



Gender and Ethnicity Pay Gap Report

**British International Investment plc,
the UK's development finance institution**

November 2024



The view from our CEO and Board

Introduction

In this report we present our UK gender pay gap results covering salary and bonus payments made between 5 April 2023 and 4 April 2024. We confirm that our calculations are accurate and meet the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations. In addition, although we are currently only required by law to publish our gender pay gap, we have also calculated our ethnicity pay gap in line with [UK Government guidance](#). This reflects our commitment to identifying and addressing our pay gaps and to driving a sustained inclusive culture through valuing the diversity of our people and creating a feeling of belonging.

It is encouraging to see that, while female leadership (defined as Directors and Managing Directors) among our UK-based staff remained at 37 per cent between April 2023 and April 2024, it has since increased to 40 per cent as of 31 October 2024. Globally, we are at 39.1 per cent. We will continue to work to increase the proportion of women in senior roles through recruitment and promotion from our pipeline of female talent, reflecting our Board and Senior Management's aspiration to aim to do better and keep challenging ourselves. As signatories of HM Treasury's Women in Finance Charter, we have set ourselves targets which we have twice revised upwards, having previously met them early. At the end of 2023, we had seen little movement within the leadership population, nor had there been significant growth (and therefore opportunity to hire into) that population, and we fell short of our target of 40 per cent in our global leadership being female. We therefore took the decision, with the agreement of our Board, to extend our target to be for 40 per cent of our global leadership to be female by the end of 2026, aligning the target to our overall business strategy period.

The gender pay gap

Between 2023 and 2024 our mean gender pay gap reduced slightly from 21 per cent to 19.9 per cent; the median reduced from 22 per cent to 17.9 per cent; the longer-term trend indicates that the gap continues to close. The gender pay gap is not a result of paying differential salaries to men and women doing comparable roles – this would be illegal. At British International Investment it is the result of two main factors. First, a disproportionate number of men are at director level and above with commensurately higher salaries; second, a higher percentage of our female employees are in more junior administrative roles and in roles within our more operational areas (which are generally less well-paid than roles at a similar level within our Investment teams).

The gender pay gap, however, is driven by the whole population, and our senior leaders only made up around 20 per cent of our UK headcount in April 2024. Overall, 47 per cent of recruits in the year to 4 April 2024 were female but primarily into less senior positions meaning that our more junior roles therefore remain disproportionately female.

In May 2023 the first payments were made under our Long-Term Incentive Performance Plan (LTIPP). Since this pay gap report covers salary and bonus payments made between 5 April 2023 and 4 April 2024, these LTIPP payments are reflected for the first time in this report. Implementation of the LTIPP (1) broadened participation in the scheme, particularly among more junior colleagues; (2) reduced the maximum payouts available under the scheme; and (3) reflected seniority, unlike the previous scheme, rewarding movement up through seniority levels as well as time with the organisation. Payments under the scheme are not a reflection of individual performance, nor are they made on a discretionary basis. They are made, in line with our [Remuneration Framework](#), to all employees in qualifying roles, and reflect overall company performance against a comprehensive set of corporate objectives.

As to the gender bonus gap, over the reporting period the mean gap increased from 18.7 per cent to 26.1 per cent, while the median bonus gap increased from 5 per cent to 43.5 per cent. These increases have been driven, in particular, by increased female participation in the LTIPP at more junior levels of our organisation.

The ethnicity pay gap

Turning to our ethnicity pay gap, this showed an increase in the mean pay gap from 7.7 per cent to 9.2 per cent (the median, however, reduced 11.6 per cent to 6.3 per cent) for black, Asian and minority ethnicity colleagues (BAME) compared to white colleagues. Our ethnicity pay gap is significantly smaller than our gender pay gap and is the result of BAME employees being more consistently represented across the full pay range than female employees. However, following the changes made to our LTIPP, as outlined above, we have seen a similar increase in the mean and median bonus gaps, again due to increased participation in the scheme among more junior ethnic minority employees, with overall LTIPP participation among ethnic minority employees increasing from 34 per cent to 45 per cent.

As with gender, the way to reduce these gaps is to increase the number of BAME colleagues in senior, more high-paid roles. However, comparison of BAME employees as a group generally masks specific pay gaps experienced by Asian and black employees. We have therefore split out the data to show figures for Asian employees, black employees and employees from other ethnic minority groups (MEG), and to show historic disaggregated data, where available. This data is available in the detailed results section below. To maintain the same focus on increasing ethnic diversity as well as gender diversity in our senior team, we had originally set a target for UK-based black leadership of 11 per cent by the end of 2023, but did not meet it. We have now revised this to reflect our shift towards increasing hiring in-region in Africa, and have set a target of reaching and sustaining a global black leadership proportion of 14 per cent by the end of 2026. We are also signatories of the Business in the Community Race at Work Charter.

