

## ANNEX: THE FOX WILLIAMS REPORT

The investigation was tasked to consider the allegations reported by the Guardian newspaper on 3 April and any other allegations of misconduct reported to it. Fox Williams were originally asked by the CBI to establish as far as possible the facts of what occurred, the CBI's awareness of those events and what if any action it took.

The City of London police are considering any potential criminal offences and the CBI continues to liaise with them closely. Fox William's investigation is therefore predominantly focused on whether the CBI's leadership was aware of any of the events before the recent media reporting, and if so what steps they took or failed to take in response. It has also considered the lessons for the CBI and made recommendations.

### Findings

Below is a summary of Fox Williams's findings:

#### SUMMARY

- 1.1. With respect to the Allegations raised by the Guardian to the CBI in March 2023, overall Fox Williams did not hear evidence or receive information that demonstrates that the senior leadership within the CBI had any awareness of the Allegations made prior to their publication, save the following:
  - 1.1.1. a member of the Executive Committee was aware of a complaint about the behaviour of a Board member and raised it with him directly. No other Board member was aware of the complaint at the time.
  - 1.1.2. There was no evidence of widespread drug use or awareness of this. Four instances relating to possible use of drugs were relayed in interview and via information provided during the course of the investigation. Two relate to the CBI Boat Party. In the two instances where this had been known previously by CBI leadership, the individuals were dismissed albeit for different grounds.
  - 1.1.3. An incident of inappropriate conduct by a temporary worker at the Summer Boat Party 2019, which was escalated to HR. The individual was subsequently removed from the organisation.
  - 1.1.4. In addition, HR, a Member of the Executive Committee and a board member were aware of a complaint raised by an employee in relation to a senior manager. (This was not one of the allegations reported by the Guardian although the conduct was potentially relevant.)
- 1.2 Fox Williams also found that it is apparent that staff did not come forward at the time with their concerns; and that there were obstacles to the communication of concerns about employee behaviour from the HR team to the Executive Committee or to the Board level, such that they were not consistently escalated and discussed when they ought to have been.
- 1.3 In response to the fact that most of the Allegations raised by the Guardian were not raised internally, based on feedback given to us in the course of our interviews we have

considered possible improvements to the CBI's governance and structure through identifying possible opportunities to deal with these allegations that it may have missed. These include:

- 1.3.1. revisiting the standing of the HR function at the CBI;
- 1.3.2. treating culture as a strategic matter and a key business risk;
- 1.3.3. assessing the business structure and management skill of those leading teams;
- 1.3.4. considering whether and what steps can be taken to address complaints, even where employees wish to remain anonymous;
- 1.3.5. improving the quality of management information about culture and people risk and ensuring appropriate dissemination and effective analysis; and
- 1.3.6. analysing the effectiveness of employee polices for raising complaints and improving confidence in their use.

## **Recommendations**

The list of recommendations made by Fox Williams is below.

### **9. RECOMMENDATIONS**

9.1 As well as summarising the facts we have also been asked to make recommendations as to whether the CBI should consider action as a result. We set these out below:

Role of the Chief People Officer.

9.2. Ensure the remit of the Chief People Officer is clearly defined along with the roles of the rest of the HR team so that the Chief People Officer can focus on providing oversight and strategic input, rather than operational matters.

9.3. HR appear respected and trusted by junior staff but consider ways this can be built with ExCo and senior managers, so the default is to involve them.

9.4. Ensure the Chief People Officer role has clearly defined objectives and KPIs.

9.5. Consider whether the current structure of the HR function meets the needs of the business, given any changes which may be introduced in the wake of these allegations.

9.6. Ensure ExCo gives appropriate focus to HR matters, for example, through objective setting for the Director General.

9.7. Consider whether an audit (perhaps annually) of complaints and allegations should take place to ensure that these are being dealt with quickly and appropriately. Any lessons learned from this audit can be shared with the Board for discussion and benchmarked against the staff surveys.

Culture is not identified as a strategic matter or risk

9.8. Consider the appointment of a Chief Risk Officer ("CRO") to independently assess risks to the business and be independent of the Director General in making those assessments.

9.9. If a CRO is appointed, consider whether they should report to, or have a direct line to, the President of the CBI so that if an allegation is made against the Director General, the CRO is of sufficient seniority and independence to take the complaint or allegation forward.

9.10. Consider reviewing the parameters of the Audit and Risk Committee to ensure that people related risks are considered and dealt with.

