In association with

The Board's Commitment to Workforce Socio-economic Diversity

A roundtable for Non-Executive Directors hosted by Progress Together in association with KPMG

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Progress Together

The Board needs to be persistent. It can be difficult to get time on a busy board agenda. Non-executive Directors need to ensure that socio-economic diversity in the workforce is revisited regularly.

Executive Summary

Socio-economic inclusion is increasingly positioned as a Board level issue rather than only a HR or diversity initiative. Non-executive Directors (NEDs) from leading Financial Services firms participating in a roundtable discussion hosted by Progress Together in collaboration with the KPMG Board Leadership Centre agreed that Boards play a critical role by:

- Setting direction and priorities relative to their business
- Asking probing questions about data, progress and outcomes
- Requiring consistent reporting and metrics from their executive team
- Holding executives to account for delivery.

A key theme in the discussion was the importance of avoiding fragmented initiatives and instead taking a whole-organisation view, integrating socio-economic background alongside other aspects of workforce diversity and inclusion.

This roundtable saw a step change in Board understanding and engagement in workforce socio-economic diversity since our first Non-executive Director roundtable in May 2025.

Recommendations

From the discussion, participants made the following recommendations for Boards, Chairs and Non-executive Directors:

- Make socio-economic inclusion an explicit part of your workforce strategy owned by the Board
- Appoint a Non-executive Director sponsor for the social mobility employee network (along with the ExCo one). This Non-executive Director is responsible for reporting on and escalating issues to the Board and ensuring the topic remains on the Board agenda
- Embed socio-economic diversity into annual reporting and disclosures
- Progress Together to encourage member organisations to raise workforce socio-economic diversity regularly with Regulators to keep the issue on their agenda
- Consider a deep dive session for the board to understand the scale of the opportunity socio-economic diversity can unlock for their business

Progress Together

The Discussion

Socio-economic inclusion is an important topic for the financial services sector. The UK needs to ensure that the whole workforce is revitalised to maintain its position at the forefront of the global financial services sector – this includes attracting and retaining diverse talent. The UK's financial and professional services sector already accounts for around 12% of national GDP and 2.5+ million jobs (Making the City Thrive report, p.3). Notably, roughly two-thirds of those jobs are located outside London (report, p.15) – demonstrating that a thriving, well-resourced finance industry drawing on diverse talent fuels prosperity and innovation across the UK's regions.

Progress Together has 61 member firms from across the financial services. However, the sector continues to have a problem retaining talent from lower socio-economic backgrounds and progression for this group remains slower than for talent from higher socio-economic backgrounds.

One roundtable guest reported that participants in school leaver programmes have been found to perform and progress well, sometimes better than the graduate intake.

Progression of diverse talent is a strategic business imperative that the Board need involvement in. The extensive work by Progress Together and others across the sector have demonstrated the business case and it is important that senior leaders and board members can articulate this in relation to their own business.

Santander UK Case Study

Reflections from The Rt Hon. the Baroness Morgan of Cotes, Independent Non-Executive Director and Chair of the Board Responsible Banking Committee

Santander UK is a major UK financial services organisation, with a national workforce and a significant retail and business customer base. Social mobility forms part of Santander's wider social strategy, which aims to support productive and inclusive growth for its customers, communities and colleagues by improving financial health, skills, inclusion and opportunity.

Santander is a founding member of Progress Together, reflecting its belief that meaningful progress on socio-economic mobility requires sustained, collective action across sectors.

For Santander, socio-economic inclusion is increasingly viewed not only as an inclusion priority, but as a workforce, talent and performance issue. The Board has an important role to play in maintaining focus, providing oversight and challenge, and ensuring that social mobility remains connected to wider business priorities, including workforce planning, talent development, succession and customer understanding.

As Baroness Morgan reflected, people often "cannot be what they cannot see". Visible role models matter: colleagues need to see people from a range of backgrounds progressing into senior roles. But representation alone is not enough. It needs to be supported by practical action to understand and address the barriers that can affect recruitment, progression and opportunity.

Three lessons from Santander's experience

1. Socio-economic inclusion needs visible Board-level sponsorship and oversight

Board commitment needs to be visible, consistent and sustained. The Chair and NEDs play an important role in setting the tone, asking the right questions and reinforcing why socio-economic inclusion matters to the organisation.

Santander UK has set an ambition of 35% of senior employees to be from lower socio-economic backgrounds by 2030. This ambition is focused on broadening opportunity, removing barriers to progression and ensuring that talent from all backgrounds can develop and succeed.

Board oversight helps maintain focus over time, test progress and connect action on social mobility to broader workforce, talent and business priorities. It also signals that socio-economic inclusion is not a short-term initiative, but a long-term organisational priority.

