

Advancing Equity, Diversity and Inclusion at Nesta

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Introduction

To succeed in addressing some of society's most deep-rooted inequalities, we know that Nesta must become a more inclusive employer and a more inclusive innovator.

Our commitment to change is manifest in our Equity, Diversity and Inclusion (EDI) strategy – developed by a diverse group of staff from across Nesta. It is the result of many frank, sometimes difficult, conversations about who we are, how we work, who we promote, and how we support our staff.

It is also a recognition of hard truths, which we are determined to address.

Internally, Nesta has both gender and ethnicity pay gaps, and the diversity of our staff does not reflect the diversity of society, particularly in our leadership roles. Externally, we need to ensure that EDI considerations are baked into every step of our work, from impact investment decisions to programme evaluations. Despite growing momentum to address EDI in the workplace and in social impact work, the evidence base for what works remains limited. We intend to apply our innovation capabilities to close this evidence gap.

Our focus on advancing equity and inclusion was thrown into sharper relief by the death of George Floyd in police custody in May 2020. As with many organisations, this shocking event and the Black Lives Matter movement's powerful response drove us to look even harder at ourselves and our role in preventing, or perpetuating, injustice within our workplace and in the work we do.

Above all, we know that any strategy is meaningless unless we hold ourselves accountable. This document details the nine goals for change that our EDI team established and the Nesta board approved. It also summarises the ways we will work to achieve them, and the metrics by which we will measure the extent of our progress.

We have a long way to go as an organisation – and we intend to share our learnings, failings, questions and pay gaps publicly along the way. We will strive to be humble, and to listen to the experiences and suggestions of others. We invite challenge and collaboration as we commit to the shared goal of greater equity, diversity and inclusion in our organisation, in the field of innovation for social good, and in society as a whole.

Our ambition

We are setting out to become a more inclusive employer and innovator. To hold ourselves accountable for the changes we seek, we translated our ambition into nine measurable goals and concrete actions that span everything we do at Nesta:

- 1** By 2022, Nesta will have eliminated our **gender and ethnicity pay gaps**, and by 2025 our **gender and ethnicity progression gaps**, at all levels of the organisation.
- 2** By 2025, Nesta's staff profile will, at minimum, be representative of the UK on the following characteristics: **ethnicity, disability, sexual orientation** and **gender**.
- 3** By 2025, the proportion of staff from **more disadvantaged socioeconomic backgrounds** will, at minimum, be representative of the UK.
- 4** By 2023, all our employees will feel they **belong and are included** at Nesta, irrespective of their background.
- 5** By 2025, 25 per cent of our investees and 50 per cent of our suppliers will be led by **people from minoritised and disadvantaged groups**.
- 6** By 2025, the majority of our innovation missions' endowment funding will be spent on activity to improve the circumstances of people from **minoritised and disadvantaged groups**, and will not widen inequalities.
- 7** By 2021, all Nesta missions will actively consider and measure the impact of our work on **minoritised and disadvantaged groups** throughout the innovation process.
- 8** By 2022, we will be actively using our platforms to raise the voices of **minoritised and disadvantaged groups**, and contributing to a wider movement for **more equitable, diverse and inclusive practices**.
- 9** We will take an **empirical and creative approach** to embedding equity, diversity and inclusion throughout our work. By 2025, we will have generated evidence supporting five ways of working that effectively address **issues of discrimination and exclusion**.

In keeping with Nesta's overall approach, we will take an experimental, adaptive and impact-led approach to advancing EDI. This means that, while we will hold the goals and outcomes expressed in this document constant for five years, we may add – or drop – ways of working based on new data or evidence about what is effective, and what additional behavioural, cultural and structural changes or resources are required.

Our timeline for change

In the immediate future, our focus is on the first four EDI goals – which relate to our people and internal culture – as we build an organisation that is fit to deliver our new strategy. In the first year, we seek to improve our recruitment practices, create clear routes for professional growth, and ensure we reward all our people fairly. At the same time, we will set the foundation to advance all of our EDI goals, setting quarterly milestones for our work.



