

BETTER SOCIETY CAPITAL

Pay gap report 2026

Introduction

At Better Society Capital, we want to be one of the most equitable, diverse and inclusive employers in the social investment sector, with people who feel able to bring as much of themselves to work as they wish. We are committed to being an organisation that reflects the communities we serve and the values we hold. That means bridging worlds by bringing different backgrounds, experiences and perspectives together, and making sure everyone has an equal opportunity to contribute to our mission and be heard.

We recognise this is hard work that matters and the journey takes sustained effort, so we'll keep listening, learning and growing with purpose.

We voluntarily disclose both our gender pay gap and ethnicity pay gap as we recognise using both gender and ethnicity data can help us achieve this, alongside our wider commitment to EDI.

Pay gap and equal pay definitions

- **The gender pay gap** 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 the pay gap the same as equal pay?

Pay gaps are sometimes confused with equal pay, the two are different. The pay gap is the difference between the average pay, for example, men compared to women, 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.

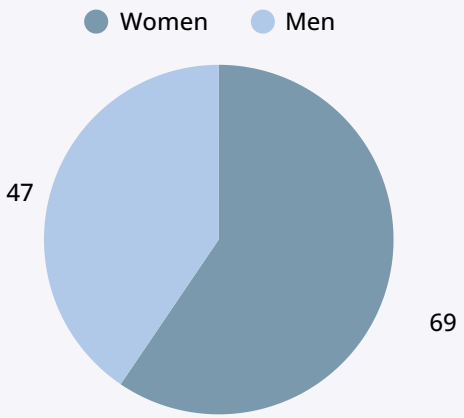
A pay gap may exist if there is a majority representation of a particular demographic in the most senior or junior positions.

Our pay gap figures are calculated based on the snapshot date of April 5th, 2026.



Gender pay gap

Gender at Better Society Capital



9.9%
The mean gender pay gap

Demographics

- Total number of employees: **116** (*all BSC employees have declared themselves as male or female, no staff are listed as Unknown, Prefer Not to Say, Non-Binary or Other*)
- Total number of women employed: **69 (59%)**
- Total number of men employed: **47 (41%)**

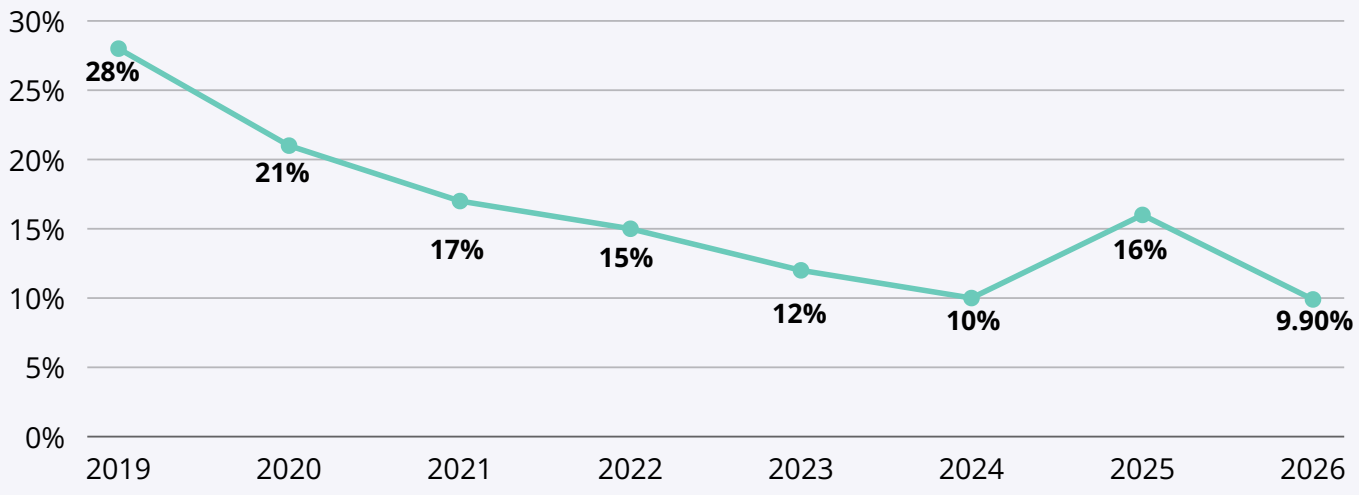
3.4%
The median gender pay gap

Year on year view:

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%
2024	10%	-2%
2025	16%	6%
2026	9.9%	-6.1%

Notable improvements to narrow the gender pay gap were made from 2019 to 2024, with a cumulative reduction of 18 percentage points. 2025 was a reversal of this trend but has been counteracted and now returned to 2024 levels.

