

Equity, Diversity and Inclusion
ANNUAL REPORT 2024

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From our CEO



I am delighted to present FSD Africa's inaugural EDI Report, marking the first year of implementing our EDI Strategy. In the past year (2023), we've made significant strides in advancing equity, diversity and inclusion throughout our organisation. In this report, we celebrate the integration of progressive EDI practices across our work, and look ahead to our next steps.

The first year of our strategy has seen us take tangible actions. Among these, we've established an EDI hub on the FSD Africa intranet, laid the foundations for Employee Resource Groups, nominated and trained a team of EDI Champions and facilitated training for leadership.

Importantly, we've also put in place our EDI Measurement Plan, so we can track our progress over the coming years and hold ourselves continually to account.

As we enter the next exciting phase of EDI implementation, we are dedicated to broadening engagement at all levels. We'll continue to explore innovative ways to bring our growing community with us as we advance our EDI Strategy. We're also dedicated to aligning with inclusive employer standards, integrating an intersectional perspective into every facet of our EDI interventions.

We are still in the early stages of our EDI journey. However, I am confident that we have laid a solid foundation to effect real change in our workforce and workplace.

Thank you for joining us on this transformative journey towards equity, diversity and inclusion at FSD Africa.

Mark Napier

Chief Executive Officer

Introduction

To provide our EDI journey with purpose, structure and drive, we've developed a three-year Equity, Diversity and Inclusion Strategy (2022–2025).

[Click to view our three-year Equity, Diversity and Inclusion Strategy \(2022–2025\)](#)

This report provides an overview of our EDI efforts in 2023: the first year of our three-year EDI Strategy.

It outlines three things:



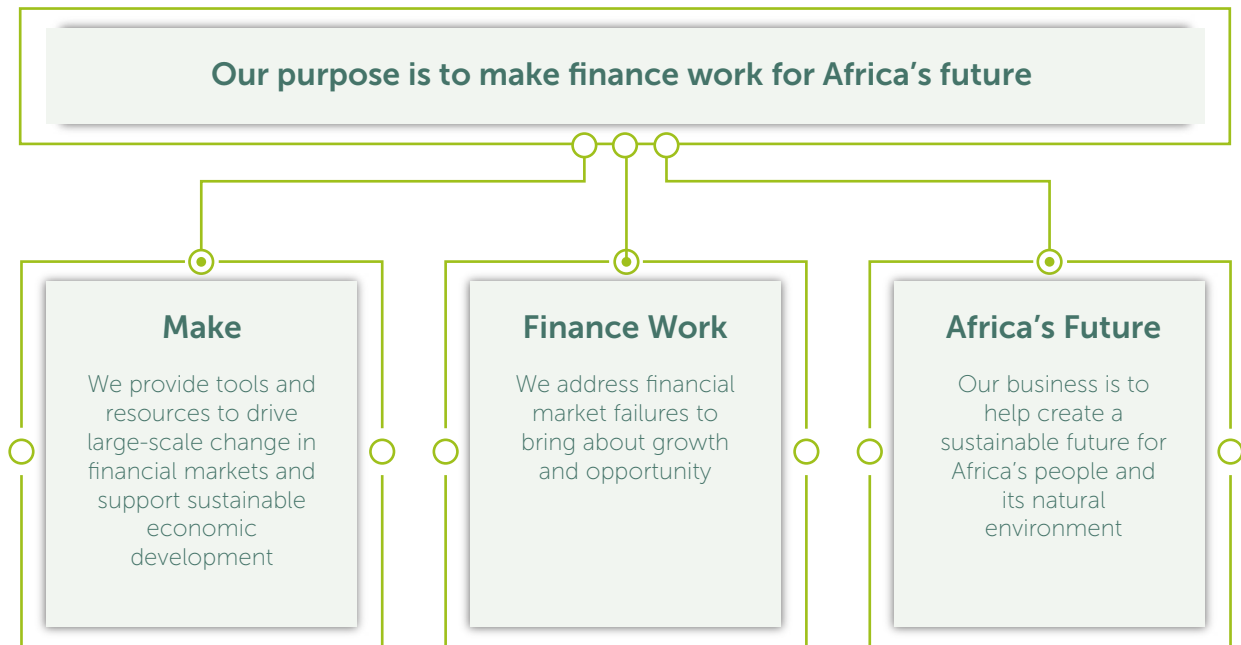
As we present this report, we acknowledge the realities of our journey towards an inclusive environment. These include a growing workforce, limited resources and transitions, particularly among EDI Committee members.

