

Gender and ethnicity pay gap report

Snapshot date: 5 April 2024



Contents



About the British Business Bank	3
Foreword	5
Section one – gender pay	8
Our 2024 gender pay gap at a glance	8
Reporting gender pay gaps – an overview	8
What is our gender pay gap?	11
Section two – ethnicity pay	13
Our 2024 ethnicity pay gap at a glance	13
Reporting ethnicity pay gaps – an overview	15
What is our ethnicity pay gap?	17
Section three – addressing the gaps	19
How are we addressing our gender and ethnicity pay gaps?	19
Women in Finance Charter	23
Other diversity, equity and inclusion (DEI) initiatives	25

About the British Business Bank

The British Business Bank is the UK Government's economic development bank. Our mission is to drive sustainable growth and prosperity across the UK, and to enable the transition to a net zero economy, by improving access to finance for smaller businesses. To achieve this, we design, deliver and manage access to finance programmes for smaller businesses across the UK. Ours is a purpose driven organisation, and our values – commitment, collaboration and creativity – are at the heart of everything we do.

As well as increasing both supply and diversity of finance for UK smaller businesses through our programmes, we work to raise awareness of the finance options available to smaller businesses. This helps support the creation of a sustainable UK economy, with smaller businesses at the heart, driving enduring prosperity for all.



The Bank has four strategic objectives:



Driving sustainable growth:

Ensuring smaller businesses can access the right type of finance they need to start, survive and grow.



Backing innovation:

Ensuring innovative businesses can access the right capital to start and scale.



Unlocking potential:

Unlocking growth by ensuring entrepreneurs can access the finance they need regardless of where and who they are.



Building the modern, green economy:

Financing ground breaking solutions to climate change and helping smaller businesses transition to net zero so they thrive in a green future.

A decade of impact on the UK economy

Since being established in 2014, the British Business Bank has delivered more than £32bn in combined public and private sector funding, supporting 209,000 smaller businesses which are expected to create 250,000 additional jobs and sustain almost 2.3 million existing positions, cementing its role as a critical driver of growth and employment in the UK since its inception.

Smaller businesses supported by the Bank are projected to generate £97bn in additional turnover and around £43bn additional economic output over the lifetime of their finance.

The Bank has successfully supported businesses across the UK, with 84% of businesses supported based outside London, underscoring its commitment to delivering fair access to finance in all Nations and regions. This support is expected to generate significant economic benefits, estimated as at least £1bn in GVA to each of the 12 UK Nations and regions.



The British Business Bank's core programmes support £17.4bn of finance to more than 64,000 smaller businesses*.

* Figures at end March 2024



Foreword

Published annually, our Gender Pay Gap Report allows us to track an important measure of gender equality at the British Business Bank, and to devise strategies to improve diversity, equity and inclusion more broadly as well as the measure specifically.

For the second year we are pleased to report our ethnicity pay gap data. Whilst it is not currently a statutory requirement to report on our ethnicity pay data, we believe doing so is an important indicator of serious intent in driving greater diversity, equity and inclusion.

One of our key strategic objectives as an organisation is to unlock potential by ensuring entrepreneurs can access the finance they need, regardless of where and who they are. If we truly wish to support our customers and achieve this goal, it is vital that we apply a

similar philosophy to diversity, equity and inclusion within the British Business Bank.

Because we believe strongly that diversity, equity and inclusion must all work together for each to succeed, we are committed to nurturing this work continuously across our business.

That means putting people and culture at the heart of our organisation, empowering diverse talent through challenging work that makes a difference, and by ensuring diverse perspectives are being well represented within our own business.

Gender pay

The year in review shows our median gender pay gap has increased by 1.6 percentage points to 17.8%, exceeding the level recorded in 2023. Similarly, our mean gender pay gap has risen by 3.0 percentage points to 11.7%.

On a more positive note, our median bonus gap has substantially reduced by 6.3 percentage points to 37.6% compared to last year, whilst the mean bonus gap has increased by 3.7 percentage points to 28.4%.

Our analysis highlights that, while we have successfully maintained 50% female representation at our Executive level, gender imbalance remains a challenge within middle management and other senior roles.

We acknowledge that the rise in both the mean and median gender pay gap may be concerning, however closing these gaps is a complex, long-term effort rather than a quick fix. The Bank remains fully committed to addressing these disparities and driving meaningful change.

