



Pay Gap Report 2018



Introduction



Steve Varley

EY UK Chairman

Pay gap

Is the difference in average pay between two groups in a workforce.

Equal pay

Is being paid the same for the same/similar work.

We are operating in an increasingly fast-paced and constantly evolving sector, where the ongoing success of our business depends on our ability to be flexible and innovative, to provide the very best solutions for our clients.

This can only be achieved if we can recognise and harness the most diverse range of ideas, experience and skills.

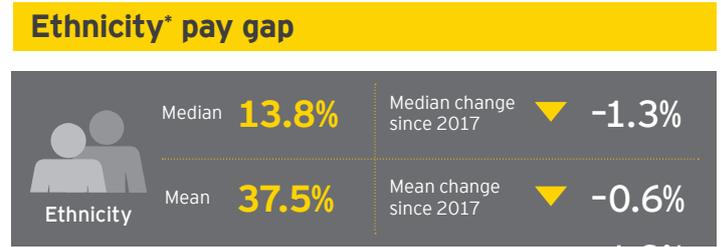
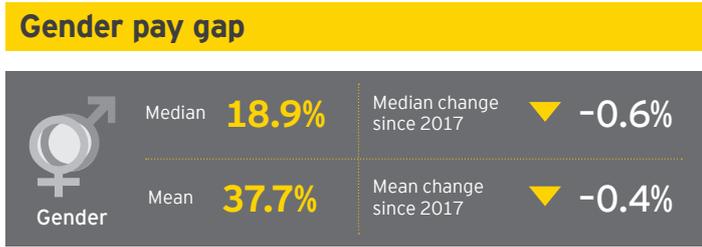
The work we have done behind the scenes to understand our pay gap has given us a greater insight into the differences in career outcomes for our people. Our analysis demonstrates that pay gap is about who we recruit, retain and promote in the firm, as well as how we pay and reward performance.

When we first published our gender pay gap in 2017, six months before mandated, we also voluntarily included our ethnicity pay gap data, to highlight this equally important measure of diversity. In addition, we went on to publish our Partner pay gap figures – the first in our industry to do so – to drive greater transparency and encourage others to do the same.

In our second pay gap report, as well as complying with the requirements set out in the UK's Gender Pay Gap Regulations, we have again gone beyond the legislation and included ethnicity and Partner pay gap data.

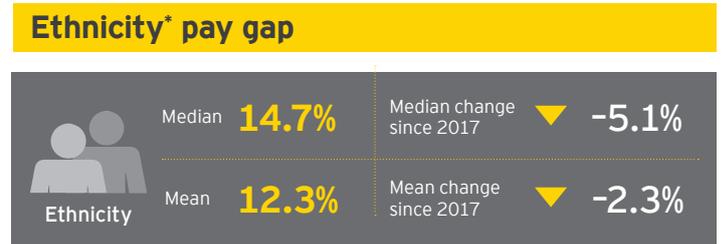
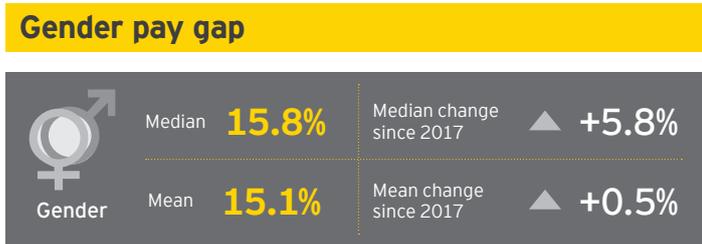
Overall, our report shows that we continue to make progress, but more change is needed and at a faster pace than before.

