

## PRA RULEBOOK: CRR FIRMS, SOLVENCY II FIRMS: DIVERSITY AND INCLUSION INSTRUMENT 2023

### Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
  - (1) section 137G (The PRA’s general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 192XA (Rules applying to holding companies).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

### PRA Rulebook: CRR Firms, Solvency II Firms: Diversity and Inclusion Instrument 2023

- C. The PRA makes the rules in the Annexes to this instrument.

| Part   | Annex |
|--|-------|
| PRA Rulebook: Glossary                         | A     |
| CRR Firms: General Organisational Requirements | B     |
| SII Firms: Conditions Governing Business       | C     |
| SII Firms: Group Supervision                   | D     |
| CRR Firms: Regulatory Reporting                | E     |
| CRR Firms: Public Disclosure                   | F     |
| SII Firms: Reporting                           | G     |
| SII Firms: Third Country Branches              | H     |

### Commencement

- D. This instrument comes into force on [DATE].

### Citation

- E. This instrument may be cited as the PRA Rulebook: CRR Firms, Solvency II Firms: Diversity and Inclusion Instrument 2023.

**By order of the Prudential Regulation Committee**  
[DATE]

## Annex A

### Amendments to the Glossary

In this Annex, the text is all new and is not underlined.

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...  
*diversity and inclusion employee number threshold*

means 251 or more *employees* calculated in accordance with General Organisational Requirements 8.6-8.

...  
*senior leadership*

means:

- (i) the executive members of the *management body* or *governing body*;
- (ii) the members of the most senior executive committee in the *firm* below the *management body* or *governing body* or, if there is no such senior executive committee, the most senior level of managers reporting to the executive members of the *management body* or *governing body*; and
- (iii) *employees* who directly report to the persons in (ii), excluding administrative staff,

limited in each case to *employees* who are predominantly carrying out activities from an establishment in the *UK*.

## Annex B

### Amendments to the General Organisational Requirements Part

In this Annex new text is underlined and deleted text is struck through.

#### Part

## GENERAL ORGANISATIONAL REQUIREMENTS

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### Chapter content

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#### 8. DIVERSITY AND INCLUSION

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## 6 NOMINATION COMMITTEE

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- ...
- 6.2 A firm that has a nomination committee must ensure that the nomination committee:
- (1) engage a broad set of qualities and competences when recruiting members to the *management body* and for that purpose puts in place a policy-strategy promoting diversity and inclusion on the *management body*;

...

  - (4) ~~decides on a recommends~~ targets for the representation of ~~the underrepresented gender demographic characteristics~~ in the *management body* and prepares a policy-strategy on how to increase the number of ~~the underrepresented gender~~ in the *management body* in order to meet that those targets;

...
- 6.2A A firm that has a nomination committee must ensure that the nomination committee meets the requirements of 6.2 in a manner consistent with the requirements of Chapter 8.

- 6.3 A firm that does not have a nomination committee must engage a broad set of qualities and competences when recruiting members to the *management body*. ~~For that purpose a firm that does not have a nomination committee must put in place a policy promoting diversity on the management body.~~

[Note: Art. 91(10) of the CRD and Art. 9(1) of MiFID II]

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## 7 GROUP ARRANGEMENTS

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- 7.1 Where an *Article 109 undertaking* is a member of a *consolidation group* or a *sub-consolidation group*, the *Article 109 undertaking* must ensure that the governance arrangements, risk management processes and internal control mechanisms at the level of the *consolidation group* or *sub-consolidation group* of which it is a member comply with the obligations set out in 2.1, 2.6, Chapter 5, ~~and Chapter 6 and Chapter 8~~ of this Part and 2.3 to 2.5 in the Related Party Transaction Risk Part on a *consolidated basis* or a *sub-consolidated basis*.

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## 8 DIVERSITY AND INCLUSION

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- 8.1 In this Chapter, 8.2, 8.4 and 8.5 apply to every *firm* that is:
- (1) a CRR firm; or
  - (2) a third country CRR firm in relation to its activities carried on from an establishment in the UK.
- 8.2 A *firm* must:

- (1) establish, implement and maintain an effective strategy aimed at promoting diversity and inclusion among its employees who are predominantly carrying out activities from an establishment in the UK;
- (2) regularly review the quality and effectiveness of the firm's diversity and inclusion strategy and update as appropriate; and
- (3) ensure the diversity and inclusion strategy is publicly available in a manner easily accessible to the public.

8.3 A CRR firm must:

- (1) establish, implement and maintain an effective strategy aimed at promoting diversity and inclusion among its management body;
- (2) regularly review the quality and effectiveness of the management body's diversity and inclusion strategy and update as appropriate; and
- (3) ensure the diversity and inclusion strategy is publicly available in a manner easily accessible to the public.

