

# Embedding socio-economic insight

Opportunities to further enhance board performance

Board  
Leadership  
Centre





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# Foreword

**Socio-economic background is an often overlooked aspect of leadership diversity - both in the UK and across global markets. While organisations have made progress on other areas such as gender and ethnicity at leadership level, the same cannot be said of socio-economic background.**

Many firms are already collecting rich socio-economic background (SEB) data across their broader employee base. As this picture becomes clearer, continued inaction at board level is becoming harder to justify. But meaningful action is not easy, and progress isn't always linear. Despite good intent, SEB remains almost entirely absent from formal board reporting. But our research finds that when organisations choose to consider SEB within their senior teams, they can gain a far more nuanced understanding of the perspectives, experiences and insights that shape boardroom decisions. This, in turn, strengthens trust among colleagues and wider stakeholders who want to see leadership teams that are representative of the communities they serve.

In my own experience, a board that includes different lived experiences is better able to challenge assumptions and understand the realities facing colleagues, clients and communities. This is especially important for organisations operating across multiple jurisdictions, like our UK/Swiss firm, where talent and growth are strategic priorities.

This report provides a considered and proportionate practical framework for understanding how socio-economic diversity can contribute to better decision-making. Ultimately, it sets out a path towards a more transparent, inclusive leadership culture.



**Melissa Geiger**

Chair  
KPMG UK & Switzerland

# Introduction

We know from earlier KPMG Board Leadership Centre [studies](#) that stalled workforce mobility, structural barriers, access to influential networks and narrowing progression pathways make socio-economic inclusion an area for board attention, with implications for long-term performance and sustainability.

Those [reports](#) also surfaced persistent challenges: the complexity of defining SEB, reluctance to share personal histories and the absence of evidence to show that SEB was being thoughtfully considered by boards.

The regulatory environment makes clear that boards have a leadership role in advancing inclusion in alignment with company strategy. Guidance from the FRC's [UK Corporate Governance Code](#) 'principles based' approach expects boards to set the tone, actively reflect the diversity of society and support sustainable, well-governed organisations, with [nomination committees](#) demonstrating meaningful, context-specific progress on diversity, inclusion and equal opportunity in board composition.

Progress on gender and ethnic diversity, driven by initiatives such as the FTSE Women Leaders Review and the Parker Review, shows how clear expectations and practical steps can shift board composition at scale. SEB, however, remains the missing dimension and potential governance blind spot with only 6% of FTSE 100 companies referencing it in relation to board appointments in their annual reports. This is not a call for a tick-box or compliance exercise but an opportunity to show how being proactive on socio-economic inclusion can support good governance.

We undertook this research to close a critical gap and focused on three core questions: how boards understand SEB, what motivates or inhibits action, and what practical steps can support meaningful oversight. To answer them, this report brings together a full review of all FTSE 100 annual reports (in September 2025); in-depth interviews with Chairs, NEDs and survey responses from nearly 50 NEDs; analysis of the wider research and policy landscape; and practical guidance on how boards can frame and measure SEB more effectively.

Our sincere thanks to Jenny Baskerville, Nik Miller and the wider team at The Bridge Group for their guidance and breadth of expertise, analysis and insights that shaped this report. We'd also like to thank the board members who generously gave their time to share experiences, views and inspirational stories with us to inform this research.

We look forward to engaging with board members on this topic.



**Krishna Grenville-Goble**

Director  
Board Leadership Centre



**Phil Smart**

Partner & Chair  
of the Board  
Leadership Centre

# Executive summary

Bridge Group<sup>(a)</sup> research consistently demonstrates that SEB is a primary driver of career outcomes. While evidence regarding the impact of SEB on workforce progression has grown, it remains largely unexplored in the boardroom. This gap represents a major missed opportunity that risks future board performance.



**Jenny Baskerville**

Chief Executive  
The Bridge Group

In partnership with KPMG Board Leadership Centre, our research across FTSE 100 reports, board member surveys, and interviews with board members reveals **five key insights**:

## 01 Boards have different motivations to focus on SEB and socio-economic inclusion

The evidence highlights that SEB is a lever for better governance. It strengthens strategic challenge and grounds decisions in the lived realities of customers and employees. It delivers stakeholder responsiveness, talent resilience, organisational credibility and the ability to address barriers to progression. No board is motivated by all drivers, but every board will find some that resonate.