Pay gap % – All Firm including Employees and Partners



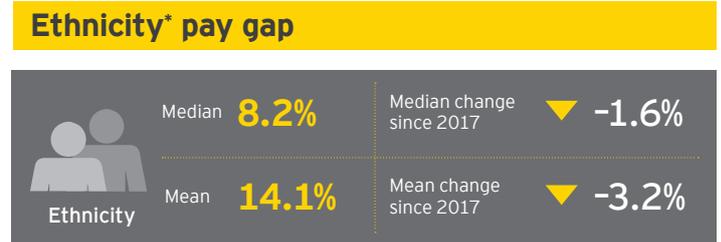
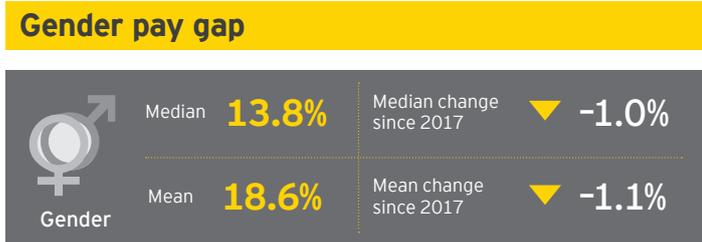
* We publish our statistics in the knowledge that they represent those of our people who have declared their ethnicity to us – 84.2% of our employees and partners. We are actively working to increase this number, as we know that the more complete our data is, the more we can use it to drive action.

Pay gap % – Partners only



* This statistic is representative of the 96.1% of our partners who have declared their ethnicity to us

Pay gap % – Employees only



*This statistic is representative of the 83.6% of our employees who have declared their ethnicity to us.

What does our pay gap data tell us?

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.

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.

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. EY's internal analysis shows

that the Firm pays equitably in regard to like for like roles across gender and ethnicity for employees and Partners.

2018 data

As we continue our efforts to improve the representation of female and ethnic minority talent at all levels of our organisation, particularly among our senior ranks, we saw our pay gap figure (including Partner pay) slightly reduce in 2018. The same was true for our employee-only pay gaps that we are required to report on, as per the UK's Gender Pay Gap Regulations.

We have seen, and expect to see in the future, fluctuations particularly in our Partner pay gap data, year-on-year. Given the smaller size of this group of people – compared to the rest of our workforce – changes to our Partner population, such as retirement, new joiners, promotions and new initiatives to

improve diversity at senior levels, will have a more marked impact on our pay gap data. For example, in 2018 we saw our median, Partner-only ethnicity pay gap decrease (-5.1%), but our median, Partner-only gender pay gap increase (+5.8%).

Notably, we are also working to attract more men to junior roles traditionally dominated by women, such as those in administration, through targeted recruitment and apprenticeships.

Action on pay gap

EY are proud signatories of HM Treasury's Women in Finance Charter and Business In The Community's (BITC) Race at Work Charter. We have contributed to Baroness Ruby McGregor-Smith's report on race in the workplace and supported The Parker Review committee – set up to examine the ethnic diversity of UK FTSE Boards and make recommendations.

As well as working with others to drive diversity in UK business, we have employed a number of initiatives to help improve the representation of female and ethnic minority talent within our own organisation.

Targets

We set ourselves clear diversity targets, including the number of female (30%) and ethnic minority (10%) Partners we admit to the Partnership each year. Our progress on those targets is reviewed regularly by our most senior leaders – UK Chairman, Steve Varley, and UK Financial Services Managing Partner, Omar Ali.

Inclusive Leadership

To help create a sense of belonging in our organisation, 3,000 of our people – from interns to Partners – have taken part in our Inclusive Leadership training. The programme is designed to highlight the dynamics of insider and outsider group behaviour and interrupt unconscious bias. It also helps our people to talk more fluently about ethnic minority and gender diversity.

Investment in ethnic minority and female talent

To accelerate the progress of change we have developed a number of programmes aimed at improving the representation of ethnic minority and female talent within our organisation. Each programme focuses on identifying and overcoming some of the barriers to progression that our upcoming talent identifies with. Further investment will be made in these programmes in the coming year to expand their reach to even more of our talented professionals.

Of note is our newly refreshed Future Leaders Programme, which is targeted at our high potential ethnic minority senior managers – the future leaders of EY. This programme aims to identify, retain and advance our ethnic minority talent to leadership roles. Importantly, the programme is supported by a number of senior allies within the business.

We are encouraged by the overall positive movements in our pay gap data this year, and remain committed to understanding more about our pay gap, investing in more measures to reduce it and accelerating the pace of change.



Another initiative that has received greater investment is Accelerate@EY, designed specifically for high potential women. A new learning programme, Accelerate@EY offers a structured route to leadership for our future female leaders. Tailored to where they are on their career journey so far, the programme helps them to connect with other high potential women early on, whilst improving engagement and retention of our high-performers.

In the last 12 months we have expanded our EY Reconnect programme, which supports people who have taken a career break of between two and ten years. The programme now has two intakes a year, in September and January, and places are available outside of London.

