



Inclusion Manifesto

The tipping point in business accountability





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Introduction

A pushback against Inclusion and Diversity (I&D) initiatives is being experienced across the globe. In the UK, the Conservative government announced plans to review public sector spending on I&D programmes and jobs, while we have also witnessed passionate debates about I&D issues in the media.

We've seen anti-I&D legislations in the USA and international conflicts fuelling religious tensions. In the UK and beyond, we have seen organisations evaluate and scale back their I&D efforts to mitigate against external pressures and possible legal challenge. There is uncertainty and apprehension among I&D practitioners and leaders.

However, the business case for inclusion has never been stronger. Our insights from 470+ members in the UK and globally indicate a disparity between what is happening daily in organisations, and the anti-I&D rhetoric that often hogs headlines. Furthermore, the change in UK government and wider trends across the sector point to a new era in business accountability in inclusion and diversity. In the next 5 years we expect to see increased scrutiny of businesses data, activity and impact in inclusion and diversity. This new era brings with it incredible opportunities for businesses able to get ahead of the curve, but with significant risks for those who do not act quickly to capitalise on these opportunities.



A recent [YouGov](#) poll revealed that 66% of UK workers consider diversity and inclusion of employees from all backgrounds when job searching, with younger talent valuing I&D the most in prospective employers.



A 2022 [study by Amba](#) revealed that 58% of employees surveyed were considering leaving their jobs in the next 12 months because their employer doesn't share their values.



In the US, Littler Mendelson P.C. surveyed 300 C-Suite executives. The [survey](#) found that the majority of the executives remained committed to inclusion and diversity, with 91% stating that they had not de-prioritised I&D efforts.



Fifty-seven percent indicated that they had grown their I&D efforts.

The 6% who had deprioritised I&D had done so largely due to concerns about general legal liability and costs.

In a fast-paced global world, the fight for talent and market share is tougher than ever. To ensure organisations are well-placed to attract and retain the best talent, avoid unnecessary and expensive workforce churn, and remain innovative and competitive, leaders must be prepared for changes that are likely to affect I&D in our UK workplaces in the next few years. This is especially important as we face wide ranging changes following Labour's win at the General Election.

As the UK's first Inclusion & Diversity membership organisation, with extensive experience of supporting a wide range of organisations and providing innovative thought leadership, at Inclusive Employers we know only too well that the I&D landscape can be challenging. We recognise that the recent I&D backlash has been tough for leaders and decision makers who are committed to making their workplaces more inclusive and diverse.

We believe the UK General Election was a tipping point for inclusion and diversity across the country. The new Labour government will leverage their mandate to bring an era of business accountability for inclusion that we have never experienced before.

Inclusive Employers has scanned the Labour manifesto and analysed emerging I&D issues to identify THREE key shifts that will happen to the UK I&D landscape with our new Labour administration, and outlined our urgent recommendations to employers who wish to keep ahead of the curve.





Executive Summary

Over the next five years, we anticipate heightened scrutiny of business data, activities, and impacts related to inclusion and diversity for UK businesses. Inclusive Employers has identified THREE key shifts that will happen to the UK I&D landscape with Labour in power:

1 Increased regulation, reporting and stakeholder scrutiny

2 Changes to workers' rights and equality laws

3 Strategically developing inclusive future-fit workforces

Leaders and decision-makers aiming to leverage the competitive edge of inclusive workplace cultures should lay the groundwork for the future now. **Understanding the three key shifts we have identified in this report will help you assess whether you have the teams, data and strategies in place to be ready for this new era of scrutiny.**

Shift 1: Increased regulation, reporting and stakeholder scrutiny

Increasingly organisations will be expected to provide transparent data and evidence of positive change to relevant regulators, or within contracts and bids as procurement processes increasingly look to ESG measures to procure suppliers.

Impending changes include:

- Make the **publication of ethnicity and disability pay gaps mandatory** for employers with more than 250 employees.
- The [campaign for The Better Business Act](#) seeks an amendment to Section 172 of the Companies Act to ensure organisations make decisions that not only benefit their shareholders but also have a positive impact on wider society.
- A [new regulatory framework on I&D](#) is being introduced for regulated firms in the financial sector by the Prudential Regulatory Authority (PRA) and the Financial Conduct Authority (FCA). From 2025, the **Corporate Sustainability Reporting Directive (CSRD)** will require EU organisations to disclose information on risks and opportunities relating to their ESG practices, with a particular focus on people and the environment.
- Labour has pledged to ensure that **social value is mandatory** in contract design through a new National Procurement Plan.

