



Equity Partners & Employees Pay Gap Report

OCTOBER 2023





Pay gap reporting 2023

Equity partners (EP) and employees (including salaried partners) combined data


Foreword


We want everyone at BDO to feel respected and valued for who they are, and to feel challenged, supported and empowered to be the best they can be.

Gender pay gap information falls within The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 ('the Regulations'). The Regulations require employers with 250 or more employees to publish statutory calculations each year showing how large the pay gap is between male and female employees.

We publish our gender pay gap in line with the Regulations and because we know it is important to be transparent. The data is in keeping with the regulatory requirements and is based on April 2023 data for all BDO Services Ltd employees. Although not a statutory requirement, we also report on our ethnicity pay gap. The detail is available in our Pay Gap Report 2023.

The Regulations require that firms report on employees (employees including salaried partners). However, we think it is important to understand the picture across the whole firm. That is why we are also reporting our gender and ethnicity pay gaps for our equity partners (EPs) and also for our EPs and employees combined.




Paul England
Managing Partner

One of the fundamental parts of our firm's philosophy is to encourage people to be themselves. That means, whatever our people's background, they should be feeling very comfortable that they can get their best career here at BDO. We try to achieve this by creating an inclusive workplace where everyone not only is valued, but also feels valued. We believe there's a strong moral and commercial case for doing so and we will continue to have meaningful conversations and take real actions to increase representation at all levels and reduce our pay gaps.

Our analysis including equity partners

Pay gap 2023		Gender		Ethnicity	
		2023	2022	2023	2022
Equity partners earnings gap	Mean	18.00%	10.36%	15.40%	12.03%
Equity partners earnings gap	Median	23.09%	0.00%	15.40%	8.84%
Combined equity partner and employee earnings gap	Mean	36.08%	38.83%	41.80%	44.34%
Combined equity partner and employee earnings gap	Median	7.97%	11.00%	5.00%	4.02%

We have updated our data and calculated the earnings gap for both our EP population and a combined figure for the whole firm to include EPs, salaried partners and the rest of our employee workforce.

Combining the two calculations together isn't straightforward so we've looked at total earnings for equity partners and total earnings for our employees and applied the pay gap calculations.

It is important to clarify the difference between 'equal pay' and 'pay gap'. Equal pay is the right to be paid the same level of pay for 'like work, work rated as equivalent and work of equal value', whereas the gender/ethnicity pay gap is the difference in average pay and bonuses received by male and female

individuals and white and ethnically diverse individuals within a workforce, irrespective of role, responsibilities, or seniority. BDO is an equal pay employer.

Our pay gaps are primarily caused by lack of senior female representation and lack of senior ethnically diverse representation. This is not unique to BDO and consistent with other firms in the Professional Services sector. We have published ambitions to ensure that we make the desired progress. Our ambitions are: to achieve 30% female partners by the end of 2030; and 10% partners to be from ethnically diverse (Black, Asian, Mixed Heritage and Minority Ethnic) backgrounds by the end of 2026, of which we are striving for 10% from black heritage.

Our analysis including equity partners

Gender pay gap – equity partners and combined employees and equity partners

- ▶ Our firmwide gender pay gap increases significantly when we include equity partners (EPs)
- ▶ The good news is that female representation in the EP population is increasing, with 15 new female equity partners included this year
- ▶ Our EP pay gap is 18% mean and 23.1% median, representing an increase from 2022
- ▶ The increase in the gap is due to a combination of the retirement of a few senior female partners and the fact that most new entry-level EPs, both male and female, join the firm on lower profit shares
- ▶ We may continue to see an increased EP pay gap for several years as we continue to recruit and promote more entry-level female EPs; this is expected and important to note
- ▶ Our combined employee and EP pay gap stands at 36.08 % mean and 7.97% median. These are lower than 2022 which is due to the fact that the employee pay gap has reduced
- ▶ We are on-track to meet our ambition of 30% female partners by the end of 2030.



Ethnicity pay gap – equity partners and combined employees and equity partners

- ▶ Our equity partner (EP) ethnicity mean and median pay gaps are 15.4%
- ▶ The good news is that ethnically diverse EP representation has increased by at least three over the reporting year
- ▶ The increase in the pay gap is because most new entry-level EPs, both ethnically diverse and white, join the firm on lower profit shares. This has led to the average white EP being paid more than the average ethnically diverse EP
- ▶ We may continue to see an increased EP pay gap for a number of years as we continue to recruit/promote more ethnically diverse entry-level equity partners; this is expected and important to note
- ▶ Our combined employee and equity partner pay gap stands at 41.5% mean and 5% median. Our mean gap has reduced since 2022 but there is a slight increase in the median gap
- ▶ We are on track to meet our ambition of 10% ethnically diverse partners by the end of 2026.

FOR MORE INFORMATION:

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