Mean gender pay gap (%)



Our gender pay gap in detail:

The data below shows the proportion of male and female colleagues across four pay quartiles in Better Society Capital; the lowest (Quartile 1), lower middle (Quartile 2), upper middle (Quartile 3) and highest quartile (Quartile 4); this is presented in line with mandatory reporting requirements so that we are able to compare externally where possible:

Lowest quartile: We've seen steady increase in male representation, rising to 41%. However, this is also the highest mean pay gap in this quartile for some years. The ongoing significant fluctuation during the years raises important questions about consistency and highlights the need for closer scrutiny of remuneration.

Lower middle quartile: While female numbers in this group remain high, there has been a significant narrowing in pay gap in this quartile; this is one of the key drivers for the improvement to this year's overall results. This quartile should be examined in more detail as it represents the most positive change.

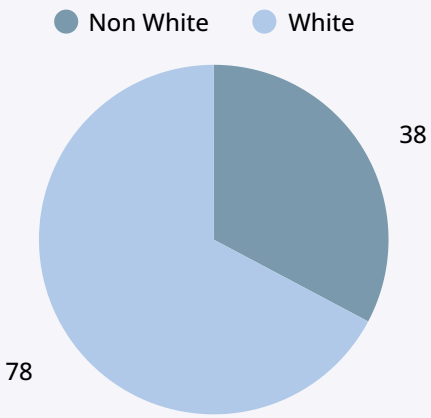
Upper middle quartile: This is the second key driver for the changes in the pay gap this year, with a return to previous figures. Promotion has driven the increase in female employees in this quartile, with majority of hiring taking place in the other quartiles.

Highest quartile: This quartile has moved to near gender-parity. However, the pay gap remains high due to a clustering of women in lower-paying senior roles; although this has been ameliorated by some recent hires we continue to have heavier weighting to highest male salaries.

	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%
2024	38%	63%	-11%	25%	75%	4%	46%	54%	9%	39%	61%	18%
2025	32%	68%	12%	28%	72%	16%	52%	48%	16%	42%	58%	19%
2026	41%	59%	15%	38%	62%	1%	34%	66%	8%	48%	52%	15%

Ethnicity pay gap

Ethnicity at Better Society Capital



Demographics

- Total number of employees: **116**
- The total number of employees who identify as White: **78 (67%)**
- Total number of employees who identify as Black, Asian, Mixed, Other: **38 (33%)**