Shift 2: Changes to Workers' rights and Equality laws

The next 5 years will see the Government modernise legislation around workers' rights and equality laws, with increased expectations on employers to create fair and equal workplaces.

Some impending changes include:

- Introduction of a **Race Equality Act**, to enshrine in law the full right to equal pay for Black, Asian, and other ethnic minority¹ people, strengthen protections against dual discrimination and root out other racial inequalities.
- **Updating mental health legislation** to address the disproportional adverse impact the current law has on Black people, and those with autism and learning difficulties.
- Labour has also set out extensive plans in a '[New Deal for Working People](#)' document. Their plans include making **flexible working** the default from day one for all workers, the '**right to switch off**', and improvements to **Bereavement law, Illness and Sick pay provisions, and Parental Leave**.
- Review several areas of legislation including **unpaid carers' leave legislation, modernise gender recognition law and processes**, protection for sexual harassment whistleblowers and strengthen Trade Union legislation.
- The party has also stated that it will require large employers with more than 250 employees to produce **Menopause Action Plans**.

Shift 3: Strategically developing inclusive future-fit workforces

As the 'fight for talent' continues, forward-thinking organisations will build broad and diverse talent pipelines, recruit for skills not qualifications, and build inclusive development opportunities at every level of their workforce.

- Labour has pledged to **ban unpaid internships**. They also plan to require public bodies to pay due regard to the way in which their decisions increase or decrease inequalities resulting from socio-economic disadvantage. Labour has also stated that they will strengthen **Equality Impact Assessments** for public sector bodies.
- As the shortage of critical skills persists, employers will need to ensure that their **Skills Strategies** are inclusive and equitable, so that underserved groups are not excluded or disadvantaged. Labour has pledged to guarantee two weeks' **worth of work experience** for every young person, and establish **Skills England**.
- Finally, as concerns about how **Artificial Intelligence (AI)** will affect jobs, workplaces and society as a whole, Labour has pledged to put 'worker voice at the heart of Britain's digital transition' to protect good jobs and safeguard against discrimination.

¹ We have used the terminology 'Black, Asian and ethnic minority people' here verbatim from the Labour manifesto. We recognise that opinion varies on the use of these terms to group minoritised racial and ethnic groups, with some people preferring terms like 'global majority' instead.



Future Insights: Navigating the business landscape

The new era of business accountability in I&D offers incredible opportunities for genuine change in organisations. Downwards pressure from government regulation and bottom-up pressure from employees seeking real inclusion change provides an opportunity like never before to embed inclusion into every aspect of your business, and reap the significant rewards. Increasingly responsible, inclusive and sustainable businesses will become the norm, and organisations that take action now will position themselves for success.

In this section, we deep dive into the upcoming changes and follow with the key actions organisations need to take to prepare for the new era of I&D accountability for business.

Inclusion Manifesto

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accountability

Shift 1: Increased regulation, reporting and stakeholder scrutiny

1. Pay gap reporting will receive more attention, with mandatory ethnicity and disability pay gap reporting for employers with more than 250 employees.

Large organisations will also be required to develop, publish and implement action plans to close their gender pay gaps, with outsourced workers included in their gender pay gap and pay ratio reporting.

2. Regulators, government, and other stakeholders are scrutinising organisations' ESG and I&D credentials, and this trend is set to grow.