Conclusion

We continue to focus on developing and maintaining a talent pipeline that is balanced, both by gender and ethnicity. To address the continuing challenges of attracting diverse candidates, particularly into investment roles and senior management roles, we monitor our recruitment practices, such as insisting on diverse shortlists (and keeping some roles open for longer to do this). We also challenge when search firms do not provide sufficiently diverse candidate lists and have engaged specialist, diversity-focused search firms for certain roles.

We remain committed to reducing our pay gaps and improving gender and ethnicity representation throughout the organisation. We will continue our efforts to make British International Investment a diverse and inclusive workplace, fully representative of all stakeholders and enabling all our people to do vital and hugely rewarding work.



Nick O'Donohoe
Chief Executive Officer



Dolika Banda
Non-executive Director and Chair,
People Development and
Remuneration Committee

British International Investment is the UK's development finance institution. We help solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation in some of the most challenging markets. Through our investments we aim to deliver on the UN's Sustainable Development Goals, which include improving gender equality.



Our vision

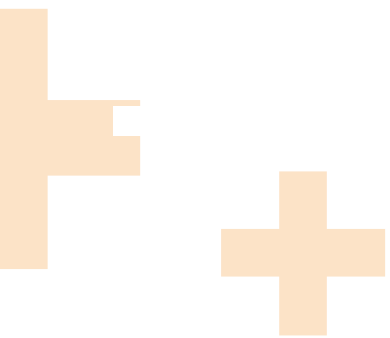
We continue to prioritise improving all types of diversity and creating an inclusive working environment which enables everyone to thrive. The case for a diverse and inclusive organisation is established. The positive impact on employees across our geographically distributed organisation and the advantages of tapping into the widest pool of talent are clear. We also see the business benefits of being able to understand and connect with the people, companies and markets in which we invest so that we make better decisions and improve our business outcomes. By many benchmarks, British International Investment (BII) is highly diverse, but our diversity is not always evenly distributed within the different levels or functions.

As well as improving diversity within our own organisation, we are also committed to using our role as an investor to support inclusive development. This includes helping close the gaps between men and women in the markets and companies in which we invest; promoting black African business owners and promoters operating on the African continent within our portfolio; and demonstrating to the wider investment industry the social and economic value of investing in women and indigenous businesses.

Understanding the difference between equal pay and the gender or ethnicity pay gap

Equal pay means that men and women, or employees of different ethnic backgrounds, 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 on the grounds of gender or ethnicity, as well as the other 'protected characteristics' which include sexual orientation, age and disability.

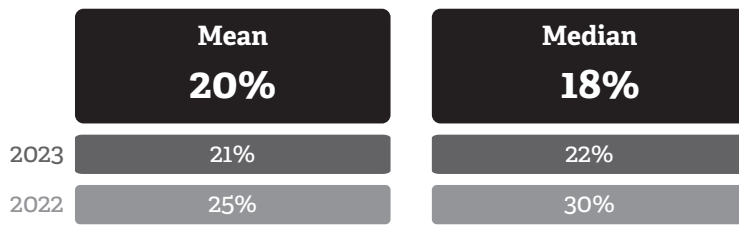
The pay gap is a measure of the difference between the average pay in an organisation – of men and women, or people of different ethnicity. If an organisation has a particularly high pay gap for a group, this can indicate there may be issues to deal with, and the individual calculations can help us to identify what those issues are.



