



# → The **RACE** **Equality** Code

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

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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.

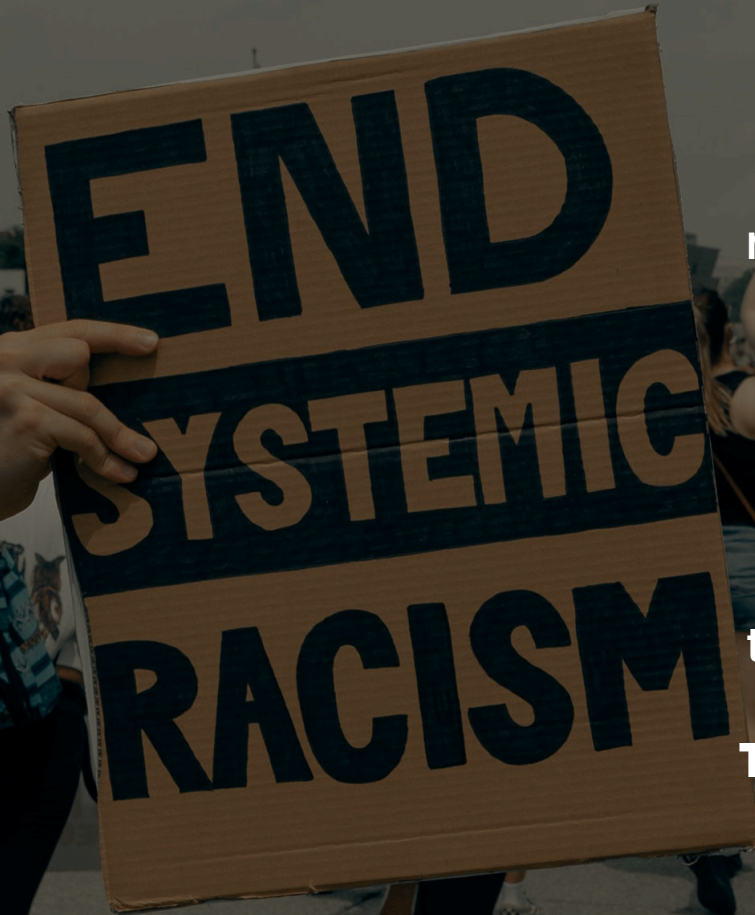
Across the decades, many reports and reviews have tried to tackle race inequality and discrimination in the boardroom and the workforce.

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.

One year on we are still tackling shocking and abhorrent racist behaviour. To take one recent example – Yorkshire Cricket Club – the club, the membership body and the governing body all seem to have failed miserably to protect an individual from systemic racism and then, when confronted, displayed a cognitive dissonance which led to another failure to address a toxic culture that has been allowed to thrive.





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.**



“Why, when these behaviours came to light, was there no examination of the governance structures that had allowed this to happen? Those same structures did nothing to address racism when it reared its ugly head.”

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 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 and other ethnic people into leadership roles and make organisations accountable through what they publicly report. That is the driving force behind this new Code. 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.
  - Unemployment rates were significantly higher for ethnic minorities at 12.9 per cent compared with 6.3 per cent for White people
  - In Britain, significantly lower percentages of ethnic minorities (8.8 per cent) worked as managers, directors and senior officials, compared with White people (10.7 per cent)

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.

**Karl George MBE**



# THE PRINCIPLES



# THE RACE CODE PRINCIPLES

Words count for nothing without action. That is why the RACE Equality Code 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 and other ethnic 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 and other ethnic 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 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 NHS 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 and other ethnic 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.



## → PRINCIPLE 4 – EDUCATION

Changing attitudes through learning 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.