[Note: Art. 91(10) of the CRD and Art. 9(1) of MiFID II]

8.4 A firm that meets the diversity and inclusion employee number threshold must:

- (1) set appropriate targets to address underrepresentation of demographic characteristics:
  - (a) in the management body;
  - (b) across senior leadership;
  - (c) across the employee population,limited in each case to employees who are predominantly carrying out activities from an establishment in the UK;
- (2) prepare a strategy on how to meet those targets; and
- (3) publicly disclose that strategy in a manner easily accessible to the public,

8.5 A firm must:

- (1) monitor the diversity profile of the firm and the extent to which the firm achieves an inclusive culture;
- (2) take appropriate actions for improvement of the firm's diversity profile and inclusive culture;
- (3) keep a record of the monitoring and actions undertaken;

limited in each case to employees who are predominantly carrying out activities from an establishment in the UK.

8.6 A firm must calculate its average number of employees for the purpose of the diversity and inclusion employee number threshold by:

- (1) taking the total number of employees as at [Note: the calendar day on which the final rules are published will be added here] in each of the three most recent years and calculating the arithmetic mean of those numbers;

- (2) excluding any years for which it is not reasonably practical for the *firm* to obtain that data; and
- (3) counting only *employees* who are predominantly carrying out activities from an establishment in the *UK*.

- 8.7 Where a *firm* calculates its average number of *employees* in accordance with 8.6 and is at or above the *diversity and inclusion employee number threshold* (having previously been below it), the *diversity and inclusion employee number threshold* is not met until [Note: the calendar day on which the final rules are published will be added here] the following year, unless at that date its average number of *employees* is again below the *diversity and inclusion employee number threshold*.
- 8.8 In any period prior to [Note: the calendar day on which the final rules are published will be added here] in the first year in which a *firm* is authorised, its number of *employees* at the date of authorisation will be the relevant number for the purpose of the *diversity and inclusion employee number threshold*.

## Annex C

### Amendments to the Conditions Governing Business Part

In this Annex new text is underlined and deleted text is struck through.

**Part**

## CONDITIONS GOVERNING BUSINESS

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**Chapter content**

...

### 13. DIVERSITY AND INCLUSION

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## 2 GENERAL GOVERNANCE REQUIREMENTS

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- ...
- 2.8 A *firm* must put in place a policy promoting diversity on the *governing body*. [Deleted.]
- 2.9 A *firm* that maintains a website must explain on the website how it complies with the requirements of 2.7 and 2.8. [Deleted.]
- ...

## 13 DIVERSITY AND INCLUSION

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- 13.1 A *firm* must:

- (1) establish, implement and maintain an effective strategy aimed at promoting diversity and inclusion among its *employees* who are predominantly carrying out activities from an establishment in the *UK*;
- (2) regularly review the quality and effectiveness of the *firm's* diversity and inclusion strategy and update as appropriate; and
- (3) ensure the diversity and inclusion strategy is publicly available in a manner easily accessible to the public.

- 13.2 A *firm* must:

- (1) establish, implement and maintain an effective strategy aimed at promoting diversity and inclusion among its *governing body*;
- (2) regularly review the quality and effectiveness of the *governing body's* diversity and inclusion strategy and update as appropriate; and
- (3) ensure the diversity and inclusion strategy is publicly available in a manner easily accessible to the public.

- 13.3 A *firm* that meets the *diversity and inclusion employee number threshold* must:

- (1) set appropriate diversity targets for the representation of underrepresented demographic characteristics:
  - (a) in the *governing body*;
  - (b) across *senior leadership*;
  - (c) across the *employee population*,

limited in each case to *employees* who are predominantly carrying out activities from an establishment in the *UK*;

- (2) prepare a strategy on how to meet those targets; and
- (3) publicly disclose that strategy in a manner easily accessible to the public.

- 13.4 A *firm* must:

- (1) monitor the diversity profile of the *firm* and the extent to which the *firm* achieves an inclusive culture;
- (2) take appropriate actions for improvement of the *firm's* diversity profile and inclusive culture;
- (3) keep a record of the monitoring and actions undertaken;

limited in each case to employees who are predominantly carrying out activities from an establishment in the UK.

## Annex D

### Amendments to the Group Supervision Part

In this Annex new text is underlined and deleted text is struck through.

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#### 17 RISK MANAGEMENT AND INTERNAL CONTROL

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17.1 (1) Where 2.1(1) or 2.1(2) applies, the following requirements apply with any necessary changes at the level of the *group*:

(a) Conditions Governing Business 2.2 to 2.67;

...

