



# BDO Services Ltd. Pay Gap Report

OCTOBER 2023

IDEAS | PEOPLE | TRUST





# Foreword

At BDO, we are committed to ensuring that we help our people, the business world, and society to succeed. Ensuring all of our people are paid fairly is a crucial part of this. A key part of our people proposition is our desire to attract, develop and retain the best and brightest talent from a diverse range of backgrounds. As a large employer of more than 7,500 people, we know that the positive actions we take have a real impact on society as a whole.

Analysing our pay gaps is one way for us to ensure that we regularly review and stay accountable for equality.



**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 pay gap report 2023

## Gender pay gap reporting

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 support these regulations and transparently share our data each year, supported by our Gender Balance Action Plan and ambitions to drive more gender balance in our firm, particularly at senior levels. As part of this, we have been signatories of HMT's Women in Finance Charter since 2018 and are now signatories to the United Nations Women's Empowerment Principles.

It is important to clarify the difference between 'equal pay' and 'gender 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'<sup>1</sup>, whereas the gender pay gap is the difference in average pay and bonuses received by male and female employees within a workforce, irrespective of role, responsibilities, or seniority. BDO is an equal pay employer.

The data in this report is accurate as of 5 April, 2023.

We confirm that our gender pay gap figures are calculated and presented within this report in accordance with the required regulations; the pay gaps shown in this report are for our employees and salaried partners.

But we also think it's right that we show our firm's pay gaps when we add in our equity partner earnings. The report analysing our combined equity partner and employee pay gaps is also available.

<sup>1</sup> Equality and Human Rights Commission definition of Equal Pay

## Ethnicity pay gap reporting

Ethnicity pay gap analysis, as well as other important information such as our employee engagement surveys and listening events, inform our Race Action Plan (RAP). Our RAP ensures that we are taking impactful steps to improve the representation, progression and success of our ethnically diverse colleagues. Though not required by regulation, we think it's right that we also report publicly on our ethnicity pay gaps and the actions we are taking to address them.



**Anna Draper**  
Member of BDO's Leadership Team and sponsor of BDO's Gender Balance Action Plan



**Dee Vaghela**  
Member of U Board and sponsor of BDO's Race Action Plan

Whilst we still have a gender pay gap, it is promising to have seen that gap reduce since last year and evidence that our actions are having an impact. However, we must not be complacent and I look forward to playing a role in striving for further progress over the next 12 months.

We've continued to make progress on our Race Action Plan but know there is still more to be done. Although our ethnicity pay gap has increased, we are encouraged to see that there has been an overall increase in ethnic diversity across our firm, including at the most senior levels. One of the main reasons for the gap is the fact that we have recruited more ethnically diverse colleagues at the entry-level grades. We will focus on fostering an inclusive culture that works to ensure they are set up for success and continue to progress within the firm. Significant progress will not happen overnight, but I am proud to see some positive progress has been made to increase diversity across the firm.

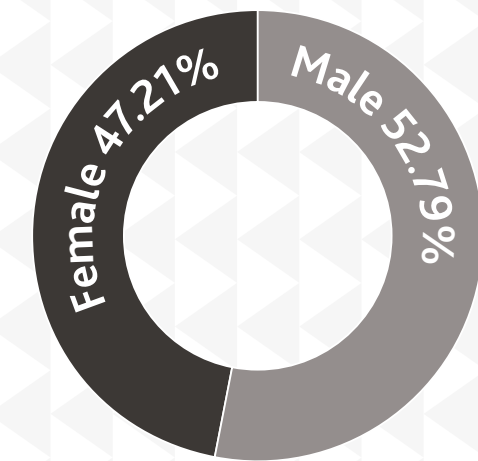
# Our gender pay gap

Our employee gender pay gap has decreased for the seventh consecutive year. On the right are our workforce composition followed by our gender pay gap figures along with our 2022 figures for comparison. Our employee pay gap includes salaried partners.