2. Social mobility should be integrated into core Board discussions

At Santander, socio-economic diversity is considered as part of wider workforce and talent discussions, rather than being treated as a standalone initiative.

The Board receives updates on workforce data, progress and emerging challenges. This helps Board members understand where barriers may exist and how they may affect recruitment, development, retention, progression and succession.

Board challenge is important because social mobility is a long-term issue. Progress depends not only on individual programmes, but on sustained attention to the systems, processes and behaviours that shape opportunity across the organisation.

3. Transparency and reporting help drive accountability

Measurement is essential if organisations are to understand where barriers exist and whether progress is being made.

Santander reports on social mobility through its wider sustainability and inclusion reporting. Improving socio-economic data remains an important area of focus, helping to build a more complete understanding of outcomes across the colleague lifecycle.

This depends on trust. Colleagues need to understand why socio-economic data is being requested, how it will be used, and how confidentiality will be protected. Voluntary self-disclosure, supported by clear communication and responsible use of aggregated data, can help organisations make better evidence-based decisions.

Transparent reporting supports accountability, strengthens organisational understanding and helps sustain momentum over time.

Connecting Board oversight to colleague experience

Beyond formal governance structures, Santander's employee engagement Non-Executive Director, alongside Executive Committee sponsors, supports the Social Mobility Network.

This provides a structured, consent-led opportunity for the Board to hear directly from colleagues who choose to share their experiences. These insights, alongside workforce data and other evidence, help the Board better understand the barriers that can affect progression.

The Board's role remains one of governance, oversight and challenge rather than operational delivery. However, direct engagement with colleagues can help inform richer Board discussions on talent, succession, culture and inclusion.

Creating scale through partnership with The King's Trust

Santander's social mobility work extends beyond its internal workforce. In 2025, Santander selected The King's Trust as its national charity partner for a five-year partnership running to 2030. The partnership is designed to help young people across the UK build confidence, skills and opportunities, particularly those facing barriers to education or employment.

The partnership provides a way to connect Santander's social strategy with bank-wide colleague engagement. As well as fundraising activities it includes skills-based corporate volunteering opportunities for Santander employees, such as mentoring, CV support and interview skills activity. As part of the partnership, Santander is also exploring the opportunity to train its frontline colleagues to better understand the challenges faced by young people who are not currently in education, employment or training.

This matters because social mobility is not only about internal progression. It is also about how a business uses its scale, skills and reach to support opportunity in the wider communities it serves. Through its partnership with the King's Trust, Santander is able to reach young people in underserved communities who face the greatest barriers to employment. The partnership connects this community impact with colleagues participation and development, enabling employees to contribute directly to practical employability support and skills-building.

Santander's ambitions include supporting 2,500 young people, raising £1m and providing 10,000 colleague volunteering opportunities through the partnership by 2030.

Recommendations for Boards

Boards have an important role to play in ensuring that social mobility is treated as a long-term workforce and business priority.

They can do this by integrating socio-economic diversity into workforce, talent, succession and performance discussions, rather than considering it only as a standalone inclusion issue.

They can also help build trust in voluntary socio-economic background self-disclosure by ensuring organisations are clear about why data is collected, how it will be used and how confidentiality will be protected.

Workforce data and reporting should be used to identify patterns across recruitment, retention, progression and promotion, and to track whether action is making a difference over time.

Boards should engage with lived experience in a structured and consent-led way, using colleague insight alongside quantitative evidence to better understand barriers to progression.

Boards should also consider how external partnerships can support wider social mobility goals, particularly where they create meaningful opportunities for colleague engagement, skills-sharing and community impact.

Above all, sustained Board-level oversight and challenge are essential. Social mobility requires long-term focus, clear executive ownership and continued attention to the systems that shape opportunity across the organisation.

Setting Targets (publicly)

There has been push back against setting socio-economic diversity targets however there was still support for the approach of ‘what gets measured, gets done’. The target needs to be ‘baked in’ but it can be discussed as an ambition rather than a target while people become used to it.

Participants noted the opposition view to setting targets as a tendency to ‘play to the scorecard’ rather than selecting for talent and competitive advantage. They discussed the importance of teams, in particular Boards and senior teams, creating healthy challenge and debate and holding diverse views to support better decision making.

There were some concerns around increased bias if teams knew their colleagues background, however there was acknowledgement that having the right culture in place should come before setting targets.

Participants suggested that the sector might need to revisit setting targets if socio-economic inclusion could not be resolved within a few years. They noted that setting gender targets had ensured that the sector addressed this issue. They noted that context is important when setting targets as they should relate to the customer demographics or regional variations.