(j) Conditions Governing Business 13;

....

## Annex E

### Amendments to the Regulatory Reporting Part

In this Annex new text is underlined and deleted text is struck through.

#### Part

## REGULATORY REPORTING

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### Chapter content

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#### 24. DIVERSITY AND INCLUSION REPORTING

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## 2 REPORTING REQUIREMENTS – DATA ITEMS

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2.12 A CRR firm and a third country CRR firm must also submit the data item as required by Chapter 24

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## 16 DATA ITEMS AND OTHER FORMS

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...

16.45 REPxxx Diversity and Inclusion can be found [here](#).

...

## 24 DIVERSITY AND INCLUSION REPORTING

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24.1 This Chapter applies to:

- (1) a CRR firm; and
- (2) a third country CRR firm in relation to its activities carried on from an establishment in the UK.

24.2 A firm must comply with this Chapter on an individual basis.

24.3 Subject to 24.7 to 24.9, a firm must submit to the PRA annually a completed data item REPxxx Diversity and Inclusion.

24.4 The information in data item REPxxx Diversity and Inclusion must reflect the position of the firm on [Note: the calendar day on which the final rules are published will be added here] in the year of submission using information reasonably available to the firm on that date.

24.5 The information in data item REPxxx Diversity and Inclusion should be limited to employees who are predominantly carrying out activities from an establishment in the UK.

24.6 Data item REPxxx Diversity and Inclusion must be submitted on or before [Note: the calendar day 3 months after the final rules are published will be added here] each year.

24.7 A firm that meets the diversity and inclusion employee number threshold:

- (1) must complete Parts 1, 2, 3 and 5 of data item REPxxx Diversity and Inclusion; and
- (2) may complete Part 4 of data item REPxxx Diversity and Inclusion.

24.8 A firm that does not meet the diversity and inclusion employee number threshold must complete Part 1 of data item REPxxx Diversity and Inclusion and may complete Parts 2, 3, 4 and 5 of data item REPxxx Diversity and Inclusion.

24.9 In relation to the data item REPxxx Diversity and Inclusion that is required to be submitted in the 12 month period beginning on [Note: the date on which the final rules come into force will be added here], a firm must:

- (1) complete the form in accordance with 24.7 or 24.8 so far as reasonably practicable; and

- (2) so far as it is not reasonably practicable to complete the form in accordance with 24.7 or 24.8, explain to the PRA in writing the reasons why it is not and the steps it will take to ensure that it will be able to submit a complete form in the subsequent 12 month period.

## Annex F

### Amendments to the Public Disclosure Part

In this Annex new text is underlined and deleted text is struck through.

#### Part

## PUBLIC DISCLOSURE

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### Chapter content

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#### 4. PUBLIC DISCLOSURE OF DIVERSITY AND INCLUSION INFORMATION

## 1 APPLICATION AND DEFINITIONS

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- 1.1 This Part applies to every *firm* that is a *CRR firm*:
- (1) a *CRR firm*; and
  - (2) a *third country CRR firm* in relation to its activities carried on from an establishment in the *UK*.

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## 2 PUBLIC DISCLOSURE OF RETURN ON ASSETS

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- 2.1 A *CRR firm* must disclose in its *annual report and accounts* among the key indicators their return on assets, calculated as their net profit divided by their total balance sheet.
- [Note: Art 90 of the *CRD*]

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## 4 PUBLIC DISCLOSURE OF DIVERSITY AND INCLUSION INFORMATION

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- 4.1 This Chapter applies to a *firm* that meets the *diversity and inclusion employee number threshold*.
- 4.2 A *firm* must comply with this Chapter on an individual basis.
- 4.3 Subject to 4.8 to 4.12 and 4.13(2), a *firm* to which this Chapter applies must publicly disclose the information specified in 4.13 to 4.15 annually.
- 4.4 The information disclosed under 4.3 must be disclosed at the same time as the *firm* publishes its *annual report and accounts* or, if the *firm* is not required to file an *annual report and accounts*, within six months of the end of its financial year.
- 4.5 The information disclosed under 4.3 should reflect the position of the *firm* on a reference date in each year chosen by the *firm*, using data reasonably available to the *firm* on that reference date. The *firm* must disclose the reference date and an explanation for any change in the reference date from year to year.
- 4.6 The information disclosed under 4.3 should be limited to *employees* who are predominantly carrying out activities from an establishment in the *UK*.
- 4.7 A *firm* must publish the information required by this chapter in a manner that:
- (1) is easily accessible and free to obtain;
  - (2) is clearly presented and easy to understand;
  - (3) is consistent with the presentation used for previous disclosure periods or otherwise allows a reader of the information to make comparisons easily; and
  - (4) highlights in a summary any significant changes to the information disclosed, when compared with previous disclosure periods.
- 4.8 A *firm* is not required to comply with the rules in this Chapter to the extent that compliance would breach any laws applicable in the *United Kingdom* or another jurisdiction (but these rules should be taken into account in determining whether a disclosure would result in such a breach).
- 4.9 In relation to the information specified in 4.13(Table 2) (sex or gender) and 4.13(Table 4) (ethnicity), a *firm* must aggregate the information to be disclosed for the *management body* and

