

Pay Gap Report 2020





Hywel Ball
EY UK Chairman

Diversity and Inclusion has been a key priority for EY for many years. Our D&I strategy to radically accelerate our progress was set two years ago and is part of assuring our future growth and long-term sustainability. It has truly come into its own this year – and, triggered by the events of 2020 we took a further step by publicly setting out our Commitments to Anti-Racism in the UK.

I'm proud that we are again leading the way in going over and above the statutory requirements to report our gender pay gap – with our Black pay gap included for the first time, along with our ethnicity pay gap, and those for disability and sexual orientation.

I am pleased that our gender pay gap has improved by 4.7%, achieved by both recruiting and promoting women, particularly at senior levels. Our ethnicity pay gap has widened by 1.9%, largely due to an increase in the number of ethnic minority graduates we employed this year. We will continue to monitor this and the Black gap closely.

We have also increased our ethnic minority talent at each level as well as the representation of both our female and ethnic minority partners.

By measuring our progress we will be able to continue to drive change that is focused and impactful. By publicly sharing our data, we are holding ourselves to account.

We know we've much more to do. We will be unrelenting. We will not rest until we have created a true culture of equality now, and for future generations at EY.



Justine Campbell
EY UK&I Managing Partner for Talent

EY is committed to inclusiveness and our ambition to achieve a diverse and equitable workplace, where people feel they belong. We know that a diverse and inclusive firm is not only the right thing to do, but that it will result in a more successful firm.

We have made headway and are proud to have seen a reduction in our whole firm and employee gender pay gaps reflecting progress against our D&I strategy through a differential focus on gender. But we acknowledge that we need to do more to speed up the pace of change and increase diversity across all levels.

EY people, clients and external stakeholders expect more inclusive workplaces, more accountability and more transparency. As part of our Commitments to Anti-Racism this year, we are going a step further and have published our Black pay gap in an effort to overcome barriers that might prevent all our people from achieving their full potential and making their maximum contribution to the economy. This is another milestone on our journey to become a leading inclusive organisation and one of the ways where we can do more to achieve parity across the firm.

I confirm this report is an accurate statement of our pay gaps and meets the statutory requirements.

GENDER AND ETHNICITY INCLUDING BLACK PAY GAP

Whole firm

Gender			Ethnicity		
Pay Gap	2020	% Dif. to 2019	Pay Gap	2020	% Dif. to 2019
Median	15.3%	▼ -4.7%	Median	15.8%	▲ +1.9%
Mean	32.4%	▼ -3.9%	Mean	36.7%	▼ -0.3%

Black and other ethnicities 2020					
Pay Gap	Black	Chinese	Asian	Mixed	Other
Median	21.4%	12.6%	15.1%	13.0%	-8.0%
Mean	48.9%	41.7%	36.6%	29.5%	-1.4%

At the time of calculation, 88.5% of our pay gap employee and partner population had answered the question regarding ethnicity.

Partners only

Gender			Ethnicity		
Pay Gap	2020	% Dif. to 2019	Pay Gap	2020	% Dif. to 2019
Median	19.4%	▲ +2.9%	Median	14.1%	▼ -2.2%
Mean	12.9%	= 0.0%	Mean	15.0%	▼ -0.3%

At the time of calculation, 96.8% of our pay gap partner population had answered the question regarding ethnicity.

Employees only

Gender			Ethnicity		
Pay Gap	2020	% Dif. to 2019	Pay Gap	2020	% Dif. to 2019
Median	10.4%	▼ -3.4%	Median	10.0%	▲ +1.5%
Mean	15.3%	▼ -2.9%	Mean	16.4%	▲ +2.4%

At the time of calculation, 88.2% of our pay gap employee population had answered the question regarding ethnicity.

Equal Pay is different from pay gap

It is important to note that EY monitors pay at all levels of the organisation and is firmly committed to equal pay, as set out in the Equality Act (2010). This ensures that a man or woman doing the same or a similar role are paid equally and is different to the pay gap.

What is different about our approach to pay gap publishing this year

The pay gap shows differences in the average (median and mean) earnings between different groups of people by, for example, gender or race. We know that a pay gap will

persist until there is equal or proportionate gender and ethnic minority* representation at every level and job role in our organisation.