2023

Employee workforce composition



Our employee pay gap

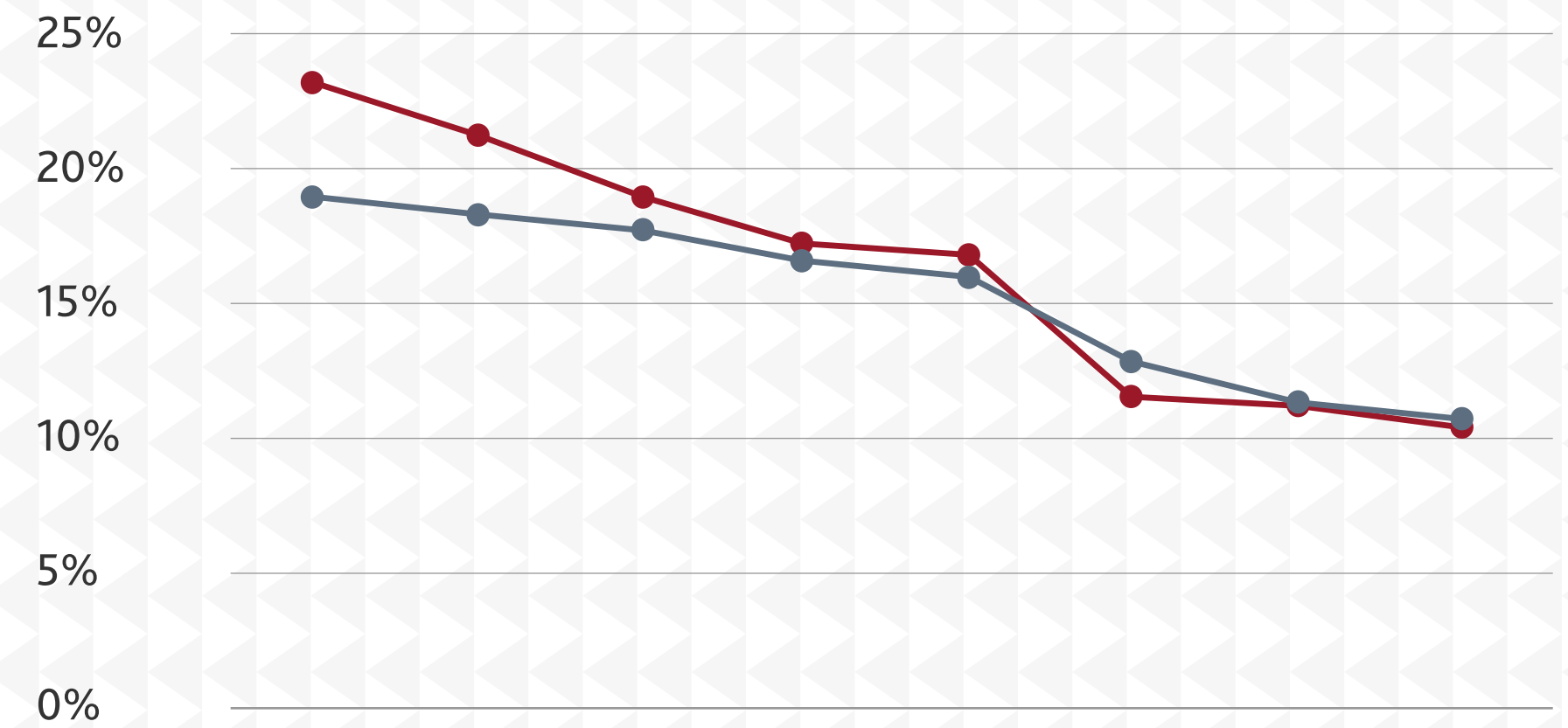
Mean 10.86% Median 10.57%

2022



Mean 11.59% Median 11.35%

Gender pay gap 2016 - 2023



	2016	2017	2018	2019	2020	2021	2022	2023
Mean	18.92%	18.28%	17.71%	16.68%	16.05%	12.99%	11.59%	10.86%
Median	23.03%	21.18%	18.91%	17.27%	16.89%	11.79%	11.35%	10.57%

## Factors influencing our gender pay gap

### Our hourly pay quartiles

Quartile Band	Female % of employees		Male % of employees	
	2023	2022	2023	2022
Upper	39.87%	39.17%	60.13%	60.83%
Middle Upper	47.11%	45.82%	52.89%	54.18%
Lower Middle	52.97%	50.74%	47.03%	49.26%
Lower	48.89%	48.67%	51.11%	51.33%