Succession planning

Formal succession planning helps us to support the progression of diverse talent within the Partnership. EY has one of the most ethnically and gender diverse Partnerships in our profession – 21% female and 11% ethnic minority Partners.

In August this year Christabel Cowling and Sue Dawe were appointed to EY's UK LLP Board. The new appointments mean that five of the 10 positions on its UK Board will be held by women (50%), strengthening the diversity of the firm's senior leadership.

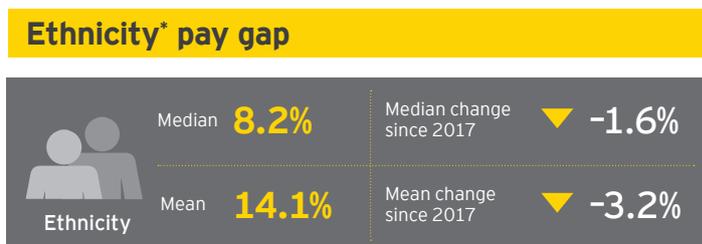
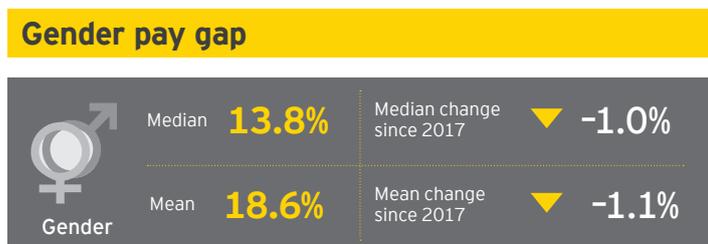
Flexible working

We are empowering our people to choose how, when and where they work to help them to achieve their own personal and professional ambitions. Significant investments in technology have helped to enable a host of flexible working patterns, for a variety of reasons, including caring responsibilities, hobbies, wellbeing, and even starting their own business.

Statutory Gender Pay Gap (GPG) and ethnicity pay gap reporting

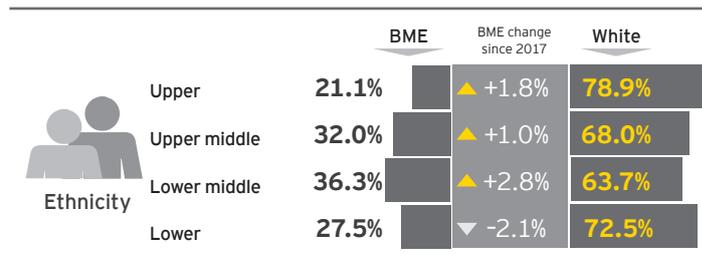
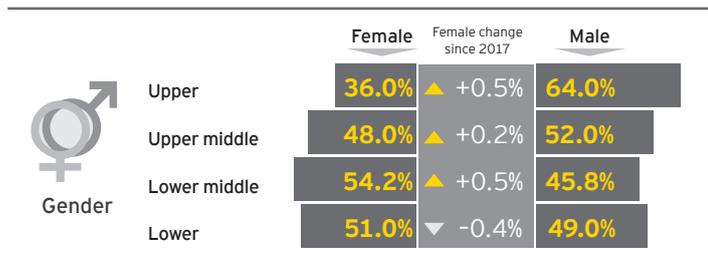
Our full statutory GPG figures are presented below, with the addition of our voluntary corresponding ethnicity pay gap figures:

Pay gap % – Employees

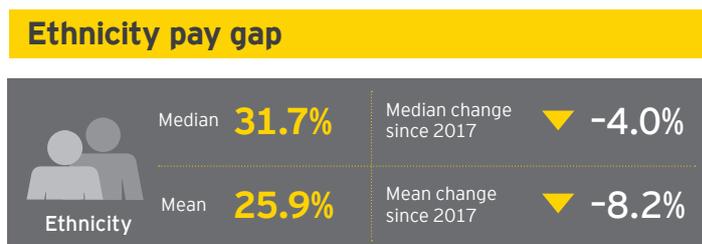
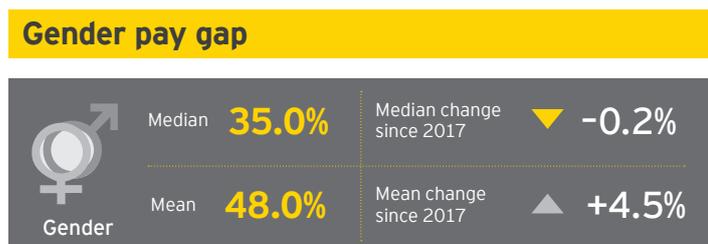


*This statistic is representative of the 83.6% of our employees who have declared their ethnicity to us.