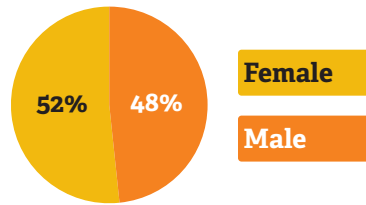
Our results¹

Our gender pay gap results

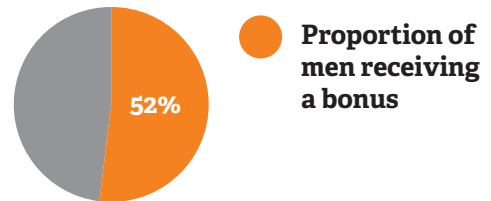
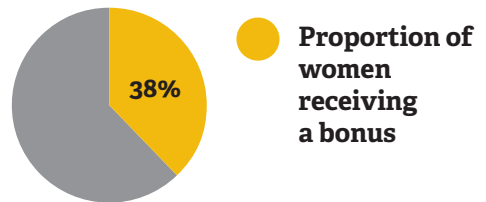
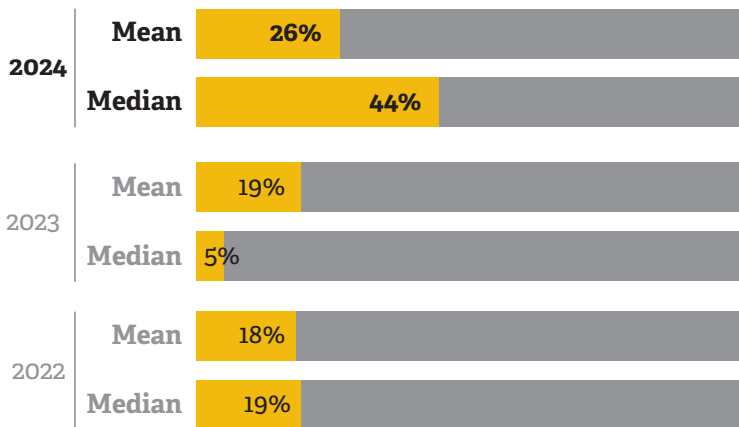
The gender pay gap



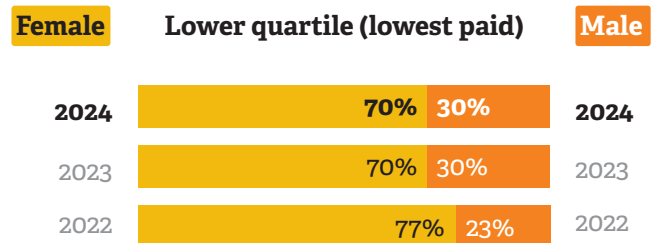
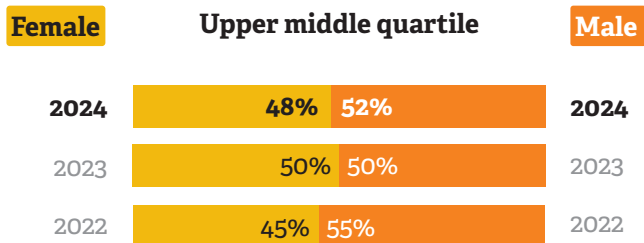
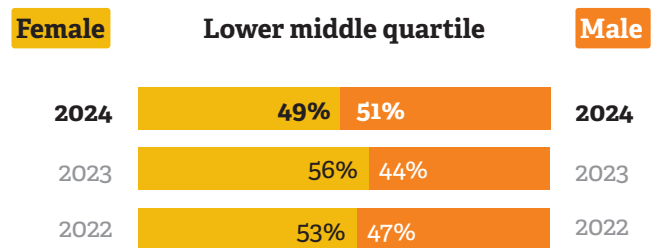
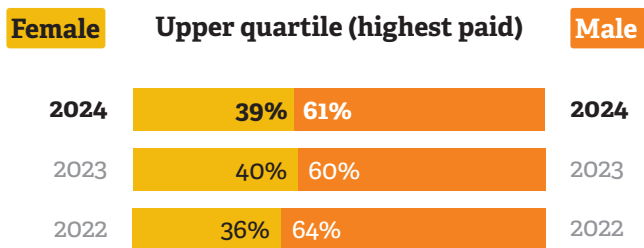
Our gender split



Gender bonus gap



Gender profile by pay quartile



¹We do not operate an annual bonus scheme, but at the time of reporting some employees were eligible for a long-term incentive performance plan award. This award is linked to our performance against our dual mandate of long-term development impact and financial sustainability, and our annual corporate objectives. The level of award is linked to tenure and seniority, capped relative to an individual's salary. More information about the scheme can be found in our [Remuneration Framework](#).

