

About the data in this report

This section of the report provides further insight by section into the data points used in the report and the limitations of the data for transparency.

Overview

- The statistics on homelessness are taken from the Government's live homelessness tables [here](#) including detailed methodology on how this figures are collected and updated.

BSC as a Market System Builder and Investor

- **Social Outcomes Contracts:** Spotlight on Quantifying the impact of SOCs
 - The spotlight discusses the creation of public value as defined by ATQ in their 2022 report. You can find further information about their specific methodology and approach [here](#).
- **Social Lending:** Spotlight on why understanding why enterprises take on social lending
 - The data presented in the Enterprise-level Impact dashboard and section is collected through different means, including data scraped from Companies House and the Charity Commission website, data provided by fund managers and data obtained through self-reported surveys. Due to this, the sample sizes for each set of information are also different.
 - The Use of Proceeds and Purpose of Investment information in the dashboard is presented for **501** enterprises within our social lending portfolio.

BSC Impact on Enterprises and People

The visualisations in this section are driven by data that we collect on the organisations that are receiving investment through the funds that we invest in.

- **Dataset definitions and limitations:** We have set out the data points we collect and refer to within the report below. The table outlines data limitations that should be considered for each of the data points.

Data categorisation	
Alignment to UN Sustainable Development Goals	The coding of organisations to their alignment to the UN Sustainable Development Goals is done on a primary, secondary, and tertiary basis. This aims to provide us with a view of the top three SDGs each investment is supporting; however, many investments will be targeting more than three SDGs and therefore will not always capture the full range. The visualisations shown in the report focus on the primary SDG alignment.
User group	The “user group” describes the end-user or beneficiaries experiencing the impact. In the case of, for example, educational workshops at workplaces about promoting social inclusion of ethnic minorities, then the “user group” is the ethnic minorities, rather than the general population receiving the educational workshops. Some of the portfolio will be delivering across multiple user groups. Where organisations have multiple user groups, the primary target user group has been selected. A large proportion of the portfolio is delivering to the “general population”. This is where the predominant user group does not specifically fit within one of the vulnerable and/or underserved identified user groups.
Primary outcome area	A large proportion of the portfolio will be delivering across multiple outcome areas. For this report and insight purposes, we have focused only on the primary outcome area. Where organisations have multiple outcome areas, the most intentional one is coded as “Primary”.
Business model	The coding of the business models in our portfolio aims to be illustrative and provide a view on how organisations drive an investment return. It may not be applicable for all organisations and with further evidence and learning, the baseline assumptions we use to categorise business models may turn out to be different. We have used a “best fit” approach on organisations that do not fit exactly within a described business model. We are continuing to iterate our business models over time as we learn more, especially from coding the portfolio and gleaning further insights.
Number of people reached	We calculate the number of people reached across impact venture, social property, and social outcomes contracts. These numbers are approximate and shared through our fund managers and intermediaries.
Geographic relevance	
Geographical focus of impact (region and postcode)	It is not always possible to accurately depict the focus of impact and in cases where this occurs, we use the postcode of the organisation’s headquarters. As a result, data may not always be representative of what is happening at a local level or where impact is spread across multiple areas of the UK.
IMD	The Index of Multiple Deprivation have been provided at the Local Authority level as quintiles, where 1 = the most deprived 20% of local authorities by nation and 5 = the least deprived 20% of local authorities by nation. There are four measures of multiple deprivation for each UK country: England, Northern Ireland, Scotland and Wales. Each of these measures combines slightly different indicators and subsequently an Index of Multiple Deprivation. Differences include the year of reference, geographical units, indicators and indicator weights. It is not possible to directly compare deprivation indices across nations, and scores do not indicate the same absolute levels of deprivation. We also note that IMD is one relative measure of deprivation that should be considered with other metrics.

The data points above cover organisations across all four market systems and the data aims to cover most of our portfolio. There are some exclusions as below:

- We do not hold complete data at an enterprise level for our equity investments in our bank lending portfolio, and therefore are unable to fully code by outcome area, user group and business model. The charities and social purpose organisations are included in our aggregate figure of total enterprises reached (i.e. +3,500). We have reduced accordingly to count for unknown duplicates.
- As above, for our investment into the Community Investment Enterprise Facility, we have not coded the SMEs that the four CDFIs invest into by outcome area, user group and business model. The enterprises are included in our aggregate figure of total enterprises reached (i.e. +3,500).

