Diversity, Equity and Inclusion Strategy

2025-2027

CORE

Financial Reporting Council

May 2025

Contents

Financial Reporting Council
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Welcome from Chief Executive and DE&I Executive Sponsor

Richard Moriarty CEO

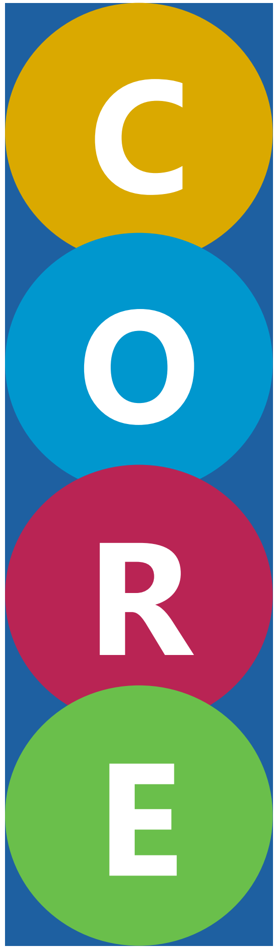
Vinita Hill COO

At the Financial Reporting Council, fostering diversity, advancing equity, and cultivating inclusion are essential to our goal of being a modern organisation, considered by our colleagues as an inclusive and great place to work.

As CEO, I am both proud of our progress and clear-eyed about the work ahead. We have made significant strides—women now hold five out of seven Executive Committee positions, we've reduced our gender pay gap to 2.2%, and we've achieved Disability Confident Level 2 status alongside a bronze award from LGBT Great.

Our 2025-2027 strategy re sets our organisational commitment to Diversity, Equity, and Inclusion in the FRC. I firmly believe our effectiveness as a regulator is enhanced when we bring together diverse perspectives and talents. That's why it's a strategy built around our 'CORE' principle; Culture, Ownership, Representation and Engagement. Every member of our Executive Committee has also aligned with a Diversity and Faith network, demonstrating our commitment to creating a workplace where everyone can contribute fully and thrive professionally.

As we implement this strategy, we will continue to challenge ourselves to do more and will measure our success not just in numbers, but in the meaningful change we create in our organisation.



Diversity, Equity and Inclusion

Definitions

Diversity

Diversity refers to who is represented in the workforce and recognising, respecting and valuing differences in people.

Equity

Equity takes account of unique circumstances and adjusting treatment accordingly so that the end result is equal i.e. not treating everyone the same.

Inclusion

Inclusion refers to an individual's experience and the extent to which someone feels valued, included and has a sense of belonging.

Why DE&I matters to the FRC

We recognise that a diverse and inclusive workplace is not only the right thing to do but is also essential for:

- **Driving Innovation:** Diverse teams bring fresh perspectives and ideas, avoiding groupthink and fostering creativity.
- **Employee Engagement:** A culture of inclusion boosts morale, collaboration, and retention.
- **Better Decision-Making:** Diversity of thought leads to more informed and effective decisions.
- **Improved Outcomes:** Inclusive organisations outperform their competitors and attract top talent.

Our DE&I strategy reflects these principles and reaffirms our commitment to embedding these values in everything we do at the FRC.

Our journey so far

Building momentum for change

There have been numerous achievements in our DE&I journey since our last strategy. We have:

- Introduced DE&I objective for all FRC colleagues
- Reduced our gender pay gap and introduced ethnicity pay gap reporting
- Taken positive action to support under-represented groups
- Introduced inclusive language training
- Created a community of active bystander champions to develop FRC's speak up culture
- Achieved disability confident level 2 and bronze Inclusion Index Benchmarking Tool (iiBT) award from LGBT Great
- Introduced e-learning on tackling bullying and harassment
- Achieved menopause accreditation
- Established diversity and faith networks

2.2%

Gender Pay Gap

Down from 2.9% in 2023

19%

Participants of our Aspire programme who have since been promoted

Creating an inclusive environment

5/7

Executive positions held by women

Building representation across senior leadership

Engaging with our employees

"We are lucky to have a broad range of networks at the FRC that support our DE&I strategy."