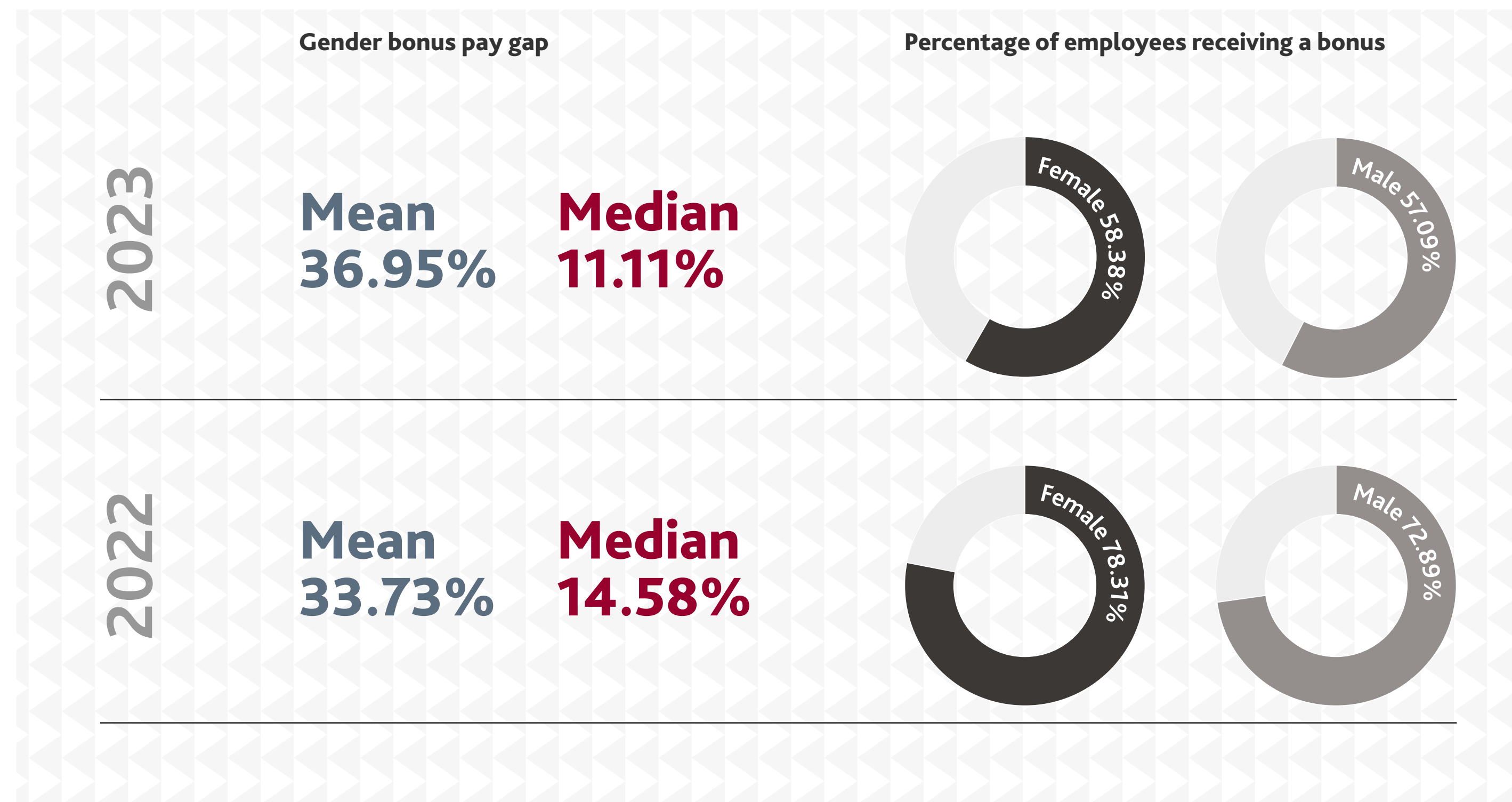
We are pleased to see that our mean and median employee gender pay gaps have decreased again and that the proportion of women within our firm has increased (46.1% to 47.2%). In fact, there is increased female representation in each of our pay quartiles which indicates that women are progressing through the firm.