## 02 There are language and definition barriers at board level, but these can be addressed

Board members often find SEB difficult to define or personally sensitive. Despite this, research suggests simple indicators, such as parental occupation, are robust and internationally applicable.

## 03 Workforce-level insights and practice are driving competitive advantage

Many leading firms already use SEB data to diagnose barriers and shape talent strategies, and report the advantages of these practices, including accessing and retaining top talent.

## 04 Board focus has not kept pace with workforce practice

Analysis shows that while 64% of FTSE 100 companies comment on social mobility in their annual reports, only 6% mention SEB in relation to board composition. Boards remain focused on a narrow set of characteristics, leaving SEB as a governance blind spot.

## 05 External expectations are intensifying

Investor scrutiny and evolving reporting norms make board-level inaction increasingly untenable. Forward-looking boards that embed socio-economic insight can foster trust and build leadership resilience.



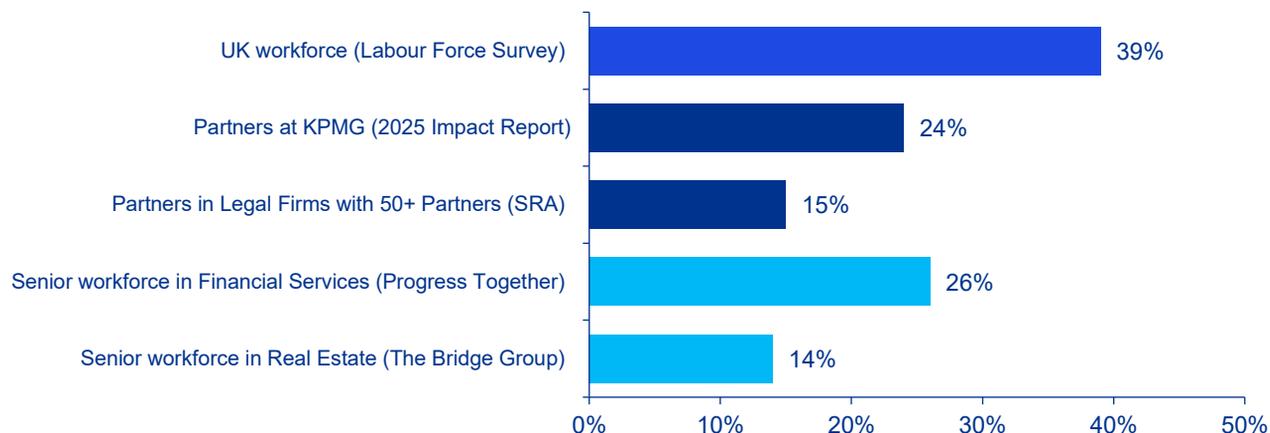
Note: (a) The Bridge Group is an independent research charity promoting socio-economic inclusion through evidence, insight and collaboration. See [thebridgegroup.org.uk](http://thebridgegroup.org.uk).

# Executive summary (cont.)

While boards naturally prioritise skills and capability for candidate assessment, research shows that socio-economic diversity does not emerge by default through current recruitment practices. Measuring socio-economic diversity, when undertaken is not to influence decisions nor make judgements about individuals but rather, as in workforce data, to be used in aggregate to understand patterns and trends. Integrating SEB alongside characteristics such as age and gender clarifies how formative experiences shape a director's contribution.

Ultimately, this integrated approach strengthens skills-based selection by surfacing talented individuals who might otherwise be overlooked, especially considering challenges around the pipeline to the most senior jobs by SEB (as illustrated below).

## Representation among those from a lower SEB in the UK workforce and at senior levels in different sectors, and at KPMG.<sup>(a)</sup>



## To equip boards with practical actions we offer a proportionate framework, for directors to adopt now:



Note: (a) In Financial Services and Real Estate here, 'senior workforce' is defined as those in the most senior roles by grade / band or reporting to this group; and high-level specialist roles.

# Five key insights

## Insight

01

### Boards have different motivations to focus on SEB and socio-economic inclusion

Our interviews, survey and wider policy literature highlight various motivations for boards focusing on this area. We expect no board will recognise every one of these drivers; but every board will find resonance in at least one area.