- For our Venture Portfolio, we have included only organisations that are based and delivering in the UK and meet our strong impact contribution criteria, i.e. contribute to solutions as per the IMP framework.
- We have included organisations that we invest in through our share into the Schroder BSC Social Impact Trust.
- **Data gaps:** To avoid misrepresentation, we have included below a breakdown of data gaps that we have included in the report. For each data point, the percentage of organisations that we don't have data for is included and the percentage of the £ invested that this represents. Nulls are excluded from the data.

Data categorisation: Who/what/how	% of investments coded by cumulative £ invested	% of investments coded by cumulative number of investments
Alignment to UN Sustainable Development Goals	98%	83%
User group	99%	93%
Primary outcome area	97%	88%
Business model	95%	71%

Geographic relevance	% of investments coded by £	% of investments coded by #
IMD	98%	90%
Region	98%	90%

ESG & EDI

EDI Fund Manager Survey – Data collection and methodology

- We ran our first survey of fund managers in 2020, and since then, we have iterated the survey to address privacy considerations, ease of completion to increase the response rate, and feedback from fund managers and experts in the sector such as TSIC. For example, we amended the survey for our venture managers, who tend to have smaller teams and governance. In designing our next steps for this survey, we are working on a Diversity Forum-led project (referenced in the EDI section above) to improve the standards of diversity data collection in the sector and work through the limitations of this survey. We are working with fund managers to understand what information is valuable for them to collect, and how we can help them to ensure EDI data is collected in the most effective, efficient, and consistent way.
- Overall, we note that there are limitations to the data, for example where portfolio-level EDI data is not consistently collected and/or reported. Non-responses are likely due to a combination of factors, including:
 - The fund manager does not collect that data, in the case of certain groups and characteristics.
 - The data does not exist or was not declared due to General Data Protection Regulation (GDPR), such as where a fund manager's team has fewer than five individuals.
 - The fund manager prefers not to disclose the data.

Selection of characteristics

- The survey collected information on certain protected characteristics, which refer to the characteristics protected by the Equality Act (2010). The survey prioritises the same protected characteristics

that we asked about last year (gender, ethnicity, disability and health, and age) and only added an additional characteristic on socioeconomic status to be proportionate on our request. Most of the protected characteristics included in the survey seem to have more data availability amongst small firms as found by the FCA's pilot data survey on diversity and inclusion data¹, suggesting they should be easier to collect and have therefore been prioritised. We added socioeconomic status this year given that one of our key target outcomes is reducing poverty. We also want to test using the Social Mobility Commission's toolkit and get a sense of data availability for a characteristic that is often challenging to collect.

- **Guidance on characteristics:** We did not provide a concrete definition for each characteristic as best practice states that respondents should be given the opportunity to self-identify. We provided some guidance to accompany the survey as per below:

Gender: this refers to gender identity, not sex assigned at birth. Under gender, there are the non-binary and prefer to self-describe options beyond the male/female binary. We acknowledge that there may be overlap in the non-binary and prefer to self-describe options. In the results, we did not show the non-binary responses due to small sample sizes.

Ethnicity: Ethnic group refers to the group that people self-identify with, which may be related to their national/geographical origin, skin colours, and other identities. The categories outlined here are in line with the England and Wales 2021 Census data. Fund managers were asked to report the percentage ranges in the different levels of the organisation (all staff for the Venture survey) within the following categories: Asian/Asian British, Black/African/Caribbean/Black British, Mixed/Multiple ethnic groups, White/White British, Other ethnic group. In presenting the findings in an aggregate and non-anonymised way in line with GDPR, we were not able to provide granular findings for each

ethnic group due to the limited sample size. We recognise that presenting the results under "Ethnic minority" does not recognise the varying identities within this group and that the term "ethnic minority" has its limitations.

Disability and long-term health condition:

The definition of disabled people is those who self-identify as disabled, with impairments, which have a long-term impact on quality of life and impact their day-to-day activities. This is adopting the Social Model of Disability, which holds that people with impairments are 'disabled' by the barriers operating in society that exclude and discriminate against them. Our definition therefore rests on self-identification and it encompasses areas that traditionally may not be included. Long-term health condition refers to people living with chronic illness or long-term health conditions, such as cancer, HIV, diabetes, chronic heart disease or epilepsy, or other rare conditions.

Socioeconomic status: We have used the guidance from the Social Mobility Commission (SMC) as they are recognised experts in socioeconomic diversity and have comparable datasets on these measures across the UK, which we can use to compare and benchmark against. The FCA's consultation on diversity and inclusion in the financial sector also proposes following the SMC's guidance to measure socioeconomic background².

¹ Financial Conduct Authority. (2022). Understanding approaches to D&I in financial services.

² Financial Conduct Authority. (2023). CP23/20: Diversity and inclusion in the financial sector.