Change the Race Ratio response to the Government's consultation on Equal Pay and Discrimination

Change the Race Ratio (CtRR) is the leading campaign in the UK calling for and supporting businesses to take action to improve racial and ethnic minority representation in corporate leadership. Founded in 2020 by a group of leading businesses and spearheaded by Lord Karan Bilimoria, then President of the CBI, we have a membership that represents over 650,000 employees across 30 sectors. CtRR is the campaign partner of the government-backed Parker Review and together we are ensuring that businesses have the tools, data, insights, and best practice guidance needed to deliver progress on this critical agenda.

Change the Race Ratio has been supporting and encouraging its members to voluntarily report their ethnicity pay gaps since its launch in 2020. The campaign represents one of the largest groups of businesses who are reporting their ethnicity pay gaps, with 70% of our members voluntarily reporting their pay gaps.[1]

We welcome the government's recognition that the current pay discrimination framework requires modernisation, and the proposals set out in the consultation are a step in the right direction.

1. Equal pay and pay transparency

1.1 Members are leading the way in being transparent with pay and benefits

Change the Race Ratio members broadly support the proposals to introduce greater pay transparency through the publication of salary information in job adverts, which already aligns closely with the good practice members are already engaging in. Businesses have well-established and robust reward and benefits policies and processes as part of their job evaluation processes.

1.2 The government should avoid any compliance duplication

Multinational organisations that operate within the EU are already preparing for or implementing the EU's Pay Transparency Directive that requires employers to provide information about the initial pay level or salary range in a job advert or before a job interview. [2] Our members – while broadly supportive of increased pay transparency in principle – would want any new legal requirements to be regulatorily aligned with the EU framework and definitions to avoid duplicative reporting, increased costs and administrative burdens.

1.3 Any new legislation should be accompanied by practical employer guidance

Any new transparency or preventative obligations should be proportionate and accompanied by clear, practical guidance. Employers need certainty on concepts,

[1] Change the Race Ratio Progress Report, 2025
[2] EU Pay Transparency Directive, 2026

methodologies, reporting requirements, scope and how compliance will be assessed. Ambiguous or broadly-drafted requirements risk inconsistent interpretation, increased disputes and additional administration rather than delivering better outcomes.

2. Extending equal pay rights for ethnic minority and disabled people

2.1 Members are supportive of extending rights in principle

Our members welcome the proposal to extend equal pay protections beyond sex to include ethnicity and disability. As our members are committed to diversity and inclusion, we support measures that strengthen protections for underrepresented groups and promote fair and equitable employment practices.

2.2 Extending rights must be workable for employers

While our members support the need for greater protection for ethnic minority and disabled people, the complexity around aspects such as smaller populations, varying disclosure rates, and incomplete data on the ethnic makeup of workforces, means that implementation has practical challenges such as the assurance of employee anonymity. These complexities need to be worked through and fully understood before these provisions are extended to race and disability.

We support the government's proposed phased approach with the initial focus on improving the effectiveness and workability of the existing equal pay regime before extending that framework more widely.

3. Any new equal pay legislation must be complemented by the introduction of mandatory ethnicity pay gap reporting

Equal pay law and ethnicity pay gap reporting answer different questions, which is why they work best together. Equal pay law asks whether individuals are paid the same for equal work, whereas a pay gap measures the difference in average pay across the whole organisation. The dominant driver of ethnicity pay gaps are due to higher representation of ethnic minority colleagues in junior, lower-paid roles and lower representation in leadership and higher-paid roles. As a result, an organisation can be fully compliant with equal pay law and still have an ethnicity pay gap. Pay gap reporting shines a light on underrepresentation in senior roles and the barriers to progression, as highlighted in the research collected from the call for evidence on equal pay in 2024.[3] It also demonstrates a business's commitment to building an inclusive workplace, tackling disparities and increasing transparency.

3.1 The government should commence ethnicity pay gap first

The phased approach is an opportune time for the government to introduce mandatory ethnicity pay gap reporting. Employers cannot audit pay by ethnicity or

[3] Equality law call for evidence analysis: findings related to pay discrimination, 2026

disability without reliable data. Our members' experience shows moving from no data to a disclosure rate high enough to analyse can take some time. Recent case studies by automative marketplace Autotrader and professional services firm AMS have shown their disclosure rates sit at 95% and 87% respectively after multi-year internal campaigns.[4] [5] Reporting duties that commence before Phase 2 rights would give all employers in scope a sufficient runway to increase disclosure rates in preparation for the new equal pay regime.

3.2 Combine ethnicity pay gap reporting with a race action plan

Pay transparency alone cannot close the ethnicity pay gap. Similarly, mandatory pay gap reporting will not automatically improve outcomes for ethnic minorities. However, collecting relevant data and using it to make decisions about the future direction of a business's talent strategy is a critical step to ensure ethnic minority talent has the chance to progress and contribute to an organisation's growth and success. Ethnicity pay gap reporting, and pay transparency in general, should therefore be embedded as part of a holistic, systematic, race action plan that Change the Race Ratio members already do as part of our four commitments to change.

[4] Ethnicity Pay Gap reporting at Autotrader, 2026
[5] Ethnicity Pay Gap reporting at AMS, 2026