



# FOR BETTER SOCIETY CAPITAL

**Pay gap  
report 2023**

Our Equality, Diversity & Inclusion (EDI) action plan for 2020 – 2025, published in December 2020, sets out our objectives to continue to build an inclusive culture. We have continued to make significant progress on delivering against our EDI Action plan and ensuring it remains a priority.

At Big Society Capital we voluntarily disclose both our gender pay gap and ethnicity pay gap as we recognise using both gender and ethnicity data can help us support the drive for positive change and action in striving for equality.

# Pay gap and equal pay

**The gender pay** is the percentage difference between the average hourly earnings of men and women.

**The Ethnicity Pay Gap** is the difference in the hourly pay received by individuals who have declared themselves ethnically diverse (Black, Asian, Mixed and other).

## Is a pay gap the same as equal pay?

Pay gaps are sometimes confused with equal pay, the two are different. Pay gap is the difference between the average pay, of say, men compared to the average pay of women within an organisation, across all levels of the business. Equal pay is the legal requirement for men and women to be paid the same for performing the same work or work of an equal value. The same applies to ethnicity and all other protected characteristics. A pay gap may exist if there is a majority representation of a particular demographic in the most senior positions.

*Our pay gap figures are calculated based on the snapshot date of April 1st 2023.*

# Gender pay gap

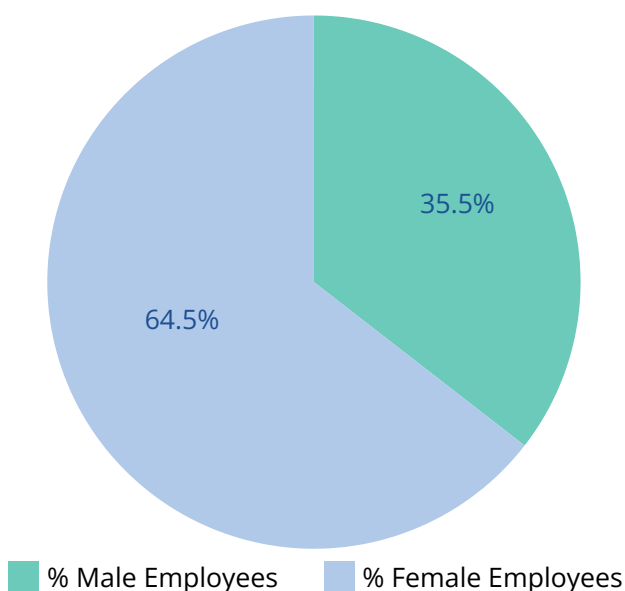
## Total number of employees at BSC: 96

- The total number of employees who identify as male or female: 96
- Total number of women employed: 59 (64.5%)
- Total number of men employed: 37 (35.5%)
- The mean gender pay gap: 12.4%
- The median gender pay gap: 16.8%

Year	Mean Gender Pay Gap	Year on Year Variance
2019	28%	n/a
2020	21%	-7%
2021	17%	-4%
2022	15%	-2%
2023	12%	-3%

## Our Gender pay gap in detail:

Gender %



Our mean pay gap is currently at 12%, meaning women are on average paid 12% less than men. This is a decrease of 3% from 2022. The BSC mean pay gap has further reduced from the previous years. This has largely been achieved by the increase in the number of women in the upper-middle quartile and further decrease in the number of women in the lowest quartile.

The below data shows the proportion of male and female colleagues across four pay quartiles in Big Society Capital; the lowest (Quartile 1), lower middle (Quartile 2), upper middle (Quartile 3) and highest quartile (Quartile 4).

	Lowest Quartile			Lower Middle (Q2)			Upper Middle (Q3)			Highest Quartile		
	Male	Female	Mean	Male	Female	Mean	Male	Female	Mean	Male	Female	Mean
2020	22%	78%	11%	41%	59%	18%	35%	65%	11%	44%	55%	30%
2021	21%	79%	7%	33%	67%	19%	39%	61%	7%	47%	53%	25%
2022	27%	73%	2%	29%	71%	19%	52%	48%	10%	36%	64%	21%
2023	40%	60%	-26%	17%	83%	15%	50%	50%	11%	46%	54%	18%

# Ethnicity pay gap

## Total number of employees at BSC: 96

- The total number of employees who identify as White: 64 (69.3%)
- Total number of employees who identify as Black, Asian, Mixed, Other: 32 (30.7%)
- The mean ethnicity pay gap: 21.3%
- The median ethnicity pay gap: 23.6%

Year	Mean Ethnicity Pay Gap	Year on Year Variance	Median Ethnicity Pay Gap	Year on Year Variance
2021	14%	n/a	15%	n/a
2022	16%	2%	19%	4%
2023	21%	5%	24%	5%

## Our Ethnicity pay gap in detail:

We are disappointed to see our ethnicity pay gap increase in our third year of reporting, particularly at the lowest quartile. Our mean ethnicity pay gap has increased to 21%.

Whilst we have actions in place to help improve our performance in relation to the ethnicity paygap, this report shows us that we need to drive forward initiatives to increase the proportion of Black, Asian

and other Minoritised ethnic groups in the highest quartile.

The below data shows the proportion of employees from Black, Asian and other Minoritised ethnic groups and white colleagues across four pay quartiles in Big Society Capital; the lowest (Quartile 1), lower middle (Quartile 2), upper middle (Quartile 3) and highest quartile (Quartile 4).