Vinita Hill
COO

EMBRACE

Women L.E.A.D
Leverage, Empower, Achieve, Do

EnAble Network

Menopause Group

FRC Hindu & Sikh Network

CHRISTIANS AT THE FRC

FRC Jewish Network

Mental Health First Aider Group

The Neurodiversity Network

Pride
The FRC's LGBTQIA+ Network

Social Mobility Working Group

FRC Muslim Network

Engaging with our employees

What our colleagues have told us:

Culture	Colleagues believe Networks are essential for celebrating differences, and we all contribute to an inclusive speak-up culture.
Data and reporting	Colleagues report mixed awareness of DE&I KPIs, request more detailed progress reporting.
Allyship	Colleagues recognise allyship as crucial for greater inclusion and praise the various programmes we run that promote it. However, they find its definition could be made clearer.
Content and language	Colleagues recommend clearly defining DE&I terms, documenting benefits in the new strategy and continuing to share employee lived experiences.
Leadership	Colleagues emphasise that leadership tone from the top is key to DE&I success and call for increased role modelling from the leadership community.
DE&I objective	Colleagues report having good awareness of DE&I objectives but suggest discussions should focus on meaningful outcomes.

Our two-year vision for DE&I (2025 to 2027)

Strategic themes and key actions

Strategic themes

This strategy is built on our engagement with our colleagues and centres around four interdependent themes that will guide our actions over the next two years:

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Culture

We will foster a culture of inclusion where every employee feels respected, valued, and empowered to play a role in developing an inclusive workplace.

Ownership

We will encourage everyone in the organisation to take responsibility for their role in advancing DE&I, from inclusive behaviours to meaningful DE&I objectives.

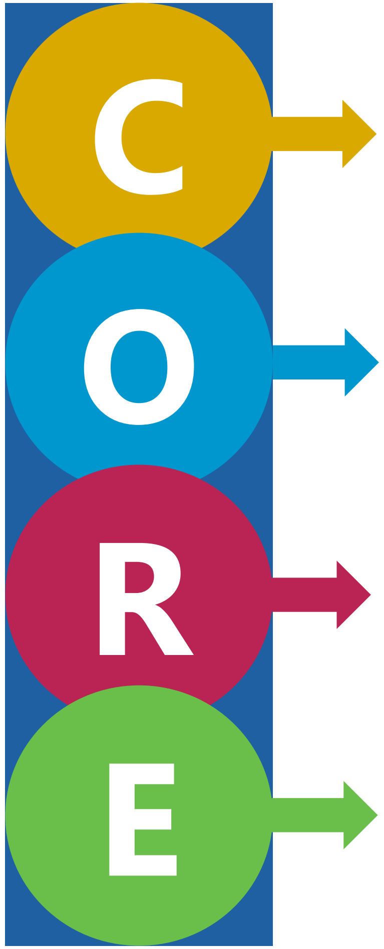
Representation

We will strive to build a workforce that reflects the diversity of the communities we serve, addressing under-representation and reducing pay gaps.

Engagement

We will actively engage with our employees and stakeholders, listening to their feedback and adapting our approach to meet their needs.

Key actions



- Support leaders and managers to create the culture within their teams that we aspire to see throughout the organisation
- We will continue to promote our Values and Behaviours through the performance management process and via our learning platform

- Encourage everyone to have a DE&I objective that is meaningful
- Support colleagues through DE&I training and learning opportunities
- Have a performance management process which embeds our values and behaviours

- Focus on attracting diverse talent into the organisation through inclusive recruitment practices
- Collect and monitor diversity data and be transparent with how we report this
- Focus on career development programmes to support representation goals

- FRC's People Forum, Mental Health First Aider Group, Active Bystander Champions and DE&I Committees support and champion DE&I
- Listen and act on feedback from a range of communications channels, including our People Survey
- Continue to understand our workplace culture through surveys and other feedback channels

Governance and Oversight

The following groups help the FRC to ensure we realise the aims of the strategy

Role of Board and People Committee

Their purpose is to provide insight and constructive challenge, to support the Executive in embedding this strategy throughout the organisation.

Role of ExCo

ExCo are a key part in helping us to achieve this strategy by approving it and being involved in its development.

Role of DE&I Committee

The role of the Committee is to champion and advocate DE&I across the organisation and provide oversight and input into DE&I initiatives.

Other key information/appendices (Appendices internal only)

Appendix 1:

DE&I Corporate measures

Category and/or Protected Characteristic	Description of KPI
Inclusion	A) Year on year improvement in relation to the staff survey question, i.e. the FRC is committed to creating a diverse and inclusive workplace
Sex	A) Maintain 50% of women in Senior Leadership Roles i.e. job level 6 and above as per Women in Finance Charter commitment B) Gender Pay Gap* to 5% median by 31 December 2028
Ethnicity	A) We will prioritise and seek to improve minority ethnic representation at job level 4 and 5

*As required by government reporting criteria/requirements

Appendix 2:

Governance and Oversight – Diversity, Equity and Inclusion (DE&I) Committee

Purpose

- The purpose of the DE&I Committee is to ensure that progress is being made towards achieving the aims of FRC's DE&I strategy and provide thought leadership on matters arising through-out the term of the strategy
- The DE&I Committee is a subcommittee of ExCo