To achieve progress, we recognise the need for a holistic approach that extends beyond representation at senior

level. As part of this commitment, we have developed a People Strategy which integrates our reward, resourcing and talent strategies. Last year, the Bank introduced a refreshed employee value proposition, including total rewards statements, to enhance transparency and engagement. Additionally, we launched a new career framework to provide colleagues with clearer pathways for career progression.

We remain committed to implementing tangible actions that drive progress on our broader diversity, equity and inclusion goals, including reducing our gender pay gap. Our focus is on accountability and continuous improvement, ensuring we deliver lasting change for all our stakeholders.

Ethnicity pay

The year in review shows our median ethnicity pay gap has increased by 2.9 percentage points to 16.6% and our mean ethnicity pay gap of 16.0% has increased by 0.9%. Additionally, our median and mean ethnicity bonus gaps now stand at 45.9% and 43.0% reflecting a significant rise from the, 2023 figures of 28.0% and 36.4%.

To gain deeper insight into the factors influencing these disparities, we have analysed the data across different ethnic groups, including Black, Asian, Mixed or Multiple Ethnic groups and Other Ethnic Minority backgrounds, alongside White colleagues. Our findings show that the ethnicity pay gap is most pronounced among our Black or Black British colleagues, who remain disproportionately underrepresented at senior roles. Addressing this imbalance remains a priority, and we are committed to taking meaningful action in the coming years to drive progress.

Due consideration

Our analysis is not considered in isolation. It is informed by valuable feedback and insights from our employee inclusion resource group, Stronger Together, our Colleague Forum, and from teams across the Bank. This collaborative approach ensures that our actions are aligned with the experiences and needs of our workforce.



To strengthen our gender and ethnic diversity, equity and inclusion, we are committed to the following initiatives:

Adopt strategic workforce planning to enable proactive talent sourcing to build a more diverse pipeline.

Enhance our inclusive recruitment practices by requiring diverse shortlists from external recruitment partners and incorporating blind recruitment where appropriate.

Create an analyst academy to create a structured entry point to attract diverse talent, providing learning and development opportunities to build our leadership pipeline.

Review internal talent and succession pipelines to identify high-potential talent and provide them with tactical targeted development opportunities.

Expand on our career framework to introduce a structured programme to support junior colleagues progress into leadership and senior investment roles.

Our Board and Executive team remain fully committed to our diversity goals and inclusion initiatives. They understand that this is an ongoing journey – one that benefits not only our own colleagues but also our customers and the wider community. I look forward to continued engagement on this critical agenda and to delivering meaningful progress in our performance.

**Louis Taylor,
CEO, British Business Bank**

Our 2024 gender pay gap at a glance

Proportion of male and female colleagues in each pay quartile

Quartile	Headcount		Percentages	
	Male	Female	Male	Female
Upper quartile	91	48	65.5	34.5
Upper middle quartile	83	57	59.3	40.7
Lower middle quartile	63	76	45.3	54.7
Lower quartile	68	72	48.6	51.4

Each pay quartile represents a quarter, or 25%, of our total workforce ranked by pay.

Gender pay gap (As a % of mean/median male pay)

	Male	Female	Pay gap
Median hourly rate	£32.05	£26.34	
Median annual salary	£65,000	£52,250	

	Male	Female	Pay gap
Mean hourly rate	£35.03	£30.93	
Mean annual salary	£71,074.50	£62,409	

Gender bonus gap

(As a % of mean/median male bonus)

Element	2024
Median %	43.9
Mean %	24.7

Proportion of male and female colleagues (Based upon 558 colleagues at our snapshot date of 5 April 2024)

Gender	2024
Male %	54.7
Female %	45.3

Proportion of male and female colleagues receiving bonuses

Gender	2024
Male %	80.2
Female %	76.6



Reporting gender pay gaps - an overview

In the UK, public, private and voluntary sector organisations with 250 or more employees are required to report on their gender pay gaps annually.

The reports show the difference between the average earnings of men and women, expressed relative to men's earnings. If an organisation reports a gender pay gap, it does not mean women are paid less than men for doing the same job, but it does show that, on average, men occupy higher-paying roles than women. Employers must report six different measures, based on a snapshot of pay data on a date set out by the Government Equalities Office:



Median gender pay gap – the difference between the median hourly rate of pay of male full-pay relevant colleagues and that of female full-pay relevant colleagues.



Mean (average) gender bonus gap – the difference between the mean bonus paid to male relevant colleagues and that paid to female relevant colleagues.



