

Diversity Pay Report 2018

September 2018



At a glance



Our commitment

At PwC we are committed to creating an inclusive workplace culture where everyone can reach their full potential. The transparency and accountability that gender pay gap reporting brings is crucial in driving greater equality in the workplace. We first voluntarily published our gender pay gap data in 2014, and were one of only a handful of companies to do so at the time. Since then we have held ourselves accountable to disclose beyond the regulatory requirements. We published our pay and bonus gaps to include Partners, who are currently excluded under the reporting requirements, and we were also one of the first firms to publish our Black, Asian and Minority Ethnic ('BAME') pay and bonus gaps.

We are pleased to report that we have seen a reduction in nearly all of our pay gaps from 2017. This reflects progress against our five-point action plan. The majority of our gaps continue to be driven by the fact there are more non-BAME men in senior roles within the business. However, this is different from equal pay. At PwC we are confident that men and women are paid equally for doing equivalent jobs across our business and we continue to take action to address any gaps and to make sure our policies and practices are fair. This includes actively reviewing decisions around our annual performance, pay and bonus round.



12.2% ↓ 1.5% from 2017

The **mean gender hourly pay gap** at 5 April 2018.

This reduces to **2.1%** when we adjust for the fact we have more men in senior higher paid roles.

The gender pay gap is a measure of the percentage difference in the average hourly pay of men and women working for PwC, regardless of role in the organisation, length of service and any other differentiating factors. The bonus gap looks at all bonus payments in the last 12 month period to 5th April 2018.



These figures all relate to PwC UK as a whole. Further breakdown of these figures by entity are available on the next page.



37.8% ↑ 0.3% from 2017

The **mean gender bonus gap** at 5 April 2018.



43.2% ↓ 0.6% from 2017

The **mean gender pay gap including Partners** at July 2018.



18% ↓ 0.7% from 2017

The **median gender pay gap including Partners** at July 2018.



35.7% ↓ 0.2% from 2017

The **mean BAME pay gap including Partners** at July 2018.

The pay gap including partners reflects actual partner income for FY18 together with a snapshot of actual employee total cash for FY18 (30 June pay plus bonus payments for the FY18 financial year).



11% ↓ 0.7% from 2017

The **median BAME pay gap including Partners** July 2018.







Our gender data in detail





The previous page shows our group gender and BAME pay information and inclusive of Partners i.e. our entire UK population. In addition, we are legally required to report under UK gender pay gap reporting legislation, on each of our employing entities with more than 250 employees. This is available in the table below.

PwC has two employing entities: PwC Services Ltd and PwC LLP. Employment between these two entities is largely driven as a result of historical mergers and acquisitions. Since 2004, all new employees join PwC Services Ltd, though we are required to report on both entities.



Gender

	 Gender pay gap (mean)	 Gender pay gap (median)	 Gender bonus gap (mean)	 Gender bonus gap (median)	 Males receiving bonus pay	 Females receiving bonus pay
PwC UK (includes all staff) at 5 April 2018	12.2% 13.7% (2017)	11.3% 14.2% (2017)	37.8% 37.5% (2017)	37.3% 39.5% (2017)	67.7% 72.6% (2017)	70.3% 74.3% (2017)
PwC Services Ltd at 5 April 2018	10.8%	11.2%	34.3%	32.2%	65.8%	68.1%
PwC LLP at 5 April 2018	31.2%	32.3%	57.0%	68.3%	88.5%	85.7%

 Lower quartile		 Lower middle quartile		 Upper middle quartile		 Top quartile	
M	F	M	F	M	F	M	F
50%	50%	47%	53%	53%	47%	59%	41%
51%	49%	49%	51%	53%	47%	60%	40%
14%	86%	43%	57%	51%	49%	60%	40%

A mean gap is a calculation of the average hourly pay or bonus of a man in our organisation versus the average hourly pay of a woman, including all relevant additional payments and regardless of what they do in our organisation.

A median gap is a calculation of the exact mid-point between the lowest and highest-paid man in the organisation versus the equivalent woman.

Quartiles are calculated by ranking the pay for each employee from lowest to highest. This list is then divided into four equal sized groups of men and women. To the right it shows the percentage of men and women in each of these groups.







Our BAME data in detail





We are committed to ensuring we are an inclusive workplace from all angles, not just in relation to gender. Therefore, we go above and beyond the legal requirements by analysing and publishing our BAME statistics. This data has been produced on the same basis as our regulatory gender pay data.