But despite the challenges, at the core of our EDI strategy is our unwavering commitment to creating a fair and fulfilling workplace. We want to achieve this by aligning everything we do – our policies and practices – with EDI values, ensuring every employee feels valued and heard.

Background to the Strategy

FSD Africa's Purpose and Values

Our Purpose and Values are at the core of everything we do. This includes our EDI Strategy, which has been driven by them and will operate in sync.



Our Values

We are a change agent, committed to a sustainable future, that is partnership-driven and that values and invests in the professionalism of our people.



Change Agent

Our initiatives are designed to change the way financial systems work. This will typically mean challenging conventional ways of doing things and we are comfortable with that.



Professionalism

We hold ourselves and our service providers to high standards. We place great emphasis on technical excellence, responsiveness, rigorous analysis and generally on providing a great services to our partners.



Committed To A Sustainable Future

We look for long term solutions that integrate environmental and socio-economic outcomes. We know that true sustainability depends on being intelligent and honest in the way we reconcile environmental and economic goals that may sometimes conflict.



Our People

We are committed to equality, diversity and inclusion, and in giving the people who work for us opportunities to become leaders in their field, professionally stronger with a sense of fulfillment from being able to satisfy their passion for Africa's development in a tangible way.



Partnership-Driven

We know we don't always have all answers. Working in a genuinely collaborative way, in which different points of view are respected and supported, will produce better outcomes for everyone.

What is EDI at FSD Africa?

What do we mean when we talk about equity, diversity and inclusion?



Equity means ensuring fair treatment, equality of opportunity and access to information and resources, for all members of our organisation.

Diversity means valuing the similarities and differences of the people in our workforce and our marketplace.



Inclusion means actively working towards a culture of belonging, where we invite and encourage the participation and contribution of all individuals.

Our EDI Strategy



Our Purpose:

We will commit ourselves to a diverse workforce and talent, to make finance work for Africa's future.

Workplace and workforce

When defining our EDI Strategy, we adopted two fundamental perspectives from which to view our EDI journey: workplace and workforce.

Our EDI Strategic Perspectives



Workplace

Fostering an inclusive work environment where diverse board and workforce are highly engaged and different perspectives are encouraged, valued, and leveraged



Workforce

Building a globally diverse workforce & governance structures at all levels that are representative of the communities and markets where we work and serve

Our diversity dimensions

In the definition of our EDI strategic plan, two lenses were adopted to view our commitment to the EDI Journey. To convert our commitments to meaningful action, the strategy defines initiatives for every objective with the employee life cycle in mind. The diversity dimensions will inform the definition of the diversity metrics and organisation data points on EDI.



EDI Strategy: Our Six Objectives



How the strategy works

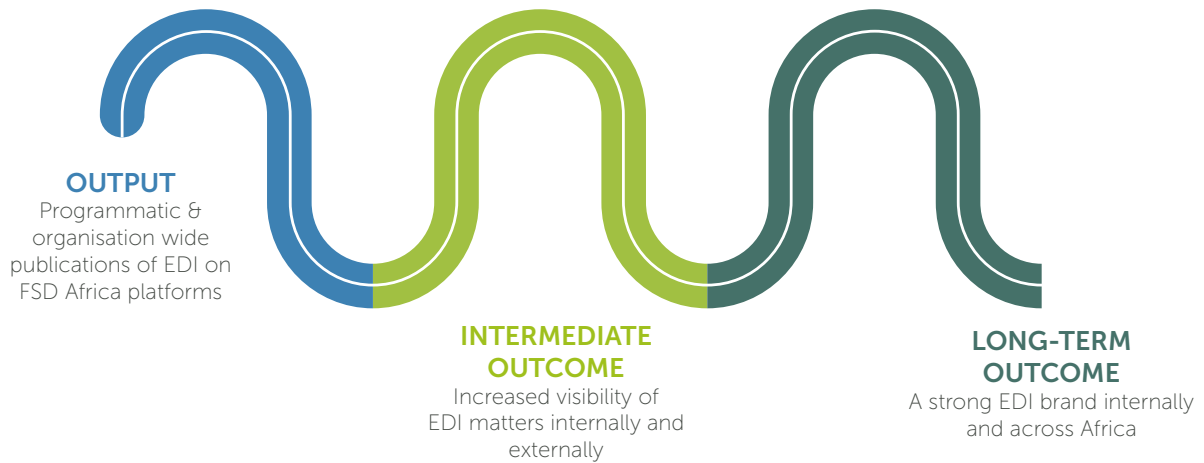
Our EDI Strategy is based on a carefully constructed theory of change. This lays out a journey that starts with immediate outputs, followed by intermediate outcomes, long-term outcomes and ultimate impacts.