Bonus proportions – the proportions of male and female relevant colleagues who were paid a bonus during the relevant period.



Mean (average) gender pay gap – the difference between the mean hourly rate of pay of male full-pay relevant colleagues and that of female full-pay relevant colleagues.



Median gender bonus gap – the difference between the median bonus paid to male relevant colleagues and that paid to female relevant colleagues.



Quartile pay bands – the proportions of male and female full-pay relevant colleagues in the lower, lower-middle, upper-middle and upper quartile pay bands.



Additional definitions

Mean is the average of a set of numbers is calculated by adding up all the values and then dividing the sum by the total number of values.

Median is a measure of central tendency in a set of data. It represents the middle value when the data set is ordered or ranked.

Hourly pay is the total of salary and any cash allowances paid, before any deductions for tax, calculated as an hourly rate. The figure used for the 2024 gender pay gap is the hourly pay for April 2024. Colleagues who did not receive their normal full pay during that month for any reason are excluded from the calculation.

Bonus for the purpose of calculating the bonus gap is the total bonus and/or long-term incentive paid during the previous 12 months to all colleagues who were employed on the snapshot date of 5 April 2024. For the Bank, this means bonus payments made in June and August 2023 in respect of the financial year ending 31 March 2023, and long-term incentive payments made in August 2023 in respect of the three-year performance cycle that ended in March 2023.

Headlines about the gender pay gap tend to focus on the median figure, which ignores extremes and is therefore thought to be the most representative measure. It is, however, important to report all of these measures. Each one tells you something different about the underlying causes of the gender pay gap and each one can mask issues that another may highlight.

If there is a big difference between an organisation's mean and median pay gap, this indicates that the dataset is skewed – either by the presence of very low earners (making the mean lower than the median), or by a group of very high earners (making the mean bigger than the median).

Taking a 'snapshot' of this data on a set date, as required by regulation, creates a level playing field for all reporting organisations. However, it masks the fluidity of gender pay gaps, which can fluctuate from month to month and across pay quartiles depending on changes to headcount.

What is our gender pay gap?

Colleague profile

In the UK we had 558 colleagues on the snapshot date of 5 April 2024, of whom 305 were men (55%) and 253 were women (45%).



Our gender pay gap

Our analysis shows that the median gender pay gap between men and women's earnings is 17.8%, based on hourly rates of pay at the snapshot date. This is an increase of 1.6 percentage points from the gap we reported in 2023. Our mean gender pay gap has also increased to 11.7%, from 8.7% last year (3.0 percentage points). The gender pay gap is calculated as the difference between average hourly earnings of men and women as a proportion of men's average hourly earnings. It is a measure across all jobs in the company, not of the difference in pay between men and women for doing the same job.

The proportion of men and women in more senior, higher-paid roles, has a significant influence on our gender pay gap. At the snapshot date for the gender pay gap, 61.46% of all colleagues at Senior Manager level and above (Bands 1 to 5) were men (an increase of 1.46% since 2023), while at our most junior levels (Band 6 & 7), the distribution is weighted towards females, filling 53.1% of roles at these levels.

Since our 2023 report, we have had no change in the proportion of men and women in the Bank's workforce in the year to April 2024.. The percentage of female colleagues is 45.3% and male colleagues is 54.7%.

When we look at our analysis by office location, we can see there is a higher gender pay gap in Sheffield when compared to London. The proportion and gender split of senior bands in Sheffield contributes significantly to this disparity. Of the Band 4 roles held in Sheffield at the snapshot date, 77.8% were held by men and 22.2% by women. The types of roles fulfilled by men and women also play a part here, with men primarily sitting within higher paid occupations than women. Of the Band 5 roles held in Sheffield at the snapshot date, 65.1% were



held by men and 34.9% by women. London shows a similar pattern but with less impact due to increased representation of women in Bands 4 and 5.

The under-representation of women in senior roles, a trend observed across many UK employers and more specifically within financial services, remains a key focus for the Bank. This under-representation contributes significantly to the Bank's gender pay gap. However, when we analyse the pay gap within each employee grade ('Band'), the gap is considerably smaller. Showing that the checks the Bank has in place to ensure that men and women to be paid equitably based on their role, skills and experience; are effective.

Despite the increases we have seen this year in our mean and median gender pay gaps, we recognise the importance of continuous improvement. We are committed to taking action to ensure our policies and practices remain fair and that involves regular reviews of decisions related to the Bank's reward and talent processes.

