

Pay Gap Report 2019







Steve Varley
EY UK Chairman

We are proud of our progress ... but not satisfied

I am always proud to talk about our commitment and ambition to achieve a diverse and equitable workplace, where people feel they belong.

We have built a strong reputation in the market for the action we are taking to reduce race inequality, improve social mobility in the profession and remove barriers for people with disabilities or neurodiversity. We are regularly recognised as a top employer for women, working families and the LGBT+ community.

We have one of the most diverse partnerships in our industry, in terms of gender and ethnicity. We use D&I to connect with clients and have a market facing D&I proposition in the National Equality Standard and People Advisory Services (PAS). We have strong leadership support for D&I and people at all levels are highly engaged through our excellent diversity networks.

However, I am not yet satisfied with the pace and rate of change. Consequently, we have re-developed our D&I Strategy, described later in this report, to better execute on this key priority.



Justine Campbell
EY UK&I Managing Partner for Talent

Successful workplaces reflect the outside world, whether that's in terms of gender, ethnicity, disability, sexual orientation, social mobility or age.

We know from first-hand experience that a workforce which has diversity of thought, perspectives, experiences and skills, operating in an inclusive environment where difference is valued and embraced, makes for better business performance and happier, more engaged people.

Increasing representation across our business at every level remains one of our top priorities, and we continue to look for new ways to ensure our culture creates a sense of belonging for all our people.

To drive this, we take a number of proactive steps to move us in the right direction; 100% of our roles at EY are open to flexibility which enables us to attract the very best talent from diverse backgrounds. I am also pleased to see continued investment in our talent programmes and initiatives, levelling the playing field and creating equal opportunity for all our people to progress to their full potential.

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

Whole firm

Gender		
Pay Gap	2019	% Dif. to 2018
Median	20.1%	▲ +1.2%
Mean	36.3%	▼ -1.4%

Ethnicity		
Pay Gap	2019	% Dif. to 2018
Median	13.9%	▲ +0.1%
Mean	37.0%	▼ -0.5%

At the time of calculation, 86.3% of our pay gap employee and partner population had answered the question regarding ethnicity.

Partners only

Gender		
Pay Gap	2019	% Dif. to 2018
Median	16.5%	▲ +0.7%
Mean	12.9%	▼ -2.2%

Ethnicity		
Pay Gap	2019	% Dif. to 2018
Median	16.3%	▲ +1.6%
Mean	15.3%	▲ +3.0%

At the time of calculation, 95.9% of our pay gap partner population had answered the question regarding ethnicity.

Employees only

Gender		
Pay Gap	2019	% Dif. to 2018
Median	13.8%	= 0.0%
Mean	18.2%	▼ -0.4%

Ethnicity		
Pay Gap	2019	% Dif. to 2018
Median	8.5%	▲ +0.3%
Mean	14.0%	▼ -0.1%

At the time of calculation, 85.8% 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. EY's internal analysis shows that the Firm pays equally for similar roles across gender and ethnicity for employees and Partners.

What does our pay gap data tell us?

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 is likely to persist until there is equal or proportionate gender and ethnic minority representation at every level and job role in an organisation. And until flexible working arrangements are spread equally by gender and ethnicity.

Our own pay gap analysis shows that we have more men than women at senior levels within our business, and a larger proportion of women than men among our junior ranks, contributing to a gender pay gap. We also have too few ethnic minority leaders in our business at a senior level, which means we also have an ethnicity pay gap.

Our 2019 data – we're encouraged by positive movement but unsatisfied by the pace of change

- ▶ Our gender and ethnicity mean pay gaps for the whole firm (including Partners) have improved.
- ▶ Our statutory mean pay gap figures (employee only excluding Partners) have also decreased.
- ▶ We previously anticipated seeing fluctuations in some of our year-on-year pay gap trends and this has played out in the widening of most of our median pay gaps.

We are encouraged to see that most of our mean pay gaps have decreased compared to 2018. Two key contributing factors are: our determined focus and success in both recruiting and promoting our women and BME talent, particularly at senior levels. An explicit outcome of this is that we now have 2% more female partners and 1% more ethnic minority partners compared to last year.

Changes in our Partner population, such as retirement, new joiners, promotions and new initiatives to improve diversity, can have a marked impact on this data. As a result, we have seen year-on-year fluctuations in our Partner pay gap figures. We are, however, confident that the long-term trajectory of all our pay gaps will be downwards, given the actions we are taking to accelerate our progress.

Our female and BME talent pipeline both continue to improve. Across our client serving teams we've seen a substantial increase at Director level where 34% are female and 21% are BME, those are increases from 29% and 19% respectively in 2017. At Senior Manager we have also seen increases though at a more modest pace, where 42% are female and 26% are BME, increases from 40% and 25% respectively in 2017.

We have a good degree of confidence that this progress will continue over time. We are seeing sustained focus from the business on the diversity of our recruitment, recognition and retention and, most importantly, creating a culture where diverse, exceptional talent can thrive and belong.

Accountability has improved with the implementation of a tighter governance structure. D&I is reviewed within our regular business reporting cycle, and is subject to scrutiny by the new UK LLP Board Sub-committee on D&I.