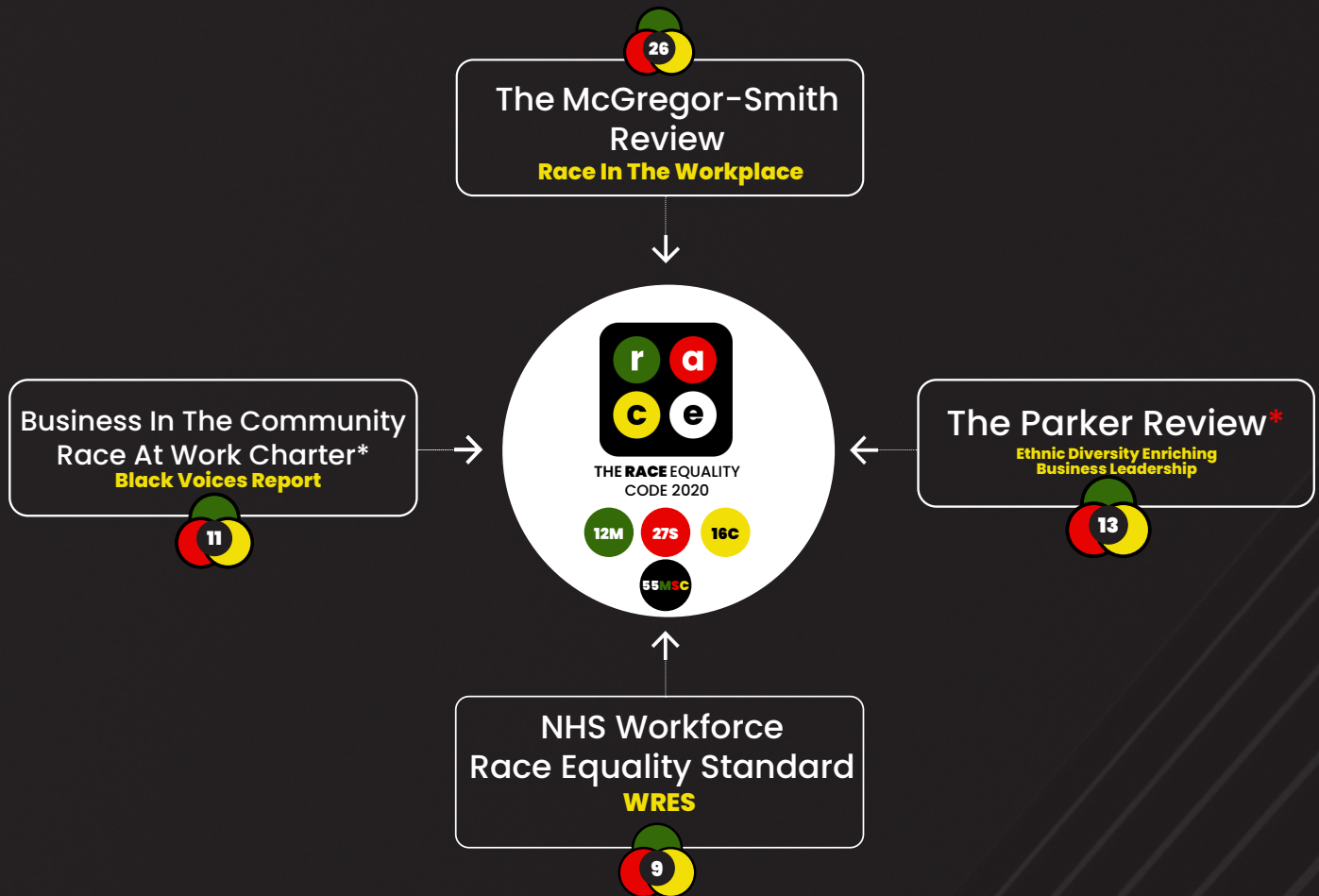


The highest purpose of education is to create positive change and improvement. **The pursuit of racial justice and equity requires education.**





# 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**

\* “Senior Leadership Team” is used to refer to Directors and C-Suite Officers, “EDI” means Equality, Diversity, and Inclusion. Throughout the Code we refer to “underrepresented groups”, meaning those groups which have a lower representation in the organisation and particularly in leadership and management roles, than the national or regional demographic.

\* There are occasions where we mention black employees. This is for the purposes of benchmarking, targeting a specific data set for research and keeping to the integrity of the origin of the development of the Code.



## → 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 the organisation. Openness and transparency will be actively pursued and valued in order to create the right environment for change.

**MUST**
**SHOULD**
**COULD**
**R1**

Publish relevant data on diversity and specifically racial diversity in annual reporting.

