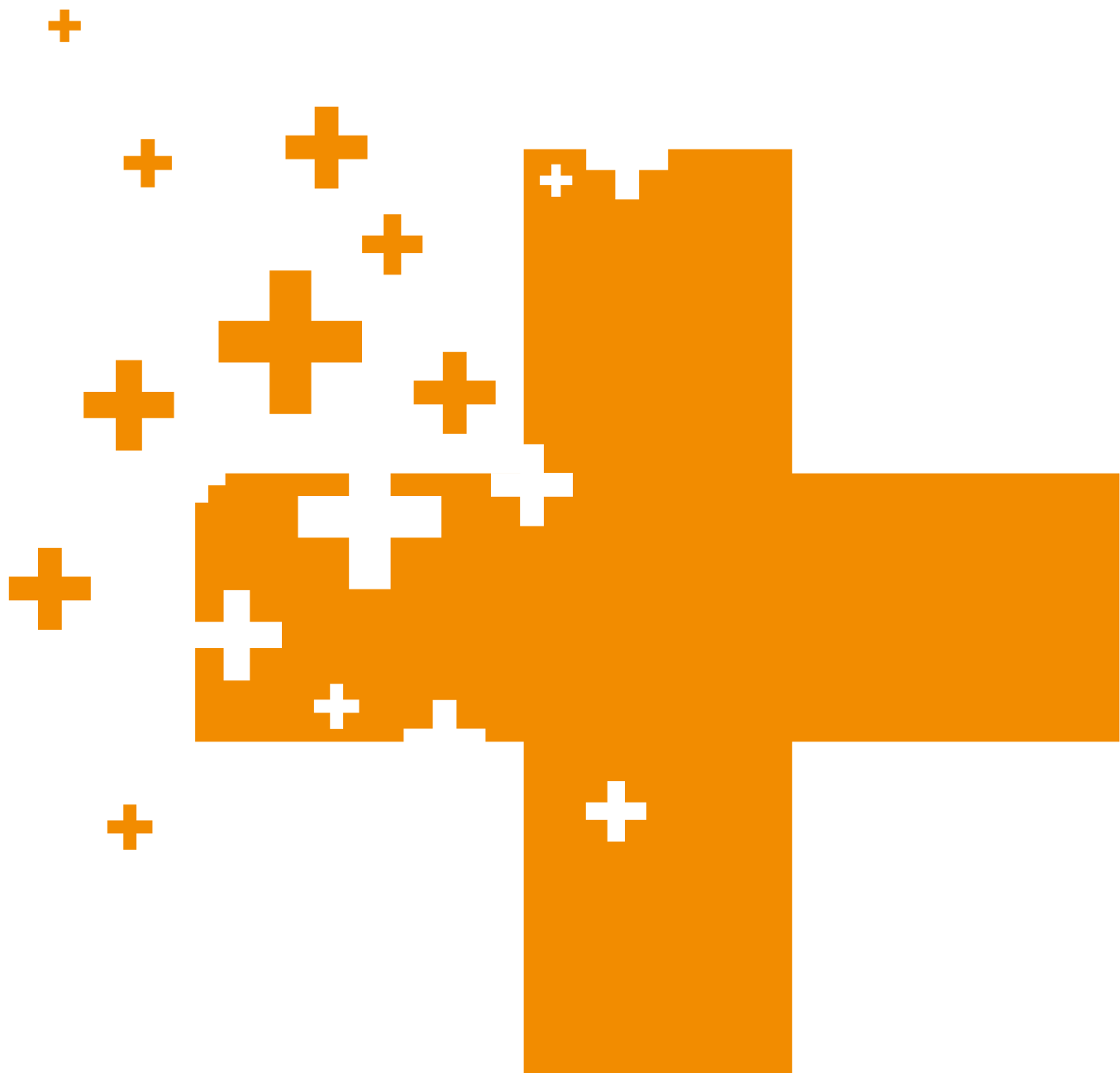


Gender Pay Gap Report

March 2018



CDC is the UK's development finance institution. Our mission is to support the building of businesses throughout Africa and South Asia, to create jobs and make a lasting difference to people's lives in some of the world's poorest places. Through our investments we look to deliver on the UN's Global Goals, which include improving gender equality.

A growing body of research confirms the benefits of diversity to an organisation, from better decision-making and governance and the avoidance of 'group-think', to an improved ability to innovate. At CDC we recognise the immense value of diversity in its broadest terms: gender, ethnicity, age, background, education, thinking styles, religious beliefs, sexual orientation, gender identity, ability and technical skills.

Our vision is to be an organisation that recruits, retains and develops the very best people in an environment that values and celebrates diversity. We need to be able to cast our net as widely as possible so that, in all our teams and at all levels, our employee population reflects the make-up of society and the regions in which we invest. To do this we aim to be an organisation whose policies and processes are without bias and our plans are designed to improve diversity of all types in our teams. Ultimately, we seek a culture of inclusivity and diversity as the foundation of strength to support the execution of our mission.

Building a more inclusive and diverse CDC

In this report we present our gender pay gap, which shows the scale of the challenge before us. We are committed to closing our pay gap and to improving gender diversity and to underline our commitment, we have chosen to publish our gender pay gap ahead of the requirement to do so, as CDC had fewer than 250 employees at the time of measurement on 5 April 2017. We confirm that our calculations are accurate and meet the requirements of the Regulations. Along with our data, we give details of our plans to improve these figures year by year.