By law, we are only required to calculate and disclose our gender pay figures. Behind the scenes, we are continually assessing pay from a range of other perspectives, including in relation to our Black, Asian and Minority Ethnic ('BAME') employees. Last year, we were one of the first organisations to publish our BAME statistics and are proud to do so again this year.

Whilst our pay and bonus figures below show gaps in favour of non-BAME employees, our further analysis has shown that this is caused by having fewer BAME employees in our senior, more highly paid roles. This is a real area of focus for us and one that we are addressing through our five-point action plan. When we compared pay within each grade, our BAME staff were in fact paid more on average than our non-BAME employees.

BAME

	 BAME pay gap (mean)	 BAME pay gap (median)	 BAME bonus gap (mean)	 BAME bonus gap (median)	 BAME employees receiving bonus pay	 Non-BAME employees receiving bonus pay
PwC UK (includes all staff) at 5 April 2018	13.5%	10.1%	33.8%	31.3%	72.0%	59.6%
PwC Services Ltd at 5 April 2018	9.2%	5.8%	26.4%	25.9%	69.9%	58.6%
PwC LLP at 5 April 2018	12.7%	19.3%	33.7%	41.8%	87.2%	83.5%

 Lower quartile		 Lower middle quartile		 Upper middle quartile		 Top quartile	
NB	B	NB	B	NB	B	NB	B
77%	23%	68%	32%	71%	29%	83%	17%
77%	23%	67%	33%	70%	30%	79%	21%
87%	13%	91%	9%	92%	8%	92%	8%



What are we doing about it?

We are pleased to see that we are making progress but we also know we still have work to do, and our **five-point action plan** aims to address this by focusing on the areas where we know we can have the biggest impact (more details of which can be found in our annual report).

Senior level accountability

We're running an inclusive leadership programme to help our business leaders create an inclusive culture where difference is embraced. In addition, in our partner income allocation process, we have recognised and rewarded those partners who have made a positive contribution to the delivery of our diversity targets.

"For me, inclusion is the act of making people feel like they belong and are valued for their individual contribution. It recognises difference as a good thing. It encourages us to open opportunities to everyone – finding the best skills for our clients."

Marissa Thomas, Head of Deals at PwC

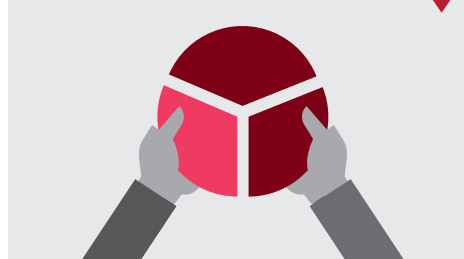


Fair work allocation

Working on high-profile projects is one way that our people can really make their mark and progress in their career. That's why we've taken a number of steps to make sure that we're providing fair access to the best work opportunities. It's about challenging assumptions to ensure that we're not always looking in the same pool when it comes to resourcing, providing more people with the opportunity to work on career-defining projects.

"Changing how the best roles are allocated is a game-changer for us and such an important part of us creating a diverse and inclusive culture."

Helen Hopkin, Head of UK workforce strategy

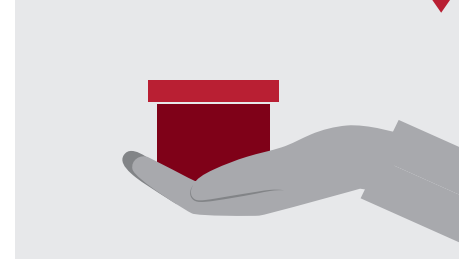


Investment in returnships

Back to Business is our six month paid senior internship programme to help senior professionals to restart their careers after an extended break. Our research shows that three in five professional women returning to the workforce are likely to move into lower-skilled or lower-paid roles. Back to Business aims to address the career break penalty and help more senior women restart their careers.

"The programme has given me a huge amount of confidence and self belief that my skills are still relevant and that I can achieve the back to work challenge. I've really enjoyed the whole scheme and would recommend it to anybody."

Back to Business participant



Recruitment activity

We're making sure that our recruitment processes, from student hires to experienced hires, are open and attractive to all. We've invested in new recruitment tools to reduce any unintended bias in our processes and are using data to monitor our progress. Banning all-male shortlists for experienced hires and our Flexible Talent Network are just some of the bold changes we've made to our recruitment process to ensure we're looking in the broadest talent pool possible.

"In order to recruit the best people, we recognise that we need to offer greater flexibility, different working options and a route back in for those looking to restart their careers."