- Description of Board's policy on overall diversity to be simple and compelling.
- Board race diversity.
- Senior Leadership Team race diversity.
- Measurable race diversity targets including Board and Senior Leadership Team composition recommendations.
- 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.

**R2**

Document and report the organisation's race strategy, which should:

- Highlight the approach to integrating race within the overall EDI strategy.
- Include the necessary resources (including a ringfenced budget).
- Include Board-level commitment to transformational change.

**R3**

Publish the organisation's commitments to tackling race inequity, including an anti-racism statement to promote zero tolerance of racism, harassment and bullying:

- Identify clear consequences for those that do not adhere.

**R4**

Publish details of the organisation's approach to achieving race equity within the Annual Report (or similar published document):

- Include how the organisation has integrated achieving race equity into the organisation's values, purpose and strategy.
- Report annually on progress in meeting targets.
- Clarify the role and remit of the nomination committee in relation to diversity and board appointments and its disclosure requirements.

**R5**

Present to the Board on annual basis:

- The process used in the recruitment of Board members and the Senior Leadership Team.
- The policy in relation to the ethnic diversity of Board members and the Senior Leadership Team.
- The outcome of the measurable objectives in relation implementing policy to diversity and the progress of these objectives.
- The statistical information about the ethnic diversity of the Board members to inform the Diversity in the Boardroom annual report.
- The work of the nomination committee in relation to board appointments.

**→ REPORTING** CONTINUED**MUST****SHOULD****COULD****R6**

Publish within the Chair and/or CEO statements in the Annual Report (or similar published document), specific comment on the steps being taken by the organisation to improve ethnic diversity.

- Such comments should make specific reference to the number of Black people in leadership where the data suggests there is a lack of representation.

## → ACTION

A list of the measurable actions and outcomes that contribute to, and enable a shift in the organisation's approach to be 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** Take positive action to improve ethnicity reporting rates and collection of data, e.g.,
  - Communicate the importance of reporting to the workforce through events, seminars and newsletters.
  - Engage an executive sponsor who monitors reporting rates and ensures relevant data is being collected.
  - Use HR data to drill down across different racial groups and intersectionality.
- A2** Identify Board and executive level sponsors/champions for race and accountability in governance. These individuals should be responsible for:
  - The monitoring of setting and overall delivery of a robust action plan including race diversity targets, on behalf of the Board.
  - On meeting race diversity targets ensure the board has actively considered how to make diverse new starters (whether internally promoted or externally recruited) welcome and empowered to contribute
  - The race objectives should connect to the overall mission and strategic objectives Ensuring there is accountability across governance structures.
  - Ensuring appropriate mentoring and sponsorship is in place.
  - Working with the relevant staff networks and resource groups.
- A3** Ensure all elements of rewards and recognitions are fair and reflect racial diversity, e.g.,
  - Leaders should have a clear and measurable diversity objective in their annual appraisal.
  - Review employee life-cycle outcomes, checking recruitment, progression, appraisal, bonuses and achievement of high-profile jobs.
  - Practise the fair distribution of high-visibility work and stretch assignments and holding managers accountable for how they allocate such work.
  - Ensure there are transparent career pathways.
- A4** Include diversity objectives and, in particular, race objectives, in the Board evaluation process, e.g.,
  - Ensuring that evaluations are directly linked to performance, in the overall diversity and inclusion strategy.
  - Measure progress against race and other EDI objectives.
  - How successful have you been in ensuring the race objectives are embraced across the organisation.
  - Use a board evaluation to assess the balance of skill, experience and knowledge on the board and to obtain information about its diversity composition.