To allay concerns about 'greenwashing' and 'I&D backpedaling' some organisations are already integrating their I&D goals and metrics into ESG plans and publicly declared reports. As organisations seek to provide evidence of positive impact, and demonstrate accountability and transparency, these public reports will become more common. Organisations looking to remain competitive in challenging markets will increasingly see this transparency as an opportunity to get ahead of the market in the competition for talent, brand awareness and market share, regardless of their size. Other changes to note:

- [The Financial Conduct Authority \(FCA\)](#) and the Prudential Regulation Authority (PRA) have completed consultations on proposals to introduce a **new regulatory framework on I&D for regulated firms in the financial sector**. The new framework aims to help reduce group think, support healthy work cultures, support diverse consumer needs and unlock diverse talent. The FCA plans to develop final regulatory requirements for publication in a Policy Statement in 2024. To give firms time to prepare, the FCA proposes that the implementation date for changes will be 12 months after publication of the Policy Statement.
- From 2025, the [Corporate Sustainability Reporting Directive \(CSRD\)](#) will require EU organisations, and Non-EU organisations that have significant operations in the EU, to disclose information on risks and opportunities relating to their ESG practices. There will be a particular focus on the **impact on people and the environment**.
- [The campaign for The Better Business Act](#) is a coalition of 2,500 organisations seeking an amendment to Section 172 of the Companies Act. The amendment is to ensure organisations **align shareholder interests** with those of wider society and the environment, directors make decisions that benefit wider society, and businesses share how they have aligned profit, people and planet in a report.

3. More tenders, particularly in the public sector, are requiring organisations to provide evidence of their social impact. This trend will continue, as organisations will be required to demonstrate their social and environmental impact, including evidence of having safe, inclusive and diverse workplaces.

- Labour has pledged to ensure that social value is mandatory in contract design through a new National Procurement Plan. Mandating consideration of social value is to signify that a Labour government will value organisations that create skills and wealth, local jobs, and treat their workers well and equally, including on matters such as pay.

Shift 2: Changes to Workers' rights and Equality laws

4. **As most caring responsibilities still fall on women, organisations that are keen to attract, and retain female talent will need to strengthen the support they provide for those with caring responsibilities.**
 - Efforts to improve support for employees with caring responsibilities is especially needed as there has been a continuous rise in the number of people who belong to the 'squeezed generation'. These are people caring for younger dependants, at the same time as they are caring for elderly relatives. **Labour plans to review the implementation of the new unpaid carers' leave legislation**, and the benefits of introducing paid carers' leave will be examined.
5. **Disabled people still face significant challenges across workplaces, and are still more likely to be unemployed. In the UK disability discrimination continues to be a to be an issue with **disability discrimination tribunal cases** rising. Employers will need to continue to find ways to attract, recruit and retain disabled and neurodivergent people, especially concerning delivering effective workplace adjustments.**
 - **Labour** has pledged to make the publication of disability pay gaps mandatory for employers with more than 250 employees. They have also promised to protect disabled people by making all existing strands of hate crime an aggravated offence and introduce the full right to equal pay for disabled people.
6. **Trans people still face discrimination, and barriers to employment healthcare and support. With the recent rise in transphobic media reports, some employers have taken steps to improve the support they provide for trans and non-binary employees. More employers will need to ensure the processes and policies they have in place to support trans and non-binary employees are fit for purpose.**
 - **Labour** plans to modernise gender recognition law and processes and deliver a trans-inclusive ban on conversion practices. They have also pledged to protect LGBTQ+ people by making all existing strands of hate crime an aggravated offence.
7. **LGBTQ+ people continue to face discrimination in society and our workplaces, and in many countries across the globe, many LGBTQ+ face overt prejudice, social stigma and violence. Leaders and decision makers will need to continue to ensure that their LGBTQ+ employees are well supported no matter where they are based, by ensuring support processes are robust and fit for purpose.**
 - Labour has pledged to protect LGBTQ+ people by making all existing strands of hate crime an aggravated offence.



8. The severe effects that menopause symptoms can have on physical and mental health, workplace participation and personal relationships are increasingly being recognised.

- While menopause is not a specific protected characteristic under the Equality Act 2010, it is largely covered under three protected characteristics - age, sex and disability discrimination. To support British employers, the Equalities and Human Rights Commission (EHRC) which covers England, Scotland and Wales, recently produced [new guidance on menopause and the Equality Act](#). Employers will need to ensure that the support they have in place meets their legal obligations at the very least.
- Labour has stated that it will require large employers with more than 250 employees to produce Menopause Action Plans, setting out how they will support employees through menopause, much like gender pay gap action plans. The party has also pledged to publish guidance, including for small employers, on measures to consider relating to uniform and temperature, flexible working and recording menopause-related leave and absence.

