



The Prince's
Responsible
Business Network



Report

RACE AT WORK CHARTER 2023: COMMITMENT SEVEN

October 2023



REPORT

RACE AT WORK CHARTER REPORT 2023: COMMITMENT SEVEN – SUPPLIER DIVERSITY AND INCLUSIVE SUPPLY CHAINS

The Race at Work Charter, launched in 2018, has seen an increase of signatories from 85 employers at launch, to over 1000 signatories in 2023. 238 employers completed the Race at Work Charter Survey 2023. This amount of employers participating has more than doubled compared to previous years, with 114 employers participating in 2020 and 108 employers participating in 2019.

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COMMITMENT SEVEN OF THE RACE AT WORK CHARTER

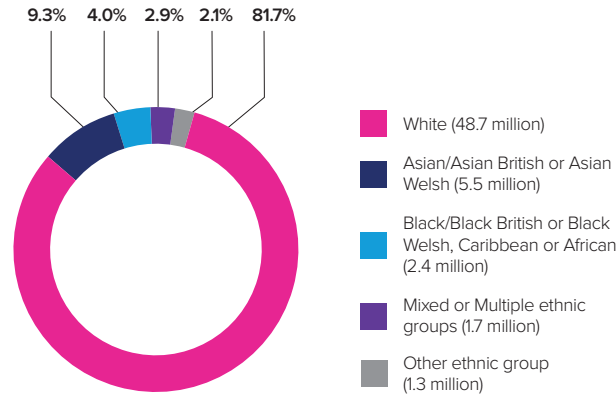
Include Black, Asian, Mixed Race and other ethnically diverse-led enterprise owners in supply chains.

When the Business in the Community (BITC) Race Campaign was established in 1995, there were four pillars of action identified in the research and became the key points for focus:

- Recruitment, retention and progression of employees.
- Marketing to customers and clients.
- Engaging with communities.
- Increasing supplier diversity: This commitment was added to the expanded Race at Work Charter in 2021.

We know from the [BITC Race at Work 2021 Scorecard report](#) that 33%, one in three, of ethnically diverse respondents said that it was important to see role models from their ethnic backgrounds. 43% of Black Caribbean and 38% of Black African and Indian employees reported this. The desire for role models has remained consistent for Black, Asian, Mixed Race and other ethnically diverse groups since 2015.[†]

Figure 1: Population of England and Wales by broad ethnic group categories: Census 2021



Source: Census 2021 Ethnic Group TS021

Employers should ensure Black, Asian, Mixed Race and other ethnically diverse-owned businesses and enterprises are part of their supply chains and also monitor timely payment and contract value. These actions will contribute to creating role models for young people and the wider community, as well as economic inclusion.

Carole Richardson, Executive Director of People & Culture, North Star, said:

“North Star’s ambition to be a fair and inclusive employer go beyond complying with regulation and legislation. Diversity enhances productivity, innovation, collaboration, and success. The greater the variety of thinking, and the more supported people feel, the better the outcomes. We have defined our strategic ambition to be equitable, diverse, and inclusive. To listen and learn from the lived experience of people from diverse backgrounds. To proactively tackle and prevent any form of discrimination, harassment, or victimisation. Tackling inequality, requires actions to be well planned, strategic, sustainable, and taken seriously. For North Star this is a strategic priority.”

Employers can ask organisations in their supply chain to provide:

- The ethnic breakdown of their workforce.
- Insight into the ethnic diversity of the team who will be delivering on your contract.
- Policies on bullying, harassment and racial harassment, alongside their policies on modern slavery.
- Their commitments to local recruitment by demographic group.

In October 2022, the BITC Race Campaign, in collaboration with professors from Queen Mary University of London and Lloyds Banking Group Centre for Responsible Business at the University of Birmingham, published [six ethnicity and socio-economic factors briefing papers](#) for employers to understand some of the disparities in wealth and assets that provide context to the importance of pay transparency and proper pay in the workplace.

The disparities of wealth and assets that are highlighted in these papers can also provide useful context as to why prompt payment for ethnic minority businesses is so important for some ethnic groups in contrast to others, as there is limited access to personal networks on which to rely for emergency funds at short notice, should a small business hit a snag or crisis because of cash-flow challenges.

Employers should think creatively about how they can agree on flexible terms of payment for ethnic minority businesses, small businesses, micro-businesses, and consultants, to ensure they can successfully deliver to your business and continue to thrive and grow.

With ONS Census 2021 data evidencing that 18.3% of the resident population of England and Wales are from a Black, Asian, Mixed Race or other ethnically diverse background, transparency and representation have never been more important. It is also key to note that ethnically diverse people also make up almost one in five (19.3%), of the working-age population.

