



Equity, Diversity and Inclusion plan

October 2023

Introduction

We have an opportunity to put equity, diversity and inclusion (EDI) at the forefront of our organisation and the wider social impact investment sector. It is possible for us to achieve impact both through cultural change and as a result of our investments.

Our actions and behaviours, the way we work with other organisations, the people we reach in our events and campaigns and our investment decisions and capital can all influence change. By publishing this plan, we are ensuring that equity, diversity and inclusion is at the heart of our strategy to grow the social impact investment market.

Three principles will guide our EDI approach:

- **Intention:** we will seek continual improvement to make progress towards our goals
- **Transparency:** we will share what progress we are making and what challenges we have encountered
- **Building Capacity:** we will learn from others and support our own staff through training and development

Following a detailed independent review conducted by Inclusive Boards into our diversity and inclusion approach in 2021 we adopted a framework (image on right) which guided the development of our action plan. The framework allows us to understand the key priority areas and how these are intrinsically linked to our mission and vision.

The following pages show clearly what our outcomes and aims are for each of the actions we are committing to and the key objectives for the four priority areas:

- **Organisation and Governance**
- **People and Culture**
- **Engagement and Market Building**
- **Investment and Portfolio**



Terminology

As an organisation we understand the importance of language and how we define and use words to express meaning. For the purposes of this document and how we engage with our stakeholders both internally and externally, we adopt and give consideration to the following definitions:

Equity aims to give everyone what they need to be successful. It focuses on 'equality of outcomes' as sometimes we know that to reach equality it may require us to treat people differently based on their needs.

Questions we ask ourselves:

- What various levels of support and assistance depending on specific needs and abilities are we offering?
- How are we making sure people get access to the same opportunities?

Equality is about ensuring everybody has an equal opportunity and is not discriminated against because of their characteristics.

Questions we ask ourselves?

- What policies, systems and practices must we address, change or remove in order to provide equality?
- What does a fair process or outcome actually look like?

Diversity is about taking account of the differences between people and groups of people, and we place a positive value on those differences and the importance it adds to how we do things. We take an intersectional approach to how we view diversity, including and going beyond what is protected within the Equality Act 2010.

Questions we ask ourselves?

- How do we become more diverse?
- Are we demonstrating what we say we should with our actions – walking the talk?

Inclusion is about the behaviours and social norms that ensure people feel welcome. Not only is inclusivity crucial for diversity efforts to succeed but creating an inclusive culture will prove beneficial for employee engagement and productivity. This means we commit to reviewing structures and systems that may be barriers to promoting inclusivity.

Questions we ask ourselves?

- What is not included in the work we do?
- What contributes to this exclusion?
- What can we do differently to ensure inclusion across all areas of our work?

Terminology

Intersectionality is the complex, cumulative way that multiple forms of inequality or disadvantage (for example racism, sexism, classism) combine, overlap or intersect especially in the experience of marginalised individuals or groups. Creating barriers that may not sit neatly with one or more protected characteristics or other descriptive categories.

Questions we ask ourselves:

- What multiple barriers are people facing?

Positionality is a understanding and acknowledgement of an individual's identity informed by their experiences in society, especially as it relates to a particular project, decision making or perspective.

Systemic barriers are the obstacles that exclude groups or communities from full participation. They may be hidden or unintentional but often built into the way we operate, our assumptions and stereotypes and can reinforces these barriers.

Questions we ask ourselves:

- What barriers do we create (intentionally or unintentionally) through our policies and practices which may restrict inclusion?
- What barriers can we remove or mitigate in the immediate, short and long term?

Privilege is the unquestioned and unearned set of advantages, benefits and choices best imparted upon people solely because they belong to a dominate group, generally experienced without necessarily being conscious of the advantages it affords.

Questions we ask ourselves:

- What are our areas of privilege?
- How do these help or hinder our work?

● Organisation and Governance

EDI will be at the heart of our strategy and mission to reduce inequality (systems change) to grow the social investment market and allow for more equitable and inclusive access to social impact investment across diverse communities and the entrepreneurs of social purpose organisations who seek to improve lives.

- ✓ Equitably address the representation and lived experience of our board through additional recruitment.
- ✓ Publish our Board Diversity Policy.
- ✓ Embed EDI updates and review as part of the board reporting schedule.
- ✓ Bringing insight and challenge from outside of our organisation to shape and improve our practice.