### Factors that are influencing our gender pay gap

We have a gender pay gap primarily because we have a higher proportion of men than women in our senior grades. This leads to the average man being paid more than the average woman, which leads to a gender pay gap. We continue to take steps to ensure that our women continue to progress and develop their career within the firm; this is called our Gender Balance Action Plan.



# Gender bonus pay gap



## Gender bonus pay gap

Our gender bonus pay gap shows that more women than men are receiving a bonus. It also indicates that the average woman is paid a lower bonus than the average man. The main reason for this is again a representation issue, as we have a higher proportion of men at a senior level than women.

It is important to note that the regulations require that bonus pay is calculated on a pro rata basis which means that the mean and median bonus figures are based on the actual bonus received. As more women than men work part-time, this leads to the bonus gap being wider.

The decrease in employees receiving a bonus in 2023 is attributed to all colleagues receiving a 'COVID-19 Thank You' bonus the previous year.



# Gender Balance Action Plan

Our Gender Balance Action Plan is part of BDO's overall 'Be Yourself' strategy which aims to ensure we maintain a positive culture where everyone feels able to be themselves, no matter who they are or where they are from.

This strategy includes focus on leadership, selection, retention and culture.

## Leadership

Leaders who are open-minded, listen to your voice and are actively taking steps to support, role-model, champion & sponsor the development of diverse talent in their teams.

- ▶ BDO's Leadership Team and leaders actively monitor our gender balance and progression pipelines to ensure we are on track to meet our ambitions
- ▶ Listening events are run by the Leadership Team with a particular focus on the engagement scores across females at Senior Manager/Director level, so we can understand the specific challenges that these women face and work to support them
- ▶ BDO's Leadership Team and partners visibly support the work of Inspire, our network focused on supporting women at BDO.

## Selection

An employer brand that appeals to quality, diverse candidates, who broaden the firm's horizons and add to our diversity and depth of thinking. Achieved through an inclusive selection process, which leaves all candidates with a first-class experience regardless of outcome.

- ▶ Our recruitment and selection processes are regularly reviewed through an Equality Diversity and Inclusion (EDI) lens to ensure that they are robust and minimise bias
- ▶ We provide training to all those involved in the recruitment process so they are able to assess candidates in an inclusive manner.

### Next steps:

- ▶ We will review our preferred recruitment suppliers and ensure that they understand our EDI ambitions. We will ensure that they are operating in an inclusive manner, attracting candidates from a diverse range of identities and backgrounds and provide us with gender balanced shortlists where possible
- ▶ We will explore a Returner programme, encouraging individuals who have had career breaks to apply to BDO.

## Development

A career that is based upon equity; access to inclusive, fair opportunities, underpinned by robust data-informed processes and with support available through a mentoring and coaching environment.

- ▶ We actively participate in the 30% Club mentoring scheme which aims to accelerate leadership for women and colleagues from other underrepresented groups
- ▶ We are signatories of both the HMT's Women in Finance Charter and the United Nations' Women's Empowerment Principles which hold us accountable to our commitment to developing our female talent
- ▶ Our gender network Inspire is supported in its skills-based, knowledge-sharing events, through senior female role model story sharing and networking
- ▶ Learning developed to minimise bias in annual appraisal performance conversations.

### Next steps:

- ▶ Explore formal sponsorship of those in the partner pipeline
- ▶ Work with HR Managers and People Development Managers to ensure balanced groups are put forward and selected for development opportunities.

## Culture

An inclusive culture where we are transparent about our progress, our success and our areas of new and continued focus. Looking beyond our firm, working with our professional bodies and peers to drive systemic change in our profession.

- ▶ We continue to celebrate and raise awareness of key dates including International Women's Day through awards and ongoing storytelling through role models
- ▶ We actively review exit data for any gender-based trends.