For more information please see BITC's [Race Regional Factsheet](#).

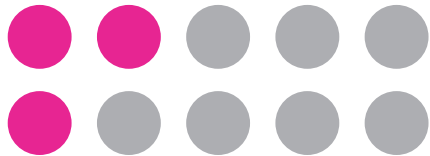
Courtney Scott, Vice President, HR Europe, Jacobs, said:

“Jacobs is proud to be a signatory of the Race at Work Charter. We introduced our Action Plan for Advancing Justice and Equality in 2020 to drive real change, with a focus on empowering Black and historically underrepresented employees to advance and achieve both within Jacobs and across broader society. We have already allocated over half of our five-year target of investing \$10 million to aid outreach efforts, including supporting the U.K.’s Cowrie Scholarship. We have met our goal to materially increase diverse and disadvantaged suppliers in our supply chain, now at 40% compared to an industry average goal of 20%.”

CHARTER EMPLOYER TRENDS 2019–2023

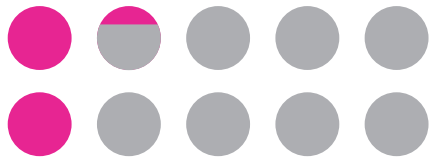
Trend question: Are you asking suppliers what action they are taking on race in the tendering process?

32% of employers completing the Race at Work Charter Survey 2023 said that they ask their suppliers what action they are taking on race in the tendering process.



Trend question: Have you set targets to increase the diversity of your suppliers?

23% of the Race at Work Charter Survey 2023 respondents said yes to setting targets to increase the diversity of their suppliers.



Employers can use national and local demographic data to better understand the

makeup of business owners who may be available for supply chain opportunities. Targets to increase the number of suppliers from diverse backgrounds could be owned by procurement teams and those with the power to commission new suppliers to the organisation.

Trend question: Is there an Executive Sponsor who is responsible for ensuring that diversifying your organisation’s supply chain is on your Board’s agenda?

34% of employers completing the Race at Work Charter Survey 2023 said yes, that there was an Executive Sponsor responsible for ensuring that diversifying the organisation’s supply chain is on their Board’s agenda.



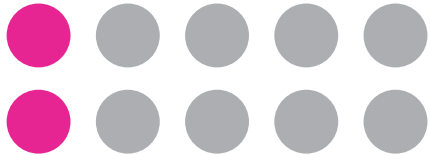
34% is in stark contrast to 95% of employers having an Executive Sponsor for Race and Inclusion in the workplace. For sustained action to be taken to drive best practice in supply chain action for business owners from the various protected characteristics, a commitment to consider indicators beyond price must come from the top table.

David Calder, Site Manager, Solenis UK Industries Limited, said:

“As the Solenis Executive Sponsor for race equality I am fully committed to the Race at Work Charter that we signed in 2022. We have Diversity and Inclusion commitments that bring in certain elements of the charter with regard to employee resource groups, suppliers, inclusivity/allyship and our work with contractors. Our focus has been mainly on gender, where we have definitely seen successes. We are now widening our focus to include further underrepresented groups. Our aim is to be an inclusive employer with a workforce that reflects the wonderful diversity of the communities of Bradford.”

Trend question: Are you signed up to the BEIS Prompt Business Code?

18% of employers participating in the Race at Work Charter Survey 2023 responded yes to being signed up to the BEIS Prompt Business Code.



Various research shows that cash flow is a well-documented challenge that is more likely to impact business owners with the intersection of ethnicity and lower socioeconomic backgrounds. Employers should consider flexible payment terms for the smaller businesses within their supply chains. Signing up to the BEIS Prompt Business Code would be the minimum standard.

Matt Pitt, People Director, Novus Solutions, said:

“At Novus, we take our commitment to achieving this purpose seriously. Without action nothing will change. Our strategy focuses solely on Equality, Diversity, Inclusion and Belonging (EDIB) and is a call to action for all our colleagues. It will hold every one of us to account against our commitments so that improvements for all are achieved. Our focused commitments to achieve our purpose are:

- 1. Everyone is included and will feel able to be themselves**
- 2. We will actively champion diversity, inclusion and belonging**
- 3. We will enhance education and development opportunities that support everyone.”**

ACTION EMPLOYEES ARE TAKING

- 1.** Promoting inclusion and economic empowerment through a supplier diversity programme.
- 2.** Creating a Diverse Supplier Mentoring programme and Sustainability Accelerators, to support the development of diverse-owned businesses.
- 3.** Partnering on projects with MSDUK and Engaging with the “Buy Social Europe” programme through Social Enterprise UK and other partners.
- 4.** Setting targets to increase spend with diverse suppliers and founders.
- 5.** Sharing the Race at Work Charter and signposting suppliers to BITC for support on responsible business practice.
- 6.** Introducing programmes to develop and scale technology or technology-enabled start-ups with female or ethnically diverse founders.
- 7.** Enhancing procurement guidance and processes to promote inclusive decision-making.