Later in this report, we outline several initiatives which have been designed to increase diverse representation in the Bank's leadership positions, we'll also provide updates on our progress towards the Women in Finance targets as of July 2024.

Our gender bonus gap

The median gender bonus gap stands at 37.6%, marking a notable decrease from last year's 43.9%. By contrast, the mean gender bonus gap has shifted from 24.7% to 28.4%, an increase of 3.7 percentage points.

The 2024 gender bonus gap figures are based on bonus payments made in June and August 2023, covering the financial year that ended on 31 March 2023. During this period, 76.6% (210) of female colleagues and 80.2% (251) of male colleagues received a bonus. Eligibility was limited to those who joined the Bank on or before 31 December 2022. For both men and women, the proportion of colleagues receiving a bonus closely mirrored the proportion eligible for a bonus or long-term incentive award. Recruitment throughout the bonus year meant that some new joiners (116, or 19.8%) were not eligible for a bonus.

Several factors influence an individual colleague's bonus or long-term incentive award. These plans include components linked to the Bank's overall performance against strategic objectives and to individual performance ratings for the bonus year. We rigorously monitor performance ratings annually to ensure equal distribution between male and female colleagues.

Bonus and long-term incentive opportunities generally increase with seniority, measured as a percentage of salary. This structure, common across many organisations, affects our bonus gap since a higher proportion of senior roles are held by male colleagues.

Part-time working also significantly impacts the gender bonus gap. Regulations stipulate that actual bonus, rather than full-time equivalent figures, must be used in calculations. Given that 4.7% of roles at the Bank are part-time and 80.7% of these are held by women, the current methodology disproportionately affects the average bonuses of female colleagues.

Additional factors affecting bonus levels include individual length of service within the year and deferred incentive payments for senior colleagues (Bands 1 and 2), which can be postponed for up to two years.

Once performance ratings are set, there is minimal discretion for managers to alter bonus or incentive plan outcomes. We are confident that our gender bonus gap reflects structural factors, such as the gender distribution across senior roles, rather than gender-related bias. Our commitment to fairness is upheld through comprehensive line manager training, clear guidance, and stringent governance processes to ensure all pay and bonus decisions are free from bias.

Our 2024 ethnicity pay gap at a glance

Proportion of White and Other Ethnic Minority colleagues in each pay quartile

Quartile	Headcount		Percentages	
	White	Black, Asian, Mixed or Multiple Ethnic groups and Other Ethnic backgrounds	White	Black, Asian, Mixed or Multiple Ethnic groups and Other Ethnic backgrounds
Upper quartile	106	19	84.8	15.2
Upper middle quartile	100	26	79.4	20.6
Lower middle quartile	101	25	80.2	19.8
Lower quartile	76	43	63.9	36.1

Each pay quartile represents a quarter, or 25%, of our total workforce ranked by pay.

Ethnicity pay gap (As a % of mean/median white pay)

The difference in our median pay for different ethnic groups

	White	Black, Asian, Mixed or Multiple Ethnic groups and Other Ethnic backgrounds	Pay gap
Median hourly rate	£30.19	£25.19	16.6%
Median annual salary	£63,000	£51,000	

The difference in our mean pay for different ethnic groups

	White	Black, Asian, Mixed or Multiple Ethnic groups and Other Ethnic backgrounds	Pay gap
Mean hourly rate	£34.54	£29.00	16.0%
Mean annual salary	£70,213	£57,994	



Our 2024 ethnicity pay gap at a glance

Our mean and median pay gaps by ethnicity

Ethnicity Group	Number of colleagues who disclosed ethnicity	Median %	Mean %
Asian or Asian British	62	15.8	19.9
Black or Black British	27	36.4	21.7
Mixed or Multiple Ethnic groups and Other Ethnic Minority backgrounds	24	-4.4	-0.3
Total Black, Asian, Mixed or Multiple Ethnic groups or Other Ethnic Minority backgrounds	113	16.6	16.0

Ethnicity bonus gap (As a % of mean/median White bonus)

