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Deloitte UK





Under new legislation that came into force in April 2017, UK employers with more than 250 employees are required to publish their gender pay gap. Increasing gender pay gap transparency is a topic we've taken a leading and visible position on for some time. We have been voluntarily reporting our gender pay gap since 2015 and worked closely with the Government Equalities Office to produce their report <u>Trailblazing Transparency: Mending the Gap</u>.

Our aim is for everyone at Deloitte to be able to build a successful career without compromising their life outside work, whether that be for family life, personal interests, or other reasons. We believe achieving this goal requires a combination of deliberate programmatic actions and ensuring that we provide an inclusive culture and an agile, flexible working environment for our people to operate in.

Emma Codd, Managing Partner Talent

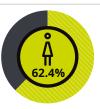
At a glance

Headline gender pay figures for Deloitte UK

The tables below show our overall median and mean gender pay and bonus gap based on hourly rates of pay as at the snapshot date of 5 April 2017, and bonuses paid in the year to 5 April.

	Median	Mean
Gender pay gap	15.3%	18.2%
Gender bonus pay gap	39.1%	50.9%

The proportion of males and females receiving a bonus payment





Proportion of females and males in each quartile band

•		•
Quartile	Female	• Male
Upper	33%	67%
Upper middle	42%	58%
Lower middle	46%	54%
Lower	49%	51%

Under the Regulations, we are required to report our gender pay gap data for each separate legal entity that has at least 250 employees and therefore we have reported data for Deloitte LLP and Deloitte MCS Ltd. Because we think it is important to consider the picture for all employees, we have also looked at the information required by the Regulations for the Deloitte UK firm ("Deloitte UK") which combines those two entities together with other employees (e.g. those in the Channel Islands), who are managed by Deloitte UK but are not within the scope of the mandated disclosure.

Understanding the gap

- The analysis of our gender gap figures tell us that our gender pay gap as at April 2017 arises because women hold fewer senior positions within the firm than men.
 While women made up 43% of our overall workforce in April 2017, only 18%* of our partners (those attracting the highest levels of remuneration) were female.
- Our analysis suggests that when we adjust for this structural issue, our pay gap drops to around 2.5%.
 Similarly, our bonus gap is driven by fewer women in senior positions where higher bonuses are paid. While we are maintaining a relentless focus on increasing the number of women in senior positions in our firm, we will also be continuing to work hard to eradicate this in grade gap.

Our Women in Leadership action plan

- In autumn 2014 we published our Women in Leadership action plan. This plan comprises a number of targeted interventions and, most critically, a focus on our culture.
 Our plan includes the following interventions:
 - Steps to ensure that our recruitment processes are without bias
 - An industry leading Return-to-Work programme
 - Sponsorship programmes for our senior women
 - A female manager development programme
 - Our Working Parents Transitions Programme.

Gender breakdown by grade

	remale	Male
Partner	00	00000000
Director	0000	000000000
Senior Manager and Manager	00000000000000000000000000000000000000	000000000000000000000000000000000000000
Below Manager	00000000000000000000000000000000000000	000000000000000000000000000000000000000

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^{*}As at 1 June 2017 this figure stands at 19%.

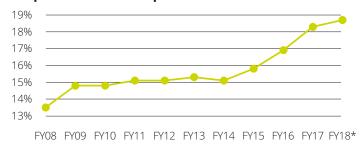
More about our Women in Leadership aims and actions

Targets are important, but meaningful change takes time and focus

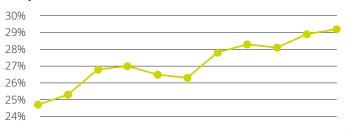
- Meaningful change takes time, and our ultimate aim is to achieve gender equality across our organisation, at all levels. In 2012 we put in place a target that in 2020 25% of our partners would be female, and that this would increase to 30% by 2025. We set these milestone targets to accelerate the pace of change and we believe that they are helping us to do so. In June 2016, 31% of those promoted to partner were female (up from 30% in June 2015 and 21% in June 2014), taking the proportion of our partner group which is female to 18% overall, up from 15% in 2014.
- Around 25% of our female senior manager and director population work part-time, and around 12% of our female partner population – this is consistent with our commitment to agile working, launched in 2014.

