

# Government commits to introducing mandatory ethnicity and disability pay gap reporting for large employers

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**Minority ethnic groups and disabled people are to benefit as the government commits to introducing mandatory ethnicity and disability pay-gap reporting for large employers.**

- Commitment marks the next step in addressing ethnicity and disability pay gaps and removing unfair barriers to opportunity.
- Consultation responses published today show widespread support for mandatory ethnicity and disability pay gap reporting by large employers to increase transparency and help tackle barriers in the workplace.
- Greater transparency on pay gaps to help ensure everyone can have a fair chance to get on in the workplace, drive economic growth and make work pay.

Minority ethnic groups and disabled people are to benefit as the government commits to introducing mandatory ethnicity and disability pay-gap reporting for large employers.

Firms with 250 or more employees will be required to publish 6 key pay-gap metrics and new workforce composition data.

The government's response to the consultation on mandatory ethnicity and disability pay gap reporting, published today, shows widespread support for introducing this legislation. 87% of respondents agreed large employers should report their ethnicity and disability pay gaps to increase transparency and help tackle barriers in the workplace.

The consultation response also features indicative clauses for the new legislation and how it will work in practice. This has been drafted in collaboration with businesses who are already reporting on their ethnicity and disability pay differences on a voluntary basis. Legislation will seek to build on the current gender pay gap reporting to simplify the process and make it easy for employers to record their data.

Seema Malhotra MP, Minister for Equalities, said:

No-one deserves to be held back at work because of their ethnicity or disability. Everyone should be able to expect fair pay and progression opportunities for their hard work.

By introducing ethnicity and disability pay gap reporting, this Government is committed to ensuring transparency and tackling unfairness where it exists, promoting inclusion in our workplaces and our economy.

The government wants to ensure that whoever you are, wherever you come from, Britain is a country that will respect your contribution and give you a fair chance to get on in life.

Rt Hon Sir Stephen Timms MP, Minister of State for Social Security and Disability, said:

Disabled people deserve the same chance as everyone else to be rewarded fairly at work, but the fact is that pay gaps exist.

Pay gap reporting will give organisations the data they need to reduce these gaps and improve fairness and inclusivity in the workplace.

This is part of this government's mission to break down barriers to opportunity to deliver transparency, clarity and fair pay for all.

Baroness Lawrence of Clarendon OBE, Chair of the Race Equality Engagement Group, said:

Ethnicity and disability pay gap figures can help root out inequalities in workplaces. The transparency they provide supports businesses in ensuring everyone has a fair chance to contribute to their full potential.

That's why, both personally and in my role as Chair of the Race Equality Engagement Group, I am pleased to see the significant support for ethnicity and disability pay gap reporting and welcome the government's commitment to legislate as soon as possible.

This comes as part of the wider government commitment to break down barriers to work, including a £3.5 billion package of employment support by the end of the decade to help more sick or disabled people into work. We are expanding WorkWell across the country, supporting up to 250,000 people to return or stay in work and backed by £250 million.

We are also providing 300,000 sick or disabled people with tailored help through Connect to Work by the end of the decade, partnering with employers to transform how disabilities are managed at work, following the Keep Britain Working Review, and have put in place the equivalent of over 1,000 full-time Pathways to Work advisers across Britain to support disabled people into work.

Breaking down the barriers to opportunity for all and rewarding talent is in the interests of our society and economy. When working people thrive, Britain thrives.

## **Notes to editors**

Please see quotes from key employers below:

Jackie Henry, Managing Partner People & Purpose at Deloitte, said:

Deloitte first published its ethnicity pay gap in 2017. Being open about our data has helped us take more focused action, such as our Future Leaders Programme, which provides tailored support and sponsorship of women and ethnic minority colleagues.

We built on this in 2024 by publishing our pay and bonus gaps for disability and socio-economic background for the first time and in 2025 by publishing our pay and bonus gaps for sexual orientation. This has given us a starting point to measure progress, keep us accountable, and help us improve our inclusion plans. There is no quick solution to

improving diversity and inclusion in business. Meaningful and sustained change will take time and requires ongoing transparency.

Richard Iferenta, Partner and Vice Chair at KPMG and Chair of Race Board at Business in the Community, said:

It is excellent to see that the Government has shared their next steps in making ethnicity and disability pay gap reporting mandatory for all large businesses.

KPMG has been voluntarily reporting its ethnicity and disability pay gap figures for several years and we have seen first-hand how this transparency can help to retain vital talent, while fostering a sense of belonging and trust among employees. This reporting has also helped KPMG hold itself accountable, ensuring that ambitious yet achievable targets can be set to address any disparities in pay.

Phillippa O'Connor, Chief People Officer at PwC, said:

As an early advocate of inclusion in the workplace and transparent pay reporting, PwC has seen first-hand how greater transparency sharpens focus on where progress is being made and where more work is needed.

Publishing and analysing our data has strengthened our ability to take a robust, evidence-led approach to inclusion, grounded in a clear understanding of the lived experience of our people.