senior leadership, where splitting the information between those two categories would lead to the disclosure of information about an individual.

- 4.10 Where a *firm* is required under this Chapter to disclose on the basis of an aggregated category of '*management body* and *senior leadership*', including as a result of 4.9, but doing so would still lead to the disclosure of information about an individual, a *firm* should disclose on the basis of all *employees* only.
- 4.11 Where a *firm* relies on 4.8 to 4.10 it must disclose where it has done so and explain the reason for doing so.
- 4.12 During the 12 month period beginning on [Note: the date on which the final rules come into force will be added here], a *firm* that would otherwise be required to disclose information under this chapter may choose whether or not to do so.
- 4.13 (1) Tables (1) to (6) below (Mandatory Disclosures) set out the information in respect of a *firm's* composition that a *firm* must disclose.
- (2) Tables (7) to (10) below (Voluntary Disclosures) set out information in respect of a *firm's* composition that a *firm* may voluntarily disclose.
- (3) The information does not have to be disclosed in this format. Save for terms that are expressly defined, it will be an individual decision for each *firm* as to whether, and if so how, it wishes to explain the terms used in each table.

### **Mandatory Disclosures**

Table 1: Table for disclosure on age:

| <u>Age range<br/>(in years)</u> | <u>Percentage of management body and<br/>senior leadership</u>   | <u>Percentage of employees</u> |
|---------------------------------|--|--------------------------------|
| 16 to 24                        |  |                                |
| 25 to 34                        |  |                                |
| 35 to 44                        |  |                                |
| 45 to 54                        |  |                                |
| 55 to 64                        |  |                                |
| 65 and<br>above                 |  |                                |
| Prefer not to<br>say            |  |                                |
| No response                     |  |                                |
| <b><u>NOTES</u></b>             |  |                                |
| 1.                              | <i>Firms should ask employees which age range applies to them. Age ranges are up to and inclusive of the ages given.</i> |                                |

Table 2: Table for disclosure on sex or gender:

| <u>Sex or gender</u>      | <u>Percentage of management body</u>  | <u>Percentage of senior leadership</u> | <u>Percentage of employees</u> |
|---------------------------|---|--|--------------------------------|
| <u>Females/Women</u>      |   |  |                                |
| <u>Males/Men</u>          |   |  |                                |
| <u>[Other categories]</u> |   |  |                                |
| <u>Prefer not to say</u>  |   |  |                                |
| <u>No response</u>        |   |  |                                |
| <b><u>NOTES</u></b>       |   |  |                                |
| <u>1.</u>                 | <u>Firms must disclose composition data on either sex or gender.</u>  |  |                                |
| <u>2.</u>                 | <u>Firms may rename the options ‘Other categories’ and add as many categories as necessary to reflect the range of possible approaches to data collection for disclosure on gender for the purposes of this rule.</u> |  |                                |

Table 3: Table for disclosure on disability or long-term health condition/s

| <u>Disability or long-term health condition/s</u> | <u>Percentage of management body and senior leadership</u>  | <u>Percentage of employees</u> |
|---|---|--------------------------------|
| <u>Yes</u>  |   |                                |
| <u>No</u>   |   |                                |
| <u>Prefer not to say</u>                          |   |                                |
| <u>No response</u>                                |   |                                |
| <b><u>NOTES</u></b>                               |   |                                |
| <u>1.</u>   | <u>Firms should ask employees whether they have a disability and/or long-term health condition/s.</u> |                                |

Table 4: Table for disclosure on ethnicity

| <u>Ethnicity</u> | <u>Percentage of management body</u> | <u>Percentage of senior leadership</u> | <u>Percentage of employees</u> |
|------------------|--------------------------------------|--|--------------------------------|
| <u>White</u>     |                                      |  |                                |

|  |  |  |  |
|--|--|--|--|
| <u>Mixed or multiple ethnic groups</u> |  |  |  |
| <u>Asian or Asian British</u>          |  |  |  |
| <u>Black or Black British</u>          |  |  |  |
| <u>Other ethnic group</u>              |  |  |  |
| <u>Prefer not to say</u>               |  |  |  |
| <u>No response</u>                     |  |  |  |
| <b><u>NOTES</u></b>                    |  |  |  |
| 1.                                     | <i>Firms should ask employees which of the categories in column 1 applies to them.</i> |  |  |