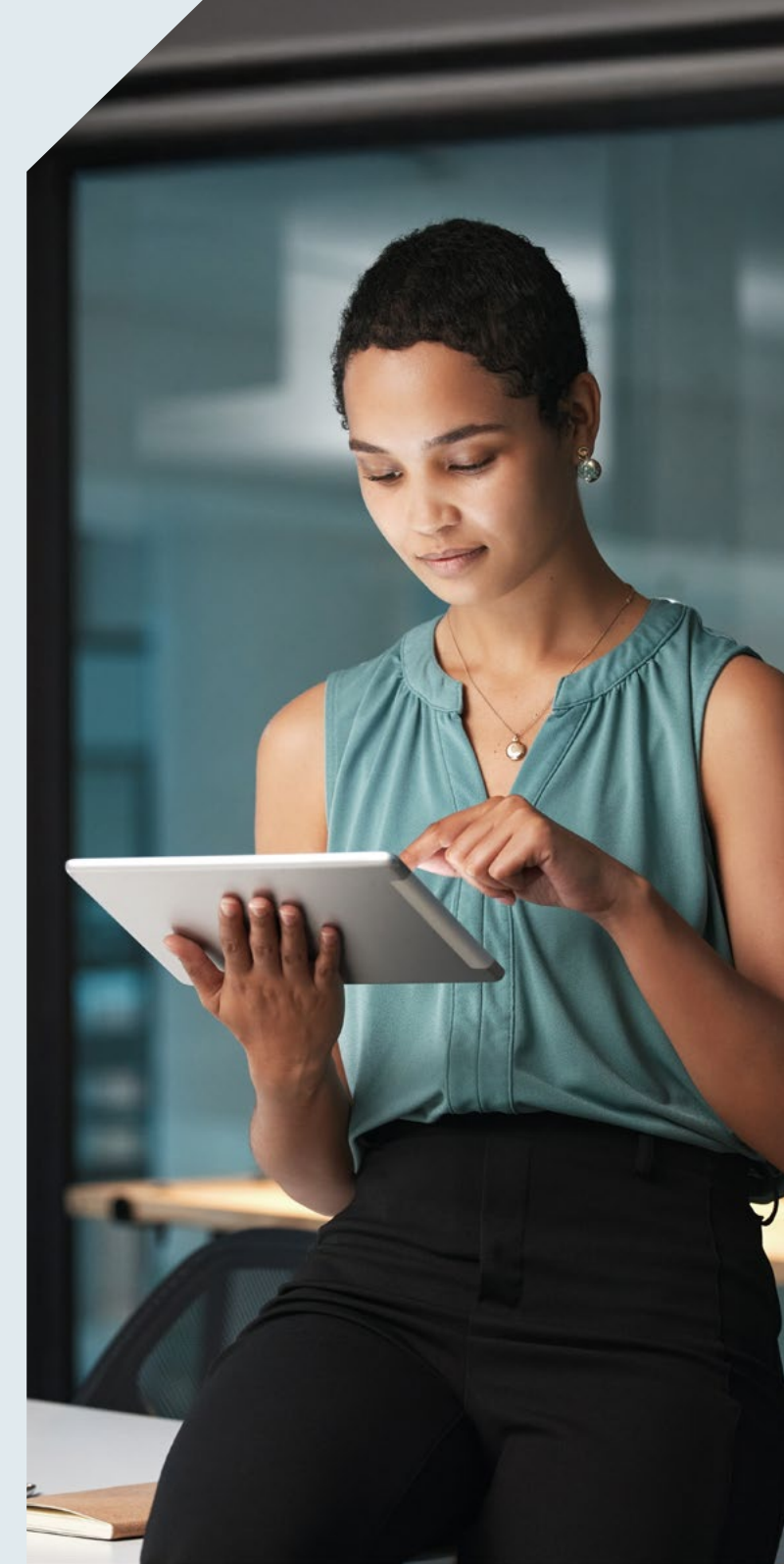
Element	2024
Median %	43.0
Mean %	45.9

Proportion of White and Black, Asian, Mixed or Multiple Ethnic groups and Other Ethnic Minority background colleagues (Based upon 496 colleagues at our snapshot date of 5 April 2024)

Ethnicity Group	2024
White %	77.2
Black, Asian, Mixed or Multiple Ethnic groups or Other Ethnic Minority backgrounds %	22.8

Proportion of White colleagues and Black, Asian, Mixed or Multiple Ethnic groups and Other Ethnic Minority background colleagues receiving bonuses

Ethnicity Group	2024
White %	84.1
Black, Asian, Mixed or Multiple Ethnic groups or Other Ethnic Minority backgrounds %	64.7



Reporting ethnicity pay gaps - an overview

The UK workforce reflects the UK's increasingly diverse society but there is still more to be done to remove barriers to entering the labour market and to ensure pay and progression in the workplace is fair for all ethnic groups.