30.3%
The mean ethnicity pay gap

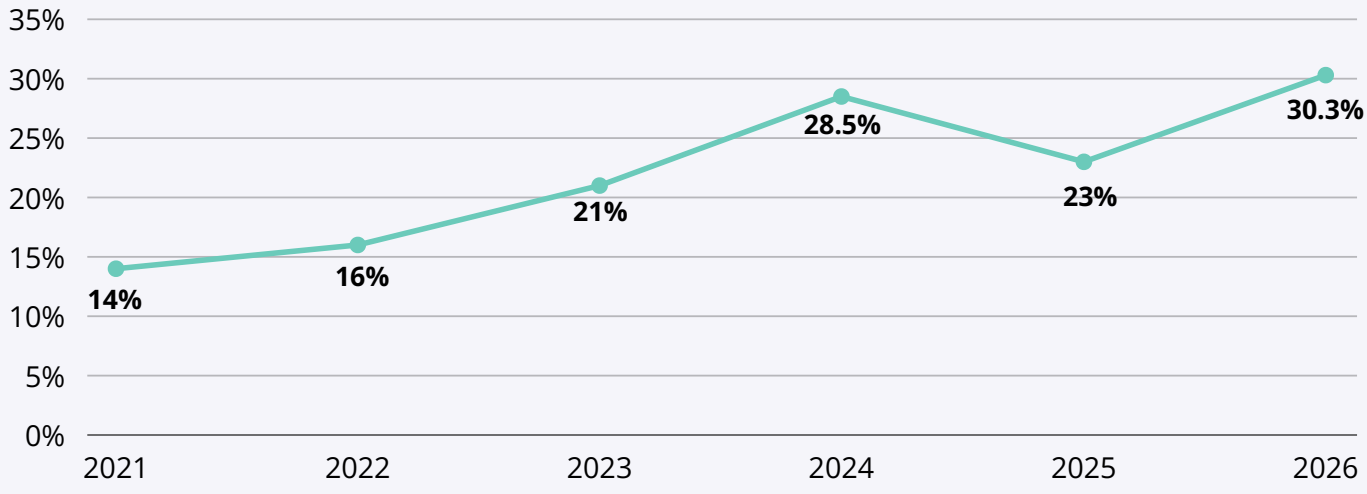
24.9%
The median ethnicity pay gap

Year on year view

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%
2024	28.5%	7.5%	28%	4%
2025	23%	-5.5%	16%	-12%
2026	30.3%	7.3%	24.9%	8.9%

Despite improvements in 2025 we continue to see an overall trend of a significant ethnicity pay gap, recording our highest ever mean ethnicity pay gap and a significant jump in our median pay gap, despite interventions and meaningful hiring. We continue to need focussed and deliberate interventions if we seek to narrow this gap.

Mean ethnicity pay gap (%)



Our ethnicity pay gap in detail:

The data below shows the proportion of employees from Black, Asian and other minority ethnic groups and white colleagues across four pay quartiles in Better Society Capital; the lowest (Quartile 1), lower middle (Quartile 2), upper middle (Quartile 3) and highest quartile (Quartile 4). Although this reporting is not yet mandatory for larger organisations we have mirrored the required Gender Pay Gap reporting framework for better comparisons:

Lowest quartile: From 2021 to 2026 we have seen almost a reversal in terms of the demographic split of this quartile; however, we also now see the highest pay gap. Urgent work is needed to review consistency of offerings at entry level.

Lower middle quartile: Although there has been some welcome narrowing of the ethnicity demographic gap, this has been accompanied by a significant jump in terms of the pay gap. This indicates disparities in progression and role value, potentially leading from inconsistencies from the offer stage in the lowest quartile at entry level.

Upper middle quartile: The proportion of non-white staff in this quartile has dropped from 2025 to 2026 and with this has come an increase in the mean pay gap to the highest levels. This appears to be a result of the recent promotion rounds but also indicates structural inconsistencies with progression.

Highest quartile: There has been some welcome improvement in the demographic split and pay gap for this quartile but it still remains below 2021 levels with a high pay gap. Our highest earners continuing to drive the gap.

	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%
2024	46%	54%	30%	67%	33%	30%	71%	29%	24%	91%	9%	29%
2025	56%	44%	25%	76%	24%	19%	68%	32%	19%	96%	4%	27%
2026	38%	62%	41%	66%	34%	38%	76%	24%	26%	90%	10%	24%

Activity to date

We have continued a dedicated plan of reporting on EDI statistics alongside the pay gap and remain committed to improving the diversity of our workforce through our recruitment and retention. As shown in the data, our ongoing commitment to apprenticeships and the On Purpose associate scheme has led to a continued ethnicity gap at junior level, however, we are now starting to see improvement at mid-level as a result of these efforts.

An increase in senior white women through promotion and hiring has led to an improvement in the gender pay gap but an increased dilution in the ethnicity pay gap. We remain focussed on our long-term plan to address this.

We continue to drive internal Ethnicity, Diversity and Inclusion (EDI) efforts away from simple reporting, with a refreshed EDI Committee and the launch of a new Inclusion Network to allow employees to lead their own diversity-focused employee resource groups.

We have also joined OnVero, a UK-based not-for-profit that helps organisations like ours improve EDI at work; with access to resources, benchmarking tools and consultancy. *Our Navigating EDI & Beyond* course remains mandatory for all new joiners at BSC.

What comes next

EDI will continue to be at the heart of two major people projects for the remainder of 2026 and into 2027. We have refreshed our values and behaviours to better reflect who we are as an organisation and what we are striving towards, with an expectation that inclusion is part of everything we do.

As part of the *How We Lead* programme, we are also launching *Managing The BSC Way*, a training course specifically for BSC line managers.
Inclusion is a dedicated module of the course to ensure that we have greater consistency in management practice for all our teams.



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