BEST PRACTICE IN ACTION

In this section, the following employers share more detail on how they approached supplier diversity and inclusive supply chains in the workplace:

- AstraZeneca
- Chartered Institute for Securities & Investment
- Crown Commercial Service
- f1 recruitment ltd
- Morgan Stanley Interational

AstraZeneca

AstraZeneca is making significant strides in promoting inclusion and economic empowerment through its supplier diversity programme. The supplier diversity programme supports small woman-owned, disability-owned, LGBTQ-owned, Black and other ethnic minority-owned businesses and social enterprises. The programme aims to accelerate Inclusion and Diversity through enhancing procurement and business processes for diverse suppliers and empowering diverse suppliers' growth. AstraZeneca set a target in 2021 to expand its programme to ten markets outside the US by 2025. The UK was one of seven new countries to successfully launch the programme.

The programme's success is a testament to such initiatives in driving social change and fostering a more inclusive and diverse business environment across the world.

AstraZeneca has partnered with advocacy partners in the UK, such as MSDUK, WeConnect International, and Social Enterprise UK, who support them in finding qualified diverse businesses and facilitate a collaborative environment to scale impact. In 2021, AstraZeneca co-sponsored the MSDUK, EQUIP Europe Research, aiming to understand the challenges and the contribution of ethnic minority businesses across Europe. In 2022, the organisation became

a founding member of MSDUK's two-year pilot European Supplier Diversity Project (ESDP) in six European countries, driving the economic inclusion of ethnic minority entrepreneurs into supply chains in Europe. They are also a founding member of the "Buy Social Europe" programme through Social Enterprise UK. To prioritise and further promote an inclusive business environment, AstraZeneca has set targets to increase diverse spend, introduced enhanced procurement processes to ensure inclusive decision-making, and updated third-party supplier expectations.

"Our Global Inclusion and Diversity (I&D) strategy highlights the importance of creating an inclusive environment where every employee can feel a sense of belonging. One of the key priorities within our UK I&D plan is to take actions that advance racial and ethnic equity within our workplace and society at large. We are proud of our progress since joining Business in the Community (BITC) in 2020 and welcome the opportunity to strengthen our commitment through the 2023 Race at Work Charter. I am confident that through this, and with the collective driving force of our employees, our Global I&D Council, our Employee Resource Groups, the Global I&D Centre of Excellence, and the UK Leadership Team – we will continue to advance equity and create lasting impact for our employees, patients and the communities where we operate." Juliette White, UK Executive Sponsor for the Race at Work Charter

Chartered Institute for Securities & Investment

Increasing awareness of allyship & supplier diversity

Chartered Institute for Securities & Investment has increased awareness of allyship and supplier diversity in the business over the past year, through a range of activities. They initially started with an allyship and supplier diversity session, with the managers of the company, defining the two terms and providing examples of these in practice. An open discussion was held with all departments sharing their ideas on how allyship and supplier diversity could be implemented within their scope and teams.

To follow up on this, in the next session managers were asked to report back on whether they had done anything differently since the initial session. Some reported the new ways they had chosen to approach allyship and supplier diversity within their teams. Others had implemented new processes in a renewed effort towards supplier diversity.

Next, the organisation is working towards formal training for all employees on allyship and anti-racism and incorporating intersectionality within

this. Managers will be attending a workshop for supplier diversity, with a view to learn how to form a guideline or policy that can be applied business-wide to improve supplier diversity.

Another action taken to help create a safe space for all employees to share stories is through hosting a viewing party for Black History Month. The event invited three Black financial services professionals to share their experience of being Black in financial services, including challenges they have encountered and any obstacles they have faced. The event was streamed virtually, and for employees internally, it was hosted an in-person viewing party, with lunch held afterwards. This then allowed employees to continue talking about the topic and to share their stories, experiences and observations.

“As an educational charity and membership body, we are fully committed to ensuring that a career in financial services is accessible to all. We believe that informing employees and our members on race and diversity, helps us to do this by raising awareness and harbouring an environment where people feel they belong and can be their whole selves. We want to help lead the way to an inclusive sector that celebrates all.”
Jade Mehmet-Ali ACIM, Co-Chair, Diversity, Equity & Inclusion Working Group & Marketing Manager, Chartered Institute for Securities & Investment

Crown Commercial Service

Crown Commercial Service (CSS) has captured diversity data for many years and reports on representation and declaration rates annually. The organisation are striving to make more evidence-based decisions and over the last year has developed an Inclusion and Diversity (I&D) dashboard which helps to make insight-led decisions. This dashboard is shared with senior leaders and breaks down all the protected characteristics at a directorate level to help drive action and also reports specifically on ethnicity, ethnicity by pay band, and ethnicity by locational office.