There are four overarching impacts we want to achieve by the end of our three-year strategy:

- An organisation made up of diverse teams, with a wide range of perspectives leading to more impactful solutions.
- Increased employee engagement and an improved sense of belonging among our people.
- Full credibility as a Pan-African organisation, whose people reflect the markets it serves.
- Status as an industry leader in EDI.

Our EDI theory of change: an example pathway





Critical success factors to help us activate the EDI Strategy

Picture of success on the implementation of workforce and workplace strategic objectives



Why have we created an EDI Strategy?

As a pan-African organisation, we recognise the importance of building our credibility through the diversity of our people. We understand that a diverse and inclusive workforce brings with it different perspectives. These varied viewpoints enrich our work, enabling us to provide more comprehensive and impactful services in the markets we work in.

We also understand that for leaders and employees to flourish, they must feel safe. Creating a psychologically safe environment enables the free sharing of feedback and ideas, fostering a culture of open communication and collaboration among all team members.

Our internal assessment has identified feedback unique to the diverse groups within the organisation particularly among our non-managerial staff. We want to address these disparities and create an environment where everyone feels valued and included.

Reaching industry standards

On a global scale, the case for EDI is unequivocal. A diverse workforce is a powerful source of innovation. Diverse individuals are better attuned to the unmet needs of consumers or clients who share their backgrounds. This understanding of varied perspectives drives creativity, making it a strategic enabler.¹



12% ↑
INCREASE IN
PERFORMANCE

Employees who work in diverse and inclusive teams see a 12% increase in performance.



19% ↑
INCREASE IN
REVENUE

Revenue can rise by up to 19% in organisations with strong EDI programmes



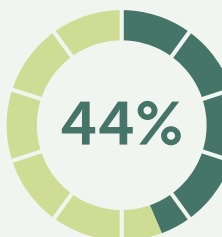
1.7 ↑
TIMES
INCREASE

Innovation levels increase by as much as 1.7x in inclusive companies.



80%
OF JOBSEEKERS

Inclusive workplaces are important to 80% of candidates when looking to move jobs.



44%

of organisations like us have already defined their EDI strategies

⁶ <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/about-deloitte/us-about-deloitte-unleashing-power-of-inclusion.pdf>

⁷ Diversity & Inclusion Diagnostic report EY, 2019) PWC Global Diversity & Inclusion Benchmarking Survey 2020

⁸ Diversity & Inclusion Diagnostic Report EY, 2019

EDI governance at FSD Africa

We recognise that all of us have a part to play in achieving our EDI goals. That means each level of our organisation has a role and responsibilities in making our EDI strategy a reality.

The **EDI Committee** has overall responsibility for the development and implementation of the EDI Strategy and Measurement Plan.

All **employees** are encouraged to take an active role in implementing the EDI strategy, for example, participate fully in Employee Resource Groups (ERGs) or similar activities where they can champion EDI through their contribution to meetings and activities.

The **EXCO**'s role is to demonstrate visible leadership and inclusive practices, ensuring that employees are aware of the importance of delivering on agreed objectives.

Our **CEO** provides leadership and support to the EDI Committee, ensuring compliance with any legal obligations, while the **Board**'s role is to hold management accountable in delivering the EDI Strategy.

How we will measure our progress

We appreciate that achieving our objectives will require a culture change journey, and that this will take time, communication, resources and commitment – by the leadership team and across the organisation.

It's therefore essential that we monitor our progress and continually hold ourselves to account. To do this, we've developed a comprehensive EDI Measurement Plan that will track progress towards our six objectives through the use of important metrics.