## → ACTION CONTINUED

**MUST**
**SHOULD**
**COULD**

- A5** Grow diverse talent through the support of employees and the talent pipeline, to reach the top of the organisation, e.g.,
- Take action to support Black people and other ethnic groups with their career progression, specifically talent at middle and senior levels.
  - Ensure Black people and other ethnic groups performing at a certain level, are as likely to be promoted as their non-Black counterparts, performing at the same level.
- A6** Ensure formal interview processes are held for all roles by:
- Ensuring proportional representation on long and short recruitment/selection lists.
  - Rejecting lists that do not reflect the local and/or stakeholder working age population.
  - Conduct a review process to check the quality of decision making before finalising long and short lists where candidates from underrepresented groups have been disproportionately unsuccessful.
  - Examine all components of recruitment from inception of post right through to progression examining best practice at every stage.
- A7** Improve diversity in the talent pipeline, including:
- Implementing a robust talent management strategy to fill current senior vacancies and future leadership pipelines.
  - Embedding mentoring and sponsorship schemes in the organisation.
  - Ensuring all new entrants to the organisation receive a proper induction, which includes clear and transparent information on career pathways.
  - Identifying ways to increase participation levels from underrepresented groups of students in key programmes.
- A8** Measure the effectiveness of mechanisms to identify, develop and promote Black and other ethnic group employees, including:
- Focusing on creating a pipeline of Board-capable candidates.
  - Reviewing and monitoring that the Senior Leadership Team appropriately reflects the diversity to the organisation.
- A9** Review governing documents to ensure race is fundamentally and consistently embedded.
- Ensure accountabilities and responsibilities for race are documented in role descriptions for board and senior management.
  - Ensure discourse on race inform Board and Committee discussions and decisions. Regularly review policies, processes and behaviours to make certain that race equity is embedded.

## → ACTION CONTINUED

**MUST**
**SHOULD**
**COULD**
**A10**

Have an accountability framework in place to ensure clear accountability for the performance criteria and targets that have been set for race equality, to include:

- Racial diversity objectives for Board members and Senior Leadership Team members.
- Performance criteria with targets monitored, including mandatory content and frequency of reporting to the Board.
- How Board and Senior Leadership Team actions, as a result of monitoring, are reported.

**A11**

Make clear that supporting equality in the workplace is the responsibility of all leaders and managers through:

- Integrating equality into performance reviews and remuneration.
- Including a clear race diversity objective in all leaders' annual objective setting/appraisal (covering their responsibility to support fairness for all staff).
- Include race diversity as a key performance indicator for all leaders (to ensure that they take positive action seriously).

**A12**

Use relevant and appropriate imagery and language in recruitment campaigns, including adverts and job specifications to ensure applications from a wider set of individuals and ethnicities.

- Write adverts and job specifications in plain English and provide an accurate reflection of essential and desirable skills.

**A13**

Nomination Committee to be mindful of their EDI responsibilities when overseeing new Board appointments by:

- Requiring HR teams to identify and present qualified Black people and other ethnic groups, for consideration for Board appointments when vacancies occur.
- Ensure they are involved in the appointments process alongside the chair.
- Require search firms (as applicable) to identify and present qualified Black people and other ethnic groups, for consideration for Board appointments when vacancies occur.
- Ensure roles descriptions describe necessary skills, experience, knowledge and personal qualities for the role.



## → ACTION CONTINUED

**MUST**
**SHOULD**
**COULD**

- A14** Ensure that any executive search firm used by the organisation:
- Adheres to the relevant principles of Standard Voluntary Code of Conduct (SVCC) for Executive Search Firms.
  - Applies the SVCC Code principles on a similar basis to the recruitment of Black and other diverse candidates.
  - Is provided with a clear brief and targets.
  - Is demonstrably proactive and has a track record in identifying and marketing talented Black candidates.
  - Can demonstrate its effectiveness in improving diversity in appointments.
  - Identify ways of attracting candidates from underrepresented groups and question them if the candidate list is not diverse.
- A15** Ensure existing Board Directors mentor and/or sponsor Black and other ethnic group employees within the organisation, to ensure their readiness to assume senior leadership positions internally.
- A16** Ensure candidate pools are ethnically diverse by:
- Using a Market Map to identify roles with the most potential for ethnically diverse candidates.
  - Targeting networks and connectors as part of the recruitment campaign.
  - Reaching out to diverse recruitment channels and advertise widely.
  - Regularly review diversity in the organisation's recruitment, development and retention strategy
- A17** Involve underrepresented groups throughout the decision-making process in the workplace, including:
- Convening conversations and actively listening.
  - Making plans on agreed actions.
- Ensure the panel in the interview process is ethnically diverse and,
- A18**
- Ensure that the selection and interview process is undertaken by more than one person.
  - Include individuals from underrepresented backgrounds to help eliminate bias.
  - Ensure at least one person on the panel has undertaken recruitment and selection training.
  - Consider including external independent experts on the selection panel.

