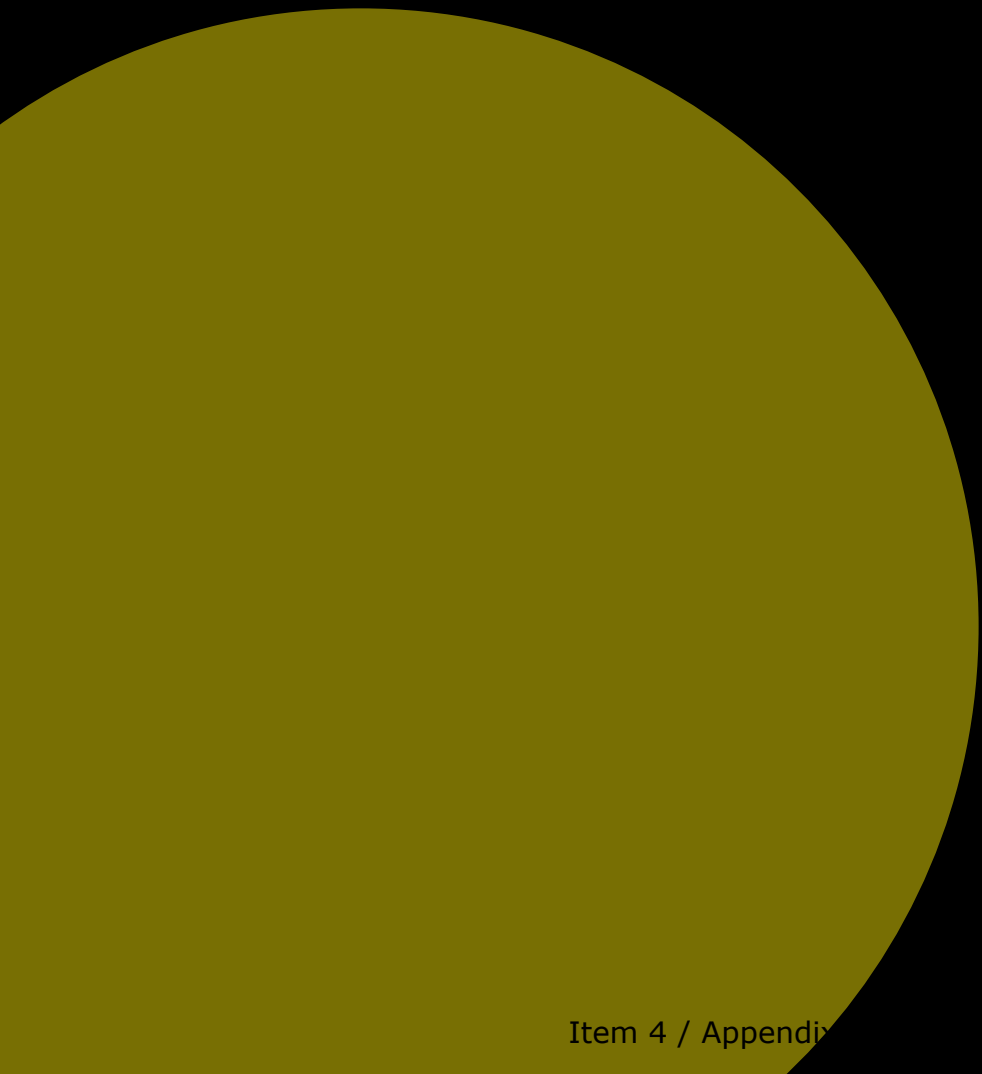
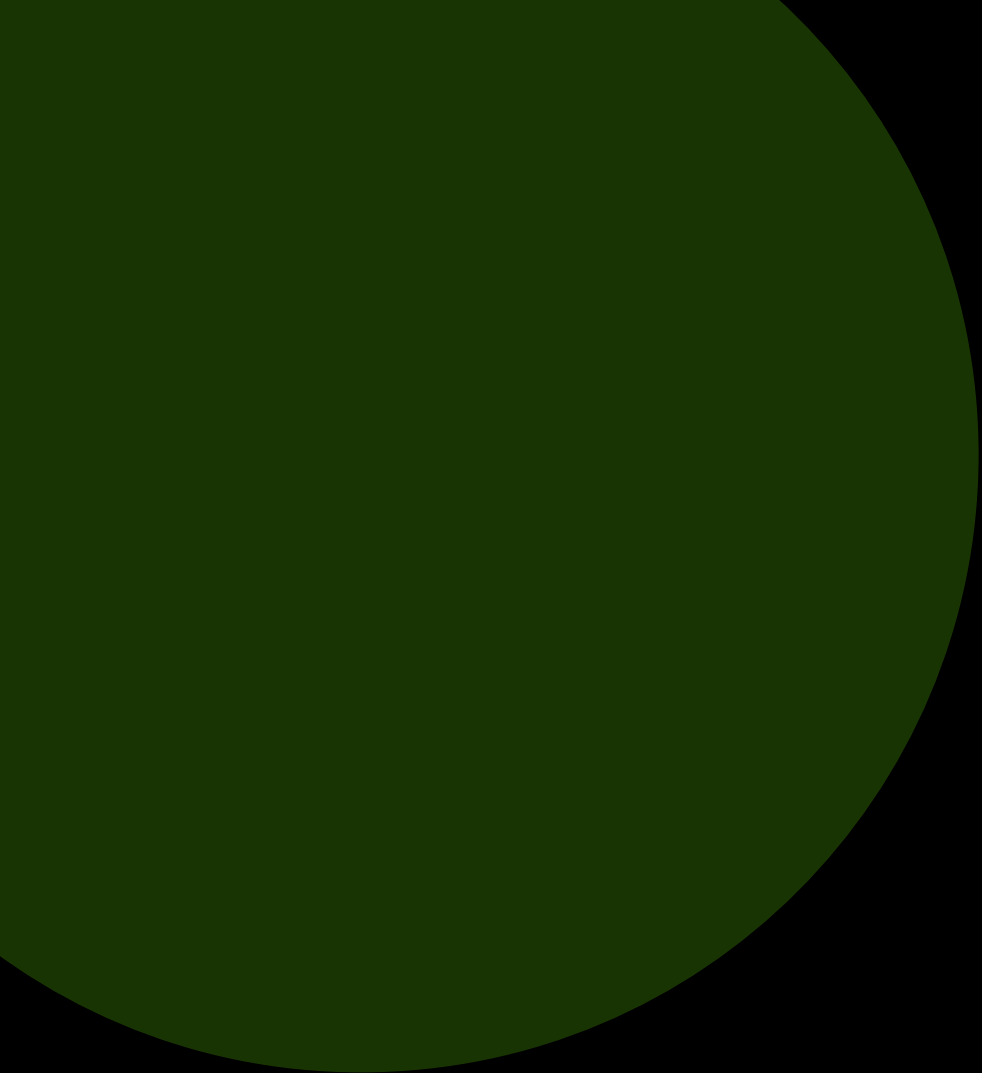
leadership2025.co.uk
raceequalitymatters.com
effectiveboardmember.co.uk

10000blackinterns.com
obv.org.uk
boardapprentice.com



The **RACE** **Equality** Code **2020**

SUMMARY VERSION





The **RACE**
Equality Code
2020

theracecode.org

karlgeorge.com