Many interviewees observed that socio-economic diversity improves board discussions, particularly on pay, culture and customer behaviours. A wider range of life experience on the board strengthens strategic challenge and reduces groupthink – assuming these more diverse perspectives are encouraged and acted on. They also felt strongly that different formative experiences shape confidence, communication styles and perspective at board level.

The evidence shows that diversity has its greatest impact when characteristics are considered together. SEB combines with factors such as gender, age and ethnicity to shape distinct and cumulative experiences that can strengthen board-level discussion. As the Parker Review demonstrates, taking a rounded view of board composition improves governance, making SEB a practical lever for more effective and resilient boards.



[SEB is] The biggest one that we need to crack by virtue of the fact we want to be able to mirror society. And be able to give our clients choices. And if we can get a head start on the rest of the industry and stay ahead of them, then it's a huge competitive advantage. So there's a real business driver for that.



Mark Fitzpatrick  
CEO, St James's Place



# Insight 01 (cont.)

Board considerations	How socio-economic inclusion can enhance board performance
<p><b>More effective decision making</b> Richer challenge, better debate, and decisions grounded in lived reality.</p>	<p>Socio-economic diversity can strengthen judgement and challenge by broadening contributions based on different experiences and cognitive styles, including around workforce and customer realities.</p> <p>Managed well, the diverse perspectives that socio-economic diversity bring to the table can support more robust debate and mitigates groupthink risks in high-stakes decisions<sup>(a)</sup>. The leadership skills of the Chair to harness different perspectives, create open discussion and encourage debate are key.</p>
<p><b>More responsive to stakeholders</b> Stronger relationships, better stewardship and increased organisational relevance.</p>	<p>Boards that understand SEB dynamics are better placed to oversee culture and customer insight, and to anticipate how organisational decisions land with different communities and employees<sup>(b)</sup>.</p>
<p><b>Shaping future-ready talent and anticipating expectations</b> Productive working cultures, strategic foresight and safeguarding trust.</p>	<p>Workforce SEB data gives boards clear insight into succession and talent risk, highlighting where progression slows, where attrition concentrates, and where pipelines are narrower than the available talent pool. These patterns have direct implications for productivity, skills and leadership resilience<sup>(c)</sup>. Recent data shows a stark imbalance in the board talent pipeline, with CEOs and senior leaders overwhelmingly from higher SEBs. Boards should consider refreshing recruitment practices to consider candidates beyond traditional pipelines<sup>(d)</sup>.</p>
<p><b>Protecting credibility</b> Public trust, reputation and long-term credibility.</p>	<p>Socio-economic inclusion underpins credibility and a “licence to operate” by demonstrating that opportunity and reward are not determined by background<sup>(e)</sup>. It also reduces reputational exposure where stakeholders perceive leadership as closed or socially homogeneous (i.e. being exclusively from a higher SEB)<sup>(f)</sup>.</p>
<p><b>Responding to external pressure</b> Managing stakeholder expectations and maintaining coherence in reporting practices.</p>	<p>Expectations are rising for organisations to evidence more equal progression and pay outcomes by SEB. Workforce-level SEB reporting is maturing; if boards aren’t addressing SEB, inconsistencies in “tone from the top” become more apparent to investors, employees, and governance audiences<sup>(g)</sup>.</p>
<p><b>Tackling intersectional barriers</b> Fulfilling broader inclusion commitments and ensuring fair pathways into leadership.</p>	<p>Boards that actively examine barriers facing talent from lower SEBs are better placed to understand the cumulative “class ceiling” that narrows leadership pipelines over time, even when other inclusion efforts are progressing<sup>(h)</sup>. Reviewing SEB alongside gender and ethnicity, using data firms already hold, can also reveal overlapping disadvantages in reaching board roles<sup>(i)</sup>.</p> <div data-bbox="496 1394 1339 1612" style="background-color: #0056b3; color: white; padding: 10px;"> <p>“</p> <p>In my career I've seen profound progress in gender, sexual orientation and, to some extent, ethnic diversity. Socio economic diversity, however, has yet to experience the same momentum.</p> <p>Lucy Dimes Former NED - Defence Sector</p> <p>”</p> </div>

Note:

- (a) For example, see [Cognitive diversity in asset management](#) and [Social Mobility Commission Employers' Toolkit](#).
- (b) See the [FRC Corporate Governance Code](#). The Code's emphasis on culture, integrity and wider stakeholder responsiveness provides a governance framework for boards to explain how they are assessing and strengthening diversity in practice.
- (c) Progress Together's benchmarking ([Performance, not Privilege](#), 2025) conducted in collaboration with The Bridge Group shows clear patterns in representation and progression, mirrored in The Bridge Group's findings on the [UK real estate sector](#). Sector-wide SEB data programmes including the legal and accountancy sectors offer boards a baseline to assess risk and monitor change ([Bridge Group](#)). Whilst the Industrial Strategy Sector Plans references skills, they lack explicit focus on SEB as a driver of capability and growth.
- (d) 'NEDs Reimagined' from the IOD advocates for boards to refresh their recruitment practices.
- (e) More in Common's public opinion research argues for greater attention to socioeconomic disadvantage ([Finding Common Ground on EDI](#)).
- (f) The Social Mobility Commission's State of the Nation 2025 sets the national context on socio-economic inequality and mobility pressures that shape stakeholder expectations ([SMC State of the Nation 2025](#)).
- (g) The [FRC Corporate Governance Code](#) advocates for more outcome-based reporting where inclusion policies are clearly linked to broader strategy. Government-backed guidance on measuring SEB is designed to enable consistent employer reporting and benchmarking ([UK government SEB measurement guidance: Accompanying report](#)).
- (h) [Bridge Group](#) research in financial services over the past three years explicitly positions SEB as a key determinant of routes to success and senior progression.
- (i) See KPMG's Social Mobility Progression Report ([Mind the gap](#)) which details how progression gaps are compounded when combining SEB with gender and ethnicity. The [Parker Review](#) provides data of FTSE directors by ethnicity and gender. Similarly, The Bridge Group's recent research on effective practices in socio-economic inclusion within the legal sector highlights examples of good practice and calls for greater collaboration across other identity strands ([Effective practices in socio-economic inclusion](#)).

# Insight

# 02

## There are language and definition barriers at board level, but these can be addressed

Board members often described SEB as difficult to define, personally sensitive and potentially intrusive. Few had a shared vocabulary for discussing it, and many asked for clearer, practical framing (see board considerations table p8). There is appetite for simple,

internationally workable indicators but also concern about misrepresenting lived experience, especially for those not raised in the UK or because it was a long time ago since board members may have experienced a particular lifestyle.



## Measuring SEB fairly in a global workforce

**Professor Mark Williams, Queen Mary's University, London and Dr Aleksandra Kubica, Senior Qualitative Researcher, The Bridge Group**

Professor Mark Williams's quantitative research from 2025 across 31 countries examined variations in working conditions and social mobility across different socio-economic classes. The key finding was a high degree of pattern similarity across the studied countries, suggesting that a question about parental occupation could generate data on SEB that is conceptually like existing UK data but broadly applicable in diverse international contexts.

This research provides the foundation for creating a robust, internationally applicable SEB classification and a practical, self-coded questionnaire for organisations globally. Building on these findings, The Bridge Group and Professor Williams are currently collaborating on a mixed-methods research project (2025-2026). This ongoing work, alongside employers, aims to understand how the proposed international SEB classification can be effectively utilised across diverse local contexts.



## SEB – A unifying starting point

Through appropriate guidance and a proportionate approach, SEB can offer boards a constructive entry point into conversations about inclusion and the benefits of cognitive diversity. While action on ethnicity, gender and other

characteristics is equally grounded in universal expectations of opportunity and fairness, SEB can sometimes provide a unifying starting point, creating common ground from which boards can strengthen their overall approach to inclusion.

## Workforce-level insights and practice are driving competitive advantage

Many organisations now collect robust SEB data across their workforces, using recognised measures such as parental occupation, to better understand the effects of SEB in the workplace. Initiatives such as the Social Mobility Employer Index, through to the Solicitors Regulation Authority requiring law firms to collect and report on the SEB of their workforce, demonstrate how widespread and mature this practice has become.

Despite the overwhelming evidence, most board members were unaware that SEB has been proven to affect people's career progress well beyond their early stages. As firms increasingly use SEB data to shape early-career programmes and diagnose progression gaps (to attract and retain talent), the absence of equivalent attention at board level is striking.

Companies can increasingly describe in detail the socio-economic profile of millions of employees yet have little comparable data about the background and formative perspectives of the people around the board table. Public commitments on social mobility rarely extend to board appointments, board culture or its composition.