Eliminate pay and progression inequalities

Goal 1

By 2022, Nesta will have eliminated our gender and ethnicity pay gaps, and by 2025 our gender and ethnicity progression gaps, at all levels of the organisation.

Our starting points for change

In 2020, men at Nesta were paid 19 per cent more than women, on average. This is largely because men were more likely to work in senior positions, and to be paid more in those roles.

White staff were paid 11 per cent more than staff from Black, Asian and Minority Ethnic groups, on average. While colleagues in similar roles were typically paid fairly, there are likely issues in attracting and recruiting people from Black, Asian and Minority Ethnic groups to senior posts, and in supporting their career progression at Nesta. There is no excuse for these inequalities, and we are determined to correct them.

How we will address these issues

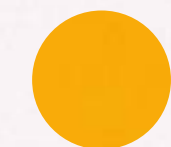
We aim to resolve these pay gaps by 2022 through a **robust pay review and development support, and will publish our gender and ethnicity pay gaps annually**. We will also implement evidence-informed practices to reduce bias in awarding progression opportunities, including:

Establishing clear and transparent processes for pay and promotion decisions:

Given that wage negotiation and discretion contributes to gender and ethnicity pay gaps, explicit criteria and transparent processes for pay and promotion are effective in reducing biases that can drive this gap. We will develop and adopt a core competencies framework to assess pay and progression decisions at all levels, starting with decision to hire.

Investing in the development of staff from minoritised groups:

Career development and mentorship has been seen to result in mentees having increased responsibilities and recognition, and applying for more senior posts. To address the progression gap at Nesta, we may set up 'reverse' mentoring in which junior staff from minoritised groups enter co-mentoring relationships with senior staff, provide access to leadership skills development courses for women from minority ethnic groups, and/or fund Masters and PhD placements in innovation methods that have low uptake amongst minoritised groups. We will consider ways to award/distribute 'stretch opportunities' and low-promotability tasks equitably, to address unequal work assignments.



Measures of progress

- Pay gaps
- Progression rates
- Participation in talent development programmes

Broaden staff representation

Goal 2

By 2025, Nesta's staff profile will, at minimum, be representative of the UK on the following characteristics: ethnicity, disability, sexual orientation and gender.

Goal 3

By 2025, the proportion of staff from more disadvantaged socioeconomic backgrounds will be at least 17.3 per cent.

Our starting points and targets for change

Ethnicity, disability, sexual orientation and gender are protected characteristics for which there is evidence of a number of systemic gaps at Nesta. As in all EDI strategies, we have prioritised which characteristics to focus on through analysis of our current workforce profile (benchmarked against local and national populations) coupled with modelling of ambitious-yet-feasible targets within our people strategy. We may consider focusing on other, additional dimensions of representation in the future.

We have set the following targets for these characteristics, based on a comparison of our current staff profile with both the UK and London averages:

Characteristic	Nesta 2020	Nesta 2025 target	Benchmarks
Black, Asian and Minority Ethnic	18%	25%	UK avg: 14%; London: 40%
Disability	14%	20%	UK avg: 22%; London: 15%
Gay, Lesbian, Bisexual or asexual	18%	Do not fall below 5%	UK avg: 2.6%; London: 2.7%
Women	70%	Do not fall below 50%	UK avg: 51%

Office for National Statistics (2011, 2016, 2017); Family Resources Survey (2017)





While not a protected characteristic, the representation of lower socioeconomic status (SES) backgrounds in Nesta's staff is key for a diverse, inclusive workplace, and for the work we do on our missions. Our aim is that by 2025, at least 17.3 per cent of our staff will have grown up in low-income households, as measured by whether they report having received free school meals (equivalent to the current UK average).

Addressing representation will require considerable changes to our organisation, from how we present ourselves to the outside world, to our recruitment practices and our efforts to create an environment in which everyone feels welcome.