Target setting focuses attention on the large employers in the sector, however more people are employed by small-medium sized enterprises. Will targets highlight progress in these firms and have no impact on the majority of the financial services workforce.

Board alignment on socio-economic inclusion

Demonstrating the importance of socio-economic inclusion in your workforce to doubters can be challenging as it is difficult to show direct impact. Proxy measures such as employee engagement and profitability can be used instead. Reflecting your customer based can be important in some business particularly with national footprints – having people from/in the regions that your customers are in. Position socio-economic inclusion as integral to strengthening pipeline, ensuring a balance of backgrounds represented at every level of the business, and an integral part of attraction and retention of the best talent. Over time, promotion should then be less focused on background and more on talent.

Role of Regulators

Participants expressed differing views on the regulator's role. Some were disappointed that the FCA does not have responsibility for socio-economic diversity within the financial services workforce, while others welcomed this and had argued against making it a formal reporting requirement. However, there was broad agreement that regulators should take an active interest in the issue.

The group felt that individual organisations should be responsible for monitoring socio-economic diversity and setting their own targets. Senior leaders should also be prepared to answer questions about organisational culture. In regular supervisory meetings, regulators could usefully raise related indicators such as staff turnover and whistleblowing complaints.

Progress Together noted that some member organisations have already publicly set targets on socio-economic diversity. Its data report shows that, despite the absence of a regulatory requirement, member organisations have been proactively collecting socio-economic background data and developing programmes to improve the progression and retention of talent from working-class backgrounds.

One proposed action for Progress Together is to encourage member organisations to raise socio-economic inclusion regularly with regulators, in order to keep the issue on their agenda.

At the same time, participants cautioned against regulatory overreach. The sector needs a culture in which firms support socio-economic inclusion because it is the right thing to do, not simply because they are required to. Some participants said their firms already embed socio-economic diversity within risk management frameworks and internal audit processes. Rather than collecting sector-wide socio-economic diversity data, regulators should act as role models. Ultimately, a firm's executive team and board should set the tone for workforce culture.

Storytelling

Participants noted that the discussion had only considered lack of workforce socio-economic diversity as a risk to manage, but should also an opportunity to create an inclusive culture by leaders from working class backgrounds sharing of their own background stories to help support the collection of data and promote the progression of colleagues from diverse backgrounds. Participants noted the cultural value of storytelling to normalised discussions around background and increase confidence in disclosing socio-economic background. Encouraging Board members, ExCo and those in leadership roles to discuss their own background is really powerful, however there is hesitation and many senior leaders have spent most of their careers hiding their background.

The participants discussed whether it was more difficult to normalise the disclosure of background data in small organizations as individuals might not want to ‘single themselves out’ as coming from a working class background. Progress Together noted that a number of their smaller members had 90%+ disclosure rates as they had already normalised the discussion. However, they agreed that senior leaders disclosing their background was important in increasing disclosure rates of socio-economic background data.

Reflecting the customer base

A number of participants raised their own organisations discussions around workforces reflecting the customer base improving decisions as there is better understanding of their needs.

Other organisations noted that their workforce was happy (strong employee engagement scores) and their organisation was successful, how does a board make the shift to seeing a lack of socio-economic diversity in the workforce a priority or strategic issue. The roundtable discussed whether the Board should articulate this as an opportunity for the organisation rather than a risk.

Some participant’s organisations had already implemented recruitment strategies which widened the routes into their organisations and were seeing the benefits. The performance of the workforce recruited through these routes was good and their workforce is now more reflective of wider society. These changes were not linked to targets however they are now sharing the results of these changes with their employees and wider.

Articulating ambition

The participants considered how to discuss ambition for workforce socio-economic inclusion more widely, conscious whether positioning this in a wider societal context the best approach. Many are moving from an Equality, Diversity and Inclusion (EDI) led discussion to the wider business issue for full ExCo discussion.

Although public positioning of the topic has changed, participants noted that most firms continue with activities to support employees from diverse background.

International dimension

Many Progress Together member organisations are now considering socio-economic diversity across multiple jurisdictions and roundtable participants noted the differences between how the issue is discussed and the different lower socio-economic background indicators in different countries and regions. Progress Together have recently produced a report on data collection in different countries. There was acknowledgement that many organisations are now focused on inclusion rather than EDI.

One of the actions from the meeting was for Progress Together host a separate senior leader roundtable to discuss the international dimensions of social mobility and socio-economic inclusion.

Thank You

Thank you to KPMG Board Leadership Centre for supporting our Roundtable and representatives of the following Financial Services Firms for participating in this discussion:

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