Laura Hinton, Chief People Officer at PwC



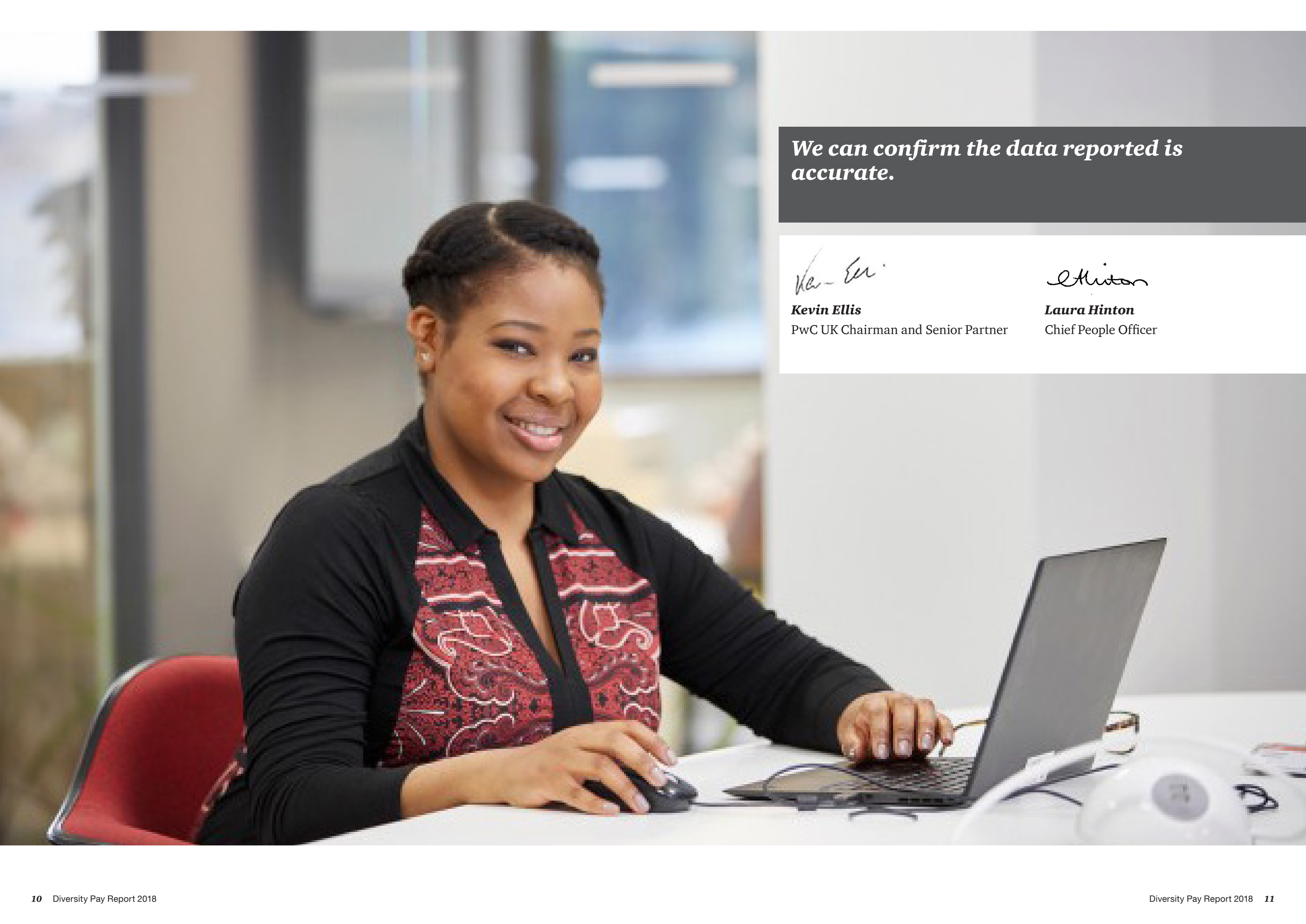
Senior progression coaches

We're investing in training more progression coaches to provide career sponsorship and advice to high-potential female and BAME directors with the potential to progress. The relationship is designed to provide structured support and guidance in areas that will support their progression. Career sponsorship is a vital part of giving individuals the network and support to reach their full potential.

"Having my sponsor open their networks to me helped me develop new relationships, which led to new business opportunities and also improved my confidence, enabling me to progress to the next level and get promoted."

Sponsorship programme participant





We can confirm the data reported is accurate.

Kevin Ellis
PwC UK Chairman and Senior Partner

Laura Hinton
Chief People Officer

www.pwc.co.uk

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