### Next steps:

- ▶ We will continue to review our HR policies and benefits to ensure they remain competitive and provide the support our women need to build a thriving career at BDO
- ▶ We will hold allyship workshops to equip all colleagues with the skills to become true allies.

## Our ambitions

As part of our commitment to the Women in Finance Charter, in November 2021 we met our ambition of 20% female representation at senior management level or, in BDO's case, 20% female partners. Our new ambition is to reach 30% female partners by the end of 2030. We regularly monitor our partner pipeline to ensure that we recruit and retain talented women. We are encouraged to see that we are on track to reach our ambition.





# Our ethnicity pay gap

We have chosen to publish our ethnicity pay gap since 2020. It is not currently a requirement, but we feel it is important to be transparent. Our Race Action Plan, sponsored by our Managing Partner, Paul England, specifically includes our commitment to capture and publish this data each year.

The data is based on 85% of our people who have chosen to share their ethnicity data with us. The number of people sharing their ethnicity data with us is increasing and we hope to be able to report on more data in future years.

We are reporting our ethnicity pay gap with the same methodology used, in accordance with the required regulations, for calculating our gender pay gap. We are comparing the pay and bonus gaps of employees who identify as Black, Asian, or from a Mixed Heritage or Minority Ethnic background. For reporting purposes, we are using the terms “ethnically diverse” and “white”; however, we recognise that the experiences of people within the scope of the terms are different. As our data becomes more complete, we will be able to analyse our workforce in a more granular way to better support our people.