Table 5: Table for disclosure on religion:

| <u>Religion</u>                      | <u>Percentage of management body and senior leadership</u>                             | <u>Percentage of employees</u> |
|--------------------------------------|--|--------------------------------|
| <u>No religion</u>                   |  |                                |
| <u>Christian (all denominations)</u> |  |                                |
| <u>Buddhist</u>                      |  |                                |
| <u>Hindu</u>                         |  |                                |
| <u>Jewish</u>                        |  |                                |
| <u>Muslim</u>                        |  |                                |
| <u>Sikh</u>                          |  |                                |
| <u>Any other religion</u>            |  |                                |
| <u>Prefer not to say</u>             |  |                                |
| <u>No response</u>                   |  |                                |
| <b><u>NOTES</u></b>                  |  |                                |
| 1.                                   | <i>Firms should ask employees which of the categories in column 1 applies to them.</i> |                                |

Table 6: Table for disclosure on sexual orientation:

| <u>Sexual orientation</u>       | <u>Percentage of management body and senior leadership</u>   | <u>Percentage of employees</u> |
|---------------------------------|--|--------------------------------|
| <u>Heterosexual or straight</u> |  |                                |
| <u>Gay or lesbian</u>           |  |                                |
| <u>Bisexual</u>                 |  |                                |
| <u>Other sexual orientation</u> |  |                                |
| <u>Prefer not to say</u>        |  |                                |
| <u>No response</u>              |  |                                |
| <b><u>NOTES</u></b>             |  |                                |
| 1.                              | <i>Firms should ask employees which of the categories best describes their sexual orientation.</i> |                                |

**Voluntary Disclosure**

Table 7: Table for disclosure on gender identity:

| <u>Gender identity</u>  | <u>Percentage of management body and senior leadership</u> | <u>Percentage of employees</u> |
|---|--|--------------------------------|
| <u>Gender identity the same as sex registered at birth</u>    |  |                                |
| <u>Gender identity different from sex registered at birth</u> |  |                                |
| <u>Prefer not to say</u>                                      |  |                                |
| <u>No response</u>  |  |                                |
| <b><u>NOTES</u></b>   |  |                                |

|           |  |
|-----------|--|
| <u>1.</u> | <u>Firms should ask employees which of the categories in Column 1 applies to them.</u> |
|-----------|--|

Table 8: Table for disclosure on socio-economic background:

| <u>Socio-economic background</u>       | <u>Percentage of management body and senior leadership</u> | <u>Percentage of employees</u> |
|--|--|--------------------------------|
| <u>Professional background</u>         |  |                                |
| <u>Intermediate background</u>         |  |                                |
| <u>Lower socio-economic background</u> |  |                                |
| <u>Other</u>                           |  |                                |
| <u>Prefer not to say</u>               |  |                                |
| <u>No response</u>                     |  |                                |

**NOTES**

|           |   |
|-----------|---|
| <u>1.</u> | <p>The Social Mobility Commission has produced a guide on how to measure socio-economic diversity, having consulted with academic experts, think tanks, charities and employers. The guide can be found at: <a href="https://socialmobilityworks.org/toolkit/measurement/">https://socialmobilityworks.org/toolkit/measurement/</a>.</p> <p>The approach reflected in this table is based on the Social Mobility Commission guide and focuses on a single question measure of socio-economic diversity. In accordance with the approach in the guide, firms should ask their employees the occupation of their main household earner when they were aged about 14.</p> <p>When asking employees about their socio-economic background, firms should provide multiple choice options for answering the question, as listed in the Social Mobility Commission guide under the 'Key question' section. This will aid categorisation of the occupations into the categories in this disclosure table.</p> |
| <u>2.</u> | The 'professional background' category covers modern professional and traditional occupations, senior or junior managers or administrators.   |
| <u>3.</u> | The 'intermediate background' category covers clerical and intermediate occupations and small business owners.  |
| <u>4.</u> | The 'lower socio-economic background' category covers technical and craft occupations, routine, semi-routine manual and service occupations and the long-term unemployed.   |
| <u>5.</u> | The 'other' category covers the following options: 'Retired', 'This question does not apply to me' and 'I don't know'.  |
| <u>6.</u> | An explanation of the meaning of the terms used in notes 2 to 4 and examples of occupations relating to each category can be found in the Social Mobility Commission guide to measuring socio-economic diversity.   |