As part of our mission, we work with the companies we invest in to develop gender strategies and to improve gender diversity in workforce participation. Alongside our efforts to improve gender diversity within CDC, we will share our goals, insights, strategies and plans with our investment teams and our investee companies to help bring about positive change within CDC and beyond.

Clearly there is much work to be done, but we are determined to meet the challenge. We will pursue opportunities to bring about the sustainable change that will enable us to realise the benefits of a truly diverse and inclusive organisation. As well as continuing to report on our progress in addressing CDC's gender pay gap, we will share our progress on diversity more broadly as we strive to build a more inclusive and dynamic organisation.



Nick O'Donohoe
Chief Executive Officer



Laurie Spengler
Non-executive Director and Chair
People and Remuneration Committee

Understanding the difference between equal pay and the gender pay gap

Equal pay means that men and women in the same employment performing the same jobs, similar jobs or work of equal value receive equal pay, as set out in the Equality Act 2010. It is unlawful to pay people unequally because they are male or female.

The gender pay gap is a measure of the difference between men's and women's average pay in an organisation. If an organisation has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

Our results

Our gender pay gap results

Mean average salary gap	29%
Median average salary gap	33%
Mean average bonus (LTDPP at CDC ¹) gap	25%
Median average bonus gap	32%
Proportion of men receiving a bonus	25%
Proportion of women receiving a bonus	13%

The proportion of men and women in quartiles by salary from low (Quartile 1) to high (Quartile 4)

Pay bands	Male	Female
Quartile 4	75%	25%
Quartile 3	54%	46%
Quartile 2	47%	53%
Quartile 1	23%	77%

Why does CDC have a gender pay gap?

CDC's mean average gender pay gap is 29 per cent. This means that the average salary for all men at CDC is 29 per cent higher than the average salary for all women. There are two drivers of our pay gap. One is the disproportionate number of men at director level and above with commensurately higher salaries - in particular in our investment teams, which have traditionally been very male dominated. The second is the disproportionately high number of women in administrative roles in the lower salary bands. The lack of representation of women in our senior ranks is the core concern for us as an organisation and the rest of this report addresses how we plan to respond to that. In respect of the relative pay of men and women, CDC operates a rigorous, structured remuneration framework agreed with DFID and overseen by the Board. Staff levels are regularly assessed and calibrated to help ensure that we avoid issues about unequal pay.

¹CDC does not operate an annual bonus scheme, but some employees are eligible for a long-term development performance plan award. This award is linked to the development outcome and performance of CDC's portfolio. It is determined by tenure and capped relative to an individual's salary. More information can be found in our Annual Accounts on cdcgroupp.com

Our plan to address the gender pay gap at CDC

Aside from establishing our baseline data, over the past year we have begun to review and improve our policies, connect with external networking organisations and initiate internal dialogue to assess the range of issues requiring attention.

Our plan for 2018 falls into three areas of focus:


- 1** The first is ensuring that work to redress the gender balance is a **top priority for leaders**.
- 2** The second is creating an environment in which **everyone can take part** in the conversation about diversity – gender and other aspects – and that there is energy and activity behind the project.
- 3** The third is the hardest: **pinpointing specific issues** which might be holding women and other under-represented groups back and designing specific critical interventions to address them.

1. A top priority for leaders

Our Executive Committee has agreed a target of at least 30 per cent of senior management roles – of director level and above – to be filled by women within the next five years. Compared with 19 per cent currently, this is stretching - especially given the broad under-representation of women in senior levels of the industry and the difficulties of finding specific experience. However, we are committed to communicating and reporting against this target, recognising that it might be challenging to achieve. We will monitor our statistics and periodically report on progress against our target to the Executive Committee, to the Board's People and Remuneration Committee and to our employees. We are planning to sign up to [HM Treasury's Women in Finance Charter](#) this year.

2. An environment where everyone can take part

Within CDC, we will engage with women at all levels to discuss and devise our action plan, as well as engage with external experts and networks who can accelerate our learning. We will build a culture of open and honest discussion that celebrates difference, educating those with responsibility for managing and hiring on unconscious bias and ways to mitigate it; increasing our emphasis on inclusive behaviours in leaders and managers, and on career development for everyone. We will use our annual staff survey, as well as regular internal meetings, to seek feedback from colleagues as we assess improvement.



3. Pinpointing and addressing specific issues

We will analyse our data to pinpoint areas where there are specific obstacles to overcome, for example within our promotion and recruitment processes.

+ Promotion

A company that can demonstrate progression into senior leadership for all women is likely to attract ambitious, capable women thereby increasing its recruitment talent pool. We are pleased that, below director level, there is an equal gender balance at associate, executive and manager levels at CDC. This shows there is a pipeline of female talent which, as our organisation matures, should help bring on more female directors in coming years. We will continue to monitor the ratio of our cohorts as they progress upwards through the organisation. Over time we aim to redress the pyramid tendency - where fewer and fewer women are promoted - by working towards improved proportionality in promotions to ensure that both genders are promoted from lower to higher grades in roughly the same proportions to that which they are represented in the lower grade.

+ Recruitment

When recruiting, we will require search firms to provide gender-balanced shortlists and we will redesign our recruitment processes to ensure diverse interview panels and feedback in a consistent and structured format. We will interview senior female candidates who approach us speculatively, whether or not we have an open role, to build a network of suitably qualified female applicants. We will also train our recruiters, interviewers and leaders in unconscious bias and develop a de-biasing checklist for recruitment. As part of this effort, we will challenge familiar notions of where and how relevant talent is identified, nurtured and strengthened. The focus will be more on capabilities than on credentials to be sure that we assess individuals based on talent and potential.





Investment works

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