EDI Measurement Plan: Key Indicators



Achievements in 2023

In the first year of our EDI Strategy, we focused on a selection of foundational areas. These included creating awareness of EDI, putting in place new platforms, addressing any existing issues, beginning our diversity drive and inaugurating the measurement of EDI progress.

To make these things happen, we organised our 2022/23 EDI efforts into three workstreams: **Strategy & Metrics**, **Leadership Skills & Accountability**, and **Engagement & Networks**.

Highlights in 2023

Strategy & Metrics

- Created and launched EDI Strategy
- Designed comprehensive Measurement Plan and educated all employees and stakeholders
- Worked with EDI Committee and Champions to begin implementation of measurement plan

Engagement & Networks

- Successfully launched Employee Resource Groups
- Established the EDI Committee, which engaged with EDI Champions to begin implementing strategy
- Updated employee orientation material to reflect our EDI values

Leadership Skills & Accountability

- Sponsored leadership training on cultural competency
- Continued high-touch enforcement of EDI in recruitment
- Facilitated education for hiring managers on EDI

2023 initiatives and achievements

This year we put in place some fundamental processes and structures, to ensure our progress on EDI is meaningful and lasting.

This began with the creation and launch of our **EDI Strategy**, the centrepiece of our efforts and our guiding light for the coming years. To ensure the strategy delivers successful outcomes, we also developed a comprehensive **Measurement Plan**.

DIVERSITY



Indicator	How we measure it	Year 1 target	Year 1 result
Board diversity: Gender	Percentage of Board members who are female	80%	62.5%
Board diversity: Nationality	Percentage of Board members who are not Kenyan	60%	75%
Board diversity: Age	Percentage of Board members who are under 55	20%	25%
Senior Management diversity: Gender (Job Grade 4-7)	Percentage of Senior Management who are female	50%	45%
Senior Management diversity: Nationality	Percentage of Senior Management who are not Kenyan	17%	35%
Senior Management diversity: Age	Percentage of Senior Management who are under 35	82%	77%



Inclusion

Result	Indicator	How we measure it	Year 1 target	Year 1 result
A strong EDI brand internally and across Africa	Demonstrated annual improvement in meeting EDI goals	FSD Africa tracks, reviews, and updates its policies to support EDI	N/A	97%
		I am aware of the various EDI initiatives that have been rolled out	95%	96%
A culture that embeds the principles of fairness, respect, equitable treatment, equal access to opportunities	Perceived feeling of FSD Africa being an environment that is fair, equitable, open and transparent	I believe that FSD Africa is genuine in its commitment to building a diverse, equitable and inclusive organisation	85%	99%
		I believe that the HR-related policies are clear and not subject to misinterpretation	85%	94%
		I believe there is an equal and fair application of HR policies	85%	92%
		I believe there is zero tolerance for any form of discrimination or intimidation	85%	91%
		I feel that FSD Africa has an environment that is equitable and transparent	85%	90%
		The management actively supports the organisation's EDI initiatives	75%	99%

Year 1 results on inclusion are drawn from the 2023 Soft Control Audit EDI specific questions



Inclusion

Result	Indicator	How we measure it	Year 1 target	Year 1 result
Embedded inclusive leadership across FSD Africa	Feeling of being true and authentic self at the workplace	Management at my pillar creates a sense of teamwork and support.	85%	91%
		Management at my pillar is fair and receptive of diverse views and cultures.	80%	91%
Attraction of and recruitment diverse talent globally	Perception of fairness and inclusion from leaders	I believe I can be my true/authentic self, when making my contributions.	75%	96%
Improved psychological safety for leaders and other staff Improved sense of belonging	Perception of inclusion and belonging	I believe that the performance monitoring and review process is supportive of my performance	64%	88%
	Perceived safety of employees to share opposing/ diverse views at work			