Table 9: Table for disclosure on parental responsibilities (children under 18):

| <u>Parental responsibilities for a child or children under 18</u> | <u>Percentage of management body and senior leadership</u>   | <u>Percentage of employees</u> |
|---|--|--------------------------------|
| <u>Yes</u>  |  |                                |
| <u>No</u>   |  |                                |
| <u>Prefer not to say</u>  |  |                                |
| <u>No response</u>  |  |                                |
| <b><u>NOTES</u></b>   |  |                                |
| 1.  | <u>Firms should ask employees whether they have parental responsibilities for a child or children under the age of 18.</u> |                                |

Table 10: Table for disclosure on carer responsibilities (long-term physical or mental health condition or illness, or problems related to old age):

| <u>Carer responsibilities: health conditions/old age</u> | <u>Percentage of management body and senior leadership</u>  | <u>Percentage of employees</u> |
|--|---|--------------------------------|
| <u>Yes</u>   |   |                                |
| <u>No</u>  |   |                                |
| <u>Prefer not to say</u>                                 |   |                                |
| <u>No response</u>                                       |   |                                |
| <b><u>NOTES</u></b>                                      |   |                                |
| 1.   | <u>Firms should ask employees whether they are the carer of someone that needs help or support because they have a long term physical or mental health condition or illness, or problems related to old age (not in a paid capacity).</u> |                                |

#### Disclosure: culture and inclusion

- 4.14 The following tables set out the information in respect of culture and inclusion that a *firm* subject to this chapter must disclose. When collecting the data required in this 4.14, *firms*

should ensure that employees cannot be individually identified (anonymous collection).

Table 1: Speaking up when observing inappropriate behaviour

| <u>Speaking up when observing inappropriate behaviour</u> | <u>Percentage of management body and senior leadership</u>   | <u>Percentage of employees</u> |
|---|--|--------------------------------|
| <u>Strongly disagree</u>                                  |  |                                |
| <u>Disagree</u>   |  |                                |
| <u>Neither agree nor disagree</u>                         |  |                                |
| <u>Agree</u>  |  |                                |
| <u>Strongly agree</u>                                     |  |                                |
| <u>Prefer not to say</u>                                  |  |                                |
| <u>No response</u>  |  |                                |
| <b><u>NOTES</u></b>                                       |  |                                |
| 1.  | <u>Firms should ask employees to choose one of these options when presented with the following statement ‘I feel safe to speak up if I observe inappropriate behaviour or misconduct’.</u> |                                |

Table 2: Challenging dominant opinions and decisions

| <u>Challenging dominant opinions and decisions</u> | <u>Percentage of management body and senior leadership</u>  | <u>Percentage of employees</u> |
|--|---|--------------------------------|
| <u>Strongly disagree</u>                           |   |                                |
| <u>Disagree</u>                                    |   |                                |
| <u>Neither agree nor disagree</u>                  |   |                                |
| <u>Agree</u>                                       |   |                                |
| <u>Strongly agree</u>                              |   |                                |
| <u>Prefer not to say</u>                           |   |                                |
| <u>No response</u>                                 |   |                                |
| <b><u>NOTES</u></b>                                |   |                                |
| 1.   | <u>Firms should ask employees to choose one of these options when presented with the following statement ‘I feel safe to express disagreement with or challenge the</u> |                                |

|  |   |
|--|---|
|  | <u>dominant opinion or decision without fear of negative consequences'.</u> |
|--|---|

Table 3: Valued contributions

| <u>Valued contributions</u>       | <u>Percentage of management body and senior leadership</u>   | <u>Percentage of employees</u> |
|-----------------------------------|--|--------------------------------|
| <u>Strongly disagree</u>          |  |                                |
| <u>Disagree</u>                   |  |                                |
| <u>Neither agree nor disagree</u> |  |                                |
| <u>Agree</u>                      |  |                                |
| <u>Strongly agree</u>             |  |                                |
| <u>Prefer not to say</u>          |  |                                |
| <u>No response</u>                |  |                                |
| <b><u>NOTES</u></b>               |  |                                |
| 1.                                | <u>Firms should ask employees to choose one of these options when presented with the following statement 'I feel as though my contributions are valued and meaningfully considered'.</u> |                                |