Percentage in pay quartiles – Employees

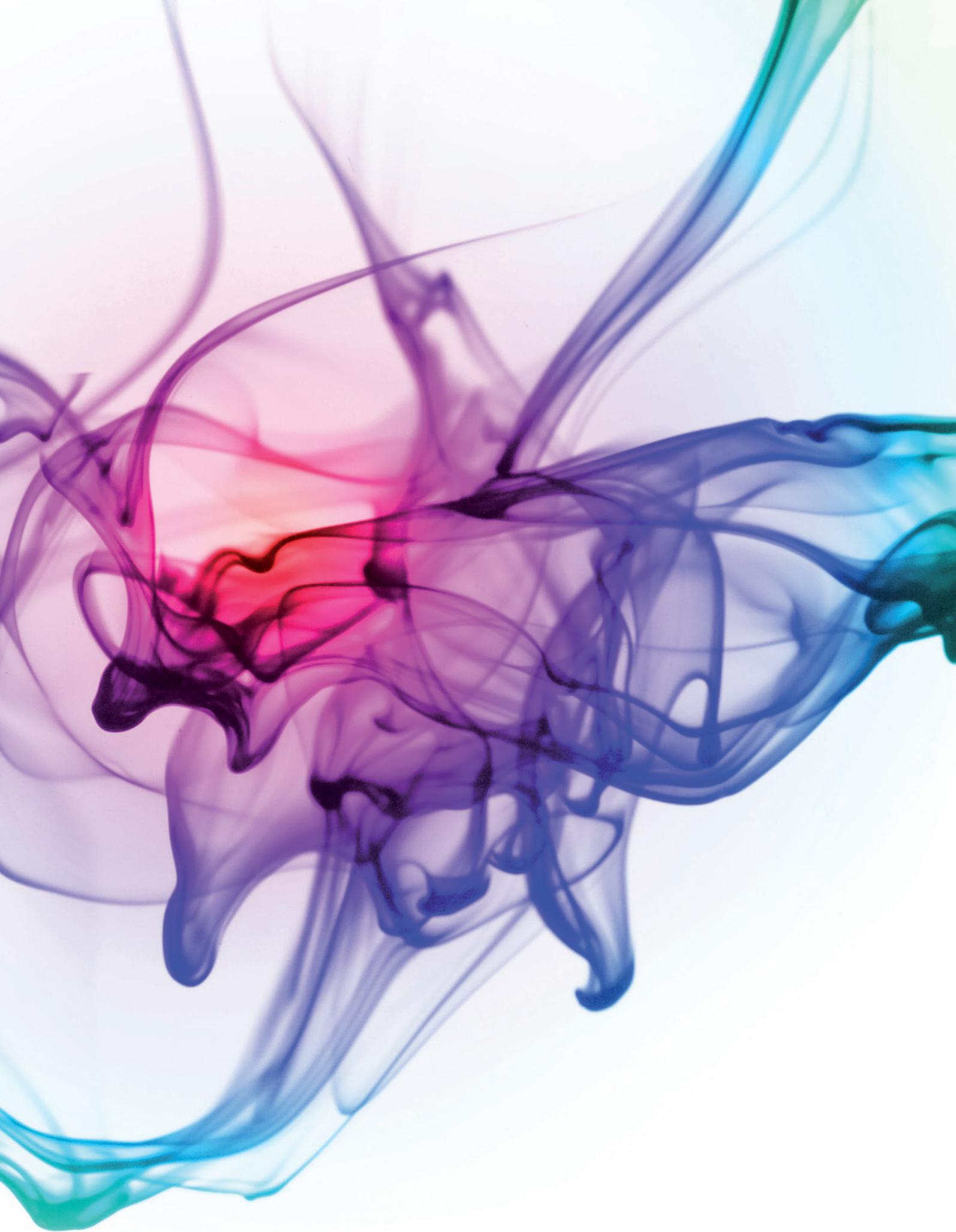


Bonus pay gap % – Employees



Percentage receiving a bonus – Employees





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