EQUITY

EQUITY



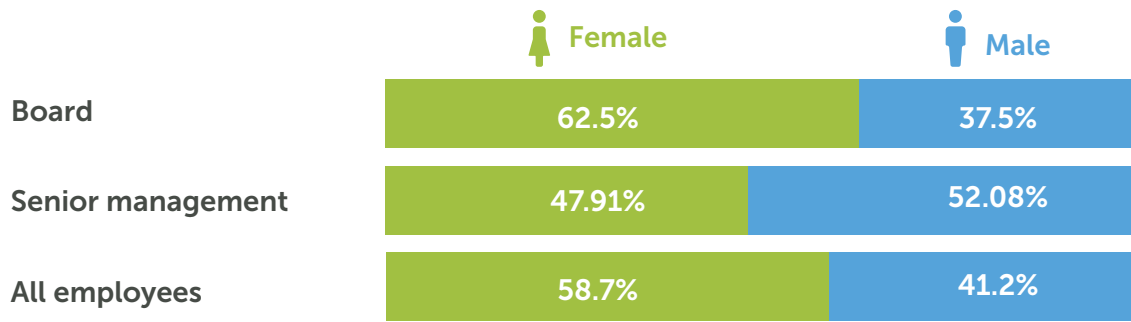
Indicator	How we measure it
Gender pay gap	Difference between men's and women's average earnings
Perception of FSD Africa being an environment that is fair, equitable, open and transparent	Percentage of respondents who believe it is

Focus on gender

Achieving gender equity and inclusion is a crucial part of our EDI efforts, and aligns with our work in advancing the role of women in the financial sectors and economies of Africa. We're therefore committed to ensuring equitable representation of women across our organisation, especially in leadership roles.

As part of our Measurement Plan, we track important indicators of equity, diversity and inclusion. As of October 2023, 62.5% of our Board and 47.91% of senior management are female.

Female representation at FSD Africa



Gender pay gap



This year, we made further progress in reducing our gender pay gap. As of 31 October 2023, using the mean, men are paid 28.7% higher than women while using the median men are paid 16% higher than women. This is an improvement on the median of about 10.8% from last year. There has also been a decrease in the mean of about 1.8% from last year.

While we have had more men occupying the senior positions in the upper quartile and women occupying more of the lower quartiles, this has changed significantly this year.

But despite this, we acknowledge the work we still have to do. We'll continue to work hard to close our gender pay gap over the coming years as part of our commitment to an equitable, diverse and inclusive workplace.

Focus on localisation

As a Pan-African organisation, we want our work to put local actors in the lead, strengthen local systems, and respond to local communities. We're therefore intentional on promoting African talent and guarding against reliance on talent from the global north.



Looking Ahead

The first year of our EDI Strategy has seen us take great strides towards being the inclusive, diverse and progressive organisation we aspire to be.

Our aim is to continue this momentum into years 2 and 3 of our EDI Strategy, in which we'll work to make meaningful and lasting progress in embedding EDI principles across our organisation.



OUR PLAN FOR YEAR 2 2024-2025

We are now embarking on the second year of our EDI Strategy. In this coming year, we will focus on four main areas:

1. **Rolling out Employee Resource Groups:** These groups will serve as dynamic spaces for collaboration, support and advocacy, ensuring that every member of our organisation has a platform to contribute and be heard.
2. **Institutionalising our commitment to EDI,** by defining terms of reference for EDI committees, holding further training for management, improving our tech, literature and work arrangements, and investing in new infrastructure.
3. **Driving perception of equity,** through initiatives such as a programme for women returning from career breaks and EDI Champions heading up recruitment drives.
4. **Initial reporting on EDI,** achieved through our Measurement Plan and captured in our second Annual Report on EDI.

OUR PLAN FOR YEAR 3 2025-2026

In the third and final year of our current EDI Strategy, we've defined the following set of initiatives to ensure we deliver against our objectives:

1. **Breaking down barriers,** to further drive inclusion and belonging, through initiatives such as a full remote working model for employees outside Kenya, and translators to support multilingual meetings.
2. **Alumni inclusion:** We'll define terms of reference for the creation of an FSD Africa Alumni Network, to create a lasting sense of belonging.
3. **Expanding EDI reporting into other programmes:** We'll co-opt elements of EDI reporting and deploy them in other programmatic reports we create, e.g. impact reports disaggregated by social dimensions.
4. **Benchmarking:** We'll benchmark our performance through external accreditation programmes, and assess how we're perceived as an inclusive employer through reputational surveys.

Appendix

[Click to view the Workplan and Measurement Framework](#)





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