- We continually measure progress from a gender diversity perspective; all Executive reporting on talent is analysed and reported by gender, and gender diversity is reported on at least twice a year at our Executive and our Board.
- While our data shows that we have identified and are focussing on – the correct actions, it also shows that meaningful and sustained change will take time and consistent focus by our most senior leaders. We also know that some of the actions we are taking to improve the gap over the longer-term may have short-term distorting effects, for example, increasing the number of females at graduate entry may have an initial negative impact on our gap.

Proportion of female partners



Proportion of female directors



FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18*



WorkAgility

In 2014, Deloitte launched its focus on agile working (WorkAgility), ensuring that all our people are able to work in a way that enables them to balance a successful career with outside commitments. WorkAgility – including its award-winning Time Out programme – focuses on both formal and informal means to work flexibly and is underpinned by three core principles: trust and respect, open and honest two-way conversation and judging only on output.

Our agile working stories **()**

Recruitment

Our recruiting processes, marketing and targeting activities have all been adapted to ensure that they are bias free and move towards an equal intake of men and women at entry level. All job specifications are drafted in gender neutral language and now include a clear statement of support for agile working.

^{*}FY18 figures reflect position at the start of the financial year (1 June). FY08-FY17 figures reflect the position at the end of each financial year.

We focus on providing an inclusive culture, underpinned by respect

Our culture and working environment

- We recognise that none of our actions will succeed without the right culture and working environment.
 To this end, we have relentlessly focused on agile working and providing a working environment that is truly inclusive, underpinned by respect at all times.
- Through our award-winning 'Ask Yourself...' film we have sent a clear message to our people and others that we will judge every person only on the value they can – or could – bring.



• Diversity – across all dimensions – is an outcome of an inclusive culture. All of our people have a part to play in ensuring we always provide an inclusive environment.

Respect and Inclusion

It is not only gender where we have taken action to improve the diversity of thought in our firm. Our focus on respect and inclusion is about creating an environment where everyone can be themselves at work and is able to thrive, develop and succeed.

This includes:

- A commitment to social mobility through academic contextualisation; name- and academic institution-blind recruitment; our 100 Schools Programme, designed to attract applicants from low-socio-economic backgrounds; and our ongoing commitment to Access Accountancy, an industry-wide collaboration to broaden access to the profession. We are one of the government's 12 Social Mobility Business Compact Champions.
- Our One Million Futures strategy is supporting a million people to get to where they want to be by raising aspirations, improving skills and developing leaders through initiatives such as our schools programme, Deloitte Access; our recruitment programmes, BrightStart and ASPIRE; our society partner programme with charities and social enterprises; and our everyday client support through CFO/ CEO Transition Labs and Next Gen programmes.
- A focus on the representation of people from different ethnic backgrounds in our firm, with a commitment that by 2021, 10% of our partners will be from Black, Asian and Minority Ethnic (BAME) backgrounds, our Executive group will have at least one BAME member, and each of our business leadership teams will include at least one BAME member.

Return to Work Programme In September 2015 Deloitte launched an

industry first Return to Work programme, open to anyone who's taken a voluntary career break of two years or more. Through this programme, Deloitte provided a group of talented senior women a 12 week paid placement and supported them to relaunch their careers. The programme was expanded to 20 weeks in 2016. To date, 16 women have joined the firm through this route.

Working Parents Transitions Programme
In June 2015 we launched the Working
Parents Transitions Programme with the
aim of supporting primary carers to have a smooth
transition to and from maternity, parental or adoption
leave. This includes coaching sessions to build
confidence upon return to work and skills to manage
responsibilities. Line managers of primary carers also
attend a mandatory session to enable them to support
the transition back into work.

Female Manager Development Programme
In October 2016 we launched our pilot female
manager development programme – a 12
month programme for female managers from across
the firm to provide them with additional opportunities
to develop skills and access to support networks.

Empowering women and embedding an inclusive culture through our Return to Work Programme



You can acknowledge your career break; rather than apologise for it

Lisa Chin-A-YoungStrategy & Operations Manager, Consulting

I took seven years out to focus on family. During this time I was busy – I wanted to still have an impact and grow while having the flexibility to prioritise my family. I served as an NHS Foundation Trust Governor, taught a Marketing & Finance course for the Open University, wrote a book, invested and dabbled as a social entrepreneur. All things I could do in a flexible way, as well as spending time on the home front. During this time I developed valuable skills, but there is a disconnect. The professional world largely still views career breaks as negative.