## What the evidence tells us



**Nik Miller**

Fellow  
The Bridge Group

Bridge Group research shows that SEB is often the strongest predictor of unequal outcomes in progression, pay and access to senior roles, typically exerting a greater negative effect than gender or ethnicity alone.

These disadvantages compound over time, becoming most visible at senior levels. Many leading firms now recognise this.

[thebridgegroup.org.uk/research](https://thebridgegroup.org.uk/research)

Through initiatives such as Access Accountancy and Progress Together, and sector-wide research across the UK's largest legal and real estate firms, organisations are using SEB workforce data to diagnose barriers, shape talent strategies and measure impact. These initiatives typically involve input and engagement from the most senior organisational executives. Yet this analytical discipline appears to be largely absent at board level.

# Insight

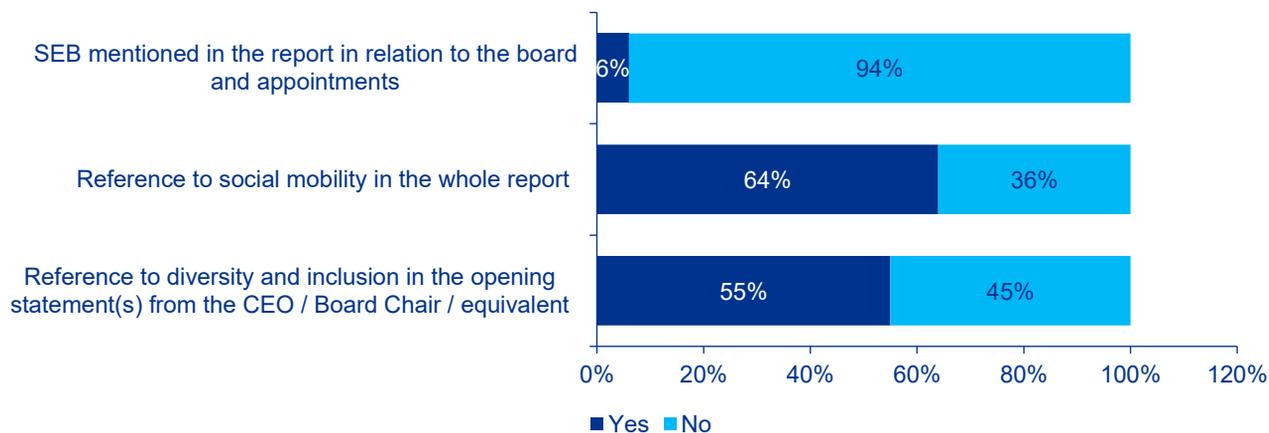
# 04

## Board focus has not kept pace with workforce practice

The figure shows that while many FTSE 100 companies reference diversity and inclusion (55%) in their annual reports and a majority comment on social mobility or socio-economic inclusion in general terms (64%), almost none make any link to SEB at board level. Only 6% mention SEB in relation to board appointments or board composition, a stark indication that SEB remains almost entirely absent from formal board reporting.

85% of the board survey respondents disagreed that their board has open conversations about their members' SEB. However, 59% felt the board should discuss and consider the SEB of current and prospective board members. It's worth noting that data collated by the Social Mobility Foundation for the Social Mobility Employer Index suggests board level SEB data collection, even if not always published.<sup>(a)</sup>

### Percentage of FTSE 100 companies referencing social mobility in annual reports vs specific board-level references (at September 2025)



“ I can confidently say that I have never served on a board where...[socio-economic background is] measured. And I can equally say that it's never featured in any recruitment process for a non-executive director or a senior exec, which is clearly a less frequent occurrence. ”

NED



Note: (a) 83 (59%) of Social Mobility Employer Index 2025 entrants said they measure the SEB of their UK Board, with 78 sharing this data with the Social Mobility Foundation.