How we will address these issues

Expand and enhance our recruitment outreach to attract more diverse talent:

Outreach programmes have been shown to increase the diversity of those showing interest in a role or opportunity. For all new roles, Nesta will conduct targeted outreach to minoritised and disadvantaged groups. We will review online content and communicate in a way that seeks to make everyone feel they could belong at Nesta, highlight our approach to flexible working, and provide access to government-funded specialist support for people with a disability or health condition.

Set quotas for applicant pools to ensure representation from minoritised groups:


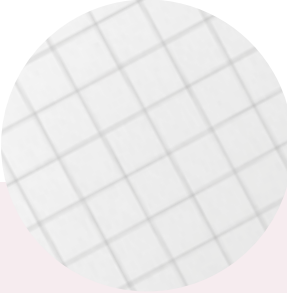

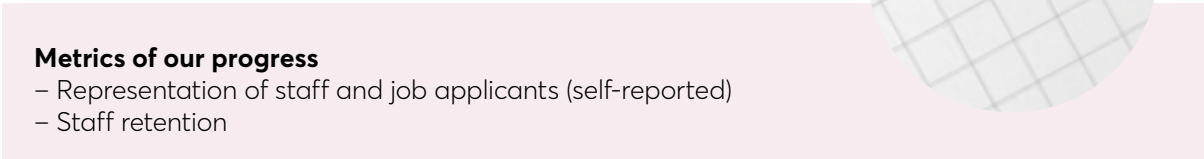
Quotas are effective in increasing the number of minority staff in the short term (though long-term effects are dependent on pay, promotion and workplace culture). By keeping applications open until we reach a threshold of applicants from minoritised and disadvantaged groups, we will ensure that applicant pools are more diverse than our staff profile targets, and that we effectively reduce bias in the application process.

De-bias job adverts and interviews:

To reduce the negative impact that discretion has on hiring outcomes for candidates from minoritised and disadvantaged groups, we will review all job specifications with an EDI lens, train hiring managers and ensure interview panels are diverse.

Expand and enhance Nesta's apprenticeship programme:

All of our teams at Nesta could benefit substantially from the talent and ideas of apprentices. We will create opportunities for people without higher education to learn new skills and build their professional networks at Nesta.



Metrics of our progress

- Representation of staff and job applicants (self-reported)
- Staff retention

Foster inclusion and belonging

Goal 4

By 2023, all employees will feel that they belong and are included at Nesta, irrespective of their background.

Our starting point for change

Staff wellbeing and our [2030 Strategy](#) – in emphasising multidisciplinary collaboration and risk-taking – rely on having an inclusive workplace. However our latest staff survey, undertaken in February 2020, revealed that not all staff feel Nesta has an inclusive culture. We aim to ensure that our workplace culture and practices help everyone in the organisation fulfil their potential and believe they belong.

How we will address this issue

Model inclusive and accountable leadership:

To support our leadership teams in championing EDI, we will [incorporate inclusive leadership](#) into job descriptions, core competency frameworks, professional development programmes and peer accountability mechanisms.

Invest in training and development at all levels:

A UK Research and Innovation review of workplace EDI initiatives shows that [effective training and development programmes](#) can help create a shared understanding of EDI across an organisation, and build the foundations for a more inclusive workplace. Necessarily, training will be supported by a continuous learning culture, as highlighted in [Nesta's 2030 Strategy](#).

Promote flexible working and support for parents returning to work:

Flexible working has been shown to [increase talent attraction, satisfaction, wellbeing, productivity and retention](#) – especially for those managing long-term health conditions and caring responsibilities who may otherwise struggle to feel included. Nesta will develop a flexible and remote working policy, and consider supporting a returner programme for parents restarting their careers to address the [career break penalty](#) many women face.

Support the development of employee networks:

[Resourced staff-organised networks](#) can play a vital role in delivering workplace equality. Such networks offer peer-support for individuals from minoritised groups, and a safe space for individuals to come together, support one another, plan activities to raise awareness and canvas for their specific needs.