## → ACTION CONTINUED

**MUST**
**SHOULD**
**COULD**
**A19**

Identify and develop a pool of Black and individuals from diverse backgrounds with potential or hold management positions as part of a cross-sector sponsorship/mentoring programme.

**A20**

Encourage and support candidates developing oversight, leadership and stewardship skills drawn from diverse backgrounds, to carry out activity that will enable them to compete on merit and provide them with development time to:

- Take on board roles internally (e.g. within subsidiaries) where appropriate, observe board meetings, as well as board and trustee roles with external organisations.
- Undertake training, leadership and development programmes that provide the necessary skills.

**A21**

Adopt the Race at Work Charter, or similar sector specific guide, and commit to the actions promoting race equality.

**A22**

Seek out opportunities to provide work experience to a more diverse group of individuals by,

- Looking for opportunities beyond the standard social demographic.
- Ceasing the practice of unpaid or unadvertised internships.

**A23**

Critically examine organisational entry requirements to ensure that the organisation focuses on potential achievement.

- Ensure that entry requirements do not place too much weight on which university or school the individual attended for their education.

**A24**

Use contracts and supply chains to promote diversity to ensure 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 leading to necessary decisions which the organisation is committed to making.

**MUST**
**SHOULD**
**COULD**
**C1**

Capture the relevant data required to report effectively on racial diversity, e.g.,

- Description of Board's policy on overall diversity.
- Board race diversity.
- Senior Leadership Team race diversity.
- 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.
- Any baseline data or gaps identified when considering data on progression, retention and other relevant statistics.

**C2**

Set clear race diversity objectives and relevant/appropriate targets, e.g.,

- Set general diversity and inclusion Key Performance Indicators.
- All senior leaders should have clear objectives in their annual appraisal, focusing on ethnic representation and progression.
- Measurable race diversity targets, including Board and Senior Leadership Team composition recommendations.
- Include race diversity as a Key Performance Indicator with stretching targets.
- Establish which areas of the business have barriers to progression or low levels of retention for Black and other ethnic employees.
- Collect HR data to drill down across different racial groups and intersectionality. Measure how achieving race objectives impacts internal rewards and recognition

**C3**

Set clear targets to increase race diversity on the Board and management teams, in particular:

- Having no less than one ethnic minority Board member and one ethnic minority member of the Senior Leadership Team within one year of adoption of the Code.
- Documenting and implementing a recruitment strategy to increase Black and other ethnic minority representation on the Board and management teams.
- Where the size of the organisation means this is not practical, then shadowing and co-opting or similar methods can be explored to demonstrate compliance.

**C4**

Use HR data to calculate proportional representation of race at all levels within the hierarchy of the organisation (including the Board and management teams), compared with the organisation as a whole.

- Use the data to inform the strategy and produce comprehensive management information.
- Use Census categories to capture HR data.

## → COMPOSITION CONTINUED

**MUST****SHOULD****COULD****C5**

Record the proportion of employees by race who have reported experiencing the following during their course of employment, in the preceding 12 months:

- Harassment, bullying or abuse from employees in the organisation.
- Harassment, bullying or abuse from individuals who work with the organisation, but are not employees of the organisation.
- Any form of discrimination.
- Formal disciplinary proceedings.

**C6**

Record the proportion of applicants by race shortlisted for recruitment across all posts within the organisation.

**C7**

Ensure all work experience opportunities promoted to underrepresented groups, are documented and measured.

**C8**

Record the proportion of employees by race attending non-mandatory race awareness and diversity training courses and take positive action to improve attendance by all staff.

**C9**

Record percentage of staff (diverse and White) believing that their organisation provides equal opportunities for career progression or promotion.

**C10**

Monitor ethnic representation at all stages of the recruitment process (including at application, shortlisting, interview and appointment).

**C11**

Identify areas in the business where there is underrepresentation and retention of Black and other ethnic groups of staff, compared with staff of white ethnicity.

## → 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**

Explain the legal equality framework and the benefits of capturing data on ethnicity, to all employees appropriate to their role and responsibilities.