2023

Employee workforce composition



Our employee pay gap

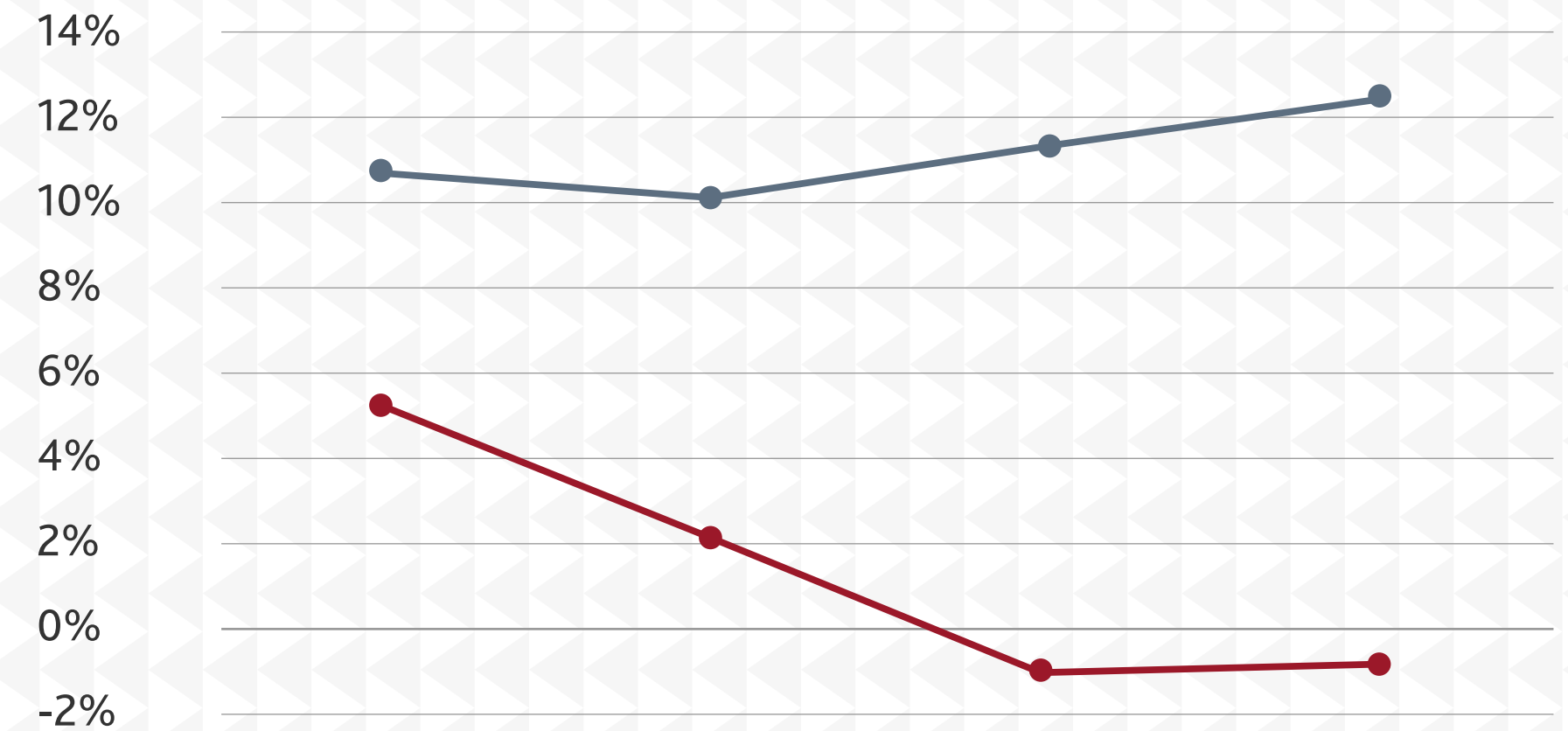
Mean **12.42%** Median **-0.88%**

2022



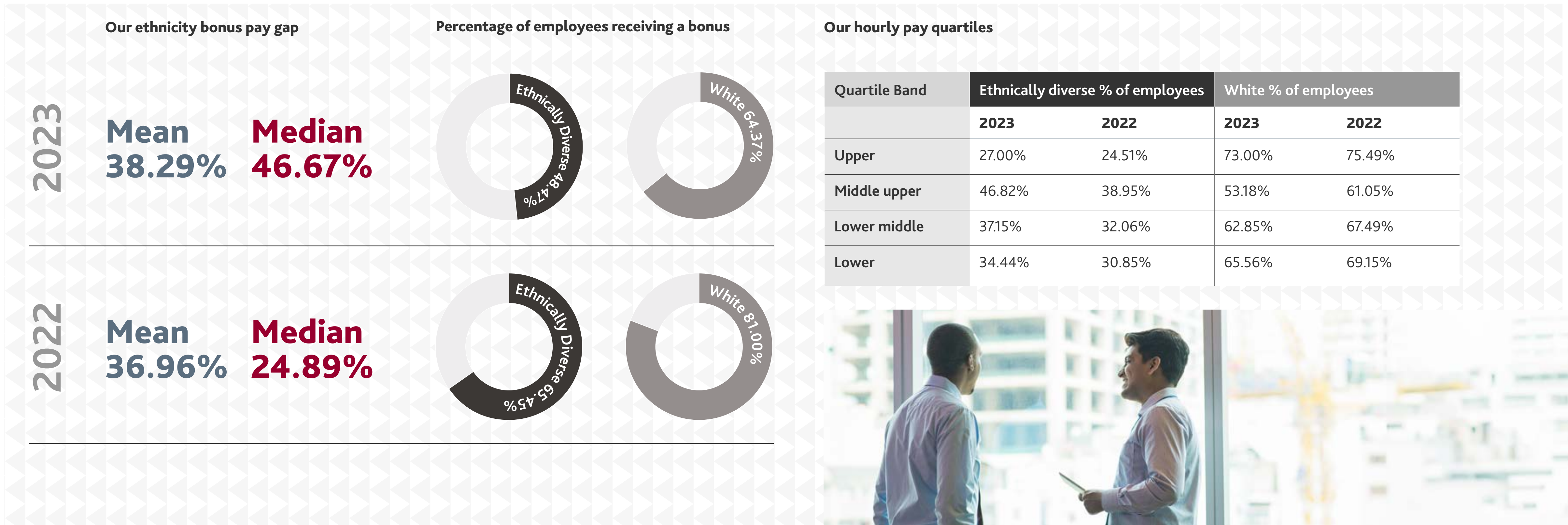
Mean **11.22%** Median **-1.15%**

Ethnicity pay gap 2020 - 2023



	2020	2021	2022	2023
Mean	10.74%	10.10%	11.22%	12.42%
Median	5.28%	2.13%	-1.15%	-0.88%

# Our ethnicity bonus pay gap





## Ethnicity pay gap analysis in brief

Our analysis is based on 85% of our workforce self-disclosing their ethnicity with us. This has increased from 74% in 2022, which is indicative of the greater trust and engagement felt by our ethnically diverse colleagues as we continue to build on our inclusive Be Yourself culture.