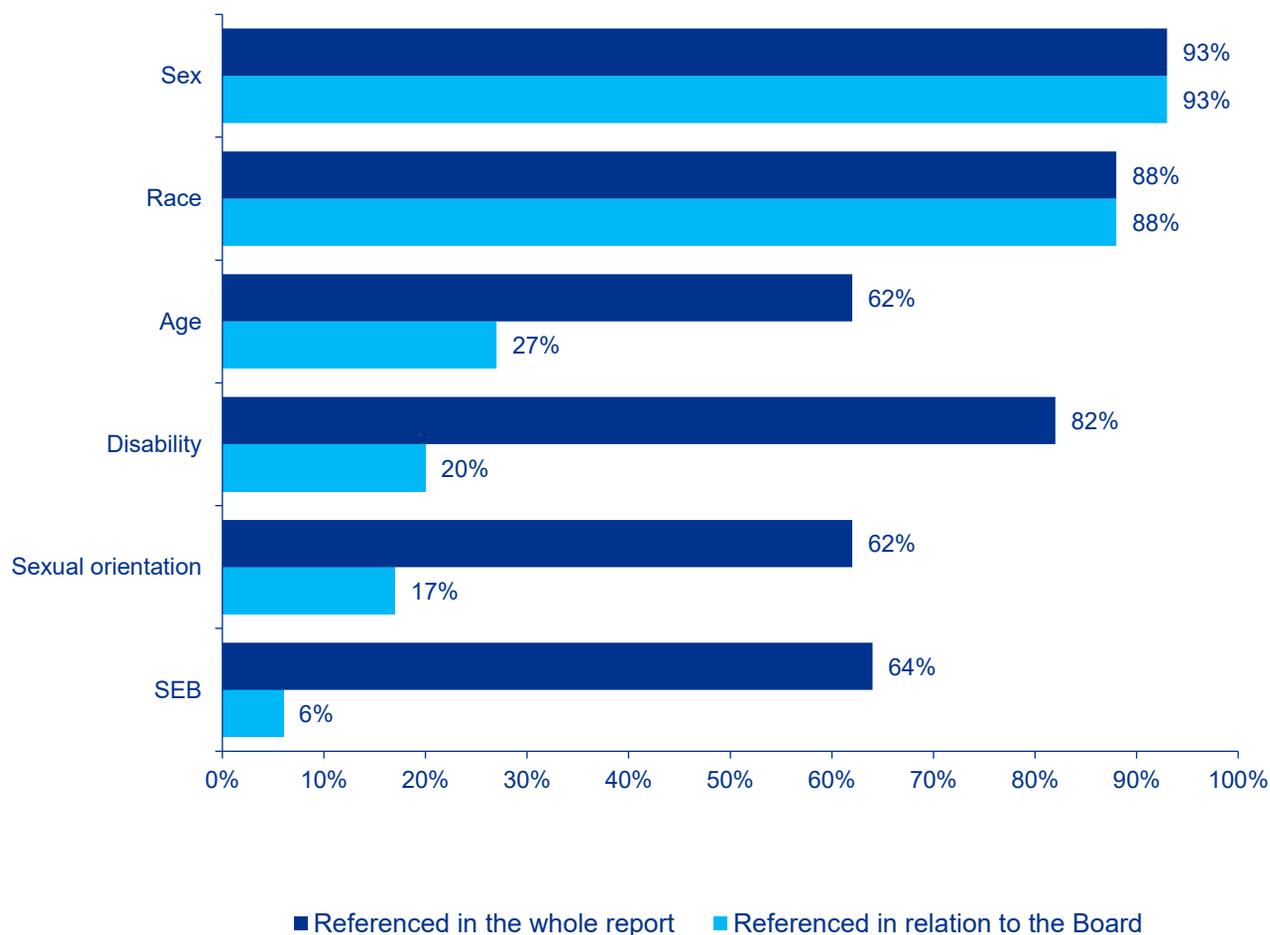
# Boards focus on narrow set of characteristics

The chart below highlights a clear pattern. Race and sex are considered by most organisations, reflecting established reporting expectations and board norms. Other characteristics, including disability, sexual orientation and age, are increasingly referenced in FTSE 100 reporting, but receive far less attention at board level. The widest gaps are for disability and SEB, both visible in workforce reporting yet rarely considered in relation to the board.

These are the areas where governance practice is most out of step with wider organisational focus, and where boards have the greatest opportunity to broaden perspective and strengthen decision-making.

Three in five board survey respondents consider SEB is less important than other diversity metrics.

**Percentage of FTSE 100 companies referencing protected characteristics and SEB - in annual reports vs specific board-level references (at September 2025)**



# Insight

# 05

## External expectations are intensifying

External pressures on boards are rising, and socio-economic inclusion is becoming harder to ignore. Governance developments now emphasise outcome-based reporting, board composition and a wider understanding of stakeholder interests. This reflects a growing expectation that boards show how they are building inclusive, future-focused leadership teams.

