

OUR PAY GAP REPORT 2021

BDO SERVICES LTD



PAUL ENGLAND
Managing Partner



ROB WORRALL
Head of People

FOREWORD

Ensuring that everyone in our business is paid fairly is paramount to the way we run our business. Part of our strategy is to create an inclusive environment to attract and retain the best people regardless of gender, age, ethnicity or background. It is important to understand that this is not about an equal pay issue, this is about a balance issue – not having enough diverse representation across the firm, and particularly at senior levels.

At BDO, we have been working hard to encourage more women to move into senior roles – and our ratios improve each year - but we need to do more. Diversity creates a stronger, sustainable and valuable business so we need to keep working at creating an environment which is desirable to all our people.

Consequently, we have refreshed our Be Yourself strategy, which drives all our action relating to Equality, Diversity and Inclusion through our strategic pillars of Leadership, Culture, Selection and Development

What gender pay gap reporting means is this: if you take a firm that has both a higher level of male directors and a higher level of females in business support, you'll get a high gender pay gap. Our business is not too dissimilar in profile: 79% of support roles are filled by women, and 60% of Directors/Principals and Senior Managers are men. So we know there will be a perceived average "gender pay

gap" but – crucially – a man and woman doing exactly the same role will not be paid any differently.

This is our second year reporting on our ethnicity pay gap. We have committed to do this annually together with our gender pay gap. We'd also like to see this be a statutory requirement for all employers.

Our Race Action Plan helps us plot how we can increase BAME representation, and senior representation, across BDO. We can draw two things from this: firstly, it's even more important that we understand how to support, develop and retain our growing BAME population; and secondly, that we need to remember that the term 'BAME' is a catch-all and that there are many different communities who are facing their own challenges and that each individual will have their own definition of success for themselves.

Our culture at BDO encourages everyone to be themselves and our core purpose is to 'help people succeed'. The career aspiration of every person is different, and the way in which they wish to work is different too. Through flexible and agile working we have enabled our people to work in a way that suits them. There is always more we can do to make this happen. But we're working on it.

You can read about the work we are doing to make this happen in this report and in our [2021 Culture Report](#).

We confirm that our gender pay gap figures are calculated and presented within this report in accordance with the required regulations.

PAUL ENGLAND
Managing Partner

ROB WORRALL
Head of People



WENDY WALTON
Leadership Team

OUR PEOPLE

“Gender diversity – in fact all diversity – creates a stronger, sustainable and valuable business. That’s why we need to keep working to create an environment desirable to all our people and one in which they can succeed. Within our Be Yourself strategy, we consider how we can attract more females into the profession, and how we keep them here at BDO.”

OUR GENDER PAY GAP

BDO’s employee gender pay gap has decreased for the fourth year running and below is our employee data for April 2021. Our mean gender pay gap is currently 13.0%. The gap is still closing and remains below the national average but we want to do better.

We can attribute the decrease in the median pay gap to an increase in female numbers in our Director and Partner populations.

The **mean** is the average of a set of numbers. It is calculated by adding up all of the values in a data set, and then dividing by the total number of values.

The **median** is the middle value of a set of numbers. It is calculated by ordering all of the values in a data set from lowest to highest, and identifying the middle value.

Our workforce composition	Female (F)	Male (M)
	48.0%	52.0%
2021		
Mean pay gap		13.0%
Median pay gap		11.8%
2020		
Mean pay gap		16.1%
Median pay gap		16.9%

OUR BONUS GAP

Mean bonus gap	43.9%	
Median bonus gap	22.2%	
% of population who received bonus	Male (M)	Female (F)
2021	59.7%	66.3%
2020	43.0%	39.3%

OUR HOURLY PAY QUANTILES

Quantile Band	Female % of employees	Male % of employees
2021		
Upper	38.7%	61.3%
Middle Upper	46.8%	53.2%
Lower Middle	53.4%	46.6%
Lower	49.5%	50.5%
2020		
Upper	37.8%	62.2%
Middle Upper	48.0%	52.0%
Lower Middle	54.7%	45.3%
Lower	50.9%	49.1%

WORK TO CLOSE THE GENDER PAY GAP

Our gender pay gap data is heading in the right direction – that is, the gap is closing each year. But, of course, we acknowledge that we still have a long way to go to achieve more balance. We continue to use our BE INSPIRED Action Plan to help us do this. BE INSPIRED summarises a detailed programme of local and national activity led by the Leadership Team, our Culture Board, our women’s network BDO Inspire and a group of passionate people, with the aim of ensuring there are no barriers preventing our talented people from succeeding.

2021 ACTIONS



Our BE INSPIRED plan, we look at recruitment, training, coaching, inclusive leadership, our policies and processes, mentoring and sponsorship. We also look at what metrics we need to apply to challenge our thinking and check we're heading in the right direction – and that our actions are turning into tangible results over what we know will be a long journey.

In November 2018, BDO signed up to HM Treasury's Women in Finance Charter. Created by the HM Treasury, this is a pledge for gender balance across financial services and to build a more balanced and fair industry.

BDO is an active member of the 30% Club. This is a cross-company, cross-mentoring scheme which is aimed at developing a broader pipeline of female talent at all levels.

Our current target – which was amended last year due to COVID – is to achieve 20% female partners by the end of 2022. This year, we have continued to progress and are now at 17% female partners.

In the last 12 months, we have:

- ▶ Launched Inclusive Leadership and ED&I training
- ▶ Hosted Listening Events with female senior managers and above
- ▶ Conducted an external, independent audit of our HR policies to ensure they are inclusive, fair and transparent
- ▶ Interviewed our Leadership Team sponsors on our BE INSPIRED actions
- ▶ Continued to meet regularly with our business leaders to discuss gender balance and progression pipelines
- ▶ Actively promoted our Whistleblowing and Zero Tolerance policies
- ▶ Improved our exit interview analysis
- ▶ Supported our BDO Inspire network in their running of skills-based, virtual events to support career progression.

