

Diversity, Equality and Inclusion (DEI) Statement

November 2021

At SIS, we value diversity of people and ideas.

We have been developing DEI activities over a number of years, with a concerted effort over the last two years to progress DEI across all our activities.

We work alongside expert partners to provide ways for the SIS team, board, investees, customers, and other stakeholders to develop their own knowledge, confidence, and DEI practice.

This statement describes why we consider DEI important; our approach; DEI actions so far, and our aspirations for the future.

Why is DEI important for SIS?

SIS is a Community Development Finance Initiative (CDFI). The CDFI movement was first established in the USA to tackle discriminatory behaviour on the part of banks. Noting this, and the ongoing challenges in fair access to finance, particularly for those with protected characteristics, SIS is committed to ensuring fair and equitable access to finance for all.

Through our 10-year strategy 2020 - 2030 '*Building an Impact Economy*', we seek to minimise harm, maximise positive impacts for people and planet, and contribute solutions to some of society's biggest challenges. This vision encompasses equity of access for all and places DEI as a core element of our work.

Our DEI Approach

At SIS, we use the following definitions of Diversity, Equity and Inclusion:

- Diversity - Understanding and valuing the differences between people. Recognising the diversity within our communities and reflecting it in our organisation and services.
- Equality - Ensuring that individuals, or groups of individuals, are afforded equal worth and opportunity and are not treated less favourably because of their protected characteristics.
- Inclusion - Ensuring that our work, language, facilities and activities are open, inclusive and accessible to all.

As an organisation, we recognise and value the contributions and perspectives of all our team members, board, customers and stakeholders and provide ways for them to contribute to DEI conversations and provide feedback.

During 2021 we completed a full review of SIS policies through a diversity lens, updated key policies, and developed two new policies to support all members of the

SIS team in understanding our approach, their roles and responsibilities and the communication channels available to them, relating to DEI.

SIS recognises its limitations and the need to and learn from others so that we develop our DEI practice in an authentic way. SIS actively seeks out partner organisations and individuals who can help us evolve our practice in this way.

SIS's DEI activities are led by a cross-team working group that research best practice, listen and learn, develop and deliver annual action plans, and respond to emerging needs on a more ad hoc basis.

DEI is an ongoing practice and learning journey. We continually strive to find new ways for people to feel comfortable and confident in bringing their full selves to the workplace, and their relationship and interactions with SIS.

Collecting, monitoring and understanding DEI data

We collect DEI data during recruitment, and from our customers, to understand where we need to focus future efforts.

We balance our need for data collection with an individual's right to and preferences for, privacy and confidentiality. All data is, therefore, collected on an optional, anonymous and confidential basis.

Where required, we provide aggregated DEI data to SIS investors and funders.

Where we are now

SIS is interested in developing DEI practices as an employer, investor, investee, sector intermediary and organisation interested in helping others become more impactful.

Since 2019 we have progressed a range of practical initiatives and activities:

- Conducted a comprehensive review of all SIS policies through a cultural diversity lens. This resulted in a new Dignity at Work policy, enhancements to maternity, paternity, family and adoption leave practices, and updating our investment policies to ensure diverse investment committee make-up.
- Participated Cultural Competency Training led by social enterprise Radiant and Brighter and delivered full team training on Unconscious Bias and Diversity, Equality and Inclusion.
- Implemented BeApplied – a recruitment tool that minimises bias in recruitment processes.
- Made a public commitment not to serve on non-gender diverse panels at external events.
- Drove forward a diversity agenda as part of board recruitment now with a 50%+ gender split, and a young board trustee.
- Signed up and deliver to the HM Treasury Women in Finance Charter.

- Became the inaugural affiliate member for Changing the Chemistry CIC to further support and progress diversity in board membership.
- Membership of the Social Investment Diversity Forum.
- Reviewed our investment process to ensure gender diversity on all investment committees.
- Invite diversity expert contributors to investment committees where needed and have a 50/50 gender split across our investment management team.
- Consider DEI information within all new investment appraisals; supporting organisations to implement changes and improvements where required.
- In partnership with the Council for Ethnic Minority Voluntary Organisations (CEMVO), developed a pilot social investment programme providing investment and support for BAME-led social enterprises.
- Recognise the diversity of learning styles when designing and delivering our training and development events programme.
- Hosted 2 summer interns in summer 2021. One through the 1000 Black Interns programme and another through Black Professionals Scotland.
- Hosted a total of 6 Foundation Apprentices, bringing the voice of youth to SIS and providing valuable experience for future generations.

What we will do next

We will not stand still on this agenda. This is an ongoing journey and remains a priority for SIS.

In addition to continuing the activities above, some of the activities we will progress are:

- Focusing on developing more partnerships with expert organisations including those experienced in disability, LGBTQ+ and age-related DEI.
- Prioritising SIS Ventures investments towards mission-driven businesses led by under-represented founders and management teams, and those engaging with diversity-smart business practices.
- Reviewing all our communications activities to provide accessibility for all.
- Achieving external verification and certification for DEI activities at SIS.
- Using our learning journey to support other enterprises to develop their DEI practice.
- Fully developing our DEI collection, monitoring and analysis activity identifying and acting on areas for improvement.
- Making SIS DEI data available via the SIS website.

Demonstrating and sharing progress

We aim to be transparent in our activities, challenges and progress. We will demonstrate these elements through:

- A dedicated page on the SIS website.
- DEI progress reports as part of the annual SIS Impact Report.
- Blogs and other published articles.

- Sharing our experiences through sector events, commentary and other public opportunities.

Statement Review

This statement will be reviewed and updated on an annual basis.

Questions, comments, and feedback

If you have any questions or would like to talk to us about any aspect of our DEI practice please contact Lindsay Wake, SIS Head of Impact at lindsay@socialinvestmentscotland.com.

Signed on behalf of SIS,

A handwritten signature in black ink, appearing to read "Mark Den". The signature is fluid and cursive, with a long horizontal stroke at the end.

Chief Executive Officer

10 November 2021