Coming back to work can be nearly impossible. You can't get through recruitment auto-filters, as you don't have a 'current salary' or continuous employment – you're an unknown entity. The Return to Work programme is designed to create a path, supporting talented people back into the professional world.

Deloitte believes that that your experience is valuable. The programme is designed around us, not just shoehorned into the regular recruitment cycle. It's four days a week (starting after the school year in September), and there's a named HR person. We are given formal and informal support, coaching, and help to raise our profile. I feel I can grow with Deloitte and build my career here. Return to Work is a huge door opener.



I believe I can be a Director; it's just a question of getting there

Charlotte Blyton
Associate Director, Tax Consulting

Just go for it. You have nothing to lose and everything to gain. That's what I'd say to anyone thinking about restarting their career after a break. We've all been there and thought 'I can't do it'. But you can. I was considering taking a part time management job at a pre-school, until I heard about the Deloitte Return to Work programme. I'd lost confidence; my world had narrowed and I'd lowered my expectations.

A friend who's a career coach told me I shouldn't limit myself, that there are opportunities out there. She was right. I was one of the eight Deloitte alumni asked to join the pilot scheme in 2015. I came back in as a Senior Manager, was offered a permanent role, and am now an Associate Director in Tax Management Consulting. I believe I can be a Director; it's just a question of getting there.

This is a fantastic opportunity to get back on the career ladder. Even just applying and going to the insight day builds your confidence. I got so much out of it, even before I was offered a role. The programme gives you a chance to get back up to speed. You still have to deliver, but in a more supportive environment.



The programme reassured me that taking a career break was a great choice

Aneta Kurp Senior Consultant, Consulting

When I came back to work after having my first son in 2009, it seemed difficult to manage a career and child. But things have changed. There is now fierce competition for the best talent. Once my third son started school, I found plenty of return to work programmes on offer.

I chose Deloitte because it's a place that welcomes women and others from diverse backgrounds. The firm is heavily involved in initiatives such as women in technology and women in leadership. The learning and development is excellent too; there are clearly identified career pathways and you can lead your own development. Deloitte is more meritocratic than other organisations. It's also a very stimulating work environment, with opportunities to learn from inspiring people.

The progamme itself offers plenty of support. I was assigned a buddy to introduce me to the firm: a great person who shared valuable advice on how to move my career forward. I met an amazing network of women too; a fabulous tribe of women with different backgrounds and stories, who have become true supportive friends.

Statutory disclosures

Deloitte UK has two legal entities with at least 250 employees: MCS Limited (for employees of our Consulting business) and Deloitte LLP (for employees of our Audit & Risk Advisory, Financial Advisory, Tax, and Internal Clients Services businesses). Under the regulations we are required to report our gender pay gap data for each of these entities, as set out below.

Deloitte LLP		
	Median	Mean
Gender pay gap	12.1%	17.0%
Gender bonus pay gap	41.2%	52.2%

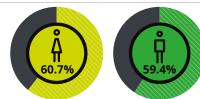
 Deloitte MCS Ltd

 Median
 Mean

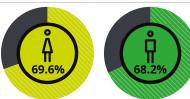
 Gender pay gap
 17.8%
 20.4%

 Gender bonus pay gap
 38.7%
 50.3%

The proportion of males and females receiving a bonus payment



The proportion of males and females receiving a bonus payment



Proportion of males and females in each quartile band		
Quartile	Female	Male
Upper	36%	64%
Upper middle	44%	56%
Lower middle	49%	51%
Lower	49%	51%

Proportion of males and females in each quartile band		
Quartile	Female	• Male
Upper	24%	76%
Upper middle	37%	63%
Lower middle	43%	57%
Lower	45%	55%

Deloitte UK is made up of Deloitte LLP, Deloitte MCS Ltd, DTRAB Ltd, Deloitte Guernsey Ltd, Deloitte Isle of Man Ltd and Deloitte Jersey Ltd. Deloitte LLP and Deloitte MCS Ltd are the only UK entities which meet the criteria for mandatory reporting under the Equality Act 2010.

Declaration

We confirm that Deloitte's gender pay gap calculations are accurate and meet the requirements of the Regulations. The calculations, data and assertions contained in this announcement have been fully assured by the Deloitte Sustainability team, who have confirmed that the methodology provided in The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 has been applied correctly.

David Sproul

Senior Partner and Chief Executive

Emma Codd

Managing Partner Talent

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