9. Since the COVID pandemic, many organisations have improved mental health support for their employees and mental health continues to be an issue in many workplaces. In 2022/23, an estimated 35.2 million working days were lost in Great Britain, due to self-reported work-related ill health or injury as 1.8 million workers reported they were suffering from work-related ill health. Approximately 875,000 were cases of work-related stress, depression or anxiety, and this rate of self-reported work-related stress, depression or anxiety is higher than the pre-pandemic level. Employers will need to continue to find ways to prevent and tackle work-related stress if they wish to retain their employees, decrease absenteeism and boost productivity.

- Labour plans to modernise mental health legislation to address the disproportional adverse impact the current law has on Black people, and those with autism and learning difficulties.

10. Geo-political tensions and anti-immigration media reports have made race and ethnicity even more challenging topics in our workplaces. Employers will need to continue to intentionally develop anti-racist workplaces where cultural intelligence (CQ) is the norm. This will help ensure that instances of racism and racial microaggressions are effectively dealt with, and that xenophobia is not tolerated.

- Labour pledges to introduce a **Race Equality Act**, to enshrine in law the full right to equal pay for Black, Asian, and other ethnic minority people¹, strengthen protections against dual discrimination and root out other racial inequalities. They have also pledged to make the publication of ethnicity pay gaps mandatory for employers with more than 250 employees.

11. Islamophobia, antisemitism, and the situation in Gaza and Israel has fuelled distress in many homes and workplaces across the globe. Employers will need to continue to monitor and address how their employees are being affected.

- Labour has pledged to reverse the Conservatives' decision to downgrade the monitoring of antisemitic and Islamophobic hate.

¹ We have used the terminology 'Black, Asian and ethnic minority people' here verbatim from the Labour manifesto. We recognise that opinion varies on the use of these terms to group minoritised racial and ethnic groups, with some people preferring terms like 'global majority' instead.

12. The past four years have seen significant changes in the way workers expect to be supported by their employers. Labour's '[New Deal for Working People](#)' plan pledges to establish a single enforcement body for workers' rights.

- **Bereavement law and entitlement** will be clarified by Labour, and the right to bereavement leave for all workers will be introduced.
- Labour has pledged to make **flexible working** the default from day one for all workers, except where it is not reasonably feasible. They have also pledged to bring in the 'right to switch off' for workers so working from home doesn't turn homes into 24/7 offices.
- **Illness and Sick pay provisions** are due to be updated as Labour has pledged to strengthen Statutory Sick Pay, with the lower earnings limit and waiting period removed, to make it available to all workers. The party has also pledged to encourage employers and trade unions to negotiate signing up to the **Dying To Work Charter**, a charter with best practice for employing workers with terminal illness.
- Labour has pledged to review the **parental leave** system within their first year in government. This is to ensure that parental leave is a day-one right. The party has also pledged to support new mothers by making it unlawful to dismiss a woman who is pregnant for six months after her return, except in specific circumstances.
- **Sexual Harassment** continues to be an issue in workplaces and society. Labour has pledged to strengthen the legal duty for employers to take all reasonable steps to stop sexual harassment before it starts. Labour also pledges to strengthen protection for **whistleblowers**, including updating protection for women who report sexual harassment at work.
- Labour pledges to update **Trade union legislation** and strengthen the rights of working people by empowering workers to organise collectively through trade unions.



Shift 3: Strategically developing inclusive future-fit workforces

13. Enabling social mobility will continue to be a focus area for organisations as they clarify the strategies they aim to use to attract, recruit and retain people from a wide range of socioeconomic backgrounds.

- While some organisations have already removed degree classification requirement for early career roles, others have gone further and publicly published their targets, socioeconomic representation data, and socioeconomic pay gaps. **Renewed efforts to enable social mobility** will require more I&D initiatives that aim to address inclusion barriers to adopt a more intersectional lens.
- Labour pledges to ban unpaid internships, except when they are part of an education or training course. They also plan to implement the **socioeconomic duty under Section 1 of the Equality Act** so public bodies pay due regard to the way in which their decisions increase or decrease inequalities resulting from socio-economic disadvantage.

14. As the persistent shortage of critical skills continues to pose a challenge for employers, they will need to ensure that their Skills Strategies are inclusive and equitable, so that underserved groups are not excluded or disadvantaged.