Table 4: Actions or remarks based on personal characteristics

| <u>Actions or remarks based on personal characteristics</u> | <u>Percentage of management body and senior leadership</u>  | <u>Percentage of employees</u> |
|---|---|--------------------------------|
| <u>Strongly disagree</u>                                    |   |                                |
| <u>Disagree</u>   |   |                                |
| <u>Neither agree nor disagree</u>                           |   |                                |
| <u>Agree</u>  |   |                                |
| <u>Strongly agree</u>                                       |   |                                |
| <u>Prefer not to say</u>                                    |   |                                |
| <u>No response</u>  |   |                                |
| <b><u>NOTES</u></b>   |   |                                |
| 1.  | <u>Firms should ask employees to choose one of these options when presented with the following statement 'I have been subject to treatment (for example, actions or</u> |                                |

|  |  |
|--|--|
|  | <u>remarks) that has made me feel insulted or badly treated because of my personal characteristics'.</u> |
|--|--|

Table 5: Safe to admit an honest mistake

| <u>Safe to admit an honest mistake</u> | <u>Percentage of management body and senior leadership</u>   | <u>Percentage of employees</u> |
|--|--|--------------------------------|
| <u>Strongly disagree</u>               |  |                                |
| <u>Disagree</u>                        |  |                                |
| <u>Neither agree nor disagree</u>      |  |                                |
| <u>Agree</u>                           |  |                                |
| <u>Strongly agree</u>                  |  |                                |
| <u>Prefer not to say</u>               |  |                                |
| <u>No response</u>                     |  |                                |
| <b><u>NOTES</u></b>                    |  |                                |
| 1.                                     | <i>Firms should ask employees to choose one of these options when presented with the following statement 'I feel safe to admit an honest mistake.'</i> |                                |

Table 6: Inclusive environment

| <u>Inclusive environment</u>      | <u>Percentage of management body and senior leadership</u>   | <u>Percentage of employees</u> |
|-----------------------------------|--|--------------------------------|
| <u>Strongly disagree</u>          |  |                                |
| <u>Disagree</u>                   |  |                                |
| <u>Neither agree nor disagree</u> |  |                                |
| <u>Agree</u>                      |  |                                |
| <u>Strongly agree</u>             |  |                                |
| <u>Prefer not to say</u>          |  |                                |
| <u>No response</u>                |  |                                |
| <b><u>NOTES</u></b>               |  |                                |
| 1.                                | <i>Firms should ask employees to choose one of these options when presented with the following statement 'My manager cultivates an inclusive environment at work'.</i> |                                |

4.15 In relation to each target it sets pursuant to General Organisational Requirements 8.4, a *CRR firm* or a *third country CRR firm* must disclose:

- (1) the target and the rationale for setting it; and
- (2) progress against the target over time.

## Annex G

### Amendments to the Reporting Part

In this Annex new text is underlined and deleted text is struck through.

#### Part

## REPORTING

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### Chapter content

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#### 9. REPORTING OF DIVERSITY AND INCLUSION INFORMATION

#### 10. PUBLIC DISCLOSURE OF DIVERSITY AND INCLUSION INFORMATION

...

## **9 REPORTING OF DIVERSITY AND INCLUSION INFORMATION**

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- 9.1 Subject to 9.6 to 9.8, a *firm* must submit to the *PRA* annually a completed *data item REPxxx Diversity and Inclusion*.
- 9.2 *Data item REPxxx Diversity and Inclusion* can be found [\*\*here\*\*](#).
- 9.3 The information in *data item REPxxx Diversity and Inclusion* must reflect the position of the *firm* on [Note: the calendar day on which the final rules are published will be added here] in the year of submission using information reasonably available to the *firm* on that date.
- 9.4 The information in *data item REPxxx Diversity and Inclusion* should be limited to *employees* who are predominantly carrying out activities from an establishment in the *UK*.
- 9.5 *Data item REPxxx Diversity and Inclusion* must be submitted on or before [Note: the calendar day 3 months after the final rules are published will be added here] each year.
- 9.6 A *firm* that is at or above the *diversity and inclusion employee number threshold*:
- (1) must complete Parts 1, 2, 3 and 5 of *data item REPxxx Diversity and Inclusion*; and
  - (2) may complete Part 4 of *data item REPxxx Diversity and Inclusion*.
- 9.7 A *firm* that does not meet the *diversity and inclusion employee number threshold* must complete Part 1 of *data item REPxxx Diversity and Inclusion* and may complete Parts 2, 3, 4 and 5 of *data item REPxxx Diversity and Inclusion*.
- 9.8 In relation to the *data item REPxxx Diversity and Inclusion* that is required to be submitted in the 12 month period beginning on [Note: the date on which the final rules come into force will be added here], a *firm* must:
- (1) complete the form in accordance with 9.6 or 9.7 so far as reasonably practicable; and
  - (2) so far as it is not reasonably practicable to complete the form in accordance with 9.6 or 9.7, explain to the *PRA* in writing the reasons why it is not and the steps it will take to ensure that it will be able to submit a complete form in the subsequent 12 month period.