Our results¹

Our ethnicity pay gap results

The ethnicity pay gap

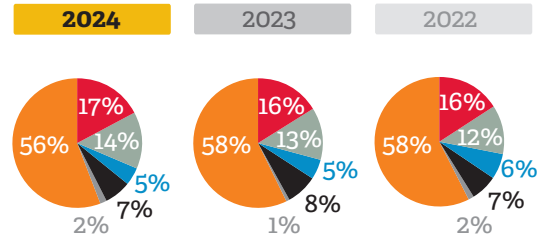
	Asian		Black		MEG		All BAME	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
2024	6%	2%	10%	7%	18%	12%	9%	6%
2023	5%	9%	14%	18%	2%	13%	8%	12%
2022	0%	4%	11%	14%	8%	14%	5%	9%

Ethnicity bonus gap

	Asian		Black		MEG		All BAME	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
2024	9%	-4%	31%	55%	39%	66%	21%	35%
2023	0%	-18%	20%	27%	-24%	-5%	2%	-5%
2022	11%	-1%	-1%	11%	-46%	-52%	1%	2%

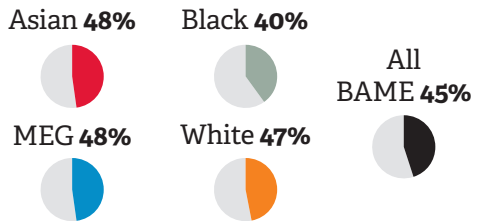
Ethnicity representation /disclosure rates

(data not held for years prior to 2022)



- Asian
- Black
- MEG
- White
- No reply
- Prefer not to say

Proportion of employees receiving a bonus



Ethnicity profile by pay quartile

	Upper quartile (highest paid)				Lower middle quartile			
	Asian	Black	MEG	White	Asian	Black	MEG	White
2024	17%	12%	4%	67%	23%	21%	5%	51%
2023	15%	7%	6%	72%	24%	18%	8%	50%
2022	16%	9%	4%	70%	25%	17%	9%	51%

	Upper middle quartile				Lower quartile (lowest paid)			
	Asian	Black	MEG	White	Asian	Black	MEG	White
2024	22%	17%	3%	58%	15%	14%	7%	65%
2023	19%	13%	4%	64%	14%	18%	5%	65%
2022	20%	12%	7%	63%	10%	15%	8%	67%

¹We do not operate an annual bonus scheme, but at the time of reporting some employees were eligible for a long-term incentive performance plan award. This award is linked to our performance against our dual mandate of long-term development impact and financial sustainability, and our annual corporate objectives. The level of award is linked to tenure and seniority, capped relative to an individual's salary. More information about the scheme can be found in our [Remuneration Framework](#).

Delivering on our plans for reducing the pay gaps

In the year since we last published our gender and ethnicity pay gaps, we have continued to take steps which we believe will help us to achieve a more balanced organisation over time. Alongside gender and ethnicity, we are committed to improving diversity more broadly as we work to strengthen our culture and build a more inclusive organisation.

Monitoring our activities

Through our Performance Evaluation and Development Programme we ensure that individuals are promoted only if they satisfy the requirements of the technical and behavioural competencies for their role, based on objective evidence. We assess our promotion and progression decisions to ensure they reflect the gender balance and ethnic representation of the talent pipeline. We ensure that our talent review process is inclusive when identifying and developing talent.

We monitor our recruitment pipeline by both gender and ethnicity. We ensure that this information is reviewed before successful candidates are made an offer of employment. We place considerable emphasis on recruiting diverse talent, while ensuring that all our processes are fit for purpose, and that our hiring managers have had awareness training on unconscious bias as part of the overall inclusive leadership training. We also make additional effort to reach out to potential female and ethnic minority candidates through our Early Careers programme.

To accelerate our progress on increasing representation in our leadership population (Directors and Managing Directors), we had originally set ourselves challenging gender and ethnicity targets which expired at the end of 2023, and which we were regrettably not able to meet. We have now set new targets which will run until the end of 2026. These targets are informed both by available demographic data and feed into our corporate strategic objectives.



Our broader approach to Diversity, Equity, Inclusion, and Belonging

We have developed a long term DEIB strategy and plan, agreed with our Board and Executive Committee, which defines the actions we will take to the end of 2026.

Our Diversity, Equity, Inclusion & Belonging (DEIB) Strategy

Our DEIB strategy delivers BII values, which contribute to achieving our business outcomes. Three pillars of activity to improve diversity representation are enabled and reinforced by cross-cutting priorities to understand our data and mature our culture. Much of our new activity in 2024 – 2026 concentrates in these two areas.

To build an inclusive culture to which our people feel they belong, and where they feel valued, can learn and develop, and make a positive impact on people's lives.