9.11. Consider whether the risk register ought to record serious complaints and allegations which could be a strategic and/or operational risk to the business.

9.12. Consider how the new Director General engages with all stakeholders in the business so that both senior and junior staff feel they are approachable. For example, through objective and KPI setting for the Director General.

#### Structural issues and management skills in the CBI workforce

9.13. Look at the CBI's structure and control in terms of layers and spans and consider whether a restructure is needed to ensure effective dissemination of information.

9.14. Consider whether regular training should be provided to managers (at least annually) on how to deal with complaints and allegations effectively. Consider whether training should also include managers being able to spot bullying, harassment, and other inappropriate behaviour.

9.15. Consider investment in general management training to upskill managers, particularly if new team structures are put in place.

9.16. Consider whether regular training should be provided to all staff (including ExCo and the Board) on bullying, harassment, sexual misconduct, and other inappropriate behaviour to ensure staff are aware of the relevant policies and that such behaviour will not be tolerated.

9.17. Consider the effectiveness of the CBI's performance appraisal process for managers and ensure there are KPIs around how they deal with employee relations within their team.

9.18. Our understanding is that the HR Business Partners are responsible for liaising with managers across the business in order to identify potential concerns and risks. Consider the effectiveness of the current approach in eliciting relevant and material information and reporting it appropriately.

#### Reliance on employees not wishing to report complaints

9.19. Consider introducing a process/protocol for escalating and dealing with complaints about Board members, including the President.

9.20. Consider ways to build a feedback culture where anonymous feedback has relevance and impact.

9.21. Align practice to policies and consider if policies and processes are drafted to provide flexibility – is the fact that employees fear a formal investigation under the policy a disincentive to raise complaints.

9.22. Maintain and monitor the confidential reporting option so that complaints can be recorded anonymously and people have confidence that complaints will be dealt with, particularly given the nature of the CBI's workforce means that people may not feel empowered to raise concerns.

9.23. Ensure that HR and line managers are confident that when complaints are raised, whether formally or informally, they can effectively filter those and take appropriate action depending on the seriousness of the complaint. In particular, it would be helpful to have guidelines on what is to be considered when determining whether a complaint or allegation is sufficiently serious to escalate.

#### Employee Relations Management Information

9.24. Consider whether complaints and allegations should be a standing agenda topic at Board and/or ExCo meetings.

9.25. Consider how management information relating to complaints and allegations can be shared with ExCo and the Board. For example, consider whether the Chief People Office

should be reporting serious complaints and allegations (bullying, harassment, sexual misconduct, etc.) to ExCo on a regular basis, and/or should be providing information to the Board regarding the number of complaints received and the nature of those complaints (bullying, harassment, sexual misconduct, racism, etc.).

9.26. Consider how the HR tracker is used to record/gather information and the nature of issues that should be recorded on it.

9.27. Ensure there is a record of the complaints made both to line managers and HR and the actions that have been taken to ensure consistency of approach and the ability to identify trends to facilitate early intervention.

9.28. Assess and consider whether the questions in the surveys are appropriate for capturing concerns.

#### Review of how policies are working in practice

9.29. As part of Jill Ader's Culture review consider why the policies are not being used and what changes are needed to encourage reporting to enable poor conduct and behaviours can be addressed.

9.30. A key aspect of this will be to consider what steps are needed to build confidence there will not be negative consequences if a complaint is made. This might include learnings from members who have effected such changes in their businesses.

9.31. Consider what training is needed so employees have clarity on what type of issue each process is used for.

9.32. Consider putting in place a formal process for escalating complaints and allegations to the Board and ExCo. This might include when it will be appropriate to escalate these issues to the Board or ExCo, who is required to report this, and what considerations are to be considered when determining whether a complaint or allegation is sufficiently serious to escalate to ExCo or the Board.

9.33. Ensure that the drugs and alcohol policy is introduced, and guidelines are issued in the same way as they are for external events (e.g., the bullying and anti-harassment third party policy). In respect of the bullying and anti-harassment third party policy, ensure that incidents are fully investigated in line with the policy.

9.34. Review policies to ensure they are flexible enough to allow for different solutions and outcomes on a case-by-case basis, in order to avoid the perception that policies are simply not followed.

9.35. Review relevant policies to ensure that they are appropriate and ensuring that all the relevant policies align together and reflect revised reporting lines (should they be introduced).