- Provide HR policies and training in respect of the Equality Act, the need for any D&I training to be fit for purpose and the seriousness of any sort of discrimination.
- Provide training to all leaders so that they are aware of the roles and responsibility in respect of race equality, to ensure this is taken seriously.
- Implement a detailed communications plan aimed at increasing disclosure rates.

**E2**

Build psychological safety in boards and throughout the organisation to create a positive culture and educational framework around race, e.g.,

- Hold focus groups/listening sessions, to better understand the issues.
- Clear directions and engagement should be provided from the leadership, to create a positive and belonging culture.
- Review inclusive leadership or similar training programmes to ensure that negative behaviour is challenged.
- To participate in Safe Space sessions and monitor outcomes.
- Bring race objectives to life with clear, compelling, communication and strategy.
- Promote and make accessible information on race issues and best practise in diversity.

**E3**

Establish formal race diversity networks and consult with the networks as appropriate and encourage individuals to participate and use the networks to provide education opportunities.

- Where organisations are not big enough or sufficiently representative, they may join the networks of other organisations, or provide other forums.
- Ensure networks are supported by senior level employees and are included in the overall governance structure.

**E4**

Require all employees to undertake mandatory training which includes;

- Bullying and harassment, and how it relates to culture, race awareness and diversity.
- How to interpret and use data in regard to equality and inclusion.

## → EDUCATION CONTINUED

**MUST**
**SHOULD**
**COULD**
**E5**

Explain to all members of the board and management teams that it is a requirement of their role to promote and support race equality within the organisation:

- Train all leaders/managers on how to set and review race equality objectives and outcomes
- Train all leaders/manager on how to support board and management teams when responsibilities or targets to support race equality are not being met
- Regular awareness training on equality, diversity and inclusion to continuously build lived experience and cultural intelligence.

**E6**

Provide sponsor programmes to promote Black and other ethnic talent in the organisation:

- Education and support should be provided to the Board and management teams in the organisation, to allow such programmes to be structured and meaningful.

**E7**

Promote an open culture and safe working environment at the organisation, and

- Implement race equality and diversity policies and procedures, including but not limited to reporting and whistleblowing procedures.
- Such policies and procedures should be regularly reviewed and updated.
- Organisations should regularly review and update their policies, processes and behaviours to make certain that they demonstrate and support their commitment to race diversity.

**E8**

Ensure the management teams, executive boards and all those with a role in the recruitment process in the organisation, undertake comprehensive race awareness and diversity training:

- Provide additional training to the mandatory race awareness and diversity training.

**E9**

Educate applicants at induction as to career progression routes within the organisation:

- Information should include the proportion of employees by race at each level of the hierarchy in the organisation.

**E10**

Ensure access to sponsor and mentor programmes is available to all employees:

- The organisation should provide all necessary resources to ensure that the programmes are structured and meaningful and actively contributing to improving underrepresentation..

**→ EDUCATION** CONTINUED**MUST****SHOULD****COULD**

- E11** Establish opportunities for employees from underrepresented groups to mentor members of the Board and management teams (reverse mentoring):
- This reverse mentoring is intended to enable the Board and management teams to better understand their unique challenges as well as the positive impacts from diversity.
  - Ensure reverse mentoring insights gained by this process are reflected in policy, resourcing, recruitment and talent management decisions with regard to improved progression of black and other ethnic staff.
- E12** Publish job history synopses for the Board and management teams, together with narrative as to how success has been achieved to educate employees on possible career paths at the organisation.
- As the purpose is to educate staff, such information does not need to be published outside of the organisation.
- E13** Provide adequate and appropriate resources for staff to promote race equality within the organisation.
- Such resources may include a central portal or virtual learning environment containing the policies and procedures, training materials and forums to improve accessibility and ensure open communication at all levels within the hierarchy of the organisation.
- E14** Organisations should regularly review their policies, processes, and behaviours to make certain that they demonstrate and support their commitment to race equality;
- Consult with employee representatives, trade unions and third party organisations (as applicable), to develop procedures and policies to ensure race equality.

# HOW TO ADOPT THE CODE

## FRAMEWORK

### INTRODUCTION

The RACE Equality Code 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 Action Plan and then to ensure accountability, it is to then present it to stakeholders of the organisation.

The Code has four 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 an 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 and they should move beyond a “tick box” approach by them 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 in the Code.