This year we have published the pay gaps for all our ethnic minority populations in line with our strategic focus on both gender and race as part of our D&I strategy. We recognise that the aim of pay gap reporting is to understand the make-up of our workforce and identify and overcome the barriers that may prevent our people from thriving. This is why EY has chosen to voluntarily publish this year its Black, Chinese, Asian, Mixed ethnicity and other ethnic group pay gaps.

* At EY we have committed to refrain from using the BAME category as far as practically possible when we scrutinise the experience of our people in the UK Firm. Instead we will use the UK census ethnicity categories, calling out Black and other representation, to seek to truly understand all our employees.

KEY HEADLINES FOR 2020

We remain committed to increasing the representation of women and ethnic minorities at senior levels of the Firm, and to creating a culture where everyone can thrive and succeed. We are continuing to make progress but recognise that if we are to meet our commitments we have made around race and gender, now is the time to accelerate the pace of change.

- ▶ We are pleased to report that we have seen a reduction in our whole firm and employee gender pay gaps reflecting progress against our D&I strategy through a differential focus on gender. Increasing our efforts to achieve better representation remains front of mind in everything we do throughout the employee lifecycle. Two contributing factors to improving our pay gap are our relentless focus and success in both recruiting and promoting our women, particularly at senior levels (manager and above).
 - ▶ We have increased our female partner representation by 2%, shifting the make-up of our partnership to 23% female partners, and our female director representation by 3%, to 37% (the grades attracting the highest level of remuneration). We have also improved the balance of gender representation at junior levels.
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- ▶ Our employee ethnicity pay gap, calculated as the difference between the average earnings received by ethnic minority (excluding White minorities) employees compared to White employees, has widened this year. Driving diversity in the firm, we have attracted more ethnic minority graduates to ensure that we are growing and developing a talent pool for the future. Whilst this has impacted the pay gap in the short term, it should reduce it in the long run. As of April 2020, our ethnic minority talent made up 30% of our overall workforce and is up 3% from the previous year.
 - ▶ We have increased our ethnic minority talent at each level, with the highest increase of 5% being in our more junior grade pool which now makes up 40% of the workforce. Compared to the previous year we have increased representation of our ethnic minority partners by 1%, shifting the make-up of our partnership to 12%.
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- ▶ As part of our Commitments to Anti-Racism, announced in July 2020, we pledged to publish our Black pay gap in order to have more transparency around the disparity in pay of employees within different ethnic groups, to allow us to truly understand the experience of all our employees and disrupt some of the legacy processes that have sustained these gaps. This will ensure we are inclusive for everyone and will enable us to improve the opportunities and representation of our ethnic minorities where we have the biggest gaps.
 - ▶ The disaggregation of our ethnicity pay gap data is calculated as the difference between the average earnings received by employees from individual ethnicities compared to White employees. Our analysis tells us that both the mean and median pay gaps for our Black employees are higher compared to all other ethnicities. This is primarily due to lower representation of Black employees at the most senior levels. Only 29% of our Black colleagues are manager position and above while 71% make up the junior pools, contributing to an ethnicity pay gap.