Measures of progress

- Anonymous staff surveys
- Leadership appraisal feedback
- Reports of harassment and discrimination.

Support diverse ventures

Goal 5

We will use our position as a financier to support EDI. By 2025, 25 per cent of our investees and 50 per cent of our suppliers will be led by people from minoritised and disadvantaged groups.

Our starting point for change

Of our 23 current portfolio companies, 7 have a female CEO or founder, and only 2 have founders from a Black, Asian or and Minority Ethnic background - a reflection of systemic challenges and inequalities across entrepreneurship and impact investing. We are committed to proactively using our position as an organisation and an investor to expand representation and opportunities for business leaders of minoritised backgrounds.

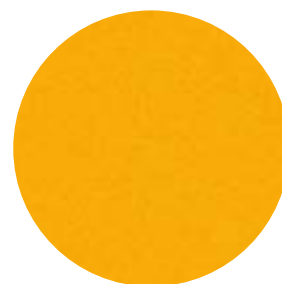
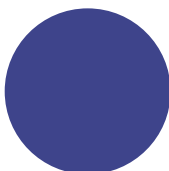
How we will address this issue

Develop inclusive supplier and contracting policies:

Evidence shows minority-owned suppliers struggle to comply with procurement requirements but that supplier diversity is associated with various benefits, including boosting innovation, driving transparency and supporting local economies). Therefore we will review and track the diversity of our supplier frameworks and de-bias our procurement processes (as we seek to do with our recruitment processes), and support minority-owned suppliers to comply with Nesta's procurement processes.

Diversify our investee pipeline and reduce bias in outreach and funding allocation:

To prevent well-documented bias against minority founders, we will adopt measures across our outreach and funding processes. We will publicise our commitment to investing in minority-owned businesses, diversify our networks, host optional information workshops, balance the number of open calls versus warm leads and diversify our decision-making panels.



Provide tailored support for minoritised entrepreneurs through Nesta Impact Investments and the Venture Studio:

Ethnic minority business owners are less likely to be involved in formal training and more likely to rely on family, friends and informal advice. To level the playing field, we will provide tailored services in addition to regular business support for minority entrepreneurs – in line with our future approach to investments and venture building.

Support investees and suppliers to implement EDI policies:

All investees and suppliers above a certain threshold will be required to have an EDI policy, or provide evidence they are committed to developing and achieving their own EDI goals within a reasonable timeframe. Where appropriate, we may support investees, ventures and suppliers to develop their EDI policies.

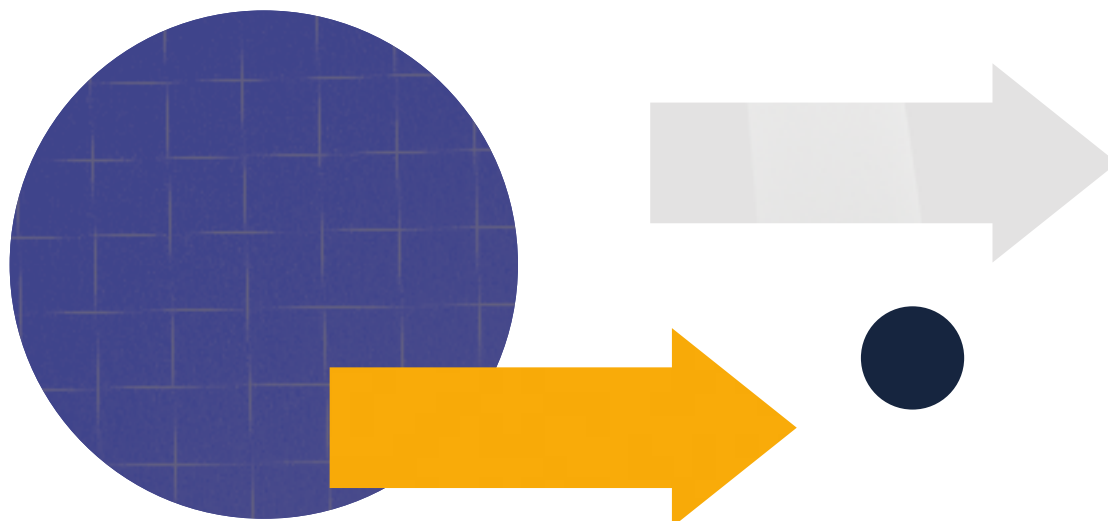
Incorporate EDI into the evaluation of our investments and Venture Studio portfolio:

To ensure that we are measuring EDI impact across our investment portfolio and Venture Studio, we will include EDI in our impact measurement frameworks and evaluation measures.



Measures of progress

- Capital invested in ventures led by people from minoritised and disadvantaged backgrounds
- Leadership representation across investment and venture portfolios
- Suppliers led by people from minoritised and disadvantaged backgrounds



Tackle inequalities

Goal 6

By 2025, the majority of our innovation missions' endowment funding will be spent on activity to improve the circumstances of people from minoritised and disadvantaged groups, and will not widen inequalities.

Our starting point for change

Our missions aim to improve the lives of millions, with an explicit focus on tackling inequalities in our work on [a fairer start](#) and [a healthy life](#). Through these missions, we will use our endowment to address inequalities in early years, secondary education, and food environments. Monitoring the impact of our endowment-funded programmes, we will hold ourselves accountable to this ambition.

How we will address this issue

Incorporate EDI into all strategic decision-making processes:

To ensure that EDI considerations are used to inform and monitor strategic choices, we will incorporate EDI assessments in our programme evaluations and decision-making processes, including 'stage-gating' decisions. For example, budget decisions above a certain threshold or significance (e.g. launching a new programme) could require Equality Impact Assessments or a similar structured approach to evaluating a decision's impact on people from minoritised and disadvantaged groups.

Consider leadership diversity and EDI policies when making partnership decisions:

We will collect and consider potential partners' EDI data, such as their leadership diversity and current EDI practices, as part of our partnership criteria and processes.

Measures of progress

- Endowment spend by outcome
- Programme evaluations

Measure our impact

Goal 7

By 2021, all Nesta missions will actively consider and measure the impact of our work on minoritised and disadvantaged groups throughout the innovation process.

Our starting points for change

To support the success of our missions, we will include a diverse range of skills and perspectives in the innovation process, limit the influence of our biases and blind spots in our decision-making, reduce the likelihood of our programmes inadvertently causing harm, and ensure that our work benefits those who are most disadvantaged.

How we will address these issues

Embed co-design and co-production in our programmes from start to finish:

We will build our project teams with the explicit aim of combining diverse and lived experience, and create teams that include people with lived experience, practitioner experience and expertise in our innovation capabilities. This may involve hiring team members and leads who have lived experience and/or creating a sounding board of people with lived experience to co-design and co-produce solutions.

Collect and utilise intersectional data and robust evaluation to inform our mission work:

We will use a range of intersectional data and research, including qualitative data of lived experience (e.g. client interviews), to inform our decisions. Where data does not exist, we may seek to collect and publish intersectional data. We will include EDI in all evaluations to assess the impact of our innovations on minoritised and disadvantaged groups. These evaluation results will be made public and will be part of stage-gating decisions (see Goal 6).

Measures of progress

- Programme evaluations
- Project team composition

Elevate minoritised voices

Goal 8

By 2022, we will be actively using our platforms to raise the voices of minoritised and disadvantaged groups, and contributing to a wider movement for more equitable, diverse and inclusive practices.

Our starting point for change

Nesta's convening power puts us in a unique position to shift the equity, diversity and inclusion of other innovation actors across the UK. Through our communications, events, podcasts and publications, we can elevate the profiles and ideas of people from minoritised backgrounds. As we learn more about what works in improving EDI, we will strive to accelerate the adoption of best practices by influencing others.