	Lowest Quartile			Lower Middle (Q2)			Upper Middle (Q3)			Highest Quartile		
	White	Black, Asian, Mixed, Other	Mean % Diff	White	Black, Asian, Mixed, Other	Mean % Diff	White	Black, Asian, Mixed, Other	Mean % Diff	White	Black, Asian, Mixed, Other	Mean % Diff
2021	68%	32%	5%	72%	28%	16%	78%	22%	14%	84%	16%	17%
2022	68%	32%	-5%	62%	38%	20%	81%	19%	19%	86%	14%	18%
2023	60%	40%	26%	58%	42%	23%	63%	38%	17%	88%	13%	21%

## What has Better Society Capital been doing to help close the pay gaps?

### Gender and ethnicity pay gaps:

**Pay & Promotion:** We recently reviewed and re-launched our pay and promotion process, ensuring it was robust, fair and transparent, with clear decision making throughout. We created a roadmap so that all managers and wider staff were aware of what each stage of the process involved, and how promotions and pay increases were decided. Proposed pay and promotion data was analysed by the People & Talent team with a gender and ethnicity lens, and it was determined that unconscious bias did not appear to be present during the process.

**Staff Council:** We have launched a fresh approach to Staff Council, with clear Terms of Reference and opportunities for staff to nominate themselves to ensure the group is always diverse and representative. Staff Council have ensured the staff voice is feeding into key decisions, policies and business changes across BSC, providing valuable insights into topics from pay and promotion to “ways of working” to staff survey results.

**Mutual Mentoring:** Following the successful pilot of our reverse mentoring scheme, we have created a mutual mentoring programme for employees, to be paired with a leader at BSC. This is in the hope that leaders will develop better leadership skills, empathising and meeting the needs of a diverse workforce, whilst staff have access to the knowledge and networks that will help them build confidence and progress in their careers.

**Equality, Diversity and Inclusion Strategy:** We have a refreshed approach to delivering our company-wide EDI

Action Plan, and have appointed a new internal Chair of our EDI steering who is coordinating three EDI Sub Groups including a dedicated group for People & Culture. The focus will be on action and impact, ensuring clear lines of accountability for our progress and ownership of the changes we want to see in creating a more diverse and inclusive workplace.

**Asking for a Friend events:** We have created a series of events that allow staff to listen and understand the views of colleagues from all backgrounds, in a panel format. These sessions have allowed staff to share their diverse lived experiences.

### Gender pay gap:

#### Launch of the Menopause at Work

**Toolkit:** We introduced our Menopause toolkit in October 2022 on World Menopause Day. Developed in conjunction with colleagues with lived experience, the toolkit was launched via a virtual Menopause Awareness event which was open to all colleagues.

**Office environment:** We have looked at ways to make our office space more inclusive for women, with women’s health in mind. This has included easier access to sanitary products, other equipment and safe spaces that may help women to feel more comfortable.

#### Guidance supporting colleagues going on and returning from a period of family leave (i.e. maternity leave, adoption leave, shared parental leave):

We know this can be a daunting and challenging time so the aim of the guidance is to help colleagues feel supported with the transition and result in a positive experience for all those returning to work after an extending period of leave.

## Ethnicity pay gap:

**Recruitment:** We have continued to analyse diversity data following our recruitment processes, to help understand the diversity of our talent pool at each stage of the candidate journey. Following improvements in how we outreach to a wider pool of candidates last year, we have focussed this year on how we assess candidates at interview stage, ensuring that our assessments are as inclusive as possible. This included changes to language in our interview questions and practical assessments, and clearer guidance for managers on how to decrease unconscious bias in hiring decisions.

**Ethnicity focus group:** The results of our staff survey showed that staff from Black and racialised communities backgrounds are less positive of working at BSC, than white staff. We have therefore created a dedicated focus group for Black and racialised communities staff to discuss and voice any issues, helping BSC to address the underlying causes of these results.

## Future plans to further reduce the pay gap:

**EDI objective for all colleagues:** We recognise that each and every one of us has a role to play in creating a fully inclusive workplace. We plan to ask every colleague to set themselves a meaningful EDI objective to help us deliver on our EDI strategy. This approach will be embedded across all our people management review systems such as weekly, mid year and end of year reviews.

**Future Leaders:** We are looking at dedicated programmes for mid-level under-represented groups at BSC, to develop the skills and experience needed to progress to become leaders of the future. We want to ensure that this programme fits in with our wider leadership and talent management strategy at BSC.

Introduction of EDI aspirational targets: Our ethnicity pay gap is driven from underrepresentative groups in the highest quartile. For this reason we will set targets based on pay grade which we hope will set us on a path to become more equally diverse at every level of BSC.

**Ways of working:** As we continue to adapt to a hybrid way of working, we are looking at the best model for BSC, that retains our flexible working approach whilst providing a clear and fair framework for BSC staff to follow. As part of this, we are aware that individual needs and circumstances must be considered and that some arrangements may need to fall outside of any agreed framework.

**Equal pay audit:** We commit to run an equal pay audit every three years, which will take place in 2024. The scope of the audit will examine both gender and ethnicity.

## Message from our CEO Stephen Muers

Our mission is to improve the lives of people across the UK through investment. It is therefore critical that we are truly representative of the whole of the UK and the communities we serve. We can only achieve this by having an inclusive environment where all employees have their voices heard and can contribute to their fullest potential. We are encouraged to see that our gender pay gap continues to narrow, and disappointed in the increase in our ethnicity pay gap. It is crucial that we are proactive in improving our gender and ethnicity balance at all levels across BSC. We must go further in identifying obstacles and taking bold actions and continue on our journey to close the gap.