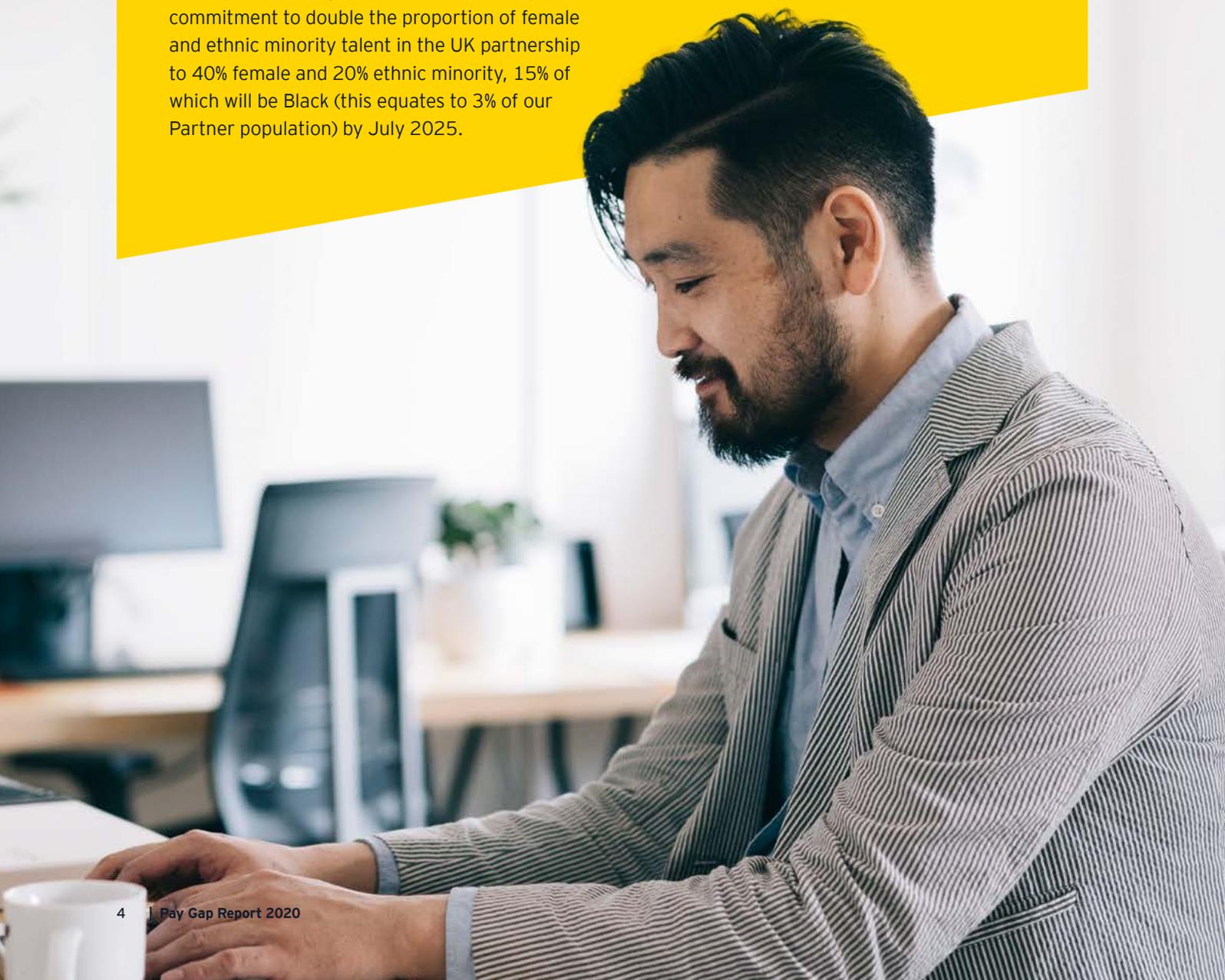
Progress on targets

Despite the challenges of 2020 and the global pandemic, the firm is actively ensuring that the differential focus on race and gender remains a key priority and is using the disruption to accelerate change in this space. We will continue to track progress at a firmwide and service line level through setting targets and assessing metrics against recruitment, retention and promotions to ensure fairness and equity. We are seeing positive pipelines of future talent, which in conjunction, with our measures to track these through to senior positions, will, we hope, see an acceleration in our progress towards our partnership targets of 40% female and 20% ethnic minority, of which 15% will be Black (this equates to 3% of our Partner population) by July 2025.

Driving change through tangible actions to close the pay gap

We committed to our D&I strategy two years ago, and we are driving change through tangible actions under our three strategic pillars.