Our Values:

- impact led and commercially rigorous
- collaborative and caring
- tenacious in face of challenges

Our Strategic Priorities:

Increasing gender diversity in senior roles

Continuing our progress improving gender diversity in senior roles

Increasing ethnic diversity in senior roles

Advancing our commitment to ensure our ethnic diversity in senior roles reflects our markets

Maturing our culture

Recognising the importance of listening to our people and building the skills of inclusion at all levels of BII towards the goal of belonging

Understanding our data

Being data-led in the direction we take and the decisions we make that affect our people

Addressing under-representation

Recognising and providing for individual differences

Values and behaviour

Our company values aim to promote high standards of behaviour. Our values of collaboration and caring are at the heart of our culture; they underline our belief that inclusion and diversity help us take a wider view, generating deeper insights and better ideas.

We continue to embed our values and behaviours within the organisation, including how we manage people – for example, through our Performance Evaluation and Development Programme, and the training we give our leaders and line managers. Our values articulate how we expect everyone at BII to behave towards one another, from entry-level positions through to our Executive and Board, and we measure candidates on their behaviours in line with our values when making promotion decisions. Our Values Commitment explains the behaviours we expect from our people, and the behaviours they in turn can expect from their colleagues. We periodically provide feedback to the Board on the cultural health of the organisation against a wide set of metrics; the framework for these metrics – both quantitative and qualitative – is an expression of our commitment to living our values.

Learning and development

Training programmes are vital to strengthening our culture consistent with our values. To raise awareness of behaviour which falls below our expected standards, we run training on inclusive behaviours to all our people. All new employees are required to complete our Inclusion Essentials module. Our Head of Diversity and Inclusion (D&I) delivers a range of short diversity and inclusion programmes and has implemented an Inclusive Leadership module, initially targeted at our Managing Directors and Directors, with a plan to roll out to our Manager population in due course. Our reverse mentoring programme covers both gender and ethnicity.

Policy improvements

We recognise that parity between women and men cannot be achieved unless there is an equal sharing of domestic work and childcare. We therefore offer enhanced maternity, paternity and shared parental leave and we will keep our leave provision offering under review. Wherever possible we apply our policies globally.

We continue to provide support to expectant mothers through maternity leave guidance and build connections through periodic pre-maternity meetings, alongside the personal coaching sessions we offer before, during and after maternity leave. We also offer coaching for fathers taking long periods of Shared Parental Leave and our buddy programme means expectant mothers can access a buddy before and after family leave. All of this support contributes to our high retention rate of returners.

We also provide support for those undergoing IVF, recognising the stresses put on parents wanting to conceive, and have also developed guidance around menopause and women's health more broadly, as well as providing a wide range of additional wellbeing resources.

Flexible working

We know that many employees welcome increased flexibility. Our employees tell us that they value the hybrid working arrangements we offer to all our staff where practical, and we keep these arrangements under review to ensure we get the right balance between the organisation's and employees' needs.

Employee diversity networks

We have several well-established employee networks which continue to run periodic events throughout the year. We will continue to sponsor the development of other networks when there is sufficient employee appetite to support them.

Governance

The People Development and Remuneration Committee of the Board (PremCo) takes a keen interest in culture and DEIB matters, and the subject is regularly discussed both at Committee meetings and at the main Board.

Employee Forum

Our Employee Forum aims for continuous improvement of our working culture and to strengthen engagement between the Board and our staff. The designated non-executive director for employee engagement leads on this, and is supported by Employee Forum members whose intentionally diverse composition ensures the Board has a broad and rich perspective on workforce considerations.

Although the Board already has several touchpoints with staff, this forum provides another, more focused, opportunity for them to be involved in shaping and contributing to improvements to our culture and employee experience.

Speak-up mechanisms

Our aim is to foster an environment in which everyone feels able to speak up and share their views and opinions. Alongside inclusion training for managers and staff, we have enhanced confidential channels by which employees can share a concern so that we can address issues swiftly and effectively. These channels include an anonymous 'concerns register' and an informal grievance process, as well as via a small group of employees from within the organisation who have been given appropriate training and appointed to provide a point of contact for staff independent of HR. These avenues are promoted to all our employees via various channels.

External memberships

In addition to being signatories of HM Treasury's Women in Finance Charter and Business in the Community's Race at Work Charter, we are members of Working Families, Carers UK and the Employers' Network for Equality and Inclusion (enei).



This document demonstrates the breadth of our work to keep developing the diversity of our workforce, and to build an inclusive working environment.

Our pay gaps show that there is still more to be done.

However, we remain committed to our goals and will continue to develop British International Investment to be a truly inclusive workplace.



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