### BENCHMARK 10 – INCLUSION SUPPORT QUESTIONNAIRES (ISQ)

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.

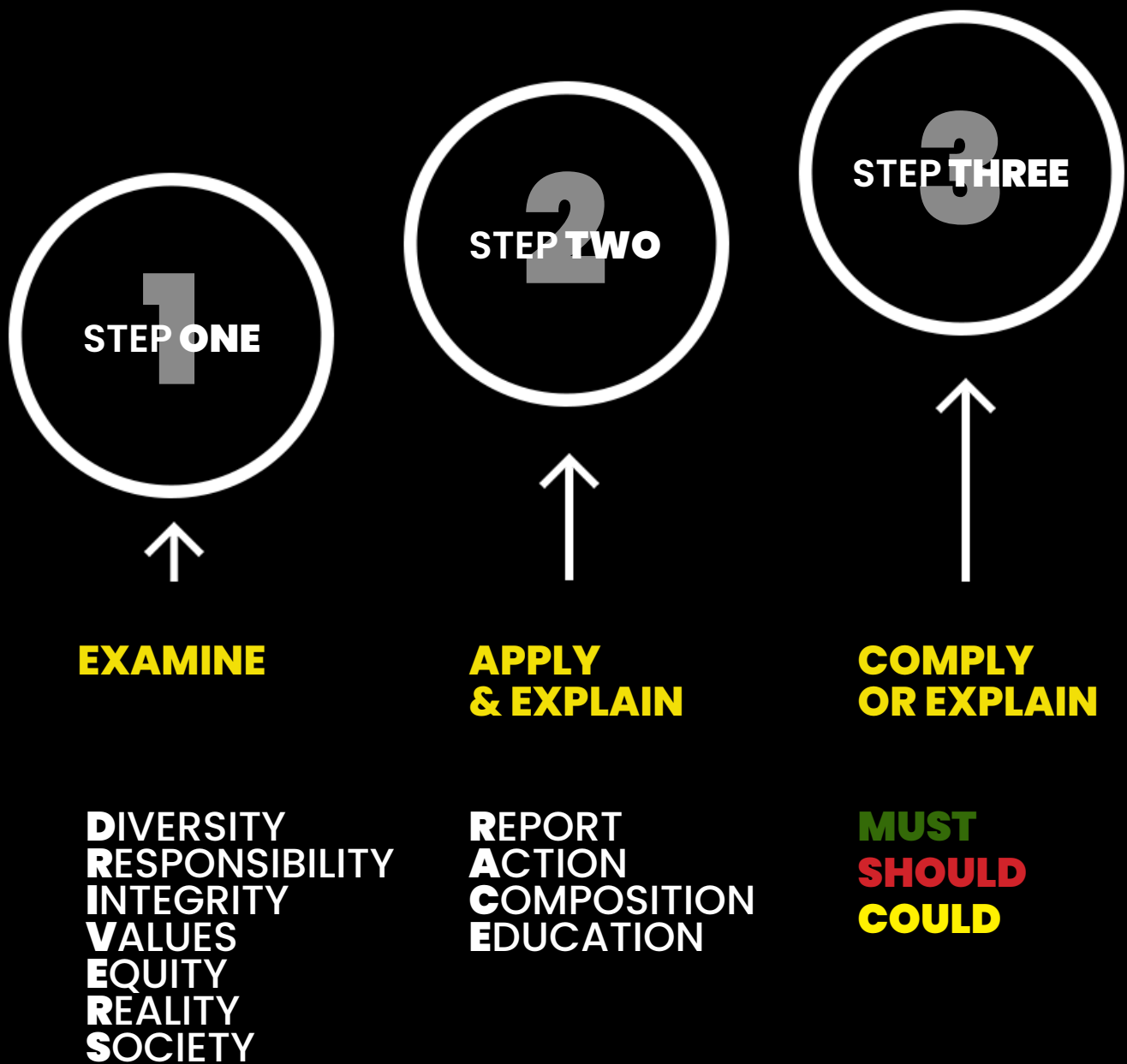
→ [theracecode.org](http://theracecode.org)