● People and Culture

We want to be one of the most equitable, diverse and inclusive employers in the social investment sector by creating a culture that supports employees to bring as much of their whole selves to work as they wish. We will do this by living up to our values and building an inclusive culture where everyone can thrive and succeed with us. We are conscious of the industry barriers and we commit to break these down ensuring ours is a better place to work. We will take our time to earn the trust of anyone who joins us.

We want to improve our equity, diversity, and inclusion practice as an organisation, embedding this into our culture, policies, and norms. We want to ensure we live our values, demonstrating this through our behaviours and how we respect and value each other and the partners and organisations we work with.

We are committed to being a diverse organisation that represents the communities we serve, and where every individual is included and has equal opportunity to contribute to our mission and have their voice heard. Getting our own 'house in order' underpins our further integration of equity, diversity, and inclusion into all other strands of our work.

- ✓ Set up processes for example Reverse Mentoring where members of the team can share their knowledge and experience with senior leadership, line managers and the board.

- ✓ Establish provision and access for EDI training for all Better Society Capital (BSC) staff, starting with building a broad understanding and building upon line manager training.
- ✓ Launch our first E-learning programme on User Voice helping us to embed the experiences of frontline organisations supporting people with lived experience to better inform our approach to social impact investment.
- ✓ Review our policies and job descriptions and update them where necessary to ensure they reflect our current equity, diversity and inclusion approach.
- ✓ Publish and provide context for our ethnicity pay gap alongside our gender pay gap.
- ✓ Develop the role, remit, and governance of the internal Diversity Dialogue Group exploring the experiences of our non-white colleagues working at BSC.



Engagement and Market Building

Our mission is to grow investment in social impact by engaging with and supporting the widest and most diverse range of investors, entrepreneurs and other partners. Equity and inclusion is central both to our impact and to the way we work so we are committed to identifying and removing barriers to any groups from accessing or benefitting from investment capital.

We will work with partners to build our shared capacity and understanding on how to improve equity, diversity, and inclusion in the wider sector.

We will develop shared tools and resources alongside others to support this and share and amplify the best practice of others.

- ✓ Make content and events more inclusive - such as including provision of text to speech, the diversity of panellists / speakers, and using our platform to amplify traditionally underrepresented voices.
- ✓ Update our brand guidelines to ensure diversity is reflected across our channels, ensuring we respect the lived experience of racialised people and those experiencing marginalisation including social mobility, disability. Both seen and unseen.
- ✓ Develop a Language Guide to ensure guidance and support for colleagues working across our organisation, ensuring we are confident in how to communicate.

- ✓ Share best practice by broadcasting successful examples of equity, diversity and inclusion across our investment portfolio.
- ✓ Actively collaborate with the Diversity Forum and Pathway Fund amongst others to support the removal of barriers to accessing capital for racialised communities.
- ✓ Be open and transparent about our progress by publishing regular (content including articles, reports and case studies) both internally and externally about our learning journey.



Investment and Portfolio

At a system change level, we want to intentionally create more equitable systems and avoid unintentionally replicating the bias, unfairness, and inequality of previous systems. We want to change the way we make our investment decisions to ensure we consistently make investment decisions considering EDI factors. We want to contribute towards improving the EDI policies and practices of our fund managers and for more capital to flow to diverse-led frontline organisations that were previously underserved.

In our investment strategy we want to embed equity, diversity, and inclusion considerations, reflecting these in how we approach impact.

We want these considerations to be included in our investment tools, processes and decision making, ensuring we are intentional about change. Where possible we will collect meaningful data across our portfolio and be open about how this will inform decision making by BSC and the wider sector. We will share data publicly wherever possible.

- ✓ Embed equity, diversity, and inclusion considerations (goals, risks, KPIs) into investment process and market system strategies where relevant and meaningful.
- ✓ Complete integration of diversity and inclusion considerations in the investment process and embed EDI due diligence framework for all new investments.
- ✓ Collect and report diversity data across portfolio and work with sector to develop best practice standards around diversity data collection.
- ✓ Review effectiveness of actions in Investment and Portfolio strategy and assess whether they are driving intended change.
- ✓ Use external data to validate and check performance against our KPIs for example in Social Lending.



The above plan covers our current areas of focus. We acknowledge that our approach to Equity, Diversity and Inclusion is an evolving practice. We will commit to publish regular updates on both progress and challenges throughout the year and to updating our objectives on an annual basis.