- While some employers have enhanced their school engagement and brand attraction initiatives so they are able to target more young adults, some employers have also improved the upskilling and reskilling opportunities that they provide to their employees. This is to enable them retain their best talent.
- Labour has pledged to **guarantee two weeks' worth of work experience** for every young person, and improve careers advice in schools and colleges. They also plan to establish **Skills England** to bring together business, training providers and unions with national and local government to develop the highly trained workforce needed to deliver Labour's **Industrial Strategy**.

15. Public sector spending continues to be a concern for many policy makers and politicians, and spending on consultants and I&D initiatives have been challenged in recent times. Employers will need to ensure that the I&D initiatives they choose to procure are truly addressing an issue that has been identified as a barrier to inclusion, diversity and equity in their workplaces.

- Labour has pledged to protect and uphold the Equality Act, including the **Public Sector Equality Duty** so its provisions cover all parties exercising public functions. They also pledge to strengthen **Equality Impact Assessments** for public sector bodies.

16. Concerns about how AI will affect human beings and ways of working continue to grow. Some fear that AI will displace humans from jobs, perpetuate biases, fuel unethical decision making and negatively impact the way we interact. As AI becomes the norm in our workplaces over the next few years, employers will need to ensure that the AI systems and tools they procure do not inadvertently disadvantage certain groups. They will also need to ensure that AI is used responsibly and ethically across the workplace so progress towards inclusion and diversity is not erased.

- Labour have stated that while new technologies, including automation and AI, have the potential to boost wages, drive up productivity and empower workers, they also pose risks to jobs and livelihoods. The pledge to put **'worker voice at the heart of Britain's digital transition'** to protect good jobs and safeguard against discrimination.



Key actions for organisations:

1 Increased regulation, reporting and stakeholder scrutiny

- Audit your demographic and pay data and identify gaps. Inclusive Employers can provide data reviews and action plans for building your reporting process.
- Review your current reporting capabilities: what do you need to set up now to provide validated, good-quality data and action plans in the future?
- Develop a plan to prepare for future reporting requirements.

2 Changes to workers' rights and equality laws

- Undertake a policy audit to identify risks in your current policy suite.
- Develop a prioritised roadmap for amending and developing new policies that reflect best practice and are co-created with your staff e.g. staff networks, Union reps, D&I steering groups, and employee voice channels.

3 Strategically developing inclusive future-fit workforces

- Review your end-to-end recruitment process to identify any gaps, biases or 'ceilings' for minoritised groups. Our Inclusive Recruitment Audit provides a comprehensive review of your recruitment process, along with actions for creating a truly inclusive external and internal recruitment cycle.
- Build a talent strategy that aims to attract and retain diverse talent, incorporating a training needs analysis that maps your current workforce with the workforce you will need for the future.



Preparing for tomorrow with Inclusive Employers

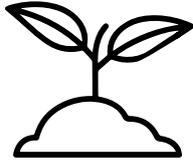
We are looking at an era of inclusion accountability like never before. This is an incredible opportunity for organisations to secure inclusion as a strategic business priority, and create truly inclusive cultures where everyone can thrive. The opportunities for talent attraction and retention, and the subsequent impact on culture, innovation and growth are clear. However, for those not moving fast enough there is a risk. The risk of damage to reputation, whether through employment tribunals, social media, or within the industry, and its impact on your business is significant. This can no longer be ignored.

What does this mean for you? We're seeing 'bottom up' pressure from employees and 'top down' pressure from the government, regulators and competitive markets. We believe this accountability is a positive opportunity for organisations to make genuine shifts in their culture, to create workplaces where everyone can thrive. However, to grasp this opportunity you need to act now.

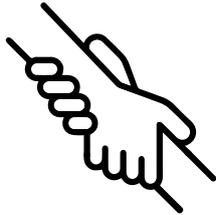
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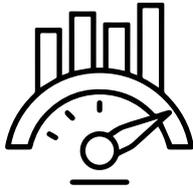
Our recommendations:



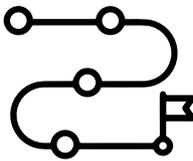
1. **Embed inclusion and diversity into your business.** The most successful inclusive organisations embed I&D into everything they do: it shapes their values, behaviours and processes. I&D is everyone's responsibility, with clear governance structures and rigorous measures of impact. At Inclusive Employers we support 100s of organisations to embed inclusion into the DNA of their business.