The dashboard also reports on the number of promotions, leavers and new starters, for ethnic minorities, comparing this to other protected characteristics within CCS.

The dashboard also includes civil service-wide data to use as a benchmark and is supported with a narrative which includes actions required to tackle areas of concern. The development of this reporting has resulted in further developments within the dashboard.

This data can now be used in conjunction with other reports used to produce CSS's ethnicity pay gap report.

Additionally, there is a review underway to examine the end-to-end exit interview process to ensure diversity data is captured, highlighting any trends or concerns that may need addressing.

f1 recruitment ltd

Measuring Success. f1 recruitment ltd publishes their Candidate Diversity statistics every quarter on their website for total transparency. The statistics outline the percentage of candidates interviewed and hired from Black, Asian, and minority ethnic communities. When the company first started monitoring these figures over ten years ago, the statistics were around the 8-10% mark of candidates interviewed from black, Asian, minority ethnic communities; they are now regularly interviewing and placing candidates at 25-27% of the total interviewed, putting f1 recruitment ltd ahead of their competitors in the marketing, pr & sports marketing recruitment sector. These statistics have helped f1 win places on the company's recruitment partner rosters, as procurement teams begin to more closely scrutinise their supply chain partners beyond traditional key indicators of cost and efficiencies.

As part of f1 recruitment ltd's annual B Corp Impact report, they also publish their own employee diversity statistics. f1 are co founders of social change programmes Back2businessship Returners and NoTurningBack2020. Both of these programmes have helped to build trust and long term relationships within under represented communities.

"We have been a Certified B Corp since 2021 putting social change, Race & the wider EDI agenda at the heart of our organisation's activities alongside our commercial goals. Our business has achieved 25% black representation at leadership level and 28% black representation across the business as a whole. 27% of the candidates we place in roles are from black, Asian, minority ethnic communities. We lead from the front with our Back2businessship Returners programme (since 2013) and NoTurningBack2020 (since 2016) our UK wide Early Careers Outreach programme to schools & colleges. Both programmes centre on talent attraction and retention from black, Asian & minority ethnic communities." Amanda Fone, CEO, f1 recruitment ltd

Morgan Stanley International

In Morgan Stanley's 2018 survey, investors reported capitalising on underrepresented businesses at 80% less than businesses overall. Company research shows this translates into roughly \$4.4 trillion in missed opportunities. The Morgan Stanley Inclusive Ventures Lab (MSIVL) was created to change that. MSIVL is an intensive five-month accelerator, designed to help develop and scale technology or technology-enabled start-ups, with female or ethnically diverse founders. Launched in North America in 2017, the programme was expanded to the Europe, Middle East and Africa (EMEA) region in 2021. Between 2009 and 2019, just 0.24% of venture capital in the UK went to teams of Black entrepreneurs. In line with the organisation's core values of 'committing to diversity and inclusion' and 'giving back', the Lab was created to address inequities in funding of underrepresented founders, providing a unique opportunity to access capital, accelerate business growth and increase their visibility.

In addition to a financial investment of £250,000, participants receive mentorship, office space, networking opportunities and access to external advisors. Each year, the curriculum is tailored to

the individual needs of the cohort but generally includes topics such as:

- Branding your startup.
- Developing your investor pitch.
- Refining your value proposition.
- Devising effective finance and sales strategies.

The programme culminates in a Demo Day, at which the businesses present their ideas to a network of investors, potential business partners and customers.

In its inaugural year, the lab supported five startups (all female and ethnically diverse) to participate, with businesses ranging from collecting energy and carbon data to education technology. Selection for the next cohort is currently underway, with Morgan Stanley looking to double the cohort size.

“Morgan Stanley is increasingly committed to building an equitable workforce in which all employees can fulfil their potential, irrespective of Ethnic Heritage. Our investment in recruiting, retaining and advancing diverse talent is underpinned by the engagement of senior leadership and holding them accountable with an array of data insights and analytics. Whilst there is still work to be done, we have made encouraging progress toward sustainable race inclusion.” Tosin Akinluyi, Managing Director, EMEA Head of Macro Research and the Executive Sponsor for the Race at Work Charter.

REFERENCES

- ⁱ [BITC Race at Work 2021 Scorecard report](#)
- ⁱⁱ [BITC Race at Work 2021 Scorecard report](#)

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