1. We are focusing on developing a culture of greater equality driven by actively inclusive behaviours, embedded in all business and talent strategies so that everyone feels they belong. This is underpinned by our engagement strategy that reinforces a culture of belonging through storytelling. "Strong when we Belong" EY's UK-wide campaign, a regular feed of stories and podcasts celebrating EY people from different backgrounds, has been seen by 250,000 people across internal and external platforms, helping to open minds and build a culture where everyone feels they belong and ensuring that our people remain connected through times of great uncertainty.
2. Truly bring about a shift in the make-up of our firm with, in the first instance, a differential focus on race and gender. We have a bold public commitment to double the proportion of female and ethnic minority talent in the UK partnership to 40% female and 20% ethnic minority, 15% of which will be Black (this equates to 3% of our Partner population) by July 2025.
3. We are equipping our people to be a strong, disruptive voice and talk openly and proudly about the commercial necessity of diversity and belonging with our teams, clients, communities and stakeholders. We continue to share insights and thought leadership with key audiences via media and key organisations. We partnered with the CBI as part of this year's D&I conference and were UK headline sponsor of WorkPride virtual conference in 2020. We are also a founding partner of CBI's 'Change the race ratio' driving action by setting targets for greater racial and ethnic diversity at our board and senior leadership levels as well as continuing as principal sponsor of the 2020 Parker Review Report that looks at ethnic diversity on FTSE 250 boards and sponsor of the Cranfield University Female FTSE Board Report 2020.



STATUTORY GENDER PAY GAP (GPG) AND ETHNICITY PAY GAP

Our full statutory GPG figures are presented below, with the addition of our voluntary corresponding ethnicity pay gap figures. In-line with the statutory legislation, these statistics relate to employees only and do not include partners.

Gender pay and bonus gap

Gender		
Pay Gap	2020	% Dif. to 2019
Median	10.4%	▼ -3.4%
Mean	15.3%	▼ -2.9%

Gender		
Bonus Gap	2020	% Dif. to 2019
Median	27.5%	▼ -13.7%
Mean	41.4%	▼ -1.2%

Percentage receiving a bonus - 66.8% female and 62.0% male

Quartiles

2020	Female	Dif. in female since 2019	Male
Upper	38.2%	▲ +1.0%	61.8%
Upper middle	48.6%	▲ +0.1%	51.4%
Lower middle	53.3%	▲ +0.2%	46.7%
Lower	49.0%	▼ -2.6%	51.0%

Ethnicity pay and bonus gap

Ethnicity		
Pay Gap	2020	% Dif. to 2019
Median	10.0%	▲ +1.5%
Mean	16.4%	▲ +2.4%

Ethnicity		
Bonus Gap	2020	% Dif. to 2019
Median	27.5%	▼ -5.8%
Mean	30.6%	▲ +1.9%

Percentage receiving a bonus - 52.2% ethnic minority and 70.1% White

Quartiles

2020	All other ethnic groups combined	Dif. in all other ethnic groups combined since 2019	White
Upper	23.3%	▲ +1.5%	76.7%
Upper middle	39.6%	▲ +3.9%	60.4%
Lower middle	42.9%	▲ +4.2%	57.1%
Lower	33.9%	▲ +4.7%	66.1%

Black and other ethnicity (Whole firm) pay gaps

Black and other ethnicities					
Pay Gap	Black	Chinese	Asian	Mixed	Other
Median	21.4%	12.6%	15.1%	13.0%	-8.0%
Mean	48.9%	41.7%	36.6%	29.5%	-1.4%

At the time of calculation, 88.5% of our pay gap employee and partner population had answered the question regarding ethnicity.

BLACK AND OTHER ETHNICITY (WHOLE FIRM) PAY GAPS

More on accelerating our efforts in building an inclusive environment at EY and laser focus on race and gender agenda

Making time for new dialogues and thoughtful actions is more important than ever to ensure that our actions match our words both internally and externally, with our clients and in our communities. Meaningful change takes time and focus and accelerating our progress on diversity and inclusion is both a priority for the leadership team, and imperative for us to grow and flourish as a business.