While ethnicity pay reporting is voluntary, many employers already report on their ethnicity pay data. In April 2024, the government released their first guidance which set out a consistent approach to measuring pay differences.

Guidance for ethnicity pay reporting recommends that those publishing ethnicity data report in the same way that organisations in the UK are required to report on gender pay gaps, using the following six measures:



median ethnicity pay gap – the difference between the median hourly rate of pay of White full-pay relevant colleagues and that of full-pay relevant colleagues from other ethnic backgrounds.



mean (average) ethnicity pay gap – the difference between the mean hourly rate of pay of White full-pay relevant colleagues and that of full-pay relevant colleagues from other ethnic backgrounds.



median ethnicity bonus gap – the difference between the median bonus paid to White relevant colleagues and that paid to relevant colleagues from other ethnic minority backgrounds.



mean (average) ethnicity bonus gap – the difference between the mean bonus paid to White relevant colleagues and that paid to relevant colleagues from other ethnic minority backgrounds.



bonus proportions – the proportions of relevant colleagues from White and other ethnic minority backgrounds who were paid bonus during the relevant period.



quartile pay bands – the proportions of full-pay relevant colleagues from White and other ethnic minority backgrounds in the lower, lower-middle, upper-middle and upper quartile pay bands.



Additional definitions

Mean is the average of a set of numbers is calculated by adding up all the values and then dividing the sum by the total number of values.

Median is a measure of central tendency in a set of data. It represents the middle value when the data set is ordered or ranked.

Hourly pay is the total of salary and any cash allowances paid, before any deductions for tax, calculated as an hourly rate. The figure used for the 2024 gender pay gap is the hourly pay for April 2024. Colleagues who did not receive their normal full pay during that month for any reason are excluded from the calculation.

Bonus for the purpose of calculating the bonus gap is the total bonus and/or long-term incentive paid during the previous 12 months to all colleagues who were employed on the snapshot date of 5 April 2024. For the Bank, this means bonus payments made in June and August 2023 in respect of the financial year ending 31 March 2023, and long-term incentive payments made in August 2023 in respect of the three-year performance cycle that ended in March 2023.

What is our ethnicity pay gap?



Colleague profile

In the UK we had 560 colleagues on the snapshot date of 5 April 2024. 88.6% (496) of our colleagues openly disclosed their ethnicity to us. Of those, 383 (77.2%) are White (including White British, White Irish and any other White colleagues) and 113 (22.8%) are from Black, Asian, Mixed or Multiple Ethnic groups, or Other Ethnic Minority backgrounds. We are pleased to have such a high disclosure rate as we continue to work towards an inclusive and open culture.

Our ethnicity pay gap

Our analysis shows that the median ethnicity pay gap between White and Black, Asian, Mixed or Multiple Ethnic groups and Other Ethnic Minority backgrounds' earnings is 16.6% an increase of 2.9% since last year, based on hourly rates of pay at the snapshot date. Our mean ethnicity pay gap is 16.0%. an increase of 0.9% since last year.

The ethnicity pay gap is calculated as the difference between average hourly earnings of White and Black, Asian, Mixed or Multiple Ethnic groups, and Other Ethnic Minority backgrounds as a proportion of White colleague's average hourly earnings. It is a measure across all jobs in the company, not of the difference in pay between White and Black, Asian, Mixed or Multiple Ethnic groups, and Other Ethnic Minority backgrounds' for doing the same job.

The factors influencing the Bank's ethnicity pay gap are similar to those impacting our gender pay gap. We have lower ethnic minority representation in senior leadership positions (Bands 1 to 5) that attract a higher rate of pay, compared to White colleague representation.



Only 16.54% (45) of the senior leadership positions are filled by colleagues from Black, Asian, Mixed or Multiple Ethnic groups, and Other Ethnic Minority backgrounds compared to 30.36% (68) of colleagues at the junior level (Bands 6 and 7). When we look at the ethnicity pay gap analysis by band, we see much lower percentages across mean and median pay gap calculations, signalling that at the Bank we pay colleagues fairly and equitably in the same or similar roles. However, when we look at the overall pay gap, this is driven by the mean and median point being higher in White colleagues due to the higher proportion of senior roles which are fulfilled by colleagues who are White.