Interviewees reflected in detail on this shift. Some felt meaningful progress on socio-economic inclusion would only follow once it became a “national priority” and reporting became expected or required. Others cautioned against regulation that becomes a procedural obligation. Most agreed that proportionate, principles-based expectations

(like early-stage gender reporting) would help set direction without creating unnecessary burden. Those boards that choose to embed socio-economic insight will be viewed as forward-looking, particularly in the context of the Government’s emphasis on growth and skills.

Investor scrutiny is also elevating the social dimensions of corporate performance. Stakeholders increasingly expect boards to reflect workforce realities and societal values, and to be transparent about how they do so. As these pressures intensify, early adopters have a clear advantage: they can shape expectations and build trust ahead of formal scrutiny.



# A proportionate approach to embed socio-economic insight

Socio-economic inclusion is a strategic responsibility, not a discretionary one, as evidenced by the investment among organisations to include this in workforce analysis and talent planning. To bridge the gap and informed by our research, we offer a practical, proportionate framework for boards to adopt now – without regulation but proactively and voluntarily in alignment with other major reviews and codes.

Whilst the general view was that mandatory data reporting was not a helpful way forward, there were some notable exceptions.

New board roles, such as that of the Workforce Director, were also identified by several interviewees as an opportune way to engage further on SEB.

Recognising that organisations will be at varying levels of maturity, we offer a staged framework from foundational steps, strengthening SEB in board governance, to sustaining progress in board practice.



## Foundational steps

- Put SEB on the nominations committee agenda now. Understand the wider context e.g. SEB data in UK population vs on senior positions in business and begin discussing it before formal data is collected.
- Use Workforce Directors and committee chairs to surface SEB-related considerations already visible in the organisation.
- Draw on workforce SEB insights to inform the impact of SEB on the talent pipeline for the board and discussions on culture, risk, and long-term workforce composition more broadly.



## Strengthening SEB in board governance

- Add SEB to the board skills and diversity matrix so it sits alongside skills, experience, gender and ethnicity when shaping role specifications, longlists and succession plans.
- Adopt simple, low-intrusion indicators (such as parental occupation or first-generation university status) to understand the broad SEB profile of the board.
- Compare board SEB profile with the workforce to identify gaps between leadership and employee experience.
- Use voluntary, narrative-based reporting to explain how SEB is being considered in board composition and appointments. Approach SEB as a component of cognitive diversity and strategic resilience, not a compliance exercise.
- Pilot SEB conversations with new appointees, using light-touch, well-framed questions to build comfort and establish shared language.



## Sustaining progress in board practice

- For boards with appointees outside of the UK, draw on emerging best practice guidance to measure SEB in the most appropriate way.
- Task the nominations committee with a socio-economic inclusion audit of the Board appointment process, including the socio-economic diversity of the appointment panel.
- Consider introducing a board apprenticeship scheme to broaden the applicant pool over time.
- As the board becomes more socio-economically diverse, support the chair in maximising the contributions of all board members, building a trusted, safe environment ready to provide healthy challenge and debate.
- Build capability and confidence by integrating SEB into board induction, culture reviews and annual effectiveness evaluations.



# Contacts



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## KPMG Board Leadership Centre

The KPMG Board Leadership Centre offers support and guidance to non-executive directors, whether managing a portfolio non-executive career or embarking on a first appointment. Membership offers you a place within a community of board-level peers with access to topical and relevant seminars, resources and thought leadership, as well as lively and engaging networking opportunities. We equip you with the tools you need to be highly effective in your role, enabling you to focus on the issues that really matter to you and your business. Please [contact us](#) if you would like to become a member.

Learn more at [kpmg.com/uk/en/blc.html](https://kpmg.com/uk/en/blc.html)

## The Bridge Group

The Bridge Group is an independent research charity promoting socio-economic inclusion through evidence, insight and collaboration. We work with FTSE 100 companies and organisations across sectors, asking the right questions, uncovering what works, and using data-led recommendations to strengthen educational and career outcomes. We provide expert facilitation to executives and boards on how to understand and leverage socio-economic inclusion.

Learn more at [thebridgegroup.org.uk](https://thebridgegroup.org.uk)

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