- ▶ Our people are at the heart of what we do. This year, more than ever, has demonstrated the importance of enabling our people to help solve the world's toughest challenges, support the creation of long-term value and bring out the best in themselves and others. We have prioritised the health and safety of EY people, clients and communities by swiftly implementing guidance for travel, meetings and events, as well as a safe return to EY offices and client sites. Ongoing EY investments in technology, combined with a strong existing culture of flexible working, meant we also quickly adapted to a fully remote work environment for nearly 300,000 EY people worldwide.
- ▶ We were also particularly aware of the need to be even more intentional about what EY people need to support their wellbeing during the pandemic. From the outset, additional resources and benefits for EY people were developed, based on local needs, including an additional 5 days paid special leave for people with caring responsibilities, and access to financial, mental and physical health resources. At the same time, we remain focused on ensuring that EY people could continue to build the exceptional experiences they need to thrive, in a very challenging and uncertain environment.
- ▶ Gender diversity of our senior appointments was better than ever this year. This is a record year for gender diversity, with 35% of partners, associate partners and director promotions, globally and in the UK, being women.
- ▶ We announced our [Commitments to Anti-Racism in the UK](#). In response to the events of 2020 and the tragic killing of George Floyd and others, and the realization that we needed to take an unrelenting approach to creating lasting cultural change, we announced seven new commitments and re-affirmed our existing ones.
- ▶ We have increased the capacity in the UK of our Future Leaders Programme (FLP) from 65 (2019) to 100 (2020) with an increased number of allies that corresponds to 200. FLP is a leadership development and culture change programme, and one of the ways in which we are investing in levelling the playing field and creating equal opportunity for all our high potential senior managers from ethnic minority backgrounds to progress to their full potential.
- ▶ We have invested in a number of programmes to educate our people and promote Black talent, these include:
 - ▶ 'Race Fluency and Allyship' and 'Inclusion and Belonging' training modules for all EY people, launching in early 2021.
 - ▶ Race Reverse Mentoring Scheme to provide a different perspective to our leaders in their decision-making.
 - ▶ The inaugural EY Race and Ethnicity awards 2020 where colleagues across the UK firm were recognised for their efforts towards racial equality and building a culture of belonging.
 - ▶ Discover EY-Black Heritage in Business insight programme for Black students in their first year of university.

ADDITIONAL PAY GAPS

At EY we believe in promoting transparency and constantly push ourselves to do better, believing in upholding the spirit of legislation and not simply the letter. As such, we have made moves to explore our disability and sexual orientation pay gaps, with the recognition that we need to improve the rates of those declaring these demographics.

This year we are reporting whole firm figures for both Disability and Sexual Orientation in order to drive more transparency and measure progress.

Disability – whole firm

Disability	
Pay Gap	2020
Median	6.2%
Mean	5.6%

At the time of calculation, 61.4% of our pay gap employee population has answered the question regarding their disability

Sexual orientation – whole firm

Sexual Orientation	
Pay Gap	2020
Median	-1.4%
Mean	10.0%

Gender identity is a separate question of identity to sexual orientation and so is not included in these calculations

Actions on driving awareness on disability – whether visible or invisible include:

- ▶ Our Ability EY UK Network helps promote understanding of the lived experience; and prioritise improvements including ease of workplace adjustments and accessible communications. The group raises awareness of diverse abilities through leadership team interventions, ensuring work on psychological safety and cognitive diversity are factored into the firm's D&I approach.
- ▶ In 2019, EY signed up to the Valuable 500, a global campaign calling for 500 of the most influential businesses to promote the business, social and economic value of the one billion people living with disabilities globally.
- ▶ Around the world, our local disability inclusion efforts include, but are not limited to, our focus on the value of dyslexia, our Neurodiversity Centers of Excellence and partnering with disability inclusion organisations to recruit and hire talent with diverse abilities.
- ▶ We collaborated with charity Made By Dyslexia to create the 'Value of Dyslexia' report.

25 years of Unity, EY's LGBT+ network

- ▶ This year EY continued to champion and support the LGBT+ community around the world and advance LGBT+ inclusion through marking 25 years of Unity, EY's LGBT+ network.
- ▶ Through Unity and global advocacy efforts, we aim to serve as an example to EY clients and other organisations who are looking to increase their LGBT+ inclusion efforts and to offer guidance to others.
- ▶ EY has sponsored and co-developed research to show the impact of advancing LGBT+ inclusion, including Opening up the World, Out in the World, Making It Real Globally, and Out Leadership's Ally Up: Ally is a Verb research, launched in June 2020.
- ▶ This research and history of convening gives EY a unique opportunity as a founding sponsor in the Partnership for Global LGBTI Equality (PGLE) and original signatory of the United Nations Standards of Conduct for Business to elevate visibility of the impact of LGBT+ inclusion.

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EY-000128586.indd (UK) 12/20. Artwork by Creative Services Group London.

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