How we will address these issues

Host events to elevate EDI, and ensure all events create diverse and inclusive spaces:

We will use our convening power and resources to raise awareness of EDI issues and create platforms for people from minoritised groups. We will review and adjust our own practices, from speaker selection to event logistics, to improve the inclusivity of Nesta events.

Become an active member of an EDI coalition:

In order to learn more about EDI issues and share insights from our own work (see Goal 9), we may join an EDI coalition or consider building a focused coalition of organisations aligned in approach and purpose.

Measures of progress

- Representation of speakers, panelists and audiences
- Audience feedback

Generate evidence to advance equity, diversity and inclusion

Goal 9

We will take an empirical and creative approach to embedding equity, diversity and inclusion throughout our work. By 2025, we will have generated evidence supporting five EDI practices that effectively address issues of discrimination and exclusion.

Our starting point for change

Despite growing momentum to address EDI in the workplace and in social impact work, the evidence base for what works remains limited. Our innovation capabilities give us a unique opportunity to examine our own biases, close the evidence gap, hold ourselves accountable and identify ways to improve current best practice.

How we will address this issue

Adopt an experimental approach and apply our innovation methods to identify how to best achieve our EDI goals:

Tapping into Nesta's innovation capabilities, we will review historical data and run experiments, online simulations and trials on issues which drive inequity and bias. One example of this could be testing the most effective ways to de-bias decision-making processes.

Utilise data justice tools when we apply our innovation practices:

We will use established tools to recognise the choices and biases embedded in any dataset. We will also consider developing frameworks inspired by data justice tools, to ensure our other innovation practices uphold our EDI principles – for example, by developing, testing and publishing a 'design equity' toolkit.

Scrutinise our measurement and evaluation methods:

When evaluating our programme impact, we will consider the strengths and limitations of various methods. We will account for the ways that RCTs can mask negative impacts on minoritised groups and only reveal average effects. We will consider oversampling minoritised groups to ensure a meaningful (sub-)sample size, complementing quantitative analysis with qualitative experiences, and conducting community and market analyses.



Metrics of our progress

- Publication of evidence advancing equity and inclusion
- Development of tools for equitable and inclusive innovation

Our commitment

While this strategy is founded on extensive consultations with Nesta staff, partners and people with lived experience, coupled with deep analysis of the EDI evidence base, we still have much more to learn.

We will strive to be humble as we learn from the experiences of others, and be inquisitive to teach ourselves what we don't know. We invite challenge and collaboration as we commit to the shared goal of greater equality and inclusion. We will not get it right every time, but we commit to sharing our progress, our learnings and our failings with the hope of helping to uplift and propel the EDI movement in the UK and beyond.

Get in touch

If anything in this document has sparked an idea or provoked a response, we'd love to hear from you. To find out more about our EDI work, please email information@nesta.org.uk

This work is made possible by a committed group of Nesta staff and Trustees



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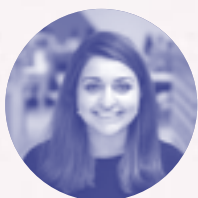
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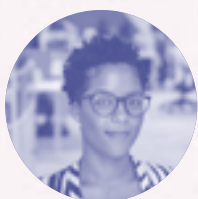
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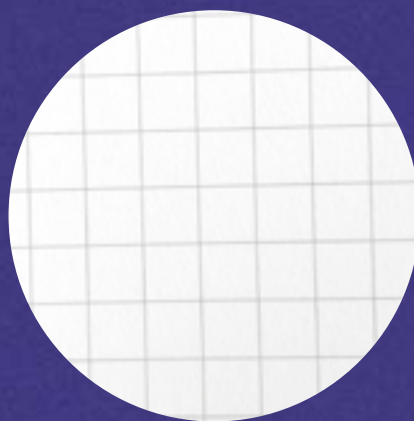


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