Membership

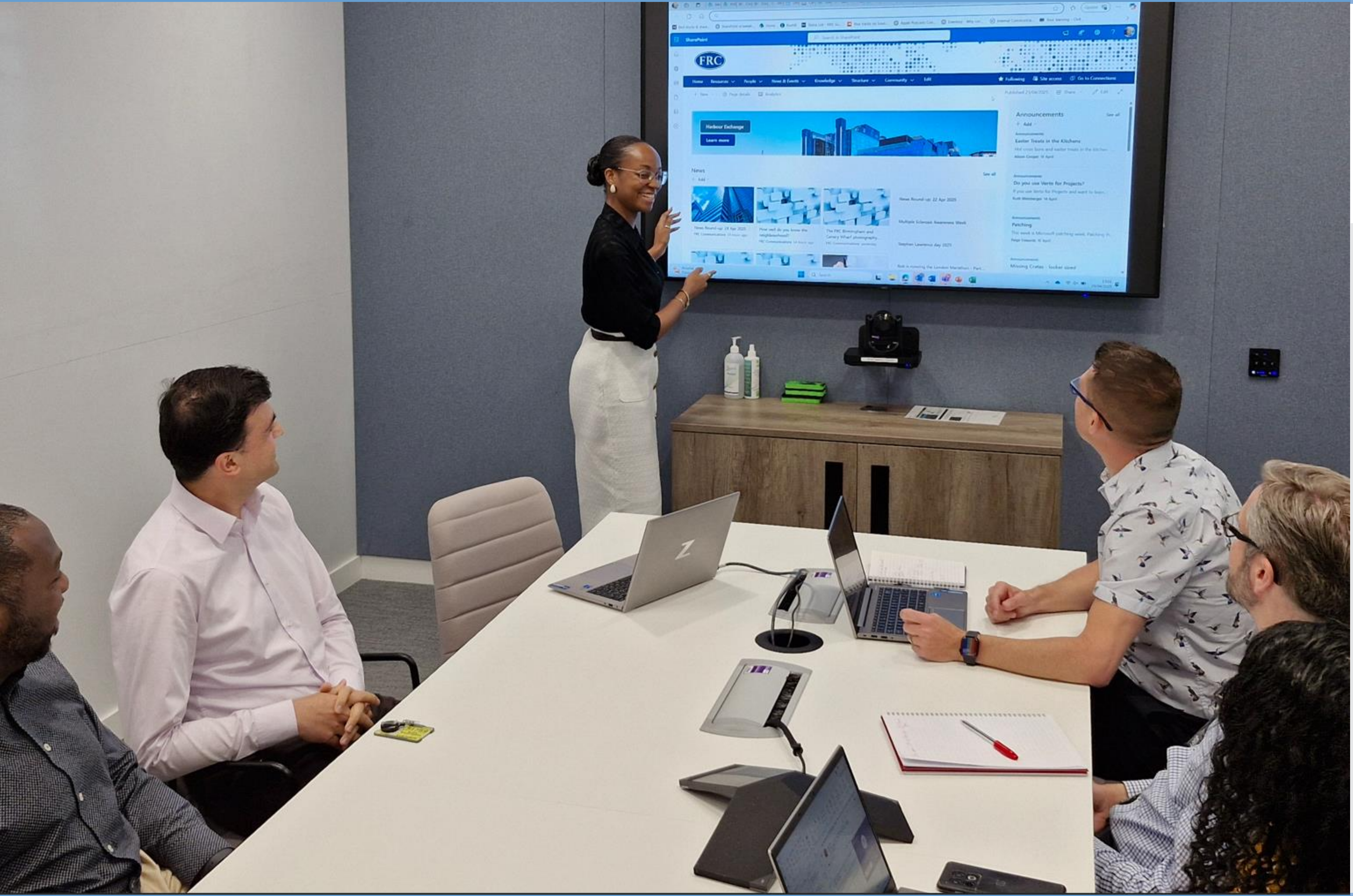
The committee is made of representation of

- ExCo DE&I sponsor x 2
- HR (core) – Head of Organisational Development
- Network Chairs (one representative per network)
- SLT representation (two across whole of the SLT)

Membership of the Committee will not exceed 10 employees and generally follow a two year term unless stated as core

Roles and responsibilities

- All members of the DE&I Committee are expected to show their visible support and commitment towards FRC's strategy and objectives
- All members are expected to be a visible advocate for DE&I and champion DE&I across the organisation, their divisions and/or networks
- All members of the DE&I Committee are expected to role model FRC's values and behaviours and take an intersectional approach where possible



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