Our strategic choices

We are determined to increase the representation of women and ethnic minorities at senior levels of the Firm, and to attract more men to our secretarial and support roles, breaking down the occupational stereotypes of our market. We have been making progress for a number of years and our determination now is to increase the pace of change. In 2019, we implemented our new D&I Strategy with the goal of radically accelerating our progress. We have made three strategic choices to achieve our goal:

Number 1 – Develop a culture of greater equality. An accelerated focus on developing a culture driven by actively inclusive behaviours, embedded in all business and talent strategies, so that everyone feels they belong.

Number 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 BME talent in the UK partnership to 40% female and 20% BME by July 2025.

Number 3 – Be a strong, disruptive voice. We will equip people to talk openly and proudly about the commercial necessity of diversity and belonging; with our teams, clients, communities and stakeholders.

What we are doing

Accelerating our progress requires us to execute on our strategy with as much focus as any key commercial imperative. It requires us to get our house in order and do the right thing every time. In practical terms, it also means:

1. To drive progress towards our new public target, we set in-year targets to improve the representation of women and ethnic minority partners. In 2019, we achieved those and improved the proportion of female partners in the UK by two percentage points to 22% and ethnic minority partners by one percentage point to 11%.
2. We have doubled our investment in targeted talent programmes for our BME and female talent, including Future Leaders Programme, Navigator and Accelerate@EY. These will be designed to touch as many allies and change agents from across the firm, as they do targeted participants. Candidates will be sponsored through Career Watch for managers, and as their career progresses through different levels of the firm.
3. Our focus on flexible working will add to the 84% of our employees who already take advantage of agile working or one of our many flexible working arrangements.
4. We are investing in improving the take-up of our shared parental leave policies, making it equal for all parents. This will continue to be supported by our Career and Family Coaching Programme, and EY Reconnect for women and men re-entering the workplace after a career break.
5. The service lines have a new suite of D&I metrics based on improving representation of female and BME talent at senior levels and on improving inclusion for women and ethnic minorities. These carry the same consequences weighting when business unit performance is evaluated, good and bad, as all our other business KPIs.

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:

Pay gap

Gender		
Pay Gap	2019	% Dif. to 2018
Median	13.8%	= 0.0%
Mean	18.2%	▼ -0.4%

Ethnicity		
Pay Gap	2019	% Dif. to 2018
Median	8.5%	▲ +0.3%
Mean	14.0%	▼ -0.1%

At the time of calculation, 85.8% of our pay gap employee population had answered the question regarding ethnicity.

Quartiles

Gender			
2019	Female	Dif. in Female since 2018	Male
Upper	37.2%	▲ +1.2%	62.8%
Upper middle	48.5%	▲ +0.5%	51.5%
Lower middle	53.1%	▼ -1.1%	46.9%
Lower	51.5%	▲ +0.5%	48.5%

Ethnicity			
2019	BME	Dif. in BME since 2018	White
Upper	21.9%	▲ +0.8%	78.1%
Upper middle	35.6%	▲ +3.6%	64.4%
Lower middle	38.7%	▲ +2.4%	61.3%
Lower	29.2%	▲ +1.7%	70.8%

Bonus pay gap

Gender		
Bonus Gap	2019	% Dif. to 2018
Median	41.2%	▲ +6.2%
Mean	42.6%	▼ -5.4%

Ethnicity		
Bonus Gap	2019	% Dif. to 2018
Median	33.3%	▲ +1.6%
Mean	28.7%	▲ +2.8%

Percentage receiving a bonus

	2019	% Dif. to 2018
Male	58.4%	▲ +5.3%
Female	63.2%	▲ +3.7%

	2019	% Dif. to 2018
White	64.4%	▲ +5.4%
BME	51.2%	▲ +4.0%

Appendix: 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.

Based on the information we have currently, our disability and sexual orientation pay gaps are as follows.

Disability – Employees only (excludes Partners)

Pay Gap	2019
Median	+5.7%
Mean	+1.6%

At the time of calculation, 60.5% of our pay gap employee population had answered the question regarding disability status.

Over recent years the firm has done a lot of work to raise awareness of differing abilities. We actively invest through initiatives such as our Bridge the Gap to Success programme. This personal, professional development and change programme is aimed at people who have a long-term illness, injury or disability, to support them and the Firm deliver significant and measurable changes to ensure our shared success.

Our Ability scope includes different physical, mental, and neurological difference, as well a long term health conditions. We focus on the counter-balancing strengths of these differing abilities and the contribution these make to diversity of thought in organisations. Our two ‘The value of dyslexia’ reports, co-authored with the Dyslexia Association ‘Made by Dyslexia’, are ground breaking pieces of thought leadership that explore 1) dyslexic strengths and the changing world of work and 2) dyslexic capability and organisations of the future.

Sexual orientation – Employees only (excludes Partners)

Pay Gap	2019
Median	-6.7%
Mean	-2.0%

At the time of calculation, 56.8% of our pay gap employee population has answered the question regarding their sexual orientation. Gender identity is a separate question of identity to sexual orientation and so is not included in these calculations.

EY has long been an advocate of LGBT+ equality, with our employee network, Unity, being founded in 1995. Unity continues to be one of our most visible and active networks. In recent years there has been a focus on increasing the number of LGBT+ allies across our business, together with awareness raising of the issues facing the different constituencies within the LGBT+ community, such as support for our trans people, improving bi visibility and supporting LGBT+ people with a disability and those from a BME background.

The firm is committed to the United Nations LGBTI Standards of Conduct for Business and to upholding them in our own business while encouraging others to do so in theirs.

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