More about our Gender Balance commitments, stories and Listening Events can be found in our [2021 Culture Report](#).



PAUL ENGLAND
Managing Partner

OUR PEOPLE

"We held a series of gender listening events in 2021 to better understand how to improve the support we offer to women's careers at BDO. A supporting document and actions were launched shortly afterwards."





OUR PEOPLE



Hamid Ghafoor is our Partner Sponsor for BDO's BAME Network.

HAMID GHAFOOR
Partner

OUR ETHNICITY PAY GAP

To support our wider commitment to improve the representation, progression and success of our Black, Asian and Minority Ethnic (BAME) colleagues, we have chosen to publish our ethnicity pay gap. It is not currently regulation to report on ethnicity pay gaps; however, we have chosen to publish this data as we feel this is the right thing to do.

Our Race Action Plan, sponsored by Paul Eagland, specifically includes our commitment to capture and publish this data each year and this is the second year we are reporting our ethnicity pay gap. Our disclosure rates for Ethnicity are 74% and therefore, although an improvement on last years data set (c. 60%), this is still not complete and should be treated as indicative.

Our BDO Ethnicity Pay Gap is 10.1% mean and 2.1% median, this is down on 10.7% mean and 5.3% median last year.

We calculate our ethnicity pay gap using the same methodology used in accordance with the required regulations for calculating our gender pay gap.

Our workforce composition	BAME	Non BAME	Unknown
	18.8%	51.7%	29.5%
2021			
Mean pay gap			10.1%
Median pay gap			2.1%
2020			
Mean pay gap			10.7%
Median pay gap			5.3%

OUR BONUS GAP

Mean bonus gap	27.6%	
Median bonus gap	25.0%	
% of population who received bonus	BAME	Non BAME
2021	55.0%	66.0%
2020	34.6%	48.0%

OUR HOURLY PAY QUANTILES

Quartile Band	BAME % of employees	Non BAME % of employees
2021		
Upper	21.8%	78.2%
Middle Upper	30.1%	69.9%
Lower Middle	27.7%	72.3%
Lower	26.1%	73.9%
2020		
Upper	17.7%	82.3%
Middle Upper	24.2%	75.8%
Lower Middle	24.5%	75.5%
Lower	22.0%	78.0%

WORK TO CLOSE THE ETHNICITY PAY GAP

We know we're already doing a lot of the right things – but we also know they will take time to become sustainable, long-term fixes. It won't happen overnight but, with support of our people, we know we can make sure our future statistics reflect our current ambition.






Specific actions this year have included:

- ▶ Listening events throughout the year
- ▶ External audit of HR policies and processes
- ▶ E-learning modules launched for all colleagues
- ▶ Partners attended Authentic Leadership training
- ▶ BAME Mentoring circles
- ▶ Reverse Mentoring and one-to-one mentoring programmes launched
- ▶ BAME network re-launched regionally
- ▶ Black Consulting Group formed
- ▶ Black History Month events
- ▶ Exit interview questions & process refreshed;
- ▶ External Black Professional Services Collective launched with other Major Six professional services firms.
- ▶ In the summer, we had 30 black heritage students and 59 Explore BDO students attending bespoke programmes - many of those were offered Early in Career roles and have become university brand ambassadors for us
- ▶ We have signed up to the #10000BlackInterns campaign for Summer 2022
- ▶ We have been working with ICAEW and other firms to host a large event aimed at Black heritage school leavers.

WE LAUNCHED OUR RACE ACTION PLAN

We signed the Business in the Community Race at Work Charter in June 2020. Since then, we have launched our Race Action Plan which confirms our 5 key pillars of action to structure our actions to increase BAME representation across the firm. We work closely with our BAME network and Black Consulting group to deliver against these commitments.

RACE ACTION PLAN: OUR 5 COMMITMENTS

 LEADERSHIP SUPPORT	 CAPTURE DATA	 ZERO TOLERANCE	 EQUAL RESPONSIBILITY	 HELPING YOU SUCCEED
<p>We will support our Race Action Plan from the top</p> <ul style="list-style-type: none"> ▶ Assigned Managing Partner as Exec Sponsor ▶ Created a team to support the Exec Sponsor to implement the plan ▶ Briefed our Leaders and U Leaders on the plan. 	<p>We will measure and report on our data and progress</p> <ul style="list-style-type: none"> ▶ Capture, measure and publish data ▶ Starting with our ethnicity pay gap Reporting ▶ Use Workday to improve data collection ▶ Actively monitor pipeline. 	<p>We will have zero tolerance to racial harassment and bullying</p> <ul style="list-style-type: none"> ▶ Committed at both Board level and firm-wide to zero tolerance of racial harassment and bullying ▶ Define and promote what 'zero tolerance' looks like for us ▶ Promote whistleblowing policy. 	<p>We will take equal responsibility for equal opportunities</p> <ul style="list-style-type: none"> ▶ Making it clear that supporting equality in the workplace is the responsibility of all leaders and managers ▶ Unconscious bias and inclusive leadership training, starting with partners and people managers. 	<p>We will help you succeed</p> <ul style="list-style-type: none"> ▶ Taking action that supports ethnic minority career progression ▶ Career support: launch mentoring circles ▶ Tailored development pathways ▶ Identify sponsorship and partnership options.

We have been communicating our progress on these Commitments and the actions below them throughout the year. We also will provide an annual review of our Commitments to the Business in the Community Race at Work Charter panel.

85% of our people say they can be themselves at BDO*

** Listening Programme 2021*

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