We recognise that these results are challenging, given that this is the second year we have published the Bank's ethnicity pay gap. However, transparency is a crucial part of our approach, and voluntarily publishing our ethnicity pay gap data allows us to hold the mirror up to ourselves, acknowledge where progress is needed, and remain accountable for driving meaningful change. In a later section, we will outline the steps we are taking to address both our gender and ethnicity pay gaps.

Our ethnicity bonus gap

The median ethnicity bonus gap between White and Black, Asian, Mixed or Multiple Ethnic groups, and Other Ethnic Minority backgrounds' bonus payments is 43.0%. Our mean ethnicity bonus gap is 45.9%.

The 2024 ethnicity bonus gap reflects bonus payments made in June and August 2023, in respect of the financial year ending 31 March 2023. During this period, 64.7% (77) of Black, Asian, Mixed or Multiple Ethnic groups, and Other Ethnic Minority backgrounds' colleagues, and 84.1% (333) of White colleagues received a bonus. Only colleagues who joined the Bank on or before 31 December 2023 were eligible, and the proportion of colleagues receiving a bonus closely reflected the proportion who were eligible for a bonus or long-term incentive award. The Bank continued to grow rapidly during the bonus year, which is why – for both White and Black, Asian, Mixed or Multiple Ethnic groups and Other Ethnic Minority backgrounds' – a portion of joiners (90 (17.5%)) were not eligible for a bonus.

As outlined earlier in the 'What is our Gender Pay Gap?' section there are several factors that can influence the level of an individual colleague's bonus or long-term

incentive award. Our ethnicity bonus gap is driven by structural factors, particularly the lower representation of Black, Asian, Mixed or Multiple Ethnic groups, and Other Ethnic Minority backgrounds in senior leadership roles at the Bank, where bonuses as a proportion of salary, are higher. Our approach to pay and bonus decisions is grounded in fairness, and we actively review the outcomes of our pay review and performance rating processes to ensure consistency and equity. Through this approach, we strive to mitigate any unintended disparities and uphold a reward structure that reflects our commitment to fairness.

How are we addressing our gender and ethnicity pay gap?

Increases in our gender and ethnicity pay gaps are not where the Bank wants to be. We recognise that addressing the structural imbalances within our organisation, particularly at senior leadership and middle management levels, requires a long-term and intentional approach to developing a more diverse talent pipeline. Reducing these gaps is not a challenge that can be resolved in a single year; rather, it demands a strategic focus on how we attract, develop, and retain diverse talent at all levels. While the impact of our actions may not be immediate, they are essential for driving meaningful, sustainable change that will deliver long-term benefits.





In 2023 the Bank set out its first diversity, equity and inclusion strategy, which aims to close diversity gaps within our leadership, ensure equitable access to opportunities and resources and promote a culture of inclusion to unlock the potential of the Bank’s diverse talent.

We recognise that our organisation should represent the communities that we serve and that internally we need to meet the market standards that we set for our delivery partners to continue to create an environment where diverse talent can thrive. Since the launch of the strategy, we have:

Established measurement of key metrics, including the level of inclusion felt by our colleagues through our annual employee engagement survey.

Driven accountability through shared leadership people focused objectives.

Continued to analyse our recruitment processes to ensure they are fair and free from bias.

Updated key policies and processes including our secondment and promotion principles, family leave policies and the Bank’s diversity, equity, and inclusion policy.

Implemented the first phase of the Bank’s new career framework providing clearer and more defined routes for career progression.

Launched a structured internal mentoring scheme.

Updated our leadership behavioural framework to ensure an inclusive approach is a pillar in our leadership.

Tested and calibrated our talent, succession and performance management processes to ensure there is no bias towards any protected characteristics, including gender and ethnicity.

Despite the progress we have made internally to ensure diversity, equity and inclusion are embedded into everything we do, we know we still can do more to address the structural imbalances which are contributing to the pay gaps in our organisation. The actions we have already taken highlight initiatives that enhance inclusion across the Bank, a more deliberate and targeted approach is required to reduce both the gender and ethnicity pay gaps. Addressing these disparities will require a combination of long-term structural changes and interventions that deliver impact.

Through our upcoming people strategy, we plan to introduce:



Strategic Workforce Planning

Taking a more intentional approach to resourcing by assessing workforce needs with a longer-term view. This will ensure we have the right skills at the right time and enable us to proactively plan how and where we source talent.



Enhancements to Inclusive Recruitment Practices

Reinforcing our commitment to equitable hiring by mandating diverse shortlists from external recruitment partners and, where appropriate, incorporating blind recruitment to further minimise the risk of bias in selection processes.