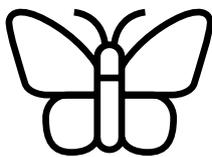
2. **Get expert help.** Inclusive Employers is your expert inclusion partner in this landscape. Our inclusion experts support you through membership, accreditation, consultancy, and training. We assist you with the long-term changes needed and provide an external pair of eyes to hold you accountable, guiding you every step of the way.



3. **Establish your baseline with an objective data gathering exercise.** Organisations often rush into implementing I&D initiatives, organising events and activities, only to find it challenging to measure progress due to the lack of a baseline assessment. Measuring the impact of I&D usually means drawing from a wide range of data: there isn't one simple measure. Every organisation's baseline will vary, an impactful first step is participating in the **Inclusive Employers Standard**, our evidence-based accreditation that measures the inclusion maturity of your business.



4. **Make a plan.** Assemble a pan-organisational team of the right people, including C-suite, to map out what the landscape looks like for your business. Once you have your baseline, map where you currently stand and identify short, medium, and long-term actions, along with measures to determine your success. Our expert team are fluent in supporting your leaders to set meaningful actions and avoid common pitfalls.



5. **Take action.** Be data-driven and measure progress as you go. Iterate and evolve your approach by learning from your data. In an era of increased scrutiny, our inclusion experts can advise and validate your plan of action.

The future of I&D may seem daunting, but it is also exciting, with significant opportunities for growth and innovation. The organisations who will succeed in the coming years will be those who embrace the opportunities transparency and accountability bring, and take their employees with them as they build inclusive organisations where everyone can thrive. Those who do not will find it harder and harder to attract and retain talent and innovate and grow. Your people are your business, and inclusion is the key to success.

[Contact us today](#)



About Inclusive Employers

Established in 2011, Inclusive Employers are the UK's first and leading Inclusion membership organisation for employers looking to build inclusive workplaces. We've been leading the way on inclusion ever since our inception, working with our members to create inclusive and diverse organisations where everyone can thrive.

“We chose Inclusive Employers because having attended their knowledge sharing webinars, we recognised they focus on the practical application of diversity, inclusion, and accessibility. We weren't disappointed.”

Recent Inclusive Recruitment Audit client

Prepared by:

Addison Barnett (he/him) Director of Impact, Inclusive Employers

Cordelia Osewa-Ediae (she/her) Thought leader and DEI Strategist, Inclusive Employers Associate



What our members say about us

83% of members are happy or very happy with membership



A key business partner.

A truly great resource hub with everything I need.

I find Inclusive Employer’s membership is tailored to our organisation. They don’t try implement a template on our business.

At every interaction I’ve been impressed by the knowledge and information offered.

Working in a lone EDI role, my Inclusive Employers account manager feels more like a colleague who is a trusted sounding board.

I wouldn’t hesitate to recommend Inclusive Employers!



(Quotes from members survey 2023)

What our members say about us



When we started our journey, we were keen and curious. The passion for inclusion, that was there. People cared about it, but it wasn't in any sort of formal, organised or particularly impactful way. We weren't pointing in the same direction to move it forward. Now, we have the courage of our convictions and a quiet confidence to push the boundaries of where we are at [with inclusion].

TPP Recruitment, member since 2019

Being externally recognised for our high level of commitment to, and delivery of, a broad range of events and initiatives that promote and celebrate diversity, has been a truly rewarding and affirming experience. The feedback report has also provided us with targeted actions that will support our wider D&I strategy into 2024 and beyond."

Handelsbanken, Swedish financial and banking institution

The Inclusive Employers Standard underpins the way that EMR approach diversity and inclusion.

Nicky Shearer, East Midlands Railway Organisation Development and Culture

Inclusive Employers is a positive, supportive and truly valued point of contact for us here at Leicestershire Police around all things equality, diversity and inclusion. We have been members for years now and long may this positive relationship continue. The support we get is always prompt, and relevant and takes into account our individual organisation's needs with respect and consideration. The team at Inclusive Employers demonstrate a 'can do' attitude and this is reflected in their approach to daily business and in all their interactions and work with us.

Diversity & Inclusion Officer, Leicestershire Police