Transparency is not an end in itself, but a starting point - creating accountability, encouraging open and ongoing conversations, and enabling organisations to turn insight into action that genuinely moves the dial on fairness, progression and opportunity.

Katie Scott-Caeser, Head of D&I Programmes at BP P.l.c, said:

Our ethnicity pay gap reporting provides valuable insight into patterns of ethnicity representation across our organization, supporting us in identifying where further focus may be needed and where barriers need to be addressed.

These insights help inform the actions we take to strengthen inclusion and ensure all colleagues can develop and thrive. We recognize that progress in closing pay gaps is not always linear, and the transparency of this reporting helps us prioritize our efforts, monitor our progress, and continue to build a more inclusive workplace.

Christos Tsaprounis, People and Culture Director at Autotrader, said:

We started reporting our disability pay gap because we believe transparency and accountability are essential if we want to build a workplace where everyone can be at their best.

Publishing the data helps us understand where representation and progression aren't yet where they should be, track whether our actions are working, and keep focusing on the systemic changes that create a truly inclusive culture.

As the UK moves towards making disability pay gap reporting mandatory, we will continue to report voluntarily — and we'd encourage other employers to do the same. Collect the data, share it openly, learn from it, and use it to drive meaningful change.

Sandra Kerr CBE, Race Equality Director at Business in the Community, said:

Business in the Community is hugely supportive of this major step forward towards closing ethnicity and disability pay gaps once and for all - something we have been campaigning for, for many years. Following the King's Speech in July 2024, it is great to see this being followed through into action and implementation.

Leadership and mandatory reporting are critical to unlocking an estimated £17 billion annually for the UK economy by making ethnicity pay transparency standard business practice, which evidence shows can help employers attract and keep top talent in their workforce.

Hana Searson, Director of Talent, Culture & Capability at BT Group, said:

We welcome the Government's announcement on introducing disability pay gap reporting which BT have been reporting voluntarily for several years now. At BT, we see first-hand how targeted, employer-led action can make a real difference; not just for disabled colleagues, but to engagement, retention and long-term performance for organisations as a whole.

Supporting disabled colleagues to thrive, and removing structural barriers to progression by making reasonable physical, environmental and system workplace adjustments to enable our people to do their best work helps ensure talent isn't lost and potential isn't wasted.

Tackling the barriers disabled colleagues continue to face at work is not only the right thing to do, it is a business imperative. Organisations that create fair, supportive and inclusive environments are better able to attract diverse talent, make better decisions and deliver sustainable growth.

Bola Ogun, Group Head of Total Reward, Performance & DE&I at London Stock Exchange Group, said:

Employees and shareholders do not expect identical outcomes; that is not the purpose of pay gap reporting.

What they reasonably expect is transparency, credible explanation and clear accountability for how outcomes arise. Where rationale and context are absent, confidence in the data is undermined.

Mandatory ethnicity and disability pay gap reporting—supported by robust narrative and analysis—is therefore an important step in strengthening trust, understanding and informed dialogue.

Kohinoor Choudhury, Responsible Investment Manager at ShareAction, said:

ShareAction welcomes the Government’s commitment to introduce mandatory ethnicity pay gap reporting.

This is a vital component to enhance workplace equality across the economy. Given the turbulent political climate which is witnessing a decline in diversity, equity and inclusion (DEI) policies across the world, it is extremely promising to see the Government fulfil its manifesto pledge of introducing EPG reporting through statutory measures.

Mandatory EPG reporting will ensure companies have the tools and the mandate to identify and tackle inequality in the workplace.

Robert Hulme, Head of ESG at West Yorkshire Pension Fund, said:

Ethnicity pay gap reporting isn’t just about numbers—it’s about visibility, accountability, and the commitment to create workplaces where everyone has an equal opportunity to thrive.

Gillian McGill, Colleague Experience Director at Aberdeen, said:

Greater transparency on the ethnicity pay gap has helped us build trust and increase voluntary disclosure from colleagues. Better data gives us clearer insight into where action is needed and strengthens our visible commitment to an inclusive workplace.

Richard DeNetto, CEO at Change the Race Ratio, said:

Change the Race Ratio has long called for organisations with more than 250 employees to report their ethnicity pay gap. Encouragingly, around 70% of our members are already voluntarily reporting their ethnicity pay gaps.

Ethnicity pay gap reporting is a critical tool in ensuring that ethnic minority talent has a fair opportunity to progress and contribute to organisational growth and success. While the UK workforce is more diverse than ever, this diversity is still not reflected in boardrooms, executive teams, or senior leadership pipelines. Transparent reporting shines a light on these disparities and helps organisations identify where action is most needed.

Over the past five years, our members have worked together to share best practice on data collection and reporting. They have made strong progress in increasing disclosure rates, publishing their pay gaps, and, importantly, taking action grounded in data and evidence. We encourage other businesses to begin collecting this data so they can better

understand the makeup of their workforce and identify where representation gaps exist.

<https://www.gov.uk/government/news/government-commits-to-introducing-mandatory-ethnicity-and-disability-pay-gap-reporting-for-large-employers>