## WHAT YOU NEED TO DO

- 1.** Read and discuss the DRIVERS these are the key concepts around Race Equality and are found on the website [www.theracecode.org](http://www.theracecode.org) with your Board and Senior Leadership Team. 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.
- 2.** 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 Principles of the RACE Code and the 55 provisions that have been identified.
- 3. APPLY AND EXPLAIN** - Once the four 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.
- 4. THE MUST PROVISIONS** - You can complete our diagnostic questionnaire to determine how close you are to full compliance of our 12 MUST actions. Once this is done, the steering group will record which actions you commit to doing in order to fully comply with the 12 MUSTS.
- 5.** By completing the further 45 Should and Could provisions by recording whether you will comply or not, will lead to further actions.

To receive the Quality Mark and publicly evidence your commitment to Race Equality, contact <http://theracecode.org> Our specialist Race Consultants will explore and review your organisation's practises against the full framework.





## HOW TO GAIN PUBLIC RECOGNITION

To receive the Quality Mark and publicly evidence your commitment to Race Equality, contact the [theracecode.org](https://theracecode.org) 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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## → PROGRAMME TALENT PIPELINE


[leadership2025.co.uk](https://leadership2025.co.uk)  
[raceequalitymatters.com](https://raceequalitymatters.com)  
[effectiveboardmember.co.uk](https://effectiveboardmember.co.uk)


[10000blackinterns.com](https://10000blackinterns.com)  
[obv.org.uk](https://obv.org.uk)  
[boardapprentice.com](https://boardapprentice.com)


→ THE FIRST 50 As at 31/03/23


  
**King's College Hospital**  
NHS Foundation Trust


  
**Hertfordshire Community**  
NHS Trust


  
**The Dudley Group**  
NHS Foundation Trust


  
**North Staffordshire Combined Healthcare**  
NHS Trust


  
**Walsall**  
Healthcare NHS Trust


  
**Midlands Partnership**  
NHS Foundation Trust


  
**Black Country Partnership**  
NHS Foundation Trust


  
**Staffordshire and Stoke-on-Trent**  
Integrated Care Board


  
**Doncaster and Bassetlaw Teaching Hospitals**  
NHS Foundation Trust


  
**Devon Partnership**  
NHS Trust


  
**University Hospitals of North Midlands**  
NHS Trust

  
**Birmingham and Solihull**  
Integrated Care Board

  
**Black Country**  
Integrated Care Board

  
**The Royal Wolverhampton**  
NHS Trust

  
**Royal Cornwall Hospitals**  
NHS Trust

  
**Shropshire Community Health**  
NHS Trust

  
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**CITY OF WOLVERHAMPTON**

  
**West Midlands Combined Authority**

  
**WORLDLINE**

  
**South Wales Police and Crime Commissioner**  
Comisiynydd yr Heddlu a Throseddau  
De Cymru

  
**west midlands police and crime commissioner**

  
**UNIVERSITY of DERBY**

  
**COLMORE BUSINESS DISTRICT**

# → The **RACE** Equality Code

**NHS**  
The Tavistock and Portman  
NHS Foundation Trust

**NHS**  
Sandwell and West  
Birmingham Hospitals  
NHS Trust

**NHS**  
Wrightington,  
Wigan and Leigh  
NHS Foundation Trust

**NHS**  
Lancashire &  
South Cumbria  
NHS Foundation Trust

**CIH** | Chartered  
Institute of  
Housing

**emh group**

**Trident Group**

**mhs**  
homes

**TAFF**

**Nehemiah**  
HOUSING

**B** Greater Birmingham  
Chambers  
of Commerce

**open college network**  
WEST MIDLANDS

**SPECTRA**

The Pebble Group

**Active  
Black Country**  
Creating a healthy, active region

**Active  
Gloucestershire**

**ActiveEssex**

**Sport  
Birmingham**

**TOGETHER  
ACTIVE**

**SPORT  
ENGLAND**

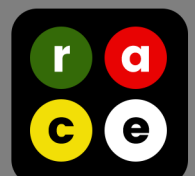
**cureleukaemia**  
the blood cancer charity

**BSWA**

**St  
Basils**  
Works with young people

**bvsc**

● Completed





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

[theracecode.org](http://theracecode.org)

[karlgeorge.com](http://karlgeorge.com)