## **10 PUBLIC DISCLOSURE OF DIVERSITY AND INCLUSION INFORMATION**

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- 10.1 This Chapter applies to a *firm* that meets the *diversity and inclusion employee number threshold*.
- 10.2 Subject to 10.7 to 10.11 and 10.12(3), a *firm* to which this Chapter applies must publicly disclose the information specified in 10.12 and 10.13 annually.
- 10.3 The information disclosed under 10.2 must be publicly disclosed at the same time as the *firm* publishes its *annual report and accounts* or, if the *firm* is not required to file an *annual report and accounts*, within six months of the end of its financial year.
- 10.4 The information disclosed under 10.2 should reflect the position of the *firm* on a reference date in each year chosen by the *firm*, using data reasonably available to the *firm* on that reference date. The *firm* must disclose the reference date and an explanation for any change in the reference date from year to year.
- 10.5 The information disclosed under 10.2 should be limited to *employees* who are predominantly carrying out activities from an establishment in the *UK*.
- 10.6 A *firm* must publish the information required by this chapter in a manner that:
- (1) is easily accessible and free to obtain;

- (2) is clearly presented and easy to understand;
- (3) is consistent with the presentation used for previous disclosure periods or otherwise allows a reader of the information to make comparisons easily; and
- (4) highlights in a summary any significant changes to the information disclosed, when compared with previous disclosure periods.

- 10.7 A firm is not required to comply with the rules in this Chapter to the extent that compliance would breach any laws applicable in the United Kingdom or another jurisdiction (but these rules should be taken into account in determining whether a disclosure would result in such a breach).
- 10.8 In relation to the information specified in 4.13(Table 2) (sex or gender) and 4.13(Table 4) (ethnicity) of Public Disclosure 4, a firm must aggregate the information to be disclosed for the governing body and senior leadership, where splitting the information between those two categories would lead to the disclosure of information about an individual.
- 10.9 Where a firm is required under this Chapter to disclose on the basis of an aggregated category of 'governing body and senior leadership', including as a result of 10.8, but doing so would still lead to the disclosure of information about an individual, a firm should disclose on the basis of all employees only.
- 10.10 Where a firm relies on 10.7 to 10.9 it must disclose where it has done so and explain the reason for doing so.
- 10.11 During the 12 month period beginning on [Note: the date on which the final rules come into force will be added here], a firm that would otherwise be required to disclose information under this chapter may choose whether or not to do so.
- 10.12 (1) The information to be disclosed is set out in 4.13 and 4.14 of Public Disclosure 4, reading references to 'management body' as references to governing body. The information does not have to be disclosed in that format.
- (2) Tables (1) to (6) (Mandatory Disclosures) of 4.13 of Public Disclosure 4 set out the information in respect of a firm's composition that a firm must disclose.
- (3) Tables (7) to (10) (Voluntary Disclosures) set out information in respect of a firm's composition that a firm may voluntarily disclose.
- 10.13 In relation to each target it sets pursuant to Conditions Governing Business 13.3, a firm must disclose:
- (1) the target and the rationale for setting it; and
- (2) progress against the target over time.

## Annex H

### Amendments to the Third Country Branches Part

In this Annex new text is underlined and deleted text is struck through.

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## 7 CONDITIONS GOVERNING BUSINESS

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7.1 A *third country branch undertaking* must fulfil the following requirements in the Conditions Governing Business Part of the ~~PRA Rulebook~~, as modified by 7.2, 7.3 and 7.4:

- (1) Conditions Governing Business 1;
- (2) Conditions Governing Business 2.2 to 2.6; ~~and~~
- (3) Conditions Governing Business 3 to 7; ~~and~~
- (4) Conditions Governing Business:**
  - (a) 13.1;
  - (b) 13.3; and
  - (c) 13.4.

...

## 9 REPORTING AND DISCLOSURE

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9.4 A *third country branch undertaking* must fulfil the requirements in relation to the reporting of diversity and inclusion information laid down in Chapter 9 of Reporting as modified by 9.6.

9.5 A *third country branch undertaking* that meets the *diversity and inclusion employee number threshold* must fulfil the requirements in relation to the disclosure of diversity and inclusion information laid down in Chapter 10 of Reporting as modified by 9.6.

9.6 A *third country branch undertaking* must fulfil the requirements referred to in 9.4 and 9.5 taking account only of matters relevant to the operations effected by the *third country branch*.