An analyst academy

Establishing a dedicated entry point into financial services, allowing us to continue to attract diverse talent at junior levels. The Analyst Academy will provide structured learning and development, helping to cultivate the next generation of financial services professionals.



Targeted Talent Development

Strengthening our talent review and succession planning processes to identify high-potential internal talent and provide them with targeted talent development.



Internal Leadership Pathways

Exploring opportunities to develop an internal talent programme that supports the progression of junior colleagues into leadership roles and senior investment manager positions, ensuring a clear and structured career trajectory.

The Bank remains committed to diversity, equity, and inclusion and recognises the value of diverse talent to enable the Bank to meet its strategic objectives. Our policies and programmes are designed to unlock the potential of our colleagues and cultivate a diverse community where talent is recognised and thrives. We continually review our policies and processes alongside our employee resource groups with the intention to further encourage conversations about diversity, equity and inclusion, to promote understanding, collaboration and a healthy, inclusive working environment.



Diversity data and our people processes

It is our ongoing commitment to continuously monitor and safeguard the integrity and fairness of our policies, processes, and structures to ensure equal opportunities for all:



We test our annual pay progression and promotions for any differences between men and women.



We test our bonus awards for any gender differences in the percentages of bonus pay-outs relative to their bonus opportunities.



We have an internal job evaluation system which considers the scope and the breadth of each role irrespective of the jobholder. This means that our internal Bands are not decided based on the person doing the job (in which case the system could be susceptible to biases) but based on the content of the job.



We test our yearly talent and performance management processes for representation against the wider organisational population.



We collect data to analyse our attraction and recruitment processes.

Women in Finance Charter

In March 2018, the Bank signed up to HM Treasury's Women in Finance Charter which commits firms to supporting the progression of women into senior roles in the financial services sector by focusing on the executive pipeline and the mid-tier level.

The Charter was established in 2016, following a government review in 2015 which found that women made up only 14% of executive committees in the financial services sector. The Charter asks financial services firms to commit to four industry actions to foster gender balance in senior managerial roles. These are:

- 1 Having one member of our senior executive team who is responsible and accountable for gender diversity and inclusion.
- 2 Setting internal targets for gender diversity in our senior management.
- 3 Publishing progress annually against these targets in reports on our website.
- 4 Having an intention to ensure the pay of the senior executive team is linked to delivery against these internal targets on gender diversity.



Our commitment to the Charter

Over 400 firms, covering more than 1.3 million employees, have voluntarily signed the Charter, and are covered by its aspiration to tackle gender inequality in financial services. Charter signatories have increased female representation to 35% on average, up from 34% in 2022. This one percentage point average increase year-on-year has been slow and consistent since the Charter launched, and at this pace the signatory average should reach parity in 2038 – but not across all sectors.

Since pledging to the Charter in 2018, the Bank has grown significantly to almost 600 colleagues. Through our signatory to the Charter, we are pledging to be one of the leading businesses in the financial services sector on the path to reduce gender imbalance.

Our commitment in September 2022 was:

- That by end-September 2025, we will maintain at least 50% female representation within our Executive Committee, including attendees (within a 10% tolerance)
- That by end-September 2025, we aim to achieve 40% female representation amongst our senior leadership team and feeder pipelines [Managing Directors and Directors]
- That we would appoint one member of our senior executive team to be responsible and accountable for our commitments to the Women in Finance Charter. Because we consider this a priority for the business, we made this the responsibility of our Chief Executive Officer
- That we intended to link the pay of the senior executive team to delivery against our internal targets on gender diversity. We have a diversity objective included in the performance appraisal process for our senior executive team.

As part of our commitment to the Charter, we reported our progress against our targets as at July 2024 as follows:

50%
of our Executive Committee members were women, up from 46% in 2023.

38.9%
of our senior leadership team* and feeder pipelines were women.

We're continuing to work towards our targets ahead of our deadline in September 2025, at which point we'll be setting new three-year targets under the charter to achieve by September 2028.

*[Managing Directors and Directors]

Other diversity, equity and inclusion (DEI) initiatives

We are proud to partner with the following organisations:

Inclusive Employers



Disability Confident Employer



RNIB Visibility Better Employer (RNIB)





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Declaration: I confirm that British Business Bank's gender pay gap calculations are accurate and meet the requirements of the Regulations.

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