



The Prince's
Responsible
Business Network

Business in the Community

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The Rt Hon Rishi Sunak MP
Prime Minister
10 Downing Street
London
SW1A 2AA

Friday, 10 March 2023

Dear Prime Minister,

We are writing to you and the Leader of the Opposition from Business in the Community (BITC) to urge you to work together to introduce mandatory ethnicity pay gap reporting for employers with over 250 employees. BITC and other business groups have called on previous Prime Ministers to legislate for mandatory reporting, and we hope that in this Parliamentary term, this much-needed legislation will be introduced.

BITC has consulted with employers and other stakeholders on the benefits that this legislation could bring. The *McGregor-Smith Review* found that if diverse ethnic talent is fully utilised, it could boost the economy by £24 billion. In addition, predictions using census data show that by 2051, nearly a third of working-age adults in England and Wales will be from ethnic minority backgrounds. That's why the government must work with employers to ensure that their workplaces are fair and ready for the workforce of the future.

The Women and Equalities Select Committee held an inquiry in 2022 on ethnicity pay gap reporting and recommended to the Government that mandatory reporting be introduced by April 2023. This timeframe will not be reached, and we urge you not to waste any more time on bringing this legislation forward.

It is not just the Select Committee that wants to see this legislation brought forward, businesses have been clear; they also want this mandatory requirement introduced. Many employers are already publishing their ethnicity pay gaps, and while this voluntary action is extremely welcomed, without government intervention, research shows that it will take until 2075 for companies currently capturing ethnicity data to publish it. Without Government intervention, it will take 28 years (2051) for employers to know the ethnicity pay gap in their organisation.

While we understand that the Cabinet Office is working to provide voluntary guidance for employers, we believe that the time has passed to ask employers to do this work voluntarily. Currently, there are just over 888,000 employees who are employed by companies that publish their ethnicity pay gap which is less than 3% of the entire UK workforce. Mandatory reporting is the only way that we can ensure that workplaces are one step closer to being equal for everyone, regardless of background.

We ask you to consider our calls in this letter and stand ready to support you and your colleagues in making ethnicity pay gap reporting mandatory.

Yours sincerely,





Sandra Kerr CBE
Race Director of Business in the Community

Baroness McGregor-Smith CBE

Example of employers who are currently publishing their ethnicity pay gaps

- [Auto Trader UK](#)
- [AVIVA](#)
- [Bank of England](#)
- [Barclays](#)
- [BBC](#)
- [British Land](#)
- [Browne Jacobson LLP](#)
- [BT](#)
- [Burgess Salmon](#)
- [Business in the Community \(BITC\)](#)
- [Canada Life LTD](#)
- [Capsticks Solicitors LLP](#)
- [CBI](#)
- [CBRE UK LTD](#)
- [Centrica PLC](#)
- [CIPD](#)
- [City & Guilds Group](#)
- [Deloitte LLP](#)
- [DWF Law](#)
- [Fujitsu](#)
- [Gowling WLG](#)
- [Grant Thornton UK LLP](#)
- [Hachette UK](#)
- [Hogan Lovells International LLP](#)
- [House of Lords](#)
- [HSBC UK](#)
- [Hutchinson 3G LTD \(Three UK\)](#)
- [Irwin Mitchell](#)
- [ITN](#)
- [ITV](#)
- [Jacobs](#)
- [JLL](#)
- [KPMG](#)
- [Linklaters](#)
- [Lloyds Banking Group](#)
- [Metropolitan Thames Valley Housing](#)
- [Mills & Reeve Solicitors](#)
- [Pinsent Masons LLP](#)
- [PwC](#)
- [Sainsbury's](#)
- [Santander UK](#)
- [Scottish Qualifications Authority](#)
- [Senedd Cymru / Welsh Parliament](#)
- [Shakespeare Martineau LLP](#)
- [Shell UK](#)
- [Shoosmiths LLP](#)
- [Sodexo UK & Ireland](#)
- [Thames Water Utilities LTD](#)
- [The Co-operative](#)
- [The Midcounties Co-operative](#)
- [The Southern Co-operative](#)
- [Tideway](#)
- [TUC](#)
- [University of Warwick](#)





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- [Eversheds Sutherland](#)
- [NATS](#)
- [Worldline](#)
- [EY](#)
- [NatWest Group](#)
- [Freshfields Bruckhaus
Deringer LLP](#)
- [Norton Rose Fulbright](#)



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The Rt Hon Keir Starmer MP
Leader of the official opposition
The Labour Party Labour Central
Kings Manor
Newcastle upon Tyne
NE1 6PA

Friday, 10 March 2023

Dear Keir Starmer MP,

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