Our mean and median employee ethnicity pay gaps have increased slightly. Our pay gap remains primarily because we have a higher proportion of white employees in our senior grades. This leads to the average white employee being paid more than the average ethnically diverse employee which leads to a pay gap.

However, it is encouraging to see that the proportion of ethnically diverse colleagues in each pay quartile has increased from 2022. Overall, there is an almost 5% increase of ethnically diverse colleagues across our employee and salaried partner workforce. We expect to see a lower ethnicity pay gap over the next few years as our ethnically diverse colleagues progress through the firm into higher pay quartiles. Our ambition is to have 10% ethnically diverse partners by the end of 2026, of which 10% should identify as Black heritage.

### Ethnicity pay gap

Both our mean and median bonus pay gaps have increased. Our ethnicity bonus pay gaps remains for the same reason as our overall hourly pay gap: we have a higher proportion of white colleagues than ethnically diverse colleagues in our senior grades and these grades receive a higher actual bonus amount. This leads to the average white colleague receiving a higher bonus amount than the average ethnically diverse colleague.

The decrease in employees receiving a bonus in 2023 is attributed to all colleagues receiving a 'COVID-19 Thank You' bonus the previous year.

We remain committed to ensuring we close our ethnicity bonus gap and will continue to monitor this along with other key information from our engagement survey, listening events and through CEDAR (Celebrating Ethnic Diversity & Roots), a network for our ethnically diverse colleagues and their allies.

# Race Action Plan

## Race Action Plan

We work closely with CEDAR to input to and support our Race Action Plan (RAP). Our RAP has five pillars with specific actions:

### 1. Leadership support

We will support our Race Action Plan from the top

- ▶ Our CEDAR mentoring and reverse mentoring programmes provide real support to our ethnically diverse colleagues to progress within the firm, as well as upskilling our senior managers on the lived experience of those who are ethnically diverse at the firm.

### 2. Capture data

We will measure and report on our data and progress

- ▶ We undertake robust data monitoring through all people processes to ensure that ethnically diverse colleagues are not subjected to bias and are able to thrive.

### 3. Zero tolerance & equal responsibility

We will have zero tolerance to racial harassment and bullying

- ▶ We run Non-Financial Conduct (NFC) training for a selection of partners, setting expectations and how to call out and manage misconduct.

### 4. We will take equal responsibility for equal opportunities

Everyone has a part to play in creating an equitable, diverse and inclusive culture

- ▶ We will hold several listening events for our ethnically diverse colleagues in different streams/regions/grades to understand the real challenges on the ground and recommend actions to address these challenges.

### 5. Helping you succeed

We will help you succeed

We actively reach out into our communities to ensure that we are advertising a career in accountancy and business advisory to a diverse range of potential candidates:

- ▶ #10000BlackInterns programme: Nine interns joined for a six-week summer internship programme, two of whom were recruited as graduates
- ▶ We ran our Black Heritage Programme again this year, providing virtual work experience for 26 Black university students. Participants from this programme are fast-tracked to the final stage of assessment for our six-week Internship for 2023 and given a chance to be a paid Brand Ambassador on campus. 26 students were invited to become Brand Ambassadors on university campuses across the UK.



# Race Action Plan

## Next steps

We realise that there is much more we can, and need to, do to increase ethnically diverse representation within the firm and ensure that we continue to foster a culture where people can truly be themselves. Our focus for the coming year will be to:

- ▶ Pilot active bystander sessions to encourage allyship across the firm, raise awareness of inappropriate behaviour and language and empower our colleagues to challenge it in the workplace
- ▶ Understand more clearly what our ethnically diverse colleagues need to be successful and progress their career at BDO and provide the right interventions to support them
- ▶ Assess effectiveness of the reverse mentoring pilot, refine and roll-out further within the firm.



FOR MORE INFORMATION:

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